

CEO Review

Vesa Leino

Annual General Meeting 11 April 2019

CONTENT

Company Overview

2018 in Brief

Year 2019

Renewed Strategy

Financial Statements 2018

KEY FACTS

**Net Sales 52,4 M€
(2018)**

**406 employees
(average 2018)**

Established in 1975

**About 4000
shareholders**

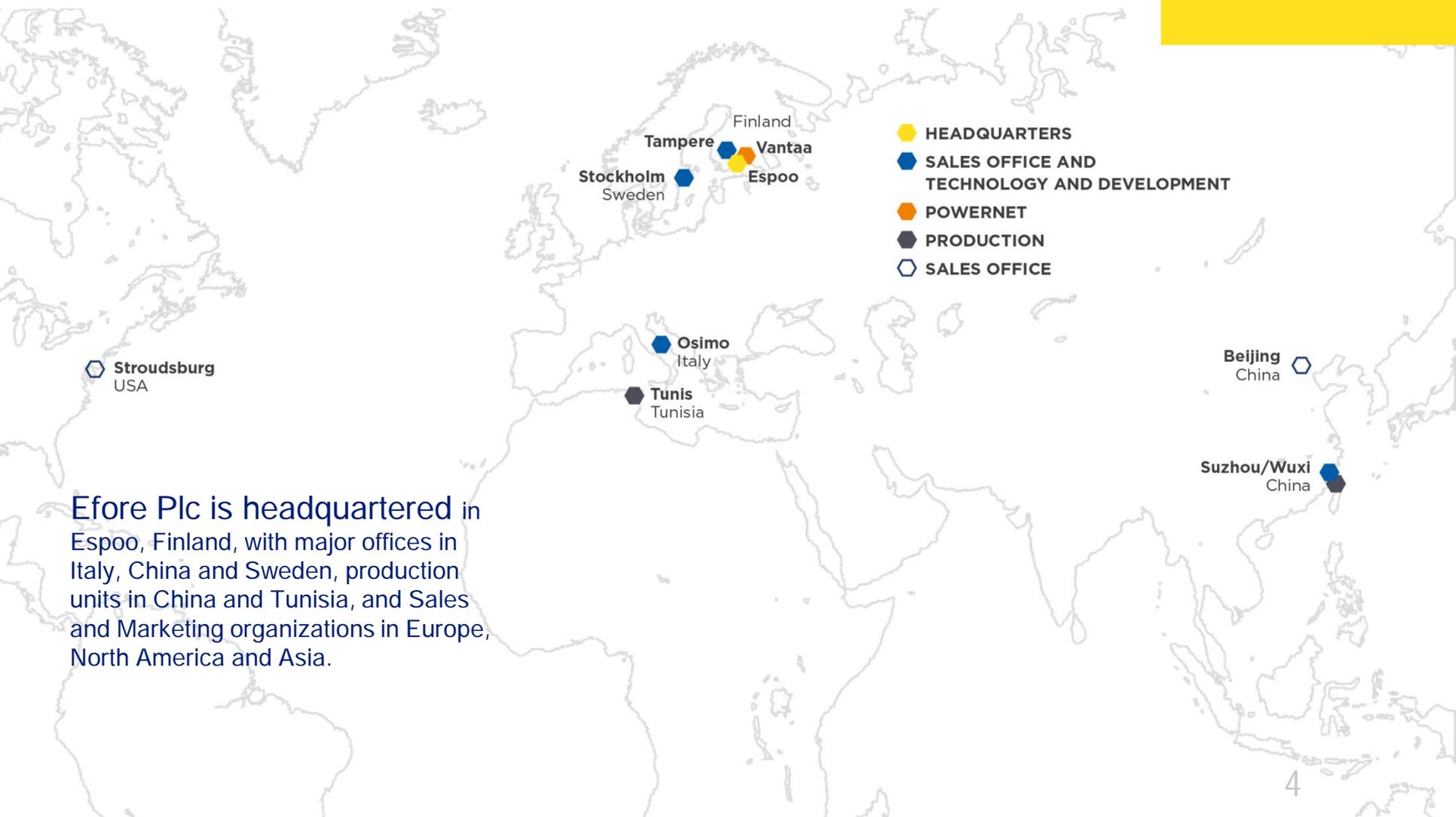
**Quoted on
Nasdaq Helsinki**

Efore Plc is an international group specialised in design, development and production of demanding power products.

