

# Casting Future **SOLUTIONS**

COMPONENTA

# COMPONENTA

## **Componenta Corporation Interim Report 1 January - 31 March 2012**

**Heikki Lehtonen**  
President and CEO

24 April 2012



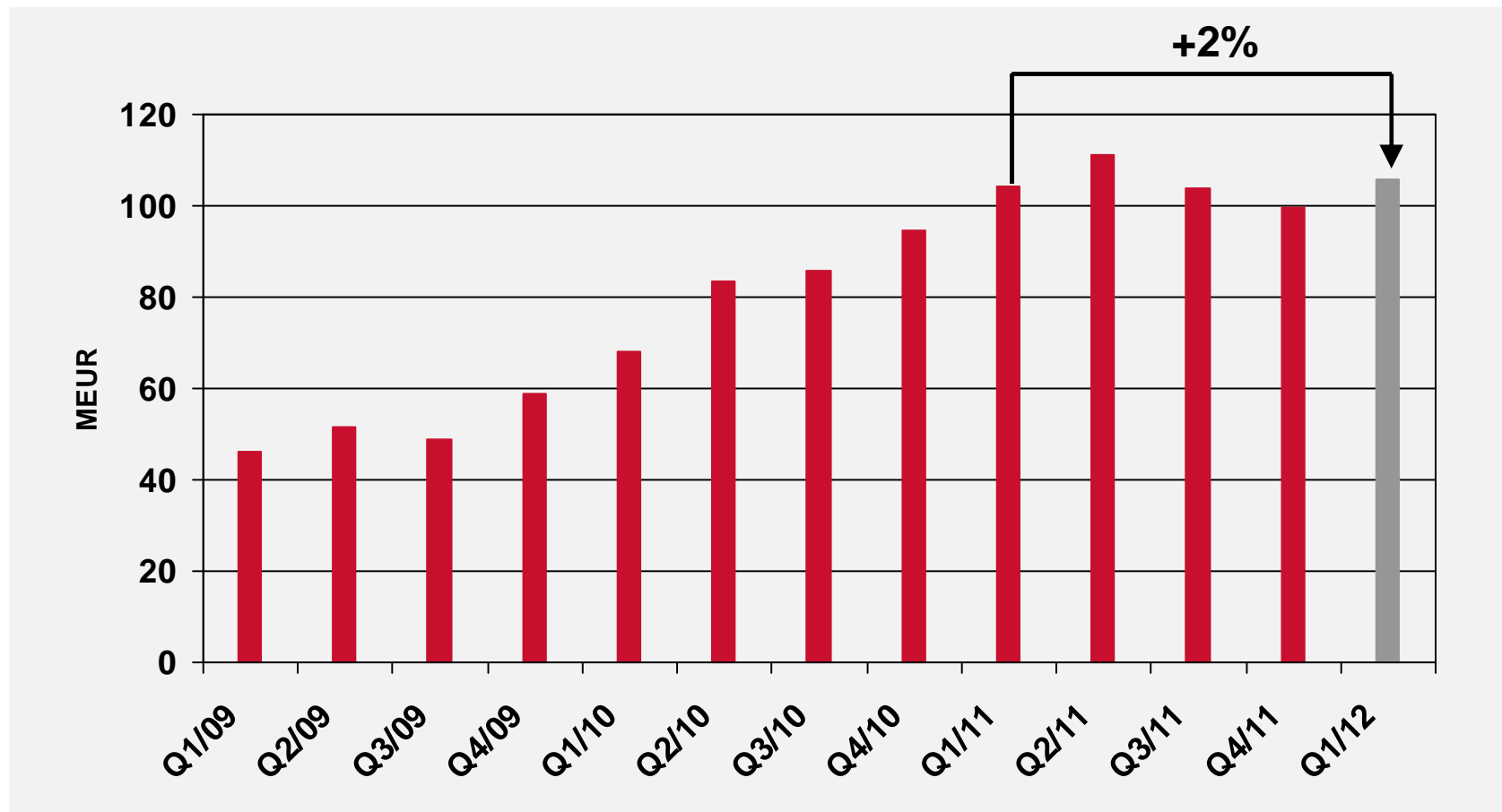
## COMPONENTA

### Income statement

MEUR	Q1/2012	Q1/2011	Change
Order book	105.9	104.3	2%
Net sales	150.4	144.1	4%
EBITDA excluding one-time items	14.5	13.3	9%
Operating profit, excluding one-time items	10.2	8.5	20%
Financial income and expenses	-7.4	-5.3	39%
Result after financial items, excluding one-time items	2.8	3.2	-11%
One-time items	-0.1	-2.4	-96%
Result after financial items	2.7	0.7	274%
Net result	2.5	0.8	1%
Earnings/share, excluding one-time items, EUR	0.13	0.13	0%
Cash flow from operations	5.3	-6.6	n/m
Capacity utilization rate, %	70	71	n/m
Cash and committed un-used credit facilities	66	67	-1%

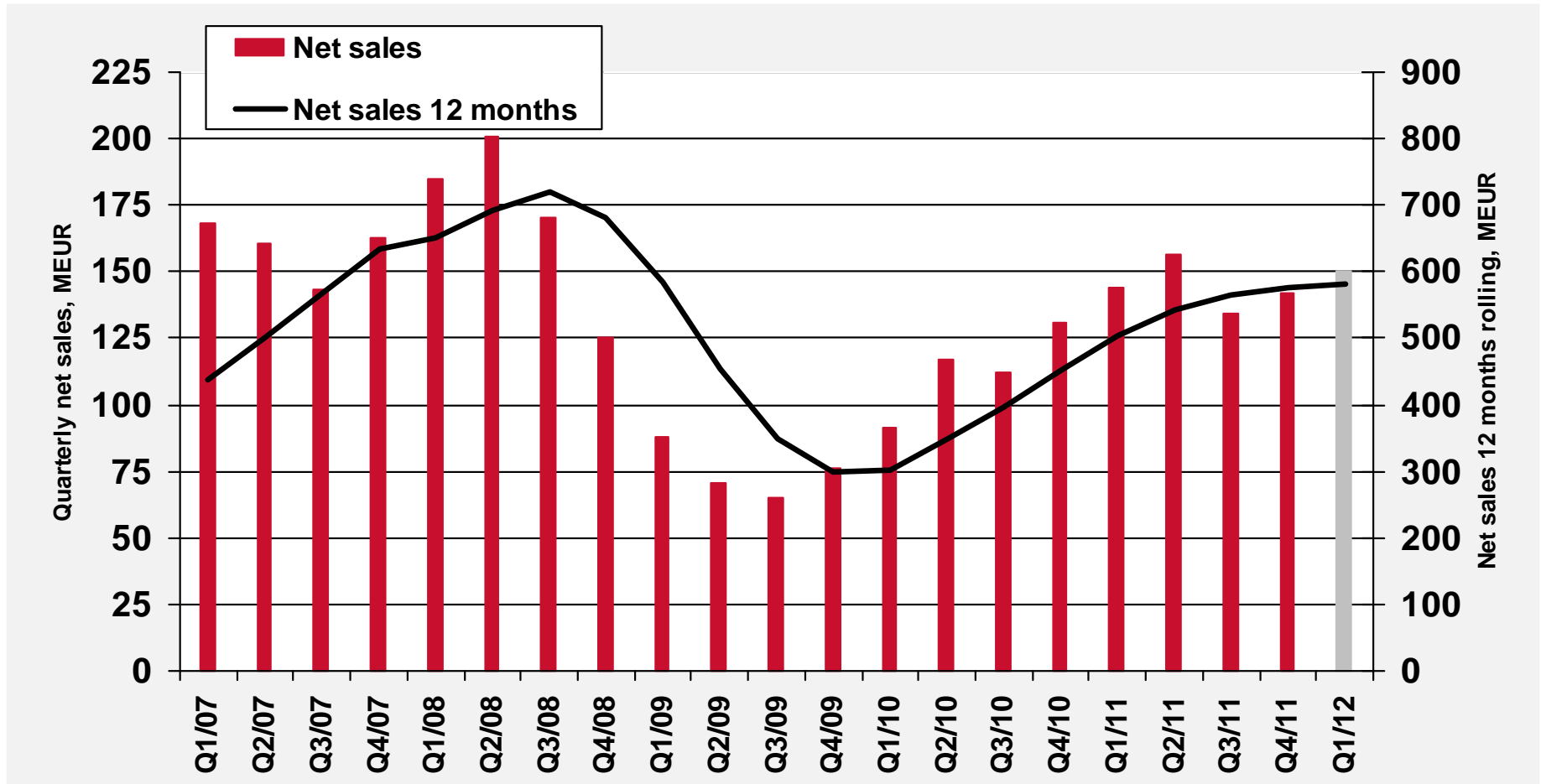
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## Quarterly development of order book (incl. orders for coming two months)



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## Quarterly development of net sales 2007 - Q1/2012



