

FINANCIAL STATEMENTS RELEASE 2023

5 March 2024
Alexander Rosenlew, CEO
Saara Mäkelä, CFO
Hanna Kukkonen, CMSO

A leading Nordic houseware company with strong brands and sustainable products



8 sales offices



>40 customer countries



3 factories (incl. warehouses)



>90% own brands



~ 300 employees (FTE)



Sustainability focus



GastroMax™
by orthex™

orthex™



Mission to make everyday life easier



Functional and award-winning design



Forerunner in sustainability²⁾



Long-lasting high-quality products



~10% of sales from new launches

1) Invoiced sales split by product category 2023

2) No single-use plastics

FINANCIAL YEAR 2023 IN BRIEF

Financial statements release 2023



2023 HIGHLIGHTS

Net sales

- Orthex's net sales increased by 2.3%. In constant currency, net sales grew by 5.3%.
- Continued strong growth in Europe outside the Nordics
- Strong last quarter

Profitability

- Significant profitability improvement

Raw material price development

- Raw material prices stabilized at a more normal level during the year

Full year 2023 performance

Net Sales & Invoiced Sales

- Net sales increased by 2.3% to EUR 85.9 million (84.0)
- Invoiced sales increased by 2.6% and totalled EUR 88.0 million (85.5)

Adjusted EBITA

- Adjusted EBITA increased to EUR 10.9 million (5.5)
- Adjusted EBITA margin improved and was 12.7% (6.5)

Net debt to adjusted EBITDA ratio

- Leverage was 1.5x (2.8)

Cash flows

- Net cash flows from operating activities were EUR 10.2 million (6.2)



Q4 2023:

Strong profitability and record sales

Net Sales and Invoiced Sales

- Net sales increased by 15.0% to EUR 23.4 million (20.4)
- Invoiced sales increased by 16.2% and totalled EUR 23.9 million (20.6)

Adjusted EBITA

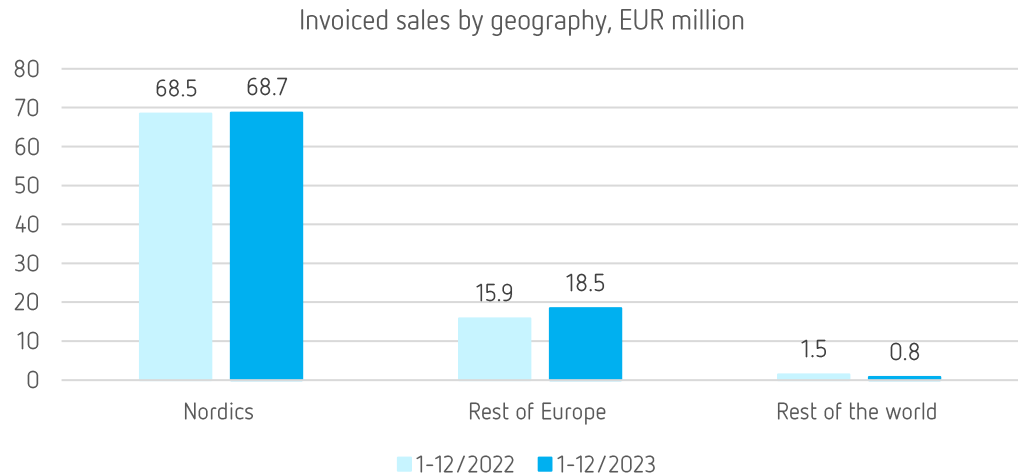
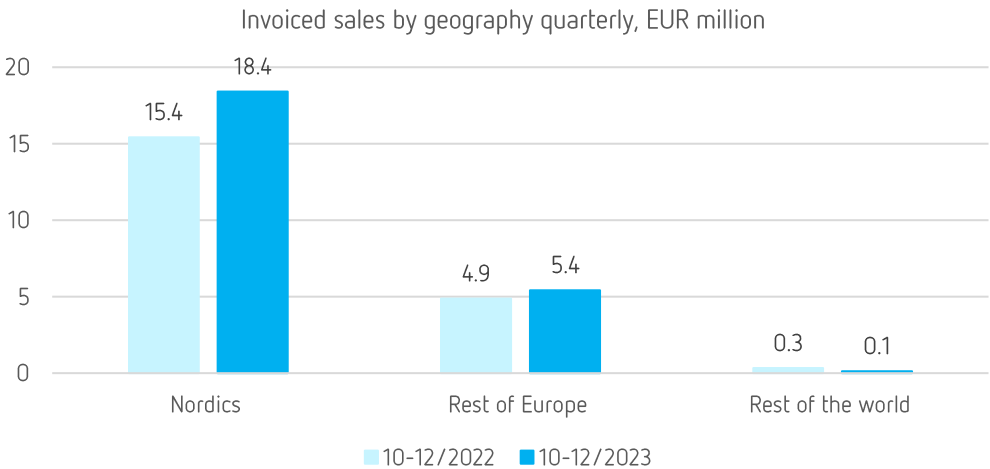
- Adjusted EBITA was EUR 2.9 million (1.6)
- Adjusted EBITA margin was 12.4% (7.9)

Cash flows

- Net cash flows from operating activities were EUR 0.4 million (0.3)



Invoiced sales by geography

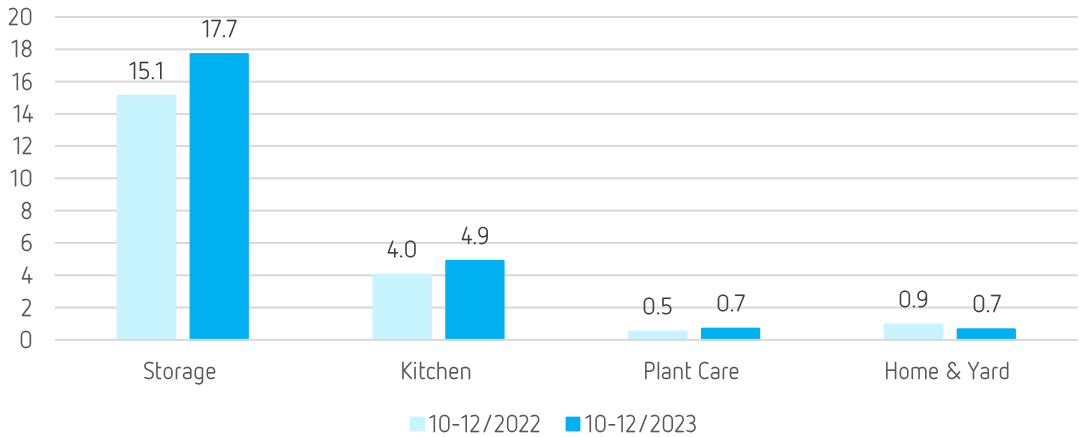


- Orthex’s invoiced sales in the Nordics were EUR 18.4 million (15.4), Nordic customer purchasing returned strong in Q4
- Invoiced sales growth in the Rest of Europe was 11.4% and sales were EUR 5.4 million (4.9)

