

SKAKO A/S Q3 2020

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In cooperation with
HC Andersen Capital, 3 November 2020
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By

- Jens Wittrup Willumsen, Chairman of the Board
- Morten Kofod-Jensen, Group Finance Director

Agenda

This presentation and related comments may contain forward-looking statements. Words such as believe, expect, may, will, plan, strategy, prospect, foresee, estimate, project, anticipate, can, intend, outlook, guidance, target and other words and terms of similar meaning in connection with any discussion of future operation of financial performance identify forward-looking statements. Statements regarding the future are subject to risks and uncertainties that may result in considerable deviations from the outlook set forth. Furthermore, some of these expectations are based on assumptions regarding future events which may prove incorrect.

Agenda

- SKAKO at a glance – key facts
- 2020 - the tale of three very different quarters
- Q1-Q3 2020 results
- Why invest in SKAKO
- Q&A

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SKAKO at a glance – key facts (as of 30 September 2020)

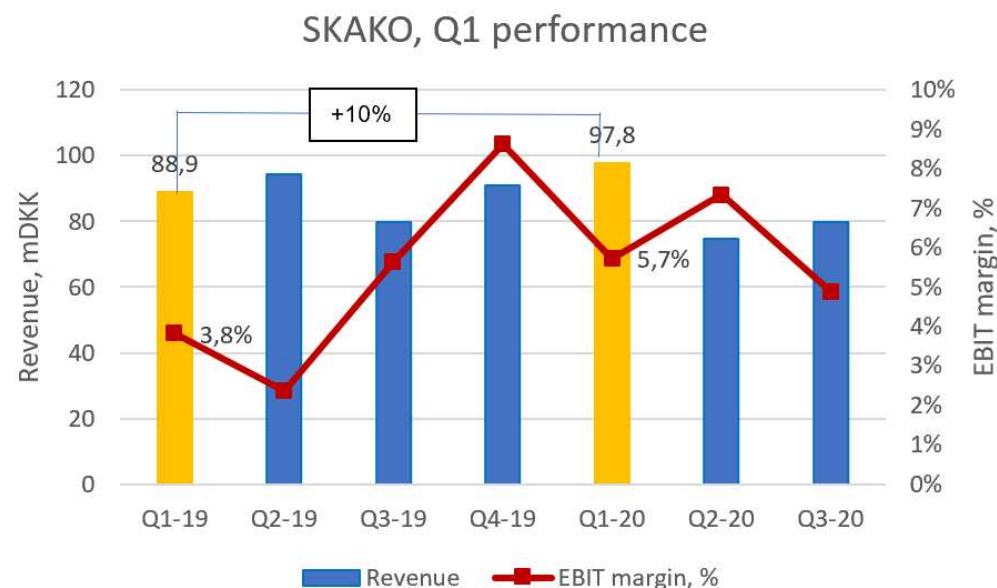
- Two divisions: SKAKO Vibration and SKAKO Concrete
- International Concrete plant and Vibration equipment provider with solid industry know-how and best-in-class products
- 206 employees worldwide
- HQ in Faaborg, Denmark
- Subsidiaries in seven countries: Denmark, France, Spain, the USA, Germany, the UK, Morocco
- 1,691 shareholders, hereof 95% in Denmark
- Board of Directors and Management hold 32% of share capital

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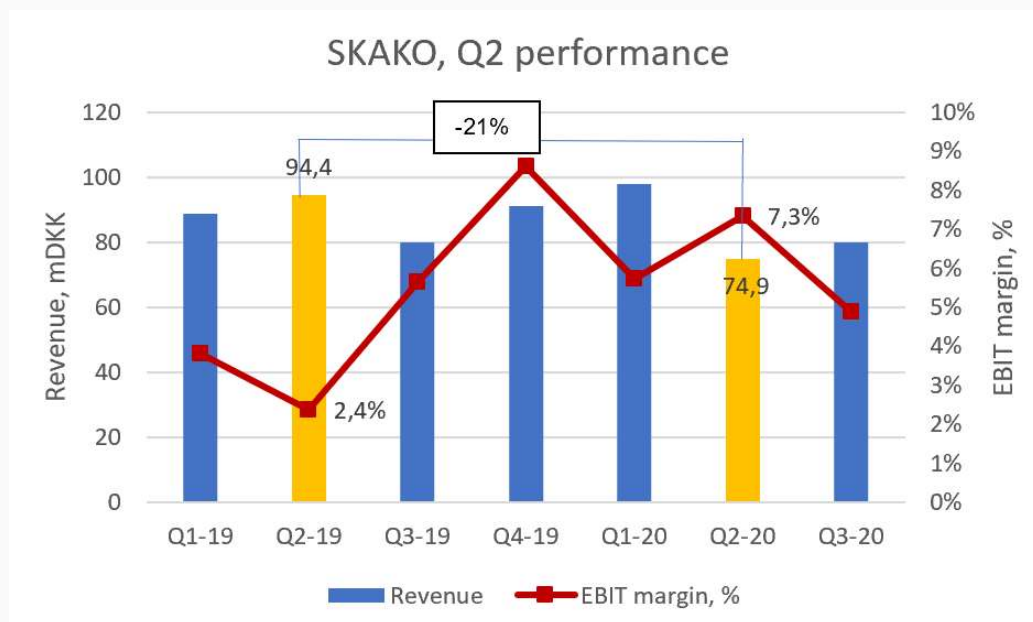
Q1 2020 - the tale of three very different quarters

