

HALF-YEAR FINANCIAL REPORT

January – June 2024

22 August 2024
Alexander Rosenlew, CEO
Saara Mäkelä, CFO
Hanna Kukkonen, CMSO



Content

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A leading Nordic houseware company with strong brands and sustainable products



8 sales organisations



>40 customer countries



3 factories (incl. warehouses)



>90% own brands



~300 employees (FTE)



Sustainability focus



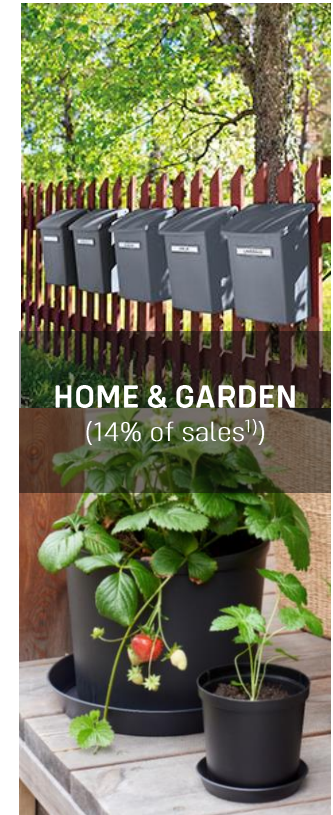
GastroMax™
by orthex™

orthex™

- Local sales organisations
- Factories
- Warehouses



Mission to make everyday life easier



Functional and award-winning design



Long-lasting high-quality products



Forerunner in sustainability²⁾



~10% of sales from new launches

• 1) Invoiced sales split by product category Q1-Q2/2024
2) No single-use plastics

JANUARY-JUNE 2024 IN BRIEF

Half-year financial report January-June 2024





January–June 2024

Net sales

- Orthex's net sales increased by 5.9%. In constant currency, net sales grew by 6.3%.
- Balanced growth in Europe outside the Nordics
- Careful consumer and retailer behaviour

Profitability

- Adjusted EBITA was EUR 4.3 million (4.5)
- EBITA improved by 16% considering the previous year's one-off electricity support

Raw material price development

- Raw material prices were stable during the period

Q2 2024: Net sales increased by 4.3% and adjusted EBITA decreased to EUR 1.6 million

Net sales and Invoiced sales

- Net sales increased by 4.3% to EUR 21.0 million (20.1)
 - Constant currency net sales growth was 4.4%.
- Invoiced sales increased by 5.0% and totalled EUR 21.6 million (20.6)
- Improving sell-out performance in the Nordics
- Developing our German operations into a larger geographic entity

Adjusted EBITA

- Adjusted EBITA was EUR 1.6 million (2.1)
- EBITA improved by 16% considering the previous year's one-off electricity support
- Adjusted EBITA margin was 7.4% (10.3)

Cash flows

- Net cash flows from operating activities were EUR -0.4 million (2.0)





H1 2024: Net sales increased by 5.9% and adjusted EBITA was EUR 4.3 million

Net sales

- Net sales increased by 5.9% to EUR 43.0 million (40.6)
- Invoiced sales increased by 6.5% and totalled EUR 44.6 million (41.8)

Adjusted EBITA

- Adjusted EBITA was EUR 4.3 million (4.5)
- Adjusted EBITA margin was 10.0% (11.0)

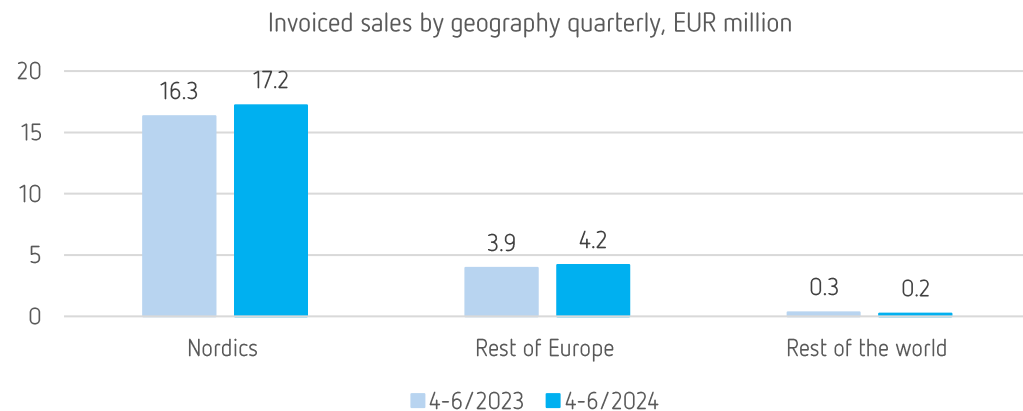
Net debt to adjusted EBITDA ratio

- Leverage was 1.6 (2.0)

