

# Robit®

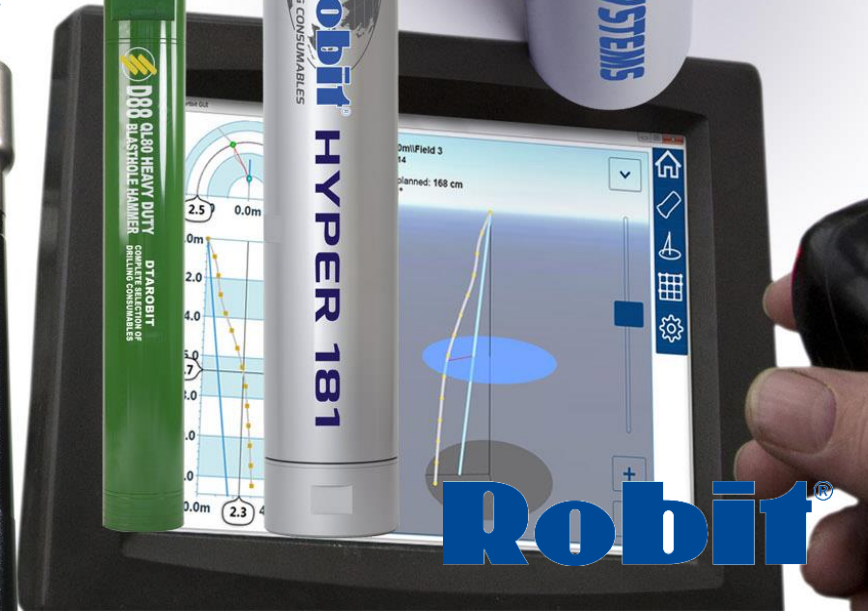
## Interim Report

January – June 2016



# Highlights 1-6/2016

- Challenging market featured the period – Q2/2016 looked better
  - H1/2016 net sales dropped –4,0 % from H1/2015
  - Q2/2016 increased +3,6 % from Q2/2015
  - Q2/2016 increased +23,4 % from Q1/2016
- Acquisitions played an essential role during H1/2016
  - Drilling Tools Australia Pty Ltd was acquired on 30 June 2016
  - Bulroc (UK) Ltd was acquired immediately after period on 5 July 2016
- Down the Hole business segment was strengthened significantly



# Our Vision

**100 % Consumables & Market Share Doubled**

## Applications

production drilling

well drilling

horizontal drilling

anchoring

site investigation

drifting & tunneling

bench drilling

forepoling

micropiling & underpinning

piling



**1** Top Hammer Business Unit



**2** Down-the-Hole Business Unit



**3** Digital Services Business Unit

**Robit structure (SBUs)**

**Strategic targets**

Organic growth

Structural growth

Cost competitiveness

Turnover/capita >500k€

# Global Platform Ready for Growth

- Four manufacturing plants with own focus
- Improved regional service thanks to regional Hubs – closer to customers

**Top  
Hammer**



**South Korea**



**Down the  
Hole**



**UK**



**Robit®**

# Global Platform Ready for Growth

- Robit advanced from international company to global
- 12 own offices and 160 dealers service global customers with **new wider offering**
- New offering having Top Hammer, Down the Hole and future technology raises Robit to a **top supplier** in drilling consumables
- Strategic **targets** were reached



# Global Platform Ready for Growth

- Three SBUs (Strategic Business Units) enable new growth per segment
- Each SBU with own growth opportunities will be attacked



Top Hammer SBU



Down the Hole SBU



Digital Services SBU

# Global Platform Ready for Growth

- Robit has strengthened the management with new VPs responsible for SBUs
- A new CEO was nominated on 2 January 2016
- A new CFO starts on 1 September 2016
- The total amount of employees is 214 at the end of period (incl. DTA)



# Market Segments – Well Balanced

## Thermal & Water Wells



## Construction



## Tunneling



## Mining





# Top Hammer Essentials

- Korea plant has increased the volume in rod and shank production
- Total packages offered to customers
- DTA acquisition will open the mining market to TH products in Australia – annual supply agreements
- Button bit manufacturing will be started in Australia – Perth



Full package

Shanks

Couplings

Rods

Bits

# Down the Hole Essentials

- Drilling Tools Australia Pty Ltd (DTA) and Bulroc (UK) Ltd acquisitions closed
- Robit has the widest range of DTH hammers
- Total, bigger packages offered to customers – total solutions
- Brand management will be essential



