



## **Elektrobit Group Plc.**

Interim Report January–June 2002  
August 1, 2002

## Content of Presentation

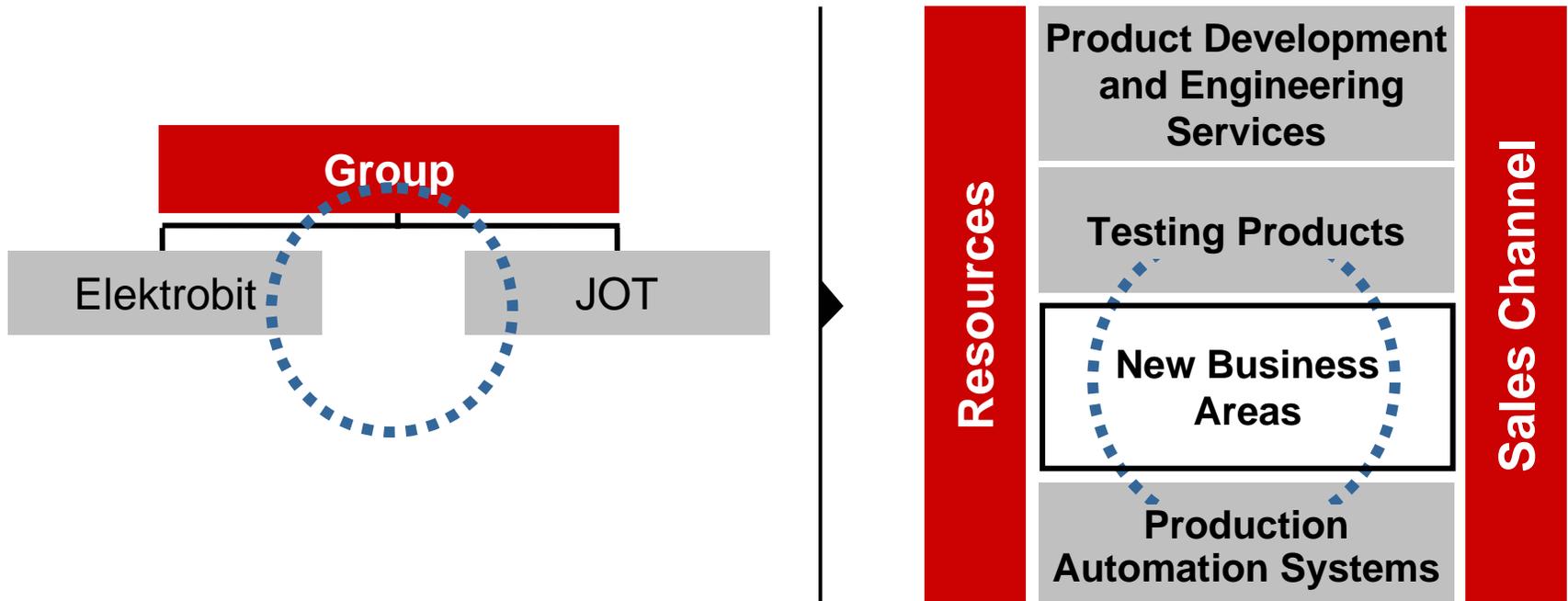
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## Elektrobit Group



- More than 1 200 employees, including over 750 R&D engineers
- "Productization"- service concept
- Customers are leading global industry companies
- Worldwide operating network, in 16 countries
- Pro forma net sales 2001 MEUR 151.8
- Listed on Helsinki Exchange

