

# **Componenta Corporation Financial Statements**

**1 January - 31 December 2002**

## Income statement

<i>MEUR</i>	2002 1-12	2001 1-12
Net sales	180.8	193.8
<i>Change in net sales, %</i>	-6.7	-14.1
Other operating income	3.1	4.1
Share of result of associated companies	0.2	-0.5
Operating expenses	167.7	184.1
Depreciation and write-down of non-current assets	9.4	5.0
Operating profit	7.0	8.3
<i>Operating profit, %</i>	3.9	4.3
Financial income and expenses	-9.1	-6.0
Result after financial items	-2.1	2.3
Net result	1.0	7.4

## Operating profit by business group

<i>MEUR</i>	2002 1-12	2001 1-12
Cast and Other Components	5.8	8.7
Other business	1.2	-0.4
Total	7.0	8.3

## Key ratios

	2002	2001
Equity ratio, %, preferred capital notes in equity	31.4	32.0
Return on equity, %	2.5	20.0
Invested capital, MEUR	187.8	186.0
Return on investments, %	4.4	5.6
Net interest bearing debt, preferred capital notes in equity, MEUR	116.5	112.4
Net gearing, %, preferred capital notes in equity	170.5	162.3
Order book, MEUR	24.9	26.5
Investments in non-current assets, MEUR	9.8	53.1
Investments in production facilities, MEUR	7.9	15.6
Number of personnel, average	1,705	1,810
Number of personnel 31.12.	1,616	1,741

## Per share data

	2002	2001
EPS, EUR	0.11	0.77
Equity/share, EUR	3.92	4.00
Dividend/share, EUR (2002 proposal)	0.10	0.15
Payout ratio, %	94.73	19.58
Effective dividend yield, %	5.52	6.98
P/E multiple	17.15	2.81

<b>Consolidated cash flow statement 1.1.-31.12., MEUR</b>	<b>2002</b>	<b>2001</b>
<b>Cash flow from operations</b>		
Profit/loss before extraordinary items	-2,1	2,3
Depreciation, amortization and write down	9,4	5,0
Net financial income and expenses	9,1	5,0
Other income and expenses, adjustments to cash flow	-3,5	2,4
Change in net working capital	1,6	7,8
<b>Cash flow from operations before financing and income taxes</b>	<b>14,4</b>	<b>22,5</b>
Net financial income and expenses	-7,9	-3,9
Income taxes	0,0	-0,1
<b>Cash flow from operations</b>	<b>6,5</b>	<b>18,6</b>
<b>Cash flow from investing activities</b>		
Capital expenditure in tangible and intangible assets	-7,0	-23,6
Proceeds from tangible and intangible assets	3,6	1,0
Other investments and loans granted	-2,4	-3,5
Proceeds from other investments & repayments of loan receivables	0,0	14,4
<b>Cash flow from investing activities</b>	<b>-5,7</b>	<b>-11,8</b>
<b>Cash flow from financing activities</b>		
Dividends paid	-1,4	0,0
Share issue	-	1,2
Draw-down (+)/ repayment (-) of preferred capital note	-2,6	6,0
Draw-down (+)/ repayment (-) of current loans	9,5	-13,9
Draw-down (+)/ repayment (-) of non-current loans	-5,0	1,7
<b>Cash flow from financing activities</b>	<b>0,4</b>	<b>-5,0</b>
<b>Increase (+)/ decrease(-) in cash and bank accounts</b>	<b>1,2</b>	<b>1,7</b>

## Financial year in brief

- Result fell from previous year
  - sales fell MEUR 13 (Q1 02/01 -MEUR 9.2)
  - net financial expenses rose
  - costs for closing Osby unit exceeded estimate (MEUR -0.7)
- Traryd operations sold in MBO Q3
- Consolidated net result MEUR 1.0 (MEUR 7.4)
- Earnings per share EUR 0.11 (EUR 0.77)
- Proposed dividend EUR 0.10/share

## Financial year in brief

- Core business Q4 operating profit/net sales 4%
- Result at Alvesta foundry improved but still a loss
- The Group's operating profit to improve by MEUR 6 in 2003 thanks to restructuring programme
  - programmes to boost productivity at each unit
  - cutting fixed costs
  - optimizing manufacturing processes
  - correcting price structures
  - impact on Q1 result MEUR 1



