



**Robit**

**THE EXPERTS IN DRILLING CONSUMABLES**

**SECOND QUARTER AND HALF-YEAR REPORT 2023  
ANALYST AND PRESS CONFERENCE**

**1 AUGUST 2023**

**ARTO HALONEN, GROUP CEO & VILLE PELTONEN, GROUP CFO**

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# Q2 2023: SEQUENTIAL IMPROVEMENT, BUT BEHIND TARGETED

## NET SALES BEHIND TARGETED, BUT IMPROVED SEQUENTIALLY

- **Orders received** decreased by 14.2% to MEUR 22.8 (26.5).
- **Net sales** decreased by 21.4% to MEUR 24.4 (31.0). In constant currencies decline was 17.6%. Sequentially net sales improved from Q1 2023 by 11.4%.
- Demand was weaker in the construction industry, especially in Europe and Asia.

## COMPARABLE EBITDA 6.0%, SAVINGS PROGRAM PROGRESSING

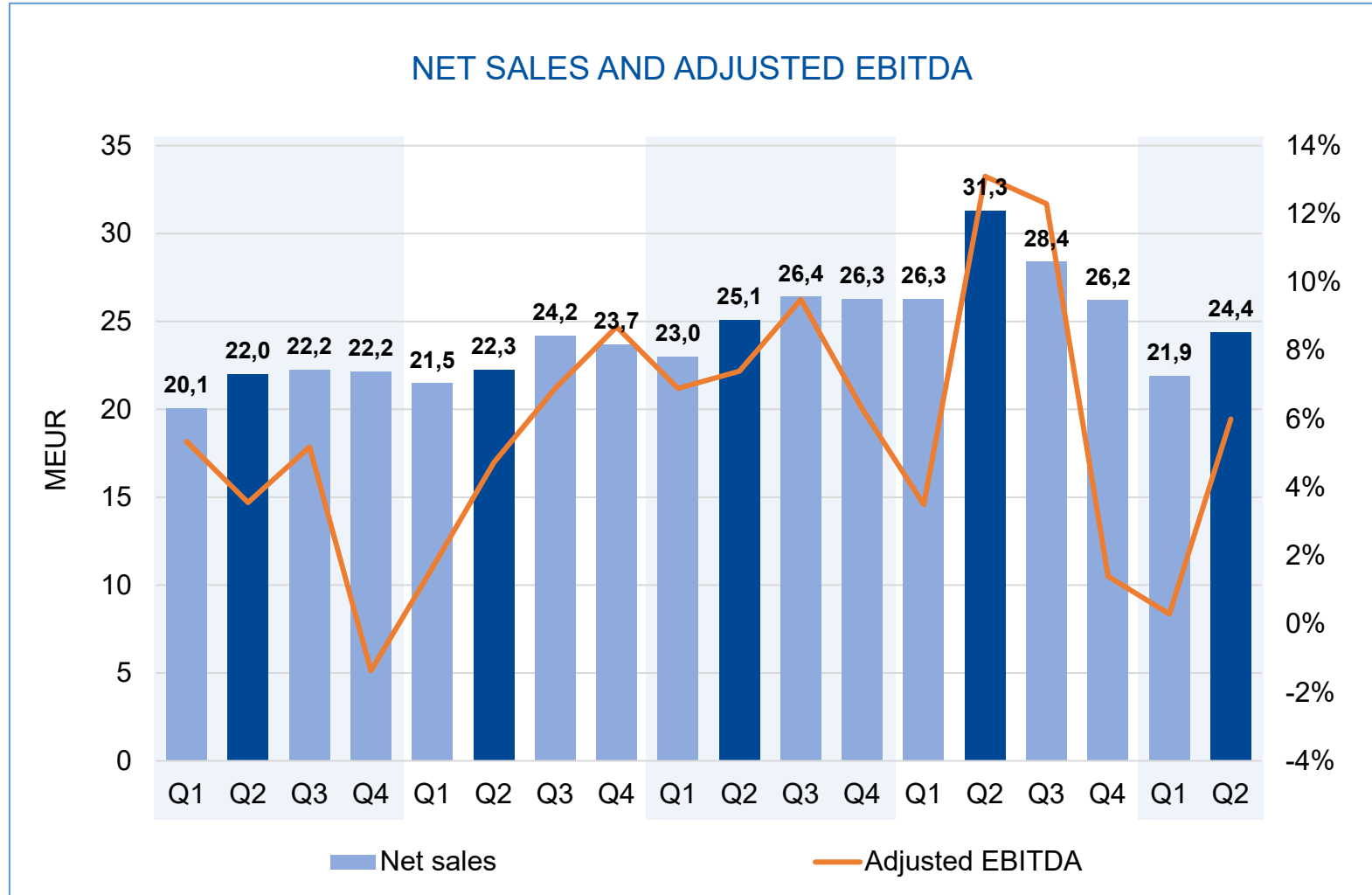
- Q2 2023 **comparable EBITDA** declined by 64.0% to MEUR 1.5 (4.1), EBITDA as a percentage of net sales was 6.0% (13.1%).
- **Cost savings** program initiated to target approximately MEUR 5 cost savings from the level of 2022. MEUR 2–3 are expected to materialize during 2023.
- **Australia manufacturing** to be wound down and production moved to Robit's other factories. Robit continues to focus on sales and service in the local Australian market.

