

INTERIM REPORT

Q3/2024

AGENDA

Safety and
Sustainability

Operational
and Financial
Performance
in **Q3/2024**

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.

Normet has continued actions to improve safety performance and concluded the reporting period with a Lost Time Injury Frequency Rate of 1.9 (Q3/2023: 4.1).

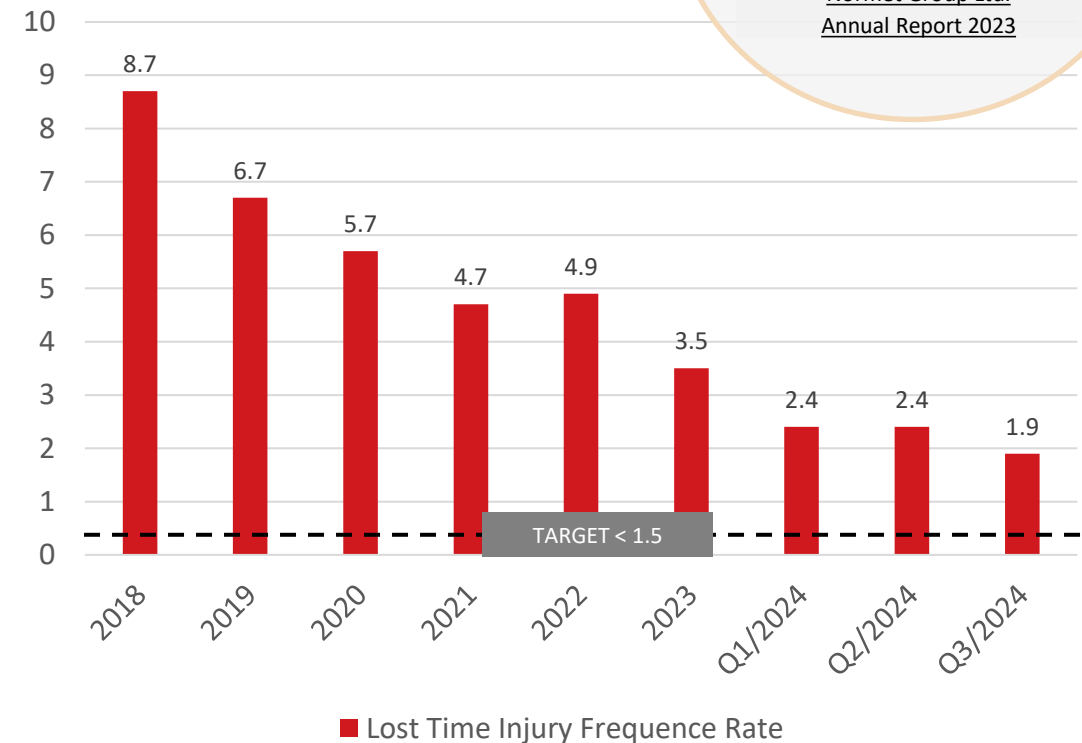
We achieved record lost time injury free days in our Equipment Business Line and in our construction chemicals plant in Jaipur, India. Pleasingly, two assembly centers from our recently acquired companies, Aliva in Switzerland and Rambooms in Finland also achieved new injury free milestones.

Our safety improvement is not limited to Normet internal operations but also to our customers' sites where we operate, notably in Mongolia at the Oyu Tolgoi site, Normet has achieved in excess of 3,000 lost time injury free days.

Key safety themes in the quarter included a refocus on Normet lifesaving rules, UG fire prevention and crisis management.

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 Q3/2024

MAIN HIGHLIGHTS IN Q3/2024

MAJOR ORDERS

Normet secured significant new order for underground equipment in Kazakhstan with deliveries planned for 2025 and 2026. This is an exciting new project for Normet with a new customer that will include Normet expert on-site service and support.

Additional equipment fleet with digital connectivity agreements secured in Brazil.

Normet delivered the ninth Normet SmartDrive® unit to our customer in Mongolia where eight units are performing safely, reliably and productively with extensive operating hours accumulated.

The new range of Normet XRock® stationary breakers and boom assemblies continue to win new markets.