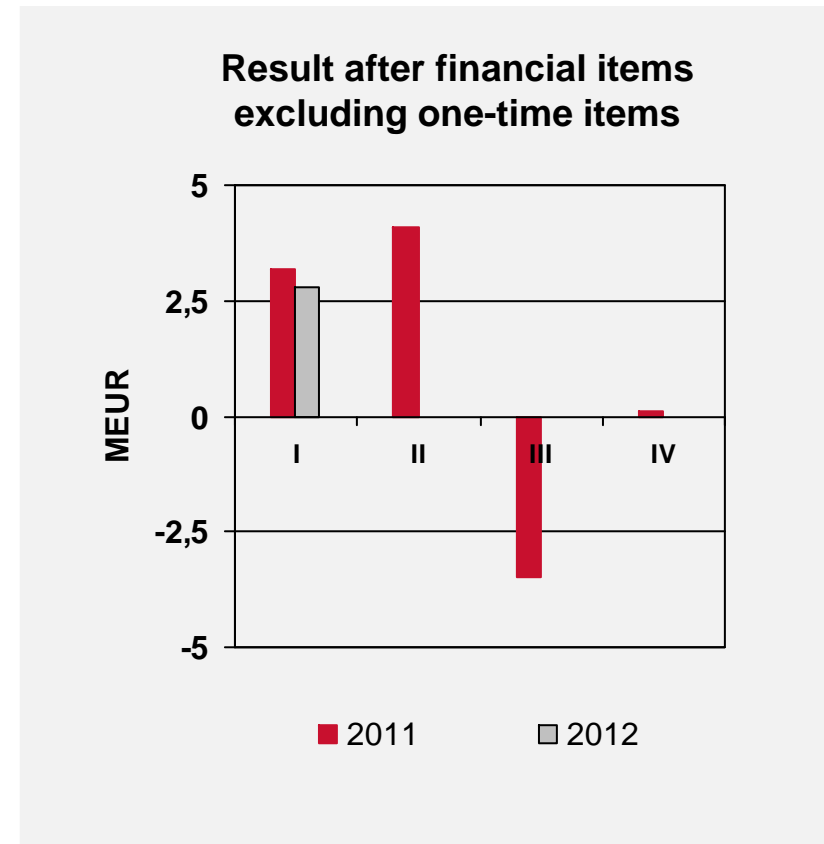
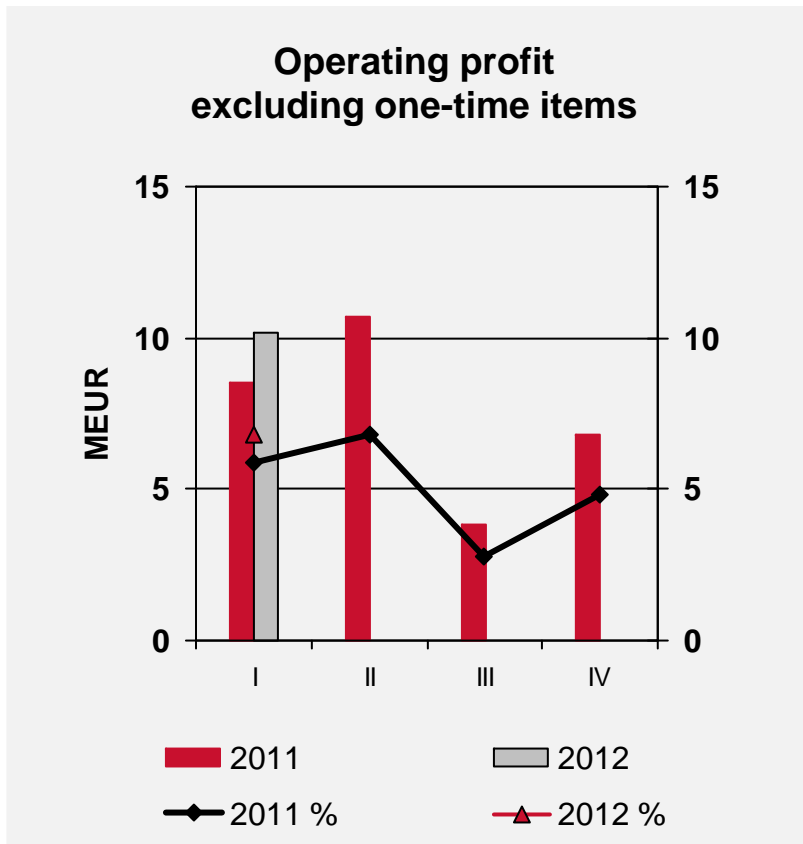
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# Analysis of changes in income statements excl. one-time items Q1/2012 vs. Q1/2011

MEUR	Q1/2012	Q1/2011	Diff.
Net sales	150.4	144.1	4%
Value of production	154.3	150.0	3%
Materials	-62.8	-61.5	2%
Direct wages and external services	-33.0	-33.6	-2%
Other variable and fixed costs	-44.1	-41.6	6%
Total costs	-139.8	-136.7	2%
EBITDA	14.5	13.3	9%

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## Quarterly operating profit and result after financial items excl. one-time items



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## Key ratios

	31.3.2012	31.3.2011
Equity ratio, preferred capital note in equity, %	<b>23.0</b>	23.5
Return on equity, excluding one-time items, %	<b>16.9</b>	15.8
Return on equity, %	<b>16.2</b>	4.9
Return on investment, excluding one-time items, %	<b>12.8</b>	11.5
Return on investment, %	<b>12.7</b>	8.4
Net interest bearing debt, preferred capital note in equity, MEUR	<b>177.0</b>	197.6
Net gearing, preferred capital note in equity, %	<b>158.9</b>	192.3
Order book, MEUR	<b>105.9</b>	104.3
Investments in production facilities, MEUR	<b>4.3</b>	1.9
Personnel at the end of period, including leased personnel	<b>4,790</b>	4,727



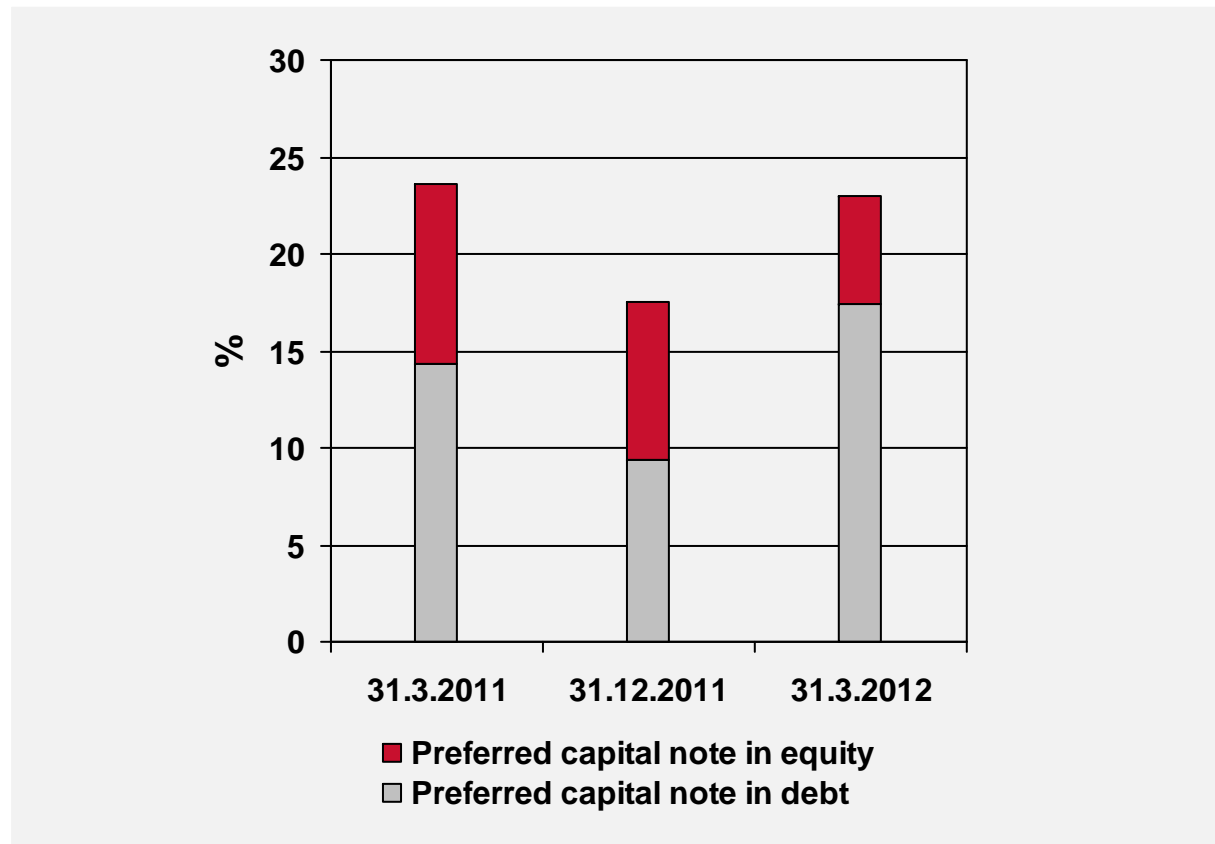
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# Share issue and hybrid bond, altogether MEUR 35.8

- Cash raised by a share issue and hybrid bond will be used to strengthen the Group's balance sheet and financial position
- Share issue 2012
  - Altogether 4,713,385 new shares.
  - The total share subscription price was EUR 15.1 million, which was credited in full to the reserve for invested unrestricted equity.
  - After the Trade Register entry of the new shares, the number of the company's shares increased from 17,499,738 up to 22,213,123 shares.
- Hybrid bond 2012
  - Altogether EUR 20.7 million.
  - The holders of the company's capital loans 2009 and 2010 as well as bond 2010 had the right to use the assets pertaining to the principals of the capital loans and the bond receivable from the company to pay the subscription price of the hybrid bond 2012.
- After the payment of the hybrid bond subscriptions, the remaining amounts are the following:
  - Capital loan 2009, EUR 11.2 million
  - Capital loan 2010, EUR 16.0 million
  - Bond 2010, EUR 22.5 million

