

# INTERIM REPORT

## January – September 2024

15 November 2024  
Alexander Rosenlew, CEO  
Saara Mäkelä, CFO  
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# Content

1. Introduction to Orthex
2. January-September 2024 in brief
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# A leading Nordic houseware company with strong brands and sustainable products

- Local sales organisations
- Factories
- Warehouses



8 sales organisations



>40 customer countries



3 factories (incl. warehouses)



>90% own brands



~300 employees (FTE)



Sustainability focus



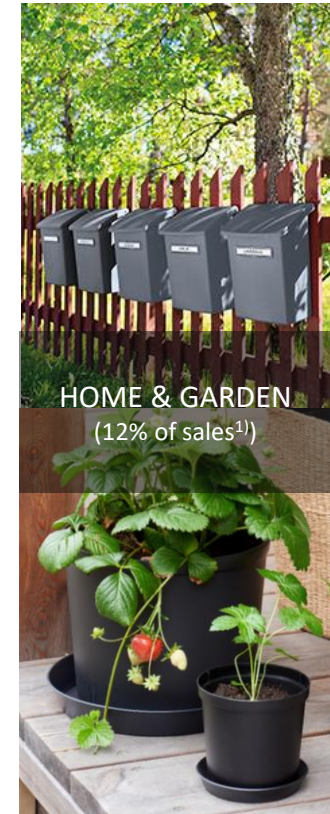
**GastroMax™**  
by orthex™

**orthex™**





# Mission to make everyday life easier



Functional and award-winning design



Forerunner in sustainability



Long-lasting high-quality products



~ 10% of sales from new launches

1) Invoiced sales split by product category Q1-Q3/2024

# JANUARY-SEPTEMBER 2024 IN BRIEF

Interim report January–September 2024







# January–September 2024

## Net sales

- Orthex's net sales increased by 5.3%. In constant currency, net sales grew by 5.1%.
- Strong growth in Europe outside the Nordics

## Profitability

- Adjusted EBITA was EUR 7.2 million (8.0)
- Adjusted EBITA margin decreased to 10.9% from 12.8% impacted by previous year's one-off electricity support

## Raw material price development

- Raw material prices were stable during the period

# Q3 2024: Strong sales growth outside the Nordics, higher costs affected profitability

## Net sales and Invoiced sales

- Net sales increased by 4.2% to EUR 22.8 million (21.9)
  - Constant currency net sales growth was 2.8%.
- Record invoiced sales of EUR 5.5 million (4.4) outside the Nordics delivering 24.1% growth
- Careful consumer and retailer behaviour in the Nordics

## Adjusted EBITA

- Adjusted EBITA was EUR 2.9 million (3.5)
- Adjusted EBITA margin was 12.6% (16.1)

## Cash flows

- Strong net cash flows from operating activities of EUR 5.7 million (5.3)







# Q1-Q3/2024: Stable sales development, cost increases affected profitability

## Net sales

- Net sales increased by 5.3% to EUR 65.9 million (62.5)
- Invoiced sales increased by 6.0% and totalled EUR 67.9 million (64.0)

## Adjusted EBITA

- Adjusted EBITA was EUR 7.2 million (8.0)
- Adjusted EBITA margin was 10.9% (12.8)

## Net debt to adjusted EBITDA ratio

- Healthy leverage at 1.3 (1.4)

