

Casting Future **SOLUTIONS**

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Preliminary information on Componenta's Financial Statements 1 January - 31 December 2013

Heikki Lehtonen
President and CEO

10 February 2014



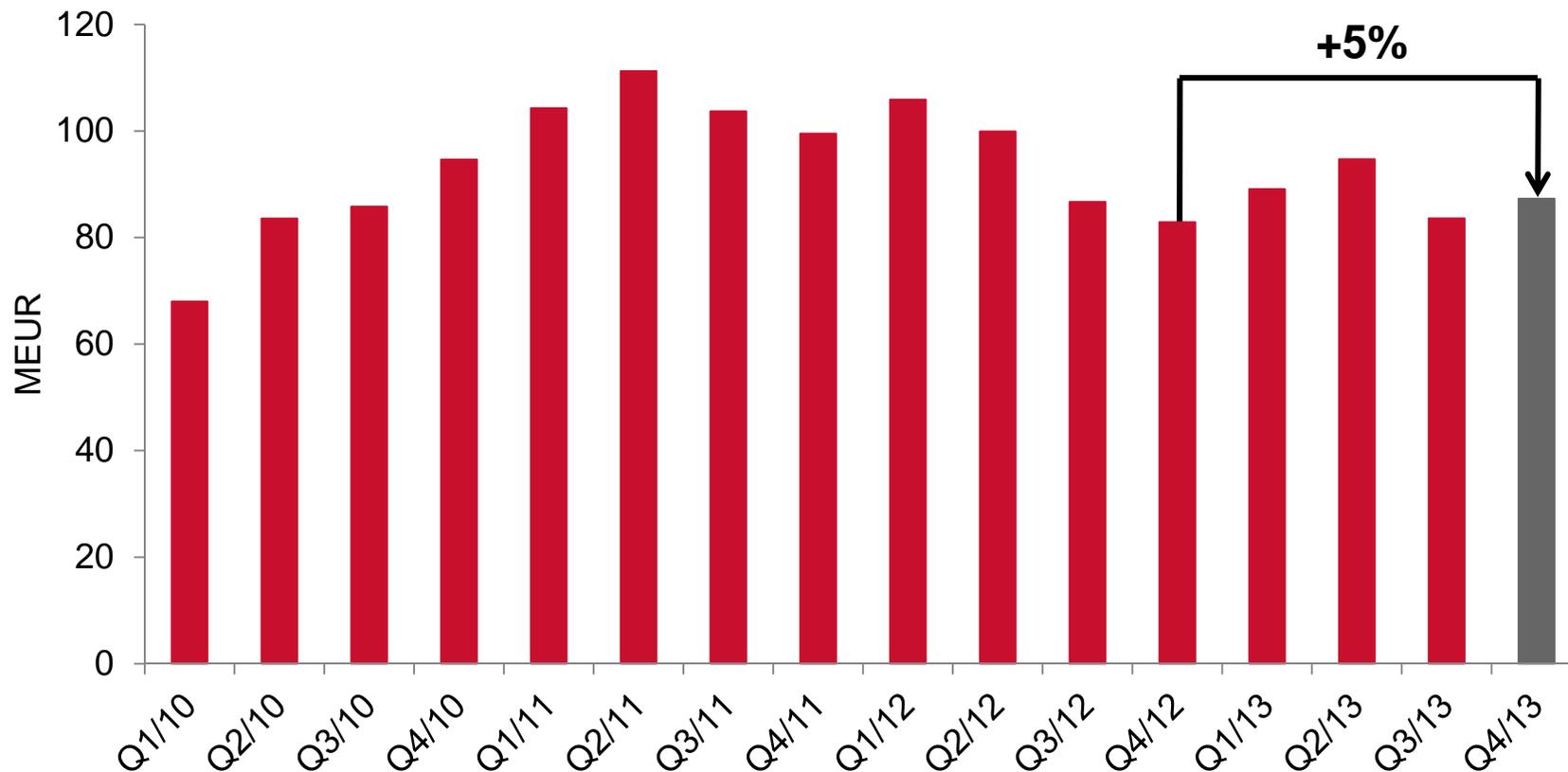
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Income statement

MEUR	Q4 2013	Q4 2012	Change	Q1-Q4 2013	Q1-Q4 2012	Change
Order book	87.3	82.9	+5%	87.3	82.9	+5%
Net sales	124	117	+5%	511	545	-6%
EBITDA, excl. one-time items	8.1	0.9	+842%	36.1	26.1	+38%
Operating profit, excl. one-time items	3.7	-3.5	n/m	18.2	10.0	+81%
Financial income and expenses	-6.1	-5.9	+3%	-24.4	-27.7	-12%
Profit after financial items, excl. one-time items	-2.5	-9.5	-74%	-6.2	-17.6	-65%
One-time items	-1.5	-7.4	-80%	-3.4	-7.8	-57%
Net profit	-10.0	-16.4	-39%	-15.5	-24.0	-35%
Earnings/share, excl. one-time items EUR	-0.31	-0.47	-35%	-0.55	-0.92	-40%
Cash flow from operations	14.8	3.7	+294%	2.2	-8.7	n/m

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Quarterly development of order book (incl. orders for next two months)



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Quarterly development of net sales 2008 – 2013



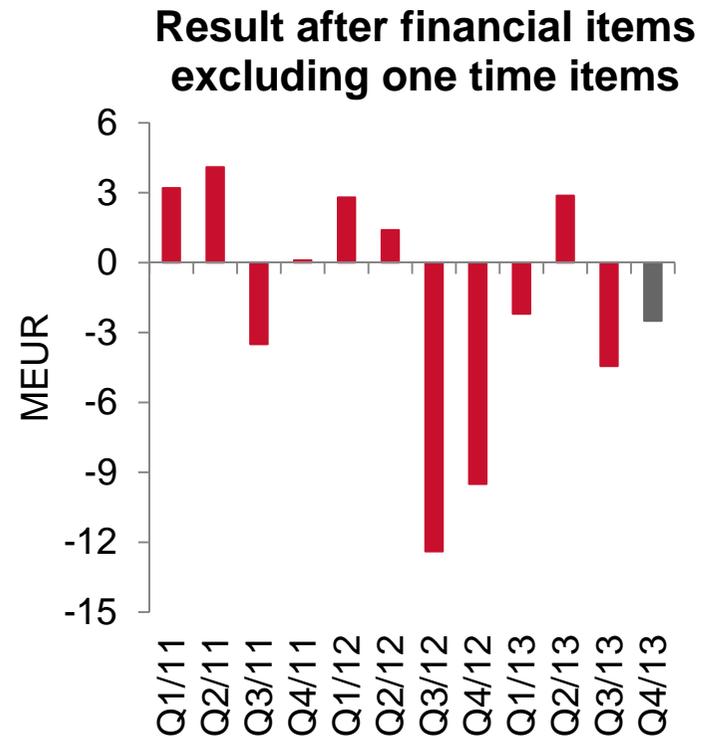
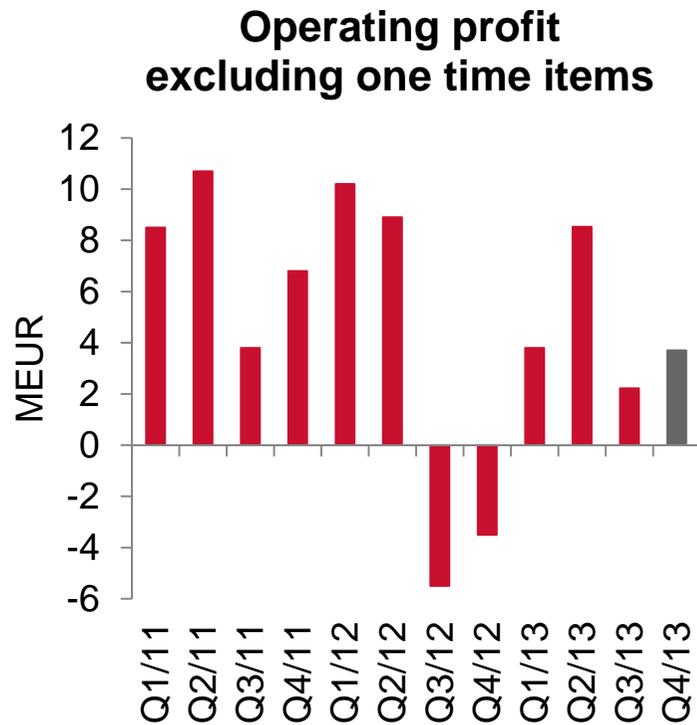
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Analysis of changes in income statements excluding one-time items

MEUR	Q4 2013	Q4 2012	Change	Q1-Q4 2013	Q1-Q4 2012	Change
Net sales	123.5	117.3	+5%	510.5	544.8	-6%
Value of production	118.8	113.4	+5%	512.2	546.2	-6%
Materials	-48.3	-51.6	-7%	-209.1	-232.5	-10%
Direct wages and external services	-25.0	-25.5	-2%	-114.0	-122.1	-7%
Other variable and fixed costs	-37.4	-35.5	+5%	-152.9	-165.4	-8%
Total costs	-110.6	-112.6	-2%	-476.0	-520.0	-8%
EBITDA	8.1	0.9	+851%	36.1	26.1	+38%

