



## Half-year report (January-June 2024) of Norrhydro Group Plc: Strategic measures were continued despite the challenging market conditions.

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This announcement is a summary of Norrhydro Group Plc's half-year (January-June 2023) report. Full half-year report is attached and available on Norrhydro's website <https://www.norrhydro.com/en/investors-reports-and-presentations>.

Norrhydro is a Finnish forerunner in motion control and one of the leading providers of energy-efficient hydraulic cylinders in the Nordic countries.

### January-June 2024 in brief

- Turnover decreased 28.4 % to EUR 13,110 (18,321) thousand
- EBITDA was EUR 772 (1,366) thousand
- EBITDA margin was 5.9 % (7.5 %)
- Operating profit was EUR 106 (716) thousand
- Earnings per share were EUR -0.040 (0.013)

Thousand euros	1.1.-30.6.2024	1.1.-30.6.2023	Change	1.1.-31.12.2023
Turnover	13 110	18 321	-28.4 %	30 365
EBITDA	772	1 366	-43.5 %	1 055
EBITDA, %	5.9 %	7.5 %		3.5 %
Operating profit	106	716	-85.2 %	-258
Operating profit, %	0.8 %	3.9 %		-0.8 %
Profit for the financial period	-443	136	-425.0 %	-1 443
Profit for the financial period, %	-3.4 %	0.7 %		-4.8 %
Cash flow from business operations	1 072	-92		306
Return on investments, %	0.6 %	3.5 %		-1.26 %
Return on equity, %	-5.0 %	1.3 %		-14.7 %
Equity ratio, %	36.4 %	39.6 %		35 %
Current ratio	1.43	1.36		1.14
Quick Ratio	0.47	0.33		0.29
Earnings per share, undiluted, €	-0.040	0.013		-0.133
Earnings per share, diluted €	-0.038	0.013		-0.125
Personnel at the end of the period	160	187		168

### Guidance for 2024

Norrhydro Group's turnover for 2024 is fore - casted to decrease from 2023 turnover (30,4 M €) and EBITDA to be better than in 2023 (3,5 % of turnover).

The geopolitical situation and globally uncertain economic conditions make it difficult to predict the rest of 2024 and may bring unpredictable changes to the customer demand and thus affect the company's revenue and earnings in 2024.

## **CEO's review**

### ***Despite the challenging market situation, the implementation of the strategy continued.***

The global situation has negatively impacted our operations this year. However, economic development has already started to turn in a more positive direction: inflation is slowing down, interest rates are declining, and economic growth is accelerating. This development will also reflect, with a delay, in the demand for Norrhydro's products.

It appears that the worst is behind us, and we can expect gradually increasing demand for our current products. Our goal in the coming years is to grow particularly in the area of environmentally friendly and energy-efficient business, where our company has significant expertise, competitive advantages, and product rights in its possession.

Over the past few months, we've had to adjust our operations, but we can also state that due to these adjustment measures, our financial situation is more stable than it was at the end of 2023. We have achieved annual savings of approximately 2.0 million euros. With our current fixed cost structure, we are capable of generating significantly higher revenue. As revenue grows, the impact of these cost savings will be reflected in a significant improvement in our results.

Despite the challenging market conditions, we have continued to implement our strategy and its required actions. Significant investments have been made in the development of our digital business and various traditional cylinder business customer projects during this reporting period.

Successes at the beginning of 2024 give us courage and faith in the future, reinforcing that we have made the right decisions along the way. We have achieved significant milestones in the NorrDigi MCC (multi-chamber cylinder) projects; we have successfully implemented the MCC system for an oil and gas industry customer, with further phases of the project in the pipeline. Additionally, we have achieved revolutionary results in tests conducted in collaboration with a global forklift manufacturer.

We have also delivered NorrDigi EMA products to process industry projects during the year 2024. Currently, we are advancing to the testing phase with an international material handling machine manufacturer.

We have continued to implement our strategy in the hydraulic cylinders sector as in previous years. Our sales activities have been very active, especially in acquiring new customers, and it is great to see that our customer base has grown with new customers in the first half of the new year.