OPERATIONS

Normet's new base in Austria now operational and actively supporting local customers especially in the tunnelling sector.

INNOVATION AND TECHNOLOGY

Normet proudly showcased several new technologies at International MINExpo, including the new Charmec Revo® and Xrock® automated stationary breaker boom systems.



Normet acquired 100% ownership of Finnish electric hammer technology company Lekatech in the quarter. This is aligned with Normet's strategy to support the electrification shift across our industry.

PRESIDENT AND CEO COMMENT



NORMET INNOVATION

We are excited with the positive customer feedback surrounding several new products and technologies recently released to the market. In particular, the interest shown towards our automated charging solution, Charmec Revo® has exceeded expectations. Additional models in our SmartDrive® portfolio, namely Variomec SD and L-series SD have progressed from the prototype assembly to the underground testing phase.

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 remained stable.

Cost saving and efficiency improvement initiatives contributed to an improved comparable operating profit compared to comparable year-to-date period in 2023.

Operative NWC improved resulting in positive cash flow in the quarter. This improvement came predominantly from inventory reductions in all Business Lines, especially in the Equipment Business Line.

We will maintain a high focus on improving our profitability and capital efficiency throughout the final period of the year.

OUTLOOK

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

We expect a stronger operational performance during Q4 2024 compared to Q3 2024.

ED SANTAMARIA
President and CEO

KEY FIGURES

	Jan-Sep 2024	Jan-Sep 2023	Change-%	2023
Order intake, MEUR *	351	364	-3,4 %	477
Net sales , MEUR	346	340	1,7 %	484
EBITDA , MEUR	52	47	10,0 %	73
EBITDA %	14,9 %	13,8 %		15,0 %
EBITA , MEUR	39	35	10,6 %	56
EBITA %	11,3 %	10,4 %		11,6 %
Operating profit , MEUR	34	30	14,0 %	49
Operating profit %	9,7 %	8,7 %		10,1 %
Comparable EBITA , MEUR	41	36	12,9 %	57
Comparable EBITA %	11,9 %	10,7 %		11,8 %
Comparable Operating profit , MEUR	36	31	16,6 %	50
Comparable Operating profit %	10,3 %	9,0 %		10,3 %
Net profit , MEUR	19	17	10,0 %	30
Net profit %	5,4 %	5,0 %		6,1 %
Total assets , MEUR	501	501	0,0 %	493
Interest-bearing net liabilities	141	133	6,4 %	137
Number of personnel (12-month rolling average)	1 819	1 785		1 807
Return on equity %	18,8 %	17,4 %		18,6 %
Gearing %	80,0 %	84,2 %		82,5 %
Equity to asset ratio %	35,3 %	33,5 %		34,7 %

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

Order intake -3% at MEUR 351. New orders decreased slightly from the comparison period. Equipment had strong development in EMEA and Eurasia and it continued strong in Americas. Services developed well in India and Australia.

Net sales stood at MEUR 346, a 1,7% y-o-y growth was driven by Services and Equipment top lines being both 4% higher than on the comparison period. At the same time the net sales in GCCT declined by 6%. Geographically the development was particularly strong in Europe, Eurasia and Africa as well as in Latin America Sales Areas.

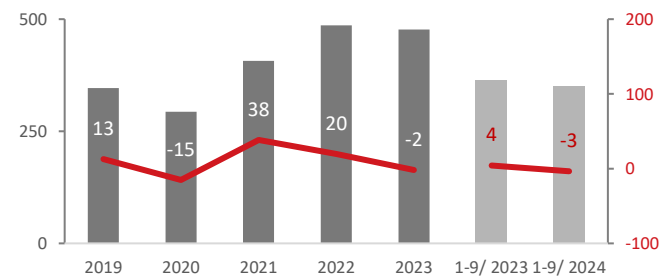
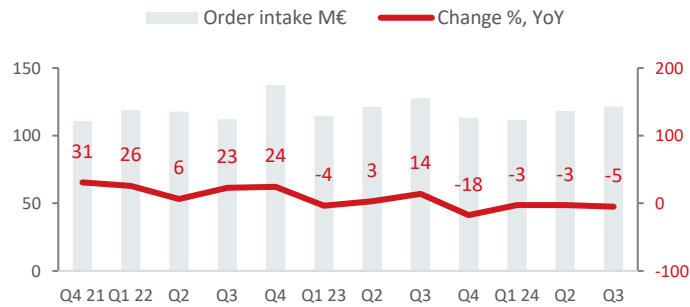
Comparable Operating profit 10.3% (9.0%) and MEUR 36 (31). Services and GCCT continued to improve their operating margins from the comparison period. The efficiency measures to address the cost base resulted in improved operating leverage which together with a beneficial sales mix have contributed to a stronger profitability.