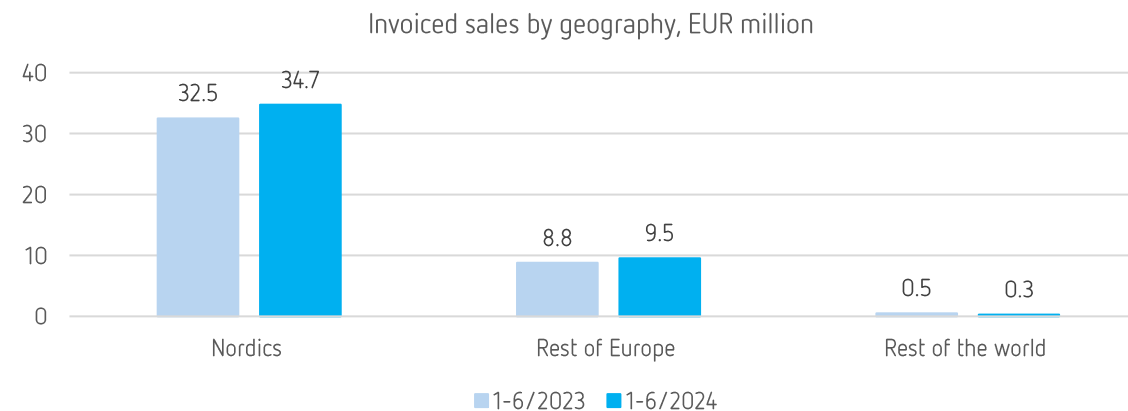
Raw material price development

- Raw material prices were stable during the period

Invoiced sales by geography



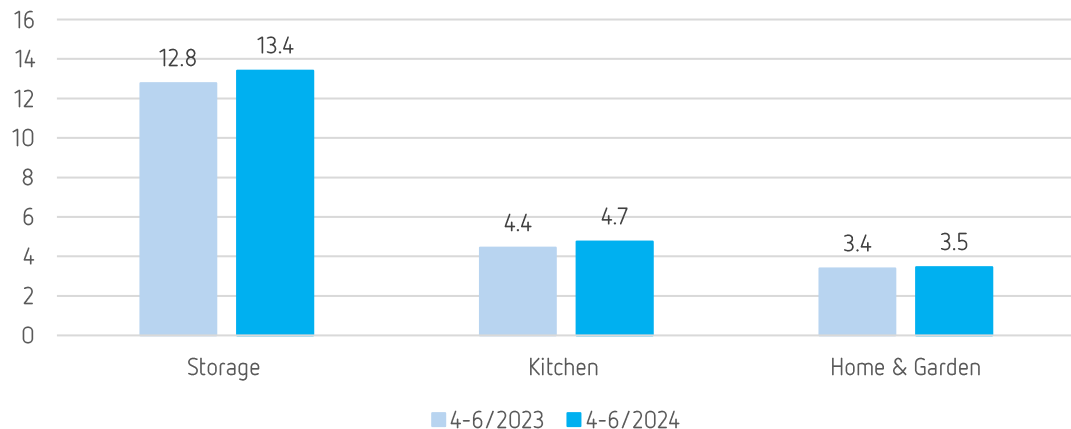
- Orthex's invoiced sales in the core market Nordics were EUR 17.2 million (16.3)
- The Rest of Europe delivered balanced invoiced sales growth of 6.2% and sales were EUR 4.2 million (3.9).
- Invoiced sales in the Rest of the world were EUR 0.2 million (0.3)



- Orthex's invoiced sales in the Nordics were EUR 34.7 million (32.5)
- Invoiced sales in the Rest of Europe were EUR 9.5 million (8.8).
- Invoiced sales in the Rest of the world totalled EUR 0.3 million (0.5)
- In the Rest of Europe, sales growth was 8.2%
- The invoiced sales outside the Nordics increased by 5.4% compared to H1 2023

