Half year report January – June 2019

Analyst and Press Conference
Helsinki, August 7, 2019

Welcome!

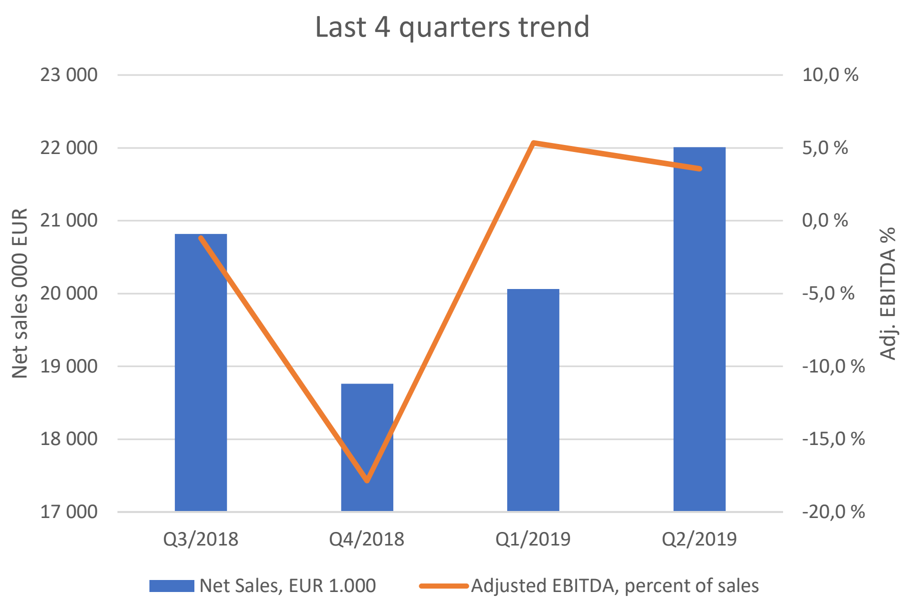
Robit

Key highlights H1
- Operating result progressed favourably

- Efficiency program is progressing and implementation will continue throughout the year
- Profitability (adjusted EBITDA) developed favourably +EUR 1.8 million
- Sales Q2/2019 is at a good level +10 % vs Q1/2019, H1 is at previous year level
- Momentum supported by solid order intake of EUR 46 million during H1
- DTH manufacturing strategy renewed
- Robit will systematically shift onto a growth company track
- New Korean factory up to good speed with record production output

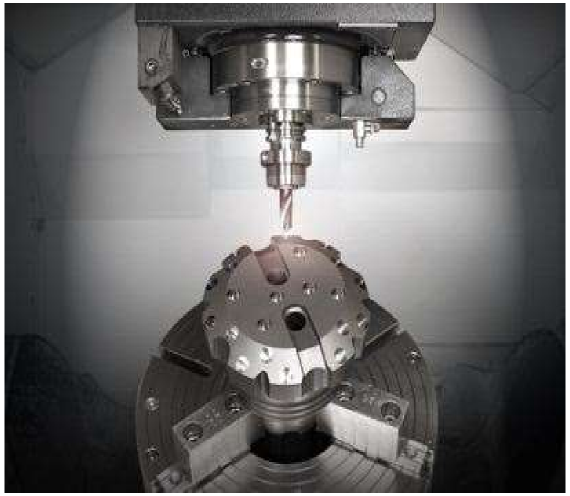
Key financials 2019

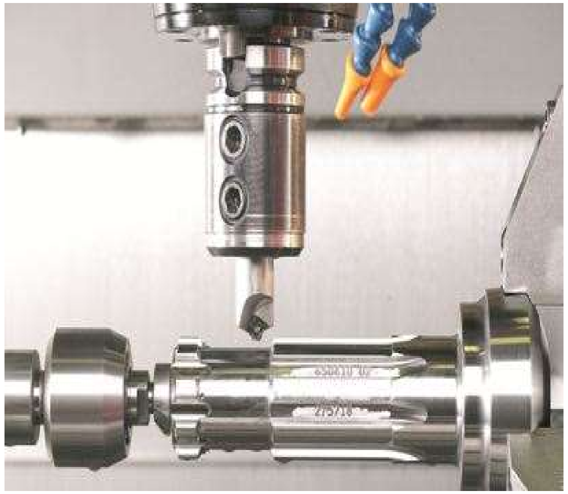
- Good sales trend during last two quarters
- H1/2019 on the level of comparison year
- Q2/2019 looking promising with 10 % growth compared to Q1/2019 and solid order intake
- EBITDA H1/2019 improved EUR 1.8 million
- Senior loans amortized by EUR 10 million
- Cashflow not on a targeted level



