

Q2 2019 Quarterly Results

TRESU Investment Holding A/S

28 August 2019



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. Figures from 2018 are not restated to reflect changes from standard
- 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

Questions can be directed by phone +45 76 32 36 36 to:

Heidi Thousgaard Jørgensen
CEO & Interim CFO, Tresu Group

Carsten Knudsen
Chairman, Tresu Group

Executive summary

1 Continued turnaround with breakeven adj. EBITDA in Q2

- Overall quotation activity remains at expected level despite macro uncertainty
- Recent large order intake wins to translate into increased revenues in H2 '19
- Old projects under control – focus on installation and commissioning
- Tight control on fixed costs in continuation of FTE reductions in H2 '18
- 2019 revenue and adj. EBITDA guidance maintained

2 Progress on turnaround plan

- Top 5 strategic initiatives continue to progress according to plan
- New HQ / production facility operational with all functions relocated

3 Liquidity and shareholder support

- Net debt has reduced from DKK 605m in Q1 '19 to DKK 572m in Q2 '19 driven mainly by the DKK 50m capital raising completed earlier in April
- Liquidity remains healthy and supportive of the turnaround plan

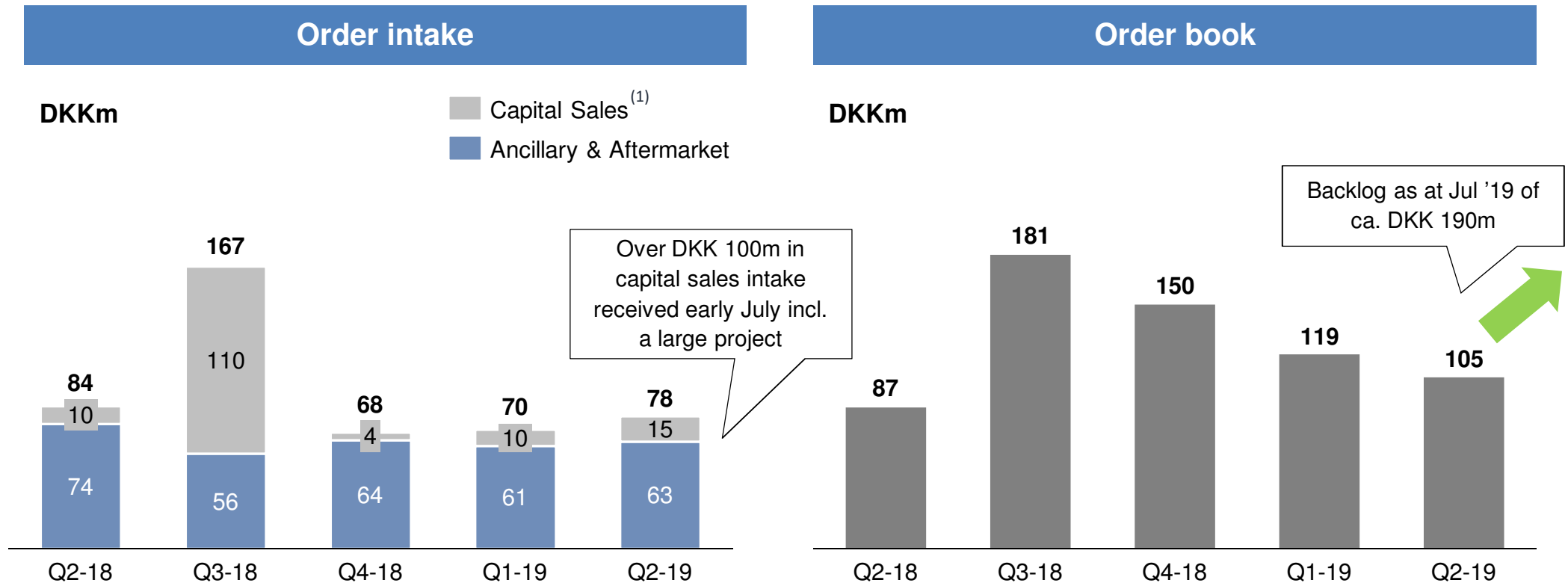
Q2 '19 Summary financials

DKKm	Q2 2019	Q1 2019
Revenue	92.1	100.7
Production costs	(86.1)	(94.9)
Gross profit/(loss)	6.0	5.9
R&D costs	(1.4)	(0.5)
Distribution costs	(8.9)	(11.5)
Administrative costs	(17.0)	(13.8)
Other net operating expenses	0.0	0.1
Operating profit / (loss)	(21.3)	(19.8)
Adjustments		
D&A	4.0	3.3
NRI	4.6	7.1
PPA depreciation	12.2	12.2
Impairment losses	-	-
IFRS 16 depreciation on leases	0.8	0.9
Adjusted EBITDA (non-IFRS)	0.2	3.8
NWC	55.5	58.8
Net debt	571.8	604.7
Available liquidity	49.9	19.8

Comments






- Q2 adj. EBITDA impacted by progression of old backlog projects and relatively low activity level in upgrades and capital sales leading to some additional cost underabsorption in the quarter
- Recent large order intake wins to translate into increased revenues in H2 '19
- Net debt has reduced from DKK 605m in Q1 '19 to DKK 572m in Q2 '19 driven mainly by the DKK 50m capital raising completed earlier in April
- Liquidity continues to develop in line with expectations

Order intake and order book development



(1) Includes order intake from Digital segment.

