

Orthex Corporation

# FINANCIAL STATEMENTS RELEASE

January–December 2024



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GROUP

SmartStore™ Sustain

## ORTHEX CORPORATION: FINANCIAL STATEMENTS RELEASE 1 JANUARY–31 DECEMBER 2024

### Solid performance in a sluggish market

#### OCTOBER–DECEMBER 2024

- Invoiced sales amounted to EUR 24.4 million (23.9)
- Net sales increased by 2.0% to EUR 23.9 million (23.4)
- Adjusted EBITDA was EUR 4.2 million (3.9)
- Adjusted EBITA was EUR 3.0 million (2.9), representing 12.7% of net sales (12.4)
- Operating profit was EUR 2.7 million (2.9)
- Net cash flows from operating activities were EUR 2.4 million (0.4)
- Earnings per share, basic was EUR 0.10 (0.12)

#### JANUARY–DECEMBER 2024

- Invoiced sales increased by 4.9% and totalled EUR 92.3 million (88.0)
- Net sales increased by 4.4% to EUR 89.7 million (85.9)
- Adjusted EBITDA was EUR 14.6 million (14.9)
- Adjusted EBITA was EUR 10.2 million (10.9), representing 11.4% of sales (12.7)
- Operating profit was EUR 9.8 million (10.8)
- Net cash flows from operating activities were EUR 11.8 million (10.2)
- Net debt / Adjusted EBITDA was 1.4 (1.5)
- Earnings per share, basic was EUR 0.34 (0.39)
- The Board of Directors proposes a dividend of EUR 0.22 per share, totalling approx. EUR 3.9 million. It is proposed that the dividend be paid in two instalments.

*The figures in brackets refer to the corresponding period in the previous year unless stated otherwise. The figures are unaudited.*



*SmartStore™ Compact*



## ALEXANDER ROSENLEW, CEO:

In the fourth quarter, Orthex's net sales increased by 2.0% to a new quarterly record of 23.9 million euros (23.4). Constant currency net sales growth for the quarter was 2.2%. Full-year net sales grew by 4.4% and amounted to 89.7 million euros (85.9). The year 2024 was characterized by low consumer confidence and customer carefulness, leading to a slower than normal business climate. Despite this, the Q4 and 2024 net sales were the highest ever so far.

In 2024, invoiced sales in the Nordics increased to 71.1 million euros from 68.7 million euros in 2023. Strengthened by a solid first half of the year, the consolidated full-year total invoiced sales increased by 4.9%. Invoiced sales in the Rest of Europe increased by 10.0% to a record of 20.3 million euros (18.5) in 2024 meaning that we reached our long-term invoiced sales growth target +10% outside the Nordics.

Invoiced sales for the fourth quarter in the Nordics improved only slightly year-on-year and were 18.5 million euros (18.4). Careful consumer behaviour affected the retailers' buying volumes especially in Sweden in the latter part of the year. Rest of Europe delivered invoiced sales growth of 5.3% and Q4 sales were record high at 5.7 million euros (5.4). In the end of the fourth quarter, shipments to some customers were restricted due to increase in credit risks, and this had a negative impact on the sales growth outside the Nordics.

Orthex's profitability improved slightly compared to Q4 in the previous year, with an adjusted EBITA margin at 12.7% (12.4) and the adjusted EBITA at 3.0 million euros (2.9). The adjusted EBITA for 2024 declined and was 10.2 million euros (10.9). Considering the one-time energy price compensation received in 2023 in Sweden (0.7 million euros), the comparable EBITA improved by 0.6%. The profitability was affected by higher costs related to increased production cost as factories were planning for higher sales, reinforced commercial resources and salary inflation. In addition, the Q4 profitability was negatively impacted by higher credit loss provisions.

The fourth quarter cash flows increased to 2.4 million euros (0.4). The net debt to adjusted EBITDA ratio (leverage) was down at a healthy 1.4 (1.5) at the end of the period.

The biggest category Storage continued to grow in Q4, and the invoiced sales increased by 5.0% compared to October–December last year. Most of the growth came from markets outside the Nordics. The Kitchen category declined by -9.8% due to a few campaigns less compared to the previous year end. The Home & Garden category grew and delivered invoiced sales growth of 3.5% compared to Q4 in the previous year.



Compared to the previous year, the Storage category continued to grow at a pace of 5.9%. Orthex is focusing on launching several new products in the Storage category. The modern range of SmartStore™ Essence storage baskets made from recycled material was a remarkable new launch in 2024 and it was also recognised at the German Design Awards 2024 for its excellent product design. The Storage category accounted for 68.9% of total invoiced sales in 2024.

Kitchen and Home & Garden categories are traditionally strong in the Nordics, and the Kitchen category's invoiced sales grew by 4.1% year-on-year thanks to widening customer distribution and the successful rebranding of SmartStore™ food storage products. The Home & Garden category invoiced sales remained flat compared to the previous year.

Our growth strategy with a focus on accelerated European and international growth with a strong commitment to sustainability is progressing well. Orthex's full-year invoiced sales in our European strategic markets grew by 10.0%. We focused on in-store visibility and an example of this is the building of over 500 SmartStore™ shelf implementations in major retail chains around Europe and the Nordics. We continued strengthening our international commercial teams, with more local resources in France and Germany. The stronger international presence is intended to accelerate future growth in the area. Invoiced sales outside the Nordic markets accounted for 22.9% (21.9) of Orthex's invoiced sales in 2024.

Orthex's main sustainability target is to aim towards carbon neutrality in production by 2030. In 2024, Orthex joined the Circular Economy Green Deal and committed to replace virgin raw materials with recycled and renewable raw materials.

The business climate in 2024 was characterized by careful consumer behaviour and customer uncertainty. Although inflation pressures slowed down, and interest rates started decreasing during the year, demand did not recover remarkably. Orthex managed, however, to grow its full-year invoiced sales in all product categories and on all geographical markets ending the year with a record sales quarter. Even if I had anticipated more favourable operating conditions and stronger growth, I am convinced that our performance builds the momentum for the future. I am incredibly proud of the teamwork, individual efforts, and dedication of our employees in executing our growth strategy. I want to extend my heartfelt thank you to everyone at Orthex for their significant contributions throughout the year, and to all our customers and stakeholders for their trust in Orthex.

The Board of Directors proposes a dividend payout of 0.22 euros per share, totalling 3.9 million euros and 63.9% of net profit meaning an increase in both dividends and in percentages compared to the year 2023.

## KEY FIGURES

EUR million	10-12/2024	10-12/2023	Change	1-12/2024	1-12/2023	Change
Invoiced sales	24.4	23.9	1.9%	92.3	88.0	4.9%
Net sales	23.9	23.4	2.0%	89.7	85.9	4.4%
Gross margin	6.8	6.8	-0.3%	25.7	24.3	5.7%
Gross margin. %	28.5%	29.2%		28.6%	28.3%	
EBITDA	3.9	3.9	-1.0%	14.3	14.9	-4.3%
EBITDA margin. %	16.2%	16.7%		15.9%	17.3%	
Adjusted EBITDA	4.2	3.9	6.9%	14.6	14.9	-2.0%
Adjusted EBITDA margin. %	17.5%	16.7%		16.3%	17.4%	
EBITA	2.7	2.9	-6.1%	9.8	10.9	-9.4%
EBITA margin. %	11.4%	12.4%		11.0%	12.6%	
Adjusted EBITA	3.0	2.9	4.6%	10.2	10.9	-6.3%
Adjusted EBITA margin. %	12.7%	12.4%		11.4%	12.7%	
Operating profit	2.7	2.9	-5.4%	9.8	10.8	-8.5%
Operating profit margin. %	11.4%	12.3%		11.0%	12.5%	
Net cash flows from operating activities	2.4	0.4	586.4%	11.8	10.2	16.1%
Net debt / Adjusted EBITDA	1.4x	1.5x		1.4x	1.5x	
Adjusted return on capital employed (ROCE). %	9.2%	9.0%		29.7%	31.8%	
Equity ratio. %	41.9%	40.2%		41.9%	40.2%	
Earnings per share. basic (EUR)	0.10	0.12	-14.6%	0.34	0.39	-11.3%
FTEs	279	281	-0.8%	288	281	2.3%

## LONG-TERM FINANCIAL TARGETS

As long-term financial targets the company has adopted to an average annual organic Net sales growth to exceed 5 per cent at the Group level and to exceed 10 per cent outside the Nordics (growth in local currencies), adjusted EBITA margin (adjusted for items affecting comparability) to exceed 18 per cent over time and net debt to adjusted EBITDA ratio to stay below 2.5x. Leverage may temporarily exceed the target range (for example, in conjunction with acquisitions).

