

Casting Future **SOLUTIONS**

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Componenta Corporation Interim Report 1 January - 31 March 2013

Heikki Lehtonen
President and CEO

24 April 2013



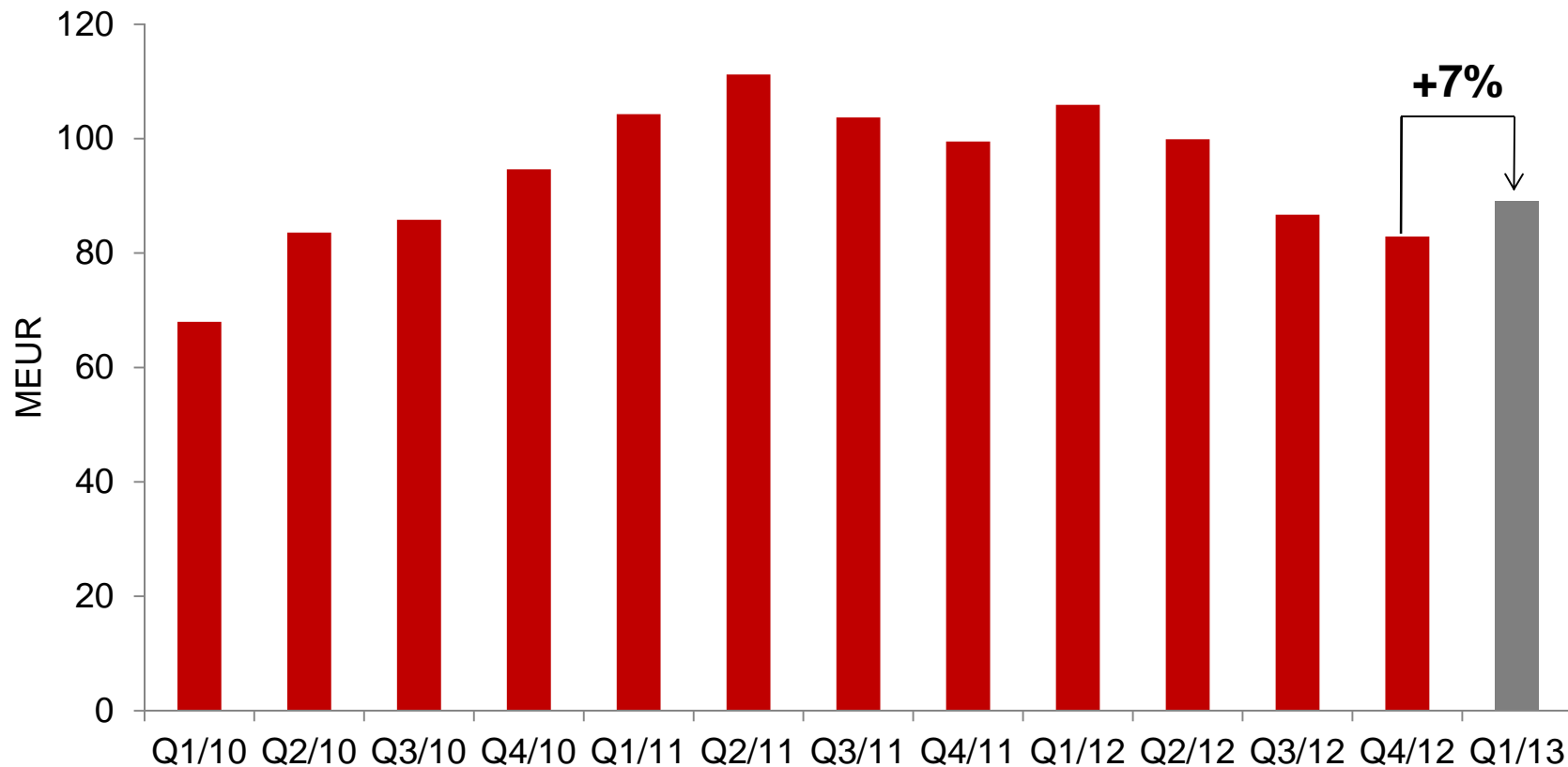
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Income statement

MEUR	Q1 2013	Q4 2012	Change
Order book	89	83	7%
Net sales	128	117	9%
EBITDA, excluding one-time items	8.2	0.9	n/m
Operating profit, excluding one-time items	3.8	-3.5	n/m
Financial income and expenses	-6.0	-5.9	1%
Result after financial items, excluding one-time items	-2.2	-9.5	77%
One-time items	-0.5	-7.4	93%
Net profit	-1.9	-16.4	88%
Earnings/share, excluding one-time items	-0.09	-0.47	81%
Cash flow from operations	-3.0	3.8	n/m
Capacity utilization rate, %	59	55	7%
Cash funds and committed un-used credit facilities	37	44	-15%

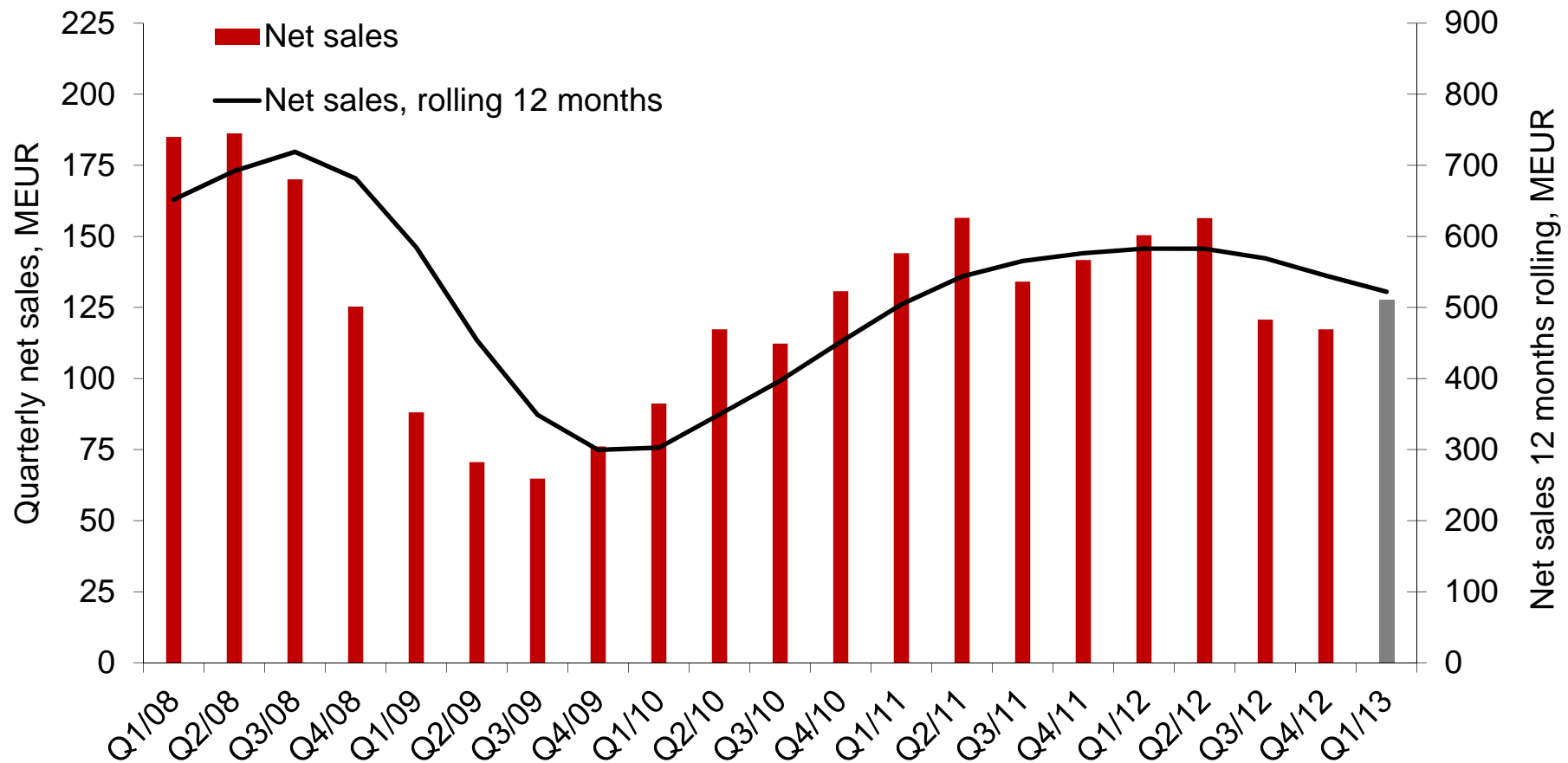
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Quarterly development of order book (incl. orders for next two months)



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Quarterly development of net sales 2008 - Q1 2013



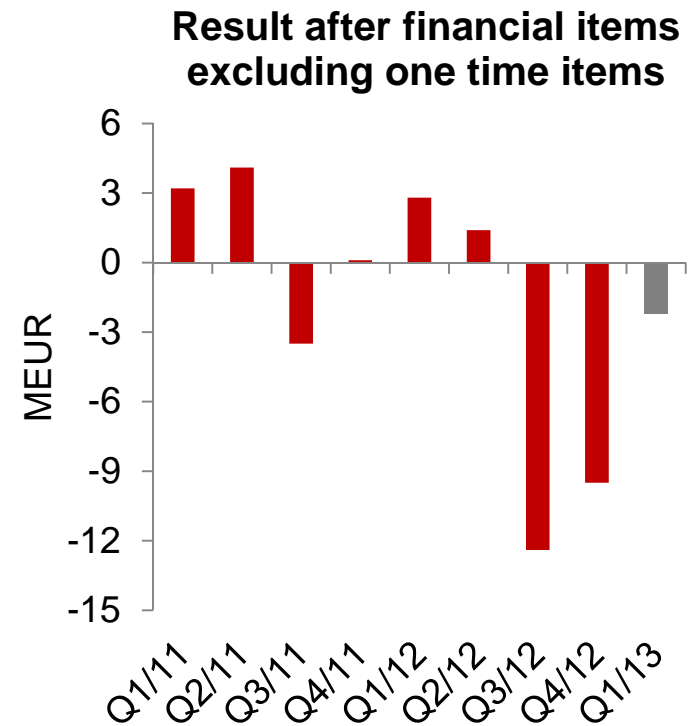
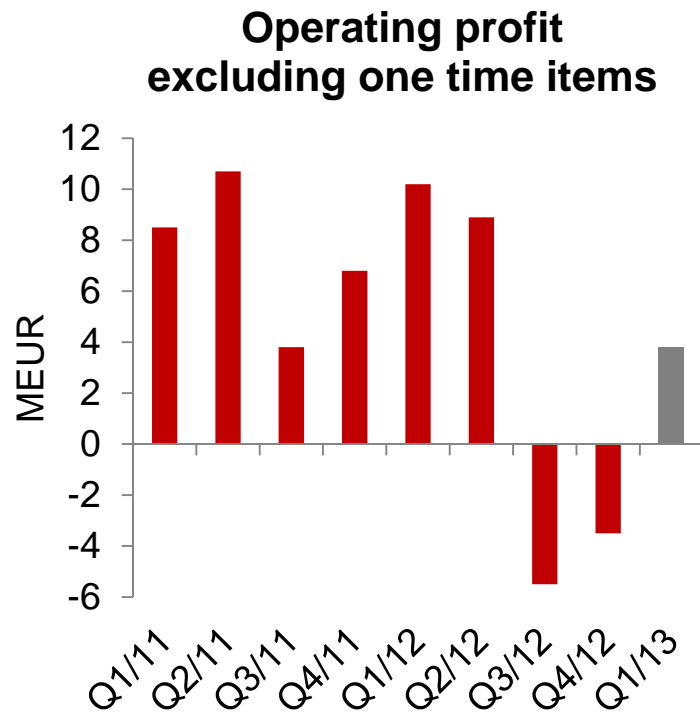
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Analysis of changes in income statements excluding one-time items Q1/2013 vs. Q4/2012

