



# Presentation first half year 2012

21 August 2012



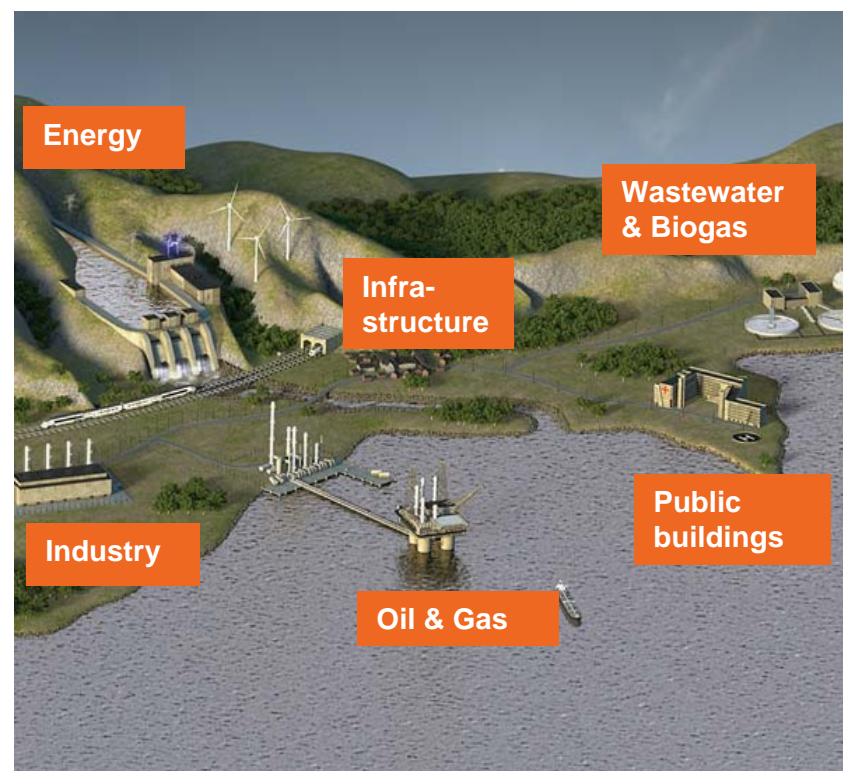
# Agenda

- Highlights
- Financial review
- Order book
- Goodtech – in brief
- Outlook



# Highlights, first half year 2012

- Positive market for Goodtech
- Strong order intake - won large strategic contracts in and after Q2
- Increased turnover with 2,5 % in Q2 and 2,3 % YTD
- EBITDA MNOK 7,1 in Q2 - weaker than expected
- Positive cash flow from operations, strong improvement compared with Q2 2011. Cash flow YTD of MNOK 57,7 compared with MNOK -145,4 last year



# Highlights, first half year

- Key figures
  - Turnover YTD MNOK 1029,1 compared with MNOK 1005,5 YTD 2011
  - EBITDA YTD MNOK 22,3 compared with MNOK 24,2 YTD 2011. EBITDA in Q2 is MNOK 7,1 compared with MNOK 17,1 in Q2 2011
  - Profit/loss before tax MNOK 9,9 YTD compared with MNOK – 2,9 YTD 2011. Q2 profit/loss is MNOK 1,5 compared with MNOK 4,8 in 2011
- EBITDA in Q2 weaker than expected due to:
  - Reduced earning from some projects, where loss in one project is MNOK 7,4 in Q2
  - Delayed startup of some projects
  - Underperforming in some locations
  - ISO certification in P & S in Norway





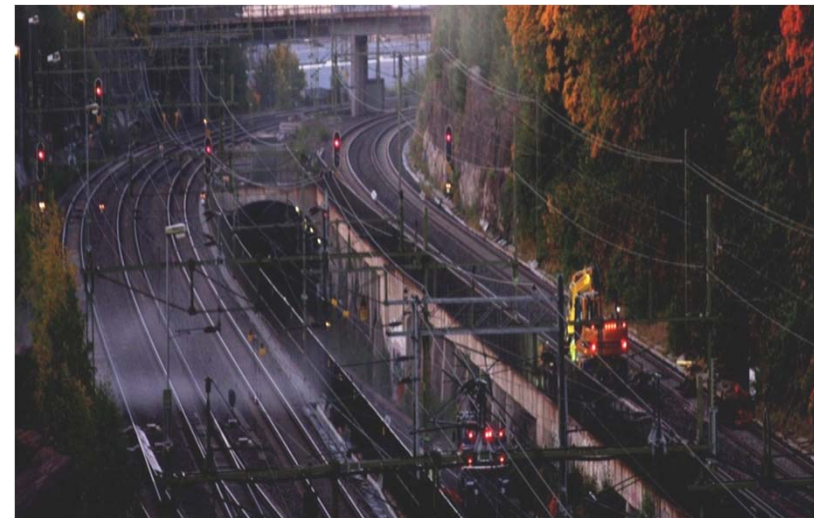
# Highlights, first half year; Market

- High level of activity in most of Goodtechs markets. Goodtech has strong order intake in and after Q2. Some contracts :
  - **MSEK 135** contract with Metso for Northland Resources Kaunisvaara mine in Pajala, Sweden
  - **MSEK 69** BEST- contract (Bane, EI, Signal and Tele) with Trafikverket, Sweden for upgrade of railway between Sundsvall and Gävle. Additional option of MSEK 36.
  - MSEK 124 contract together with ABB for FORTUM Varde for complete power and automation system where Goodtech has responsibility for **MSEK 70**
  - **MSEK 40** contract for delivery of production line to customer within the automotive industry



