



Robit

THE EXPERTS IN DRILLING CONSUMABLES

Q4 AND FULL YEAR 2023 RESULTS
ANALYST AND PRESS CONFERENCE

21 FEBRUARY 2024

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DISCLAIMER

This presentation contains, or may be deemed to contain, statements that are not historical facts but forward-looking statements. Such forward-looking statements are based on the current plans, estimates and expectations of Robit Plc's management based on information available to it on the date of this presentation.

By their nature, forward-looking statements involve risks and uncertainties, because they relate to events and depend on circumstances that may or may not occur in the future.

Future results of Robit Plc may vary from the results expressed in, or implied by, the forward-looking statements, possibly to a material degree.

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FY 2023: A YEAR OF STRUCTURAL CHANGES

WEAKER DEMAND, ESPECIALLY IN THE CONSTRUCTION SEGMENT

- **Market demand** weakened during 2023 especially in the construction segment.
- Customer and distributor **de-stocking** lowered demand also in the mining segment.
- **Orders received** decreased by 11.8% to MEUR 93.0 (105.3).
- **Net sales** decreased by 17.0% to MEUR 92.9 (112.0). In constant currencies, the drop was 13.7%. Stopping business in Russia contributed to 8.3% drop in the net sales.

STRUCTURAL CHANGES IMPLEMENTED TO IMPROVE COMPETITIVENESS

- **Supply footprint** restructured during 2023, and in Down the Hole decision made to move to one brand. Actions were part of the MEUR 5.0 savings program.
- **Profitability recovered** from the weak beginning of the year.
- Comparable **EBITDA** declined to MEUR 5.0 (8.9), comparable **EBITDA as a percentage** of net sales was 5.4% (7.9).

NET CASH FLOW FROM OPERATIONS IMPROVED

- **Net cash flow** from operating activities strengthened to MEUR 8.4 (5.6) driven by reduction in the net working capital.

STEPS TAKEN TOWARDS ACHIEVING SUSTAINABILITY TARGETS

- Record year in preventive **safety observations**.



INNOVATIONS AND OFFERING RENEWAL



H-Series

- 4" H-Series **modular hammer** launched in H2 2023:
 - **4-in-1** DTH hammer
 - Maximised **performance**
 - Lower **fuel consumption**
 - **Flexibility** for varying conditions
- H-Series modular hammer family to be **expanded in 2024**



RobitSave

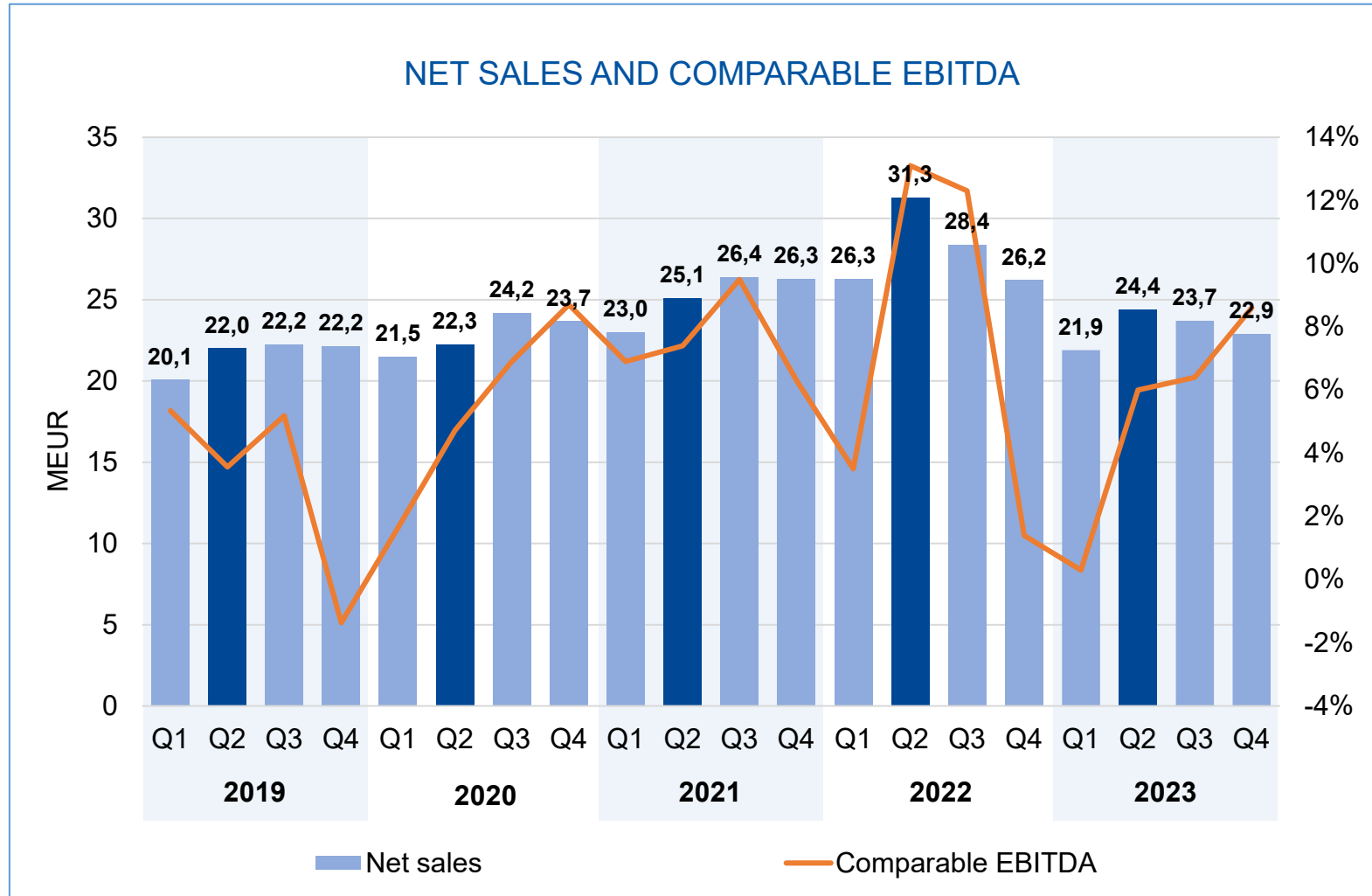
- Transparent drilling operation **site audit program**
- The best **value for customers**
- Delivering **guaranteed cost savings on total drilling cost**
- Conducted by Robit Drillmasters