- Orthex’s invoiced sales in the Nordics were EUR 68.7 million (68.5)
- Invoiced sales in the Rest of Europe were EUR 18.5 million (15.9)
- Invoiced sales in the Rest of the world totalled EUR 0.8 million (1.5)
- The invoiced sales outside the Nordics increased by 11.2% compared to 2023

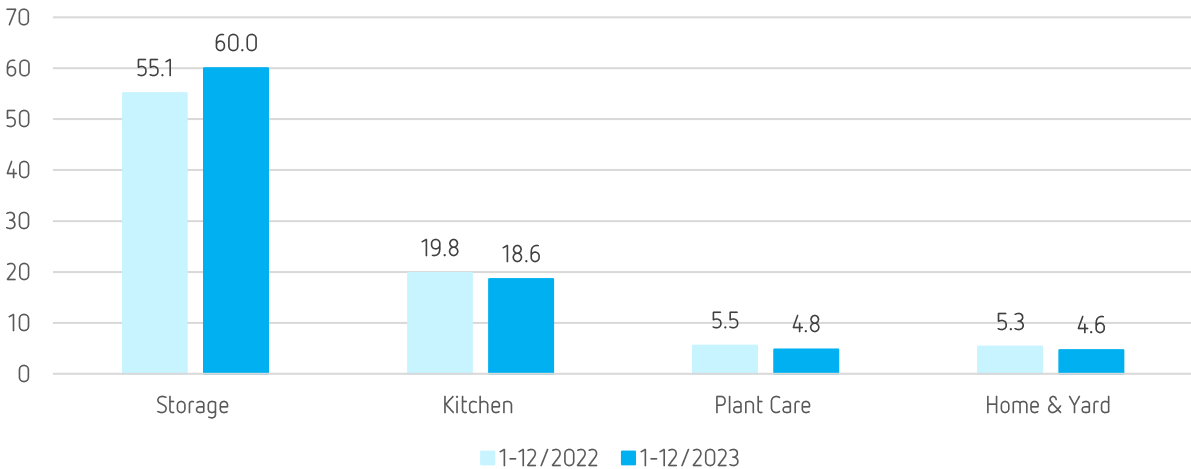
Invoiced sales by product category

Invoiced sales by product category quarterly, EUR million



- Invoiced sales in the largest category Storage increased to EUR 17.7 million (15.1)
- Invoiced sales in the Kitchen category increased to EUR 4.9 million (4.0) due to strong Nordic customer performance and new listings
- Invoiced sales in the Plant Care category were EUR 0.7 million (0.5)
- Invoiced sales in the Home & Yard category were EUR 0.7 million (0.9)

Invoiced sales by product category, EUR million



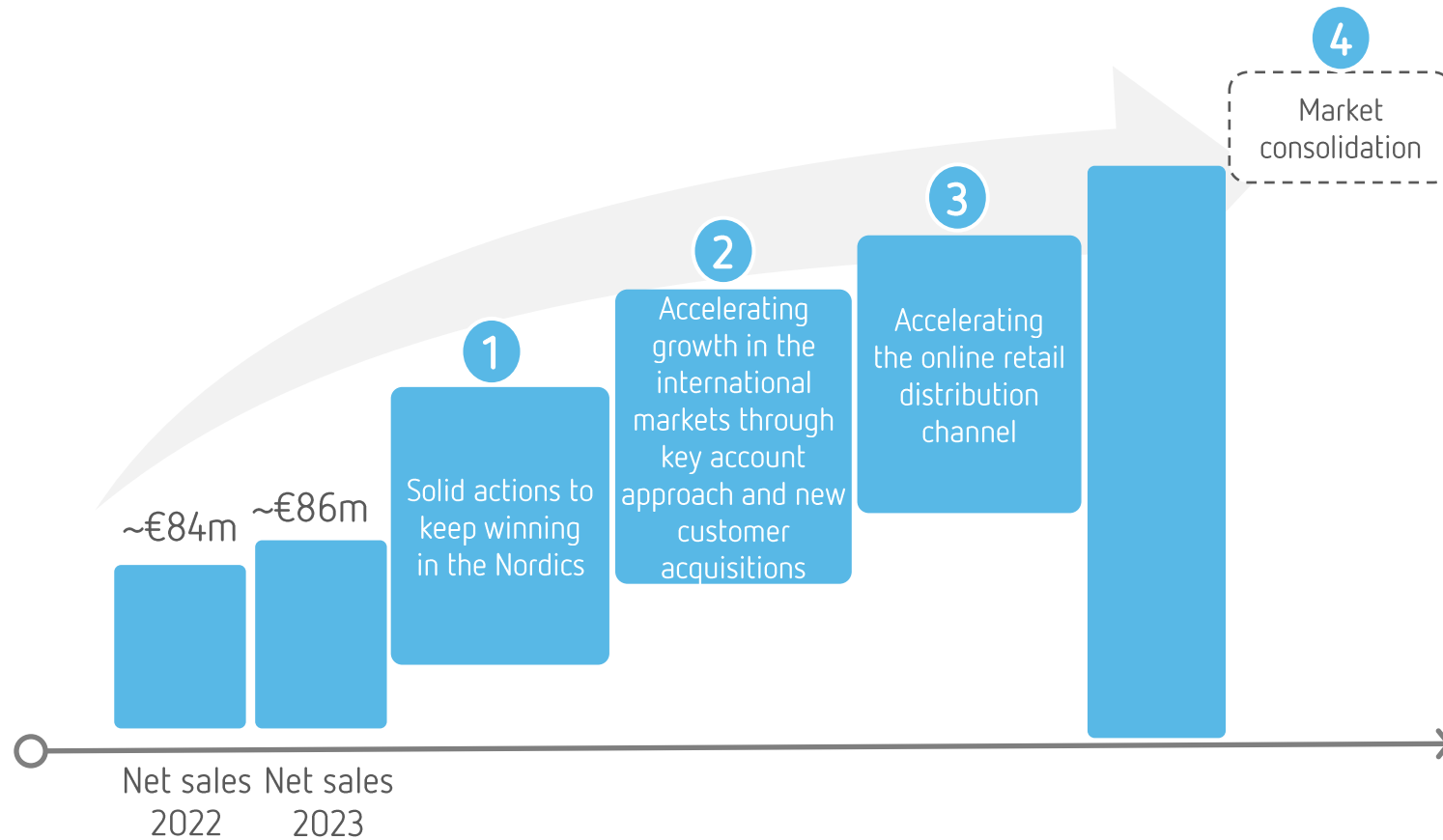
- Invoiced sales in the largest category Storage increased to EUR 60.0 million (55.1)
- Invoiced sales in the Kitchen category decreased to EUR 18.6 million (19.8) due to a slow start of the year in the Nordics
- Invoiced sales in the Plant Care category were EUR 4.8 million (5.5)
- Invoiced sales in the Home & Yard category were EUR 4.6 million (5.3)

