

# Robit<sup>®</sup>

## Financial Statement Bulletin 2015

Growth Company





## **ROBIT PLC FINANCIAL STATEMENTS BULLETIN JANUARY – DECEMBER 2015**

### **GROWTH CONTINUED – STRONG PLATFORM FOR FUTURE GROWTH**

Robit Plc Company Release 22 February 2016 at 11.00 a.m.

Robit Plc Financial Bulletin 1 January – 31 December 2015

In the text H2 refers to the review period 1 July – 31 December 2015

In the text H1 refers to the period January – June 2015

FY 2015 refers to the full financial year 1 January – 31 December 2015

FY 2014 refers to the full financial year 1 January – 31 December 2014

#### **JULY – DECEMBER 2015: HIGHLIGHTS - INCREASED SALES ACTIVITY**

**H2 net sales increased by 18.5 %** to EUR 23.676 million (H2/2014: 19.983).

H2 EBITA was EUR 1.713 (H2/2014: 2.345) million, decrease of 26.9 %.

H2 EBITA as percentage of net sales was 7.2 % (H2/2014: 11.7 %).

H2 net income was EUR 0.841 million (H2/2014: 1.623).

#### **JANUARY - DECEMBER 2015: HIGHLIGHTS - MARKET SHARE GROWING**

**Net sales for FY 2015 increased 19.1 %** to EUR 45.588 million (FY 2014: 38.272)

The company was **listed on the Nasdaq Helsinki** First North Finland Marketplace on 21 May.

Global market for mining and construction remained flat. Robit was still growing and increased market share.

Investments in future growth and market presence continued.

**25 new people recruited and a new subsidiary in Peru opened.**

**Continued development of offering and heavy investments in digital services and IoT.**

FY 2015 EBITA was EUR 3.448 million (FY 2014: 3.819).

FY 2015 EBITA as percentage of net sales was 7.6 % (FY 2014: 10.0 %).

FY 2015 net income was EUR 2.244 million (FY 2014: 2.925).

FY 2015 net income as percentage of net sales was 4.9 % (FY 2014: 7.6 %).

Equity ratio was 71.1 % at the end of the period under review (FY 2014: 47.4 %).

Earnings per share was EUR 0.17 at the end of the period under review and 0.14 if calculated with number of shares at the end of review period.

#### **GREAT YEAR – A YEAR OF POSITIVE PROGRESS**

“The year 2015 was one more in a chain of successful growth years and a time of renewal. Our long term CEO, Jussi Rautiainen, who led the team for eleven years, decided to step aside and will focus on achieving our strategic growth targets. Mikko Mattila started as CEO on 2 January 2016. The company was further strengthened for future growth and 2016 will continue the renewal of the company,” states Harri Sjöholm, Chairman of the Board of Directors.

**MIKKO MATTILA, GROUP CEO**

“We finished the year with encouraging organic growth of 19.1 % in net sales. I am very pleased to take the helm from Jussi, and I am very confident that together with the great members of the Robit global family we will be able to continue the great journey even further,” says Mikko Mattila.

“In May we took a big leap forward by becoming a listed company on the Nasdaq OMX Helsinki Ltd First North Finland marketplace. The extra new capital will enable us to reach the strategic growth targets set for Robit. The year 2015 was our first year as a public company and I feel that this has further strengthened our company culture.

“Looking back at 2015, the global market for drilling consumables was challenging. With the strong efforts and high dedication of our sales network we were able to serve our customers and create new relationships that enabled us to win further market share.

“A significant portion of our organic growth was driven by our extensive dealer network and our subsidiaries in the United States and South Africa. I look for similar positive effects from our new sales company in Peru and our new sales office in Thailand.

“During the year we opened the doors to the IoT world (Internet of Things) as we announced new technology for measuring borehole straightness in percussive drilling. The Robit Sense System opens up new appealing options for safety and efficiency in the drilling environment. We also launched innovative solutions such as the Robit Prime ring bit series and fiberglass casing systems.”

**MARKET REVIEW AND SALES BY TERRITORY**

(Million euro)	H2/2015	H2/2014	Change %	2015	2014	Change %
Europe and Middle East	10,1	9,2	9,8 %	19,7	18,8	4,8 %
North and South America	4,8	3,2	50,0 %	8,5	5,8	46,6 %
Asia and Oceania	4,3	3,7	16,2 %	9,0	7,3	23,3 %
Africa	2,8	2,1	33,3 %	5,3	3,2	65,6 %
Russia and CIS countries	1,7	1,8	-5,6 %	3,1	3,2	-3,1 %
	<b>23,7</b>	<b>20,0</b>	<b>18,5 %</b>	<b>45,6</b>	<b>38,3</b>	<b>19,1 %</b>

The general market situation remained challenging and we do not see signs of improvement in market activity at the beginning of 2016. However, through our investments in new employees and our active market presence, we succeeded in going against the tide and market trends and increased our global market share. Sales in our four market segments: Geothermal heating and cooling, Construction, Tunnelling and Mining, remained well balanced.