One Robit brand

- Products moved under **one Robit brand**
- Previously DTH business under both Robit and Halco brands
- Target to **simplify organisation, company structure and product offering**
- Part of company's **EUR 5 million cost-savings program**

Q4 2023: STRONG CASH FLOW FROM OPERATIONS



NET SALES MEUR 22.3 (26.2). IN CONSTANT CURRENCIES DROP 9.3%

- **Top Hammer** net sales decreased by 19.1% to MEUR 13.5 (16.7).
- **Down the Hole** net sales decreased by 16.5% to MEUR 4.9 (5.8).
- **Geotechnical** net sales increased by 23.6% to MEUR 4.5 (3.6).
- Growth delivered in **Australasia**.

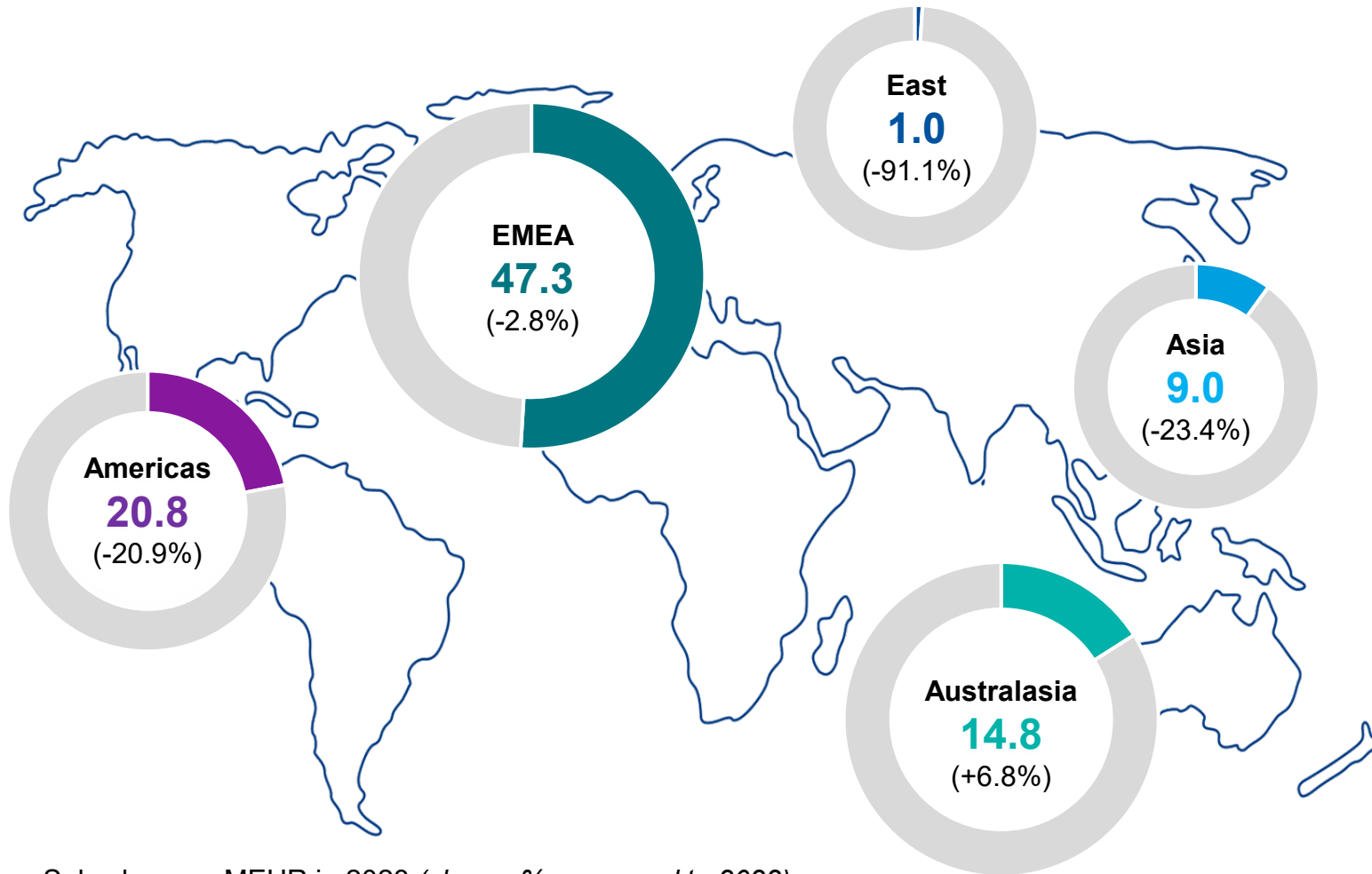
EBITDA IMPROVING

- **Comparable EBITDA** reached MEUR 2.0 (0.4) and was 8.6% of net sales.
- Savings program driving improvement.

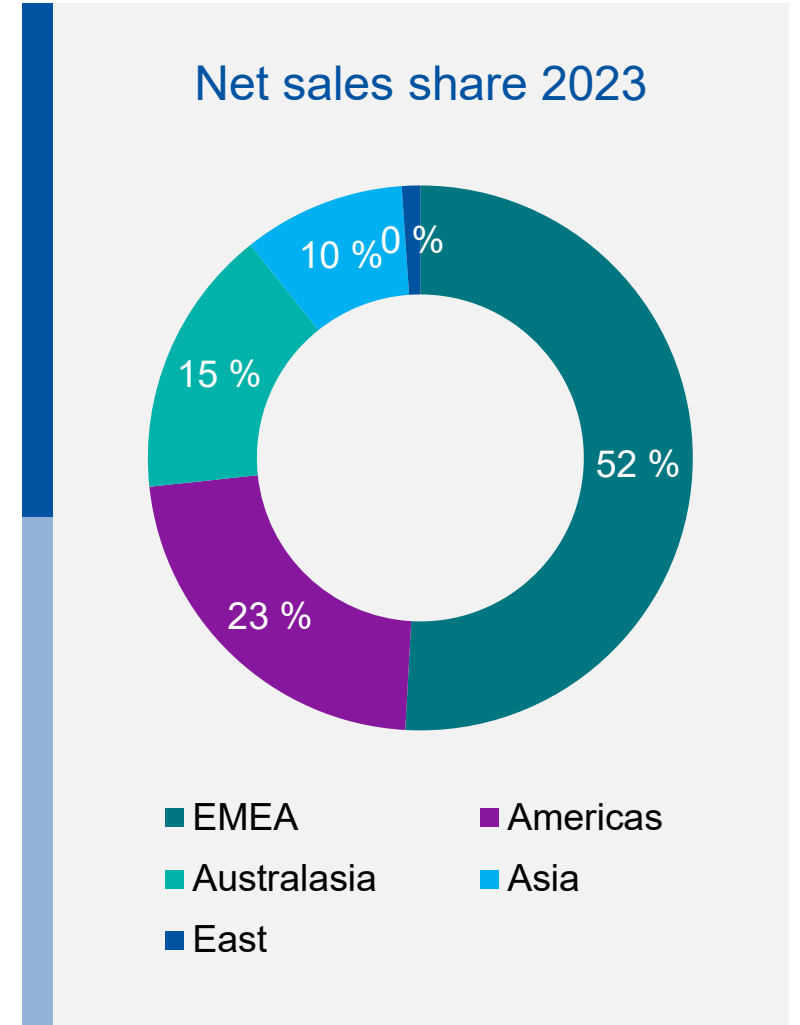
CASH FLOW FROM OPERATIONS IMPROVED CLEARLY

- **Net cash flow from operations** reached MEUR 7.0 (1.6)
- **Inventory** reduced by MEUR 4.3 in the quarter and by MEUR 8.3 during the year 2023.