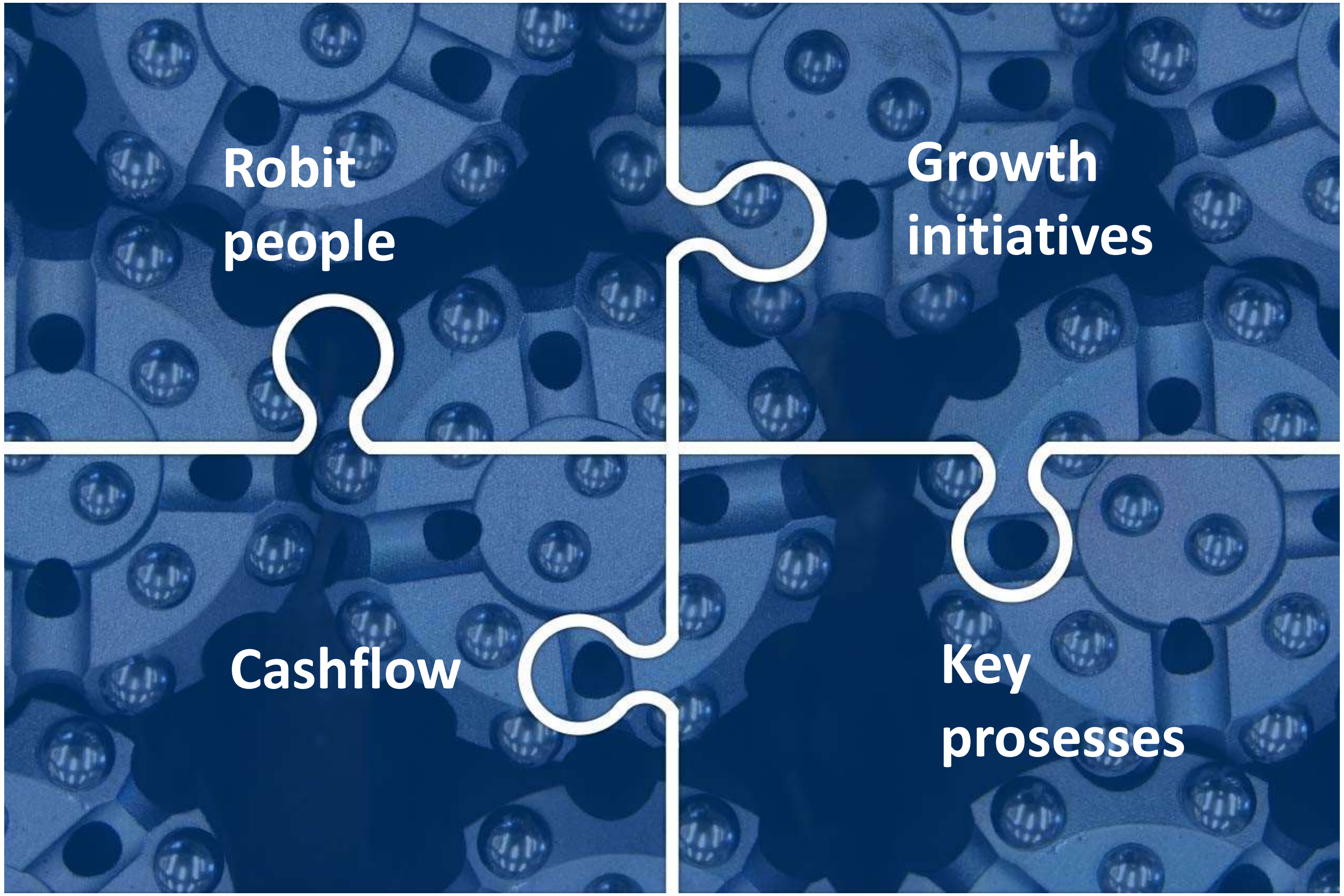
Halco DTH business renewed

- DTH manufacturing strategy sharpened & production reorganized to improve efficiency
  - Robit Sherman production transferred to Perth (AU) factory
  - Production of the Brighouse (UK) unified to Chesterfield (UK) and Perth factories during H2/2019
- Halco stronger as Sales – Service and Engineering company
- H1/2019 impairment 1.0 MEUR
- Estimated minimum cost saving of 2 MEUR to be realized 2020

