Q4/2019 and full-year 2019 results

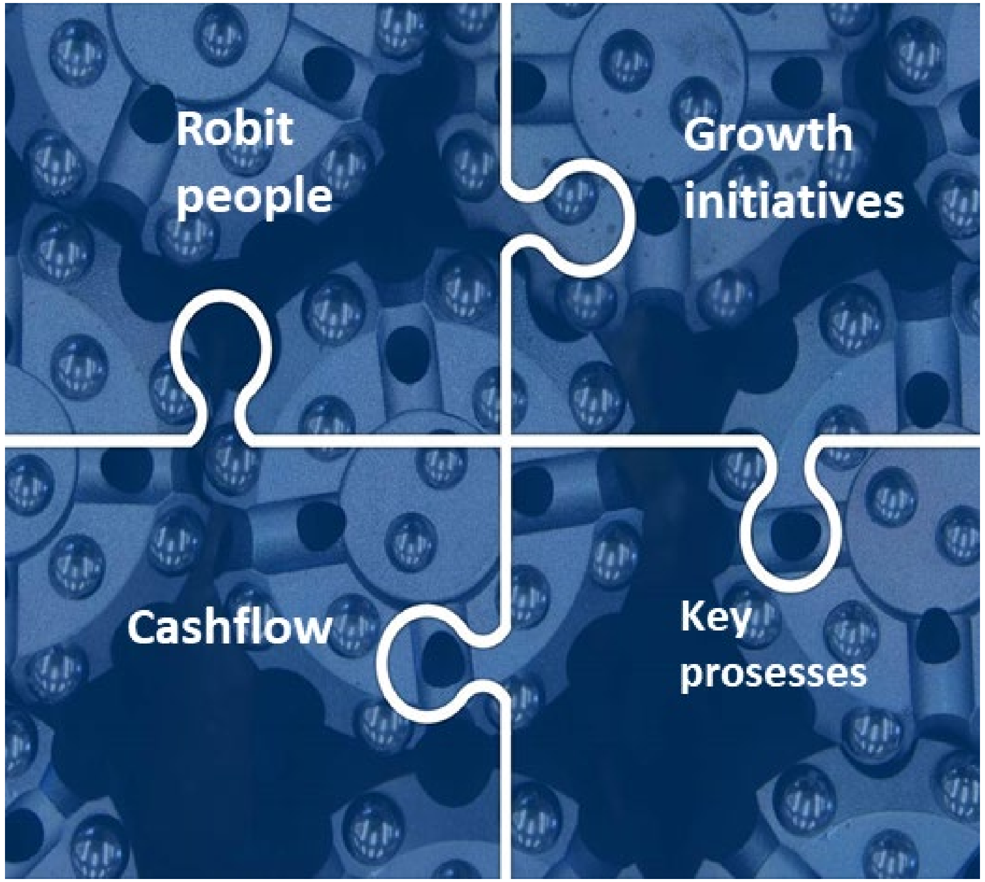
February 20, 2020

Q4 and full-year 2019 in brief

Tommi Lehtonen, CEO

Robit

Key highlights full year 2019
– Net sales grew further

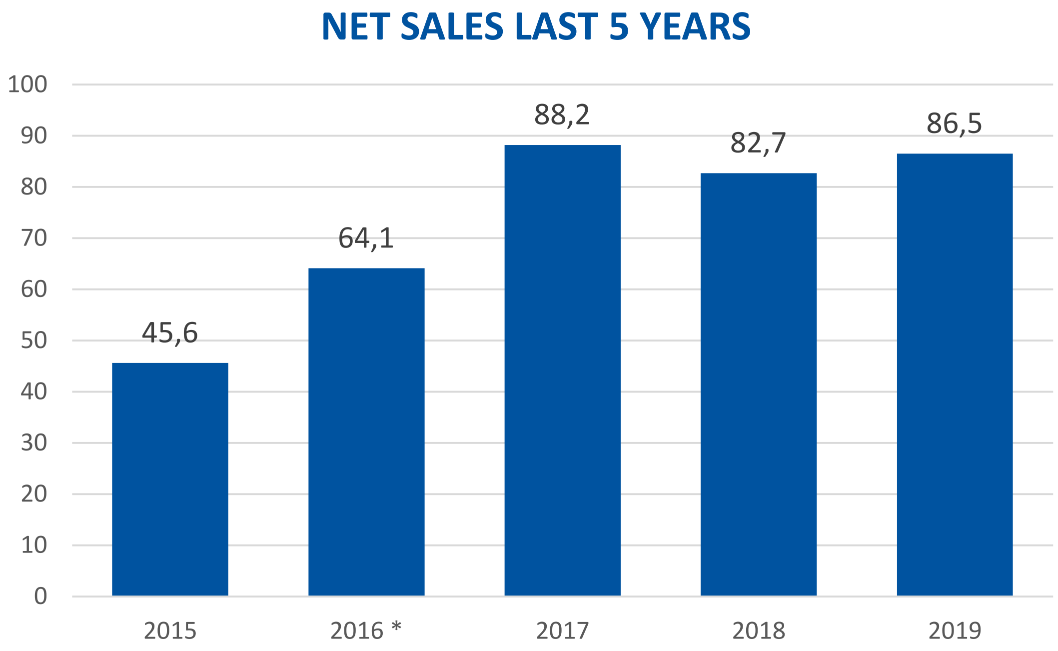


Efficiency program 2019 focus areas

- Net sales growth continued:
  - + 5 % year on year
  - + 18 % Q4/2019 vs. Q4/2018
  - + 0 % Q4/2019 vs. Q3/2019
- Cash flow improved with MEUR 3.0
- Efficiency program implemented
- Down the Hole manufacturing restructuring completed
