



Loihde Plc Half-Year Report 1 January–30 June 2024: Adjusted EBITDA improved clearly and revenue increased slightly, driven by the security and network businesses

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Loihde Plc Half-Year Report 1 January–30 June 2024: Adjusted EBITDA improved clearly and revenue increased slightly, driven by the security and network businesses

April–June 2024 in brief

- Loihde Group's revenue for the second quarter amounted to EUR 35.4 (34.2) million, an increase of 3%.
- Adjusted EBITDA was EUR 2.6 (1.0) million, or 7.2% (2.9%) of revenue.

January–June 2024 in brief

- Loihde Group's revenue for January–June amounted to EUR 68.4 (65.5) million, an increase of 4%.
- Revenue by business area in January–June:
 - Security Solutions: EUR 36.0 (32.0) million, an increase of 13%
 - Cyber, Cloud & Connect: EUR 15.7 (14.3) million, an increase of 10%
 - Data & AI: EUR 8.2 (9.6) million, a decrease of 15%
 - Digital Services EUR 8.6 (9.8) million, a decrease of 13%
- Adjusted EBITDA was EUR 4.2 (0.9) million, or 6.1% (1.4%) of revenue.
- Adjusted operating profit (EBIT) was EUR 0.3 (-2.8) million, or 0.4% (-4.3%) of revenue.

The figures in the half-year report are unaudited.

Outlook for 2024 (unchanged)

In 2024, Loihde expects the Group's revenue to be on par with the previous year or grow.

The Group's adjusted EBITDA is estimated to improve compared to 2023, when it was EUR 7.6 million.

Financial targets for the strategy period 2024–2027

Loihde Group aims to achieve an average annual revenue growth of approximately 10%, including potential acquisitions. The revenue target for the end of the strategy period, i.e. for 2027, is at least EUR 200 million.

In terms of profitability, the target is to achieve an adjusted EBITDA margin of 15% by the end of the strategy period.

The target return on investment (ROI) is 10% and net debt/EBITDA between 0–2x.

Key figures (IFRS)

January–June, EUR 1,000	1–6 2024	1–6 2023	Change in %	1–12 2023
Revenue, EUR 1,000	68,423	65,492	4%	132,690
- Security Solutions	36,041	32,013	13%	67,552
- Cyber, Cloud & Connect	15,715	14,274	10%	28,978

- Data & AI	8,176	9,619	-15%	18,462
- Digital Services	8,552	9,798	-13%	18,128
- Other (incl. eliminations) ¹	-62	-213	71%	-430
EBITDA	3,640	405	798%	6,669
Adjusted EBITDA, EUR 1,000¹	4,161	896	364%	7,569
Adjusted EBITDA, %	6.1%	1.4%		5.7%
EBITA, EUR 1,000	273	-2,621	110%	422
Adjusted EBITA, EUR 1,000¹	794	-2,130	137%	1,322
EBITA, %	1.2%	-3.3%		1.0%
Operating profit (EBIT), EUR 1,000	-273	-3,308	92%	-901
Adjusted operating profit (EBIT), EUR 1,000¹	248	-2,817	109%	-1
Profit/loss for the period, EUR 1,000	-644	-3,108	79%	-620
Adjusted profit/loss for the period, EUR 1,000¹	-227	-2,697	92%	121
Equity-to-assets ratio, %	67.8%	71.4%		69.6%
Earnings per share (EPS), EUR, basic (undiluted)²	-0.11	-0.54	79%	-0.11
Earnings per share (EPS), EUR, diluted²	-0.11	-0.54	79%	-0.11
Return on investment (ROI), %	2.9%	-1.0%		0.5%
Adjusted return on investment (ROI), %¹	3.8%	0.0%		1.3%
Net debt/EBITDA	-0.03	-1.72		-0.91
Net debt / adjusted EBITDA	-0.03	-1.44		-0.80
Average number of employees	835	876	-5%	863

The figures in the table are those of continuous operations.

