

# Q3 2021 Quarterly Results

TRESU Investment Holding A/S

26 November 2021

## General information

- The interim financial report appended to this presentation is prepared in accordance with IAS 34 'Interim Financial Reporting' as adopted by the EU and additional Danish disclosure requirements for interim financial reports of listed companies
- IFRS 16 Leases standard are implemented as of January 2019.
- The interim financial report has neither been audited nor reviewed
- The statement of profit or loss in this presentation is complemented with a bridge to Adjusted EBITDA for comparability with prior periods
- Please refer to the interim financial report, including the notes to the financial statements, for full details
- This presentation and report will be available at [www.tresu.dk/investor-relations](http://www.tresu.dk/investor-relations)
- The total nominal amount of bonds held by Altor TG AB, a fully-owned subsidiary of Altor Fund IV, as at the publication date of this report is changed from EUR 12,122,500 to EUR 0. The bonds held indirectly by Altor Fund IV has been converted into equity in Q4 2021 as informed as part of the refinancing process prolonging the expiration date of the existing bonds.

### Questions can be directed to:

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# Executive summary

## **Q3 '21 results in line with expectations**

- Q3 '21 revenue and adj. EBITDA of DKK 87.8m and DKK 7.1m
- Order intake of DKK 60m, of which DKK 12m is capital sales
- Liquidity remains healthy at DKK 25m and supportive of the growth strategy in combination with the bank guarantee line of 50 mDKK established in October 2021.

## **Outlook 2021**

- Increased order book and pipeline
- Continued focus on profitable growth and cost structure
- 2021 revised guidance is revenue growth in the area of 10-20% and adj. EBITDA margin around 10% (unchanged)

## **COVID-19 mitigating actions**

- Continued strong focus on employee safety and business continuity
- Production site and sales offices remained operational throughout Q3 2021

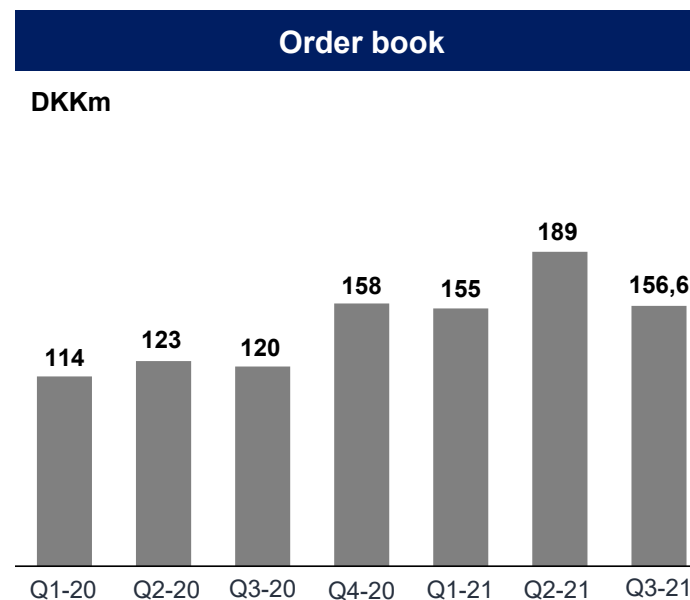
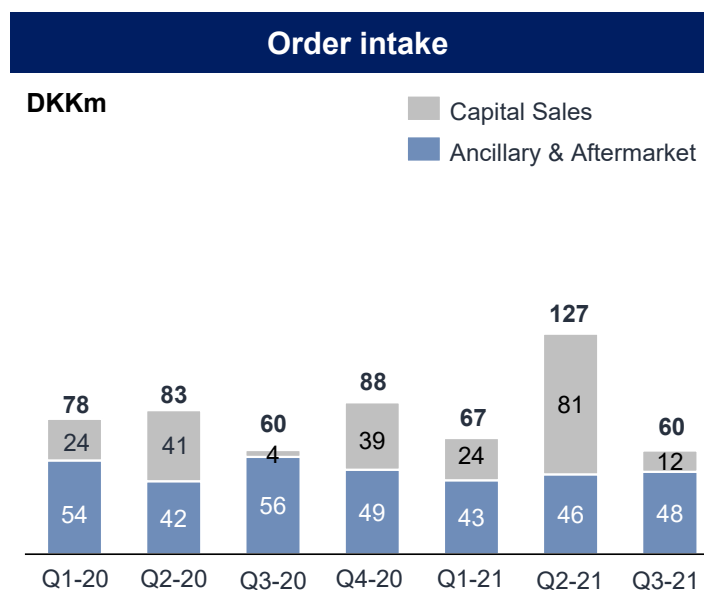
## Q3 '21 result