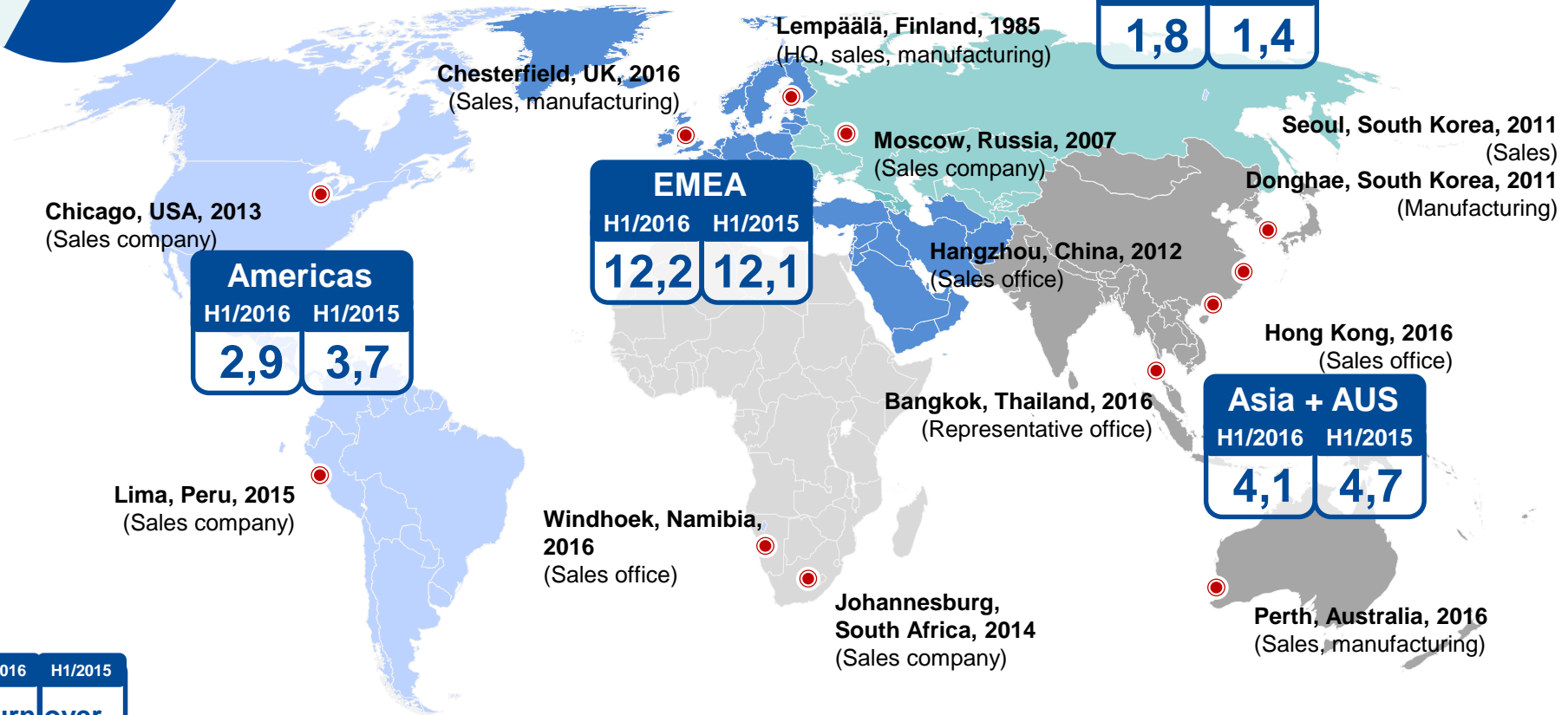
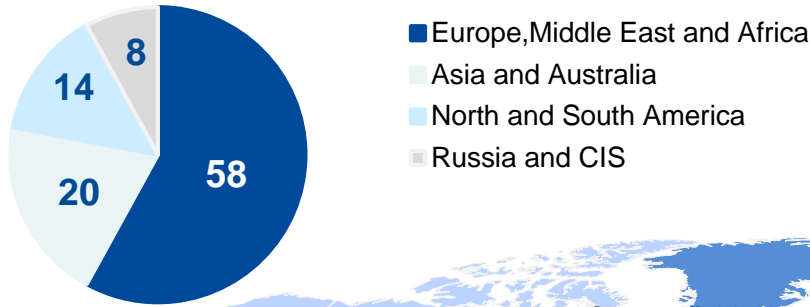
# Digital Services Essentials

- Long-term tests delivered concept confidence
- Active partnership negotiations at various business levels
- Great interest among the customers and in the industry
- Key technologies: IoT, Big Data, digitalization, cloud services
- Robit wants to show a technology leader brand and give new value-add to customers



# Global Platform – 12 Own Units, 160 Dealers

Sales split by geography H1/2016, %



H1/2016	H1/2015
Turnover	Turnover

● Robit presence



# Robit Plc H1/2016 in Brief

**21.031 EURm**

Net sales

**1.5 EURm**

EBITA

**43,7 %**

Equity ratio

**9,3 %**

Return on capital employed (ROCE)