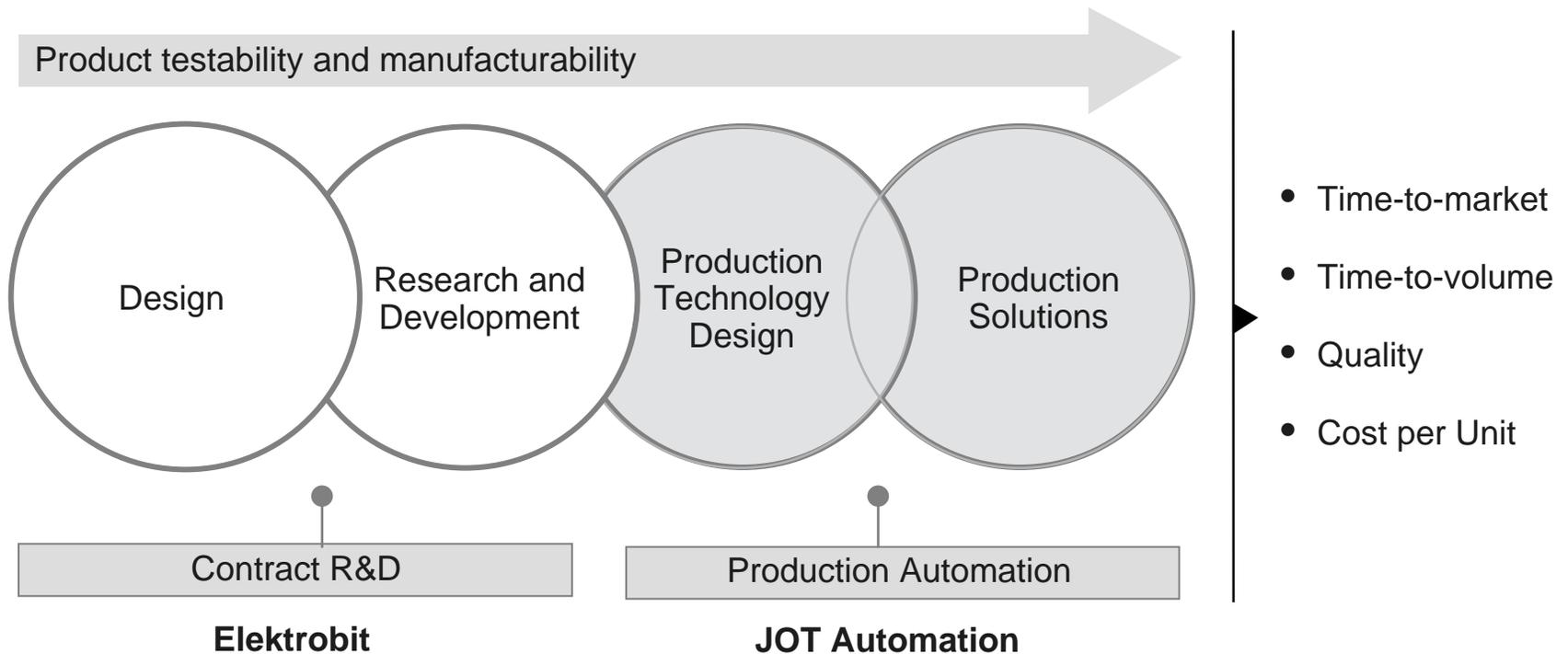
## The Group's Operational Structure



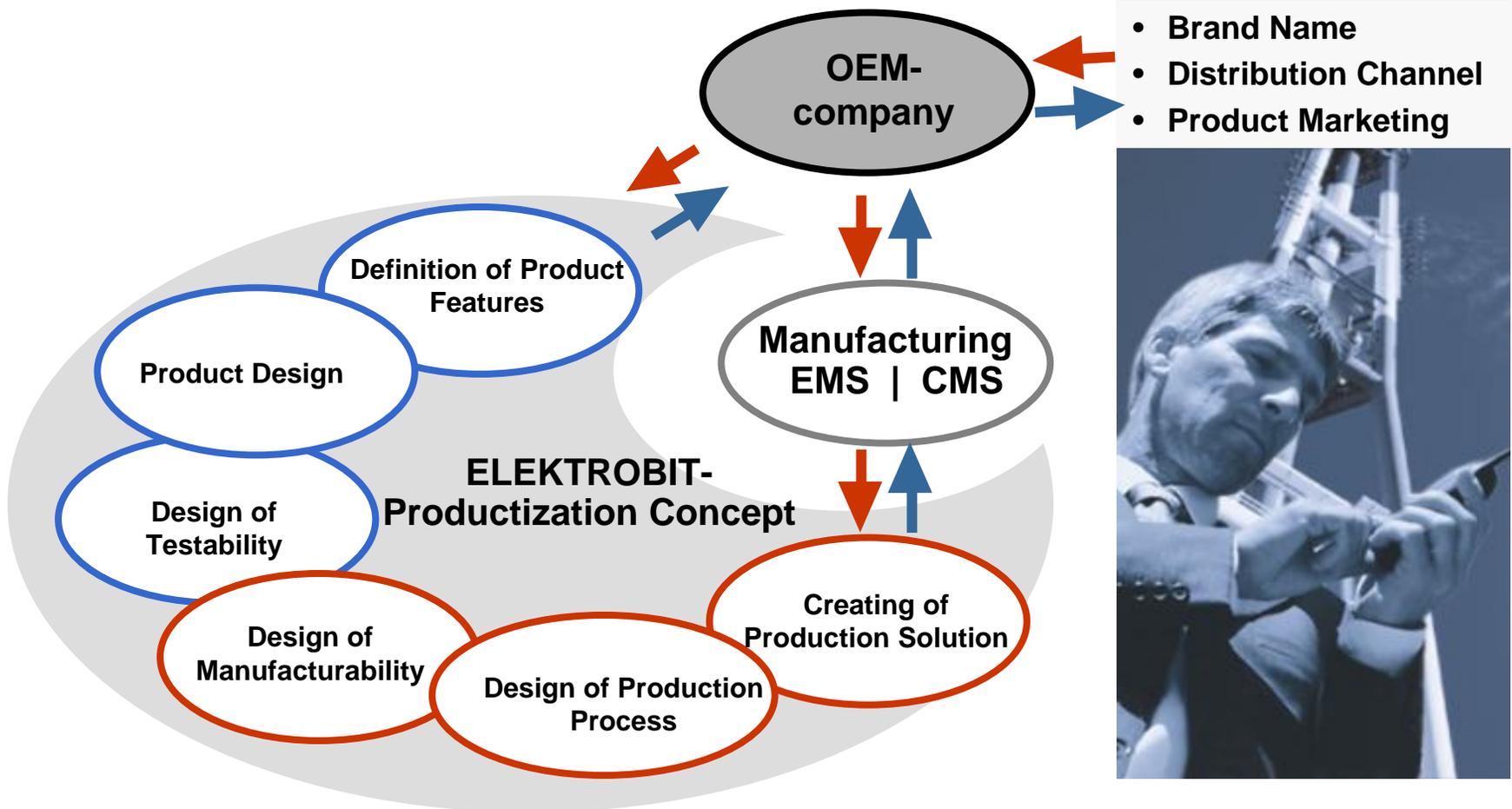
## Business Idea

Elektrobit Group's business idea is to improve the competitiveness of the customer's product and production by assuming total or partial responsibility for product development, product design, and the design of production and testing solutions and their implementation.

## Elektrobit Group's "Productization" Service Concept



# Productization Concept in Customer's Value Chain



## 1 | R&D and Planning Services



**Contract  
Research**



**Contract Product  
Development**



**(OEM) Sub-modules  
to Customers' Products**

- Based on long-term strategic partnerships between Elektrobit and its customers
- Elektrobit is able to assume total or partial responsibility for design and product development projects for a new product
- Comprehensive service portfolio extending from feasibility studies and contract product development to OEM products
- Various business models: from hourly billing to the sharing of risk and return

## 2 | Wireless Products

### Test, measurement and analysis tools

- *PROPSim*, radio channel simulator for all major telecom manufacturers
- *TOM-product family* for optimizing air-interface and improving quality of service