Robit sales developed positively in four out of five regions. Europe and Middle-East remained the biggest sales region with 43% of sales. The relative share that this region accounted for declined by six percentage points as Asia & Oceania, Americas and Africa all continued to see double digit organic growth. A number of new sales persons were recruited during 2015 to ensure first class service and to enable continued high growth.

The biggest growth area in euro terms was North and South America, where sales rose from EUR 5.8 million to EUR 8.5 million. During 2015 the US subsidiary, Robit Inc. hired new personnel and further expanded the customer base. It also won complex piling projects, which will in future be good references for gaining new customers. To further improve service and availability in South America, Robit established a new sales company in Lima, Peru. The Peru subsidiary will in future form the hub for the South American market.

Sales in the Asia and Oceania region continued to grow, with year on year organic growth of 23.3% . Total sales for this region amounted to EUR 9.0 million, or 20% of the company's total sales. The active sales work in the Korean market and in other Asian countries further increased sales in this region. The developing markets in South East Asia offer interesting opportunities for further growth. In January 2016 the Robit Thailand sales office was opened in Bangkok. This sales office will further reinforce the company's presence in Asia.

In Africa organic growth continued as sales increased 65.6% from EUR 3.2 million to EUR 5.3 million. Robit SA (Pty) Ltd in South Africa contributed a big part of the growth in the region. 2015 was the first full operational year for Robit SA. The South African subsidiary has played an important role in obtaining major mining customers in southern Africa. Sales in the northern part of Africa also developed positively as new sales resources were allocated to this region.

Russia and the CIS countries was the only region where sales did not grow. The weak economic situation, the decline of the ruble against the euro and the EU sanctions resulted in a slight decrease in sales (-3.1%) in this region compared to the previous year. Despite the challenges in the Russian economy, Robit subsidiary Robit OOO was able to more than double its ruble-denominated local sales from 2014, showing again the importance of a local presence and the opportunities this offers. Robit aims to keep its position in the area long term.

In conclusion, if overall economic activity in the world and in our target markets picks up, we believe we will exceed our organic growth targets in the long term.

#### NET SALES BY BUSINESS\*

(Million euro)	H2/2015	H1/2015	H2/2014	H1/2014	2015	2014	Change %
Top Hammer	15,3	14,6	12,5	12,2	29,9	24,8	20,9 %
Down-the-Hole	8,4	7,3	7,5	6,1	15,7	13,5	15,9 %
	<b>23,7</b>	<b>21,8</b>	<b>20,0</b>	<b>18,3</b>	<b>45,6</b>	<b>38,3</b>	19,1 %

\* Sales split between Top Hammer and Down-the-Hole business has been reclassified from information shown in offering memorandum.

During H2 and for full year 2015, sales for both the Top Hammer (TH) and the Down-the-Hole (DTH) business developed positively. The increase in sales in the TH business for FY 2015 was 20.9 %. Thanks to our continuous development of our dealer network and the quality of our Top Hammer products, we were able to win new customers and increase our sales. One further driver for organic growth was the offering of a full package of bits and drill steel products to our dealer network and end users.

The Down-the-Hole business increased 15.9 %. We continued to develop our DTH products and this had a positive impact on our sales. With our expertise in challenging piling projects together with our high quality products, we won major deals in Scandinavia and North America. Our market leader position in Finland for geothermal heating and cooling gives us strong confidence that we can further increase our sales in other countries as well. In Finland geothermal drilling is more widely used in industrial heating and cooling applications. We see that in Scandinavia geothermal heating as an environmentally friendly heating method is becoming the preferred heating method for new residential and industrial buildings. It is very possible for this trend to expand to new countries, which will increase our sales potential.

#### RESEARCH AND DEVELOPMENT - DEVELOPING THE OFFERING

The Digital Service business was further strengthened during 2015. The Company is convinced that the investments in digitalization and IoT will give totally new business opportunities in the near future. The Digital Service business will focus on providing new digital technologies to customers operating with Top Hammer and Down-the-Hole drilling applications. Initially the offering comprises the unique drill hole

measurement technology branded as Robit Sense Systems. With this system the straightness of a drill hole can be measured utilising special technology that is integrated into a standard drill string and rig. The results can be obtained immediately after the hole has been drilled, unlike existing manual systems, where measuring is carried out as a separate operation afterwards. Robit Sense Systems was launched at the international Intermat trade fair in Paris during H1/2015.

Robit Sense Systems has been piloted successfully with several customers in Scandinavia. The next step is the commercial roll out during 2016 in selected regions. The development of additional functionalities for the Sense Systems product family and the development of the ecosystem will also continue in 2016.

The new 76 millimetre RoX glass fiber reinforced polymer (GFRP) casing system for the tunnelling segment was introduced for the Top Hammer business. This system will allow Robit customers to drill an average of 20 metre face bolt holes with less than 1% deviation, which brings clear savings in time and increased safety for drilling in tunnel projects.