## CASH FLOW FROM OPERATING ACTIVITIES IMPROVING

- **Net cash flow** from the operating activities improved to MEUR 3.4 (1.4) driven by reduction in the net working capital.



# H1 2023: LOW UTILIZATION, COST INCREASES AND CURRENCIES WEAKENING EBITDA



H1 2023 NET SALES DECREASED BY 19.2% TO MEUR 46.3 (57.3), 16.8% IN CONSTANT CURRENCIES

- **Top Hammer** net sales decreased by 19.5% to MEUR 27.0 (33.6)
- **Down the Hole** net sales decreased by 21.9% to MEUR 10.4 (13.3)
- **Geotechnical** net sales decreased by 14.8% to MEUR 8.9 (10.5)

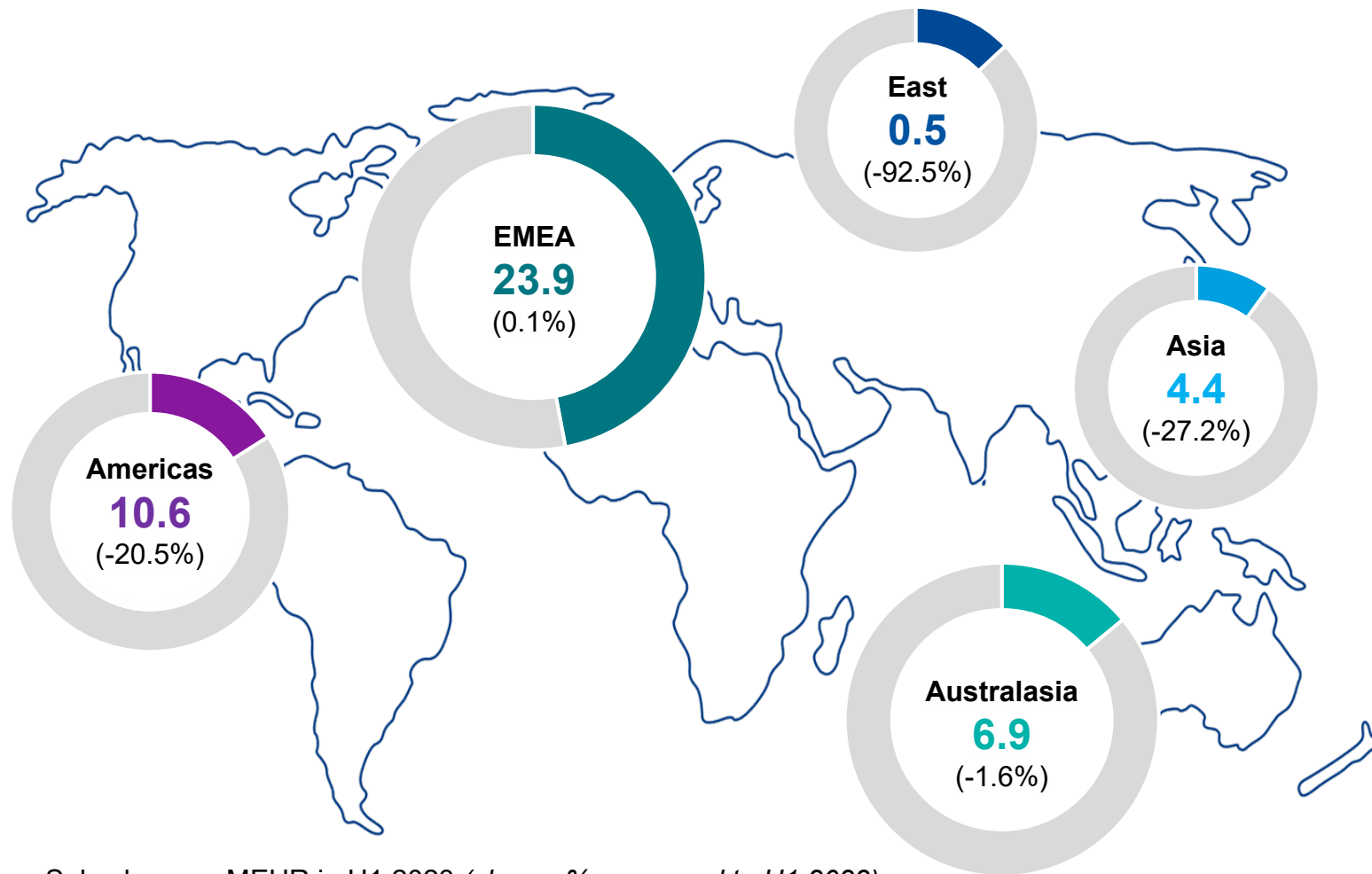
H1 2023 COMPARABLE EBITDA% DOWN TO 3.3% (8.7%)