STRATEGY

Financial report January–December 2023



Clear growth strategy to deliver objectives



#1 storage brand in Europe

A leading houseware company in the Nordics



Clear category strategy focusing on storage



Showing the way in sustainability



Maintain a high innovation rate

Extension of SmartStore™ brand product offering

Re-branding of GastroMax™ food storage items to SmartStore™

- Key priority to become a category leader in Europe in home storage with the SmartStore brand
- Product offering under the SmartStore brand extended with stylish food storage items
- The re-branding allows more efficient investments in brand building

**smart
store™**



Clear category strategy
focusing on storage





Showing the way
in sustainability

Strategy in Action – Showing the way in sustainability

Orthex certifications, reporting and commitments



All Orthex factories and sales offices have the following ISO certificates:

ISO 9001 quality
ISO 14001 environmental
ISO 45001 occupational health and safety

Orthex's near-term emissions reduction target is approved by the SBTi



Orthex has the following sustainable product labels



ESG working group and Company well prepared for CSRD reporting



Orthex uses SEDEX and amforiBSCI for ethically and socially sustainable production



Orthex achieved a silver level rating in its first EcoVadis ESG assessment in May 2023



Orthex's climate work was recognised with a Leadership level A- score in the global CDP rating





Showing the way
in sustainability

Sustainability news during Q4

Renewal of ISO certificates

- Orthex renewed ISO 9001, 14001 and 45001 certificates for quality, environment and health and safety in all its factories and offices in Finland and Sweden
- These management systems support Orthex's journey for even better product quality, environmental performance, and safety at work.

Competition for the most sustainable product in Finland

- Orthex participated in a competition for the most sustainable product in Finland with two products: Orthex™ Paulina flowerpot and the SmartStore™ Collect sorting solution.
- Out of almost 200 pre-screened products, the competition panel selected Orthex's SmartStore™ Collect sorting solution as one of the 16 finalists.
- The purpose of this competition is to fight against greenwashing by highlighting consumer products that support a sustainable lifestyle.

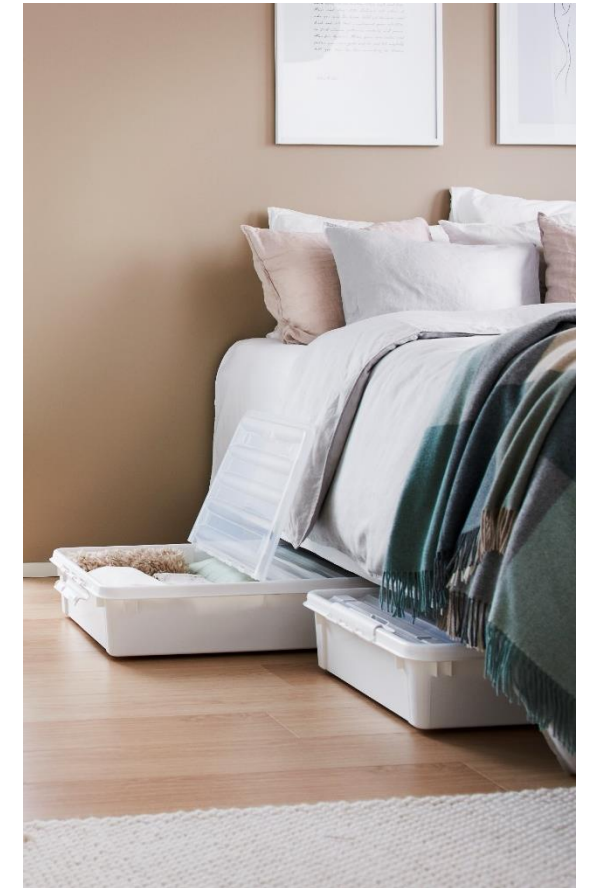
More information about sustainability will be available in Orthex Annual and Sustainability Report 2023, which will be published during week 12



