

secto

**Secto Topco Group
Q2 2020 Financial reports**

Contents

- ➔ 1. **Secto Topco Group – Q2 2020**
 - i. Management comments
 - ii. Operative summary

- 2. **Secto Topco Group – Financial reports**
 - i. Secto Topco Group - Profit and loss account 1.4 - 30.6.2020
 - ii. Secto Topco Group - Profit and loss account 1.1 - 30.6.2020
 - iii. Secto Topco Group - Balance sheet 30.6.2020
 - iv. Secto Topco Group - Cash flow Q2 2020

- 3. **Appendix**
 - i. Secto Topco Oy - Profit and loss account 1.4 - 30.6.2020
 - ii. Secto Topco Oy - Profit and loss account 1.1 - 30.6.2020
 - iii. Secto Topco Oy - Balance sheet 30.6.2020



1.i Secto Topco Group – Management comments Q2/2020

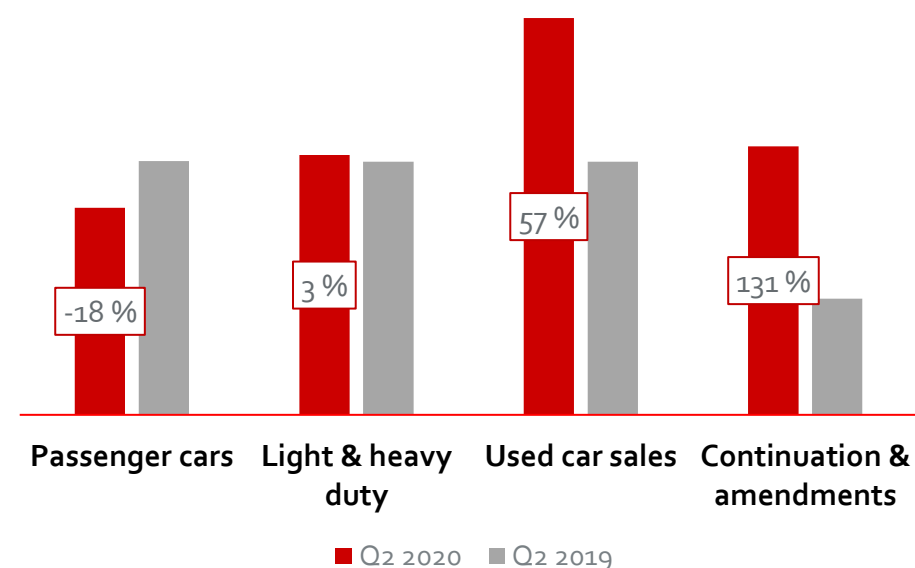
- The sales was lower compared to 2019 but considering the exceptional market, the numbers must be seen as positive.
- In the beginning of Q2, the company started a “Must Win Battles program” which included: protecting the cash position, cutting costs, adapting the sales process and inventory management. All set goals were met.
- Our consumer sales saw big changes during this quarter. Obviously the pandemic set new challenges for operating a consumer business while respecting the social distancing norms. The dealership was open all through the quarter and the amounts of sales were on a high level (+ 57% vs. 2019). The company decided to start an aggressive discount on all inventory cars to mitigate risk which can be seen in lower profits. Even in this extraordinary market, also the consumer division was able to be profitable. At the end of the quarter, the dealership moved to a larger location that will provide the possibility to handle the sales of the returning leasing fleet directly to consumers.
- Secto released an installment-free program to help customers with seized cashflow due to the pandemic in co-operation with it’s re-financiers. The company also extended or amended current contracts (+ 131% vs. 2019) to balance out the dip in new released leasing contracts (- 18% vs. 2019).
- During Q2 the company held a staff reduction negotiation as part of its cost cutting program, as commented in the Q1 report. As a result of the negotiations, the company reduced its headcount and decided on an opex cost savings program. The actions taken will have an impact on the company’s cost structure from Q3 onwards.
- The cash levels increased (1,6m€) during the quarter.



