

Q2 2020 Quarterly Results

TRESU Investment Holding A/S

20 August 2020



BRINGING FLEXOGRAPHIC TECHNOLOGY TO A HIGHER LEVEL

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
- 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 EUR 12,122,500

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Heidi Thousgaard Jørgensen

Chief Executive Officer

Executive summary

1 Progress on turnaround plan

- Good progress on top 5 strategic initiatives, but growth slowed by Covid-19

2 Q2 '20 results in line with expectations

- Q2 '20 revenue and adj. EBITDA of DKK 74.6m and DKK 14.5m (19.4% margin)
- Margin driven higher by business mix, supply savings and solid execution on backlog projects
- Solid order intake YTD taking into account current Covid-19 situation, but difficult to close new capital sales projects. Also upgrades effected by the travelling limitations
- Solid cash flow generation in Q2

3 COVID-19 impact and mitigating actions






- Continued strong focus on employee safety and business continuity
- Production site and sales offices remained operational throughout Q2
- Focus short-term on managing capacity and costs

4 Focus mid-term on post-COVID-19 opportunities

- Tresu's strong value proposition remains unchanged
- Continued commitment to turnaround plan
- Liquidity remains healthy and supportive of the turnaround plan

5 Financial guidance reinstated

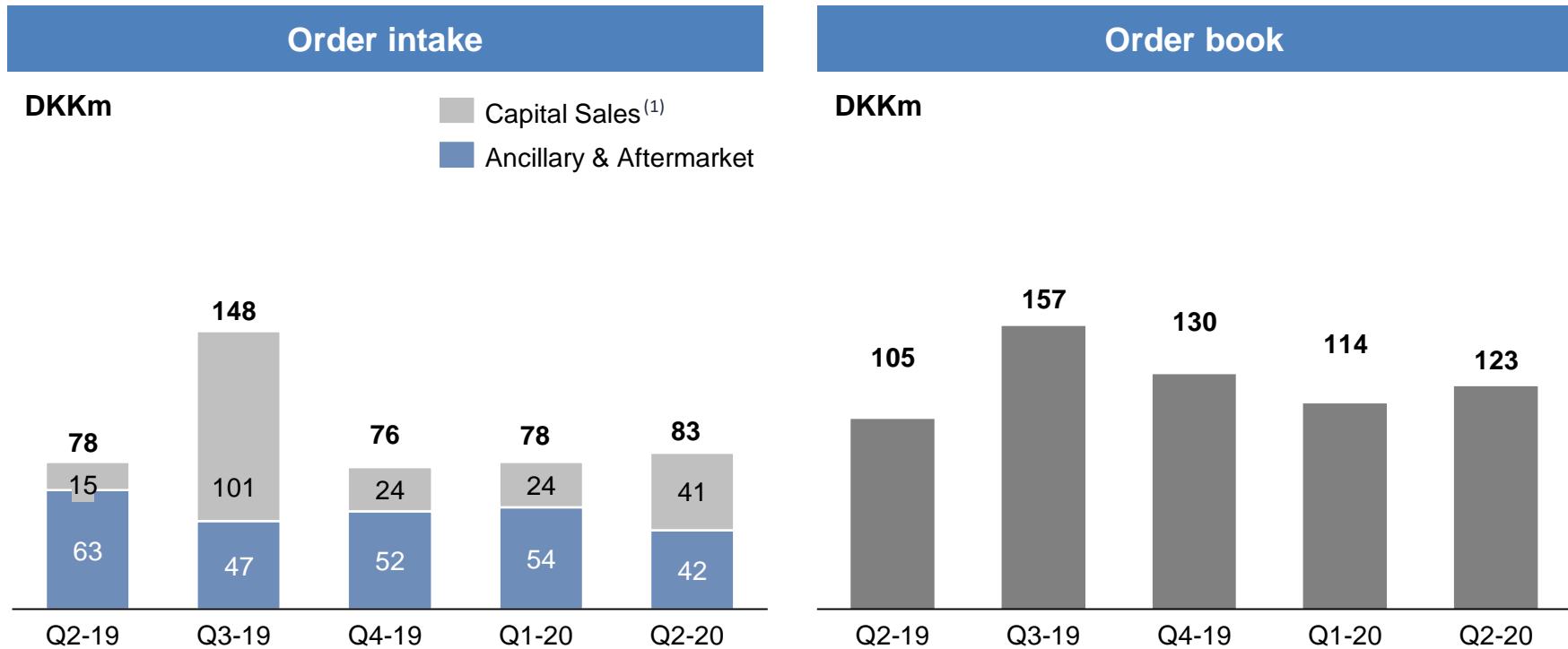
Latest status: 5 strategic priorities for turnaround agenda