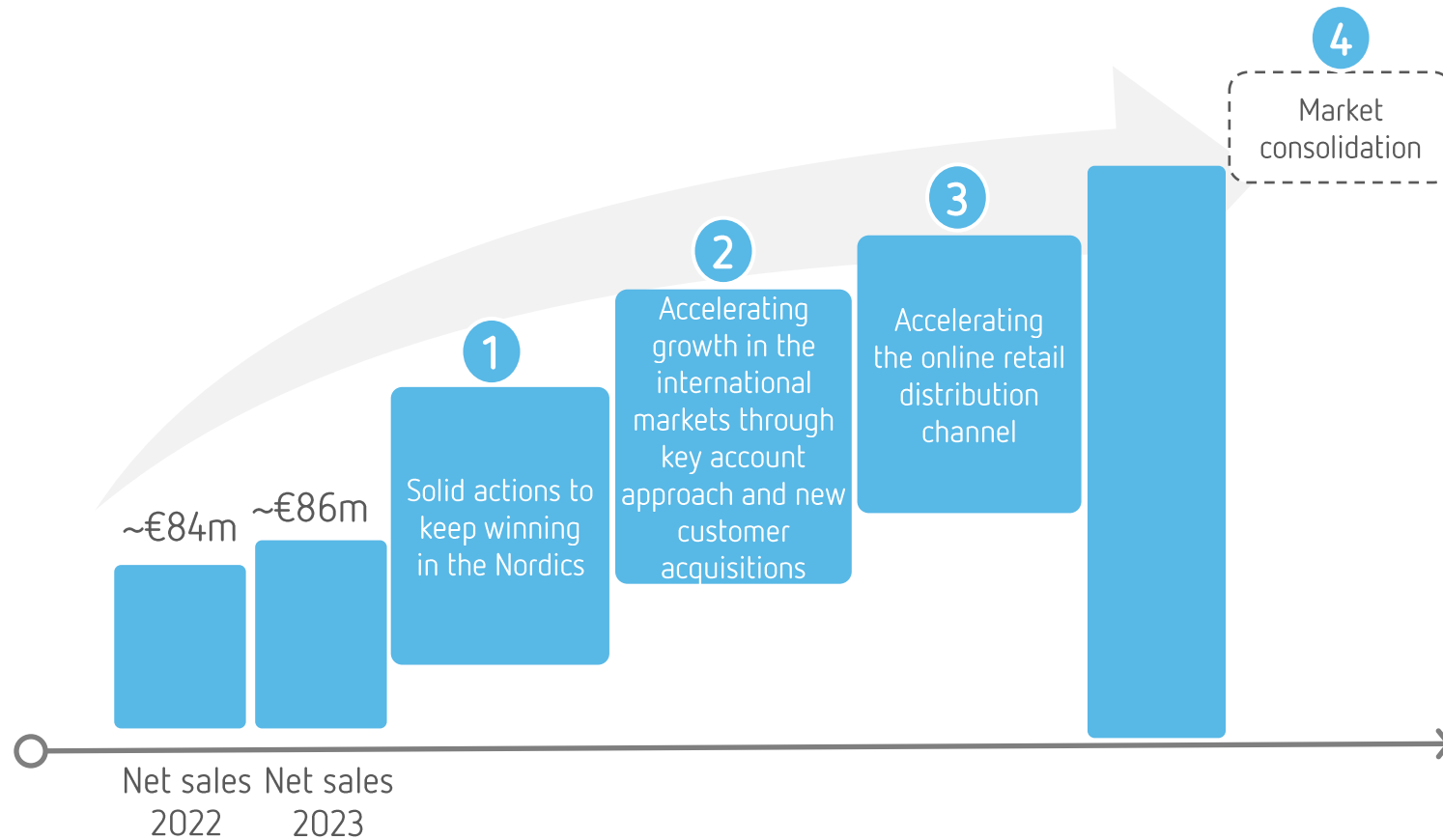
Maintain a high
innovation rate

Strategy in Action - Maintain a high innovation rate

New products, building blocks for the future – more to come



Clear growth strategy to deliver objectives



#1 storage brand in Europe

A leading houseware company in the Nordics



Clear category strategy focusing on storage



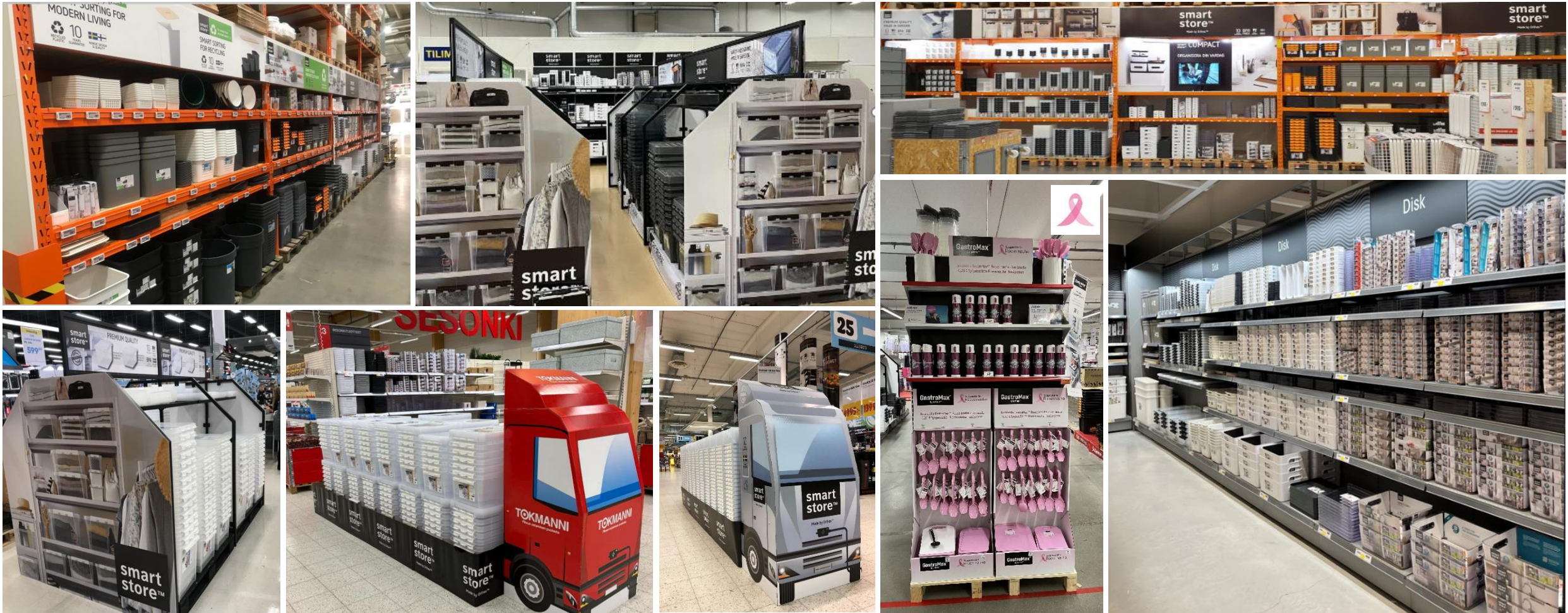
Showing the way in sustainability



Maintain a high innovation rate

Strategy in Action - Solid actions to keep winning in the Nordics

Solid actions to keep winning in the Nordics



Strategy in Action - Accelerating growth in international markets through key account approach and new customer acquisitions

