

SECOND QUARTER AND HALF-YEAR REPORT 2022

Analyst & Press Conference

9 August 2022, Helsinki

Robit



NET SALES AND EBITDA TO A NEW RECORD

Arto Halonen, Group CEO

Robit

Q2: RECORD IN NET SALES AND EBITDA

RECORD NET SALES IN Q2, GROWTH BOTH IN TH AND DTH

- Net sales increased by 23.7% to MEUR 31.0 (25.1)
- Orders remained at a good level MEUR 26.4 (26.5)
- Strong growth in both Top Hammer and Down the Hole
- Growth delivered in all market areas and enabled by completion of the Top Hammer investments.

RECORD EBITDA IN Q2, SUCCESSFUL EXECUTION OF IMPROVEMENT MEASURES

- Q2 2022 EBITDA improved by 118.0% to MEUR 4.1 (1.9), EBITDA as a percentage of sales was 13.1% (7.4%)
- Implementation of profitability improvement actions succeeded during the quarter
- Strong profitability resulted into positive net cash flow from operations

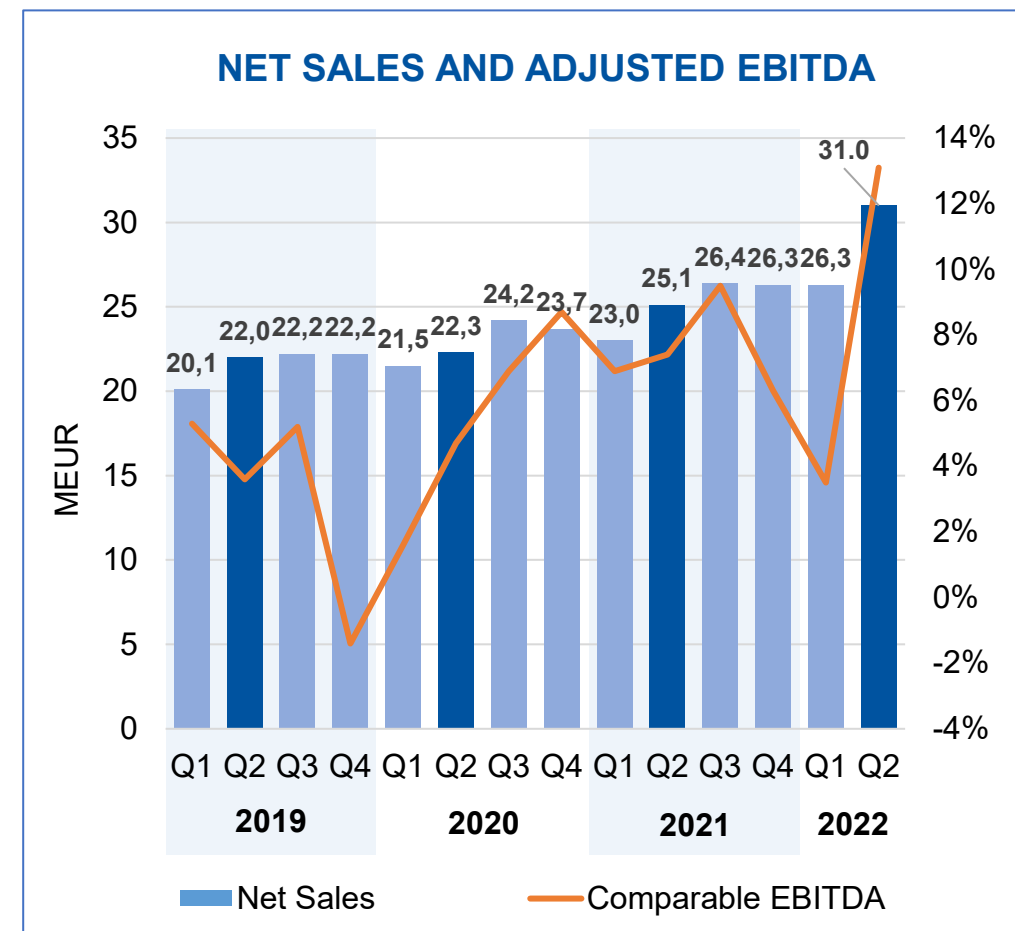
SIGNIFICANT STEPS TOWARDS SUSTAINABILITY GOALS TAKEN

- CO2 emission intensity improved by 21.3% during H1 2022



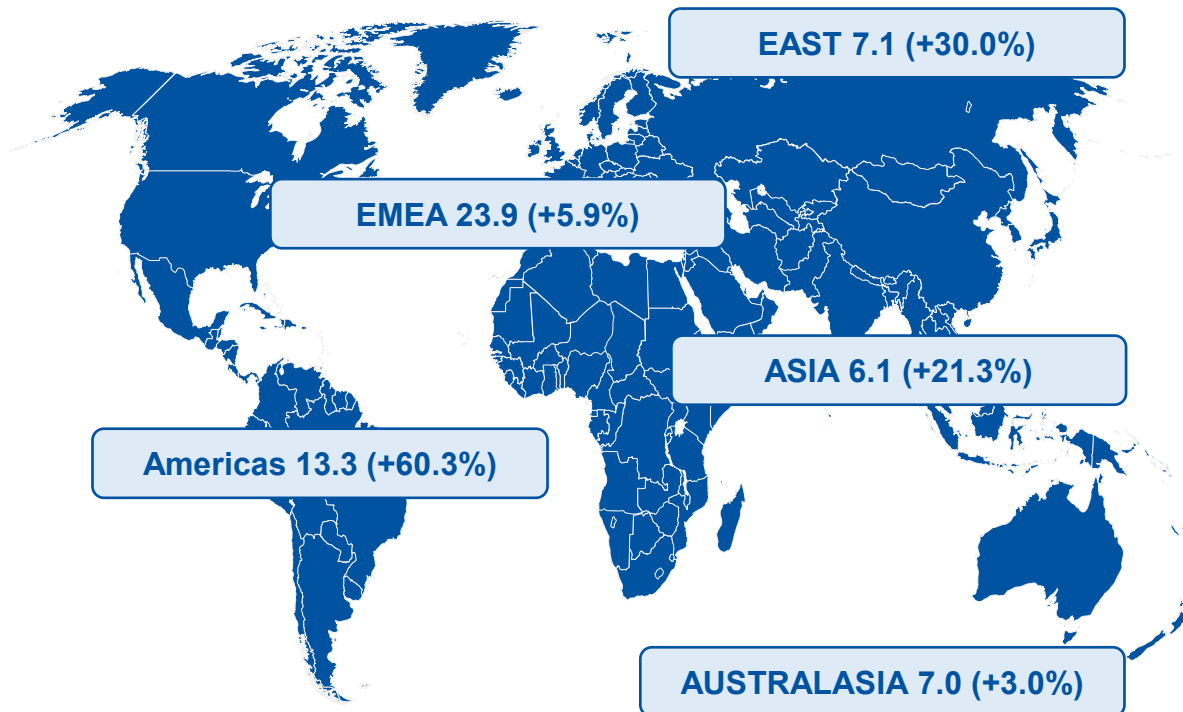
H1: STRONG GROWTH IN SALES, PROFITABILITY IMPROVED

- H1 2022 net sales increased by 19.2% to MEUR 57.3 (48.1), 15.5% in fixed currencies
 - Top Hammer net sales increased by 27.7% to MEUR 33.6 (26.3)
 - Down the Hole net sales increased by 8.8% to MEUR 23.7 (21.8)
- H1 2022 EBITDA% improved to 8.7% (7.2%)
- Operating cash flow improved by MEUR 5.1 to MEUR 1.0 (-4.1)
- Cash flow before changes in NWC improved to MEUR 5.6 (3.6)