**2.515 EURm**

Cash flow before changes in working capital

**0,07 EUR**

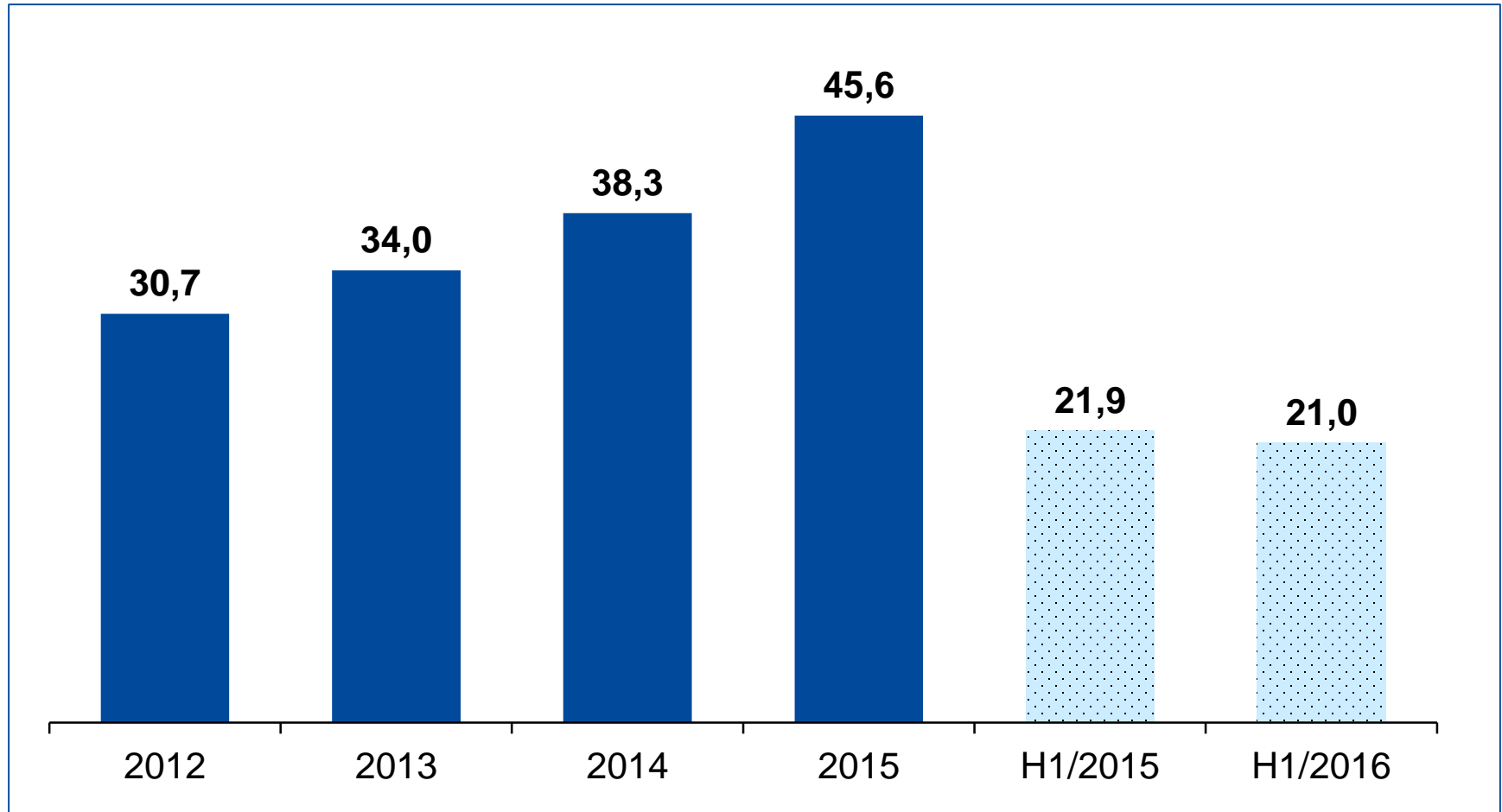
Earnings per share



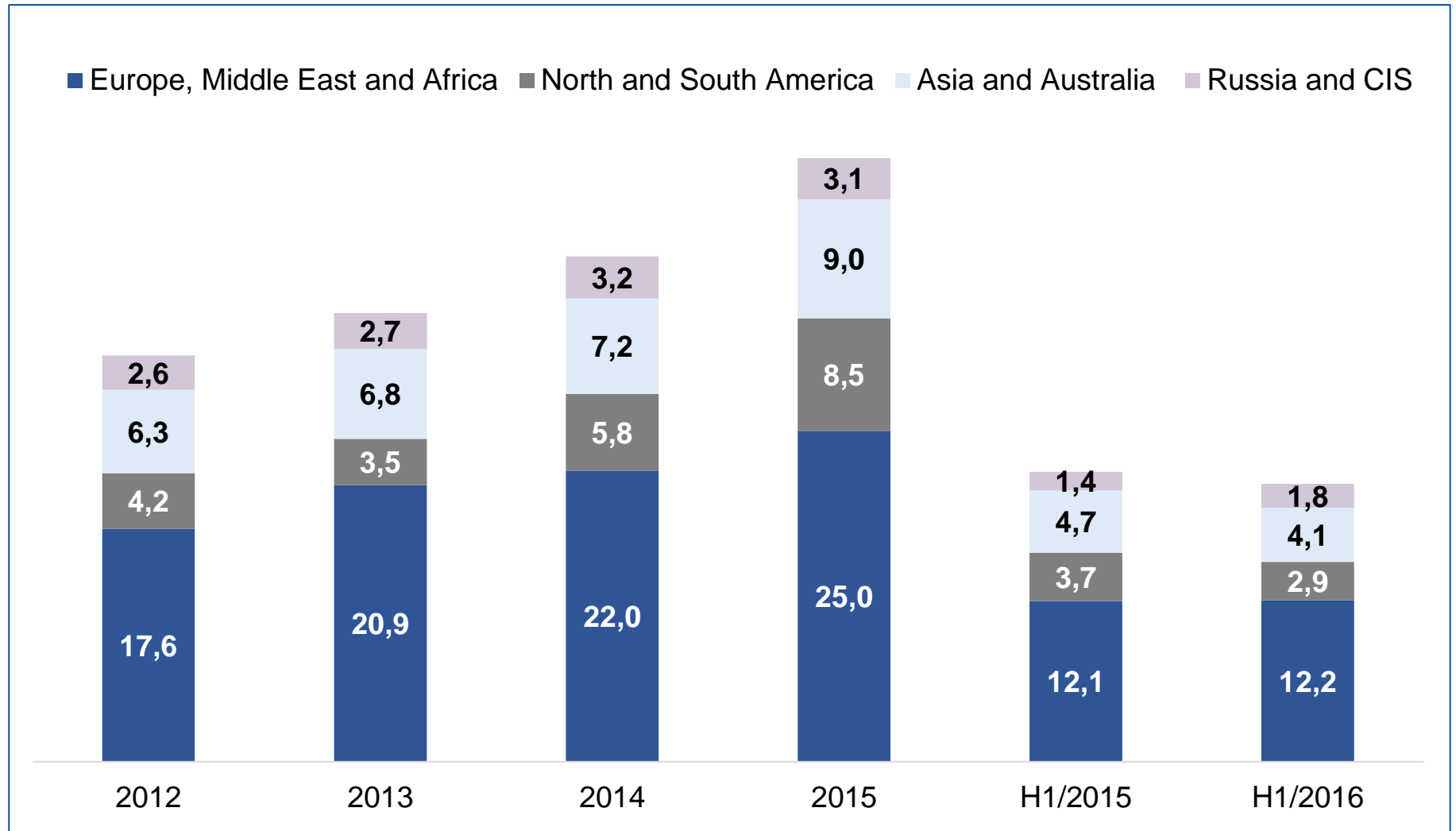
