Nurminen Logistics

Business review
January–March 2025

Q1

The year started strong, comparable EBITA 20.0%

January–March 2025 summary:

- Net sales was EUR 32.4 million (EUR 35.2 million), showing a decrease 8%
- EBITDA was EUR 8.1 million (EUR 7.3 million), or 25.1% (20.7%) of net sales
- EBITA amounted to EUR 6.4 million (EUR 5.9 million), or 19.7% (16.7%) of net sales
- Comparable EBITA was EUR 6.5 million (EUR 5.9 million), or 20.0% (16.7%) of net sales
- Result for the review period totalled EUR 3.0 million (EUR 4.9 million)
- Earnings per share were EUR 0.02 (EUR 0.03)
- Cash and cash equivalents at the end of the review period EUR 18.4 million (EUR 10.2 million)

KEY FIGURES	1 January–31 March 2025	1 January–31 March 2024
EUR million		
Net sales	**32.4**	**35.2**
EBITDA	**8.1**	**7.3**
EBITDA, %	**25.1%**	**20.7%**
EBITA	**6.4**	**5.9**
EBITA %	**19.7%**	**16.7%**
Comparable EBITA	**6.5**	**5.9**
Comparable EBITA, %	**20.0%**	**16.7%**
Result for the review period	**3.0**	**4.9**
Return on equity (ROE), %	**7.3%**	**10.7%**
Equity ratio, %	**41.2%**	**44.9%**
Gearing, %	**64.9%**	**69.9%**
Interest-bearing net debt / EBITDA	**1.09**	**0.78**
Earnings per share, undiluted (EUR)	**0.02**	**0.03**
Cash flow from operating activities	**6.0**	**7.8**
Cash and cash equivalents at the end of the review period	**18.4**	**10.2**
Number of personnel at the end of the review period	**179**	**181**

Financial guidance for 2025 unchanged

The Group estimates that its net sales and comparable EBITA will increase in 2025. The projected growth in net sales and operating profit is based on the growing rail operations in the Group's market areas.

President and CEO’s review

> **The integration of Essinge Rail AB into Nurminen’s business has progressed well. Our extensive rail terminal network and the new customer segments brought in by Essinge will enable strong growth in Central Europe.**

Olli Pohjanvirta

In the first quarter, we achieved a strong comparable EBITA of EUR 6.4 million (EUR 5.9 million), representing 20.0% (16.7%), despite an 8% decrease in revenue versus the comparison period.

Compared to Q4 2024, the Group’s net sales increased by 41.6% to EUR 32.4 million and the comparable EBITA increased by 75% to EUR 6.5 million. We made EUR 6 million in cash flow from operating activities, increasing the cash and cash equivalents to over EUR 18.3 million at the end of the review period.

The railway business started the year with strong growth compared to both the comparison period and the previous quarter. The growth was supported by the acquisition of the Swedish railway logistics company, Essinge Rail Ab, at the end of last year. Baltic business volumes declined versus the comparison period. The Baltic businesses continued their good performance during the review period, taking into account the impact of the volume lost due to the Red Sea crisis compared to the comparison period.

Our determined work and bold investments in the development of competitive rail logistics services and the expansion of the market area are now positively reflected in the result and the growth of the clientele. We have also succeeded in increasing operational efficiency, maintaining a high level of quality and reducing unit costs.

In rail transport, the development was positive in all markets. In Sweden, Nurminen’s transport services together with Essinge Rail’s services have been well received, and the sales of container trains between Gothenburg and northern Sweden have been successful.

We have been growing new customer sales thanks to our extensive European rail terminal network and available wagon capacity, and this is expected to bring growth in the coming years. Energy raw material transports from Europe have also started off well. In Finland, rail transport volumes were at a high level in the early part of the year, and we maintained good reliability of supply and further improved efficiency.

In Finland, we have succeeded in further improving the efficiency of our cost structure. This is reflected in improved profitability in terminals and forwarding, even though the market situation and economic development in Finland have remained weak, and in some customer segments even exceptionally poor.