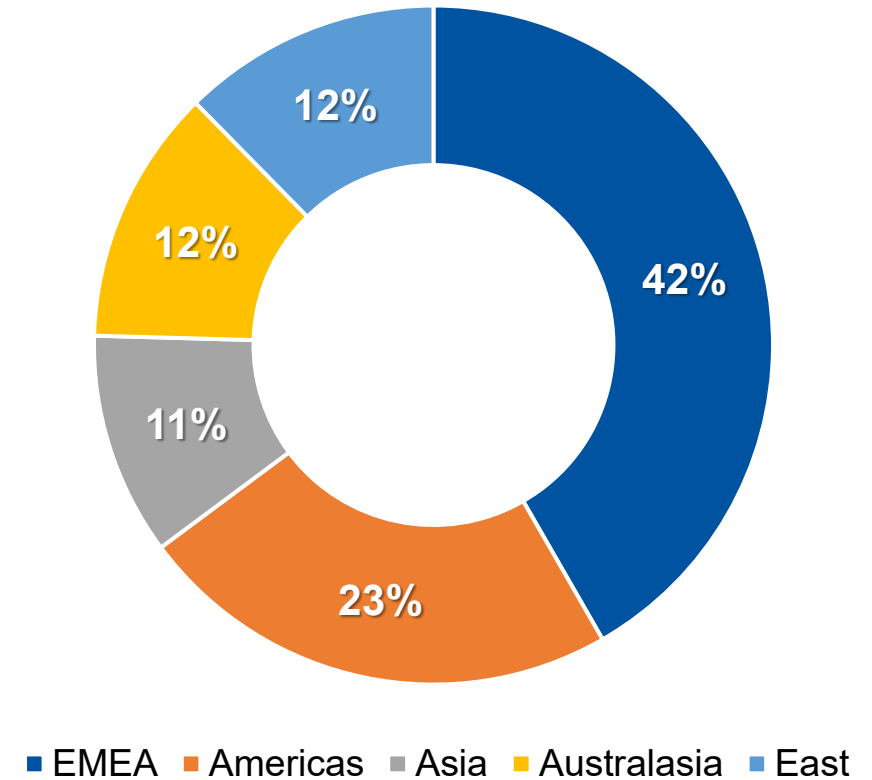


STRONG NET SALES DEVELOPMENT IN AMERICAS

NET SALES BY MARKET AREA 2022 (MEUR)
AND CHANGE TO PREVIOUS YEAR (%)



NET SALES SHARE H1 2022



ESG KEY PERFORMANCE INDICATORS

Sustainable partnerships

Over 90%* of suppliers committed to sustainable supply chain principles

H1/2022 result: 92%

2021 result: 79%

Over 90%** of distributors committed to Robit ESG principles

H1/2022 result: 76%

2021 result: 38%

CO2 emission reductions in our value chain

50% emission intensity reduction on Scope 1 & 2 by 2030

H1/2022 result: -21.3%

2021 result: -0.5%

Happy and healthy workplace

Employee engagement index improving y-o-y

H1/2022 result: N/A***

2021 result: 68 (2020: 70)