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## Equity ratio, %



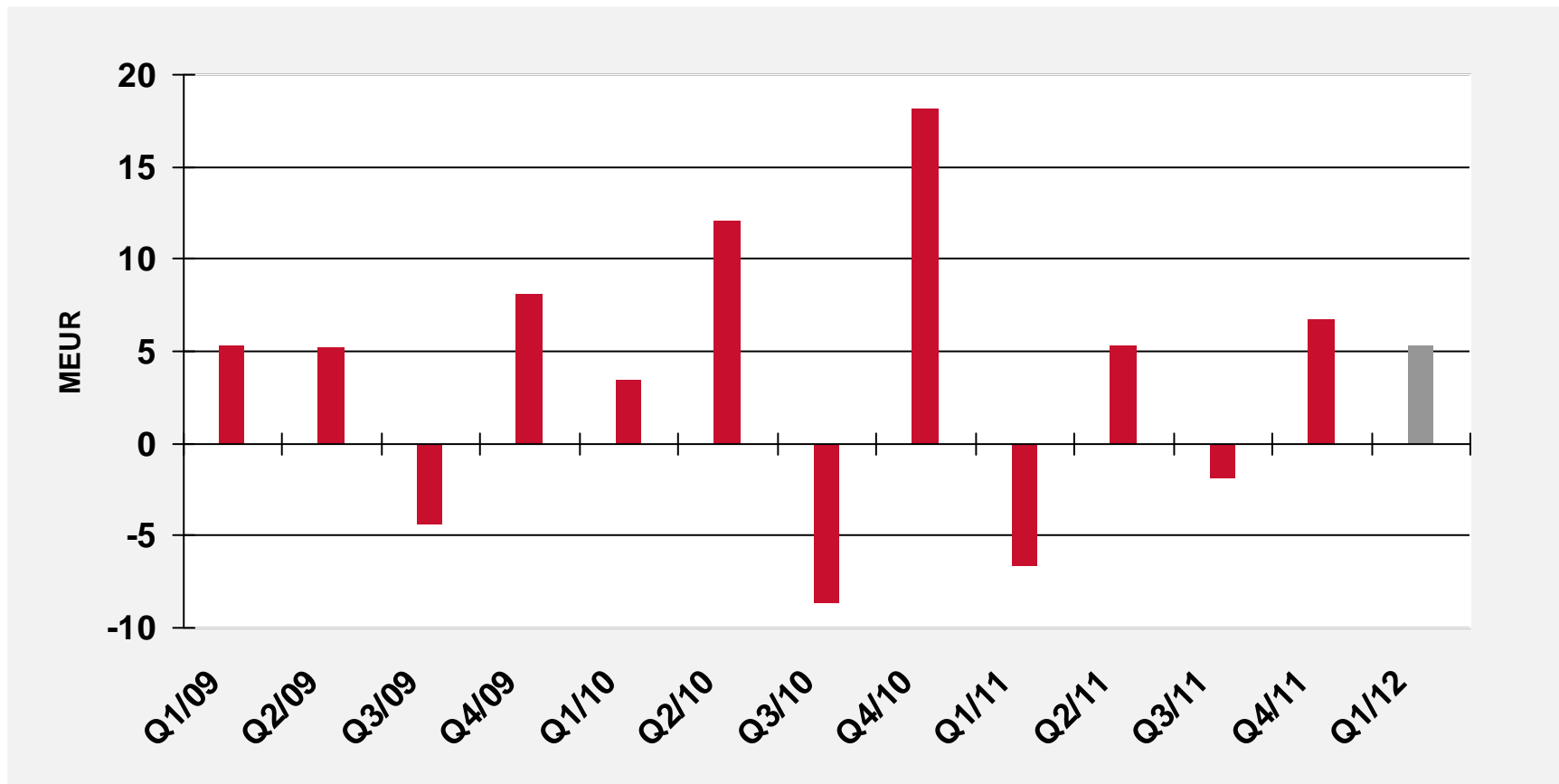
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# Cash flow statement

<b>MEUR</b>	<b>1-3/2012</b>	<b>1-3/2011</b>
Cash flow from operations before change in net working capital, financing and taxes	<b>13.7</b>	12.4
Change in net working capital	<b>-4.3</b>	-14.2
Cash flow from operations before financing and taxes	<b>9.3</b>	-1.7
Cash flow from operations	<b>5.3</b>	-6.6
Cash flow from investments	<b>-5.5</b>	-2.0
Cash flow from financing activities	<b>23.9</b>	13.8
Change in liquid assets	<b>23.7</b>	5.2

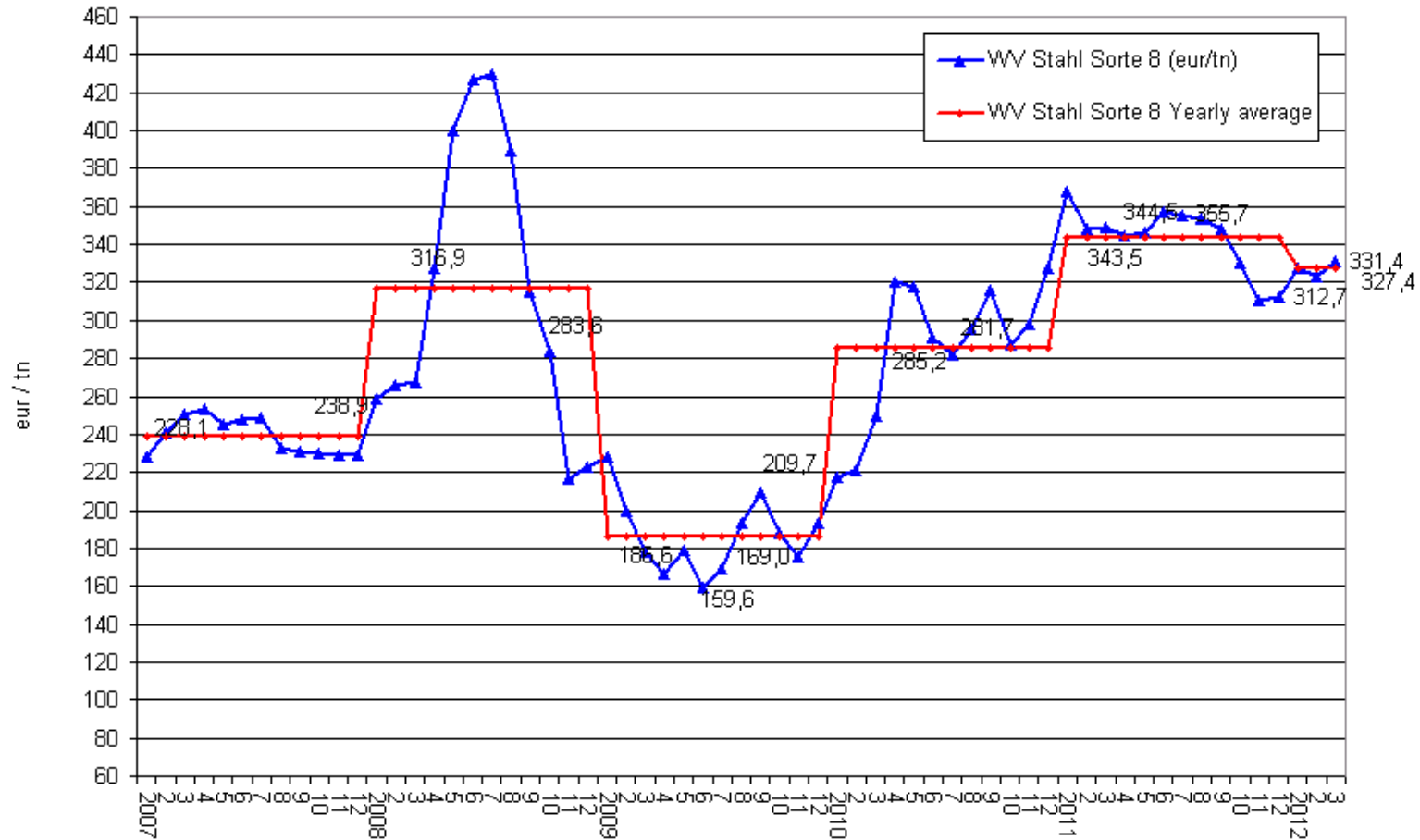
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## Development of net cash flow from operations