Overall, the successful development and implementation of the company’s service packages, competitive advantages in the cost structure and geographic expansion make it possible to maintain a good level of profitability even in challenging market conditions. In addition, our scalable business model supports continued growth.

The strategic choices made over the past five years in the constantly changing external circumstances have enabled the company’s development and given the company true resilience. Our motivated and skilled personnel and our innovativeness, which is exceptional for our industry, enable the continued growth of railway services in the future. We see that in many categories of goods, transports are being transferred to rail from other modes of transport, and the dependence of our business on the development of the Finnish economy decreased significantly during the review period.

There are significant uncertainties related to the global economy and the geopolitical situation in the near future. For example, the possible high tariffs in the US will not directly affect our business, but if prolonged, they may weaken the flow of goods and the demand for our services. Uncertainty may also generate short-term positive effects, such as increased demand for terminal operations and customer need for restructuring of transport chains. In previous crises, we have succeeded in providing excellent service to our customers in these situations.

During the review period, the Swedish krona strengthened significantly. This had a negative impact on our financial expenses due to the remaining SEK-denominated purchase price liability from the acquisition of Essinge. The strengthening of the krona will have a positive impact on the demand for consumer goods and will thus have a positive impact on the demand for our services in the Swedish market.

The performance of the first quarter supports the achievement of the company’s long-term strategic targets. We maintain our financial guidance for 2025, expecting our net sales and comparable EBITA to increase from 2024.

The Group's financial performance in January–March 2025

Net sales and financial performance in the review period

Net sales for the review period amounted to EUR 32.4 million, showing an 8% decrease from last year's comparison period due to the decreased volumes in the Baltics. However, EBITA for the review period improved to EUR 6.4 million (5.9). The net sales of the railway business increased significantly versus the comparison period, amounting to EUR 21.4 million (13.4). Net sales increased by EUR 7.9 million. Growth was 58.9% year-on-year. The efficiency improvements in terminal operations and forwarding within the railway business had a positive impact on the results. The Group's net sales increased by 41.6% compared to the previous quarter and comparable EBITA increased by 75%.

The result before taxes for the review period was negatively affected by exchange rate changes recognised in financial expenses due to the debt related to the acquisition, totalling EUR 0.6 million for the quarter. Other financial expenses affecting comparability between periods were the accruals of non-current liabilities arising from the acquisition of Essinge and deferred interest expenses on non-current lease liabilities arising from IFRS 16, which amounted to EUR 0.3 million in the review period. The comparability of the net result for the review period is also affected by the clarification to the accounting treatment of deferred income tax accruals, amounting to EUR 1.5 million, in which the accruals are made quarterly instead of the previous half-yearly calculation.

Railway business

In the review period, the net sales for the Railway business amounted to EUR 21.4 million (13.4). In particular, North Rail's volumes increased and profitability remained strong. The profitability of the Railway business improved significantly during the review period. The Railway business grew by 58.9% year-on-year and by 42.7% from the previous quarter. The Railway business accounts for 66 per cent (38 per cent) of the Group's net sales.

The growth of our railway business is accelerated by tightening environmental requirements. Rail transport is on average six times lower in emissions than trucking, which helps reduce the carbon footprint of logistics and support our customers' climate goals.

Baltic business

The Baltic business suffered from the prolonged Red Sea conflict, which led to a decline in volumes, particularly to China. Net sales decreased significantly from the comparison period. Net sales were EUR 11.1 million (21.7). The net sales of the Baltic operations decreased by 49.0% versus the comparison period, but compared to the previous quarter, the Baltic operations grew 39.6%. The Baltic operations account for 34 per cent (62 per cent) of the Group's net sales.

Events after the review period

On 1 April 2025, Nurminen Logistics announced that it will change its disclosure policy and the way it presents its profit forecast and future outlook.

On 7 April 2025, Nurminen Logistics announced its updated strategy and long-term financial targets for 2025–2027.

On 10 April 2025, Nurminen Logistics announced the establishment of a new long-term share-based incentive scheme.