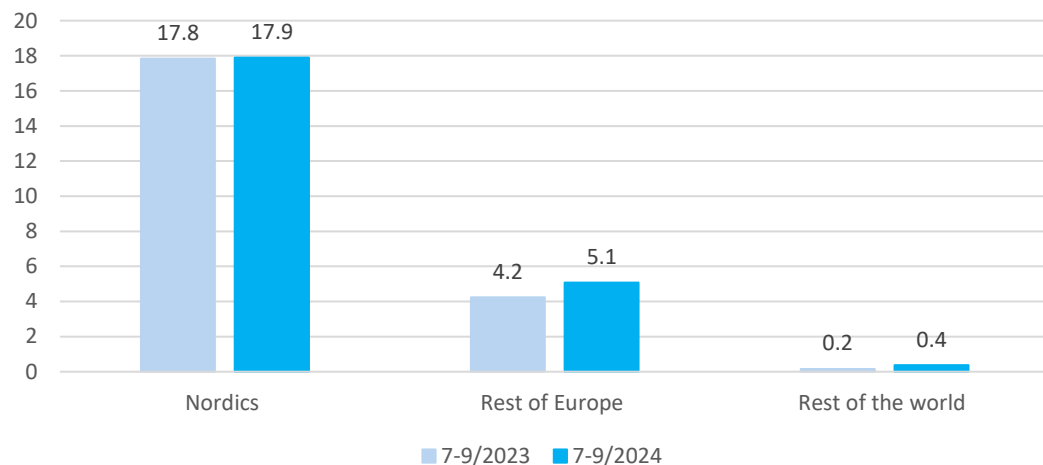
## Raw material price development

- Raw material prices were stable during the period



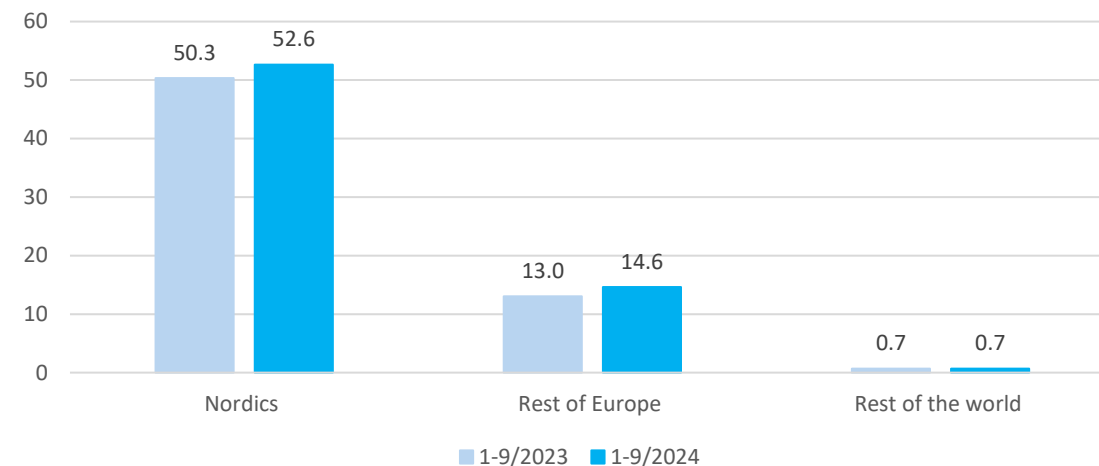
# Invoiced sales by geography

Invoiced sales by geography quarterly, EUR million



- Orthex's invoiced sales in the Nordics were EUR 17.9 million (17.8)
- The Rest of Europe delivered strong invoiced sales growth of 19.8% and EUR 5.1 million in sales (4.2).
- Invoiced sales in the Rest of the world were EUR 0.4 million (0.2)

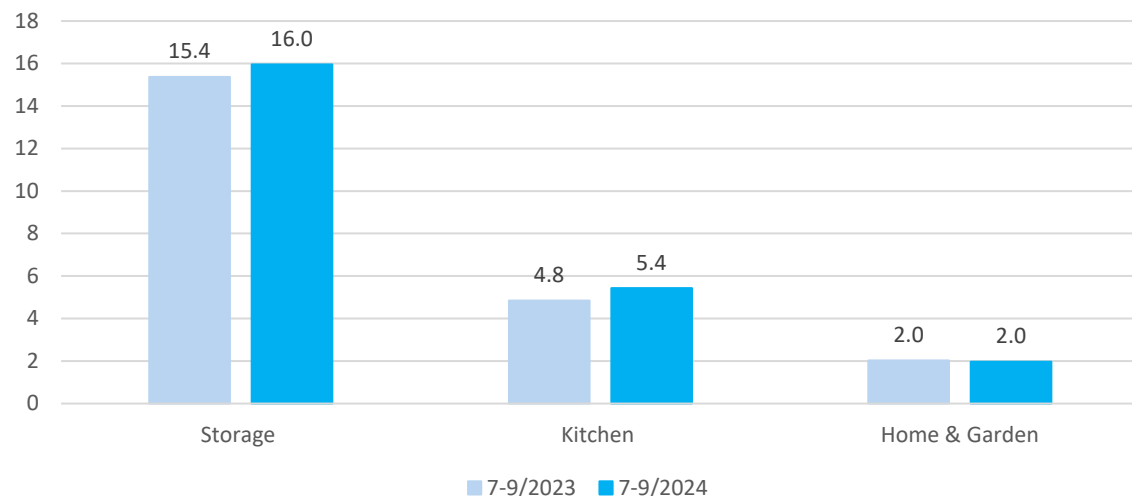
Invoiced sales by geography, EUR million