During 2015 we continued to develop our large size (+400 mm) DTH sales with a focus on construction piling projects. This had a visible impact especially in major piling projects, for which the company has obtained strong references for example in North America and Scandinavia. For micropiling, the new Robit Prime series was launched. The new series is specially designed for Scandinavian threaded casing piles. This application also offers a drill through feature, which is very suitable for the North American market.

In order to adjust ourselves to changing market situations, we are constantly optimizing and developing our product range in a dynamic way. Our new global cloud based ERP system enables us to have better transparency and real time information on our product availability and customer behaviour.

The company has capitalized patent and research and development cost during 2015 in total of EUR 0.7 million (FY 2014: 0.5). Total costs in relation to research and development were 3.0 % of net sales (FY 2014: 2.1 %).

## PROFITABILITY AND KEY FINANCIALS

	H2/2015	H2/2014	Change %	2015	2014	Change %
Net Sales, EUR 1,000	23 676	19 983	18,5 %	45 588	38 272	19,1 %
Net Sales growth, percent	18,5 %	-		19,1 %	12,7 %	
Gross profit	7 747	6 277	23,4 %	14 683	11 337	29,5 %
Gross profit, percent	32,7 %	31,4 %		32,2 %	29,6 %	
EBITDA, EUR 1,000	2 713	2 888	-6,1 %	5 066	4 765	6,3 %
EBITDA, percent of sales	11,5 %	14,5 %		11,1 %	12,5 %	
EBITA, EUR 1,000	1 713	2 345	-26,9 %	3 448	3 819	-9,7 %
EBITA, percent of sales	7,2 %	11,7 %		7,6 %	10,0 %	
Operating profit, EUR 1,000	1 683	2 316	-27,3 %	3 389	3 761	-9,9 %
Operating profit, percent of sales	7,1 %	11,6 %		7,4 %	9,8 %	
Net income for the review period	841	1 623	-48,2 %	2 244	2 925	-23,3 %
Net income for the review period, percent of sales	3,6 %	8,1 %		4,9 %	7,6 %	
EPS, adjusted for share split	-	-		0,17	0,29	-51,0 %
Return on equity, percent	-	-		7,4 %	25,4 %	
Return on capital employed (ROCE), percent	-	-		9,5 %	21,2 %	
Net interest-bearing debt, EUR 1,000	-22 070	6 866	-421,4 %	-22 070	6 866	-421,4 %
Equity ratio, percent	71,1 %	47,4 %		71,1 %	47,4 %	
Gearing, percent	-46,1 %	52,9 %		-46,1 %	52,9 %	
Gross investments, EUR 1,000	3 389	1 140	197,3 %	7 732	1 731	346,7 %
Gross investments, % of sales	14,3 %	5,7 %		17,0 %	4,5 %	
R&D costs, % of sales	3,1 %	2,1 %		3,0 %	2,1 %	
Average number of employees	129	111	16,2 %	124	109	13,8 %
Number of employees at the end of period	134	109	22,9 %	134	109	22,9 %



Robit continued to grow despite quite a tough market situation. Looking at the profitability indicators, the gross margin continued to develop positively compared with the previous year. Robit has been able to maintain its price levels. Key factors in the improvement in the gross profit margin have been higher volumes, and the reductions in raw material prices and in subcontracting costs.

For FY 2015 EBITDA was EUR 5.1 million (FY 2014: 4.8). The EBITDA margin decreased from 12.5 % to 11.1 %. The main factors contributing to this decrease were related to future growth, which can be seen in the increase in personnel expenses (increase of 27.6 %) and the increase in other operating expenses (increase of 20.1 %). During 2015 the company recruited a total of 25 new employees and the total number of employees at the end of December 2015 was 134. Recruitment was mainly for sales and customer service positions, to ensure that future organic and strategic growth targets can be met. Investments in resources in front line sales and in an active market presence allowed us to gain more market share and increase our sales in 2015 despite the challenging market situation.

For FY 2015 EBITA was EUR 3.4 million (FY 2014: 3.8). The main factor in the decrease in EBITA was increased depreciation. Depreciation for FY 2015 was EUR 1.7 million (FY 2014: 1.0). The increase in depreciation was mainly due to normal investments in machinery and equipment, capitalized IPO costs, capitalized expenses in relation to the new ERP investment, and capitalized expenses in relation to the Robit Sense system.

Total financial income and expenses for FY 2015 were EUR -0.4 million (FY 2014: EUR -0.1). Financial income was EUR 0.4 million (FY 2014: 0.4). Financial expenses increased from EUR 0.5 million to EUR 0.9. Financial expenses included normal loan expenses amounting to EUR 0.3 million and a negative foreign currency exchange effect amounting to EUR 0.6 million. The main factor in the unfavourable currency exchange effect was the negative development of the South African rand against the euro.

