

Casting Future **SOLUTIONS**



COMPONENTA

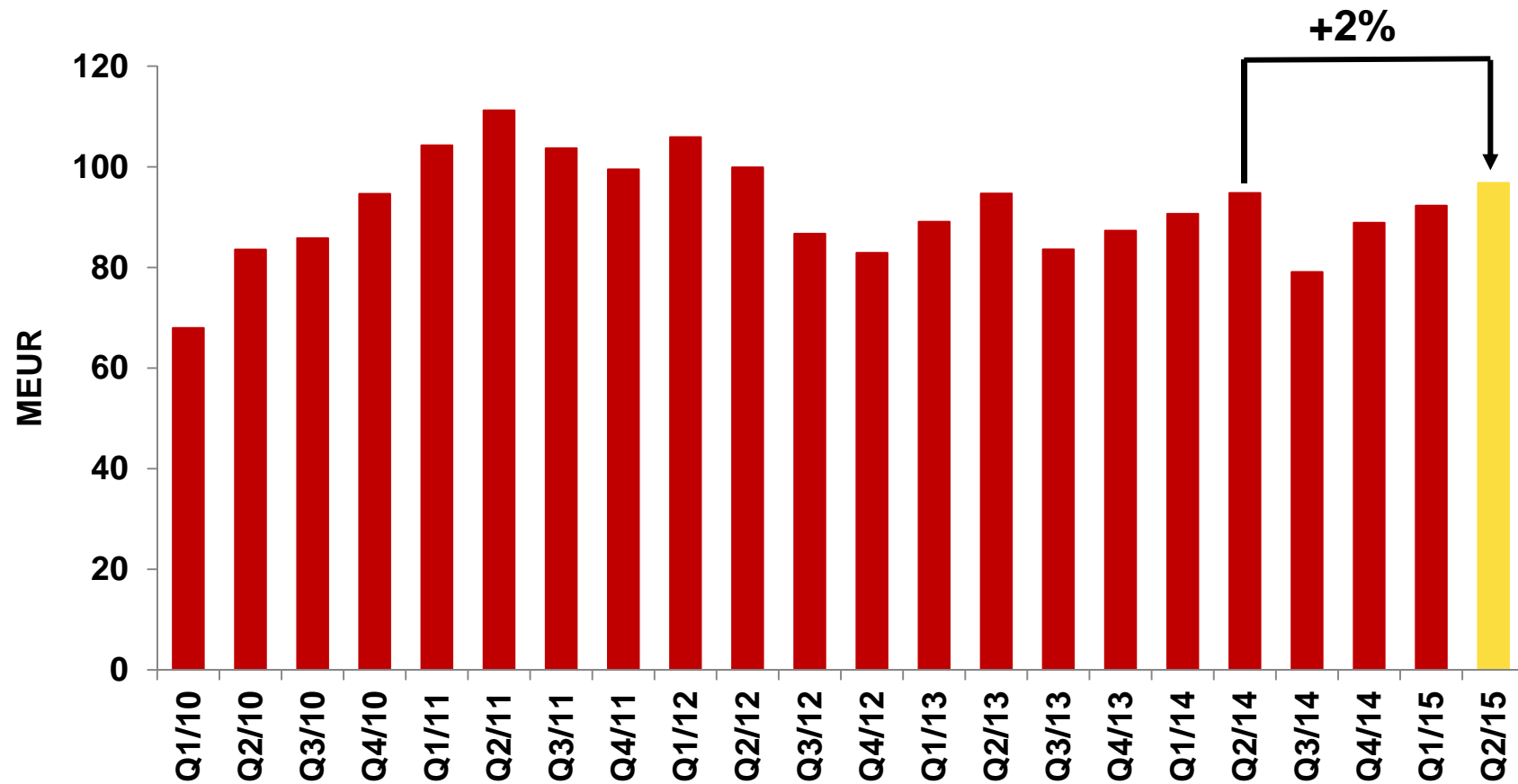
15 July 2015

A man with short brown hair and a slight smile, wearing a blue safety vest over a black t-shirt, stands in a factory setting. The background is filled with stacks of large, rectangular objects, possibly metal or plastic, under a strong red light that casts a warm, monochromatic glow over the scene. The man is positioned on the right side of the frame, looking directly at the camera.

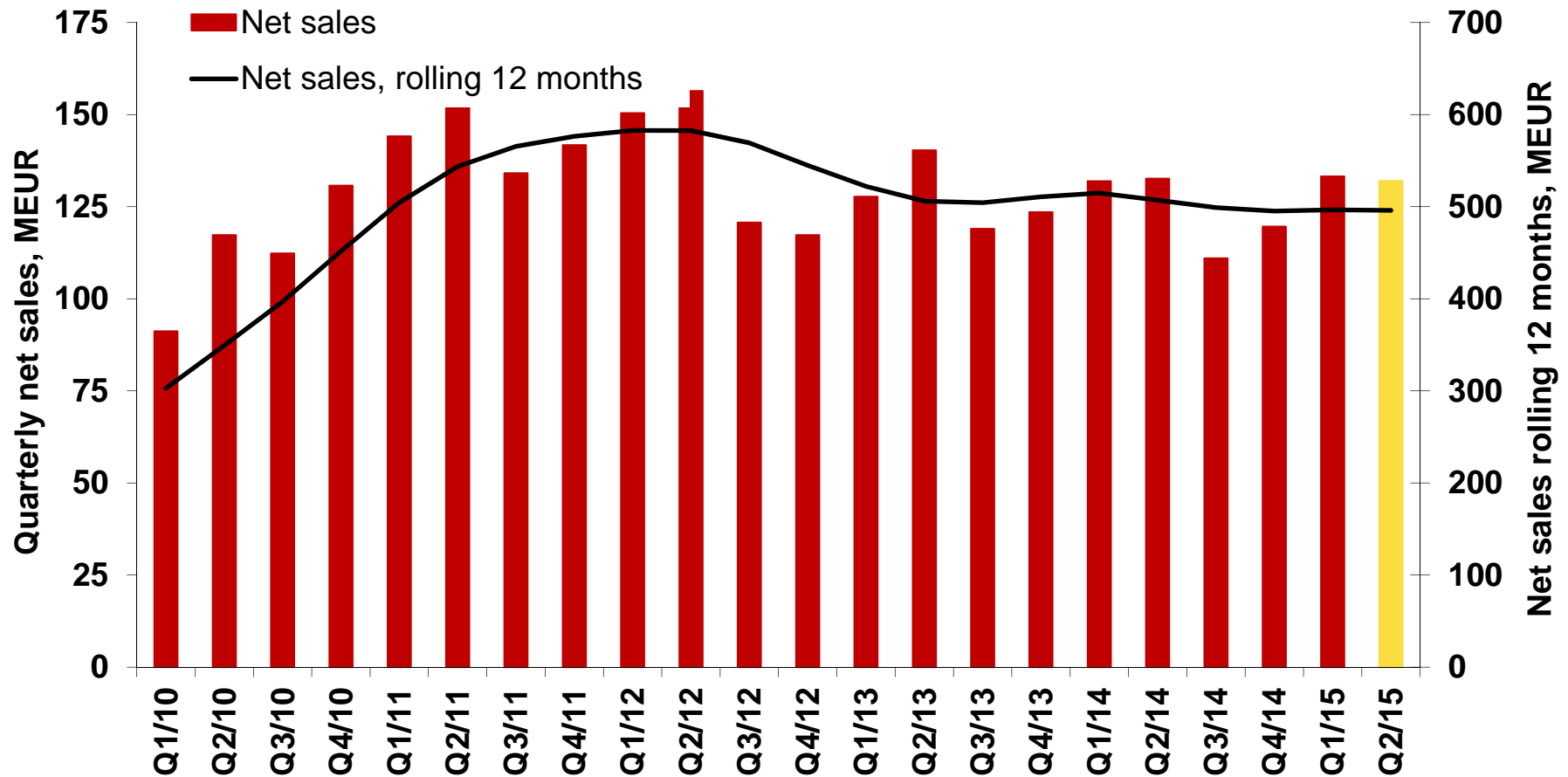
COMPONENTA INTERIM REPORT 1.1. - 30.6.2015

Heikki Lehtonen
President and CEO

Quarterly development of order book (including orders for the next two months)



Quarterly development of net sales 2010 - Q2/2015



Income Statement

MEUR	Q2 2015	Q2 2014	Change	Q1-Q2 2015	Q1-Q2 2014	Change
Order book	96.8	94.8	2%	96.8	94.8	2%
Net sales	132.0	132.6	0%	265.1	264.5	0%
EBITDA*)	8.6	12.6	-32%	18.9	24.7	-23%
Operating profit*)	3.9	7.9	-50%	9.7	15.3	-37%
Net financial expenses	-6.2	-7.0	-11%	-11.5	-14.4	-21%
Result after financial items*)	-2.3	0.9	n/m	-1.8	0.8	n/m
One-time items and exchange rate differences of operative balance sheet items	1.8	-2.4	n/m	0.4	-3.3	n/m
Taxes	0.5	0.7	-23%	-0.2	0.4	n/m
Net profit	0.1	-0.8	n/m	-1.6	-2.1	-25%
Earnings/share, EUR	0.00	-0.07	-95%	-0.02	-0.16	-85%

*) Excluding one-time items and exchange rate differences of operative balance sheet items.

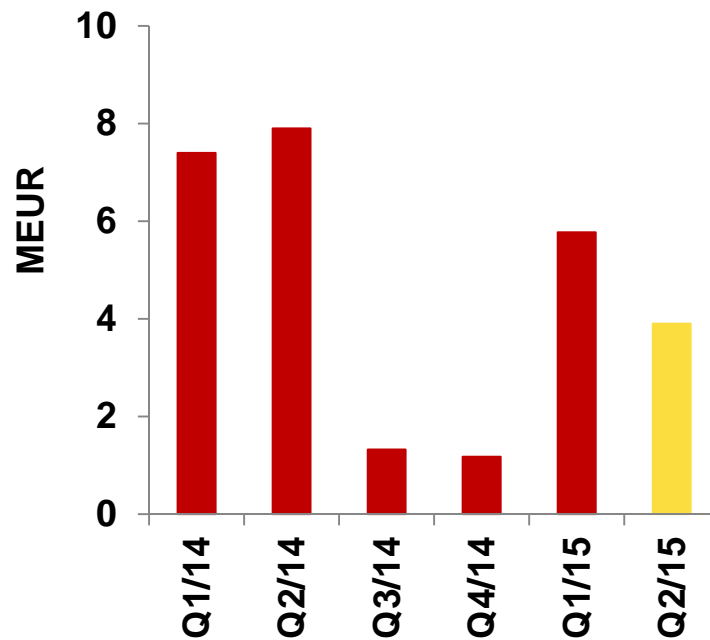
EBITDA

MEUR	Q2 2015	Q2 2014	Change	Q1-Q2 2015	Q1-Q2 2014	Change
Net sales	132.0	132.6	0%	265.1	264.5	0%
Value of production	131.5	137.7	-4%	267.3	273.5	-2%
Materials	-60.6	-59.1	3%	-122.7	-118.7	3%
Direct wages and external services	-24.4	-24.3	0%	-47.9	-48.2	-1%
Other variable and fixed costs	-37.9	-41.6	-9%	-77.9	-81.9	-5%
Total costs	-122.9	-125.0	-2%	-248.4	-248.8	0%
EBITDA*)	8.6	12.6	-32%	18.9	24.7	-23%

*) Excluding one-time items and exchange rate differences of operative balance sheet items.

