



# Interim Review 1.1.–31.3.2023

Fortaco Group Holdco Plc (3281147-3)

The background of the lower half of the page is a black and white photograph of industrial machinery, possibly a conveyor belt or a large fan, with a prominent yellow curved structure. The word "FORTACO" is printed in white, bold, uppercase letters in the bottom left corner of this section.

**FORTACO**

## Interim Review January-March 2023

Unaudited, IFRS

### Net sales and profitability developing positively during the period

Figures in parentheses refer to the corresponding period of the previous year, unless otherwise stated.

#### Highlights: January-March 2023

- Net sales was EUR 96.1 million (comparable net sales growth 31.1%).
- Recurring EBITDA was EUR 8.2 million (8.5% of net sales, comparable growth in recurring EBITDA 55.9%). EBITDA was EUR 7.4 million (7.7% of net sales).
- Recurring EBITA was EUR 5.7 million (5.9% of net sales, comparable growth in recurring EBITA 98.3%). EBITA was EUR 4.9 million (5.1% of net sales).
- Net debt was EUR 51.3 million and net debt to comparable recurring EBITDA 1.9x.
- Order intake during the review was good, with the order book at the end of the review period growing moderately compared to the end of 2022.
- Profitability was supported by price increases corresponding to high cost inflation. The price increases were made effective during the review period.
- During the review period Fortaco established Zero Emission Solutions business, which offers new solutions and services to the customers.
- Capacity expansion investment in Holic, Slovakia was progressing as planned.

## Key Figures

### Fortaco Group key financials

MEUR, IFRS	1-3/23	1-3/22	Change %	1-12/22**	Last 12 months
<b>Reported</b>					
Net sales	96.1	N/A	N/A	94.9	N/A
EBITDA	7.4	N/A	N/A	0.6	N/A
<i>% of net sales</i>	7.7%	N/A	N/A	0.7%	N/A
EBITA	4.9	N/A	N/A	-2.0	N/A
<i>% of net sales</i>	5.1%	N/A	N/A	-2.1%	N/A
Non-recurring items	0.8	N/A	N/A	4.5	N/A
Recurring EBITDA	8.2	N/A	N/A	5.1	N/A
<i>% of net sales</i>	8.5%	N/A	N/A	5.4%	N/A
Recurring EBITA	5.7	N/A	N/A	2.5	N/A
<i>% of net sales</i>	5.9%	N/A	N/A	2.6%	N/A
<b>Comparable*</b>					
Comparable net sales	96.1	73.3	31.1%	332.4	355.3
Comparable EBITDA	7.4	4.9	50.3%	22.8	25.3
<i>% of net sales</i>	7.7%	6.7%		6.9%	7.1%
Comparable EBITA	4.9	2.5	92.9%	13.0	15.3
<i>% of net sales</i>	5.1%	3.4%		3.9%	4.3%
Comparable non-recurring items	0.8	0.3	138.6%	1.8	2.3
Comparable recurring EBITDA	8.2	5.3	55.9%	24.7	27.6
<i>% of net sales</i>	8.5%	7.2%		7.4%	7.8%
Recurring EBITA	5.7	2.9	98.3%	14.8	17.6
<i>% of net sales</i>	5.9%	3.9%		4.5%	5.0%
<b>Balance sheet ratios</b>					
Return on Capital Employed % (ROCE)	15.4%	N/A	N/A	10.1%	
Equity ratio, %	24.4%	N/A	N/A	24.3%	
Net debt	51.3	N/A	N/A	52.0	
Net gearing	89.2%	N/A	N/A	93.0%	
Net debt / comparable recurring EBITDA	1.9x	N/A	N/A	2.1x	

\*) Figures are referring to the comparable financials of the Group, which are based on the full year 2022 financials of the acquired Fortaco Group.

\*\*\*) Period 12.4.2022-31.12.2022 for reported figures

## Guidance for 2023

For 2023, net sales are expected to be higher than EUR 350 million (comparable net sales in 2022: EUR 332.4 million) and recurring EBITDA higher than comparable recurring EBITDA in 2022 (comparable recurring EBITDA in 2022: EUR 24.7 million).