- **Profitability** impacted by low utilization rate in the Down the Hole manufacturing, increased raw material costs as well as currencies

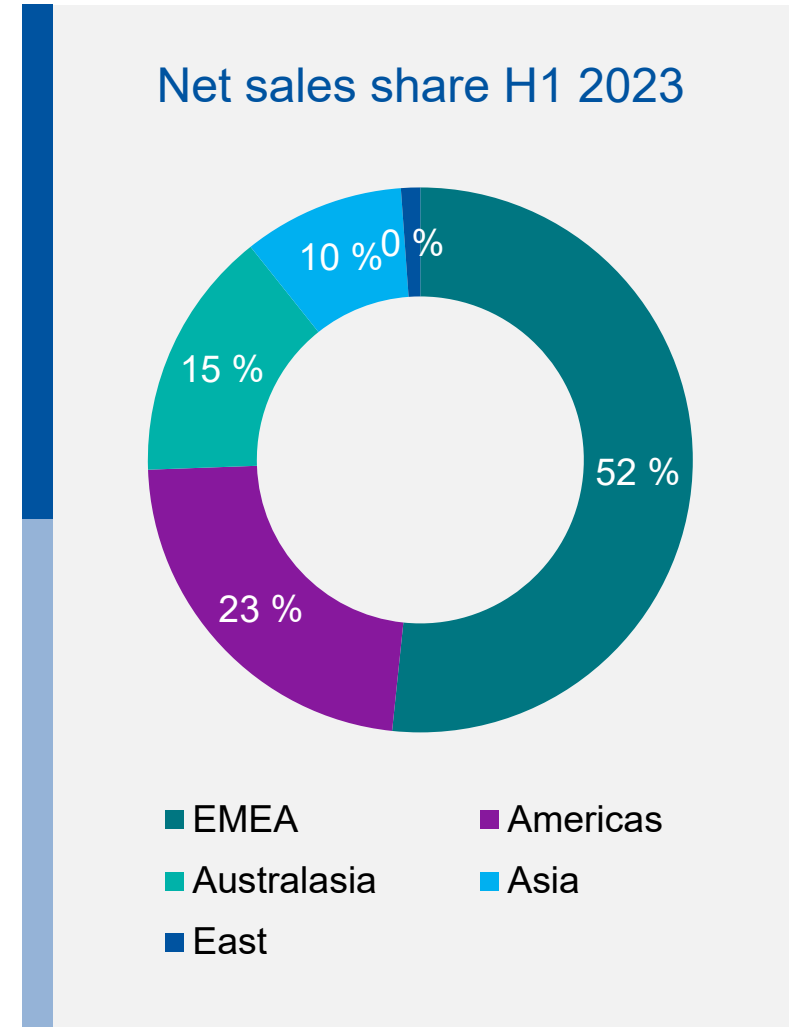
IMPROVEMENT IN MANY OF THE SUSTAINABILITY KPIs

- Systematic work in improving **HSE** continues

# NET SALES BY REGION H1 2023 (MEUR)



■ Sales by area MEUR in H1 2023 (change% compared to H1 2022)