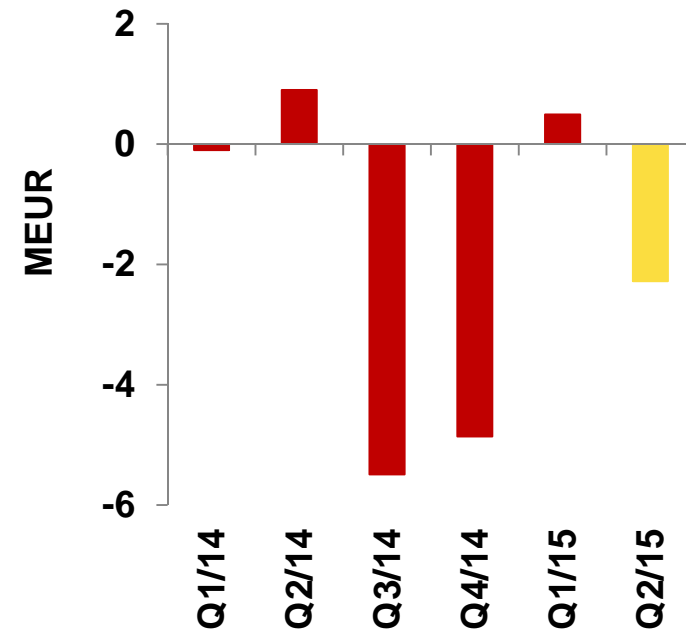
Operating profit and Result after financial items

Operating profit*)



*) Excluding one-time items and exchange rate differences of operative balance sheet items.

Result after financial items*)



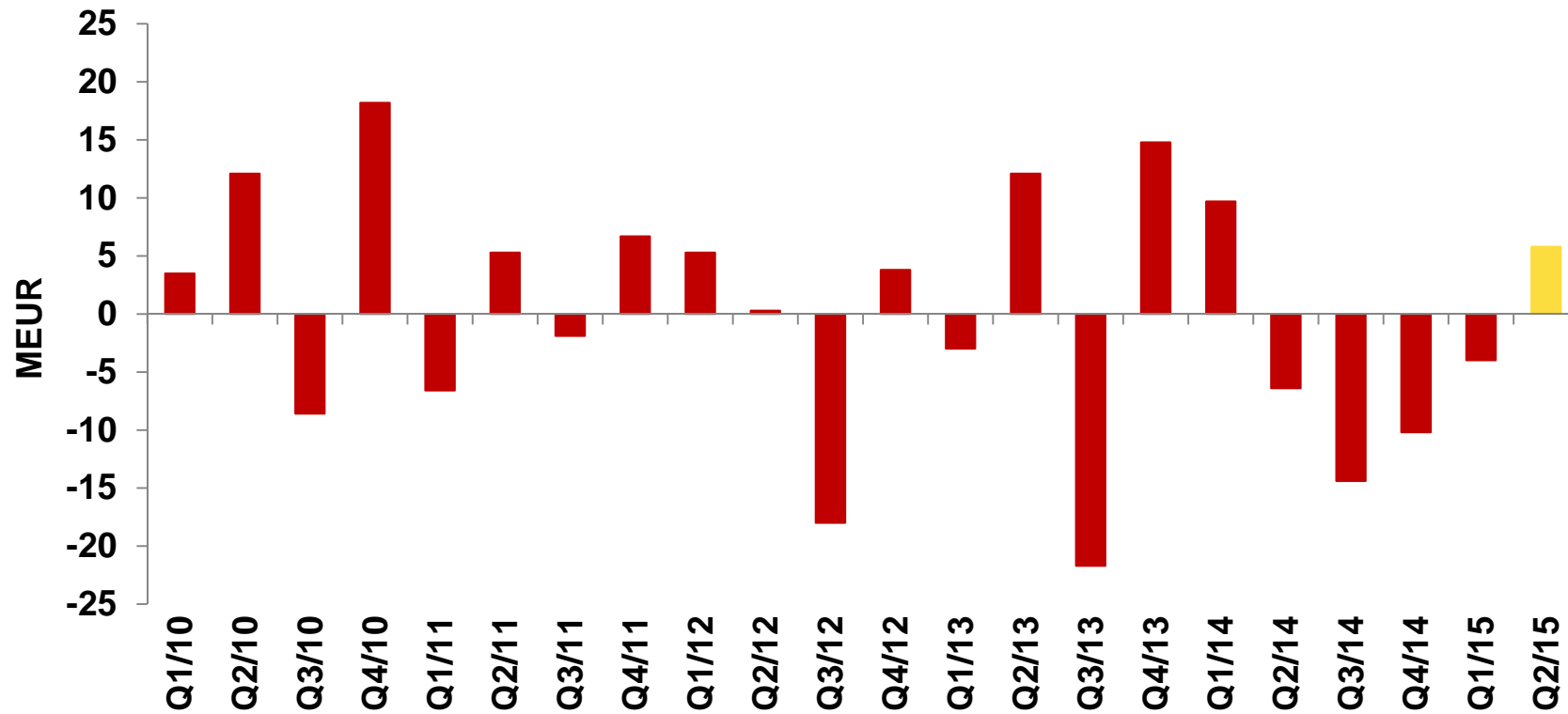
*) Excluding one-time items and exchange rate differences of operative balance sheet items.

Key ratios

MEUR	30.6.2015	30.6.2014	31.12.2014
Equity ratio, %	22.5	17.9	23.7
Return on equity, % *)	-6.5	1.7	-12.1
Return on equity, %	-2.9	-5.1	-29.1
Return on investment, % *)	5.8	9.7	5.6
Return on investment, %	6.0	7.7	0.8
Net interest bearing debt, MEUR	223	234	216
Net gearing, %	207	282	194
Investments in production facilities, MEUR	8.0	8.8	22.6
Personnel at the end of period, including leased personnel	4,320	4,523	4,238

*) Excluding one-time items and exchange rate differences of operative balance sheet items.

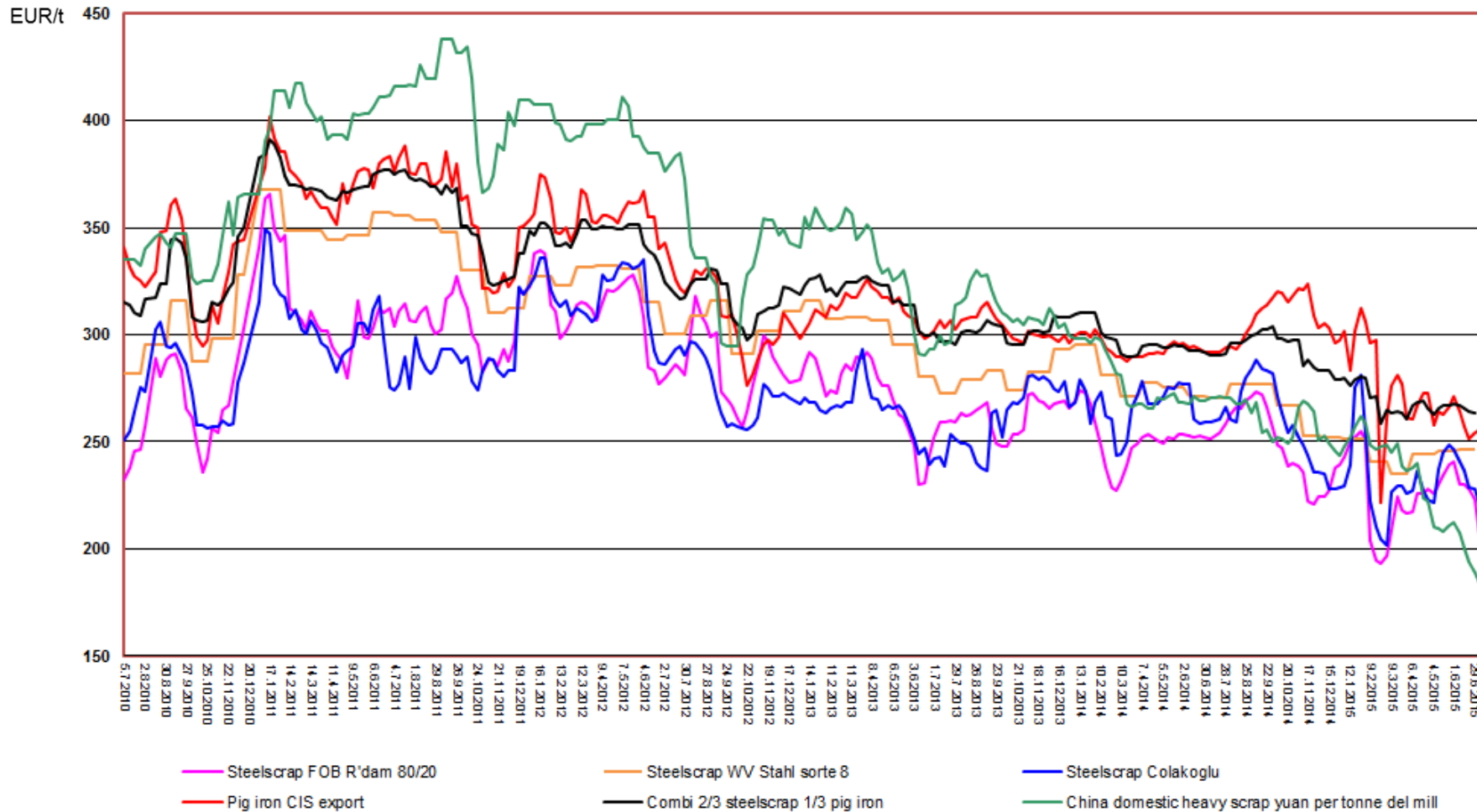
Development of cash flow from operations



