

secto

Secto Topco Group
Q1 2020 Financial reports

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1.i Secto Topco Group – Management comments Q1/2020

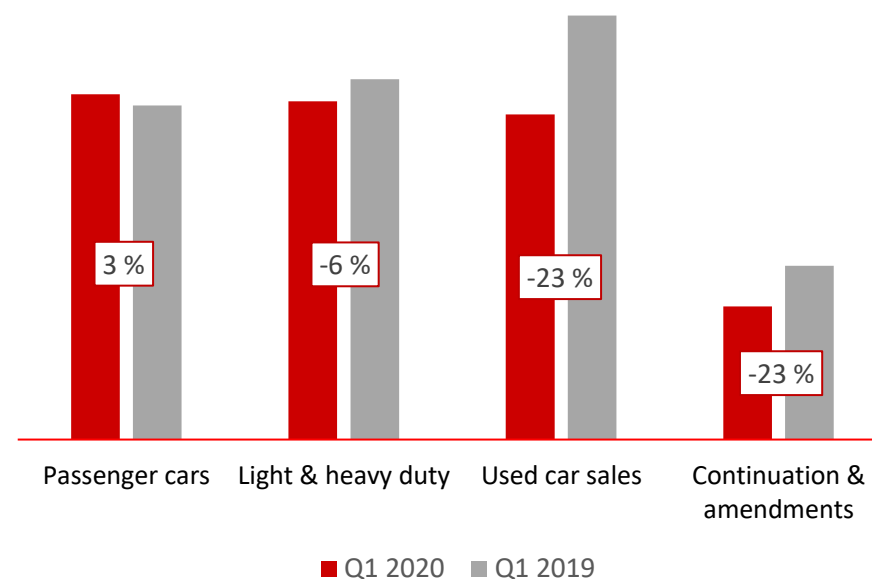
- Beginning of the year 2020 has been partly a twofold period for Secto. Group's net sales has continued on a growth path by increasing net sales +3.4m€ (+5.3%) compared to Q1 2019. Despite the increase in sales Group sales margin has decreased -0.4m€ in a more competitive market. Furthermore, the latter part of the quarter was hit by an exceptional market environment which had an effect especially on used car sales and margins.
- Group operating profitability decreased due to a lower gross margin level and ended up at the +1.2m€ of adjusted EBITDA (-0.5m€ compared to Q1/19).
- As the worldwide corona pandemic escalated at the end of Q1 Secto took immediate actions to mitigate risks. This had a negative effect on profitability but secured the Group's cash position.
- During Q1 2020 Secto re-organized its management team. In the beginning of the second quarter the management launched a cost cutting program which included organizational re-structuring and cutoffs of other operating costs. Cost savings are estimated to have PnL effect Q3 onwards.
- Group's cash position has been strong during Q1 2020 and several operational actions have been implemented that has given efficiency to Group's cash conversion. The strong cash position enabled the planned capital return of 6.9m€ and the payment was carried out at the end of March.



1.ii Secto Topco Group – Operative summary

INCOME STATEMENT	Secto Topco Group	Secto Group Pro forma	Change
QUARTER - Q1	1.1- 31.3.2020	1.1 - 31.3.2019	
Net Sales	67 835 k €	64 423 k €	3 413 k €
Net Sales adjustments	24 392 k €	19 173 k €	5 219 k €
Adjusted net sales*	43 443 k €	45 249 k €	-1 806 k €
Other Income	327 k €	31 k €	296 k €
Purchases	-64 255 k €	-60 119 k €	-4 136 k €
Materials and services total	-64 255 k €	-60 119 k €	-4 136 k €
Gross margin	3 907 k €	4 334 k €	-427 k €
Personnel expenses total	-1 824 k €	-1 805 k €	-20 k €
Other operative expenses (Opex)	-908 k €	-878 k €	-30 k €
EBITDA	1 175 k €	1 651 k €	-477 k €
Adjustments	-22 k €	-78 k €	56 k €
Adjusted EBITDA	1 197 k €	1 730 k €	-533 k €

Sales - handover breakdown



Quarter margin comparisons	1.1 - 31.3.2020	1.1 - 31.3.2019	Diff ppts
Gross margin / Adj. Net Sales	9,0 %	9,6 %	-0,6 %
Adj. EBITDA / Adj. Net Sales	2,8 %	3,8 %	-1,1 %
Adj. EBITDA / Gross Margin	30,6 %	39,9 %	-9,3 %

31.3.2020			
Fleet size	9 728	IB Debt	40 000 k €
Cash	12 092 k €	IB Net debt	27 908 k €
LTM Adj. EBITDA	6 917 k €	IB Net Debt / adj. EBITDA	4,03