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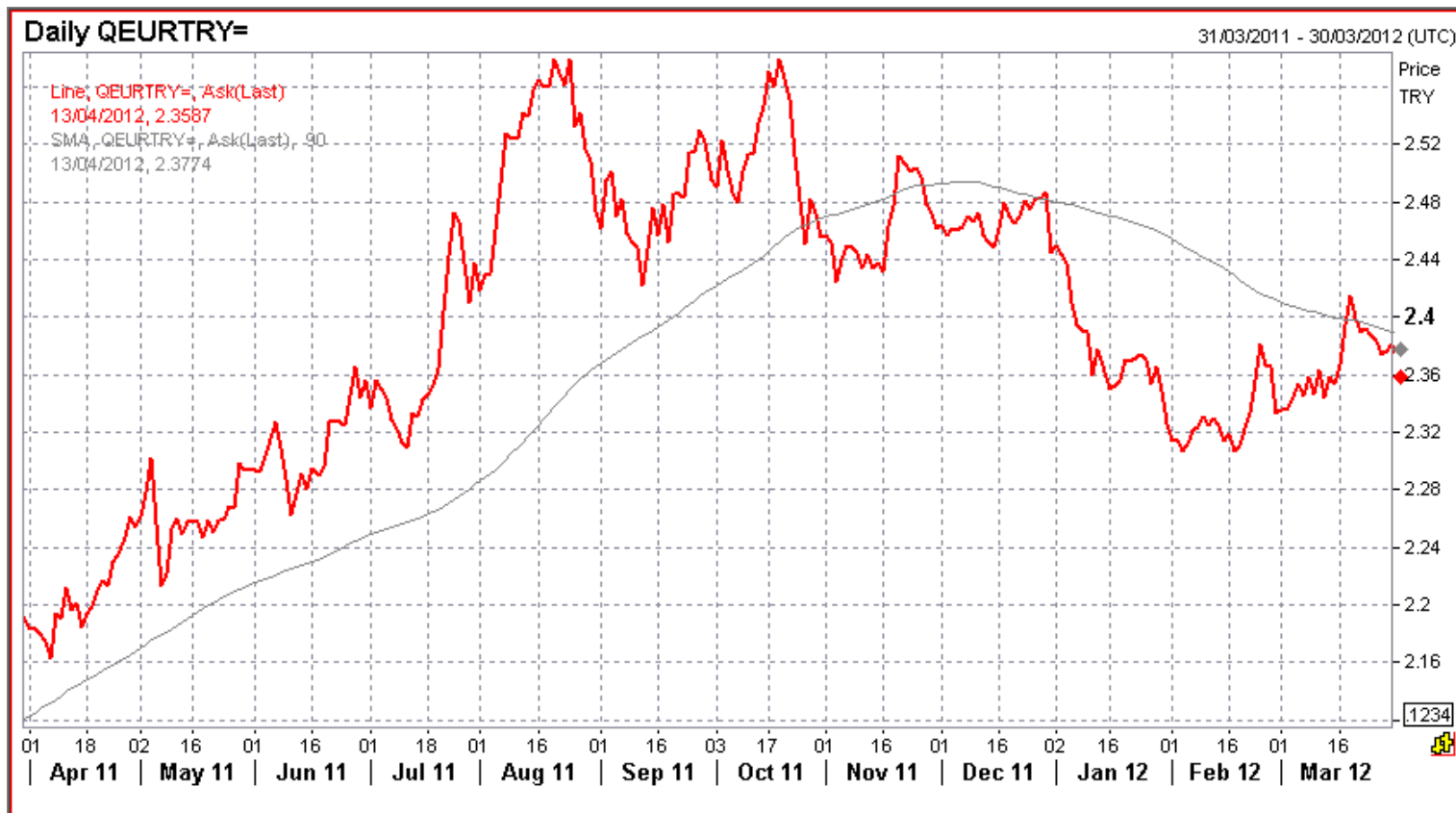
## Wvstahl Sorte 8/Package recycled metal (EUR/ton)



Source: Wvstahl

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## Development of exchange rates Turkish lira



Source: Reuters

24 April 2012

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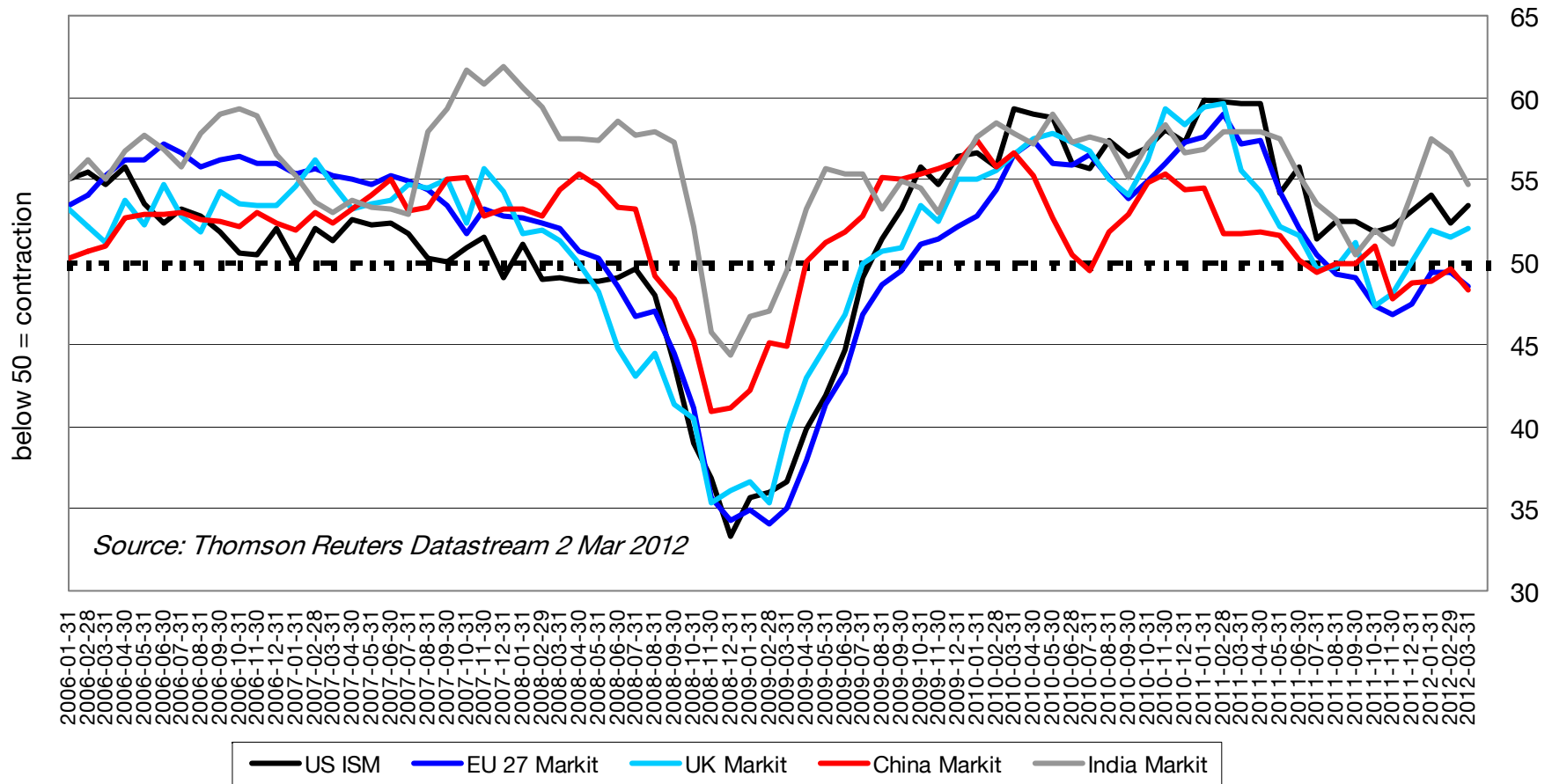
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## Indicators of economy

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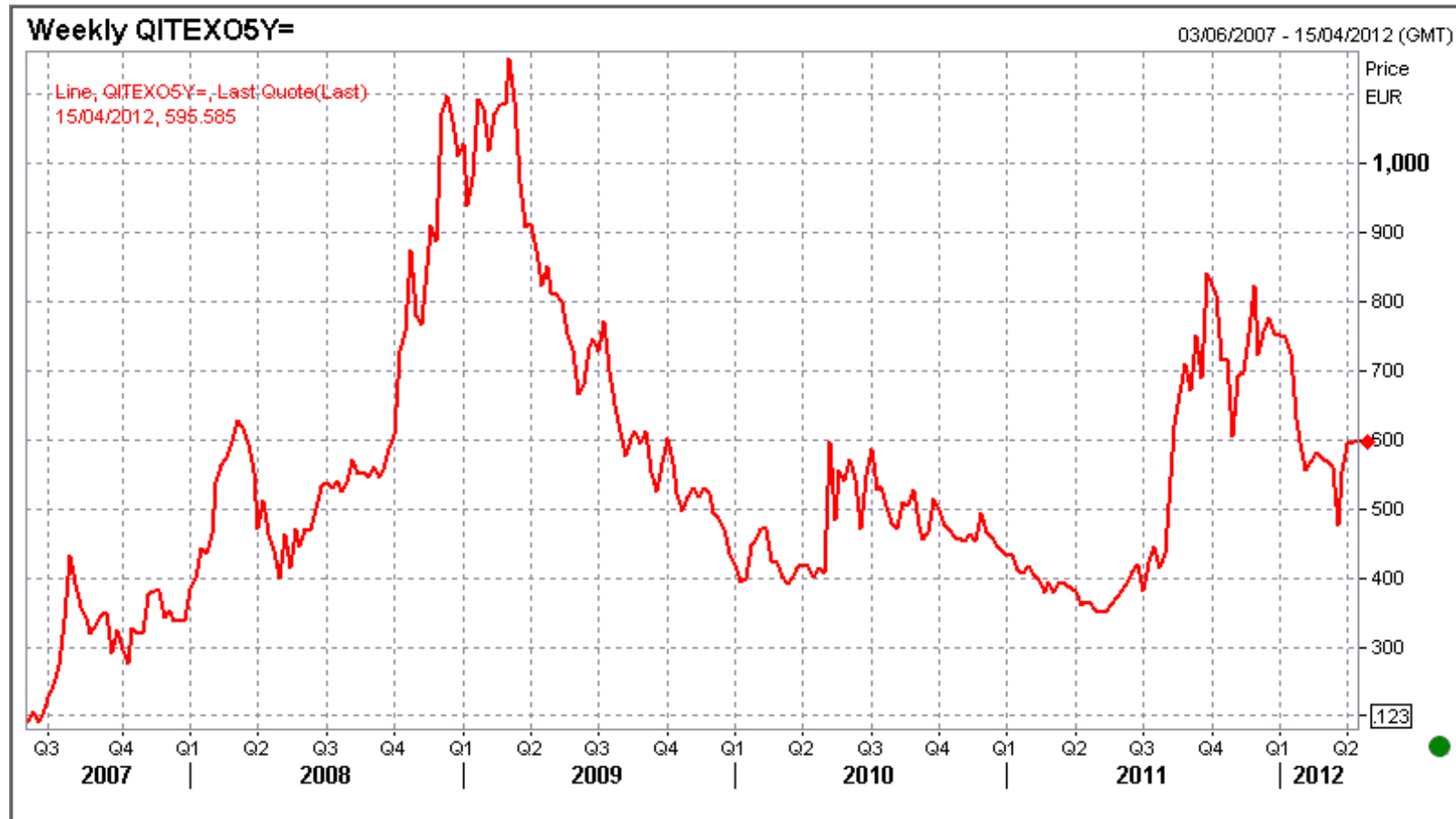
## Manufacturing Purchasing Manager Indices



