



**QUANT™**

Q2 Report 2021

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André Strömgren, CFO

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# SAFETY FIRST



## Safety within Quant

**Safety is our choice.** We are passionate about keeping our people, suppliers and customers safe at all times.

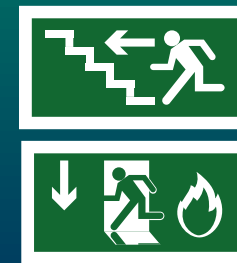
Everybody working for Quant, as an employee or contractor, is required to take care of themselves and their colleagues. We are committed to providing the instructions and training required to ensure they can do so safely.

Improving and developing our safety systems to world class standards is always our focus. Feedback is encouraged and seen as an opportunity to improve and evolve our safety procedures and culture.

**Our ultimate safety goal is ZERO accidents.** We have only done our job when everyone goes home each and every day safe and sound.

## TODAY'S SAFETY ORIENTATION

- Everyone is in a safe meeting environment?
- Nobody is driving?



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# Second quarter development

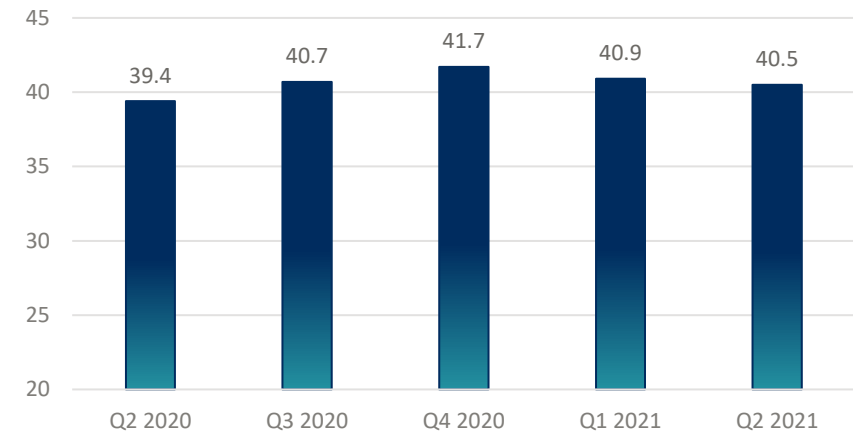
- **Continuing sales momentum**
  - Sales pipeline continued to increase
  - Closing of new deals still challenging due to the pandemic
  - Strengthening the organization
- **Net sales increased, profitability challenges at certain sites**
  - Lost contracts during 2020 continue to impact top line
  - Adjusted EBITDA of 1.3 MEUR compared to 1.8 MEUR prior year
  - Regions Europe and Finland & Baltics faced cost overruns at certain sites
  - Improving profitability in Region Americas, which was hit hard by the pandemic in 2020
- **Contract portfolio increase during the quarter**
  - Contract portfolio development positively although the number of contracts decreased
  - One contract won (Chile)
  - One contract renewed, one contract lost, and four contracts exited (China) – net profitability impact positive for Quant
  - Additionally, two short term contracts for complementary services and shutdowns with an in-year revenue of EUR 3.3 million was signed. These are not included in the contract portfolio in the quarter



# Net sales and EBITDA continuing operations

- Net sales for the period increased by 2.7% to EUR 40.5 (39.4) million. Organically, net sales increased by 1.2%
- Gross profit for the quarter increased to EUR 5.3 million from EUR 5.0 million prior year
  - The impact from changes in currency rates were EUR 0.5 million compared to EUR -0.3 million in the second quarter of 2020.
  - The gross profit for the second quarter of 2021 was negatively impacted by lost contracts, change in scope of certain contracts and decreased profitability at certain existing contracts as a result of lower upsell and higher costs.
- SG&A underlying cost base is in line with last year, excluding adjustments and investments in new sales
- Quarterly adjusted EBITDA decreased to EUR 1.3 million from EUR 1.8 million prior year due to the changes in gross profit and higher SG&A
- Adjusted EBITDA with IFRS 16 increased to EUR 2.0 (2.7) million

