

The Robit logo is displayed in a bold, white, sans-serif font against a dark blue background. The letter 'i' in 'Robit' has a horizontal bar that extends to the right, ending in a registered trademark symbol (®).

**Robit<sup>®</sup>**

# CAPITAL MARKETS DAY

**3 MAY 2018**

The Robit logo is repeated in white on a dark blue background at the bottom of the slide. The 'i' in 'Robit' features a horizontal bar extending to the right with a registered trademark symbol (®).

**Robit<sup>®</sup>**

# IMPORTANT NOTICE

## \*DISCLAIMER\*

This presentation is not an offer for subscription for any type of securities in Robit Oyj (the "Company"). Information in this presentation shall not constitute an offer to sell or a solicitation of an offer to purchase the securities, and there will not be any sale of the securities to the public in any jurisdiction. This presentation has not been approved by any regulatory authority.

This presentation does not contain any legal, financial or investment advice.

Any projections, estimates, targets, prospects, and/or opinions (including, without limitation, projections of revenue, expenses, net income and share price development) contained in this presentation involve elements of subjective judgment and analysis, and are based upon the best judgment of the Company as of the date of this presentation. No representation or warranty is given as to the achievement or reasonableness of any projections, estimates, targets, prospects and/or opinions contained in this presentation. This presentation may contain forward-looking statements. The Company does not give any undertaking, or is not under any obligation obligated to update these forward-looking statements for events or circumstances that occur subsequent to the date of this presentation or to update or keep current any of the information contained herein, and this presentation is not a representation by the Company that it will do so.

The laws of certain jurisdictions may restrict the distribution of the information in this presentation, and persons receiving information or parts of it shall acquire information on potential restrictions and comply with such restrictions. The information in this presentation does not constitute an offer to sell or a solicitation of an offer to purchase securities referred to in this presentation in any jurisdictions where offering or sale of securities would require preparation of a prospectus or documentation, or would be illegal absent registration of the securities or would require an exemption from the registration requirements or fulfilment of other terms under laws of any such jurisdiction.

Skandinaviska Enskilda Banken AB (publ.), Helsinki Branch ("SEB") is acting exclusively for the Company and not for any other person, and will not regard any other person as its respective client in relation to the offering, and is not, based on a customer relationship, responsible for anyone other than the Company, and does not give any advice in relation to the offering or any arrangement referred to in this presentation. SEB does not accept any responsibility or give any direct or indirect warranty for the contents of this presentation, including its accuracy or completeness or validity of any of the information contained in it, or for any statements presented by it or on behalf of it in relation to the Company, new shares and the offering, and nothing contained in this presentation is not or shall not constitute a promise or representation regarding the present or the future.

Information in this presentation does not constitute an offer of securities for sale in the United States, nor may the securities be offered or sold in the United States absent registration, as provided in the U.S. Securities Act of 1933, as amended, and the rules and regulations thereunder, or absent an exemption from the registration requirements. The securities are not publicly sold in the United States. Information contained in this presentation is not for publication or distribution, directly or indirectly, in or into the United States, Canada, Australia, Hong Kong, South Africa, Singapore or Japan.

The Company does not offer shares to the public in any Member State of the European Economic Area. With respect to each Member State of the European Economic Area, no action has been undertaken, by the date of this presentation, to make an offer to the public of securities requiring publication of a prospectus. Securities may only be offered in Member States in situations not requiring publication of a prospectus as set forth in the Directive 2003/71/EC.

The information contained in this presentation is directed only at (i) persons who are outside the United Kingdom or (ii) persons who have professional experience in matters relating to investments falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (the "Order") and (iii) high net worth entities, and other persons to whom it may lawfully be communicated, falling within Article 49(2) of the Order (all such persons together being referred to as "relevant persons"). Any investment activity to which this presentation relates will only be available to and will only be engaged with, relevant persons. Any person, who is not a relevant person, should not act or rely on this document or any of its contents.