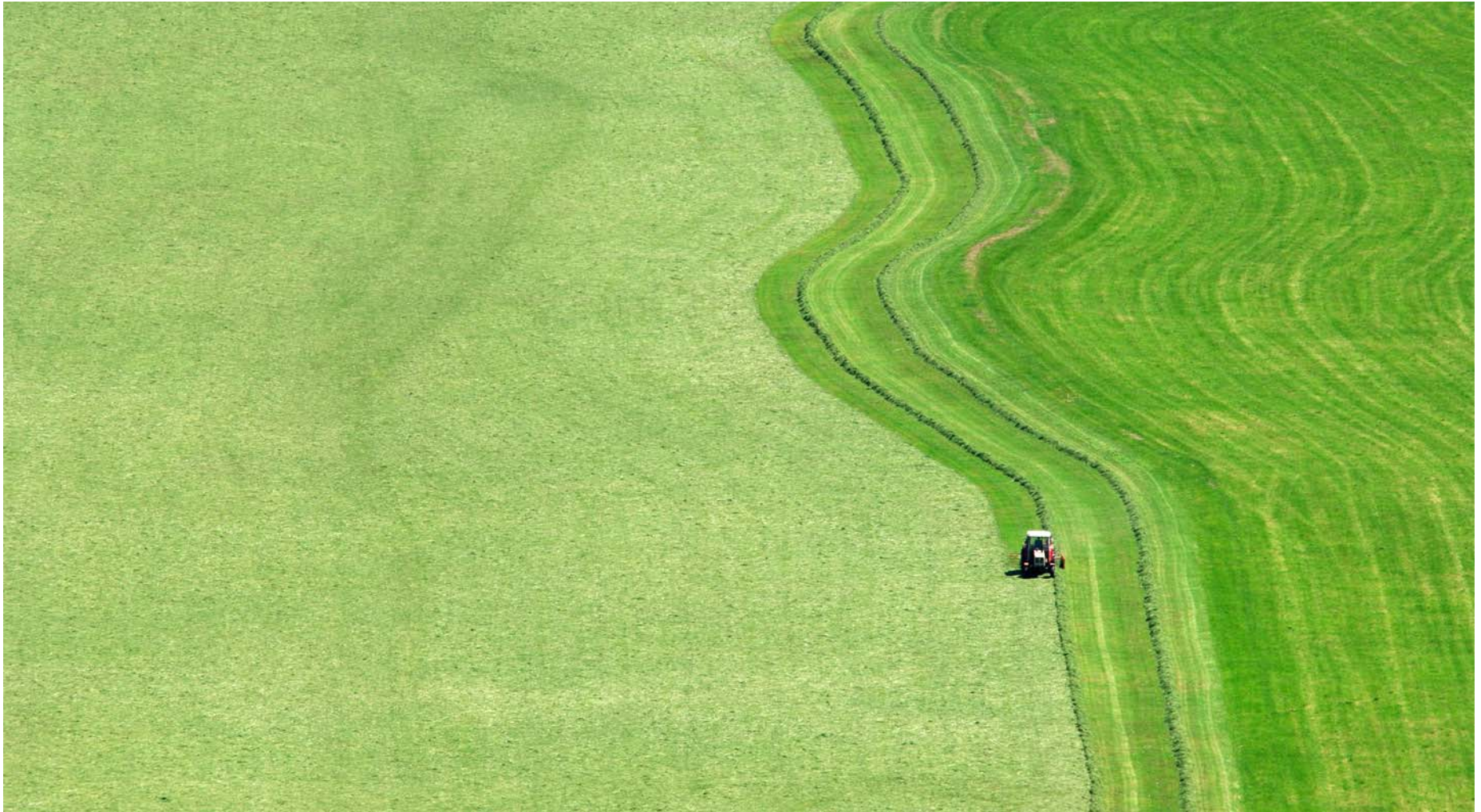


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## CDS index



Source: Reuters

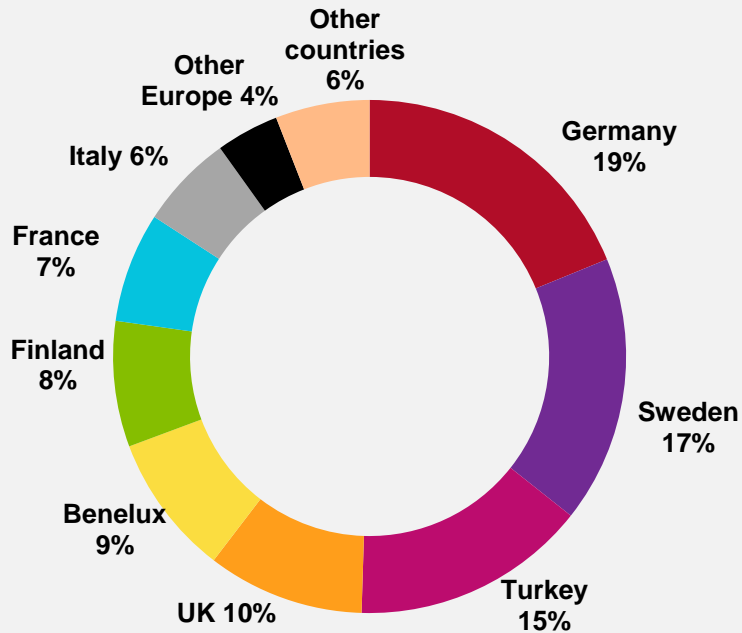


# Development of sales and order book

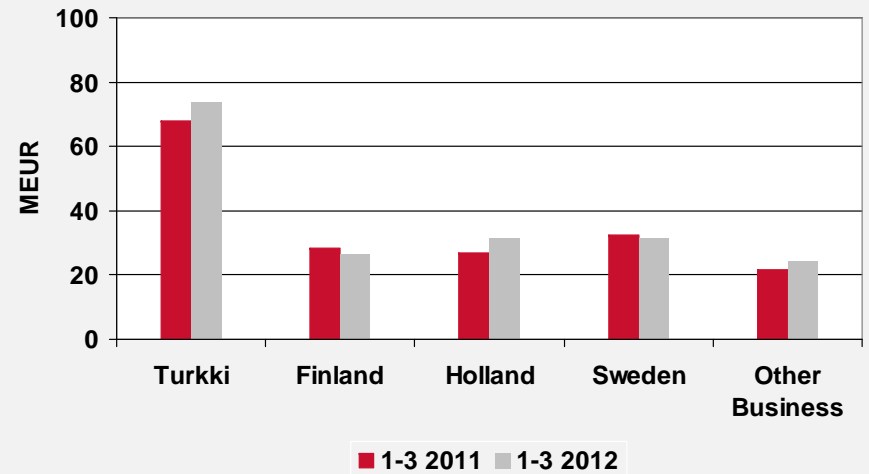
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## Distribution of sales

Sales by market area Q1/2012



Sales by business segment Q1/2012



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## Sales by customer industry



**Heavy trucks**

**26%**  
(29%)

**Construction  
and mining**

**26%**  
(21%)

**Machine  
building**

**18%**  
(20%)

**Agricultural  
machinery**

**16%**  
(12%)

**Automotive**

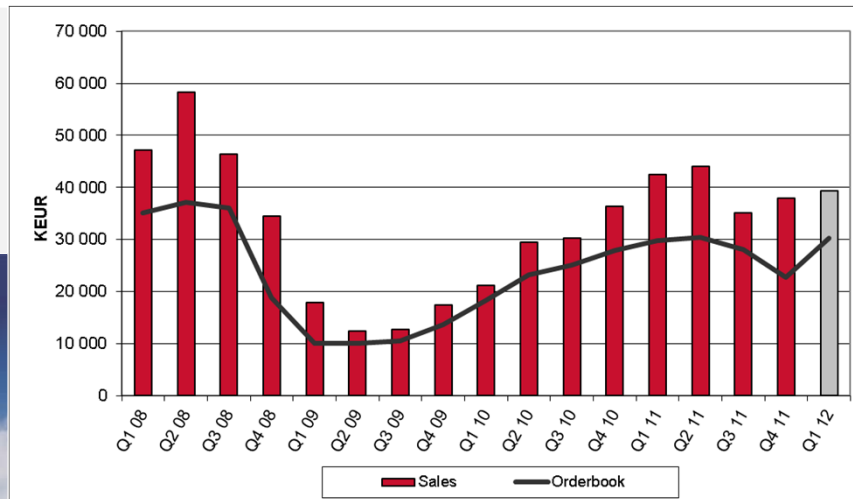
**13%**  
(18%)

Other sales 1% (0%)

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## Development of sales and order book in heavy trucks industry