¹ The adjusted EBITDA, the adjusted operating profit (EBIT) and the adjusted profit/loss for the period are calculated by excluding capital gains/losses arising from the disposal of properties, fixed asset shares and businesses, insurance and other compensations and other adjustments from the respective reported figure.

² The parent company's treasury shares (30,606 shares on average in January–June 2024, 0 shares on average in January–June 2023 and 4,014 shares on average in January–December 2023) are excluded from the total number of shares.

CEO Samu Konttinen:

In April–June, Loihde's revenue came to EUR 35.4 (34.2) million, an increase of 3% year-on-year. Adjusted EBITDA improved significantly (+153%) year-on-year to EUR 2.6 (1.0) million, or 7.2% of revenue.

Continuous services continue to show good growth

The positive momentum of our continuous services related to security and business networks has continued in the second quarter of the year. Contracts signed early in the year were in production as planned before the summer holiday season and we entered into several new continuous service agreements with both public and private sector clients. Growth has been driven by services such as cyber surveillance (CSOC) and network operations control (NOC), as well as access control and other security technology solutions that Loihde offer as a service. Nurse call systems for hospitals and nursing homes also continued to grow briskly, as did identity and access management (IAM) consulting.

Our broad portfolio of services focused on security, networks and cloud solutions is competitive and suits customer needs well. For these services, the market outlook is fairly positive, although the general economic uncertainty may affect companies' investments in security and networks.

IT consulting has continued to face challenges

The market for bespoke software development and some data consultancy continued to be difficult. The utilisation rates were lower than targeted and weighed on the profitability of the company as a whole. However, we have done well in some of our areas of expertise, such as data platform consulting and analytics. We have won new clients

and strengthened our position in our most important client relationships, for example in the financial and industrial sectors.

In IT consulting, we have continued to take measures to improve our efficiency. Although the outlook for revenue for the remainder of the year is very cautious due to client demand and a lower number of consultants doing client work compared to last year, we expect the relative profitability of these service areas to improve slightly towards the end of the year.

Customer satisfaction is at a good level and profitability is improving

According to a customer satisfaction survey we commissioned this spring, our customers' NPS was 42, indicating a high level of satisfaction with Loihde's services and the expertise of our employees.

The first half of the year has been very mixed. Security and corporate network consulting, projects and especially continuous services, which are of strategic importance to us, have developed nicely, while IT consulting has continued to face challenges throughout the first half of the year.

Overall, the company's profitability has improved clearly, and we are confident about the prospects for improved profitability for the full year.

Events after the review period

There have been no significant events after the end of the review period.

Financial calendar

In addition to the half-year report and the financial statements release, Loihde publishes a more concise business report for the first and third quarters of the year.

- The business report for January–September 2024 will be published on Wednesday, 30 October 2024.

Financial reports are published on the company's website at <https://www.loihde.com/en/investors/reports-and-presentations>.

27 August 2024
Loihde Plc
Board of Directors

Webcast press conference

Loihde's CEO Samu Konttinen will present the results in a webcast today, 27 August 2024 at 11:00 a.m. EEST. The webcast is held in Finnish and will be live at <https://loihde.videosync.fi/q2-2024>.

The presentation and a recording of the webcast will later be available in Finnish on the company's website at <https://www.loihde.com/omistajille/raportit-ja-esitykset/>.

Further information

CEO Samu Konttinen

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Loihde enables business continuity. We help our customers to gain a sustainable competitive edge through data, AI and digitalisation, to harness the potential of the cloud and to protect themselves against both physical and cyber threats. The combining of these skills is what makes Loihde a unique and comprehensive partner. We are approximately 850 skilled professionals, and our revenue in 2023 amounted to EUR 132.7 million. [loihde.com](https://www.loihde.com)

Attachments

- [Download announcement as PDF.pdf](#)
- [Loihde Plc Half-year report 2024.pdf](#)