

KREATE

Kreate's financial statement bulletin: Strong year - Profitability improved despite revenue decrease

5.2.2025 08:30:00 EET | Kreate Group Oyj | Financial Statement Release

This release is a summary of Kreate Group's Financial Statement Bulletin 2024. The complete Financial Statement Bulletin is attached, and also available on the company's website at <https://kreate.fi/en/investor/>.

October - December in brief

- Order backlog amounted to EUR 176.6 (196.3) million, a decrease of 10.0%
- Revenue decreased compared to the reference period, amounting to EUR 75.5 (80.2) million
- The year-on-year change in revenue was -5.9% (-3.5%)
- EBITDA was EUR 4.9 (4.9) million, amounting to 6.5 (6.1) per cent of revenue
- EBITA increased and was EUR 2.8 (2.7) million, amounting to 3.7 (3.4) per cent of revenue
- Earnings per share were EUR 0.20 (0.18)
- Free cash flow from operating activities was EUR 3.9 (19.7) million
- Interest-bearing net debt was EUR 29.9 (16.8) million

January - December in brief

- Revenue decreased compared to the reference period, amounting to EUR 275.5 (320.0) million
- The year-on-year change in revenue was -13.9% (16.8%)
- EBITDA was EUR 15.3 (14.0) million, amounting to 5.5 (4.4) per cent of revenue
- EBITA was EUR 8.8 (7.8) million, amounting to 3.2 (2.4) per cent of revenue
- Earnings per share were EUR 0.49 (0.44)
- Free cash flow from operating activities was EUR 0.3 (26.1) million
- The Board of Directors proposes to the Annual General Meeting on 28 March 2025 that a dividend of EUR 0.50 per share be paid for shares held outside the company at the time of dividend distribution for 2024, which is EUR 0.02 more than previous year. The dividend will be paid in to equal instalments. The first instalment will be paid in April 2025 and the second instalment in October 2025.

The operating environment of infrastructure construction in brief

- Year 2025 is still expected to be a difficult year for the construction industry as a whole.
- The grounding of the infrastructure sector is estimated to be behind us: volume growth of 2 per cent is forecast for 2025.
- Cost development stable, certain construction costs even decreasing.
- In the short term, the development of the infrastructure market will be limited by the timing of public project start-ups in the second half of the year, the subdued development of Finland's national economy and the level of interest rates.
- The long-term outlook for infrastructure is very bright: the Government's investment programme focusing on transport routes, the investments required by the geopolitical situation and the green transition will support business development.

- Kreate's direct dependence on housing construction is low. The entry of housing infrastructure operators into the rest of the infrastructure market has intensified competition, especially in less demanding and smaller infrastructure projects.
- Kreate's market outlook in Finland neutral in the applicable market, strengthening towards the second half of the year
- Kreate's market outlook in Sweden strong in a suitable market

Result guidance for 2025

Kreate estimates that its revenue in 2025 will grow and be in the range of EUR 290–310 million (2024: EUR 275.5 million) and EBITA will increase and be in the range of EUR 9–11 million (2024: EUR 8.8 million).

Justifications: The company's guidance is based on the order backlog expected to be realised in 2025 at the turn of the year and the company's estimate of the likely transfer of projects under development to the order backlog starting from spring 2025. The company will continue to offer projects selectively and grow in the Swedish market, which is expected to improve profitability.

Key figures

| EUR million | 10-12/2024 | 10-12/2023 | 1-12/2024 | 1-12/2023 |
|--|------------|------------|-----------|-----------|
| Order backlog | | | 176.6 | 196.3 |
| Revenue | 75.5 | 80.2 | 275.5 | 320.0 |
| Year-on-year change in revenue, % | -5.9 | -3.5 | -13.9 | 16.8 |
| EBITDA | 4.9 | 4.9 | 15.3 | 14.0 |
| EBITDA, % | 6.5 | 6.1 | 5.5 | 4.4 |
| EBITA | 2.8 | 2.7 | 8.8 | 7.8 |
| EBITA, % | 3.7 | 3.4 | 3.2 | 2.4 |
| Operating profit | 2.8 | 2.6 | 8.7 | 7.6 |
| Operating profit, % | 3.7 | 3.3 | 3.2 | 2.4 |
| Result for the period | 1.6 | 1.6 | 4.6 | 3.9 |
| | | | | |
| Capital employed | | | 73.4 | 59.6 |
| Return on capital employed, % | | | 13.1 | 11.2 |
| Return on equity, % | | | 10.7 | 9.1 |
| Net investments in operating activities | 2.4 | -0.7 | -1.5 | -5.9 |
| Free cash flow from operating activities | 3.9 | 19.7 | 0.3 | 26.1 |
| Net working capital | | | 2.7 | -11.3 |
| Net debt | | | 29.9 | 16.8 |
| Net debt/EBITDA, rolling 12 months | | | 2.0 | 1.2 |
| Equity ratio, % | | | 33.2 | 31.8 |
| | | | | |

| | | | | |
|------------------------------------|------|------|-------|------|
| Earnings per share, diluted, € | 0.20 | 0.18 | 0.49 | 0.44 |
| Earnings per share, undiluted, € | 0.20 | 0.18 | 0.50 | 0.44 |
| Dividend per share, € | | | 0.50* | 0.48 |
| | | | | |
| Personnel at the end of the period | | | 511 | 472 |
| Personnel on average | 517 | 475 | 507 | 454 |

*) Board of Directors' proposal to the Annual General Meeting

President & CEO Timo Vikström:

"2024 was a good year for Kreate – very good when compared to the very weak market development in the construction industry. We already knew going into 2024 that it was going to be a challenging year. We decided not to compete for volumes at any price, but to focus on improving our profitability. That we have done. We have increased EBITA for five quarters in a row. Our EBITA for 2024 increased compared to the previous year, both in relative and absolute terms, despite revenue decreasing by 14 percent. Our EBITA margin in 2024 was 3.2%, up by 0.8 percentage points from the previous year.