MEUR	Q1 2013	Q4 2012	Change
Net sales	127.7	117.3	9%
Value of production	130.4	113.4	15%
Materials	-53.9	-51.6	4%
Direct wages and external services	-29.0	-25.5	14%
Other variable and fixed costs	-39.3	-35.5	11%
Total costs	-122.2	-112.6	9%
EBITDA	8.2	0.9	811%

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



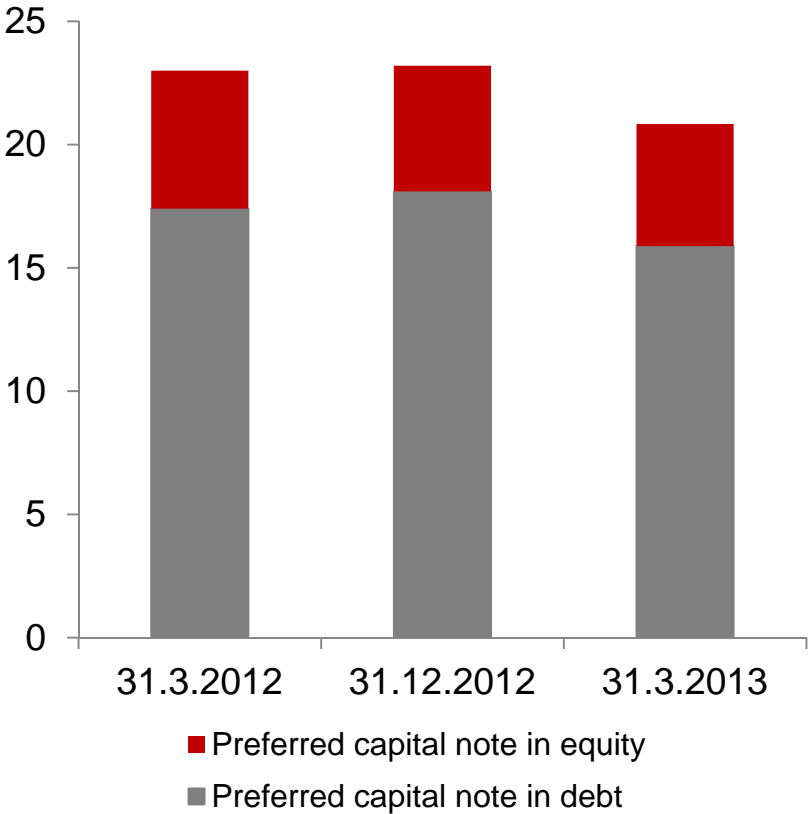
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Key ratios

MEUR	31.3.2013	31.12.2012	31.3.2012
Equity ratio, preferred capital note in equity, %	20.8	23.2	23.0
Return on equity, excluding one-time items, %	-7.2	-24.8	16.9
Return on equity, %	-9.7	-32.9	16.2
Return on investment, excluding one-time items, %	4.9	4.0	12.8
Return on investment, %	4.4	2.0	12.7
Net interest bearing debt, preferred capital note in equity, MEUR	224	213	177
Net gearing, preferred capital note in equity, %	228	200	159
Order book, MEUR	89	83	106
Investments in production facilities, MEUR	3.4	19.2	4.3
Personnel at the end of period, including leased personnel	4 313	4 277	4 790

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Equity ratio, %



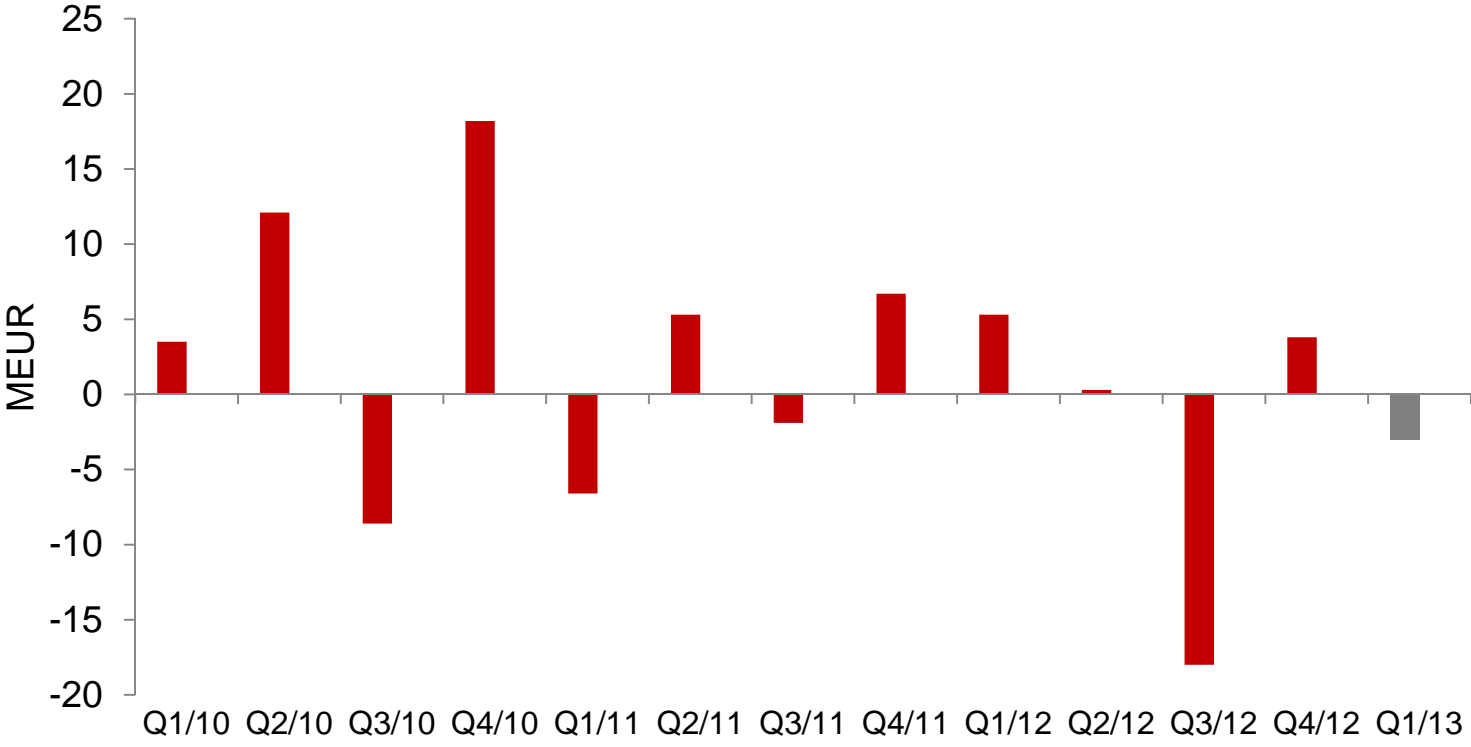
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Cash flow statement

MEUR	1-3/2013	1-3/2012
Cash flow from operations before change in net working capital, financing and taxes	6.8	13.7
Change in net working capital	-4.1	-4.3
Cash flow from operations before financing and taxes	2.8	9.3
Cash flow from operations	-3.0	5.3
Cash flow from investments	-3.8	-5.5
Cash flow from financing activities	-1.6	23.9
Change in liquid assets	-8.5	23.7