The company aims to distribute a stable and over time increasing dividend with a pay-out of at least 50 per cent of net profit, in total, on a biannual basis.

Orthex does not publish a short-term outlook.

## MARKET OVERVIEW

Orthex operates in the storage, kitchenware, and home and garden products market, which has historically been stable and resilient throughout different economic cycles. The market for household products in Europe is fragmented. Although the market is competitive, fragmentation lowers the threshold to increase market share and find attractive niches.

The major megatrends supporting Orthex's business include urbanisation and the related increase in the number of households and decrease in living space per household. More people live in single-person households and family sizes are decreasing. According to Eurostat, the number of single-person households in the EU increased by 21% from 2013 to 2023. Small spaces drive demand for functional storage solutions and household products that allow efficient use of the living space. Despite households being inhabited by fewer people, the need for necessities, such as home storage, food storage and kitchen utensils, remains nearly the same per household.

Consumption patterns supporting Orthex's business are mainly related to how people spend their time at home. One of these is the interest in cooking at home, which continues trending as a healthy, and less expensive way of eating. As per 6Wresearch<sup>1)</sup>, European kitchenware market is projected to grow at a CAGR of 5% between 2025 and 2031.

Consumers are increasingly concerned about climate change and biodiversity loss and want to do their part in the fight against them by buying sustainable products, avoiding food waste, and sorting and recycling their waste. Tightening legislation also supports this development. However, only a few households have enough pre-installed waste recycling and sorting solutions, which creates a demand for these and for sorting and recycling solutions that can also function as interior design elements. According to Mordor Intelligence<sup>2)</sup>, European home organisers and storage market is expected to grow at a CAGR of over 4% between the years 2025 and 2030.

Another consumption pattern supporting Orthex's business is the demand for houseplants and interest in gardening. Houseplants bring fresh air, colour, and cosiness into homes. Their use as design elements is becoming commonplace, particularly in dense urban areas that have limited green spaces. In addition, there is increasing popularity for gardening herbs, plants, and vegetables indoors and outdoors. These trends are driving demand for plant care products.

The uncertainties related to the general development of the global economy and geopolitical tensions influence consumer confidence, purchasing power and behaviour and, as a result, can have an impact on Orthex's business. As a result of the prevailing consumption uncertainty, many retailers are carefully monitoring their inventory levels. Orthex product price points are relatively low, and the products are bought to solve real needs. Therefore, Orthex believes that its product categories will be less affected by careful consumer purchasing behaviour than other, more expensive consumer goods categories. Orthex will follow the market trends and will strive to navigate through changing conditions as efficiently as possible.

<sup>1)</sup> [Prominent companies in Europe Kitchenware Market with Size](#)

<sup>2)</sup> [Europe Home Organizers & Storage Market Size & Share Analysis - Industry Research Report - Growth Trends](#)

## NET SALES AND PROFITABILITY

### Net sales and invoiced sales

#### Invoiced sales by geography

EUR million	10-12/2024	10-12/2023	Change	1-12/2024	1-12/2023	Change
Nordics	18.5	18.4	0.5%	71.1	68.7	3.5%
Rest of Europe	5.7	5.4	5.3%	20.3	18.5	10.0%
Rest of the world	0.2	0.1	67.0%	0.9	0.8	9.5%
<b>Total</b>	<b>24.4</b>	<b>23.9</b>	<b>1.9%</b>	<b>92.3</b>	<b>88.0</b>	<b>4.9%</b>

#### Invoiced sales by product category

EUR million	10-12/2024	10-12/2023	Change	1-12/2024	1-12/2023	Change
Storage	18.6	17.7	5.0%	63.6	60.0	5.9%
Kitchen	4.4	4.9	-9.8%	19.3	18.6	4.1%
Home & Garden	1.4	1.4	3.5%	9.4	9.4	0.0%
<b>Total</b>	<b>24.4</b>	<b>23.9</b>	<b>1.9%</b>	<b>92.3</b>	<b>88.0</b>	<b>4.9%</b>

Orthex combined the Home & Yard and Plant care categories into a new reporting category called Home & Garden as of the start of the year 2024. The Home & Garden category includes all the same items as the previous two categories.

#### October–December 2024

The Group's net sales increased in the fourth quarter by 2.0% and was 23.9 million EUR (23.4). The Group's invoiced sales were 24.4 million EUR (23.9). The increase in constant currency net sales was 2.2% compared to October–December 2023.

#### January–December 2024

In January–December, the Group's net sales increased by 4.4% to EUR 89.7 million (85.9). Invoiced sales amounted to EUR 92.3 million (88.0). The increase in constant currency net sales was 4.3% compared to January–December 2023.

Successful launches of novelties, campaigns, strong in-store activities as well as new product and customer listings contributed to the net sales growth.

## Development by geography

### October–December 2024

Orthex's core market area by geography is the Nordics, where the Group's invoiced sales in October–December increased to EUR 18.5 million (18.4). Invoiced sales in the Nordics improved only slightly by 0.5% compared to the previous year. Careful consumer behaviour affected the retailers' buying volumes especially in Sweden in the latter part of the year.

Rest of Europe delivered invoiced sales growth of 5.3% and the last quarter sales were record high at EUR 5.7 million (5.4). In the end of the fourth quarter, shipments to some customers were restricted due to increase in credit risks, and this had a negative impact on the sales growth in the Rest of Europe.

In the rest of the world, invoiced sales increased to EUR 0.2 million (0.1).

### January–December 2024

In the Nordics, the Group's invoiced sales in January–December increased to EUR 71.1 million (68.7). Invoiced sales in the Rest of Europe increased to EUR 20.3 million (18.5). In the Rest of the world, invoiced sales amounted to EUR 0.9 million (0.8).

Invoiced sales increased steadily in the Nordic core markets during the first half of the year due to successful campaigns and strong in-store activities. Careful consumer behaviour affected the retailers' buying volumes especially in Sweden in the latter part of the year. In January–December, invoiced sales in the Rest of Europe grew in line with the long-term strategic target by solid 10.0%.

Orthex's products are sold in more than 40 countries, and export to non-Nordic countries accounted for 22.9% (21.9) of the Group's invoiced sales during the period.

## Development by product category

### October–December 2024

Orthex's largest category is Storage with invoiced sales totalling EUR 18.6 million (17.7) during October–December. Products in the Storage category play a key role in Orthex's expansion in Europe. Strong commercial activities and successful new product launches contributed to the sales growth.

The Group's invoiced sales in the Kitchen category decreased in October–December to EUR 4.4 million (4.9). The Kitchen category declined due to a few campaigns less compared to the previous year end.

Invoiced sales in the Home & Garden category amounted to EUR 1.4 million (1.4).



## January–December 2024

Invoiced sales in the Storage category totalled EUR 63.6 million (60.0) during January–December. The Storage category grew driven by new customer and product listings and successful campaigns. The Storage category represents most of the business outside of the Nordic countries and the positive sales development in the Rest of Europe took the overall Storage category growth to 5.9% compared to the previous year.

The Group's invoiced sales in the Kitchen category increased in January–December to EUR 19.3 million (18.6). Widening customer distribution and the successful rebranding of SmartStore™ food storage products is visible in the Kitchen category's sales growth.

Invoiced sales in the Home & Garden category amounted to EUR 9.4 million (9.4).

## Profitability

### October–December 2024

EBITA for October–December was EUR 2.7 million (2.9). Adjusted EBITA increased to EUR 3.0 million (2.9), and the adjusted EBITA margin increased to 12.7% (12.4). Orthex's operating profit was EUR 2.7 million (2.9). The operating profit included items affecting comparability of EUR 0.3 million (0.0) mainly relating to costs recognised based on the tax audit. The last quarter profitability was negatively impacted by higher credit loss provisions.

Orthex's financial income and expenses during the review period consisted of EUR 0.5 million net expenses (0.6). The decrease in net financial expenses is mainly due to lower interest expenses related to bank loans.

### January–December 2024

EBITA in January–December was EUR 9.8 million (10.9). Adjusted EBITA was EUR 10.2 million (10.9). The adjusted EBITA margin weakened to 11.4% (12.7). Orthex's operating profit was EUR 9.8 million (10.8). The operating profit included items affecting comparability of EUR 0.4 million (0.1). When considering the one-time energy price support received in Sweden in the previous year (EUR 0.7 million), the comparable EBITA increased by EUR 0.1 million.

The lower profitability is attributed to increased production cost planned for higher sales, enforcement of commercial organisation, commercial activities, and salary inflation. In addition, the profitability was negatively impacted by higher credit loss provisions. Raw material fluctuation stabilised during the year.

