

KREATE

Kreate's interim report: The order backlog grew by 28% during the first quarter - EBITA at the level of the comparison period

24.4.2025 08:30:00 EEST | Kreate Group Oyj | Interim report (Q1 and Q3)

This release is a summary of Kreate Group's Interim Report January-March 2025. The complete Interim Report is attached, and also available on the company's website at <https://kreate.fi/en/investor/reports/>.

January - March in brief

- Order backlog amounted to EUR 225.7 (183.6) million, an increase of 22.9%
- Revenue decreased compared to the reference period, amounting to EUR 52.4 (54.4) million
- The year-on-year change in revenue was -3.6% (-17.4%)
- EBITDA was EUR 1.7 (1.6) million, amounting to 3.2 (3.0) per cent of revenue
- EBITA increased and was EUR 0.1 (0.3) million, amounting to 0.1 (0.5) per cent of revenue
- Earnings per share were EUR 0.01 (-0.06)
- Free cash flow from operating activities was EUR 6.0 (-3.1) million
- Interest-bearing net debt was EUR 24.4 (20.9) million

The operating environment in brief

- A moderate recovery is forecasted for the construction sector as a whole in Finland during 2025–2026.
- In Finland, the volume of infrastructure construction is expected to grow by 3 percent in 2025 and by 2 percent in 2026.
- Cost development has been stable in early 2025, with certain construction costs even declining.
- In the short term, the development of the infrastructure market is limited by the timing of public project starts to the latter half of the year, the sluggish development of Finland's national economy, and the uncertainty caused by geopolitical trade tensions.
- The longer-term outlook for infrastructure is bright: the Finnish government's investment programme focused on transport infrastructure, investments required by the geopolitical situation, and the green transition all support business development.
- Competition remains intense, particularly in less demanding and smaller infrastructure projects, due to the still low number of residential project starts.
- In Finland, the market outlook in Kreate's addressable market is strengthening towards the second half of the year.
- Kreate's market outlook in Sweden is strong in an addressable market.

President & CEO Timo Vikström:

"The year 2025 has gotten off to a brisk start. Despite the waves stirred by geopolitics and the threat of a trade war in the operating environment, we have focused on our own operations and continued the systematic execution of our strategy. The first quarter of the year is seasonally usually the weakest. Revenue of EUR 52 million and EBITA profitability of EUR 0.1 million are both close to the level of the comparison period.

In early 2025, we have continued to take determined actions in line with our strategy, particularly in rail-related operations and in developing our business in Sweden. In March, we signed a contract worth approximately EUR 40 million for the

transition of the first phase of the Tampere railway yard project to the implementation phase. The remaining part of the approximately EUR 200 million project remains in the development phase. Work is now underway at the Tampere railway yard, where we are broadly utilising our expertise in rail, bridge, foundation and road construction.

Another highlight of the beginning of the year is the excellent progress of our business in Sweden and the strengthening of our organisation. Kenneth Wahlqvist has started as the Managing Director of Kreate Sverige. He has extensive experience in concrete, foundation and earthworks construction. The organisation was further strengthened during the first quarter with several key appointments. In Sweden, we are currently operating in rock, concrete, earth and foundation construction.

We have also taken major steps in implementing our strategy at project level during the first quarter: we signed a project contract worth over EUR 9 million, which also marked our transition from subcontractor to main contractor. In addition, we expanded our geographical reach by winning a project in Umeå – far beyond southern Sweden.

Our order backlog continued to grow thanks to strong achievements in both our Finnish and Swedish operations. It is also worth noting that the order backlog does not include potential implementation phases of projects currently in development, such as the remaining part of the Tampere project and the eastern section of the Vantaa tramway.

The market situation in Finland remains tight, and we are very selective about the projects we bid for and the pricing. I am truly proud of our professionals, who are highly aware of the state of the market and able to adapt their work accordingly. We have been highly successful in identifying and winning projects that suit us – ones in which we can conduct business in line with our targets. This same selective approach and proactive risk management will continue to be an integral part of how we operate.

Kreate's way of focusing on its own actions is a key factor even in turbulent times. On a global scale, a lot has happened in the operating environment during the beginning of the year, and the uncertainty about future developments in the markets has been palpable. Although the operating environment involves a great deal of unpredictability, Kreate's situation remains stable and, in addition to uncertainty, the outlook also includes positive developments. The Finnish government has published extensive project lists that include many projects aligned with Kreate's expertise. Municipal infrastructure investments are also expected to increase by 13% from the previous year. The green transition is increasingly materialising into concrete investments, and the current year is expected to set a record in terms of their volume. Kreate is actively involved as a builder in numerous green transition projects. In Sweden, the market continues to look very bright, and the growth of Kreate's Swedish operations provides the Group with a strong second geographical foothold alongside Finland.

We expect the market and activity levels to strengthen towards the end of the year. As in the previous year, we forecast Kreate's volume and earnings to be weighted towards the second half of the year.

Even though there is turbulence in the world, we keep our eyes on our own game – prepared for the waves, but firmly inside the boat. My thanks go to our personnel once again for their top-level professionalism. Let's keep moving forward in the same way."

Key figures

EUR million	1-3/2025	1-3/2024	1-12/2024
Order backlog	225.7	183.6	176.6
Revenue	52.4	54.4	275.5
Year-on-year change in revenue, %	-3.6	-17.4	-13.9
EBITDA	1.7	1.6	15.3
EBITDA, %	3.2	3.0	5.5
EBITA	0.1	0.3	8.8
EBITA, %	0.1	0.5	3.2
Operating profit	0.0	0.2	8.7
Operating profit, %	0.0	0.4	3.2
Result for the period	0.1	-0.6	4.6

Capital employed	68.0	63.5	73.4
Return on capital employed, %	12.9	11.5	13.1
Return on equity, %	12.3	9.4	10.7
Net investments in operating activities	-0.4	-1.0	-1.5
Free cash flow from operating activities	6.0	-3.1	0.3
Net working capital	-3.3	-7.0	2.7
Net debt	24.4	20.9	29.9
Net debt/EBITDA, rolling 12 months	1.6	1.4	2.0
Equity ratio, %	35.7	34.9	33.2
Earnings per share, diluted, €	0.01	-0.06	0.49
Earnings per share, undiluted, €	0.01	-0.06	0.50
Personnel at the end of the period	524	445	511
Personnel on average	516	447	507

Result guidance for 2025 inchanged (published 5 February 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.

Kreate Group's financial reporting

Kreate Group Plc will publish its financial reports in 2025 as follows:

- 15 July 2025: Half Year Financial Report for January–June 2025
- 22 October 2025: Interim Report for January–September 2025

Webcast event

A live webcast open to all will be held today, 24 Apr 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/g1-2025>. 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 and 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 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 Q1 2025 Interim Report.pdf](#)