

Third Quarter 2023 report

Q3 2023

- Revenue 26.2 MEUR (28.7)
- Fleet Management profits 0.9 MEUR (1.0)
- Adjusted EBITDA 7.8 MEUR (10.2)
- Adjusted EBITDA-margin 30.0 % (35.4 %)
- Adjusted EBITA 2.5 MEUR (5.6)
- Operating cash flow 8.1 MEUR (1.9)
- Net debt/adjusted EBITDA 3.8x (3.2)

YTD 2023

- Revenue 74.0 MEUR (77.5)
- Fleet Management profits 1.1 MEUR (1.5)
- Adjusted EBITDA 16.9 MEUR (20.9)
- Adjusted EBITDA-margin 22.9 % (26.9 %)
- Adjusted EBITA 1.5 MEUR (8.1)
- Operating cash flow 9.8 MEUR (10.4)
- Net debt/adjusted EBITDA 3.8x (3.2)

Comments by the CEO

In Q3, the business performed well and followed the earlier forecast. The depot business in Finland was good, even though mid-summer volumes were lower than expected. However, the margin beat the forecast. In contrast, the Swedish depot business market slowed down, and currency weakness continued to hit figures. In the heavy lifting business, the market and execution were overall in line with expectations. In Transport, demand was strong, but due to that high demand, capacity was leveraged by a higher level of sub-contracting, and the margin didn't meet expectations. Group cash flow and EBIT were also affected by last years' heavy investment program, mainly focused on green shift projects in Northern Sweden. Green shift projects are materializing as the H2GS project has now progressed to the erection phase from infra works. First lifting contracts were under negotiation at the end of Q3. Generally, the visibility in the market has remained weak. Interest rates are expected to have reached their peak, but they have not yet given investors the foundation to launch investments on a larger scale. During autumn, an increased amount of wind park investments was put on hold, and consequently the demand for services in 2024 is expected to decline in the wind segment. Outlook for Q4 EBITDA with the fleet management gains, is somewhat better than same period last year. Company focus will be on sustained margins.

Havator concluded the first three quarters of the year 2023 with revenue of 74.0 million euros, which was 3.5 million euros below the previous year. Adjusted EBITDA was 16.9 million euros for the first nine months, down by 4.0 million euros compared to the previous year. In Q3, the sale of old equipment continued, and 0.9 million euros of Fleet Management gains were booked. Sales of older equipment likely continues also during Q4 of the year.

With reference to the notice of voluntary total redemption dated 24th October, Havator Group Oy has successfully redeemed the Notes as planned on 15th November 2023. Havator Group Oy will discontinue to publish quarterly "bond reports" after this current occurrence.



Hannu Leinonen, CEO

Group financial overview

	2023	2022	Change	2023	2022	Change	9-2023	9-2022	Change
M€	Q3	Q3	Y-o-Y	Jan-Sep	Jan-Sep	Y-o-Y	LTM	LTM	Y-o-Y
Revenue	26.2	28.7	-9 %	74.0	77.5	-5 %	100.5	106.1	-5 %
Other income	0.9	1.0	-12 %	1.1	1.5	-26 %	1.5	1.6	-7 %
Total revenues	27.1	29.8	-9 %	75.1	79.0	-5 %	102.0	107.7	-5 %
Adjusted EBITDA	7.8	10.2	-23 %	16.9	20.9	-19 %	23.2	25.5	-9 %
Adjusted EBITDA %	30.0 %	35.4 %	-5.4pp	22.9 %	26.9 %	-4.0pp	23.1 %	24.0 %	-0.9pp
Adjusted EBITA	2.5	5.6	-56 %	1.5	8.1	-81 %	3.1	8.4	-63 %
Adjusted EBITA %	9.4 %	19.3 %	-9.9pp	2.0 %	10.5 %	-8.5pp	3.1 %	7.9 %	-4.8pp
Operating cash flow	8.1	1.9	321 %	9.8	10.4	-5 %	19.2	16.8	14 %
Net debt	88.8	82.0	8 %	88.8	82.0	8 %	88.8	82.0	8 %

Group consolidated P&L

	2023	2022	2023	2022	9-2023	9-2022
M€	Q3	Q3	Jan-Sep	Jan-Sep	LTM	LTM
Revenue	26.2	28.7	74.0	77.5	100.5	106.1
Other income	0.9	1.0	1.1	1.5	1.5	1.6
Total revenues	27.1	29.8	75.1	79.0	102.0	107.7
Cost of sales	-14.4	-15.5	-43.8	-44.2	-59.2	-63.4
Gross profit	12.7	14.3	31.3	34.9	42.9	44.4
Other operating expenses	-4.8	-4.1	-14.4	-14.0	-19.6	-18.9
Depreciation	-5.4	-4.6	-15.4	-12.7	-20.1	-17.1
Operating profit/loss	2.5	5.6	1.5	8.1	3.1	8.4
Net financial items	-2.4	-1.4	-6.1	-4.1	-7.8	-6.2
Share of profit of equity-accounted investees	0.0	0.0	0.1	0.2	0.0	0.2
Non-recurring costs	-0.1	0.1	-0.4	-0.3	-1.1	-0.3
Profit/loss before tax	-0.1	4.3	-5.0	4.0	-5.8	2.1

Group consolidated balance sheet

M€	2023 Sep 30	2022 Sep 30	2022 Dec 31
ASSETS			
Goodwill	2.3	2.4	2.4
Other intangible assets	5.5	3.7	4.8
Tangible assets	133.2	128.8	128.8
Other receivables	15.9	17.4	12.0
Cash and cash equivalents	2.6	4.3	6.8
TOTAL ASSETS	159.5	156.5	154.8
LIABILITIES			
Shareholder's equity	34.0	42.3	40.0
Interest-bearing debt	91.3	86.3	85.8
Prepaid expenses and accrued income	34.1	27.9	29.0
TOTAL LIABILITIES	159.5	156.5	154.8

Group consolidated cash flow

1 000 €	2023 Q3	2022 Q3	2023 Jan-Sep	2022 Jan-Sep	2022 Jan-Dec
OPERATING CASH FLOW					
Profit for the period	-39	4 273	-4 929	4 034	2 956
Depreciation	5 396	4 587	15 415	12 727	17 529
Net financial costs	2 448	1 439	6 102	4 073	5 809
Other non-cash adjustments	1 197	-1 691	-1 817	-3 919	-4 060
Operating cash flow before changes in NWC	9 002	8 608	14 771	16 915	22 233
Changes in Net Working Capital:					
Change in trade and other receivables	-3 783	-4 155	-3 951	-2 795	2 462
Change in trade and other payables	5 348	-1 084	5 097	313	807
Operating cash flow before interests and taxes	10 567	3 369	15 917	14 433	25 503
Interests and other financial costs	-2 448	-1 439	-6 102	-4 073	-5 726
OPERATING CASH FLOW (A)	8 119	1 930	9 815	10 360	19 776
INVESTMENT CASH FLOW (B)	-10 569	-5 242	-14 306	-11 612	-16 407
FINANCING CASH FLOW					
Issuance of shares	0	0	100	100	150
Changes in interest-bearing liabilities	4 545	1 210	203	-1 209	-3 389
FINANCING CASH FLOW (C)	4 545	1 210	303	-1 109	-3 239
CHANGE IN LIQUID FUNDS (A+B+C)	2 096	-2 101	-4 188	-2 360	131
Cash in beginning of the financial period	479	6 373	6 763	6 632	6 632
Cash in end of the financial period	2 575	4 272	2 575	4 272	6 763

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.