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Quarterly operating profit and result after financial items excluding one-time items



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Key ratios

MEUR	31.12.2013	31.12.2012
Equity ratio, %	18.9	18.1
Return on equity, excluding one-time items, %	-12.8	-24.8
Return on equity, %	-18.6	-32.9
Return on investment, excluding one-time items, %	5.9	4.0
Return on investment, %	4.9	2.0
Net interest bearing debt, MEUR	230	236
Net gearing, preferred capital notes as debt, %	270	284
Order book, MEUR	87.3	82.9
Investments in production facilities, MEUR	18.9	19.2
Personnel at the end of period, including leased personnel	4,431	4,277

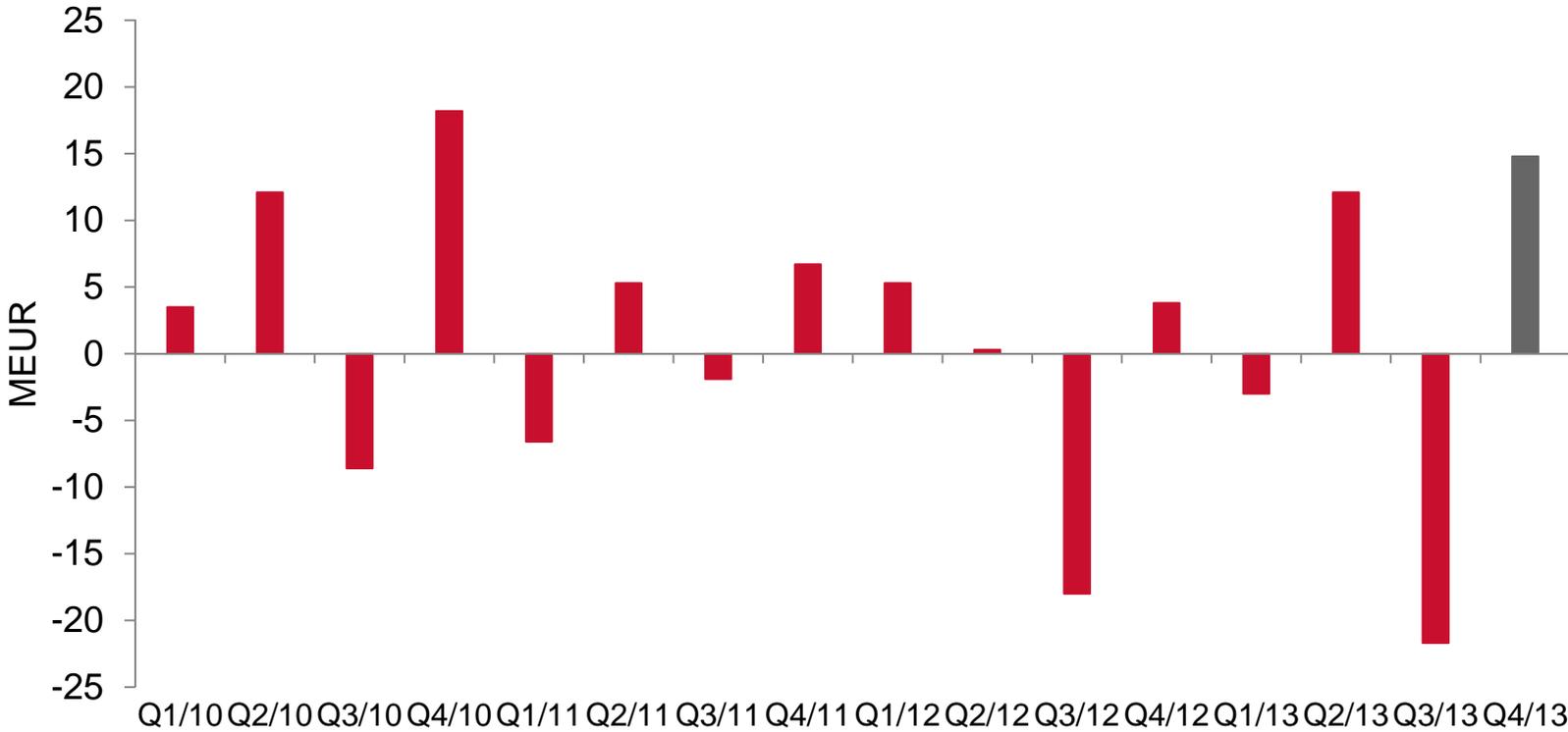
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Cash flow statement

MEUR	1-12/2013	1-12/2012
Cash flow from operations before change in net working capital, financing and taxes	28.6	22.7
Change in net working capital	2.6	-1.0
Cash flow from operations before financing and taxes	31.2	21.7
Cash flow from operations	2.2	-8.7
Cash flow from investments	-15.7	-19.2
Cash flow from financing activities	3.0	5.9
Change in liquid assets	-10.5	-22.0

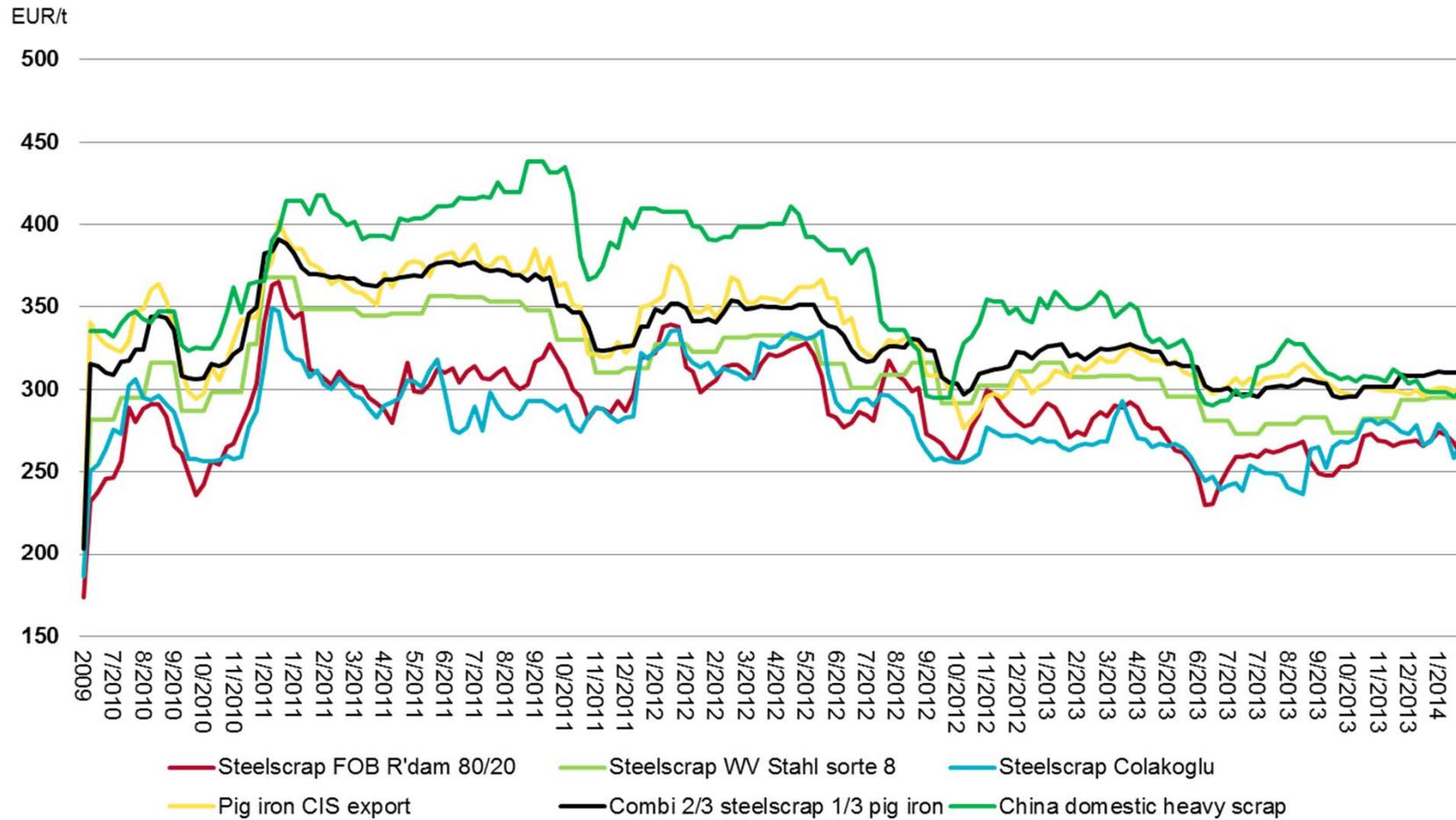
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**Development of
cash flow from operations**