IN THE UNITED KINGDOM THIS PRESENTATION SHALL BE RETURNED TO THE REPRESENTATIVES OF THE COMPANY AT THE END OF THE MEETING

# SPEAKERS & TOPICS



**Mika Virtanen**  
CEO

Business & strategy  
Branding



**Ilkka Miettinen**  
CFO

Financials



**Tommi Lehtonen**  
EVP

Sales & offering



**Daniel Palander**  
Product Manager/  
Digital Services

Digitalization

## Capital Markets Day: 3 May 2018

### Program

---

- |       |  |
|-------|--|
| 11.00 | Group lunch and welcoming words, CEO Mika Virtanen               |
| 11.15 | Business & strategy, CEO Mika Virtanen                           |
| 11.45 | Financials, CFO Ilkka Miettinen                                  |
| 12.00 | Sales & offering, EVP Tommi Lehtonen                             |
| 12.10 | Branding, CEO Mika Virtanen                                      |
| 12.20 | Digitalization, Product Manager/Digital Services Daniel Palander |
| 12.30 | Discussion, all participants                                     |
| 12.45 | Site tour  |
| 13.15 | Wrap-up and closing remarks, CEO Mika Virtanen                   |
| 13.30 | Closing the Capital Markets Day                                  |



# **BUSINESS & STRATEGY**

**MIKA VIRTANEN, CEO**

# ROBIT – GROWTH AND SALES COMPANY

ORGANIC

STRUCTURAL  
THROUGH  
ACQUISITIONS

GROWTH  
SALES

GROWTH  
SALES

GROWTH  
SALES



# HIGHLIGHTS Q1/2018

- Growth continued – 6% mainly organic growth in net sales compared to 1-3/2017
- Not totally in line with management's expectations due to delays in certain orders and deliveries
- Net sales expected to develop positively during the rest of the year 2018
- Austerity under implementation for further growth – annual savings over 3 million euros
- New organization structure to bring know-how and decision-making close to customers' business enabling faster and more effective service
- Focus on development of supply chain efficiency and flexibility



# NET SALES Q1/2018

**Q1/2018**  
*(unaudited)*

**21,1 EURm**  
**(+6%)**

**Q1/2017**  
*(unaudited)*

**20,0 EURm**

**2017**

**88,2 EURm**  
**(+38%)**

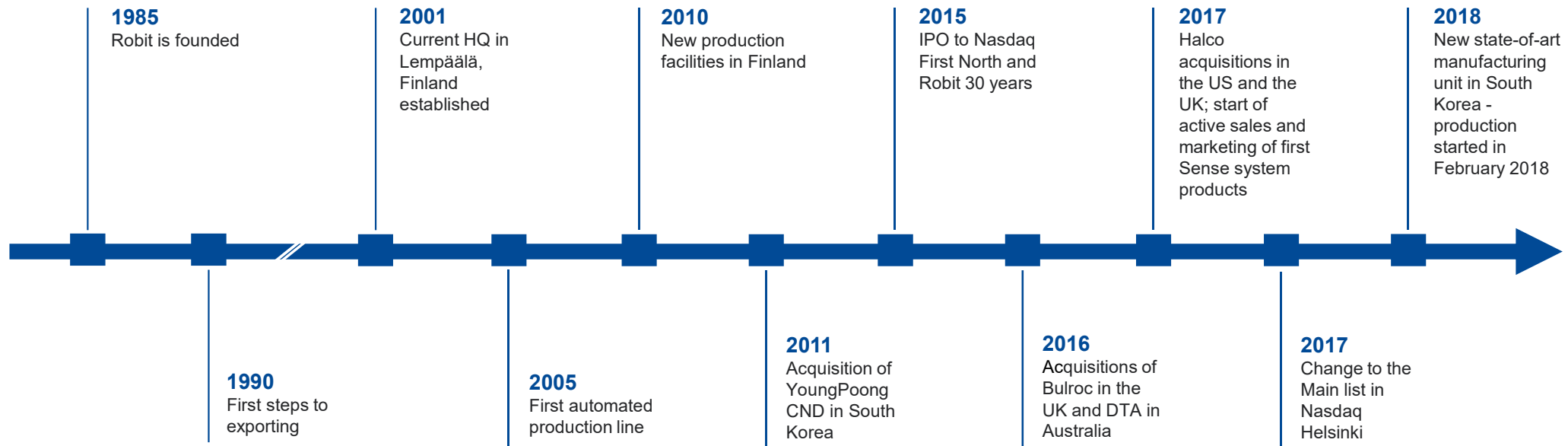
**2016**

**64,1 EURm**





# DETERMINED DEVELOPMENT OF THE COMPANY



## RECENT ACQUISITIONS



Acquired in June 2016

- Established in 2004, DTA is a Perth-based expert provider of drilling consumables for the Australian market, with annual revenue of EUR 24 million (period ending June 30, 2016) and 67 employees at the time of the acquisition in June 2016
- Offers DTH and TH drilling equipment and technical solutions for the mining and construction industry
- Was subsidiary of a listed Australian mining industry company Ausdrill