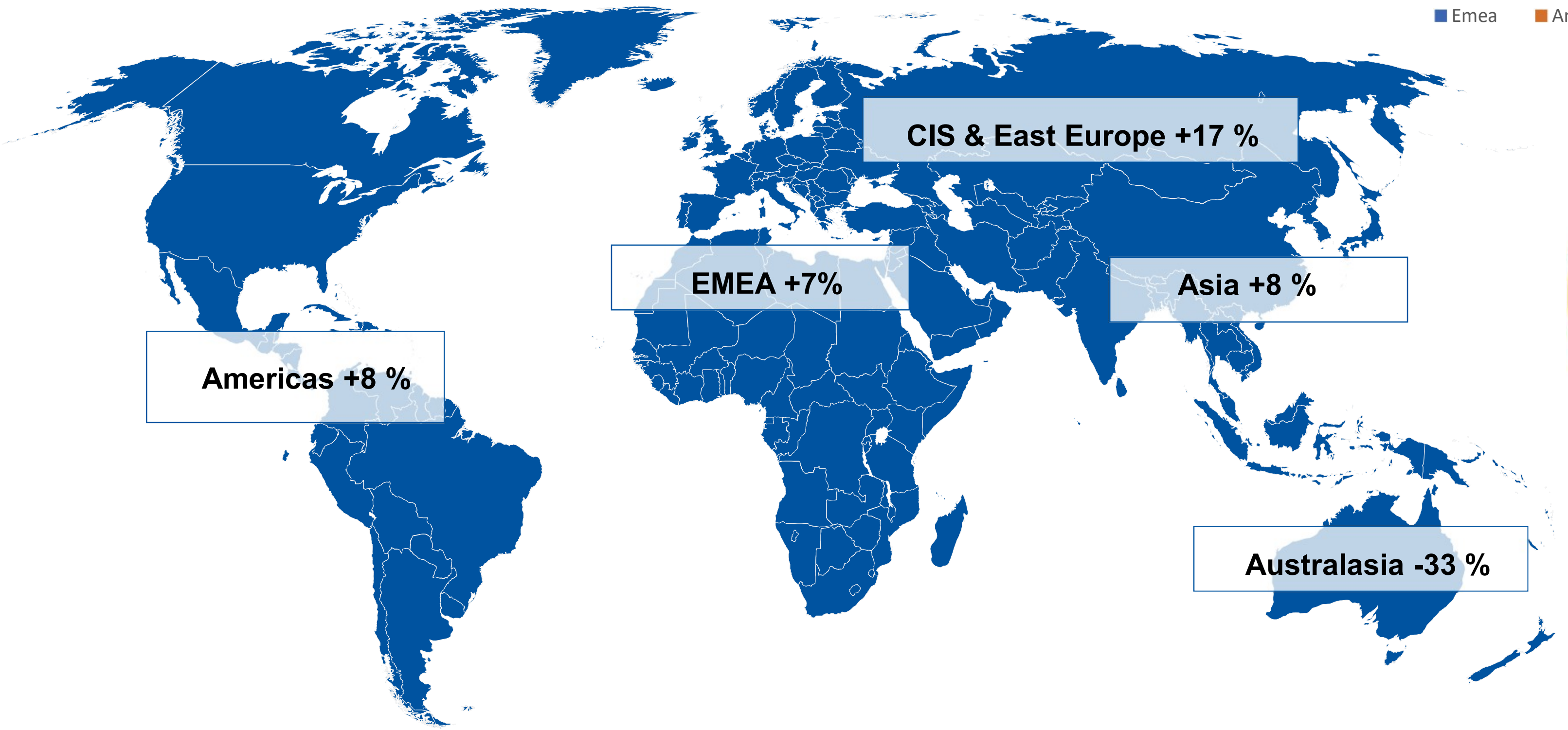




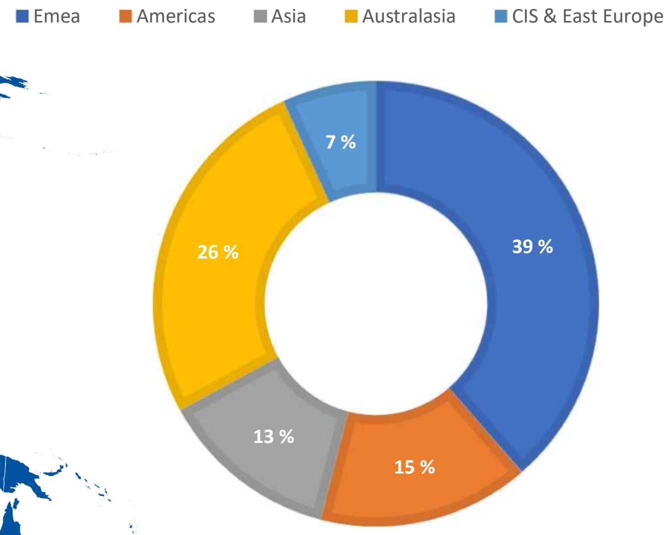
Efficiency program priorities



Net Sales – Change H1/2019 compared H1/2018)



