

OXE Marine AB (publ) – Q2 2020 preliminary results and business update

OXE Marine AB (publ) (the “Company”) today issues its preliminary results for Q2 2020 with a general update of the business situation. Despite the COVID-19 crisis, the Company has achieved significant improvements across the board including meaningful sales and gross margins, as well as an increase in its order book whilst reducing its cost base. The company is confident of meeting its financial target for 2020 and is now investing further to meet its growth plans for the remainder of 2020 and beyond.

The Company’s preliminary results for Q2 2020, i.e. April to June 2020 (compared to Q2 2019, unless otherwise stated):

- Net turnover of SEK 21.8m (SEK 24.2m)
- Gross Profit of SEK 1.7m (SEK 261k) or gross margin of 8% (1%)
- Operating Loss/EBIT of SEK -12.2m (SEK -19.4m)
- Result for the period of SEK -14.3m (SEK -22.5m)
- Order book was 5.4 MEUR or 57 MSEK (5.1 MEUR or 56 MSEK as at end of Q1 2020)
- Cash balance of SEK 40.2m at the end of Q2
- Delivery of the first two OXE300’s
- The full Q2 2020 interim report will be published on 25 August 2020 at 07:30 (CET)

The Company’s preliminary results for the first half of 2020, i.e. January to June 2020 (compared to H1 2019):

- Year to date net turnover of SEK 32.1m (SEK 27.7m)
- Gross Profit of SEK 4.1m (SEK -10.4m) or gross margin of 13% (-37%)
- Operating Loss/EBIT of SEK -29.8m (SEK -46.6m)
- Result for the period of SEK -33.8m (SEK -55.6m)

Despite the COVID-19 crisis, year to date net turnover is ahead of the prior year comparison. The Order Book at the end of Q2 2020 stood at 5.4 MEUR or 57 MSEK where approximately 20% of the Order Book is secured via customer deposits. Net Order intake grew organically by 6% (1% after currency translation) relative to Q1 2020. The order value together with year to date sales represents 98% of net turnover of 2019. The Company therefore remains confident in meeting its financial target of achieving organic sales growth in excess of 50% per year for 2020.

The gross margin for the quarter was 8% and was negatively impacted by relocation of production activities in line with the strategic plan for the company. As previously communicated, we expect some volatility in margin development in the short term with a general upward trend, particularly from a favourable product mix with the higher margin OXE300 in the second half of 2020.

The Company’s burn rate (cash needed to run the business) for this quarter was approximately SEK 22.5m (SEK 26.1m in Q2 2019). Excluding R&D, the burn rate was approximately SEK 12.6m which was down SEK 2.5m from Q1 2020 which was SEK 15.1m (SEK 15.4m in Q2 2019). The decrease in burn rate is largely attributable to the cost saving activities Management has put in place to navigate the COVID-19 crisis, including a reduction in non-essential R&D activities, temporary salary reduction of the CEO and Senior Management as well as a short-term recruitment freeze.

The Company is seeing growing interest in its products across most regions post Q2. The Company is committed to meeting its growth plans for the second half of 2020 and beyond - It is now recruiting staff and investing in working capital as well as R&D activities.



“OXE Marine has achieved decent sales during this challenging period, increasing its order book whilst reducing its cost base. The attractiveness of our product line is apparent, and we will now resume our investments in meeting the Company’s growth projections for the rest of the year and beyond. Our business partners have continued to show their strong support and confidence in OXE Marine and its products throughout this period and am very excited of our future”, says Myron Mahendra, CEO

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OXE Marine AB (publ) is obligated to make this information public pursuant to the EU Market Abuse Regulation. The information was submitted for publication, through the agency of the contact persons set out above, on 20 July 2020 at 11.00 (CET).