1.ii Secto Topco Group – Operative summary

INCOME STATEMENT	Secto Topco Group	Secto Group Pro forma	Change
Q2 2020	1.4 - 30.6.2020	1.4 - 30.6.2019	
Net Sales	76 440 k €	79 433 k €	-2 994 k €
Net Sales adjustments	25 660 k €	19 591 k €	6 068 k €
Adjusted net sales*	50 780 k €	59 842 k €	-9 062 k €
Other Income	50 k €	34 k €	16 k €
Purchases	-72 183 k €	-75 147 k €	2 964 k €
Materials and services total	-72 183 k €	-75 147 k €	2 964 k €
Gross margin	4 307 k €	4 320 k €	-13 k €
Personnel expenses total	-1 874 k €	-1 740 k €	-134 k €
Other operative expenses (Opex)	-1 058 k €	-1 051 k €	-8 k €
EBITDA	1 375 k €	1 529 k €	-155 k €
Adjustments	-273 k €	-325 k €	52 k €
Adjusted EBITDA	1 648 k €	1 854 k €	-207 k €

Sales - handover breakdown



Quarter margin comparisons	1.4 - 30.06.2020	1.4 - 30.6.2019	Diff pts
Gross margin / Adj. Net Sales	8,5 %	7,2 %	1,3 %
Adj. EBITDA / Adj. Net Sales	3,2 %	3,1 %	0,1 %
Adj. EBITDA / Gross Margin	38,3 %	42,9 %	-4,7 %

30.6.2020			
Fleet size	10 068	IB Debt	40 000 k €
Cash	13 711 k €	IB Net debt	26 289 k €
LTM Adj. EBITDA	6 710 k €	IB Net Debt / adj. EBITDA	3,92

1. Secto Topco Group – Q2 2020

- i. Management comments
- ii. Operative summary



2. Secto Topco Group – Financial reports

- i. Secto Topco Group - Profit and loss account 1.4 - 30.6.2020
- ii. Secto Topco Group - Profit and loss account 1.1 - 30.6.2020
- iii. Secto Topco Group - Balance sheet 30.6.2020
- iv. Secto Topco Group - Cash flow Q2 2020

3. Appendix

- i. Secto Topco Oy - Profit and loss account 1.4 - 30.6.2020
- ii. Secto Topco Oy - Profit and loss account 1.1 - 30.6.2020
- iii. Secto Topco Oy - Balance sheet 30.6.2020



2.i Secto Topco Group – Profit and loss account 1.4 – 30.6.2020

INCOME STATEMENT	Secto Topco Group	Secto Group Pro forma*	Change
Q2 2020	1.4 - 30.6.2020	1.4 - 30.6.2019	
Net Sales	76 440 k €	79 433 k €	-2 994 k €
Other Income	50 k €	34 k €	16 k €
Purchases	-72 183 k €	-75 147 k €	2 964 k €
Materials and services total	-72 183 k €	-75 147 k €	2 964 k €
Gross margin	4 307 k €	4 320 k €	-13 k €
Personnel expenses total	-1 874 k €	-1 740 k €	-134 k €
Other operative expenses (Opex)	-1 058 k €	-1 051 k €	-8 k €
EBITDA	1 375 k €	1 529 k €	-155 k €
Adjustments	-273 k €	-325 k €	52 k €
Adjusted EBITDA	1 648 k €	1 854 k €	-207 k €
Depreciations	-317 k €	-470 k €	152 k €
Goodwill amortizations	-1 836 k €	-481 k €	-1 354 k €
EBIT	-778 k €	579 k €	-1 357 k €
Financial income	25 k €	30 k €	-5 k €
Financial expenses	-940 k €	-454 k €	-487 k €
Financial items total	-916 k €	-424 k €	-492 k €
PROFIT (LOSS) BEFORE TAXES	-1 694 k €	155 k €	-1 849 k €
TAXES	-216 k €	-177 k €	-38 k €
PROFIT (LOSS)	-1 910 k €	-23 k €	-1 887 k €