Cash flow statement

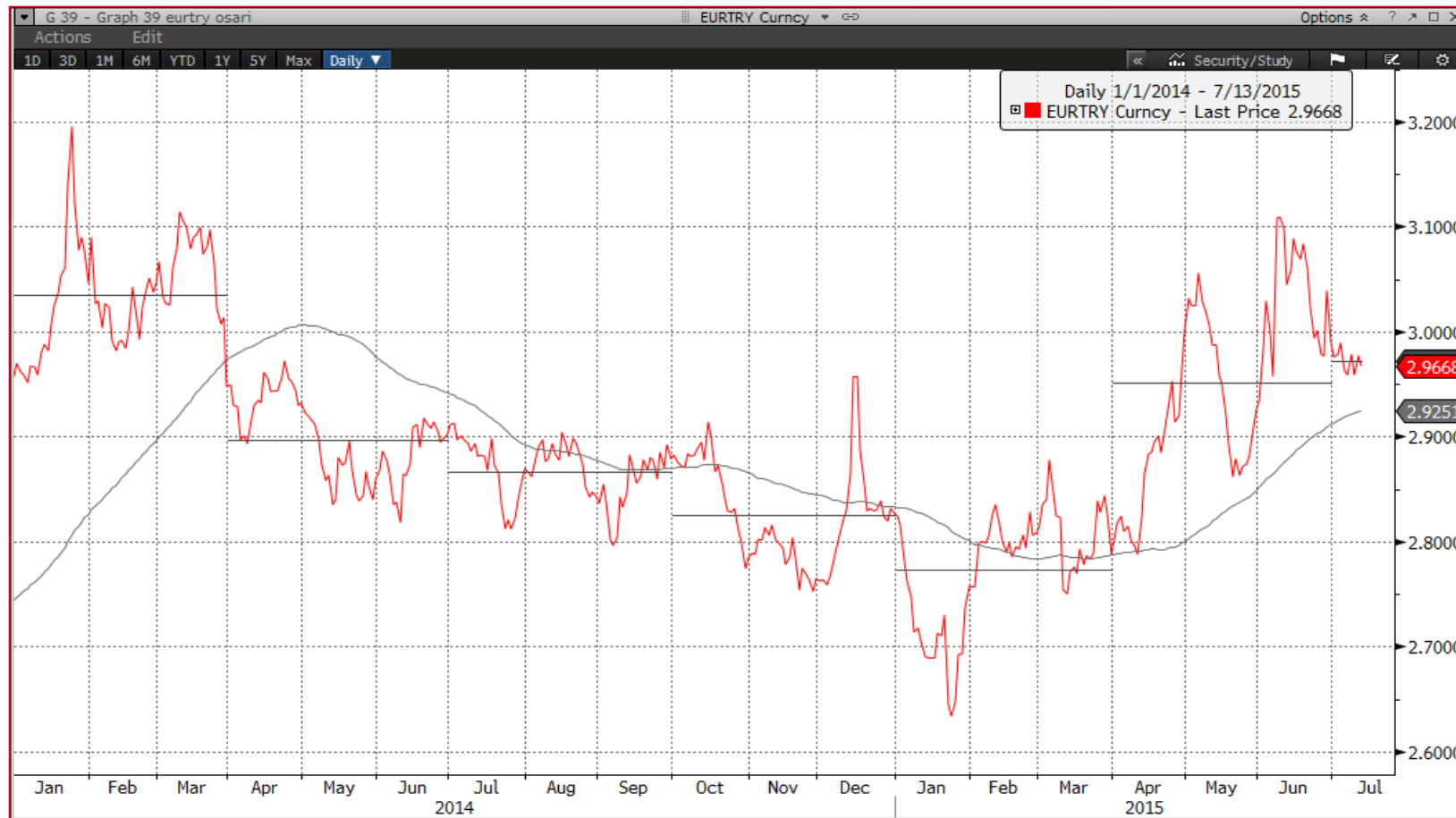
MEUR	1-6/2015	1-6/2014	1-12/2014
Cash flow from operations before change in net working capital, financing and taxes	15.9	21.8	24.2
Change in net working capital	-3.1	-6.0	-16.8
Cash flow from operations before financing and taxes	12.8	15.8	7.5
Cash flow from operations	1.8	3.3	-20.6
Cash flow from investments	-6.4	-4.3	-13.4
Cash flow from financing activities	1.2	-5.0	36.0
Change in liquid assets	-3.4	-6.0	2.0

Pig iron and steel scrap indexes



Sources: Reuters Metal Bulletin, WV Stahl

Development of exchange rates Turkish lira



Source: Bloomberg

Strategic actions

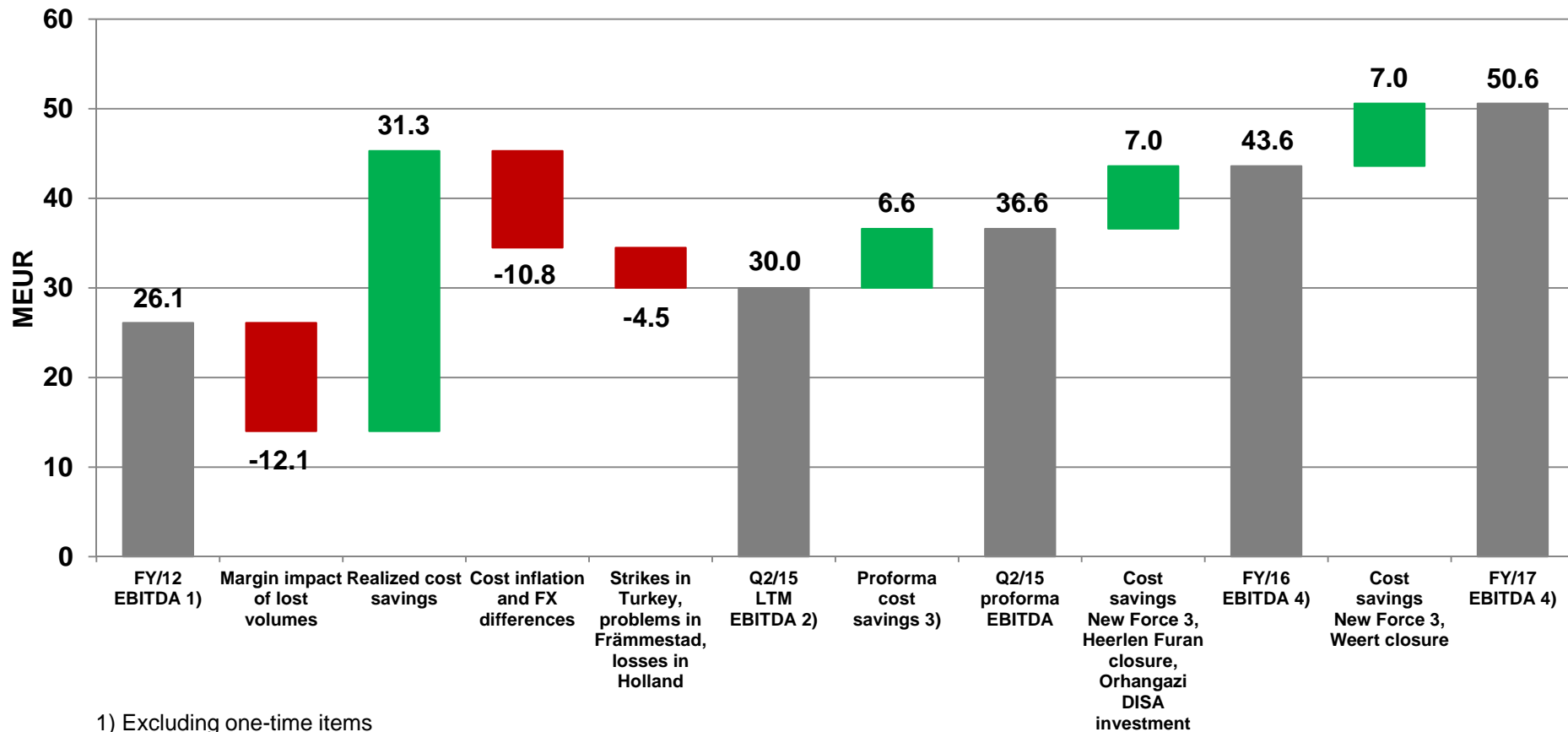
for strategy implementation and performance improvement





EFFICIENCY IMPROVEMENT PROGRAM

Q2/2015 proforma EBITDA was 37 MEUR



1) Excluding one-time items

2) Excluding one-time items and exchange rate differences of operative balance sheet items.

3) Proforma cost savings: Rolling annual impact of implemented and/or decided cost savings and improvement actions on forward basis.

4) Year 2016 and 2017 figures in this chart do not include any volume neither FX changes.

New aluminium foundry and new long-term financing of EUR 30 million

New aluminium foundry in Manisa, Turkey



- EUR 25 million investment
- 70.000 m² land area
- 25.000 tons casting capacity

New long-term financing of EUR 30 million

- Agreement signed on 17 June 2015 by Componenta Dökümcülük A.S.
- Maturity 5½ years
- Credit facility agreement EUR 30 million consisting of two separate loan agreements
 - Investment loan EUR 20 million for building a new aluminium foundry
 - RCF EUR 10 million
- Average maturity of the interest bearing debt portfolio of Componenta further lengthened

Componenta ja Ferromatrix combine sales and production of large cast components

- Componenta and Ferromatrix NV owned by Van de Wiele NV start cooperation where Ferromatrix is responsible for production of furan castings and Componenta is responsible for their sales and customer cooperation
 - Casting production will be concentrated at Ferromatrix' high automated modern foundry in Kortrijk, Belgium by the end of 2015
 - Sales will be carried out by a joint venture company where the ownership in the first phase is divided Componenta 50% and Van de Wiele 50%
 - Ownership arrangements will be continued in 2017 so that ownership of the production company will be divided as Componenta 40% and Van de Wiele 60% and accordingly ownership in the sales company as Componenta 60% and Van de Wiele 40%

Benefits to be achieved by the cooperation:

- Higher capacity utilization rate and productivity by combining two furan production
- Wide sales and customer service network
- Modern production machinery and efficient production process
- Better quality and delivery accuracy -> satisfied customers
- Cost synergies to both parties

Componenta's measures to improve efficiency of casting operations in the Netherlands and Turkey