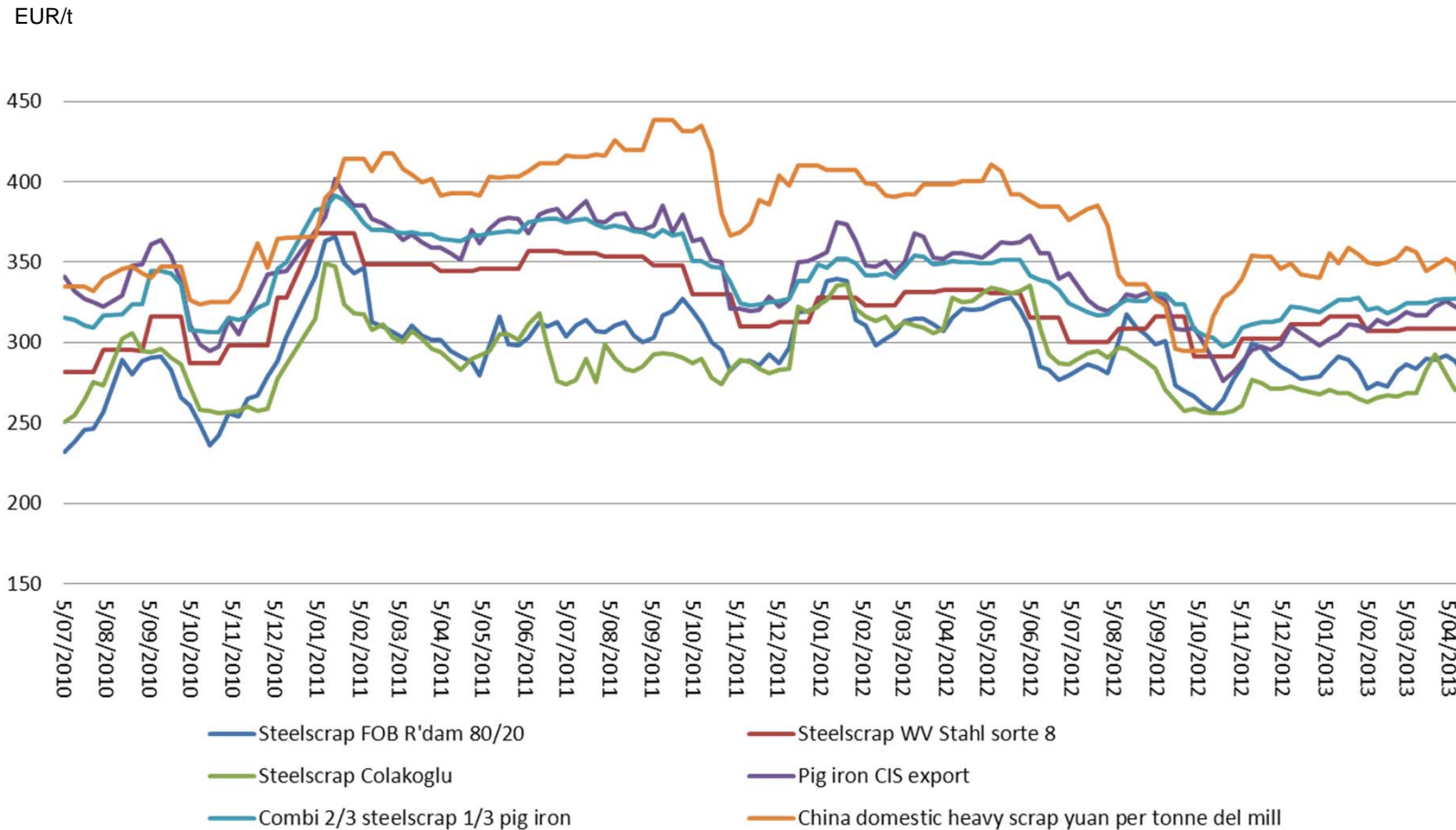
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Development of cash flow from operations



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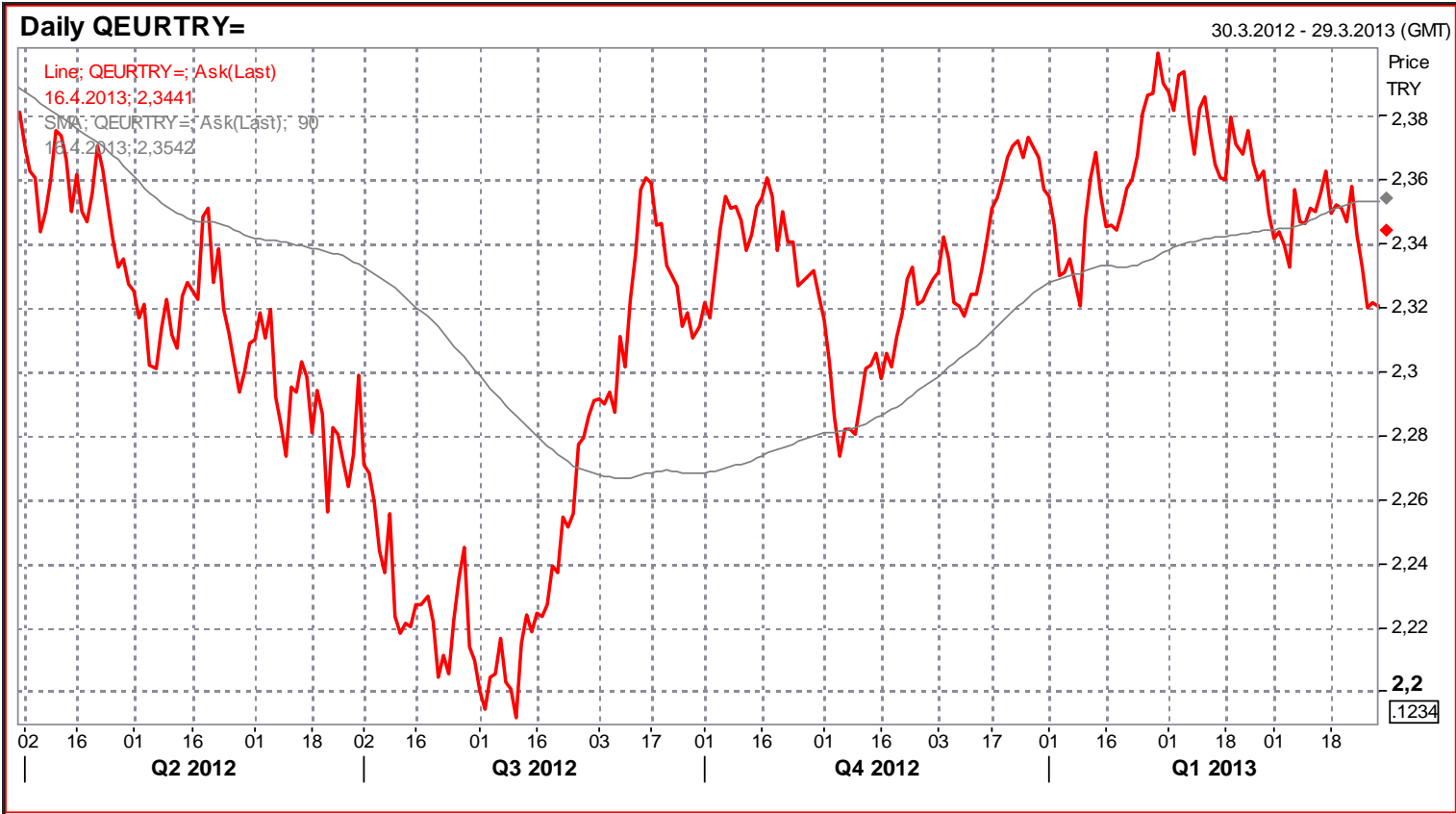
Pig iron and steel scrap indexes



Source: Reuters Metal Bulletin and WV Stahl

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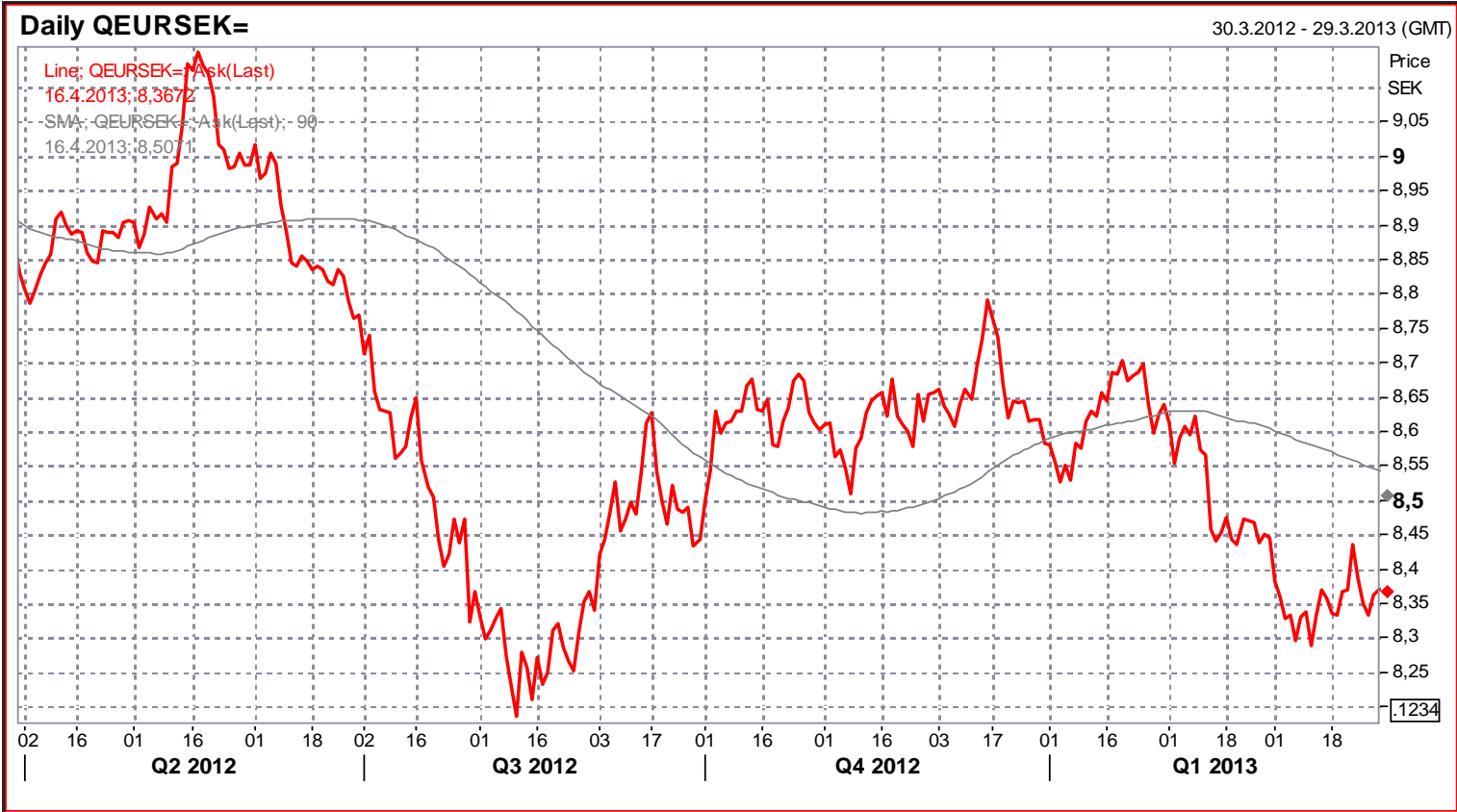
Development of exchange rates Turkish lira



Source: Reuters

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Development of exchange rates Swedish krona



Source: Reuters



Efficiency program 2012 - 2014

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Efficiency program to boost operations (1)

- Started in October 2012 targeting profitability improvement of EUR 25 million by the end of 2014.
- Some 60% of the savings affect the result already in 2013.