For FY 2015 the return on equity was 7.4 % and the return on capital employed was 9.5 %. Both percentages declined since the funds obtained in the public offering were in the company's account at the end of the period under review. The return on operative capital employed was 17.3 %. The company's cash and cash equivalents amounted to EUR 33.4 million (FY2014: 1.6) and the net debt was EUR -22.1 million (FY 2014: 6.9). The equity ratio was 71.1 %. The company intends to use the funds received in the listing to finance further growth.

Earnings per share were EUR 0.14.

## **FINANCIAL TARGETS**

The company's plan is to continue to grow in line with the target set in its strategy of annual organic growth in net sales of a minimum of 15 % per annum. Net sales in FY 2015 increased 19.1 % from the comparative period. The company's long-term (10 year) average annual growth has been 23 %.

Robit's target is to further improve profitability in order to achieve the long-term strategic target of EBITA of +13 %. This will be achieved primarily through growth in net sales, since fixed costs will then account for a smaller proportion of net sales as Robit has made significant investments during 2014 and 2015 to build the base for high growth. At the same time company management continues to further optimize variable cost factors.

## **NET WORKING CAPITAL AND INVESTMENTS**

Net working capital at the end of review period was EUR 14.6 million (FY 2014: 13.5). The company's cash flow from operations during FY 2015 was EUR 2.9 million (FY 2014: 0.7). Investments totalled EUR 7.7 million (FY 2014: 1.7). The company's main investments for FY 2015, in addition to the capitalized costs in relation

to the public offering (EUR 2.6 million) and the cloud based global ERP system (EUR 0.3 million), focused on R&D (EUR 0.7 million) and machinery and equipment (EUR 2.3 million). During FY 2015 the company also purchased additional real estate next to the Lempäälä factory. The amount invested was EUR 1.1 million. This new facility, Robit Technology Center, will house operations related to product and production technology. The additional space ensures the Company has the space needed for further growth.

At year end 2015 EUR 9.2 million was tied up in trade receivables (FY 2014: EUR 6.3). Trade receivables grew at the end of the year due to increased sales volumes. The last three months of the review period were also among the highest selling months in the history of Robit.

Inventories amounted to EUR 11.7 million (FY 2014: 11.8). Inventories decreased by EUR 0.16 million from the comparative period. The company launched an inventory optimisation project in Q2/2015, with the target of reducing inventories by 15 % while still maintaining an excellent service capability for customers. The total inventory at the end of H1 2015 was EUR 14.6 million. The project was successfully carried out as inventories decreased by EUR 2.9 million during H2 2015.

Interest-bearing debts at the end of review period were EUR 11.3 million (FY 2014: 8.5), an increase of EUR 2.8 million. New loans were utilized mainly for machinery and for the investment in the Robit Technology Center. The company's decision was not to utilize the IPO funds for these investments since interest rates are so low. Net debt at the end of the year was EUR -22.1 million (FY 2014: 6.9).

#### **SHARES AND SHARE TURNOVER**

On 31 December 2015 the company had 15,883,900 shares.

The company was listed on the Nasdaq OMX Helsinki First North Finland Marketplace on 21 May, and as a result the company obtained EUR 30.4 million in the share issue after related costs.

On 31 December 2015 the company had 889 shareholders.

On 31 December 2015 the company holds 99,567 own shares (0.6 % of the shares).

The subscription price in the Initial Public Offering (IPO) was EUR 5.70. The average share price based on closing prices during H2 was EUR 5.86, and EUR 5.89 for the period from the listing to the end of 2015. The highest closing price during the year was EUR 6.24 and the lowest EUR 5.41. At the end of December 2015, the closing price was EUR 5.68 per share and Robit had a market capitalization of EUR 90.2 million. The number of shares traded between 21 May and 30 December was 4.08 million, which is 26 % of the total number of shares. When excluding the block sale related to the IPO, 9 % of the total number of shares were traded during the year.

Robit has one share series and all shares have equal voting rights. Each share is entitled to one vote at the annual general meeting.

#### **PERSONNEL, MANAGEMENT AND ADMINISTRATION**

The number of personnel increased in 2015 by 25 from year end 2014, with the total number of personnel being 134 at the end of the period under review. The increase in personnel has been as planned, to enable the company to grow further. More than 50 % of new personnel were hired for sales and marketing or for customer service positions to secure future growth.

Jussi Rautiainen (51), served as Group CEO until 2 January 2016. Mikko Mattila (38), M.Sc. (Eng.) was appointed as the new Group CEO. Mr. Mattila has been working in the organization and has had a long, 15 year career at Robit Plc. He has, for example, been responsible for the take-over and integration of the



South Korean acquisition. Mr. Rautiainen will continue in the company and will focus on structural growth options.

