

# Correction: Nurminen Logistics Plc's Financial Statement Release for 1 Jan.-31 Dec. 2022

Nurminen Logistics Plc  
12.15 p.m.

Financial Statement Release

March 2, 2023,

Nurminen Logistics Plc corrects the Financial Statement Release published on March 1, 2023, at 8.30 a.m. The key information did not appear in the Financial Statement Release text, which merely stated that the release had been published and a link to the company's website, where the release is available. The full report was also attached to the release.

Below is the corrected release.

*This release is a summary of Nurminen Logistics' Financial Statement Release January-December 2022. The full report is attached to this stock exchange release and is available on Nurminen Logistics' website at <http://nurminenlogistics.com/investors/publications/>*

**The year 2022 was a year of changes. The net sales for 2022 amounted to EUR 122.5 million and comparable operating result to EUR 6.9 million.**

## **July-December 2022 in brief:**

- Net sales for July–December decreased by 35 per cent to EUR 50.8 million year-on-year and by 29 per cent compared to January–June. The decrease in net sales was due to the decreased demand for the Chinese and Asian container train business.
- Comparable operating result amounted to EUR 2.2 million, or 4.4% of net sales. The comparable operating margin decreased slightly compared to January–June (6.5%), but excluding non-recurring expenses, operations continued to be profitable

## **January-December 2022 in brief:**

- Net sales for 2022 decreased by 13 per cent to EUR 122.5 million (EUR 141.3) year-on-year. The decrease in net sales was the biggest in the Chinese and Asian container train business due to the war in Ukraine, as the demand for a direct route to Finland decreased significantly.
- Reported operating result for 2022 amounted to EUR 3.4 million, or 2.8% of net sales.
- Comparable operating result without non-recurring expenses amounted to EUR 6.9 million, or 5.6% of net sales. The non-recurring costs were connected to reversals of container positions and efficiency measures taken.

## **Proposal for the distribution of dividend**

The Board of Directors proposes that the Annual General Meeting authorise the Board of Directors to decide on distributing a maximum of EUR 1.0 million as dividends at a separately announced date during 2023, should the company's financial position allow.

## **Financial guidance**

The company estimates that net sales for 2023 will amount to EUR 135–142 million and operating result to a minimum of EUR 10.0 million. The predicted growth in net sales and operating result is based on new customer contracts in acquired railway operations and the efficiency measures and international sales efforts carried out by Nurminen Logistics in 2022.

<b>KEY FIGURES</b> <b>1 JAN–31 DEC 2022</b>	<b>1 Jan–31 Dec</b> <b>2022</b>	<b>1 Jan–31 Dec</b> <b>2021</b>
EUR million		
Net sales	122.5	141.3
Operating result	3.4	9.6
Operating result, %	2.8%	6.8%
Comparable operating result	6.9	10.2
Comparable operating result, %	5.6%	7.2%
Result for the period	1.5	13.8
Earnings per share, undiluted (€)	-0.01	0.16
Cash flow from operating activities	5.2	7.9

<b>KEY FIGURES</b> <b>1 JUL–31 DEC 2022</b>	<b>1 Jul–31 Dec</b> <b>2022</b>	<b>1 Jul–31 Dec</b> <b>2021</b>
EUR million		
Net sales	50.8	78.3
Operating result	1.0	5.9
Operating result, %	2.0%	7.6%
Comparable operating result	2.2	5.6
Comparable operating result, %	4.4%	7.1%
Result for the period	-0.3	11.6
Cash flow from operating activities	0.4	5.9

### **Olli Pohjanvirta, President and CEO:**

The year 2022 demanded swift action from the company due to the war in Ukraine and accelerating increase in costs. In early summer, once it became clear that the war will be prolonged, we decided to wind down the direct railway connection between China and Finland and the container position we had reserved for growth, closed the Eastern traffic forwarding office in Vaalimaa and the Vainikkala terminal, as well as the operations of the St. Petersburg office. At the same time, we sped up the opening of the Trans-Caspian route to serve traffic between China, Central Europe and the EU. In addition, we opened an office in Vienna in the autumn to support sales in Central Europe. We managed to pass on the increase in costs caused by inflation fully to prices, and our pricing power remained good.

## **Cargo and Multimodal businesses grew in Finland**

In spite of the discontinuation of the Russian transit traffic, the Cargo and Multimodal businesses grew in Finland and improved their profitability. The operational efficiency of the Cargo business improved further, and the implementation of our service concept continued in accordance with the strategy, focusing on customer accounts other than warehousing customers. The Multimodal business in Sweden and starting Central European traffic succeeded well, and we have gained a foothold in the market where we will grow in 2023. The good development of the Baltic operations continued steadily throughout 2022.

## **Cargo volumes in Poland and the Trans-Caspian route are increasing**

The company's strongly growing railway operation between Asia and Finland went quiet during the second half of the year due to the war in Ukraine. The cargo volume transported on the Polish route has been increasing towards the end of the year, as has the cargo volumes of the Trans-Caspian route bypassing Russia, on which route we have invested in shortening lead times.

The competitive advantages offered by cargo train business between Europe and Asia to customers have not disappeared, and we believe in growth in traffic along different routes in the future. The operational capability of our Chinese office has been kept at a good level.