Country, unit	Q1 2013 actions	Total savings
1. TURKEY - Orhangazi foundry	Increase in productivity through renewed production management. Several improvements to products and processes have brought significant cost savings.	9 MEUR by the end of 2014, most already in 2013
2. NETHERLANDS - all units	Restructuring of the production units and increase in productivity in all production lines. Cut of 55 jobs.	5 MEUR, most already in 2013
3. SWEDEN - Främmestad machine shop	Arrangements for transferring long series products and construction work to expand Orhangazi machine shop started. Transfers mainly during Q4 2013 and Q1 2014.	3 MEUR by end of 2014, most in 2014

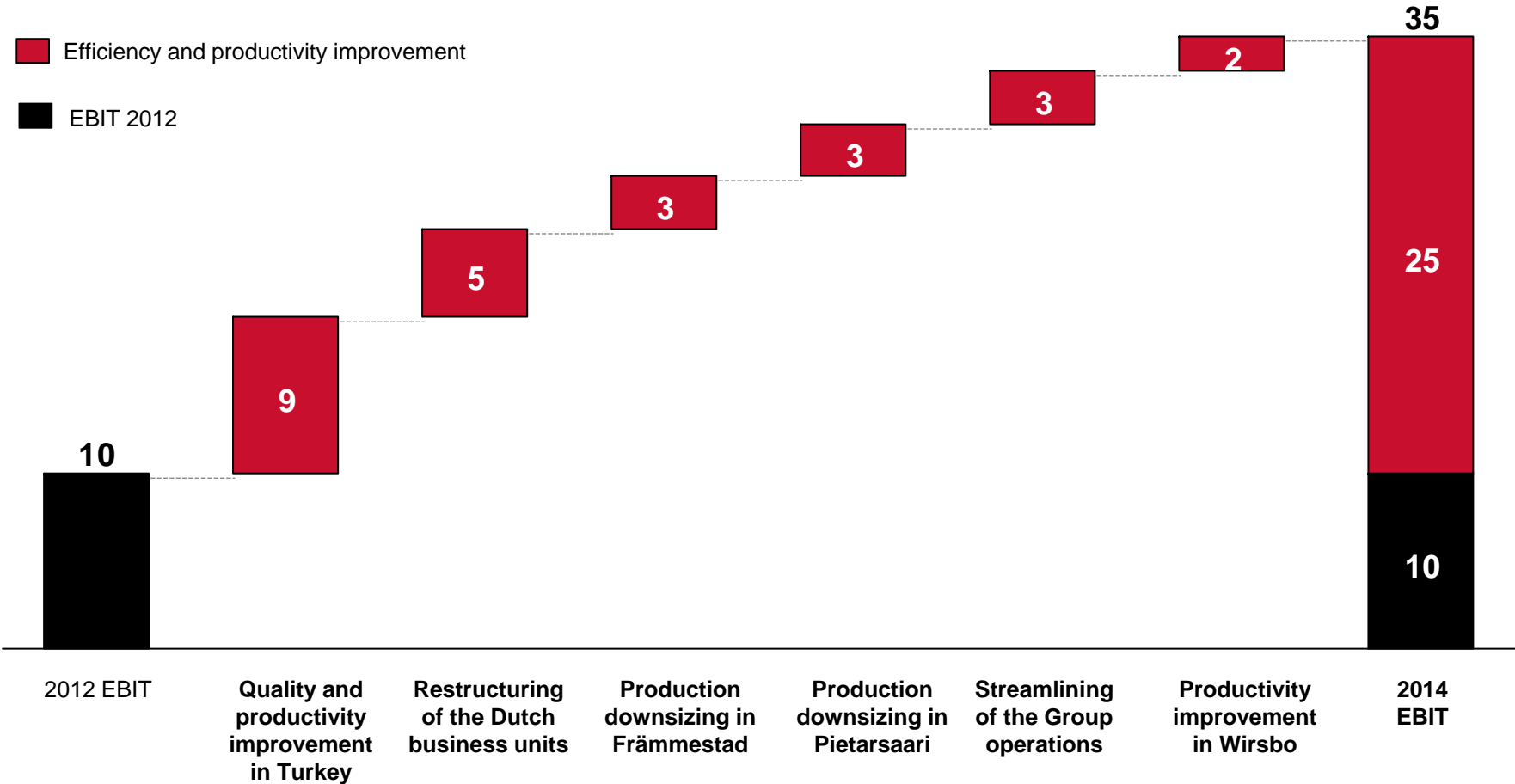
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Efficiency program to boost operations (2)

Country, unit	Q1 2013 actions	Total savings
4. FINLAND - Pietarsaari foundry	Product transfers to Orhangazi (Turkey) and Pori (Finland) foundries started because of the close down of the big DISA production line.	3 MEUR by the end of 2014, most in 2014
5. GROUP - administration, sales and engineering	Measures to improve the efficiency of the functions and cut fixed costs were completed.	3 MEUR in 2013
6. SWEDEN - Wirsbo forges	The running down of the forge in Smedjebacken and product transfers to Arvika started. Cut of 41 jobs.	2 MEUR in 2013

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Target of 25 MEUR result improvement