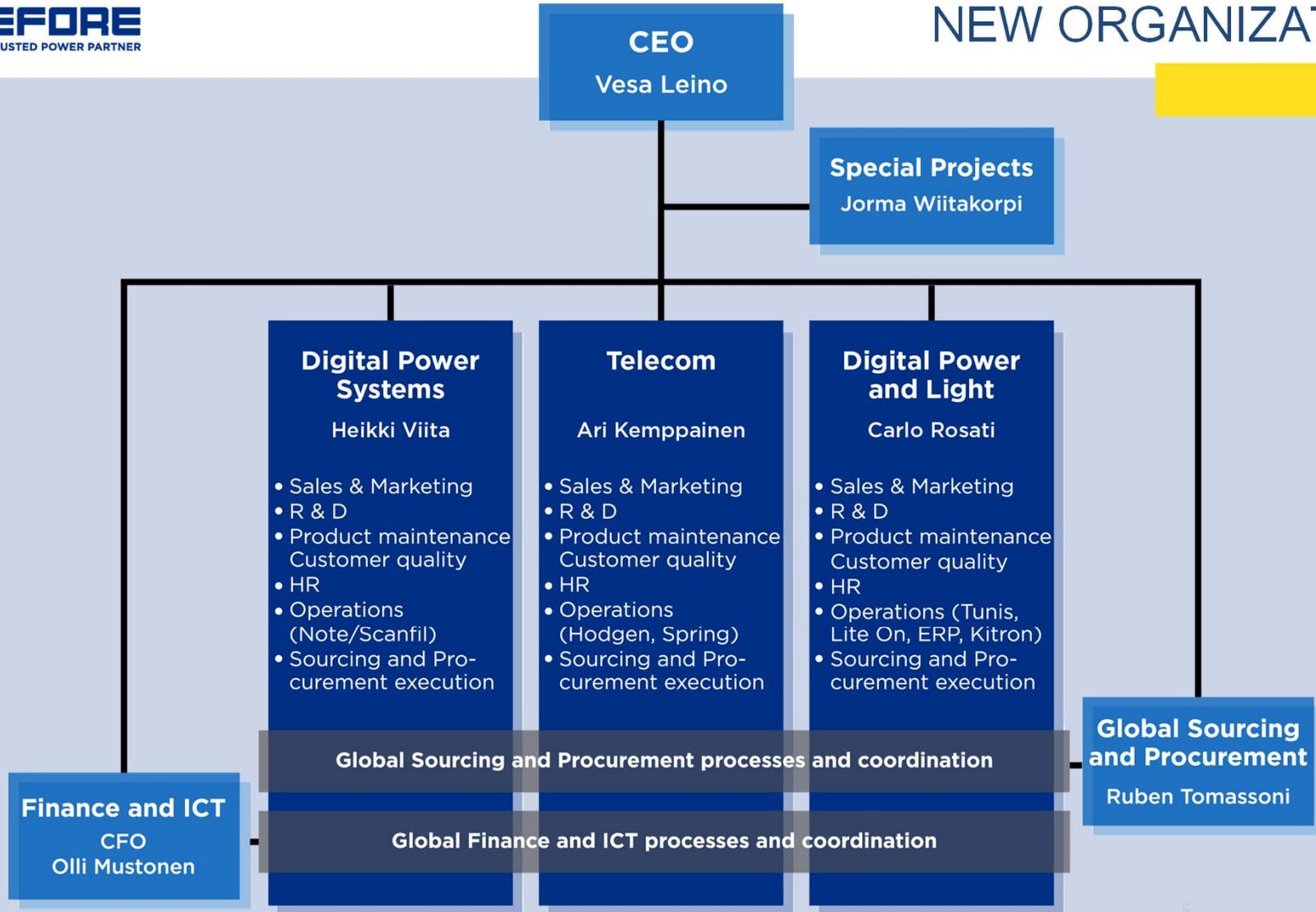
Efore designs and manufactures cutting edge power conversion products; that offer superior energy efficiency, reliability, more intelligent designs, flexibility and creativity for the telecommunications including networks and broadcasting, industrial, medical, LED lighting and transportation markets.

Efore competences and know-how are embodied in the solutions we provide to our customers: high efficiency and high reliability.

