

# CEO's Review

**Sami Sivuranta**

Componenta Corporation

Finland's leading contract manufacturer of metal components

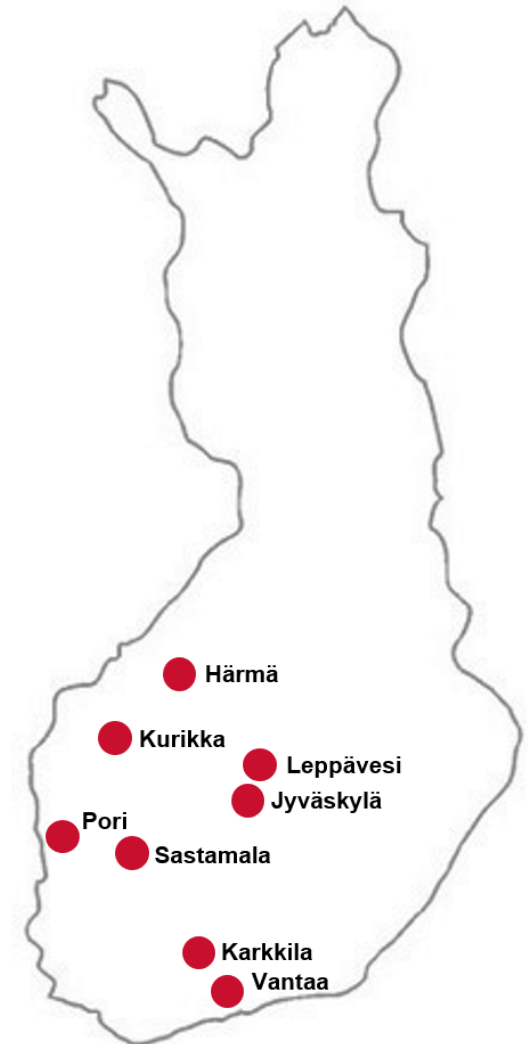
# Business in 2021

## Key figures, continued operations

- Net sales, EUR million 87.3
- EBITDA, EUR million 5.0
- Operating profit, EUR million 0.0
- Cash flow from operating activities, EUR million 2.8

## Year 2021 in brief

- Net sales increased
- EBITDA improved
- All of the Group's restructuring programs were terminated prematurely.
- The Group's cash and cash equivalents totaled EUR 5.2 million.
- The Group had EUR 4.0 million in unused binding revolving credit facilities at the end of the financial year and share subscription limit USD 8.0 million.

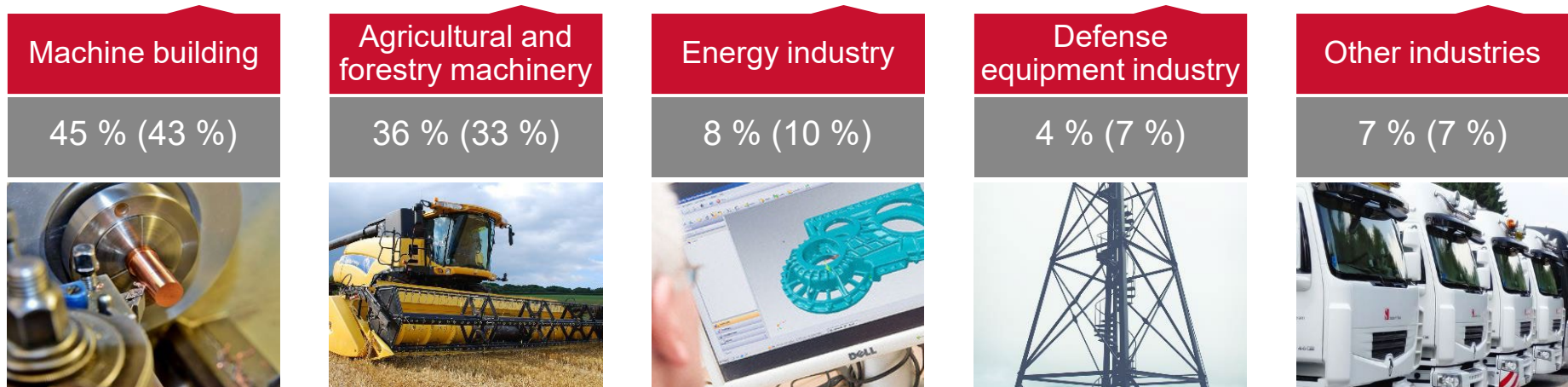




# Market situation

- The order book is at a very strong level.
- Due to the COVID-19 pandemic, the development of sales and profitability involves uncertainties and poor predictability. Measures to ensure personnel health have minimized the production impact of the pandemic.
- Challenges to the availability of materials and rising purchase prices continue.
- According to Componenta's assessment the Group has no significant and immediate risk concentrations related to Russia and Ukraine in customers or suppliers. Componenta has no own operations in Russia or Ukraine.

