



Business Review Q1/2022

- Turnaround program proceeding according to plan but the cash constraints remain

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- **Enedo Plc Publishes Business review January 1 – March 31, 2022 - Turnaround program proceeding according to plan but the cash constraints remain**

Business Review figures are unaudited.

January-March 2022 highlights

- Net sales increased by 18% vs same period LY, and amounted to EUR 10,4 million (EUR 8,8 million).
- Ebitda was positive with EUR 0,8 million (EUR -0,5 million), an increase of EUR 1,3 million.
- Operating profit on break-even, EUR 0,0 million (EUR -1,3).
- Net profit for the period was EUR -0,3 million (EUR - 1,6 million).
- Order intake increased by 13% vs same period LY, and was EUR 14,7 million (EUR 13,0 million).
- Orderbook at the end of Q1 2022 was EUR 34,1 million (EUR 14,0 million).
- Turnaround program executed, savings in operative expenditures EUR 0,7 million compared to Q1 2021.
- The global shortage of components impacting the performance negatively.
- The cash situation remains constrained.

Key Figures

	1-3/22	1-3/21	1-12/21
MEUR	3mo	3mo	12mo
Net sales	10,4	8,8	36,4
Ebitda	0,8	-0,5	-3,2
Operating profit	0,0	-1,3	-6,6
Net profit for the period	-0,3	-1,6	-4,5

CEO's comments

Net sales for the first quarter were EUR 10,4 million growing 18% compared with EUR 8,8 million net sales a year ago. The growth is effected mainly due to high demand of Power Supplies and LED Drives whereas the net sales in Power Systems declined. The order intake continued strong which led to very high orderbook of EUR 34,1 million.

Enedo has decided to reclassify its business categories and move the products delivered to Rail customers from Power Systems to Power Supplies. The reason for this is that these products are more similar with Power Supplies products than Power Systems products and after this amendment the product categories are more homogenius technically. All figures in this Q1 Business release are presented according to the new product category model.

The Power Supplies product category's net sales increased to EUR 6,7 million with an increase of EUR 1,2 million, 21%, compared to net sales of EUR 5,5 million in Q1 2021. The growth in orderbook has been strongest in Power Supplies product category and without the delivery problems mainly due to component shortages Enedo could have during Q1 2022 delivered more products than the reported EUR 6,7 million.

The Led Drivers product category's net sales were EUR 2,7 million, an increase of EUR 0,8 million, 41%, compared to Q1 2021. The increase of the Led Drivers product category was mainly driven by the increased demand by our customers in sport stadium and public environment businesses.

The net sales of the Power Systems product category declined with EUR 0,3 million and was EUR 1,1 million. The reason for the decline was mostly the global shortage of components. However the orderbook at the end of Q1 2022 was EUR 1,9 million higher than year ago.

The vast part of the groupwide turnaround program is now implemented with anticipated positive impact. The next phase will be continuous improvement and taking action on identified risks. The global shortage of components is still prevailing and expected to continue over the year. In combination with the challenging cash situation this will impact the sales and financial performance negatively.

The logistic procedures, capacity constraints and underinvested machinery in Tunis are also impacting the performance negatively. Improvement actions are taking place in this respect, and in addition the company is scouting for external EMS partners to improve the service to the clients.

The groupwide ERP project has been proceeding according to plan and the second phase including logistics and operations was implemented in Finland in the beginning of January 2022. The ERP implementation will later continue in Tunis and Italy.

	1-3/22	1-3/21	1-12/21
NET SALES BY GEOGRAPHY, MEUR	3mo	3mo	12mo
Americas	2,2	1,5	7,4
EMEA	5,2	5,0	19,3
APAC	2,0	1,2	5,1
Finland	1,0	1,1	4,6
Total	10,4	8,8	36,4

	1-3/22	1-3/21	1-12/21
NET SALES BY PRODUCT CATEGORY, MEUR	3mo	3mo	12mo
Power Supplies	6,7	5,5	23,3
Led Drivers	2,7	1,9	9,2
Power Systems	1,1	1,4	4,0
Total	10,4	8,8	36,4

Financial performance

The liquidity situation of the company has remained challenging mostly due to increased value of inventories which remained high being EUR 10,1 million at the end of Q1 2022. There is an increase of EUR 0,7 million since end of December 2021 and EUR 1,7 million since end of September 2021. The company will execute actions to decrease the level of inventories and thereby release the cash from inventories and working capital. This would eventually help the challenging liquidity situation.

The Group's cash position at the end of March was Eur 2,1 million compared to EUR 2,7 million at the end of the year 2021. Enedo signed a new loan of EUR 5,0 million at the end of December 2021 and the loan is fully raised by the end of March 2022. Most of the MEUR 1,5 million raised during Q1 2022 was used to finance the Turnaround program and to amortize other short term loans.

The above mentioned EUR 5,0 million loan arrangement has a maturity date of 30th September 2022. Based on the original plan, the current strong order intake and reduced cost levels the company aims to either agree to prolong the maturity date, negotiate a new loan with another financing institution or to raise sufficient equity financing to repay the loan. The company is currently evaluating the alternatives.

ENEDO PLC

Board of Directors

For further information please contact Mr. Mikael Fryklund, CEO, tel. +358 40 500 6864,
On 3rd of May at 13:00–15:00.

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Enedo is a European designer and producer of high-quality electronic power supplies and Power systems for critical equipment even in the most demanding environments. Enedo's mission is to make electricity better – more reliable, more secure, more energy efficient – and just right to fit its purpose. Enedo's three main product categories are Led Drivers, Power supplies and Power Systems. In 2021 the group's revenue was EUR 36,4 million. Enedo has 330 employees and its main functions are located in Finland, Italy, Tunisia and USA. The group's head office is in Finland and parent company Enedo Oyj is listed on Nasdaq Helsinki Oy.

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