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# Net Sales Development, EURm

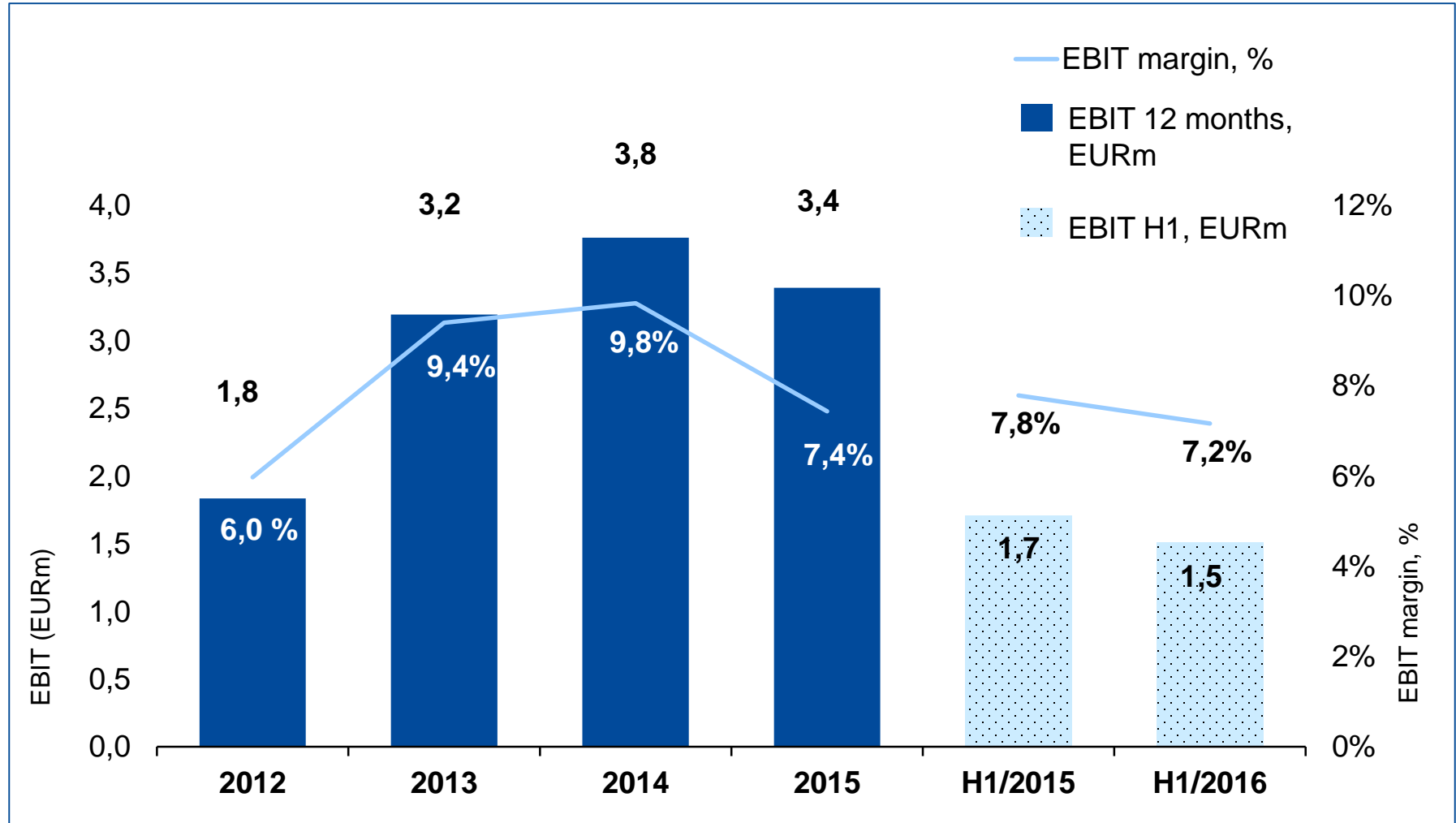
Growth % last 10 years average 23 % per annum