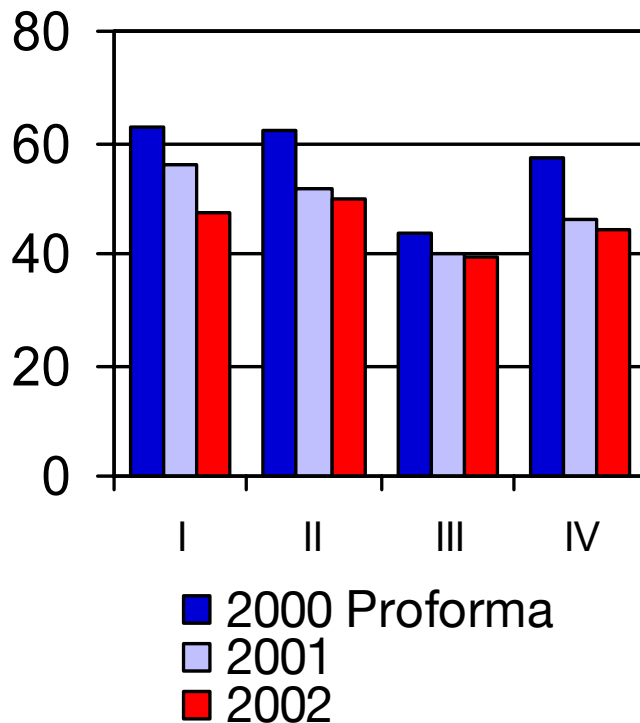
## Markets

- Q4 deliveries to Componenta's customer sectors –4% on same period in previous year. Net sales for whole year 2002/2001 –7%
- Heavy truck production in Europe in 2002 –6%
- Componenta's deliveries to heavy truck industry 2002/2001 –6%
- Demand from machine building industry remains weak
- Deliveries to power and transmission industries fell Q4, whole year +3%
- Off-road remained satisfactory Q4, whole year –5% due to weak demand at start of year