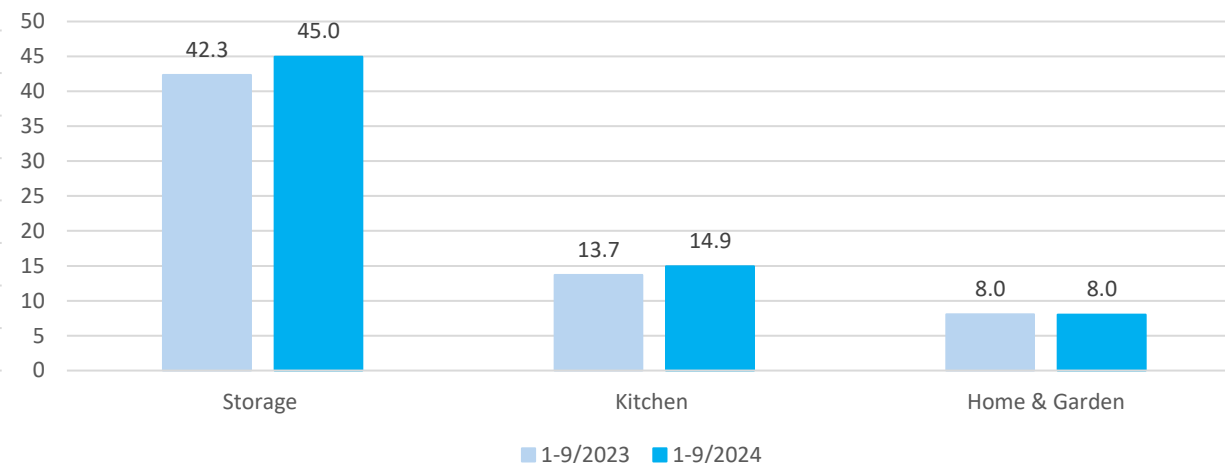
- Orthex's invoiced sales in the Nordics were EUR 52.6 million (50.3)
- Invoiced sales in the Rest of Europe were EUR 14.6 million (13.0) and sales growth was 12.0%.
- Invoiced sales in the Rest of the world totalled EUR 0.7 million (0.7)
- The invoiced sales outside the Nordics increased by 11.4% compared to Q1-Q3 2023

# Invoiced sales by product category

Invoiced sales by product category quarterly, EUR million



Invoiced sales by product category, EUR million



- Invoiced sales in the largest category Storage increased to EUR 16.0 million (15.4)
- Invoiced sales in the Kitchen category increased to EUR 5.4 million (4.8)
- Invoiced sales in the Home & Garden category were EUR 2.0 million (2.0)

- Invoiced sales in the largest category Storage increased by 6.3% to EUR 45.0 million (42.3)
- Invoiced sales in the Kitchen category increased by 9.1% to EUR 14.9 million (13.7) driven by successful rebranding of the food storage products
- Invoiced sales in the Home & Garden category were EUR 8.0 million (8.0)