# Net Sales by Region, EURm

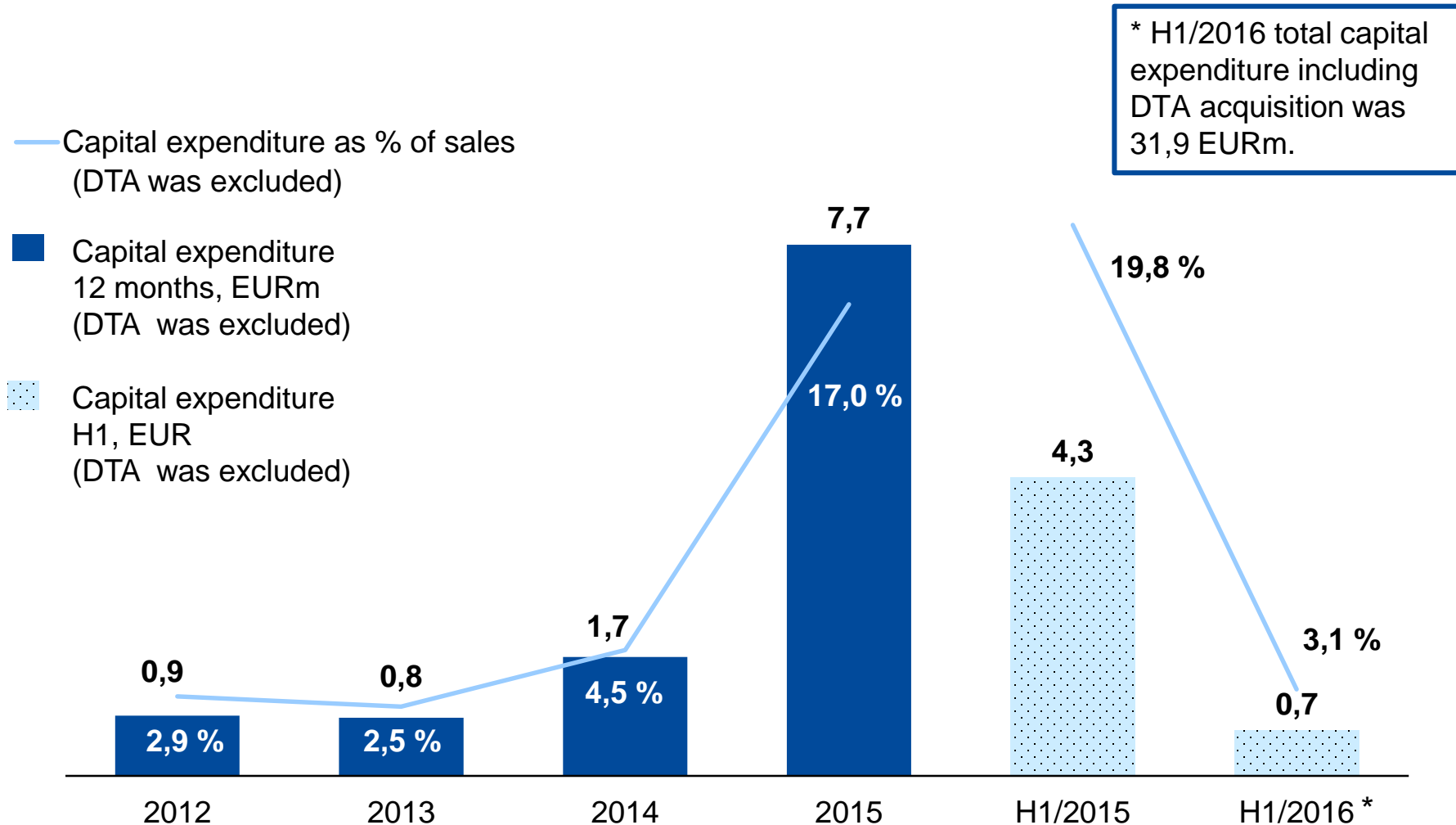


# Profitability Development

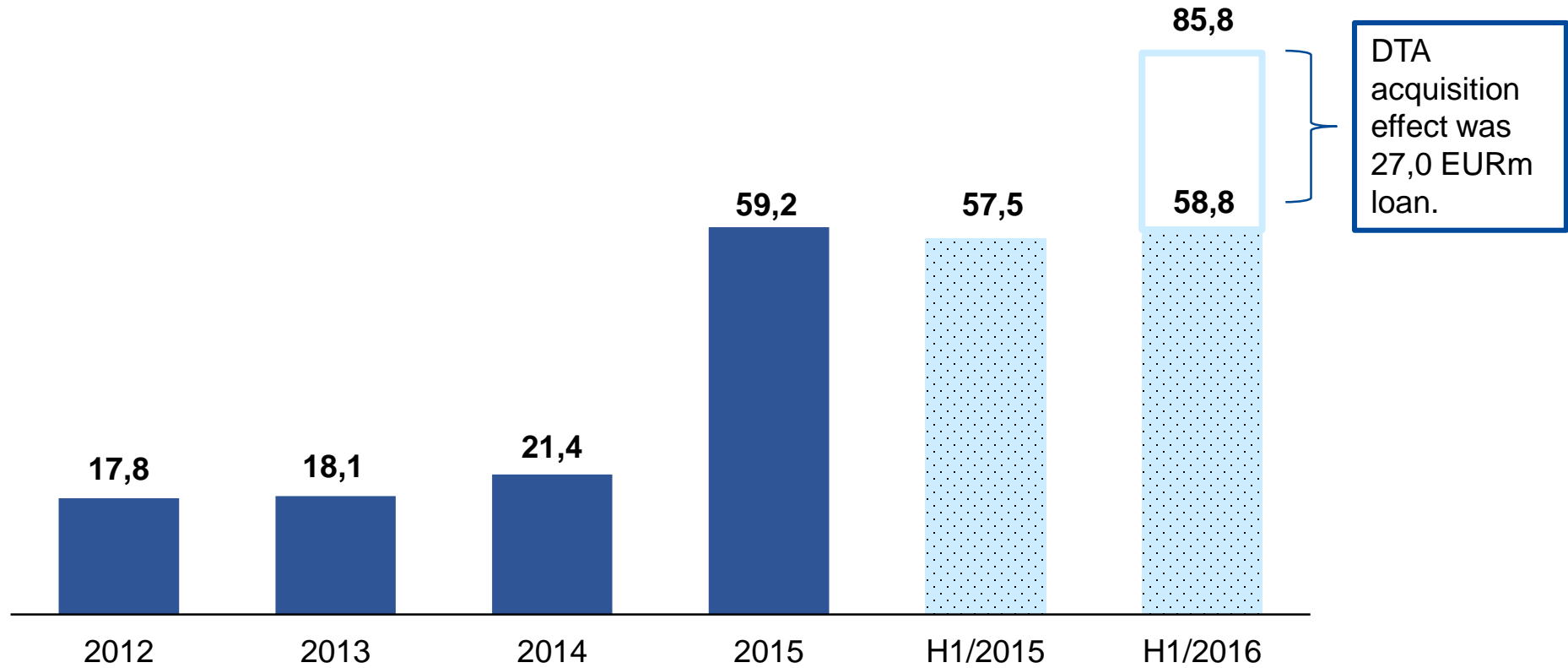




# Capital Expenditure

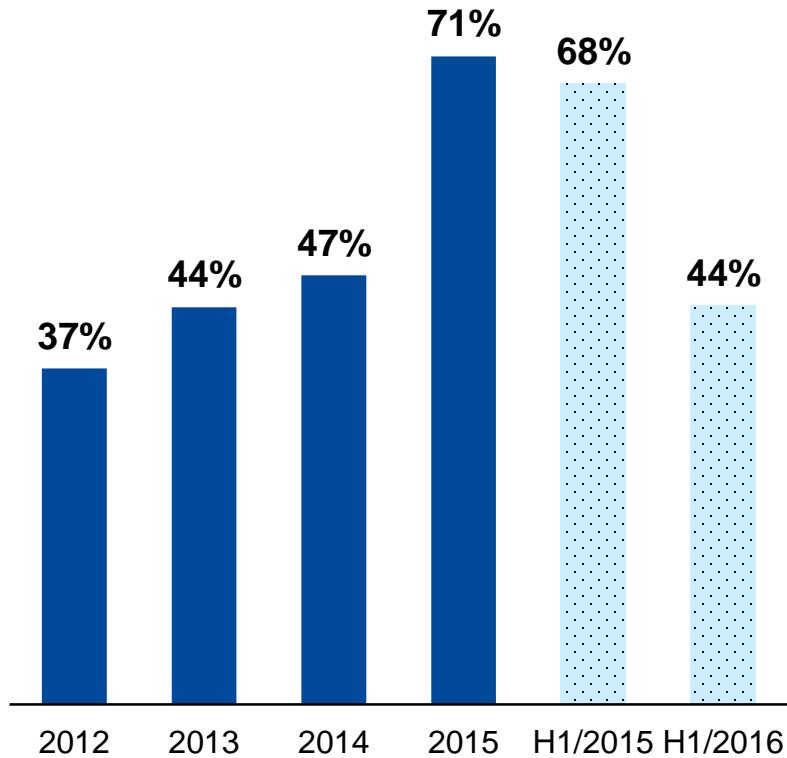