EFORE LANDSCAPE IN 2019



Efore Plc is headquartered in Espoo, Finland, with major offices in Italy, China and Sweden, production units in China and Tunisia, and Sales and Marketing organizations in Europe, North America and Asia.



CONTENT

Company Overview

2018 in Brief

Year 2019

Renewed Strategy

Financial Statements 2018

This is what we promised to the market after 1H 2018

"The company expects to reach **significantly better operating result during second half** of the year than during the first half year.

Company also expects to reach **positive cash flow from operations during the last 6 months** of the year. Nevertheless, the **full year 2018 operating result and cash flow from operations will remain negative.**



This is what we delivered

2H Profitability improved from 1H but still negative at -2,7MEUR (Adjusted Operating Loss) vs -4,0MEUR in 1H.

- **2H Cash flow from operating activities +2,5MEUR** vs -5,3MEUR in 1H 2018.
- 2H Net sales 27,8MEUR which is 3,2MEUR up from 24,6MEUR in 1H. Increase in both Telecom and Industrial.
 - Telecom increase from 8,2MEUR 1H to 10,6MEUR 2H
 - Industrial increase from 16,5MEUR 1H to 17,2MEUR 2H
 - 2H 2018 still below 2017 (30,5MEUR)

CONTENT

Company Overview

2018 in Brief

Year 2019

Renewed Strategy

Financial Statements 2018

In 2019, company implements a major transition and aims for both organic and inorganic growth. Major building blocks for this:

A telecom joint venture
with a strategic partner
expected to be signed
within the coming months

**Acquisition of
Powernet International Oy**
in late 2018 strengthens
technological know-how,
expands customer base,
and enhances product and
systems portfolio.

Growth potential
in new products, e.g.
1500W and Strato Evo,
3x5" AC/DC PSU
platform, and MHE
Modular High Efficiency
rectifiers

Efore completed
a succesful share rights
offering worth of
11 million euros in late
2018.

CONTENT

Company Overview

2018 in Brief

Year 2019

Renewed Strategy

Financial Statements 2018

LIFETIME VALUE

- § Intelligent, customized, modular and high-performance systems
- § In close partnership with key customers
- § Strong focus on lifecycle management and total cost optimisation

SMART CUSTOMIZATION

- § Regional market expertise and capability to listen to customers' industry-specific needs
- § Flexible combination of efficient product platform and module development
- § Cost-efficient and fast fulfillment of customer and customization needs

