

## Tecnotree Corporation Interim Report Q2/2013

14<sup>th</sup> Aug 2013



# Tecnotree Group in Brief

## Highlights for Q2 & H1 2013 (comparisons to Q2 & H1 2012)

### Q2 2013

- Net sales 22.5 M€ (21.3 M€), a new quarterly record
- Adjusted EBIT 2.7 M€ (2.0 M€)
- EBIT 2.2 M€ (0.6 M€)
  - Only 0.6 M€ capitalised R&D expenses left in the balance sheet
- Cash flow after investments -6.5 M€ (0.8 M€)

### H1 2013

- Net sales 36.4 M€ (31.3 M€)
- Adjusted EBIT -1.3 M€ (-3.8 M€)
  - Low net sales in Q1, typical of Tecnotree, resulted in adjusted EBIT of -4.0 M€ in Q1
- EBIT -2.4 M€ (-6.7 M€)
- Cash flow after investments was -5.0 M€ (1.1 M€)
  - Q1 cash flow after investments was 1.6 M€ positive. There are considerable quarterly variations in payments received from the customers, depending on the situation of the projects.

### Long-term financing arrangement agreed with Nordea bank

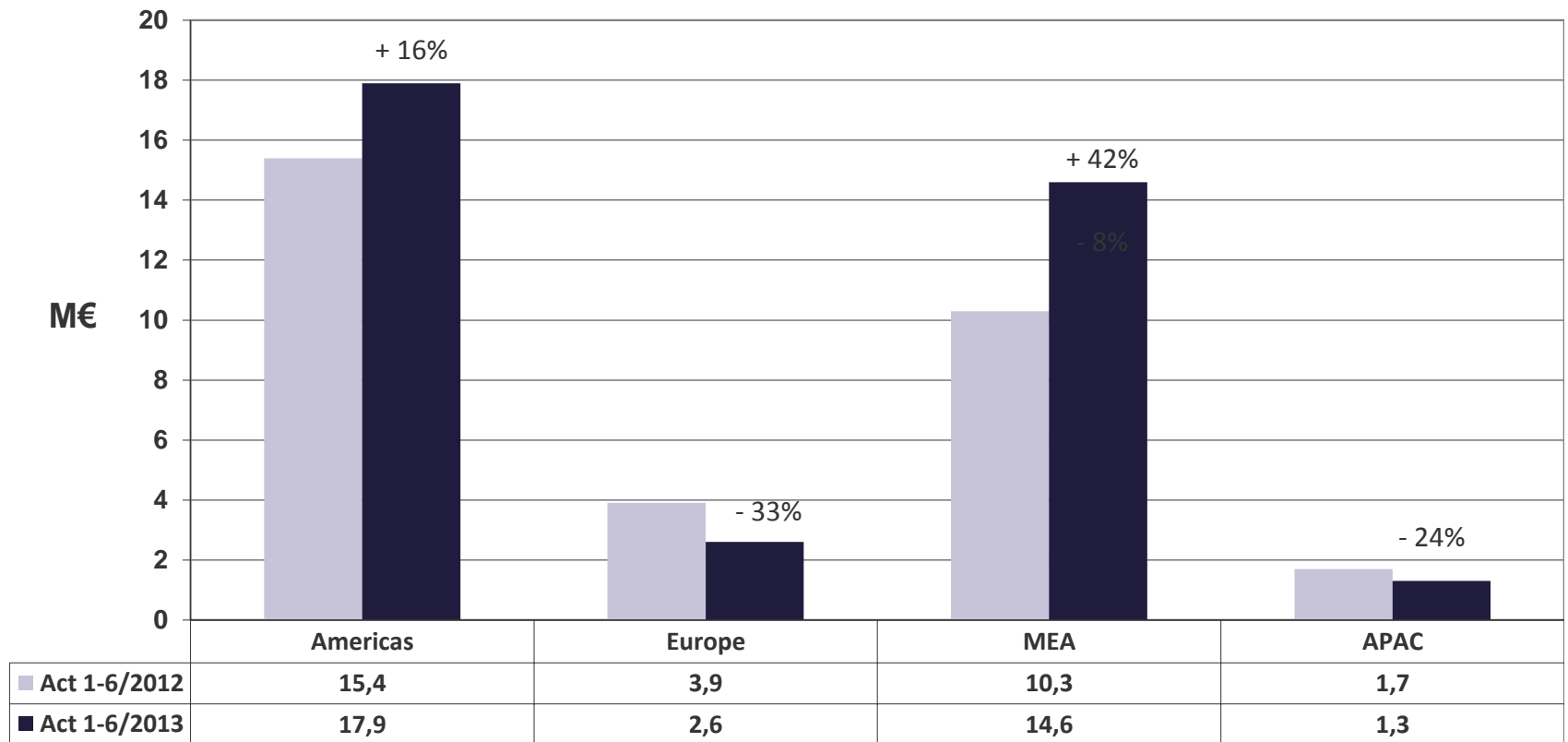
- 5 MEUR additional financing

### Good prospects in the key markets in MEA and Latin America

# Financial Highlights

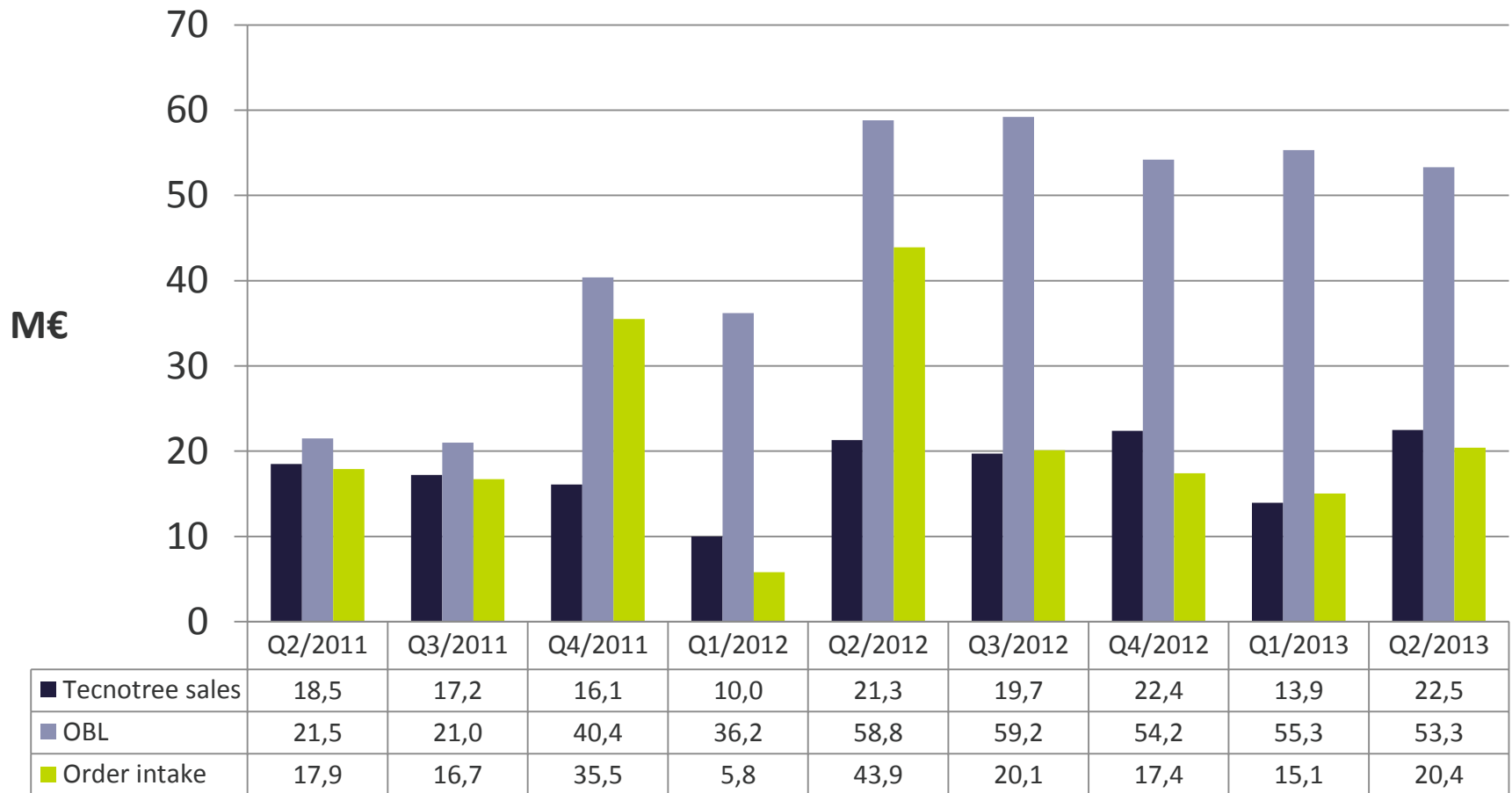
M€	1-6/2013	1-6/2012
Net sales	36.4	31.3
Adjusted operating result	-1.3	-3.8
EBIT BEFORE R&D CAPITALISATION & AMORTISATION AND ONE-TIME COSTS		
Ebit	-2.4	-6.7
Net result	-3.4	-7.7
Order intake	35.5	49.7
Cash flow after investments	-5.0	1.1
Net Cash Flow	-7.2	4.4
Cash	3.8	11.0
Equity Ratio	38.0	50.0
Net Gearing	77.4	32.4

# Net Sales by Area



Americas + **16%** Europe - **33%** MEA + **42%** APAC - **24%**

# Sales and Orders



# Adjusted Income Statement

EUR Million	1-6/2013	1-6/2012	Change %
Net sales	36.4	31.3	16.4
Other operating income	0.0	0.0	
<i>Total revenue</i>	36.4	31.3	16.4
<i>Adjusted operating expenses*)</i>	-37.7	-35.1	7.4
<b>Adjusted operating result</b>	-1.3	-3.8	66.7
