

INTERIM REPORT

Q1/2024



AGENDA



Safety and
Sustainability

Operational
and Financial
Performance
in Q1/2024

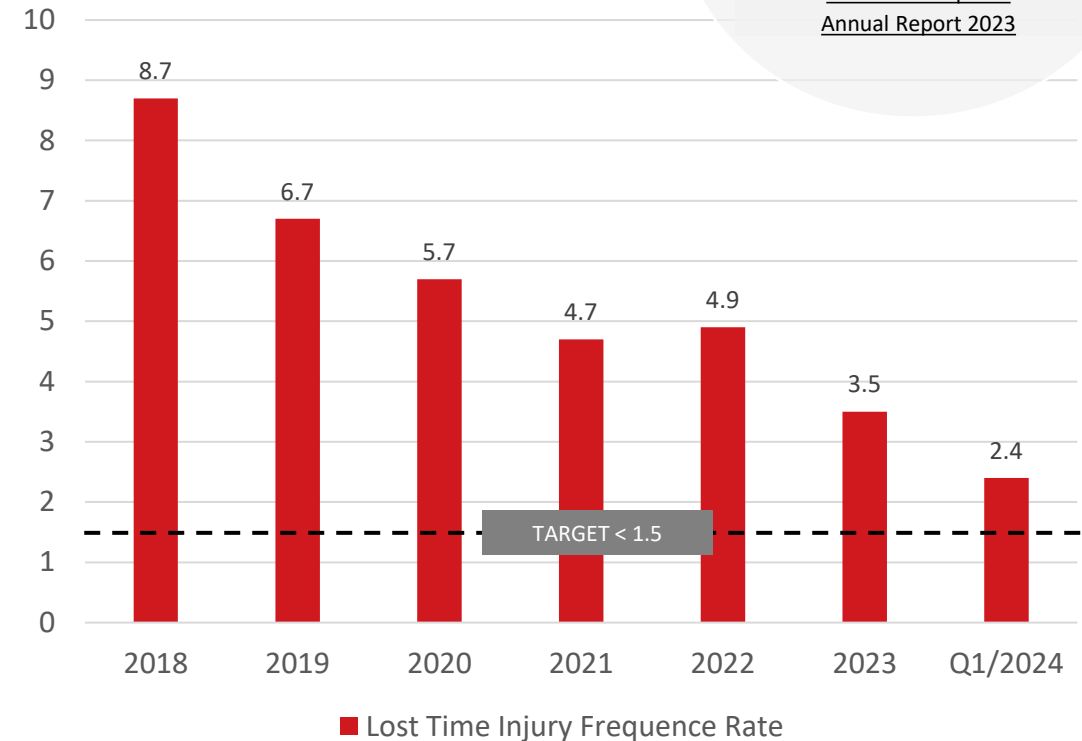
Strategic
Focus
Areas

SECURING A SAFE AND SUSTAINABLE FUTURE

- Normet's ambition is to achieve "zero harm" through helping our customers to build and operate the safest places underground. Safety is one of the top priorities across mining, tunnelling and civil construction industries and for our customers. Tunnels and mines are places where there is no room for error.
- In Q1 2024, we continued to develop a stronger safety culture throughout the company. We are particularly proud of the work Normet achieved in contributing to reduce accidents and injuries across our customers' operations.
- Normet has continued actions to improve safety performance and concluded the reporting period with a Lost Time Injury Frequency Rate of 2.4 (Q1/2023: 5.2). We achieved record numbers of lost time injury free days in each of our equipment manufacturing sites in the quarter. Key safety themes included general underground safety and safe work practices with battery-electric vehicles underground.

Normet's Annual Report 2023 presents our sustainability approach, how we have executed our sustainability strategy and how we plan on developing it further.

[Normet Group Ltd.](#)
[Annual Report 2023](#)



2022 and 2023 including acquisitions Aliva Equipment, Garock Pty Ltd., Marakon Oy and Rambooms Oy. Rolling 12 months. Calculated per 1,000,000 hours worked.