Net sales share



Financials

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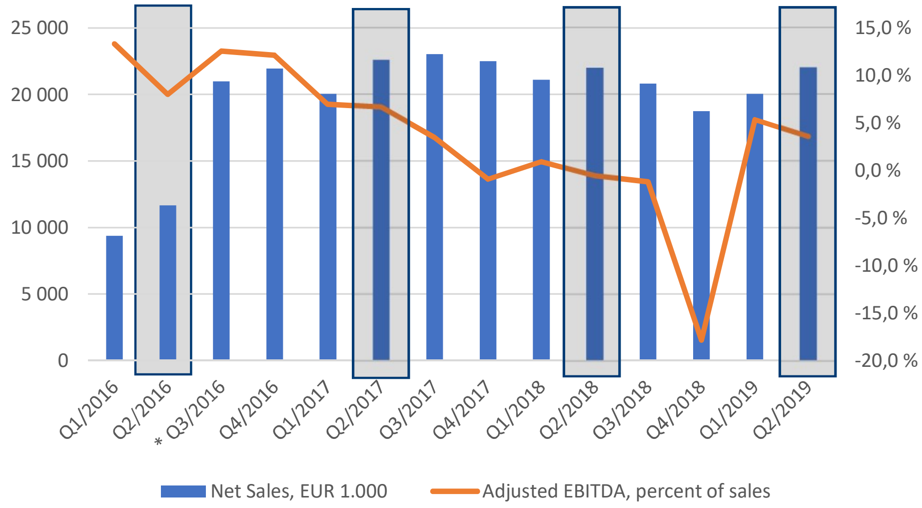
Income statement