## Contracts won after Q2

- **MSEK 103** contract for Ansaldo for installation, dismantling and operation related to operation upgrade of new surveillance system for the Red Line Metro in Stockholm. Option of MSEK 6
- **MSEK 146** BESTM- contract (Bane, EI, Signal, Tele and Civil) with Trafikverket, Sweden for upgrade of railway power system in Gothenburg
- **MNOK 50** in contracts within the environmental sector



## Highlights, second quarter

- Implementation of new system and routines within P&S in Norway
  - Obtained ISO certificate
- New competence program for improving of project management is ongoing. Extra cost related to this.
- The new ERP and project cost control system is now in place. More training is needed and will take place in the autumn
- Employee survey has been performed with good results – Important feedback late in integration process.
- Goodtech paid dividend for 2011 of NOK 0,08, totally MNOK 26,0 in Q2.
- Reverse split of shares: 10:1 on May 4<sup>th</sup>



# Financial Review



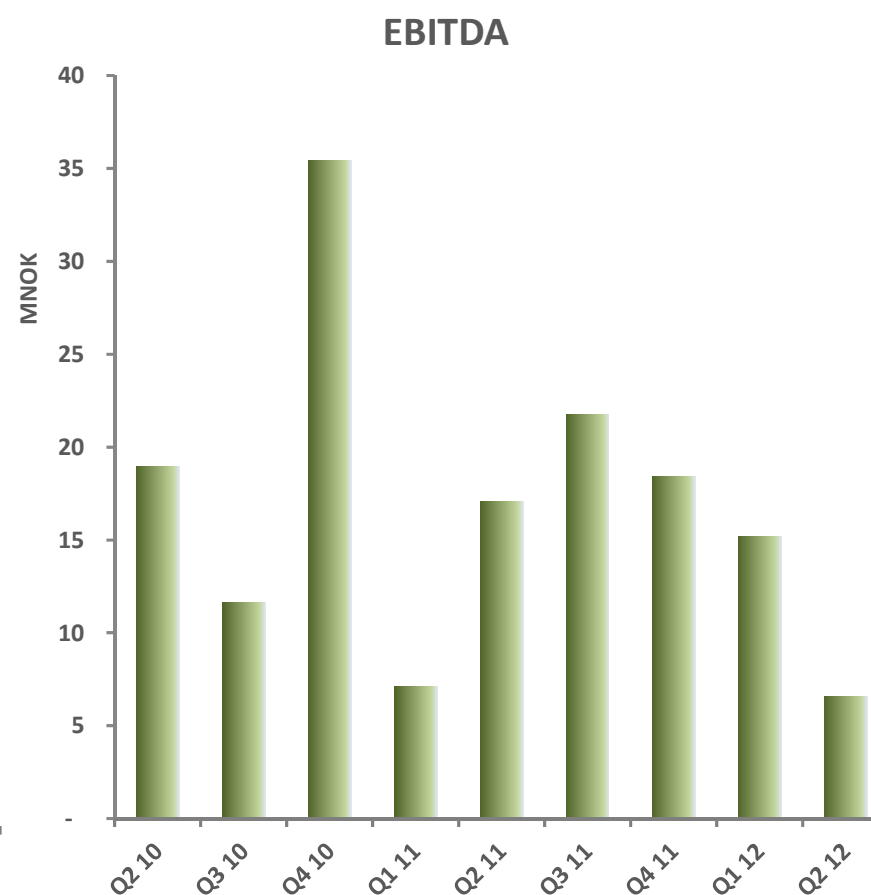
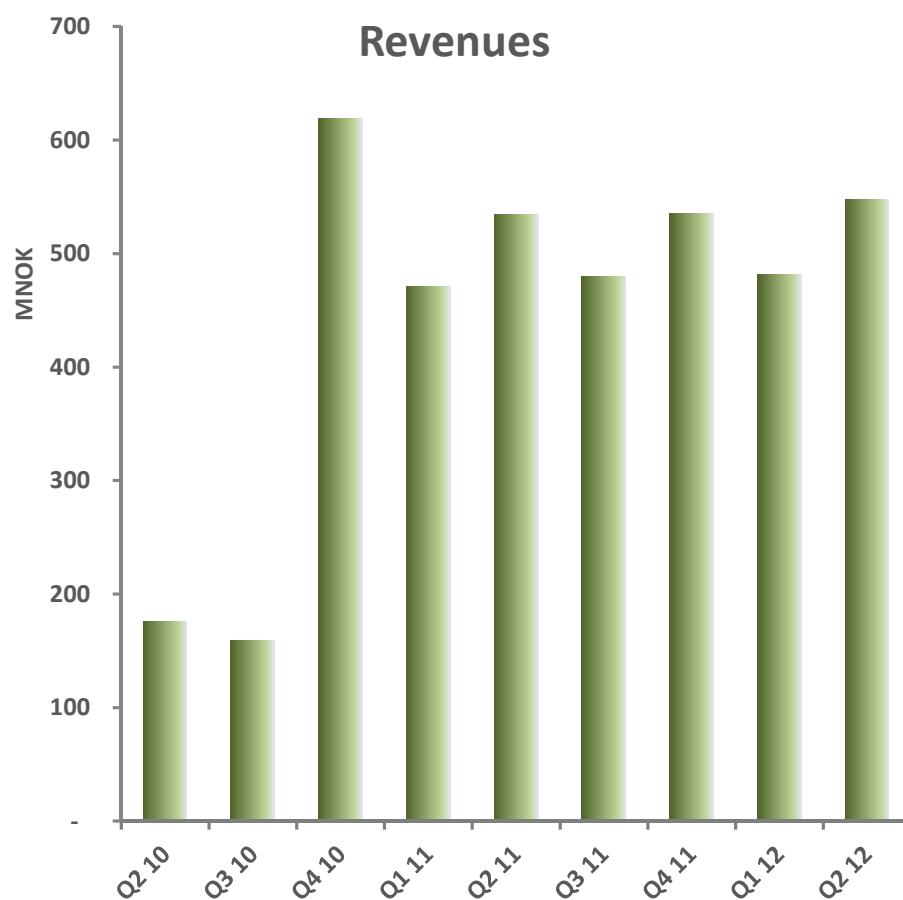