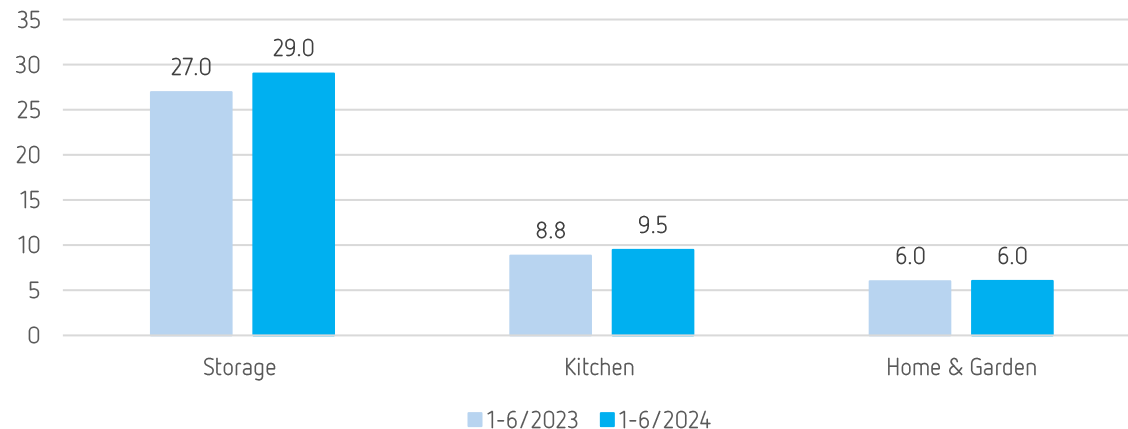
Invoiced sales by product category

Invoiced sales by product category quarterly, EUR million



- Invoiced sales in the largest category Storage increased to EUR 13.4 million (12.8)
- Invoiced sales in the Kitchen category increased to EUR 4.7 million (4.4) driven by successful rebranding of the food storage products
- Invoiced sales in the Home & Garden category were EUR 3.5 million (3.4)

Invoiced sales by product category, EUR million



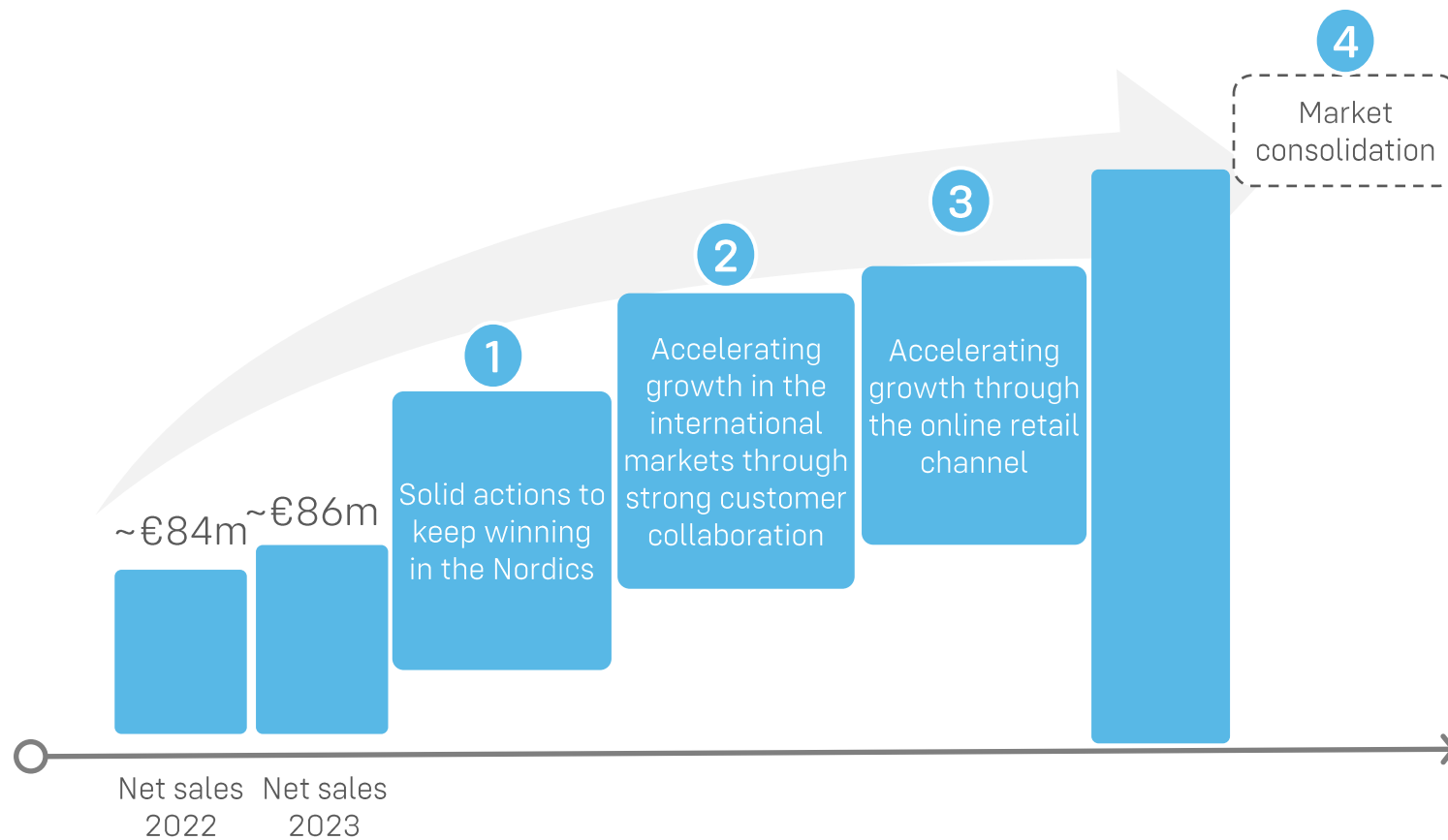
- Invoiced sales in the largest category Storage increased to EUR 29.0 million (27.0)
- Invoiced sales in the Kitchen category increased to EUR 9.5 million (8.8)
- Invoiced sales in the new Home & Garden category were EUR 6.0 million (6.0)