Acquired in July 2016

- Established in 1969, Bulroc is a Chesterfield-based leading supplier of large DTH hammers and related ancillary equipment
- Manufacturing in Chesterfield, UK and sales office in Hong Kong
- Bulroc generated sales of some EUR 8.4 million (in the financial period ending on 30 September 2015) and had 43 employees at the time of the acquisition



Acquired in Jan/Feb 2017

- Fixed assets, inventory and IPRs were acquired from Halco International LLC and Halco America LLC with a production unit near Dallas, USA in January 2017
- The majority of the share capital in Halco Brighthouse Ltd, Halco's company carrying on DTH business operations in the UK with annual turnover of some EUR 5 million and 45 employees at the time of the acquisition, were acquired in February 2017
- Halco is focused on DTH drilling consumables

# MAJOR PRODUCTION FACILITY IN SOUTH KOREA

## LOCATION

Foreign Investment Area in Hwaseong, Gyeonggi-Do, South Korea

## INVESTMENT

Approx. USD 12,4 million

## AREA

21,250 m<sup>2</sup> land size, of which 9,550 m<sup>2</sup> building size

## PERSONNEL

Approx. 65 persons in three shifts

## PRODUCTION

Top Hammer product line: rods and shanks

## SPECIFIC

State-of-art in the industry – high automation and robotization level

## ADVANTAGE

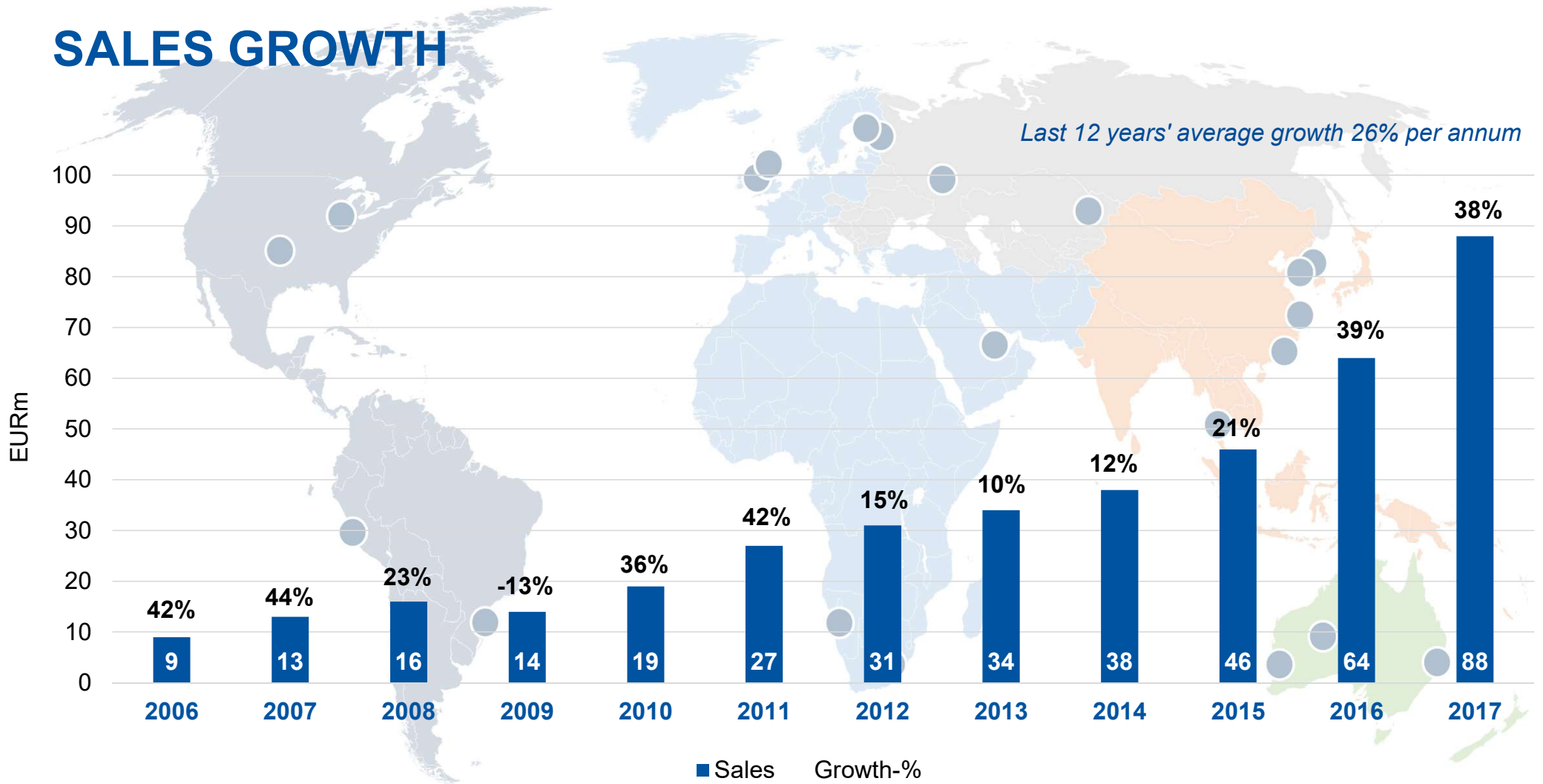
Meet growing demand for rods and shanks.