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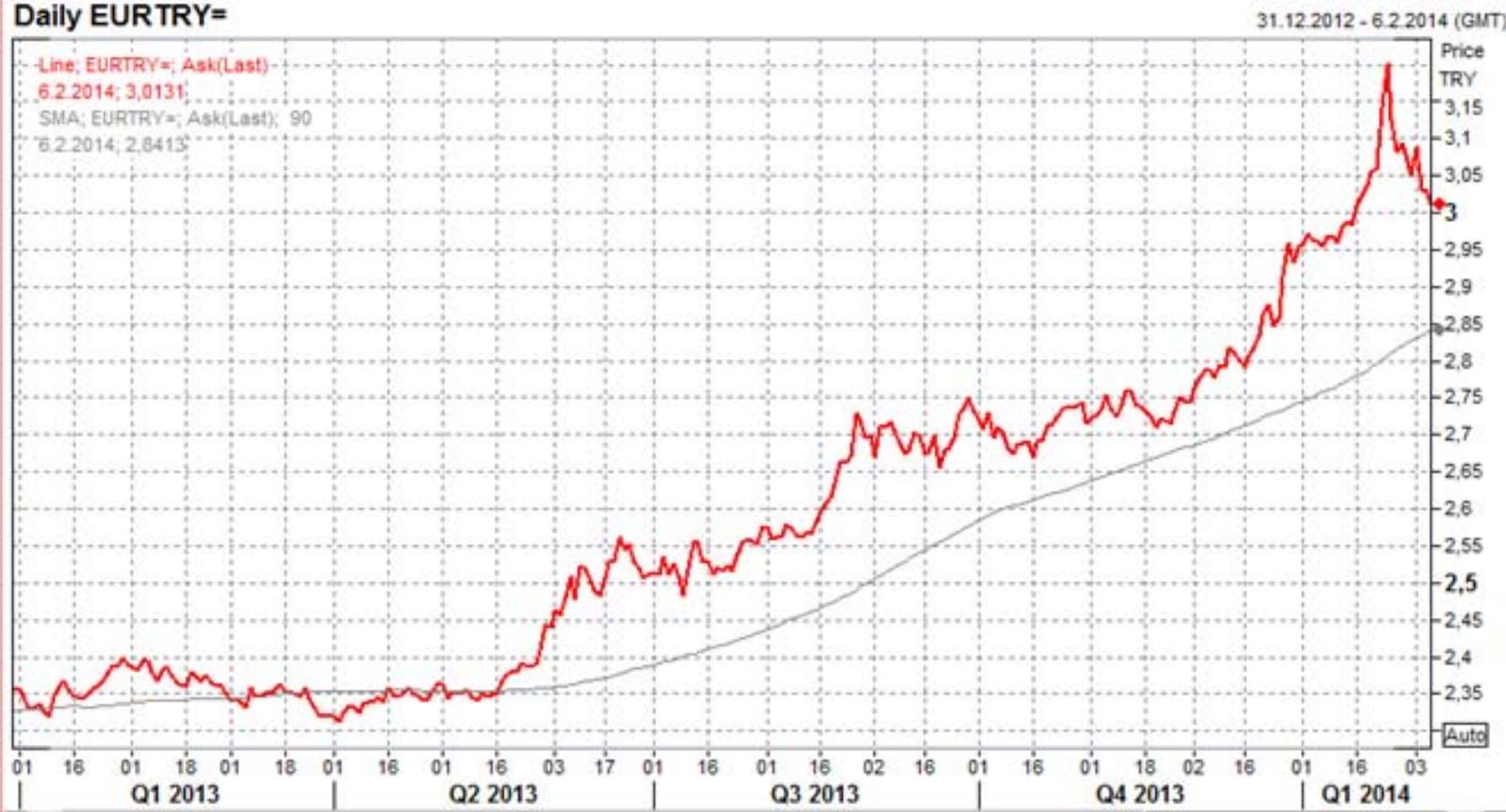
Pig iron and steel scrap indexes



Sources: Reuters Metal Bulletin and WV Stahl

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Development of exchange rates Turkish lira



Source: Reuters



Efficiency program

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Efficiency improvement program continues (1)

- The program launched in October 2012 has made progress in accordance with targets and the Group is set to achieve the annual cost savings of EUR 25 million by the end of 2014.

Country, unit	Measures carried out during in 2013	Total savings
TURKEY Orhangazi foundry	Progress has been made as planned under the organization that was renewed at the end of 2012. Many measures have been carried out to increase efficiency in the foundry, and overall productivity has improved in line with the targets set.	9 MEUR by the end of 2014.
NETHERLANDS All units	The restructuring of the production units in the Netherlands and the cutting of 55 jobs were finalized during the first quarter. Productivity has been raised in all production lines. The efficiency improvement program was widened during the second and third quarters.	5 MEUR by the end of 2014.
SWEDEN Främmestad Machine shop	The machining operations for long series will be concentrated in the Orhangazi machine shop where the works for expansion were completed in September 2013. The product transfers will mainly take place during Q4 2013 and Q1 2014.	3 MEUR by the end of 2014.

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Efficiency improvement program continues (2)

Country, unit	Measures carried out during in 2013	Total savings
FINLAND Pietarsaari foundry	The operations of the large DISA production line at the Pietarsaari foundry are being terminated as planned. Measures to carry out the product transfers to the foundries in Orhangazi, Turkey and Pori, Finland have made progress on schedule.	3 MEUR by the end of 2014.
GROUP Administration, sales and engineering	Measures to raise efficiency of the functions and cut fixed costs were carried out during Q1 2013.	3 MEUR in 2013.
SWEDEN Wirsbo forges	The running down of the forge in Smedjebacken and the transfer of products to the Arvika forge were started in the first quarter. Altogether 41 jobs have been cut in the forge business during 2013.	2 MEUR in 2013.

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Expansion to efficiency improvement program

- In September 2013 the efficiency improvement program was expanded, aiming to further improve profitability by EUR 10 million in 2015.

Country, unit	New development projects and measures	Total saving
TURKEY Orhangazi foundry	Process improvements in melting operations and the foundry sand system. Productivity and quality are improved and uses of raw materials in the production processes are minimized. These measures are carried out by utilizing the Group's best practices.	
NETHERLANDS Heerlen furan foundry	Capacity utilization rate improvements and further development of productivity through better production planning and management and faster throughput times, and improving the quality. Boosting new sales.	altogether EUR 10 million in 2015
FINLAND All foundries	Capacity utilization rate improvement and fixed cost reductions. The possible merger of the Pietarsaari foundry with the Pori foundry would strengthen the Group's competitive edge in serving Nordic customers flexibly and cost efficiently.	
TURKEY, SWEDEN Orhangazi, Främmestad	Expansion of the cost efficiency and productivity improvement project. Internal product transfers from Främmestad to Orhangazi will continue. Further development of productivity in Orhangazi machine shop to ensure the cost benefits are achieved from the transferred volumes.	

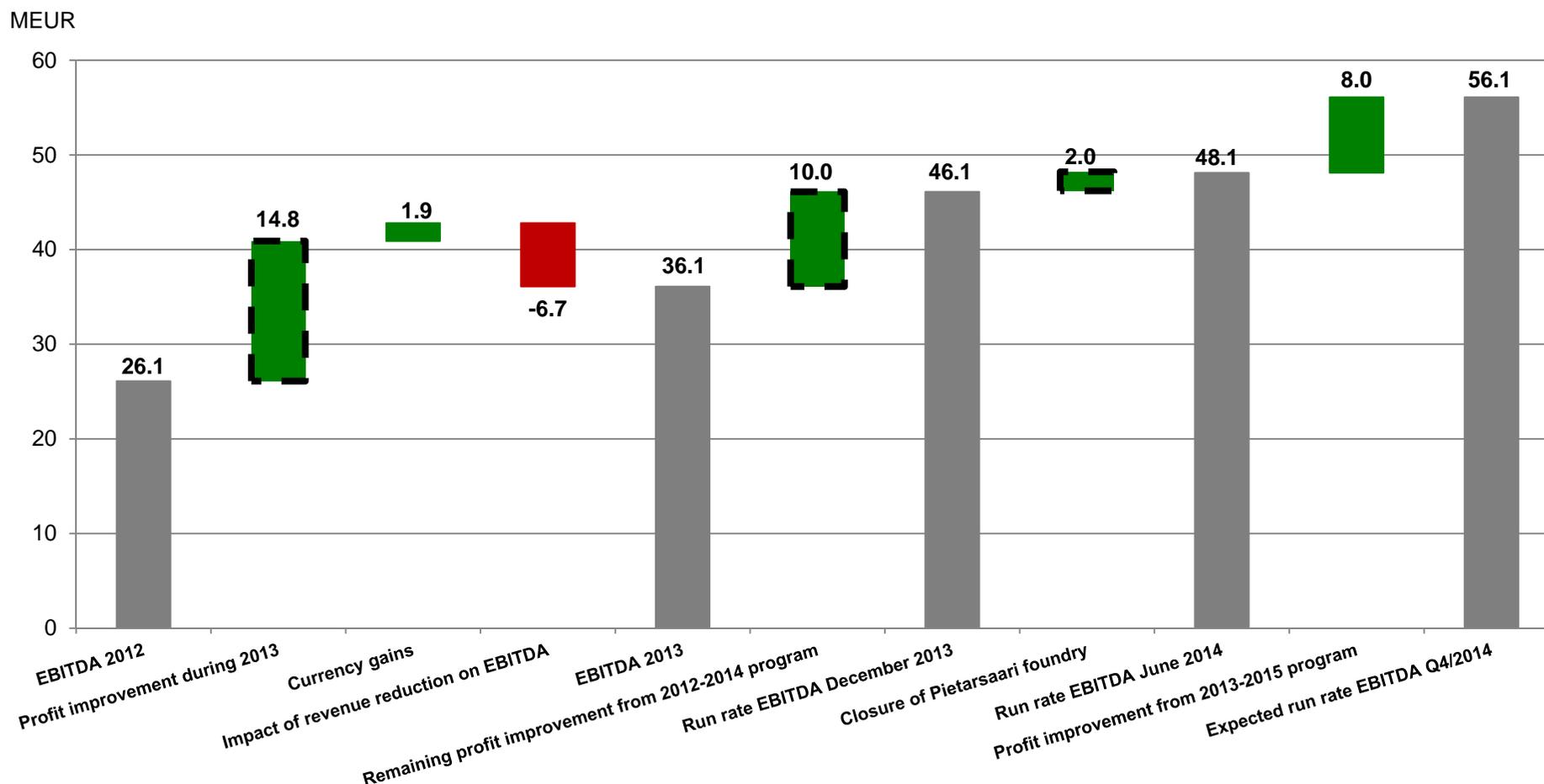
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Run rate of realized EBITDA improvement estimated at 26.8 MEUR