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2.i Secto Topco Group – Profit and loss account 1.1 – 31.3.2020

INCOME STATEMENT	Secto Topco Group	Secto Group Pro forma*	Change
QUARTER - Q1	1.1 - 31.3.2020	1.1 - 31.3.2019	
Net Sales	67 835 k €	64 423 k €	3 413 k €
Other Income	327 k €	31 k €	296 k €
Purchases	-64 255 k €	-60 119 k €	-4 136 k €
Materials and services total	-64 255 k €	-60 119 k €	-4 136 k €
Gross margin	3 907 k €	4 334 k €	-427 k €
Personnel expenses total	-1 824 k €	-1 805 k €	-20 k €
Other operative expenses (Opex)	-908 k €	-878 k €	-30 k €
EBITDA	1 175 k €	1 651 k €	-477 k €
Adjustments	-22 k €	-78 k €	56 k €
Adjusted EBITDA	1 197 k €	1 730 k €	-533 k €
Depreciations	-334 k €	-391 k €	57 k €
Goodwill amortizations	-1 836 k €	-481 k €	-1 354 k €
EBIT	-995 k €	779 k €	-1 774 k €
Financial income	29 k €	23 k €	7 k €
Financial expenses	-937 k €	-438 k €	-499 k €
Financial items total	-908 k €	-415 k €	-492 k €
PROFIT (LOSS) BEFORE TAXES	-1 903 k €	364 k €	-2 267 k €
TAXES	-137 k €	-223 k €	86 k €
PROFIT (LOSS)	-2 040 k €	141 k €	-2 180 k €

2.ii Secto Topco Group – Balance sheet 31.3.2020

GROUP BALANCE SHEET	Secto Topco Group	Secto Group Pro forma	Change
In '000 €	31.3.2020	31.3.2019	
ASSETS			
Current assets			
Intangible assets	61 156 k €	10 841 k €	50 316 k €
Goodwill	1 251 k €	1 383 k €	-132 k €
Group goodwill	59 906 k €	9 458 k €	50 447 k €
Tangible assets	1 337 k €	2 764 k €	-1 426 k €
Machinery and equipment	1 337 k €	2 764 k €	-1 426 k €
Investments	-	-	-
Currents assets total	62 494 k €	13 605 k €	48 889 k €
Non-current assets			
Inventories	4 675 k €	3 898 k €	777 k €
Receivables			
Long-term receivables	465 k €	43 k €	422 k €
Short-term receivables			
Sales receivables	20 767 k €	25 911 k €	-5 144 k €
Loan receivables	k €	88 k €	-88 k €
Other receivables	1 577 k €	1 693 k €	-117 k €
Accrued receivables	1 286 k €	1 781 k €	-495 k €
Short term receivables total	23 629 k €	29 473 k €	-5 844 k €
Cash at bank	12 092 k €	10 177 k €	1 915 k €
Non-current assets total	40 397 k €	43 548 k €	-3 152 k €
ASSETS TOTAL	103 355 k €	57 196 k €	46 160 k €

	Secto Topco Group	Secto Group Pro forma	Change
In '000 €	31.3.2020	31.3.2019	
LIABILITIES			
Equity			
Share capital	3 k €	3 k €	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	k €	-5 k €	5 k €
Other	4 k €	-5 k €	9 k €
Dividends	k €	k €	k €
Profit (loss) of the financial period	-2 040 k €	141 k €	-2 180 k €
Equity total	24 064 k €	5 292 k €	18 772 k €
Liabilities			
Long term loans	40 053 k €	k €	40 053 k €
Other loans	-	-	-
Short term loans			
Loans from financial institutions	k €	12 k €	-12 k €
Bonds	k €	15 000 k €	-15 000 k €
Prepayments	17 717 k €	16 462 k €	1 255 k €
Purchase payables	15 936 k €	13 782 k €	2 154 k €
Other payables	3 070 k €	4 954 k €	-1 883 k €
Accrued payables	2 515 k €	1 694 k €	821 k €
Short term loans total	39 238 k €	51 904 k €	-12 665 k €
Liabilities total	79 291 k €	51 904 k €	27 387 k €
LIABILITIES TOTAL	103 355 k €	57 196 k €	46 160 k €

2.iii Secto Topco Group – Cash flow Q1 / 2020

GROUP CASH FLOW		1.1 - 31.3.2020
EBITDA		1 175 k €
Change of NWC		-3 343 k €
Investments		422 k €
Operative cash flow after investments		-1 747 k €
Taxes		-137 k €
Operative financial items net		-167 k €
Cash flow after taxes and interests		-2 051 k €
Bond interest payments		-718 k €
Capital re-payment		-6 900 k €
Dividends		k €
Other		-32 k €
Cash flow total		-9 700 k €
Cash in the beginning		21 793 k €
Cash in the end		12 092 k €
Change in cash		-9 700 k €