Strategic priorities	Latest status	Current Status
 Profitable growth	<ul style="list-style-type: none"> • Cap sales: Pipeline rebuild ongoing and key account plans being established • Work continues on full Ancillary and Aftermarket strategy for proactive lifecycle management of the installed base and servicing OEMs more extensively 	Ongoing
 Project Management secure margins	<ul style="list-style-type: none"> • Old projects under control and nearing completion • Contract and Project Review Boards running 	On Track
 Digital improve profitably	<ul style="list-style-type: none"> • Good momentum on development work for next generation model with existing key account • Launch impacted by Covid-19 	On Track
 Supply Chain transform and improve	<ul style="list-style-type: none"> • Transformation agenda now set in motion, with continued focus on ensuring partnership with the right suppliers to ensure high quality and cost savings, and we have started to see the effect in the results 	On Track
 Right-Sizing lower break-even point	<ul style="list-style-type: none"> • Adjustment to current Covid-19 situation in Apr '20 and Jun '20 	On Track

Q2 '20 reconfirms turnaround effort

DKKm	Q2 2020	Q1 2020	Comments
Revenue	74,6	95,1	<ul style="list-style-type: none"> Q2 '20 revenue and adj. EBITDA of DKK 74.6m and DKK 14.5m (19.4% margin)
Production costs	(59,1)	(83,1)	
Gross profit/(loss)	15,5	12,0	
Research and development costs	(2,1)	(1,6)	<ul style="list-style-type: none"> Net debt of DKK 566.4m by end of Q2' 20 (DKK 582.6m by end of Q1 '20); healthy positive cash flow from operating activities in Q2 '20
Distribution costs	(8,8)	(11,2)	
Administrative costs	(16,8)	(11,2)	
Other operating income	3,6	0,0	<ul style="list-style-type: none"> Liquidity remains healthy and supportive of turnaround plan
Other operating expenses	0,0	0,0	
Operating profit/(loss)	(8,6)	(12,0)	
Adjustments			
D&A	3,9	4,0	
NRI	5,2	1,4	
PPA depreciations	11,6	12,6	
Impairment losses	0,0	0,0	
IFRS 16 depreciations on leases	2,4	2,3	
Adjusted EBITDA (non IFRS)	14,5	8,3	
NWC	14,6	29,4	
Net debt	566,4	582,6	
Available liquidity	50,5	37,2	

Order intake and order book development



(1) Includes order intake from Digital segment.

Updated financial outlook 2020

2020 Key metrics

Revenue

● — **Approx. -15 to -25%** — ●

Adj.
EBITDA
margin

● — **9,5 to 12,5%** — ●

(2019: 5,5%)

Available
liquidity

Liquidity remains healthy and supportive
of turnaround plan

Drivers

- Solid order intake YTD taking into account current Covid-19 situation, but difficult to close new capital sales projects. Also upgrades effected by the travelling limitations
- No margin leakage on old projects
- Business mix
- Supply chain efficiencies
- Cost base right sizing
- EBITDA growth
- Working capital release
- Decreasing extraordinary costs
- Sale of real estate in both Denmark and North America

Capital Markets Day in 2020

- Given the continued uncertainty related to the course of the COVID-19 pandemic a new date for the Capital Markets Day is still to be determined. However, it will expectedly be held in Q4 2020. Once a date is set, a notice with agenda will be published

Appendix

Statement of profit or loss

DKKm	Q2 2020	Q1 2020
Revenue	74,6	95,1
Production costs	(59,1)	(83,1)
Gross profit/(loss)	15,5	12,0
Research and development costs	(2,1)	(1,6)
Distribution costs	(8,8)	(11,2)
Administrative costs	(16,8)	(11,2)
Other operating income	3,6	0,0
Other operating expenses	0,0	0,0
Operating profit/(loss)	(8,6)	(12,0)
Financial income	(0,2)	1,7
Financial expenses	(8,7)	(7,9)
Profit/(loss) before tax	(17,5)	(18,2)
Tax on profit/(loss) for the period	3,5	3,5
Profit/(loss) for the period	(14,0)	(14,7)