DKKm	Q3 2021	Q2 2021	YTD 2021
<b>Revenue</b>	<b>87,8</b>	<b>87,6</b>	<b>243,8</b>
Production costs	(80,9)	(81,0)	(228,8)
<b>Gross profit/(loss)</b>	<b>6,9</b>	<b>6,6</b>	<b>15,0</b>
Distribution costs	(10,4)	(9,9)	(28,8)
Administrative costs	(7,9)	(8,7)	(26,2)
Other operating income	0,3	0,0	0,4
Other operating expenses	0,0	0,0	0,0
<b>Operating profit/(loss)</b>	<b>(11,1)</b>	<b>(11,9)</b>	<b>(39,6)</b>
<b>Adjustments</b>			
D&A	2,4	2,6	7,5
NRI	0,0	1,3	2,3
PPA depreciations	12,3	12,3	37,0
Impairment losses	0,0	0,0	0,0
IFRS 16 depreciations on leases	3,6	1,8	8,0
<b>Adjusted EBITDA (non IFRS)</b>	<b>7,1</b>	<b>6,0</b>	<b>15,3</b>
NWC	31,5	7,6	31,5
Net debt	575,3	553,1	575,3
Available liquidity	25,0	47,2	25,0

### Comments

- Q3 '21 revenue and adj. EBITDA of DKK 87.8m and DKK 7.1m (8.1% margin)
- Net debt of DKK 575.3m by end of Q3' 21 (DKK 553.1m by end of Q2 '21); negative cash flow of DKK 18.7m from operating activities in Q3 '21 which is below the YTD expectations.
- Liquidity remains healthy and supportive of turnaround plan. As part of the refinancing process we have extended the current SSRCF agreement until January 2025 and on top of that added a bank guarantee line of 50 mDKK in Q4 2021.

# Order intake and order book development



# Financial Outlook for 2021

2021 Key metrics		Drivers
Revenue growth	<p>● — <b>Approx. 10 to 20%</b> — ●</p> <p>(2020: DKK 302)</p>	<ul style="list-style-type: none"> <li>• Healthy backlog and cap sales pipeline</li> <li>• Ancillary</li> <li>• Aftermarket &amp; Service</li> </ul>
Adj. EBITDA margin	<p>● — <b>Approx. 10,0%</b> — ●</p> <p>(2020: 10,4%)</p>	<ul style="list-style-type: none"> <li>• Revenue growth</li> <li>• Continued Supply chain efficiencies</li> </ul>
Available liquidity	Positive cash flow generation after interest costs	<ul style="list-style-type: none"> <li>• EBITDA growth</li> <li>• Decreasing extraordinary costs</li> <li>• Sale of real estate in Denmark</li> </ul>

## Appendix

## Statement of profit or loss

DKKkm	Q3 2021	Q2 2021	YTD 2021
<b>Revenue</b>	<b>87,8</b>	<b>87,6</b>	<b>243,8</b>
Production costs	(80,9)	(81,0)	(228,8)
<b>Gross profit/(loss)</b>	<b>6,9</b>	<b>6,6</b>	<b>15,0</b>
Distribution costs	(10,4)	(9,9)	(28,8)
Administrative costs	(7,9)	(8,7)	(26,2)
Other operating income	0,3	0,0	0,4
Other operating expenses	0,0	0,0	0,0
<b>Operating profit/(loss)</b>	<b>(11,1)</b>	<b>(11,9)</b>	<b>(39,6)</b>
Financial income	(0,2)	0,1	0,3
Financial expenses	(7,8)	(8,0)	(23,6)
<b>Profit/(loss) before tax</b>	<b>(19,1)</b>	<b>(19,8)</b>	<b>(62,9)</b>
Tax on profit/(loss) for the period	2,7	2,7	9,6
<b>Profit/(loss) for the period</b>	<b>(16,5)</b>	<b>(17,1)</b>	<b>(53,2)</b>