STRATEGY

Half-year financial report January-June 2024



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



Showing the way
in sustainability

Sustainability news in Q2 2024

Audits

- Orthex's Gnosjö factory was audited and the ISCC PLUS certificate was renewed. Usage of ISCC PLUS certified renewable raw materials by applying the mass balance approach supports Orthex's long-term carbon neutrality target.
- Orthex's operations in Lohja and Tingsryd were evaluated based on the principles of the SMETA sustainability audit. The level of Orthex's operations were assessed in terms of occupational health and safety, working conditions, environmental performance, and business practices.

Research projects

- Orthex participates in three large research projects for the development of recycled and renewable plastics. The **Reusify project** is the latest project we are involved in.
 - The project started in June 2024 and aims to reduce single-use packaging by generating new knowledge and expertise on how the reuse of single-use packaging could be implemented and what kind of a system it would require.

Recognitions

- Orthex achieved a bronze level rating in its second EcoVadis ESG assessment

Strategy in Action - Maintain a high innovation rate



Maintain a high innovation rate



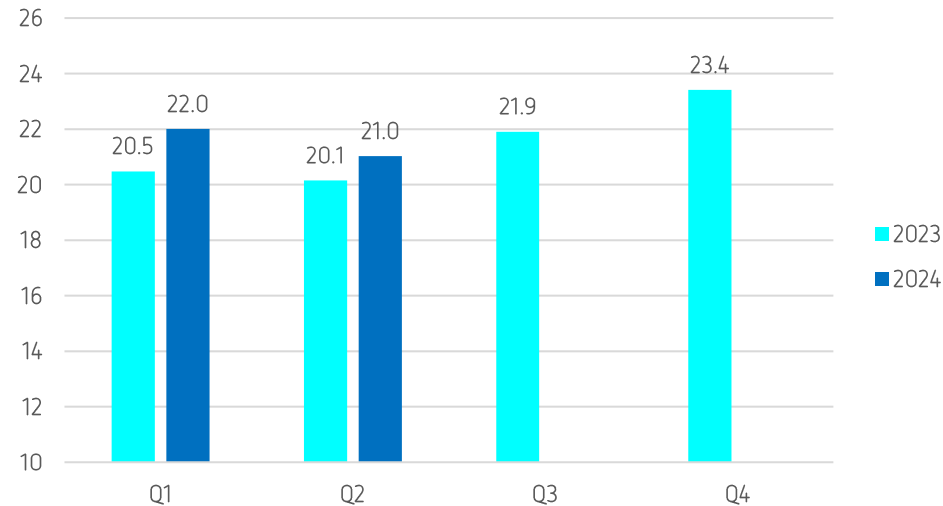
FINANCIALS

Half-year financial report January–June 2024



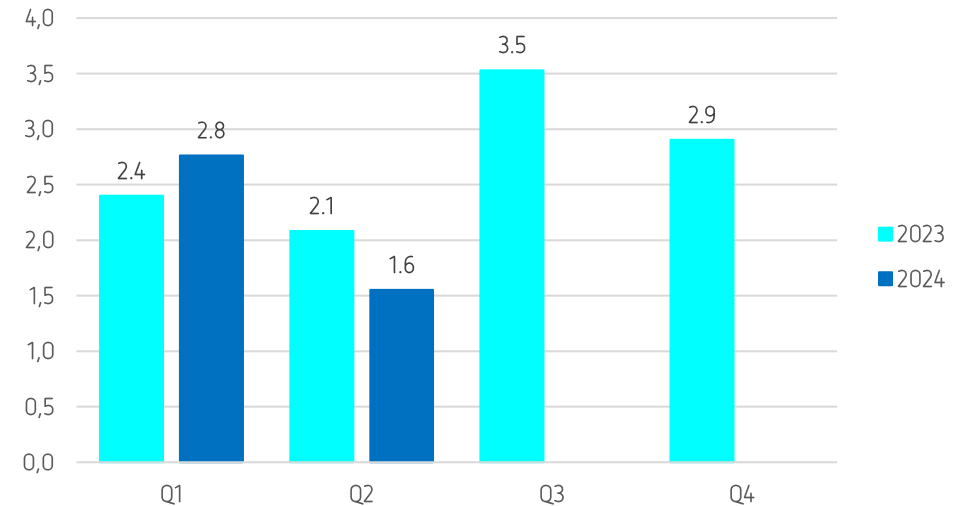
Net sales and profitability

Net sales quarterly, EUR million



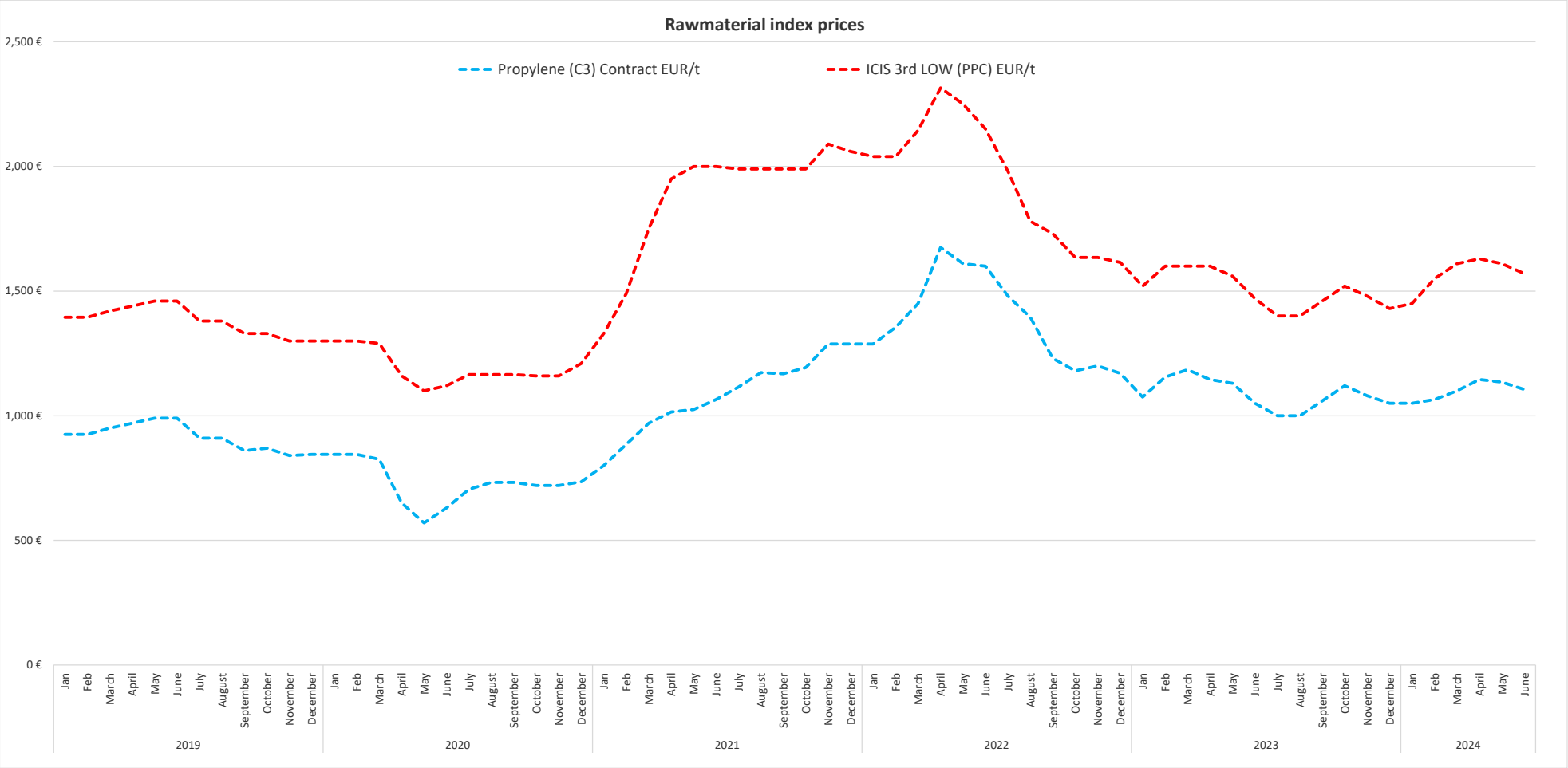
- In Q2 2024, the Group's Net sales increased by 4.3% to EUR 21.0 million (20.1)
- The increase in Constant currency net sales was 4.4% compared to the second quarter of 2023.
- A result of successful commercial strategy implementation