OPERATIONAL AND FINANCIAL PERFORMANCE IN Q1/2024

MAIN HIGHLIGHTS IN Q1/2024

MAJOR ORDERS

We secured several breakthrough tunnelling sector orders from Canada and our new Austria entity in Q1

A sizeable digital connectivity agreement was signed with a major underground copper mine

Normet SmartDrive® equipment continues to perform safely, reliably and productively in the field with extensive operating hours accumulated

The new range of Normet XRock® stationary breakers and boom assemblies has experienced very good market acceptance

OPERATIONS

Normet's new Johannesburg, South Africa facility was officially inaugurated in February



INNOVATION AND TECHNOLOGY



The first diesel to battery-electric vehicle conversion for a Normet 8100 Spraymec is undergoing extensive field testing prior to commencing its first rental contract

PRESIDENT AND CEO COMMENT



NORMET INNOVATION

Normet is proud to be associated with the Callio FutureMINE project that is developing Finland's Pyhäsalmi mine's infrastructure into a digital test mine of the future. The Pyhäsalmi underground mine provides the ideal test environment where partners collaborate to study, develop and test new technologies and solutions which can influence the electrification and digitalisation of the international mining industry.

PERFORMANCE

The general business environment continued to be impacted by longer decision making on capital expenditure decisions and some hesitancy in forward looking investment decisions from our customers. However, the underlying demand, especially in services and consumables remained stable.

All three Business Lines showed a positive margin development in Q1 leading to an improved Group operating profit compared to Q1 2023. We will maintain a high focus on improving our profitability and capital efficiency throughout the year.

OUTLOOK

Demand for Normet's products and expertise, customer process improvements, services and consumables is expected to remain stable.

ED SANTAMARIA
President and CEO

KEY FIGURES

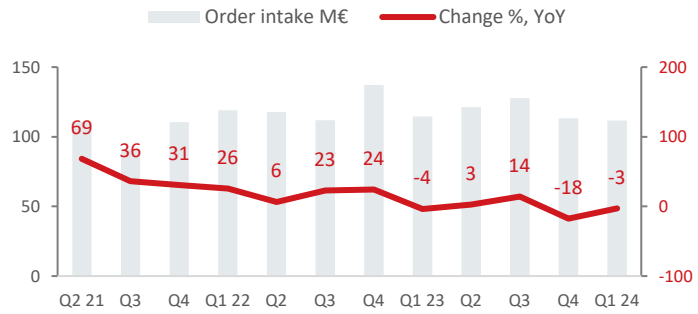
	YTD Jan-Mar 24	YTD Jan-Mar 23	2023
Order intake, MEUR*	112	115	474
Net sales, MEUR	113	112	484
EBITDA	17	13	73
EBITDA %	15.2%	11.4%	15.0%
EBITA	13	9	56
EBITA %	11.4%	8.2%	11.6%
Operating profit, MEUR	11	8	49
Operating profit %	9.8%	7.1%	10.1%
Net profit, MEUR	4	4	30
Net profit %	4.0%	3.5%	6.1%
Total assets, MEUR	500	494	493
Interest bearing liabilities, net	130	119	136
Number of personnel (12-month rolling average)	1,823	1,758	1,807
Return on equity %	19%	21%	19%
Gearing %	76%	75%	83%
Equity to asset ratio %	35%	34%	35%

