

Nurminen Logistics Plc's Business Review Q3 2024: The comparable operating profit margin of 23.3 % in the third quarter was excellent

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This is a summary of Nurminen Logistics' Business Review July-September 2024. The full report is attached to this release and is also available on Nurminen Logistics' website at <http://nurminenlogistics.com/investors/publications/>

The comparable operating profit margin of 23.3 % in the third quarter was excellent. In the challenging market conditions, the company's net sales decreased from the comparison period Q3 2023, but increased from the comparison period Q2 2024.

JULY-SEPTEMBER 2024

- Net sales were EUR 24.2 million (36.7), showing a decrease of 34.1%
- EBITDA was EUR 8.6 million (8.5), or 35.4% (23.3) of net sales
- Operating profit was EUR 7.6 million (7.0), or 31.3% (19.1) of net sales
- Comparable operating profit was EUR 5.6 million (7.0), or 23.3% (19.1) of net sales
- Result for the review period totalled EUR 6.7 million (6.1)
- Earnings per share were EUR 0.08 (0.09)
- Investments amounted to EUR 1.4 million (0.9)

KEY FIGURES

| EUR million | 7-9/2024 | 7-9/2023 | 1-9/2024 | 1-9/2023 |
|--------------------------------|----------|----------|----------|----------|
| Net sales | 24.2 | 36.7 | 81.9 | 93.4 |
| EBITDA | 8.6 | 8.5 | 20.5 | 19.6 |
| EBITDA, % | 35.4% | 23.3% | 25.0% | 21.0% |
| Operating profit | 7.6 | 7.0 | 16.8 | 15.9 |
| Operating profit, % | 31.3% | 19.1% | 20.5% | 17.1% |
| Comparable operating profit | 5.6 | 7.0 | 15.4 | 16.2 |
| Comparable operating profit, % | 23.3% | 19.1% | 18.9% | 17.4% |
| Result for the period | 6.7 | 6.1 | 11.3 | 12.2 |
| Return on equity (ROE), % | 4.6% | 2.2% | 15.4% | 22.6% |
| Equity ratio, % | | | 55.1% | 34.3% |
| Gearing, % | | | 41.0% | 116.3% |

| | | | | |
|--|--|--|------|-------|
| Gearing % excluding IFRS 16 | | | 8.5% | 87.7% |
| Interest-bearing net debt | | | 16.4 | 40.5 |
| Interest-bearing net debt excluding IFRS 16 | | | 3.4 | 30.7 |
| Interest-bearing net debt / EBITDA | | | 0.42 | 1.99 |
| Interest-bearing net debt/EBITDA excluding IFRS 16 | | | 0.09 | 1.52 |
| Earnings per share, undiluted (EUR) | | | 0.08 | 0.09 |
| Cash flow from operating activities | | | 9.7 | 27.8 |
| Number of employees | | | 172 | 191 |

FINANCIAL GUIDANCE FOR 2024 UNCHANGED

Net sales for 2024 will be below the net sales for 2023 and the comparable operating profit will be slightly below last year's level. The guidance is based on the significant decline in Baltic volumes due to the prolongation of the Red Sea crisis. Much of the transport from Central Asia to Asia via the Baltics moved to land routes at the start of the summer season. We forecast that the volumes in the Baltic countries will be clearly lower until the end of the year, which will have a negative impact on the company's full-year net sales and operating profit outlook.

PRESIDENT AND CEO'S REVIEW

Nurminen Logistics' comparable third-quarter operating profit of EUR 5.6 million (7.0) is relatively among the best in its sector, representing 23.3% of net sales (19.1). Net sales of EUR 24.2 million in the third quarter increased compared to Q2 2024 (Q2 2024: 22.5). Comparable operating profit of EUR 5.6 million improved by 40% compared to Q2 2024 (Q2 2024: 4.0). During the review period, we sold our share of the Vuosaari property, for which we recorded a capital gain of EUR 1.9 million, which increased the reported operating profit for the review period to EUR 7.6 million (7.0). During the review period, our balance sheet strengthened significantly. I am particularly pleased that the company's equity ratio increased to 55.1% and that the company is nearly net debt-free in terms of interest-bearing net liabilities, excluding IFRS 16 lease liabilities.

Thanks to the strong balance sheet, good profitability and cash flow, we are able to continue our strong progress towards achieving international growth in rail traffic, especially in the Nordic countries and Central Europe. At the same time, we enable future growth and value creation. We strongly believe that our international rail and logistics services meet the market's need for competitive and ecological modes of transport.

Despite the decrease in net sales for January–September, which is due to the decrease in the Baltic volumes we previously announced, the reported profit before taxes improved in January–September to EUR 14.3 million (13.3). This reflects well Nurminen employees' ability to operate efficiently and in the best interests of customers in challenging conditions.

The Swedish rail connections opened in the second quarter have been well received by the market. We expect strong growth in the business in the near future and a good order book for 2025. The transport of energy raw materials from Southern Europe to the Nordic countries by rail and sea launched by our company is growing rapidly and we expect the business to grow to tens of millions of euros in the next few years.

The volume level of rail transports in Finland has remained stable and the growth prospects are good. We have also further improved the service level and operational efficiency. I am confident about the future development of this business.

In the Cargo and Multimodal Forwarding businesses, we have streamlined operations to match the market conditions and we are also continuing to streamline the administrative expense

structure.

