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CASH FLOW STRENGTHENED AND PROFITABILITY IMPROVED IN THE LAST QUARTER OF THE YEAR

Market demand weakened during 2023, which affected the construction industry in Europe and Asia in particular. Customer demand in the mining industry remained at a good level during the year, but the high stock levels of customers and distributors, and de-stocking, weakened Robit's sales also in the mining industry.

Robit's net sales for 2023 declined by 17.0 percent to EUR 92.9 million (112.0). In constant currencies, the decline was 13.7 percent. A significant reason for the decreased sales was the closure of the Russian business, which had an 8.3 percent impact on the declined net sales. The company's full-year EBITDA decreased from the 2022 level totaling EUR 5.0 million (8.9). Profitability was weak, especially in the early part of the year, but the company managed to improve it with the help of the austerity measures implemented during the year.

In the last quarter of the year, the company's net sales were EUR 22.9 million (26.2). Robit's net sales increased clearly in the Australasia region, where the company won several new customers during the year. Of the business units, Geotechnical experienced growth in the last quarter of the year, when a major project delivery was carried out to North America. Comparable EBITDA for the review period improved clearly over the comparison period to EUR 2.0 million (0.4), representing 8.6 percent of net sales (1.4).

Robit's net cash inflow from operating activities strengthened significantly during the review period, amounting to EUR 7.0 million. The result was made possible by implementation of the Fit for Service program, which focused on strengthening cash flow. The program helped to reduce stocks in the last quarter of the year by EUR 4.3 million and during 2023 by EUR 8.3 million. The program and inventory optimisation will continue in 2024.

"The year 2023 was a year of structural changes for the company. We discontinued manufacturing at the Australian plant and centralized production to the company's other plants to strengthen our competitiveness in the Down the Hole business. In addition, we moved all sales under the Robit brand, enabling the clarification of the organization, company structure, and product offering. In 2024, we will focus particularly on ensuring profitable growth. The company seeks growth by further strengthening the distributor network and, in the company's direct sales countries, by focusing especially on increasing mining sales", states Arto Halonen, Group CEO.

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

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Robit is a strongly international growth company servicing global customers and selling drilling consumables for applications in mining, construction, geotechnical engineering and well drilling. The company's offering is divided into three product and service ranges: Top Hammer, Down the Hole and Geotechnical. Robit has sales and service points in seven countries as well as an active sales network in more than 100 countries. Robit's manufacturing units are located in Finland, South Korea and the UK. Robit's share is listed on Nasdaq Helsinki Ltd. Further information is available at www.robgroup.com.