Shortened throughput time.

Improved delivery capacity and service level.

Close to Seoul with better logistical connections.

# SALES GROWTH



# OUR FOCUS - 4 MARKET SEGMENTS



 **MINING**



 **WELL DRILLING**



 **CONSTRUCTION**



 **TUNNELING**

# COMPREHENSIVE PRODUCT OFFERING OF DRILLING CONSUMABLES AND STRONG BRANDS

- Forming the basis for organic growth in the future

## COMPREHENSIVE PRODUCT OFFERING

Top Hammer



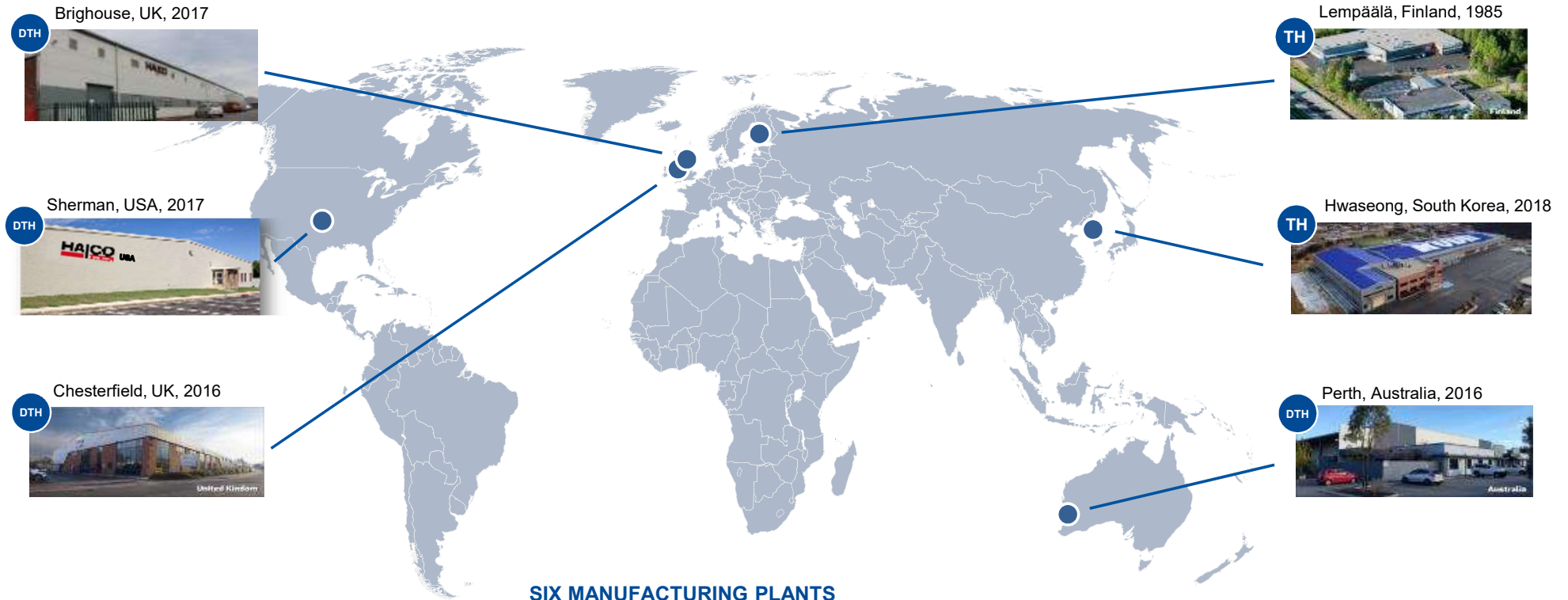
Down the Hole



Digital Services



# GLOBAL MANUFACTURING FOOTPRINT



## SIX MANUFACTURING PLANTS

- Ensuring good availability of products and service while enabling efficiency
- Supporting future growth