- Net impact of R&D capitalizations	-1.1	-2.8	-59.7
- One-time costs			
Operating result	-2.4	-6.7	63.7

\*) Operating expenses less the net impact of the R&D capitalisations and one-time costs

# Consolidated Income Statement

EUR Million	1-6/2013	1-6/2012	Change %
Net sales	36.4	31.3	16.4
Other operating income	0.0	0.0	
Materials and services	-7.3	-5.9	24.7
Employee benefit expenses	-17.2	-15.6	10.5
Depreciation	-2.1	-3.9	-46.1
Other operating expenses	-12.2	-12.6	-3.2
<b>Operating result</b>	<b>-2.4</b>	<b>-6.7</b>	<b>63.7</b>
Financial income and expenses	1.0	-0.9	
<b>Result after financial income and expenses</b>	<b>-1.4</b>	<b>-7.6</b>	<b>81.1</b>
Income taxes	-1.9	-0.1	
<b>Result for the period</b>	<b>-3.4</b>	<b>-7.7</b>	<b>56.2</b>

# Consolidated Income Statement

4-6/2013 vs. 4-6/2012

EUR Million	4-6/2013	4-6/2012	Change %
Net sales	22.5	21.3	5.6
Other operating income	0.0	0.0	
Materials and services	-3.6	-4.0	-7.7
Employee benefit expenses	-8.5	-7.8	8.1
Depreciation	-1.0	-1.9	-45.3
Other operating expenses	-7.2	-7.0	1.9
<b>Operating result</b>	<b>2.2</b>	<b>0.6</b>	<b>275.2</b>
Financial income and expenses	2.0	-0.2	
<b>Result after financial income and expenses</b>	<b>4.2</b>	<b>0.4</b>	
Income taxes	-2.1	0.8	
<b>Result for the period</b>	<b>2.1</b>	<b>1.2</b>	<b>79.8</b>



# Consolidated Balance Sheet

EUR Million	30.6.2013	30.6.2012	Change %
<b>NON-CURRENT ASSETS</b>			
Fixed Assets	5.9	12.3	-52.3
Consolidated goodwill	16.5	18.9	-12.7
Other non-current assets	2.8	3.3	-15.1
<b>CURRENT ASSETS</b>			
Inventories	1.2	1.1	8.8
Trade Receivables	17.2	17.6	-2.7
Other Receivables	24.8	27.7	-10.3
Investments	0.9	0.0	
Cash and Cash Equivalents	3.8	11.0	-65.7
<b>TOTAL ASSETS</b>	<b>73.0</b>	<b>91.9</b>	<b>-20.6</b>