# Net sales and order book

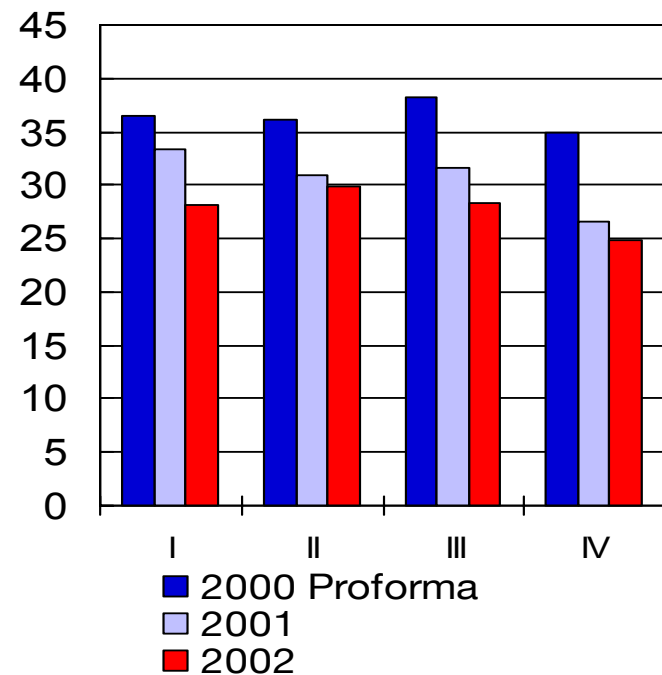
## Net sales

MEUR



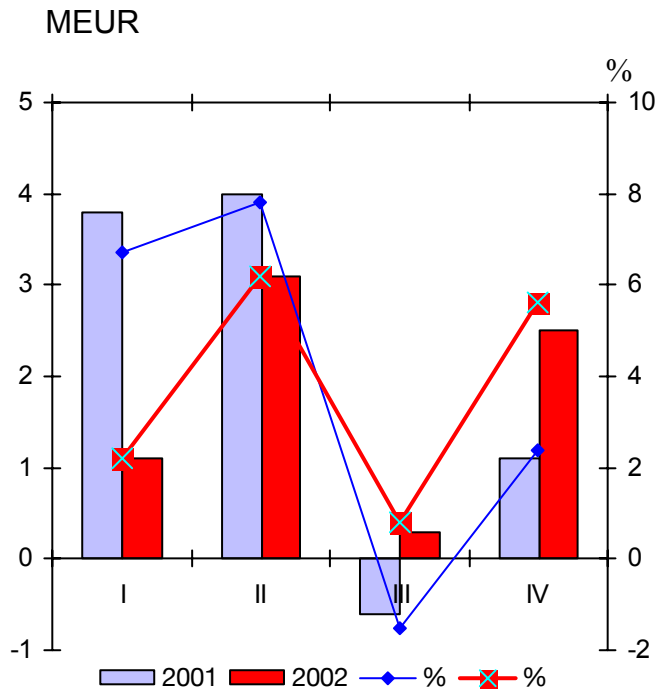
## Order book

MEUR

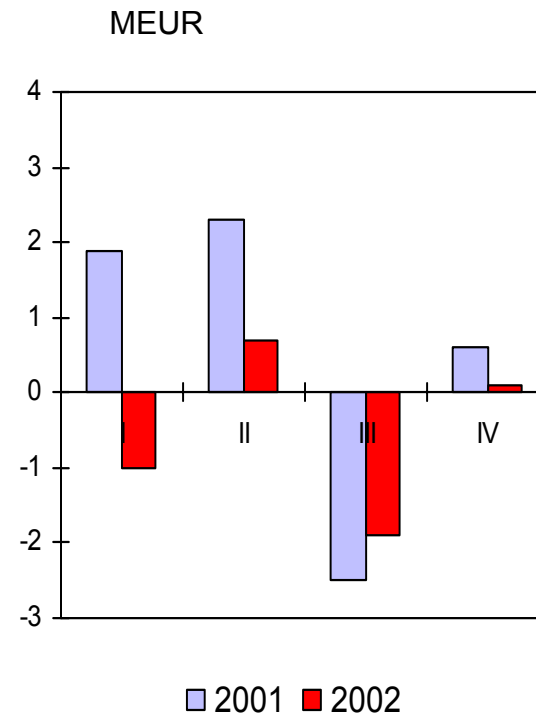


# Operating profit and result after financial items

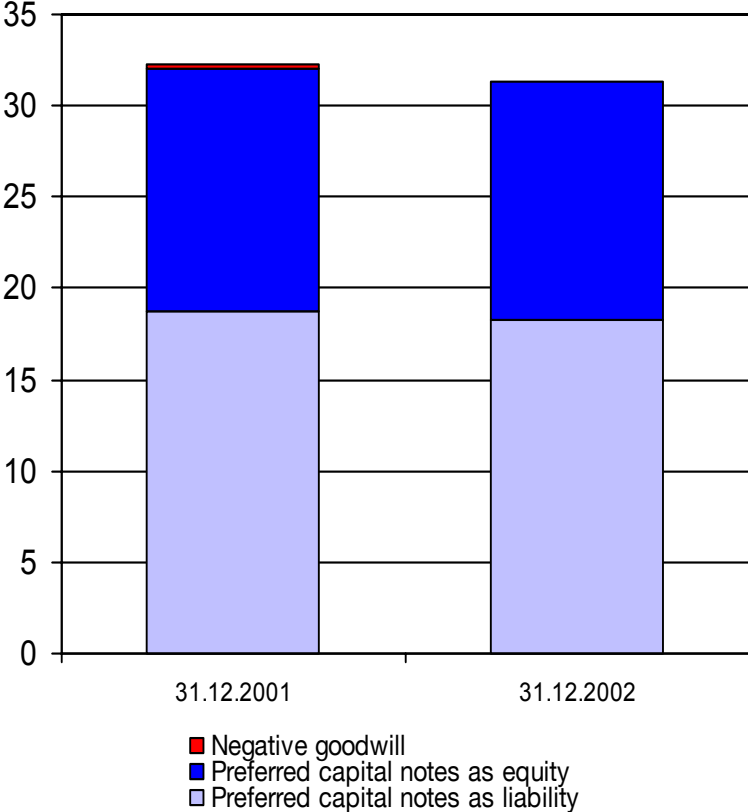
Operating profit/loss