# GLOBAL LOST TIME FREQUENCY RATE: MARCH 2018



# EXPERIENCED BOARD OF DIRECTORS

## **Kalle Reponen, Board Member** (b. 1965)

- MSc (Econ.)
- Member of Board in e.g. Panostaja, Hydroline, Planex, Vexve, BMH Technology and Premix
- Chairman of the Board in Heatmasters and Premix
- Previously e.g. at Metso, MCF Corporate Finance, Nordea Corporate Finance, Metra and Wärtsilä
- In Robit Board since 2012
- Independent of the company and its major shareholders

## **Heikki Allonen, Chairman** (b. 1954)

- MSc (Eng.)
- Member of Board in Savox, Nokian Renkaat, VR Group as well as Chairman in Detection Technology
- President and CEO in Hemmings Oy Ab
- Previously President and CEO in Patria as well as Fiskars Corporation
- In Robit Board since 2018
- Independent of the company and its major shareholders

## **Kai Seikku, Board Member** (b. 1965)

- MSc (Econ.)
- Member of Board in Inderes, Verkkokauppa.com and Teknologiaeollisuus
- Currently at National Silicon Industry Group (China) and Okmetic
- Previously at HKScan
- In Robit Board since 2018
- Independent of the company and its major shareholders



## **Harri Sjöholm, Board Member** (b. 1954)

- MSc (Eng.)
- Has participated in the company's operative activities since 1989
- Chairman of Board in Five Alliance
- Previously e.g. Fast Henkilöstöpalvelut and Tamrock
- In Robit Board since 1999
- Independent of the company
- Major shareholder in Five Alliance, which owns 21% of Robit shares

## **Jari Gadd, Secretary of the Board of Directors**

- Secretary of the Company's Board of Directors since August 2015
- Head of Borenius Tampere office

## **Mammu Kaario, Board Member, Vice Chairman** (b. 1963)

- MSc (Law) and MBA
- Long experience from private equity field and acting as an investment banker
- Member of Board in Lapti Group, CapMan, Suomen Hoivatilat and Aspo
- Chairman of the Board in PerusTerveys Suomi, SstatzZ and Vice Chairman in Ponsse
- In Robit Board since 2017
- Independent of the company and its major shareholders

## **Tapio Hintikka, Board Member** (b. 1942)

- MSc (Eng.)
- Previously in multiple management positions and boards, incl. Chairman of Board in TeliaSonera
- In Robit Board since 2008
- Independent of the company and its major shareholders



# STRONG MANAGEMENT TEAM ASSEMBLED

- **Strong combined experience** in international positions in leading engineering and automation companies



**Mika Virtanen, CEO** (b. 1974)

- MSc (Econ. and Production Technologies)
- Previously over 20 years in several management positions in the metal and automation industry; since 2002 at Cargotec in international operations and before that at Outokumpu Poricopper
- Has gained international experience by working in Malaysia, China and Singapore, from where he will move to Finland

- Incentivised through a **share ownership plan** for Robit's key personnel – aligning interests of owners and management



**Tommi Lehtonen, EVP** (b. 1970)

- MSc (Eng.)
- At Robit since Mar-17
- Previously e.g. at Metso

**Ilkka Miettinen, CFO** (b. 1963)

- MSc (Econ.)
- At Robit since Feb-17
- Previously e.g. at Vexve, Metso, Pilkington Group and as an auditor at PwC



- **Experienced management** aiming to drive growth and profitability in a larger Robit



**Jukka Pihamaa, Head of Supply Chain** (b. 1966)

- MSc (Eng.), MBA
- At Robit since Oct -17
- Previously e.g. at Nokia, Metso and Valmet