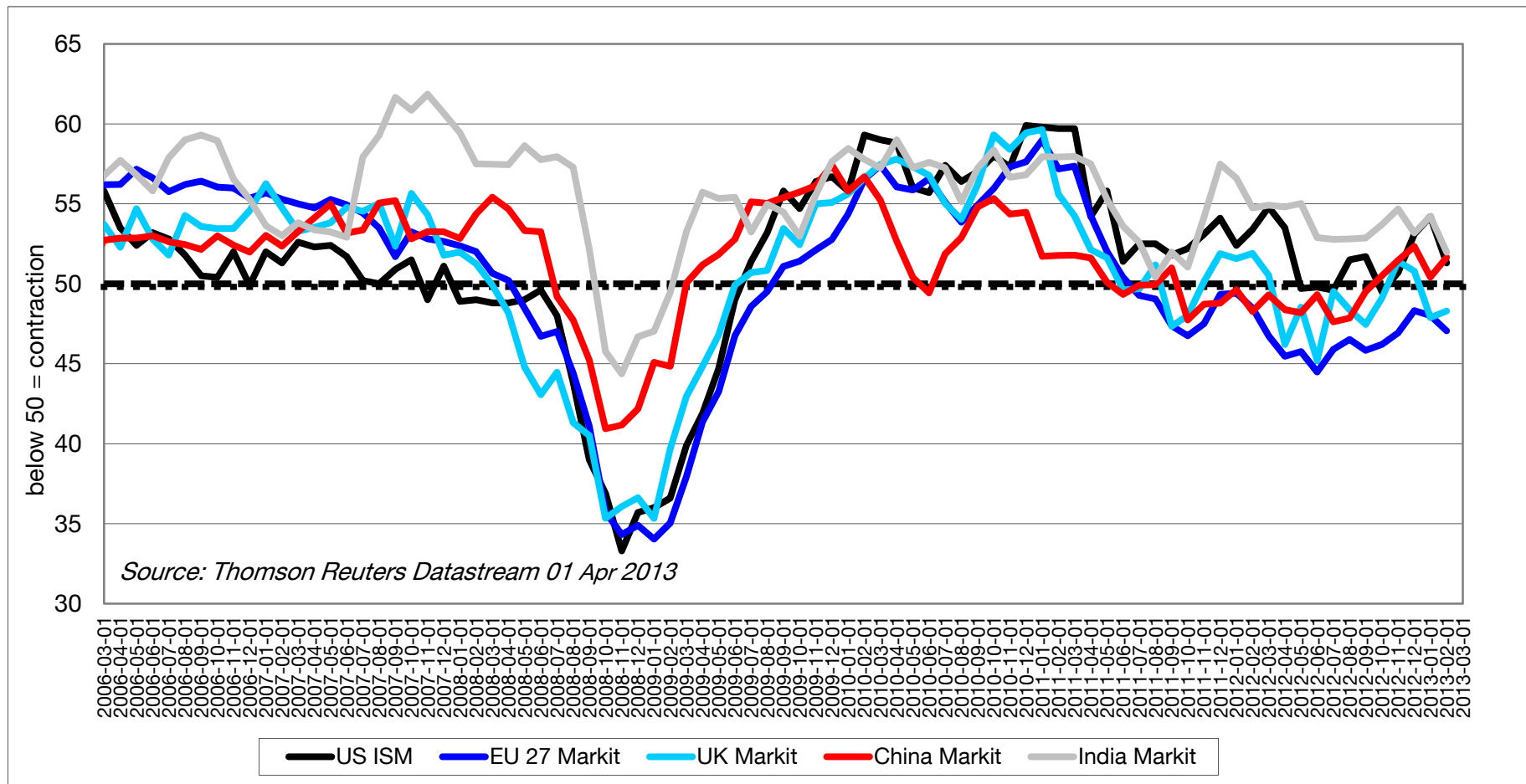




Indicators of economy

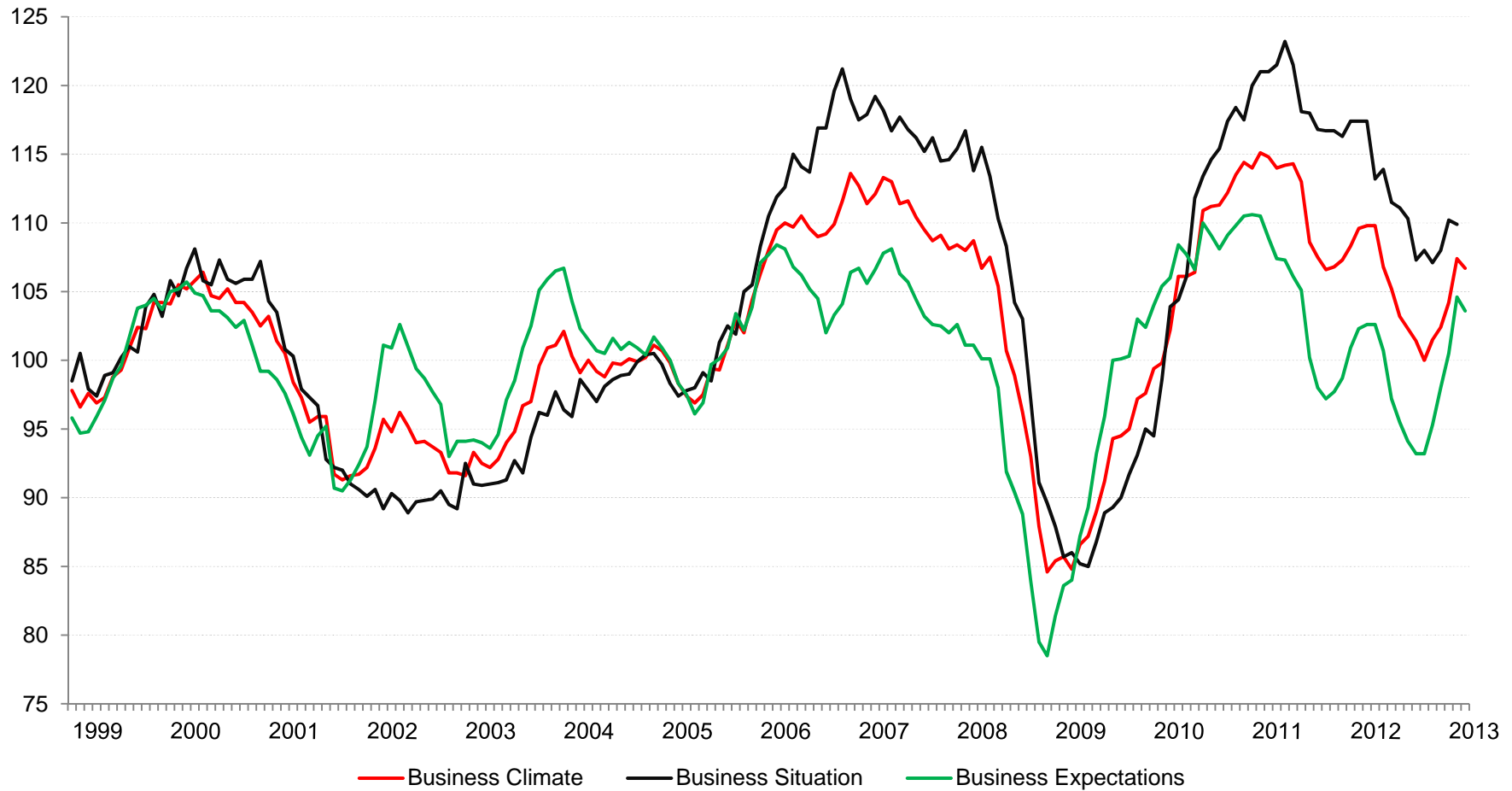
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Manufacturing Purchasing Manager Indices



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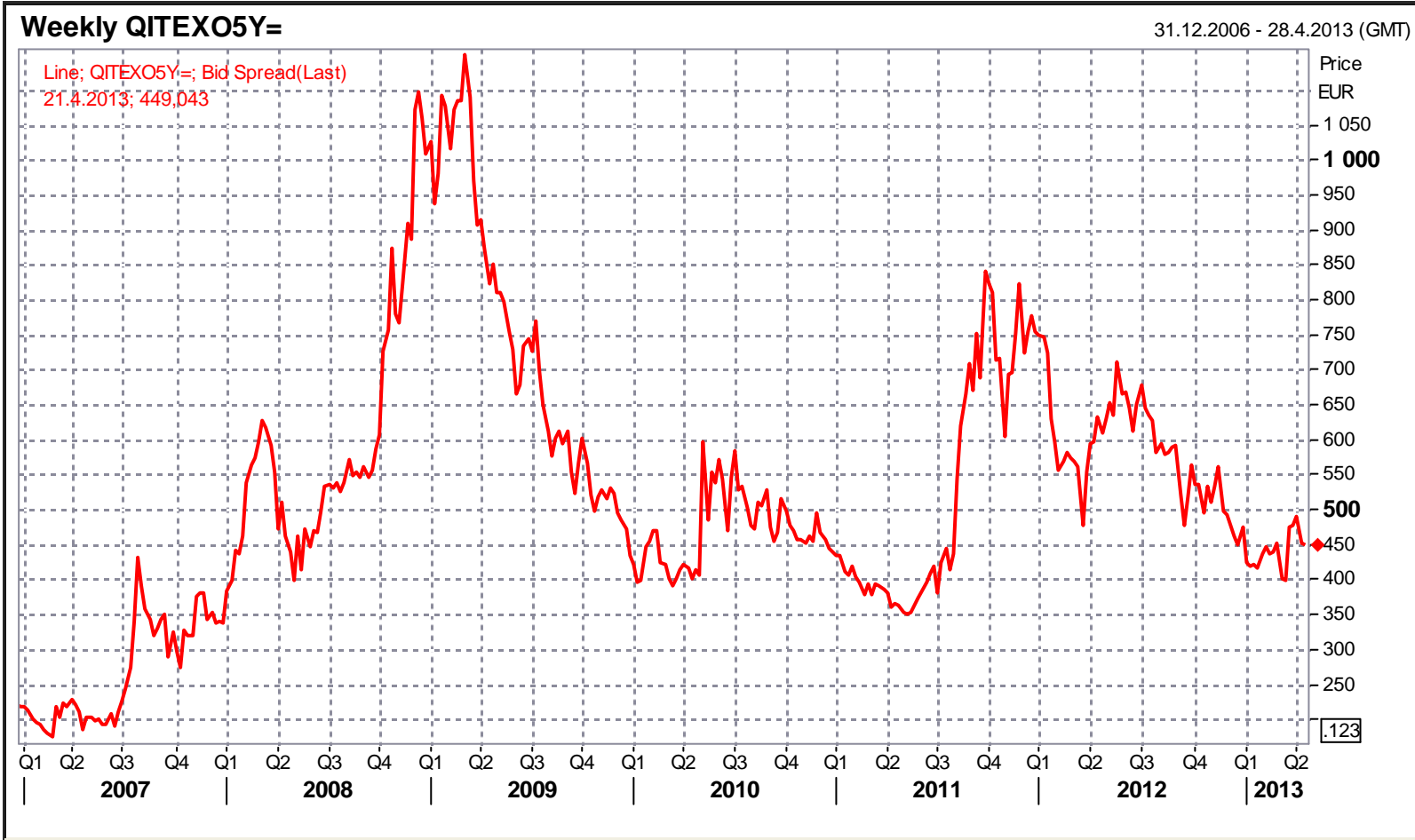
IFO expectations