On 16 April 2025, Nurminen Logistics announced the decisions of the Annual General Meeting held on the same day. The Annual General Meeting adopted the Financial Statements, including the Consolidated Financial Statements for the financial period 2024, approved the remuneration report for the company's governing bodies, adopted the remuneration policy for the company's governing bodies and discharged the members of the board of directors and the President and CEO from liability. The Annual General Meeting approved all the proposals of the Board of Directors and the shareholders. The General Meeting approved the Board's proposal that the profit shown for the financial year ended 31 December 2024 is transferred to the profit and loss account for previous financial periods and that the General Meeting authorises the Board of Directors to decide on distribution of equity repayment from the company's reserve for invested unrestricted shareholders' equity of no more than EUR 0.06 per share.

The General Meeting resolved that the Board of Directors is composed of five members. The General Meeting re-elected the following members to the Board of Directors: Olli Pohjanvirta, Irmeli Rytkönen, Karri Koskela and Erja Sankari. Per Sandberg was elected as a new member of the Board of Directors.

Consolidated statement of comprehensive income, IFRS

EUR 1,000	1 January– 31 March 2025	1 January– 31 March 2024
NET SALES	**32,415**	**35,172**
Other operating income	13	1
Use of materials and services	-17,888	-22,185
Employee benefit expenses	-3,606	-3,306
Depreciation, amortisation and impairment losses	-1,943	-1,432
Other operating expenses	-2,801	-2,392
OPERATING RESULT	**6,189**	**5,858**
Financial income	15	158
Financial expenses	-1,692	-914
Share of profit of equity-accounted investees	-4	-3
Total financial income and expenses and share of profit of equity-accounted investees	**-1,681**	**-760**
RESULT BEFORE INCOME TAX	**4,508**	**5,098**
Income taxes	-1,459	-152
RESULT FOR THE PERIOD	**3,049**	**4,946**
OTHER COMPREHENSIVE INCOME		
Other comprehensive income to be reclassified to profit or loss in subsequent periods:		
Translation differences	855	0
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	**3,905**	**4,946**
Result attributable to		
Equity holders of the parent company	1,690	2,438
Non-controlling interest	1,360	2,509
Total comprehensive income attributable to		
Equity holders of the parent company	2,545	2,437
Non-controlling interest	1,360	2,509
Earnings per share calculated from result attributable to equity holders of the parent company		
Earnings per share, undiluted, EUR	0.02	0.03
Earnings per share, diluted, EUR	0.02	0.03

Consolidated statement of financial position, IFRS

EUR 1,000	31 March 2025	31 March 2024
ASSETS		
Non-current assets		
Property, plant and equipment	35,548	67,067
Right-of-use assets	14,813	8,931
Goodwill	8,251	899
Other intangible assets	6,550	1,268
Investments in equity-accounted investees	80	168
Non-current receivables	73	1,140
Deferred tax assets	4,692	7,450
Non-current assets, total	**70,008**	**86,923**
Current assets		
Inventories	1,121	1,064
Trade and other receivables	13,604	8,823
Deferred tax assets based on the taxable income for the financial period	754	0
Cash and cash equivalents	18,357	10,155
Current assets, total	**33,837**	**20,042**
TOTAL ASSETS	**103,845**	**106,965**
EQUITY AND LIABILITIES		
Equity attributable to equity holders of the parent company		
Share capital	4,215	4,215
Share premium reserve	86	86
Legal reserve	2,376	2,376
Reserve for invested unrestricted equity	33,174	35,591
Translation differences	904	-18
Retained earnings	-5,574	-12,245
Equity attributable to equity holders of the parent company	**35,181**	**30,005**
Non-controlling interests	**7,566**	**16,219**
Total equity	**42,748**	**46,224**
LIABILITIES		
Non-current liabilities		
Deferred tax liabilities	1,974	1,410
Other liabilities	22	47
Financial liabilities	20,041	16,874
Lease liabilities	15,560	8,898
Non-current liabilities, total	**37,597**	**27,229**
Current liabilities		
Deferred tax liabilities based on the taxable income for the financial period	808	134
Financial liabilities	7,869	16,190
Lease liabilities	2,634	493
Trade payables and other liabilities	12,190	16,695
Current liabilities, total	**23,500**	**33,512**
Liabilities, total	**61,097**	**60,742**
EQUITY AND LIABILITIES, TOTAL	**103,845**	**106,965**