# Main figures

(NOK 1.000)	YTD 12	YTD 11	Q2 12	Q2 11	2011
Revenues	1 029 105	1 005 501	547 955	534 688	2 020 939
Product expenses	516 809	537 719	292 648	300 935	1 042 740
Salary expenses	405 826	353 041	210 605	174 764	743 764
Other operating expenses	84 157	90 549	37 600	41 925	170 070
<b>EBITDA</b>	<b>22 314</b>	<b>24 192</b>	<b>7 102</b>	<b>17 064</b>	<b>64 365</b>
<i>EBITDA %</i>	2,2 %	2,4 %	1,3 %	3,2 %	3,2 %
Depreciation	11 402	18 460	5 634	9 358	33 615
Impairment changes and non recurring items	0	4 618	0	1 635	9 923
<b>EBIT</b>	<b>10 912</b>	<b>1 114</b>	<b>1 468</b>	<b>6 071</b>	<b>20 828</b>
Net financial items	-1 025	-4 050	69	-1 257	-9 354
Share of Profit from Associated comp.	0	0	0	0	0
<b>Profit before taxes</b>	<b>9 886</b>	<b>-2 936</b>	<b>1 537</b>	<b>4 814</b>	<b>11 473</b>
Taxes	2 768	-822	430	1 348	-7 096
<b>Net result from continuing operations</b>	<b>7 118</b>	<b>-2 114</b>	<b>1 107</b>	<b>3 466</b>	<b>18 569</b>
Net income/loss from discontinued operation	0	-884	0	0	-884
<b>Net result</b>	<b>7 118</b>	<b>-2 998</b>	<b>1 107</b>	<b>3 466</b>	<b>17 685</b>
Earnings per share from continuing operations *)	0,22	-0,07	0,03	0,11	0,57
Deluted earnings per share *)	0,22	-0,07	0,03	0,11	0,57

\*) Earnings per share based on no. of shares after reverse split in May 2012

# Quarterly revenues and earnings - historical



# Financial highlights – Balance sheet

NOK million	30.06.12	30.06.11	31.12.11
Fixed tangible assets	49,1	51,2	52,8
Intangible Assets	648,0	647,1	660,4
Total Fixed Assets	697,0	698,3	713,2
Cash	47,3	22,8	33,0
Other Current Assets	570,6	614,9	646,8
Total Current Assets	617,9	637,8	679,8
<b>Total Assets</b>	<b>1 314,9</b>	<b>1 336,1</b>	<b>1 393,0</b>
Total equity	642,8	639,2	667,0
Long Term Liabilities Interest Bearing	133,7	157,8	147,9
Other Long Term Liabilities	15,8	21,6	15,5
Current Liabilities Interest Bearing	25,1	43,6	26,6
Other Current Liabilities	497,4	473,8	535,9
<b>Total Equity and Debt</b>	<b>1 314,9</b>	<b>1 336,1</b>	<b>1 393,0</b>
Net Interest Bearing Debt	111,6	178,6	141,6
Equity Ratio (%)	48,9 %	47,8 %	47,9 %
Net Gearing (%)	17,4 %	27,9 %	21,2 %
Liquidity Ratio	1,2	1,2	1,2

## Definitions:

Net Gearing (%): Net interest Bearing Debt/Total equity

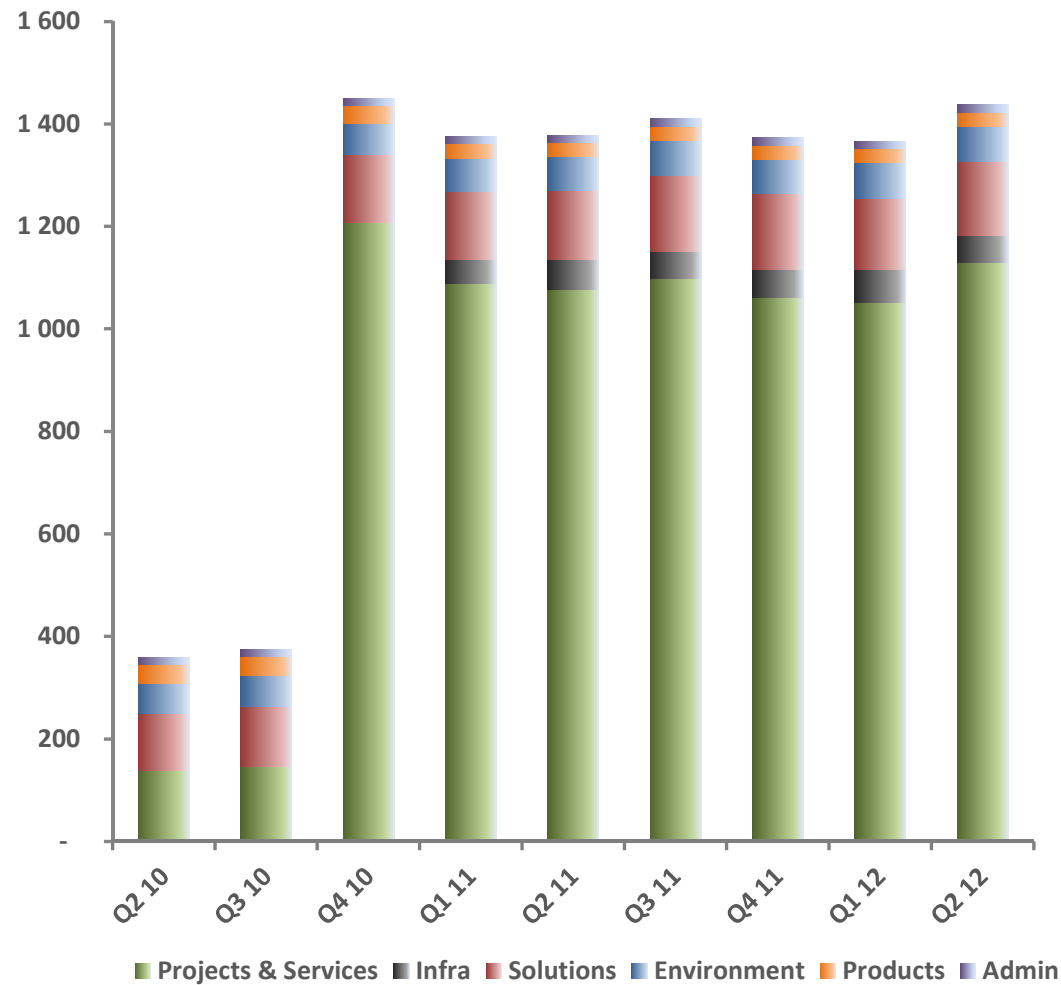
Liquidity Ratio : Current Assets/Current Liabilities