Orthex's financial income and expenses during the review period consisted of EUR 2.1 million net expenses (2.2). The decrease in net financial expenses is mainly due to lower interest expenses related to bank loans.

Profit before taxes was EUR 7.8 million (8.5) and profit for the period was EUR 6.1 million (6.9).

## FINANCIAL POSITION AND CASH FLOW

At the end of December, the balance sheet totalled EUR 85.6 million (85.6) of which equity accounted for EUR 35.8 million (34.4).

The Group's net debt was EUR 20.3 million (22.3) at the end of the financial period. Non-current interest-bearing liabilities were EUR 26.3 million (29.6) and Orthex's total interest-bearing liabilities were EUR 30.7 million (33.9). Interest-bearing liabilities include loans from credit institutions, pension liabilities, and lease liabilities.

During the period January–December 2024, the Group's net cash flows from operating activities were EUR 11.8 million (10.2) and cash conversion was 70.9% (82.6). The energy price compensation received in Sweden (EUR 0.7 million) was paid to the company in June 2023. Interest paid during the period totalled EUR 1.8 million (1.9). Cash and cash equivalents amounted to EUR 10.5 million (11.6) at the end of the financial period.

At the end of the financial period, Net debt to Adjusted EBITDA ratio was 1.4x (1.5x). Orthex's long-term target is to keep the Net debt to Adjusted EBITDA ratio below 2.5x.

At the end of the financial period, the Group's Equity ratio was 41.9% (40.2). Adjusted return on capital employed (ROCE) was 29.7% (31.8) and return on equity (ROE) 17.4% (21.5).

## INVESTMENTS, RESEARCH, AND PRODUCT DEVELOPMENT

Orthex's investments in January–December 2024 amounted to EUR 4.3 million (2.6) and were related to moulds for new products and capacity increases. The increase in investments is due to the timing of completion of the investments made in 2023 to the beginning of the year 2024.

Orthex is involved in three large research projects for the development of recycled and renewable plastics. Orthex is researching in collaboration with Fortum and other partners whether recycled plastic could be used in products suitable for food contact. Since 2023, Orthex is participating in a large cooperation project of seven years to promote the circular economy of plastics. Orthex's goal is to find new potential, environmentally friendly plastic raw materials, test raw materials in production and as finished products, and then bring new products to the market. Orthex is also involved in the Reusify project that started in 2024 and aims to reduce single-use packaging.

These investments in research support Orthex's 2030 carbon neutrality target and the target to increase the use of recycled and renewable raw materials. Research and product development expenses have not been capitalized.

## SHARES AND SHAREHOLDERS

Orthex's shares are listed on Nasdaq Helsinki.

The company's registered share capital is EUR 80,000.00 and at the end of the review period, the company held 17,758,854 fully paid shares. Orthex has one series of shares, and each share entitles to one vote in the company's general meeting. There are no voting restrictions associated with the shares. Trading volume during the period was EUR 13.1 million (7.3) and 2,164,530 shares (1,497,211). The highest price of the share was EUR 7.30 (5.76) and the lowest was EUR 4.89 (3.70). The closing price of the share at the end of December was EUR 5.00 (5.40). At the end of the review period, the market value of the share capital stood at EUR 88.8 (95.9) million. The company did not have any treasury shares at the end of the period.

The number of registered shareholders at the end of the review period was 14,429 (15,587) including nominee registers. At the end of the period, the ten largest registered shareholders possessed a total of 52.6% (50.0) of Orthex's shares and votes.

The stock exchange releases on notifications of changes in holdings (flaggings) are available on the corporate website at [Media - Orthex Group](#). Orthex did not receive any flagging notifications during the review period.

The Board of Directors is authorised to issue or convey a total maximum of 1,600,000 new shares and special rights entitling to shares in one or several issues. The Board of Directors is also authorised to decide on the acquisition of a maximum of 175,000 company shares. The Board of Directors has not exercised these authorisations during the review period. The authorisations are valid until 30 June 2025.

## GROUP STRUCTURE

There were no changes in the Group structure during the review period.

## GOVERNANCE

### Changes in the Management Team

During the year, changes took place in the company's operational responsibilities and the Management Team. Orthex clarified its operational management towards increasing company-wide responsibilities and appointed **Tom Ståhlberg** Chief Supply Officer (CSO) assuming the overall responsibility for Orthex production, supply chain and purchasing from the beginning of March. In addition, **Peter Ottosson**, member of the company's Management Team and Operations Director of the Gnosjö factory, left the company at the end of April, and **Alex Nielsen**, member of the company's Management Team and Sales Director, Europe and International Markets at the end of November. These changes are elaborated in further detail in the stock exchange releases

issued by the company in January, February, and November 2024 and they are available on the corporate website at [Media - Orthex Group](#).

## Annual General Meeting 2024

Orthex Corporation's Annual General Meeting was held in Espoo on 9 April 2024. The general meeting adopted the financial statements and discharged the members of the Board of Directors and the CEO from liability for the financial year 2023. The general meeting also approved the 2023 remuneration report for governing bodies.

The general meeting approved the Board of Directors' proposal to pay a dividend of EUR 0.21 per share. The dividend was paid in two instalments. The first instalment of EUR 0.11 per share was paid on 18 April 2024. The second instalment of EUR 0.10 per share was paid on 9 October 2024.

The general meeting resolved that **Sanna Suvanto-Harsaae, Markus Hellström, Jyrki Mäki-Kala, Jens-Peter Poulsen** and **Anette Rosengren** be re-elected to the Board, all for a term of office ending at the end of the next Annual General Meeting. **Sanna Suvanto-Harsaae** continues to chair the Board. The general meeting resolved that the remuneration of the members of the Board of Directors remain the same and that the Chair of the Board of Directors be paid a monthly fee of EUR 4,000 and other members of the Board of Directors a monthly fee of EUR 2,000.

Ernst & Young Oy, a firm of Authorised Public Accountants, was re-elected the company's auditor with APA **Mikko Rytilahti** continuing as the signing audit partner.

The general meeting authorised the Board of Directors to issue or convey a total maximum of 1,600,000 new shares and special rights entitling to shares in one or several issues. The Board of Directors was also authorised to decide on the acquisition of a maximum of 175,000 company shares. The authorisations are valid until 30 June 2025.

Further information about the decisions of the general meeting can be found in the AGM documents, which are available on the corporate website at [Annual General Meeting 2024 - Orthex Group](#).

## Change in the Board of Directors

**Jens-Peter Poulsen**, member of Orthex's Board of Directors since 2021 announced in October that he had decided to resign from the Board as of 31 October 2024 since he had been appointed to a new, time-consuming full-time position. Following his resignation, the Board of Directors of Orthex will consist of four members until the next Annual General Meeting.

## Composition of the Shareholders' Nomination Board

The Extraordinary General Meeting on 5 March 2021 decided to establish a Shareholders' Nomination Board for the company and the Nomination Board's charter was approved. The Nomination Board consists of the four largest registered shareholders of the company as of 31 August. According to the shareholders' register, the company's four largest shareholders on 31



August 2024 were Conficap Oy, Alexander Rosenlew, Ilmarinen Mutual Pension Insurance Company, and Varma Mutual Pension Insurance Company.

On 11 September 2024, the company announced that these shareholders have appointed their representatives to the Shareholders' Nomination Board, the composition of which is as follows:

- **Erik Toivanen**, CEO of Conficap Oy
- **Alexander Rosenlew**
- **Annika Ekman**, Head of Direct Equity Investments of Ilmarinen Mutual Pension Insurance Company
- **Erkka Kohonen**, Senior Portfolio Manager of Varma Mutual Pension Insurance Company

The Nomination Board has elected **Erik Toivanen** as its chair. The Chair of Orthex's Board of Directors, **Sanna Suvanto-Harsaae**, acts as an expert member of the Nomination Board.

More information on the Nomination Board is available on the corporate website at [Nomination Board - Orthex Group](#).

## SUSTAINABILITY

Sustainability is a core element in implementing Orthex's growth strategy and key objectives as we strive to be the number one brand in storage products in Europe, and to strengthen our position as a leading houseware company in the Nordics. Sustainability is a key factor in all decision making at Orthex and a significant driver of our development and investment agenda. For example, a prerequisite for all new product investments is that the material should be either recycled or renewable. Orthex does not make single-use products. On the contrary, Orthex's products are made for long-term use and are fully recyclable in all our markets at the end of their life cycle.

Orthex aims to be the industry forerunner in sustainability by offering timelessly designed, high-quality, safe, and long-lasting products, reducing the carbon footprint of its operations and products, and sourcing more and more of its raw materials from recycled and renewable materials. Orthex's main sustainability target is to aim towards carbon neutral production by 2030.