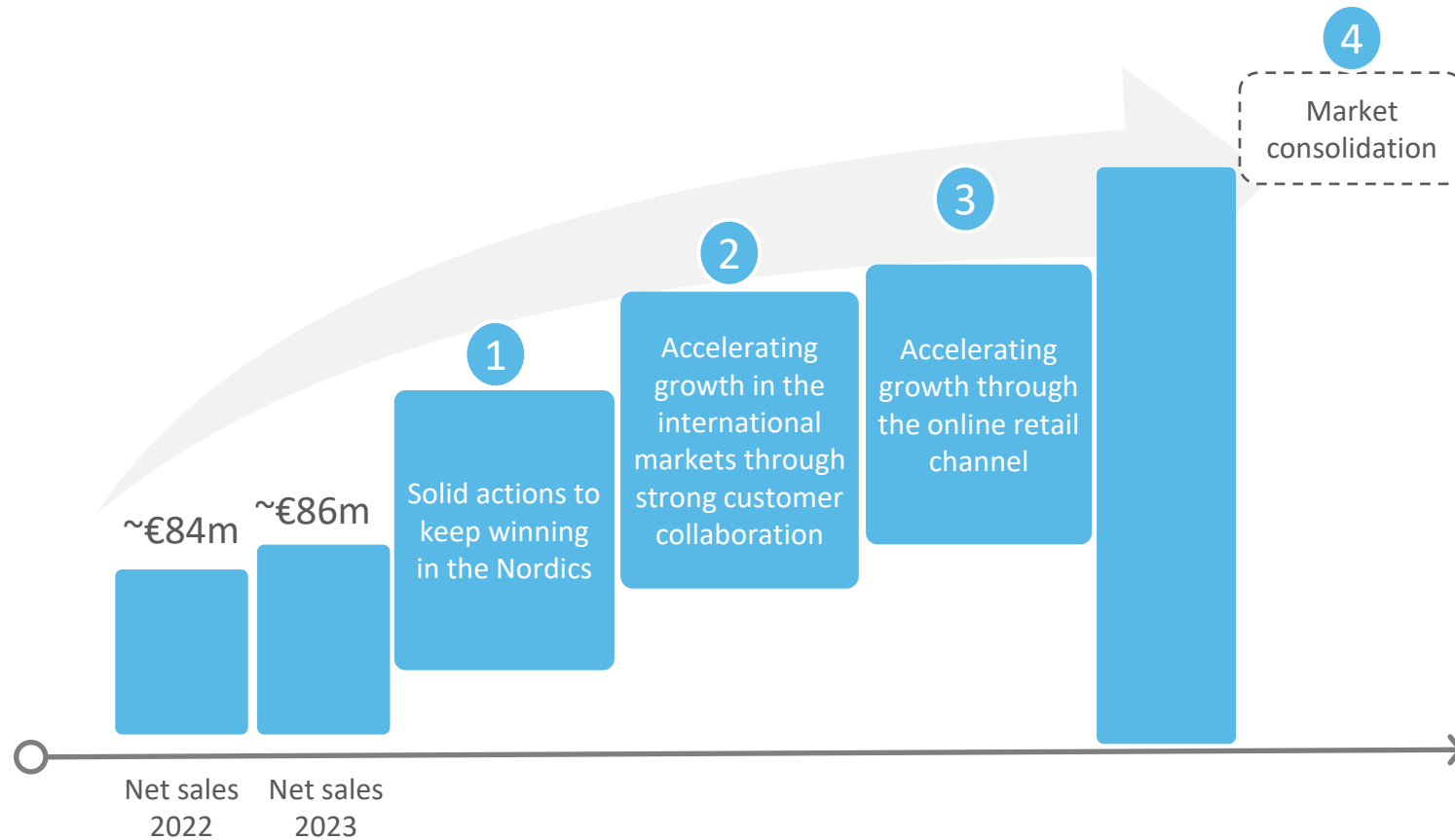


# STRATEGY

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# Clear growth strategy to deliver objectives



#1 storage brand in Europe

A leading houseware company in the Nordics



Clear category strategy focusing on storage



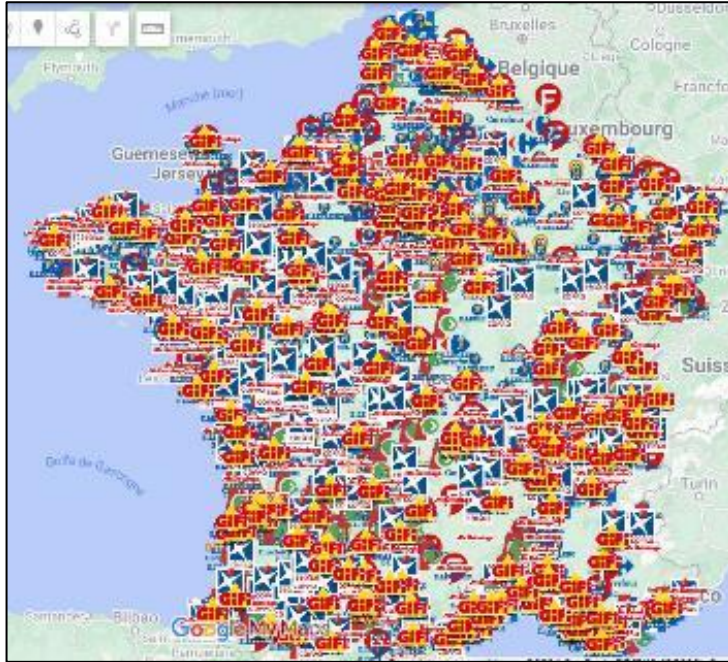
Showing the way in sustainability



Maintain a high innovation rate



# Accelerating growth in the international markets through strong customer collaboration







Showing the way  
in sustainability

# Sustainability news in Q3 2024

## Novelties made from recycled plastic

- Orthex invests in novelties on a continuous basis and a prerequisite for all new product investments is that the material should be either recycled or renewable.
- Our modern range of SmartStore™ Essence storage baskets and a stackable sorting solution SmartStore™ Collect Stack-it are our latest new products.
- Both new product ranges are made entirely from recycled plastic.
- Marks another step towards our sustainability goals and Orthex's ongoing commitment to increase the use of renewable and recycled materials in production.