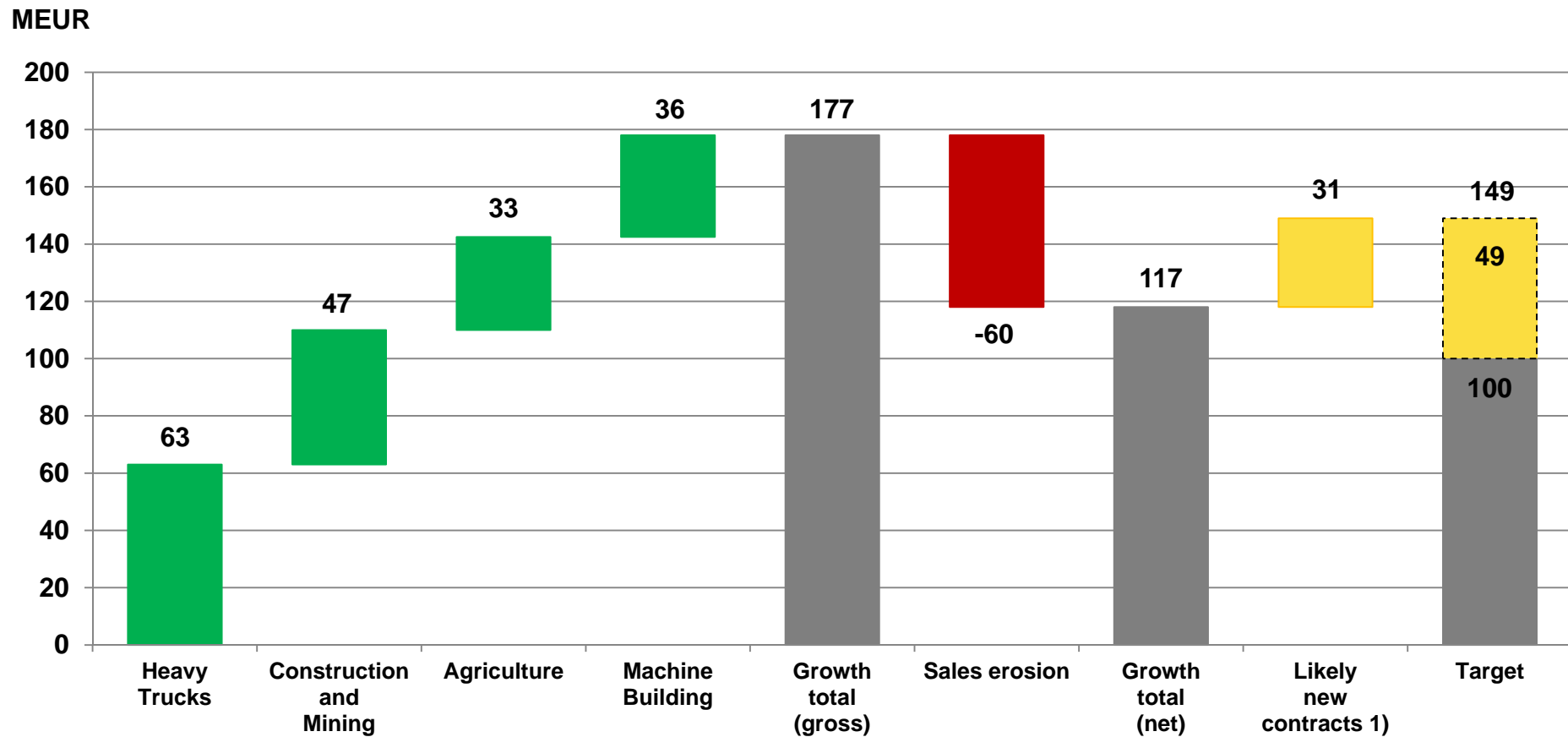
- Cooperation in sales and production of furan castings and measures to be carried out in Componenta's own foundries are part of the Group's efficiency improvement program and strategic measures to improve efficiency, profitability and competitiveness.
- By concentrating production into a larger unit and more efficient production machinery will be improved capacity utilization rate and achieved significant cost savings.

Unit, country	Measures to be carried out and their financial impacts
Heerlen foundry, Netherlands	Closing down the furan line by the end of 2015 and transfer of production to Ferromatrix foundry in Belgium. Cost savings and improved profitability EUR 3 million. Write-downs EUR 1.5 million and one-time costs EUR 4.5 million.
Weert foundry, Netherlands	Planned transfer of the greensand line to Heerlen foundry in the second half of 2016. In the future the Heerlen foundry would operate two greensand lines. Weert foundry planned closure by the end of 2016. Cost savings EUR 3 million. Write-downs EUR 1.5 million and one-time costs EUR 4.5 million.
Orhangazi foundry, Turkey	Replacing two DISA lines by one more efficient DISA line transferred from the Pietarsaari foundry which was closed down earlier. Installations are mainly finalized. Transferred DISA line in use and old ones closed down by end of 2015. Cost savings EUR 1.0 million and investments EUR 1.5 million.

A man with short dark hair and a beard, wearing a blue denim work jacket with orange accents, is smiling and looking towards the camera. He is standing in a warehouse or industrial setting, with wooden pallets and metal structures visible in the background. The entire scene is bathed in a strong red light, creating a dramatic and industrial atmosphere. The text '100 MEUR ORGANIC GROWTH PROGRAM' is overlaid in white, bold, sans-serif font on the left side of the image.

100 MEUR ORGANIC GROWTH PROGRAM

Net growth in 100 MEUR organic growth program has reached 117 MEUR by end of Q2/2015

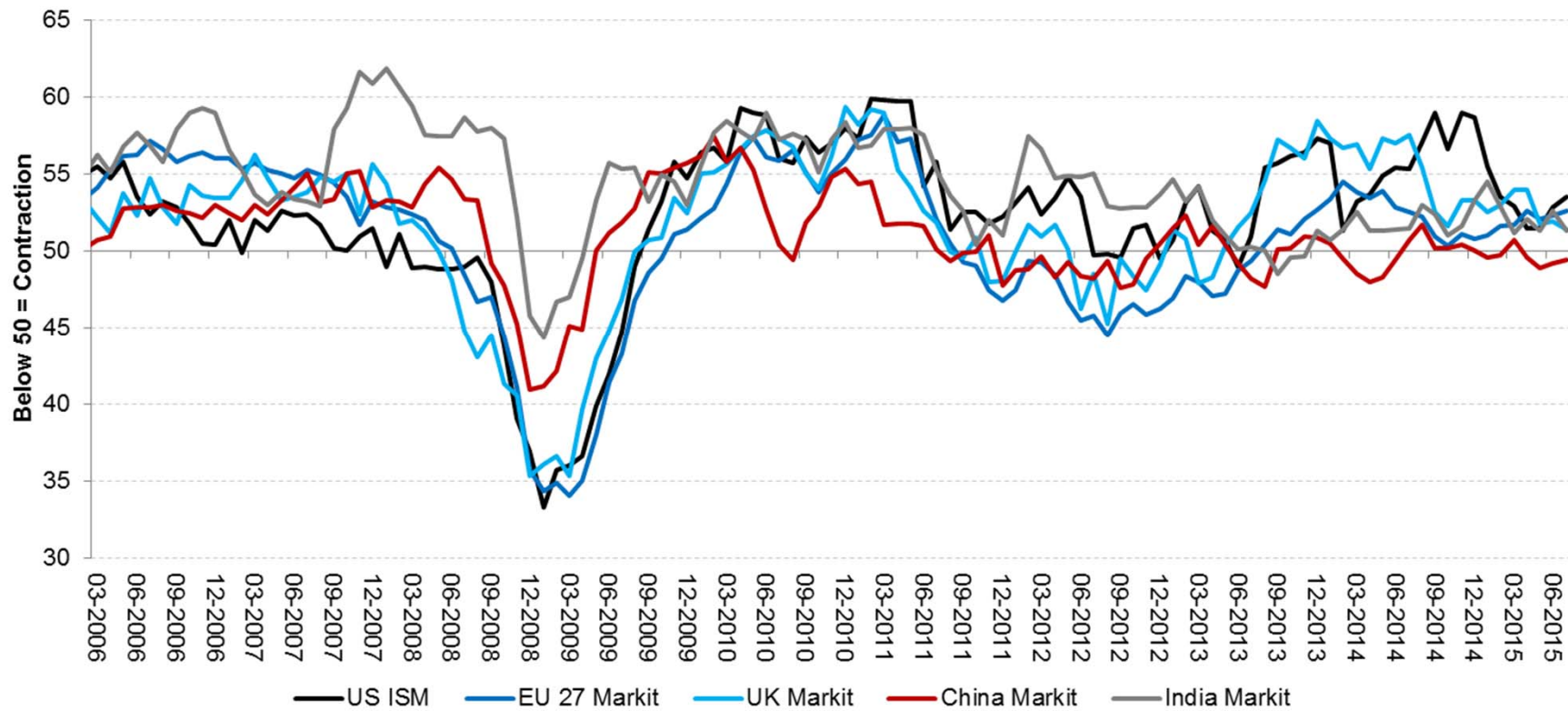


1) Componenta expects these contracts to realise with 75% likelihood

A woman with short brown hair, wearing a dark blue blazer over a light blue collared shirt, stands in a red-tinted office. She is smiling and holding a silver laptop in her right hand, with her left hand on her hip. The background features a red wall with a framed picture and a window with blinds. The text 'INDICATORS OF ECONOMY' is overlaid in white on the left side of the image.