Net sales

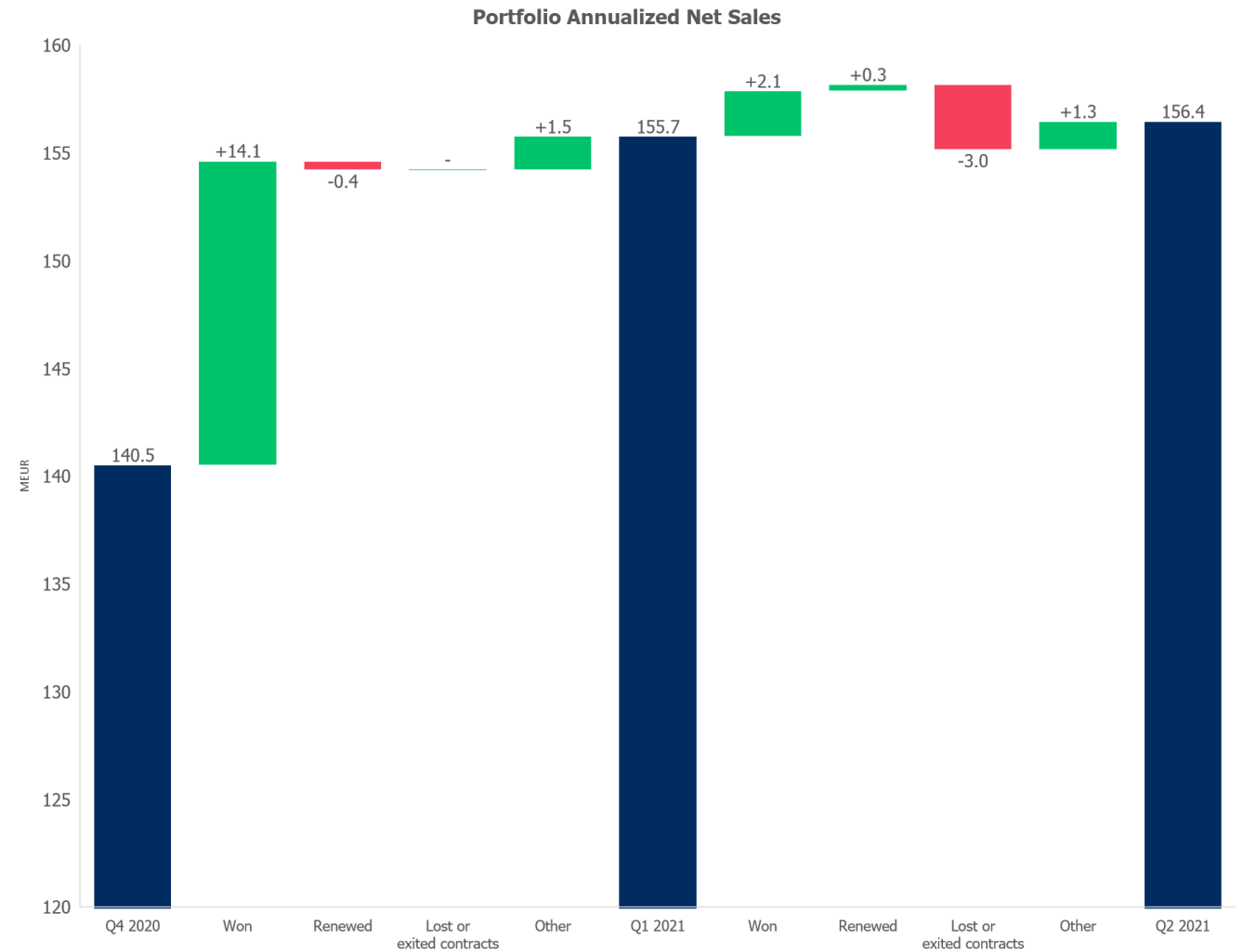


Adjusted EBITDA and margin



# Contract portfolio overview

- Currently 81 sites in operation
- Contracts with annualized net sales of EUR 37 million scheduled for renewal during the next twelve months
- Second quarter development:
  - One contract was won with annualized net sales of EUR 2.1 million
  - One contracts was lost, and four contracts were exited (China) with a total net sales decrease of EUR 3.0 million
  - One contract was renewed with a total scope increase of EUR 0.3 million
  - Scope changes and exchange rate effects of EUR 1.3 million
- The combined effect of these changes amount to an increase in the contract portfolio annualized net sales of EUR 0.6 million
- Additionally, two short term contracts for complementary services and shutdowns with an in-year revenue of EUR 3.3 million was signed. These are not included in the contract portfolio in the quarter