PARTNERSHIPS

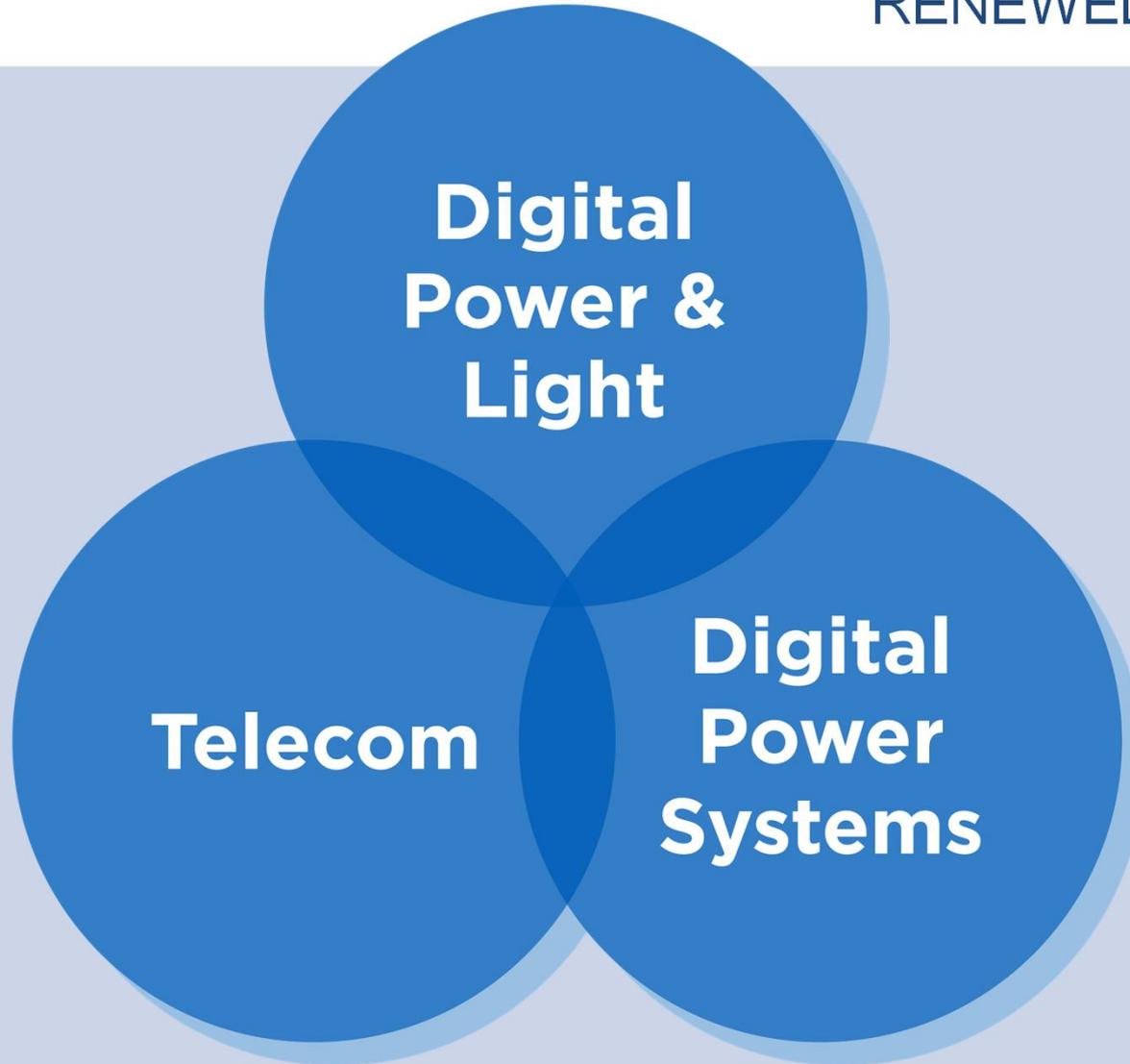
- § Own technologies and product development capabilities and capacity strengthened by close co-operation with carefully selected partners
- § Manufacturing partners specializing in high volume production
- § Utilizing complementary regional partners in product and system lifecycle management and maintenance

COST EFFICIENCY

- § Continuous improvement in operations and cost efficiency
- § Simple and fast decision making

SUCCESS IN FUTURE BUSINESS REQUIRES GROWTH

- § Targeting strong net sales and profitability growth in both Industrial and Telecom businesses
- § Further expanded product portfolio and larger solutions to current customers
- § Actively seeking new customers for demanding and harsh environment products and solutions



Megatrends are on our side.

Wholesale digitalization of society and phenomena such as Internet of Things and Big Data mean continued and increasing need for electricity and, therefore, power supplies. With the new strategy and good execution of it, Efore's future looks bright.