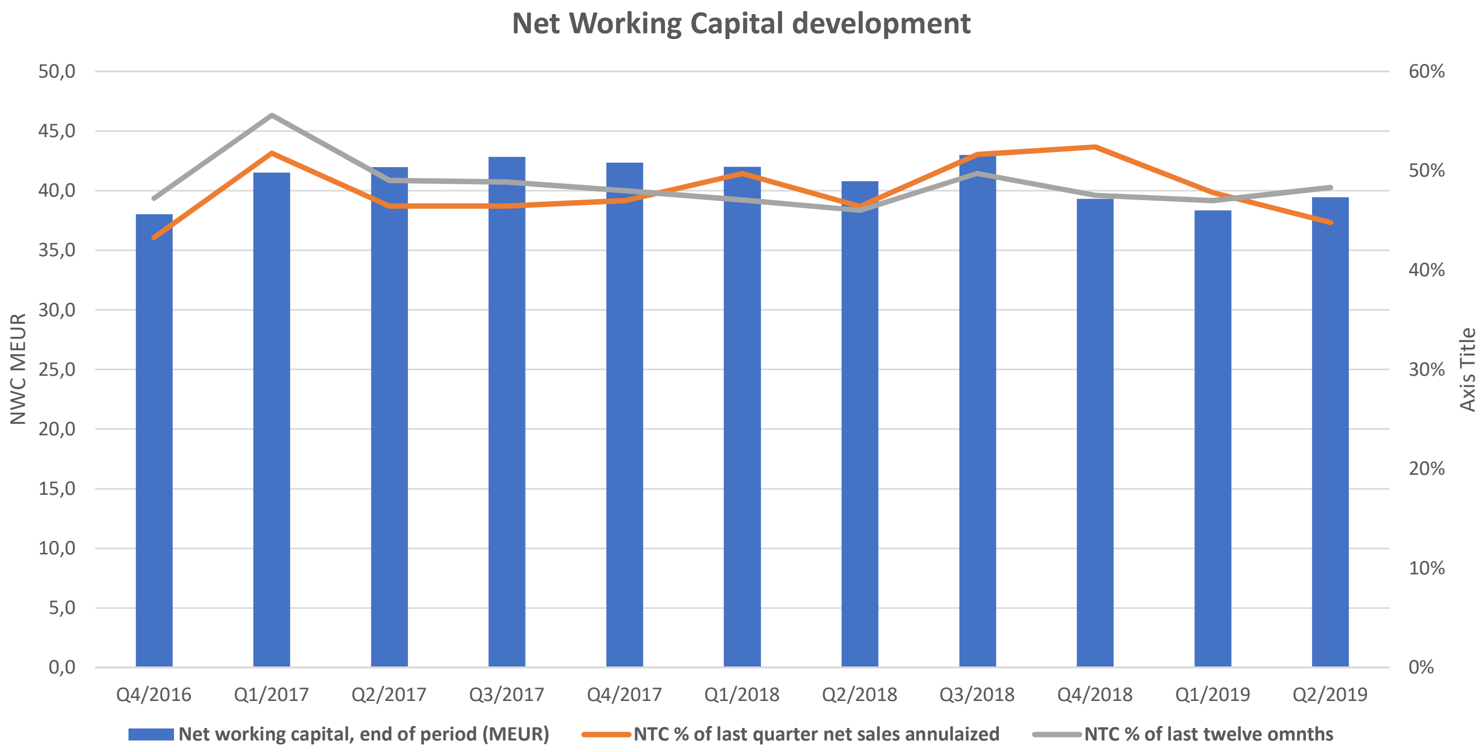
- H1/2019, clear improvement compared to H2/2018
- Net sales Q2 at the same level as Q2/2018 and 10 % higher than Q1 2019
- Q2/2019 order intake at the same level as net sales EUR 22 million – H1/2019 promising EUR 46 million
- EBITDA improved, but still unsatisfactory
  - Adjusted EBITDA includes EUR 0,2 million of restructuring (personnel) costs
  - Corrective actions informed
- EBIT pressed by impairment of leased premises relating to re-organisation of DTH production (EUR 1,0 million)



CONSOLIDATED INCOME STATEMENT

EUR thousand	Q2 /2019	Q2 /2018	H1 /2019	H1 /2018	1-12/2018
Net sales	**22 012**	**21 985**	**42 078**	**43 100**	**82 683**
EBITDA	556	-436	1 695	-948	-4 782
Adjusted EBITDA	718	-124	1 856	69	-3 529
EBITA	-1 062	-1 593	-1 640	-3 186	-19 168
Comparable EBITA	-901	-1 280	-1 479	-2 169	-8 405
EBIT (Operating profit)	**-2 234**	**-1 807**	**-3 025**	**-3 616**	**-29 800**
Finance income and costs net	-1 044	369	-829	-915	-1 623
Profit before income tax	**-3 279**	**-1 438**	**-3 854**	**-4 530**	**-31 423**
Income taxes	96	216	291	160	39
Result for the period	**-3 183**	**-1 222**	**-3 563**	**-4 370**	**-31 384**

