

HAVATOR

Credit update

30 November 2022

Presenting today



Hannu Leinonen

Chief Executive Officer

MSc (Civil Engineering)

Joined Havator in 01/2020 as Chair of the Board, assumed CEO role in 02/2022

35 years of industry experience, e.g. as the CEO of YIT and Destia



Lari Niemi

Chief Financial Officer

MSc (Economics)

Joined Havator in 01/2021 as CFO

25 years of industry experience, e.g. as the CFO of Machinery and various international leadership roles at ABB Group

Agenda today

- Recap credit case
- Update main developments since last interaction
- Review financial performance
- Discuss market outlook



Summary of credit case: Havator at a glance

Havator at a glance

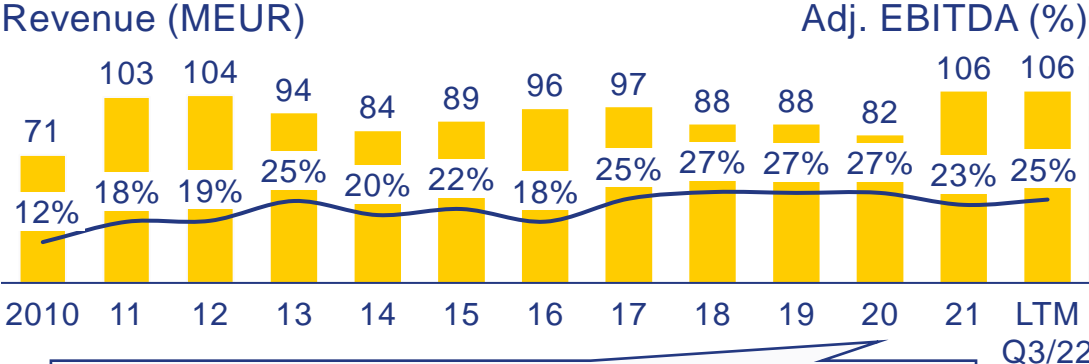
Leading Nordic crane service and special transport player

Nation-wide presence in **Finland and Sweden** and selected projects also in the Baltics and Norway

+450 employees, ~30 depots and ~260 cranes in fleet

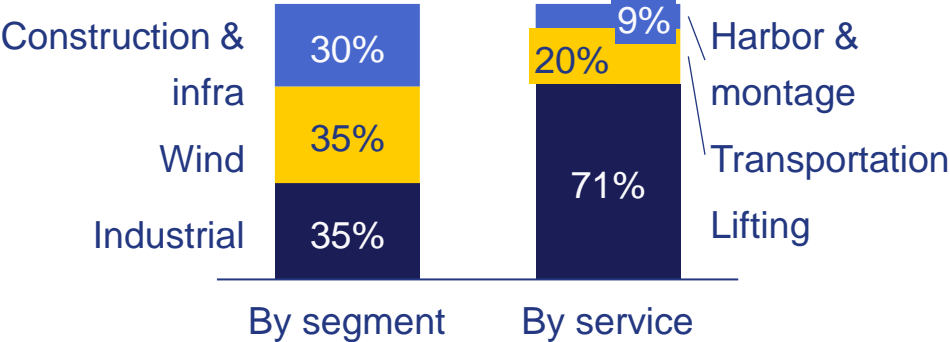
CapMan Buyout as the majority shareholder since 2010

Financial performance 2019- in IFRS



Decent performance also in the 2020 Covid turbulence: Despite a drop in volume, margins sustained and cash flow protected by scaling down CapEx

