



Q2 2022 REPORT PRESENTATION  
18 August 2022

# Today's agenda and presenters

- Introduction to Permascand
- Q2 2022
- Financials
- Concluding remarks
- Q&A



Peter Lundström  
*CEO*



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*CFO*

# Permascand Vision & Mission

## Vision

*Permascand's vision is to become the leading independent global supplier of electrochemical solutions for clean tech applications in green technologies*

## Mission

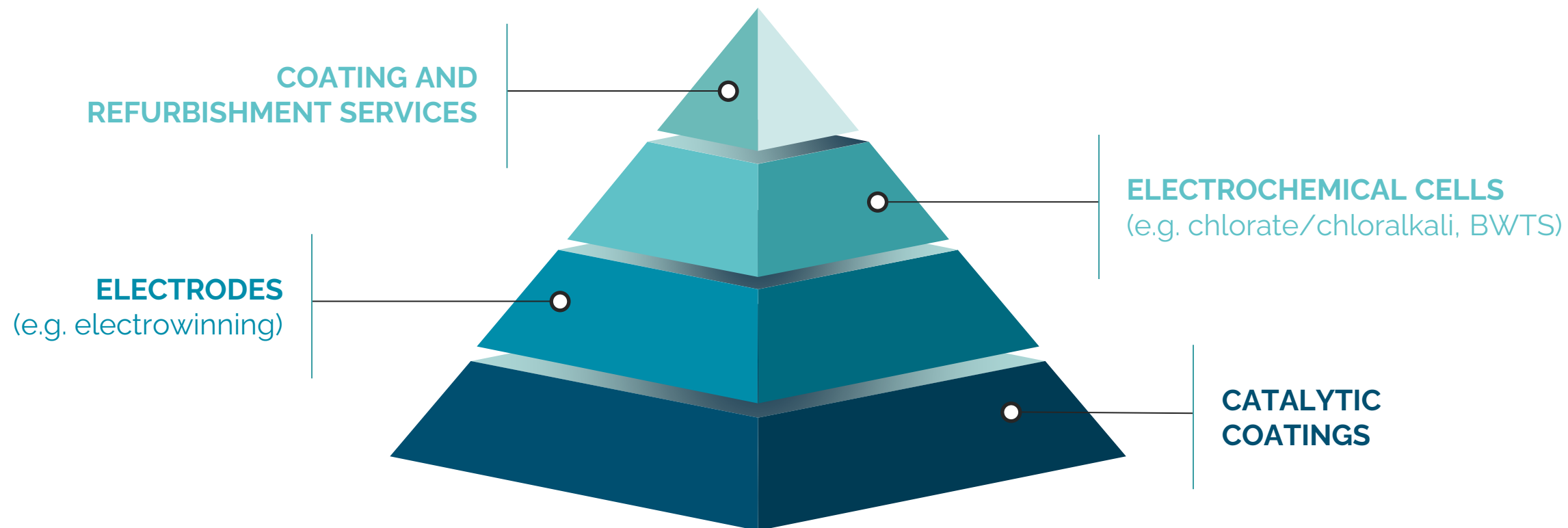
*To deliver innovative, competitive, technical and production solutions to the markets for Electrification & Renewables, Industrial Solutions and Water Treatment*

# Permascand's Main Process



# What we do for a living

*Permascand's core technology platform is the foundation for our success*



# Why Permascand?

Continuous R&D in optimal coating, product applications, methods for scalable manufacturing