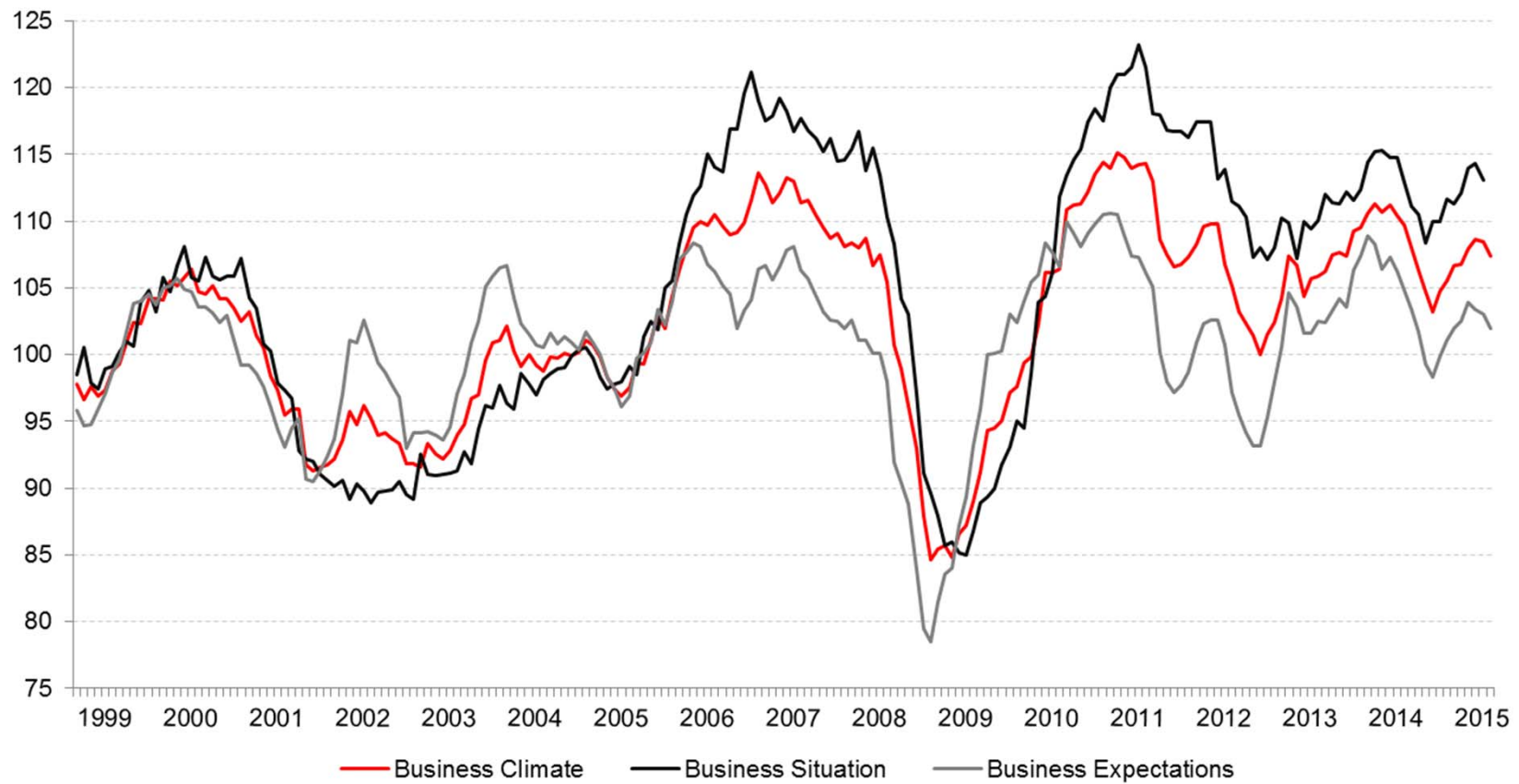
INDICATORS OF ECONOMY

Manufacturing Purchasing Manager Indices



Source: Bloomberg

IFO expectations



Source: IFO

CDS Index



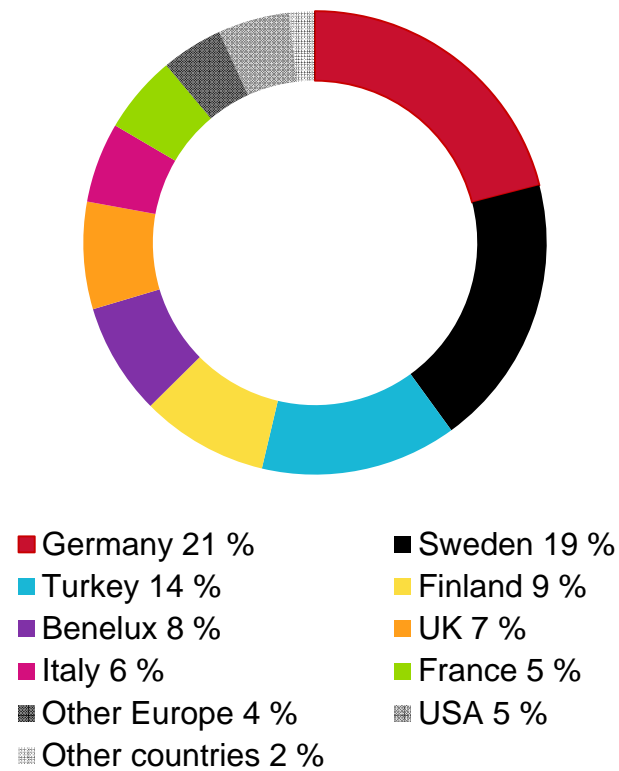
Source: Bloomberg

A man and a woman in business attire are looking at a laptop in a red-walled office. The man is on the left, wearing a dark suit, light blue shirt, and patterned tie. The woman is on the right, wearing a dark blazer over a white shirt. They are both looking at the laptop screen. The background is a solid red wall with a framed picture on the left and a window with blinds on the right.

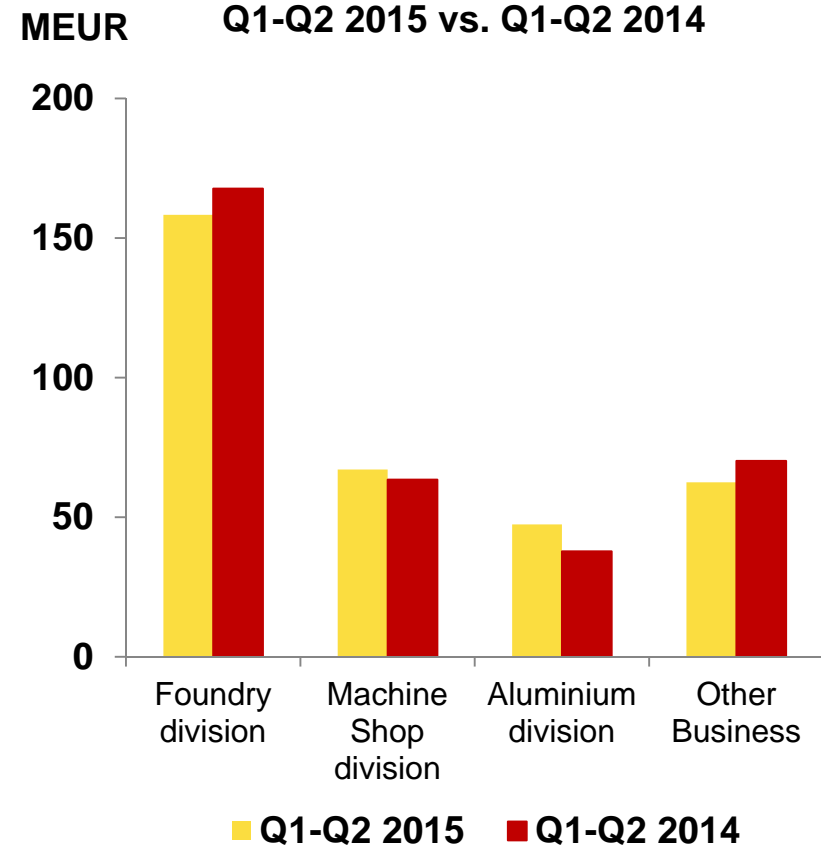
DEVELOPMENT OF SALES AND ORDER BOOK

Sales distribution Q1 - Q2 2015

Sales by market area Q1-Q2 2015



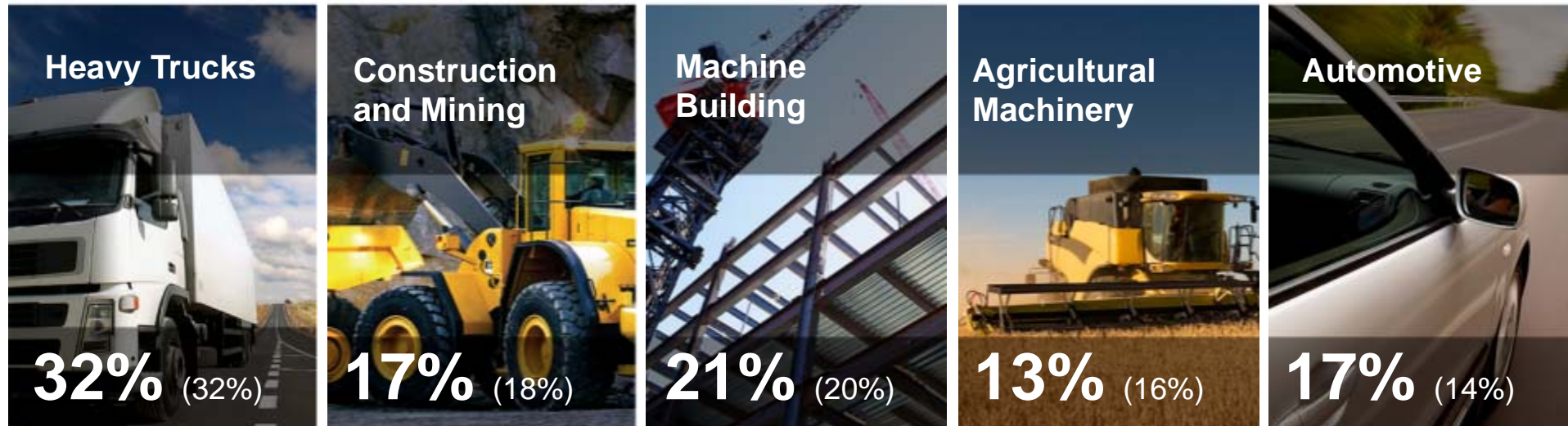
Sales by business segment *)
Q1-Q2 2015 vs. Q1-Q2 2014