# Consolidated Balance Sheet

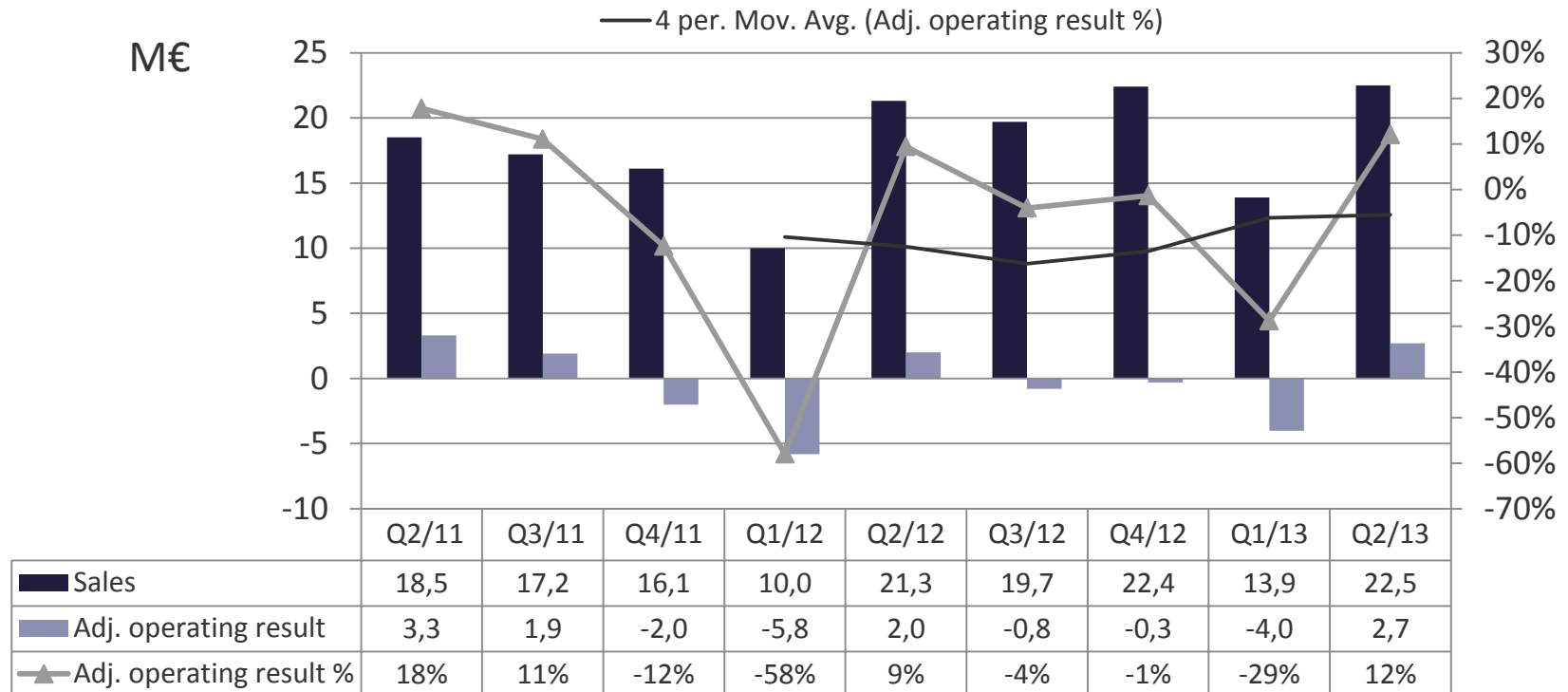
EUR Million	30.362013	30.6.2012	Change %
<b>SHAREHOLDER'S EQUITY</b>	27.7	46.0	-39.7
<b>NON-CURRENT LIABILITIES</b>			
Interest-bearing liabilities	0.0	11.1	
Deferred tax liabilities	2.6	3.3	-22.1
Other non-current liabilities	0.5	0.4	36.2
<b>CURRENT LIABILITIES</b>			
Interest-bearing liabilities	26.1	14.8	76.5
Non-interest-bearing liabilities	16.0	16.3	-2.0
<b>EQUITY AND LIABILITIES</b>	<b>73.0</b>	<b>91.9</b>	<b>-20.6</b>

# Prospects for 2013

- Tecnotree's order book at the end of 2012 stood at 54.2 M€, so the company moved into 2013 in a good position
- The company estimates that its net sales and operating result will improve from the previous year
- Variations in the quarterly figures will be considerable
- Prospects have not changed from the previous interim report

# Additional Financial Information for Investors

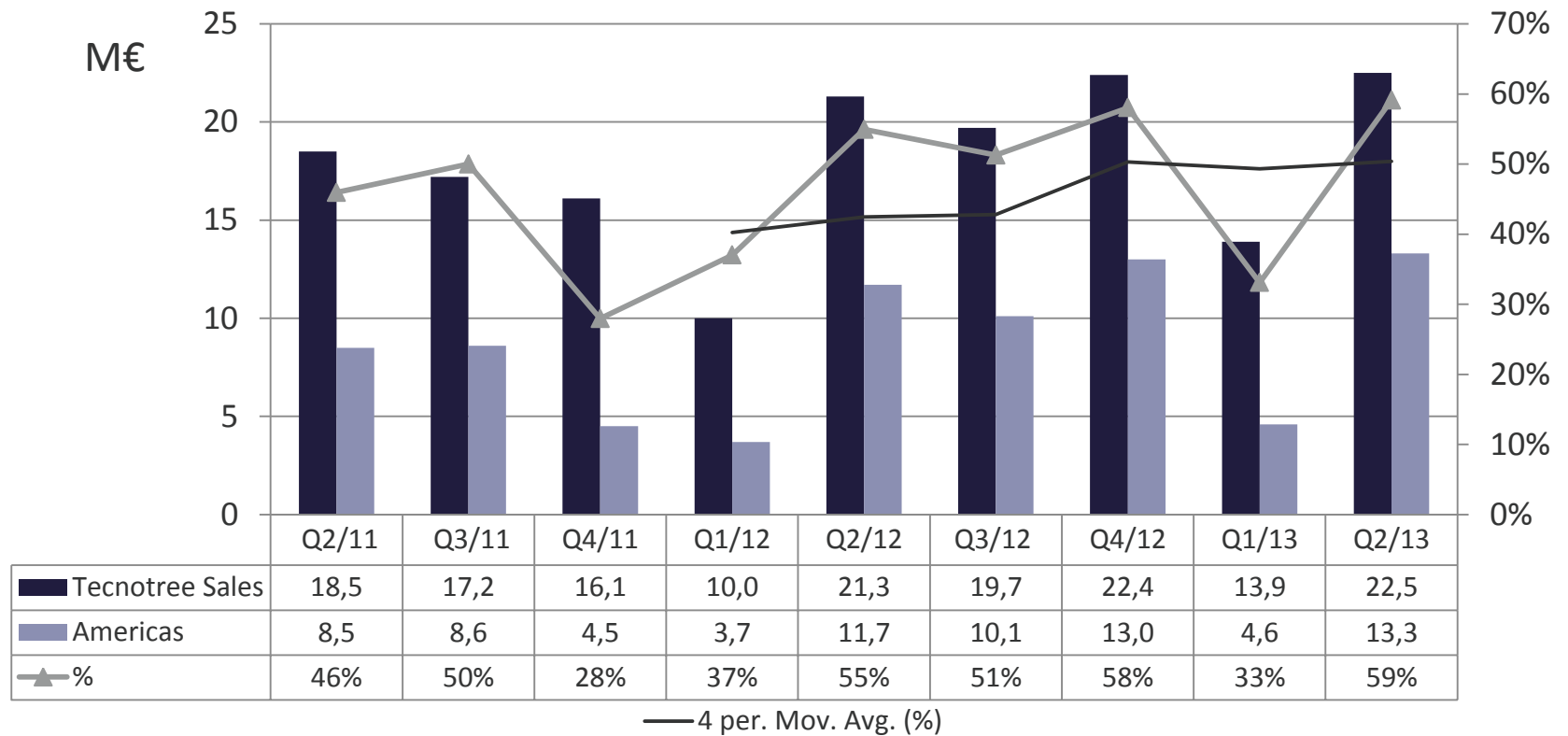
# Sales and Adjusted Operating Result



Adjusted operating result = Ebit before R&D capitalisation & amortisation and one-time costs