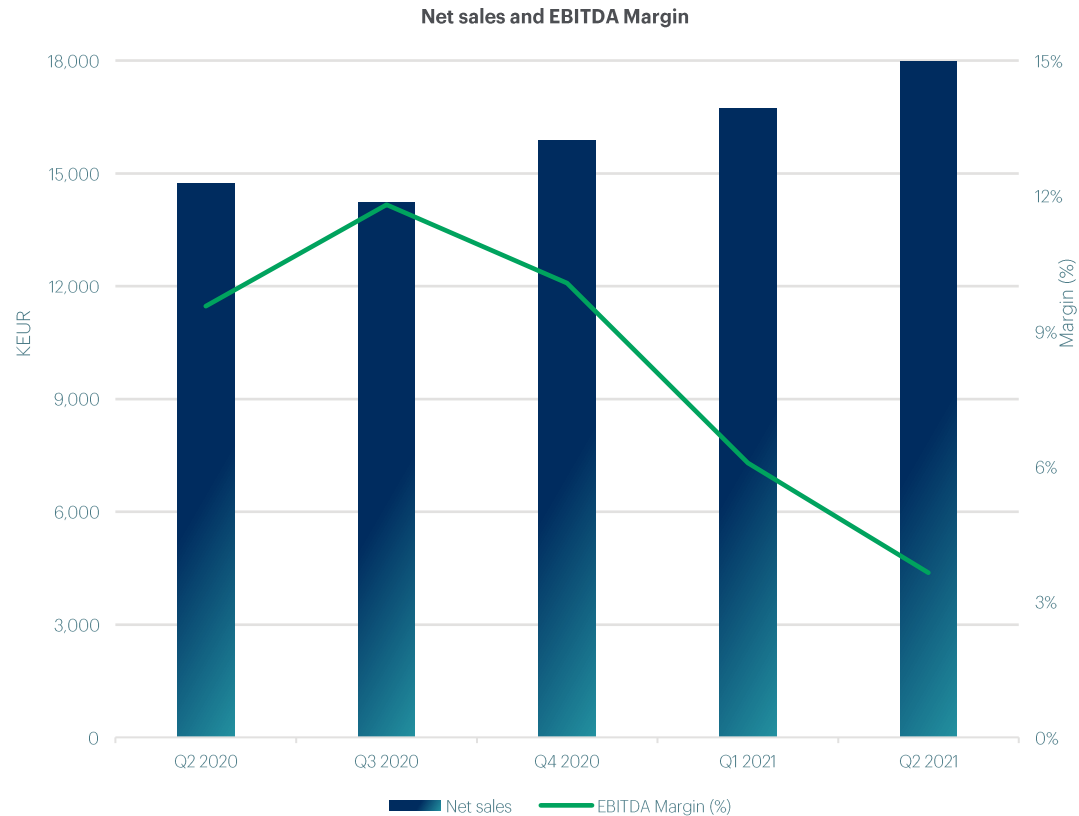
# Cash flow

- Cash flow from operating activities for the quarter amounted to EUR 1.9 (7.5) million
- Change in net working capital was EUR 2.0 (5.9) million for the quarter
- Net debt / Adjusted EBITDA of 16
- Cash flow from financing activities was EUR -0.4 million, compared to EUR -0.8 million last year
- For the total Group, including both continuing and discontinued operations, cash flow for the quarter was EUR 0.9 (6.4) million
- At 30 June 2021, the amount drawn on the revolving working capital facility amounted to EUR 2.0 (16.0) million