* Order intake of comparative periods adjusted to include all Business Lines

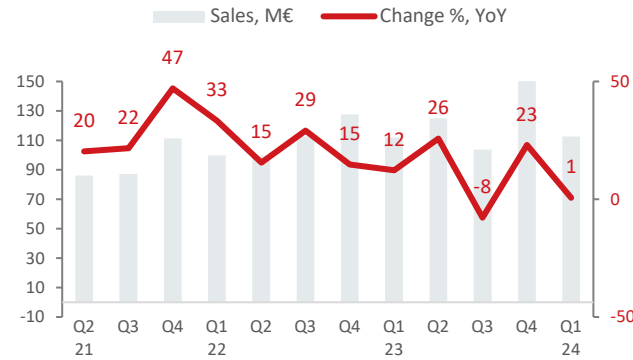
- **Order intake -3%** at MEUR 112. After a slower start, the period ended up very close to last year's level. Strong development in Western Hemisphere and in particular in Americas compensated the softness in Asia and Australia.
- Achieved **MEUR 113 in net sales**, a 1% increase from y-on-y driven by strong performance in Equipment and Services whereas GCCT fell behind the comparison period levels.
- **Operating profit 9.8%** (7.1%) and MEUR 11 (8). Improved profitability in all Business Lines contributed to a stronger operating profit. The period includes one-off restructuring costs of MEUR 0.7.
- **Net profit 4.0%** (3.5%) and MEUR 4 (4). The impact of currency revaluation and increased financing cost burdened the profit during the period.
- **Gearing 76%** (75%) remained at the same level. Net working capital increased in the period and is a key area of focus during the year.

KEY FIGURES

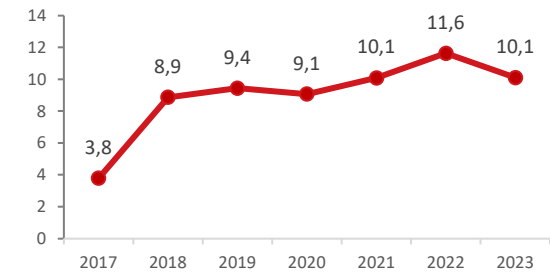
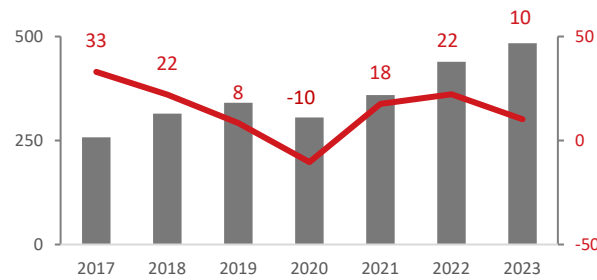
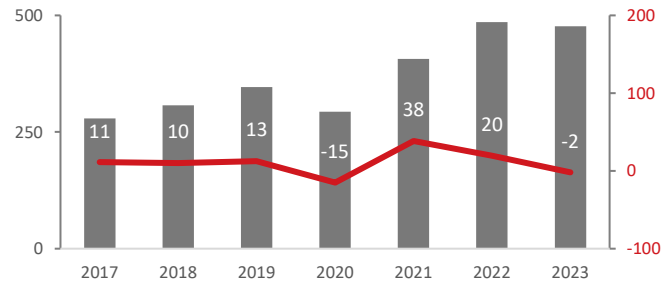
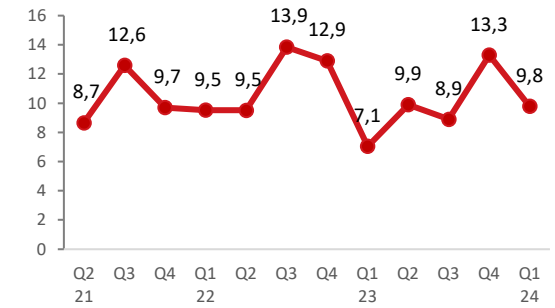
ORDER INTAKE*



NET SALES



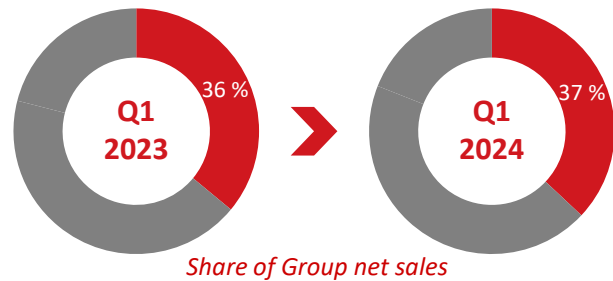
OPERATING PROFIT (EBIT %)



*Order intake figures amended to include all Business Lines.