	Productivity	Other variable costs	Fixed costs	Run rate improvement	Delivered in 2013
Orhangazi foundry, Turkey	2.0 MEUR	4.0 MEUR (material and energy savings)		6.0 MEUR	3.0 MEUR
The Netherlands	2.1 MEUR		2.2 MEUR	4.3 MEUR	3.0 MEUR
Främmestad, Sweden	2.3 MEUR	1.1 MEUR (product transfers)		3.4 MEUR	1.0 MEUR
Pietarsaari Finland, larger Disa line closure		1.2 MEUR (product transfers)	0.3 MEUR	1.5 MEUR	0.5 MEUR
Wirsbo, Sweden				1.5 MEUR	0.5 MEUR
Streamlining global operations			1.8 MEUR 1.1 MEUR	2.9 MEUR	2.9 MEUR
Pietarsaari Finland, smaller Disa line product transfers			2.0 MEUR	2.0 MEUR	0.0 MEUR
Other profit improvement measures taken				5.2 MEUR	3.9 MEUR
Total profit improvement				26.8 MEUR	14.8 MEUR

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Achieved run rate EBITDA improvement of the efficiency improvement program is estimated at 26.8 MEUR



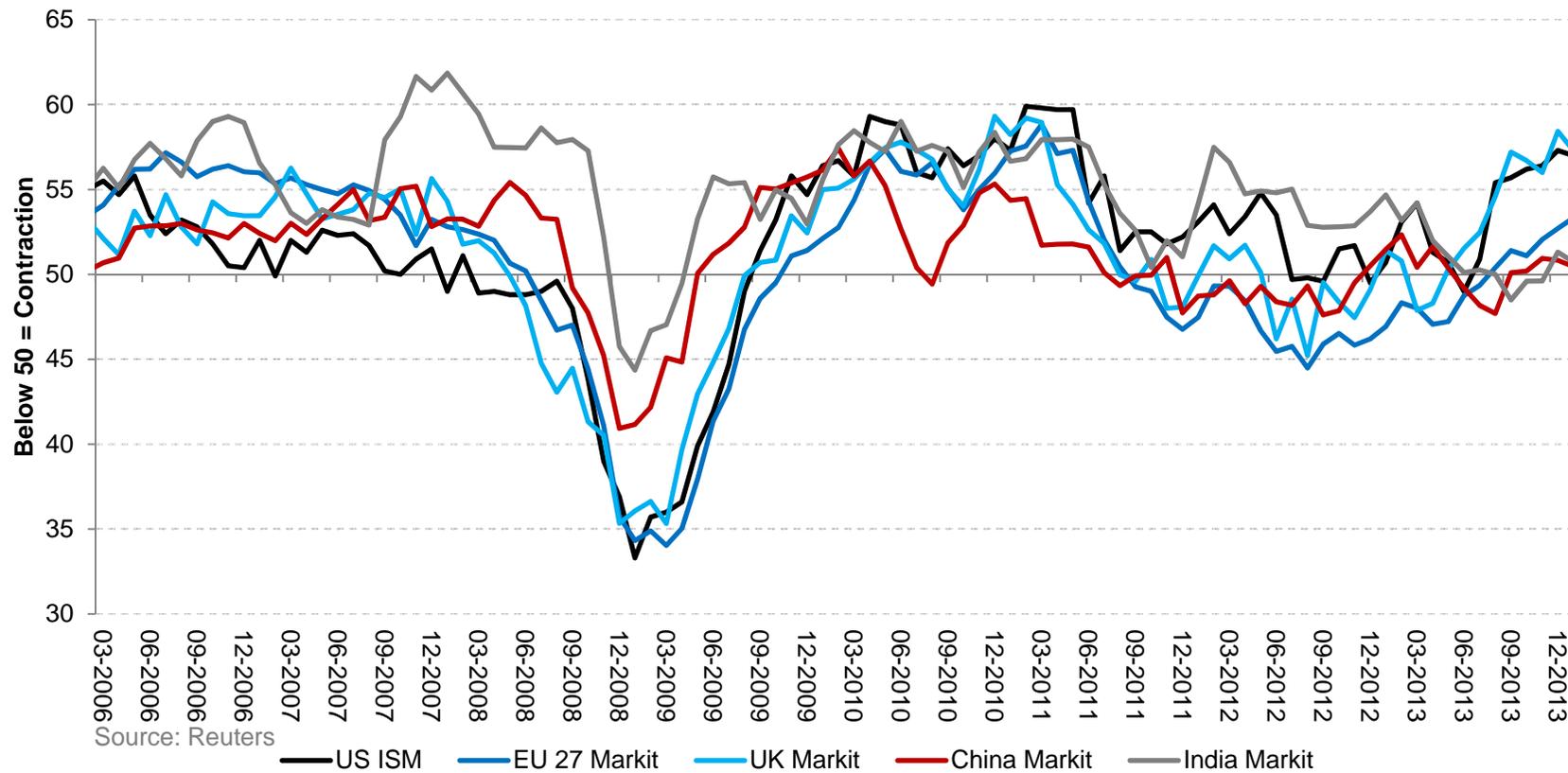
Note! Year 2014 estimates do not include volume neither currency rate changes.



Indicators of economy

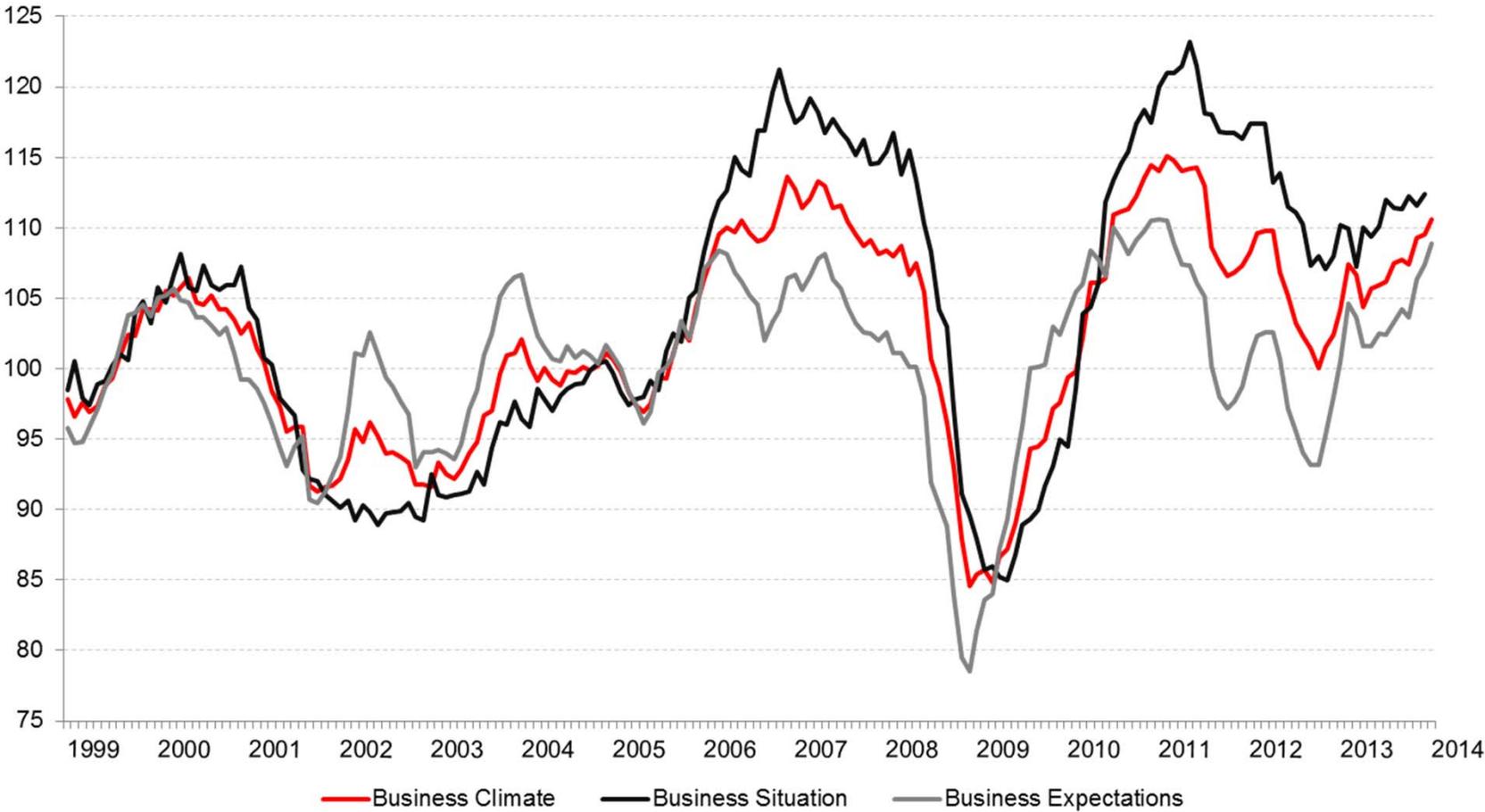
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Manufacturing Purchasing Manager Indices