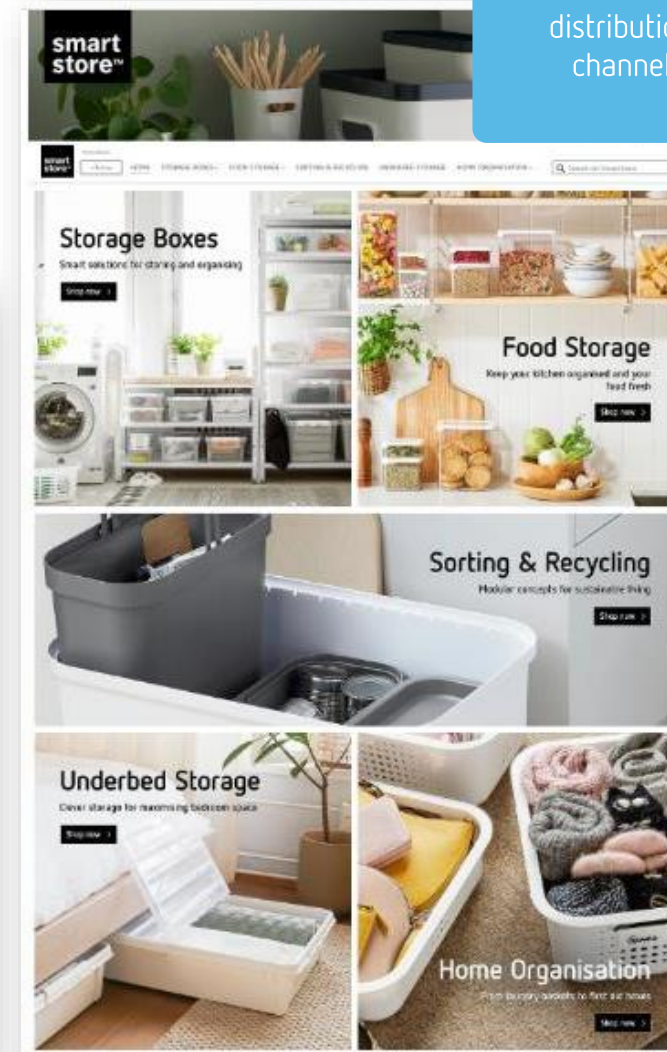
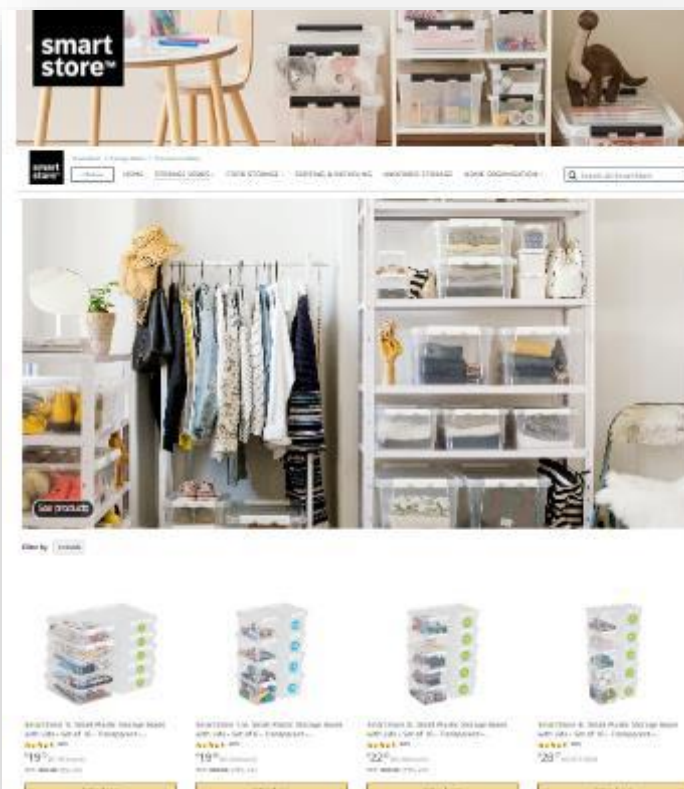
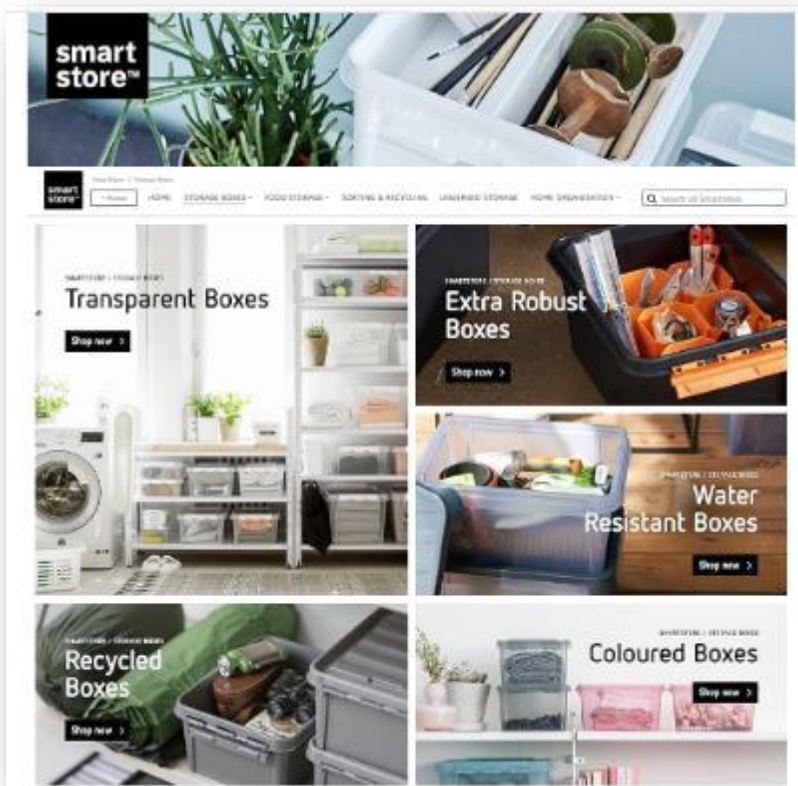
Accelerating growth in the international markets through key account approach and new customer acquisitions