### Complementary products

- Low volume, strategically important product solutions for customers' businesses

### Other wireless products

- *Repeater* for delivering wireless indoor coverage into buildings and tunnels
- *Wireless Underground Communication System* for remote controlled mining machines



### 3 | Production Automation Systems



#### Material Handling and Processing Equipment

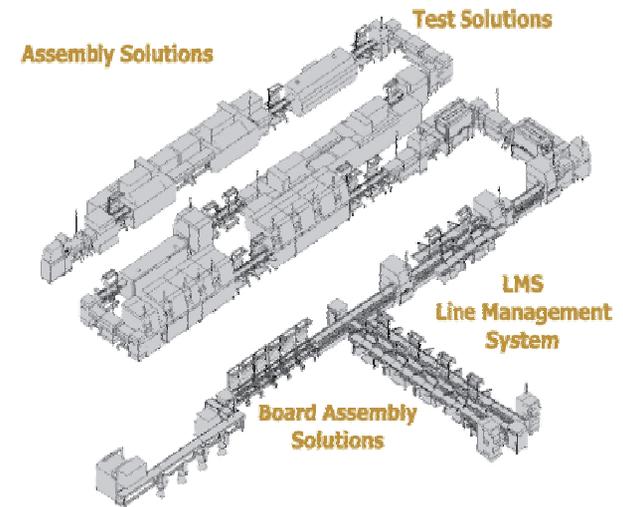
- Board Handling
- Pallet Systems
- Workstations
- Packaging Modules
- Routing
- Product Marking
- Component Placement

#### Testing Systems

- Testing Systems
- Test Handlers

#### Assembly Solutions

- Final Assembly
- CMS-automation
- Control Software





## **Elektrobit Group Plc. Interim 1-6/2002 Review**

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## Review of the Operating Period 1-6/2002

### **JOT Automation and Elektrobit combined their businesses**

- *Combination agreement approved on May 31, 2002*
- *The Group obtained the name Elektrobit Group Plc., trading with new shares commenced on June 5, 2002*

### **Share Capital increased**

- *Share Capital MEUR 12.5*
- *Number of shares 626 526 588*

### **Board and Management were elected**

- *Mr. Juha Hulkko elected as Chairman*
- *Mr. Juha Sipilä elected as CEO*

## Financial targets achieved despite challenging operating environment

### ***Elektrobit Group pro forma 4-6/2002***

- Net Sales MEUR 35.2
- Operating Profit MEUR 0.8

### ***Business Segments pro forma 4-6/2002***

- Elektrobit: Net Sales MEUR 19.3, Operating Profit MEUR 3.3
- JOT Automation: Net Sales MEUR 15.9, Operating Profit MEUR –2.5

### ***Elektrobit Group pro forma 1-6/2002***

- Net Sales MEUR 66.0
- Operating Profit MEUR –3.3

## Review of the Operating Environment

### **Rapid changes in technologies and customers' business environment**

- *Customers invest in research and development*
- *Efficiency through outsourcing of new areas (R&D)*

### **Instability in the Telecom industry continues**

- *Has not substantially affected the demand of the products and services of the Elektrobit Business Segment*

### **Customers continue to have excessive production capacity**

- *Keeps the volume of investment in automation low*
- *Customers focus on enhancing their existing production capacity*

### **Next generation products and the growing number of product variations affect the development of production automation**

- *Enables new possibilities, particularly in the development of testing and CMS automation systems*

## Outlook for 2002

**Third quarter will not substantially differ from second quarter pro forma net sales, operating profit for the same period is estimated to be better**

- *The net sales of contract based R&D services will be slightly lower because of seasonal variation*
- *The focus on sales of the testing and assembly systems is expected to result in a more positive development*

**Second half 2002 pro forma net sales and operating profit are estimated to exceed first half pro forma net sales and operating profit**