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IFO expectations



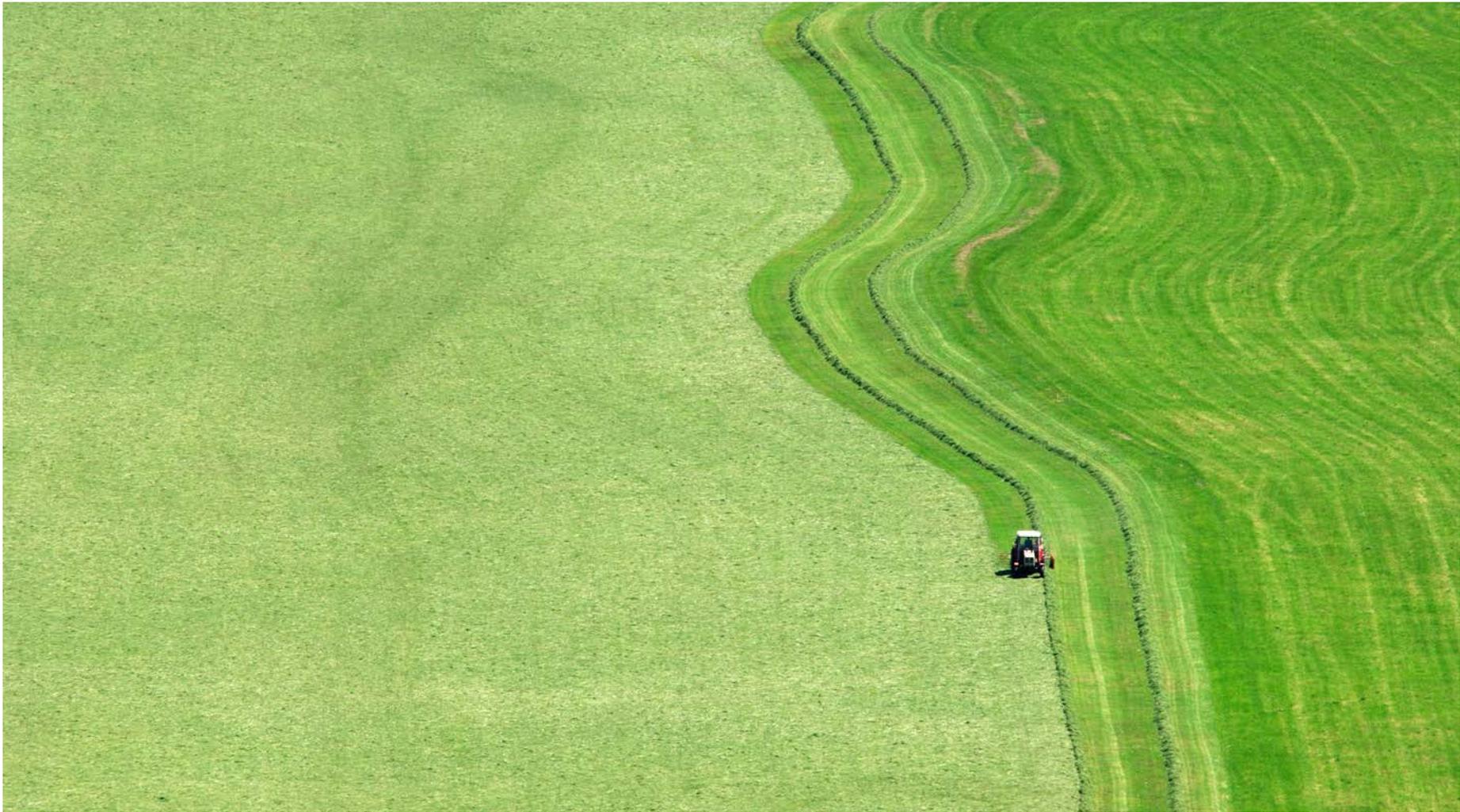
Source: IFO

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CDS Index



Source: Reuters

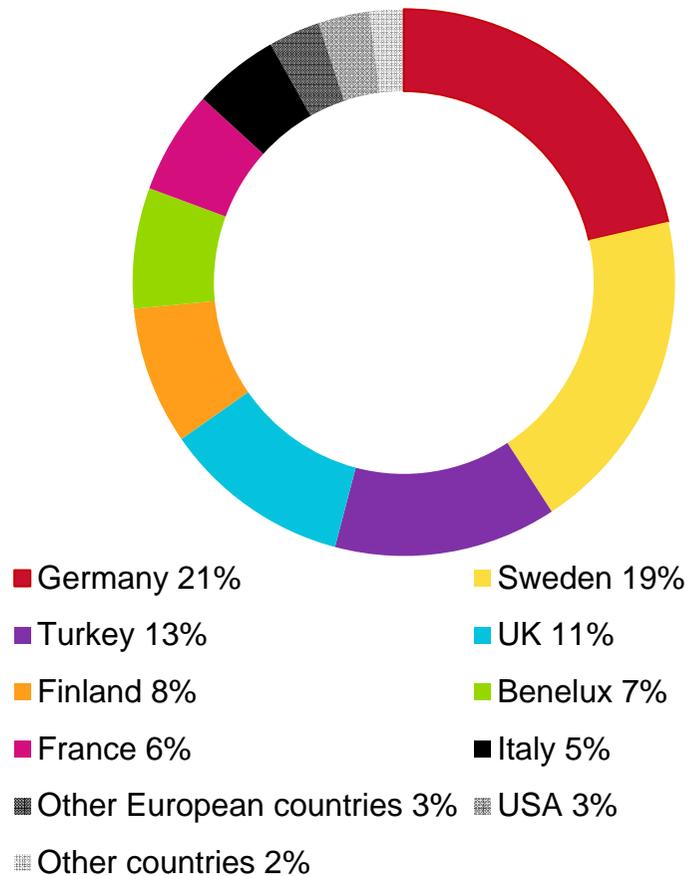


Development of sales and order book

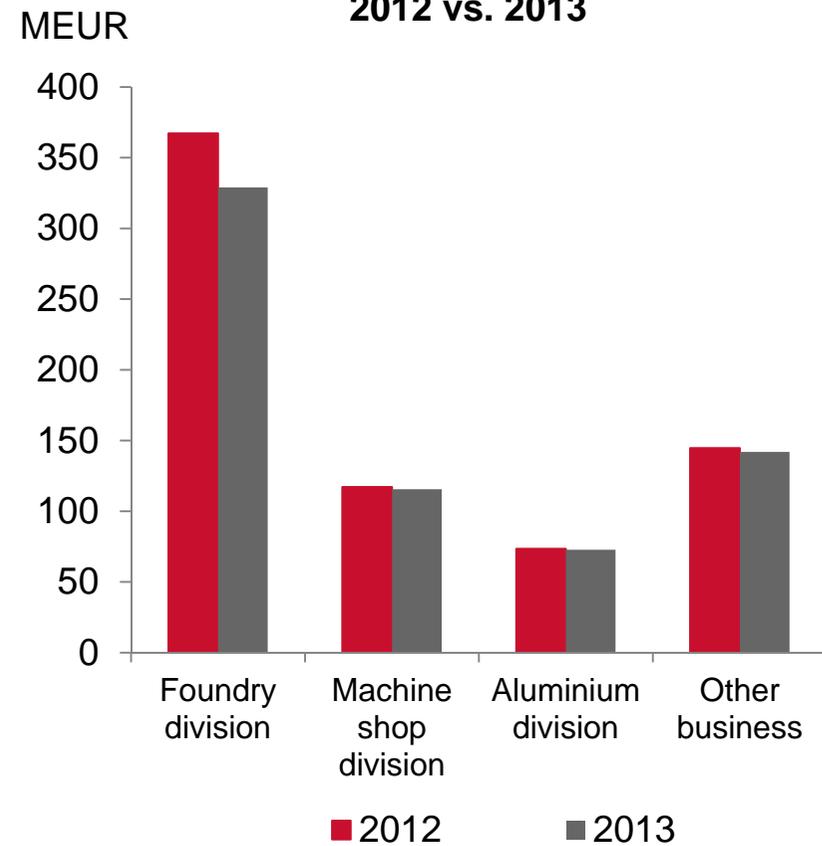
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Sales distribution