# Statement of financial position

DKKm	Sep-21	Jun-21
Goodwill	174,0	174,0
Completed development projects	21,8	23,4
Patents and licenses*	150,3	154,2
Brand	37,9	37,9
Customer relationship*	89,9	97,1
<b>Intangible assets</b>	<b>474,0</b>	<b>486,6</b>
Land and buildings	0,0	0,0
Plant and machinery	31,4	33,8
Other fixtures and fittings, tools and equipment	4,3	3,9
Leasehold improvements	3,4	3,3
Finance lease - NC	101,9	102,1
<b>Property, plant and equipment</b>	<b>141,0</b>	<b>143,1</b>
Deferred tax assets	0,0	0,0
Deposits	10,0	10,1
<b>Other non-current assets</b>	<b>10,0</b>	<b>10,1</b>
<b>Non-current assets</b>	<b>625,0</b>	<b>639,8</b>
Inventories**	58,1	63,6
Trade receivables	31,3	37,7
Contract work in progress**	32,5	9,3
Receivables group company	0,0	0,0
Tax receivables	2,6	2,6
Other short-term receivables	4,9	2,1
Prepayments	1,8	3,9
<b>Receivables</b>	<b>131,1</b>	<b>119,3</b>
Cash	14,2	22,2
Assets as held for sale	3,5	3,5
Finance lease - C	0,0	0,0
<b>Current assets</b>	<b>148,7</b>	<b>145,0</b>
<b>Assets</b>	<b>773,7</b>	<b>784,8</b>

DKKm	Sep-21	Jun-21
Contributed capital	2,9	2,9
Other reserves	3,0	3,0
Retained earnings	(110,4)	(93,9)
<b>Equity</b>	<b>(104,4)</b>	<b>(87,9)</b>
Provisions for deferred tax	69,2	72,2
Other provisions	3,8	4,0
Corporate bonds	519,3	518,8
Finance lease liabilities	88,9	92,3
Other payables	6,9	8,3
<b>Non-current liabilities</b>	<b>688,1</b>	<b>695,6</b>
Current portion of long-term lease liabilities	11,2	11,3
Current portion of long-term other payables	0,0	0,0
Bank debt	70,2	56,5
Payable group company	8,0	8,0
Contract liabilities*	28,6	13,0
Prepayment customers	0,0	30,8
Trade payables**	37,2	18,8
Income tax payable	0,0	0,4
Other payables C	34,9	38,4
<b>Current liabilities</b>	<b>190,0</b>	<b>177,2</b>
<b>Total liabilities</b>	<b>878,1</b>	<b>872,8</b>
<b>Equity and liabilities</b>	<b>773,7</b>	<b>784,8</b>

## Statement of cash flows

DKKm	Q3 2021	Q2 2021	YTD 2021
Operating profit/loss	(11,1)	(11,9)	(39,6)
Amortisation, depreciation	22,7	14,9	52,6
Other provisions	(0,2)	(0,0)	0,7
Working capital changes	(22,1)	18,9	(18,0)
<b>Cash flows from ordinary operating activities</b>	<b>(10,7)</b>	<b>21,8</b>	<b>(4,2)</b>
Financial income received	(0,2)	0,1	0,3
Financial expenses paid	(7,8)	(8,0)	(22,8)
Income taxes refunded/paid	0,0	0,0	0,0
<b>Cash flows from operating activities</b>	<b>(18,7)</b>	<b>14,0</b>	<b>(26,8)</b>
Acquisition etc. of intangible assets	0,0	(0,1)	(0,2)
Acquisition etc. of property, plant and equipment	0,0	(0,5)	(1,3)
Proceeds from disposal of financial fixed assets	0,0	0,0	0,0
Disposal of property, plant and equipment	0,0	4,8	4,8
<b>Cash flows from investing activities</b>	<b>0,0</b>	<b>4,2</b>	<b>3,3</b>
Leasing	(3,6)	(1,8)	(8,0)
Repayment of bank debt	13,7	(10,3)	28,7
<b>Cash flows from financing activities</b>	<b>10,2</b>	<b>(12,1)</b>	<b>20,6</b>
<b>Increase/decrease in cash and cash equivalents</b>	<b>(8,6)</b>	<b>6,1</b>	<b>(2,9)</b>
Cash and cash equivalents at the beginning of the period	22,2	16,1	16,5
<b>Cash and cash equivalents end of the period</b>	<b>13,6</b>	<b>22,2</b>	<b>13,6</b>
Cash and cash equivalents at period end are composed of:			
Cash	13,6	(8,6)	13,6
<b>Cash and cash equivalents end of the period</b>	<b>13,6</b>	<b>22,2</b>	<b>13,6</b>