- Product development:
  - Diamond button bits
  - Heavy duty piling products

Key Financials full year 2019

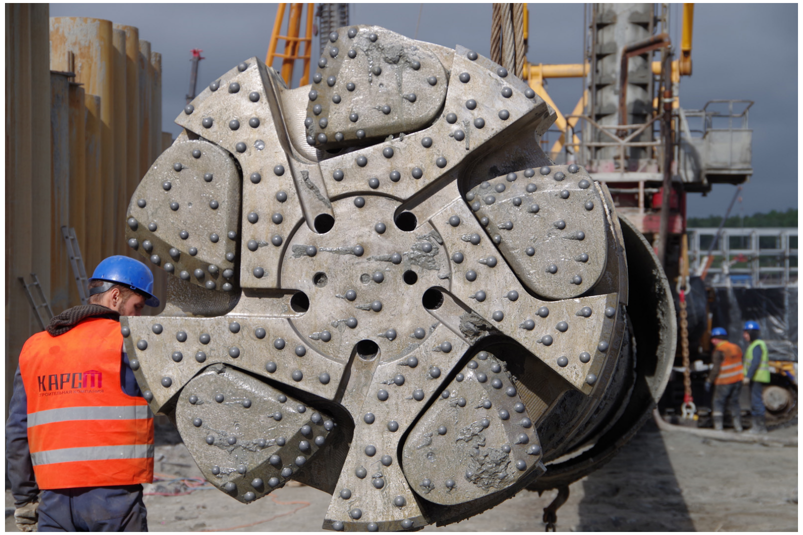
- Net sales reached MEUR 86.5 (82.7)
  - Top Hammer SBU grew 10 % to MEUR 40.3 (36.6)
  - Down the Hole SBU remained at the same level MEUR 46.2 (46.1)
- Order intake grew to MEUR 87.3 (80.8)
- Profitability (adjusted EBITDA) developed favourably to MEUR 2.7 (-3.5)
- Operative cash flow before financial items improved with MEUR 3.0 and is MEUR 1.8 (-1.2)
- Equity ratio 47.4 % (49.3)