## **2022 was a year of changes**

The year 2022 was a year of changes due to reasons not attributable to the company, and it required swift decisions on streamlining the cost structure, reallocating resources and expanding the market area.

In 2022, cash flow from operating activities remained positive in spite of the major non-recurring expenses of EUR 3.5 million, and totalled EUR 5.2 million. The company's equity ratio improved by 3 percentage points to 34.7%, fixed costs remained at 12.5% of net sales and return on equity was 5.9%.

In terms of the result, we cannot be satisfied with 2022, but our personnel have proven their capability of carrying out new and high-quality logistics in a competitive manner in changing circumstances. I believe that working together physically and our shared trust in the future have contributed to coping with the change. All Nurminen people deserve thanks for this.

## **Outlook**

Nurminen Logistics estimates that the development of the logistics market relevant to the company will strengthen and the measures taken by the company in 2022 together with the acquisition of Operail Finland Oy will facilitate a positive development of the company's business in 2023.

Decreasing global freight volumes decreased the demand for ocean freight and lowered prices significantly during H2/2022. Train cargo volumes in traffic between the EU, Central Asia and China are growing, and changes in the sea freight market do not have an impact on train routes. We believe that the demand for rail freight will be increased by growth in the world economy and importance of environmental values, increasing interest rates and the success of China in accelerating economic growth following the COVID-19 lockdowns. Continued high interest rates and scarce financing will support the customers' need for faster turnover of working capital and more accurate planning of deliveries, which will contribute to the demand for Nurminen Logistics' services.

Nurminen Logistics is in a strong position to grow rapidly in traffic along the Trans-Caspian route between Central Asia and the EU, because Nurminen is one of the few internationally known companies operating on the route. Improving further the service level of the international trunk routes created during 2022 also enables growing the customer base in the Nordic countries and Central Europe.

The strong Cargo business will be developed further, and we see opportunities for growth in both Finland and the Nordic countries in 2023.

Nurminen Logistics is now strongly investing in railway services in Finland, and the acquisition of Operail Finland Oy facilitates growth and stable profitability in the next few years, thanks to its long-term customer contracts. We see major opportunities in developing the offering, as Nurminen Logistics provides a completely new kind of customer insight as a railway company.

## Business indicators

	2022	2021
Net sales, EUR 1,000	122,511	141,254
Change in turnover, %	-13.3%	75.0%
Operating profit (EBIT) EUR 1,000	3,408	9,625
% of net sales	2.8%	6.8%
Result after financial items, EUR 1,000	1,925	7,825
% of net sales	1.6%	5.5%
Result for the period, EUR 1,000	1,472	13,776
% of net sales	1.2%	9.8%
Return on equity, %	5.9%	69.5%
Return on capital employed, %	6.9%	16.7%
Equity ratio, %	34.7%	31.7%
Gearing, %	119.8%	115.9%
Gearing % excluding IFRS 16	80.0%	77.1%
Interest-bearing net debt, EUR 1,000	28,928	29,914
Interest-bearing net debt excluding IFRS 16, EUR 1,000	19,431	20,027
Interest-bearing net debt/EBITDA (12 months, rolling)	4.65	2.38
Cash flow from operating activities, EUR 1,000	5,232	7,870
Gross investment on fixed assets, EUR 1,000	422	341
% of net sales	0.3%	0.2%
Balance sheet total, EUR 1,000	69,678	81,705
Average number of employees	141	145
Wages and salaries paid, EUR 1,000	8,262	8,558
Share key figures		
Earnings per share (EPS), EUR, undiluted	-0.01	0.16
Earnings per share (EPS), EUR, diluted	-0.01	0.15
Equity per share, EUR	0.17	0.20
Dividend per share, EUR	0.00*	0.00

Dividend to earnings ratio, %	0.0%	0.0%
Effective dividend yield, %	0.0%	0.0%
Repayment of equity per share, EUR	0.00	0.016
Price per earnings (P/E)	-60	12
Number of shares adjusted for share issue (diluted), weighted average	77,961,285	77,843,064
Number of shares adjusted for share issue (diluted), at end of financial year	78,036,392	77,903,314
Number of shares adjusted for share issue (undiluted), weighted average	77,863,691	75,540,173
Number of shares adjusted for share issue (undiluted), at end of financial year	78,036,392	77,128,928
* The Board of Directors proposes that the Annual General Meeting authorise the Board of Directors to decide on distributing a maximum of EUR 1.0 million as dividends at a separately announced date during 2023, should the company's financial position allow.		
Share price development		
Share price development		
– highest price	2.07	2.85
– lowest price	0.56	0.39
- average price	0.99	1.16
– closing share price at balance sheet date	0.60	1.96
Market capitalisation, MEUR	46.9	150.9
Number of shares traded	11,002,725	20,779,826
Shares traded, % of total number of shares	14.1%	26.7%
Number of shareholders	4,791	4,095

Nurminen Logistics Plc

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*Nurminen Logistics is a Finnish listed company founded in 1886 that offers high-quality railway transport and terminal and multimodal solutions between Asia and Europe, in the Nordic countries, and in the Baltic countries.*