LTIF zero

H1/2022 result: 4.1

2021 result: 2.1

Efficiency throughout the product lifecycle

Over 90% waste recovery ratio in Robit factory locations

H1/2022 result: 88%

2021 result: 87%

Annually over 1,000 hours of training hours consultative sales

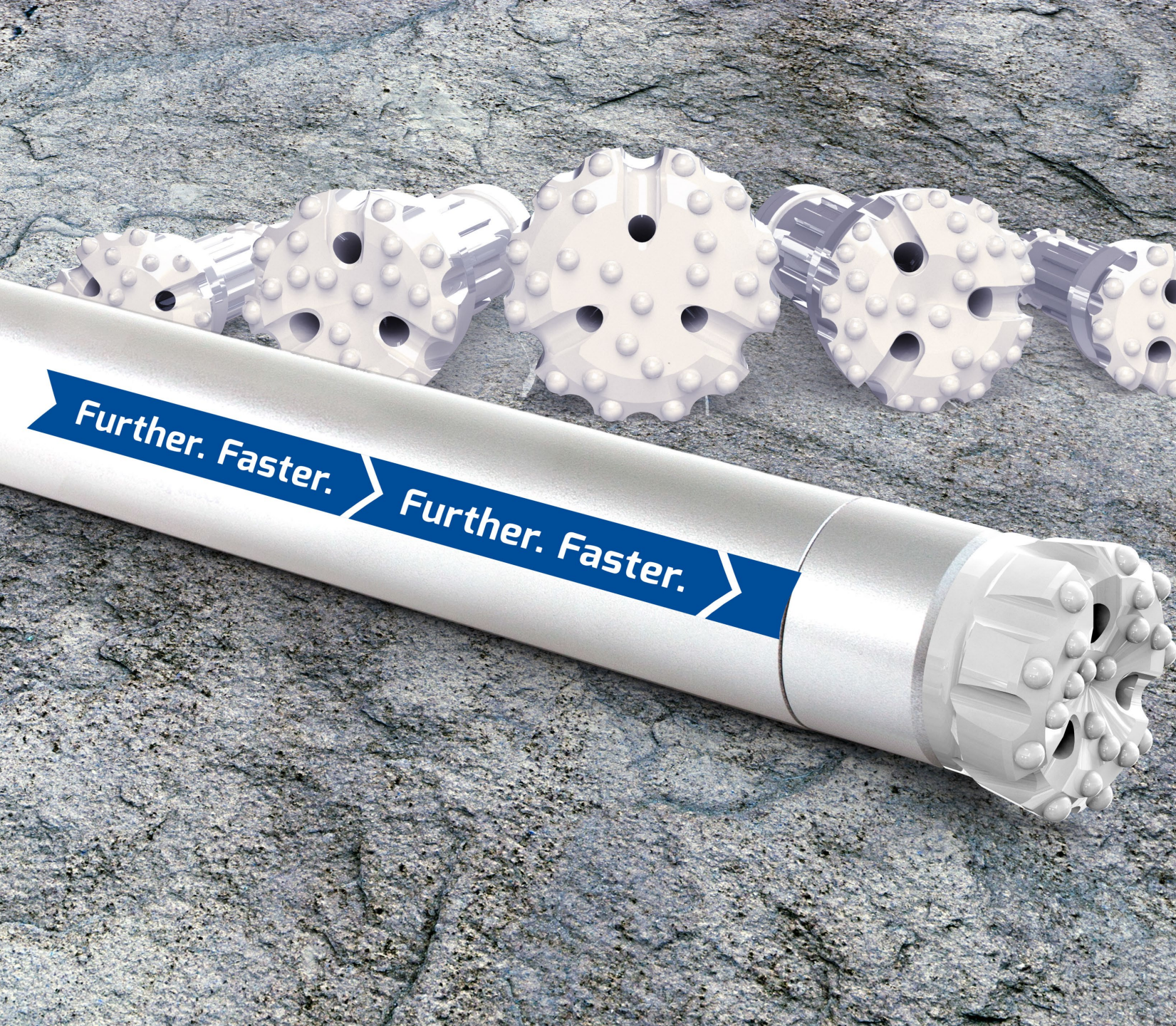
H1/2022 result: 362 hours

2021 result: 921 hours

* Calculated based on supplier spend

** Calculated based on sales volume

*** Measured once a year



FINANCIALS Q2 & H1 2022

Ville Peltonen, Interim CFO

Robit

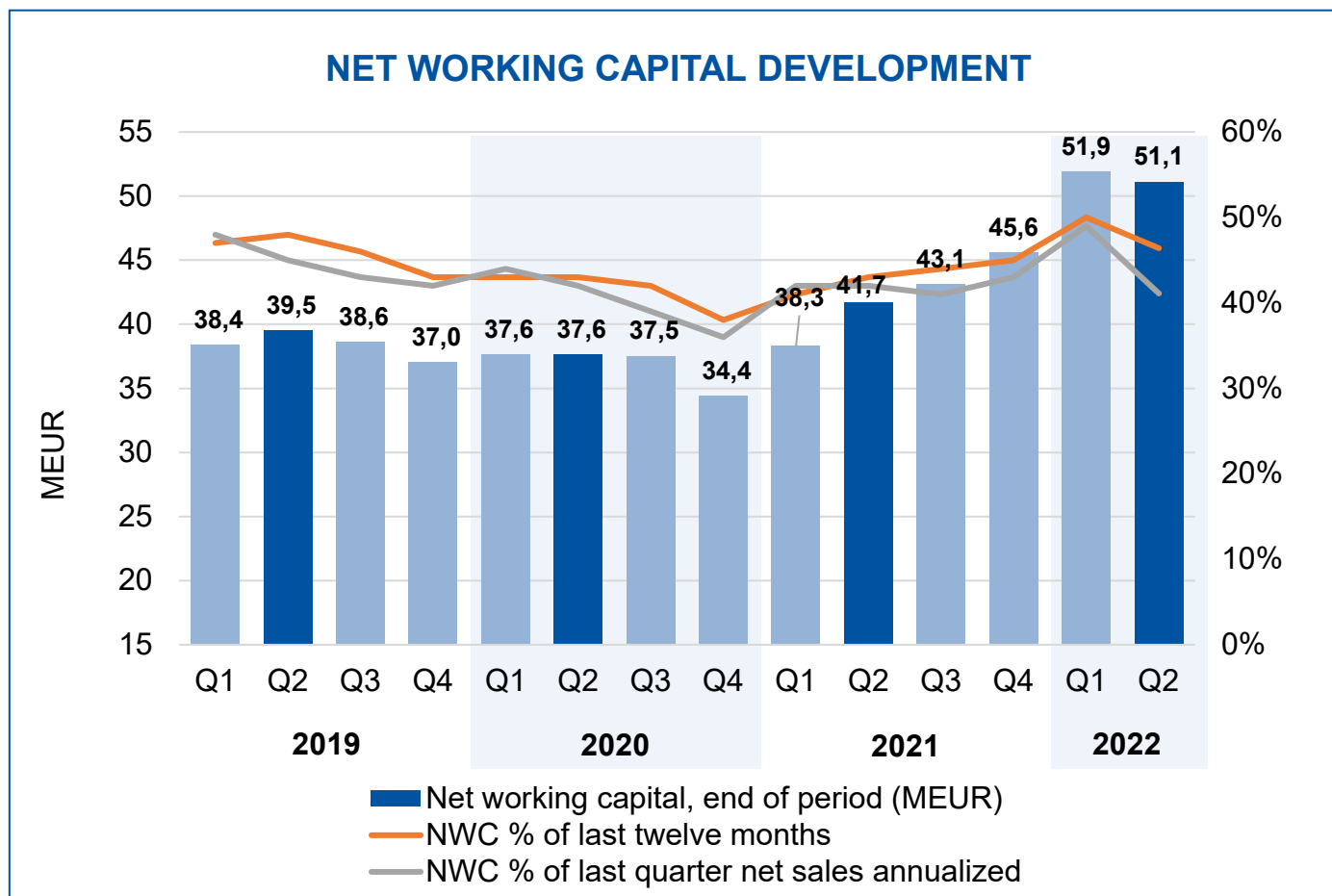
KEY FINANCIALS TO NEW RECORDS IN Q2

- **Net sales** Q2 2022 was 23.7% higher than Q2 2021, in fixed currencies growth 17.4%
- **EBITDA** continued to develop positively and improved by MEUR 2.2 from Q2 2021
- **EBIT** for the Q2 2022 was positive reaching 8.4%, improving from 1.8% in Q2 2021

KEY FINANCIALS	Q2 2022	Q2 2021	Change%	H1 2022	H1 2021	Change%	2021