## Research projects

- Orthex continues participating in three research projects for the development of recycled and renewable plastics.
  - Orthex is researching whether recycled plastic could be used in products suitable for food contact.
  - Orthex is participating in a cooperation project of seven years to promote the circular economy of plastics.
  - Orthex is also involved in the Reusify project that aims to reduce single-use packaging.







Maintain a high  
innovation rate

## Strategy in Action - Maintain a high innovation rate



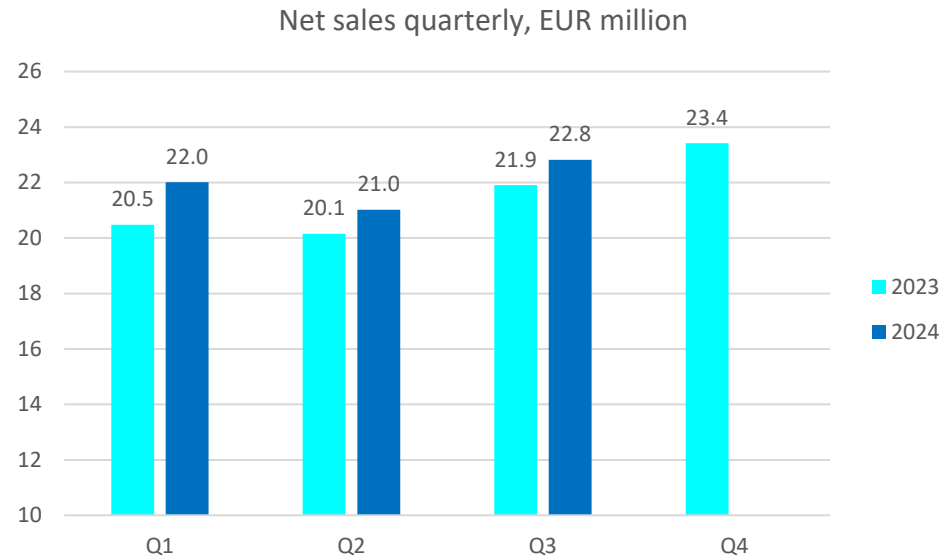


# FINANCIALS

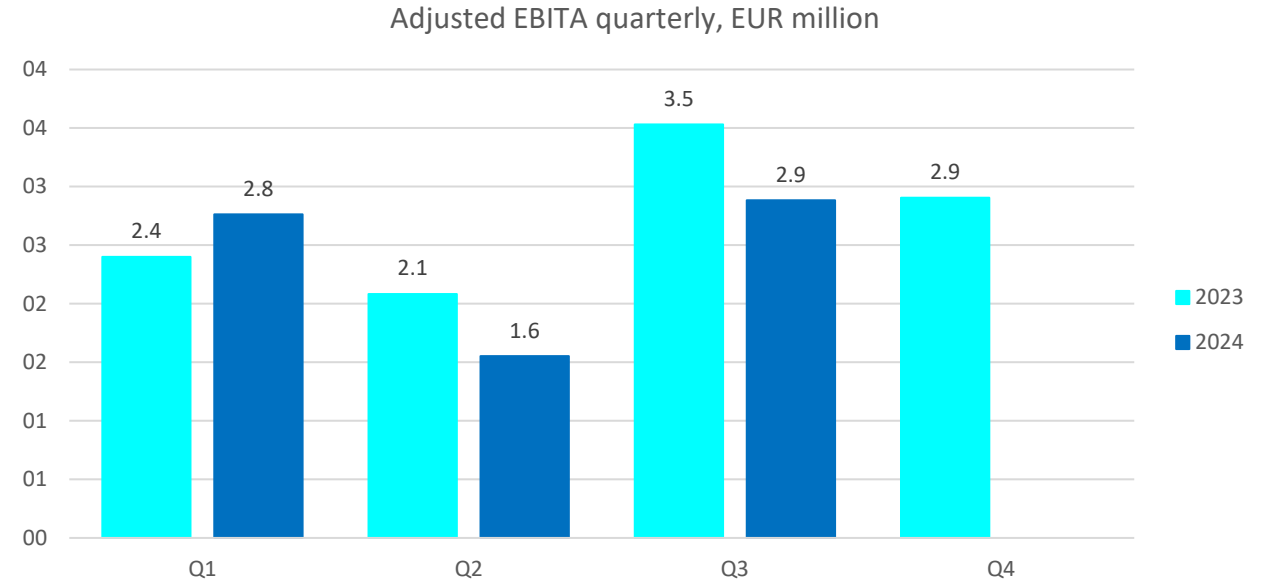
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# Net sales and profitability