2.ii Secto Topco Group – Profit and loss account 1.1 – 30.6.2020

INCOME STATEMENT	Secto Topco Group	Secto Group Pro forma*	Change
YTD	1.1 - 30.6.2020	1.1 - 30.6.2019	
Net Sales	144 275 k €	143 856 k €	419 k €
Other Income	377 k €	64 k €	312 k €
Purchases	-136 438 k €	-135 266 k €	-1 172 k €
Materials and services total	-136 438 k €	-135 266 k €	-1 172 k €
Gross margin	8 214 k €	8 654 k €	-440 k €
Personnel expenses total	-3 698 k €	-3 545 k €	-154 k €
Other operative expenses (Opex)	-1 966 k €	-1 929 k €	-38 k €
EBITDA	2 549 k €	3 181 k €	-632 k €
Adjustments	-295 k €	-403 k €	108 k €
Adjusted EBITDA	2 845 k €	3 584 k €	-739 k €
Depreciations	-652 k €	-861 k €	209 k €
Goodwill amortizations	-3 671 k €	-962 k €	-2 709 k €
EBIT	-1 774 k €	1 358 k €	-3 131 k €
Financial income	54 k €	52 k €	2 k €
Financial expenses	-1 877 k €	-892 k €	-986 k €
Financial items total	-1 823 k €	-839 k €	-984 k €
PROFIT (LOSS) BEFORE TAXES	-3 597 k €	518 k €	-4 115 k €
TAXES	-352 k €	-400 k €	48 k €
PROFIT (LOSS)	-3 949 k €	118 k €	-4 067 k €

2.iii Secto Topco Group – Balance sheet 30.6.2020

GROUP BALANCE SHEET	Secto Topco Group	Secto Group Pro forma	Change
In '000 €	30.6.2020	30.6.2019	
ASSETS			
Current assets			
Intangible assets	59 638 k €	10 372 k €	49 266 k €
Goodwill	1 568 k €	1 395 k €	173 k €
Group goodwill	58 070 k €	8 977 k €	49 093 k €
Tangible assets	1 170 k €	2 786 k €	-1 616 k €
Machinery and equipment	1 170 k €	2 786 k €	-1 616 k €
Investments			
Currents assets total	60 808 k €	13 158 k €	47 650 k €
Non-current assets			
Inventories	3 877 k €	4 513 k €	-636 k €
Receivables			
Long-term receivables	465 k €	43 k €	422 k €
Short-term receivables			
Sales receivables	17 204 k €	27 089 k €	-9 885 k €
Loan receivables	0 k €	88 k €	-88 k €
Other receivables	1 597 k €	2 105 k €	-508 k €
Accrued receivables	1 571 k €	1 622 k €	-52 k €
Short term receivables total	20 371 k €	30 905 k €	-10 533 k €
Cash at bank	13 711 k €	11 110 k €	2 601 k €
Non-current assets total	37 959 k €	46 527 k €	-8 568 k €
ASSETS TOTAL	99 232 k €	59 728 k €	39 503 k €

	Secto Topco Group	Secto Group Pro forma	Change
In '000 €	30.6.2020	30.6.2019	
LIABILITIES			
Equity			
Share capital	3 k €	3 k €	0 k €
Non-restricted equity	26 382 k €	7 630 k €	18 752 k €
Retained earnings	-285 k €	-2 471 k €	2 186 k €
Own shares	0 k €	-5 k €	5 k €
Other	4 k €	-5 k €	9 k €
Dividends	0 k €	-2 400 k €	2 400 k €
Profit of the financial period	-3 949 k €	118 k €	-4 067 k €
Equity total	22 155 k €	2 869 k €	19 285 k €
Liabilities			
Long term loans	40 053 k €	24 k €	40 029 k €
Other loans			
Short term loans			
Loans from financial institutions	0 k €	11 k €	-11 k €
Bonds	0 k €	15 000 k €	-15 000 k €
Prepayments	17 227 k €	17 407 k €	-180 k €
Purchase payables	13 547 k €	16 651 k €	-3 104 k €
Other payables	3 332 k €	6 167 k €	-2 836 k €
Accrued payables	2 919 k €	1 599 k €	1 320 k €
Short term loans total	37 024 k €	56 835 k €	-19 811 k €
Liabilities total	77 077 k €	56 859 k €	20 218 k €
LIABILITIES TOTAL	99 232 k €	59 728 k €	39 503 k €

2.iv Secto Topco Group – Cash flow Q2/2020

GROUP CASH FLOW – Q2 2020		1.4 - 30.6.2020
EBITDA		1 375 k €
Change of NWC		1 842 k €
Investments		-467 k €
Operative cash flow after investments		2 750 k €
Taxes		-216 k €
Operative financial items net		-172 k €
Cash flow after taxes and interests		2 362 k €
Bond interest payments		-702 k €
Capital re-payment		0 k €
Dividends		0 k €
Other		-42 k €
Cash flow total		1 619 k €
Cash in the beginning		12 092 k €
Cash in the end		13 711 k €
Change in cash		1 619 k €