*In-house test facility in Ljungaverk*



*XRF<sup>1)</sup> analysis of coating in QC laboratory*

New coating  
mixture recipes

Optimisation of  
pre-treatment  
parameters

Improvement  
of  
manufacturing  
and assembly  
processes

*Production equipment and quality control processes*

Lower energy  
consumption

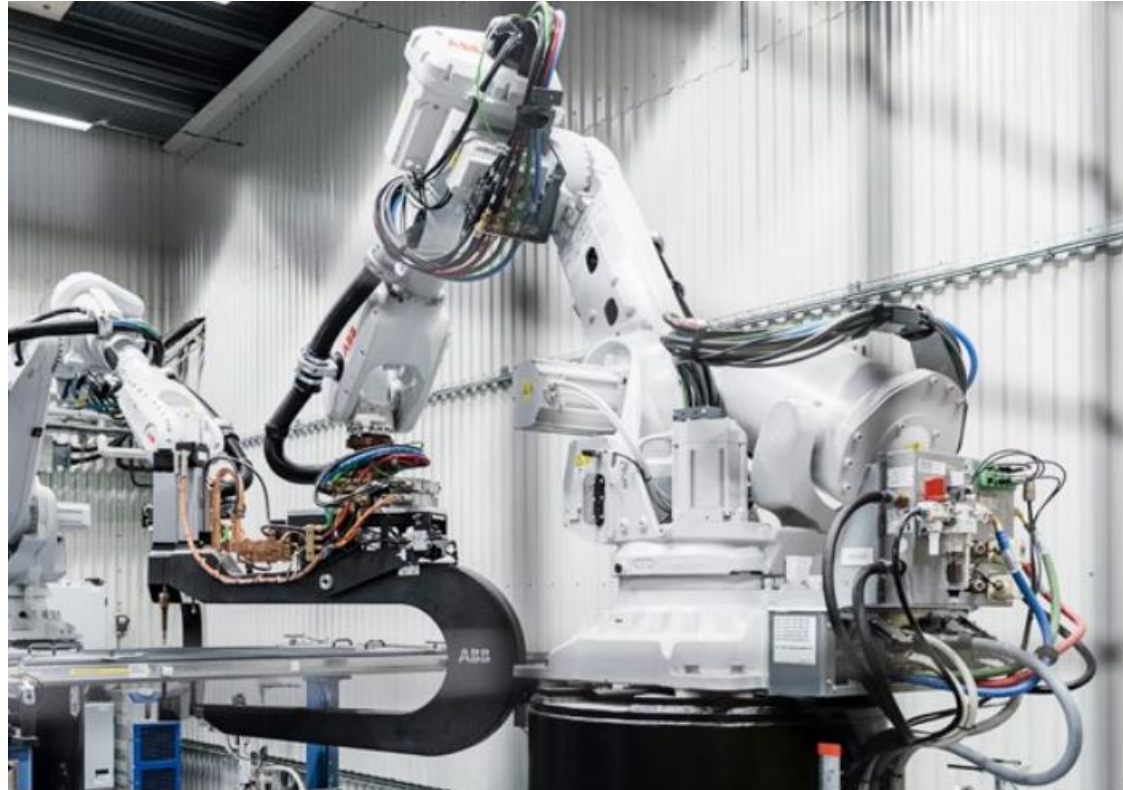
Improved  
life span

More cost  
efficient with  
higher  
reliability

<sup>1)</sup> X-ray fluorescence – analytical technique used to determine the elemental composition of materials