Adjusted EBITA quarterly, EUR million



- Adjusted EBITA decreased to EUR 1.6 million (2.1). The adjusted EBITA margin decreased to 7.4% (10.3)
- Gross margin increased 1.4 percentage points from 25.6% to 27.0%
- Increased fixed costs mainly due to strengthening the commercial organisation, demand activation, and salary inflation. In administrative costs, the comparison figure last year was low.

Development of raw material price indexes

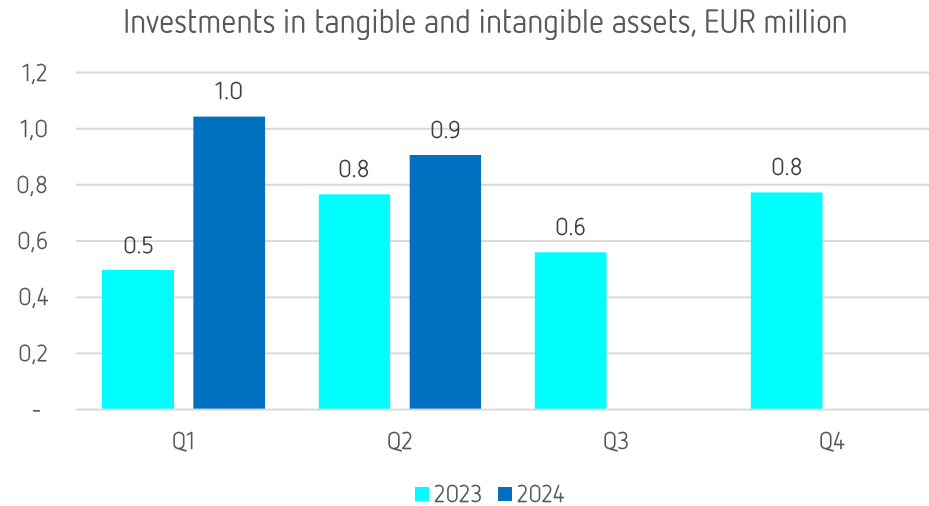


Normal fluctuation in index prices during Q2

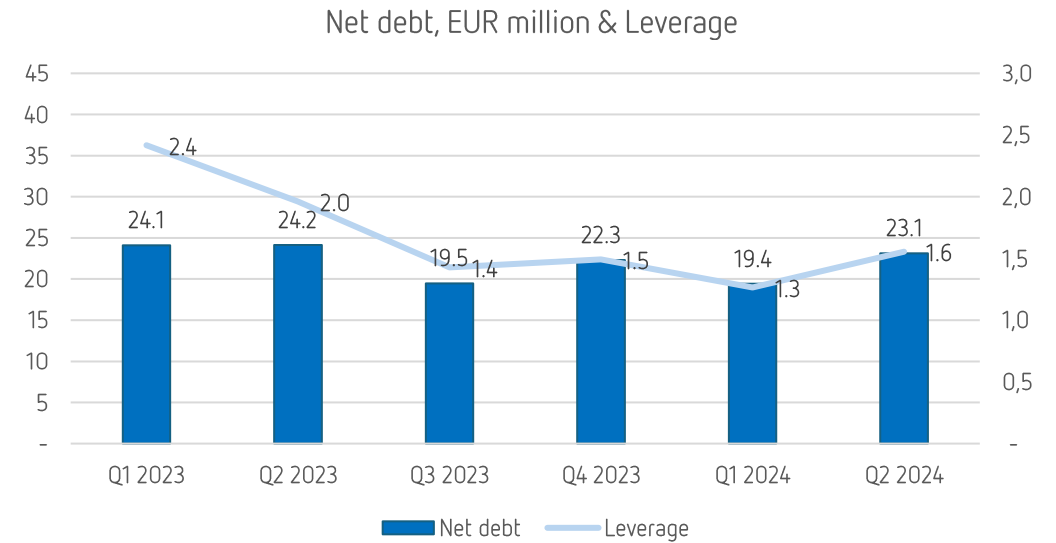
Demand in Europe balanced

Tension in the Middle East and logistic challenges might affect prices

Investments & net debt



- Orthex's investments during the second quarter of 2024 amounted to EUR 0.9 million and were mainly related to moulds for new products.



- At the end of the review period, the Group's net debt was EUR 23.1 million (24.2)
- The non-current interest-bearing liabilities were EUR 27.6 million (29.8) and Orthex's total interest-bearing liabilities were EUR 32.0 million (34.0) on 30 June 2024
- Leverage was 1.6 at the end of the period

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"	5.9% total 5.4% outside Nordics*
PROFITABILITY	18%	"Improving EBITA margin (adjusted for items affecting comparability) exceeding 18 per cent over time"	10.0%
LEVERAGE	<2.5x	"Net debt to adj. EBITDA below 2.5x. Leverage may temporarily exceed the target, for example, in conjunction with acquisitions"	1.6