In order to facilitate Robit's growth strategy, we have continued to invest in our personnel. More emphasis has been given to our hiring and training practices. During 2015 Robit's ability to attract talented personnel has further increased, which can be seen in an increase in the number of applications received. During 2015 the Robit Talent program was launched. The basic principle in the talent program is to hire highly-educated young people and train them in-house by our experienced employees. With this method we can ensure the transfer of valuable experience-based know-how within our organization.

Young and talented employees are a great asset for us. Our age demographics are well balanced and the average age is 39 years. We also place strong emphasis on work safety, and this has resulted in zero occupational accidents resulting in an absence from work during 2015.

### **RISKS AND UNCERTAINTIES**

The risks and uncertainties to which the company is exposed relate to the company's business environment, to any changes in this, and to global economic developments. Prospects especially in the euro zone and in Russia are uncertain. During H2 there were no significant changes in Robit's risks and uncertainties.

Additional uncertainty factors are: The development in currency exchange rates, which was seen e.g. in development of South African rand, the introduction of new information systems and their smooth operation, risks relating to delivery reliability and logistics, IPR risks and uncertainties relating to the company's operations and corporate governance issues. Changes in the tax and customs regulations in export countries may also complicate the company's export activities or affect their profitability.

The risks can mainly have a negative impact on the company's growth, on its financial position and result, and on its corporate image. Company management does not consider these risks and uncertainties to be significant at the end of the period under review.

The prospectus published in relation to Robit's Initial Public Offering contains a more detailed description of the company's risks and risk management.

### **FUTURE OUTLOOK**

Our long term financial targets are to reach annual organic growth of 15% and to achieve an EBITA margin of 13 %. We believe we are on the right path to reach these targets. We also believe that the weak market environment gives us excellent room to grow our market share with our consumable focused strategy. Our global market share is still modest, so there is plenty of room to grow. According to the management this will also mean that the company will further strengthen its market share and market position. Company's strategic target is to double our global market share. Continuous growth can also be seen to have a positive effect on our employees, who are enthusiastic and hungry for growth.

The company is looking for structural growth in line with its strategy, through acquisitions. The company continues to evaluate potential acquisition candidates in a controlled manner. In the view of company management, consolidation will continue to take place in the global market. The company aims to be an active player in this.

### **SIGNIFICANT EVENTS AFTER THE END OF THE REVIEW PERIOD**

The Company has decided to issue new shares in Robit SA (Pty) Ltd to Robit SA employees. After the share issue Robit Plc will own 70% of Robit S.A. (Pty) Ltd. This will ensure that the company is in compliance with South African laws and regulations. It also supports the local black people by following the rules and

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regulations of the Black Economic Empowerment program, which aims to improve the socioeconomic development of black people in South Africa.

On 1 February 2016 Antti Leino, 41, M.Sc. (Eng.) was appointed a member of the Management Team. He is responsible for Group research and development with the title of VP R&D.

On 1 February 2016 Jorma Pyykkö (42), B.Sc. (Eng.) was appointed a member of the Management Team. He is responsible for global manufacturing and sourcing with the title of VP Supply.

Robit Plc continues its renewal. To support this, the company has changed its organizational structure. The Company has established three new strategic business units (SBU): the Top Hammer, Down-the-Hole (DTH) and Digital Services units. With this organizational change the company is aiming at even stronger growth and renewal.

### **BOARD PROPOSAL FOR THE DISTRIBUTION OF PROFIT**

The parent company's non-restricted equity on 31 December 2015 is EUR 45,119,803.95, of which the net profit for the financial year is EUR 1,860,211.33.

The Board of Directors proposes to the Annual General Meeting that a dividend of EUR 0.04 be paid on the outstanding 15,784,333 shares, resulting in a total proposed dividend of EUR 631,373.32.

The Board proposes that the dividend will be payable from 31 March 2016. All the shares existing on the dividend record date are entitled to the dividend for 2015 except for the own shares held by the parent company.

### **FINANCIAL INFORMATION EVENTS**

An analyst and press conference in connection with the publication of the financial statements bulletin will be held in English for analysts, investors and media representatives on Monday 22 February 2016 at 13.00 Finnish time. The conference will take place in Helsinki at the premises of Event Arena Bank, Unioninkatu 20, Union Square Auditorium (entrance through Unioninkatu 22, Havis Business Center). Doors will open at 12.30.

The conference can also be viewed as a live video cast at <http://live.mentoraid.fi/K4G2rJ>. Registration is not required.

The presentation material and a recording of the conference will be available on the company's website at <http://www.robite.fi/investors/financial-information/>

### **FINANCIAL INFORMATION AND REPORTING SCHEDULE IN 2016**

Robit Plc will publish the Annual Report and the audited Financial Statement for 2015 on its website during week 8.

The Annual General Meeting will be held on Friday 18 March 2016 at 14.00 Finnish time in Lapland Hotel in Yliopistonkatu 44 in Tampere. If a shareholder proposes an issue to be considered at the meeting or to be added to the agenda, they should inform the Company by 16.00 Finnish time on Thursday 10 March 2016 via email [investors@robite.fi](mailto:investors@robite.fi).

