



Q1 – 2018 TRESU Investment Holding A/S  
May 14<sup>th</sup>, 2018

*Bringing flexographic technology to a higher level*



# Agenda

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# General Information

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- All figures are based on management figures (DK-GAAP) as at March 31, 2018
- Consolidated figures are prepared on the basis that Tresu Investment Holding A/S existed and owned Tresu Investment A/S for the relevant period shown
- Purchase Price Allocation (PPA) is now fully incorporated into the figures for Tresu Investment Holding A/S and may therefore affect comparability with prior periods
- Financial information will be available at [www.tresu.dk/investor-relations](http://www.tresu.dk/investor-relations)
- Questions can be directed to:

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# Executive Summary

in m.dkk KEY FIGURES	Q1-18	Q1-17	LTM mar-18	Comments
Net Revenue	103,1	157,5	563,1	<ul style="list-style-type: none"> <li>Q1 order intake of DKK 110m (+ 20% vs Q4 '17), while order backlog of DKK 110m (+6% vs Q4 '17 end), driven primarily by Digital</li> </ul>
Adjusted EBITDA	1,4	26,2	63,0	<ul style="list-style-type: none"> <li>Delayed order intake in Flexo Inline since Q4 '17 continues to weigh down group revenue                             <ul style="list-style-type: none"> <li>However, no orders have been cancelled or lost to competition</li> <li>Pipeline has also strengthened over the past 6 months, giving management reassurance of order intake recovery from Q2</li> </ul> </li> </ul>
Adjusted EBITDA margin (%)	1,4%	16,7%	11,2%	
Adjusted EBIT	-1,3	25,0	52,6	<ul style="list-style-type: none"> <li>Flexo Inline aftermarket, Digital Solutions and Ancillary continue to meet expectations</li> </ul>
Adjusted EBIT margin (%)	-1,2%	15,8%	9,3%	
Net working capital	148,3	37,4	148,3	<ul style="list-style-type: none"> <li>To reduce the fixed cost base, an FTE reduction plan (ca. 20 FTEs) was initiated in Q1, with FY18 impact DKK ~2m / run-rate DKK ~5m</li> </ul>
Total Assets	1.328,3	457,0	1.328,3	
Net Interest Bearing Debt (NIBD)	606,6	-77,3	606,6	<ul style="list-style-type: none"> <li>Other cost initiatives are being investigated, including further outsourcing of non-core activities, with FY18 EBITDA impact DKK ~6m / run-rate DKK ~9m, with associated NWC benefit of up to DKK 15m</li> </ul>
NIBD / Adjusted LTM EBITDA	9,6x	0,0x	9,6x	
Total equity	213,3	138,9	213,3	<ul style="list-style-type: none"> <li>SSRCF increased for 6 months by DKK 37m in March</li> <li>Despite an unsatisfactory quarter, management expects FY18 adjusted EBITDA to be above Dec '17 LTM EBITDA but below Sep '17 LTM EBITDA</li> </ul>

# Income Statement

in m.dkk	Q1-18	Q1-17	LTM mar-18
<b>INCOME STATEMENT</b>			
<b>Net Sales</b>	103,1	157,5	563,1
<b>Contribution</b>	39,3	60,3	210,9
<b>cm%</b>	38,1%	38,3%	37,5%
Indirect Production cost	12,2	9,9	40,5
Fixed overhead	25,7	24,2	107,5
<b>Adjusted EBITDA</b>	1,4	26,2	63,0
Adjusted EBITDA margin (%)	1,4%	16,7%	11,2%
Depreciations	2,7	1,3	10,4
<b>Adjusted EBIT</b>	-1,3	25,0	52,6
Adjusted EBIT margin (%)	-1,2%	15,8%	9,3%
Net Interests (incl bond)	7,4	0,9	14,8
<b>Adjusted EBT</b>	-8,6	24,1	37,8
Taxes	-8,3	6,3	-6,7
<b>Adjusted EAT</b>	-0,4	17,8	44,5
<b>Non Recurring items (post tax)</b>			
Transaction fees / Restructuring	2,7	0,0	23,2
Financing fees	0,0	0,0	17,7
PPA depreciations	18,3	0,0	54,4
Total NRI	21,0	0,0	95,2