Revenue breakdown 2021



Example customers



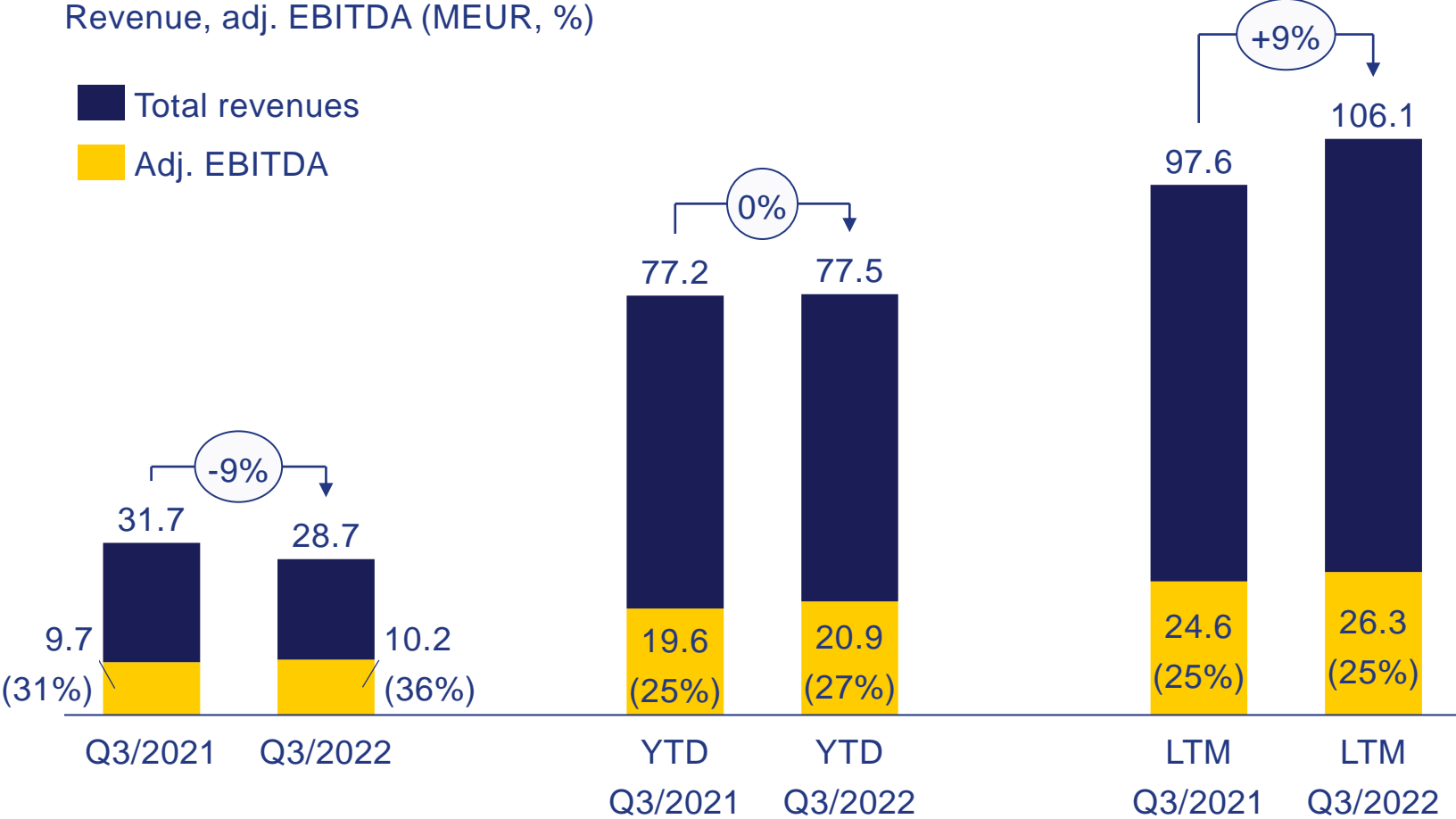
Main developments since last interaction

- **Acquisition of Kaskinen** harbor lifting operations from Revisol completed in July 2021
- Former Chair of the Board, Hannu Leinonen, started as the **new CEO** in February 2022 after Christoffer Landtman decided to step down due to personal reasons
- Started a ~60 MEUR **growth investment program** to tap in the Northern Swedish and Finnish projects around, e.g. fossil free steel, battery manufacturing and wind
 - Simultaneously, divested excess capacity released from, e.g. the Kemi bioproduct mill project, at relatively good prices as demonstrated by the 1.5 MEUR fleet management gains YTD Q3/2022
- Fought the **margin pressure** caused by increasing inflation, e.g.
 - The Kemi bioproduct mill project (still ongoing) sold with fixed prices
 - Fuel cost up by +80% from 11/2021 to 06/2022; fuel's share of cost base YTD up by +2 ppt. vs. 10/2021, i.e. +2 MEUR
- **Strategy revised** but the fundamentals remain unchanged: focus on realizing the growth in the Northern Sweden and Finland, propelled with service excellence