Consolidated cash flow statement, IFRS

EUR 1,000	1 January–31 March 2025	1 January–31 March 2024
Cash flow from operating activities		
PROFIT/LOSS FOR THE FINANCIAL PERIOD	**3,049**	**4,946**
Adjustments:		
Depreciation, amortisation and impairment losses	1,943	1,432
Unrealised foreign exchange gains (-) and losses (+)	-764	-1
Other income (-) and expenses (+), non cash	80	59
Adjustments to financial income (-) or expenses (+)	1,677	756
Adjustments to income tax expense	1,459	152
Other adjustments	4	3
Cash flow before changes in working capital	**7,448**	**7,348**
Changes in working capital:		
Increase (-) / decrease (+) in inventories	24	30
Increase (-) / decrease (+) in non-interest bearing current receivables	-753	3,073
Increase (+) / decrease (-) in non-interest bearing current payables	767	-161
Net cash from operating activities before financial items and taxes	**7,486**	**10,290**
Interest paid	-879	-1,151
Interest received	11	20
Other financial items	-166	98
Income taxes paid	-428	-1,481
Cash flow from operating activities	**6,025**	**7,776**
Cash flow from investing activities		
Purchases of property, plant and equipment and intangible assets	-394	-276
Acquisitions of business less acquired cash and cash equivalents	0	-2,234
Other investments	-3	-144
Cash flow from investing activities	**-397**	**-2,654**
Cash flow from financing activities		
Change in credit limit	0	-874
Proceeds from non-current borrowings	0	0
Repayment of non-current borrowings	-1,066	-2,630
Repayment of lease liabilities	-666	-210
Dividends paid / repayments of equity to non-controlling interests	-1,982	-4,066
Business transactions with non-controlling interests	0	0
Cash flow from financing activities	**-3,714**	**-7,780**
Change in cash and cash equivalents	**1,915**	**-2,659**
Cash and cash equivalents at the beginning of the year	16,297	12,814
Net increase/decrease in cash and cash equivalents	1,915	-2,659
Translation differences of net increase/decrease in cash and cash equivalents	145	0
Cash and cash equivalents at the end of the period	**18,357**	**10,155**

Tables and calculation formulas for indicators

All figures are rounded, so the sums of individual figures may differ from the reported sum. The key performance indicators have been calculated using exact values.

Calculation of key figures

Return on equity (%) = $\frac{\text{Result for the period}}{\text{Equity (average of beginning and end of financial year)}} \times 100$

Equity ratio (%) = $\frac{\text{Equity}}{\text{Balance sheet total – advances received}} \times 100$

Gearing (%) = $\frac{\text{Interest-bearing liabilities – cash and cash equivalents}}{\text{Equity}} \times 100$

Interest-bearing net debt = Interest-bearing liabilities – long-term interest bearing receivables – cash and cash equivalents

Interest-bearing net debt / EBITDA (12 months, rolling) = $\frac{\text{Interest bearing debt – cash and cash equivalents}}{\text{EBITDA (12 months, rolling)}}$

Earnings per share (EPS) = $\frac{\text{Result attributable to equity holders of the parent company}}{\text{Weighted average number of outstanding ordinary shares}}$

Accounting principles

This business review is not an interim report in accordance with IAS 34 Interim Financial Reporting. However, the accounting policies applied are consistent with those applied in the consolidated financial statements for 2024. The preparation of the financial statements in accordance with IFRS requires management to make estimates and assumptions that affect the valuation of the reported assets and liabilities, contingent assets and liabilities and the recognition of income and expenses.

The company complies with the half-yearly reporting in accordance with the Securities Markets Act, in addition to which the company publishes business reviews for the first three and nine months of the year. The business reviews present key information on the Group's financial performance.

The figures in the business review are unaudited.

Nurminen Logistics ▶▶▶
Head office
Satamakaari 24
00980 Helsinki, Finland
Tel. +358 10 545 00
Info@nurminenlogistics.com
www.nurminenlogistics.com