**Jaana Rinne, Head of HR** (b. 1962)

- M.Sc. Econ.
- At Robit since Sep-17
- Previously e.g. at Konecranes and Pöyry



# SHORT-TERM FOCUS

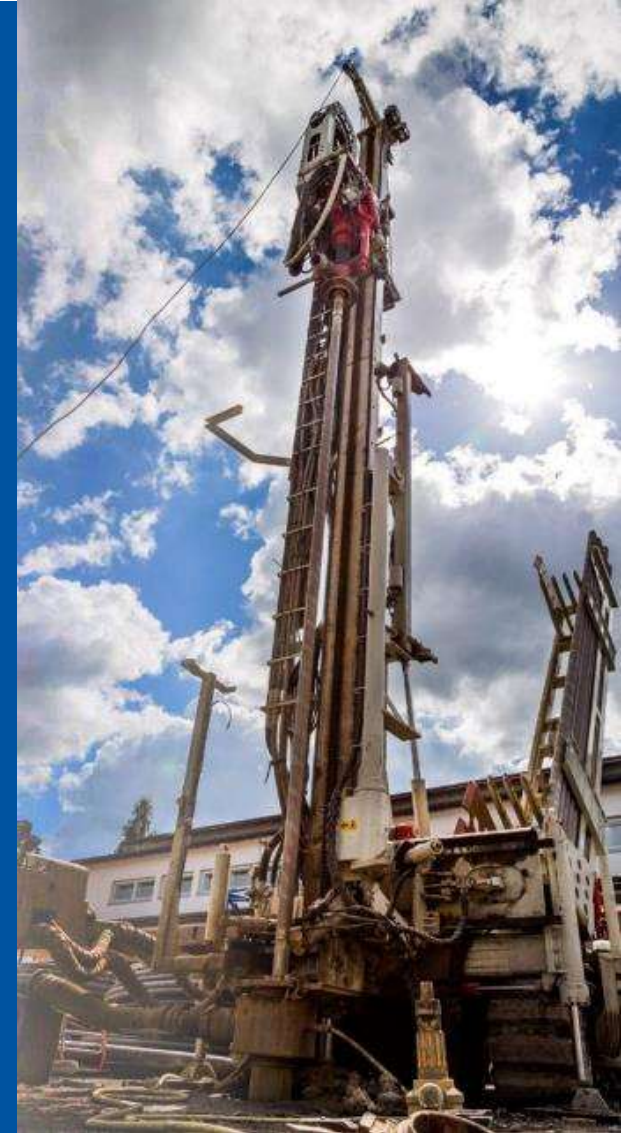
**SALES, SALES & SALES**

MARKET SHARE GROWTH

**CASH GENERATION**

PROFITABILITY

NWC



# MEDIUM & LONG-TERM FOCUS

## FOCUS IN ROBIT 4.0

DISTRIBUTOR CONCEPT  
EXECUTION

CONTINUE STRONG GROWTH  
BRANDING

## PROJECTS

PROJECT BUSINESSES

DIGITALIZATION OPPORTUNITIES

## NEW ROBIT WAY IMPLEMENTATION

FOCUS WORK WITH DISTRIBUTORS

FOCUS ON PERSONNEL  
DEVELOPMENT



# ROBIT 4.0 GROWTH CONCEPT



## Sales growth through implemented distributor concept

- Challenger act
- Execution Robit way of working with distributors
- Best value promise execution



## Branding and marketing

- One strong brand strategy – ROBIT. Parallel brand – HALCO
- Offering rationalization and modularization
- Strong marketing effort with focused branding



## Operational excellence

- Own automated manufacturing focus critical items
- Significant cost saving and products availability increase
- Increase outsourcing



## Digital business to drive customer value and strengthen Robit brand

- Complete solution offering to support sales growth
- Further testing and development with customers



## Continued assessment of attractive investment opportunities

- Continued analysis for structural growth via acquisitions



# **FINANCIALS**

**ILKKA MIETTINEN, CFO**

## SHARE INFORMATION (27 APRIL 2018)

**2 298**  
shareholders

**86 320 (0,4%)**  
own shares

**EUR 114,7 million**  
market capitalization



# FINANCE TO SUPPORT SHAREHOLDER VALUE

- GROWTH IS ESSENTIAL
  - Growth continued
  - Distribution development is the key
- PROFITABILITY NEEDS TO BE BACK ON TRACK
  - Pricing optimization and sourcing initiatives = healthy margins
  - Optimized utilization of assets aligned to current pipeline – Korean ramp-up
  - Eye on fixed costs
- NET WORKING CAPITAL EFFICIENCY IS A MUST
  - VP Supply started in October 2017 – planning done, next execution
  - Finance to lead the project
    - Receivables; processes and discipline
    - Inventory optimization aligned to secure availability
- DELIVERABLE: CASH GENERATION TO SUPPORT FURTHER GROWTH