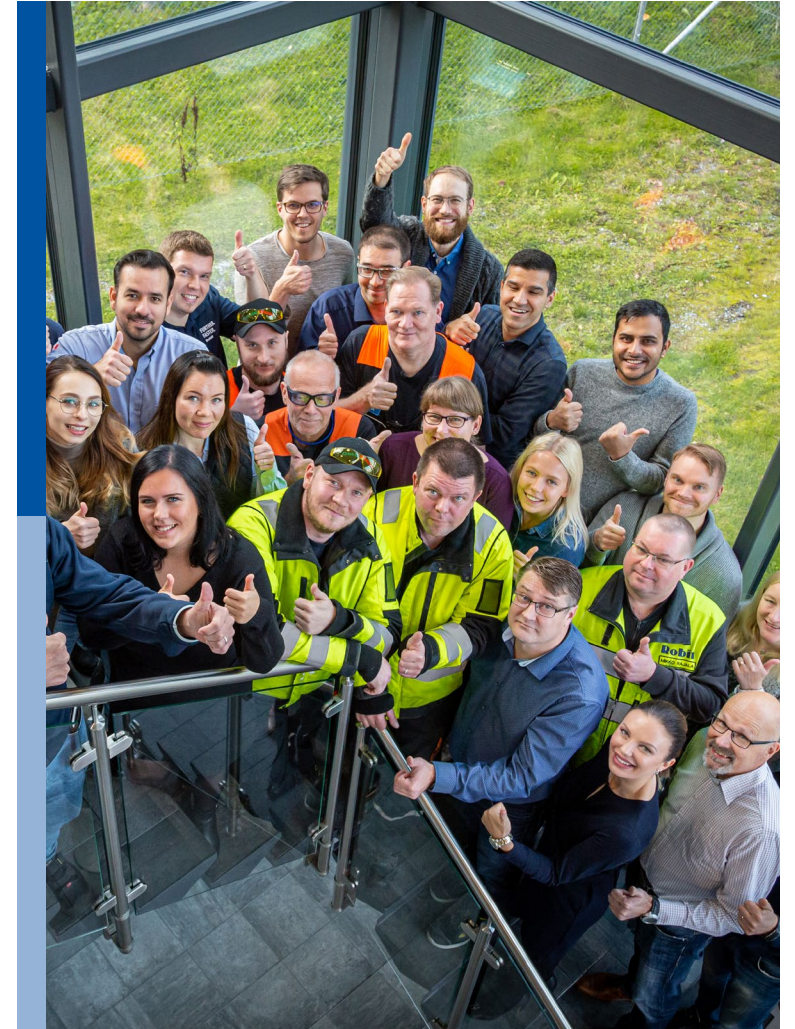




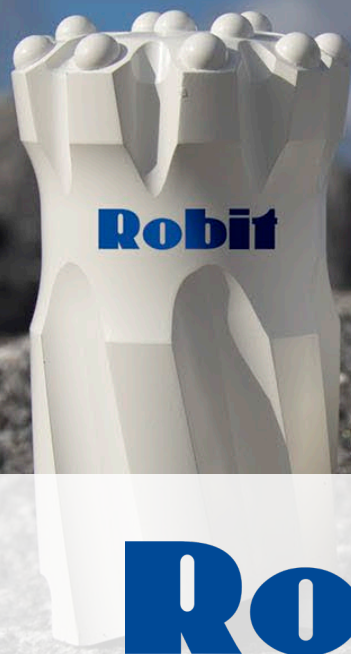
# ESG KEY PERFORMANCE INDICATORS

Sustainable partnerships		CO2 emission reductions in our value chain		Happy and healthy workplace		Efficiency throughout the product lifecycle	
Over 90%* of suppliers committed to sustainable supply chain principles		50% emission reduction on Scope 1 & 2 by 2030		Employee engagement index improving y-o-y PeoplePower® index >70		Over 90% waste recovery ratio in Robit factory locations	
H1 2023	H1 2022	H1 2023	H1 2022	2023*	2022	H1 2023	H1 2022
<b>92%</b>	<b>92%</b>	<b>-10.6%</b>	<b>-21.3%</b>		<b>70.1</b>	<b>89%</b>	<b>88%</b>
Over 90%** of distributors committed to Robit ESG principles				LTIF zero		Annually over 1 000 hours of training hours consultative sales	
H1 2023	H1 2022			H1 2023	H1 2022	H1 2023	H1 2022
<b>77%</b>	<b>76%</b>			<b>4.4</b>	<b>6.1</b>	<b>754h</b>	<b>362h</b>