Half year Interim Report for January – June 2016: Monday 15 August 2016 at 11.00 Finnish time.

**AUDITED FINANCIAL STATEMENTS BULLETIN 1.1.-31.12.2015****ACCOUNTING PRINCIPLES**

This report has been prepared in accordance with good accounting practice and the Finnish accounting standard (FAS). The figures have been audited. The figures have been rounded, so the amounts presented in the spreadsheet rows and columns may differ from the total figures for the same.

**CONSOLIDATED INCOME STATEMENT (FAS)**

EUR (1000)	H2/2015	H2/2014	1-12/2015	1-12/2014
<b>Net sales</b>	<b>23 676</b>	<b>19 983</b>	<b>45 588</b>	<b>38 272</b>
Change in finished goods and work-in-progress inventories	87	817	1 103	2 468
Production for own use	46	62	232	94
Other operating income	127	121	169	175
Materials and services	-14 308	-12 059	-27 789	-24 746
Personnel expenses	-3 684	-3 090	-7 339	-5 753
Depreciation and amortisation	-1 030	-573	-1 676	-1 005
Other operating expenses	-3 231	-2 945	-6 899	-5 745
<b>OPERATING RESULT</b>	<b>1 683</b>	<b>2 316</b>	<b>3 389</b>	<b>3 761</b>
Financial income and expenses	-455	-55	-406	-84
<b>RESULT BEFORE CLOSING ENTRIES AND TAXES</b>	<b>1 229</b>	<b>2 261</b>	<b>2 983</b>	<b>3 677</b>
Income taxes and changes in deferred taxes	-388	-638	-739	-752
<b>PROFIT FOR THE REPORTING PERIOD</b>	<b>841</b>	<b>1 623</b>	<b>2 244</b>	<b>2 925</b>
<b>CONSOLIDATED NET INCOME</b>	<b>841</b>	<b>1 623</b>	<b>2 244</b>	<b>2 925</b>





**CONSOLIDATED BALANCE SHEET (FAS)**

EUR (1000)	31.12.2015	31.12.2014
<b>ASSETS</b>		
<b>Non-current assets</b>		
Intangible assets	3 720	742
Tangible assets	7 047	4 970
Investments	241	245
<b>Non-current assets total</b>	<b>11 008</b>	<b>5 957</b>
<b>Current assets</b>		
Inventories	11 679	11 838
Long term receivables	717	743
Short term receivables	10 737	7 639
Securities	31	30
Cash and cash equivalents	33 353	1 559
<b>Current assets total</b>	<b>56 517</b>	<b>21 809</b>
<b>TOTAL ASSETS</b>	<b>67 525</b>	<b>27 767</b>



**CONSOLIDATED BALANCE SHEET (FAS)**

<b>EUR (1000)</b>	<b>31.12.2015</b>	<b>31.12.2014</b>
<b>EQUITY AND LIABILITIES</b>		
Share capital	705	705
Share issue	0	0
Share premium	202	202
Other reserves	33 693	599
Translation difference	-267	15
Retained earnings (losses)	11 348	8 530
Result for the financial period	2 244	2 925
<b>Total equity</b>	<b>47 924</b>	<b>12 976</b>
<b>Obligatory provisions</b>		
Other obligatory provisions	430	349
<b>Total obligatory provisions</b>	<b>430</b>	<b>349</b>
<b>Liabilities</b>		
Long term liabilities		
Loans from financial institutions	7 058	5 207
<b>Total long term liabilities</b>	<b>7 058</b>	<b>5 207</b>
<b>Short term liabilities</b>		
Loans from financial institutions	4 257	3 248
Advances received	132	289
Accounts payable	5 609	3 984
Payables to group companies	0	22
Deferred tax liability	224	131
Other liabilities	574	346
Accrued liabilities	1 318	1 215
<b>Total short term liabilities</b>	<b>12 113</b>	<b>9 235</b>
<b>Total liabilities</b>	<b>19 171</b>	<b>14 442</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>67 525</b>	<b>27 767</b>