Order book up  
**+2%**



Comparable sales

”

to heavy trucks industry

in Q1/2012 decreased

**-7%**

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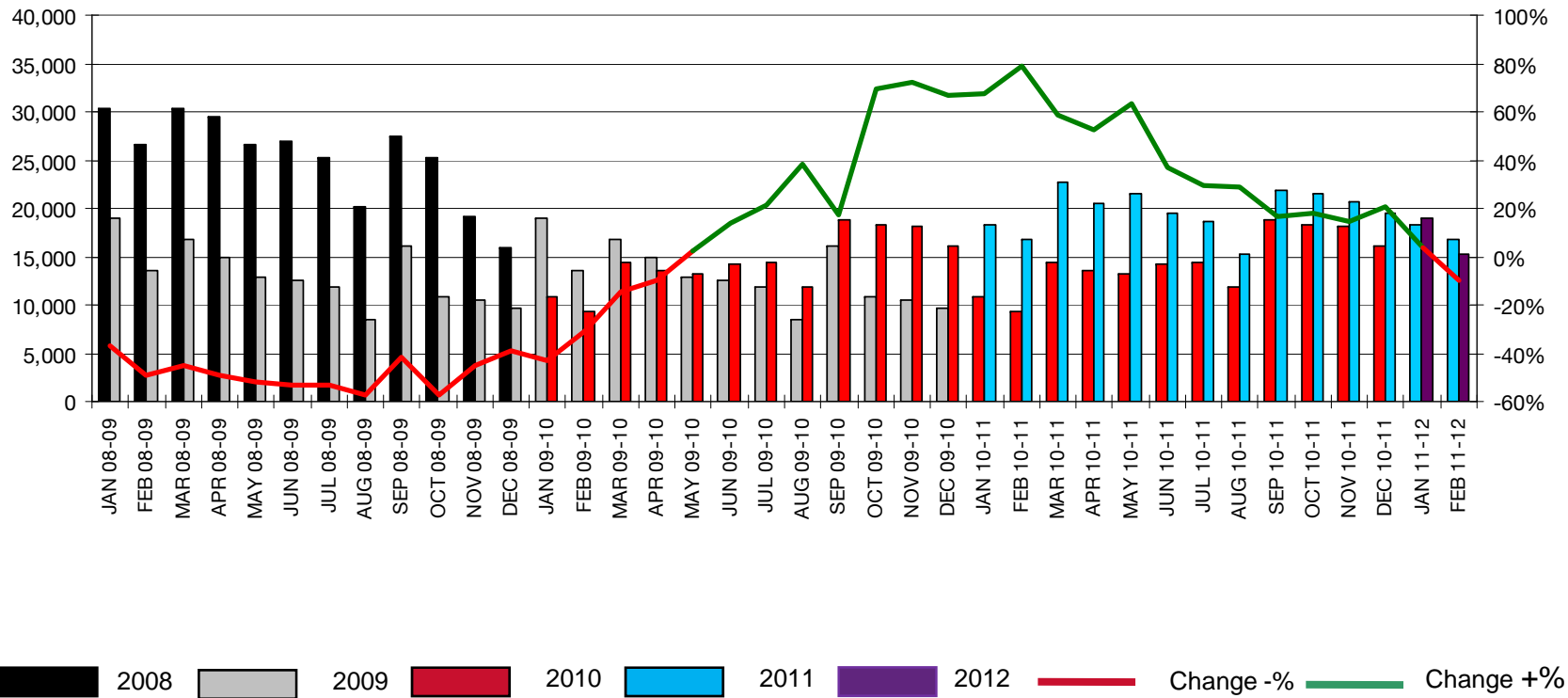
# Development of supply chain in heavy trucks industry



Sources: Volvo website, ACEA

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## Registrations of new heavy trucks in Europe (EU27)

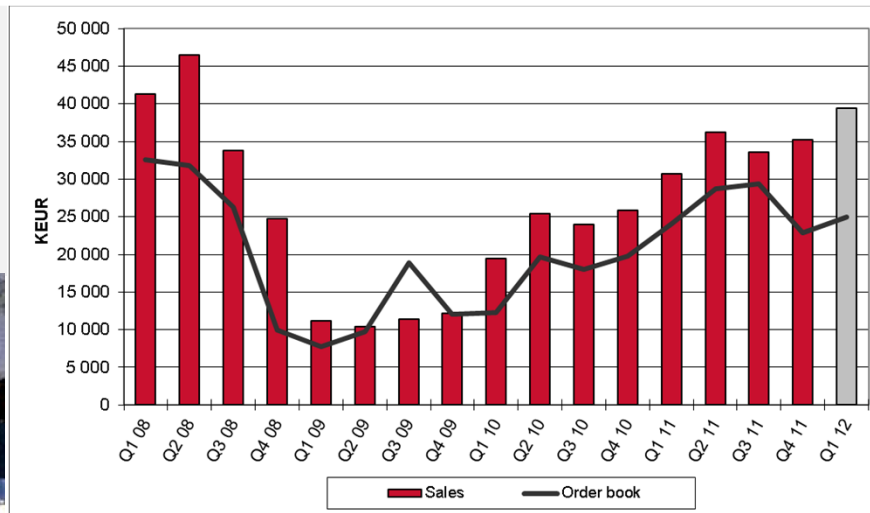


Source: ACEA

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## Development of sales and order book in construction and mining industry

Order book up  
**+4%**



Comparable sales

”

to construction and mining

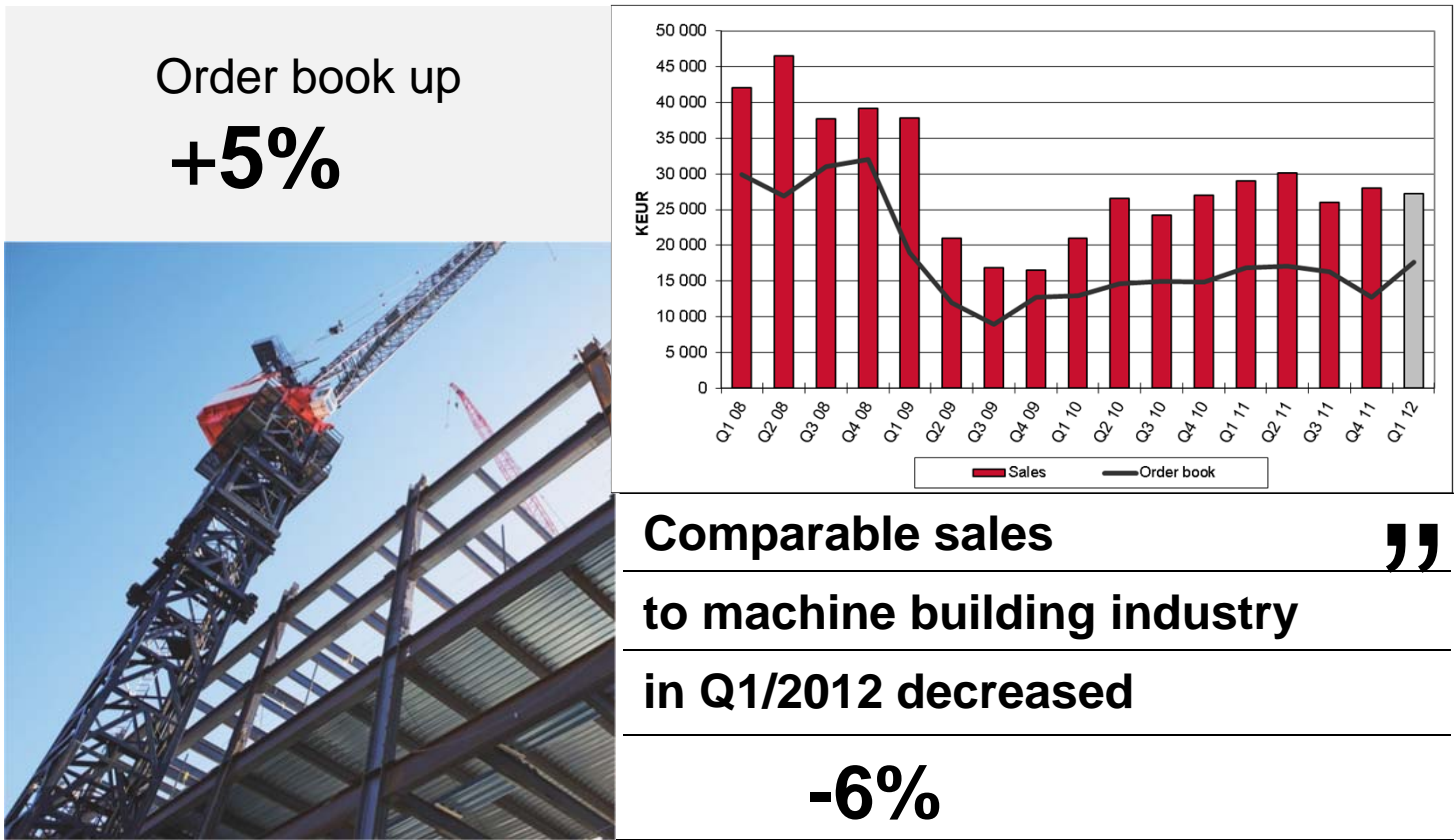
industry in Q1/2012 increased

**+28%**



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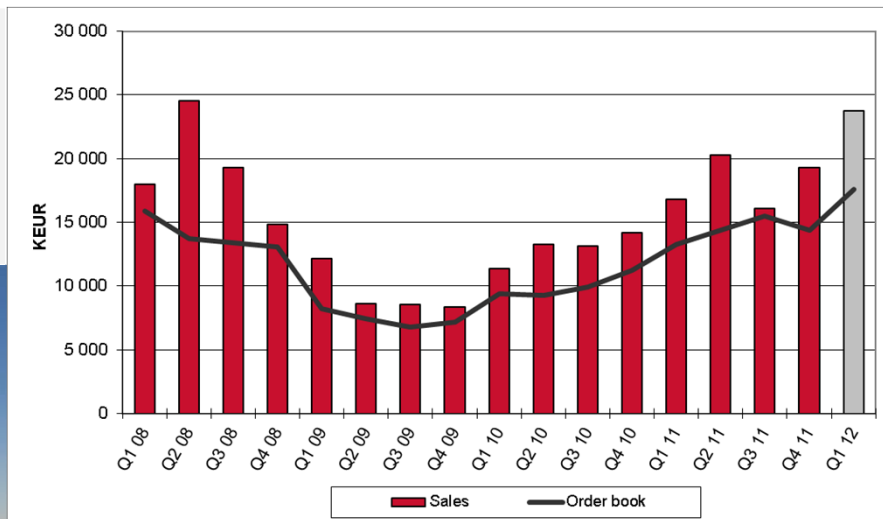
## Development of sales and order book in machine building industry