# Financial highlights – Cash flow

(NOK 1.000)	YTD 12	YTD 11	Q2 12	Q2 11	2011
Cash flow from operations	57 699	-145 355	536	-58 274	-95 368
Cash flow from investments	-4 092	-7 121	-2 275	-4 776	-18 277
Cash flow from financials	-39 527	-13 033	-32 919	-6 298	-25 530
<b>Net changes in cash from period</b>	<b>14 080</b>	<b>-165 508</b>	<b>-34 658</b>	<b>-69 348</b>	<b>-139 174</b>
Net Cash funds at beginning of period	32 973	172 332	81 831	76 924	172 332
Effects of exchange rate fluctuation on cash held	273	-2 552	153	-3 304	-185
<b>Net Cash funds at end of period</b>	<b>47 326</b>	<b>4 272</b>	<b>47 326</b>	<b>4 272</b>	<b>32 973</b>

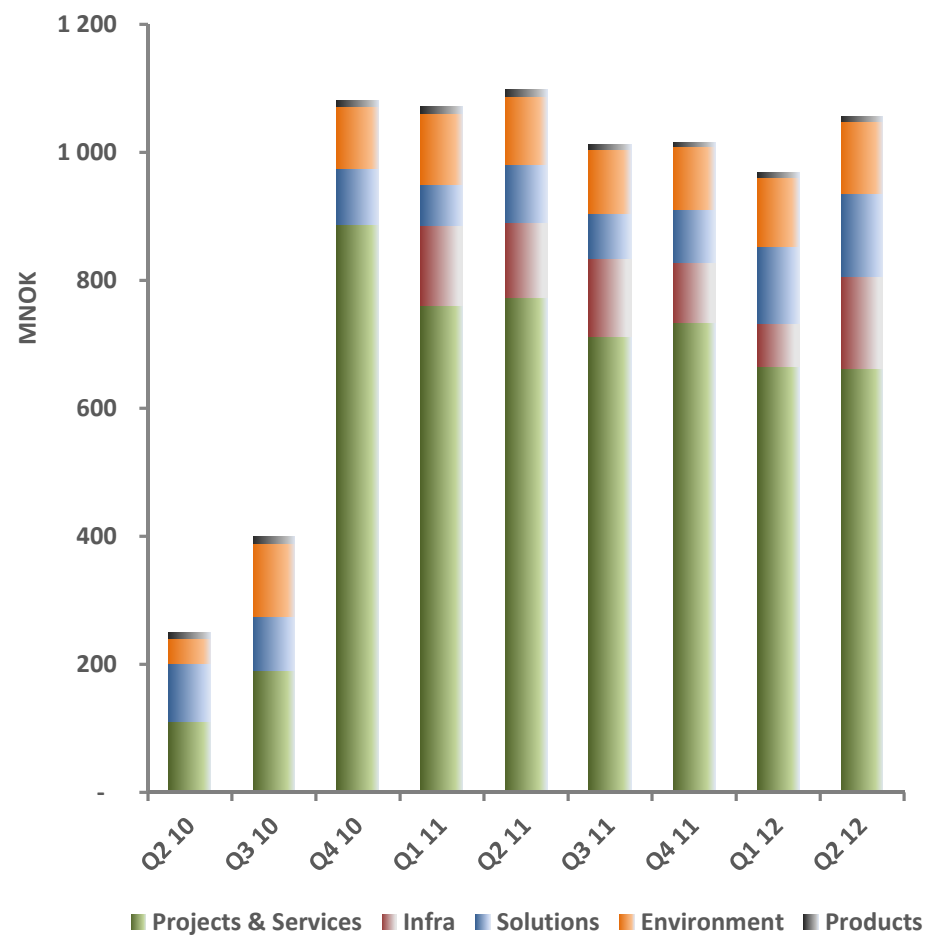


# Employees per business area



Total no. of employees by 30.06.2012: 1437

# Order backlog



+ Additional order intake after Q2 estimated to MNOK 225

# Business areas – figures and facts

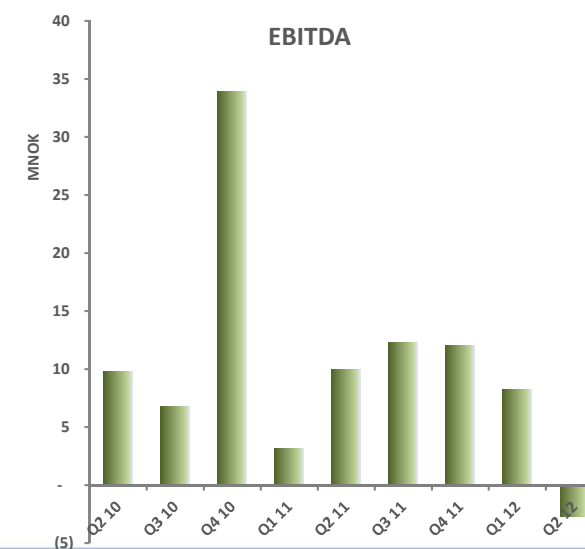
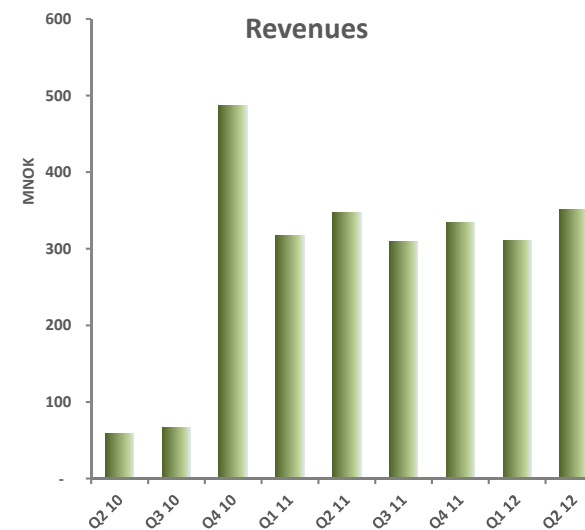


## Business unit: Projects & Services (P&S)

NOK 1.000	YTD 2012	YTD 2011	Q2 2012	Q2 2011	2011
Revenue	662 572	666 266	351 646	348 058	1 310 296
EBITDA	5 578	13 137	-2 667	9 966	37 450
EBITDA margin %	0,8 %	2,0 %	-0,8 %	2,9 %	2,9 %
Order backlog	661 961	773 664	661 961	773 664	735 116
No. of employees	1 130	1 077	1 130	1 077	1 062

### ■ Highlights

- Infra business is separated as new business unit as from 1 Jan. 2012