Profit/loss after financial items

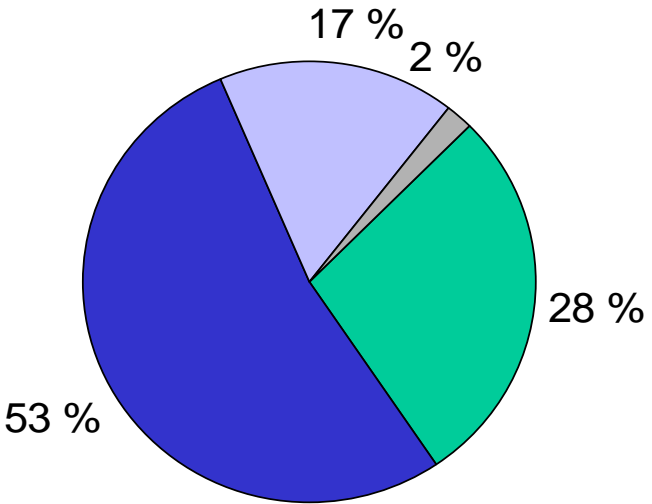


# Equity ratio, %



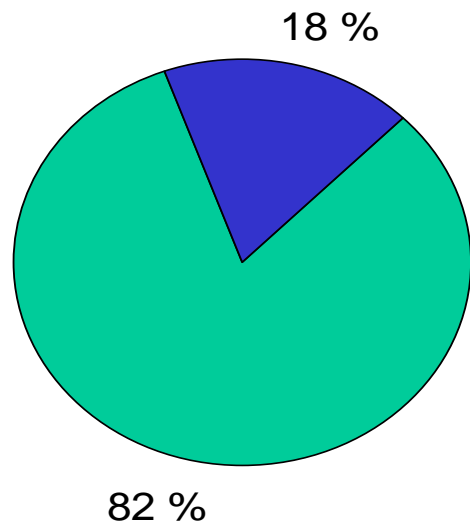
# Division of sales

### Sales by market area



- Finland
- Other Scandinavia
- Central Europe
- Other countries

### Sales by business group



- Cast and other components
- Other operations