# **SALES & OFFERING**

**TOMMI LEHTONEN, EVP**



# SALES

- TOP 10 COUNTRIES FORM A MAJOR SHARE OF TOTAL SALES – DELIVERIES TO 101 COUNTRIES DURING 2017
- STRONG GROWTH IN SEVERAL MARKET AREAS
- DISTRIBUTION DEVELOPMENT KEY ELEMENT FOR SUSTAINABLE GROWTH IN NEW MARKETS AREAS
  - 8 new significant distributor partnerships started during last 12 months
  - Development through 2018 with a focus on high potential geographic areas and right partner selection
  - New business processes to drive growth through distribution
- NEW STRUCTURE IN PLACE TO SUPPORT ROBIT'S GROWTH IN FOUNDATION PILING APPLICATIONS



# OFFERING

- PRODUCT OFFERING RATIONALIZATION = ONE ROBIT OFFERING
  - Overlapping products
  - Needs of targeted customer segments
- CLEAR GLOBAL OFFERING RESPONSIBILITIES IN NEW ROBIT 4.0 ORGANIZATION
- SELECTIVE EXPANSION OF TOP HAMMER OFFERING TO ENABLE GROWTH
  - Introduction of new Robit Evolution Top Hammer bit range
- SELECTIVE OFFERING EXPANSION IN DOWN THE HOLE WELL DRILLING AND MINING BLAST HOLE DRILLING APPLICATIONS TO SUPPORT GROWTH
- STRONG PRODUCT PERFORMANCE OF DOWN THE HOLE OFFERING (AUSTRALIA) IN MINING AND QUARRYING
- CONTINUOUS DEVELOPMENT OF COMPLETE DRILLING TOOL SOLUTIONS FOR FOUNDATION PILING APPLICATIONS