## Lars Hellberg, President & CEO comments

The first quarter of 2023 remained positive for us. Our customers' good order intake was reflected in our business, which continued on a healthy level throughout the first quarter. Recently, we managed to win new customers and products in, for example, the defense industry. New businesses are now in the implementation phase, contributing to the increasing net sales outlook in 2023. Our net sales also increased by approximately 30 percent, compared to the same period in 2022.

At the end of the last year, we managed to transfer essentially all extraordinary cost increases related to energy and salary to our customer contracts. We also continued the geographical regionalization of our business. Our customers are increasingly focused on Europe, Asia, and the United States. Our strategic ambition is to actively increase offerings to the US market, and therefore we have assigned a specific business development team to explore our GoWest strategy.

Among our customer segments, the mining industry continued to be strong, but the marine, offshore and energy markets remained at a disappointingly low level. Demand in the container handling, forestry, and material handling segments was at a stable level. We see strong growth opportunities, especially in the defense sector.

Our new business area, Zero Emission Solutions, focuses, among other things, on the development of fossil-free steel applications and components for customers. It also offers solutions for integrated thermal management, both for the air conditioning of operator cabins and the charging of electric vehicle batteries. In addition, we are exploring opportunities for charging on-grid, as well as off-grid solutions, in close cooperation with professional OEMs (Original Equipment Manufacturers).

Our investment in additional capacity at Business Site Holic in Slovakia, is progressing at full speed. Our partnership with Buisard Cabins is maturing and more business opportunities are in the pipeline. The SAP S4/Hana -project is progressing as planned. The definition phase of "One Fortaco" business processes will be completed in the third quarter, and the first planned deployment will take place in January 2024.

We employ almost 2,500 people in eight different countries. The availability of skilled labor is currently challenging, and there is a shortage of welders and machine operators in particular. During the current year, we will strengthen our competence in terms of sustainable development in order to enhance measures to reduce global warming by 1.5 degrees.

Despite uncertainties in the global situation, we have a healthy business outlook for 2023. Our strategy is to grow both organically and inorganically and continue offering added value products and solutions to our customers internationally.

## Consolidated statement of comprehensive income

MEUR	1.1. - 31.3.2023	12.4. - 31.12.2022
<b>NET SALES</b>	<b>96.1</b>	<b>94.9</b>
Other operating income	0.2	1.1
Change in inventories of finished goods and work in progress	-6.6	-19.6
Work performed for own purposes and capitalised	0.2	0.1
Material and services	-53.8	-45.6
Employee benefits expenses	-19.6	-18.2
Other operating expenses	-9.1	-12.1
Depreciation and amortisation	-3.4	-3.7
<b>OPERATING PROFIT</b>	<b>4.0</b>	<b>-3.1</b>
Finance income and expenses	-2.7	-3.3
Share of profit accounted for using the equity method	0.1	0.4
<b>RESULT BEFORE TAXES</b>	<b>1.4</b>	<b>-6.0</b>
Income taxes	0.0	-0.8
<b>RESULT FOR THE REPORTING PERIOD</b>	<b>1.4</b>	<b>-6.8</b>
<b>Attributable to</b>		
Owners of the parent company	1.4	-6.8
Non-controlling interests	0.01	0.01
	1.4	-6.8
<b>Earnings per share from the profit/-loss attributable to the shareholders of the company</b>		
The number of shares issued	1,000	1,000
Earnings per share, basic, EUR	1,376.7	-6,829.0
<b>Other comprehensive income</b>		
<b>Items that may be subsequently reclassified to profit or loss</b>		
Currency translation differences related to a foreign operation	0.2	0.7
<b>Items that may be subsequently reclassified to profit or loss, total</b>	<b>0.2</b>	<b>0.7</b>
<b>TOTAL COMPREHENSIVE INCOME</b>	<b>1.6</b>	<b>-6.2</b>
<b>Total comprehensive income attributable to</b>		
Owners of the parent company	1.5	-6.2
Non-controlling interests	0.01	0.01
	1.6	-6.2