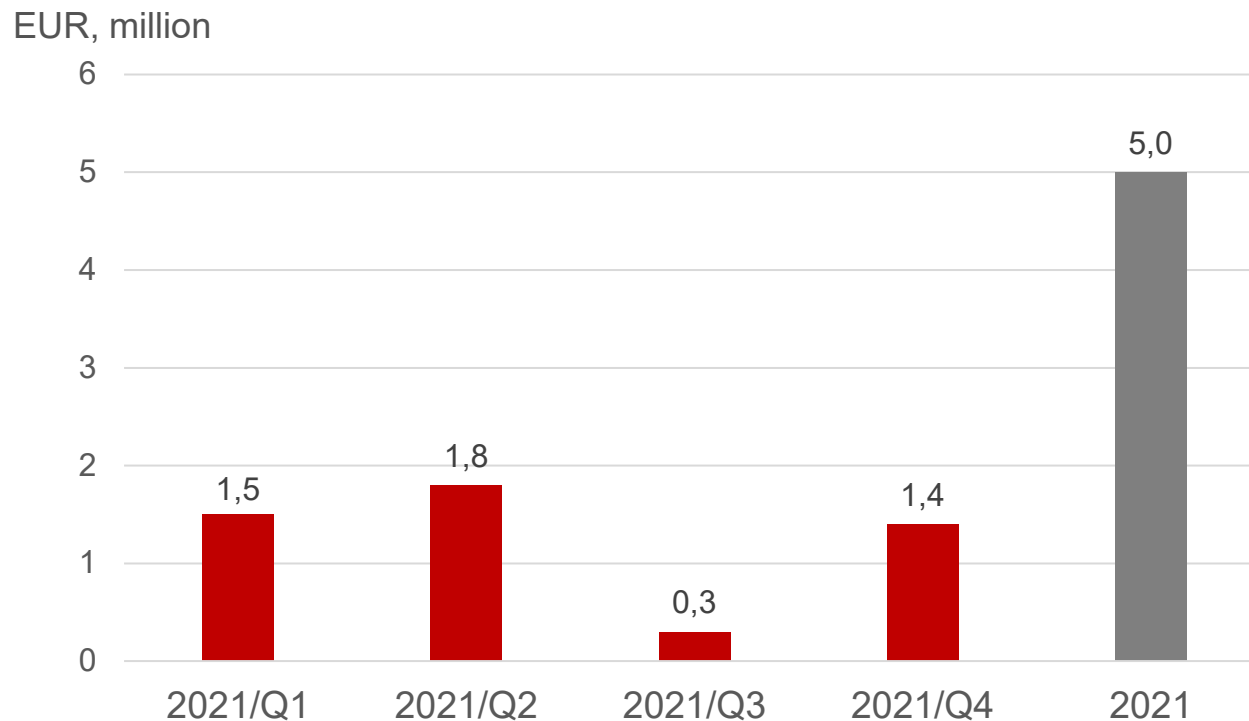
# Net sales by customer segments



The figures for 2020 are in parentheses as a reference figure.

# EBITDA

## Continued operations



# Consolidated income statement

Me	2021	2020
Net sales	87,3	70,0
EBITDA	5,0	3,7
Operating result	0,0	-2,0
Result for the financial period	-0,4	-3,2
Net interest-bearing debt	6,7	-2,6
Equity ratio, %	42,3	37,3
Net gearing, %	28,6	-10,8
Basic earnings per share, EUR	-0,04	-0,20

# Consolidated balance sheet

Assets, EUR, million	31 Dec 2021	31 Dec 2020	Liabilities and shareholders' equity, EUR, million	31 Dec 2021	31 Dec 2020
Intangible assets	1.8	2.0	Share capital	1.0	1.0
Goodwill	3.2	3.2	Other equity	22.5	22.9
Tangible assets	28.3	31.2	Non-current interest-bearing debt	9.1	11.1
Other non-current assets	0.5	0.3	Non-current interest free debt	1.3	10.6
Inventories	12.2	8.5	Current interest-bearing debt	2.8	3.1
Receivables	4.2	2.0	Current interest free debt	18.7	15.4
Cash and cash equivalents	5.2	16.8	<b>Total liabilities and shareholders' equity</b>	<b>55.5</b>	<b>64.0</b>
<b>Total assets</b>	<b>55.5</b>	<b>64.0</b>			

# Restructuring programs ended prematurely

- On March 31, 2021, Componenta Corporation made payments to its creditors of EUR 5.9 million and the restructuring program ended on April 27, 2021 with the final report on the restructuring program issued by the supervisor.
- On October 15, 2021, Componenta Castings Oy made payments of EUR 5.6 million to its creditors and the restructuring program ended on October 22, 2021 with the final report on the restructuring program issued by the supervisor.
- All of Componenta Group's restructuring programs have now ended.