The annually increasing cylinder production capacity of the new factory is sufficient to support the needs of both existing and entirely new customers. Our goal is to continue sales growth faster than the overall market growth after a short "breather".

Sustainability and responsible development are key success factors for our future. Our customers' needs for environmentally friendly and responsible solutions guide our development. Year after year, our motto "partner in success" guides our actions and serves as a red thread for sustainable, long-term growth and development.

Responsibility, however, extends beyond our products to our daily operations; from the new production facility and its offered responsible solutions to our most important resource, our personnel – and everything in between.

An important part of responsibility is the safety and wellbeing of our employees. We have focused on the occupational safety of our employees in our new production facility, and an average accident frequency rate (LTIF) of 11 is a fantastic achievement for the entire Norrhydro team, which is clearly below the industry average.

Continuous improvement is part of our strategy and daily activities. In the first months of the year 2024, we have particularly invested in further developing and streamlining our NPI (New Product Introduction) process. We always strive for the best possible outcome in our operations, and the onboarding of new customers and projects is key to a shared, long-lasting, and successful collaboration.

We are once again a step further on the path of Norrhydro's growth and strategic journey.

CEO

## Release Event

Norrhydro Group Plc´s half-year report 2024 will be released on webcast on Thursday 1<sup>th</sup> August 2024 at 10 AM.

Yrjö Trög, CEO of Norrhydro Group Plc, Digital Business Director Carl Mattson, and CFO Johanna Kaikkonen represent and comment on half-year´s result and development. Webcast is in Finnish and can be viewed in

<https://norrhydro.videosync.fi/2024-h1-tulosjulkistus> .

Presentation and webcast recording are available afterwards in Norrhydro´s website:

<https://www.norrhydro.com/en/investors> .

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Key Media

<https://www.norrhydro.com/en>

## Norrhydro Group Plc in brief

*Norrhydro, founded in 1985, is a Finnish forerunner in motion control and a provider of energy-efficient hydraulic cylinders and system suppliers specialising in high-quality, customised and energy-efficient hydraulic cylinders and demanding linear motion control systems and mobile equipment. The company has nearly 40 years of experience in developing and manufacturing customised hydraulic cylinders and liners motion control systems for the most demanding conditions and*

environments. In 2023, the company generated revenues of EUR 30.4 million, EBITDA of EUR 1.1 million and operating profit of EUR -0.3 million.

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## About Norrhydro Group Oyj

Norrhydro on suomalainen liikkeenohjauksen edelläkävijä ja Pohjoismaiden johtava energiatehokkaiden hydraulisynterien tarjoaja. Yhtiö kehittää ja valmistaa innovatiivisia ja ympäristöystävällisiä hydrauliikkaratkaisuja muun muassa metsä-, materiaalinkäsittely-, kaivos-, maanrakennus- ja meriteollisuudessa. Norrhydron tekoälyä ja digitaalisuutta yhdistävä NorrDigi-liikkeenohjausjärjestelmä edustaa globaalia, johtavaa huipputeknologiaa, joka vähentää päästöjä merkittävästi ja tulee mullistamaan koko toimialaa.

Norrhydrolla on lähes vuoden kokemus laadukkaiden hydrauliikkaratkaisujen toimittamisesta vaativiin olosuhteisiin. Yhtiön asiakkaat ovat pohjoismaisia, globaalisti toimivia liikkuvien koneiden ja laitteiden valmistajia, jolle yhtiö on pitkäaikainen, strateginen kumppani. Norrhydron liikevaihto oli noin 30 miljoonaa euroa vuonna 2023 ja sen palveluksessa oli vuoden lopussa noin 170 henkilöä. Yhtiön pääkonttori sijaitsee Rovaniemellä, minkä lisäksi yhtiöllä on toimipisteet myös Tampereella ja Kuopiossa.

## Attachments

- [Download announcement as PDF.pdf](#)
- [Norrhydro Group H1 report 2024.pdf](#)