

NURMINEN LOGISTICS PLC'S ECONOMIC GOALS FOR 2021–2023

Nurminen Logistics Plc
release September 15, 2021 at 10 a.m.

Stock exchange

NURMINEN LOGISTICS PLC has defined the economic goals for 2021–2023 pursuant to its new strategy.

The company's new medium-term economic goals for 2021–2023 are:

- Net sales is MEUR 200, the growth is implemented through internal financing.
- EBIT at least 9%
- Equity at least 33%
- Gearing below 100%
- Net debt to EBITDA below 2.5
- Increasing dividend distribution 33–50% of net profit

The economic goals for 2021–2023 have been defined taking into account the sustainable growth of shareholder value. The current corporate structure, including the ownership of the Vuosaari terminal property, has also been taken into account as this allows a considerably higher than normal indebtedness level for the company.

In accordance with its strategy, the company will continue to expand its international service network in Europe and Asia and invest in digital platforms for customer management and services. In addition, the company supports the sustainability goals and competitiveness of its customers by offering railway operation solutions to reduce the CO2 emission of logistics.

The financial situation of the company enables acquisitions also in 2021–2023, especially in China, which will promote significant growth in the future.

The goals of Nurminen Logistics pursuant to the strategy are based on:

Railway logistics business between Asia and Europe

Nurminen Logistics aims at becoming the market-leader in railway operations between China and other Asia and Northern Europe during this strategy period. The aim is to build the company into being the key player of the Nordic logistics hub by utilising the company's current market position, railway line destinations and timetable frequency, Finland's excellent logistic location between Asia and Europe and harbour terminals equipped with railway connections in Vuosaari and Kotka from where freight can be quickly transported further to Europe in a couple of days.

Net sales of the business operations will multiply in 2021–2023, after which it will grow faster than the market with improving profitability. The main drivers for the business operation growth are the best customer service on the market, scalable business model, unique cooperation network on the railway markets and the market's most versatile skills and service

offering. The growth is also boosted by the rapid expansion of the market area and clientele in the Nordic countries, Germany, the Netherlands and the UK as well as the increase in the number of offices in China.

The value of the annual trade between China and the countries covered by the company's market area exceeds MEUR 70 and a significant part of this value is transported in containers. The share of railway transports in this logistics market is billions of euros and this share and value will grow dozens of percentages annually due to the megatrends of climate and speed requirements set for transports.

The competitive advantage of the company in the railway operations between China and Asia and Northern Europe is based on Finnish railway network belonging to the 1520 Area, which makes the route fast and affordable. This is also supported by the quick scalability of the business model, innovativeness, investments in digital solutions, low CO2 emissions of railway logistics, future EU taxonomy regulations, the most extensive service offering on the railway markets from break-bulk cargo to block trains and the company competence in industrial supply chain processes.

Forwarding business

The goal for the strategy period is that the net sales and net operating result will grow faster than the Finnish market, which will be based on process automation, the utilisation of robotics and the field's best expertise.

Terminal services

Annual growth faster than the market; at least 10%. Focus on producing services in our railway, chemical and heavy goods special terminals in which the markets are growing and our competitive position is strong. Clear improvement of profitability by developing our customer and service experience on the basis of innovativeness and concentration on our core competences. Growth of Projects logistics in railway transports to CIS countries. A major driver for growth is also the notable increase in volume for terminal services by the train traffic of the emerging Asia.

Outsourcing services

Aiming at strong growth and becoming an international logistics outsourcer and developer with MEUR 3–5 annual net sales in the SME sector companies engaged in foreign trade.

Baltic countries

Preserving the current market position and profitability and utilising the company's Asian train connections in the Baltic countries using the Nordic Hub service.

Nurminen Logistics Plc

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Nurminen Logistics is a listed company established in 1886 that offers logistics services. The main market areas and growth areas of Nurminen Logistics are in rail logistics between China and Northern Europe, demanding logistics outsourcing and heavy and chemical handling. The company provides high-quality forwarding, cargo handling, and value-added services as well as railway transports and related to its project transport services to its customers.