## Sales to customer industries



**Heavy trucks**

**Power and transmission**

**Machine building**

**Off-road**

**Others**

**54% (54%)**

**14% (13%)**

**15% (16%)**

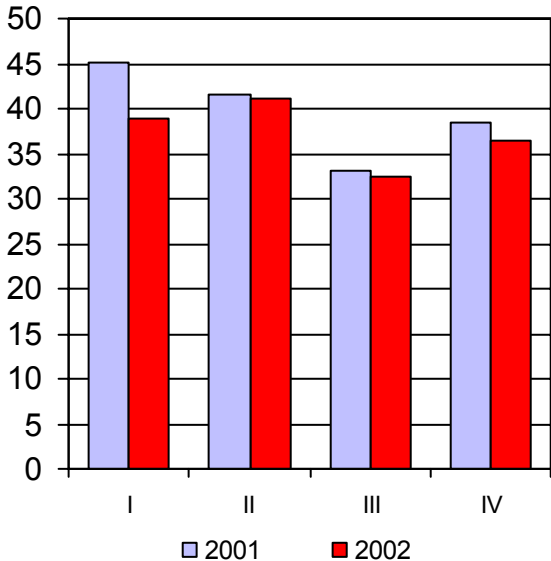
**12% (12%)**

**5% (5%)**

# Cast and Other Components

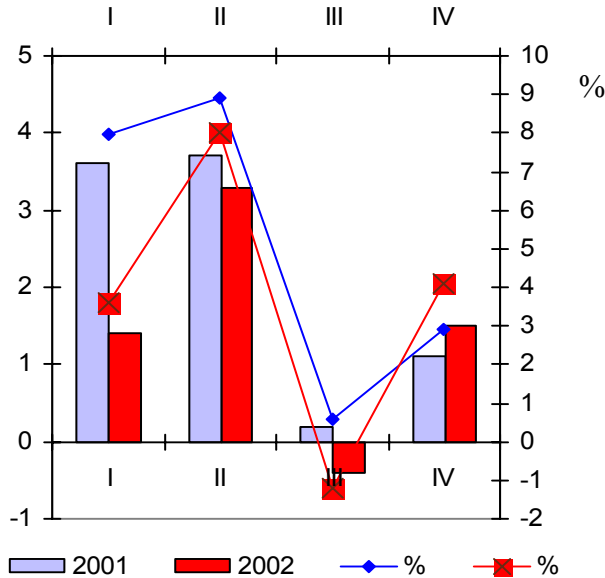
## Net sales

MEUR

