



# Norrhydro Group Plc´s Financial Statement Bulletin 1.1.-31.12.2023: New factory tuned for growth

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Norrhydro Group Plc - Company Announcement 23 February 2024 at 8:00 AM

This announcement is a summary of Norrhydro´s Financial Statement Bulletin, period January-December 2023. Financial Statement Bulletin is attached and also available on company´s website:

<https://www.norrhydro.com/en/investors-reports-and-presentations>

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

## Topics in Financial Statements Bulletin

### July-December 2023 in brief

- Turnover decreased 8.0 % to EUR 12,044 (13,088) thousand
- EBITDA was EUR -312 (36) thousand
- EBITDA margin was -2.6 % (0.3 %)
- Operating profit was EUR -973 (-457) thousand
- Loss for the period was EUR -1,579 (-735) thousand
- Earnings per share were EUR -0.145 (-0.07)
- Diluted earnings per share were EUR -0.137

### January-December 2023 in brief

- Turnover increased 2.2 % to EUR 30,365 (29,705) thousand
- EBITDA was EUR 1,055 (1,697) thousand
- EBITDA margin was 3.5 % (5.7 %)
- Adjusted EBITDA was EUR 2,327 thousand
- Adjusted EBITDA margin was 7.7 %
- Operating loss was EUR EUR -258 (825) thousand
- Loss for the period was EUR -1,443 thousand, -4.8 % of the turnover
- Adjusted loss for the period was EUR -171 thousand, -0.6 % of the turnover
- Earnings per share were EUR -0.133 (0.004)
- Diluted earnings per share were EUR -0.125
- Adjusted earnings per share were EUR -0.016
- Return on equity was -14.7 % (0.48 %)
- Equity ratio was 35.0 % (38.3 %)
- Cash flow from business operations was EUR 306 (-582) thousand
- Company has booked a one-time reduction in the obsolescence of exchange assets of EUR 872 thousand, with no effect on cash flow. In addition, a one-time expense of EUR 400 has been booked related to ramp-up of the new production facility
- The Board of Directors proposes no dividend to be paid

Thousand euros	1 July -31 Dec. 2023	1 July -31 Dec.2022	Change	1 Jan. -31 Dec. 2023	1 Jan. -31 Dec. 2022	Change

Turnover	12,044	13,088	-8.0 %	30,365	29,705	2.2 %
EBITDA	-312	36	-973.6 %	1,055	1,697	-37.9 %
EBITDA, %	-2.6 %	0.3 %		3.5 %	5.7 %	
Adjusted EBITDA				2,327		
Adjusted EBITDA, %				7.7 %		
Operating profit	-973	-457	-113,2 %	-258	825	-131,2 %
Operating profit, %	-8.1 %	-3.5 %		-0.8 %	2.8 %	
Result for the financial period	1,579	-735		1,443	43	
Result for the financial period, %	-13,1 %	-5.6 %		-4,8 %	0.1 %	
Adjusted result for the financial period				-171		
Adjusted result for the financial period, %				-1.2 %		
Cash flow for business operations				306	-582	
Return on investment, %				-1.3 %	4.2 %	
Return on equity, %				-14.7 %	0.4 %	
Equity ratio, %				35,0 %	38.3 %	
Current ratio				1.14	1.53	
Quick ratio				0.29	0.53	
Earnings per share, undiluted €	-0.145	-0.07		-0.133	0.004	
Earnings per share, diluted, €	-0.137	-0.07		-0.125	0.004	
Adjusted EPS, €				-0.016		
Personnel at the end of the period				168	175	

\* Company has booked a one-time reduction in the obsolescence of exchange assets of EUR 872 thousand, with no effect on cash flow. In addition, a one-time expense of EUR 400 thousand has been booked related to ramp-up of the new production facility.

## Estimate of probable future development and guidance for 2024

Estimating the development of the Groups net sales in the current, still uncertain global economic situation is challenging. The Group aims to continue its growth-oriented strategy and expand its business by increasing its market share in the hydraulic cylinder market and by launching new digital, energy-efficient and intelligent products and services into the market. Depended on the market situation allows, growth is expected to accelerate significantly over the next few years as a result of the additional capacity offered by the new production facility and the launch of the above-mentioned digital products and services. The Group's target for 2028 is net sales of over EUR 70 million, digital products and services accounting for more than 30 per cent of net sales, and EBITDA for at least 16 per cent of net sales. Investments in product development and commercialization of digital solutions will continue during the current financial year. Net sales growth is expected to continue in coming years due to the new production facility and the investments in machinery and equipment. Similarly, productivity and competitiveness improvements are expected to improve as a result of made and planned new investments.

Due to the weak market situation, the company expects net sales in 2024 to be lower than in 2023 (EUR 30,365 thousand) and reported EBITDA to be better than in 2023 (EUR 1,055 thousand).

## **Board of Directors report**

The company's majority owner and Chairman of the Board Yrjö Trög continued as CEO from May 2023 after Matias Parviainen's contract ended. As Chairman of the Board and CEO, Trög focuses not only on operative management, but also on developing the company's strategy, possible mergers and acquisitions and overall continuous improvement. "In particular, the global demand for energy-efficient digital solutions and the capacity growth enabled by the new production facility will drive Norrhydro forward on the path of growth and internationalization. The operations of the new production facility have been stabilised and the customers' service capability is at a very good level. With the investments made and process improvements completed, we offer even cleaner and higher quality hydraulic solutions to our existing and new customers. We adjusted our operations as required by the market situation during the financial year 2023 without weakening our service capability. We are ready to take the next step in growth." says Yrjö Trög.

Yrjö Trög

Chairman of the Board, CEO

Norrhydro Group Plc

## **Release Event**

Norrhydro Group Plc's Financial Statement 2023 will be released on webcast on Friday 23<sup>rd</sup> February 2024 at 10 AM.

Yrjö Trög, Chairman of the Board and CEO of Norrhydro Group Plc represents and comments on Financial Statement 2023. Anniina Piira-Wendeler, Vice President and Director of Sales and Marketing gives a look on markets and customers and Carl Mattson, Director of Digital Business will tell about Norrhydro's digital products. Webcast is in Finnish and can be viewed in: <https://hubs.la/Q02kO-R10>

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

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

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#### **Distribution:**

Nasdaq Helsinki Oy

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 more almost 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 2.3 million (adjusted) and operating profit of EUR -0,2 million.

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#### **Attachments**

- [Download announcement as PDF.pdf](#)
- [NHG\\_Financial Statement Bulletin\\_2023.pdf](#)