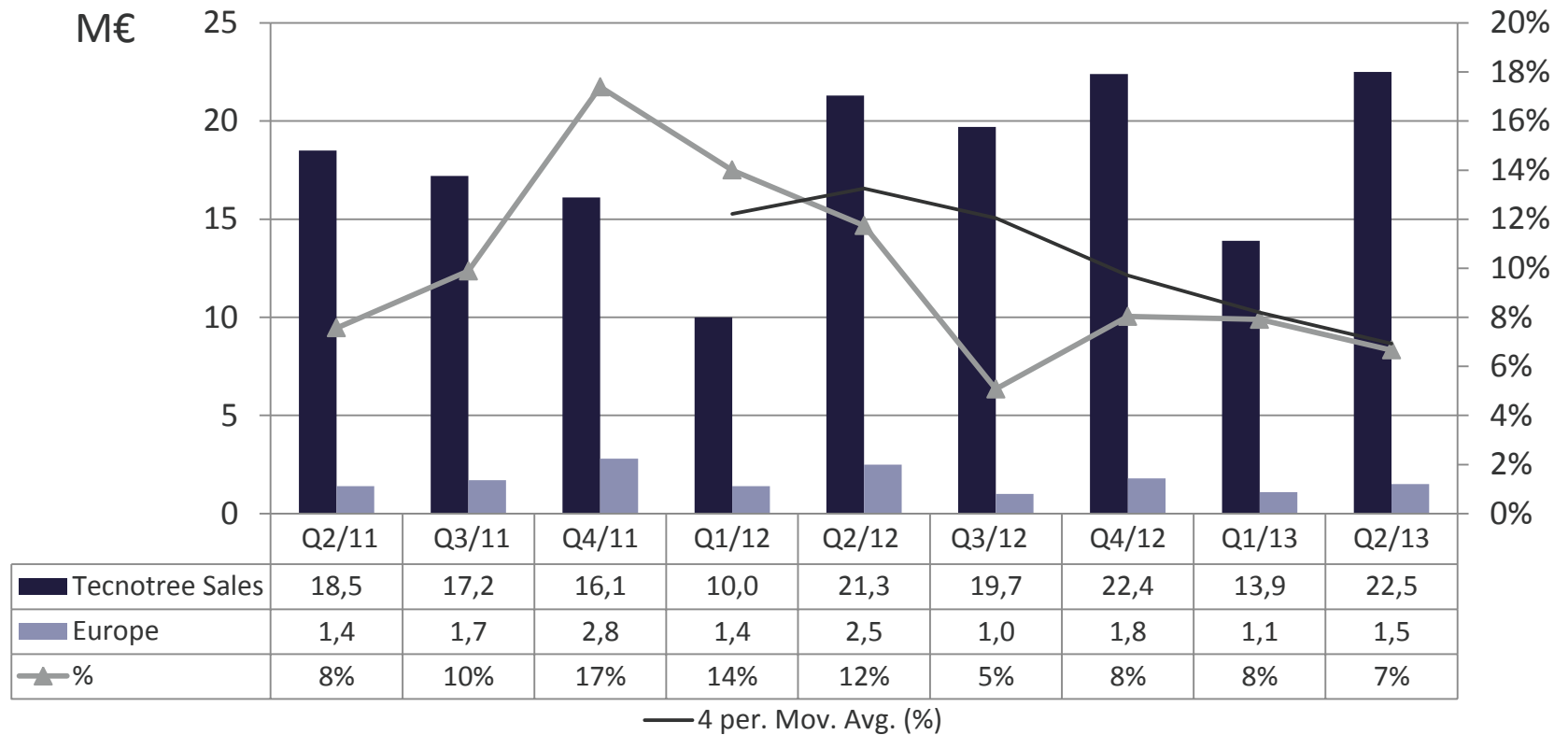
# Sales by Area

## Americas



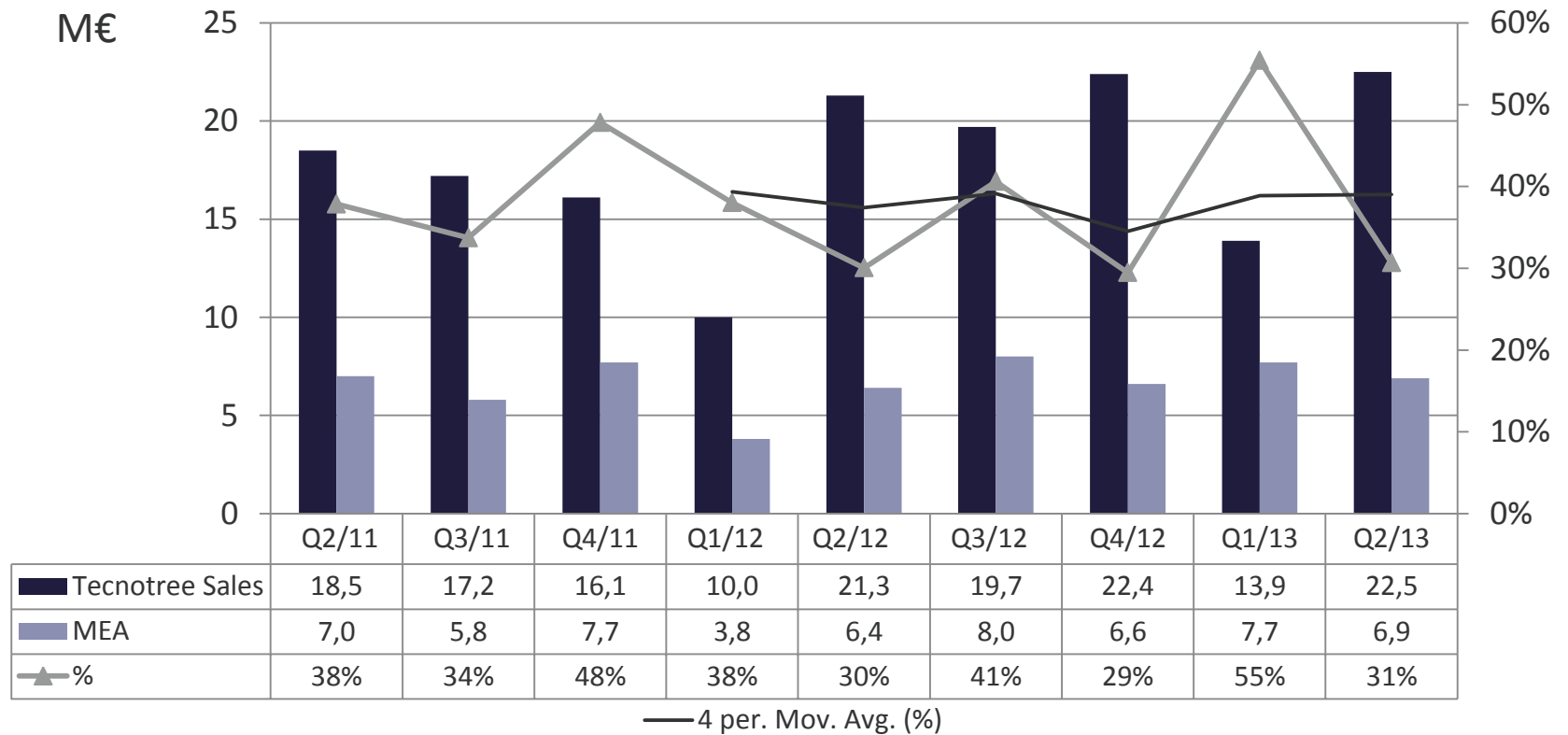
# Sales by Area

## Europe



# Sales by Area