## Consolidated statement of financial position

MEUR	31.3.2023	31.12.2022
<b>ASSETS</b>		
<b>NON-CURRENT ASSETS</b>		
Intangible assets	36.8	37.3
Goodwill	0.3	0.3
Property, plant and equipment	63.7	62.9
Right-of-use assets	6.5	6.5
Investments in associated companies	8.0	7.9
Non-current trade and other receivables and financial assets	13.8	0.8
Deferred tax assets	5.1	5.1
<b>TOTAL NON-CURRENT ASSETS</b>	<b>134.1</b>	<b>120.7</b>
<b>CURRENT ASSETS</b>		
Inventories	46.0	43.9
Trade and other receivables	25.7	33.6
Contract assets	1.9	3.5
Tax receivable, income tax	0.1	0.1
Cash and cash equivalents	27.3	28.2
<b>TOTAL CURRENT ASSETS</b>	<b>101.0</b>	<b>109.3</b>
<b>TOTAL ASSETS</b>	<b>235.2</b>	<b>230.0</b>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity attributable to the owners of the parent company</b>		
Share capital	0.1	0.1
Invested unrestricted equity fund	61.9	61.9
Currency translation difference	0.8	0.7
Retained earnings	-5.4	-6.8
<b>Total equity attributable to owners of the parent company</b>	<b>57.4</b>	<b>55.8</b>
<b>Non-controlling interests</b>	<b>0.1</b>	<b>0.1</b>
<b>TOTAL EQUITY</b>	<b>57.5</b>	<b>55.9</b>
<b>NON-CURRENT LIABILITIES</b>		
Deferred tax liabilities	8.7	8.8
Interest-bearing liabilities	71.3	73.1
Other liabilities	2.6	3.5
Lease liabilities	6.2	4.3
Provisions	0.5	0.5
<b>TOTAL NON-CURRENT LIABILITIES</b>	<b>89.2</b>	<b>90.3</b>
<b>CURRENT LIABILITIES</b>		
Interest-bearing liabilities	2.3	4.0
Trade and other payables	81.5	74.8
Lease liabilities	3.7	2.6
Current provisions	0.7	0.6
Contract liabilities	0.0	1.5
Current tax liabilities	0.2	0.3
<b>TOTAL CURRENT LIABILITIES</b>	<b>88.4</b>	<b>83.8</b>
<b>TOTAL LIABILITIES</b>	<b>177.7</b>	<b>174.1</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>235.2</b>	<b>230.0</b>

## Consolidated statement of cash flows

MEUR	1.1. - 31.3.2023	12.4. - 31.12.2022
<b>Cash flow from operating activities</b>		
<b>RESULT FOR THE YEAR</b>	<b>1.4</b>	<b>-6.8</b>
Depreciation, amortisation and impairment losses	3.4	3.7
Gains and losses of disposals of fixed assets and other non-current assets	0.0	0.2
Share of profit accounted for using the equity method	-0.1	-0.4
Unrealised foreign exchange gains and losses	-0.6	-1.2
Financial income and expenses	3.2	3.7
Taxes paid	0.0	0.8
Other adjustments	-0.4	2.8
<b>Change in working capital</b>		
Increase / decrease in inventories	-1.7	9.1
Increase / decrease in current interest free trade and other receivables	-4.8	-2.3
Increase / decrease in current interest free trade payables	5.8	0.1
Interest paid	-2.1	-1.6
Interest received	0.0	0.0
Other financial items	-1.1	-1.0
Income taxes paid	-0.3	-0.3
<b>Total cash flow from operating activities</b>	<b>2.8</b>	<b>7.0</b>
<b>Cash flow from investing activities</b>		
Investments in property, plant and equipment and intangible assets	-2.5	-6.5
Disposal of property, plant and equipment and intangible assets	0.1	0.3
Acquisition of subsidiaries reduced with the cash and cash equivalents at the acquisition moment	0.0	-45.1
<b>Total cash flow from investing activities</b>	<b>-2.4</b>	<b>-51.3</b>
<b>Cash flow from financing activities</b>		
Proceeds from issue of share capital	0.0	62.0
Repayments from current loans	-0.4	-19.1
Proceeds from non-current loans	0.2	70.0
Repayments of non-current borrowings	0.0	-41.5
Proceeds from leasing liabilities	0.0	1.7
Repayments of leasing liabilities	-1.1	-0.7
<b>Total cash flow from financing activities</b>	<b>-1.3</b>	<b>72.5</b>
<b>Change in cash and cash equivalents</b>	<b>-0.9</b>	<b>28.2</b>
Cash and cash equivalents at the beginning of the period	28.2	0.0
Effect of exchange rate difference	0.1	0.0
<b>Cash and cash equivalent at the end of the period</b>	<b>27.3</b>	<b>28.2</b>