Sales by market area 2013



Sales by business segment*)
2012 vs. 2013



*) Figures excluding internal eliminations

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Sales by customer industry 2013



Heavy Trucks

31 %

(28 %)

Construction and Mining

19 %

(24 %)

Machine Building

18 %

(19 %)

Agricultural Machinery

17 %

(15 %)

Automotive

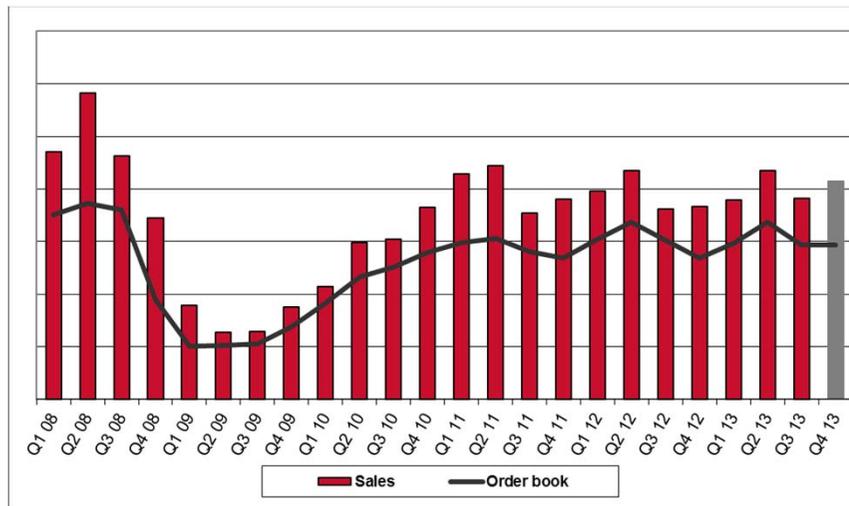
15 %

(14 %)

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Development of sales and order book in Heavy Trucks industry

Order book
Q4/2013 vs. Q4/2012
+9%



Sales to

Heavy Trucks industry

Q4/2013 vs. Q4/2012

+14%

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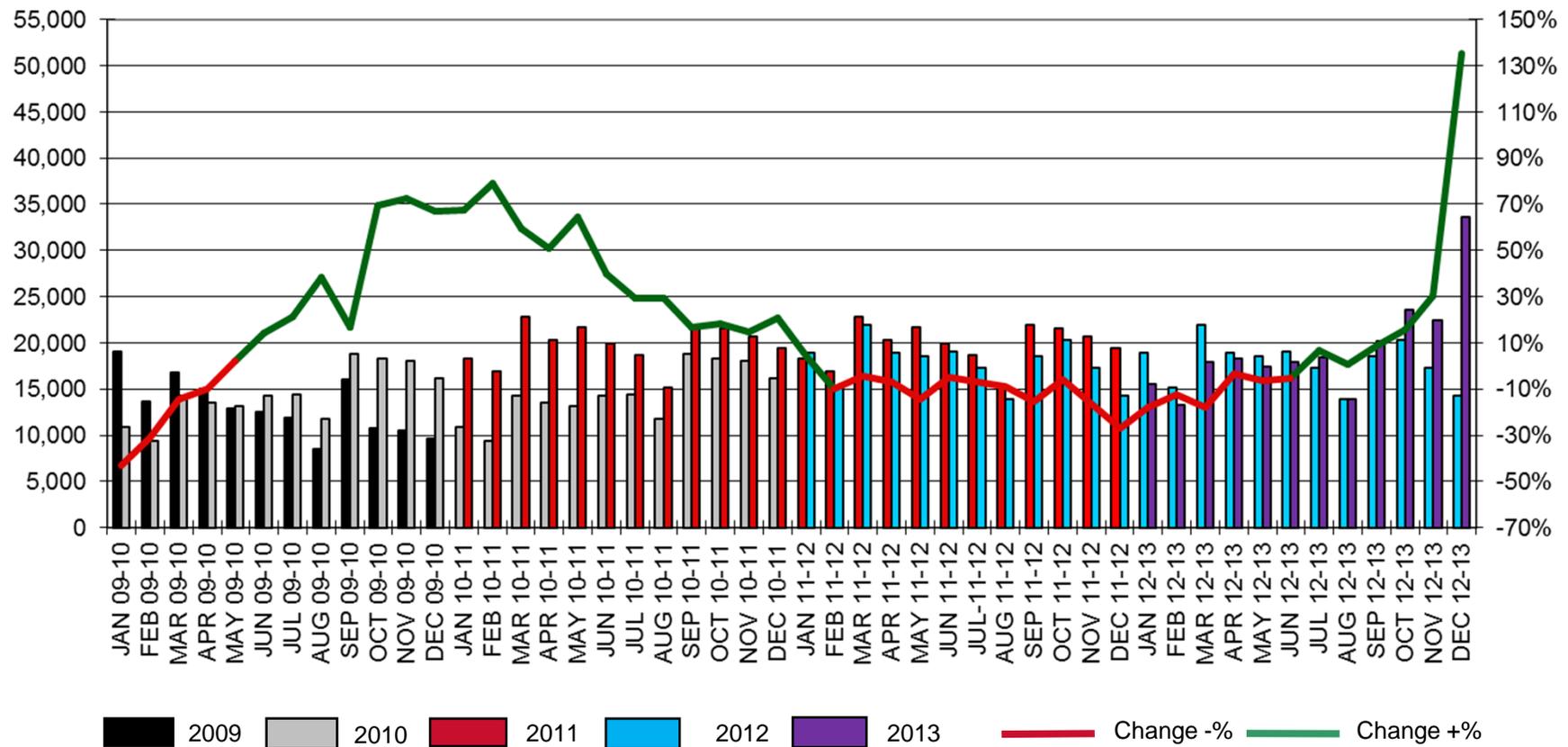
Development of supply chain in Heavy Trucks industry compared to previous year



Sources: Volvo web pages, ACEA

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Registrations of new heavy trucks in Europe (EU27)

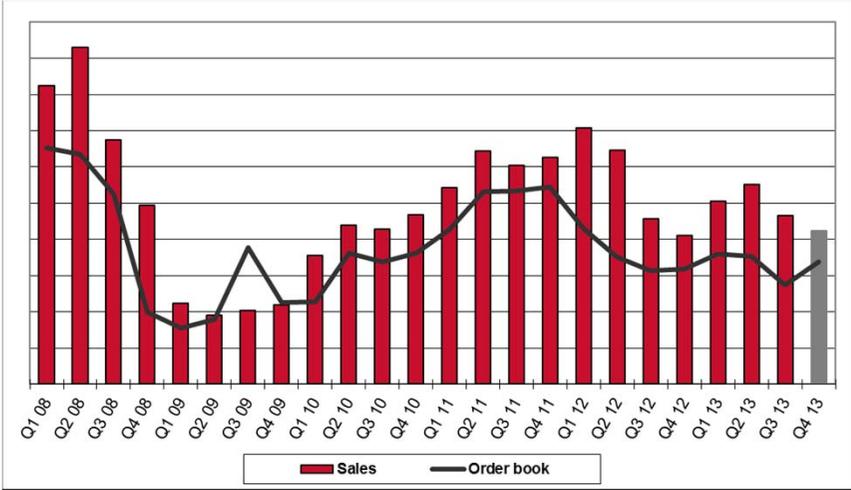


Source: ACEA

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Development of sales and order book in Construction and Mining industry

**Order book
Q4/2013 vs. Q4/2012
+6%**

**Sales to
Construction and Mining industry
Q4/2013 vs. Q4/2012**

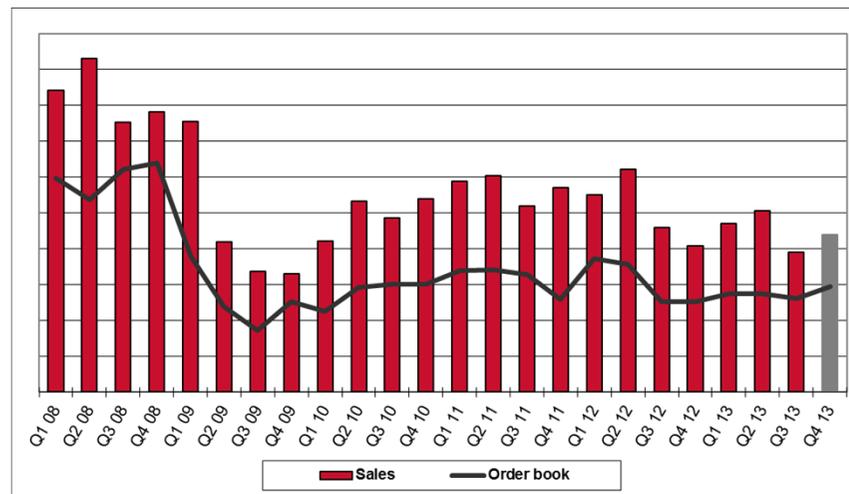
+4%

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Development of sales and order book in Machine Building industry