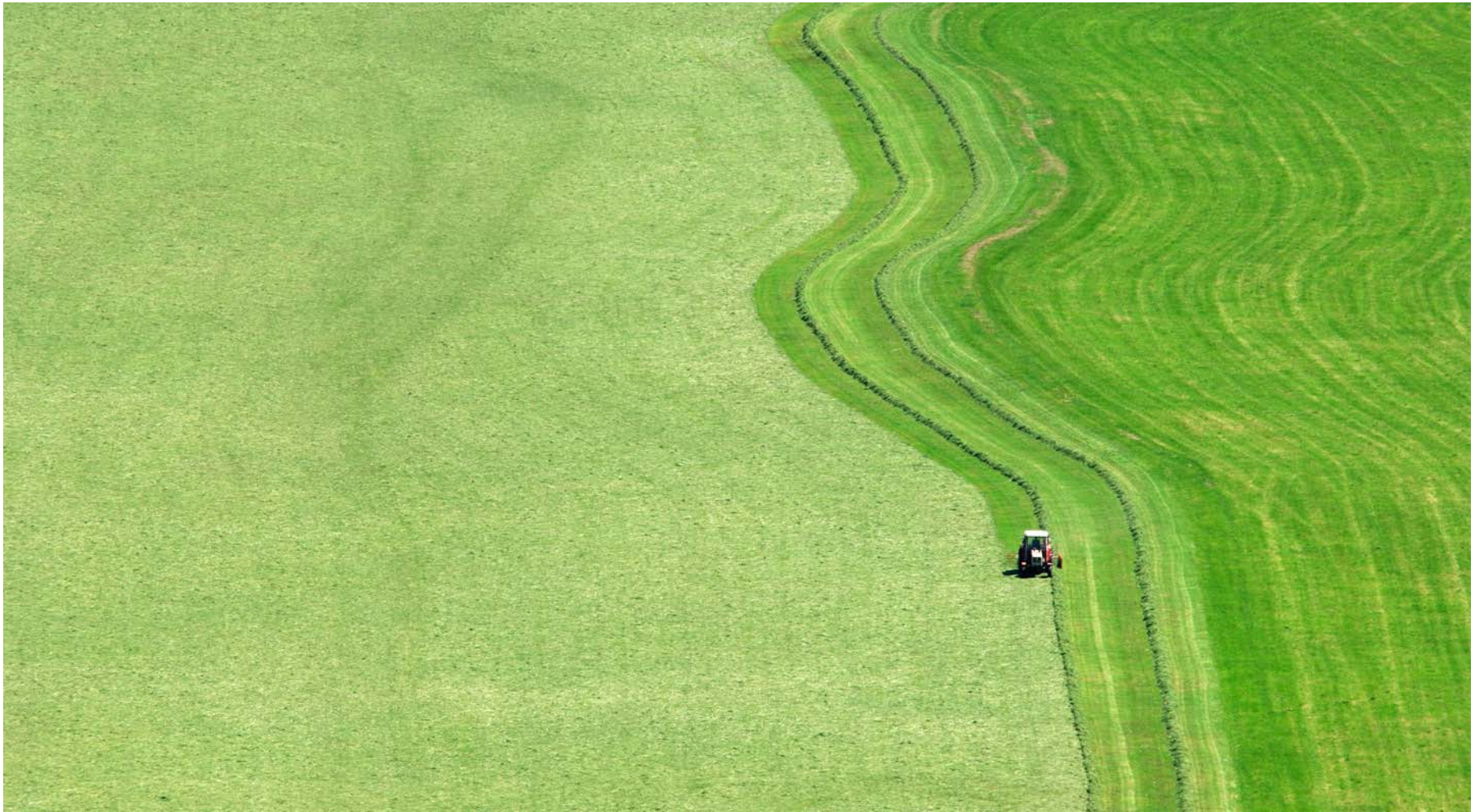
Source: IFO

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CDS index



Source: Reuters

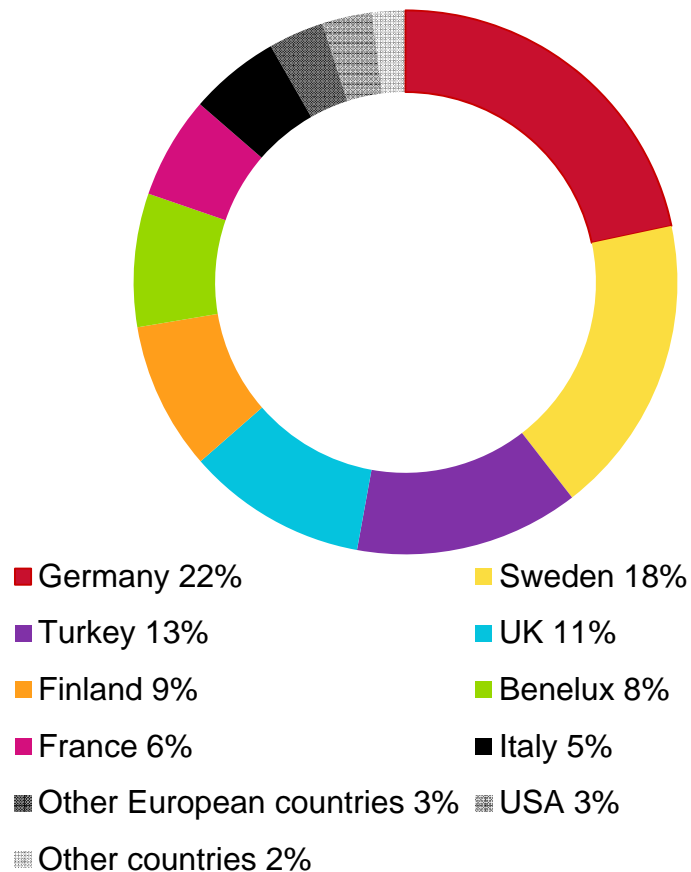


Development of sales and order book

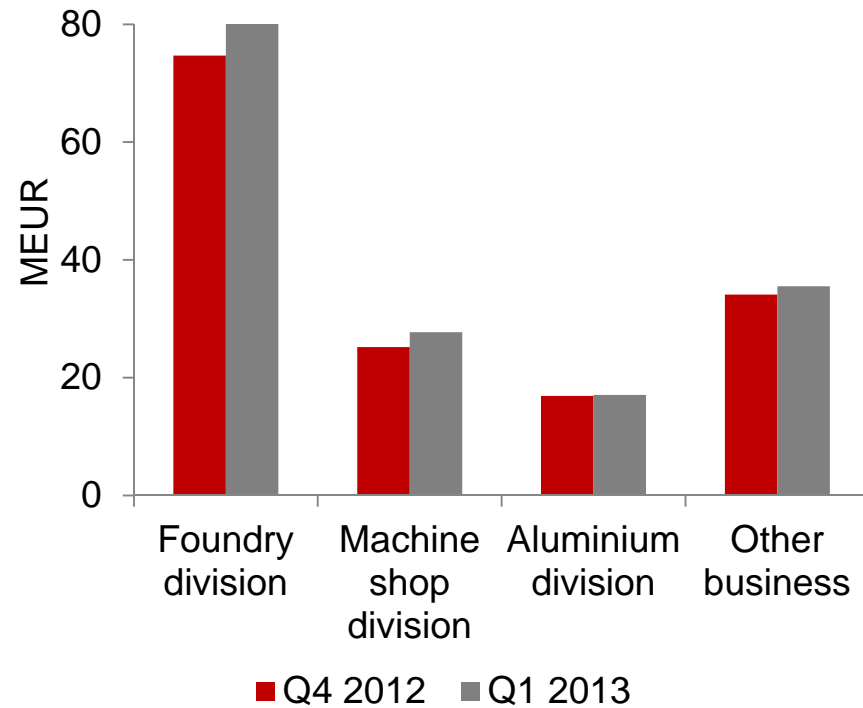
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Distribution of sales

Sales by market area Q1 2013



Sales by business segment
Q4 2012 vs. Q1 2013



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Sales by customer industry Q1 2013



**Heavy
Trucks**

29%

(26%)

**Construction
and Mining**

20%

(23%)

**Machine
Building**

18%

(18%)

**Agricultural
Machinery**

19%

(18%)

Automotive

14%

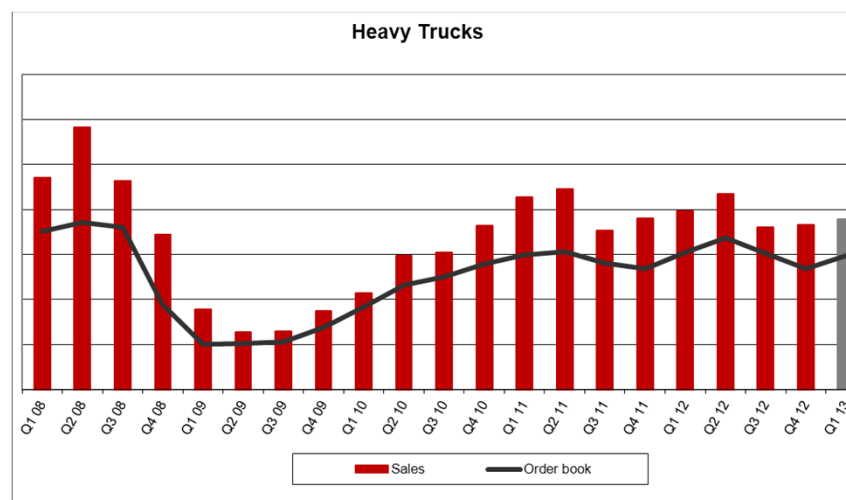
(14%)

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Development of sales and order book in Heavy Trucks industry

Order book
Q1/2013 vs. Q4/2012

+11%



Sales to

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Heavy Trucks industry

Q1/2013 vs. Q4/2012

+4%

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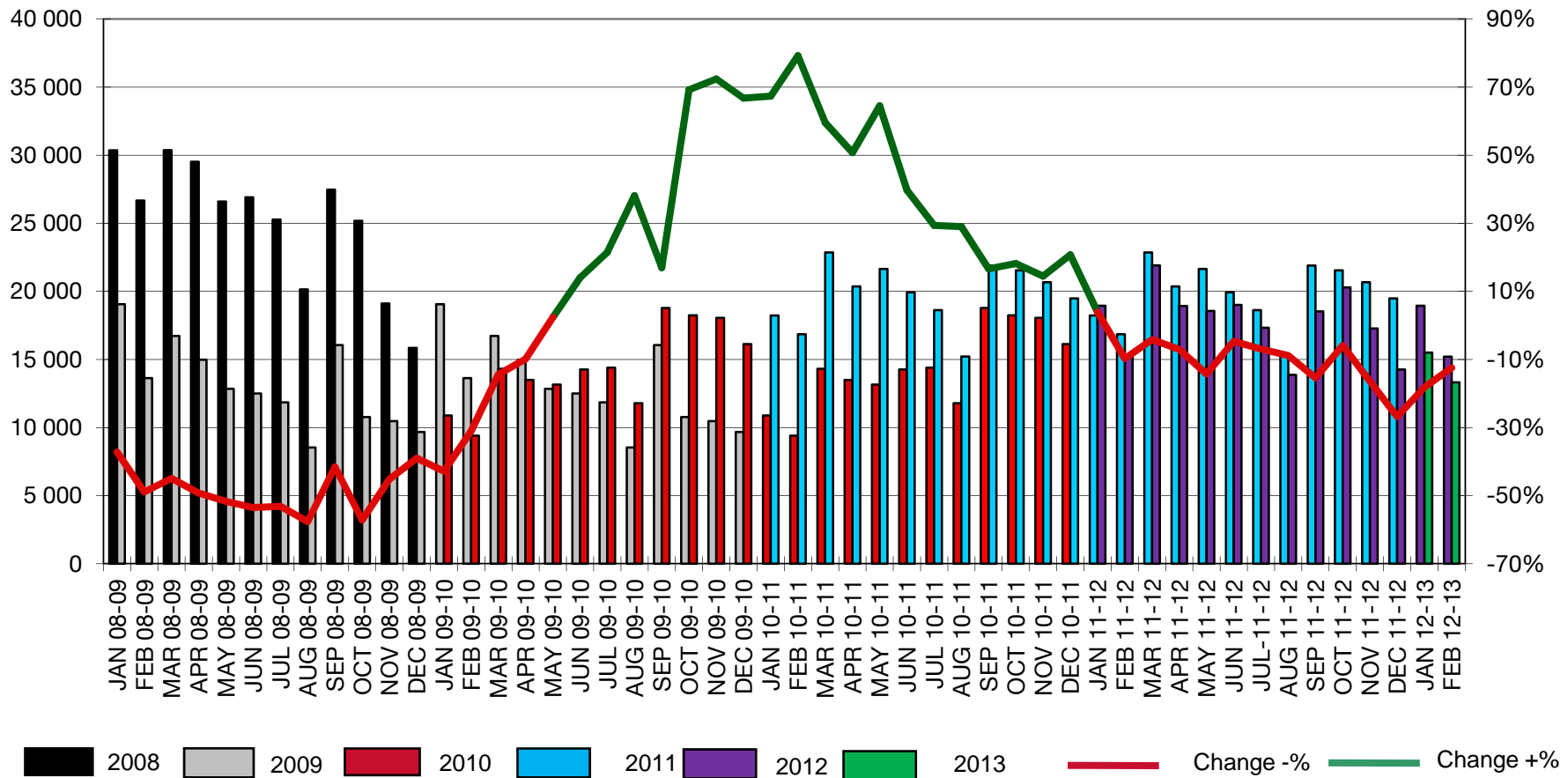
Development of supply chain in Heavy Trucks industry



Source: Volvo website, ACEA

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Registrations of new heavy trucks in Europe (EU27)