# Capital Employed, EURm

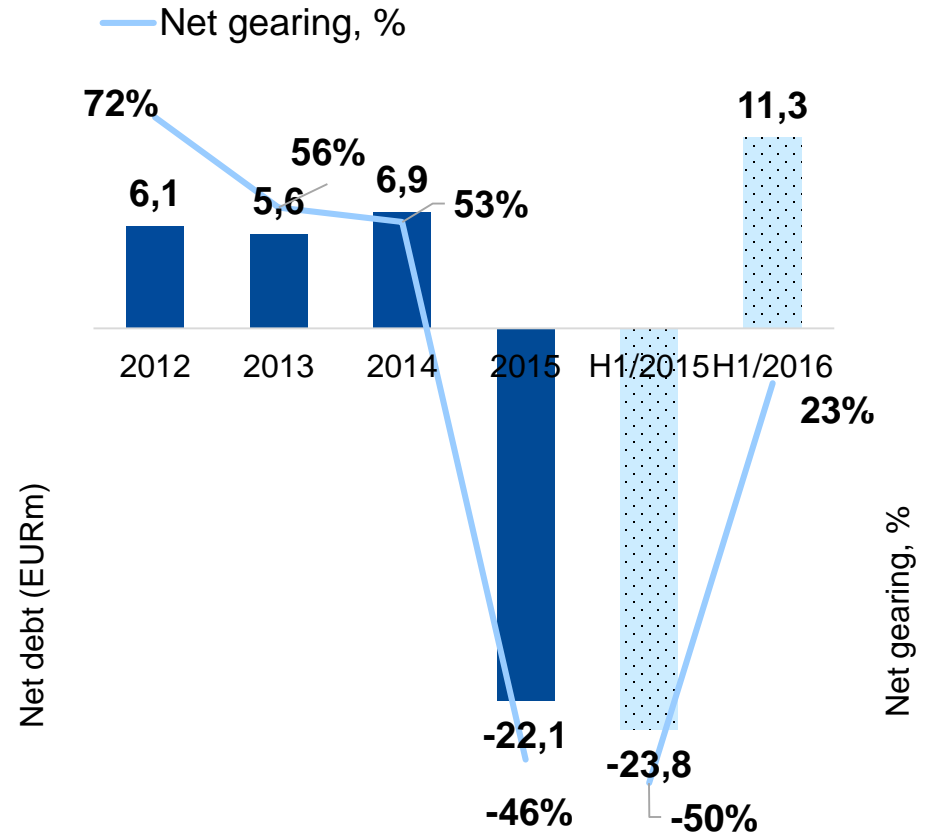


# Key Financials

## Equity ratio, %

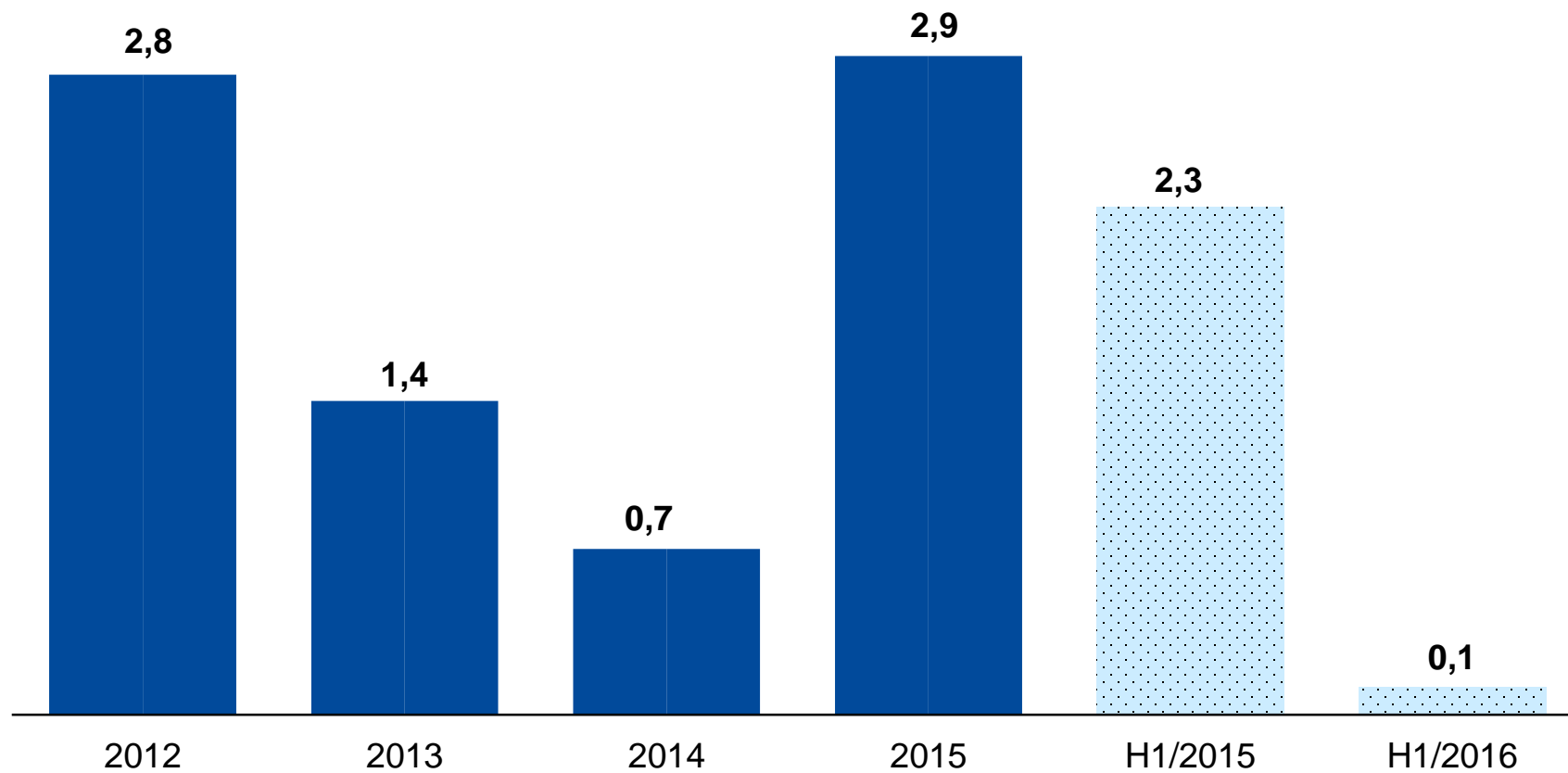


## Net interest-bearing debt



# Cash Flow, EURm

(Net cash from operating activities)