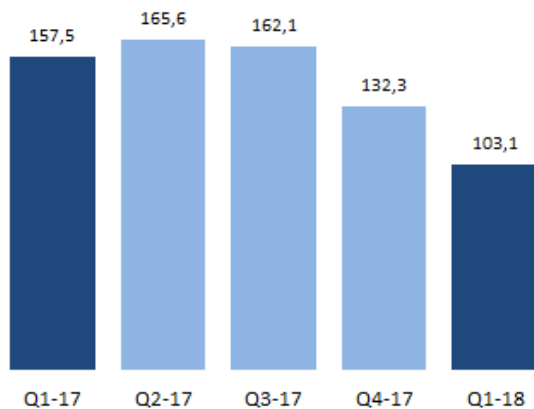
## Comments

- Delayed order intake in Flexo Inline since Q4 '17 continues to weigh down group revenue
- Nevertheless one additional flexo inline machine was sold to an existing North American packaging customer in March with more in the pipeline, while technical dialogue continues with another key customer also for additional machines
- Slight decrease in CM % due to product mix, driven by lower margin Digital Solutions products
- Despite underperformance in Flexo Inline capital sales, Flexo Inline aftermarket, Digital Solutions and Ancillary continue to meet expectations
- EBITDA decline primarily driven by decrease in revenue (DKK -22.5m) and increase in overhead costs (DKK -3.8m) compared to Q1 '17 due to the hiring of nearly 100 new FTEs throughout 2017
- Transaction fees / restructuring mainly relate to redundancies and new positions, and strategy plan 2021 adoption
- PPA depreciations classified as NRI to allow for comparability with prior periods

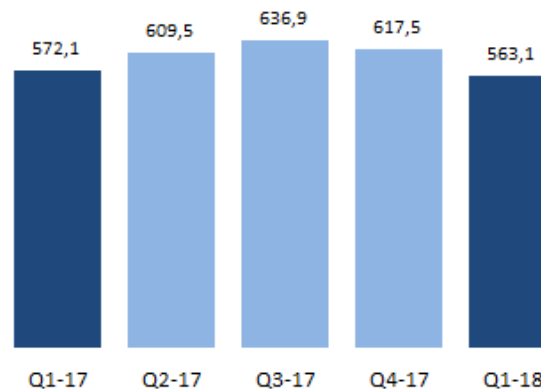
# Revenue and Adjusted EBITDA – Quarterly and LTM