*) Figures excluding internal eliminations

Sales by customer industry

Q1 - Q2 2015



Development of sales and order book in Heavy Trucks industry



Order book
Q2 2015 vs. Q2 2014

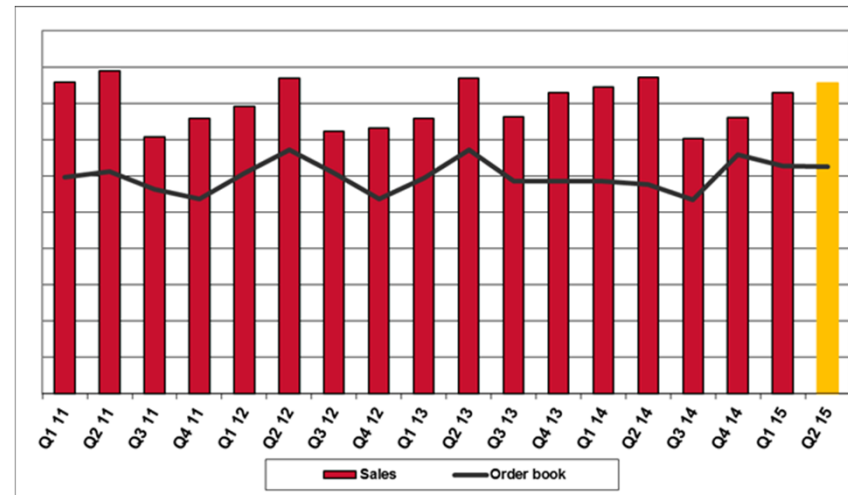
+9%

Sales to

Heavy Trucks industry

Q1-Q2 2015 vs. Q1-Q2 2014

+1%



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

Componenta's deliveries to heavy trucks industry in Q1-Q2/15 vs. Q1-Q2/14

+1%



Volvo Group's deliveries to distributors in Europe 1-5/15 vs. 1-5/14

+17%

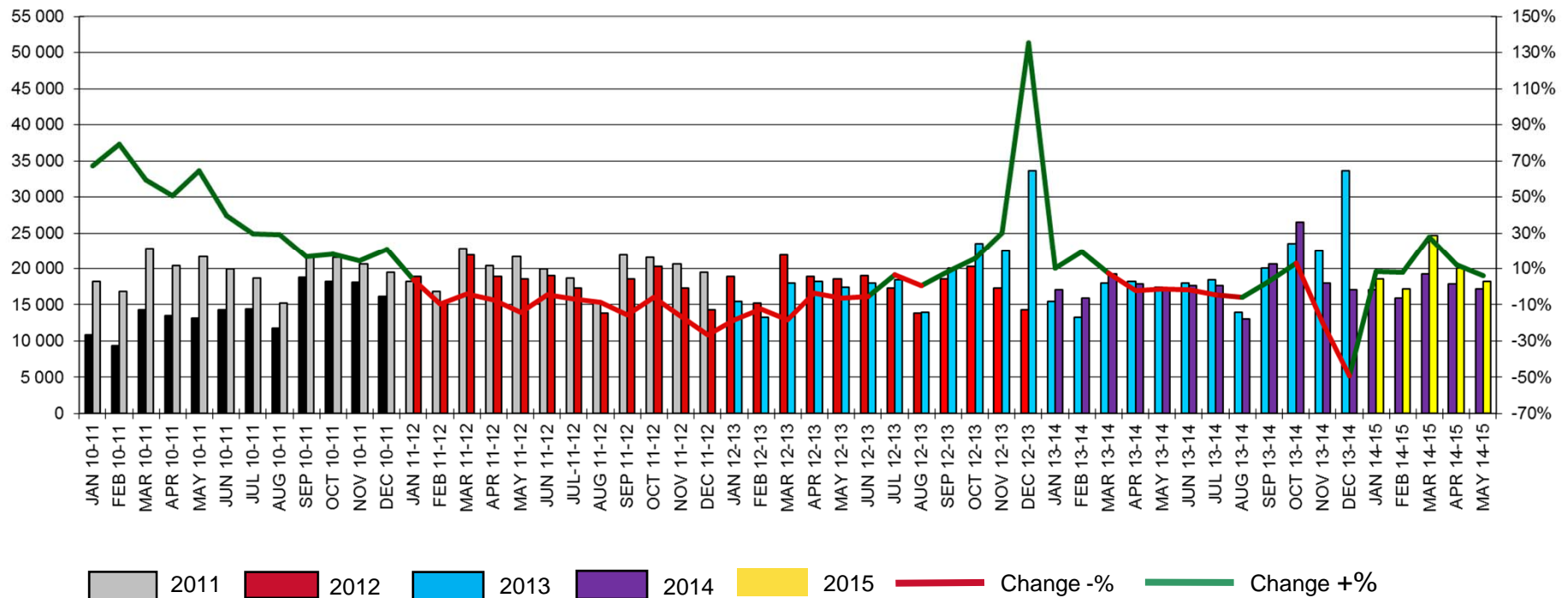


Registrations of new heavy trucks in Europe 1-5/2015 vs. 1-5/2014

+18%

Sources: Volvo website, ACEA

Registrations of new heavy trucks in Europe (EU27)