1. Secto Topco Group – Q2 2020

- i. Management comments
- ii. Operative summary

2. Secto Topco Group – Financial reports

- i. Secto Topco Group - Profit and loss account 1.4 - 30.6.2020
- ii. Secto Topco Group - Profit and loss account 1.1 - 30.6.2020
- iii. Secto Topco Group - Balance sheet 30.6.2020
- iv. Secto Topco Group - Cash flow Q2 2020

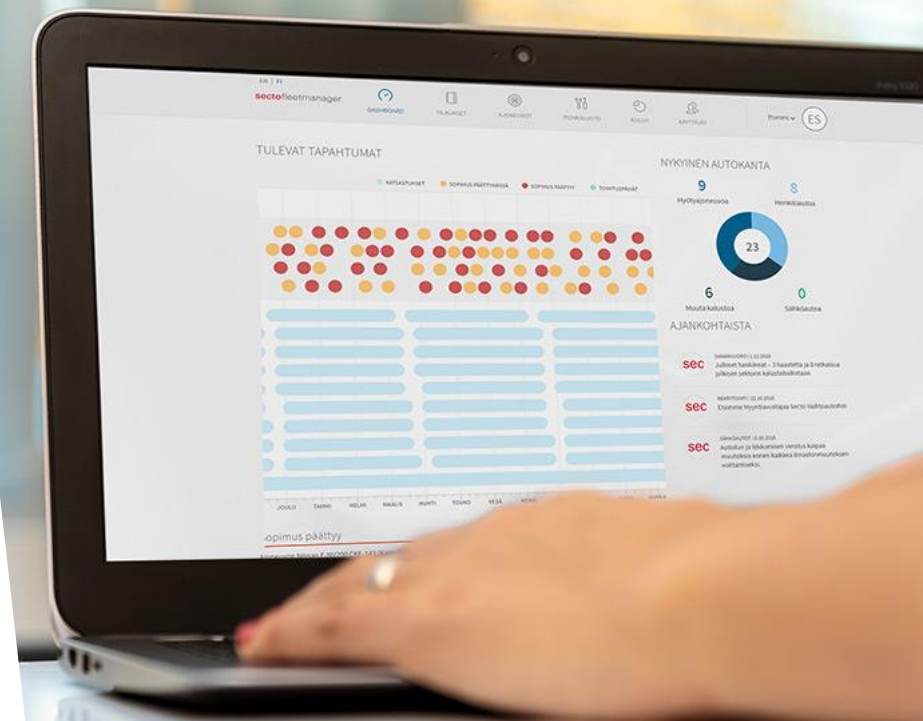
→ 3. Appendix

- i. Secto Topco Oy - Profit and loss account 1.4 - 30.6.2020
- ii. Secto Topco Oy - Profit and loss account 1.1 - 30.6.2020
- iii. Secto Topco Oy - Balance sheet 30.6.2020



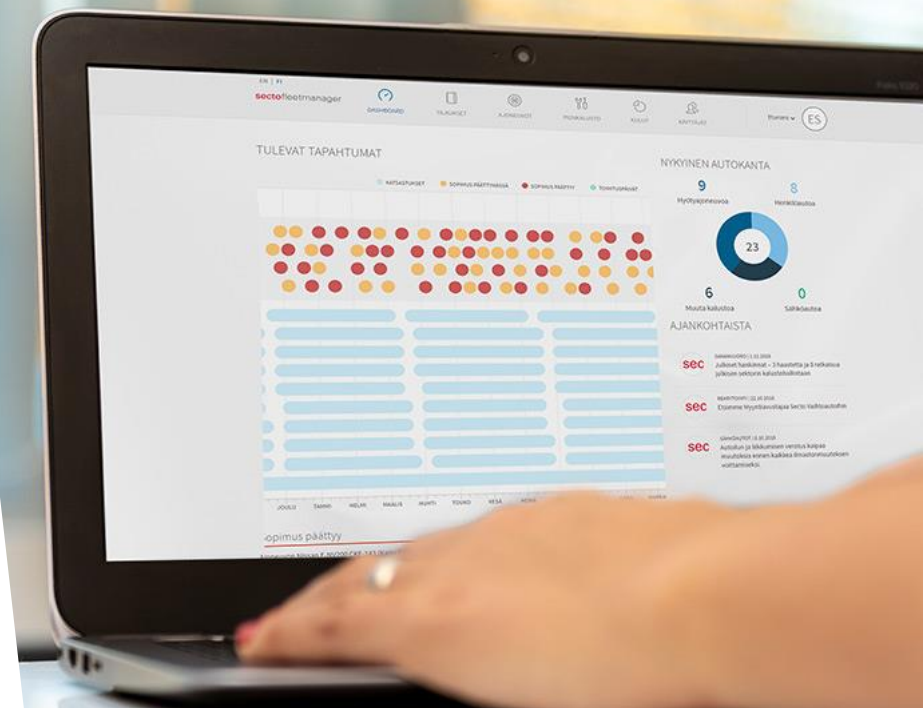
3.i Secto Topco Oy – Profit and loss account 1.4 – 30.6.2020