Updated SmartStore brand-stores



Accelerating
the online retail
distribution
channel

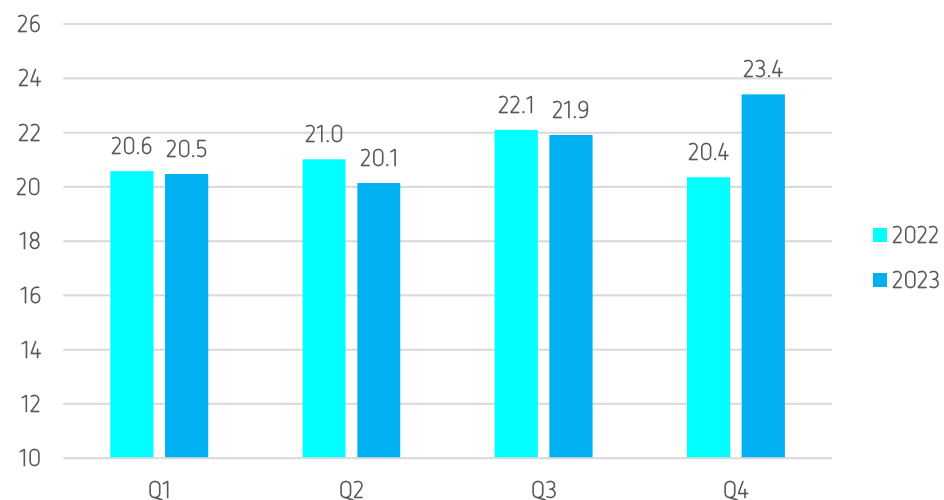


FINANCIALS

Financial report January– December 2023

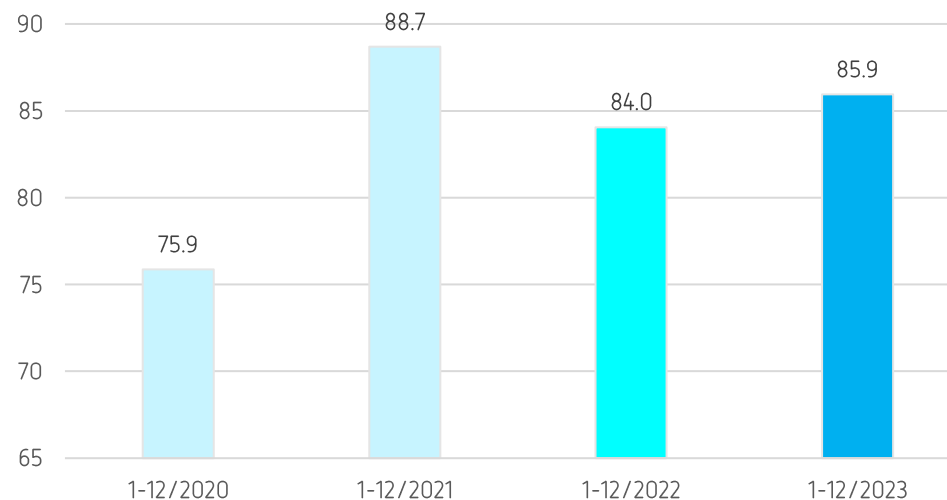
Net sales Quarterly and Full Year 2023

Net sales quarterly, EUR million



- In Q4 2023, the Group's Net sales increased by 15.0% to EUR 23.4 million (20.4)
- The increase in constant currency Net sales was 15.9% compared to the fourth quarter of 2022

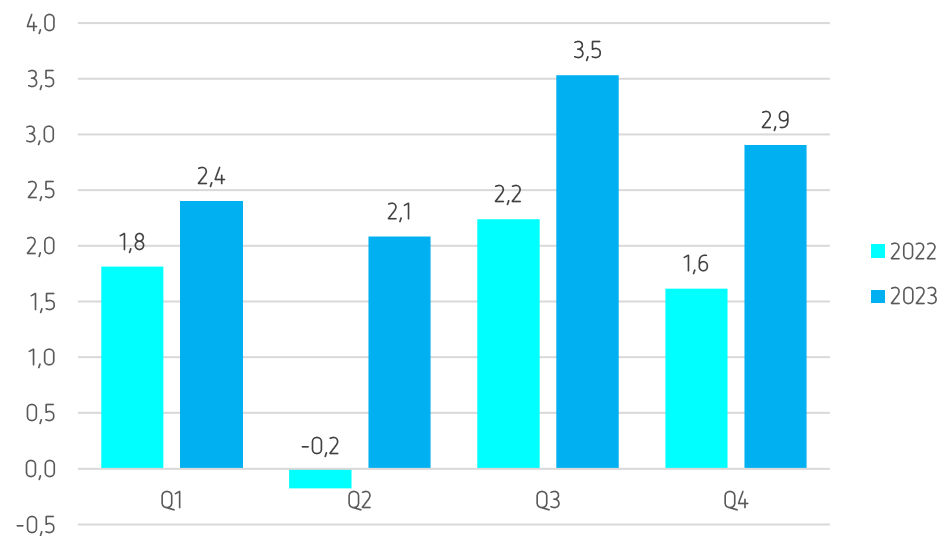
Net sales YTD, EUR million



- Full-year Net sales increased 2.3% compared to 2022
- The increase in constant currency Net sales was 5.2% compared to 2022
- The sales in the Rest of the Europe grew by 16.4%

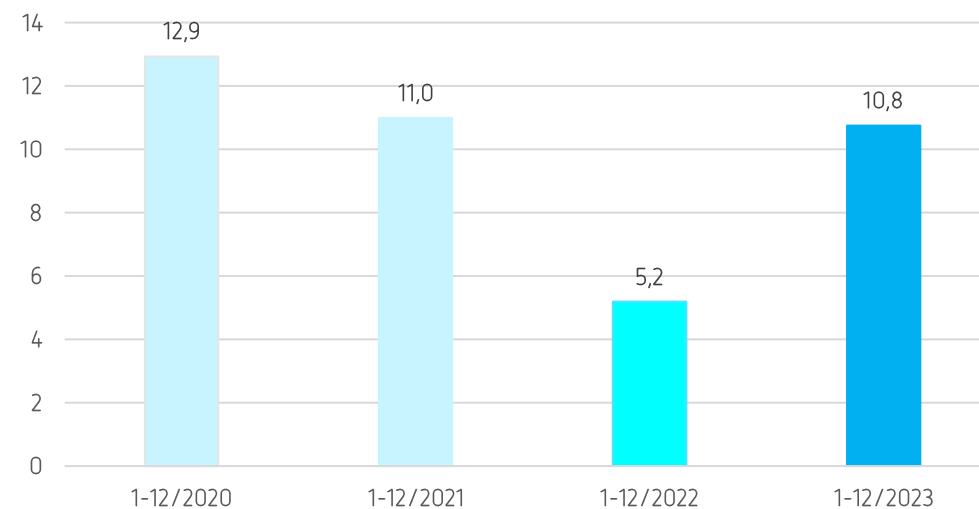
Profitability Quarterly and Full year 2023