Net sales, EUR 1 000	31,025	25,088	23.7%	57,328	48,110	19.2%	100 755
EBITDA*, EUR 1 000	4,062	1,864	118.0%	4,984	3,441	44.8%	7 595
EBITDA, % of sales	13.1%	7.4%		8.7%	7.2%		7.5%
EBITA, EUR 1 000	2,844	678	319.5%	2,571	1,015	153.4%	2 940
EBITA, % of sales	9.2%	2.7%		4.5%	2.1%		2.9%
EBIT, EUR 1 000	2,619	462	466.6%	2,127	583	264.9%	2 080
EBIT, % of sales	8.4%	1.8%		3.7%	1.2%		2.1%
Result of the period, EUR 1 000	2,082	-191	1 188.3%	1,333	224	495.0%	886
Result of the period, % of sales	6.7%	-0.8%		2.3%	0.5%		0.9%
Earnings per share (EPS), EUR 1 000	0.09	-0.01		0.05	0.01		0.04
Return on equity (ROE), %				4.5%	0.5%		1.8%
Return on capital employed (ROCE), %				4.2%	1.5%		2.5%

Q2: NET WORKING CAPITAL DEVELOPMENT

- NWC totalled MEUR 51.1 (41.7), slightly decreasing from Q1 2022
- Inventories increased to MEUR 47.4 (40.3). Increase was impacted by cost inflation as well as fx rates
- Receivables increased to MEUR 25.7 (24.2) as a result of increased net sales