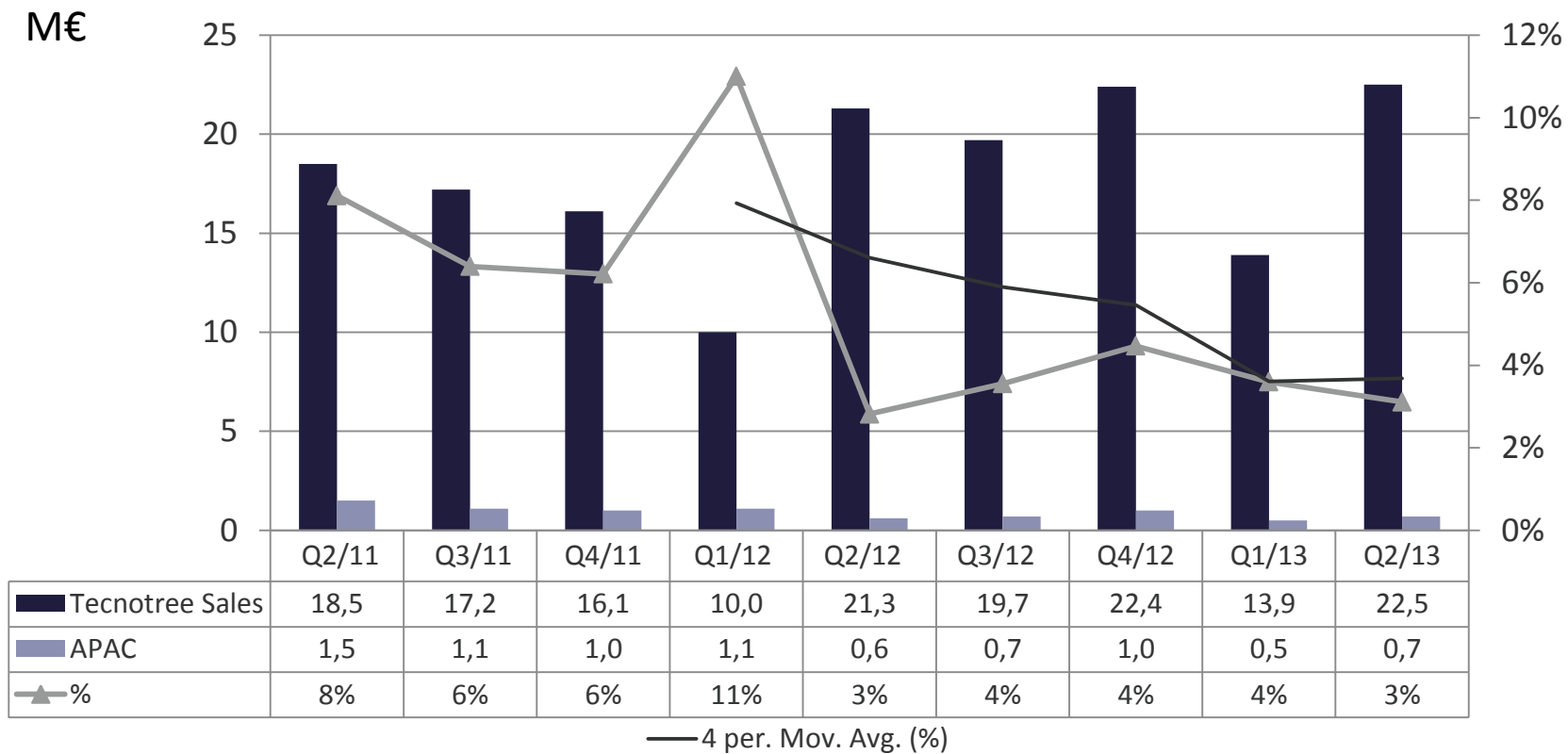
## MEA



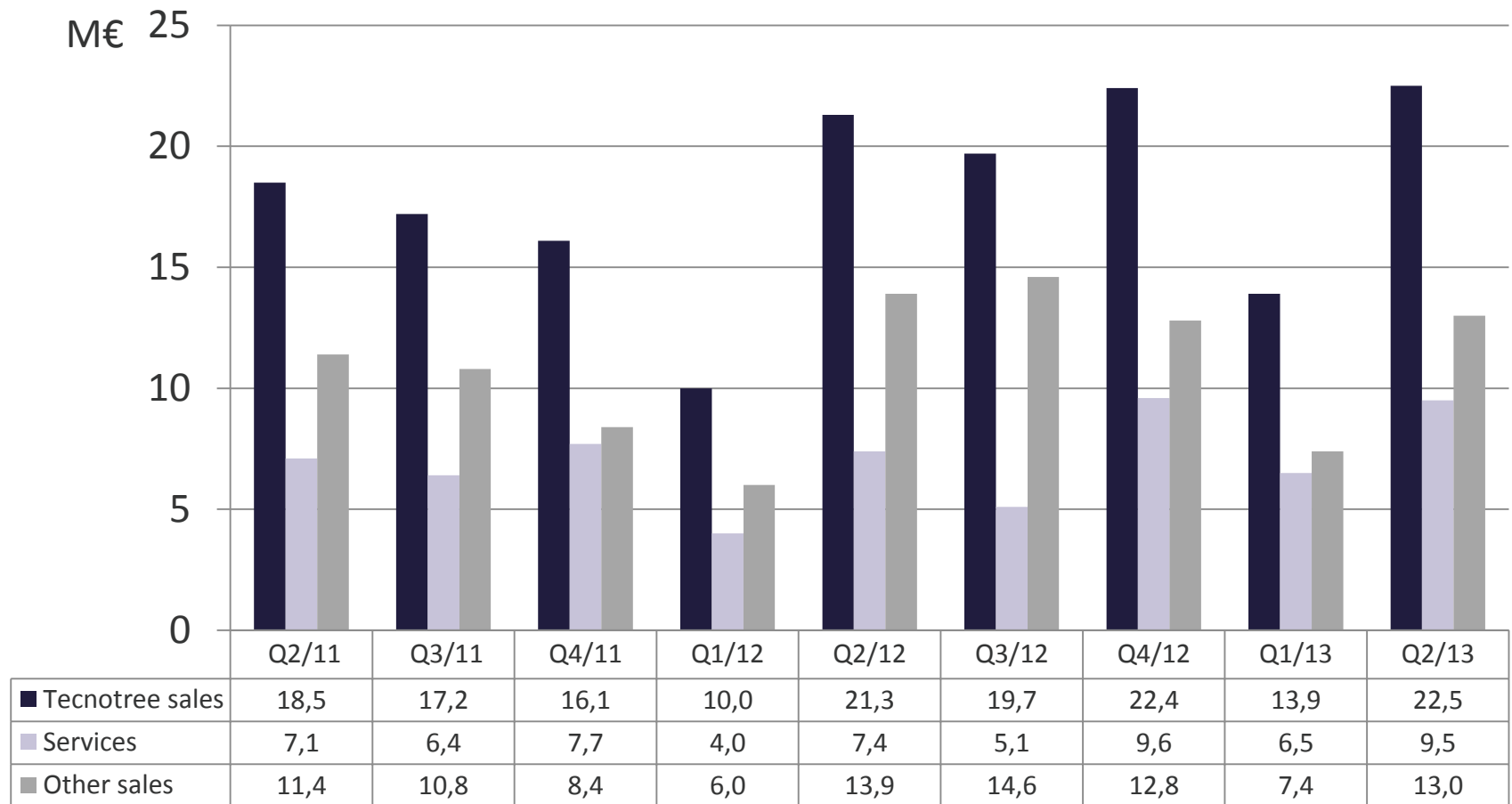


# Sales by Area

## APAC

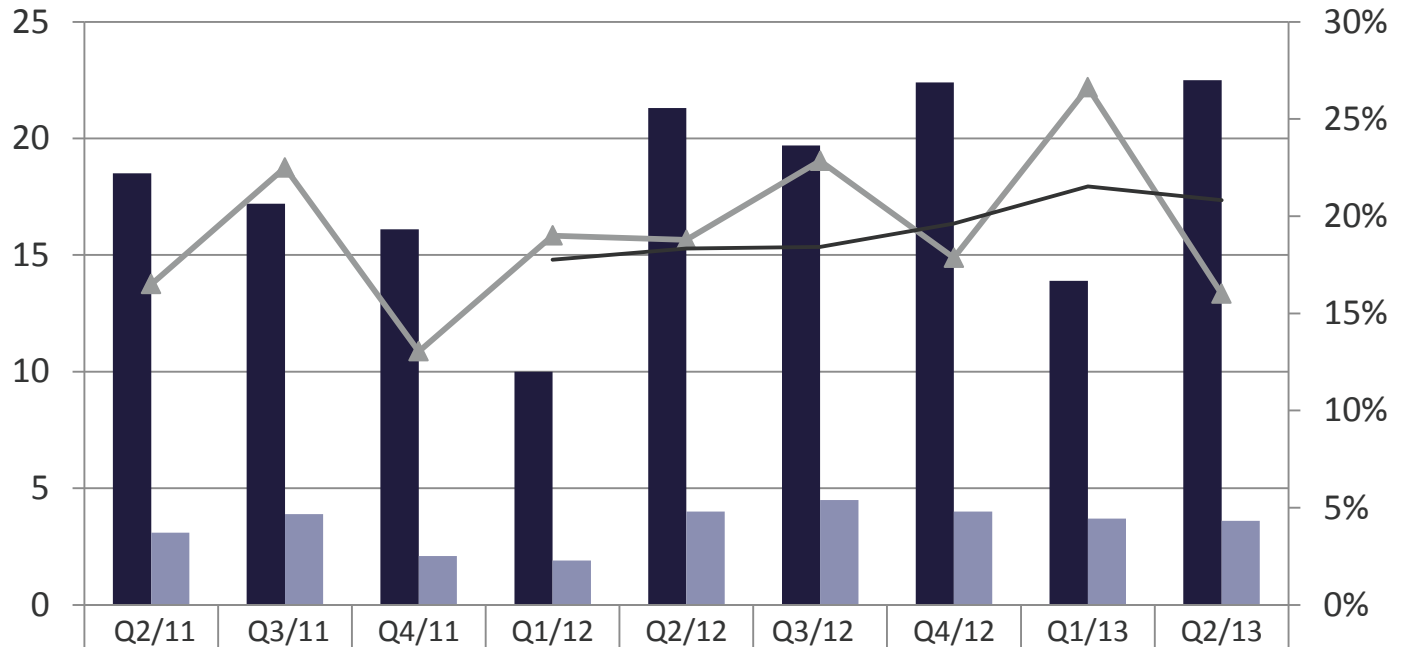