Orthex has identified priority sustainability topics in environmental, social, and governance (ESG) areas. For each topic, the company has defined key performance indicators and targets.

### **Sustainability highlights in January–December 2024**

Orthex's active sustainability work continued during 2024.

#### *Circular Economy Green Deal*

Orthex announced in December that it has joined the Circular Economy Green Deal. Orthex's commitment relates to action areas "Increasing the value of recycled materials and bio-based raw materials in production" and "Expanding the availability of circular economy products in the

market". Orthex commits to replace in its production virgin raw materials with recycled and renewable raw materials and to introduce new plastic products made from recycled or renewable materials to the market.

The Circular Economy Green Deal is a voluntary strategic commitment shared by companies, municipalities, regions, sectoral organisations, and the Finnish government in which the participating organisations commit to reducing their use of natural resources and setting effective goals, and to taking actions that promote a low-carbon circular economy. The objectives include curbing the consumption of non-renewable natural resources and doubling the circular economy rate of resources and materials by 2035.

### *Recognitions*

In January, Orthex was ranked in 6th place among the Nasdaq Helsinki small-cap companies in the Nordic Business Diversity Index examining the diversity of senior leadership in Nordic listed companies.

Orthex reached the highest Leadership level with a score A- in the Climate Disclosure Project's (CDP) climate change program which assesses climate change related risk management and practices. Outcome of the 2023 CDP reporting was disclosed in February 2024. Outcome of the 2024 CDP reporting is still pending.

EcoVadis disclosed its 2023 sustainability rating outcome in July placing Orthex at the bronze level. EcoVadis rates businesses' sustainability based on their environmental impact, labour and human rights standards, ethics, and procurement practices.

In addition, Orthex was awarded the Nasdaq ESG Transparency Partner badge for 2023 ESG reporting for a third year in a row.

### *Audits*

Orthex strives to minimise its impact on the environment and climate and invests in high-quality and safety of its products. All our three factories in Finland and Sweden have already since 2002 been ISO 14001 and 9001 certified for their environmental and quality management systems. In 2021, Orthex's operations were awarded the ISO 45001 certification for occupational health and safety management system.

During the first months of the year, Orthex's operations were evaluated based on the principles of the SMETA sustainability audit. SMETA is the world's most widely used audit, and the abbreviation stands for Sedex Members Ethical Trade Audit. The SMETA audit was conducted at Orthex's Tingsryd factory for the second time and at the Lohja factory for the first time. The level of Orthex's operations were assessed in terms of occupational health and safety, working conditions, environmental performance, and business practices. The audit performed by an external party effectively maps the level of operations and shows potential areas for improvement and ensures that we maintain the highest standards in all aspects of our operations.

In March, Orthex's Lohja factory was audited and the ISCC PLUS certificate was renewed. Corresponding audit was carried out in the Gnosjö factory in May resulting in renewal of its ISCC PLUS certificate as well. Usage of ISCC PLUS certified renewable raw materials produced by

applying the mass balance approach supports Orthex's long-term carbon neutrality target, and the target to increase the share of sustainable raw materials in production.

#### *Research investments*

Orthex is involved in three large research projects focusing on the development of recycled and renewable plastics, because the supply of high-quality recycled materials suitable for different purposes is still weak. In addition, the company has recruited a product engineer specialising in the research and testing of new raw materials in practice.

Transparent plastic and food contact with plastic are still difficult or even impossible to achieve with recycled plastic. To tackle this challenge that is crucial for Orthex's carbon neutrality target, Orthex is researching in collaboration with Fortum and other partners whether recycled plastic could be used in products suitable for food contact. The research results have been promising but the start of industrial scale use will require, among others, further improvements in the sorting technology. In 2024, the research project focused on the development of this technology, improvement of recycled plastic's traceability, and closer review of the legal restrictions.

Since 2023, Orthex is participating in a large cooperation project of seven years to promote the circular economy of plastics. Orthex's goal is to find new potential, environmentally friendly plastic raw materials, test raw materials in production and as finished products, and then bring new products to the market.

Orthex is also involved in the Reusify project that started in 2024 and aims to reduce single-use packaging. The project includes several different stakeholders as cooperation across the entire value chain is a prerequisite for a circular economy. The goal of the project is to increase the reuse of 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.

These significant investments in research support Orthex's 2030 carbon neutrality target and the target to increase the use of recycled and renewable raw materials.

#### *Investments in novelties*

Orthex also 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. In 2024, we launched several novelties, including a practical food waste bin SmartStore™ Collect Biowaste, a modern range of SmartStore™ Essence storage baskets and a stackable sorting solution SmartStore™ Collect Stack-it. All these products are made from recycled plastic, marking further steps towards our sustainability goals and showing Orthex's ongoing commitment to increase the use of recycled and renewable materials in production.

#### *Reporting requirements*

In 2024, Orthex continued its preparations for the entry into force of the Corporate Sustainability Reporting Directive (CSRD). The new reporting requirements were expected to apply to the company starting from the beginning of 2025. However, changes to these reporting requirements have been proposed within the EU, which may result in the company being exempt from these requirements due to its size. We are closely monitoring the progress of the regulatory changes and their potential impacts on the company's reporting obligations.

## SHORT-TERM RISKS AND UNCERTAINTIES

Plastic polymers are the largest group of raw materials purchased by Orthex, and the prices are typically negotiated annually. Fluctuations in raw material prices and supply disruptions may have a negative effect on profitability. The Group is not hedged against fluctuations in raw material prices but can better manage risks by tying prices to the plastic polymer supply chain. There is less volatility in the prices of renewable and recycled materials and merchandise. However, there has been shortage on the market because of higher demand and this can lead to higher prices also in renewable and recycled materials.

Cost inflation, interest rate levels, and geopolitical tensions impact the global economic trend as well as the development of consumers' purchasing behaviour and, as a result, can have an impact on Orthex's business. Russia's war against Ukraine or the crisis in the Middle East do not directly affect Orthex's business as Orthex does not sell products to Russia, Belarus, Ukraine, or Israel or source raw materials from these countries. However, geopolitical tensions cause disturbances in global supply chains and contribute to the general economic situation and consumers' purchasing power and behaviour. These factors may affect the company's sales and profitability as well as operational reliability and efficiency. The Group has hedged part of its interest-bearing liabilities against rising interest rates with interest derivatives. In addition, some of the electricity contracts have been purchased at fixed prices due to the strong volatility of market electricity.

Thanks to its own production, Orthex can control the quality of its products and the health and environmental aspects of production and products. Although Orthex has several quality control measures in place, there can be no assurances that such measures will always be adequate to detect potential product quality defects. Any significant quality issue may require a considerable amount of management resources. Responding to detected or suspected quality issues, for example, by proactively adjusting production processes or by switching the materials or components used, usually gives rise to costs that may be significant. Product quality issues or product recalls may also harm Orthex's reputation and lead to loss of customers. Materialisation of the aforementioned risks may have a material adverse effect on Orthex's business, results of operations, financial position, and reputation.

As Orthex's production largely relies on its own production facilities, events that would cause significant disruptions in or the suspension of Orthex's production facilities could materially affect Orthex's ability to deliver its products to its customers in a timely manner. Significant disruptions or interruptions in production and operations would adversely affect Orthex business and operating profit.

Orthex has operations in several countries, so the company is exposed to transaction and translation risk. The Group is typically not hedged against currency risk, except for certain large purchases under the Kökskungen brand. Fluctuations in exchange rates have had and may continue to have a material adverse effect on Orthex's results of operations.

Further information on the company's risk management principles and on the main strategic, operative, and financial risks is included in the Board of Directors' report for the year 2024. The main principles of Orthex's financial risk management are described in the notes to the consolidated financial statements. The company's Annual and Sustainability Report, which



includes the Board of Directors' report and the consolidated financial statements with notes for the year 2024, will be published on the corporate website during week 13 at the latest.

## BOARD OF DIRECTORS' PROPOSAL FOR THE DISTRIBUTION OF DIVIDEND

According to the financial statements to be adopted for the financial year ended 31 December 2024, the parent company's distributable funds amount to EUR 21,204,617.74, including the profit for the period of EUR 5,946,289.82.

The Board of Directors proposes to the general meeting that based on the financial statements to be adopted for the financial year ended on 31 December 2024, shareholders be paid a dividend of EUR 0.22 per share totalling approximately EUR 3.9 million based on the number of registered shares in the company at the time of the proposal.