Improving profitability in a declining market, where competition has also been intensified by the increased presence of building construction infrastructure operators in other infrastructure construction, is a truly great achievement. The profitability development is based on a strong focus on operations, more precise selection of projects, effective risk management methods and the extremely high level of professionalism of the personnel. I'm really proud of our personnel.

In 2024, Kreate celebrated its 10th anniversary – the combined companies have 271 years of history. To celebrate the anniversary, we have highlighted our achievements, the heritage we have built. Also in 2024, we worked on more than 100 projects and built infrastructure that is significant for society. During the year, the railway yard work in Tornio, the groundwork for Helen's underground heating and cooling plant hall and the Poikkimaantie project to streamline traffic on the main fairway of the Port of Oulu were completed. We also completed the extensive groundwork for Kesko's logistics centre and the Nihti shore construction contract. Our large bridge projects – the Crown Bridges and the Hessundinsalmi and Kuusistonsalmi bridges – have also progressed according to schedule.

Kreate's outlook ahead is good. The beginning of 2025 will still be seasonally quiet, but the situation will improve. In 2024, we won several large projects, especially in the rail environment. Development phases are underway in both the Tampere passenger rail yard and the eastern part of the Vantaa tramway. The company's first tram project, the Koskela tram depot, entered the implementation phase in the last weeks of 2024. The Helsinki-Riihimäki project received additional project in summer 2024. All of these are large, multi-year projects that provide visibility and work for years to come. In addition to railway and tramway construction, the projects include foundation construction, bridges, fairways and station infrastructure, and they are important to Kreate and our experts across unit boundaries.

In addition to the rail environment, growing the Swedish business is another of the company's strategic priorities. The Swedish business has grown exceptionally well in 2024, and we have succeeded in expanding from underground concrete and rock construction to earthworks and foundation work. Revenue from our Swedish operations in 2024 grew by almost 50% and the outlook in Sweden is bright for market suitable for us.

We have entered 2025 with cautious hope. We have been able to turn the company's profitability development in the right direction, and the outlook for future large projects is good. Our order backlog of EUR 177 million is lower than in the previous year, but it is forecast to increase as large projects currently under development are likely to be entered in the order backlog starting from spring 2025. Revenue and profit formation in 2025 are expected to focus on the second half of the year.

We have navigated the storms of 2020-2024 and now we are already seeing blue sky on the horizon. We have worked as a team and been able to turn the tide in the right direction. A warm thank you to the entire personnel for another partly tough but above all wonderful year. We can't do anything about the market, but we can influence our own actions and our focus. When the market starts to pick up, we will be in an excellent position to continue growing and improving profitability.

I would also like to thank our shareholders and other partners for their trust."

Board of Directors' dividend proposal

Kreate Group Plc's Board of Directors proposes to the Annual General Meeting on 28 March 2025 that a dividend of EUR 0,50 be issued per share for shares held outside the company at the time of dividend distribution for 2024. The dividend will be paid in two instalments.

The first instalment of the dividend, EUR 0.25 per share, is paid to shareholders who are recorded on the company's list of shareholders maintained by Euroclear Finland Oy on the date of record for dividend payment which is Tuesday 1 April 2025. The Board of Directors proposes to the Annual General Meeting that the dividend be paid on Tuesday 8 April 2025.

The second instalment of the dividend, EUR 0.25 per share, is paid in October 2025. The second instalment is paid to shareholders who are recorded on the company's list of shareholders maintained by Euroclear Finland Oy on the date of record for dividend payment. The Board of Directors will decide on the date of record and payment date for the second instalment of the dividend on its meeting in September.

Webcast event

A live webcast open to all will be held today, 5 Feb 2025, at 11:00 a.m. The event will be held in Finnish. President & CEO Timo Vikström and CFO Mikko Laine will be presenting at the event. The webcast can be followed live in Finnish at <https://kreate.events.inderes.com/q4-2024>. A recording of the webcast will be made available later at <https://kreate.fi/sijoittajille/raportit-ja-esitykset/> and a summary in English will become available at <https://kreate.fi/en/investor/reports/>.

Kreate Group Plc
Board of Directors

Distribution: Nasdaq Helsinki, key media, kreate.fi/en

Contacts

- Mikko Laine, CFO, Kreate Group Oyj, +358 50 599 9201, mikko.laine@kreate.fi
- Niina Streng, Head of Investor Relations and ESG, Kreate Group Oyj, +358 41 732 3362, niina.streng@kreate.fi
- Timo Vikström, President & CEO, Kreate Group Oyj, +358 400 740 057, timo.vikstrom@kreate.fi

About Kreate Group Oyj

Kreate Group is one of the leading infrastructure construction companies in Finland. The company offers solutions for bridges, roads and railways, environmental and ground engineering, circular economy and geotechnical needs. As a specialist in demanding projects, Kreate focuses on comprehensive quality and cost-effectiveness. The Group's revenue was over EUR 275 million in 2024 and the company has over 500 employees. Kreate Group is listed on Nasdaq Helsinki.

Attachments

- [Download announcement as PDF.pdf](#)
- [Kreate Group Plc Financial statement bulletin 2024.pdf](#)