# Sales Distribution



# Materials and Services

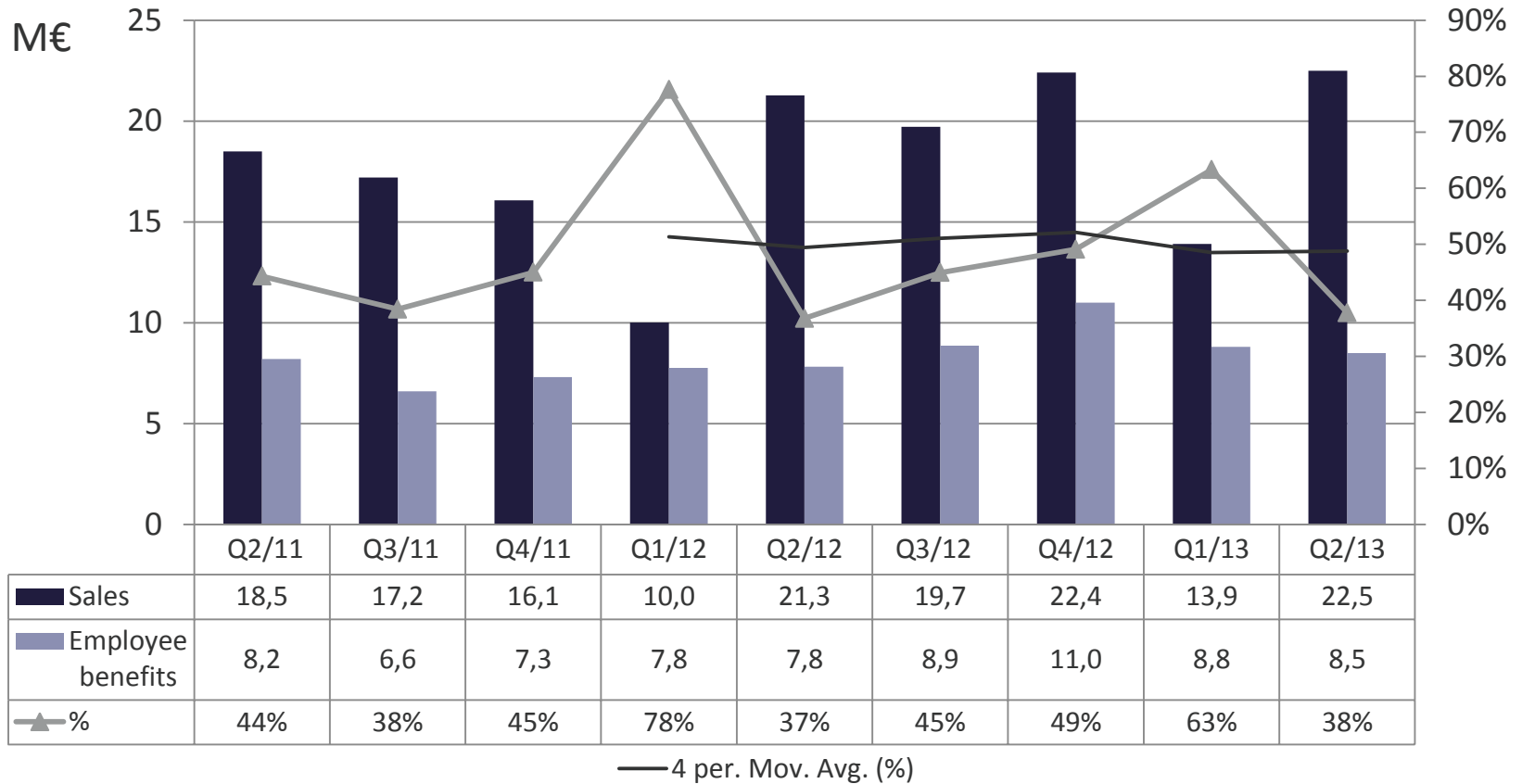
M€



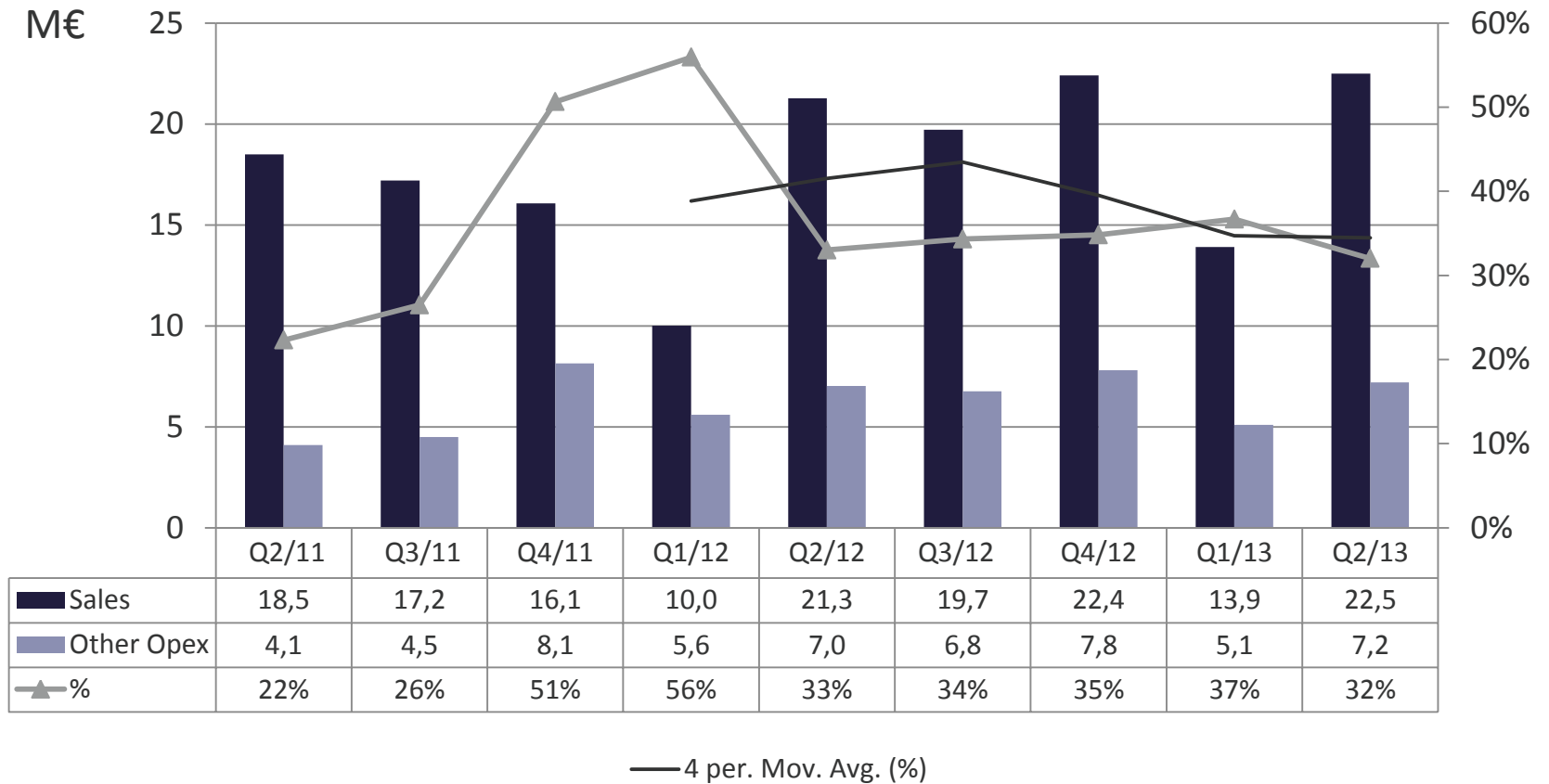
■ Sales	18,5	17,2	16,1	10,0	21,3	19,7	22,4	13,9	22,5
■ Materials and Services	3,1	3,9	2,1	1,9	4,0	4,5	4,0	3,7	3,6
▲ %	17%	23%	13%	19%	19%	23%	18%	27%	16%

— 4 per. Mov. Avg. (%)