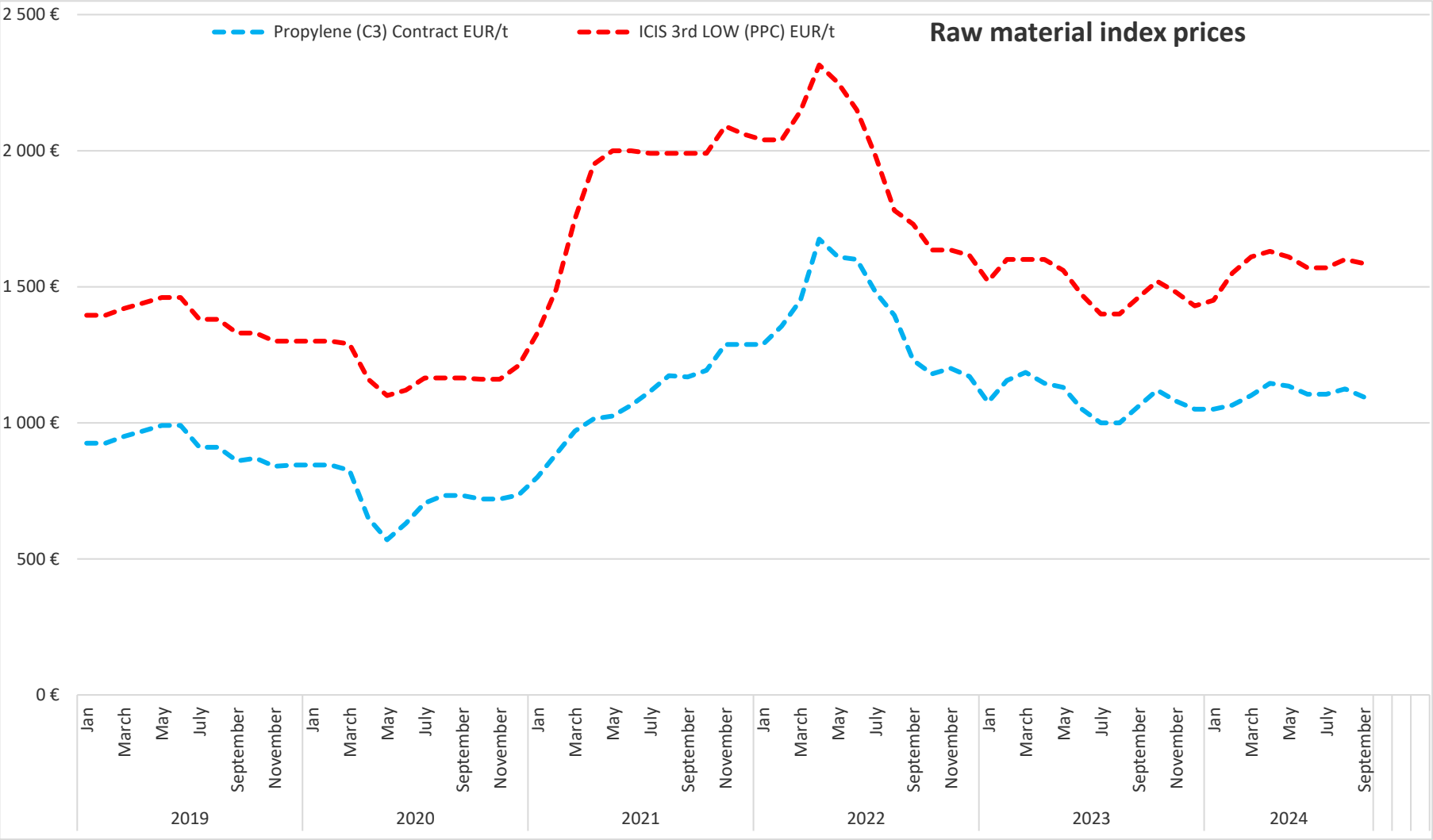


- In Q3 2024, the Group's Net sales increased by 4.2% to EUR 22.8 million (21.9)
- The increase in Constant currency net sales was 2.8% compared to the third quarter of 2023.
- Increased distribution, campaigns and timing of orders resulted in strong invoiced sales growth in the Rest of Europe