* Acquistions of Robit Australia and Robit GB mid 2016

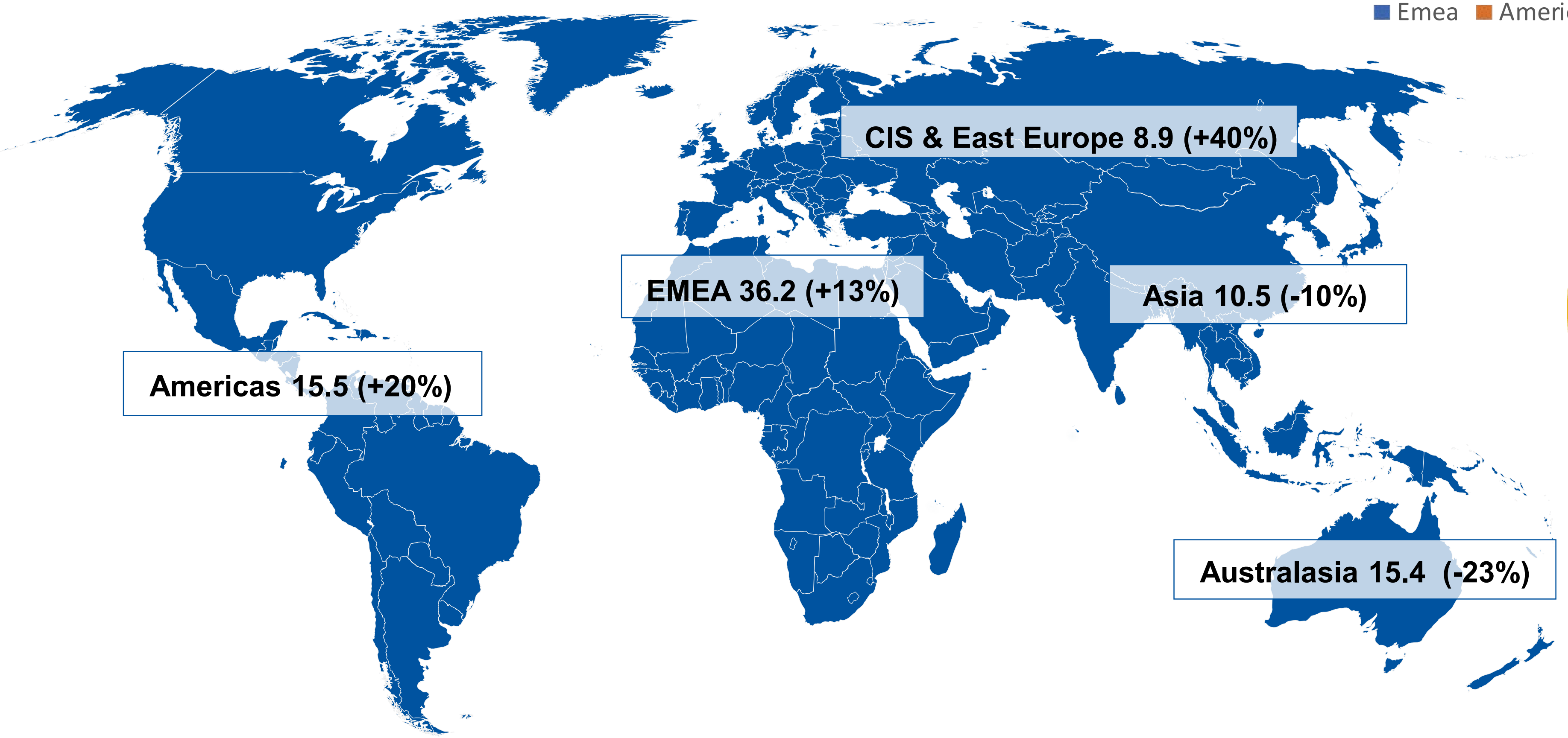
Key highlights Q4/2019

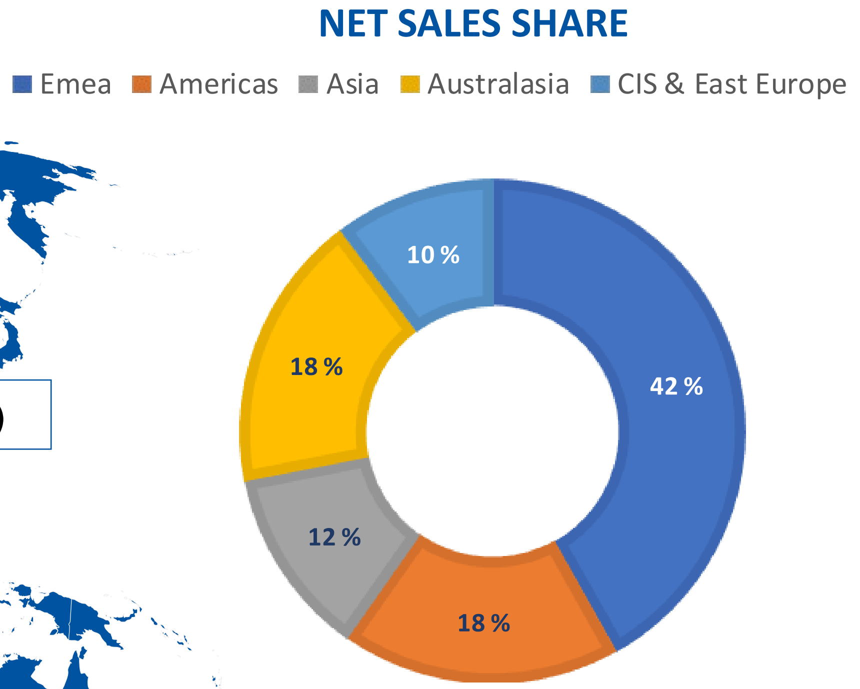
- Net sales grew 18 % to MEUR 22.2 (18.8)
- Profitability (adjusted EBITDA) MEUR -0.3 (-3.8)
- Operative cash flow improved with MEUR 2.9 being MEUR 1.4 (-1.5)
- Company reached the biggest single order in its history - Piling project with new products
- Transfer of Brighouse manufacturing completed with related personnel change



Net sales by regions 2019 (MEUR)

- Order intake Q4/2019 grew 8 % reaching MEUR 19.0 (17.6)