Net profit 5.4% (5.0%) and MEUR 19 (17). The impact of currency revaluation and increased financing cost continued to burden the profit during the period.

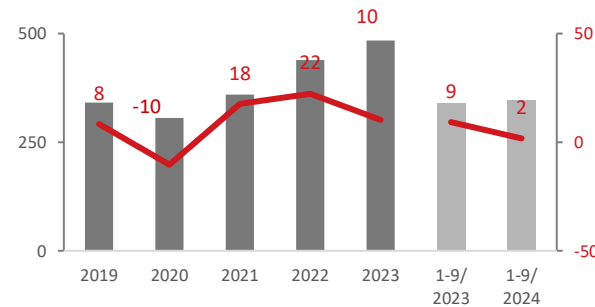
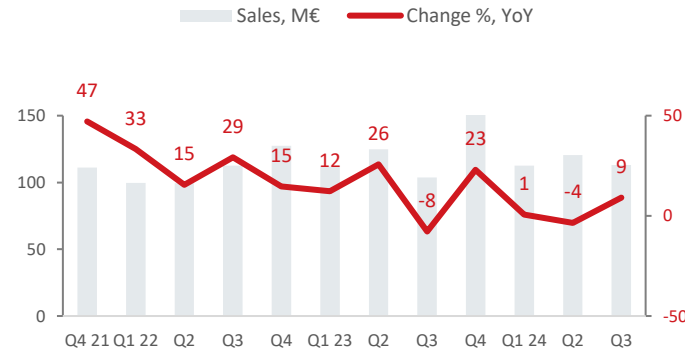
Gearing 80% (84.2%) decreased slightly from year ago and from year end 2023. Net working capital decreased in the third quarter being also clearly on the lower level compared to the beginning of the year.

KEY FIGURES

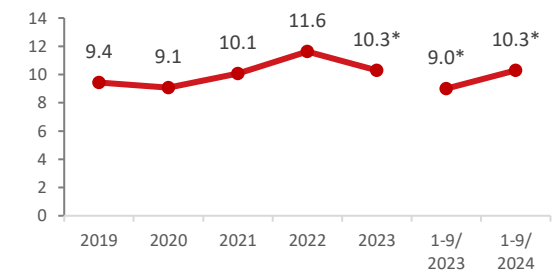
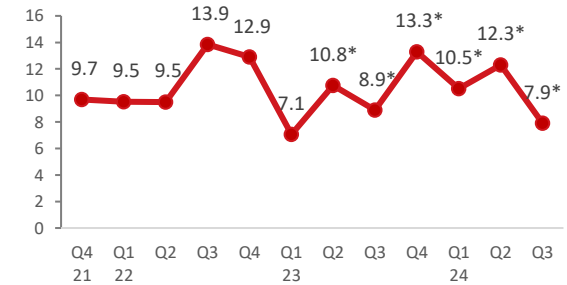
ORDER INTAKE



NET SALES



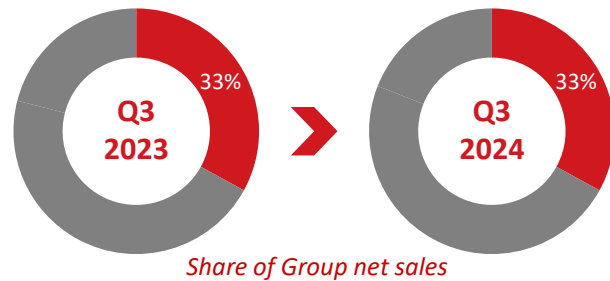
COMPARABLE OPERATING PROFIT %*



*Comparable Operating Profit % (excluding the items affecting comparability). Note that periods prior to financial year 2023 are not fully comparable.