GROWTH DELIVERED IN AUSTRALASIA

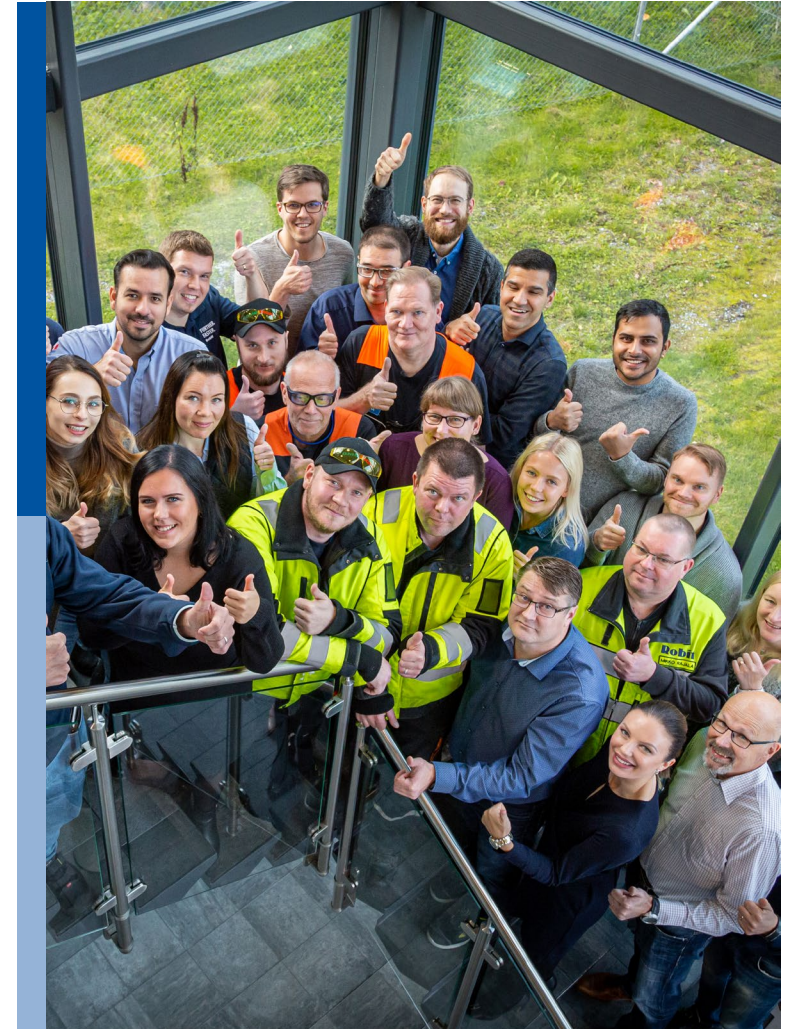


■ Sales by area MEUR in 2023 (change% compared to 2022)



PROGRESS IN ACHIEVING SUSTAINABILITY GOALS

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																
<table border="1"> <tr> <td>2023</td> <td>2022</td> </tr> <tr> <td>99.3%</td> <td>91.7%</td> </tr> </table>	2023	2022	99.3%	91.7%	<table border="1"> <tr> <td>2023</td> <td>2022</td> </tr> <tr> <td>-25.7%</td> <td>-26.0%</td> </tr> </table>	2023	2022	-25.7%	-26.0%	<table border="1"> <tr> <td>2023</td> <td>2022</td> </tr> <tr> <td>68.6</td> <td>70.1</td> </tr> </table>	2023	2022	68.6	70.1	<table border="1"> <tr> <td>2023</td> <td>2022</td> </tr> <tr> <td>88.1%</td> <td>89.9%</td> </tr> </table>	2023	2022	88.1%	89.9%
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Over 90%** of distributors committed to Robit ESG principles		LTIF zero	Annually over 1 000 hours of training hours consultative sales																
<table border="1"> <tr> <td>2023</td> <td>2022</td> </tr> <tr> <td>86.0%</td> <td>82.0%</td> </tr> </table>	2023	2022	86.0%	82.0%		<table border="1"> <tr> <td>2023</td> <td>2022</td> </tr> <tr> <td>4.7</td> <td>6.4</td> </tr> </table>	2023	2022	4.7	6.4	<table border="1"> <tr> <td>2023</td> <td>2022</td> </tr> <tr> <td>1,919h</td> <td>714h</td> </tr> </table>	2023	2022	1,919h	714h				
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THE EXPERTS IN DRILLING CONSUMABLES