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## Development of sales and order book in agricultural machinery industry

Order book up  
**+33%**



Comparable sales

”

to agricultural machinery

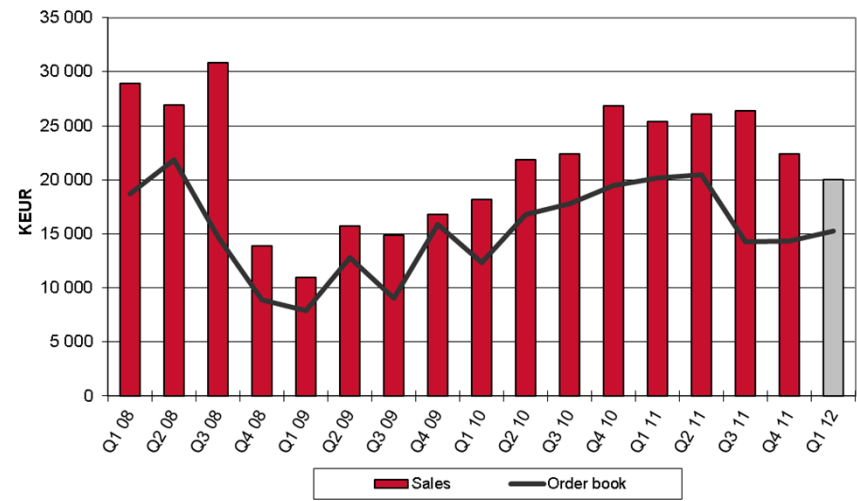
industry in Q1/2012 increased

**+41%**

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## Development of sales and order book in automotive industry

Order book down  
**-24%**



**Comparable sales** ”

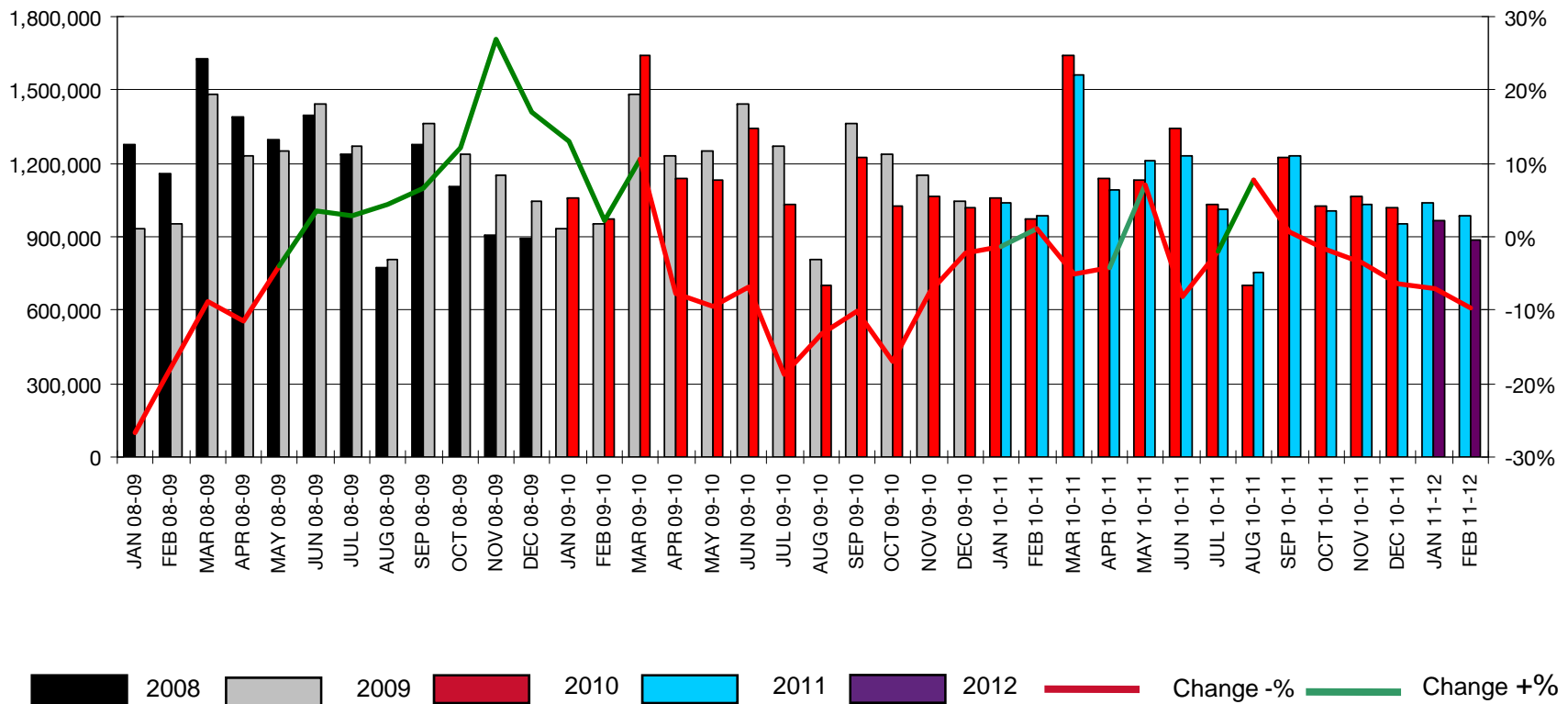
**to automotive industry**

**in Q1/2012 decreased**

**-21%**

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## Registrations of new passenger cars in Europe (EU27)

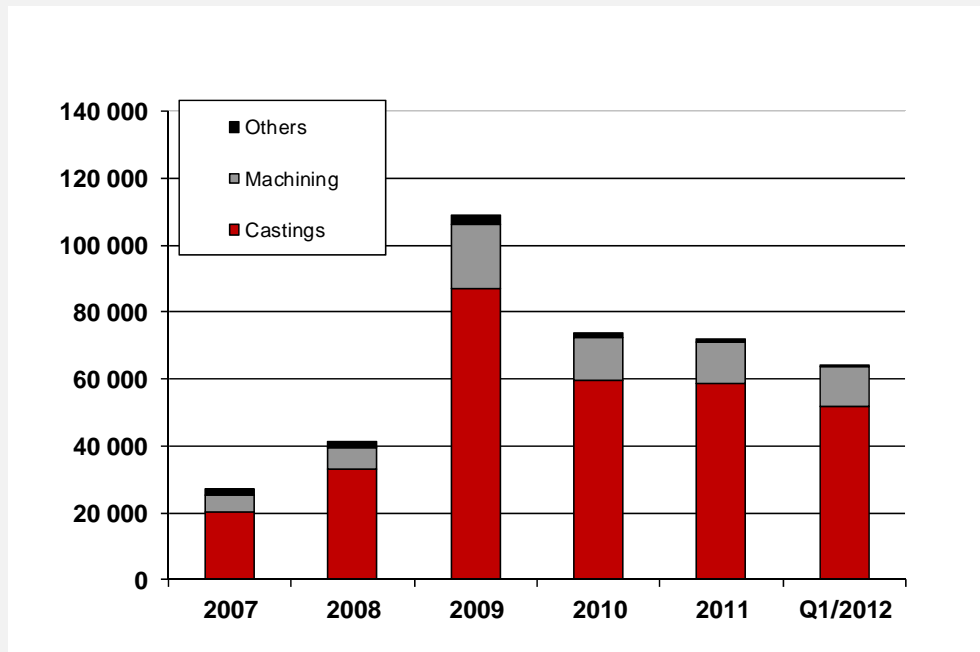


Source: ACEA

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## Offers and new sales

Average monthly offers > 100,000 EUR



- The offers submitted by the Group stayed on high level.
- Also Componenta's new sales developed well during the first quarter of 2012.

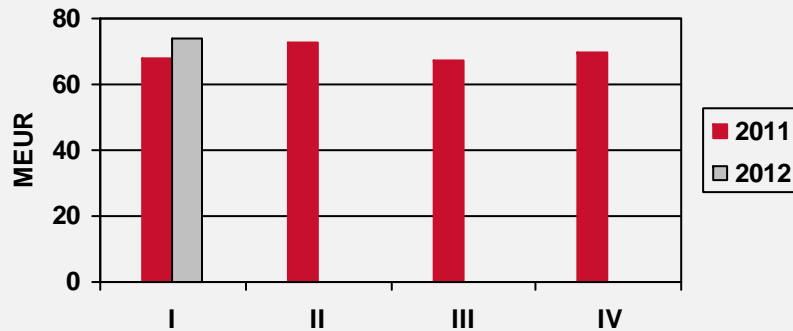


## Development of business segments

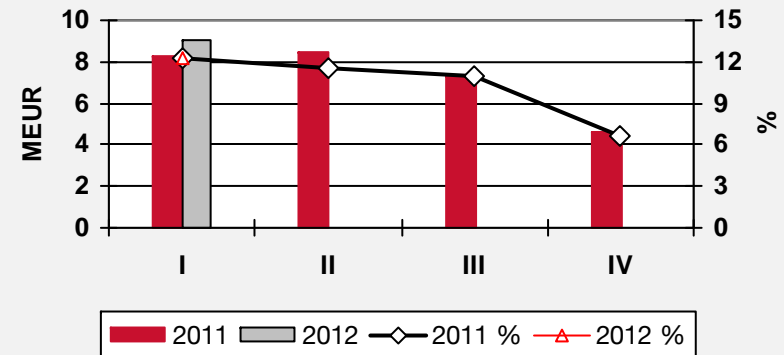
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## Performance of the Turkey operations

### Net sales



### Operating profit excluding one-time items



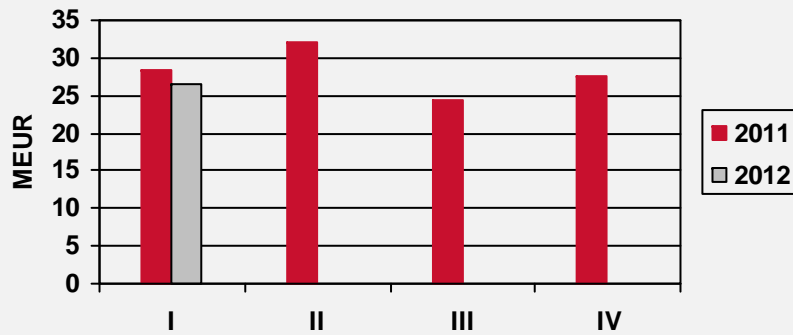
MEUR	Q1/2012	Q1/2011	Change
Order book	49.3	48.3	2%
Net sales	73.7	67,9	9%
Operating profit	9.0	8.3	8%
Personnel	2,680	2,526	6%

- Operating profit of the Turkey operations was improved due to increased production volumes.