Financial performance (1/3): Despite margin pressure, profitability sustained vs. YTD 2021

Revenue, adj. EBITDA (MEUR, %)

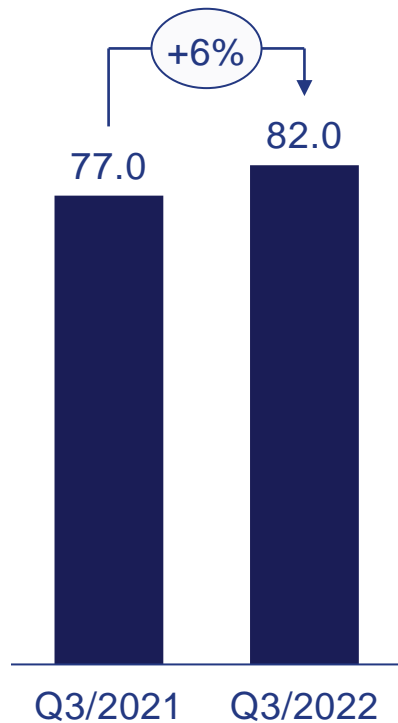
Total revenues
 Adj. EBITDA



- Own capacity not enough to meet the demand in 2021, and the use of less profitable subcontracting decreased margin
- Despite limited aggregate growth in 2022, noteworthy that own added value in crane operations has increased significantly
- However, the positive margin impact of the added value increase has been cancelled out by the high inflation in 2022, especially fuel price increases
- Altogether, the operative YTD EBITDA margin is flat and the adj. EBITDA margin including fleet management gains up by 2 ppt. vs. 2021

Financial performance (2/3): Stable leverage despite growth investment program

Net debt (MEUR)



Tangible assets (MEUR)



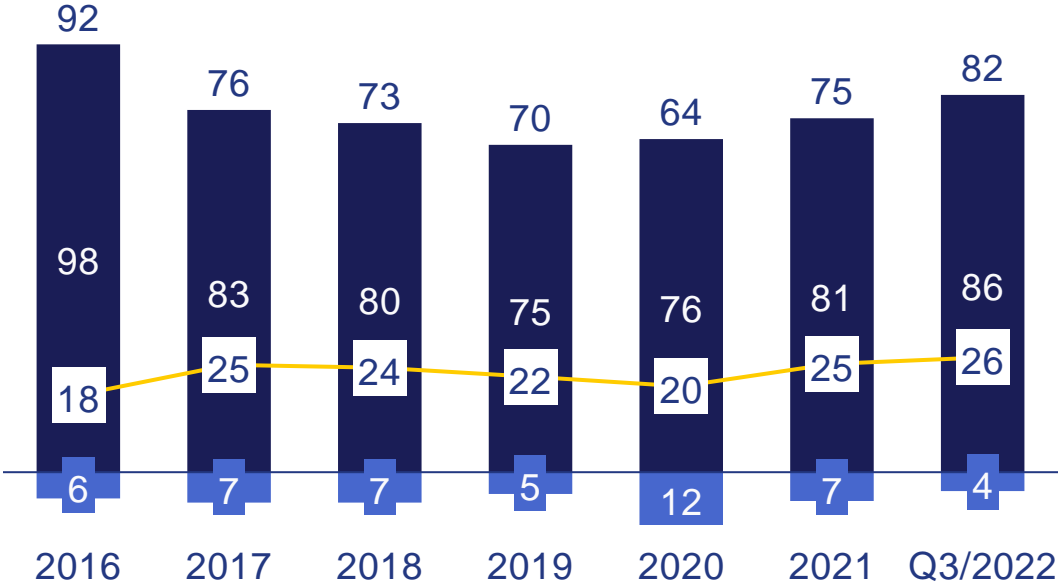
Leverage (x adj. EBITDA)



- Growth investment program with a limited EBITDA contribution in 2022
- Investments projected to bear fruit in terms of accelerating growth and EBITDA uplift in 2023–2025
- 2022 the peak year with 33 MEUR CapEx, inflicting an increase in Net debt
- In the coming years, CapEx expected to go down to 60–70% of the 2022 level