# **BRANDING**

**MIKA VIRTANEN, CEO**

# BRANDING

STRONG BRAND STRATEGY



OFFERING RATIONALIZATION AND MODULARIZATION

STRONG MARKETING EFFORT WITH FOCUSED BRANDING



# CURRENT PRODUCT BRANDING



# NEW PRODUCT BRANDING **Robit**<sup>®</sup>



# NEW PRODUCT BRANDING



DTH HAMMERS



RC HAMMERS



DTH DRILL BITS



RC DRILL BITS



SIM-CAS SYSTEMS



CLUSTER HAMMERS





# **DIGITALIZATION**

**DANIEL PALANDER, PRODUCT MANAGER/DIGITAL SERVICES**



# SENSE SYSTEMS – BLASTHOLE DEVIATION MEASUREMENT



# CUSTOMER VALUE CREATION TO TRADITIONAL ROBIT OFFERING

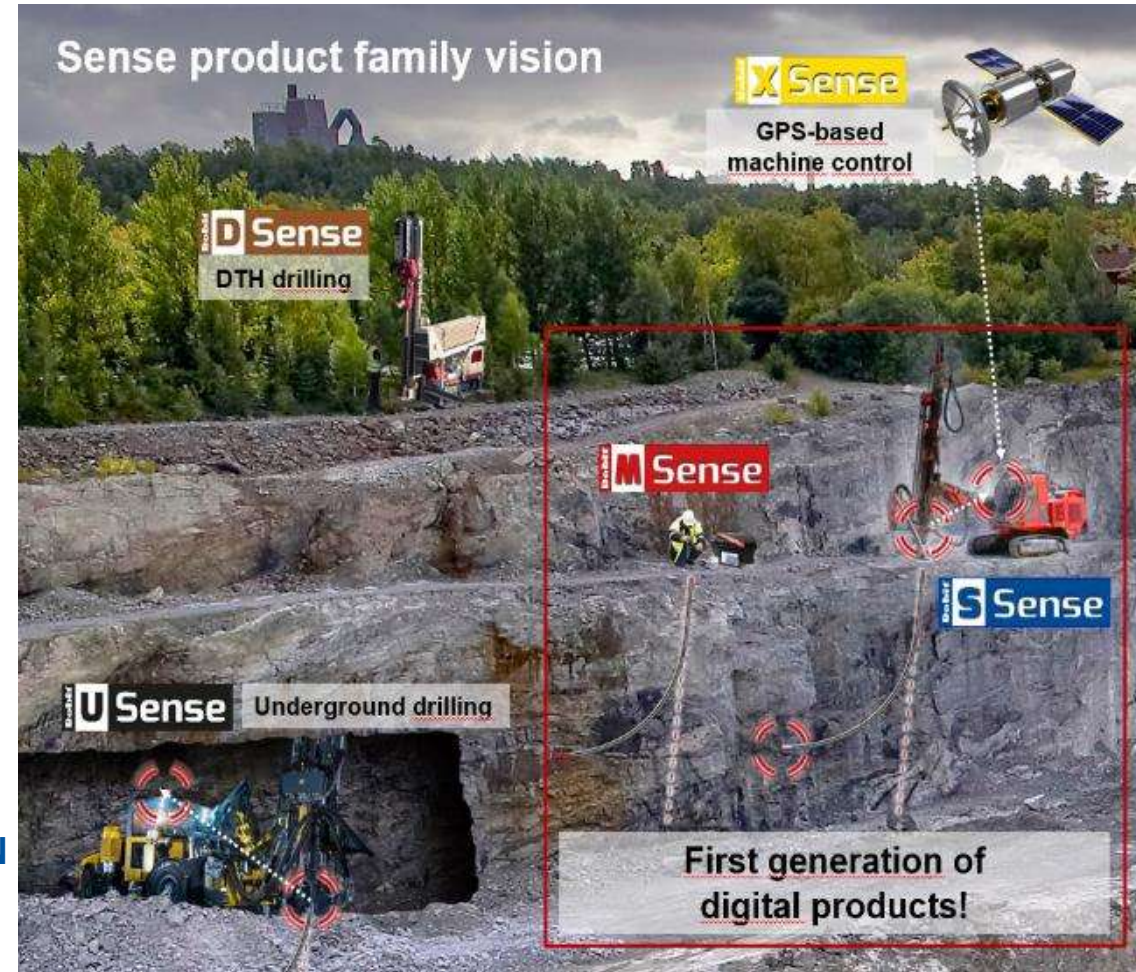


Robit is a **technology leader** in developing **new digital solutions** where the **hole is the starting point** and in **central role** – most competitors develop digital solutions for drill rigs.

**+ BETTER SAFETY**

**+ INCREASED PRODUCTIVITY**

**FROM DRILL STEEL**  
→  
**TO BROADER VALUE CREATION**



# TIGHT FOCUS AND SEPARATION OF M AND S SENSE APPROACHES IN 2018



**World's First!** Changes customer process logic  
Digital products require new thinking inside Robit  
Crucial to work with industry pioneers and fearless challengers

## TARGETS

1. Value logic studies
2. Full commercial use customerships
3. OEM partnerships

Challenge the measuring market with Sense Ecosystem  
Introduce measuring products to Robit personnel

## TARGETS

1. Familiarizing Robit Global Sales with the Sense world
2. Paving selected markets for S Sense entry



# RECAP – DIGITALIZING YOUR DRILL STRING

## **Robit is dedicated to the drill string**

Full focus on consumables and a global reach ensure we help You drill right – every time, everywhere.

## **Sense Systems takes a step deeper**

The world's first drill string mounted deviation measurement system is proof we can quantify Your drilling process like no-one else.

The tools and the data guarantee we are the right partner when it comes to getting drilling truly right.

**Welcome to intelligent drilling –  
welcome to Robit Sense Systems!**



# **DISCUSSION**

**ALL PARTICIPANTS**



# **WRAP-UP AND CLOSING REMARKS**

**MIKA VIRTANEN, CEO**

- 
- CLEAR FOCUS TO EXECUTE STRATEGY “ROBIT 4.0”
  - CRYSTALLIZE STRONG ROBIT BRANDING
  - OPERATIONAL EXCELLENCE – AVAILABILITY THROUGH GOOD CAPACITY SITUATION IN MOST LOCATIONS
  - GROWTH THROUGH DISTRIBUTORS – REGION BY REGION
  - PROFITABILITY IMPROVEMENT
  - NET WORKING CAPITAL



**Robit<sup>®</sup>**  
**Bit Better**

**Robit<sup>®</sup>**