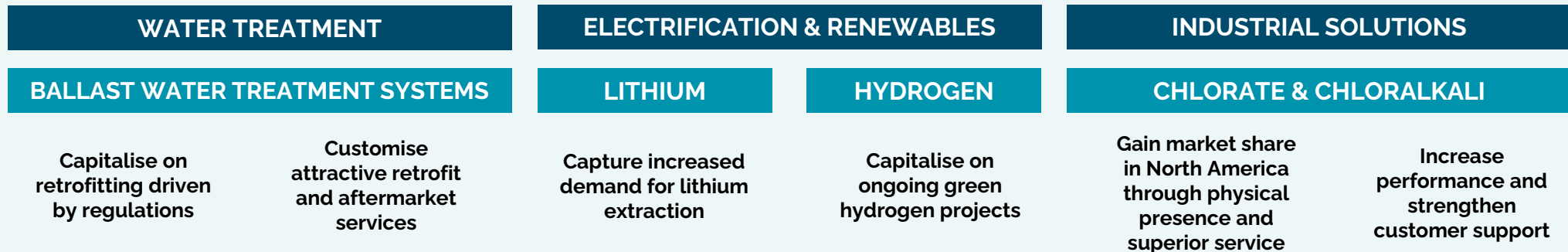


# Automation and Robotisation for scalable manufacturing



# Clear strategic initiatives to continue expanding across all segments

*Continuous manufacturing improvements through automation and robotisation*



*Winning new customers across all segments and Growing aftermarket services*

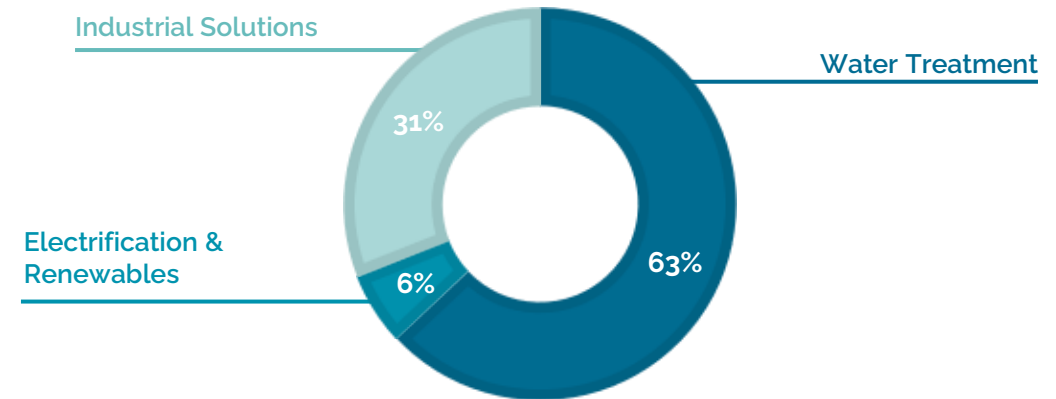


# Record-high sales and continued strong profitability

## Q2 2022

- **Continued high activity level in all segments**
  - Actual new order intake +63% 67m (41)
  - Reported net Order intake 4m\*
  - All-time high revenues +33% to SEK 163m (123)
  - Gross profit, SEK 62m (31), corresponding to a gross margin of 38% (25)
  - Adj operating margin of 28% (9)
- Strongest quarter in company history in terms of sales – driven by deliveries of strong order book in Water Treatment
- Continued strong Gross margin due to strategic investments in efficiency improvements and product mix
- Customer activity remains high in all segments and forms an important foundation for future order intake

## SHARE OF SALES PER BUSINESS SEGMENT, %



## KEY METRICS Q2 2022

**SEK 67m\***

Order intake

**SEK 163m**

Sales

**28%**

Adj. EBIT margin

**SEK 362m**

Order book value

**SEK 58m**

Cash flow from operating activities

**SEK 0,58**

EPS

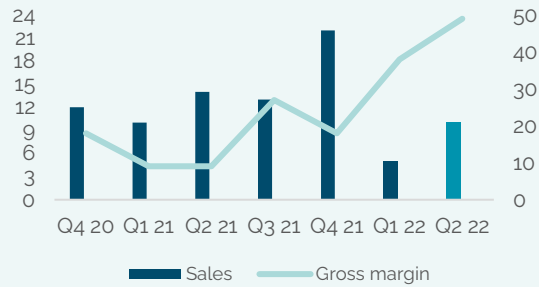
\*Net Order intake negatively affected by revised value of order backlog -63m

# Segment results Q2 2022

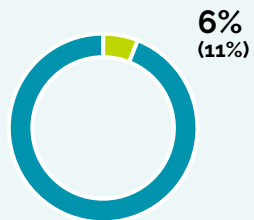
## Electrification & Renewables

- Order intake of SEK 24m (4)
- Reported net Order Intake -39m\*
- Sales of SEK 10m (14)
- Gross margin 49% (9%)