- In the beginning of **Q1 2020** we continued the positive development from 2019
- As expected, revenue increased by 10% compared to Q1 2019, driven by 10% growth in SKAKO Concrete and revenue from newly acquired Dartek
- EBIT margin increased from 3.8% in Q1 2019 to 5.7% in Q1 2020, mainly due to an increase in gross profit margins
- We realised an EBIT of DKK 5.6m in Q1 2020 compared to DKK 3.4m in Q1 2019
- Profitability and gross profit margins increased in SKAKO Concrete driven by the S2020 Profit Enhancement Programme
- Integration of Dartek (SKAKO Dartek) going according to plans
- In the beginning of March 2020 we started seeing declining aftersales revenue due to the surge of Covid-19
- From 12 March 2020 administrative employees were sent home while production continued on site
- On 25 March 2020 guidance for 2020 and dividends from 2019 was suspended due to uncertainties resulting from Covid-19



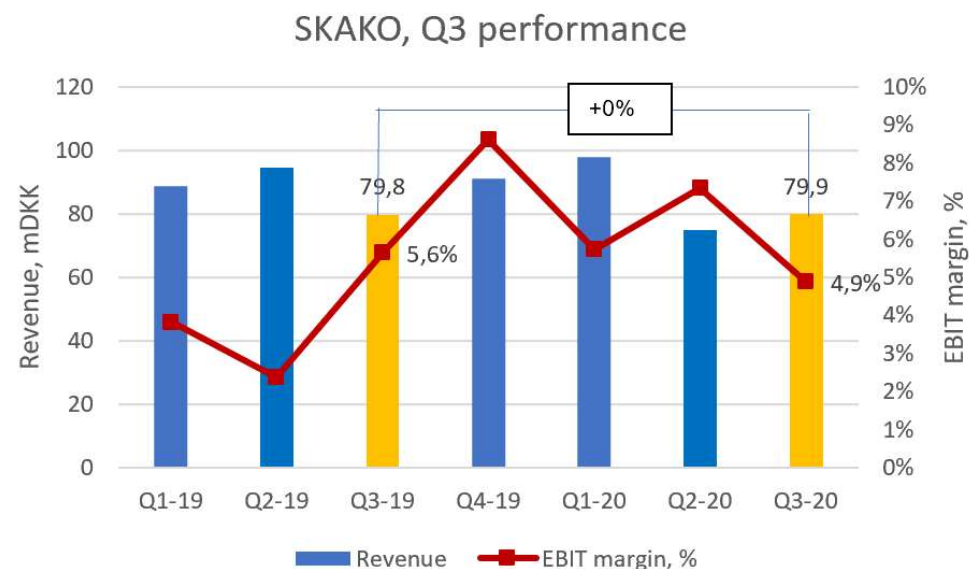
Q2 2020 - the tale of three very different quarters

- In **Q2 2020** SKAKO was strongly impacted from the Covid-19 lockdowns
- Revenue declined by 20.6% compared to Q2 2019, both plant (-20.5%) and aftersales (-20.9%) were impacted
- Aftersales was impacted by a lack of orders and plant revenue was impacted by the fact that we were not able to perform on-site installations
- Despite the decline in revenue, we managed to increase the EBIT margin by 4.9 pp to 7.3% due to increased gross profit margins, cost savings and government funding
- In Q2 2020 we realised an EBIT of DKK 5.5m compared to 2.2 in Q2 2019 (DKK 11.1m for H1 2020)
- Order intake was impacted by uncertainties resulting from Covid-19 (down by 5.9% compared to Q2 2019)
- The lack of plant order intake in Q2 impacts plant revenue in Q3 and Q4, especially in SKAKO Vibration
- In May, we reinstated our guidance for 2020 with an expected EBIT of DKK 10-15m