FINANCIALS

VILLE PELTONEN, GROUP CFO

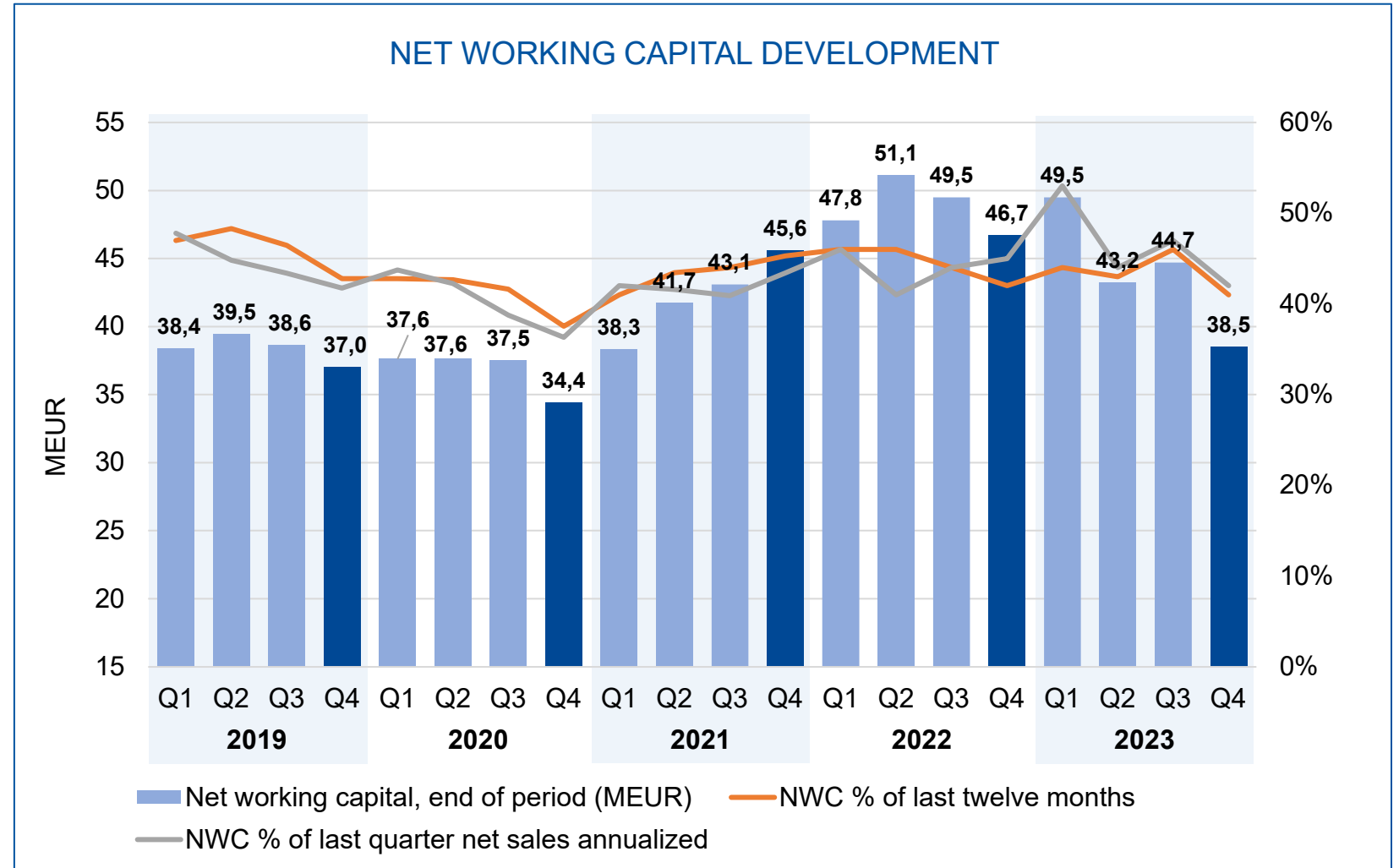
SAVINGS PROGRAM DRIVING IMPROVEMENT

- **Net sales** Q4 2023 declined by 12.6% to MEUR 22.9 (26.2)
- Q4 2023 **EBITDA%** improved to 10.5% (1.4)
- **EBIT%** in Q4 2023 increased to 5.2% (-4.0)
- Q4 2023 **result** of the period improved and was MEUR -0.3 (-2.2)