The dividend is proposed to be paid in two instalments as follows:

- The first instalment of the dividend amounting to EUR 0.11 per share will be paid to a shareholder who is registered in the company's shareholder register held by Euroclear Finland Oy on the record date of the first instalment of the dividend payment 2 May 2025. The Board of Directors proposes that the first instalment of the dividend be paid on 9 May 2025.
- The second instalment of the dividend amounting to EUR 0.11 per share will be paid in October 2025 to a shareholder who is registered in the company's shareholder register held by Euroclear Finland Oy on the record date of the second instalment of the dividend payment 1 October 2025. The Board of Directors proposes that the second instalment of the dividend be paid on 8 October 2025. The Board of Directors further proposes that the Board be authorised to decide, if necessary, on a new record date and date of payment for the second instalment of the dividend should the rules of Euroclear Finland Oy or statutes governing the Finnish book-entry system change or otherwise so require.

There have been no significant changes in the parent company's financial position after the financial year-end. The company's liquidity is good, and the Board of Directors deems that the company's solvency will not be jeopardised by the proposed dividend distribution.

## EVENTS AFTER THE REVIEW PERIOD

On 17 January 2025, Orthex disclosed the Shareholders' Nomination Board's proposals to the Annual General Meeting 2025 regarding the composition and remuneration of the Board of Directors.

The Shareholders' Nomination Board proposes that the Board of Directors would consist of five members and that **Sanna Suvanto-Harsaae**, **Markus Hellström**, **Jyrki Mäki-Kala**, and **Anette Rosengren** be re-elected to the Board and that **Tuomas Yrjölä** be elected as a new member to the Board, all for a term of office ending at the end of the Annual General Meeting 2026.

All director nominees have consented to their election and confirmed that they are independent of the company and its significant shareholders. Background information on the director nominees is available on the corporate website [Board of Directors - Orthex Group](#).

As regards the remuneration, the Shareholders' Nomination Board proposes that the monthly remuneration of the members of the Board of Directors remains the same and that the Chair of the Board of Directors be paid a monthly fee of EUR 4,000 and other members of the Board of Directors a monthly fee of EUR 2,000. The Nomination Board further proposes an introduction of meeting-specific fees so that a meeting fee of EUR 250 is paid for a meeting held in the Board member's country of residence or as a remote meeting, and a meeting fee of EUR 500 for a meeting held elsewhere than in the Board member's country of residence and that reasonable travel and other expenses related to the Board work be reimbursed in accordance with the company's travel rules.

## MARKET OUTLOOK

Global volatility, cost inflation, and consumer and customer uncertainty will affect the business environment. Orthex is closely following the financial performance of its retail customers as the prolonged consumer carefulness and changes in shopper trends can lead to fast changes in the customers' financial capabilities or even discontinuation of business.

To ensure effective implementation and adoption of its strategy, Orthex is constantly evaluating consumer trends, customer demands and market conditions. The strategy is designed to deliver the specified long-term financial targets. In addition, an overall focus on sustainability is at the heart of the business development.

In 2024, raw material prices stabilised approximately at the previous year's level. The price level in 2025 will be affected by the development of the demand for plastic raw materials, changes in sanctions against Russia, the potential escalation of the crisis in the Middle East, and logistic challenges. The European Central Bank's forecast says that the euro area economy is set to continue its gradual recovery although recent indicators suggest a weakening of growth in the short term. Orthex will closely monitor the general economic and market trends and the development of consumer confidence and purchasing power and will strive to navigate through changing conditions as efficiently as possible.

International distribution build-up is progressing according to plan, delivering a growing base of customers and point of sales throughout Europe. Orthex has continued strengthening its international sales organisation which is expected to support positive sales development in the Rest of Europe in 2025.

In 2025, Orthex will celebrate the 30th anniversary of the iconic SmartStore™ Classic storage box range, which provides the company with an excellent opportunity to raise the international awareness of the SmartStore™ brand and highlight the premium quality of the Classic storage boxes.

Russia's war against Ukraine or the crisis in the Middle East do not directly affect Orthex's business as Orthex does not sell products to Russia, Belarus, Ukraine, or Israel or source raw materials from these countries. However, geopolitical tensions cause disturbances in global supply chains and contribute to the general economic trend and consumers' purchasing power and behaviour, and, as a result, can have an impact on Orthex's business in 2025, especially in the important Nordics market.

## FINANCIAL RELEASES IN 2025

Orthex will publish its financial reports in 2025 as follows:

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 will take place on Tuesday, 29 April 2025.

Espoo, 11 March 2025

ORTHEX CORPORATION  
Board of Directors

### **Additional information:**

Alexander Rosenlew, CEO, +358 (0)40 500 3826

Saara Mäkelä, CFO, +358 (0)40 083 8782

### **Contacts:**

Analysts and investors: Saara Mäkelä, CFO, +358 (0)40 083 8782

Media: Hanna Kukkonen, CMSO, +358 (0)40 053 8886

The results presentation will be held on 12 March 2025 at 11.00 a.m. EET as a webcast meeting.

### **Webcast meeting**

Access meeting online [here](#).

### **Q&A**

Questions to the management can be sent through the meeting chat.

### **Presentation material and webcast recording**

The presentation material will be shared in the online meeting, and it can be downloaded on Orthex's website at [Reports & presentations - Orthex Group](#). A recording of the event will be available later at the same address.

### **Distribution:**

Nasdaq Helsinki Ltd

Main media

<https://investors.orthexgroup.com/>



## ORTHEX FINANCIAL STATEMENTS RELEASE JANUARY–DECEMBER 2024

### Consolidated statement of comprehensive income

EUR thousand	10-12/2024	10-12/2023	1-12/2024	1-12/2023
<b>Net sales</b>	<b>23,883</b>	<b>23,415</b>	<b>89,734</b>	<b>85,945</b>
Cost of sales	-17,074	-16,589	-64,030	-61,625
<b>Gross Margin</b>	<b>6,809</b>	<b>6,826</b>	<b>25,704</b>	<b>24,320</b>
Other operating income	4	16	19	811
Selling and marketing expenses	-2,465	-2,582	-9,982	-9,237
Administrative expenses	-1,624	-1,381	-5,907	-5,143
<b>Operating profit</b>	<b>2,724</b>	<b>2,879</b>	<b>9,833</b>	<b>10,750</b>
Financial income and expenses	-525	-561	-2,066	-2,231
<b>Profit before taxes</b>	<b>2,199</b>	<b>2,318</b>	<b>7,768</b>	<b>8,520</b>
Income taxes	-385	-194	-1,658	-1,628
<b>Profit for the period</b>	<b>1,814</b>	<b>2,123</b>	<b>6,110</b>	<b>6,892</b>
<b>Profit for the period attributable to:</b>				
Equity holders of the parent	1,814	2,123	6,110	6,892
<b>Earnings per share, basic (and diluted), EUR</b>	<b>0.10</b>	<b>0.12</b>	<b>0.34</b>	<b>0.39</b>
<b>Other comprehensive income, net of tax</b>				
<b>Items that may be reclassified subsequently to profit or loss:</b>				
Translation differences	-394	1,082	-948	85
<b>Items that will not be reclassified to profit or loss:</b>				
Remeasurement gains/(losses) on defined benefit plans	-40	-298	-40	-298
<b>Other comprehensive income for the period, net of tax</b>	<b>-435</b>	<b>784</b>	<b>-988</b>	<b>-213</b>
<b>Total comprehensive income for the period</b>	<b>1,379</b>	<b>2,907</b>	<b>5,121</b>	<b>6,679</b>
<b>Total comprehensive income attributable to:</b>				
Equity holders of the parent	1,379	2,907	5,121	6,679

## Consolidated statement of financial position

EUR thousand	31 Dec 2024	31 Dec 2023
<b>Assets</b>		
<b>Non-current assets</b>		
Intangible assets	21,758	22,303
Property, plant, and equipment	15,125	13,942
Right-of-use assets	6,746	6,999
Other non-current assets	104	107
Deferred tax assets	701	695
<b>Total non-current assets</b>	<b>44,435</b>	<b>44,046</b>
<b>Current assets</b>		
Inventories	12,491	12,088
Trade and other receivables	17,960	17,866
Derivative financial instruments	6	-
Income tax receivables	202	-
Cash and cash equivalents	10,463	11,568
<b>Total current assets</b>	<b>41,123</b>	<b>41,522</b>
<b>Total assets</b>	<b>85,557</b>	<b>85,568</b>
<b>Equity and liabilities</b>		
<b>Equity attributable to the equity holders of the parent company</b>		
Share capital	80	80
Invested unrestricted equity fund	7,851	7,851
Retained earnings	29,281	26,941
Translation differences	-1,384	-436
<b>Total equity</b>	<b>35,828</b>	<b>34,436</b>
<b>Non-current liabilities</b>		
Loans from credit institutions	16,391	19,391
Lease liabilities	6,242	6,629
Pension liabilities	3,644	3,613
Deferred tax liabilities	782	796
<b>Total non-current liabilities</b>	<b>27,058</b>	<b>30,429</b>
<b>Current liabilities</b>		
Loans from credit institutions	3,000	3,000
Lease liabilities	1,473	1,252
Trade and other payables	17,362	15,687
Derivative financial instruments	52	41
Income tax liabilities	783	723
<b>Total current liabilities</b>	<b>22,670</b>	<b>20,703</b>
<b>Total liabilities</b>	<b>49,729</b>	<b>51,132</b>
<b>Total equity and liabilities</b>	<b>85,557</b>	<b>85,568</b>