- Turnover slightly lower than 1st half 2011. Slightly higher turnover in Q2 compared with Q2 2011
- Underperformance due to loss in some projects. Loss after final negotiation in one project is MNOK 7,4 in Q2
- Some cost related to changes in the organization
- Won large contracts for Metso in Kaunisvarra and Fortum Varne in Stockholm
- Late start in some projects have caused increased internal cost in Q2
- Increased manning related to some larger projects



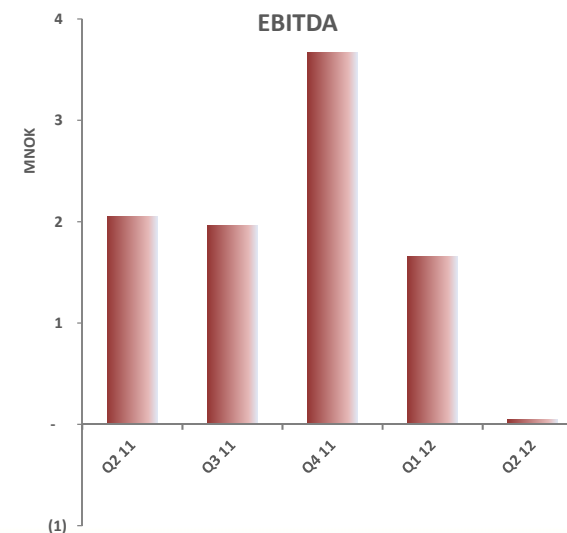
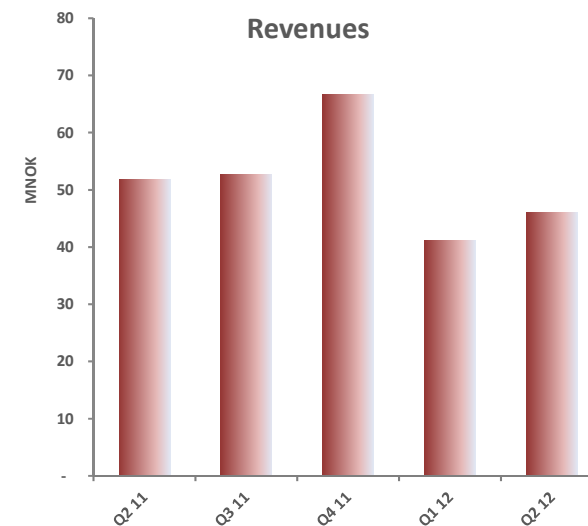


## Business unit: Infra

NOK 1.000	YTD 2012	YTD 2011	Q2 2012	Q2 2011	2011
Revenue	87 827	76 505	46 609	51 903	195 932
EBITDA	1 697	2 443	44	2 048	8 078
EBITDA margin %	1,9 %	3,2 %	0,1 %	3,9 %	4,1 %
Order backlog	144 422	116 299	144 422	116 299	92 428
No. of employees	52	58	52	58	53

### ■ Highlights

- INFRA established as separate business area from 1 Jan. 2012 with focus on railway and subway
- INFRA won MSEK 69 contract for delivery of BEST project to Trafikverket, with option of MSEK 36
- Strong order intake in, and after Q2, where 214 MNOK has been signed after Q2 related to contracts for Ansaldo and Trafikverket
- Turnover is slightly lower compared to Q2 2011
- EBITDA is slightly positive for Q2, but lower than Q2 2011. Poor performance is due to late start of project, and high cost related to bid processes