Order book
Q4/2013 vs. Q4/2012

+17%



Sales to

Machine Building industry

Q4/2013 vs. Q4/2012

+8%

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Development of sales and order book in Agricultural Machinery industry

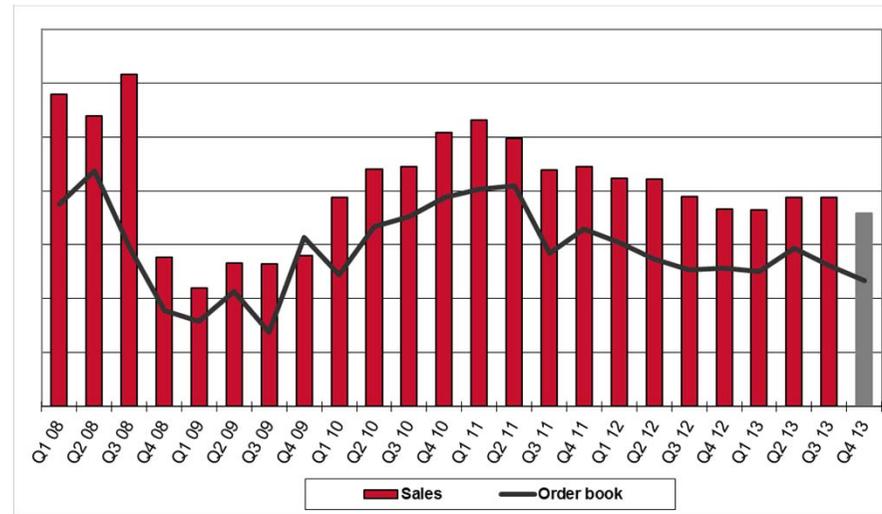


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Development of sales and order book in Automotive industry

Order book
Q4/2013 vs. Q4/2012

-9%



Sales to

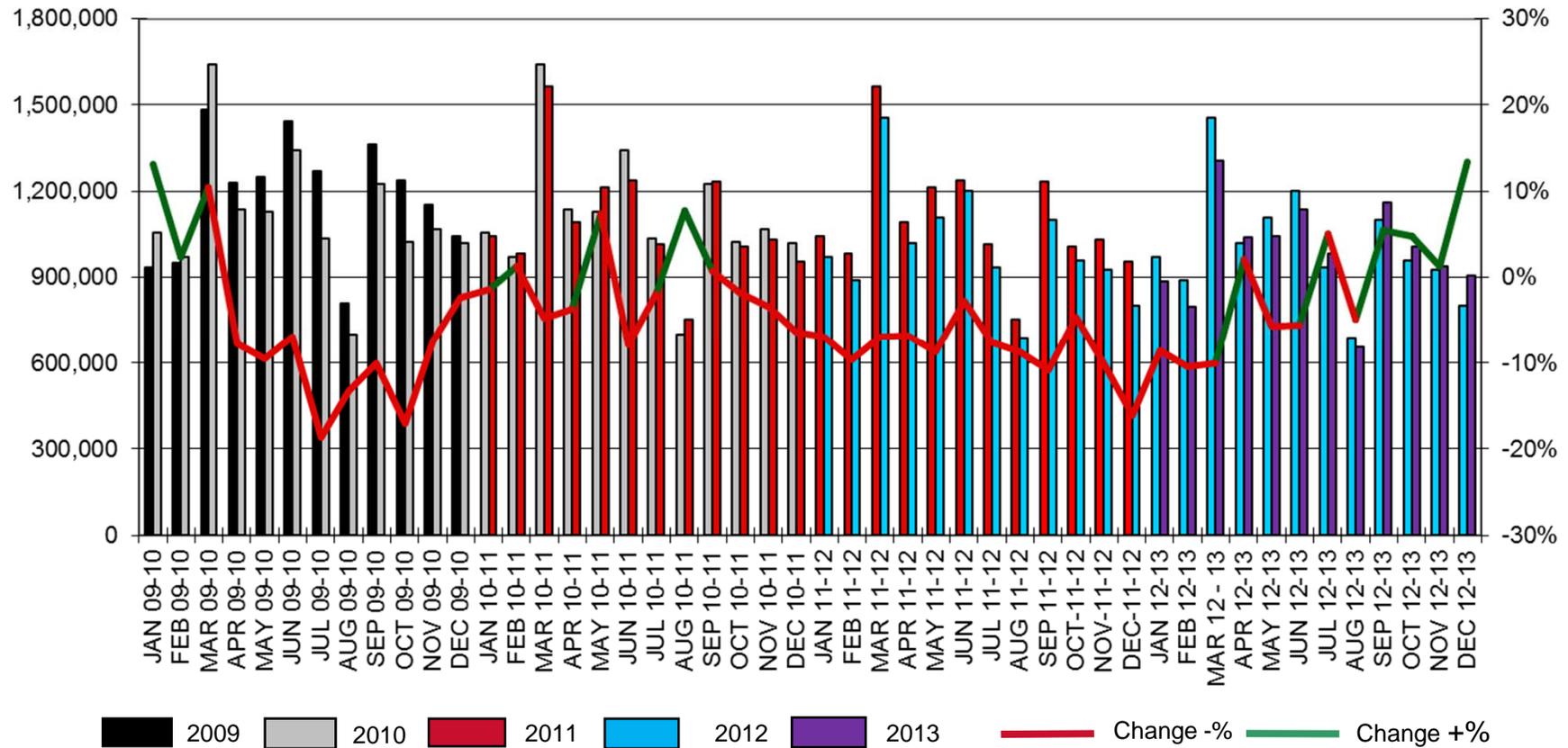
Automotive industry

Q4/2013 vs. Q4/2012

-2%

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Registrations of new passenger cars in Europe (EU27)



Source: ACEA

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Offers and new sales



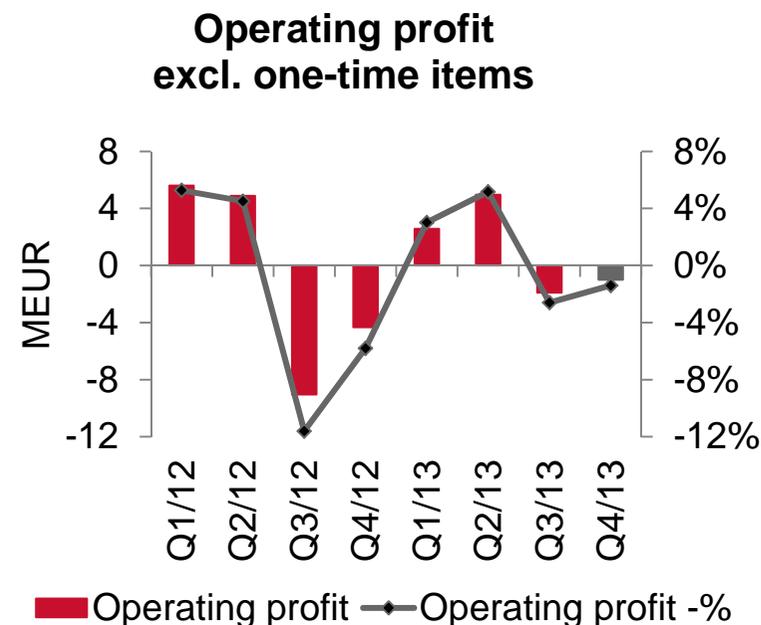
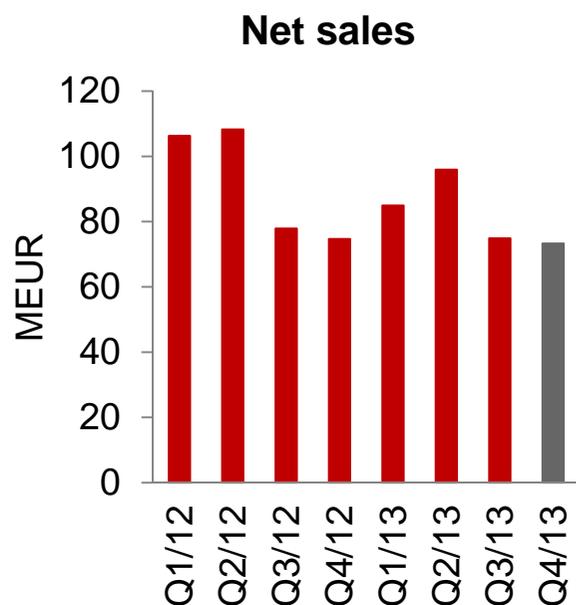
- The offers submitted by the Group during 2013 increased 11% from previous year.
- Componenta's new sales continued as expected in 2013.