Overall, we made progress in line with our targets during Q3, focusing e.g on improving cost-effectiveness, which enables investments in international rail transport and partnership network.

Nurminen Logistics is known as an innovative company, and as a company specialising in environmentally friendly railway logistics, we play an important role in promoting sustainable development in the industry. We want to show our customers the environmental benefits of rail transport in euros and support their success with sustainable solutions.

THE GROUP'S FINANCIAL PERFORMANCE IN JULY-SEPTEMBER 2024

Net sales and financial performance in the review period

Net sales for the review period amounted to EUR 24.2 million (36.7), showing a 34% decrease from last year's comparison period but increasing on the comparison period Q2 2024. The operating profit for the review period was EUR 7.6 million (7.0) and the comparable operating profit was EUR 5.6 million (7.0).

The net sales of the Railway and Multimodal Forwarding businesses grew significantly from the comparison period. The Cargo business was affected by the weak situation of the Finnish economy and the business in the Baltic countries was affected by the situation in the Red Sea, which resulted in the net sales of both businesses declining in the review period from the comparison period.

Railway business

In the review period, the net sales for the Railway business amounted to EUR 9.5 million (7.8 million), showing an increase of 21.6% mainly due to increased delivery volumes in Finland. The profitability of the Railway business improved during the review period, particularly due to the good profitability of business operations in Finland. The Railway business accounted for 37 per cent (21) of the Group's net sales.

Cargo business

In the review period, the net sales for the Cargo business amounted to EUR 4.0 million (4.3). The decline in the Finnish economy, which began in winter 2023, was reflected negatively in customer volumes and, consequently, net sales. The profitability of the business decreased as a result of the decline in net sales. The Cargo business accounted for 16 per cent (12) of the Group's net sales.

Multimodal Forwarding business

Net sales increased to EUR 2.4 million (2.0) during the review period and relative profitability was at a good level. The Multimodal Forwarding business accounts for 10 per cent (5) of the Group's net sales.

Baltic operations

The Red Sea crisis has had a significant impact on Baltic business, as a large part of the transport from Central Asia to Asia via the Baltics has moved to land routes at the start of the summer season. As a result, net sales declined to EUR 9.4 million (23.3) during the review period and profitability decreased as a result. The Baltic operations accounted for 37 per cent (62) of the Group's net sales for the review period.

THE GROUP'S FINANCIAL PERFORMANCE IN JANUARY-SEPTEMBER 2024

Net sales and financial performance in the review period

Net sales for the review period amounted to EUR 81.9 million, showing a 12% decrease from last year's comparison period. The operating profit for the review period was EUR 16.8 million (15.9) and the comparable operating profit was EUR 15.4 million (16.2). The 51% majority shareholding in Kiinteistöosakeyhtiö Helsingin Satamakaari 24 was sold to Ilmarinen in a transaction completed on 30 September 2024, for which a capital gain of approximately EUR 1.9 million was recognised as an item affecting comparability in the result for Q3 2024. Thanks to the transaction, the Group's balance sheet was lightened and financial indicators improved, including an increase in

equity ratio to 55.1 per cent and a decrease in gearing to 41 per cent.

Of the businesses, only the net sales of the Railway business grew in January–September from the comparison period. The Cargo and Multimodal Forwarding businesses are suffering from the weak situation of the Finnish economy, and the prolonged Red Sea crisis has led to a significant decline in Baltic volumes.

Railway business

Net sales of the Railway business increased by 30% to EUR 24.9 million (19.1). Delivery volumes of North Rail Oy had a significant impact on net sales growth, even though North Rail Oy lost net sales and profit in Q2 due to political strikes, railway yard work and maintenance shutdowns at customers' factories. The profitability of the Railway business improved during the review period due to North

Rail Oy's increased delivery volumes and improved efficiency, among other things. The Railway business accounted for 29 per cent (20) of the Group's net sales for the review period.

Cargo business

In the review period, the net sales for the Cargo business amounted to EUR 13.1 million (15.2). The decline in the Finnish economy, which began in winter 2023, was reflected in customer volumes and, consequently, net sales being lower than the previous year every quarter. The profitability of the business decreased as a result of the decline in net sales. Cargo operations account for 16 per cent (16) of the Group's net sales.

Multimodal Forwarding business

Net sales for January–September decreased to EUR 7.1 million (7.2) and relative profitability remained at a good level. The weakening economic situation in Finland contributed to the decrease in net sales. The Multimodal Forwarding business accounts for 8 per cent (8) of the Group's net sales.

Baltic operations

The prolongation of the Red Sea crisis has had a significant impact on the decline in the net sales of the Baltic operations. Net sales for the review period decreased by 27% to EUR 39.5 million (53.8). Despite the decline in net sales, profitability was at a good level. Baltic operations accounted for 47 per cent (56) of the Group's net sales.

EVENTS AFTER THE REVIEW PERIOD

There have been no reportable events after the review period.

This business review is not an interim report in accordance with IAS 34 Interim Financial Reporting. The company complies with the half-yearly reporting in accordance with the Securities Markets Act, in addition to which the company publishes business reviews for the first three and nine months of the year. The business reviews present key information on the Group's financial performance.

The figures in the business review are unaudited.

Nurminen Logistics Plc Board of Directors

For more information, please contact: Olli Pohjanvirta, President and CEO, tel. +358 40 900 6977

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Nasdaq Helsinki
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nurminenlogistics.com

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.