## Consolidated statement of changes in equity

Equity attributable to the equity holders of the parent company					
EUR thousand	Share capital	Invested unrestricted equity fund	Retained earnings	Translation differences	Total equity
<b>As at 1 Jan 2024</b>	<b>80</b>	<b>7,851</b>	<b>26,941</b>	<b>-436</b>	<b>34,436</b>
Profit for the period			6,110		6,110
Translation differences				-948	-948
Remeasurement gains/(losses) on defined benefit plan			-40		-40
<b>Total comprehensive income</b>			<b>6,069</b>	<b>-948</b>	<b>5,121</b>
Dividends			-3,729		-3,729
<b>At 30 Dec 2024</b>	<b>80</b>	<b>7,851</b>	<b>29,281</b>	<b>-1,384</b>	<b>35,828</b>
<hr/>					
<b>As at 1 Jan 2023</b>	<b>80</b>	<b>7,851</b>	<b>22,301</b>	<b>-521</b>	<b>29,711</b>
Profit for the period			6,892		6,892
Translation differences				85	85
Remeasurement gains/(losses) on defined benefit plan			-298		-298
<b>Total comprehensive income</b>			<b>6,593</b>	<b>85</b>	<b>6,679</b>
Dividends			-1,953		-1,953
<b>At 31 Dec 2023</b>	<b>80</b>	<b>7,851</b>	<b>26,941</b>	<b>-436</b>	<b>34,436</b>

## Consolidated statement of cash flows

EUR thousand	1-12/2024	1-12/2023
<b>Cash flows from operating activities</b>		
Profit before taxes	7,768	8,520
Adjustments:		
Depreciation, amortisation, and impairment	4,423	4,142
Financial income and expenses	2,066	2,230
Other adjustments	-269	-206
<b>Cash flows before changes in working capital</b>	<b>13,988</b>	<b>14,686</b>
<b>Changes in working capital</b>		
Decrease (+) / increase (-) in trade and other receivables	-97	-4,383
Decrease (+) / increase (-) in inventories	-404	2,196
Decrease (-) / increase (+) in trade and other payables	1,915	1,346
<b>Cash flows from operating activities before financial items and taxes</b>	<b>15,402</b>	<b>13,845</b>
Interests paid	-1,781	-1,918
Income taxes paid	-1,815	-1,757
<b>Net cash flows from operating activities</b>	<b>11,805</b>	<b>10,170</b>
<b>Cash flows from investing activities</b>		
Investments in tangible and intangible assets	-4,255	-2,594
<b>Net cash flows from investing activities</b>	<b>-4,255</b>	<b>-2,594</b>
<b>Cash flows from financing activities</b>		
Dividends	-3,729	-1,953
Repayment of lease liabilities	-1,601	-1,329
Repayment of short-term borrowings	-3,000	-3,000
<b>Net cash flows from financing activities</b>	<b>-8,330</b>	<b>-6,283</b>
Net change in cash and cash equivalents	-779	1,293
Net foreign exchange differences	-326	-9
Cash and cash equivalents at the beginning of the period	11,568	10,284
<b>Cash and cash equivalents at the end of the period</b>	<b>10,463</b>	<b>11,568</b>

## NOTES TO THE FINANCIAL STATEMENTS RELEASE

### Basis of preparation

Orthex's financial statements release has been prepared in accordance with the IAS 34 Interim Reports standard. In the financial statements release, the same preparation principles have been applied as in the consolidated financial statements.

Orthex's Board of Directors has approved this financial statements release at its meeting on 11 March 2025. The figures in the financial statements are rounded, so the total sum of the individual figures may differ from the total figure presented. The figures are unaudited.

The figures presented in this financial statements release are based on Orthex Corporation's financial statements for 2024.

### Accounting estimates and management judgements made in preparation of the financial statements release information

The preparation of the financial statements release information requires management to make accounting estimates and judgements as well as assumptions that affect the application of the preparation principles and the accounting estimates on assets, liabilities, income, and expenses. Actual results may differ from previously made estimates and judgements. Estimates and judgements are reviewed regularly. Changes in estimates are presented in the period during which the change occurs if the change only affects one period. If it affects both the period under review and following periods, the changes are presented in the period under review and following periods.

The significant management judgements and accounting estimates concerning key uncertainty factors in connection with the preparation of this financial statements release information are identical to those applied to the consolidated financial statements for 2024.

## Related party transactions

Transactions with related parties are made on an arm's length basis.

Orthex did not have any related party transactions during the reporting period.

## Property, plant and equipment, Intangible assets, and Right-of-use assets

EUR thousand	Intangible asset	Goodwill	Property, plant, and equipment	Right-of-use assets	Total
<b>Acquisition cost at 1 Jan 2024</b>	<b>1,218</b>	<b>22,292</b>	<b>71,949</b>	<b>12,737</b>	<b>108,197</b>
Additions			6,593	1,636	8,229
Transfers			-2,493	-	-2,493
Translation differences		-533	-195	-202	-930
<b>Acquisition cost at 31 Dec 2024</b>	<b>1,218</b>	<b>21,758</b>	<b>75,854</b>	<b>14,172</b>	<b>113,003</b>
<b>Accumulated depreciation, amortisation, and impairment at 1 Jan 2024</b>	<b>1,207</b>	<b>-</b>	<b>58,006</b>	<b>5,739</b>	<b>64,952</b>
Depreciation and amortisation	12		2,722	1,688	4,422
<b>Accumulated depreciation, amortisation and impairment at 31 Dec 2024</b>	<b>1,218</b>	<b>-</b>	<b>60,729</b>	<b>7,426</b>	<b>69,373</b>
<b>Carrying amount at 1 Jan 2024</b>	<b>12</b>	<b>22,292</b>	<b>13,942</b>	<b>6,999</b>	<b>43,244</b>
<b>Carrying amount at 31 Dec 2024</b>	<b>0</b>	<b>21,758</b>	<b>15,125</b>	<b>6,746</b>	<b>43,629</b>
<b>Acquisition cost at 1 Jan 2023</b>	<b>1,218</b>	<b>22,252</b>	<b>68,979</b>	<b>12,697</b>	<b>105,147</b>
Additions			3,857	1,431	5,289
Disposals			-	-1,400	-1,400
Transfers			-864		-864
Translation differences		39	-23	9	26
<b>Acquisition cost at 31 Dec 2023</b>	<b>1,218</b>	<b>22,292</b>	<b>71,949</b>	<b>12,737</b>	<b>108,197</b>
<b>Accumulated depreciation, amortisation, and impairment at 1 Jan 2023</b>	<b>1,094</b>	<b>-</b>	<b>55,432</b>	<b>5,686</b>	<b>62,211</b>
Depreciation and amortisation	113		2,574	1,453	4,140
Accumulated depreciation and amortisation on disposals and transfers			-	-1,400	-1,400
<b>Accumulated depreciation, amortisation, and impairment at 31 Dec 2023</b>	<b>1,207</b>	<b>-</b>	<b>58,006</b>	<b>5,739</b>	<b>64,952</b>
<b>Carrying amount at 1 Jan 2023</b>	<b>125</b>	<b>22,252</b>	<b>13,547</b>	<b>7,011</b>	<b>42,935</b>
<b>Carrying amount at 31 Dec 2023</b>	<b>12</b>	<b>22,292</b>	<b>13,942</b>	<b>6,999</b>	<b>43,244</b>



## Fair value of financial assets and liabilities

Financial assets		
EUR thousand	31 Dec 2024	31 Dec 2023
<b>Level 2</b>		
<b>Assets measured at fair value</b>		
<b>Derivative financial instruments:</b>		
Foreign exchange forward contracts and interest hedging	6	-
<b>Total</b>	<b>6</b>	<b>-</b>
<b>Financial liabilities</b>		
EUR thousand	31 Dec 2024	31 Dec 2023
<b>Level 2</b>		
<b>Liabilities measured at fair value</b>		
<b>Derivative financial instruments:</b>		
Foreign exchange forward contracts and interest hedging	52	41
<b>Total</b>	<b>52</b>	<b>41</b>

The derivatives have been presented in the table above. The carrying amounts of other financial assets and liabilities in the balance sheet equal their fair value.