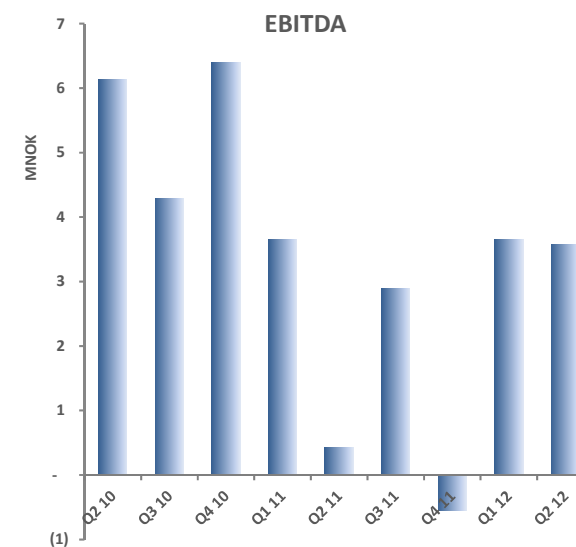
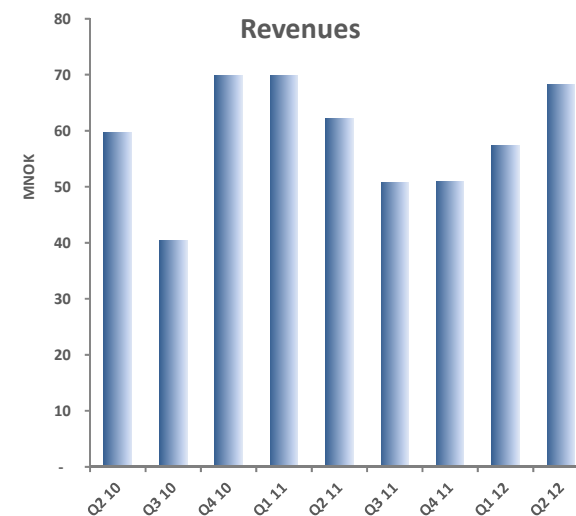


# Business unit: Solutions

NOK 1.000	YTD 2012	YTD 2011	Q2 2012	Q2 2011	2011
Revenue	125 724	132 159	68 348	62 243	233 876
EBITDA	7 226	4 085	3 578	431	6 421
EBITDA margin %	5,7 %	3,1 %	5,2 %	0,7 %	2,7 %
Order backlog	128 701	91 712	128 701	91 712	82 936
No. of employees	144	136	144	136	149

## ■ Highlights

- Turnover 10% higher than Q2 2011
- Margins in Q2 and YTD has improved well compared with last year
- Order backlog continued to increase in Q2.
- Won MSEK 40+ project for customer within automotive
- Goodtech technology and competence seems to be attractive in the market
- Won several smaller contracts within production lines and automation of warehouses

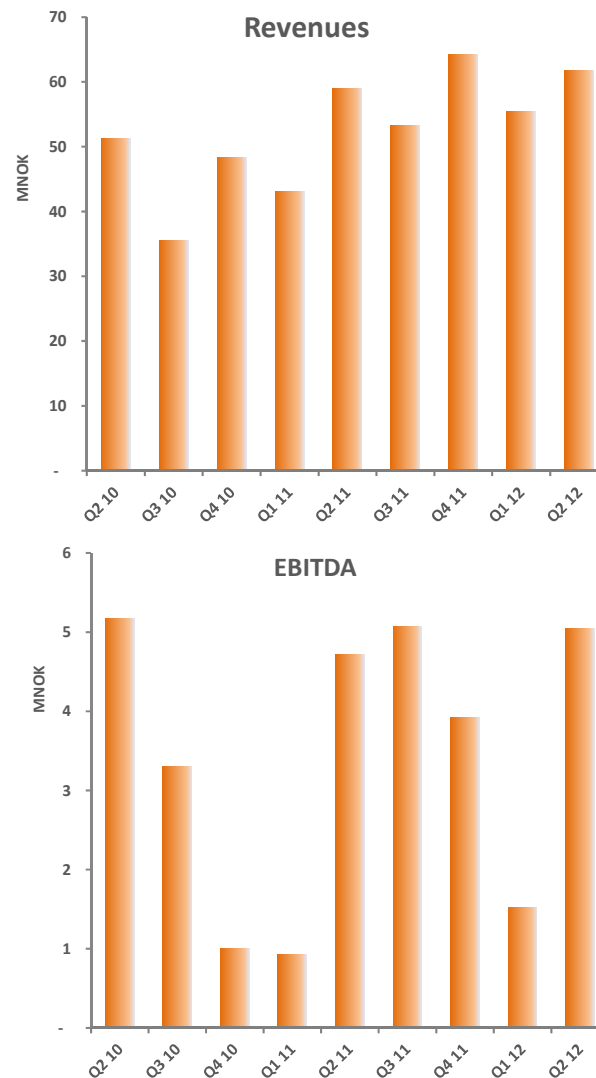


## Business unit: Environment

NOK 1.000	YTD 2012	YTD 2011	Q2 2012	Q2 2011	2011
Revenue	117 211	101 957	61 798	58 913	219 545
EBITDA	6 575	5 642	5 049	4 718	14 638
EBITDA margin %	5,6 %	5,5 %	8,2 %	8,0 %	6,7 %
Order backlog	112 755	106 051	112 755	106 051	98 875
No. of employees	69	64	69	64	67

### ■ Highlights

- Increased turnover in Q2 and YTD compared with last year
- Margins continue to improve. EBITDA margin has increased with 7% compared with Q2 2011.
- Solid order backlog maintained at the end of Q2. Won new contracts for around MNOK 50 after Q2
- Large project business continue to increase in Norway
- Continue with high activity in Biovac® business – maintain strong position.