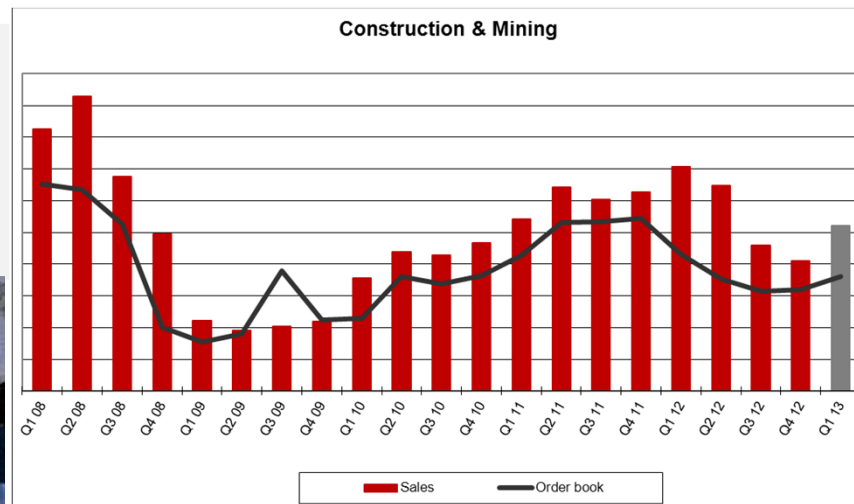


Source: ACEA

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Development of sales and order book in Construction and Mining industry

Order book
Q1/2013 vs. Q4/2012
+13%



Sales to **”**

Construction and Mining industry

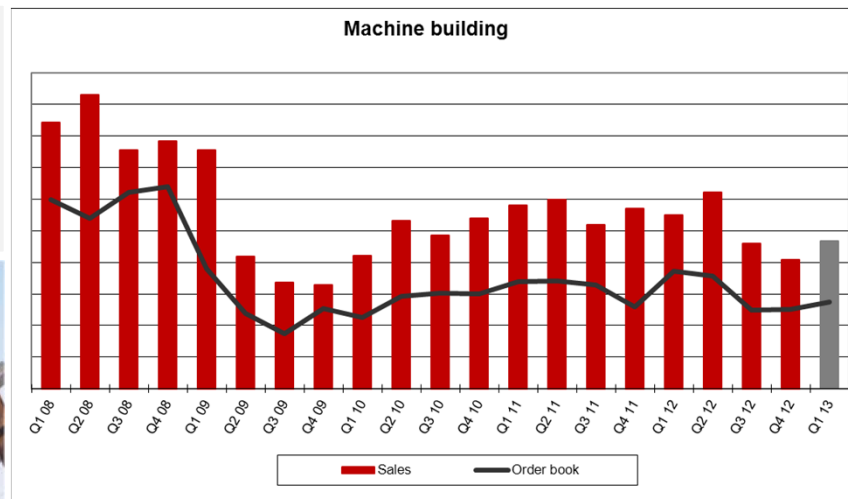
Q1/2013 vs. Q4/2012

+27%

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Development of sales and order book in Machine Building industry

Order book
Q1/2013 vs. Q4/2012
+9%



Sales to

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Machine Building industry

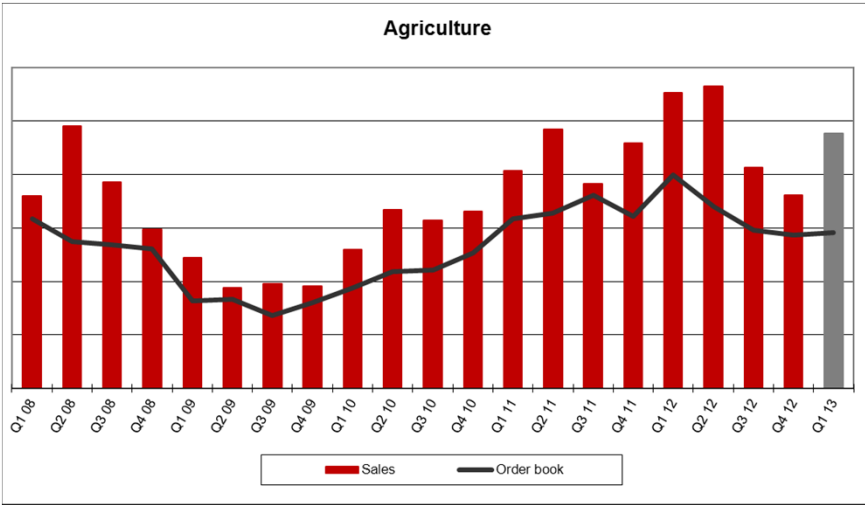
Q1/2013 vs. Q4/2012

+14%

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Development of sales and order book in Agricultural Machinery industry

Order book
Q1/2013 vs. Q4/2012
+1%



Sales to **”**

Agricultural Machinery industry

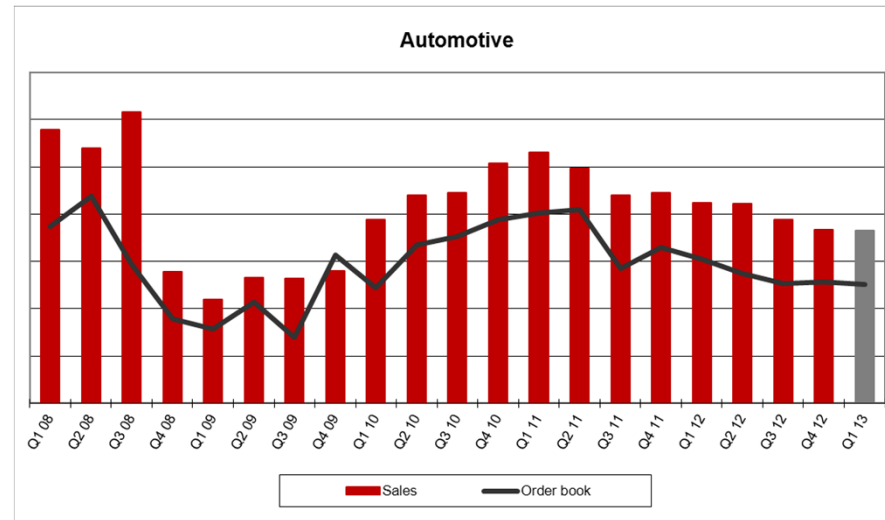
Q1/2013 vs. Q4/2012

+32%

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Development of sales and order book in Automotive industry

Order book
Q1/2013 vs. Q4/2012
-2%



Sales to

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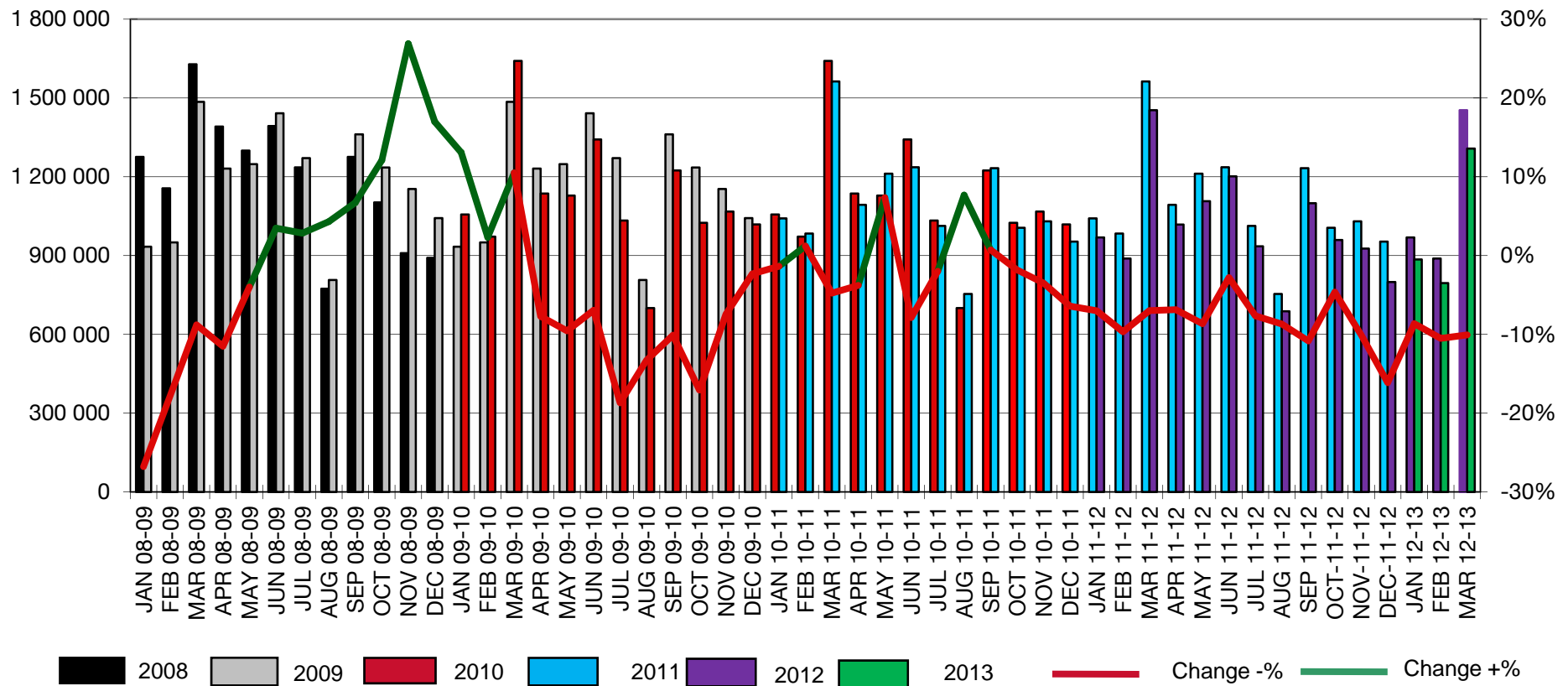
Automotive industry

Q1/2013 vs. Q4/2012

0%

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Registrations of new passenger cars in Europe (EU27)