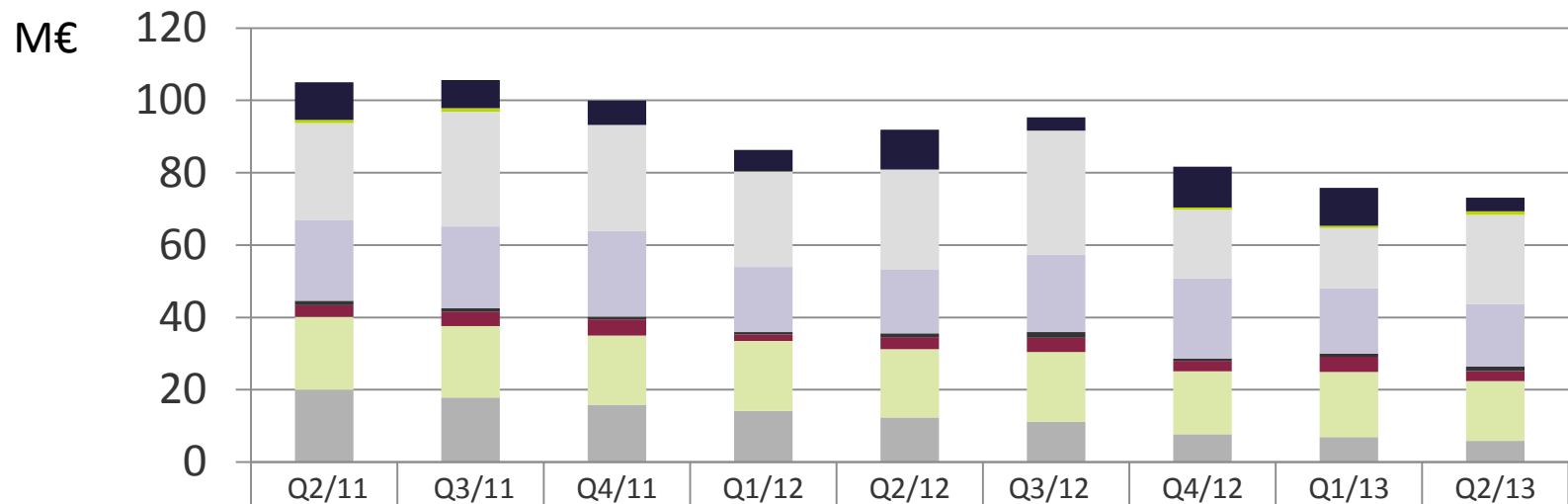
# Employee Benefits



# Other Operating Expenses

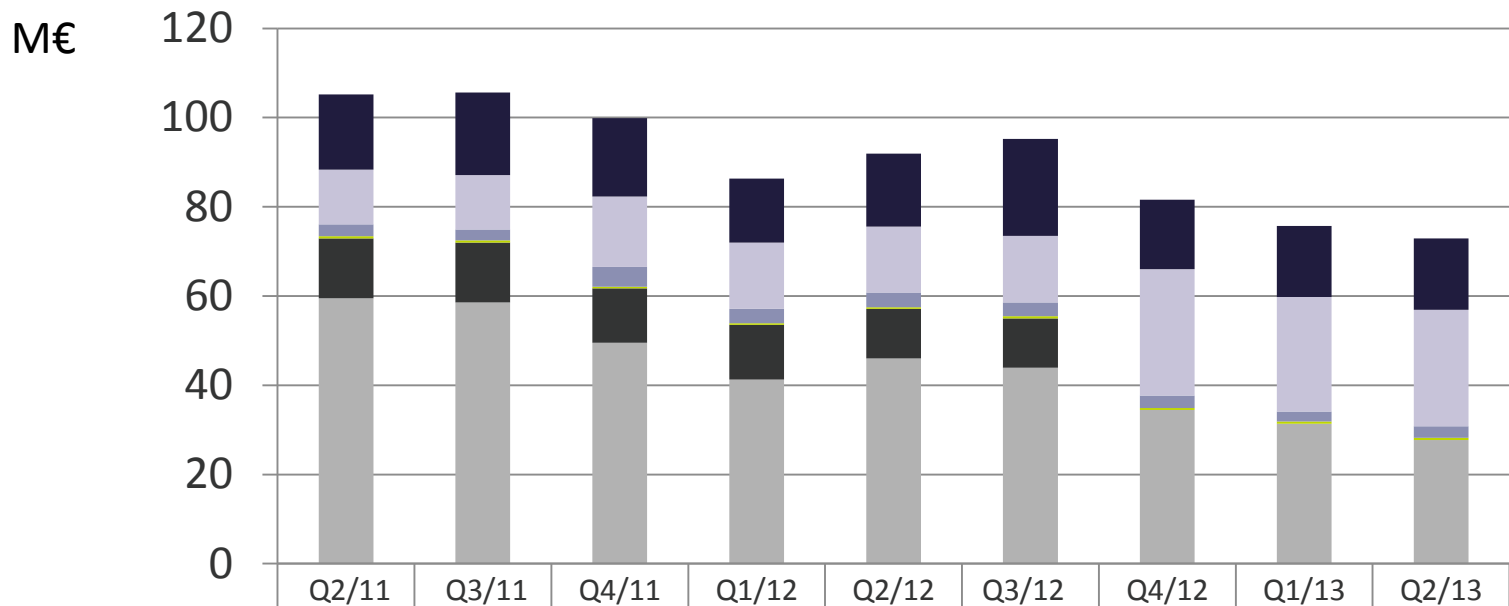


# Assets by Quarter



	Q2/11	Q3/11	Q4/11	Q1/12	Q2/12	Q3/12	Q4/12	Q1/13	Q2/13
■ Cash	10,4	7,8	6,7	6,0	11,0	3,7	11,3	10,5	3,8
■ Investments	0,9	0,9	0,0	0,0	0,0	0,0	0,6	0,6	0,9
■ Other rec. (mainly WIP)	26,7	31,8	29,3	26,3	27,7	34,2	19,0	16,6	24,8
■ Trade receivables	22,4	22,5	23,7	18,1	17,6	21,5	22,2	18,1	17,2
■ Inventories	1,2	1,0	0,8	0,6	1,1	1,5	0,6	0,9	1,2
■ Other long term	3,3	4,0	4,4	1,8	3,3	4,0	2,9	4,2	2,8
■ Consolidated goodwill	20,2	19,8	19,2	19,4	18,9	19,3	17,4	18,0	16,5
■ Fixed assets	19,9	17,8	15,8	14,1	12,3	11,1	7,7	6,9	5,9

# Equity and Liabilities by Quarter



■ Current non-interest bearing	16,9	18,5	17,6	14,3	16,3	21,7	15,6	15,9	16,0
■ Current interest bearing	12,2	12,2	15,8	14,8	14,8	14,9	28,3	25,7	26,1
■ Deferred tax	2,7	2,4	4,4	3,3	3,3	3,1	2,8	2,2	2,6
■ Long term non-interest bearing	0,5	0,5	0,4	0,4	0,4	0,5	0,4	0,5	0,5
■ Long term Interest bearing	13,4	13,4	12,2	12,2	11,1	11,1	0,0	0,0	0,0
■ Shareholders' equity	59,5	58,6	49,5	41,3	46,0	43,9	34,5	31,4	27,7



**TECNOTREE**

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