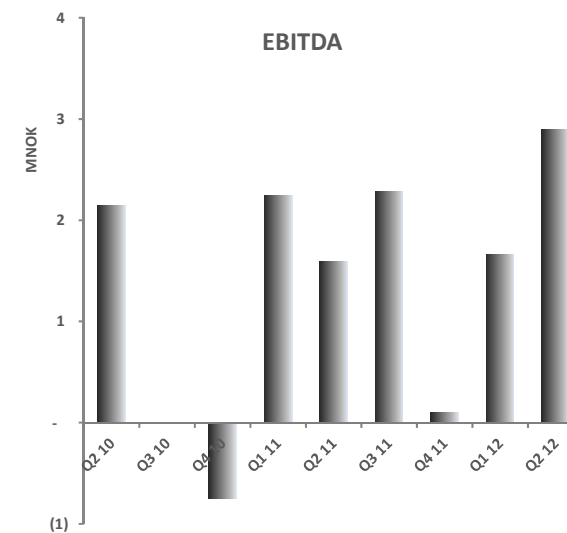
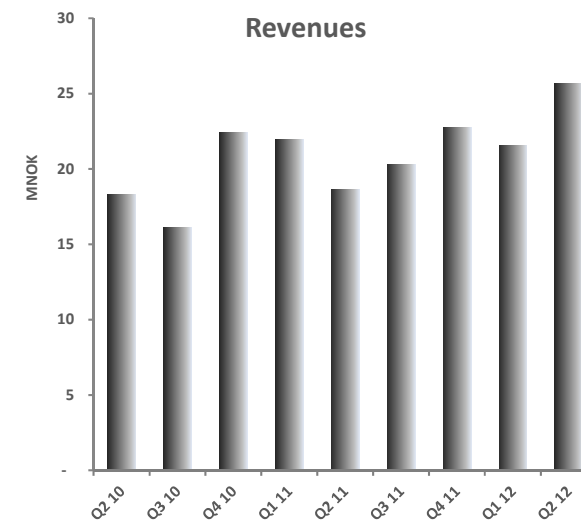


## Business unit: Products

NOK 1.000	YTD 2012	YTD 2011	Q2 2012	Q2 2011	2011
Revenue	47 230	40 634	25 682	18 656	83 684
EBITDA	4 556	3 837	2 894	1 592	6 223
EBITDA margin %	9,6 %	9,4 %	11,3 %	8,5 %	7,4 %
Order backlog	8 835	9 576	8 835	9 576	6 842
No. of employees	27	28	27	28	27

### ■ Highlights

- Turnover 38% higher in Q2 compared with Q2 2011
- EBITDA margin is strong in Q2
- High activity level in the market in Q2
- OEM and SI business continue to improve within oil services, marine and public marked







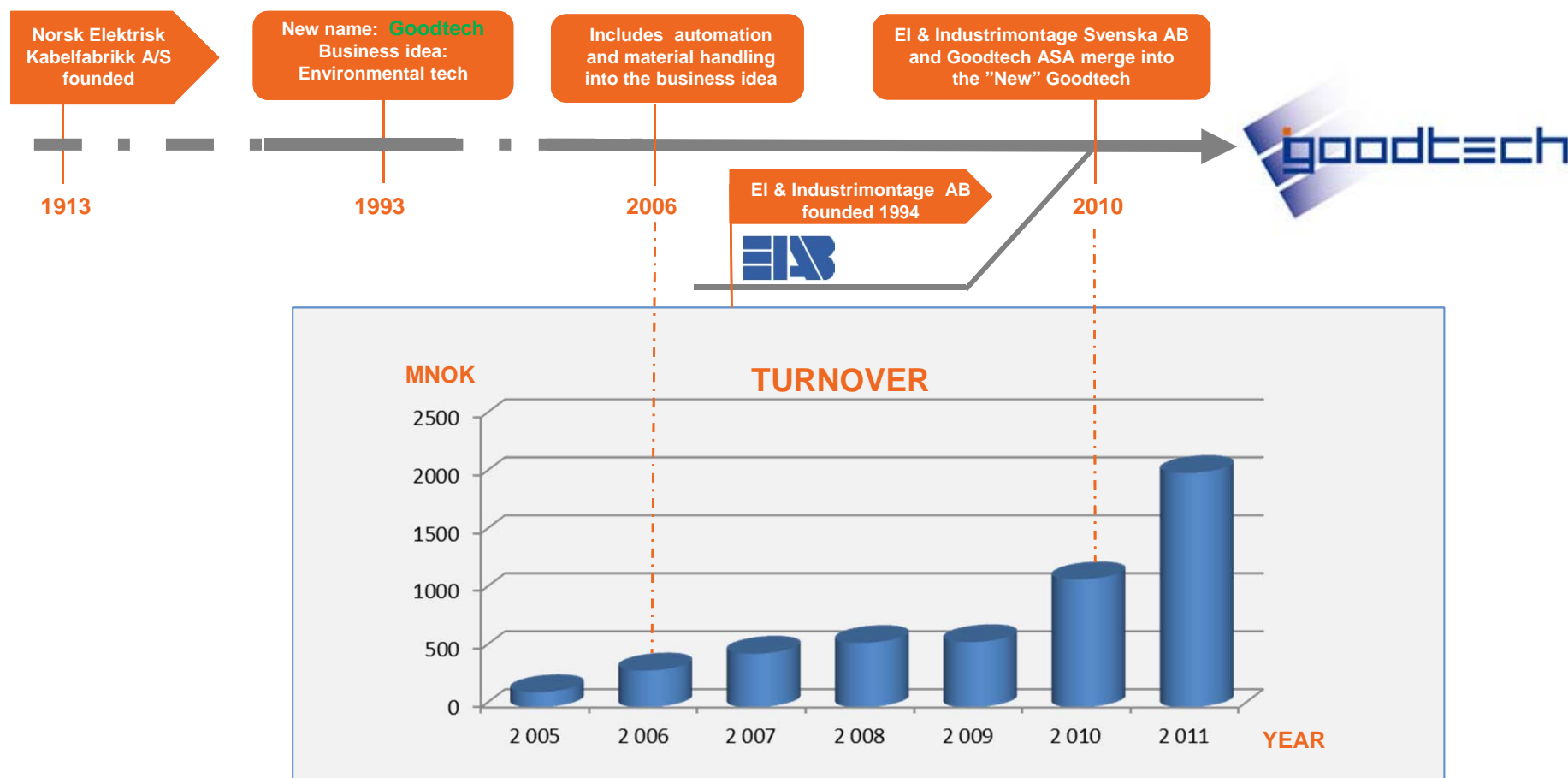
## The new Goodtech – in brief:

*” Goodtech shall be the leading supplier of automation, electrical, process, industrial engineering, and environmental solutions in the Nordic region.”*



# A considerable technology group - background

From 130 MNOK to 2020 MNOK in turnover



# Goodtech in brief

- Approx 1.400 employees, with a revenue of NOK 2 billion
- Strong local presence with 39 offices in Sweden, Norway and Åland
- Headoffice in Oslo and listed on Oslo Stock Exchange

## Sweden

- Approx 1.100 employees
- 28 offices, from Kiruna in the north to Malmö in south

## Norway

- Approx 260 employees
- 10 offices, with headoffice in Oslo

## Åland

- Approx 30 employees
- Office in Mariehamn



# Market drivers



# Organisation

- As of 2012 Goodtech is organised into five business areas
  - Projects & Services
  - Infra
  - Solutions
  - Environment
  - Products





# Solid service and product portfolio

- Goodtech offers solutions and services to a broad range of public customers, playing an important role in the society building and maintaining infrastructure
- Goodtech offers standard- and innovative solutions, turn-key projects and products to customers in a broad range of business areas



**Automation**



**Industry  
technology**



**Installation**



**Power  
technology**



**Environmental  
technology**

# Highlights – Technology development

- Dedicated technology development activities in Solutions
  - Technology is platform for winning of several contracts lately
- Continue to stimulate technology development in Goodtech
- Broad market and competence basis as platform for innovation
- Develop technology and standardized solutions to stimulate to repeat business in all business units



# Commercial and financial risks for Goodtech

- Commercial and market risk
  - Market for Industry projects and solutions – some risk
  - Market for Environmental projects, solutions and products – some risk
  - Market for Infrastructure projects and solutions – some risk
- Financial risks
  - In general small currency exposure
  - In general small risk for contract cancellation
  - In general small risk for loss on receivables
  - In general some risk related to projects
- Turn-key projects and deliveries
  - Some risk related to project execution
    - Various complexity, size and duration of projects
    - Shortage of Project directors in the market
    - MQS (Method, Quality & Safety) department established
- Technology and product development
  - Some risk related to technical issues and market positioning



## Outlook 2012 - 2013



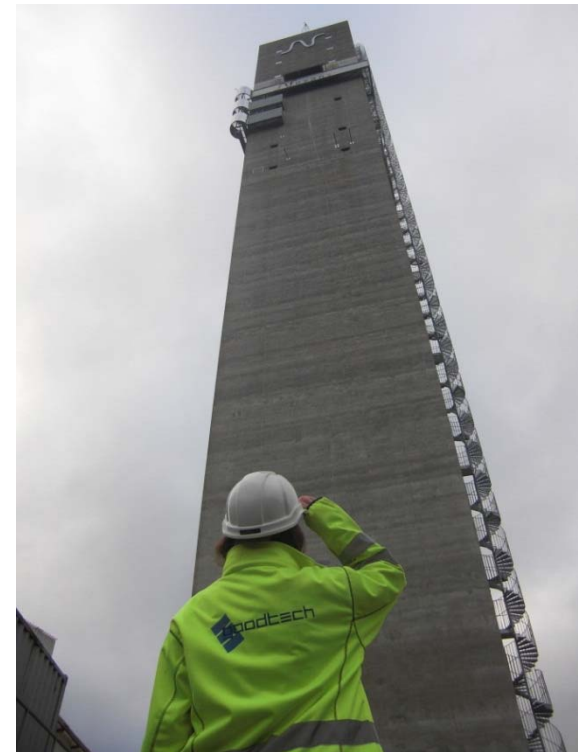
# Outlook - Market

- Expect continuous upgrade and large investments within infrastructure and industry
  - Ongoing within infrastructure
  - Positive market within industry even with uncertainty in global economy
- Promising markets for Goodtechs services, solutions and products – basis for organic growth.

Brief market analysis:

- Power and Energy market ●
- Infrastructure, railway/subway ●
- Industry, mines ●
- Industry, manufacturing ●
- Industry, paper ●
- Oil & Gas Industry ●
- Environment ●

High level of activity in Goodtech markets seem to continue



# Outlook 2012 - 2013/ summary

*Through consolidation and turn around in 2011, Goodtech is well established in the Nordic market. Even though margins dropped in Q2 our strategy is to continue to focus on improvements as planned:*

- **Major integration and turn around program has been executed. Continue to focus on improving margins:**
  - Professional project management through competence program
  - Introducing training program for managers. Increase focus on project performance
  - Increase profit from integration process and increase focus on cost savings
  - Improving performance by use of ERP system. Focus on best practice
- **Organic growth**
  - Use well established market position to increase business
  - Use of own product technology and technical competence
  - Promising markets
- **Our goal is to take leading position as supplier in the Nordic market**
  - Strengthen position within target markets
  - Continue building strong Goodtech brand

# Why Goodtech?

**Goodtech create customer value**



**Well positioned in a promising market**

## **Goodtech – the responsible supplier:**

- Improving quality in the society, improving infrastructure, upgrading the environment by delivering environmental friendly solutions, power systems and automation.



***Your success – our goal!***