KEUR	Q2		Jan-Jun		LTM	Jan-Dec
	2021	2020	2021	2020	Jun 2021	2020
<b>Continuing operations</b>						
Cash flow from operating activities	1,908	7,491	-647	6,687	354	7,688
Net debt	-	-	129,461	120,037	129,461	123,505
Net debt / Adjusted EBITDA, times	-	-	16	18	16	18
Net debt / Adjusted EBITDA IFRS 16, times	-	-	12	12	12	12
<b>Discontinued operations</b>						
Cash flow from operating activities	-413	-246	-840	-453	-340	47
<b>Group</b>						
Cash flow from operating activities	1,495	7,245	-1,487	6,234	13	7,735
Cash flow from investing activities	-256	-34	-495	-318	-1,015	-838
Cash flow from financing activities	-346	-809	-9,890	7,939	-16,083	1,746
<b>CASH FLOW FOR THE PERIOD</b>	<b>893</b>	<b>6,403</b>	<b>-11,872</b>	<b>13,855</b>	<b>-17,085</b>	<b>8,643</b>

# Segment financials

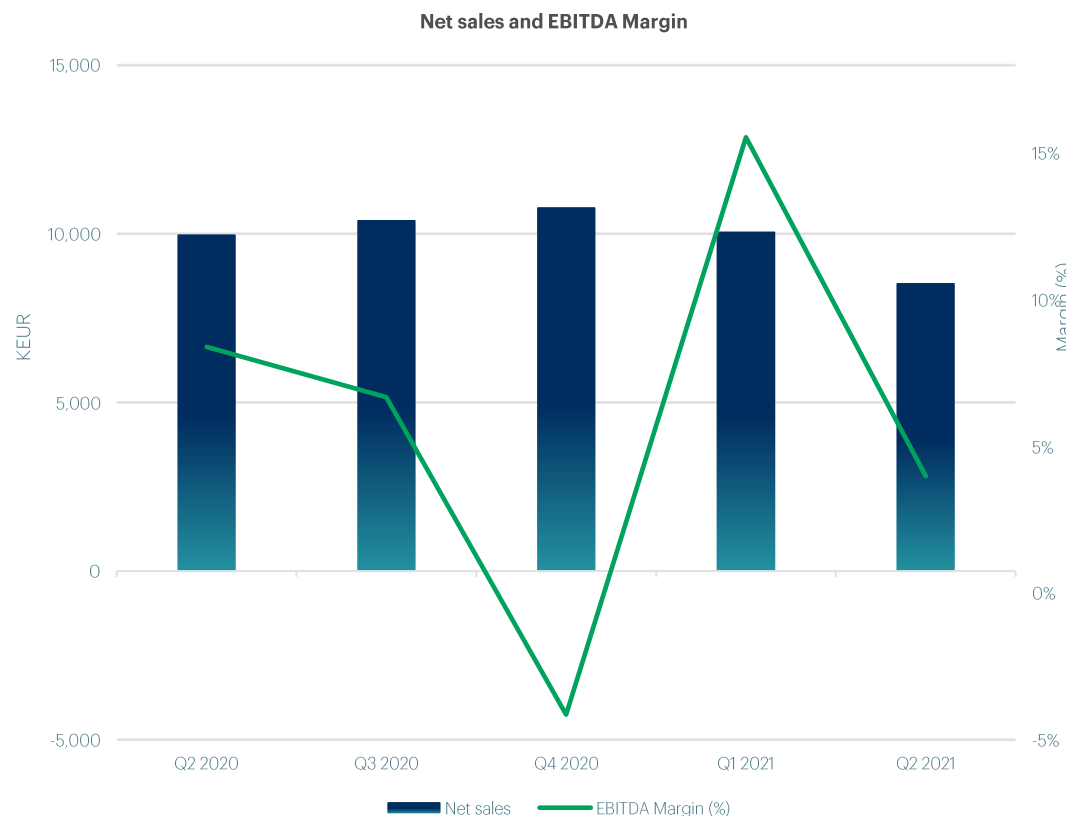
## Europe



- Net sales in the quarter increased to EUR 18.0 (14.7) million due to new contract with Alcoa Mosjøen in Norway, partially offset by lost contracts
- Adjusted EBITDA for the quarter was EUR 0.7 (1.4) million, due to extended mobilization phase with Alcoa Mosjøen (Norway) caused by the pandemic, lost contracts, lower upsell, and change in scope on existing contracts