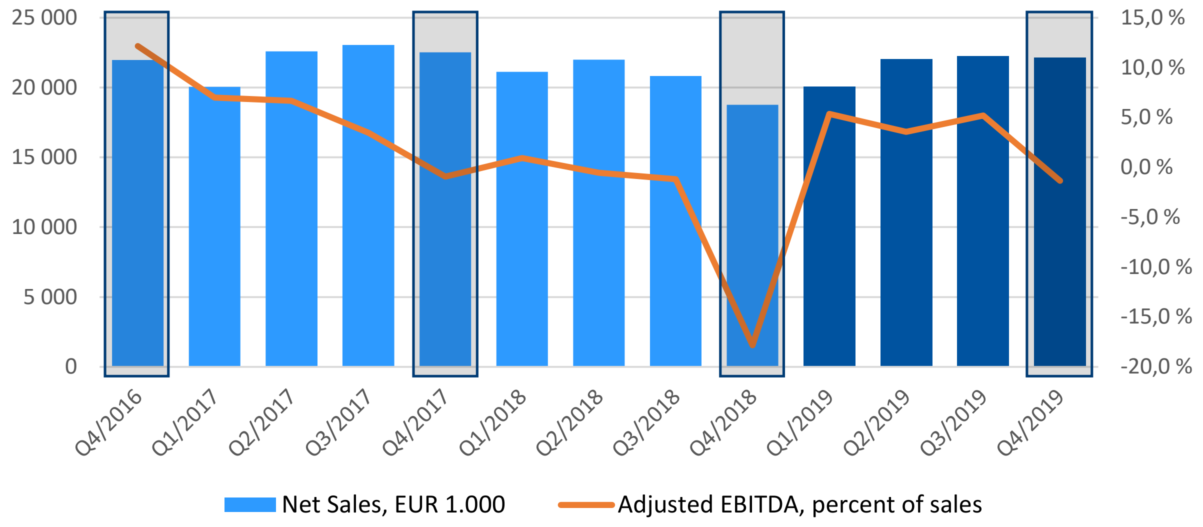
Financials

Ilkka Miettinen, CFO

Income statement

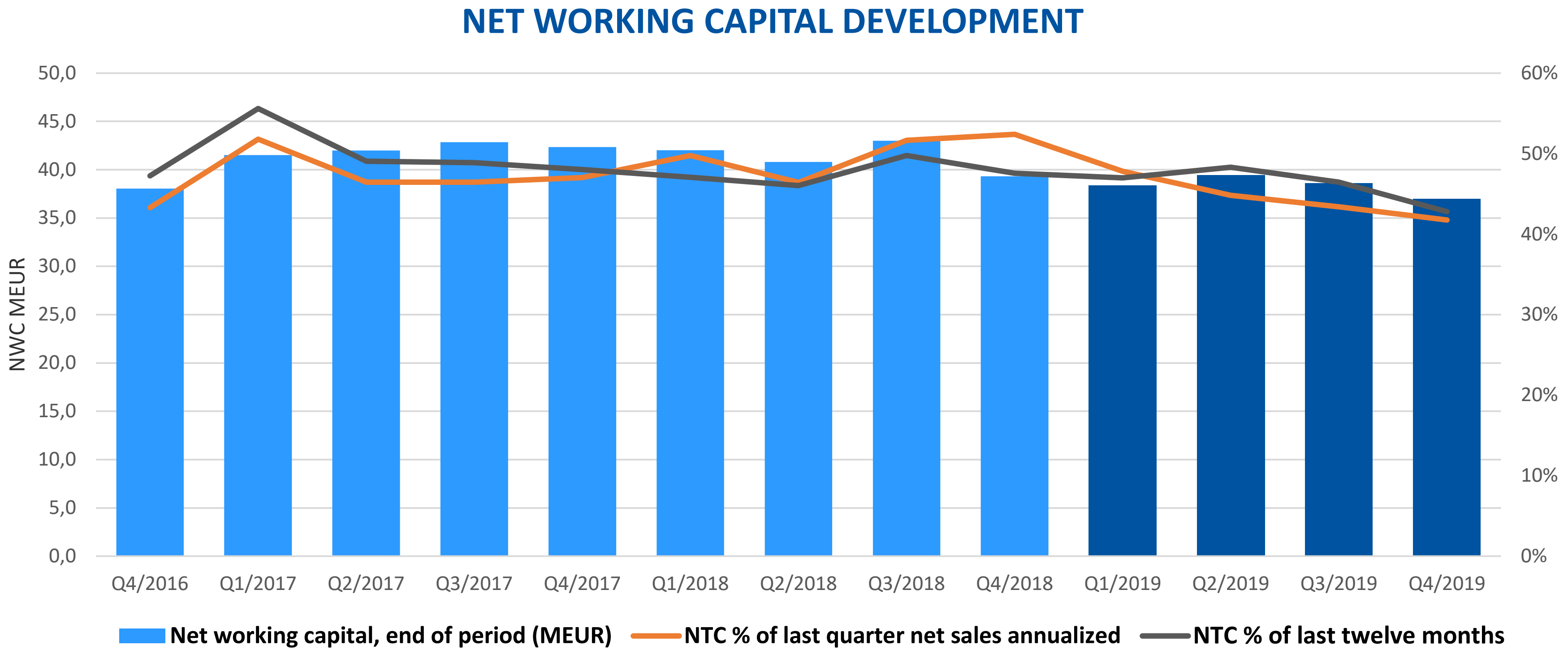
- Net sales Q4/2019 18 % higher than Q4 2018 and at the same level as Q3/2019, which is a clear change compared to previous year
- Q4/2019 net sales MEUR 22.2
- Full year EBITDA improved, but still unsatisfactory
  - Comparable EBITDA includes MEUR 1.1 of restructuring costs (personnel 0.7 and 0.4 asset disposal losses)
- Q4/2019 comparable EBITDA
  - Company made write-offs in manufacturing inventories, especially in Australia about MEUR 0.7
- Income taxes mainly deferred tax changes and accrued tax – paid taxes are MEUR 0.4

NET SALES AND COMPARABLE EBITDA



EUR thousand	Q4 2019	Q4 2018	2019	2018
Net sales	**22 157**	**18 761**	86 482	82 683
EBITDA	-308	-4 007	1 605	-4 782
Comparable EBITDA	-302	-3 767	2 707	-3 529
EBITA	-1 061	-5 275	-4 927	-9 658
Comparable EBITA	-1 902	-5 035	-3 720	-8 405
EBIT (Operating profit)	**-1 271**	**-24 776**	-5 767	-29 800
Finance income and costs net	-128	-409	-893	-1 623
Profit before income tax	**-1 399**	**-25 185**	-6 660	-31 423
Income taxes	-1 154	-327	-604	39
Result for the period	**-2 554**	**-25 512**	-7 265	-31 384