Financial performance (3/3): Stable leverage profile after deleveraging in 2017

Net leverage development (MEUR)

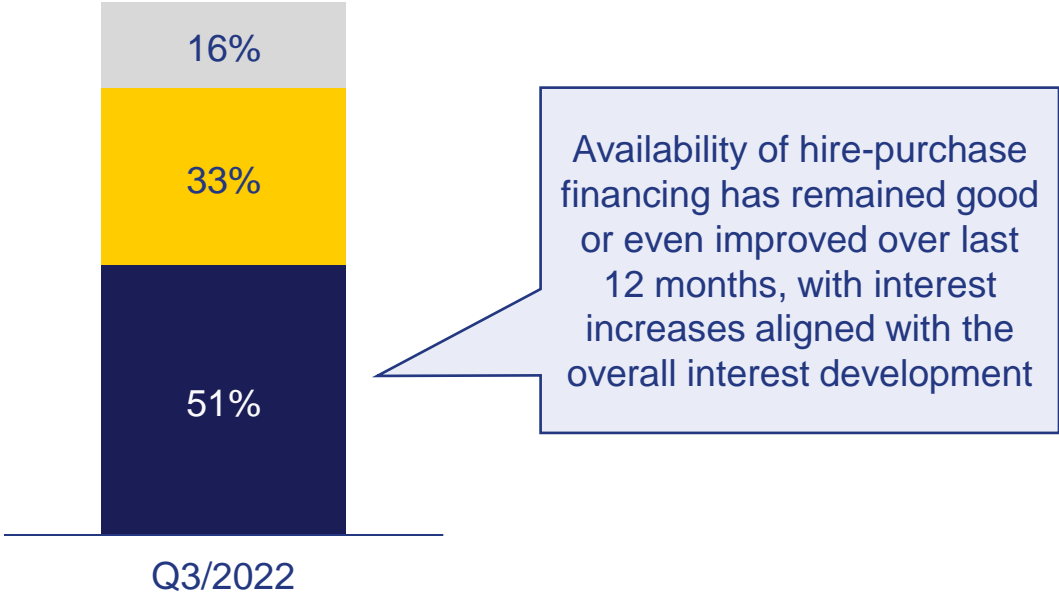


Interest-bearing debt Cash Adj. EBITDA

Leverage multiple (x)

5.2x 3.1x 3.1x 3.2x 3.3x 3.0x 3.1x

Breakdown of debt items (%)



Availability of hire-purchase financing has remained good or even improved over last 12 months, with interest increases aligned with the overall interest development

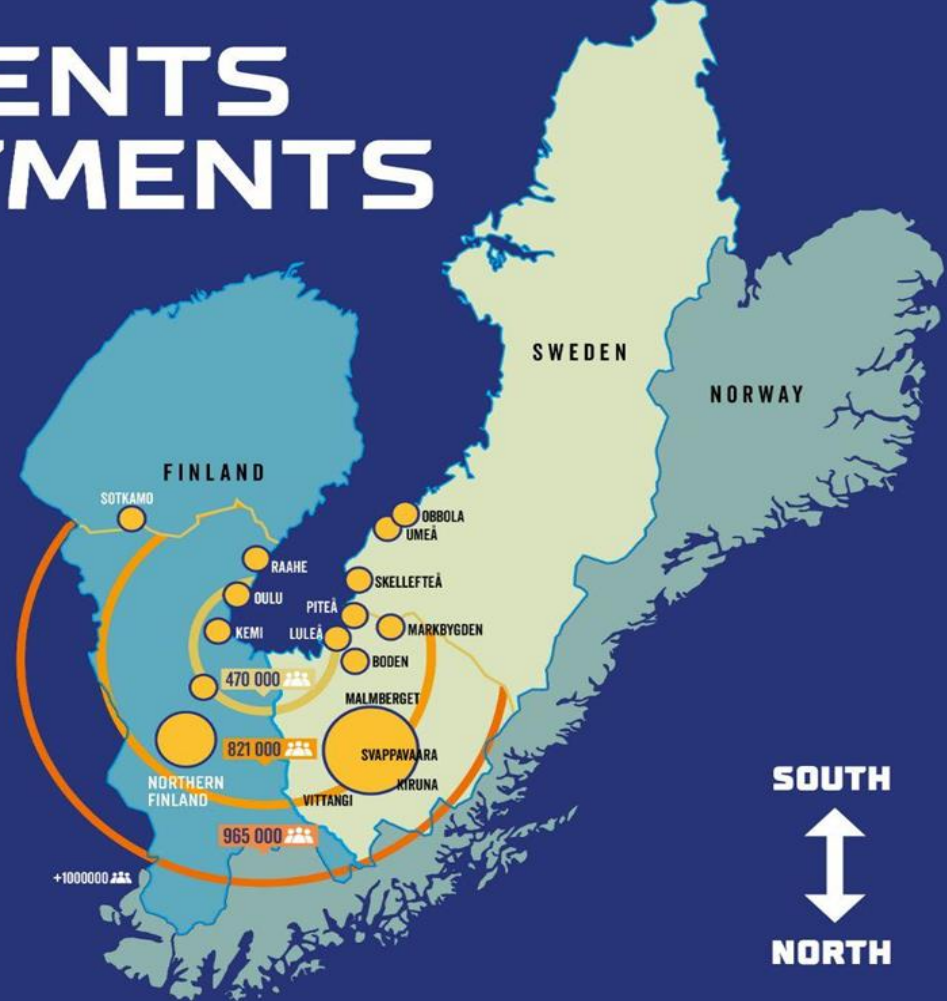
Market outlook: Northern industrial investment and wind demand strong; construction, esp. newbuild residential, market uncertainty with a limited impact on Havator