Net working capital development



- NWC continues to be at high level 45 %
- Receivables increased from Q1 by 3,2 MEUR due to good sales in May-June, but 4 MEUR lower than comparison quarter
- Inventories did not decrease according to our expectations and efforts to reduce inventories continue
- Program to improve NWC –performance strengthened

Cashflow

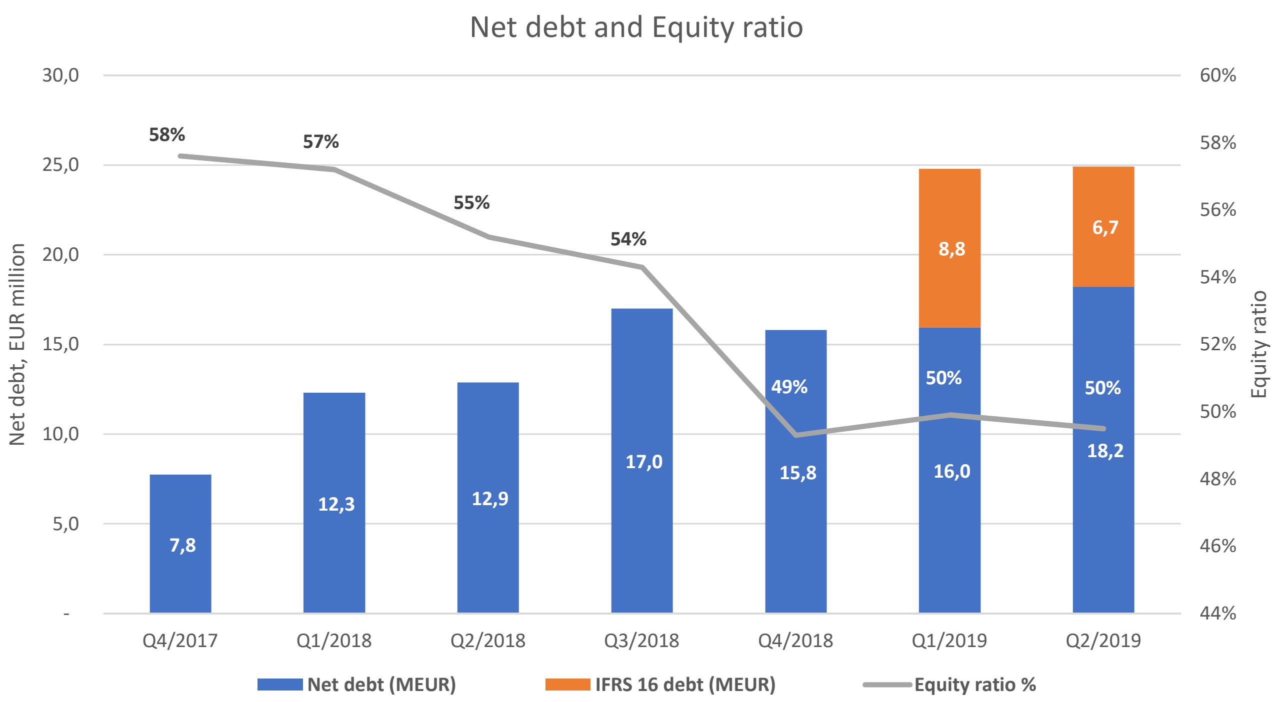
- Still some challenges to create cashflow – low utilization on plants pressed the gross profit and EBITDA
- Good sales performance in May – June increased receivables, but will be converted into cashflow during H2/2019
- Investing activities positive due to selling assets related to DTH re-organization – proceeds H1 EUR 1.1 million, but offset mostly by Korean investment remaining payments

CONSOLIDATED STATEMENT OF CASH FLOWS

EUR thousand	Q2/2019	Q2/2018	H1/2019	H1/2018	1-12/2018
Net cash inflow (outflow) from operating activities	**-1 647**	**2 472**	**-2 243**	**1 069**	**-2 210**
Net cash inflow (outflow) from investing activities	**213**	**-953**	**256**	**-4 102**	**-4 630**
Net cash inflow (outflow) from financing activities	**-2 352**	**-3 260**	**-11 527**	**-5 538**	**-7 592**
Net increase (+) / decrease (-) in cash and cash equivalents	-3 786	-1 740	-13 514	-8 571	-14 432
Cash and cash equivalents at the beginning of the reporting	17 959	35 221	27 470	42 172	42 172
Exchange gains/losses on cash and cash equivalents	-127	105	90	-15	-270
Cash and cash equivalents at end of the reporting period	**14 046**	**33 589**	**14 046**	**33 589**	**27 470**