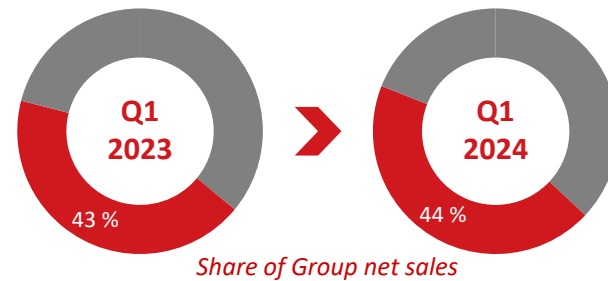
BUSINESS LINE PERFORMANCE Q1/2024

EQUIPMENT, net sales



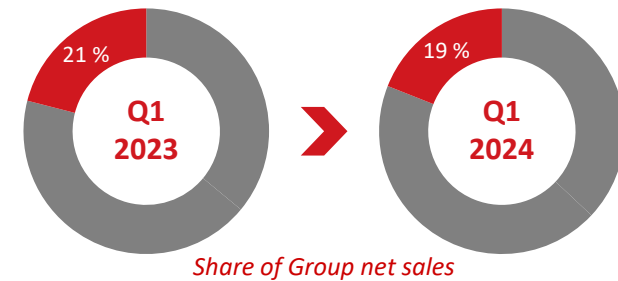
- Net sales increased y-o-y by 3%
- Strong net sales in Latin America and Asia Pacific compensated the slow start in other markets
- Order intake was cautious, delays in customer decision making continued

SERVICES, net sales



- Net sales increased y-o-y by 4%
- Strong demand for used equipment
- Solid growth in India, Asia Pacific and Latin America. Stable in other markets

GCCT, net sales



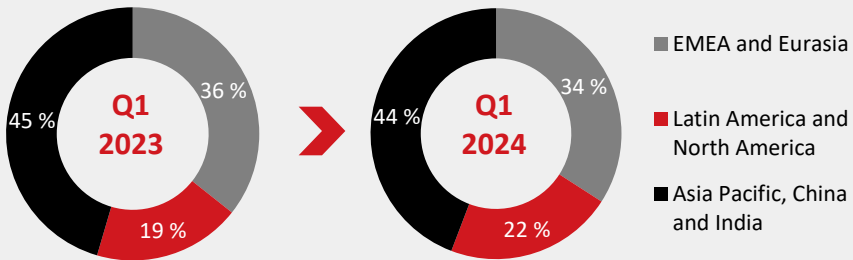
- Net sales decreased y-o-y by 11%
- Good success achieved across several tunneling and civil construction projects in the quarter
- Secured new rock reinforcement business with several underground mining customers

GEOGRAPHICAL REACH IS A KEY DIFFERENTIATING FACTOR

- NORMET EQUIPMENT MANUFACTURING SITE
- NORMET SERVICES SITE
- NORMET CHEMICALS AND ROCK BOLT SITE



SHARE OF NET SALES BY SALES AREA



STRATEGIC FOCUS AREAS

October 31, 2023

STRATEGIC FOCUS AREAS

Our value proposition of ‘Defining the future underground’ continues to support our ambitions. Underpinning this value proposition is our **strategy for 2024–2027**, built on five pillars:

Safety and sustainability

Delivering customer value

Profitable growth

Technology and innovation

The best people delivering leading business performance



INDUSTRY FUNDAMENTALS CONTINUE TO DRIVE GROWTH

Increased focus on health and safety

Environment, social and governance is more prominent

Mines increasingly moving underground and going deeper

Geopolitical and nationalisation risks increasing

Shift to digitalisation, electrification and automation

Drive for productivity and efficiency

Remote locations and declining ore grades

Increased investment in green energy transition



KEY FINANCIALS INTERIM REPORT Q1/2024

(IFRS, UNAUDITED)