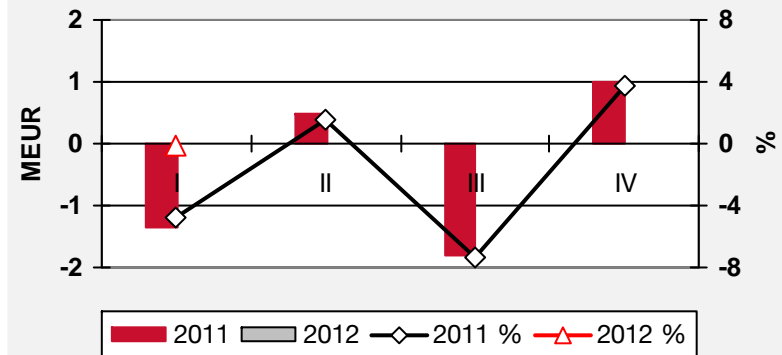
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## Performance of the Finland operations

Net sales



Operating profit excluding one-time items



MEUR	Q1/2012	Q1/2011	Change
Order book	17.7	17.6	0%
Net sales	26.3	28.5	-8%
Operating profit	0.0	-1.3	n/m
Personnel	896	1,053	-15%

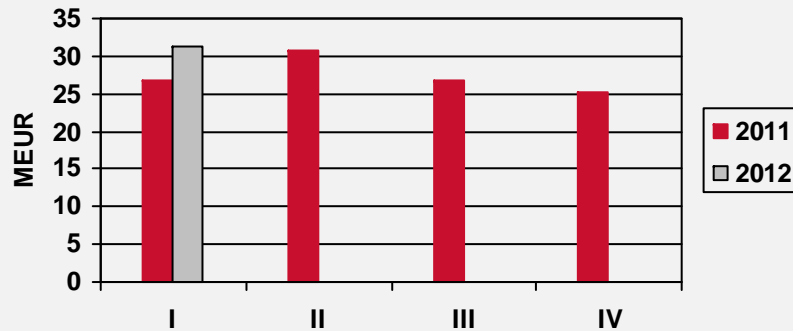
- The result of the Finland operations was boosted by the closing down and sale of two loss-making units.



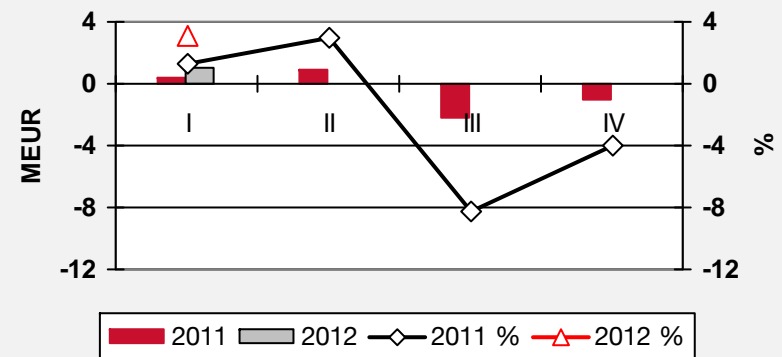
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## Performance of the Holland operations

Net sales



Operating profit excluding one-time items

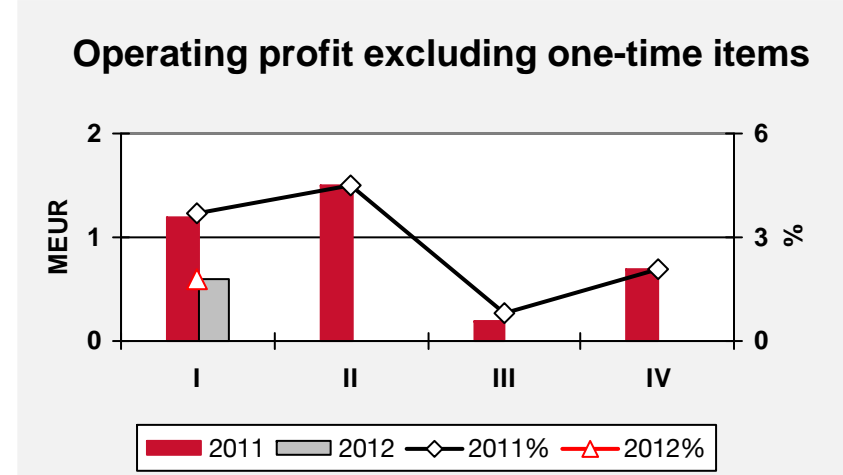
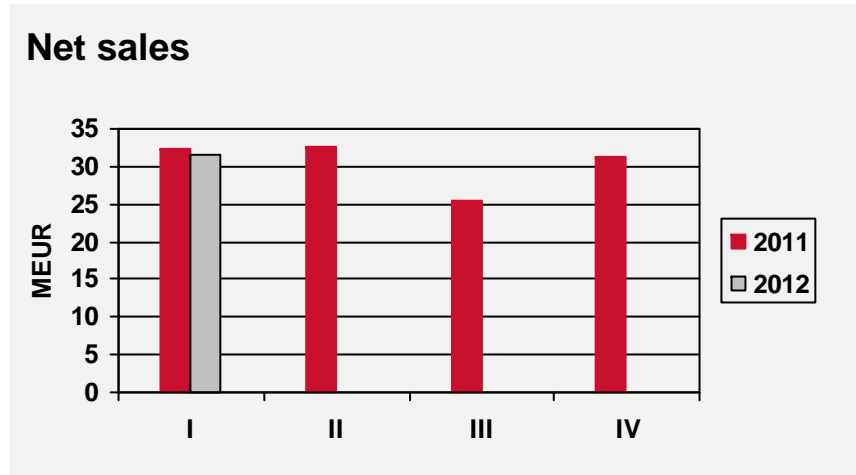


MEUR	Q1/2012	Q1/2011	Change
Order book	19.3	17.7	9%
Net sales	31.2	26.7	17%
Operating profit	1.0	0.3	184%
Personnel	819	754	9%

- Increased production volumes were the main factor in improving the operating profit at the operations in the Netherlands.

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## Performance of the Sweden operations



MEUR	Q1/2012	Q1/2011	Change
Order book	24.9	23.2	7%
Net sales	31.5	32.4	-3%
Operating profit	0.6	1.2	-52%
Personnel	395	394	0%

- The operating profit of the Sweden operations in the review period declined from the previous year due to lower volumes in the heavy trucks and machine building customer sectors.



# Prospects 2012

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## Market outlook 2012



**Demand uncertain**

Demand prospects in the heavy trucks industry are uncertain at the beginning of Q2/2012.

Componenta's order book from the heavy trucks customer business area was 2% up in the end of Q1/2012 compared with the previous year.

Sales of heavy trucks in Europe in 2011 were approximately 240,000 units. In 2012 sales are estimated to be between 220,000 and 240,000 trucks.



**Demand continues favourably**



Demand for construction and mining machinery components is expected to continue developing favorably, mainly due to the high level of activity in the mining industry and in developing markets.

Componenta's order book from construction and mining machinery customers in the end of Q1/2012 was 4% higher than in the previous year. The markets are expected to grow 10-20% this year.

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## Market outlook 2012



**Demand  
on the  
same level**



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

Componenta's order book from the machine building industry in the end of Q1/2012 was 5% higher than in the previous year.



**Demand  
to grow**



Demand for agricultural machinery is estimated to rise from the previous year mainly as the result of relatively high food prices.

Componenta's order book from the agricultural machinery customer business area in the end of Q1/2012 was 33% higher than in the previous year.

The market is expected to grow 5-10% in 2012.



**Demand  
to decrease**



Demand in the automotive industry in Europe is expected to decrease 3-5%.

Componenta's order book from the automotive industry in the end of Q1/2012 was 24% lower than at the corresponding time in the previous year.

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## Componenta's prospects in 2012

- Componenta's prospects for 2012 are based on general external economic indicators, delivery forecasts given by customers, and on Componenta's order intake and order book.
- Componenta's order book in the end of Q1/2012 was on the same level than in the previous year.
- Full year net sales 2012 are expected to be similar to the previous year's figure or to grow slightly.
- As a result of the implemented price increases and closure of three unprofitable business units, the operating profit is expected to improve clearly. The result after financial items excluding one-time items is expected to improve significantly, taking into account the low level of the corresponding figure.
- Net cash flow from operations is expected to improve clearly and changes in working capital should remain moderate. Investments in production facilities in 2012 are estimated to be at some EUR 12 million.



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