

Fourth Quarter 2020 report

Q4 2020

- Revenue 20,5 MEUR (22,8)
- Fleet Management profits 0,3 MEUR (0,8)
- Adjusted EBITDA 4,5 MEUR (5,1)
- Adjusted EBITDA-margin 22,0 % (22,4 %)
- Adjusted EBITA 1,6 MEUR (2,2)
- Operating cash flow 5,7 MEUR (5,7)
- Net debt/adjusted EBITDA 4,0x

Jan-Dec 2020

- Revenue 81,0 MEUR (87,7)
- Fleet Management profits 0,9 MEUR (1,8)
- Adjusted EBITDA 19,7 MEUR (22,4)
- Adjusted EBITDA-margin 24,3 % (25,6 %)
- Adjusted EBITA 6,6 MEUR (8,8)
- Operating cash flow 14,7 MEUR (17,9)
- Net debt/adjusted EBITDA 4,0x

Comments by the CEO

Comments on the fourth quarter 2020

Industrial activity was good in the beginning of the fourth quarter 2020, but evened out, following expected seasonality patterns. The addressable construction market, driven by construction new starts, softened towards the end of the quarter, following expected seasonality patterns.

The quarter was concluded with revenue reaching 20,5 MEUR, down 2,3 MEUR from Q4 2019 and adjusted EBITDA reaching 4,5 MEUR, down 0,6 MEUR from Q4 2019. Operative profitability was well defended despite of reduced revenue, as Fleet Management profits were down 0,5 MEUR from Q4 2019.

Comments on the full year 2020

In a year defined by the COVID-pandemic, Havator's strategy to focus on recurring industrial demand paid off. Even if Revenue was down 6,7 MEUR (7,7%) compared to 2019, operative EBITDA was down only 1,8 MEUR (8,7%). As a result of travel restrictions imposed by COVID, the second-hand market of equipment was clearly soft with Fleet Management profits reaching a historical low of 0,9 MEUR.

Havator reported slightly higher non-recurring costs in the year 2020. Specifically, 0,9 MEUR is attributable to the Bond issue and 0,9 MEUR to the expiry of a long-term customer contract in Finland.

The liquidity measures taken during the year had the intended effect and use of such measures going into 2021 will be used if seen necessary. Execution of investments were postponed during the first half of the year and ramped up towards the end of 2020. As the market is expected to recover going into 2021, investments intended for delivery in 2021 were decided upon in Q4 2020. Hereby leverage increased to 4,03.

Finally, during Q4 2020 Havator was awarded sole supplier status for lifting services at MetsäGroup's pulp mill project in Kemi. The project positively impacts Havator's outlook for 2021-2023.



Christoffer Landtman
CEO, Havator Group Oy

Group financial overview

M€	2020 Q4	2019 Q4	Change Y-o-Y	2020 Jan-Dec	2019 Jan-Dec	Change Y-o-Y
Revenue	20,5	22,8	-10,2 %	81,0	87,7	-7,7 %
Other income	0,3	0,8	-62 %	0,9	1,8	-53 %
Total revenues	20,8	23,6	-12 %	81,8	89,6	-9 %
Adjusted EBITDA	4,5	5,1	-12 %	19,7	22,4	-12 %
Adjusted EBITDA %	22,0 %	22,4 %	-0,4pp	24,3 %	25,6 %	-1,3pp
Adjusted EBITA	1,6	2,2	-29 %	6,6	8,8	-25 %
Adjusted EBITA %	7,7 %	9,8 %	-2,1pp	8,2 %	10,1 %	-1,9pp
Operating cash flow	5,7	5,7	0 %	14,7	17,9	-18 %
Net debt	66,2	66,4	0 %	66,2	66,4	0 %
Net debt (incl. CAPEX)/Adj. EBITDA				4,0		

Note: Net debt/adjusted EBITDA excl. Non-recurring items for quarterly numbers is calculated on rolling 12-month basis.

Group consolidated P&L

M€	2020 Q4	2019 Q4	2020 Jan-Dec	2019 Jan-Dec
Revenue	20,5	22,8	81,0	87,7
Other income	0,3	0,8	0,9	1,8
Total revenues	20,8	23,6	81,8	89,6
Cost of sales	-11,7	-14,1	-44,6	-49,8
Gross profit	9,1	9,5	37,2	39,7
Other operating expenses	-4,6	-4,4	-17,6	-17,3
Depreciation	-2,9	-2,9	-11,5	-11,4
Amortisation	-0,1	0,0	-0,5	-0,4
Operating profit/loss	1,5	2,2	7,7	10,7
Net financial items	-0,9	-1,0	-4,4	-5,0
Non-recurring costs	-0,1	-0,1	-2,2	-0,9
Profit/loss before tax	0,5	1,0	1,2	4,7
Income tax expense			0,7	-1,1
Profit/loss for the period attributable to equity holders of the parent			2,0	3,6

Group consolidated balance sheet

M€	2020 Dec 31	2019 Dec 31
ASSETS		
Goodwill	0,1	0,5
Other intangible assets	3,2	2,0
Tangible assets	111,6	113,0
Other receivables	9,2	9,7
Cash and cash equivalents	12,1	8,4
TOTAL ASSETS	136,3	133,7
LIABILITIES		
Shareholder's equity	38,3	38,0
Interest-bearing debt	76,3	73,3
Prepaid expenses and accrued income	21,7	22,4
TOTAL LIABILITIES	136,3	133,7

Group consolidated cash flow

1 000 €	2020 Q4	2019 Q4	2020 YTD	2019 YTD
OPERATING CASH FLOW				
Operating profit	436	2 088	6 497	9 710
Depreciation	3 996	2 917	12 894	11 819
Operating cash flow before changes in NWC	4 432	5 005	19 391	21 529
Changes in Net Working Capital:				
Change in non-interest-bearing receivables	2 684	3 733	560	82
Change in current assets	0	0	0	54
Change in non-interest-bearing debt	-889	-825	-435	1 828
Operating cash flow before interests and taxes	6 227	7 913	19 516	23 494
Interests and other financial costs	-537	-2 251	-4 855	-5 560
OPERATING CASH FLOW (A)	5 690	5 662	14 661	17 934
INVESTMENT CASH FLOW (B)	-1 136	2 278	-13 982	-7 605
FINANCING CASH FLOW				
Change in short-term loans	1 660	-329	-25 297	24 907
Change in long-term loans	-4 016	-3 616	28 343	-33 217
Dividends	0	-220	0	-300
FINANCING CASH FLOW (C)	-2 355	-4 165	3 047	-8 610
CHANGE IN LIQUID FUNDS (A+B+C)	2 199	3 775	3 726	1 719
Cash in beginning of the financial period	9 922	4 619	8 395	6 677
Cash in end of the financial period	12 120	8 395	12 120	8 395

Notes

“Adjusted EBITDA” used in this report is the same as “EBITDA excluding non-recurring items” as defined in the bond terms.

“Adjusted EBITA” used in this report is the same as “EBITA excluding non-recurring items” as defined in the bond terms.

“Other income” includes Fleet Management-income and any other non-operative income.

As Havator Group does not do tax planning quarterly, full P&L is not available for quarterly numbers.