### Sales & gross margin



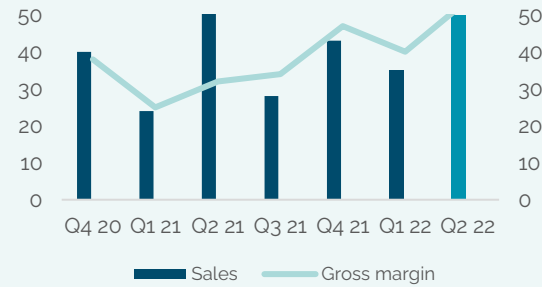
### Share of Group sales



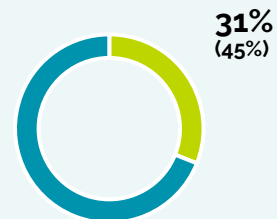
## Industrial Solutions

- Order intake of SEK 32m (33)
- Sales of SEK 50m (56)
- Gross margin 54% (32%)

### Sales & gross margin



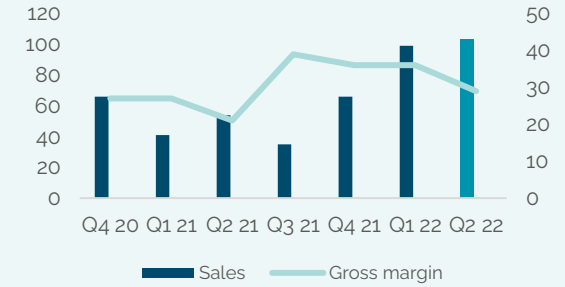
### Share of Group sales



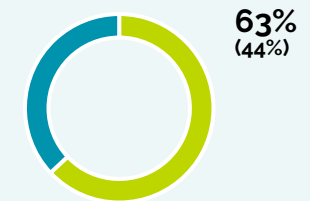
## Water Treatment

- Order intake of SEK 10m (4)
- Sales of SEK 103m (54)
- Gross margin 29% (21%)

### Sales & gross margin



### Share of Group sales



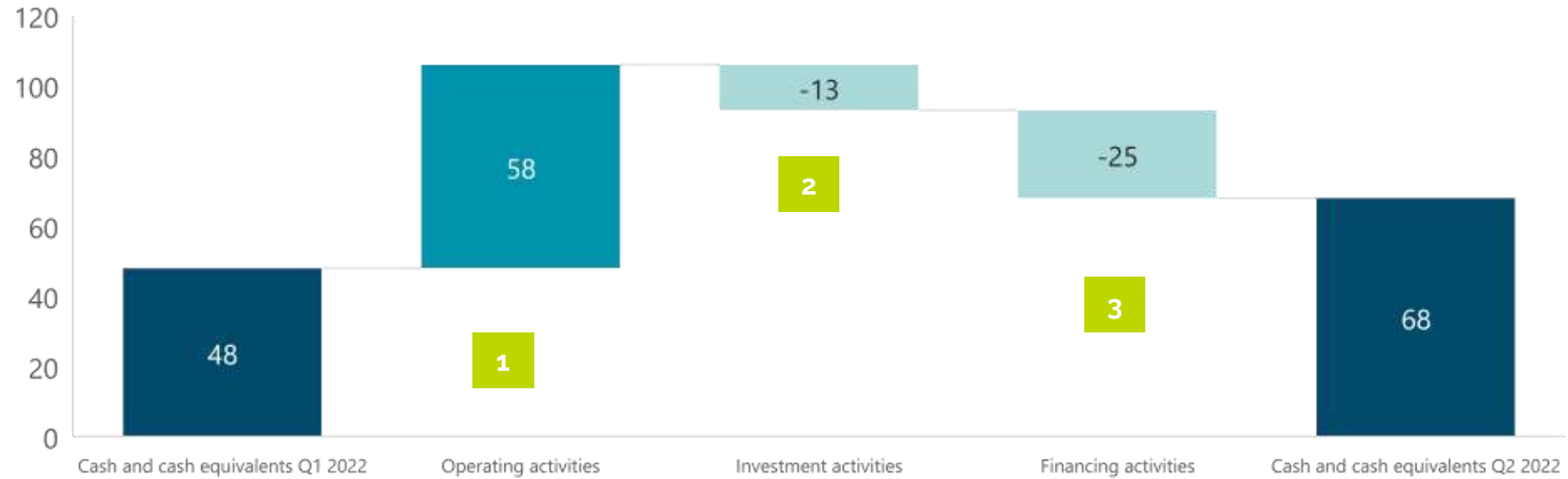
# OPERATIONAL HIGHLIGHT IN Q2: Brownfield order driven by green transition



