

Nurminen Logistics Plc's Half-Year Financial Report January-June 2025

Nurminen Logistics Plc

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This release is a summary of Nurminen Logistics' Half-Year Financial Report January-June 2025. The full report is attached to this stock exchange release and is available on Nurminen Logistics' website at <http://nurminenlogistics.com/investors/publications/>

Stable profit and growth as international business grows in line with the strategy

APRIL–JUNE 2025 HIGHLIGHTS

- Net sales increased by 23.9% to EUR 27.9 million (22.5)
- Comparable EBITA was EUR 4.3 million (4.0)
- Cash flow from operating activities increased to EUR 5.2 million (0.4)

JANUARY–JUNE 2025 HIGHLIGHTS

- Net sales increased by 4.65 to EUR 60.3 million (57.7)
- Comparable EBITA was EUR 10.8 million (9.2), including EUR 0.3 million of items affecting comparability, which is the highest H1 operating profit in the company's history
- Cash flow from operating activities, EUR 11.2 million, was very strong in the first half of the year: cash flow was almost equal to the total cash flow from operating activities for the full previous year

FINANCIAL GUIDANCE FOR 2025 UNCHANGED

The Group estimates that its net sales and comparable EBITA will increase in 2025. The projected growth in net sales and operating profit is based on the growing rail operations in the Group's market areas.

OLLI POHJANVIRTA, PRESIDENT AND CEO

In the first half of the year, the company achieved the best comparable H1 EBITA in its history, EUR 10.8 million, and increased the share of international business in its total sales in line with its strategy. We were successful in expanding our clientele as planned. The highlights of the second quarter were: net sales increased by 23.9 per cent to EUR 27.9 million (22.5). Comparable EBITA was EUR 4.3 million (4.0).

Cash flow from operating activities, EUR 11.2 million, was very strong in the first half of the year: cash flow was almost equal to the total cash flow from operating activities for the full previous year. Our gearing ratio excluding IFRS 16 items decreased to a good level of 29% and the ratio of rolling 12-month interest-bearing net financial liabilities (excluding IFRS 16 items) to EBITDA, which indicates the Group's debt to profitability, was 0.4, which can be considered to be a very good level. The share of the Group's result attributable to the parent company's shareholders improved significantly during the review period and we expect this development to continue. Our strong balance sheet enables us to effectively implement the company's strategy and examine the

inorganic expansion options that support it.

In the first half of the year, we continued to grow as expected in an operating environment that continued to be challenging. Net sales amounted to EUR 60.3 million (57.7) and increased by 4.6 per cent year-on-year. The comparable EBITA was EUR 10.8 million, including EUR 0.3 million of items affecting comparability. We managed to increase the already high comparable operating margin of 17 per cent to 17.9 per cent, even though a decline in volumes in the Baltic countries and the maintenance shutdowns of customer plants in Finland slowed down net sales and earnings accrual in the second quarter.

Profitable growth was particularly driven by the development of our railway business, where we achieved a 50 per cent increase in net sales compared to the H1 comparison period. EBITA for the railway business increased to EUR 7.3 million (3.2), representing a 126% improvement in profitability. Our determined investments in the railway business, as well as the competitive advantage brought about by the scalability of the mode of transport compared to traditional road transport, are now reflected in profitable growth. We will continue these investments in line with our strategy.

Our investments in sales and our product portfolio are reflected in our successes in new customer acquisition, which brings continuity and a positive outlook for business, especially in railway and terminal services. The number of foreign customers is growing, particularly in the energy raw material and railway transport sectors. We have developed our domestic business by improving the warehouse logistics of imports and, in particular, the handling of export freight arriving at the Helsinki terminal by rail in order to better meet specialised customer demand.

We have taken timely operational efficiency measures in our Finnish operations to respond to increasing competition in the soft market, which is now reflected in improved profitability in our Finnish operations as well.

For North Rail's customer base, the regular annual maintenance of plants mainly took place in the second quarter, which reduced the volumes delivered and kept net sales accrual for the review period lower than in the first quarter. Existing customer agreements have been extended for 2026–2029, and new customers have also been secured. The agreement portfolio also enables the development of North Rail's business operations in an international direction in markets where there is demand for the company's competitive operating model.

The tariffs imposed by the United States and any European counter-tariffs are not expected to have a direct impact on the company's business.

KEY FIGURES	4-6/2025	4-6/2024	1-6/2025	1-6/2024	1-12/2024
Net sales, EUR 1,000	27,926	22,533	60,341	57,705	104,766
Change in net sales, %	23.9%	-28.8%	4.6%	1.8%	-18.1%
Operating profit (EBIT), EUR 1,000	3,886	3,351	10,076	9,209	19,293
% of net sales	13.9%	14.9%	16.7%	16.0%	18.4%
Result for the financial year, EUR 1,000	2,178	-326	5,228	4,621	13,070
% of net sales	7.8%	-1.4%	8.7%	8.0%	12.5%
Return on equity (ROE), %	5.3%	-0.7%	12.7%	10.4%	30.0%
Return on investment (ROI), %	4.6%	10.3%	11.8%	10.3%	21.4%
Equity ratio, %			42.0%	43.3%	40.7%
Gearing, %			64.3%	85.5%	71.7%
Gearing % excluding IFRS 16			28.8%	63.8%	35.3%
Interest-bearing net debt, EUR 1,000			26,544	36,457	29,526
Interest-bearing net debt excluding IFRS 16, EUR 1,000			11,767	27,226	14,563
Interest-bearing net debt/EBITDA (12-month, rolling)			0.99	1.08	1.19
Cash flow from operating activities, EUR 1,000			11,185	8,244	11,868

Gross investment on fixed assets, EUR 1,000			958	797	1,995
Average number of employees			186	184	178
Share price development					
Share price at the beginning of the period			1.05	1.26	1.26
Share price at the end of the period			1.06	1.06	1.05
Highest price			1.20	1.38	1.38
Lowest price			0.90	1.02	0.77
Equity per share, EUR			0.42	0.35	0.42
Earnings per share (EPS), EUR, undiluted			0.04	0.02	0.09
Earnings per share (EPS), EUR, diluted			0.04	0.02	0.09

SHORT-TERM RISKS AND UNCERTAINTIES

The weakening of the European economy from the current situation, uncertainty associated with tariffs and the resulting rearrangements of flows of goods in international trade and the continuation of international conflicts may have a negative impact on the demand for the Group's services and, thereby, result. In the railway business, food supply-related fertilisers critical to the world or metals required for the green transition being subjected to sanctions would have a negative impact on the railway business in the EU.

For information about the company's risk management, please see the Investors section of the Nurminen Logistics website at www.nurminenlogistics.com.

OUTLOOK

With the volume forecasts of the clientele, successful new customer acquisition and continuous efficiency improvements, we see growth in our business operations and improved prospects despite uncertainties in the global economy. Our outlook is supported by forecasts of economic growth picking up in the second half of the year.

Nurminen Logistics expects profitability to develop positively in the near future.

Nurminen Logistics expects railway transport delivery volumes to increase both between the Nordic countries and, in the longer term, also in traffic between Europe and Asia. The use of rail services will grow globally faster than other transport segments due to low environmental impact, which supports the company's outlook.

Nurminen Logistics Plc
Board of Directors

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Nurminen Logistics is a Finnish listed company established in 1886. The company offers high-quality rail transport, terminal, and multimodal solutions between Asia and Europe and in the Nordic and Baltic countries.