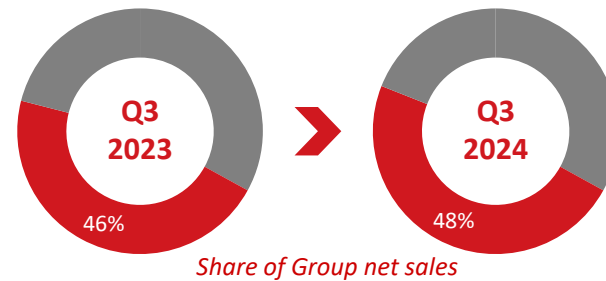
BUSINESS LINE PERFORMANCE Q3/2024

EQUIPMENT, net sales



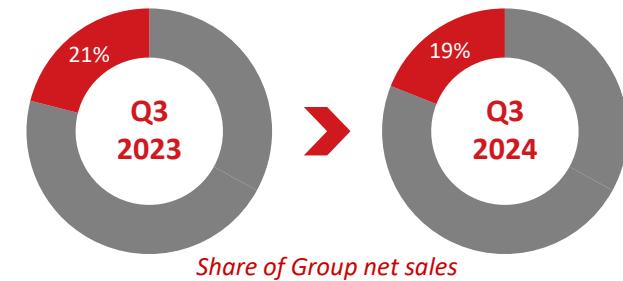
- Net sales increased y-o-y by 25%
- Significant project order to a mining customer in Eurasia, deliveries in 2025 and 2026
- Net sales was higher than on the comparison period although some deliveries were rolling over to Q4

SERVICES, net sales



- Net sales increased y-o-y by 7%
- Services business growth continued in India and in APAC. Volumes also recovered in other areas
- Secured new long-term rental agreements in significant sized mining & tunnelling projects

GCCT, net sales



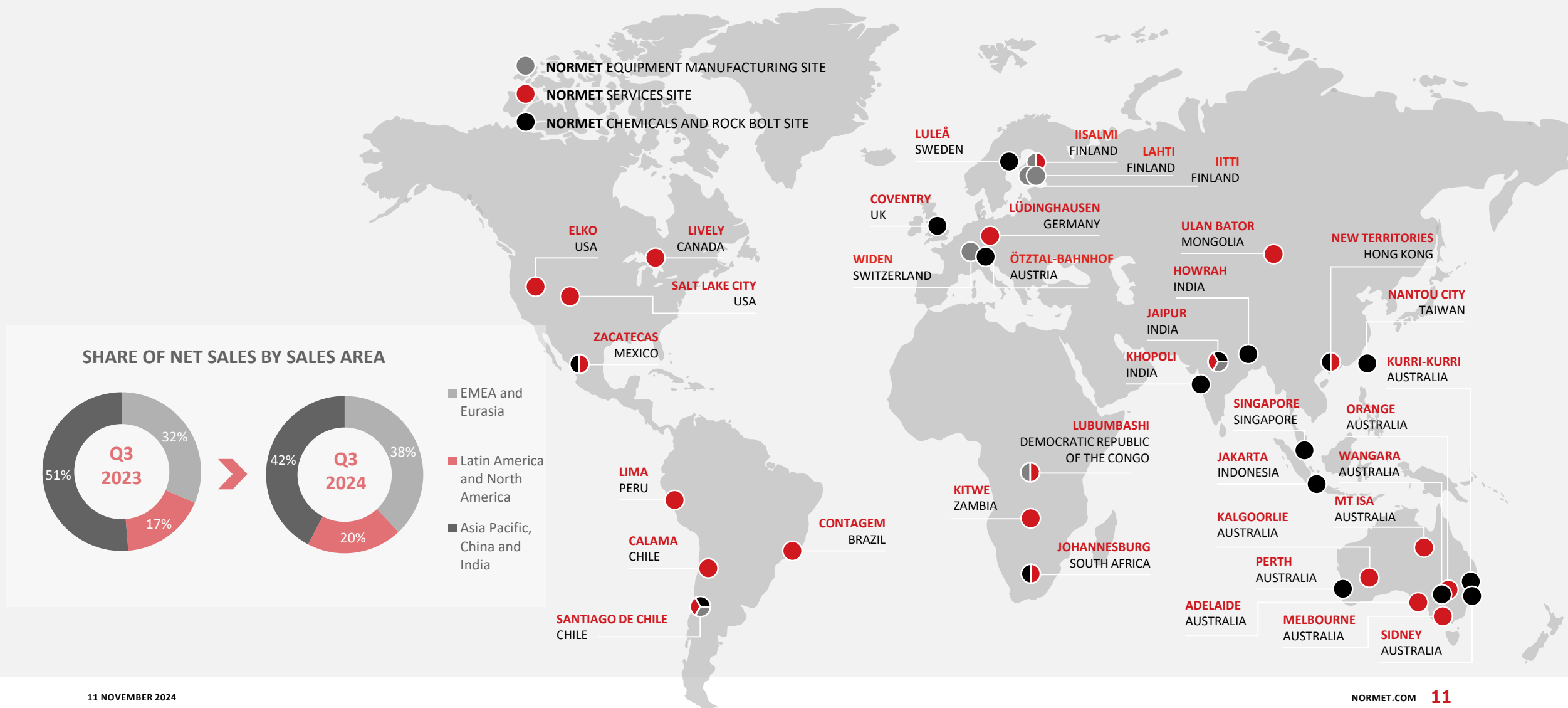
- Net sales decreased y-o-y by 6%
- Our non-shotcrete product segments continue to show strength in both tunnelling and mining globally
- We continue to see good project pipeline development in our chosen new markets