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"	54.1% EUR 0.21 per share

SUMMARY



KEEPING THE MOMENTUM

STRONG COMMERCIAL ACTIVITIES



Q&A

www.investors.orthexgroup.com

Key Figures

Key Performance Indicators

EUR million	4-6/2024	4-6/2023	Change	1-6/2024	1-6/2023	Change	2023
Invoiced sales	21.6	20.6	5.0%	44.6	41.8	6.5%	88.0
Net sales	21.0	20.1	4.3%	43.0	40.6	5.9%	85.9
Gross margin	5.7	5.2	10.2%	12.4	10.6	17.0%	24.3
Gross margin, %	27.0%	25.6%		28.7%	26.0%		28.3%
EBITDA	2.6	3.1	-15.2%	6.5	6.5	0.0%	14.9
EBITDA margin, %	12.5%	15.4%		15.0%	15.9%		17.3%
Adjusted EBITDA	2.6	3.1	-15.2%	6.5	6.5	-0.9%	14.9
Adjusted EBITDA margin, %	12.5%	15.4%		15.0%	16.0%		17.4%
EBITA	1.6	2.1	-25.5%	4.3	4.4	-2.6%	10.9
EBITA margin, %	7.4%	10.3%		10.0%	10.9%		12.6%
Adjusted EBITA	1.6	2.1	-25.5%	4.3	4.5	-3.8%	10.9
Adjusted EBITA margin, %	7.4%	10.3%		10.0%	11.0%		12.7%
Operating profit	1.5	2.1	-24.5%	4.3	4.4	-1.3%	10.8
Operating profit margin, %	7.4%	10.2%		10.0%	10.8%		12.5%
Net cash flows from operating activities	-0.4	2.0	-119.1%	3.7	4.5	-18.7%	10.2
Net debt / Adjusted EBITDA	1.6	2.0		1.6	2.0		1.5
Adjusted return on capital employed (ROCE), %	4.7%	6.4%		12.6%	13.6%		31.8%
Equity ratio, %	39.8%	36.0%		39.8%	36.0%		40.2%
Earnings per share, basic (EUR)	0.05	0.06	-12.7%	0.14	0.13	4.5%	0.39
FTEs	294	280	5.0%	291	282	3.1%	281

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