- *During second half of 2002 the operating profit of JOT Automation business segment is estimated to be essentially higher than the first half of the year*
- *For the whole year 2002, net sales of the Elektrobit business segment is estimated to increase compared to year 2001. The increase is however essentially lower than recorded on an average during the previous years*



## **Elektrobit Group Plc. Interim 1-6/2002 Figures**

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## Pro forma Accounting Policy

- The combination agreement was approved on May 31, 2002
- The official figures 1-6/2002 include periods as follows:
  - *JOT Automation business segment: January 1, 2002 – June 30, 2002*
  - *Elektrobit business segment: June 1, 2002 – June 30, 2002*
- The pro forma figures include periods as follows:
  - *January 1, 2001 – December 31, 2001 and*
  - *January 1, 2001 – June 30, 2002*

*(as the combination would have been effective as of January 1, 2001)*
- The advising costs rising from the combination (totaling MEUR 1.8) have been taken into account as a deduction from the shareholders' equity. In the official figures they are included in the income statement.

## Income Statement, Elektrobit Group

<i>Pro forma</i>	1-6/2002 MEUR	Per cent (%)	1-12/2001 MEUR
Net Sales	66.0		151.8
Operating Profit	- 3.3	- 5.1	- 0.4
Profit before taxes	- 4.3	- 6.5	- 0.3
Net Profit	- 6.6	- 9.9	- 6.0

## Balance Sheet, Elektrobit Group

<i>Pro forma</i>	<i>June 30, 2002 MEUR</i>	<i>Per Cent (%)</i>	<i>December 31, 2001 MEUR</i>
<b>Assets</b>			
Non-current Assets	45.3	33	37.9
Current Assets	90.7	67	92.4
Total Assets	136.0		130.3
<b>Shareholders' Equity and Liabilities</b>			
Shareholders' Equity Total	66.2	49	64.8
Long-term Liabilities	28.6	21	19.9
Short-term Liabilities	41.2	30	45.6
Total Shareholders' Equity and Liabilities	136.0	100	130.3

## Cash Flow Statement, Elektrobit Group

<i>Pro forma</i>	1-6/2002 MEUR	1-12/2001 MEUR
Operational cash flow	-1.6	9.8
Cash flow from investments	- 13.7	-26.4
Cash flow from financing activities	15.3	11.3
Change in minority interest, group structure and conversion differences	0.6	-1.0
Nominal changes in liquid funds	0.6	-6.4

## Key Figures, Elektrobit Group

<i>Pro forma</i>	1-6/2002 MEUR	1-12/2001 MEUR
Return on equity, % (ROE)	-19.7	- 8.3
Return on investment, % (ROI)	- 2.4	5.3
Net Gearing, %	11.1	1.9
Equity Ratio, %	49.5	51.0
Gross Investments, % of Net Sales	21.7	17.8
Number of Personnel (end of period)	1 288	1 330
Earnings per Share	- 0.01	-0.01
Equity per Share	0.10	0.10