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

EUR thousand	1.1.-31.3.2024	1.1.-31.3.2023	Change %	1.1.-31.12.2023
NET SALES	112 542	111 903	1 %	484 323
Materials, supplies and subcontracting	-51 087	-55 945	-9 %	-239 652
Personnel cost	-29 863	-27 703	8 %	-108 833
Depreciation and amortisation	-6 055	-4 825	25 %	-23 851
Other operating expenses and income, net	-14 523	-15 535	-7 %	-63 279
OPERATING PROFIT	11 014	7 894	40 %	48 706
Financing income	1 306	608	115 %	6 531
Financing expenses	-6 057	-3 037	99 %	-14 935
Share of profit/loss accounted for using the equity method	-200	-185	8 %	-25
PROFIT/LOSS BEFORE TAX	6 063	5 280	15 %	40 276
Tax on income from operations	-1 576	-1 404	12 %	-10 574
PROFIT/LOSS FOR THE PERIOD	4 486	3 877	16 %	29 702

EUR thousand	1.1.-31.3.2024	1.1.-31.3.2023	Change %	1.1.-31.12.2023
OTHER COMPREHENSIVE INCOME				
Items that will not be reclassified to profit or loss				
Remeasurement of defined benefit plan	0	-64	-100 %	-67
Items that may be reclassified subsequently to profit or loss				
Exchange differences on translating foreign operations	-7	-813	-99 %	-3 921
Other comprehensive income for the period, net of tax	-7	-876	-1	-3 989
Total comprehensive income	4 480	3 000	49 %	25 713
Profit attributable to:				
Owners of the parent company	4 254	3 699	15 %	28 873
Non-controlling interests in net income	232	178	0	829
Total	4 486	3 877	16 %	29 702
Total comprehensive income attributable to:				
Owners of the parent company	4 248	2 839	50 %	24 966
Non-controlling interests	232	161	44 %	748
Total	4 480	3 000	49 %	25 713

CONSOLIDATED BALANCE SHEET

EUR thousand	31.3.2024	31.3.2023	31.12.2023
ASSETS			
NON-CURRENT ASSETS			
Intangible assets	29 174	18 042	29 241
Goodwill	35 386	47 128	35 656
Right of use assets	20 427	20 051	19 861
Property, plant, equipment	48 258	45 281	49 217
Investments accounted for using the equity method	5 135	3 847	5 350
Other non-current financial assets	365	721	365
Non-current trade and other receivables	3 330	4 594	3 650
Deferred tax asset	18 070	16 975	16 638
NON-CURRENT ASSETS	160 144	156 638	159 978
CURRENT ASSETS			
Inventories	184 884	177 759	173 885
Trade receivables and other receivables	113 602	106 718	117 417
Tax Receivable, income tax	4 456	3 178	4 353
Cash and cash equivalents	36 986	49 952	37 085
CURRENT ASSETS	339 928	337 607	332 739
ASSETS	500 073	494 246	492 718
EQUITY AND LIABILITIES			
Owners of the parent company			
Share capital	3 423	3 423	3 423
Share premium	3 350	3 350	3 350
Unrestricted equity reserve	3 013	2 963	3 013
Hybrid bond	29 693	34 666	29 693
Reserves	311	299	316
Translation differences	-8 524	-4 332	-7 928
Retained earnings	135 441	114 748	130 618
Owners of the parent company	166 707	155 117	162 486
Non-controlling interests	3 036	2 438	2 795
EQUITY	169 743	157 554	165 281

EUR thousand	31.3.2024	31.3.2023	31.12.2023
NON-CURRENT LIABILITIES			
Non-current liabilities, interest-bearing	156 369	156 577	155 875
Non-current interest-free liabilities	14 854	18 158	14 677
Non-current provisions	1 057	461	852
Liabilities from defined benefit plan	1 318	1 426	1 297
Deferred tax liability	5 615	2 995	5 678
NON-CURRENT LIABILITIES	179 214	179 617	178 379
CURRENT LIABILITIES			
Current interest-bearing liabilities	10 180	14 107	18 070
Trade Payables and Other Liabilities	121 956	127 726	113 585
Tax liability, income tax	13 701	7 907	14 285
Current provisions	5 279	7 335	3 117
CURRENT LIABILITIES	151 116	157 074	149 057
Liabilities	330 330	336 691	327 436
EQUITY AND LIABILITIES	500 073	494 246	492 718