Adjusted EBITA quarterly, EUR million



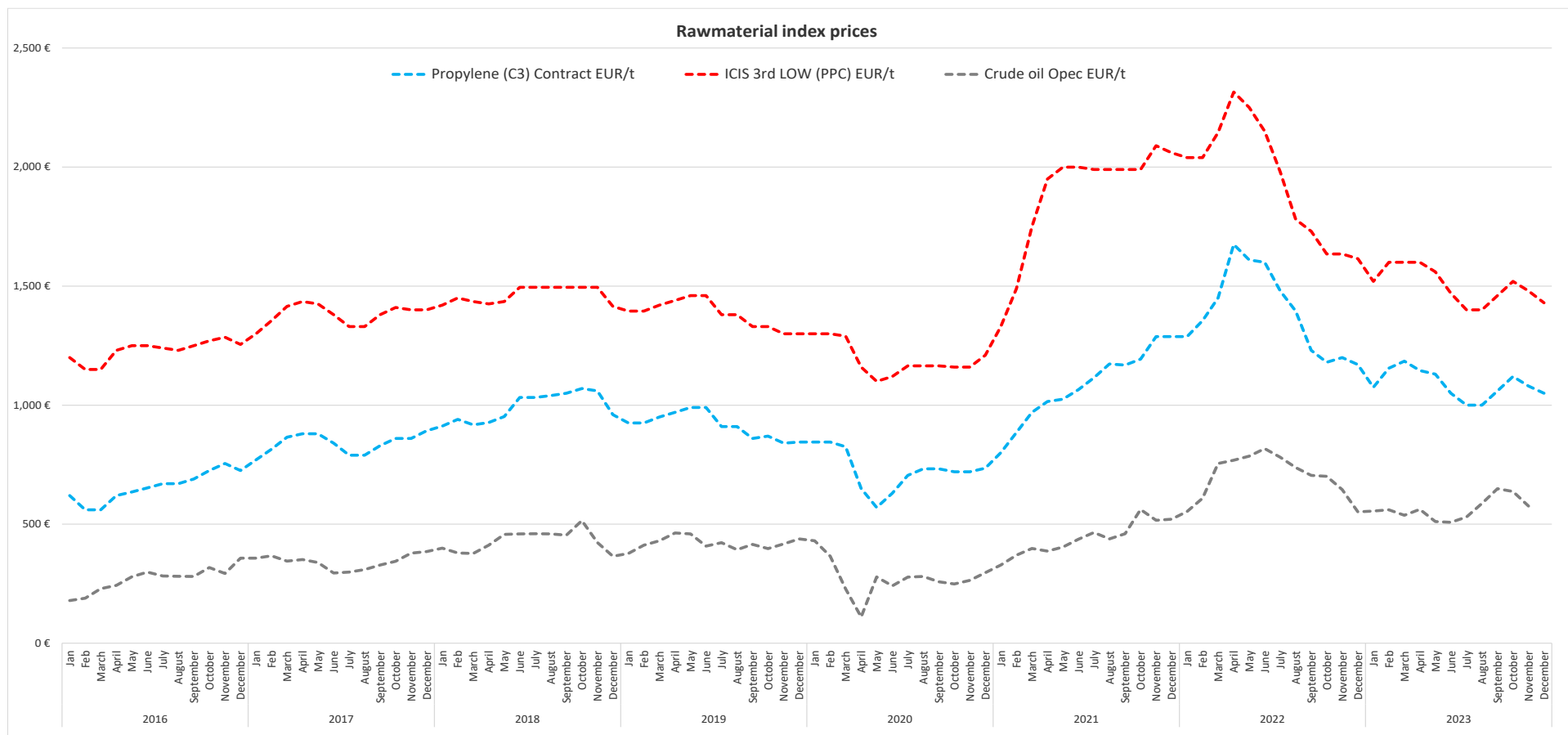
- Adjusted EBITA increased to EUR 2.9 million (1.6) The adjusted EBITA margin improved to 12.4% (7.9)
- Profitability was significantly affected by the stabilisation of raw material prices and the leveling of cost inflation

Adjusted EBITA YTD, EUR million



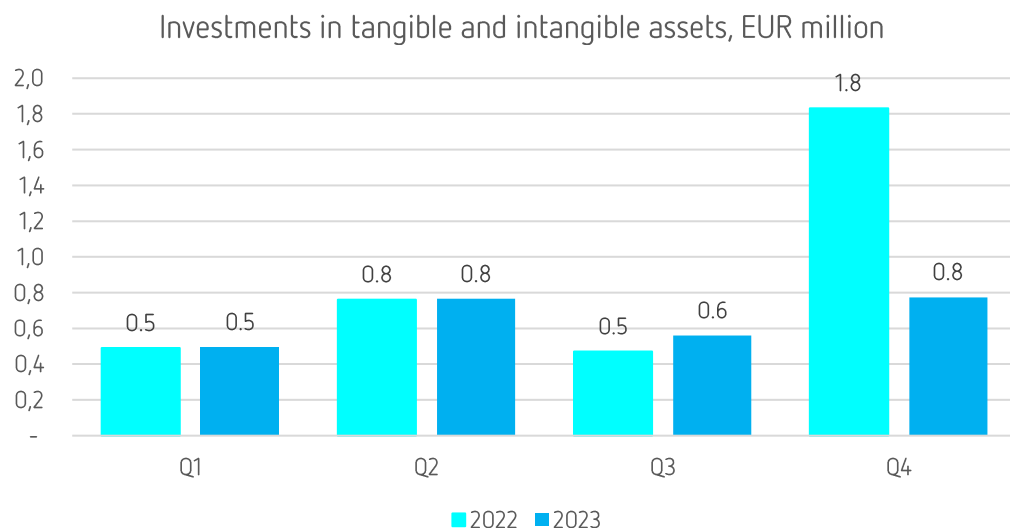
- Adjusted EBITA returned to more normal levels and was 10.8 million euros (5.2).
- The improvement compared to the previous year is due to leveled off raw material prices and more moderate electricity prices.
- Electricity support received from the authorities in Sweden was EUR 0.7 million