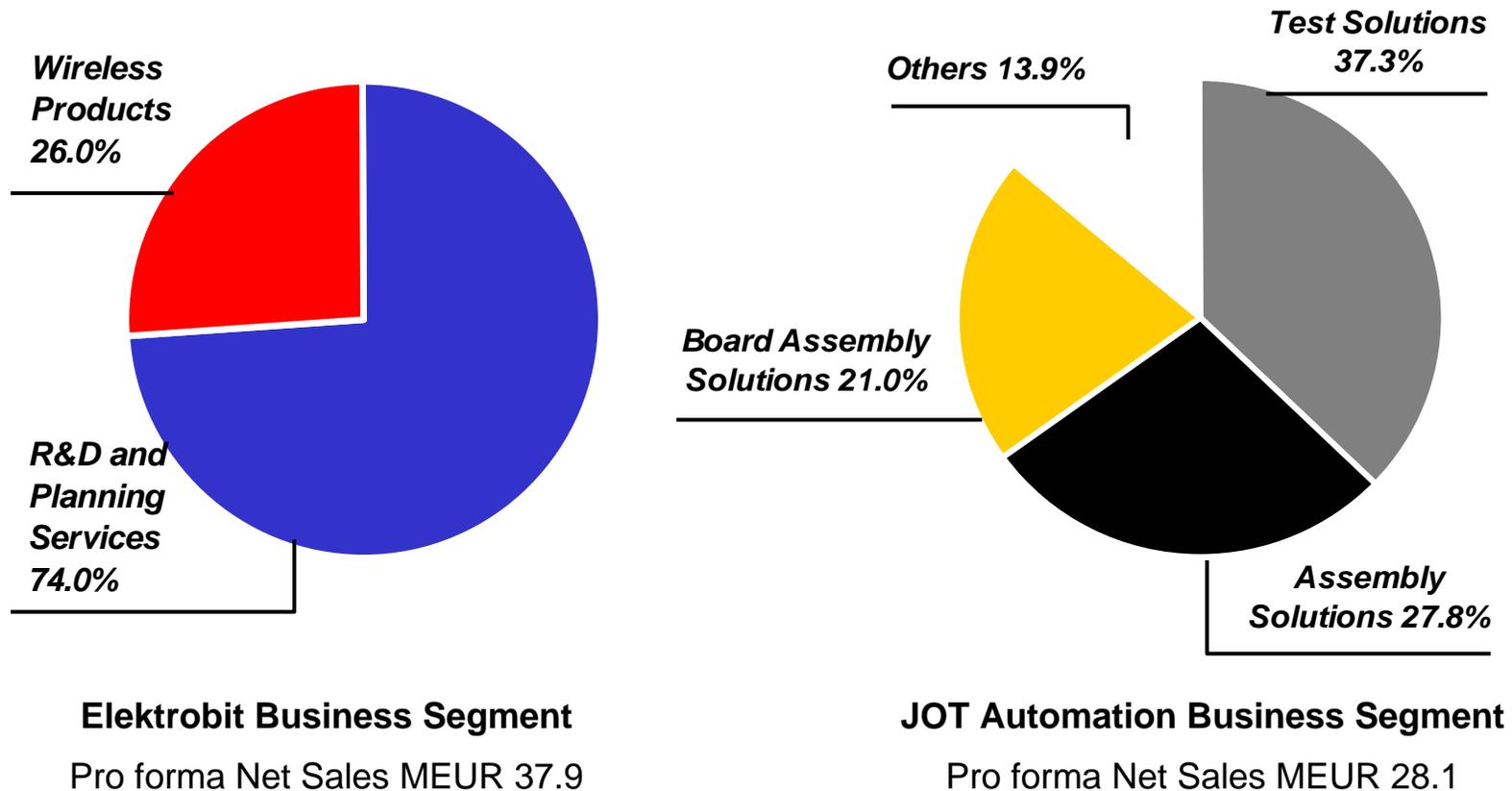
## Income Statement, Elektrobit Group

<i>Quartal figures</i>	<i>4-6/2002 MEUR</i>	<i>1-3/2002 MEUR</i>
Net Sales	35.2	30.8
Operating Profit	0.8	- 4.1
Profit before taxes	0.1	- 4.4
Net Profit	- 0.9	- 5.6

## Income Statement, Business Segments

<i>Quartal figures</i>	<i>Elektrobit pro forma 4-6/2002 MEUR</i>	<i>Elektrobit pro forma 1-3/2002 MEUR</i>	<i>JOT pro forma 4-6/2002 MEUR</i>	<i>JOT pro forma 1-3/2002 MEUR</i>
Net Sales	19.3	18.6	15.9	12.2
Operating Profit	3.3	3.7	-2.5	- 7.9
Profit before taxes	2.8	3.6	-2.7	- 8.0
Net Profit	1.8	2.3	-2.7	- 8.0

## Net Sales 1-6/2002, Business Groups



## Contacts



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