INCOME STATEMENT	Secto Topco Oy*	Secto Topco Oy*
Q2 2020	1.4 - 30.6.2020	1.4 - 30.6.2019
Net Sales	240 k €	
Other Income	k €	
Purchases	k €	
Materials and services total	k €	
Gross margin	240 k €	
Personnel expenses total	-208 k €	
Other operative expenses (Opex)	-22 k €	
EBITDA	10 k €	
Adjustments		
Adjusted EBITDA	10 k €	
Depreciations	k €	
Goodwill amortizations	k €	
EBIT	10 k €	
Financial income	341 k €	
Financial expenses	-744 k €	
Financial items total	-403 k €	
PROFIT (LOSS) BEFORE TAXES	-393 k €	
TAXES	k €	
PROFIT (LOSS)	-393 k €	



3.ii Secto Topco Oy – Profit and loss account 1.1 – 30.6.2020

INCOME STATEMENT	Secto Topco Oy *	Secto Topco Oy *
YTD	1.1 - 30.6.2020	1.1 - 30.6.2019
Net Sales	480 k €	
Other Income	k €	
Purchases	k €	
Materials and services total	k €	
Gross margin	480 k €	
Personnel expenses total	-367 k €	
Other operative expenses (Opex)	-29 k €	
EBITDA	84 k €	
Adjustments		
Adjusted EBITDA	84 k €	
Depreciations	k €	
Goodwill amortizations	k €	
EBIT	84 k €	
Financial income	341 k €	
Financial expenses	-1 499 k €	
Financial items total	-1 158 k €	
PROFIT (LOSS) BEFORE TAXES	-1 074 k €	
TAXES	k €	
PROFIT (LOSS)	-1 074 k €	



3.iii Secto Topco Oy – Balance sheet 30.6.2020

BALANCE SHEET	Secto Topco Oy*		Secto Topco Oy*	
In '000 €	30.6.2020	30.6.2019	In '000 €	30.6.2020
ASSETS			LIABILITIES	
Current assets			Equity	
Intangible assets			Share capital	3 k €
Goodwill	-		Non-restricted equity	26 379 k €
Group goodwill	-		Retained earnings	-286 k €
Tangible assets			Own shares	-
Machinery and equipment	-		Other	-
Investments	50 410 k €		Dividends	-
			Profit of the financial period	-1 074 k €
Currents assets total	50 410 k €		Equity total	25 022 k €
Non-current assets			Liabilities	
Inventories	-		Long term loans	40 000 k €
Receivables			Other loans	-
Long-term receivables	254 k €		Short term loans	
Short-term receivables			Group debts	1 212 k €
Sales receivables	-		Bonds	-
Group receivables	15 807 k €		Prepayments	-
Other receivables	67 k €		Purchase payables	34 k €
Accrued receivables	3 k €		Other payables	319 k €
Short term receivables total	15 876 k €		Accrued payables	88 k €
Cash at bank	134 k €		Short term loans total	1 653 k €
Non-current assets total	16 010 k €		Liabilities total	41 653 k €
ASSETS TOTAL	66 675 k €		LIABILITIES TOTAL	66 675 k €

* Secto Topco Oy was established on October 2019. December 2019, 100% of the shares in Secto Automotive Group Oy were sold to Secto Topco Oy.