CONSOLIDATED STATEMENT OF CASH FLOWS

EUR Thousand	1.1-31.3.2024	1.1-31.3.2023	1.1-31.12.2023
Cash flow from operating activities			
Profit for the period	4 486	3 877	29 702
Depreciation, amortisation and impairment	6 055	4 794	23 851
Unrealised foreign exchange gains and losses	726	0	1 159
Share of profit/loss accounted for using equity method	200	185	25
Other items without cash flow impact	4 092	4 143	7 196
Financial income and expenses	4 751	2 429	8 405
Taxes	1 576	1 404	10 574
Change in provisions	2 561	867	-2 281
Other adjustments	-832	455	80
Operating income before change in net working capital	23 617	18 153	78 712
Change in inventories	-10 446	-16 021	-15 162
Change in interest-free current receivables	2 117	-1 414	-12 881
Change in interest-free current liabilities	6 828	18 273	-2 441
Change in net working capital	-1 502	837	-30 483
Financial expense	-4 537	-1 617	-9 865
Dividends received	0	0	0
Financial income	420	-568	1 207
Income taxes paid	-4 214	-5 319	-8 847
Net cash from operating activities	13 784	11 486	30 723

EUR Thousand	1.1-31.3.2024	1.1-31.3.2023	1.1-31.12.2023
Cash flow from investing activities			
Purchase of tangible and intangible assets	-4 849	-7 273	-29 414
Proceeds from sale of tangible and intangible assets	137	70	6 586
Other investments	0	0	-810
Acquisition of a subsidiary and business acquisitions, net of cash acquired	0	-47 006	-47 965
Loans granted			
Proceeds from repayments of loans			
Net cash used in investing activities	-4 712	-54 209	-71 603
Cash flow from financing activities			
Share issue	0	0	153
Proceeds from loans	0	60 643	66 428
Loan repayments	-7 729	0	0
Repayment of lease liabilities	-1 576	-1 695	-6 362
Hybrid bond repayments	0	0	-35 000
Proceeds from hybrid bond	0	0	30 000
Hybrid bond interest and expenses	0	0	-2 242
Dividends paid	0	-2 070	-9 222
Net cash from financing activities	-9 305	56 877	43 754
Change in cash and cash equivalents, increase (+) / decrease (-)	-233	14 154	2 874
Cash and cash equivalents, at beginning	37 084	36 896	36 896
Change in cash and cash equivalents, increase (+) / decrease (-)	-233	14 154	2 874
Effects of exchange rate fluctuations on cash held	135	-1 097	-2 685
Cash and cash equivalents, at end	36 986	49 952	37 084

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

EUR thousand	Share capital	Share premium	Paid in capital	Hybrid bond	Reserves	Translation difference	Retained earnings	Total	Non-controlling interest	Total equity
Balance at January 1, 2024	3 423	3 350	3 013	29 693	316	-7 928	130 618	162 486	2 795	165 281
Other changes					-5	-596	575	-26	9	-17
Profit for the period							4 254	4 254	232	4 486
Other comprehensive income							-7	-7	0	-7
Total comprehensive income	0	0	0	0	0	0	4 248	4 248	232	4 480
Balance at March 31, 2024	3 423	3 350	3 013	29 693	311	-8 524	135 441	166 707	3 036	169 743

EUR thousand	Share capital	Share premium	Paid in capital	Hybrid bond	Reserves	Translation difference	Retained earnings	Total	Non-controlling interest	Total equity
Balance at January 1, 2023	3 423	3 350	2 860	34 666	304	-4 007	110 838	151 435	2 465	153 900
Other changes			103		-5	-325	1 087	861	-204	657
Profit for the period							3 699	3 699	178	3 877
Other comprehensive income							-876	-876	-1	-877
Total comprehensive income	0	0	0	0	0	0	2 823	2 823	177	2 999
Balance at March 31, 2023	3 423	3 350	2 963	34 666	299	-4 332	114 748	155 117	2 438	157 554