Source: ACEA

Development of sales and order book in Construction and Mining industry



Order book
Q2 2015 vs. Q2 2014

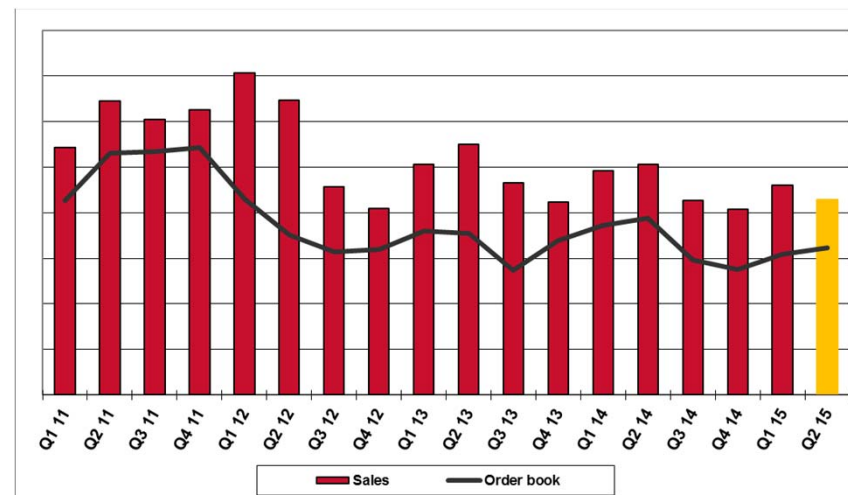
-17%

Sales to

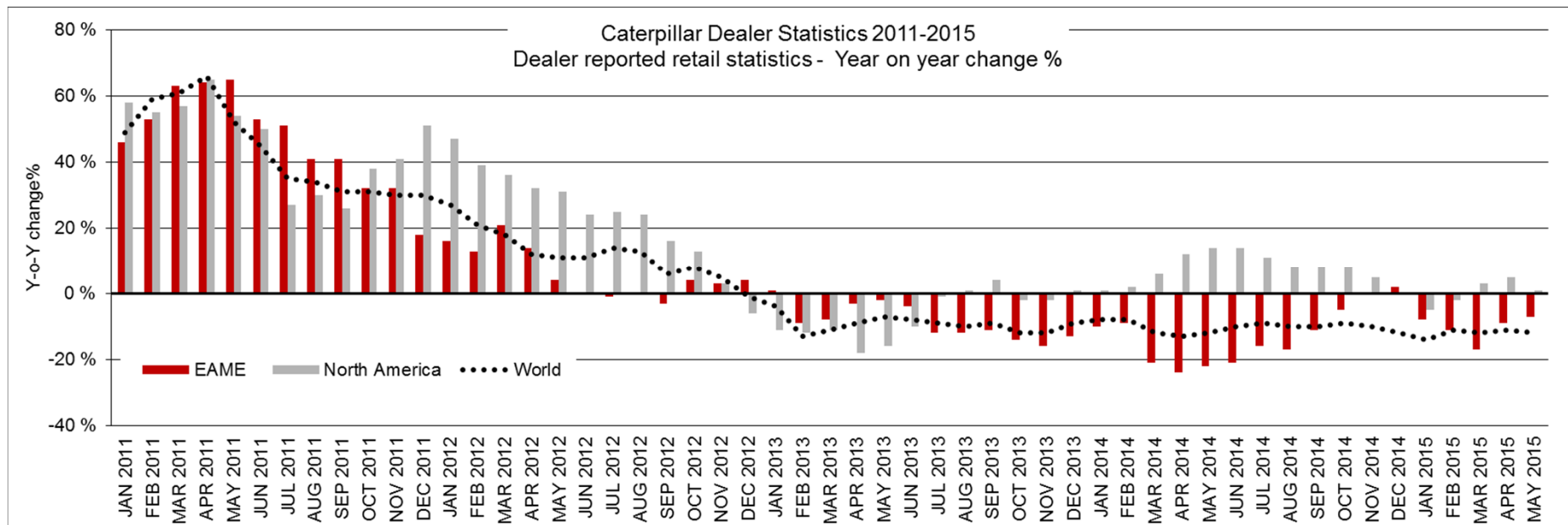
Construction and Mining industry

Q1-Q2 2015 vs. Q1-Q2 2014

-8%



Development of Caterpillar dealer deliveries



Source: Caterpillar

Development of sales and order book in Machine Building industry



Order book
Q2 2015 vs. Q2 2014

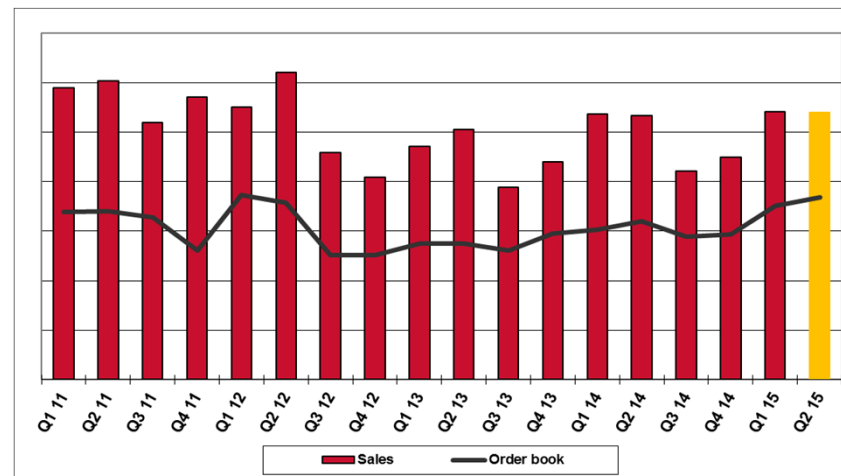
+16%

Sales to

Machine Building industry

Q1-Q2 2015 vs. Q1-Q2 2014

+4%



Development of sales and order book in Agricultural Machinery industry



Order book
Q2 2015 vs. Q2 2014

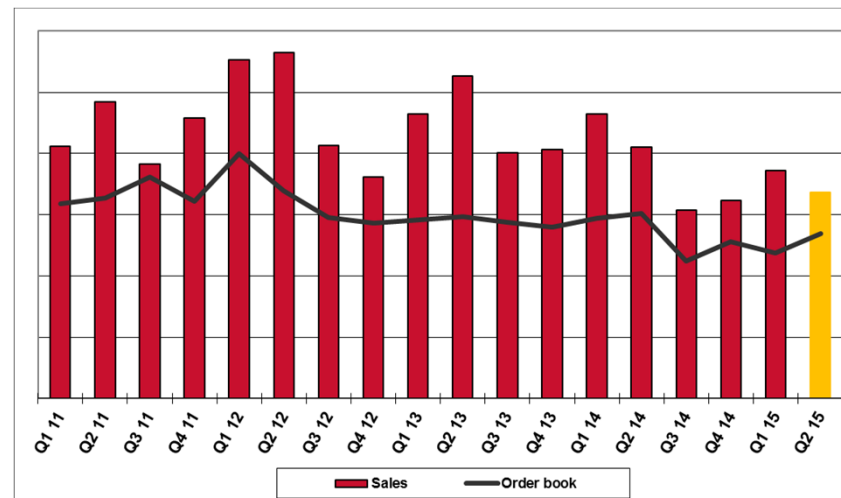
-11%

Sales to

Agricultural Machinery industry

Q1-Q2 2015 vs. Q1-Q2 2014

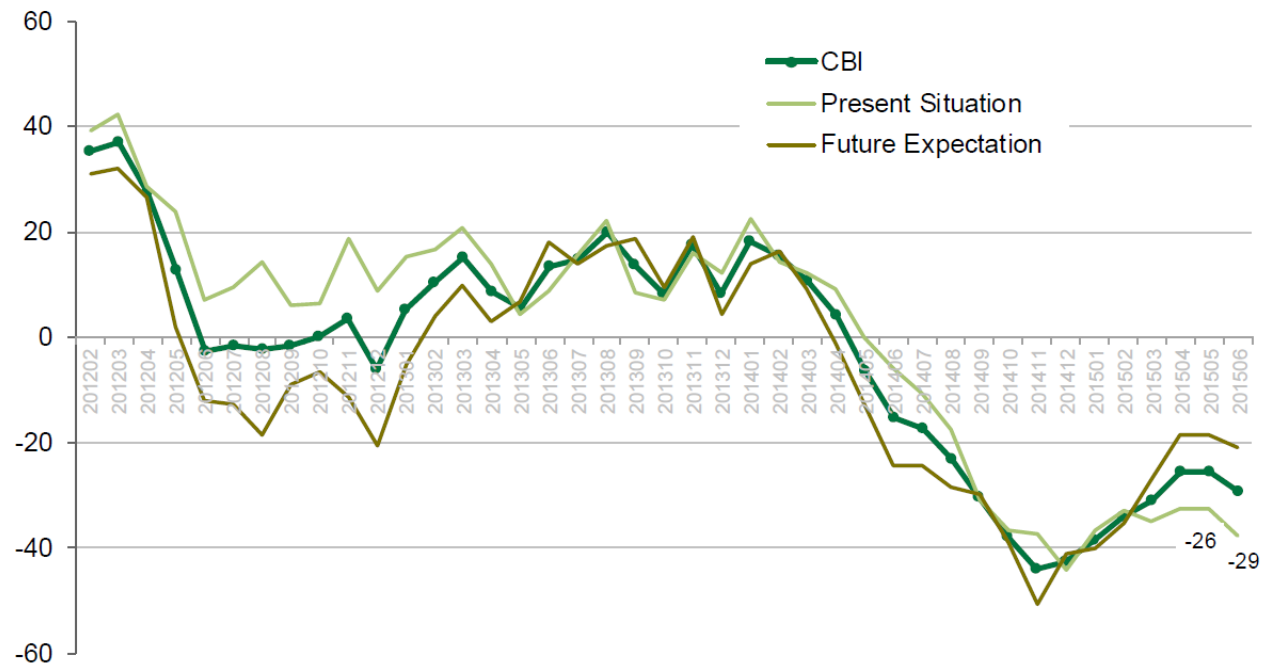
-17%



Business climate in European agriculture

Business Climate Index Development

CEMA Business Climate Index (CBI)



Source: CEMA Business Barometer

Index = sum of 1) evaluation of the current business situation and 2) turnover expectation, scale from -100 to +100

Source: CEMA

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Development of sales and order book in Automotive industry



Order book
Q2 2015 vs. Q2 2014

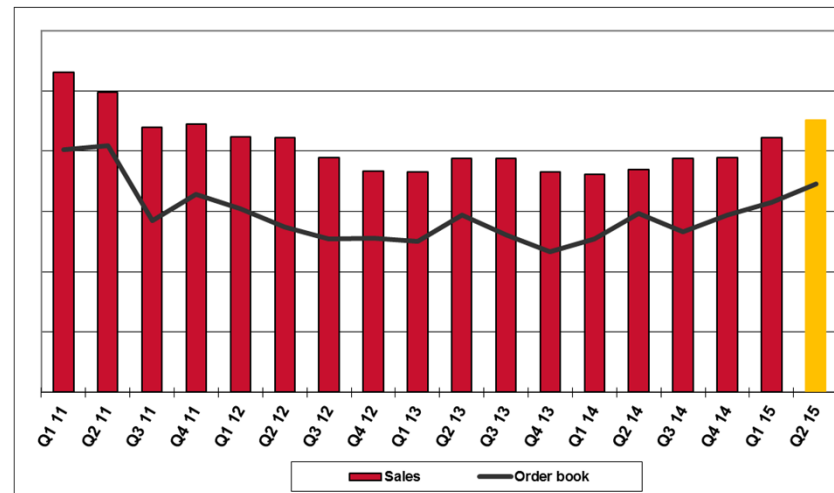
+16%

Sales to

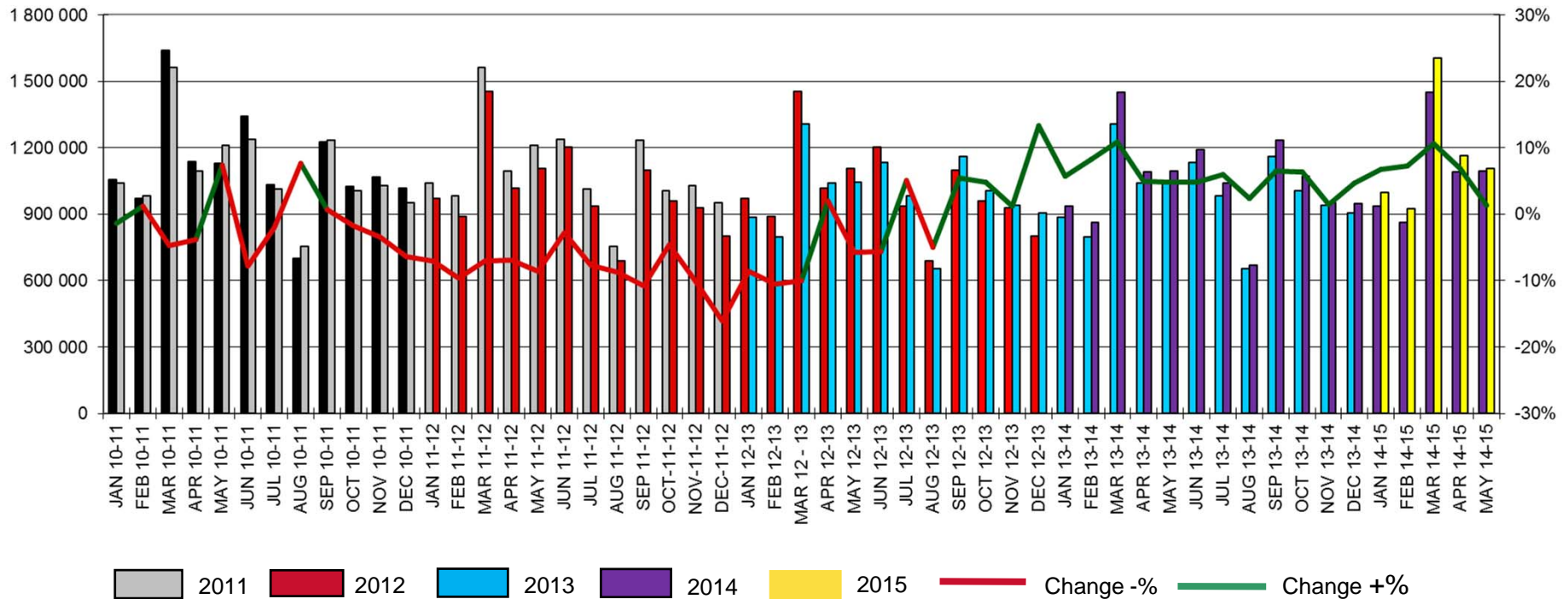
Automotive industry

Q1-Q2 2015 vs. Q1-Q2 2014

+23%



Registrations of new passenger cars in Europe (EU27)

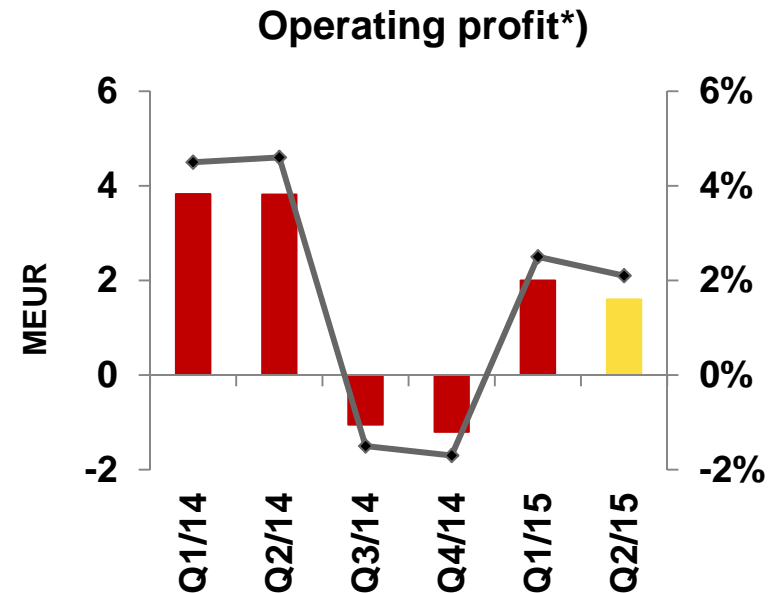
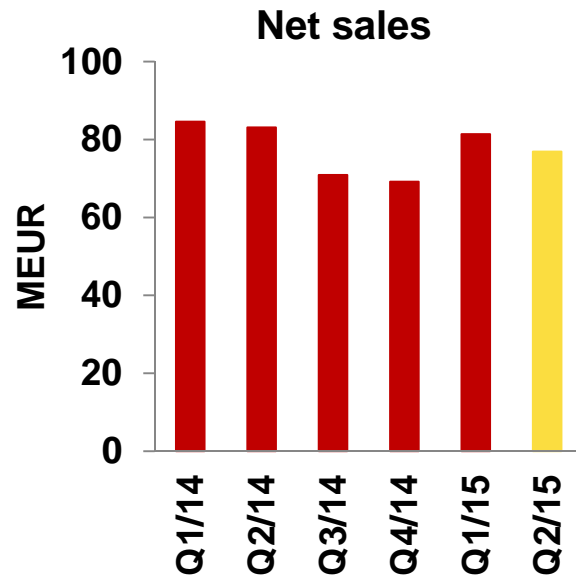


Source: ACEA

A photograph of three men in a factory setting, overlaid with a red tint. The man on the left is wearing a blue and black work vest and is pointing at a red 3D printed part held by the man in the center. The man in the center is wearing a white button-down shirt and jeans, smiling. The man on the right is wearing a dark blue work jacket and is looking at the part. The background shows industrial machinery and a large factory interior.