## Included as order in master supply agreement 2022

- Entails order for expansion of production capacity in existing factory in Finland
- Expected to be delivered in the end of 2022 for installation in beginning of 2023
- Total value of approximately SEK 25 million

# Cash flow bridge Q1 2022 vs Q2 2022



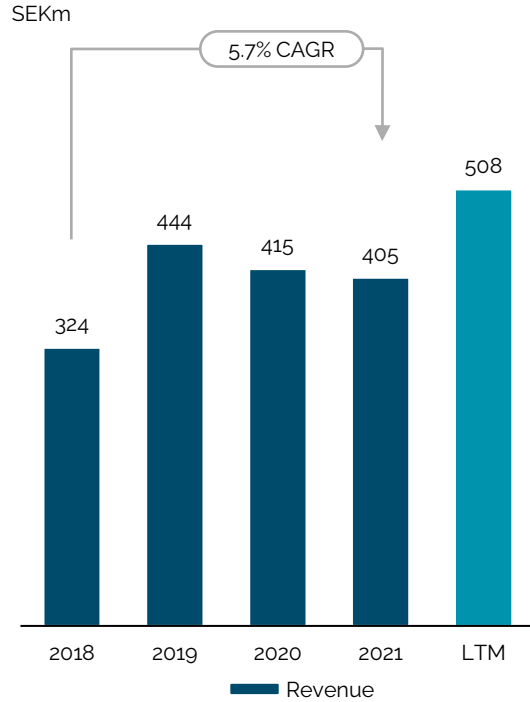
**1**  
 Strong operational cash flow driven by profitability and pre-payments from customers

**2**  
 Continued investments in CAPEX mainly attributable to coating

**3**  
 Decreased use of overdraft facilities

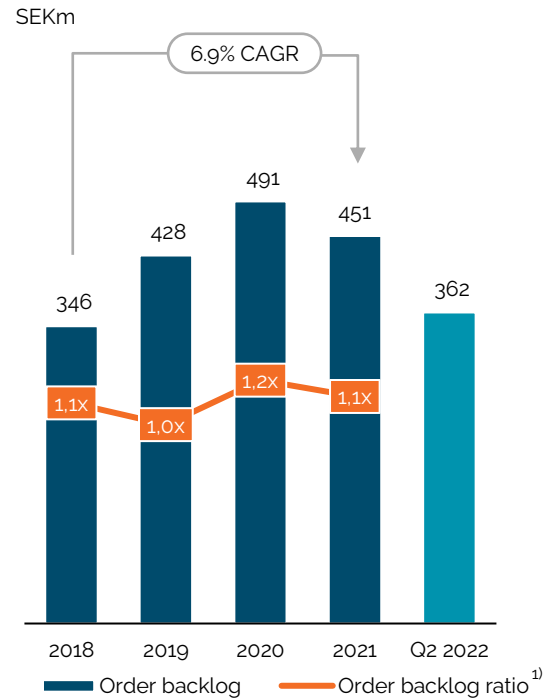
# Attractive growth with high profitability