- Adjusted EBITA decreased to EUR 2.9 million (3.5). The adjusted EBITA margin decreased to 12.6% (16.1)
- Gross margin decreased 3.0 percentage points from 31.6% to 28.6% due to increased production cost planned for higher sales growth, increased maintenance and electricity cost
- Increased fixed costs mainly due to strengthening the commercial organisation, demand activation and salary inflation
- Increase in depreciations related to right-of-use assets affected EBITA

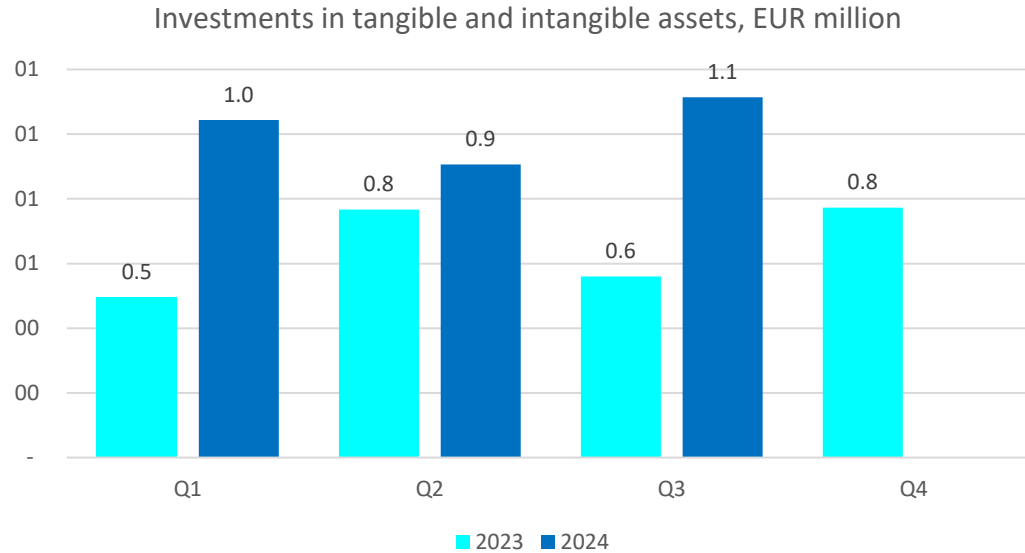
# Development of raw material price indexes



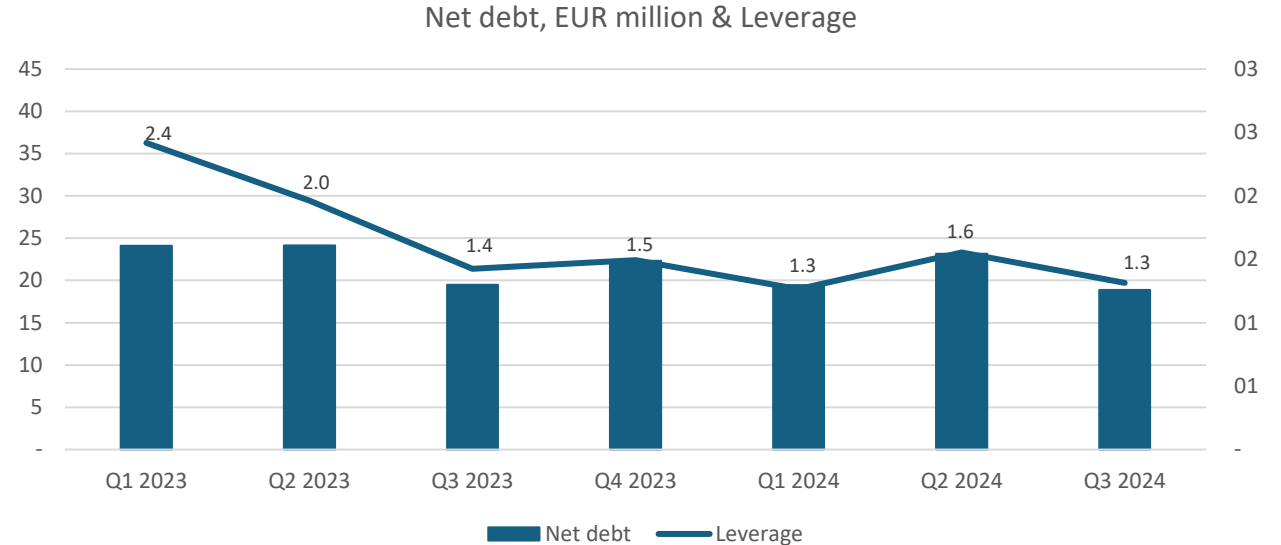
- Normal fluctuation in index prices during Q3
- The cost inflation in Europe increases the price pressure on raw material manufacturers.
- Imports to Europe and weak demand reduce the price pressure.
- Tension in the Middle East and logistic challenges might affect prices.



