

Orthex Corporation: Financial statements release 1 January–31 December 2024

Orthex Corporation, Stock exchange release, 12 March 2025 at 9.00 a.m. EET

Solid performance in a sluggish market

This release is a summary of Orthex Corporation's Financial statements release for the period January–December 2024. The complete report is attached to this release as a pdf-file. It is also available on Orthex's website at <http://investors.orthexgroup.com/>.

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.

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.

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%

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.”

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.

Press conference on financial results:

Orthex's CEO **Alexander Rosenlew**, CFO **Saara Mäkelä** and CMO **Hanna Kukkonen** will present the report today in a webcast starting at 11.00 a.m. EET. The webcast can be joined through [this link](#). The webcast presentation will be held in English.

Q&A:

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

Presentation material:

The presentation material will be shared in the online meeting, and it can be downloaded in the same day on the corporate website at [Reports & presentations - Orthex Group](#).

Recording of the event:

After the event, a recording will be available on the corporate website at [Reports & presentations - Orthex Group](#).

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Orthex in brief

Orthex (ORTHEX, Nasdaq Helsinki, Finland) is a leading Nordic houseware company. Orthex offers a broad assortment of practical and durable household products with a mission to make consumers' everyday life easier. Orthex main consumer brands are SmartStore™ in storage products, GastroMax™ in kitchenware and Orthex™ in home and garden products. 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. Read more www.orthexgroup.com.

Orthex's net sales in 2024 were 89.7 million euros. The company has customers in more than 40 countries and local sales organisations in the Nordics, Germany, France, the UK, and the Benelux.

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