Revenue development



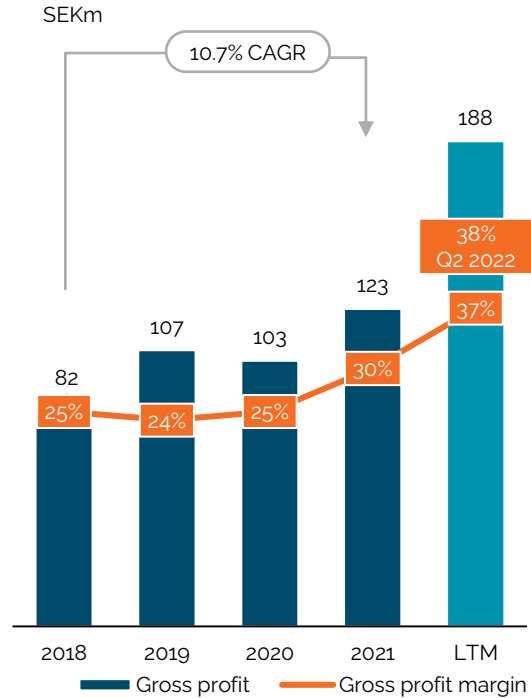
- Demonstrated ability to grow since repositioning towards clean-tech applications in 2015
- Revenue development 2020-2021 negatively affected by postponements in delivery and installations

Order backlog development



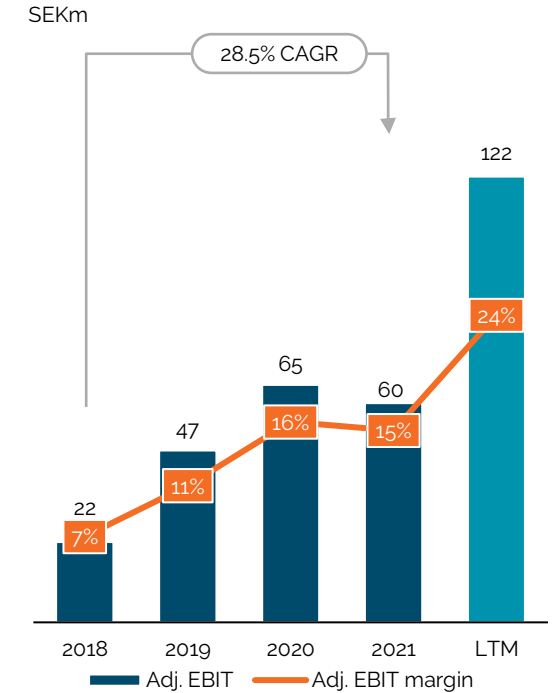
- Order backlog was negatively affected by write down of order within Electrification & Renewables in the quarter
- Order intake in the quarter mainly within Industrial Solutions

Gross margin development



- Successful integration of automation in the production process continue to result in strong gross margins and form scalable production

Adj. EBIT development



- Strong Adj. EBIT margin development driven by gross profit development
- Modest increase in overhead costs

1) Order backlog ratio defined as order backlog / revenue



# Statement of financial position

- Assets largely comprise non current assets in the form of robots for automated manufacturing processes and efficient coating methods
- Total current assets increase mainly driven by inventory and customers receivables following high deliveries and invoicing
- Equity increasing with positive results
- Current liabilities increasing as pre-payments from customers have been high in the quarter

| MSEK                                | 2022-06-30 | 2021-06-30 | 2021-12-31 |
|-------------------------------------|------------|------------|------------|
| <i>Total intangible assets</i>      | 73         | 69         | 73         |
| <i>Total tangible assets</i>        | 157        | 143        | 146        |
| <i>Total non current assets</i>     | 231        | 214        | 221        |
| Total current assets                | 332        | 226        | 233        |
| <b>Total Assets</b>                 | <b>562</b> | <b>440</b> | <b>455</b> |
| Total Equity                        | 340        | 252        | 283        |
| Total non-current liabilities       | 20         | 76         | 47         |
| Total current liabilities           | 202        | 111        | 125        |
| <b>Total Equity and Liabilities</b> | <b>562</b> | <b>440</b> | <b>455</b> |

# Key takeaways

- 1 Best quarterly performance in company history with record-high sales and strong profit margins
- 2 Continued strong gross margin made possible by the strategic investments made for efficient and scalable production
- 3 Strong customer activity form foundation for strong order intake in coming quarters – more challenging to predict market development after the turn of the year
- 4 Technology & Innovation center investment for Green Hydrogen developing according to plan
- 5 Strong commercial potential within Electrification & Renewables – many players in green hydrogen tend advance and intensify plans to commercialize



# Q&A