Net working capital development



- NWC trend is correct and is above 40 % - aim is to improve NWC efficiency constantly
- Inventories did not decrease according to our targets, but the quality of the inventories improved significantly
- Supply chain development continued to secure availability and cost efficiency

Cashflow

- Last quarter cash generation satisfactory
- Cash flow from investing activities was positive due to selling assets related to Down the Hole re-organization – proceeds MEUR 2.1
  - About MEUR 1.2 was used mostly to Korean investment remaining payments
- Loans amortized by MEUR 11.3 and lease amortization MEUR 2.2

CONSOLIDATED STATEMENT OF CASH FLOWS

EUR thousand	Q4 2019	Q4 2018	2019	2018
Cash flows from operating activities				
Cash flows from operating activities before financial items	1 410	1 517	1 802	-1 199
Financing items and tax	-673	-950	-1 363	-1 011
Net cash inflow (outflow) from operating activities	**737**	**567**	**439**	**-2 210**
Net cash inflow (outflow) from investing activities	**170**	**-324**	**889**	**-4 630**
Net cash inflow (outflow) from financing activities	**-1 407**	**-730**	**-13 770**	**-7 592**
Net increase (+) / decrease (-) in cash and cash equivalents	-499	-487	-12 442	-14 432
Cash and cash equivalents at the beginning of the reporting period	15 696	28 026	27 470	42 172
Exchange gains/losses on cash and cash equivalents	51	-68	219	-270
Cash and cash equivalents at end of the reporting period	**15 248**	**27 470**	**15 248**	**27 470**

Balance sheet

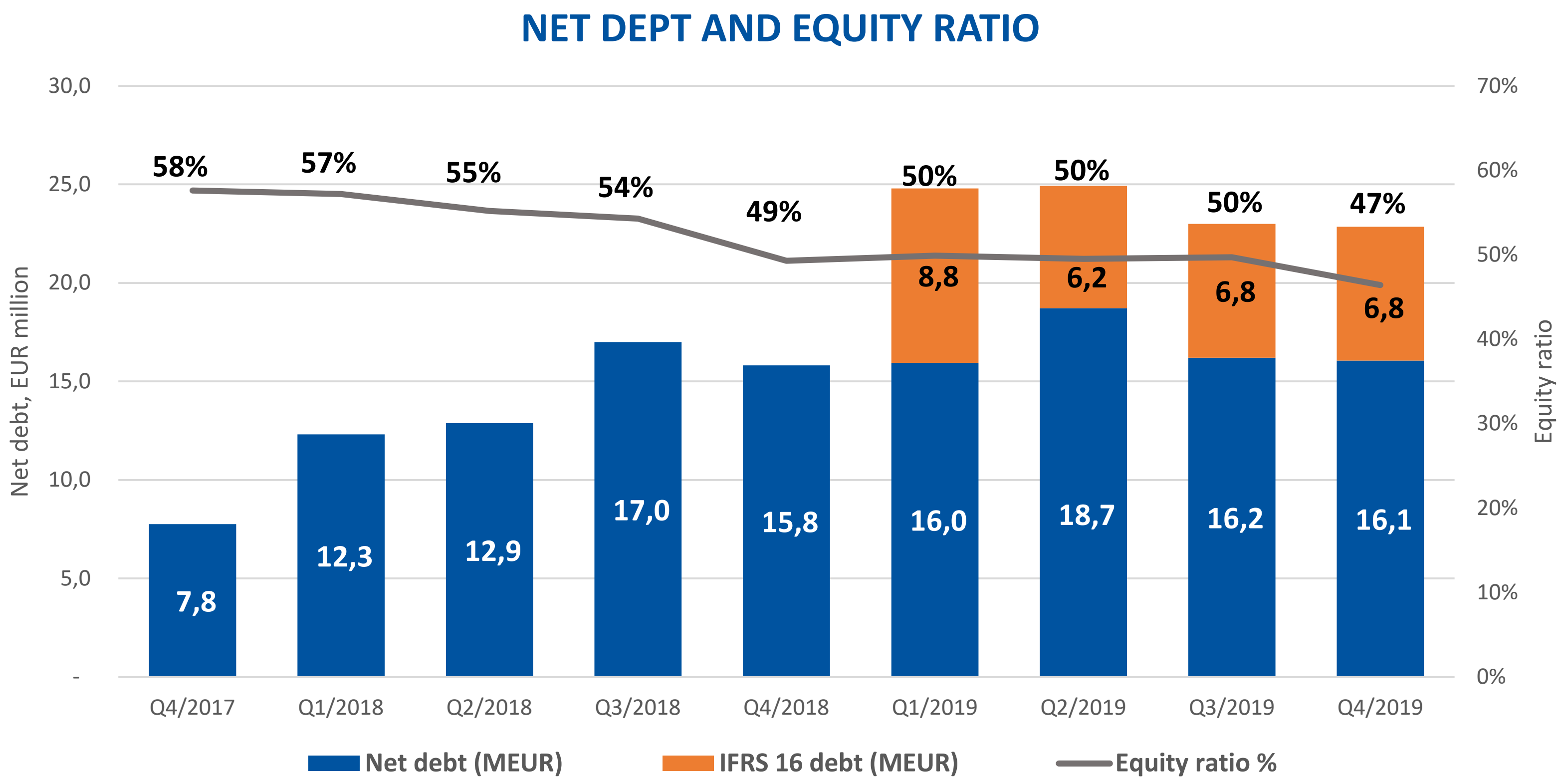
- Goodwill MEUR 5.4
- IFRS 16 addition in assets MEUR 7.0 (leased assets)
- Inventories and receivables on higher level due to 18 % improved quarter on quarter net sales
- Total interest-bearing loans and utilized credit limits MEUR 31.3 including IFRS 16 liabilities MEUR 6.8