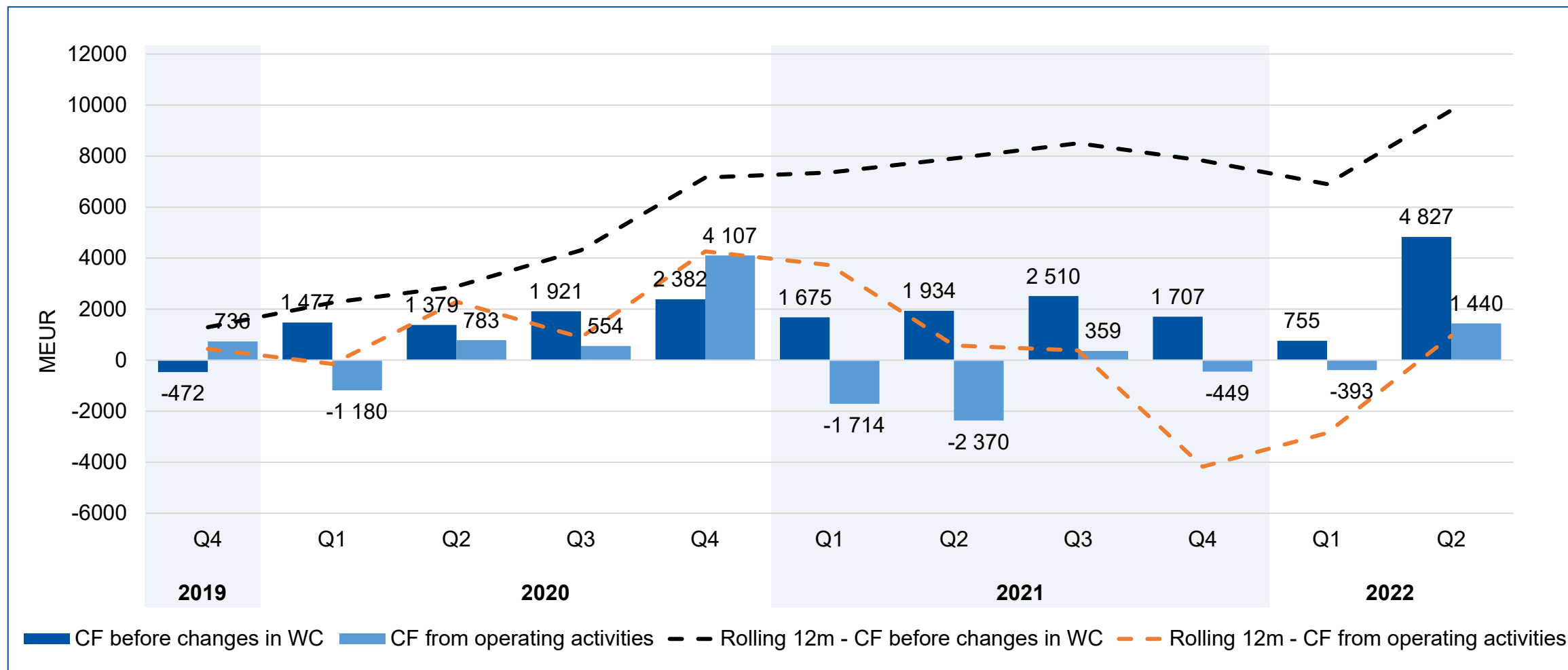
Q2: CASH FLOW

- Net cash flow from the company's operating activities improved in the quarter as a result of strong profitability
- Cash flow before changes in NWC improved to MEUR 4.8 (1.9)
- Operating cash flow was MEUR 1.4 (-2.4)
- Cash flow from investing activities was MEUR -0.4 (-0.5)
- Cash flow from financing activities resulted to MEUR -1.6 (-0.1)

CONSOLIDATED STATEMENT OF CASH FLOWS

EUR thousand	Q2 2022	Q2 2021	H1 2022	H1 2021	2021
Cash flow from operating activities					
Cash flows before changes in working capital	4,827	1,934	5,581	3,609	7,826
Cash flows from operating activities before financial items and taxes	1,739	-2,110	1,772	-3,271	-2,785
Net cash inflow (outflow) from operating activities	1,440	-2 370	1,047	-4,084	-4,174
Net cash inflow (outflow) from investing activities	-371	-492	-805	-1,287	-3,885
Net cash inflow (outflow) from financing activities	-1,617	-82	-3,111	292	3,091
Net increase (+)/decrease (-) in cash and cash equivalents	-549	-2,944	-2,869	-5,078	-4,968
Cash and cash equivalents at the beginning of the financial year	7,185	12,352	9,525	14,339	14,339
Exchange gains/losses on cash and cash equivalents	443	-37	422	111	154
Cash and cash equivalents at end of the year	7,079	9,372	7,079	9,372	9,525