\*Employee engagement measured on annual level







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**FINANCIALS**

VILLE PELTONEN, GROUP CFO

# KEY FINANCIALS

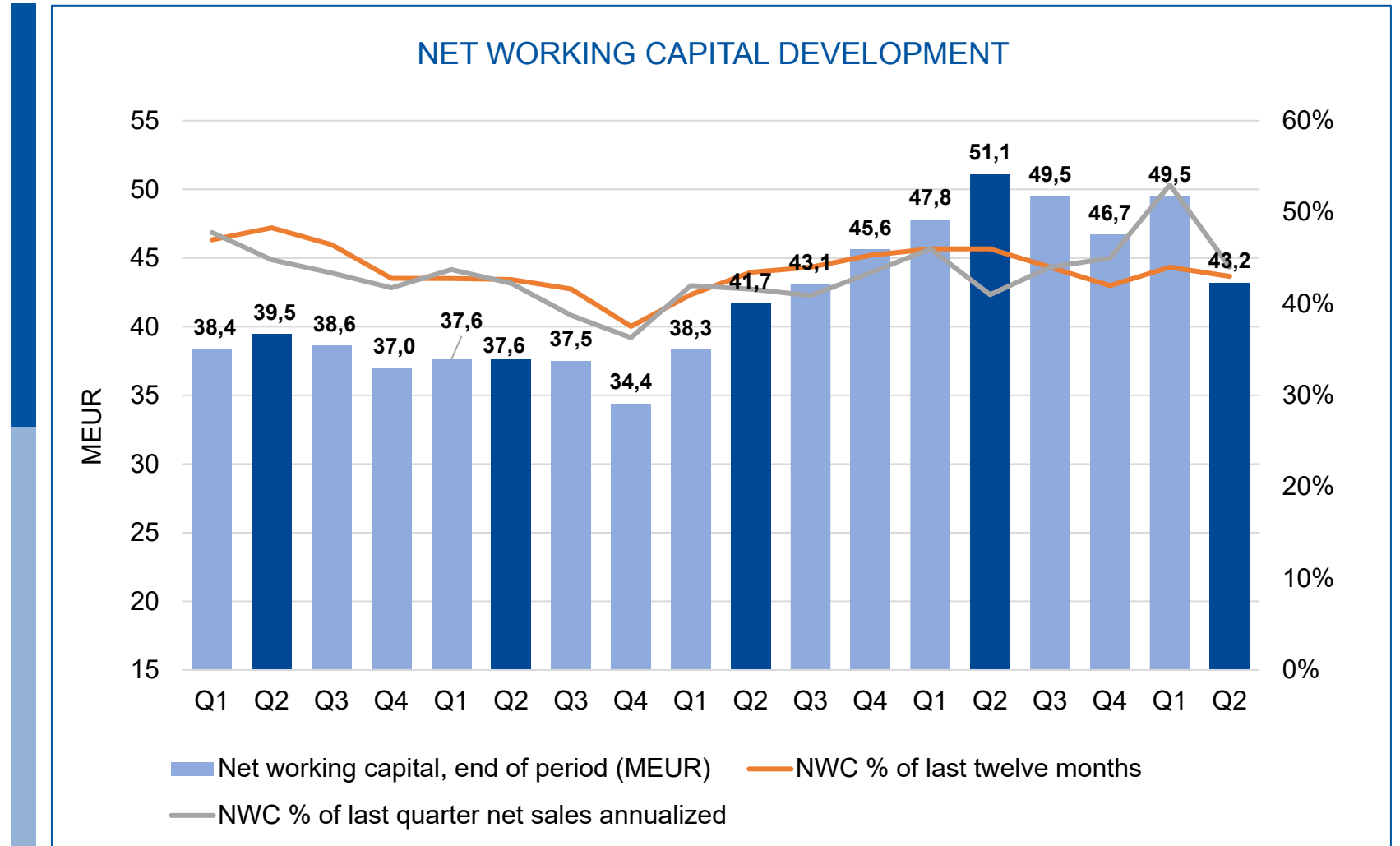
- **Net sales** Q2 2023 declined by 21.4%
- Q2 2023 **adjusted EBITDA%** declined to 6.0%
- **EBIT%** in Q2 2023 declined to 0.2%
- Q2 2023 **result** of the period was MEUR -0.7

Key financials	Q2 2023	Q2 2022	Change %	H1 2023	H1 2022	Change %	2022
Net sales, EUR 1000	24 376	31 025	-21.4%	46 309	57 328	-19.2%	111 962
EBITDA, EUR 1000	1 332	4 062	-67.2%	1 393	4 984	-72.1%	8 851
EBITDA, % of sales	5.5%	13.1%		3.0%	8.7%		7.9%
Adjusted EBITDA, EUR 1000	1 462	4 062	-64.0%	1 523	4 984	-69.5%	8 851
Adjusted EBITDA, % of sales	6.0%	13.1%		3.3%	8.7%		7.9%
EBITA, EUR 1000	255	2 844	-91.0%	-919	2 571	-135.8%	3 959
EBITA, % of sales	1.0%	9.2%		-2.0%	4.5%		3.5%
Adjusted EBITA, EUR 1000	361	2 844	-87.3%	-814	2 571	-131.6%	3 959
Adjusted EBITA, % of sales	1.5%	9.2%		-1.8%	4.5%		3.5%
EBIT, EUR 1000	48	2 619	-98.2%	-1 340	2 127	-163.0%	3 071
EBIT, % of sales	0.2%	8.4%		-2.9%	3.7%		2.7%
Result of the period, EUR 1000	-741	2 082	-135.6%	-2 411	1 333	-280.9%	885
Result of the period, % of sales	-3.0%	6.7%		-5.2%	2.3%		0.8%
Earnings per share (EPS), EUR 1000	-0.03	0.09		-0.12	0.05		0.04
Return on equity (ROE), %				-10.1%	4.5%		1.6%
Return on capital employed (ROCE), %				-4.2%	4.2%		3.5%



