

# KREATE

## Kreate Group's financial targets for the strategy period 2024-2027 - Focus on improving profitability

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During the strategy period lasting until 2027, Kreate Group will focus especially on improving profitability. In addition, the company intends to continue growing while keeping indebtedness under control. Kreate's Board of Directors has approved new financial targets according to which the Group targets an EBITA margin of over 5 per cent, annual revenue growth of 5-10 per cent and keeping the net debt/EBITDA ratio below 2.5. Kreate's dividend policy remains unchanged and according to it, the company aims to distribute at least half of Kreate's annual net profit as dividends, taking into account Kreate's financial position, cash flows and growth opportunities.

"Over the past seven years, we have grown at an average annual rate of more than 12%. During that time, we have grown our business in all our current construction types and expanded into the railway business and the Swedish market. In terms of revenue, we exceeded our previous target ahead of schedule, but in terms of profitability, we fell short of the target. We are entering the new strategy period from a good balance sheet position and our indebtedness is below the target level," says CEO Timo Vikström.

"During the upcoming strategy period, we will focus above all on developing profitability. One part of improving profitability is a more selective offering and stronger risk management: We aim to participate in challenging infrastructure projects in Finland and Sweden, harness our solid experts to implement projects ambitiously and manage risks related to the operating environment more extensively than before. Selectivity and focus on profitability do not exclude growth. In 2024, our revenue has been instructed to decline, but for 2025-2027 we aim for annual growth of 5-10 per cent organically," says Vikström.

In recent years, Kreate has grown mainly organically, but also through carefully targeted moderate acquisitions. Acquisitions have not been excluded during the new strategy period either.

### Financial targets

	<b>NEW TARGETS 2024-2027</b>	<b>PREVIOUS TARGETS 2020-2024</b>
<b>PROFITABILITY</b>		
EBITA margin	>5 %	>5 % in medium term
<b>GROWTH</b>		
Revenue	5-10% annual growth	over EUR 300 million
<b>INDEBTEDNESS</b>		
Net debt/EBITDA	< 2.5	< 2.0
<b>DIVIDEND POLICY</b>	The aim is to distribute at least half of Kreate's annual net profit as dividends, taking into account Kreate's financial position, cash flows and growth potential	

### Capital Markets Day 6 May (in Finnish only)

Kreate's CEO and CFO will present the Group's strategy and financial targets at the Capital Markets Day in Helsinki on 6 May 2024 at 9-11 a.m. EEST. In addition, the event will focus on the railway business and the Swedish infrastructure market. All presentations will be held in Finnish. The event can be followed live on <https://kreate.videosync.fi/cmd-2024>. For more information (in Finnish only), visit <https://kreate.fi/sijoittajille/paomamarkkinapaiva-2024/>.

Kreate Group Plc  
Board of Directors

Distribution: Nasdaq Helsinki, key media and [kreate.fi/en](https://kreate.fi/en)

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## 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 320 million in 2023 and the company has over 450 employees. Kreate Group is listed on Nasdaq Helsinki.

## Attachments

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