Key financials	Q4 2023	Q4 2022	Change %	2023	2022	Change %
Net sales, EUR 1000	22 901	26 210	-12.6%	92 917	111 962	-17.0%
EBITDA, EUR 1000	2 409	379	535.9%	5 172	8 851	-41.6%
EBITDA, % of sales	10.5%	1.4%		5.6%	7.9%	
Adjusted EBITDA, EUR 1000	1 961	379	417.8%	5 004	8 851	-43.5%
Adjusted EBITDA, % of sales	8.6%	1.4%		5.4%	7.9%	
EBITA, EUR 1000	1 451	-822	276.5%	829	3 959	-79.1%
EBITA, % of sales	6.3%	-3.1%		0.9%	3.5%	
Adjusted EBITA, EUR 1000	1 004	-822	222.0%	660	3 959	-83.3%
Adjusted EBITA, % of sales	4.4%	-3.1%		0.7%	3.5%	
EBIT, EUR 1000	1 192	-1 039	214.7%	116	3 071	-96.2%
EBIT, % of sales	5.2%	-4.0%		0.1%	2.7%	
Result of the period, EUR 1000	-332	-2 166	84.7%	-3 019	885	-441.0%
Result of the period, % of sales	-1.4%	-8.3%		-3.4%	0.8%	
Earnings per share (EPS)	-0.01	-0.09		-0.14	0.04	
Return on equity (ROE), %				-6.3%	1.6%	
Return on capital employed (ROCE), %				-0.4%	3.5%	

Q4 2023: NET WORKING CAPITAL DEVELOPMENT

- Positive development continued in Q4
- NWC** totaled MEUR 38.5 (46.7)
- Inventories** decreased to MEUR 36.1 (44.4)
- Receivables** decreased to MEUR 17.2 (22.5)
- Payables** decreased to MEUR 14.8 (19.9)
- NWC%** of last 12 months sales was 41.0%



STRONG QUARTERLY CASH FLOW FROM OPERATIONS

- **Cash flow before changes in NWC** was MEUR 2.2 (1.1)
- **Operating cash flow** was MEUR 7.0 (5.6)
- **Cash flow from investing activities** was MEUR 1.5 (0.8)
- **Cash flow from financing activities** resulted to MEUR -3.0 (-0.6)

EUR thousand	Q4 2023	Q4 2022	2023	2022
Cash flow from operating activities				
Cash flows before changes in working capital	2 178	1 129	4 509	10 063
Cash flows from operating activities before financial items and taxes	8 282	2 029	11 074	7 326
Net cash inflow (outflow) from operating activities	7 019	1 594	8 353	5 606
Net cash inflow (outflow) from investing activities	1 511	-75	1 102	743
Net cash inflow (outflow) from financing activities	-2 970	-611	-4 069	-6 421
Net increase (+)/decrease (-) in cash and cash equivalents	5 560	908	5 386	-72
Cash and cash equivalents at the beginning of the financial period	5 751	5 394	6 085	6 073
Exchange gains/losses on cash and cash equivalents	-110	-216	-269	84
Cash and cash equivalents at end of the period	11 201	6 085	11 201	6 085