# Q2 2023: NET WORKING CAPITAL DEVELOPMENT

- Positive development continued in Q2
- NWC** totaled MEUR 43.2 (51.1)
- Inventories** decreased to MEUR 42.8 (47.7)
- Receivables** decreased to MEUR 21.3 (26.0)
- Payables** decreased to MEUR 20.1 (22.1)
- NWC%** of last 12 months sales was 43%



# Q2 2023: CASH FLOW

- **Net cash flow** from the company's operating activities improved in the quarter as a result of positive development of net working capital
- **Cash flow before changes in NWC** was MEUR 1.0 (4.8)
- **Operating cash flow** was MEUR 3.4 (1.4)
- **Cash flow from investing activities** was MEUR 0.1 (-0.4)
- **Cash flow from financing activities** resulted to MEUR -0.2 (-1.6)

EUR thousand	Q2 2023	Q2 2022	H1 2023	H1 2022	2022
<b>Cash flow from operating activities</b>					
Cash flows before changes in working capital	1 018	4 827	1 134	5 581	10 014
Cash flows from operating activities before financial items and taxes	3 928	1 739	3 256	1 772	7 277
<b>Net cash inflow (outflow) from operating activities</b>	<b>3 363</b>	1 440	<b>2 027</b>	1 047	5 556
<b>Net cash inflow (outflow) from investing activities</b>	<b>73</b>	-371	<b>-387</b>	-805	-1 057
<b>Net cash inflow (outflow) from financing activities</b>	<b>-206</b>	-1 617	<b>-511</b>	-3 111	-6 421
<b>Net increase (+)/decrease (-) in cash and cash equivalents</b>	<b>3 229</b>	-549	<b>1 129</b>	-2 869	-1 921
Cash and cash equivalents at the beginning of the financial period	5 461	7 185	7 688	9 525	9 525
Exchange gains/losses on cash and cash equivalents	-74	443	-201	422	84
<b>Cash and cash equivalents at end of the period</b>	<b>8 616</b>	<b>7 079</b>	<b>8 616</b>	<b>7 079</b>	<b>7 688</b>