# Sustainability highlights in 2021



> **We improved energy efficiency in our production plants through investments in machinery and equipment:**

- The renewal of the air compressor in Leppävesi has reduced energy consumption by 36%
- The renewal of the water hydraulic system in Jyväskylä has improved energy efficiency.

**We renewed the lighting in many of our units through LED technology,** which further improves safety at work and energy efficiency.

> **We increased the use of air source heat pumps in heating the office facilities at our production plant in Härmä, and we recovered waste heat from production equipment for heating.**

> **We participated in the preparation of European BAT specification updates for foundries in a national industry group.**

> **We participated in the Oskava project for the casting product industry** by preparing a carbon footprint calculator and indicators for iron foundry operations as a collaborative effort.

> **We reduced noise** by equipping the fans with casings at our filtration plant in Pori.

> **With our partners, we developed the further processing of waste sand,** which is a production side stream, and explored new uses for recycled sand.

> **We had the OHSAS occupational safety systems** in our foundries certified by a third party to ensure compliance with ISO 45001 occupational health and safety systems.

> **The operations in our foundries are strongly based on a circular economy.** The share of recycled steel in iron foundries was 66%.

> **We introduced a group-level occupational safety application,** implemented a safety observation campaign and promoted the harmonisation of occupational safety processes by creating a machine-specific risk identification model.



# Guidance 2022

- **Componenta expects the net sales of continued operations in 2022 to be EUR 90–105 million. EBITDA is expected to improve from the previous year. The net sales of continued operations in 2021 were EUR 87.3 million EBITDA EUR 5.0 million.**
- Poor availability of raw materials, increases in the prices of raw materials and energy, the general economic situation and competitive climate, and the development of customers' sales volumes may affect business outlooks. Due to the COVID-19 pandemic, the development of sales and profitability involves uncertainties and poor predictability. According to Componenta's assessment the Group has no significant and immediate risk concentrations related to Russia and Ukraine in customers or suppliers. Componenta has no own operations in Russia or Ukraine. Unfavourable developments in the geopolitical situation in Russia and Ukraine could have an impact on financial markets, sales volumes, the availability and price development of raw materials and energy, and the availability of foreign labour, leading to uncertainty when making future estimates.

# In focus in 2022

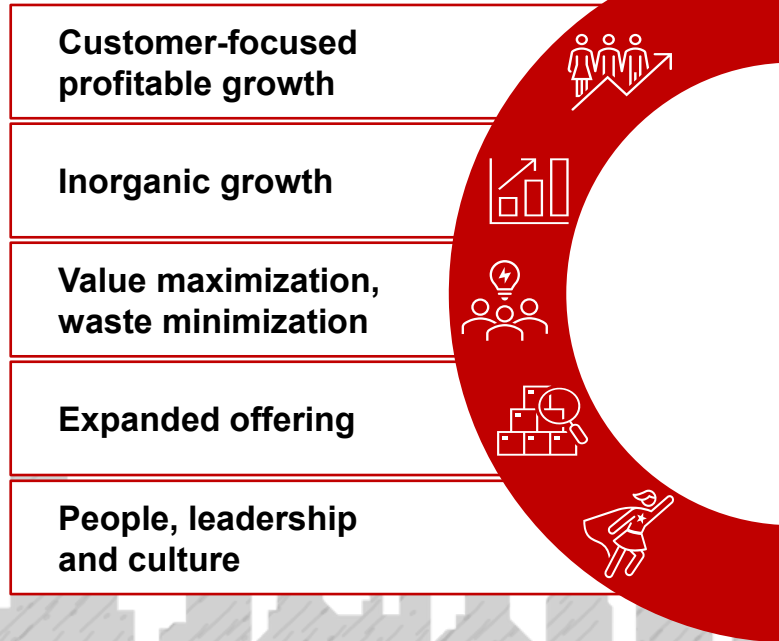
- Our goal is to be the primary total supplier of contract manufacturing
- Labor availability and resourcing to ensure capacity
- Challenges to the availability of materials, rising purchase prices and the price of electricity
- Continuous improvement of profitability
  - We will continue to invest in strengthening our market position
  - Development of own operations, sustainability, occupational safety and targeted investments
  - From a technology-centric approach to a deeper customer orientation
  - In our customer relationships, we invest in active dialogue and maintaining customer satisfaction

# Componenta's strategy 2020–2023

COMPONENTA 2020

High level of service  
Wide range of offering  
Close customer  
relationships

WAYS TO GROW



**COMPONENTA 2023:  
WHAT WE WILL BE**

We have reached our targets for growth and profitability.

We know our customers. We are their first choice partner and preferred supplier.

Our competitive edge consists of high quality service, sustainability, even wider offering, strong customer focus and capable people.

CHANGES SHAPING OUR WORLD

Consolidation of businesses

Changes in competitive advantages

Changes in global trade and supply chains

Changes in labour market

Automation and Industry 4.0

Environmental awareness and regulation



**THANK YOU!**

COMPONENTA