Development of business segments

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Development of Foundry Division

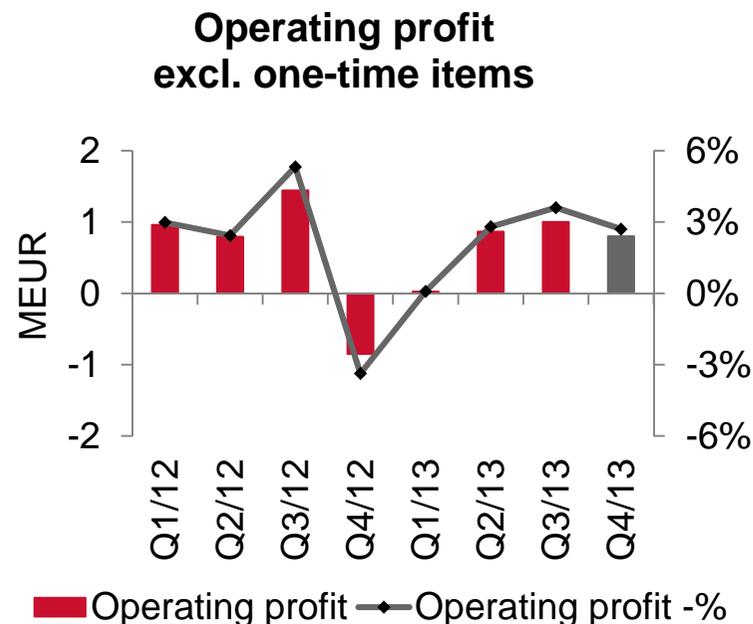
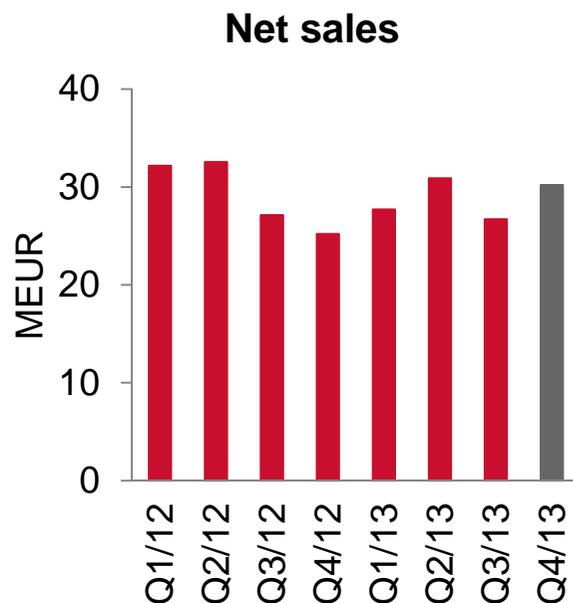


MEUR	2013	2012	Change
Order book	51.2	55.6	-8%
Net sales	329	367	-10%
Operating profit	4.6	-2.9	+259%
Personnel avg.	2,875	3,126	-8%

- Net sales of the foundry division declined 8% from previous year.
- Operating profit however improved significantly due to better efficiency in operations, the cost savings and the weakening of the Turkish lira.

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Development of Machine Shop Division

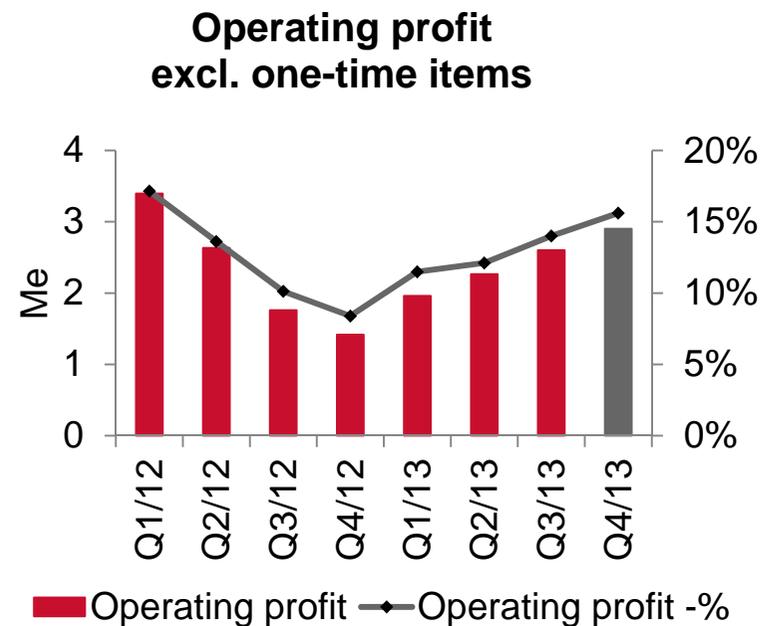
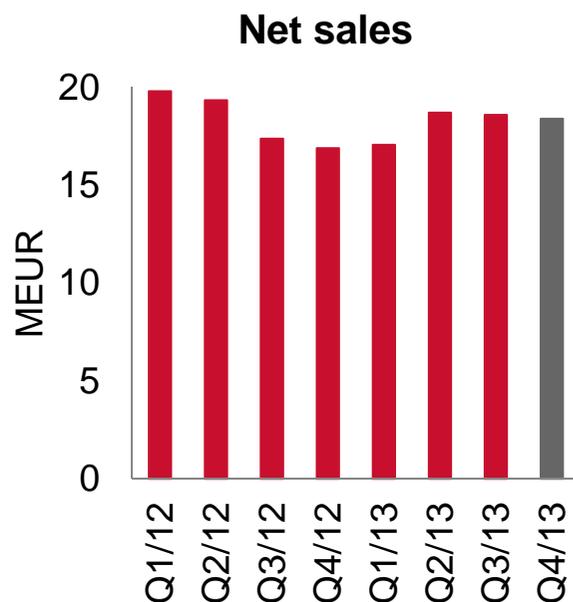


MEUR	2013	2012	Change
Order book	20.5	18.7	+10%
Net sales	116	117	-1%
Operating profit	2.7	2.3	+13%
Personnel avg.	382	377	+1%

- Net sales of the Machine shop division decreased 1% from previous year.
- Operating profit improved 13% from previous year mainly as a result of more efficient production.

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Development of Aluminium Division



MEUR	2013	2012	Change
Order book	12.8	12.1	+6%
Net sales	72.8	73.4	-1%
Operating profit	9.7	9.2	+6%
Personnel avg.	744	712	+4%

- Net sales of Aluminium division decreased 1% from previous year.
- Operating profit improved 6% from previous year mainly due to the weakening of Turkish lira.



Prospects 2014

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Business environment 2014



**Componenta's
demand
outlook
improving**



At year end the order book for Componenta's heavy trucks customer sector was 9% higher than at the corresponding time in the previous year.

Demand for heavy trucks in Europe is expected to decrease in 2014.

Componenta's sales are expected to increase due to the growing market share.



**Componenta's
demand
outlook stable**



The order book for Componenta's construction and mining customer sector was 6% higher at year end than at the same time in the previous year.

Demand is expected to remain at the same level as in the previous year.

Customers reduced their stocks during 2012 and 2013 due to weaker prospects in particular for mining machinery industry. The demand prospects for Componenta are stable.

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Business environment 2014



**Componenta's
demand
outlook
improving**



At the year end, the order book for Componenta's machine building customer segment was 17% higher than at the same time in the previous year.

Componenta's sales outlook for machine building sector is expected to improve during the first half of 2014.



**Componenta's
demand
outlook stable**



The order book for Componenta's agricultural machinery customer sector was 2% lower at the year end than at the same time in the previous year.

Demand for agricultural machinery is expected to remain stable in 2014.

Componenta's sales is expected to remain at the same level as in the previous year or to increase due to the growing market share.



**Componenta's
demand
outlook stable**



The order book for Componenta's automotive customer sector was 9% lower at year end than at the same time in the previous year.

Demand for automotive industry improved towards the end of year 2013 compared with the same period a year earlier. In 2014, the demand for automotive industry is expected to improve from previous year. Componenta's sales are expected to increase during the first half of the year even though the increased demand is not yet visible in Componenta's order book.

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Prospects for Componenta in 2014

- The prospects for Componenta for 2014 are based on general external economic indicators, delivery forecasts given by customers, and on Componenta's order intake and order book.
- The order book of Componenta at year end 2014 was 5 % higher at EUR 87 (83) million compared to previous year. Based on the order book and delivery forecast given by the customers Componenta's first quarter net sales is expected to be higher than the same period of last year. Due to structural efficiency improvement measures and cost savings the first quarter operating profit excluding one-time items is also expected improve from previous year.
- The full year operating profit excluding one-time items is expected to improve from previous year as a consequence of structural efficiency improvement measures.



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