DEVELOPMENT OF BUSINESS SEGMENTS

Development of Foundry Division

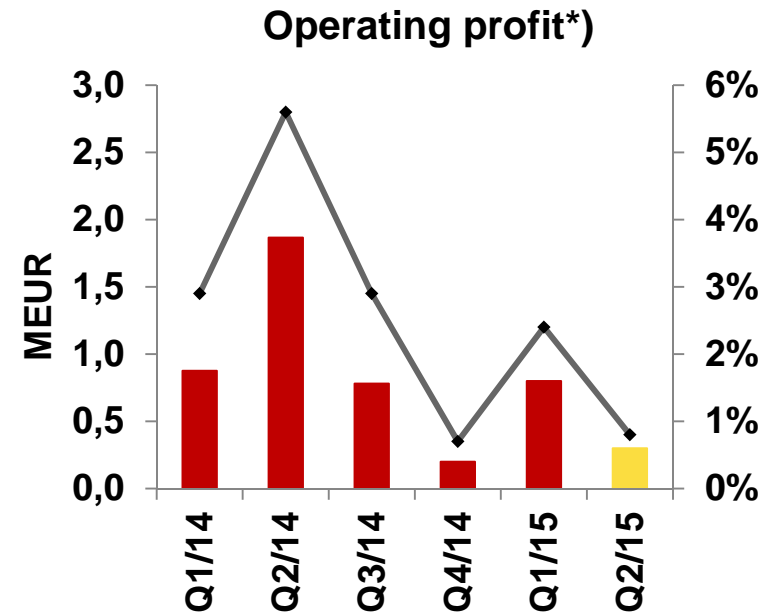
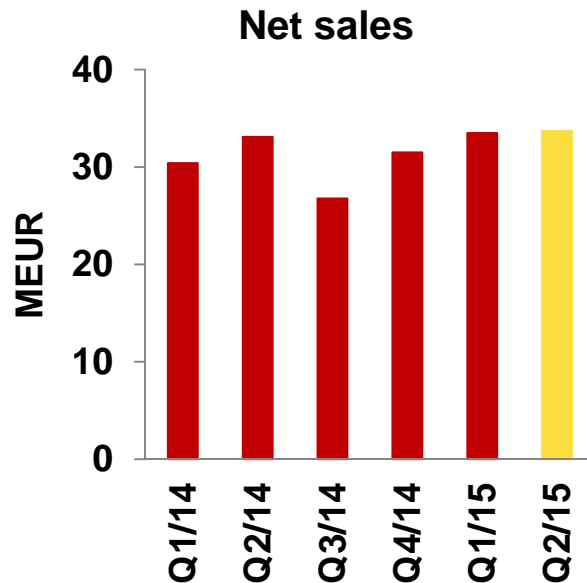


MEUR	Q1-Q2/15	Q1-Q2/14	Change
Order book	56.5	54.4	+4%
Net sales	158.3	167.7	-6%
Operating profit*)	3.6	7.6	-53%
Personnel avg.	2,540	2,830	-10%

- Operating profit in the review period excluding one-time items and exchange rate differences of balance sheet items was 3.6 MEUR.
- Operating profit weakened from previous year due to 6% declined volumes -0.5 MEUR, strikes in automotive industry in Turkey -1.5 MEUR, Turkish lira and high wage inflation -3.5 MEUR, increased losses of the Dutch operations -1 MEUR and reflection effects of problems at Främmestad arising from ERP system change -0.5 MEUR. Efficiency improvement program had a positive impact of +3.5 MEUR.

*) Excluding one-time items and exchange rate differences of operative balance sheet items.

Development of Machine Shop Division

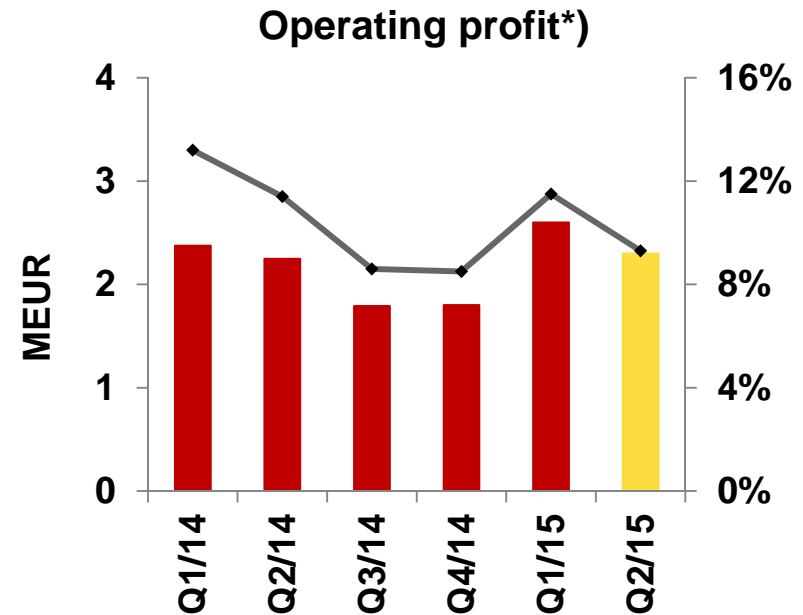
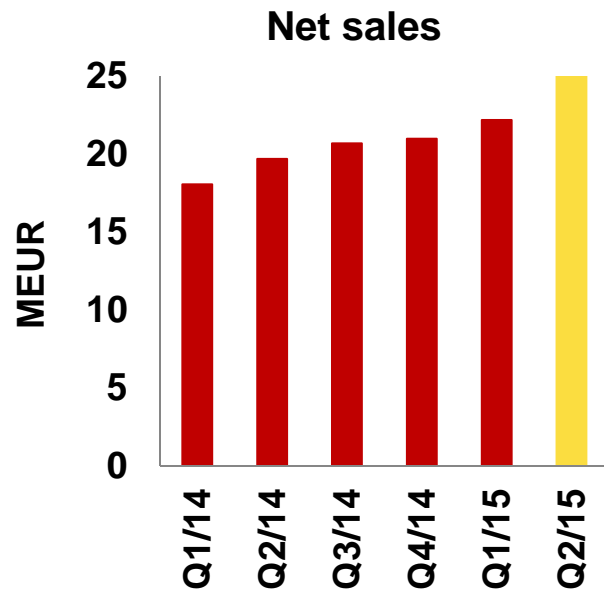


MEUR	Q1-Q2/15	Q1-Q2/14	Change
Order book	26.4	25.2	+5%
Net sales	67.1	63.5	+6%
Operating profit*)	1.1	2.7	-61%
Personnel avg.	424	386	+10%

- Operating profit in the review period excluding one-time items and exchange rate differences of balance sheet items was 1.1 MEUR.
- Operating profit weakened from previous year due to costs arising from actions taken to solve the ERP system change related problems at Främmestad machine shop -2 MEUR. Efficiency improvement program had a positive impact of 0.5 MEUR.

*) Excluding one-time items and exchange rates differences of operative balance sheet items.

Development of Aluminium Division



MEUR	Q1-Q2/15	Q1-Q2/14	Change
Order book	18.1	15.3	+19%
Net sales	47.4	37.8	+25%
Operating profit*)	4.9	4.6	+6%
Personnel avg.	883	815	+8%

- Operating profit in the review period excluding one-time items and exchange rate differences of balance sheet items was 4.9 MEUR.
- Operating profit improved from previous year due to increased volume and price increases. However, operating profit was impacted by Turkish lira and local wage inflation -1.5 MEUR and strikes in Turkish automotive industry -0.5 MEUR.

*) Excluding one-time items and exchange rate differences of operative balance sheet items.

A man with a short haircut, wearing a light blue button-down shirt, stands in a hallway with red walls and ceiling. He is smiling and looking towards the camera while holding a tablet computer in his left hand and gesturing with his right hand. The hallway has a door and a potted plant in the background.

PROSPECTS 2015

Business environment 2015

Componenta's demand prospects better



The order book for Componenta's heavy trucks customer sector was **9% higher** at the beginning of July than at the same time in the previous year.

Demand in the truck industry in Europe is expected to rise in 2015.

Componenta's sales to heavy truck customers are also expected to rise.

Componenta's demand prospects weaker



The order book for Componenta's construction and mining customer sector was **17% lower** at the beginning of July than at the same time in the previous year.

Prospects in the mining industry remain weak due to the low raw material prices. Overall demand is expected to fall below that in the previous year.

Componenta's sales to construction and mining customers are expected to remain lower than the previous year, although less than market development.

Business environment 2015

Componenta's demand prospects better



The order book for Componenta's machine building customer segment was **16% higher** at the beginning of July than at the same time in the previous year.

Componenta's sales to the machine building industry are expected to rise during 2015.

Componenta's demand prospects weaker



The order book for Componenta's agricultural machinery customer sector was **11% lower** at the beginning of July than at the same time in the previous year.

Due to weak market situation, demand is expected to continue to decline in 2015.

Componenta's sales to manufacturers of agricultural machinery are expected to decline from the previous year.

Componenta's demand prospects better



The order book for Componenta's automotive customer sector was **16% higher** at the beginning of July than at the same time in the previous year.

Demand in 2015 is estimated to improve from the previous year.

Componenta's sales to the automotive industry are also expected to increase from the previous year.



Prospects for Componenta in 2015

- The prospects for Componenta in 2015 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 beginning of July was 2% higher than at the same time in previous year standing at EUR 97 (95) million.
- Componenta expects the operating profit for 2015 excluding one-time items and exchange rates differences of operative balance sheet items to improve from the previous year due to efficiency improvement program being carried out.

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