
Impact Coatings strengthens its focus on scalable solutions and services

During Impact Coatings' strategy presentation at 10:00 a.m. CEST today, CEO Torbjörn Sandberg will present the company's updated strategy, which has an increased focus on selling scalable solutions and services. The business model will capitalize on Impact Coatings' market-leading expertise in coating technology and creates conditions for sustainable growth with recurring revenues. Strong growth in the hydrogen market and rapid technological development in autonomous vehicles are driving customers' needs for coating services and scalable coating solutions.

"Impact Coatings is accelerating its efforts to become a service company in coating technology based on PVD. Through this initiative, we will establish Impact Coatings' market-leading expertise in fast-growing key markets globally and thereby strengthen the conditions for achieving sustainable and profitable growth. I confidently look forward to creating clear customer value and in turn also long-term shareholder value through these initiatives," said Torbjörn Sandberg, CEO of Impact Coatings.

Background to the redefined business model

Impact Coatings has historically focused on machine sales, which occur irregularly, have long sales cycles, and require staffing levels that fluctuate widely over time. This has led to the company's dependence on winning several machine delivery contracts each year.

Impact Coatings has in parallel responded to a strong increase in demand for Coating Services, a business that achieved an increase in sales of over 60 percent during 2021. The strong demand is driven by, among other dynamics, the global green energy transition and increasingly stringent regulatory requirements in the automotive industry. Impact Coatings has observed that many of its current and potential customers are hesitant to make investment decisions regarding coating equipment and instead prefer buying coating services, including the company's unique in-house expertise, in order to try different technologies and gain a competitive advantage.

The scope of the new service offering and its effect on Impact Coatings' financial profile

Impact Coatings' service offering will initially focus on rapidly scaling up Coating Services and developing a broader aftermarket business. In the long term, the service offering will be further developed as customers' needs evolve.

By broadening the service offering, the company aims to build closer customer relationships, achieve more efficient resource utilization, and better serve fast-growing markets. The model also improves the conditions for generating recurring revenue. In parallel, scalability will improve, enabling Impact Coatings to add capacity at attractive marginal cost of investment. The increased recurring revenues, more efficient resource utilization, and increased scalability are expected to compensate for the initial increase in CAPEX arising from the scale-up in the service offering.

Roll-out and ambition

Service revenues amounted to approximately 27 percent of total revenue in 2021 and are expected to reach 50 percent over the long term, based on the updated strategy. Coating Services will be established in China in 2022 and is planned to be established in South Korea, the United States and Germany in 2023-24. This will take place in parallel with the broadening of the service offering.

Presentation of the updated strategy

Impact Coatings' CEO Torbjörn Sandberg will hold a presentation of the updated strategy today at 10:00 a.m. CEST. The presentation will be held in English and will conclude with a Q&A session.

Link to webcast: <https://fronto.vancastvideo.com/event/G8LdOPH5/2772/?lang=2297>

To ask questions participants must participate via the conference call, where they can also listen to the presentation.

Telephone number for calling participants:

Sweden: +46850558357

United Kingdom: +443333009272

Conference ID: EV00135154

For more information contact:

Peter Högfeldt, Director IR & Partner Development
+46 708 87 44 34

E-mail: investors@impactcoatings.com

About Impact Coatings

Impact Coatings offers customer-centric coating services, clean coating technologies, and flexible coating systems with focus on hydrogen solutions, autonomous safety functions, and tailored coating solutions for high-end applications.

The company utilizes vacuum deposition methods - sustainable processes to apply thin layers of metal or ceramic coatings that improve performance and durability. Impact Coatings markets coating equipment under the trademark INLINECOATER™ and coating materials under the trademark MAXPHASE™. The company's service models and systems are flexible and scalable to fit the fast-paced markets the company operates within.

The Impact Coatings share is listed on Nasdaq First North Growth Market (Nasdaq Nordic). The company's Certified Adviser is Redeye AB, reachable via certifiedadviser@redeye.se or +46 8 121 576 90.

Press Release
25 May 2022 08:00:00 CEST



Attachments

[Impact Coatings strengthens its focus on scalable solutions and services](#)