## Commitments

EUR thousand	31 Dec 2024	31 Dec 2023
<b>Guarantees and mortgages given on own behalf:</b>		
Enterprise mortgages	49,042	50,065
Property mortgages	10,192	10,192
Other guarantees	105	102
<b>Total</b>	<b>59,340</b>	<b>60,359</b>

## Tax audit 2022

In 2022, Orthex Corporation was subject to a tax audit regarding the financial years 2020 and 2021. The tax audit report included subsequent taxes and tax increases amounting to a total of EUR 0.3 million relating to the VAT deductibility of IPO related costs. The company disagreed with the interpretation made in the tax audit and filed a claim for adjustment to its taxation with the Assessment Adjustment Board of the Finnish tax authority. However, the company was requested to pay additional taxes in accordance with the interpretations set out in the tax audit report and the company paid the subsequent taxes and tax increases in June 2022. Orthex did not recognise the subsequent taxes and tax increases in the consolidated statement of comprehensive income. The Assessment Adjustment Board issued its decision on the company's claim for adjustment in February 2025 and the company's claim was partly approved. As a result of the decision, EUR 0.2 million was recognised as items affecting comparability under fixed costs in the 2024 financial statements of Orthex Corporation.

## APPENDIX:

### Key Performance Indicators

EUR thousand	10-12/2024	10-12/2023	1-12/2024	1-12/2023
Net sales	23,883	23,415	89,734	85,945
Net sales growth, %	2.0%	15.0%	4.4%	2.3%
Constant currency net sales growth, %	2.2%	15.9%	4.3%	5.3%
Invoiced sales	24,394	23,940	92,291	87,989
Invoiced sales growth, %	1.9%	16.2%	4.9%	2.6%
Gross Margin	6,809	6,826	25,704	24,320
Gross Margin, %	28.5%	29.2%	28.6%	28.3%
EBITDA	3,876	3,915	14,257	14,892
EBITDA margin, %	16.2%	16.7%	15.9%	17.3%
EBITA	2,727	2,904	9,845	10,863
EBITA margin, %	11.4%	12.4%	11.0%	12.6%
Operating profit	2,724	2,879	9,833	10,750
Operating profit margin, %	11.4%	12.3%	11.0%	12.5%
Items affecting comparability	310	-	389	55
Adjusted Gross Margin	6,809	6,826	25,704	24,320
Adjusted Gross Margin, %	28.5%	29.2%	28.6%	28.3%
Adjusted EBITDA	4,186	3,915	14,645	14,947
Adjusted EBITDA margin, %	17.5%	16.7%	16.3%	17.4%
Adjusted EBITA	3,036	2,904	10,234	10,918
Adjusted EBITA margin, %	12.7%	12.4%	11.4%	12.7%
Adjusted operating profit	3,034	2,879	10,222	10,805
Adjusted operating profit margin, %	12.7%	12.3%	11.4%	12.6%
Earnings per share, basic (and diluted), EUR	0.10	0.12	0.34	0.39
FTEs	279	281	288	281
Personnel expenses	4,685	5,003	19,017	17,921
<b>Key cash flows indicators</b>				
Net cash flows from operating activities	2,416	352	11,805	10,170
Operating free cash flows	2,995	3,142	10,391	12,353
Cash conversion, %	71.6%	80.3%	70.9%	82.6%
Investments in tangible and intangible assets	-1,191	-773	-4,255	-2,594
<b>Financial position key figures</b>				
Net debt	20,286	22,317	20,286	22,317
Net debt / adjusted EBITDA last 12 months	1.4x	1.5x	1.4x	1.5x
Net working capital	13,090	14,266	13,090	14,266
Capital employed excluding goodwill	34,356	34,462	34,356	34,462
Return on capital employed (ROCE), %	8.3%	9.0%	28.6%	31.6%
Adjusted return on capital employed (ROCE), %	9.2%	9.0%	29.7%	31.8%
Equity ratio, %	41.9%	40.2%	41.9%	40.2%
Return on equity, %	5.2%	6.4%	17.4%	21.5%

## Reconciliation of APMs

EUR thousand	10-12/2024	10-12/2023	1-12/2024	1-12/2023
<b>Net sales growth, %</b>				
Net sales	23,883	23,415	89,734	85,945
<b>Net sales growth, %</b>	<b>2.0%</b>	<b>15.0%</b>	<b>4.4%</b>	<b>2.3%</b>
<b>Constant currency Net sales growth, %</b>				
Net sales	23,883	23,415	89,734	85,945
FX rate adjustment	-	-41	-	83
Constant currency Net sales	23,883	23,374	89,734	86,029
<b>Constant currency Net sales growth, %</b>	<b>2.2%</b>	<b>15.9%</b>	<b>4.3%</b>	<b>5.3%</b>
<b>Invoiced sales</b>				
Net sales	23,883	23,415	89,734	85,945
Discounts and bonuses	1,009	1,046	4,004	3,715
Other sales and refunds	-497	-521	-1,447	-1,672
<b>Invoiced sales</b>	<b>24,394</b>	<b>23,940</b>	<b>92,291</b>	<b>87,989</b>
Invoiced sales growth, %	1.9%	16.2%	4.9%	2.6%
<b>Gross Margin</b>				
Net sales	23,883	23,415	89,734	85,945
Cost of sales	-17,074	-16,589	-64,030	-61,625
<b>Gross Margin</b>	<b>6,809</b>	<b>6,826</b>	<b>25,704</b>	<b>24,320</b>
Gross Margin, %	28.5%	29.2%	28.6%	28.3%
<b>EBITDA</b>				
Operating profit	2,724	2,879	9,833	10,750
Depreciation, amortisation, and impairment	1,152	1,036	4,423	4,142
<b>EBITDA</b>	<b>3,876</b>	<b>3,915</b>	<b>14,257</b>	<b>14,892</b>
EBITDA margin, %	16.2%	16.7%	15.9%	17.3%
<b>EBITA</b>				
Operating profit	2,724	2,879	9,833	10,750
Amortisation and impairment	3	25	12	113
<b>EBITA</b>	<b>2,727</b>	<b>2,904</b>	<b>9,845</b>	<b>10,863</b>
EBITA margin, %	11.4%	12.4%	11.0%	12.6%
<b>Operating profit</b>				
<b>Operating profit</b>	<b>2,724</b>	<b>2,879</b>	<b>9,833</b>	<b>10,750</b>
Operating profit margin, %	11.4%	12.3%	11.0%	12.5%
<b>Items affecting comparability / adjustments (EBITDA)</b>				
Restructuring related expenses	103	-	182	-
Other items affecting comparability	-	-	-	55
Tax audit 2022	207	-	207	-
<b>Items affecting comparability / adjustments (EBITDA)</b>	<b>310</b>	<b>-</b>	<b>389</b>	<b>55</b>