Development of raw material price indexes

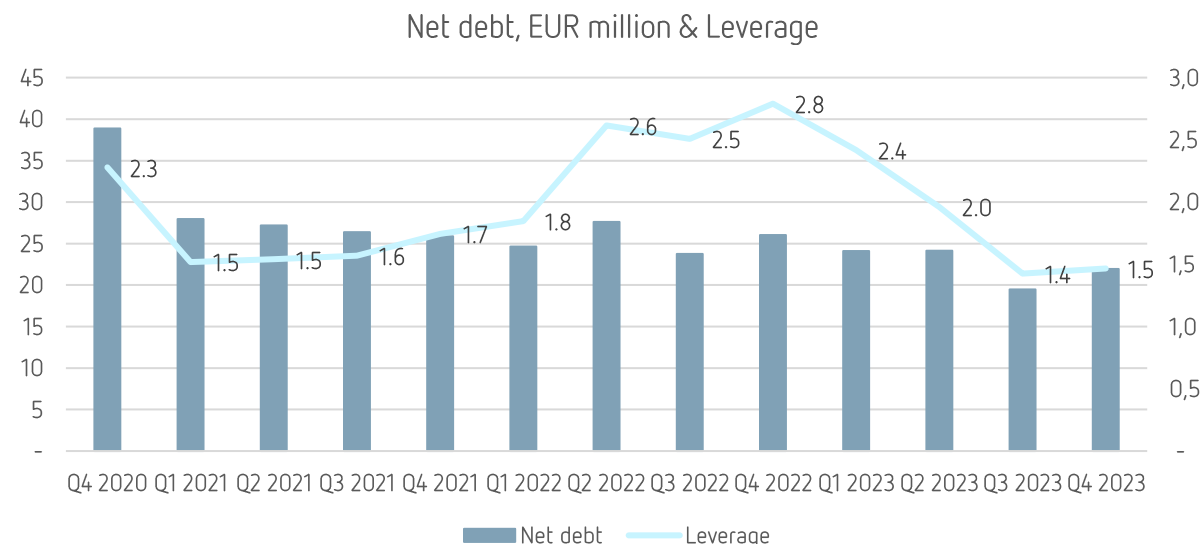


- Prices have stabilised after exceptionally high levels in 2022
- Normal fluctuation in index prices during the 4th quarter
- Tension in the Middle East affecting the market
- Overall low demand in Europe keeping polymer prices on rather stable level

Investments & net debt



- Full year 2023 investments were EUR 2.6 million (3.6)
- Orthex's investments during the fourth quarter of 2023 amounted to EUR 0.8 million and were mainly related to moulds for new products



- At the end of the reporting period, the Group's net debt was EUR 22.3 million (26.0)
- The non-current interest-bearing liabilities were EUR 29.6 million (32.0) and Orthex's total interest-bearing liabilities were EUR 33.9 million (36.3) on 31 December 2023
- Leverage was 1.5x at the end of the year

Long-term financial targets

	Target	Description	Latest reported
SALES GROWTH	Total growth of >5% Outside Nordics >10%	"An over time annual organic net sales growth to exceed 5 per cent on a Group level, and 10 per cent outside the Nordic region"	2.6% total 11.2% outside Nordics
PROFITABILITY	18%	"Improving EBITA margin (adjusted for items affecting comparability) exceeding 18 per cent over time"	12.7%
LEVERAGE	<2.5x	"Net debt to adj. EBITDA below 2.5x. Leverage may temporarily exceed the target, for example, in conjunction with acquisitions"	1.5x
PAY-OUT RATIO	>50%	"To distribute a stable and over time increasing dividend with a pay-out of at least 50% of net profit on a bi-annual basis"	Proposal to the Annual General Meeting: 54.1% 0.21 per share

Financial releases in 2024

Orthex will publish its financial reports in 2024 as follows:

- 15 May 2024: Interim report January–March 2024
- 21 August 2024: Half-year financial report January–June 2024
- 15 November 2024: Interim report January–September 2024

The company's annual and sustainability report, including the financial statements, the Board of Directors' report and the auditor's report the financial year 2023, will be published on the corporate website in pdf-format during week 12 in March 2024

Orthex Corporation's Annual General meeting will be held on 9 April 2024 in Espoo and starting at 10:00 a.m. EEST



SUMMARY



STRONG PROFIT PERFORMANCE

RECOVERING DEMAND AND SALES

Q&A

www.investors.orthexgroup.com

Key Figures

Key Performance Indicators

EUR million	10-12/2023	10-12/2022	Change	1-12/2023	1-12/2022	Change
Invoiced sales	23.9	20.6	16.2%	88.0	85.8	2.6%
Net sales	23.4	20.4	15.0%	85.9	84.0	2.3%
Gross margin	6.8	5.0	37.4%	24.3	17.9	35.7%
Gross margin, %	29.2%	24.4%		28.3%	21.3%	
EBITDA	3.9	2.6	49.9%	14.9	9.2	62.7%
EBITDA margin, %	16.7%	12.8%		17.3%	10.9%	
Adjusted EBITDA	3.9	2.6	49.6%	14.9	9.3	60.2%
Adjusted EBITDA margin, %	16.7%	12.9%		17.4%	11.1%	
EBITA	2.9	1.6	80.3%	10.9	5.3	104.3%
EBITA margin, %	12.4%	7.9%		12.6%	6.3%	
Adjusted EBITA	2.9	1.6	79.6%	10.9	5.5	98.9%
Adjusted EBITA margin, %	12.4%	7.9%		12.7%	6.5%	
Operating profit	2.9	1.6	82.3%	10.8	5.2	107.1%
Operating profit margin, %	12.3%	7.8%		12.5%	6.2%	
Net cash flows from operating activities	0.4	0.3	26.6%	10.2	6.2	64.6%
Net debt / Adjusted EBITDA	1.5	2.8		1.5	2.8	
Adjusted return on capital employed (ROCE), %	9.0%	5.0%		31.8%	15.9%	
Equity ratio, %	40.2%	36.3%		40.2%	36.3%	
Earnings per share, basic (EUR)	0.12	0.02	518.0%	0.39	0.12	225.0%
FTEs	281	289	-2.8%	281	295	-4.6%

orthexTM

Practical is Beautiful