Q3 2020, the tale of three very different quarters

- In **Q3 2020** revenue from aftersales returned towards a normal level while revenue from plant orders still came in below a normal level
- Revenue for Q3 2020 was at the same level as Q3 2019
- The EBIT margin declined by 0.7 pp to 4.9% due to one-time extra costs in relation to the S2020 Profit Enhancement Programme and additional costs from the acquisition of Dartek.
- We realised an EBIT of DKK 3.9m (DKK 15.0m for Q1-Q3 2020) compared to DKK 5.5m in Q3 2019
- We believe that the worst effects from Covid-19 are behind us even though we still might see spikes in new cases
- We saw a positive trend in order intake in August but the increase in new Covid-19 cases in September and October showed us that the situation is very sensitive towards development in the pandemic
- In August, we had more certainty on 2020 results, and raised our guidance to an expected EBIT of DKK 13-18m for 2020
- We are now guiding for an EBIT of DKK 15-18m in 2020
- We see less uncertainties with regards to 2020, and we are now focusing on getting in the best possible position for 2021
- We distribute interim dividends of DKK 2 per share
- In September 2020, SKAKO Concrete signed a contract to acquire the small Danish company Conparts ApS on 1 November 2020



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Q1-Q3 2020 results

SKAKO Group

DKK, million

	Q1			Q2			Q3			Q1-Q3			Full year
	2020	2019	Change,%	2020	2019	Change,%	2020	2019	Change,%	2020	2019	Change,%	2019
Revenue, Plants	63,1	52,4	20,4%	46,9	59,0	-20,6%	46,8	47,4	-1,3%	156,8	158,8	-1,3%	217,8
Revenue, Aftersales	34,7	36,5	-4,9%	28,0	35,4	-20,7%	33,2	32,4	2,4%	95,9	104,3	-8,1%	136,4
Total revenue	97,8	88,9	10,0%	74,9	94,4	-20,6%	80,0	79,8	0,2%	252,7	263,1	-4,0%	354,2
Production costs	-73,9	-68,2	8,4%	-54,2	-72,8	-25,5%	-61,0	-59,3	2,9%	-189,1	-200,3	-5,6%	-268,1
Gross profit	23,9	20,7	15,5%	20,7	21,6	-4,2%	19,0	20,5	-7,3%	63,6	62,8	1,2%	86,1
Gross profit margin, %	24,4%	23,3%	1,2pp	27,6%	22,9%	4,8pp	23,8%	25,7%	(1,9pp)	25,2%	23,9%	1,3pp	24,3%
Distribution costs	-11,0	-10,7	2,8%	-9,1	-12,1	-24,8%	-7,8	-8,9	-12,8%	-27,9	-31,7	-12,2%	-39,8
Administrative expenses	-7,3	-6,6	10,6%	-6,1	-7,3	-16,4%	-7,3	-7,0	3,5%	-20,7	-20,9	-1,2%	-28,3
Operating profit (EBIT)	5,6	3,4	64,7%	5,5	2,2	150,0%	3,9	4,6	-13,9%	15,0	10,2	47,7%	18,0
EBIT margin, %	5,7%	3,8%	1,9pp	7,3%	2,3%	5pp	4,9%	5,8%	(0,9pp)	5,9%	3,8%	2,1pp	5,1%
Order intake	85,5	98,5	-13,2%	76,3	81,1	-5,9%	62,1	69,1	-10,2%	223,9	248,8	-10,0%	371,0
Order backlog	111,4	116,5	-4,4%	112,8	103,2	9,3%	94,9	92,5	2,6%	94,9	92,5	2,6%	123,6