CONSOLIDATED BALANCE SHEET

EUR thousand	31-Dec-19	31-Dec-18
ASSETS		
Total non-current assets	**38 949**	**39 686**
Current assets		
Inventories	32 771	30 808
Account and other receivables	20 112	18 640
Other receivables	281	392
Cash and cash equivalents	15 248	27 470
Total current asset	**68 412**	**77 310**
Total assets	**107 361**	**116 996**
EQUITY AND LIABILITIES		
Total equity	50720,6126	57763,39728
Total non-current liabilities	23 881	28 535
Total current liabilities	32 760	30 697
Total liabilities	56 641	59 233
Total equity and liabilities	**107 361**	**116 996**

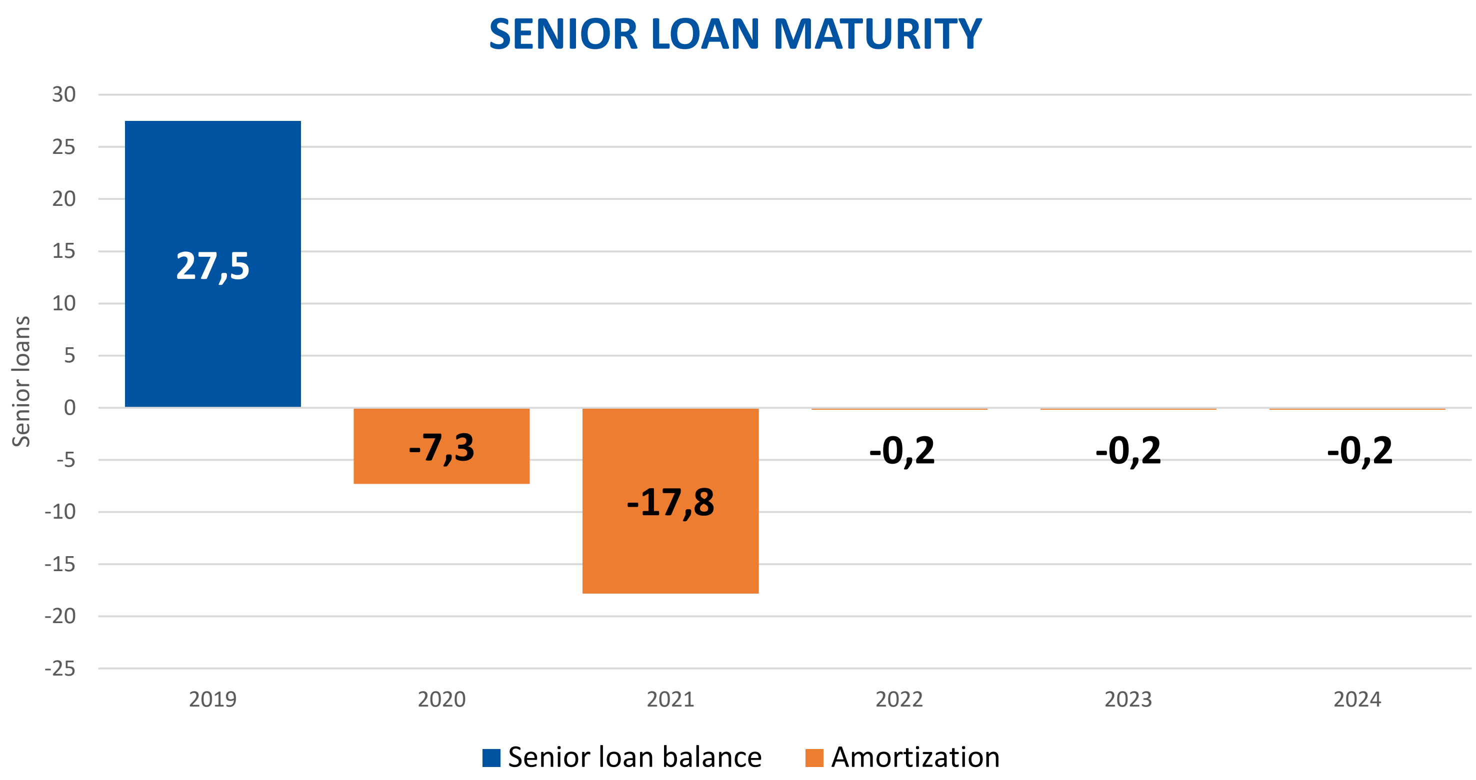
Capital structure

- Net debt MEUR 22.9 still low
- Net debt increased by MEUR 6.8 due to the IFRS 16 deployment for leases
- Equity ratio strong (47.4%)



Loan maturity

- Senior loans at the end of the year MEUR 27.5
- Amortizations according to current plan MEUR 7.3 in 2020 (2019 MEUR 10.5)
- Bullet loan of MEUR 17.8 to be re-negotiated during 2020



Summary and outlook

Tommi Lehtonen,CEO

Robit

Summary – Year of change

There was a concrete need for change and company was stabilized by means of efficiency program implemented in 2019.

- Net sales and order intake back to growth curve
  - Net sales + 5 % year on year
  - Order intake + 8 % year on year
- Three of the five regions fulfilled the sales growth expectations
- Major restructuring was carried-out in the Down the Hole manufacturing.
- New products were launched for the needs of mining automation and demanding piling projects.
- Financially:
  - Adjusted EBITDA increased with MEUR 6.2