Latest status: 5 strategic priorities for turnaround agenda

Strategic priorities	Latest status	Current Status
 Right-Sizing lower break-even point	<ul style="list-style-type: none"> Constant monitoring of utilisation vs capacity to ensure fixed cost base in line with expected order intake 	On Track
 Digital improve profitably	<ul style="list-style-type: none"> Good momentum on development work for next generation model with existing key account 	On Track
 Large Project Management secure margins	<ul style="list-style-type: none"> New bids subject to stringent process via Bid Review Board Good activity within quotations with new and existing customers – with several projects where Tresu has preferred supplier / incumbent status 	On Track
 Supply Chain transform and improve	<ul style="list-style-type: none"> New HQ / production facility operational as of Aug '19 Transformation agenda now set in motion, with continued focus on cost savings 	On Track
 Aftermarket grow installed base potential	<ul style="list-style-type: none"> Work continues on full Ancillary and Aftermarket strategy for proactive lifecycle management of the installed base and servicing OEMs more extensively Recruitment of additional aftermarket resources in progress to further improve customer experience 	Ongoing

Appendix

Statement of profit or loss

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R&D costs	(1.4)	(0.5)
Distribution costs	(8.9)	(11.5)
Administrative costs	(17.0)	(13.8)
Other net operating expenses	0.0	0.1
Operating profit/(loss)	(21.3)	(19.8)
Net financial expenses	(8.1)	(6.7)
Profit/(loss) before tax	(29.5)	(26.4)
Tax on profit/(loss) for the period	5.5	3.0
Profit/(loss) for the period	(24.0)	(23.4)

Statement of financial position

DKKm	Jun-19	Mar-19
Intangible assets	589.4	602.8
Property, plant and equipment	55.9	55.3
Other non-current assets	10.3	10.4
Non-current assets	655.6	668.6
Inventories	97.8	76.6
Trade receivables	40.9	58.9
Contract work in progress	43.0	64.2
Tax receivables	3.3	0.0
Other short-term receivables	9.4	8.2
Prepayments	2.6	1.6
Receivables	196.9	209.5
Cash	7.9	5.0
Assets as held for sale	13.0	13.0
Financial lease	0.7	1.1
Current assets	218.5	228.5
Assets	874.2	897.1
Contributed capital	2.9	2.9
Other reserves	4.5	3.3
Retained earnings	68.2	42.2
Equity	75.6	48.4
Provisions for deferred tax	68.6	75.5
Other provisions	5.8	6.3
Corporate bonds ⁽¹⁾	518.0	517.1
Finance lease liabilities	2.5	2.7
Other payables	7.0	7.3
Non-current liabilities	601.9	609.1
Current portion of long-term lease liabilities	1.3	1.6
Current portion of long-term other payables	-	-
Bank debt	57.2	87.7
Payable group company	-	-
Contract liabilities	15.2	11.4
Trade payables	64.2	93.2
Income tax payable	-	(0.4)
Other payables	58.8	46.1
Current liabilities	196.7	239.6
Total liabilities	798.6	848.7
Equity and liabilities	874.2	897.1

(1) Gross corporate bonds of DKK 522.5m excluding capitalised financing fees.

Statement of cash flows

DKK ^m	YTD Q2 2019	Q1 2019
Operating profit/loss	(41.1)	(19.8)
Amortisation, depreciation and impairment losses	33.3	15.5
Impairment losses		-
Other provisions	(0.8)	(0.4)
Working capital changes	23.8	23.6
Cash flows from ordinary operating activities	15.3	18.9
Financial income received	0.3	0.0
Financial expenses paid	(15.1)	(6.7)
Income taxes refunded/(paid)	-	-
Cash flows from operating activities	0.5	12.3
Acquisition etc. of intangible assets	(0.7)	(0.2)
Acquisition etc. of property, plant and equipment	(6.3)	(0.2)
Acquisition etc. of financial fixed assets	0.0	0.0
Acquisition etc. of companies	1.7	-
Cash flows from investing activities	(5.3)	(0.5)
Loans raised	-	-
Instalments loan	-	-
Overdraft facility	(43.3)	(12.9)
Capital increase	50.0	-
Corporate bonds	-	-
Cash flows from financing activities	6.7	(12.9)
Increase/decrease in cash and cash equivalents	1.9	(1.0)
Cash and cash equivalents BoP	6.1	6.1
Cash and cash equivalents EoP	7.9	5.0