## Consolidated statement of changes in equity

### Attributable to owners of the company 1.1. – 31.3.2023

MEUR	Share capital	Unrestricted equity reserve	Translation differences	Retained earnings	Total	Non-controlling interests	Total equity
<b>EQUITY 1.1.2023</b>	<b>0.1</b>	<b>61.9</b>	<b>0.7</b>	<b>-6.8</b>	<b>55.8</b>	<b>0.1</b>	<b>55.9</b>
<b>Comprehensive income</b>							
Profit/loss for the period				1.4	1.4	0.01	1.4
Other comprehensive income for the year net of tax			0.2		0.2		0.2
<b>TOTAL COMPREHENSIVE INCOME</b>			<b>0.2</b>	<b>1.4</b>	<b>1.5</b>	<b>0.0</b>	<b>1.6</b>
Other changes				0.0	0.0		0.0
<b>Changes in equity total</b>			<b>0.2</b>	<b>1.4</b>	<b>1.6</b>	<b>0.0</b>	<b>1.6</b>
<b>TOTAL EQUITY 31.3.2023</b>	<b>0.1</b>	<b>61.9</b>	<b>0.8</b>	<b>-5.4</b>	<b>57.4</b>	<b>0.1</b>	<b>57.5</b>

### Attributable to owners of the company 12.4. – 31.12.2023

MEUR	Share capital	Unrestricted equity reserve	Translation differences	Profit/loss for the period	Total	Non-controlling interests	Total equity
<b>EQUITY 12.4.2022</b>							
<b>Comprehensive income</b>							
Profit/loss for the period				-6.8	-6.8	0.01	-6.8
Other comprehensive income for the year, net of tax			0.7		0.7	0.0	0.7
<b>TOTAL COMPREHENSIVE INCOME</b>			<b>0.7</b>	<b>-6.8</b>	<b>-6.2</b>	<b>0.0</b>	<b>-6.2</b>
<b>Transactions with shareholders</b>							
Additions	0.1	61.9			62.0	0.1	62.1
<b>Changes in equity total</b>	<b>0.1</b>	<b>61.9</b>	<b>0.7</b>	<b>-6.8</b>	<b>55.8</b>	<b>0.1</b>	<b>55.9</b>
<b>TOTAL EQUITY 31.12.2022</b>	<b>0.1</b>	<b>61.9</b>	<b>0.7</b>	<b>-6.8</b>	<b>55.8</b>	<b>0.1</b>	<b>55.9</b>



## Formulas of alternative performance measures

EBITDA	Operating profit + depreciation + amortization + impairments
EBITA	Operating profit + amortization + impairments
Recurring EBITDA	Operating profit + depreciation + amortization + impairments +/- non-recurring items
Recurring EBITA	Operating profit + amortization + impairments +/- non-recurring items
Non-recurring items	Certain costs or income not related to the ordinary course of business, including restructuring costs, strategic development projects and transaction costs
Return of Capital Employed % (ROCE)	Recurring EBITA / (total assets – current liabilities)
Equity ratio	Equity / total assets
Net debt	Current and non-current interest bearing liabilities + M&A liabilities - total liquidity
Net gearing	Net debt / total equity

## Events after the reporting period

Fortaco Group Holdco Oyj has on 22 July 2022 issued Senior Secured Bonds with a principal amount of EUR 75 million. In accordance with the Terms and Conditions of the Bonds, the Company has applied for the Bonds to be listed on the corporate bonds list of Nasdaq Helsinki Ltd. The Finnish Financial Supervisory Authority has on 23 May 2023 approved the Listing Prospectus of the Bonds and trading on the Bonds has commenced on 25 May 2023.

On 26 May 2023 Fortaco announced that a fully-owned affiliate of Fortaco Group Holdco Oyj has signed an agreement on the acquisition of the entire share capital of Walter Mauser GmbH, a high-precision manufacturer of safety cabins operating in international markets. The closing of the acquisition is estimated to take place during Q3 2023, provided that certain customary conditions for acquisition are met, including obtaining of the financing and necessary regulatory approvals. MauserCABS will be reported as a part of Fortaco Group from the moment of closing.

## Financial information

The company publishes the Half-Year Review for January-June 2023 on Monday 28 August 2023.

Fortaco Group Holdco plc  
Board of Directors

# FORTACO

## Furter information

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## Fortaco Group

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