# FINANCIAL POSITION

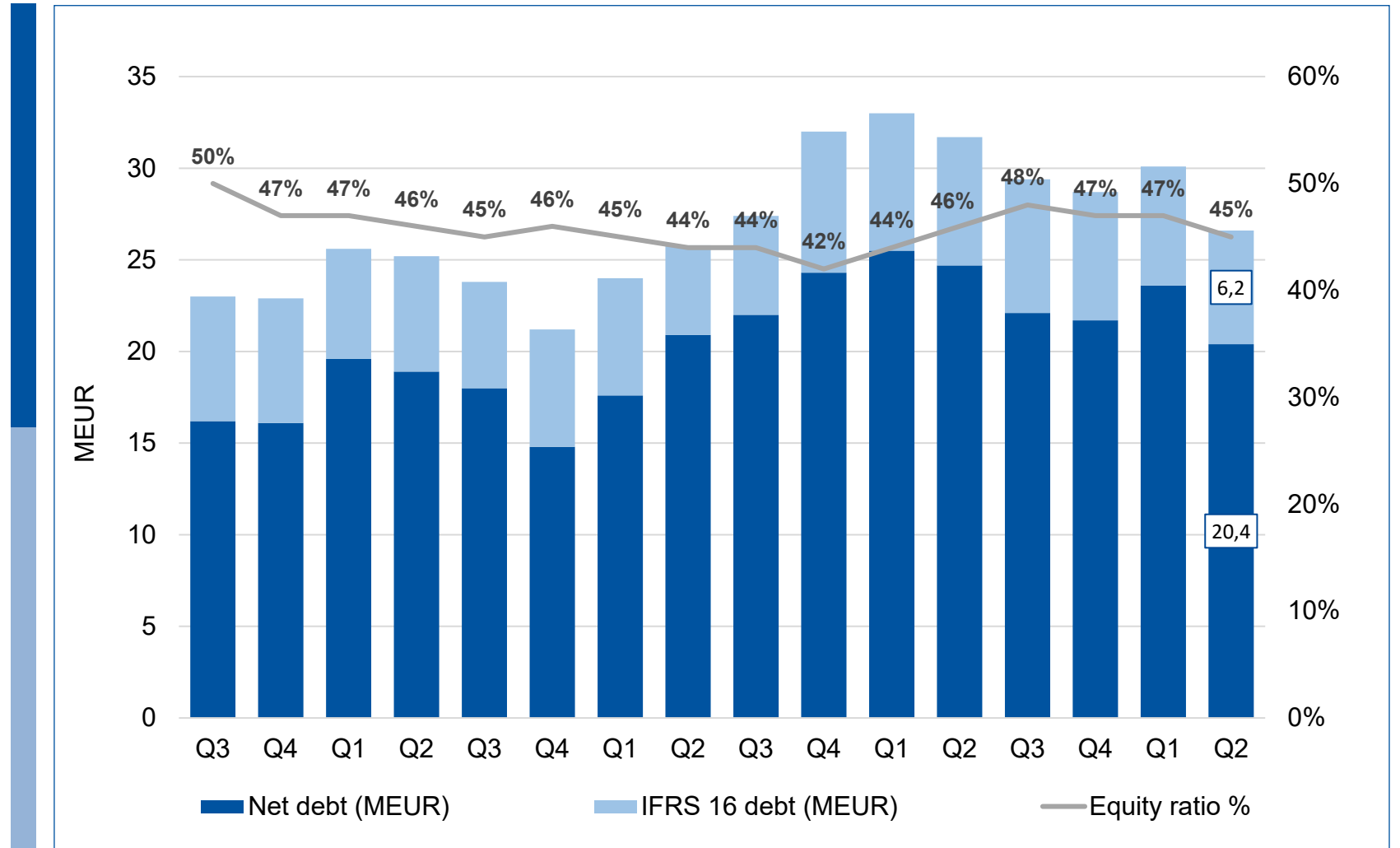
## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

EUR thousand	30 Jun 2023	30 Jun 2022	31 Dec 2022
<b>ASSETS</b>			
<b>Total non-current assets</b>	<b>32 252</b>	<b>36 697</b>	<b>34 590</b>
<b>Current assets</b>			
Inventories	42 750	47 399	44 311
Account and other receivables	21 065	25 749	22 342
Other receivables	221	297	188
Cash and cash equivalents	8 616	7 079	7 688
<b>Total current assets</b>	<b>72 652</b>	<b>80 524</b>	<b>74 529</b>
<b>Total assets</b>	<b>104 904</b>	<b>117 222</b>	<b>109 119</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity total</b>	<b>47 200</b>	<b>52 737</b>	<b>50 822</b>
Total non-current liabilities	31 589	32 431	28 846
Total current liabilities	26 115	32 054	29 541
<b>Total liabilities</b>	<b>57 704</b>	<b>64 485</b>	<b>58 297</b>
<b>Total equity and liabilities</b>	<b>104 904</b>	<b>117 222</b>	<b>109 119</b>

- **Cash and cash equivalents** at the end of Q2 2023 were MEUR 8.6 (7.1)
- **Total interest-bearing loans** and utilized credit limits were MEUR 35.2 (38.8) including IFRS 16 liabilities of MEUR 6.2 (7.0)