BUSINESS LINE DEVELOPMENT – NET SALES

(MEUR)	Q3 24	Q3 23	Change %	YTD Q3 24	YTD Q3 23	Change %	2023
EQUIPMENT	37	30	+25%	120	115	+4%	180
SERVICES	54	51	+7%	159	154	+4%	210
GCCT	22	23	-6%	67	71	-6%	94

*External Net Sales

GEOGRAPHICAL REACH IS A KEY DIFFERENTIATING FACTOR



KEY FINANCIALS INTERIM REPORT Q3/2024

(IFRS, UNAUDITED)

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

EUR thousand	Q3 2024	Q3 2023	Change %	1.1.-30.9.2024	1.1.-30.9.2023	Change %	1.1.-31.12.2023
NET SALES	113 226	103 689	9 %	346 259	340 451	2 %	484 323
Materials, supplies and subcontracting	-54 180	-47 961	13 %	-160 888	-163 957	-2 %	-239 652
Personnel cost	-27 739	-26 292	6 %	-87 310	-83 754	4 %	-108 833
Depreciation and amortisation	-6 080	-6 498	-6 %	-18 005	-17 439	3 %	-23 851
Other operating expenses and income, net	-16 626	-13 694	21 %	-46 427	-45 800	1 %	-63 279
OPERATING PROFIT	8 601	9 245	-7 %	33 629	29 500	14 %	48 706
Financing income	1 130	1 601	-29 %	3 569	3 091	15 %	6 531
Financing expenses	-3 487	-3 293	6 %	-12 558	-9 718	29 %	-14 935
Share of profit/loss accounted for using the equity method	103	-12	-924 %	389	-224	-274 %	-25
PROFIT/LOSS BEFORE TAX	6 347	7 541	-16 %	25 029	22 650	11 %	40 276
Tax on income from operations	-1 572	-1 814	-13 %	-6 428	-5 743	12 %	-10 574
PROFIT/LOSS FOR THE PERIOD	4 775	5 726	-17 %	18 601	16 907	10 %	29 702
EUR thousand	Q3 2024	Q3 2023	Change %	1.1.-30.9.2024	1.1.-30.9.2023	Change %	1.1.-31.12.2023
OTHER COMPREHENSIVE INCOME							
Items that will not be reclassified to profit or loss							
Remeasurement of defined benefit plan	9	75	-88 %	9	10	-11 %	-67
Items that may be reclassified subsequently to profit or loss							
Exchange differences on translating foreign operations	-4 321	-488	786 %	-2 788	-1 696	64 %	-3 921
Other comprehensive income for the period, net of tax	-4 312	-413	945 %	-2 779	-1 686	65 %	-3 989
Total comprehensive income	464	5 314	-91 %	15 822	15 221	4 %	25 713
Profit attributable to:							
Owners of the parent company	4 653	5 502	-15 %	17 915	16 282	10 %	28 873
Non-controlling interests in net income	123	224	-45 %	686	625	10 %	829
Total	4 775	5 726	-17 %	18 601	16 907	10 %	29 702
Total comprehensive income attributable to:							
Owners of the parent company	429	5 098	-92 %	15 192	14 632	4 %	24 966
Non-controlling interests	35	215	-84 %	629	589	7 %	748
Total	464	5 314	-91 %	15 822	15 221	4 %	25 713