In m.dkk

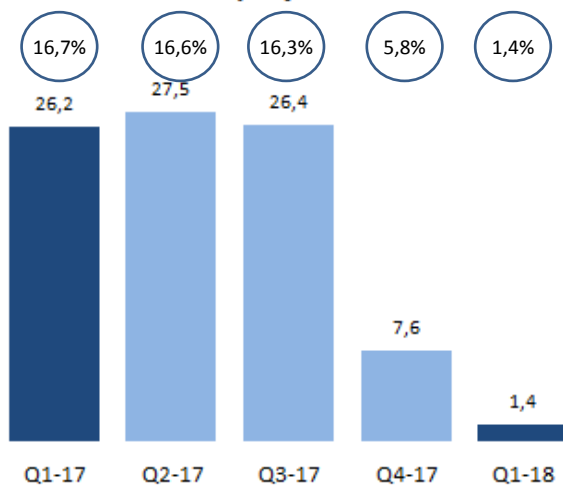
Quarterly net revenue



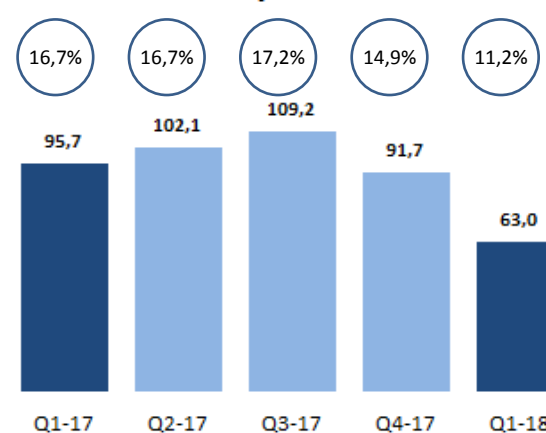
LTM net revenue



Quarterly adjusted EBITDA



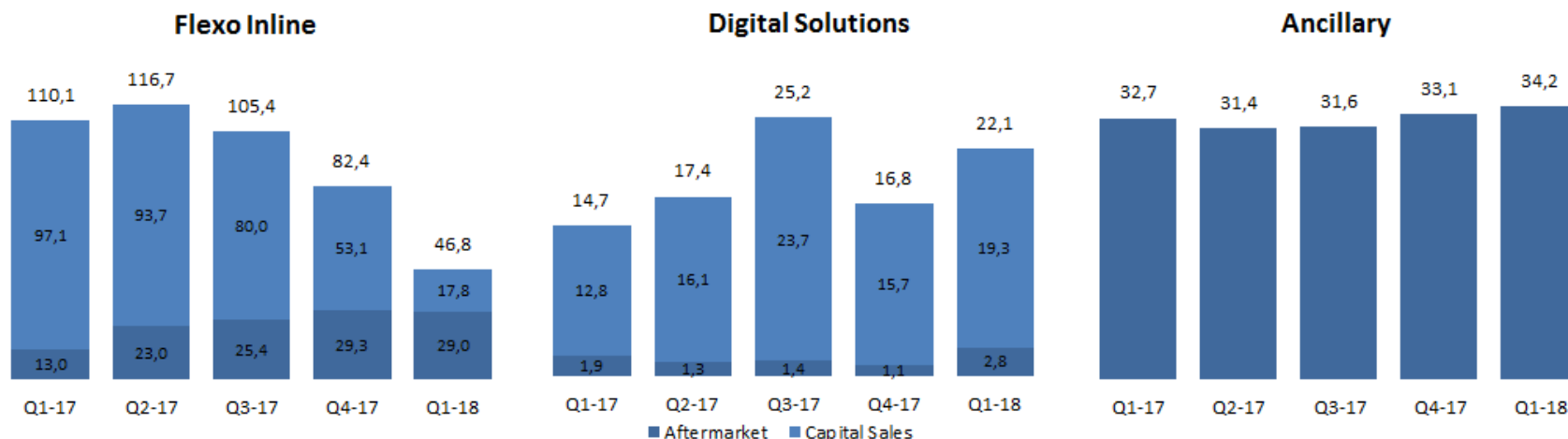
LTM adjusted EBITDA



% = EBITDA as % of net revenue

# Quarterly Sales by Business Unit

In m.dkk



## Comments

- Net revenue in Flexo Inline has decreased significantly compared to prior quarters due to the delay in order intake. However, aftermarket (including upgrades) has increased due to the growing installed base
- Current pipeline of large Flexo Inline machines has increased over the past 6 months and is expected to convert to order intake in Q2-3 '18
- Digital Solutions continues to increase in net revenue on the back of a broadening product / customer portfolio
- Ancillary continues to increase in net revenue following greater sales focus especially in the North American market

# Balance Sheet

in m.dkk BALANCE SHEET	Q1-18	Q4 - 17	Q1-17
Intangible Assets	751,2	735,7	33,0
Property, Plant & Equipment	63,3	76,0	26,1
Financial assets	0,0	0,0	0,0
<b>Non Current Assets</b>	<b>814,5</b>	<b>811,7</b>	<b>59,1</b>
Inventory	64,7	64,4	55,4
Accounts Receivables	62,1	45,0	51,6
Customer Work in Progress	370,7	321,5	189,5
Other Receivables	16,3	4,7	5,7
Cash & Cash equivalents			95,6
<b>Current Assets</b>	<b>513,9</b>	<b>435,6</b>	<b>397,9</b>
<b>Total Assets</b>	<b>1.328,3</b>	<b>1.247,3</b>	<b>457,0</b>
<b>Equity</b>	<b>213,3</b>	<b>213,2</b>	<b>138,9</b>
Provisions	30,1	31,6	14,3
Guarantees	1,4	1,3	1,2
Long term debt	515,2	515,0	1,3
Other long term debt	8,2	8,3	8,6
Prepayments from Customers	267,0	186,6	186,3
Accounts Payables	77,5	87,5	54,2
Short term debt (SSRCF)	90,9	56,5	0,0
Accrued expenses	19,7	35,2	23,3
Other short term debt	0,5	-1,9	17,1
Other Current Liabilities	104,7	114,0	11,8
<b>Short term debt</b>	<b>560,2</b>	<b>477,9</b>	<b>292,6</b>
<b>Total Debt</b>	<b>1.083,5</b>	<b>1.001,3</b>	<b>302,5</b>
<b>Total Equity and Liabilities</b>	<b>1.328,3</b>	<b>1.247,3</b>	<b>457,0</b>

## Comments

- Purchase Price Allocation (PPA) is now fully incorporated and has increased non current assets as at Q1 '18 to DKK 814.5m, of which DKK 230.6m is goodwill
- Increase in customer WIP is primarily due to the five Flexo Inline machines for delivery in 2018
- Net working capital change in Q1 '18 compared to previous quarter is DKK 23,4m, driven primarily by increase in CWIP, accounts receivable and decrease in accrued expenses
- NIBD at Q1 '18 is DKK 606.6m, implying net leverage of 9.6x



# Cash Flow Statement

in m.dkk CASH FLOW	Q1-18	Q1-17	Comments
Operating Profit/Loss	-0,4	17,8	<ul style="list-style-type: none"> <li>Cash flow from operating activities was DKK -28.8m, mainly due to low operating profit / loss and increase in NWC                             <ul style="list-style-type: none"> <li>NWC has increased primarily as a result of the delay in Flexo Inline order intake coupled with a maturing work in progress portfolio of larger machines</li> </ul> </li> </ul>
Amortization, depreciations and impairment loss	2,7	1,3	
Tax	-8,3	6,3	
NRI - expenses	-2,7	0,0	
Working capital changes	-23,4	13,0	
<b>Cash Flow from ordinary operating activities</b>	<b>-32,1</b>	<b>38,4</b>	
Cash Flow from Investing Activities	-1,2	-1,8	<ul style="list-style-type: none"> <li>Net cash as at Q1 '18 was DKK -90.9m</li> </ul>
Net Cash Flow from Financing activities	-1,1	-10,2	<ul style="list-style-type: none"> <li>The SSRCF was increased for 6 months in March 2018 by DKK 37m</li> </ul>
<b>Increase/decrease in cash and cash equivalents</b>	<b>-34,4</b>	<b>26,4</b>	
Cash and Cash equivalents -beginning of period	-56,5	69,2	
Cash and Cash equivalents - end of period	-90,9	95,6	

# Appendix

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## Appendix A : Organizational chart

# Appendix A : Organizational chart – Reporting entities