# CAPITAL STRUCTURE

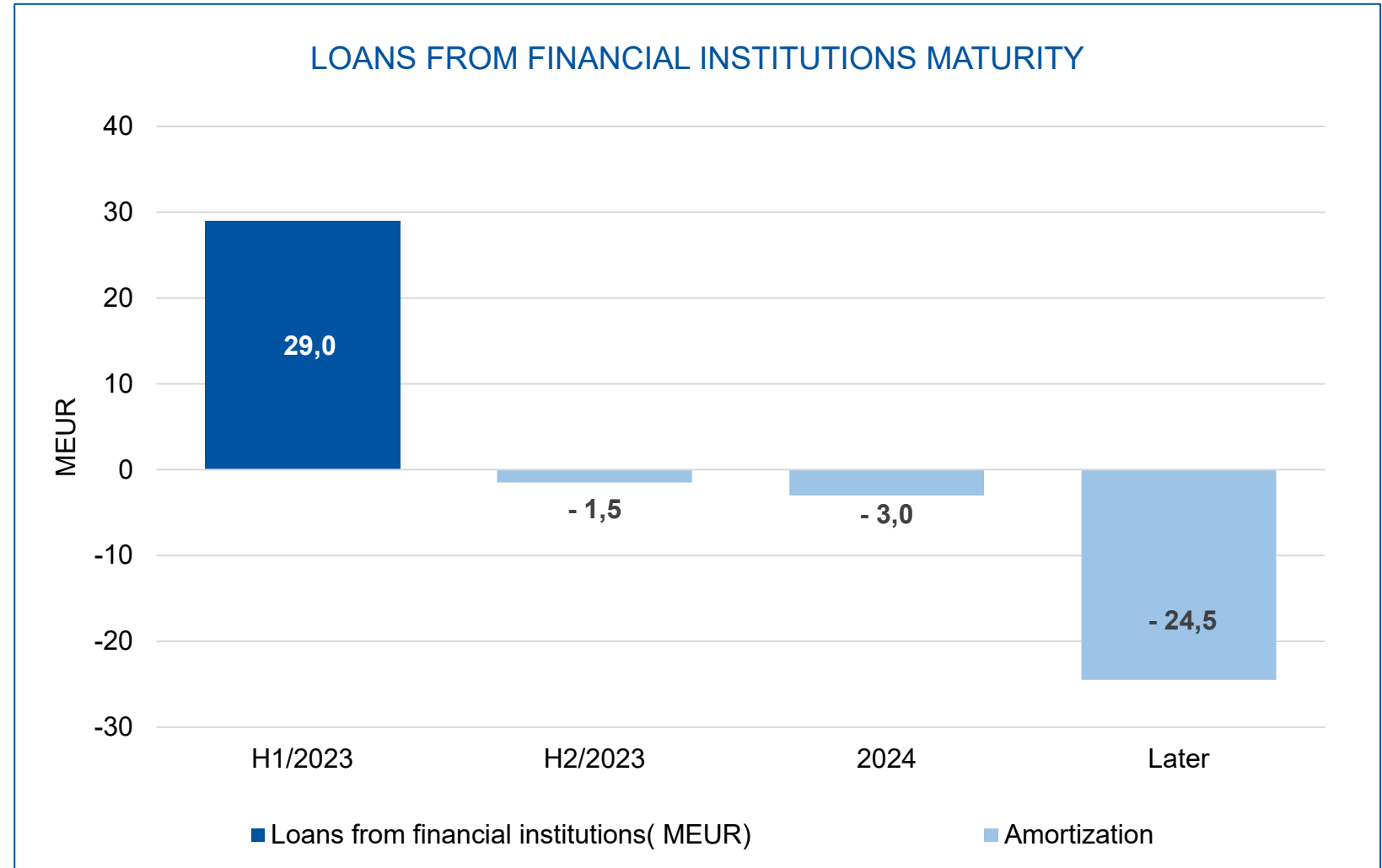
- **Net debt** continued to decrease and was MEUR 26.5 (31.7)
- **Net debt/EBITDA** was 5.1
- **Equity ratio** was solid at 45%





# LOAN MATURITY

- Loans from financial institutions at the end of H1 2023 totaled MEUR 29.0
- Financing agreement extended in May to a new 3-year period
- Loan amortization of MEUR 1.5 bi-annually in December and June
- Company has an interest rate swap of EUR 10 million, which took effect on 30 June 2023 and ends on 30 June 2026





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**OUTLOOK**

**ARTO HALONEN, GROUP CEO**



# FOCUS AREAS IN H2 2023

## RESUME ON A GROWTH PATH

- **Strengthen distributor network** in high market potential areas
- Strong **ramp-up support** for recently appointed **distributors**
- **Scale up** front line **sales activity**

## NET WORKING CAPITAL AND CASH MANAGEMENT

- Continue implementation of group-wide **Fit-for-Service program** to improve net working capital management
- Main focus in **inventory management**

## SAVINGS PROGRAM

- **cost savings program**
- Complete **winding down manufacturing in Australia**

# FINANCIAL TARGETS AND GUIDANCE 2023

## 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	2019	2020	2021	2022	Q3/2022-Q2/2023
Net sales growth, p.a.	15%	4.6%	6.0%	10.0%	11.1%	-19.2%
Comparable EBITDA % of net sales, p.a.	13%	3.1%	5.6%	7.5%	7.9%	5.2%

## GUIDANCE

In 2023, Robit Plc expects **net sales to be MEUR 90–100** and **comparable EBITDA to be MEUR 3–6**.





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**THANK YOU!**

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