CONSOLIDATED BALANCE SHEET

EUR thousand	30.9.2024	30.9.2023	31.12.2023
ASSETS			
NON-CURRENT ASSETS			
Intangible assets	31 437	37 837	29 241
Goodwill	46 916	28 343	35 656
Right of use assets	20 172	19 569	19 861
Property, plant, equipment	47 534	51 377	49 217
Investments accounted for using the equity method	4 570	3 931	5 350
Other non-current financial assets	2 900	1 033	365
Non-current trade and other receivables	435	3 859	3 650
Deferred tax asset	20 100	17 193	16 638
NON-CURRENT ASSETS	174 064	163 142	159 978
CURRENT ASSETS			
Inventories	168 552	185 925	173 885
Trade receivables and other receivables	114 704	108 803	117 417
Tax Receivable, income tax	1 291	5 866	4 353
Cash and cash equivalents	42 031	37 079	37 085
CURRENT ASSETS	326 577	337 673	332 739
ASSETS	500 641	500 815	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	3 049	2 983	3 013
Hybrid bond	29 693	29 693	29 693
Reserves	571	305	316
Translation differences	-10 073	-4 322	-7 928
Retained earnings	142 979	119 522	130 618
Owners of the parent company	172 993	154 955	162 486
Non-controlling interests	3 767	3 036	2 795
EQUITY	176 760	157 991	165 281

EUR thousand	30.9.2024	30.9.2023	31.12.2023
NON-CURRENT LIABILITIES			
Non-current liabilities, interest-bearing	155 110	155 803	155 875
Non-current interest-free liabilities	11 882	16 862	14 677
Non-current provisions	1 879	613	852
Liabilities from defined benefit plan	1 353	1 322	1 297
Deferred tax liability	4 751	7 545	5 678
NON-CURRENT LIABILITIES	174 975	182 146	178 379
CURRENT LIABILITIES			
Current interest-bearing liabilities	27 030	14 301	18 070
Trade Payables and Other Liabilities	107 557	128 136	113 585
Tax liability, income tax	13 532	13 040	14 285
Current provisions	788	5 208	3 117
CURRENT LIABILITIES	148 906	160 685	149 057
Liabilities	323 881	342 831	327 436
EQUITY AND LIABILITIES	500 641	500 815	492 718

CONSOLIDATED STATEMENT OF CASH FLOWS

EUR Thousand	1.1-30.9.2024	1.1-30.9.2023	1.1-31.12.2023
Cash flow from operating activities			
Profit for the period	18 601	16 907	29 702
Depreciation, amortisation and impairment	18 005	17 439	23 851
Unrealised foreign exchange gains and losses	-1 477	0	1 159
Share of profit/loss accounted for using equity method	-389	224	25
Other items without cash flow impact	3 859	10 067	7 196
Financial income and expenses	8 989	6 627	8 405
Taxes	6 428	5 743	10 574
Change in provisions	-1 173	1 938	-2 281
Other adjustments	-444	21	80
Operating income before change in net working capital	52 398	58 965	78 712
Change in inventories	-1 129	-25 301	-15 162
Change in interest-free current receivables	4 701	-2 970	-12 881
Change in interest-free current liabilities	-8 367	10 113	-2 441
Change in net working capital	-4 795	-18 157	-30 483
Financial expense	-9 962	-6 414	-9 865
Financial income	1 040	783	1 207
Income taxes paid	-8 031	-7 015	-8 847
Net cash from operating activities	30 650	28 163	30 723