CASH FLOW BEFORE CHANGES IN WORKING CAPITAL



STEADY FINANCIAL POSITION

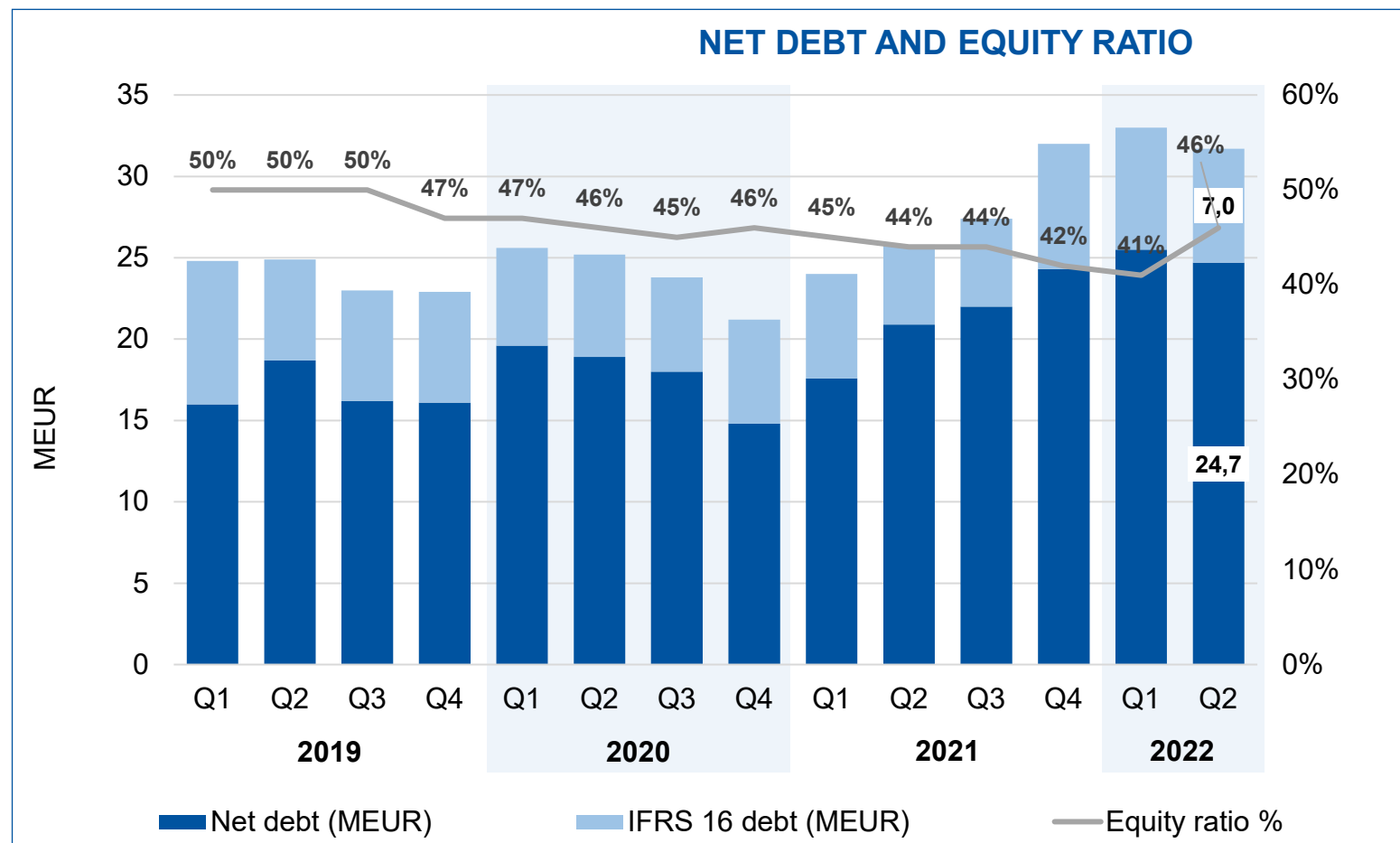
- Cash and cash equivalent at the end of the Q2 2022 was MEUR 7.1 (9.4)
- Total interest-bearing loans and utilized credit limits were MEUR 38.8 (35.1) including IFRS 16 liabilities of MEUR 7.0

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

EUR thousand	30.6.2022	30.6.2021	31.12.2021
ASSETS			
Total non-current assets	36 563	33 813	37 847
Current assets			
Inventories	47 399	40 397	43 538
Account and other receivables	25 749	24 160	25 337
Other receivables	263	160	157
Cash and cash equivalents	7 079	9 372	9 525
Total current assets	80 490	73 989	78 557
Total assets	117 053	107 801	116 403
EQUITY AND LIABILITIES			
Equity total	52 737	47 936	49 114
Total non-current liabilities	32 296	32 790	32 441
Total current liabilities	32 019	27 076	34 848
Total liabilities	64 316	59 865	67 289
Total equity and liabilities	117 053	107 801	116 403