EUR thousand	10-12/2024	10-12/2023	1-12/2024	1-12/2023
<b>Adjusted Gross Margin</b>				
Gross Margin	6,809	6,826	25,704	24,320
<b>Adjusted Gross Margin</b>	<b>6,809</b>	<b>6,826</b>	<b>25,704</b>	<b>24,320</b>
Adjusted Gross Margin, %	28.5%	29.2%	28.6%	28.3%
<b>Adjusted EBITDA</b>				
Operating profit	2,724	2,879	9,833	10,750
Depreciation, amortisation, and impairment	1,152	1,036	4,423	4,142
Adjustments (EBITDA)	310	-	389	55
<b>Adj. EBITDA</b>	<b>4,186</b>	<b>3,915</b>	<b>14,645</b>	<b>14,947</b>
Adj. EBITDA margin, %	17.5%	16.7%	16.3%	17.4%
<b>Adjusted EBITA</b>				
Operating profit	2,724	2,879	9,833	10,750
Amortisation and impairment	3	25	12	113
Adjustments (EBITA)	310	-	389	55
<b>Adj. EBITA</b>	<b>3,036</b>	<b>2,904</b>	<b>10,234</b>	<b>10,918</b>
Adj. EBITA margin, %	12.7%	12.4%	11.4%	12.7%
<b>Adjusted operating profit</b>				
Operating profit	2,724	2,879	9,833	10,750
Adjustments	310	-	389	55
<b>Adj. operating profit</b>	<b>3,034</b>	<b>2,879</b>	<b>10,222</b>	<b>10,805</b>
Adj. operating profit margin, %	12.7%	12.3%	11.4%	12.6%
<b>Earnings per share, basic (and diluted), EUR</b>				
Profit for the period	1,814	2,123	6,110	6,892
Average number of shares	17,759	17,759	17,759	17,759
<b>Earnings per share, basic (and diluted), EUR</b>	<b>0.10</b>	<b>0.12</b>	<b>0.34</b>	<b>0.39</b>
<b>Operating free cash flows</b>				
Adj. EBITDA	4,186	3,915	14,645	14,947
Investments in tangible and intangible assets	-1,191	-773	-4,255	-2,594
<b>Operating free cash flows</b>	<b>2,995</b>	<b>3,142</b>	<b>10,391</b>	<b>12,353</b>
<b>Cash conversion, %</b>				
Operating free cash flows	2,995	3,142	10,391	12,353
Adj. EBITDA	4,186	3,915	14,645	14,947
<b>Cash conversion, %</b>	<b>71.6%</b>	<b>80.3%</b>	<b>70.9%</b>	<b>82.6%</b>
<b>Net debt</b>				
Total interest-bearing liabilities	30,749	33,885	30,749	33,885
Cash and cash equivalents	-10,463	-11,568	-10,463	-11,568
<b>Net debt</b>	<b>20,286</b>	<b>22,317</b>	<b>20,286</b>	<b>22,317</b>
<b>Net debt/ Adj. EBITDA</b>				
Net debt	20,286	22,317	20,286	22,317
Adj. EBITDA, 12 months	14,645	14,947	14,645	14,947
<b>Net debt/ Adj. EBITDA</b>	<b>1.4x</b>	<b>1.5x</b>	<b>1.4x</b>	<b>1.5x</b>

EUR thousand	10-12/2024	10-12/2023	1-12/2024	1-12/2023
<b>Net working capital</b>				
Inventories	12,491	12,088	12,491	12,088
Trade and other receivables	17,960	17,866	17,960	17,866
Trade and other payables	-17,362	-15,687	-17,362	-15,687
<b>Net working capital</b>	<b>13,090</b>	<b>14,266</b>	<b>13,090</b>	<b>14,266</b>
<b>Capital employed excluding goodwill</b>				
Total Equity	35,828	34,436	35,828	34,436
Net debt	20,286	22,317	20,286	22,317
Goodwill	-21,758	-22,292	-21,758	-22,292
<b>Capital employed excluding goodwill</b>	<b>34,356</b>	<b>34,462</b>	<b>34,356</b>	<b>34,462</b>
<b>Return on capital employed (ROCE), %</b>				
Operating profit	2,724	2,879	9,833	10,750
Average capital employed excluding goodwill	32,846	31,903	34,409	33,975
<b>Return on capital employed (ROCE), %</b>	<b>8.3%</b>	<b>9.0%</b>	<b>28.6%</b>	<b>31.6%</b>
<b>Adjusted return on capital employed (ROCE), %</b>				
Adjusted operating profit	3,034	2,879	10,222	10,805
Average capital employed excluding goodwill	32,846	31,903	34,409	33,975
<b>Adjusted return on capital employed (ROCE), %</b>	<b>9.2%</b>	<b>9.0%</b>	<b>29.7%</b>	<b>31.8%</b>
<b>Equity ratio, %</b>				
Total Equity	35,828	34,436	35,828	34,436
Total assets	85,557	85,568	85,557	85,568
<b>Equity ratio, %</b>	<b>41.9%</b>	<b>40.2%</b>	<b>41.9%</b>	<b>40.2%</b>
<b>Return on equity, %</b>				
Profit for the period	1,814	2,123	6,110	6,892
Total equity (average for the first and last day of the period)	35,139	32,983	35,132	32,074
<b>Return on equity, %</b>	<b>5.2%</b>	<b>6.4%</b>	<b>17.4%</b>	<b>21.5%</b>

Orthex presents alternative performance measures as additional information to financial measures presented in the consolidated income statement, consolidated balance sheet and consolidated statement of cash flows prepared in accordance with IFRS. In Orthex's view, alternative performance measures provide significant additional information on Orthex's results of operations, financial position and cash flows to management, investors, analysts, and other stakeholders.

Alternative performance measures should not be viewed in isolation or as a substitute to the financial measures defined in the IFRS, nor are they defined or named in the IFRS. All companies do not calculate alternative performance measures in a uniform way, and therefore Orthex's alternative performance measures may not be comparable with similarly named measures presented by other companies.

## Calculation of key figures

Key Performance Indicators	Formula
Constant currency net sales growth, %	Net sales growth calculated by using previous year's revenue translated at average foreign exchange rates for the current year
Invoiced sales	Product sales to resale customers excluding off invoice discounts, customer bonuses, and cash discounts
Invoiced sales growth, %	Increase in invoiced sales
Gross margin	Net sales less Cost of sales
Gross margin, %	Gross margin / Net sales
EBITDA	Operating profit before depreciation, amortisation, and impairment
EBITDA margin, %	EBITDA / Net sales
EBITA	Operating profit before amortisation and impairment
EBITA margin, %	EBITA / Net sales
Operating profit	Operating profit
Operating profit margin, %	Operating profit / Net sales
Items affecting comparability	Material items outside ordinary course of business including restructuring costs, net gains or losses from sale of business operations or other non-current assets, strategic development projects, external advisory costs related to capital reorganisation, impairment charges on non-current assets incurred in connection with restructurings, compensation for damages, and transaction costs related to business acquisitions
Adjusted gross margin	Gross margin excluding items affecting comparability
Adjusted gross margin, %	Adjusted gross margin / Net sales
Adjusted EBITDA	EBITDA excluding items affecting comparability
Adjusted EBITDA margin, %	Adjusted EBITDA / Net sales
Adjusted EBITA	EBITA excluding items affecting comparability
Adjusted EBITA margin, %	Adjusted EBITA / Net sales
Adjusted operating profit	Operating profit excluding items affecting comparability
Adjusted operating profit margin, %	Adjusted operating profit / Net sales
Earnings per share, basic (and diluted), EUR	Profit for the period attributable to the owners of the parent divided by weighted average number of shares outstanding
FTEs	Full-Time Equivalent
Personnel expenses	Total personnel expenses during the period

Key cash flows indicators	Formula
Net cash flows from operating activities	Net cash from operating activities as presented in the consolidated statement of cash flows
Operating free cash flows	Adjusted EBITDA less investments in tangible and intangible assets
Cash conversion, %	Operating free cash flows / Adjusted EBITDA
Investments in tangible and intangible assets	Investments in tangible and intangible assets as presented in the consolidated statement of cash flows



Financial position key figures	Formula
Net debt	Current and non-current interest-bearing liabilities less cash and cash equivalents
Net debt / adjusted EBITDA last 12 months	Net debt / Adjusted EBITDA
Net working capital	Inventories, trade, and other receivables less trade and other payables
Capital employed excluding goodwill	Total equity and net debt and less goodwill
Return on capital employed (ROCE), %	Operating profit / Average capital employed excluding goodwill
Adjusted return on capital employed (ROCE), %	Adjusted operating profit / Average capital employed excluding goodwill
Equity ratio, %	Total equity / Total assets
Return on equity, %	Result for the period / Total equity (average for the first and last day of the period)

## ORTHEX IN BRIEF

Orthex is a leading Nordic houseware company. Orthex designs, produces, markets, and sells household products with a mission to make consumers' everyday life easier: Orthex strives to create functional, long lasting, and sustainable high-quality household products. Orthex's products cover multifunctional assortment of storage boxes, kitchen products, and products for home and garden. Orthex markets and sells its products under three main consumer brands: SmartStore™, GastroMax™, and Orthex™. In addition, it sells kitchen products under the Kökskungen™ brand.

Orthex has more than 100 years of experience in the design, production, and marketing of household products, and it has approximately 800 customers in more than 40 countries. Orthex's geographic markets include the Nordics, the Rest of Europe, and the Rest of the world. Orthex is headquartered in Espoo, Finland, and it currently has eight local sales organisations located in the Nordics, Germany, France, the United Kingdom, and the Benelux. Orthex's production facilities are located in Tingsryd and Gnosjö, Sweden, and in Lohja, Finland. In addition, Orthex has centralised warehousing in Sweden and Finland in connection with its Tingsryd and Lohja production facilities as well as an outsourced warehouse in Überherrn, Germany.

Orthex aims to be the industry forerunner in sustainability by offering safe and long-lasting products and reducing its carbon footprint by increasing the share of recycled and renewable raw materials.



*SmartStore™ Stack-it*



SmartStore™ Classic

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