FINANCIAL POSITION

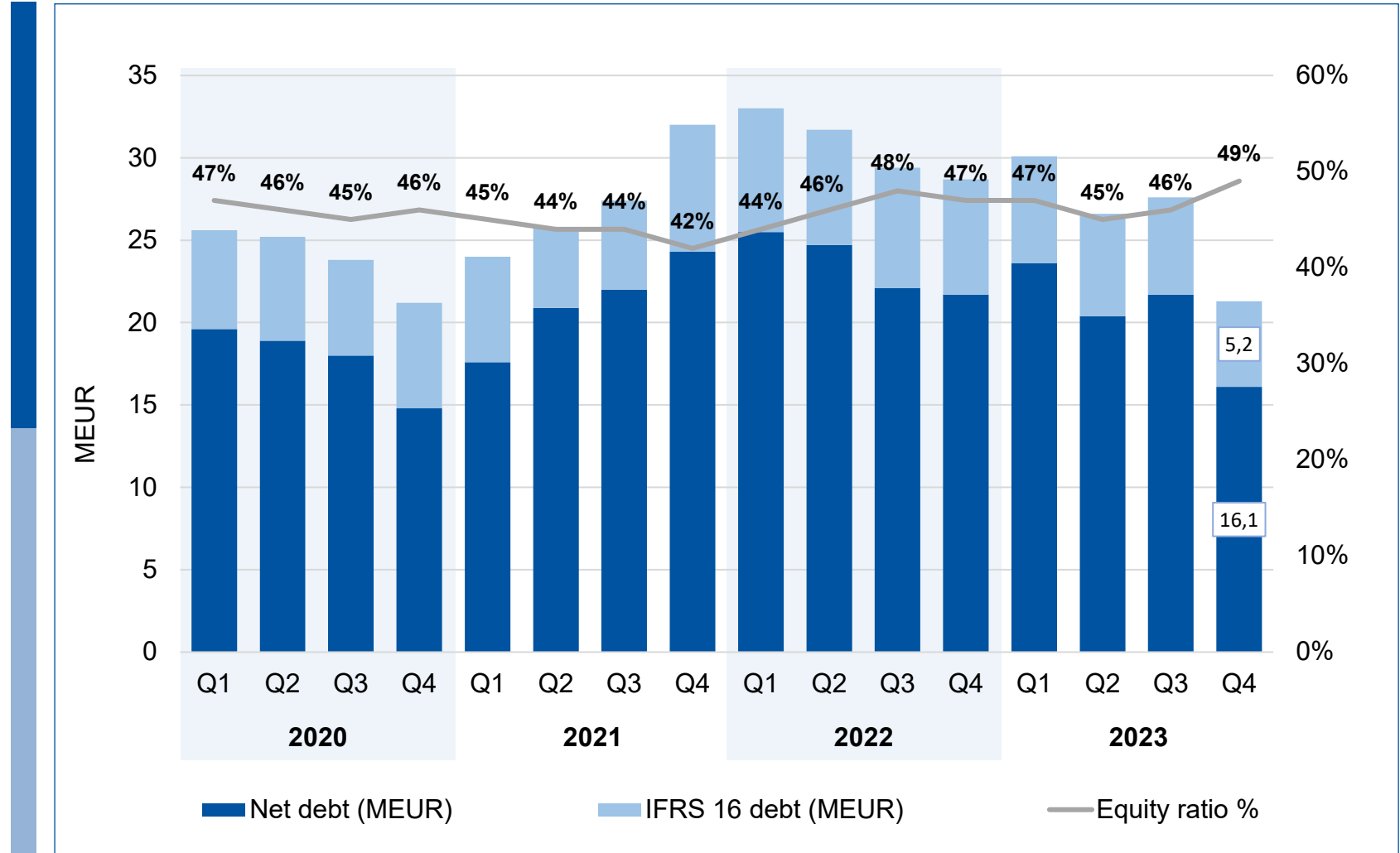
CONSOLIDATED STATEMENT OF FINANCIAL POSITION

EUR thousand	31 Dec 2023	31 Dec 2022
ASSETS		
Total non-current assets	27 948	34 590
Current assets		
Inventories	36 054	44 311
Account and other receivables	16 820	22 342
Other receivables and financial assets	2 021	1 791
Cash and cash equivalents	11 201	6 085
Total current assets	66 096	74 529
Total assets	94 043	109 119
EQUITY AND LIABILITIES		
Equity total	45 629	50 822
Total non-current liabilities	26 962	28 846
Total current liabilities	21 453	29 541
Total liabilities	48 415	58 297
Total equity and liabilities	94 043	109 119

- **Cash and cash equivalents** at the end of Q4 2023 were MEUR 11.2 (6.1)
- **Total interest-bearing loans** and utilized credit limits were MEUR 32.5 (36.3) including IFRS 16 liabilities of MEUR 5.2 (7.0)