NOTES TO INTERIM REPORT

BASIS OF PREPARATION

This unaudited and condensed consolidated financial statement information of Normet Group has been prepared in accordance with IAS 34 “Interim Financial Reporting” and it should be read in conjunction with the consolidated financial statements for 2023 prepared in accordance with IFRS as published by the IASB and adopted by the EU. The same accounting policies, methods of computation and applications of judgment are followed in this financial statement information as was followed in the consolidated financial statements for 2023. This financial report was authorized for issue by management on 25 Apr 2024. Percentages and figures presented herein may include rounding differences and therefore may not add up precisely to the totals presented and may vary from previously published financial information.

ACCOUNTING ESTIMATES AND JUDGEMENTS

IFRS requires management to make estimates and judgements that affect the reported amounts. The most significant accounting estimates and judgements made by management relate to customer contracts, impairment of goodwill, valuation of inventories and trade receivables, provisions and deferred tax assets and liabilities. Although these estimates are based on the management’s best knowledge of current events and actions, the actual results may differ from the estimates used in the financial statements.

NEW ACCOUNTING STANDARDS

Normet Group has applied the revised IFRS Standards that have been effective since 1 January, 2024. These amendments have not had a material impact on the reported figures.

CHANGES IN ACCOUNTING PRINCIPLES

The Group has specified the conversion of profit and loss accounts of subsidiaries outside the Euro area. As from 2024, profit and loss accounts are converted into euros according to average exchange rates for each reporting period. The Group has assessed the impact of the change in conversion method, and it does not have a significant impact on profit for the period. Comparison periods have not been adjusted.

NOTES TO INTERIM REPORT

MATERIAL DEBT INSTRUMENTS

In May 2023, Normet Group Ltd issued capital securities in the amount of MEUR 30.0. The hybrid bond bear interest at a fixed interest rate of 9.25 per cent until the reset date of 19 June 2025 and thereafter, at a floating interest rate as described in the terms and conditions of the hybrid bond . The hybrid bond does not have a specified maturity date, but the Company is entitled to redeem them for the first time on 19 June 2025, and thereafter, on each interest payment date.

In December 2021, the Group signed a new four-year MEUR 130 financing agreement. In December 2022, a new credit facility of a maximum of EUR 50 million was added to the financing agreement. The loan has a variable interest rate. The financing agreement includes EUR 40 million revolving credit facility. The final maturity date for the facility agreement is January 2026.

As of 31 March 2024, the agreed term loans and credit commitments MEUR 140 are fully raised for use and Group has approximately MEUR 38 of undrawn revolving credit facility at its disposal.

The company's borrowing arrangements include security instruments and covenants. The company's borrowing arrangements also involve pledge restrictions. At the end of the reporting period, the Group has interest-bearing liabilities amounting to MEUR 142 whose conditions included covenants related to the relationship of equity ratio and net liability and operating profit. The Group expects to comply with covenants with at least 12 months after the reporting date.

NOTES TO INTERIM REPORT

NET WORKING CAPITAL

EUR thousand	31.3.2024	31.3.2023	31.12.2023
Inventories	184 884	177 759	173 885
Trade receivables	78 824	73 019	84 829
Other non-interest bearing receivables	40 636	36 338	38 043
Trade payables	-58 405	-69 207	-58 514
Other non-interest bearing payables	-41 889	-33 448	-37 947
Advances received	-21 644	-25 126	-16 757
Total	182 407	159 336	183 539

PERSONNEL

	31.3.2024	31.3.2023	31.12.2023
Personnel, 12 months rolling average	1 823	1 758	1 807

NOTES TO INTERIM REPORT

$$\text{Return on Equity \%} = \frac{\text{Net Income}}{\text{Average Shareholders' Equity}}$$

$$\text{Equity to Asset Ratio \%} = \frac{\text{Total Shareholder Equity}}{\text{Total Assets}}$$

$$\text{Gearing} = \frac{\text{Net interest bearing liabilities}}{\text{Equity}}$$