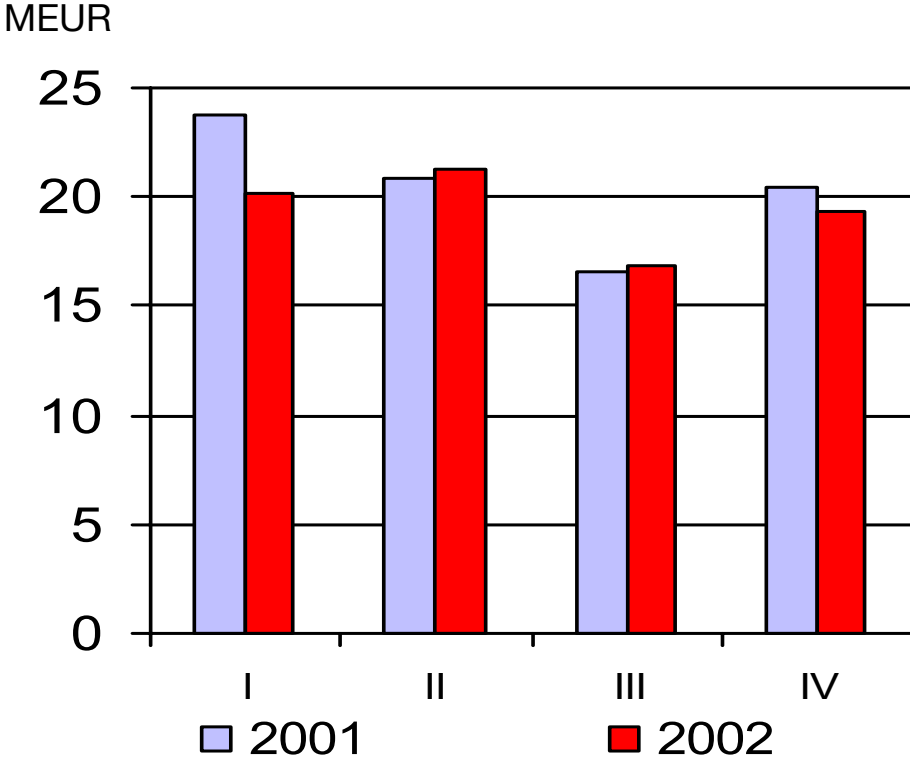


## Operating profit

MEUR

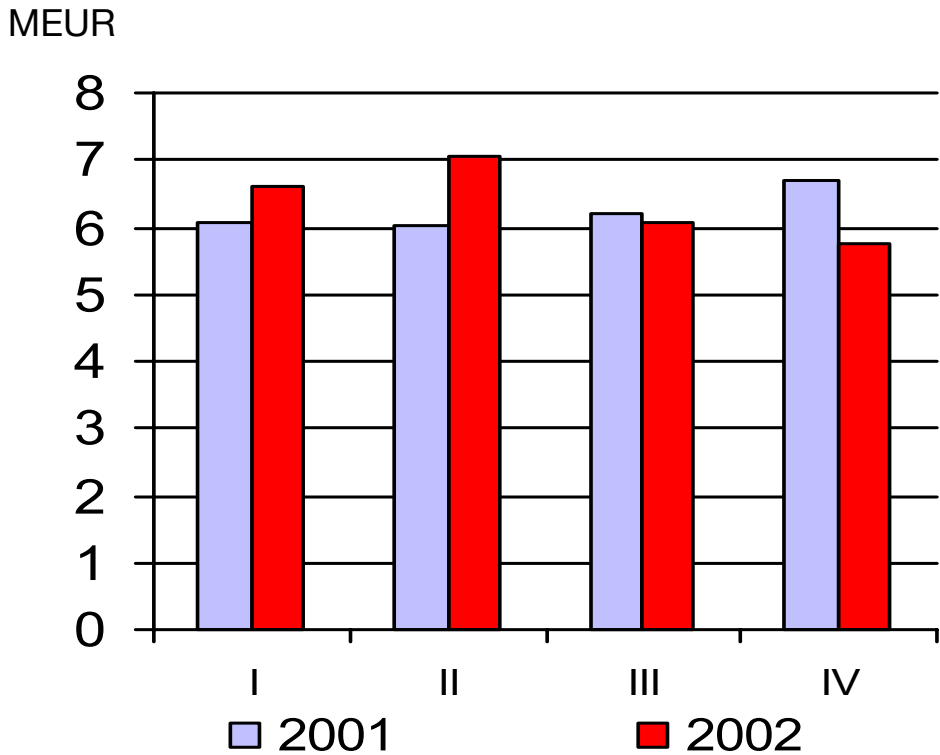


# Cast and Other components, sales to heavy truck industry

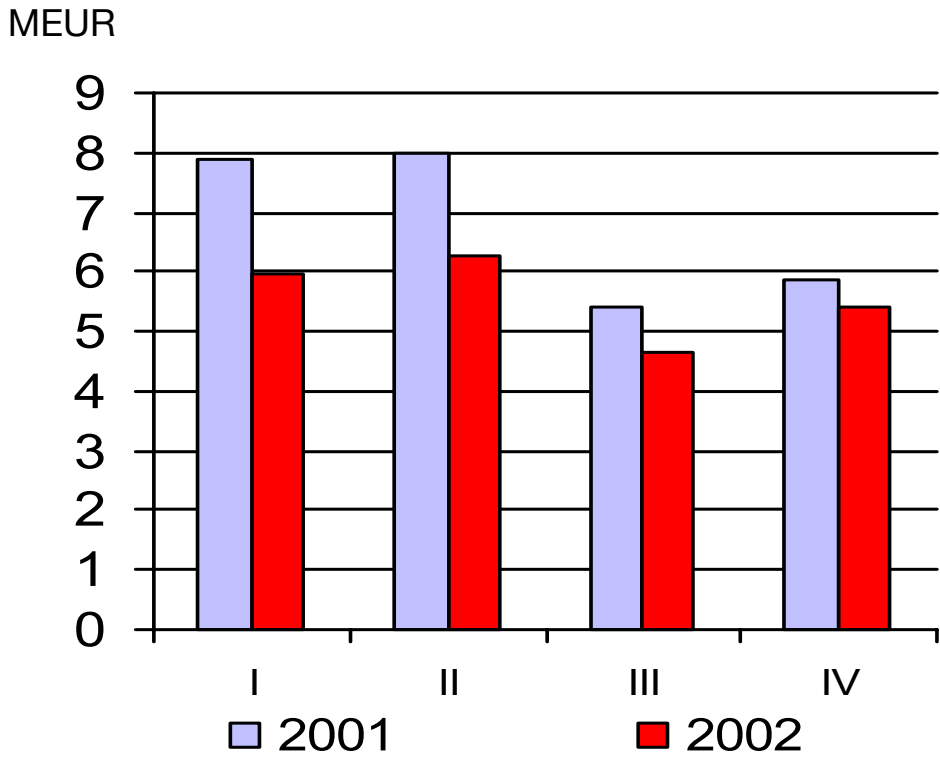




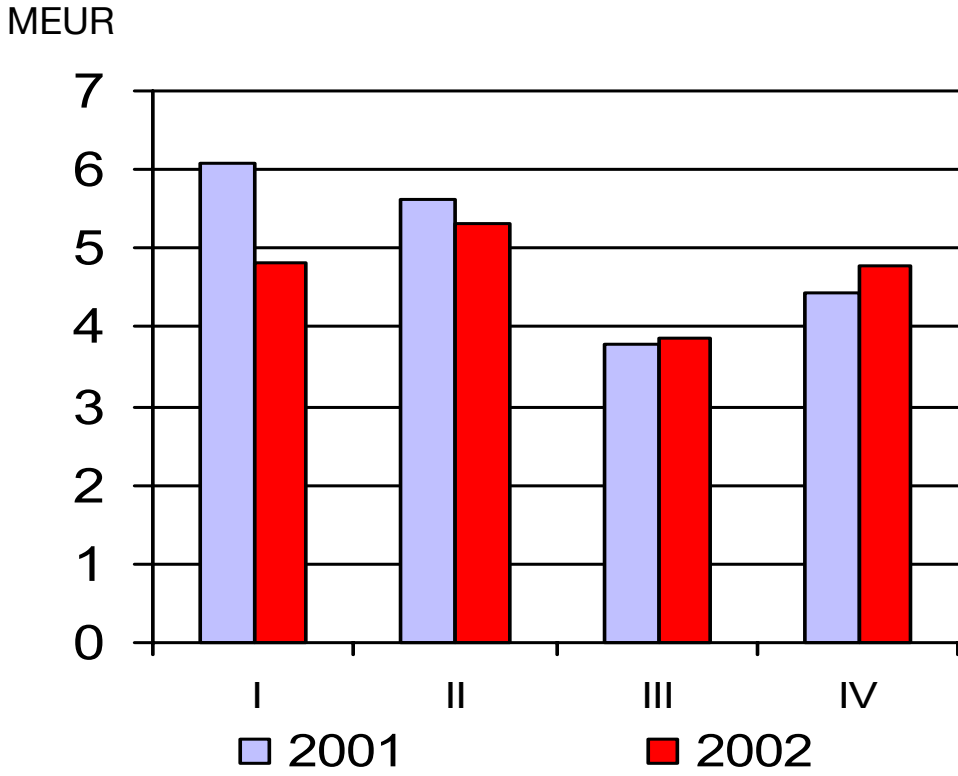
# Cast and Other Components, sales to power and transmission industries