CONTENT

Company Overview

2018 in Brief

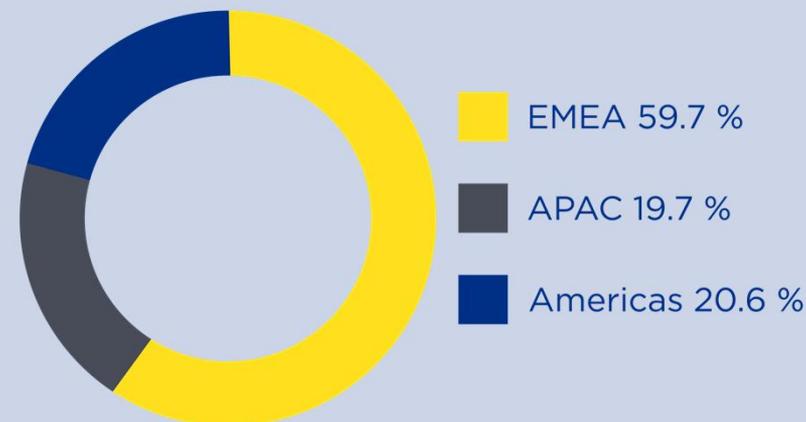
Year 2019

Renewed Strategy

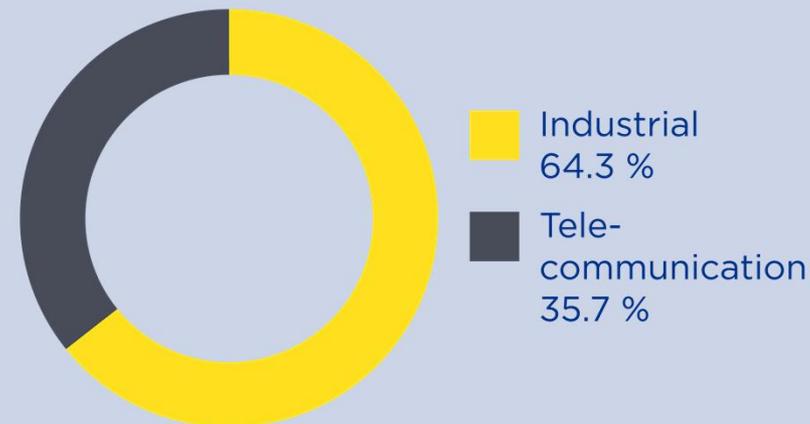
Financial Statements 2018

KEY INDICATORS, EUR MILLION	2018	2017
Net Sales	52.4	69.9
Telecommunication	18.7	33.6
Industrial	33.7	36.3
Adjusted operating profit	-6.7	-0.2
Operating profit	-7.2	-0.2
Profit/loss before tax	-8.5	-1.0
Profit/loss for the period	-7.8	-0.6
Earnings per share, EUR	-0.14	-0.01
Solvency ratio, %	20.6	17.9
Gearing, %	100.6	115.6
Cash flow from operating activities	-2.8	4.7