SWEDEN		FINLAND	
LKAB HYBRIT		MINING PROJECTS	7 mrd. €
• KIRUNA	40 mrd. €	• NORTHERN FINLAND	
• SVAPPAVAARA			
• MALMBERG			
MARKBYGDEN WIND FARM	7 mrd. €	WIND POWER PROJECTS	4 mrd. €
• MARKBYGDEN		• NORTHERN FINLAND	
• PITEÅ			
NORTHVOLT	4 mrd. €	METSÅ FIBRE	1.6 mrd. €
• SKELLEFTÅ		• KEMI	
H23 GREEN STEEL	2.5 mrd. €	DYS2030 -HOSPITAL	1.9 mrd. €
• BODEN		• OULU	
SSAB HYBRIT	1.2 mrd. €	BIOREFINING	3 mrd. €
• LULEÅ		• NORTHERN FINLAND	
• MALMBERG			
FACEBOOK	1 mrd. €	TRAVEL INDUSTRY	2.4 mrd. €
• LULEÅ		• NORTHERN FINLAND	
SCA OBBOLA	0.75 mrd. €		
• OBBOLA		TRAFFIC INFRA	3 mrd. €
TAIGA RESOURCES	0.2 mrd. €	• NORTHERN FINLAND	
• VITTANGI			
• LULEÅ		SSAB HYBRIT	1.2 mrd. €
KOMATSU	0.1 mrd. €	• RAAHE	
• UMEÅ			
LKAB FOSSIL FREE INDUSTRIAL PARK	1.5 mrd. €	OUTOKUMPU BIOCOKE / BIO-METHANE PLANT	0.3 mrd. €
• LULEÅ		• TORNIO	

BARENTS INVESTMENTS

In the coming years, multi-billion sums are invested in the Barents Region.

- Depot
- ▲ Harbor
- 👤 Population / Barents region



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Appendix

Appendix: Q3/2022 financial statements

Group financial overview

	2022	2021	Change	2022	2021	Change	9-2022	9-2021	Change
MC	Q3	Q3	Y-o-Y	Jan-Sep	Jan-Sep	Y-o-Y	LTM	LTM	Y-o-Y
Revenue	28.7	31.7	-9.4 %	77.5	77.2	0.3 %	106.1	97.6	8.8 %
Other income	1.0	0.0	5110 %	1.5	0.1	1268 %	1.6	0.4	286 %
Total revenues	29.8	31.7	-6 %	79.0	77.3	2 %	107.7	98.0	10 %
Adjusted EBITDA	10.2	9.7	5 %	20.9	19.6	7 %	26.3	24.6	7 %
Adjusted EBITDA %	35.5 %	30.7 %	4.8pp	26.9 %	25.3 %	1.6pp	24.8 %	25.2 %	-0.4pp
Adjusted EBITA	4.7	6.1	-23 %	8.1	9.0	-10 %	9.6	8.9	8 %
Adjusted EBITA %	16.4 %	19.4 %	-3.0pp	10.5 %	11.7 %	-1.2pp	9.0 %	9.1 %	-0.1pp
Operating cash flow	1.9	3.4	-42 %	10.4	9.5	10 %	19.1	16.6	15 %
Net debt	82.0	77.0	7 %	82.0	77.0	7 %	82.0	77.0	7 %