**CONSOLIDATED CASH FLOW STATEMENT (FAS)**

EUR (1000)	H2/2015	H2/2014	1-12/2015	1-12/2014
<b>Cash flow from operations:</b>				
Profit (loss) before extraordinary items	1 227	2 262	2 983	3 677
Adjustments:				
Depreciation according to plan	1 030	574	1 676	1 005
Financial income and expenses	455	55	406	84
Other adjustments	0	93	0	93
<b>Cash flow before change in working capital</b>	<b>2 713</b>	<b>2 983</b>	<b>5 066</b>	<b>4 858</b>
Change in working capital				
Increase (-)/ decrease (+) of current trade receivables	-93	1 678	-3 110	-232
Increase (-) / decrease (+) of inventories	2 892	-1 252	159	-4 108
Increase (+) / decrease (-) of current payables	-4 018	-1 794	1 951	1 063
<b>Cash flow before taxes</b>	<b>1 494</b>	<b>1 615</b>	<b>4 066</b>	<b>1 581</b>
Financial expenses paid in operations	-554	-320	-851	-522
Received interest	99	264	444	438
Income taxes paid	-367	-626	-728	-760
Cash flow before extraordinary items	671	933	2 932	737
<b>Cash flow from operations (A)</b>	<b>671</b>	<b>933</b>	<b>2 932</b>	<b>737</b>
<b>Cash flow from investments:</b>				
Investments in tangible & intangible items	-2 388	-1 142	-6 731	-1 713
Loans granted	0	-375	0	-374
Investments in other items	0	0	0	0
Change in non-current receivables	11	13	37	49
Income from disposal of other investments	0	0	0	0
<b>Cash flow from investments (B)</b>	<b>-2 377</b>	<b>-1 504</b>	<b>-6 695</b>	<b>-2 038</b>
<b>Cash flow before financing (A+B)</b>	<b>-1 707</b>	<b>-571</b>	<b>-3 763</b>	<b>-1 301</b>
<b>Cash flow from financing:</b>				
Rights issue	46	374	33 094	374
Purchase of own shares	-47	-145	-47	-145
Change in translation difference	-2	178	83	211
Change in current liabilities	1 121	1 442	1 008	937
Change in non-current liabilities	-170	-580	1 851	-543
Dividends and other payout of profits	-1	-6	-433	-429
<b>Cash flow from financing (C)</b>	<b>949</b>	<b>1 265</b>	<b>35 557</b>	<b>405</b>
<b>Change in cash (A+B+C) increase (+) / decrease (-)</b>	<b>-758</b>	<b>694</b>	<b>31 794</b>	<b>-896</b>
Cash in the beginning of period	34 111	863	1 559	2 455
Cash in the end of period	33 353	1 559	33 353	1 559
<b>Cash change in balance sheet</b>	<b>-758</b>	<b>696</b>	<b>31 794</b>	<b>-896</b>



**INCREASES AND DECREASES IN EQUITY DURING THE FINANCIAL YEAR**

EUR (1000)	31.12.2015	31.12.2014
Share capital 1.1	705	705
Share capital 31.12	705	705
Share premium reserve	202	202
Invested unrestricted equity reserve 1.1	599	225
Share issue with consideration on 21.5 / 19.12	33 094	374
<b>Invested unrestricted equity reserve 31.12</b>	<b>33 693</b>	<b>599</b>
Retained earnings of previous financial periods on 1 Jan.	8 545	6 803
Profit /loss of the previous financial period, carry forward	2 925	2 105
Distribution of dividend	-433	-429
Acquisition of own shares	-47	-145
Average rate difference	-39	28
Changes in translation differences	129	183
<b>Retained earnings of previous financial periods on 31 Dec</b>	<b>11 081</b>	<b>8 545</b>
Profit (loss) for the financial year	2 244	2 925
	<b>13 325</b>	<b>11 470</b>
Tied equity	907	907
Unrestricted shareholders' equity	47 017	12 069
<b>Equity</b>	<b>47 924</b>	<b>12 976</b>

