

ROBIT PLC    PRESS RELEASE    1 AUGUST 2023 AT 1.20 P.M.

**NET SALES AND PROFITABILITY IMPROVED FROM THE BEGINNING OF THE YEAR, FURTHER IMPROVEMENT STILL NEEDED**

Market demand in the second quarter was below the comparison period. Weakening market in the construction industry, especially in Europe and Asia impacted the financial performance in the quarter. Market demand in the mining industry remained at a good level, but the company was unable to compensate for the lost sales in Russia from other market areas. Orders received totaled EUR 22.8 million, down by 14.2 percent from the comparison period. Robit's net sales for the quarter were EUR 24.4 million (31.0), down 21.4 percent on the very strong corresponding period. In constant currencies, there was a decrease of 17.6 percent.

In the second quarter, EBITDA was EUR 1.5 million (4.1), clearly below the very strong corresponding period. Profitability was particularly affected by the low utilization rate of Down the Hole manufacturing and the increase in the realized purchase prices of raw materials, which were partially compensated with an increase in the sales prices. The company continues cost reductions in procurement as well as market-specific price adjustments. Exchange differences caused by changes in foreign exchange rates also weakened the company's EBITDA by EUR 0.6 million compared to the comparison period.

As a part of the company's cost-savings program, Robit has decided to close its production activity in Perth, moving that activity to the company's other factories. In the future, Robit Australia will focus on sales, maintenance, and service in the local Australian market. The estimated full annual cost savings are approximately EUR 2 million and the restructuring costs are expected to be approximately EUR 0.6 million. Overall, the company is targeting savings of around EUR 5 million from the 2022 level through the cost-savings program, EUR 2–3 million of which is expected to be realized during this year.

*"The implementation of the savings program is progressing as planned. Measures to strengthen the company's distributor network continued and during the quarter we announced, among other things, the signing of a distribution agreement with Sotreq, a strong player in the mining and civil engineering sector in Brazil. To strengthen cash flow, we continue the implementation of the Fit for Service program, which focuses on the development of working capital management. As a result of the measures taken, the company's cash flow from operations strengthened in the second quarter",* states Arto Halonen, Group CEO.

On 27 June 2023, Robit weakened its guidance for 2023. In 2023, the company expects net sales to be EUR 90–100 million and comparable EBITDA to be EUR 3–6 million. According to the company's previous guidance Robit expected net sales in 2023 to increase and comparable EBITDA profitability in euros to remain unchanged or improve slightly from 2022, assuming that there are no significant changes in the exchange rates from the level at the end of 2022.

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*Robit is the expert focused on high quality drilling consumables for mining and construction markets globally to help you drill Further Faster. Robit strives to be world number one company in drilling consumables. Through our high and proven quality Top Hammer, Down the Hole and Geotechnical products, and our expert services, we deliver savings in drilling costs to our customers. Robit has its own sales and service points in eight countries and an active distributor network through which it sells to more than 100 countries. Robit's*

*manufacturing units are located in Finland, South Korea, Australia and the UK. Robit's shares are listed on Nasdaq Helsinki Ltd. Further information is available at [www.robitgroup.com](http://www.robitgroup.com).*