Q1-Q3 2020 results SKAKO Concrete

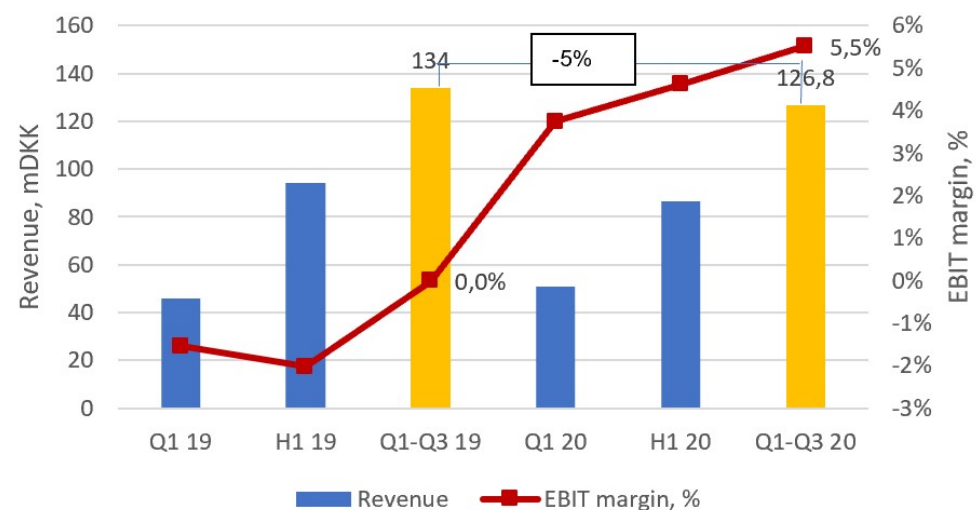
SKAKO Concrete

DKK, million

Q1-Q3

	2020	2019	Change,%
Revenue, Plants	65,5	67,0	-2,2%
Revenue, Aftersales	61,3	67,0	-8,5%
Total revenue	126,8	134,0	-5,4%
Production costs	-102,4	-110,9	-7,6%
Gross profit	24,4	23,1	5,6%
Gross profit margin, %	19,2%	17,2%	2,0pp
Capacity costs	-17,4	-23,1	-24,7%
Operating profit (EBIT)	7,0	0,0	N/A
EBIT margin, %	5,5%	0,0%	5,5pp
Order intake	105,1	109,0	-3,6%
Order backlog	42,9	47,9	-10,4%

SKAKO Concrete, Q1-Q3 performance



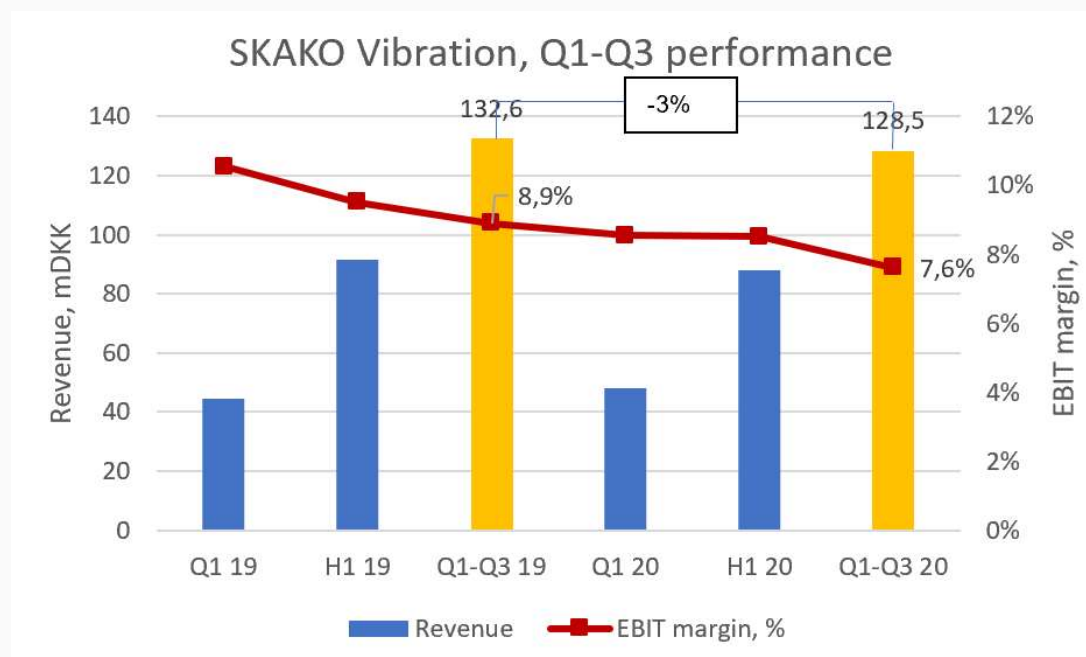
Q1-Q3 2020 results SKAKO Vibration

SKAKO Vibration

DKK, million

Q1-Q3

	2020	2019	Change,%
Revenue, Plants	92,1	93,0	-1,0%
Revenue, Aftersales	36,5	39,6	-7,8%
Total revenue	128,6	132,6	-3,0%
Production costs	-89,4	-109,5	-18,4%
Gross profit	39,2	39,7	-1,3%
Gross profit margin, %	30,5%	29,9%	0,6pp
Capacity costs	-32,2	-27,9	15,4%
Operating profit (EBIT)	9,8	11,8	N/A
EBIT margin, %	7,6%	8,9%	(1,3pp)
Order intake	121,6	143,5	-15,3%
Order backlog	53,0	45,2	17,3%



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Why invest in SKAKO

- A highly profitable SKAKO Vibration with a strategic focus on expanding into the mega trend of recycling to secure continued growth
- A SKAKO Concrete with a strong focus on improved profitability
- The SKAKO Group has a capital structure that allows the Group to return significant value to its shareholders over the coming years

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Q&A

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