# Segment financials

## Americas

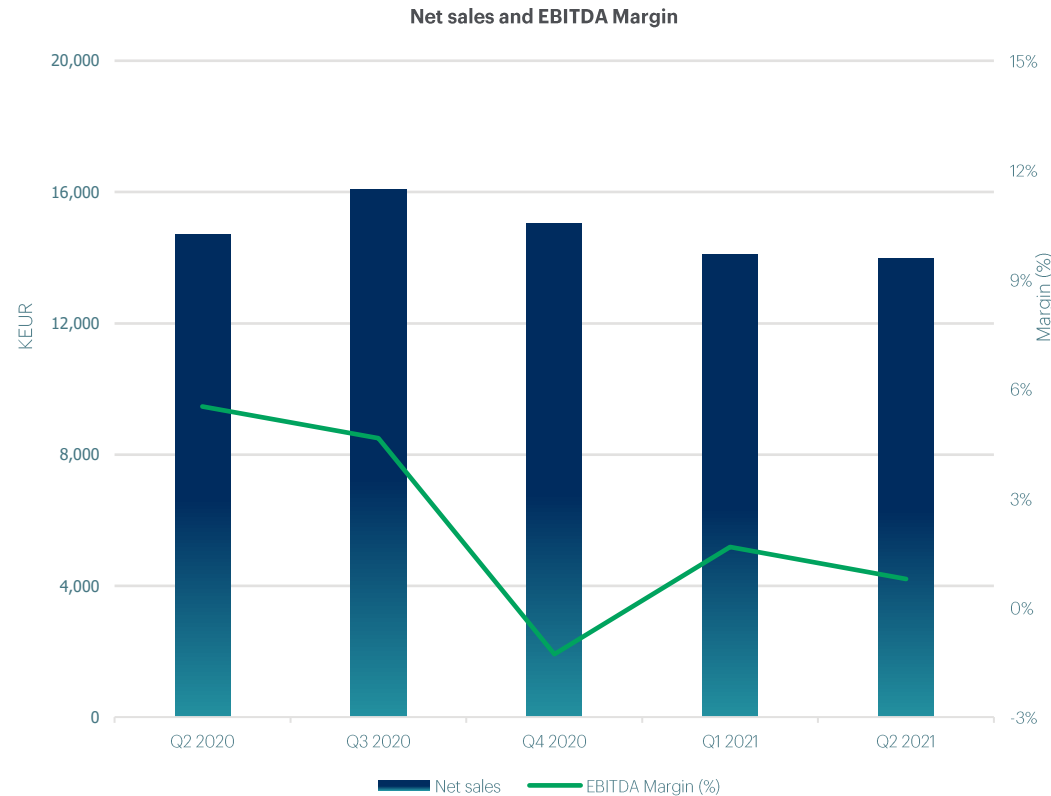


- Net sales in the quarter decreased to EUR 8.5 (10.0) million due to two lost contracts in Chile and one in Mexico during 2020
- Adjusted EBITDA in the quarter was EUR 0.3 (0.8) million due to higher overhead costs. General and admin expenses last year were lower mainly due to positive adjustments as a part of the transformation program. In addition, the change in overhead costs is a result of investments in sales to work more proactively in increasing the sales pipeline. Underlying general and admin expense is in line with last year and gross profit is at similar level as last year despite lower revenue



# Segment financials

## Finland & Baltics



- Net sales in the first quarter decreased to EUR 14.0 (14.7) million due to exited contracts in Finland and decreased scope in one contract, compensated by increased upsell in certain contracts and revenue from the new contract with BASF
- Adjusted EBITDA in the quarter was EUR 0.1 (0.8) million due to lower profitability as the cost level was higher at certain sites, reduced scope in certain contracts and exited contracts

A pair of hands is shown from the bottom, cupping a glowing blue globe. The globe is covered in a network of white lines and dots, suggesting a global network or data flow. The background is dark, making the glowing elements stand out.

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**THANK YOU!**

Interim Report Q3 2021 will be released on 19 November 2021

FOR MORE INFORMATION GO TO [QUANTSERVICE.COM](https://www.quantservice.com)