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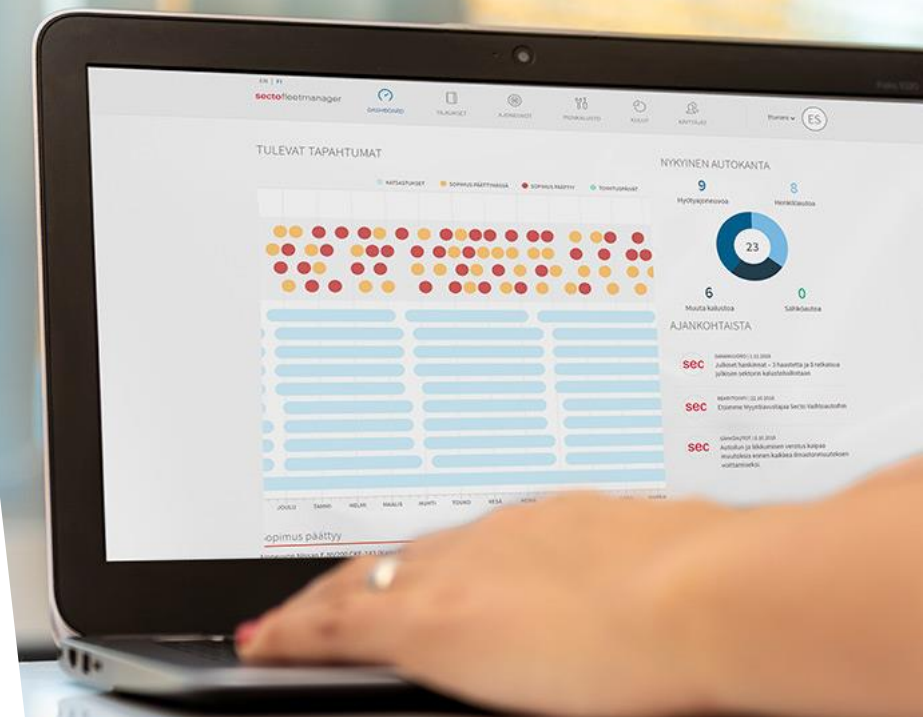
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3.i Secto Topco Oy – Profit and loss account 1.1 – 31.3.2020

INCOME STATEMENT	Secto Topco Oy *	Secto Topco Oy *
QUARTER	1.1 - 31.3.2020	1.1 - 31.3.2019
Net Sales	240 k €	
Other Income	k €	
Purchases	k €	
Materials and services total	k €	
Gross margin	240 k €	
Personnel expenses total	-159 k €	
Other operative expenses (Opex)	-7 k €	
EBITDA	74 k €	
Adjustments		
Adjusted EBITDA	74 k €	
Depreciations	k €	
Goodwill amortizations	k €	
EBIT	74 k €	
Financial income	k €	
Financial expenses	-755 k €	
Financial items total	-755 k €	
PROFIT (LOSS) BEFORE TAXES	-681 k €	
TAXES	k €	
PROFIT (LOSS)	-681 k €	



3.ii Secto Topco Oy – Balance sheet 31.3.2020

BALANCE SHEET	Secto Topco Oy*	Secto Topco Oy*
In '000 €		
ASSETS	31.3.2020	31.3.2019
Current assets		
Intangible assets		
Goodwill	-	
Group goodwill	-	
Tangible assets		
Machinery and equipment	-	
Investments	50 410 k €	
Currents assets total	50 410 k €	
Non-current assets		
Inventories	-	
Receivables		
Long-term receivables	254 k €	
Short-term receivables		
Sales receivables	-	
Group receivables	15 466 k €	
Other receivables	100 k €	
Accrued receivables	k €	
Short term receivables total	15 566 k €	
Cash at bank	92 k €	
Non-current assets total	15 658 k €	
ASSETS TOTAL	66 323 k €	

	Secto Topco Oy *	Secto Topco Oy*
In '000 €		
LIABILITIES	31.3.2020	31.3.2019
Equity		
Share capital	3 k €	
Non-restricted equity	26 379 k €	
Retained earnings	-286 k €	
Own shares	-	
Other	-	
Dividends	-	
Profit (loss) of the financial period	-681 k €	
Equity total	25 415 k €	
Liabilities		
Long term loans	40 000 k €	
Other loans	-	
Short term loans		
Group debts	504 k €	
Bonds	k €	
Prepayments	k €	
Purchase payables	8 k €	
Other payables	313 k €	
Accrued payables	83 k €	
Short term loans total	908 k €	
Liabilities total	40 908 k €	
LIABILITIES TOTAL	66 323 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.