EUR Thousand	1.1-30.9.2024	1.1-30.9.2023	1.1-31.12.2023
Cash flow from investing activities			
Purchase of tangible and intangible assets	-11 977	-22 578	-29 414
Proceeds from sale of tangible and intangible assets	2 286	179	6 586
Other investments	1	-310	-810
Acquisition of a subsidiary and business acquisitions, net of cash acquired	-8 017	-47 368	-47 965
Net cash used in investing activities	-17 707	-70 076	-71 603
Cash flow from financing activities			
Share issue	0	123	153
Proceeds from loans	18 667	60 488	66 428
Loan repayments	-14 000	0	0
Repayment of lease liabilities	-4 952	-5 012	-6 362
Hybrid bond repayments	0	-35 000	-35 000
Proceeds from hybrid bond	0	30 000	30 000
Hybrid bond interest and expenses	-2 775	-2 242	-2 242
Dividends paid	-4 205	-4 263	-9 222
Net cash from financing activities	-7 264	44 094	43 754
Change in cash and cash equivalents, increase (+) / decrease (-)	5 678	2 181	2 874
Cash and cash equivalents, at beginning	37 085	36 896	36 896
Change in cash and cash equivalents, increase (+) / decrease (-)	5 678	2 181	2 874
Effects of exchange rate fluctuations on cash held	-732	-1 998	-2 685
Cash and cash equivalents, at end	42 031	37 079	37 085

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
Dividends paid to equity holders							-4 201	-4 201	-4	-4 205
Other changes			36		256	643	1 413	2 348	346	2 694
Hybrid bond interest and expenses							-2 775	-2 775		-2 775
Profit for the period							17 915	17 915	686	18 601
Other comprehensive income						-2 788	9	-2 779	-56	-2 836
Total comprehensive income	0	0	0	0	0	-2 788	17 924	15 136	629	15 765
Balance at September 30, 2024	3 423	3 350	3 049	29 693	572	-10 073	142 979	172 994	3 767	176 760

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	151 434	2 465	153 901
Dividends paid to equity holders							-4 263	-4 263	-5	-4 268
Other changes			123		1	-315	235	45	-19	25
Proceeds from hybrid bond				29 693				29 693		29 693
Hybrid bond repayments				-34 666				-34 666		-34 666
Hybrid bond interest payments							-1 884	-1 884		-1 884
Profit for the period							16 282	16 282	625	16 907
Other comprehensive income							-1 686	-1 686	-34	-1 720
Total comprehensive income	0	0	0	0	0	0	14 596	14 596	591	15 187
Balance at September 30, 2023	3 423	3 350	2 983	29 693	305	-4 322	119 522	154 954	3 036	157 991

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 8 Nov 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.

The Group has MEUR 200 facility agreement. The final maturity date for the facility agreement is January 2026. The loan has a variable interest rate. As of 30 September 2024, the Group has approximately MEUR 43 of undrawn 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 157 whose conditions included covenants which are based on the Groups net liabilities/EBITDA and the Groups equity ratio. The covenants are tested on a quarterly basis.

The fair values of financial assets and liabilities are materially consistent with their carrying amounts. For this reason, they are not presented separately in the report.

NOTES TO INTERIM REPORT

ACQUISITIONS

Acquisitions 2024

On 28 August 2024, Normet acquired the remaining voting shares of Lekatech Oy reaching 100% ownership of the company. Lekatech Oy, established in 2018, is a pioneer in electric hammering technologies used in the mining, quarrying and construction industries. The company has its premises in Iitti, Finland.

Acquired operations and assets together with the transferring employees meet the definition of business and are accounted for as a business combination in accordance with IFRS 3. Consolidated financial statements include the result of Lekatech as from 1 September 2024.