Statement of financial position

DKKm	Jun-20	Mar-20
Goodwill	174,0	174,0
Completed development projects	30,8	31,4
Patents and licenses*	178,1	182,8
Brand	37,9	37,9
Customer relationship*	126,0	132,6
Intangible assets	546,8	558,7
Land and buildings	0,0	0,0
Plant and machinery	37,4	38,9
Other fixtures and fittings, tools and equipment	5,0	5,7
Leasehold improvements	3,8	3,9
Finance lease - NC	97,0	98,1
Property, plant and equipment	143,2	146,5
Deferred tax assets	0,0	0,0
Deposits	10,1	10,1
Other non-current assets	10,1	10,1
Non-current assets	700,1	715,4
Inventories**	59,9	76,1
Trade receivables	26,0	37,4
Contract work in progress**	35,4	19,3
Tax receivables	4,0	4,0
Other short-term receivables	8,3	7,0
Prepayments	4,5	1,5
Receivables	138,2	145,2
Cash	21,5	11,4
Assets as held for sale	8,0	11,5
Finance lease - C	0,0	0,0
Current assets	167,7	168,1
Assets	867,8	883,5

DKKm	Jun-20	Mar-20
Contributed capital	2,9	2,9
Other reserves	6,2	3,9
Retained earnings	(4,4)	9,6
Equity	4,7	16,4
Provisions for deferred tax	48,3	51,8
Other provisions	4,9	5,2
Corporate bonds	519,8	519,4
Finance lease liabilities	87,6	88,6
Other payables	6,9	6,9
Non-current liabilities	667,5	671,8
Current portion of long-term lease liabilities	10,3	10,4
Current portion of long-term other payables	0,0	0,0
Bank debt	68,2	74,6
Payable group company	8,0	8,0
Contract liabilities*	12,7	6,6
Trade payables**	53,2	62,4
Other payables C	43,1	33,3
Current liabilities	195,6	195,3
Total liabilities	863,1	867,1
Equity and liabilities	867,8	883,5

Statement of cash flows

DKKm	Q2 2020	Q1 2020	YTD 2020
Operating profit/loss	(8,6)	(12,0)	(20,6)
Amortisation, depreciation	15,8	16,6	32,4
Impairment losses	0,0	0,0	0,0
Other provisions	(0,3)	0,4	0,1
Working capital changes	14,8	1,9	16,7
Cash flows from ordinary operating activities	21,7	6,9	28,7
Financial income received	(0,2)	0,2	(0,0)
Financial expenses paid	(9,9)	(5,5)	(15,5)
Income taxes refunded/paid	0,0	0,0	0,0
Cash flows from operating activities	11,6	1,5	13,2
Acquisition etc. of intangible assets	2,2	(2,5)	(0,2)
Acquisition etc. of property, plant and equipment	(5,5)	(0,2)	(5,7)
Acquisition etc. of financial fixed assets	0,0	0,0	0,0
Proceeds from disposal of financial fixed assets	0,0	0,0	0,0
Disposal of property, plant and equipment	8,1	0,0	8,1
Cash flows from investing activities	4,9	(2,7)	2,2
Proceeds from (repayments of) related party borrowings	0,0	0,0	0,0
Leasing	(0,1)	(0,3)	(0,4)
Repayment of bank debt	(6,4)	3,8	(2,6)
Tax exempt contribution received from parent	0,0	0,0	0,0
Corporate bonds	0,0	0,0	0,0
Cash flows from financing activities	(6,4)	3,5	(3,0)
Increase/decrease in cash and cash equivalents	10,1	2,3	12,4
Cash and cash equivalents at the beginning of the period	11,4	9,1	9,1
Cash and cash equivalents end of the period	21,5	11,4	21,5
Cash and cash equivalents at period end are composed of:			
Cash	21,5	11,4	11,4
Cash and cash equivalents end of the period	21,5	11,4	21,5