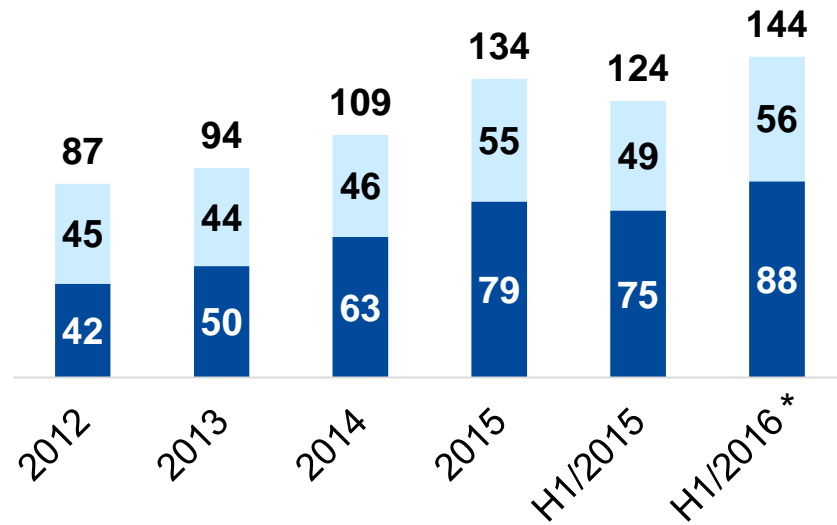


# Key Financials

## Number of employees at the end of period

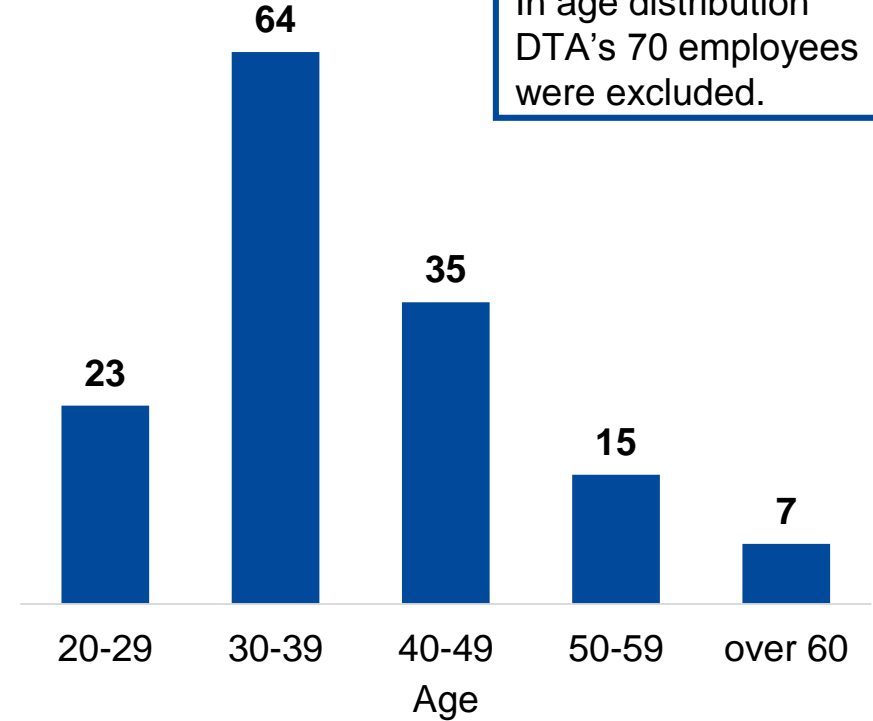
■ Sales & Administration    ■ Production

\* H1/2016 total number of employees was 214 when DTA's 70 employees were included.



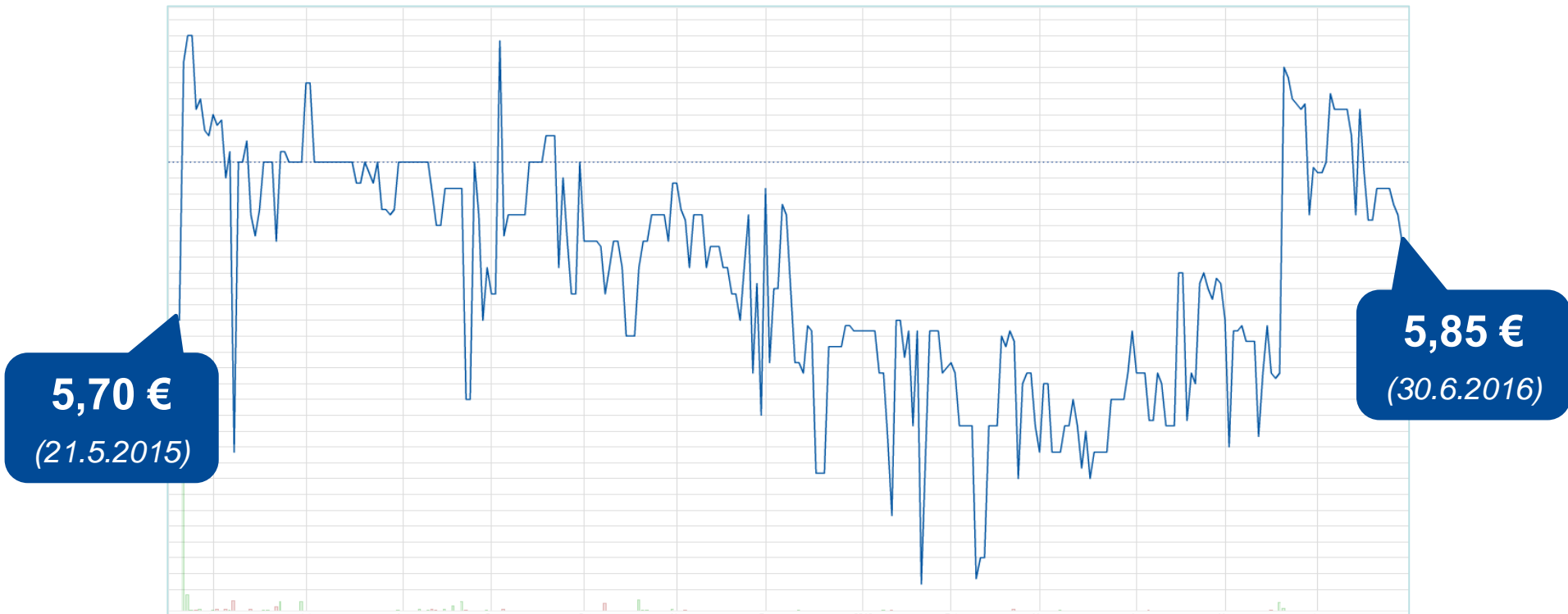
## Age distribution at the end of period

In age distribution DTA's 70 employees were excluded.



