

Nordic Lights Group Corporation's Half year report for 2022: Net sales growth of 45% and strong profitability

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This release is a summary of the Nordic Lights Group Corporation's Half-year financial report for January-June 2022 published today. The complete half-year financial report with tables is attached to this release as a pdf-file. It is also available at <https://investors.nordiclights.com/en/reports-and-presentations/>. Investors should not rely on summaries of the interim report only, but should review the complete interim reports with tables.

JANUARY - JUNE 2022 IN BRIEF (H1)

- Net sales increased by 45.3% and totaled EUR 44.9 million (30.9)
- EBITA was EUR 6.4 million (5.7)
- EBITA margin was 14.3% (18.5%)
- Adjusted EBITA was EUR 7.6 million (5.7)
- Adjusted EBITA margin was 16.8% (18.5%)
- Operating profit was EUR 4.8 million (4.2)
- Operating profit margin was 10.7% (13.6%)
- Net cash flow from operating activities were EUR 6.6 million (0.0)
- The balance sheet totaled EUR 64.9 million (69.2)
- Trading of the shares of Nordic Lights Group Corporation commenced on Nasdaq First North Growth Market in Finland on 5 July 2022

The figures in the half-year report are unaudited. Comparative figures for the corresponding period of the previous year are in brackets.

GUIDANCE FOR 2022 (NO CHANGE)

The financial guidance for 2022 remains unchanged, i.e. Nordic Lights expects its net sales to grow organically between 15 and 25 percent in 2022 as compared to 2021.

TOM NORDSTRÖM, CEO:

During the first half-year, Nordic Lights continued to show strong growth, with net sales increasing by 45% to EUR 44.9 million from the previous year. Net sales increased in all end-industries, especially in agriculture, and in all geographical areas, with the strongest growth in EMEA and North America. We increased our share of wallet, won new customers and successfully implemented the ramp up of new business.

The underlying market demand has also developed favorably, especially in North America and Western Europe, despite challenging market conditions such as inconsistent availability of components, global supply constraints and the geopolitical tension. Our solid supply chain and agile approach in finding alternative solutions have enabled us to increase our production volumes and catch up delays from H2/2021. The business to Russia and Ukraine was not significant, thus the immediate direct impact from the war was limited.

Our adjusted EBITA increased by 31.7% to EUR 7.6 million (5.7). Adjusted EBITA margin was 16.8% (18.5%). Compared to full year 2021 the adjusted EBITA margin increased by 3.3 %-units. Nordic Lights' margins were in the second half year of 2021 negatively impacted by the increasing costs of raw material, components and freight costs. Measures to mitigate the impact on the profitability have successfully been undertaken.

In accordance with our reiterated guidance, we continue to expect Nordic Lights' net sales to grow by 15-25% during the full year 2022. We expect that the current macroeconomic uncertainty and fluctuating component availability across the value chain may result in an overall weaker market for our products during the second half-year of 2022. Additionally, our growth during the first half of 2022 was boosted by the ramp up of new business, and this impact is expected to be significantly

lower in the second half. It is normal in our business that growth is unevenly distributed during a certain year when significant new business has been won and is ramping up to normal levels.

Nevertheless, Nordic Lights is well-established among large global manufacturers of work machines, as well as mid-size and smaller equipment manufacturers. Our diverse customer base across multiple industries and regions as well as our considerable and expanding after-market business is likely to increase our resilience in challenging times.

Nordic Lights' mission is to provide visibility for safe and efficient operations of heavy-duty equipment. From the beginning, Nordic Lights has been focused on using the latest technology and innovations to bring added value to customers and end-users. We have been a forerunner to introduce new technology in our market, and have been able to double our market share in the last five years from three to six percent. We will continue introducing energy efficient lighting solutions which support our customers to reduce the fuel consumption and emissions of their equipment.

Our listing on First North provides a good platform for the next steps in our strategy. We continue to invest in sales and marketing, R&D and additional production capacity to support our long-term growth vision. We also plan to explore M&A possibilities to enable faster expansion into adjacent markets and segments.

Our journey as a listed company has started well and I would once again like to thank all of our customers, personnel, our shareholders and other stakeholders for their trust in making it happen.

KEY PERFORMANCE INDICATORS

(EUR million)	1-6/2022	1-6/2021	Change	1-12/2021	1-12/2020
Net sales	44.9	30.9	45.3%	66.3 ⁽¹⁾	43.7 ⁽¹⁾
Change in net sales (%)	45.3	-		51.9	-2.0
Gross margin	15.3	11.4	34.3%	21.4	16.8
Gross margin, % of net sales	34.0	36.7		32.2	38.6
EBITDA	7.5	6.4	16.6%	10.0	8.6
EBITDA margin (%)	16.6	20.7		15.1	19.6
Items affecting comparability in other operating expenses	1.1	0.0		0.6	0.0
Adjusted EBITDA	8.6	6.4	34.1%	10.6	8.6
Adjusted EBITDA margin (%)	19.1	20.7		15.9	19.6
EBITA	6.4	5.7	12.2%	8.4	7.0
EBITA margin (%)	14.3	18.5		12.6	15.9
Adjusted EBITA	7.6	5.7	31.7%	8.9	7.0
Adjusted EITA margin (%)	16.8	18.5		13.5	15.9
Operating profit	4.8	4.2	14.5%	5.3 ⁽¹⁾	3.9 ⁽¹⁾
Operating profit margin (%)	10.7	13.6		8.0	9.0
Adjusted operating profit	5.9	4.2	41.2%	5.9	3.9
Adjusted operating profit margin (%)	13.2	13.6		8.9	9.0
EPS	0.13	0.14	-7,1%	0.09	0.03
Number of shares in average	17,940,430	17,940,430		17,940,430	17,940,430
Net cashflow from operating activities	6.6	0.0		-2.1	6.9
Gross capital expenditure	1.1	1.7	-33.3%	3.6	1.6
Gross capital expenditure, % of net sales	2.5	5.5		5.5	3.8

Key performance indicators are unaudited, unless otherwise indicated. 1) Audited

WEBCAST

A webcast on the second quarter results will be held on 16 August 2022 at 11:00 a.m. (EEST). It will be held in English and can be followed at:

<https://nordiclights.videosync.fi/h1-2022>

Presentation materials will be available at <https://investors.nordiclights.com/en/reports-and-presentations/>.

NEXT FINANCIAL RELEASE

Nordic Lights will publish full year 2022 report on 16 February 2023.

Pietarsaari 16 August 2022

NORDIC LIGHTS GROUP CORPORATION

Board of Directors

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About Nordic Lights

Nordic Lights, based in Pietarsaari, Finland, has paved its way as a global premium supplier of high-quality lighting solutions for heavy-duty equipment in several demanding industrial sectors. Nordic Lights' mission is to enable the safe and efficient use of equipment. With three decades of experience Nordic Lights works with the most demanding manufacturers of machinery from design to production and aftermarket support. Nordic Lights' revenue in 2021 was EUR 66 million. The company employs over 300 employees globally. Nordic Lights' share is listed on Nasdaq Helsinki's First North marketplace.

www.nordiclights.com

Attachments

- [Download announcement as PDF.pdf](#)
- [Nordic Lights Group Corporation H1 2022 Report.pdf](#)