Source: ACEA

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Offers and new sales



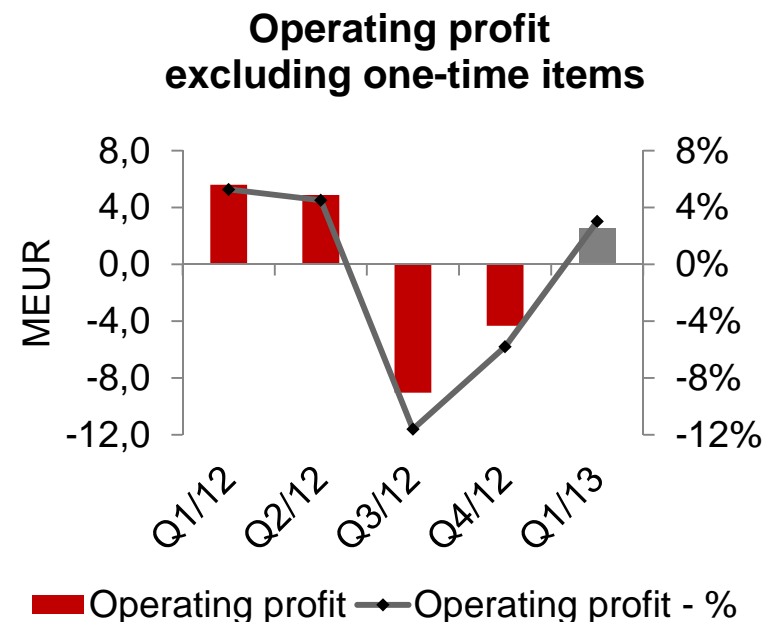
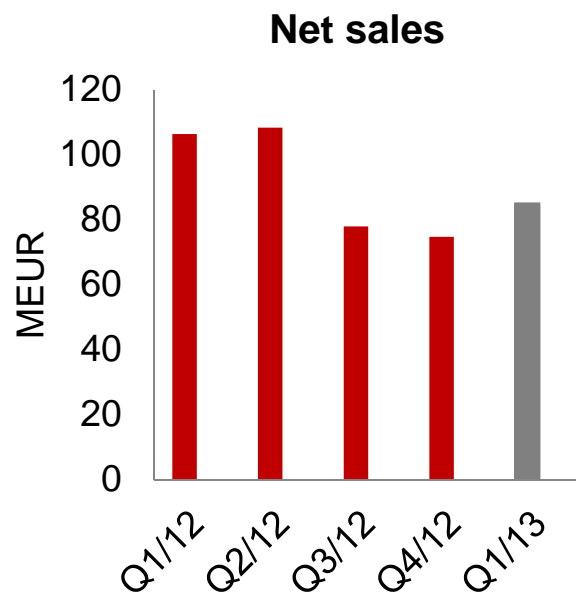
- The offers submitted by the Group were higher than during the past three years.
- Componenta's new sales has started as expected in 2013.



Development of business segments

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Development of Foundry division

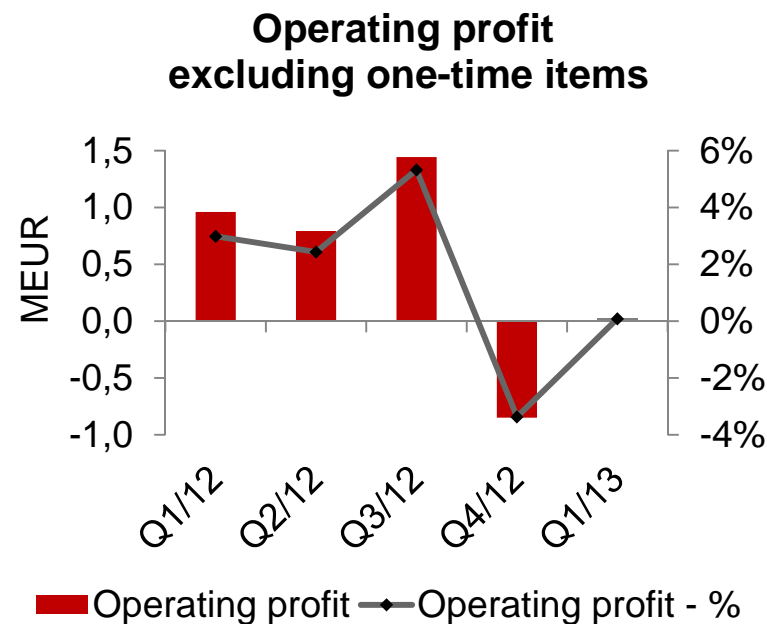
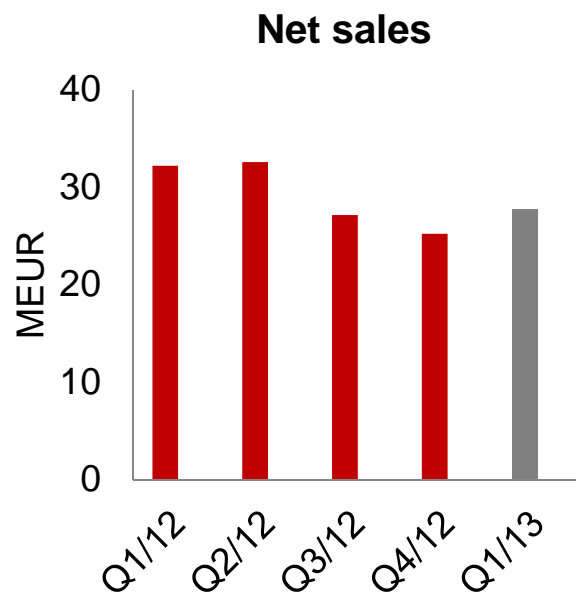


MEUR	Q1 2013	Q4 2012	Change
Order book	58.7	55.6	5%
Net sales	85.0	74.7	14%
Operating profit	2.6	-4.3	159%
Personnel	2,818	2,835	-1%

- Foundry division net sales rose 14% during the first quarter compared to the previous quarter.
- Operating profit increased clearly from the previous quarter due to higher volumes and improved productivity.

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Development of Machine shop division

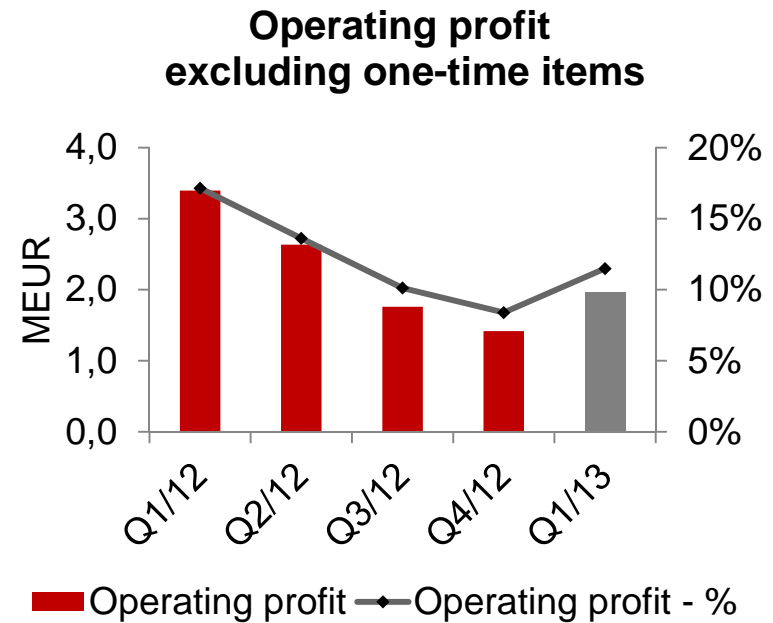
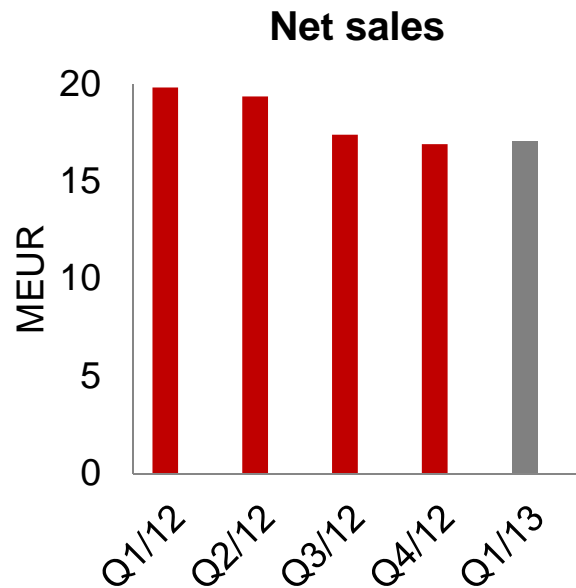


MEUR	Q1 2013	Q4 2012	Change
Order book	20.4	18.7	9%
Net sales	27.7	25.2	10%
Operating profit	0.0	-0.8	103%
Personnel	372	357	4%

- Machine shop division net sales rose 10% during the first quarter, compared with the previous quarter.
- Previous quarter operating loss turned positive during the first quarter of 2013.

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Development of Aluminium division



MEUR	Q1 2013	Q4 2012	Change
Order book	12.4	12.1	2%
Net sales	17.1	16.9	1%
Operating profit	2.0	1.4	38%
Personnel	671	674	0%

- Aluminium division net sales rose 1% from the previous quarter.
- Operating profit increased 38% on Q1/2013 from the previous quarter mainly due to better efficiency.



Prospects 2013

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Business environment 2013



Demand outlook uncertain



Order book for Componenta's Heavy Trucks customer sector was 11% higher than at the end of the review period than in the previous quarter.

Demand for heavy trucks is expected to grow from the second quarter onwards.

Demand prospects in the heavy truck industry for 2013 are, however, uncertain.



Demand outlook uncertain



The order book for Componenta's Construction and Mining customer sector was 13% higher at the end of the review period than in the previous quarter.

Demand for construction and mining machinery is expected to grow during the second half of 2013.

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Business environment 2013



Demand outlook uncertain



Order book for Componenta's Machine Building customer sector was 9% higher at the end of the review period than in the previous quarter.

Prospects for 2013 in the machine building industry are uncertain.



Demand outlook uncertain



The order book for Componenta's Agricultural machinery customer sector was 1% higher at the end of the review period than in the previous quarter.

Demand for agricultural machinery is expected to pick up in the first half of 2013.



Demand outlook uncertain



The order book for Componenta's Automotive customer sector was 2% lower at the end of review period than in the previous quarter.

Demand in the automotive industry declined 10% in Europe during the first quarter, compared to the same period in 2012.

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Prospects for Componenta in 2013

- The prospects for Componenta in 2013 are based on general external economic indicators, delivery forecasts given by customers, and on Componenta's order intake and order book.
- The continuing uncertainty in the European and global economy has weakened demand for investments in Componenta's customer sectors. Componenta's order book at the end of review period was EUR 89 million (EUR 83 million at the end of the previous quarter).
- Based on the order book and production forecasts given by customers, Componenta's net sales in the second quarter of 2013 will grow from the first quarter.
- Full year prospects remain unchanged. Year 2013 net sales are expected to remain at the same level as in the previous year. In consequence of the structural efficiency measures being carried out, the operating profit excluding one-time items is expected to improve from the previous year.



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