# Investments & net debt



- Orthex's investments during the third quarter of 2024 amounted to EUR 1.1 million and were related to moulds for new products and capacity increases



- At the end of the review period, the Group's net debt was EUR 18.9 million (19.5)
- The non-current interest-bearing liabilities were EUR 27.7 million (29.7) and Orthex's total interest-bearing liabilities were EUR 32.0 million (33.9) on 30 September 2024
- Leverage was healthy 1.3 at the end of the period

# Long-term financial targets

	Target	Description	Latest reported
SALES GROWTH	Total growth of >5% Outside Nordics >10%	<i>"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"</i>	5.3% total 11.4% outside Nordics*
PROFITABILITY	18%	<i>"Improving EBITA margin (adjusted for items affecting comparability) exceeding 18 per cent over time"</i>	10.9%
LEVERAGE	<2.5x	<i>"Net debt to adj. EBITDA below 2.5x. Leverage may temporarily exceed the target, for example, in conjunction with acquisitions"</i>	1.3
PAY-OUT RATIO	>50%	<i>"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"</i>	54.1% EUR 0.21 per share

# Reporting dates 2025

Orthex will publish its financial statements release for 2024 and financial reports in 2025 as follows:

- 12 March 2025: Financial statements release for 2024
- 15 May 2025: Interim report January–March 2025
- 21 August 2025: Half-year financial report January–June 2025
- 13 November 2025: Interim report January–September 2025

The Annual and Sustainability Report 2024 will be published during the week starting 24 March 2025.

The Annual General Meeting is planned to take place on Tuesday, 29 April 2025.



# SUMMARY



STRONG SALES GROWTH OUTSIDE THE  
NORDICS

HIGHER COST LEVEL



Q&A

[www.investors.orthexgroup.com](http://www.investors.orthexgroup.com)





# Key Figures

## Key Performance Indicators

EUR million	7-9/2024	7-9/2023	Change	1-9/2024	1-9/2023	Change	2023
Invoiced sales	23,3	22,2	5,0%	67,9	64,0	6,0%	88,0
Net sales	22,8	21,9	4,2%	65,9	62,5	5,3%	85,9
Gross margin	6,5	6,9	-5,6%	18,9	17,5	8,0%	24,3
Gross margin, %	28,6%	31,6%		28,7%	28,0%		28,3%
EBITDA	3,9	4,5	-13,2%	10,4	11,0	-5,4%	14,9
EBITDA margin, %	17,2%	20,6%		15,8%	17,6%		17,3%
Adjusted EBITDA	4,0	4,5	-11,4%	10,5	11,0	-5,2%	14,9
Adjusted EBITDA margin, %	17,5%	20,6%		15,9%	17,6%		17,4%
EBITA	2,8	3,5	-20,6%	7,1	8,0	-10,6%	10,9
EBITA margin, %	12,3%	16,1%		10,8%	12,7%		12,6%
Adjusted EBITA	2,9	3,5	-18,4%	7,2	8,0	-10,2%	10,9
Adjusted EBITA margin, %	12,6%	16,1%		10,9%	12,8%		12,7%
Operating profit	2,8	3,5	-20,1%	7,1	7,9	-9,7%	10,8
Operating profit margin, %	12,3%	16,0%		10,8%	12,6%		12,5%
Net cash flows from operating activities	5,7	5,3	8,0%	9,4	9,8	-4,4%	10,2
Net debt / Adjusted EBITDA	1,3	1,4		1,3	1,4		1,5
Adjusted return on capital employed (ROCE), %	8,8%	11,5%		21,8%	25,2%		31,8%
Equity ratio, %	40,0%	37,9%		40,0%	37,9%		40,2%
Earnings per share, basic (EUR)	0,10	0,13	-24,4%	0,24	0,27	-9,9%	0,39
FTEs	292	280	4,3%	292	281	3,7%	281



orthex<sup>TM</sup>

Practical is Beautiful