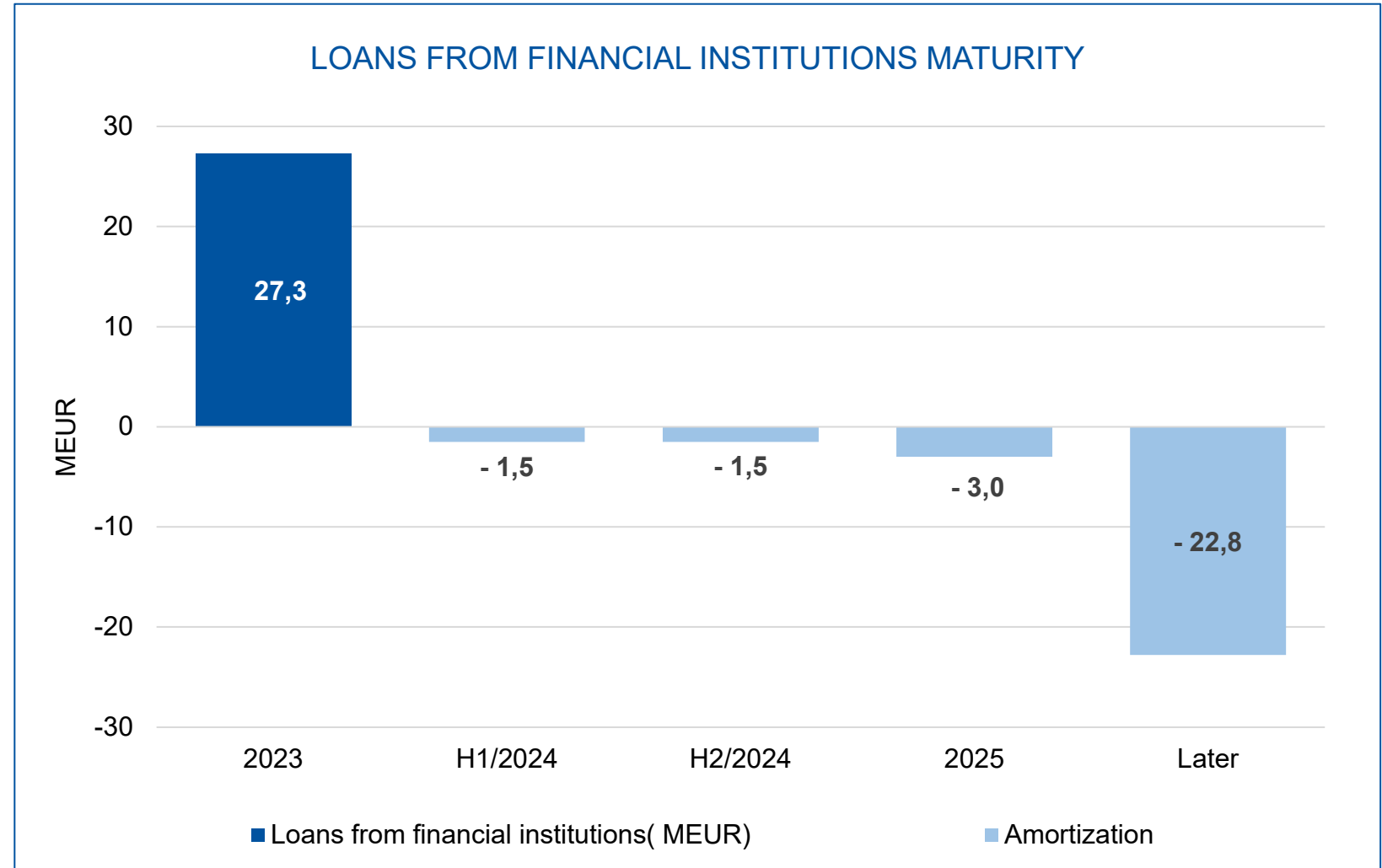
CAPITAL STRUCTURE

- **Net debt** continued to decrease and was MEUR 21.3 (30.3)
- **Net debt/EBITDA** was 3.8
- **Equity ratio** remained solid at 48.5%



LOAN MATURITY

- Loans from financial institutions at the end of Q4 2023 totaled MEUR 27.3
- Financing agreement extended in May to a new 3-year period ending in mid-2026
- Loan amortization of MEUR 1.5 bi-annually in June and December
- 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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THE EXPERTS IN DRILLING CONSUMABLES

OUTLOOK

ARTO HALONEN, GROUP CEO

FOCUS AREAS IN 2024

DRIVING PROFITABLE GROWTH

- **Strengthen distributor network** in high market potential areas
- Strong **ramp-up support** for recently appointed **distributors**
- **New customer acquisition** in direct sales markets

NET WORKING CAPITAL AND CASH MANAGEMENT

- Continue implementation of group-wide **Fit-for-Service program** to improve net working capital management
- Focus in improving **inventory turns** and improving availability

GROSS MARGIN IMPROVEMENT

- **Realize savings** from Down the Hole supply chain restructuring and offering renewal
- Drive **sourcing savings** and expand CCC sourcing where beneficial
- **Growth focus** in profitable segments and markets

FINANCIAL TARGETS AND GUIDANCE 2024

FINANCIAL TARGETS

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

Robit will update its long-term financial targets during the first quarter of 2024.

	Long-term target	2019	2020	2021	2022	2023
Net sales growth, p.a.	15%	4.6%	6.0%	10.0%	11.1%	-17.0%
Comparable EBITDA, % of net sales, p.a.	13%	3.1%	5.6%	7.5%	7.9%	5.4%

GUIDANCE

Robit estimates that **net sales in 2024 will increase** and **comparable EBIT profitability in euros will improve** compared to 2023.

BACKGROUND FOR THE GUIDANCE

The guidance is based on the estimate that the mining industry demand remains at good level and market in the construction sector develops positively in the second half of 2024. The guidance is based on the assumption that there will be no significant changes in the exchange rates from the level at the end of 2023.

In 2024, Robit will transition to use comparable EBIT in its guidance instead of previously used comparable EBITDA profitability.





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THANK YOU!

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