

KEMPFI – PRESS RELEASE

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Kempfi's Turnover for 2024 Reached EUR 159.0 Million

Kempfi Oy, a family-owned company based in Lahti, Finland, specializing in the design and manufacture of arc welding equipment and software, as well as the production and marketing of welding-related products and services, reported a consolidated turnover of EUR 159.0 million (compared to EUR 165.0 million in 2023), reflecting a 3.6% decline from the previous year. The decrease was primarily due to a weaker market environment, particularly in the company's core European market.

“2024 was a pivotal year for Kempfi. By spinning off our electronics manufacturing operations into a separate company, we streamlined our structure and strengthened our business focus. Market demand fell short of our expectations, and we did not reach our sales targets. However, we successfully maintained profitability. Our product renewal strategy progressed well, and customer feedback on our new products has been highly encouraging. As we enter 2025, we do so with a strong foundation and confidence in the future,” says Kalle Suurpää, CEO of Kempfi Oy.

Financial Performance

The Group's operating profit (EBIT) for 2024 stood at EUR 15.1 million (EUR 16.0 million adjusted in 2023), while profit before tax amounted to EUR 14.6 million (EUR 15.4 million adjusted in 2023). Lower net sales, combined with persistently high business costs driven by inflation, negatively impacted profitability.

As of December 31, 2024, the Group's total balance sheet amounted to EUR 137.0 million (EUR 162.2 million in 2023). Investments during the financial year totaled EUR 4.9 million (EUR 7.4 million in 2023), focusing on production equipment, new product development, related tools, software development, and the expansion of intangible assets.

At the end of 2024, Group equity stood at EUR 79.5 million (EUR 80.8 million in 2023), with an equity ratio of 58.2% (up from 50.0% in 2023). Changes in the balance sheet were influenced by a partial demerger completed during the financial year.

Formation of Kemptron Oy and Strategic Development

During 2024, Kempfi Oy's electronics business was spun off through a partial demerger, forming a new entity, Kemptron Oy. The demerger plan was announced by Kempfi Group Oy on February 5, 2024, and the new company was officially established on July 31, 2024. This structural adjustment was aimed at enhancing operational focus and efficiency.

Product Development and Market Trends

Throughout 2024, Kempfi remained committed to product innovation, with a strong focus on renewing its product portfolio. The launch of new products continued as planned, and the Group's R&D expenditure for the year totaled EUR 10.7 million (EUR 12.0 million adjusted in 2023), representing 6.7% of net sales (7.2% adjusted in 2023). Production volumes declined due to subdued demand throughout the year. Additionally, procurement and logistics costs increased, driven by rising raw material prices and geopolitical tensions in the Red Sea region.

Key Financial Figures

| | 2024 | 2023 |
|---------------------------------------------|-------------|-------------|
| Net sales (EUR million) | 159.0 | 165.0 |
| Operating profit (EBIT, EUR million) | 15.1 | 16.0 |
| Operating profit, % of net sales | 9.5% | 9.7% |
| Average number of employees | 609 | 650 |

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About Kemppe

Kemppe is a global design leader in the arc welding industry, dedicated to enhancing welding quality and productivity through continuous technological innovation. We are committed to sustainable practices and advancing a greener, more equitable world.

Kemppe provides high-quality welding solutions, including responsible products, digital innovations, and professional services for a diverse customer base, from large-scale industrial welding companies to individual contractors. Reliability and usability are the cornerstones of our product philosophy.

With an extensive partner network spanning over 70 countries, we ensure local expertise and support worldwide. Headquartered in Lahti, Finland, Kemppe employs approximately 600 professionals across 16 countries.

Kemppe – Designed for welders