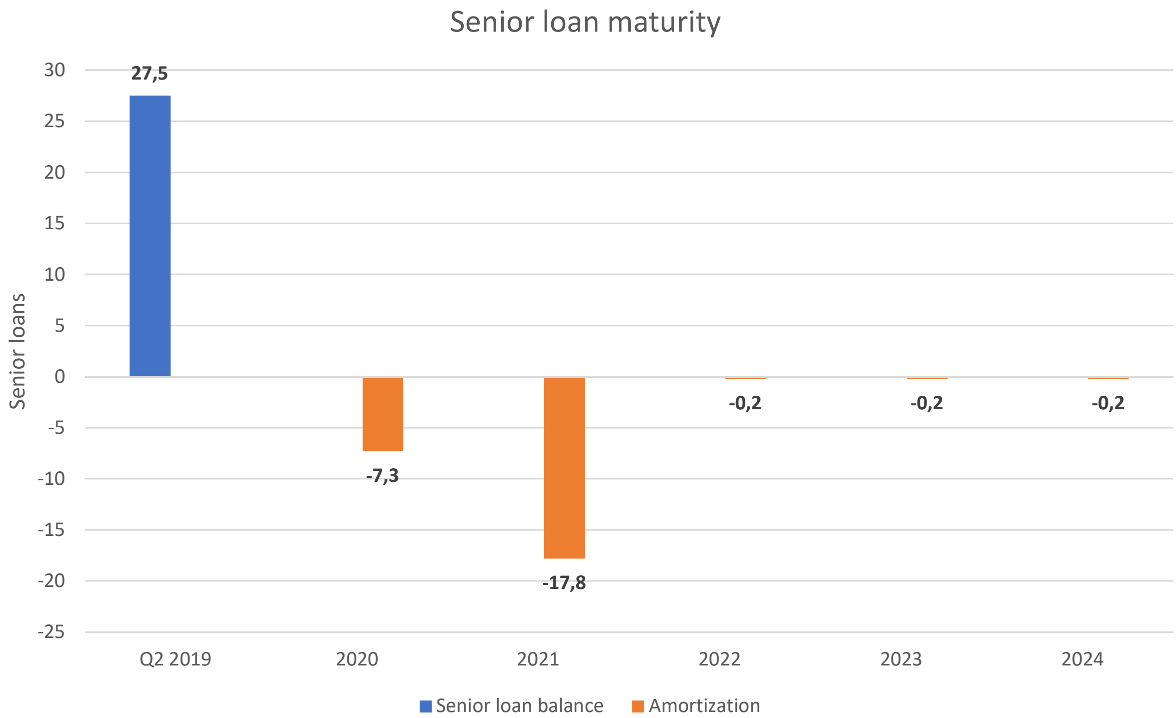
Capital structure

- Net debt still low, but needs improved EBITDA and reduced inventories performance to serve debt
- Net debt increased by the IFRS 16 deployment for leases
- Equity ratio strong (49,5 %)



Loan maturity

- Senior loans at the end of Q2 EUR 27.5 million
- Amortizations in 2020 EUR 7.3 million
- Bullet loan of EUR 17.5 million relate to the acquisition financing in agreed in 2016
- Loan amortization 2021 planned to be re-negotiated



Summary and outlook

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Summary and outlook

- Efficiency program is progressing and implementation will continue throughout the year
- The operating result developed favourably
- Sales and order intake developed globally, providing a good starting position for the latter half of the year
- DTH business production strategy sharpened
- The outlook for Robit's target markets in 2019 is positive

Robit revised the guidance for 2019 on 2 August 2019: According to new guidance EBITA profitability for the year 2019 will be negative and the release of capital tied up in the business will be less than original target.

Q & A

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Thank you!

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