# Cast and Other Components, sales to machine building industry



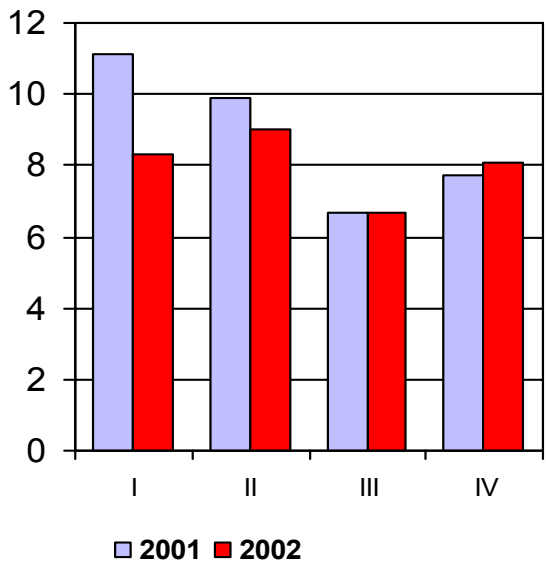
# Cast and Other Components, sales to off-road industry



# Other operations

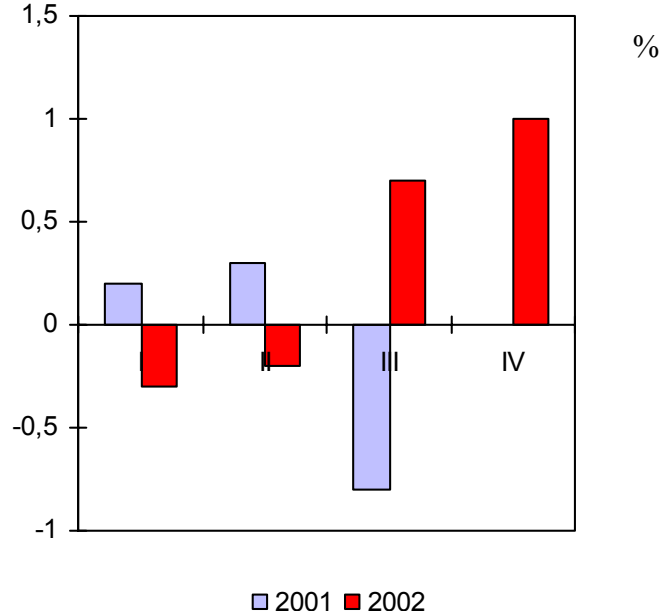
## Net sales

MEUR



## Operating profit

MEUR



## Other operations and associated companies

- Sales by Group's forges similar to previous year.
- Wirsbo unit was heavily loss-making; a streamlining restructuring programme started to correct prices and increase efficiency
- Share of results of associated companies MEUR 0.2 (MEUR - 0.5), better operating profit by Thermia and Ulefos NV improved result, exchange rate losses at Ulefos NV reduced result

## **Prospects for the near future**

- Manufacturers expected to continue to postpone decisions about investments in machinery and equipment
- Demand for components for heavy truck industry stopped falling in 2002
- Demand for wind generator components in Q1/03 maywell be weak, a seasonal trend; should pick up again in Q2/03
- Recovery in machine building industry delayed; demand expected to have stopped falling
- Off-road development should be positive at start of year

## **Prospects for the near future**

- Restructuring programme makes cost structure MEUR 1 lighter in Q1/03
- Q1/03 net sales expected to be similar to Q1/02 and operating profit expected to improve on Q1/02