  - Cash flow improved with MEUR 3.0
  - equity ratio was 47.4 %
  - NWC remained flat

Robit's business elements for future development

- Renewed structure and focus on drilling consumables only
- Four market segments with global presence
- Room to grow as Robit's market share + 4 % from global business potential

- Widest offering for different drilling applications
- Still free capacity in manufacturing for growth
- Dynamic and competitive pricing strategy

- Strengthened management team, nomination of COO
- Equity ratio 47 %
- Stable outlook for 2020 market with good market volume demand

Capital Distribution

The Board of Directors proposes to the Annual General Meeting that EUR 0.03 per outstanding share be paid from the company's distributable funds. The distribution of funds is executed as refund of capital from the company's invested unrestricted equity fund.

- The total amount proposed to be paid would be EUR 628 053,21.
- According to the proposal the payment date is 1 April, 2020.

Outlook for the future

To forecast the future is exceptionally challenging as the overall economical and market outlook has several recognised threads.

Financial targets

Robit's longterm targets over the cycles are:

The Company looks for 15 % organic CAGR and 13 % adjusted EBITDA profitability.

Guidance for 2020

Robit Plc targets increase of net sales and better adjusted EBITDA –profitability in euros compared to the comparative period.

Q & A

Robit

Thank you!

Robit publishes the Annual report March 2nd,2020.
The AGM will be held March 23th, 2020 at 14.00.

www.robitgroup.com

Robit