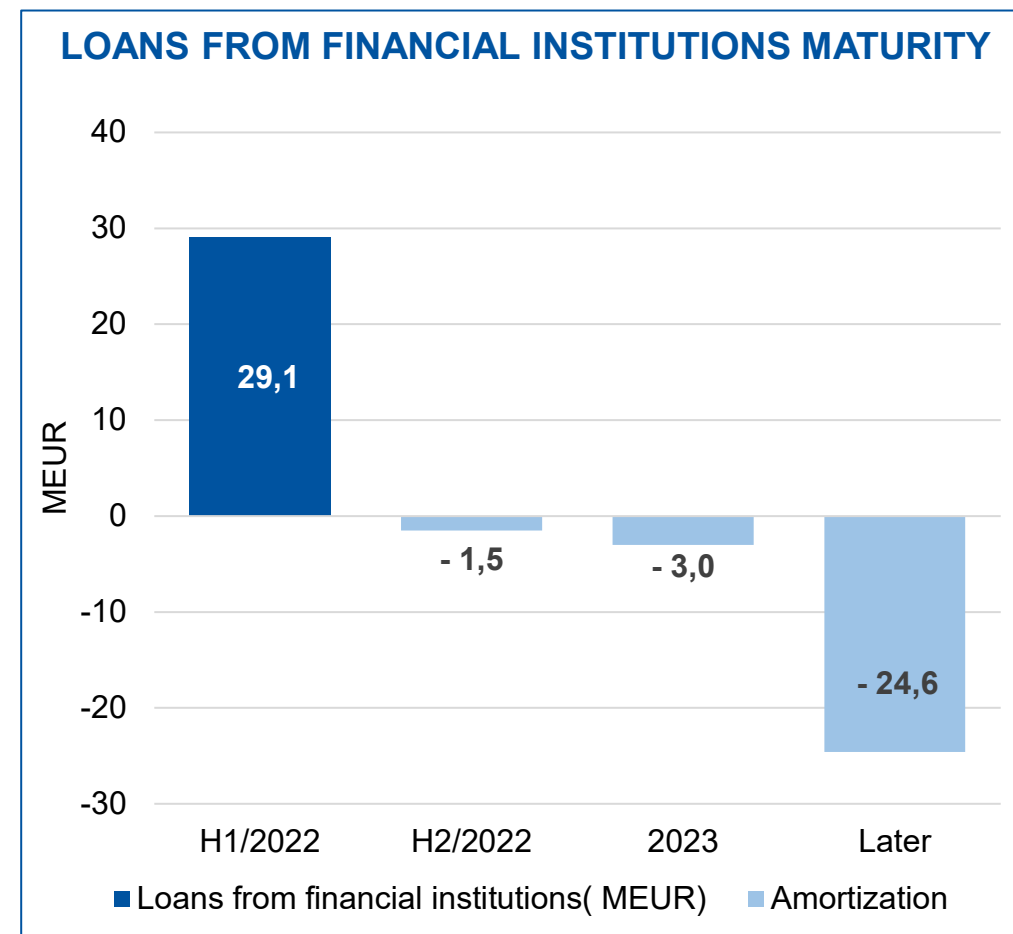
CAPITAL STRUCTURE

- Net debt was MEUR 31.7, slightly down from the beginning of the year
- Net debt / EBITDA 3.47
- Equity ratio was solid at 45.7%



Q2: LOAN MATURITY

- Loans from financial institutions at the end of Q2 2022 totaled MEUR 29.1
- MEUR 3.5 from the loan remain to be raised at later stages
- Loan amortization of MEUR 1.5 bi-annually
- Financing agreement extended in May to a new 3-year period
- Company has an interest rate swap of EUR 10 million, which will take effect on 30 June 2023 and it will end on 30 June 2026





OUTLOOK

Arto Halonen, Group CEO

Robit

Focus on profitable growth

PROFITABILITY BACK TO GROWTH CURVE

- Pricing management: prompt implementation of price changes, price surcharge to manage volatility.
- Procurement savings: strengthened savings pipeline to make step change in competitiveness, adjusting make-or-buy limit
- Addressing low profitable customers

CONTROLLED GROWTH TO MANAGE PROFITABILITY AND CASH FLOW

- Short term focus heavily on NWC and cash flow management
- Focused sales actions to compensate for Russia and Belarus sales, which accounted for 10 percentage of Robit's H1 sales.
- Strengthening sales and distribution channel and sales management

GEARED UP FOR GROWTH

- Planned investments finalized to take the step towards Best-in-class availability

FINANCIAL TARGETS AND GUIDANCE 2022

FINANCIAL TARGETS

- Robit's long term target is to achieve organic net sales growth of 15% annually and comparable EBITDA of 13%.

	Long-term target	2020	2021	H1 2022
Net sales growth	15% p.a.	6.0%	10.0%	19.2%
Comparable EBITDA, % of net sales	13%	5.6. %	7.5%	8.7%

OUTLOOK

- Considering all identified risk factors, Robit estimates the demand in the global mining and construction industry to remain at the current level. The company has identified global factors, such as the war in Ukraine, cost inflation in raw materials and logistics and the potential global decline of economic development. They are unlikely to substantially affect the company's operations in 2022.

GUIDANCE 2022

- Robit estimates that net sales for 2022 will grow and comparable EBITDA profitability in euros will improve compared with 2021 assuming that there are no significant changes in the exchange rates compared with the end of 2021.



Q&A

Further questions?

Please, don't hesitate to contact
us by email:
investors@robitgroup.com

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