Acquired unit	Business unit	Acquisition type	Acquisition period	Number of employees
Lekatech Oy	All	Share	August	13

Acquisitions 2023

Acquired unit	Business unit	Acquisition type	Acquisition period	Number of employees
Marakon Oy	Equipment	Share	January	12
Rambooms Oy	Equipment	Share	January	23
Koy Lahden Yrittäjänkatu 1	Equipment	Share	January	0
Remion Oy	Services	Share	February	28

ACQUIRED NET ASSETS AND GOODWILL

EUR thousands	30.9.2024*	31.12.2023
Intangible assets	1 197	14 310
Tangible assets	578	7 431
Inventories	58	7 461
Trade and other receivables	584	3 878
Cash and cash equivalents	303	1 019
Total assets	2 720	34 100
Trade payables	33	2 352
Loan payables	855	2 174
Deferred tax liabilities	0	2 887
Other liabilities	372	548
Total liabilities	1 260	7 961
Net assets	1 460	26 139
Acquisition cost paid in cash during the fiscal period	7 702	48 387
Contingent consideration, to be paid during future fiscal periods		514
Holdback, to be paid during future fiscal periods	2 542	
Fair value of previously held equity interest **	2 491	
Goodwill arising from the acquisition	11 275	22 762
Analysis of cash flows on acquisition:		
Net cash acquired with the subsidiaries	303	1 019
Cash paid	7 702	48 387
Net cash flow on acquisition	7 399	47 368

*Based on preliminary purchase price allocation

**Fair value adjustment of previous ownership amounts to MEUR 1,3

NOTES TO INTERIM REPORT

NET WORKING CAPITAL

EUR thousand	30.9.2024	30.9.2023	31.12.2023
Inventories	168 552	185 925	173 885
Trade receivables	68 285	73 156	84 829
Other non-interest bearing receivables	44 637	40 016	38 043
Trade payables	-36 029	-56 706	-58 514
Other non-interest bearing payables	-51 836	-39 932	-37 947
Advances received	-21 291	-29 856	-16 757
Total	172 317	172 602	183 539

PERSONNEL

	30.9.2024	30.9.2023	31.12.2023
Personnel, 12 months rolling average	1 819	1 785	1 807

NOTES TO INTERIM REPORT

Return on Equity %	=	$\frac{\text{Net Profit}}{\text{Average Total Equity}}$
Equity to Asset Ratio %	=	$\frac{\text{Total Equity}}{\text{Total Assets}}$
Interest-bearing net liabilities	=	Non-current interest-bearing liabilities + Current interest-bearing liabilities ./. Cash and cash equivalents
Gearing	=	$\frac{\text{Interest-bearing net liabilities}}{\text{Total Equity}}$
EBITA	=	Operating result ./. Amortization of intangible assets
EBITDA	=	Operating result ./. Amortization of intangible assets and depreciations
Comparable adjusted EBITA	=	Operating result before interest, tax and amortization ./. Items affecting comparability
Comparable Operating result	=	Operating result ./. Items affecting comparability

ALTERNATIVE PERFORMANCE MEASURES

Normet uses and discloses the following alternative performance measures (APM) to better illustrate the operative development of its business.

Items affecting comparability (IAC)

Certain income and expenses are presented as items affecting comparability when they have significant impact on the consolidated statement of income. Items affecting comparability consist of income and expenses, which result from restructuring activities aiming to adjust the capacity of Normet's operations. They may also include other income and expenses incurred outside Normet's normal course of business, such as impairment charges, M&A related costs (e.g. acquisitions, liquidations), settlements recognized as a result of legal proceedings with third parties or unforeseen obligations from earlier discontinued businesses.

EUR thousand	30.9.2024	30.9.2023
Operating profit (EBIT)	33 629	29 500
Amortization of intangible assets	5 529	5 896
EBITA	39 157	35 396
Transactions costs from business combination:	181	1 040
Retructuring costs	1 652	
other	146	
Comparable EBITA	41 136	36 436
Operating profit (EBIT)	33 629	29 500
Amortization of intangible assets	5 529	5 896
Depreciations	12 476	11 543
EBITDA	51 633	46 939