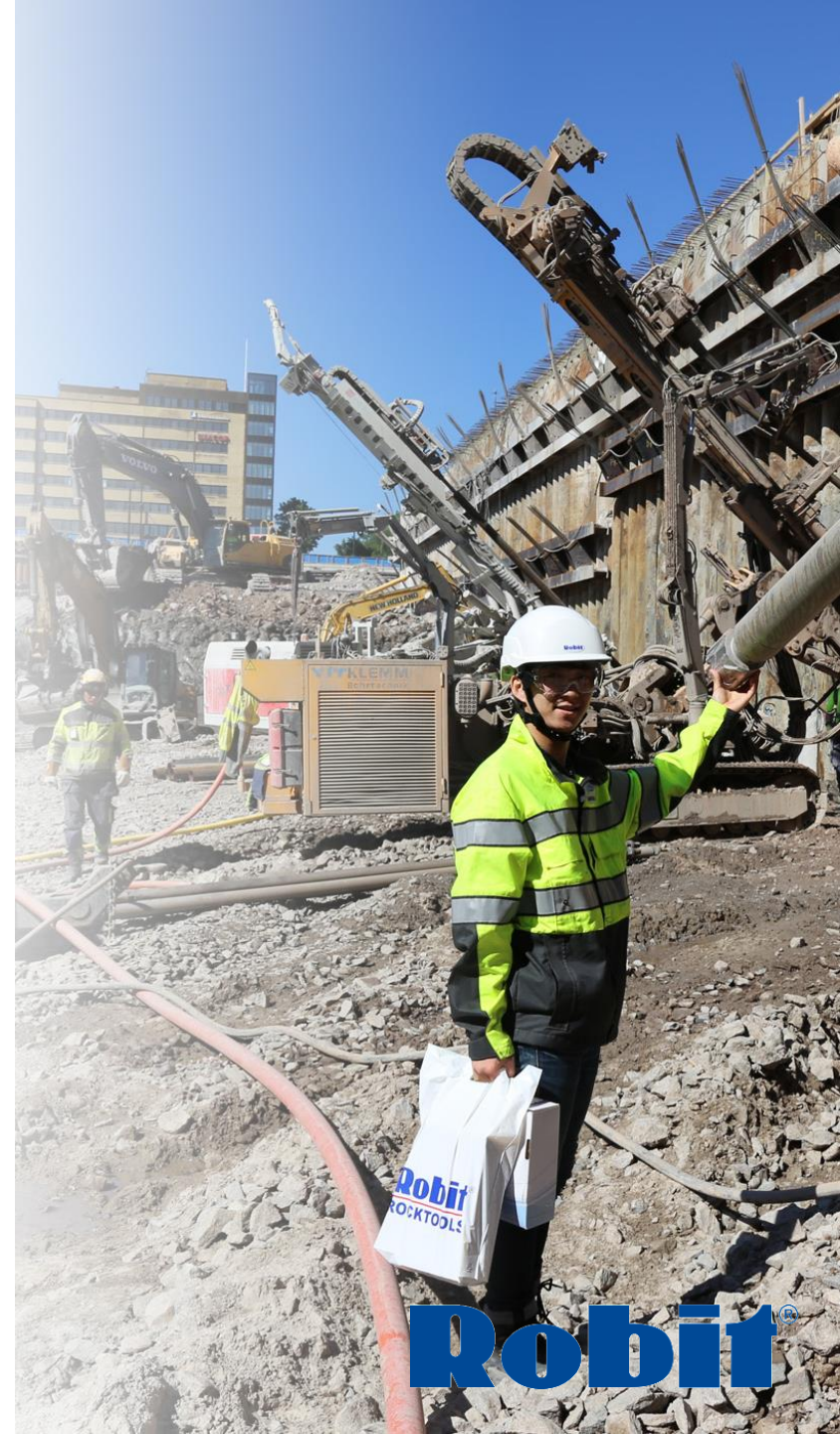
# Share Information

- On 30 June 2016 the company had **905 shareholders**
- The **company** holds 99 567 own shares; **0,6 % of the shares**
- **Market capitalization** on 30 June 2016 was **EUR 92,920,815.00** (share price EUR 5.85)
- The **Best Investor Website 2016** in First North Category



# Future Outlook

1. “Robit 2.0” – executed – strong platform for growth
  - From international to global
  - Significantly wider offering
  - DTH SBU especially strengthened
  - 4 manufacturing plants, 12 offices, 160 dealers
2. Tight focus on drilling consumables
  - Widest range of offering
  - Running now approx. 75 EURm annual sales volume
  - Size enables further investments and growth
  - Strong cash maintained
3. Strengthened organization with ambitious young personnel
  - Average age 39 years (w/o acquisitions)
  - 49 % outside Finland (w/o acquisitions)
  - 67 % outside Finland (incl. DTA)
4. Competent distributor network got DTH products in their sales package
  - Dealers grow and get stronger
  - Robit grows and gets bigger
5. IFRS project started



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# Profit and Loss Account

EUR (1 000)	30.6.2016	30.6.2015
<b>TURNOVER</b>	<b>21 031</b>	<b>21 913</b>
Variation in stocks of finished goods and work in progress	1 353	1 017
Production for own use	98	186
Other operating income	263	43
Raw materials and services total	-12 823	-13 341
Staff expenses in total	-3 755	-3 655
Depreciation and amortisation	-1 009	-646
Other operating charges	-3 652	-3 809
<b>OPERATING PROFIT (LOSS)</b>	<b>1 505</b>	<b>1 706</b>
Financial income and expenses total	-156	48
<b>PROFIT (LOSS) BEFORE EXTRAORDINARY ITEMS</b>	<b>1 349</b>	<b>1 754</b>
<b>PROFIT (LOSS) BEFORE APPROPRIATIONS AND TAXES</b>	<b>1 349</b>	<b>1 754</b>
Taxes during financial period	-245	-361
Calculated change of taxes	58	10
<b>PROFIT (LOSS) FOR THE FINANCIAL PERIOD</b>	<b>1 162</b>	<b>1 403</b>



# Consolidated Balance Sheet

EUR (1 000)	30.6.2016	30.6.2015
<b>ASSETS</b>		
<b>Non-current assets</b>		
Intangible assets total	24 811	3 581
Tangible assets total	16 795	5 805
Investments total	260	268
<b>Non-current assets total</b>	<b>41 866</b>	<b>9 654</b>
<b>Current assets</b>		
Inventories total	27 295	14 570
Long-term receivables total	994	743
Short-term receivables total	15 152	10 662
Funding papers total	8	8
Cash in hand and at banks	26 043	34 111
<b>Current assets total</b>	<b>69 492</b>	<b>60 094</b>
<b>ASSETS TOTAL</b>	<b>111 358</b>	<b>69 748</b>

EUR (1 000)	30.6.2016	30.6.2015
<b>EQUITY AND LIABILITIES</b>		
<b>Capital and reserves total</b>	<b>48 472</b>	<b>47 168</b>
Minority share	111	0
<b>Mandatory reserves</b>		
<b>Mandatory reserves total</b>	<b>474</b>	<b>441</b>
<b>Long-term creditors</b>		
<b>Long-term creditors total</b>	<b>34 145</b>	<b>7 228</b>
<b>Short-term creditors</b>		
<b>Short-term creditors total</b>	<b>28 155</b>	<b>14 911</b>
<b>Creditors total</b>	<b>62 300</b>	<b>22 139</b>
<b>LIABILITIES TOTAL</b>	<b>111 358</b>	<b>69 748</b>

# Statement of Cash Flows

EUR (1 000)	30.6.2016	30.6.2015
<b>Operating cash surplus</b>	<b>2 515</b>	<b>2 353</b>
Financial income and expenses (net)	-156	49
Income taxes paid	-245	-361
Changes in working capital	-1 992	219
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	<b>122</b>	<b>2 260</b>
Investments in tangible and intangible items	-656	-4 343
Changes in long-term receivables	-296	26
<b>CASH FLOWS FROM INVESTMENTS</b>	<b>-952</b>	<b>-4 317</b>
<b>OPERATING CASH FLOW</b>	<b>-830</b>	<b>-2 057</b>
Acquisitions	-32 053	0
Financing activities	25 573	34 609
<b>CASH FLOW TOTAL</b>	<b>-7 310</b>	<b>32 552</b>

# Robit<sup>®</sup>-Bit Better