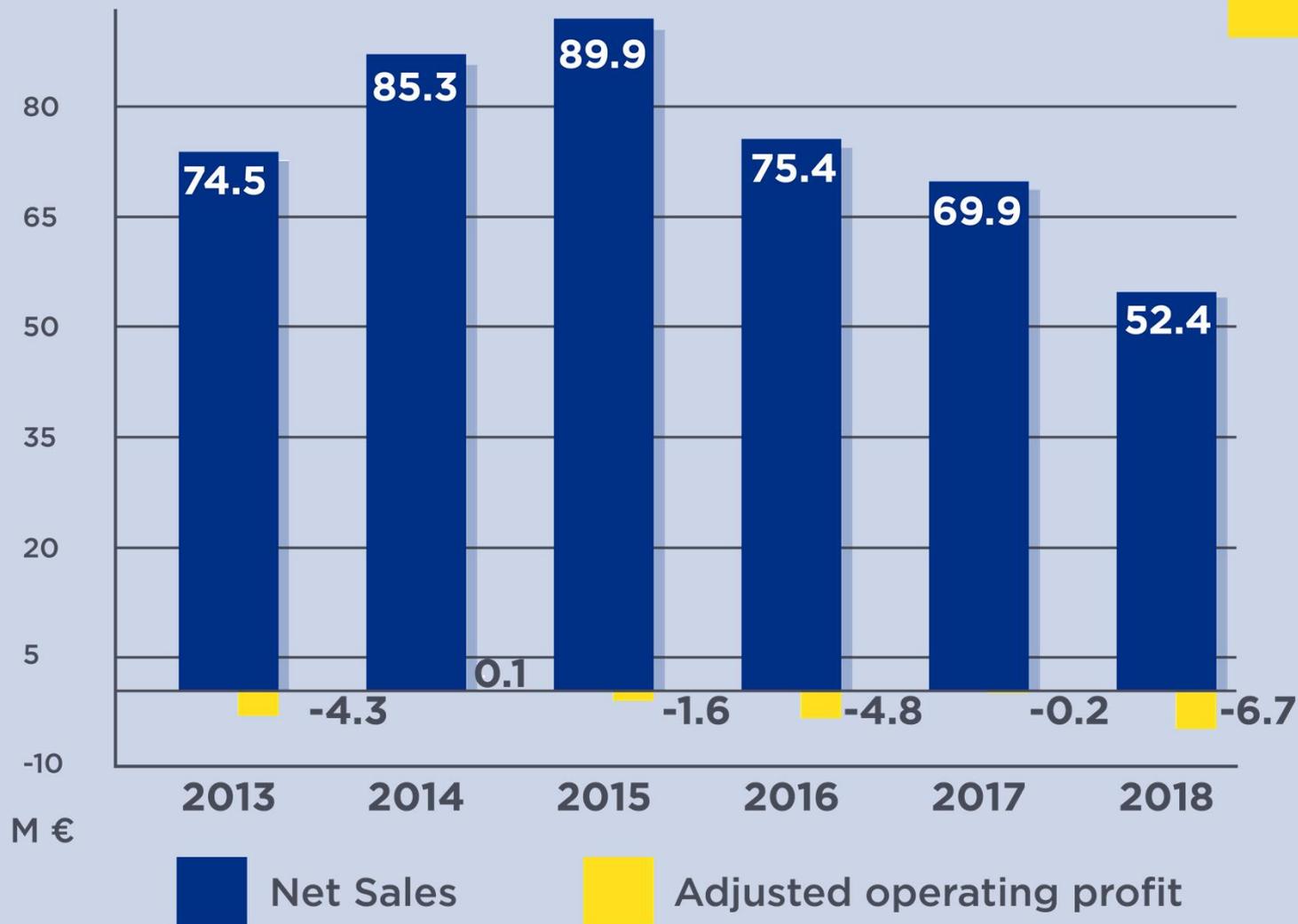
NET SALES BY SECTORS

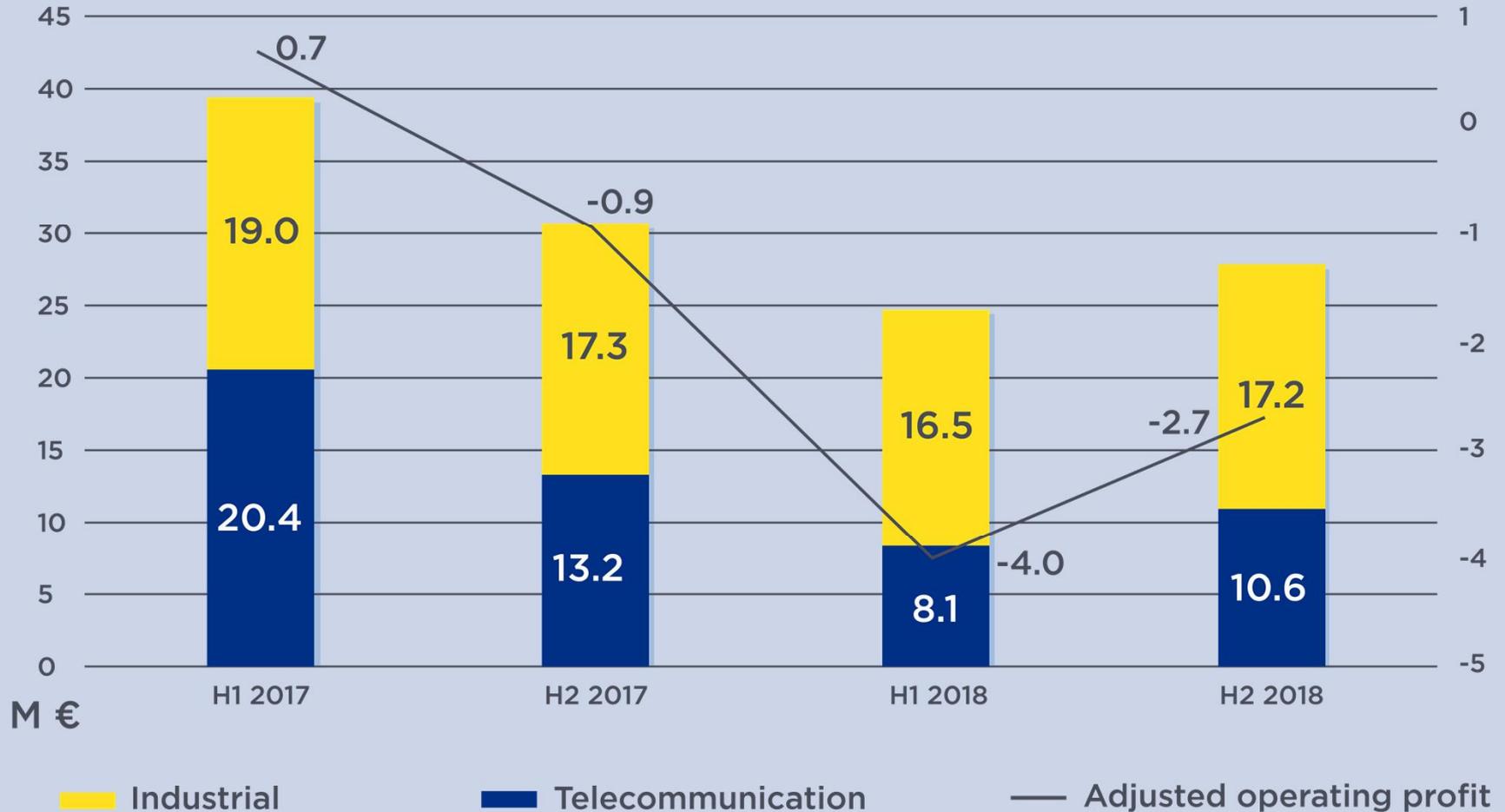


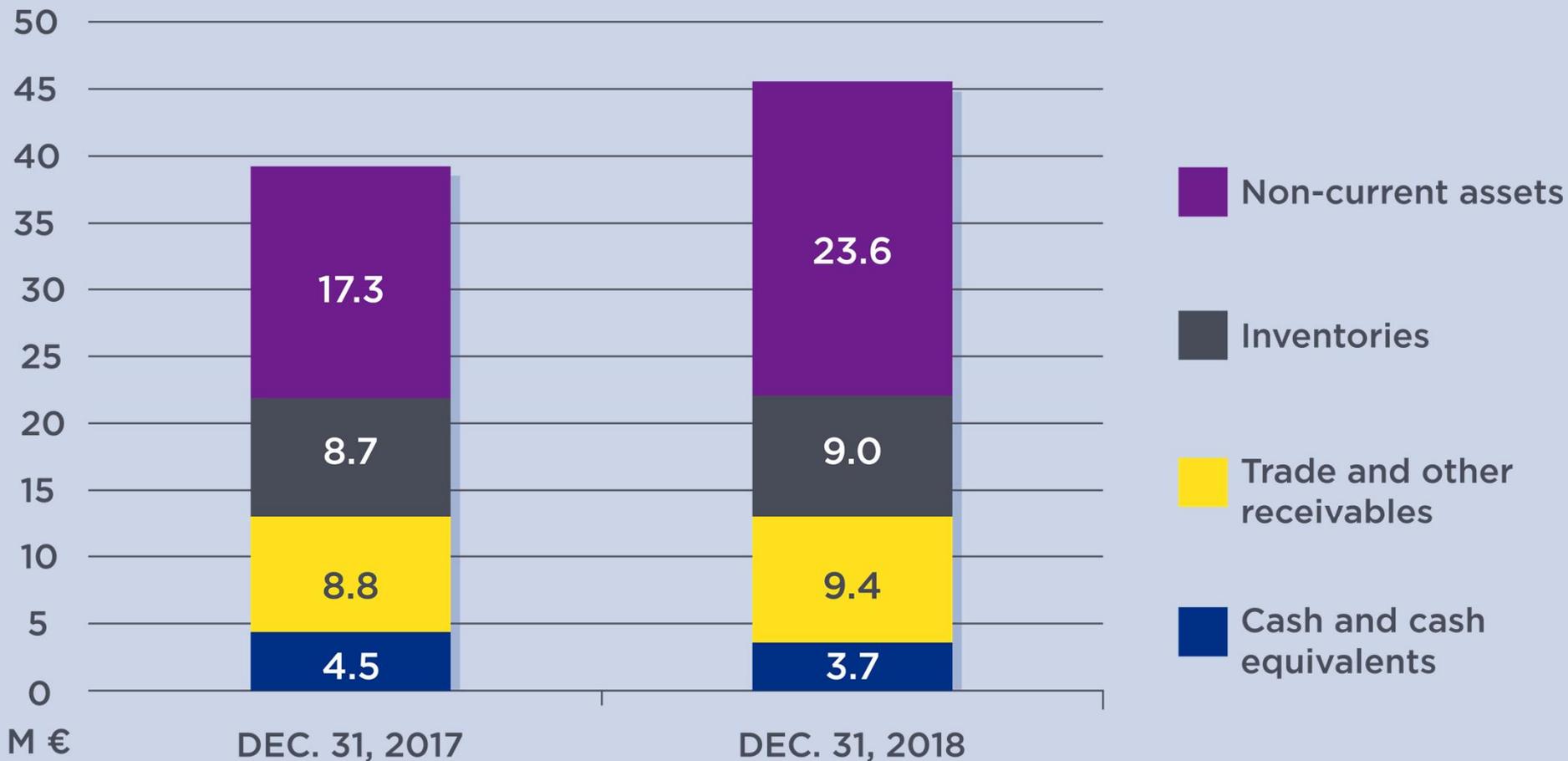
NET SALES BY AREAS

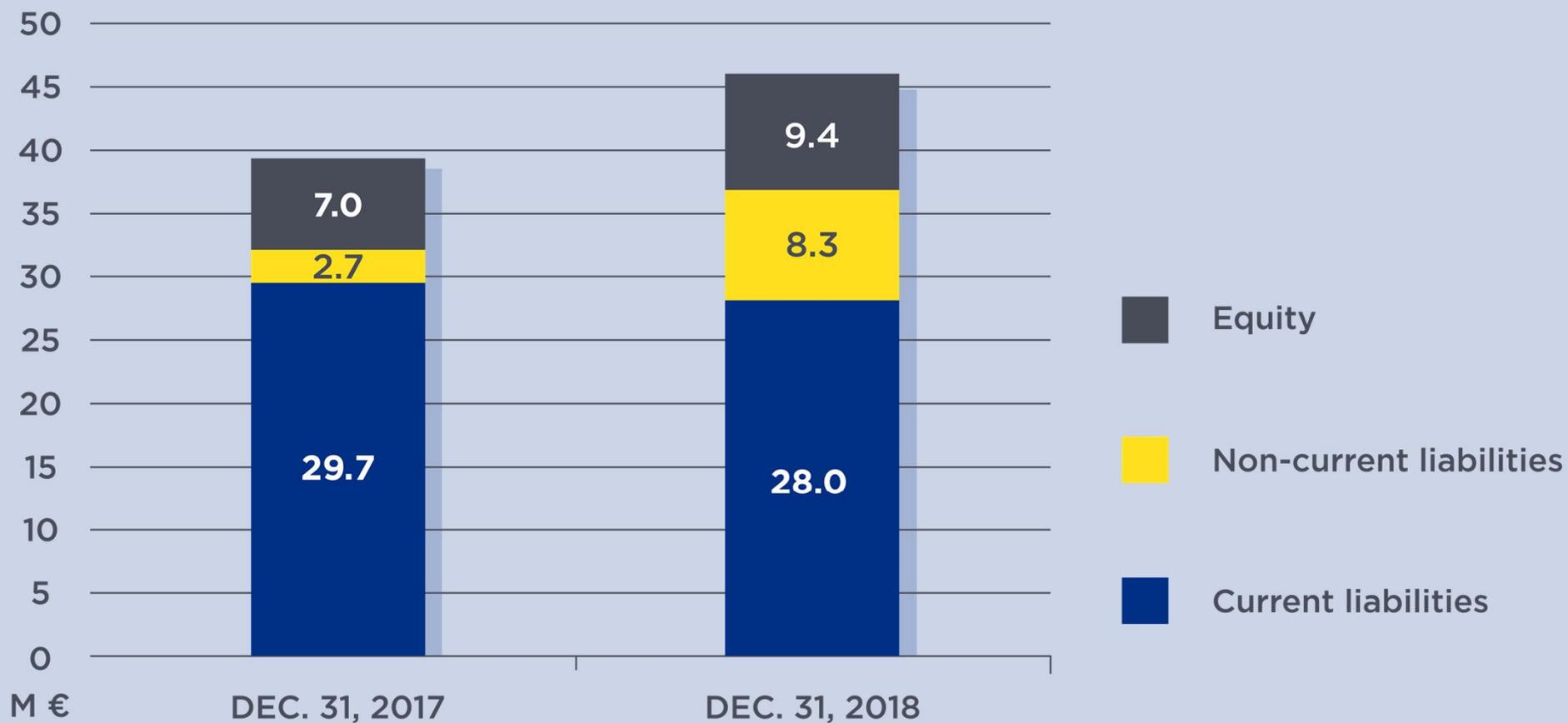


NET SALES AND ADJUSTED OPERATING PROFIT









Efore targets

for 2019 are to achieve net sales of over EUR 70 million, clearly positive EBITDA (adjusted for items affecting comparability) and positive cash flow from operating activities.

The medium-term financial targets are:

- 10% organic growth in net sales annually
- net sales of over EUR 90 million in 2021
- at least 10% EBITDA margin in 2021
- a significant improvement in equity ratio from the first half 2018 level.



Thank You



EFORE
TRUSTED POWER PARTNER