Appendix: Q3/2022 financial statements

Group consolidated P&L

ME	2022 Q3	2021 Q3	2022 Jan-Sep	2021 Jan-Sep	9-2022 LTM	9-2021 LTM
Revenue	28.7	31.7	77.5	77.2	106.1	97.6
Other income	1.0	0.0	1.5	0.1	1.6	0.4
Total revenues	29.8	31.7	79.0	77.3	107.7	98.0
Cost of sales	-15.1	-18.1	-44.2	-45.7	-62.8	-57.4
Gross profit	14.6	13.7	34.8	31.6	44.9	40.6
Other operating expenses	-4.4	-3.9	-14.0	-12.0	-18.7	-16.0
Depreciation	-5.5	-3.6	-12.7	-10.5	-16.7	-15.7
Operating profit/loss	4.7	6.1	8.1	9.0	9.6	8.9
Net financial items	-1.7	-1.4	-4.1	-3.6	-6.0	-4.6
Share of profit of equity-accounted investees	0.0	0.1	0.2	0.2	0.2	0.2
Non-recurring costs	0.1	0.0	-0.3	-0.2	-0.3	-0.2
Profit/loss before tax	3.2	4.8	4.0	5.5	3.4	4.2

Appendix: Q3/2022 financial statements

Group consolidated balance sheet

ME	2022 Sep 30	2021 Sep 30	2021 Dec 31
ASSETS			
Goodwill	2.4	2.4	2.4
Other intangible assets	3.7	2.4	2.9
Tangible assets	127.4	120.3	121.6
Other receivables	18.8	22.9	15.9
Cash and cash equivalents	4.3	4.5	6.6
	156.5	152.6	149.4
Shareholder's equity	42.3	42.7	40.7
Interest-bearing debt	86.3	81.5	81.1
Prepaid expenses and accrued income	27.9	28.3	27.6
TOTAL LIABILITIES	156.5	152.6	149.4

Appendix: Q3/2022 financial statements

Group consolidated cash flow

1 000 €	2022 Q3	2021 Q3	2022 Jan-Sep	2021 Jan-Sep	2021 Jan-Dec
OPERATING CASH FLOW					
Profit for the period	3 409	4 792	4 034	5 443	4 133
Depreciation	5 464	3 584	12 727	10 541	14 546
Net financial costs	1 669	1 375	4 073	3 629	5 598
Other non-cash adjustments	-1 593	-411	-3 919	-796	-1 945
Operating cash flow before changes in NWC	8 949	9 340	16 915	18 817	22 332
Changes in Net Working Capital:					
Change in trade and other receivables	-4 101	-5 544	-2 795	-10 483	-4 137
Change in trade and other payables	-1 251	930	313	4 751	5 381
Operating cash flow before interests and taxes	3 597	4 726	14 434	13 085	23 577
Interests and other financial costs	-1 669	-1 375	-4 073	-3 629	-5 588
OPERATING CASH FLOW (A)	1 928	3 351	10 361	9 456	17 989
INVESTMENT CASH FLOW (B)	-5 367	-5 497	-11 612	-12 859	-15 870
FINANCING CASH FLOW					
Issuance of shares	0	0	100	0	25
Changes in interest-bearing liabilities	1 338	-1 622	-1 209	-3 607	-7 069
FINANCING CASH FLOW (C)	1 338	-1 622	-1 109	-3 607	-7 044
CHANGE IN LIQUID FUNDS (A+B+C)	-2 101	-3 768	-2 360	-7 010	-4 925
Cash in beginning of the financial period	6 373	8 315	6 632	11 557	11 557
Cash in end of the financial period	4 272	4 547	4 272	4 547	6 632

For further information

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Thank you!

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