**CONSOLIDATED KEY FIGURES**

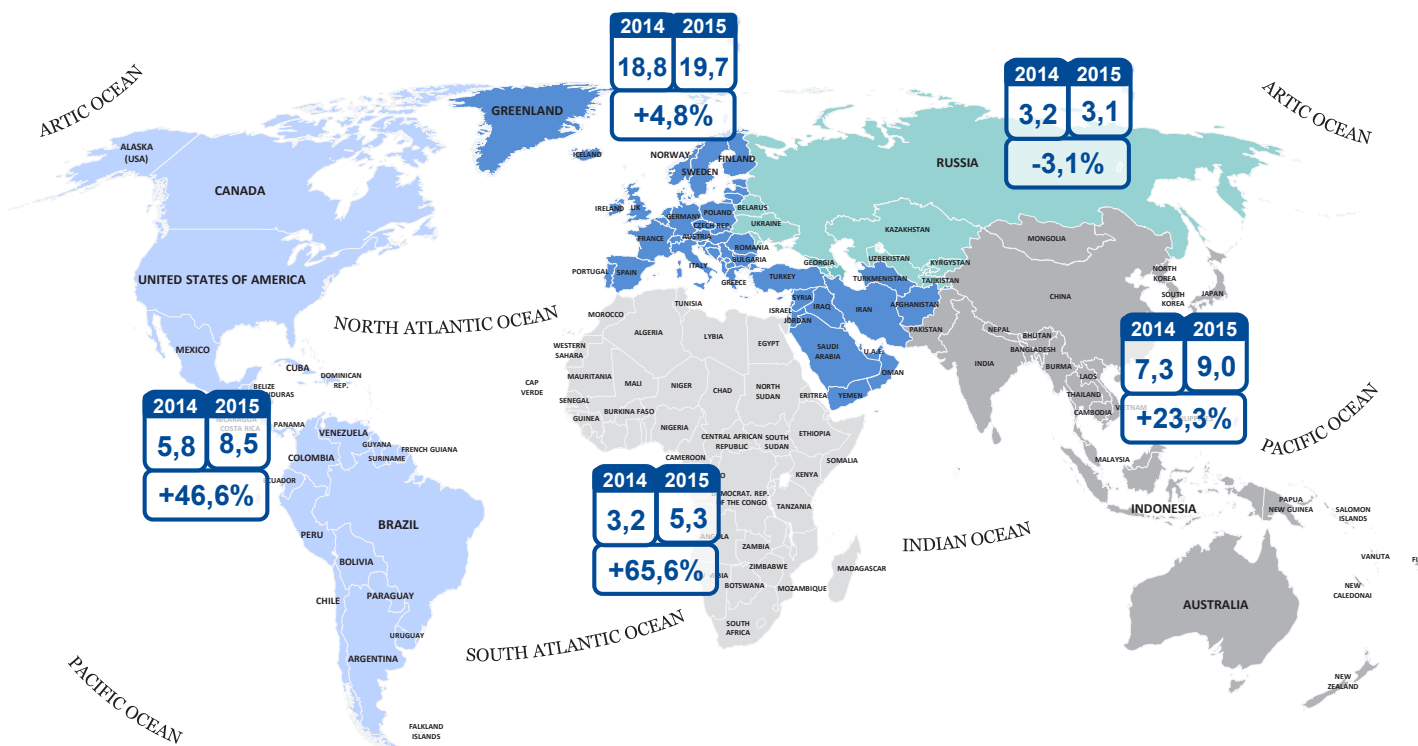
EUR	H2/2015	H2/2014	Change - %	1-12/2015	1-12/2014
Net sales	23 675 320	19 982 660	18,5 %	45 588 320	38 272 383
Operating profit	1 683 496	2 315 765	-27,3 %	3 389 496	3 760 889
Operating profit, percent of sales	7,1 %	11,6 %	-	7,4 %	9,8 %
Earnings per share after share split	-	-	-	0,17	0,30
Return on equity %	-	-	-	7,4 %	25,4 %
Equity ratio %	71,1 %	47,4 %	50,0 %	71,1 %	47,2 %
Return on capital employed (ROCE), %	-	-	-	9,5 %	21,2 %
Net gearing %	-46,1 %	52,9 %	-	-46,1 %	52,9 %
Gross investments (1000 euro)	3 389	1 140	197,3 %	7 732	1 731
Investments, percent of sales	14,3 %	5,7 %	-	17,0 %	4,5 %
Number of shares (shares out)	15 784 333	66 563	-	15 784 333	66 563
Own shares % of total shares (owned by group)	99 567	663	-	99 567	663
Percentage of votes / shares	0,6 %	1,0 %	-	0,6 %	1,0 %

Helsinki, 22 February 2016

Board of Directors  
Robit Plc

**CALCULATION OF KEY FIGURES**

Gross profit	=	Net Sales – Variable expenses in relation to manufacturing
EBITDA	=	Operating profit + Depreciation and amortisation
EBITA	=	Operating profit + Amortisation of goodwill
Earnings per share (EPS), EUR	=	$\frac{\text{Profit (loss) for the financial year}}{\text{Amount of shares adjusted with the share issue (average during the financial year)}}$
Return on equity, percent	=	$\frac{\text{Profit (loss) for the financial year}}{\text{Equity (average during the financial year)}} \times 100$
Return on capital employed (ROCE), percent	=	$\frac{\text{Profit before appropriations and taxes + Interest expenses and other financing expenses}}{\text{Equity (average during the financial year) + Interest-bearing financial liabilities (long-term and short term loans from financial institutions, average during the financial period)}} \times 100$
Net interest-bearing debt	=	Long-term and short-term loans from financial institutions – Cash and cash equivalents – Short-term financial securities
Equity ratio, percent	=	$\frac{\text{Equity}}{\text{Balance sheet total – Advances received}} \times 100$
Gearing, percent	=	$\frac{\text{Net interest-bearing financial liabilities}}{\text{Equity}} \times 100$



Robit Plc  
Financial Statements Bulletin 2015 – Based on audited financial statements

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**Robit is a Finnish company selling and servicing global customers in drilling consumables for applications in tunnelling, geothermal heating and cooling, construction, and mining industries.**

**The Company's business is divided into Top Hammer, Down the hole and Digital Services business units. The Company has eight own offices and active sales networks in 115 countries. The Company has production in Finland and South Korea.**

**The company is listed in Nasdaq Helsinki Ltd First North Finland marketplace with trading code ROBIT. For more information see [www.robit.fi](http://www.robit.fi)**

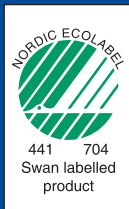
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