



# **Normet Group**

**Unaudited interim condensed  
consolidated financial statements**

**Q3 Report January 1–September  
30, 2021**

# EXECUTIVE SUMMARY

## Edoardo Santamaria, President and CEO, on Q3 2021 results

### Safety

Normet strengthened its safety performance in Q3 2021 and concluded the period with a Lost Time Injury Frequency Rate (LTIFR) of 3.9. This is a 32% improvement from the 5.7 frequency rate at the beginning of 2021. Beyond the improvement in our safety statistical performance, we improved in managing critical risks across our workplace, improved the quality of our investigations and broadened our cooperation with other Industrial Companies in sharing safety best practices.

### Sustainability

Normet progressed in the development of a comprehensive Sustainability plan in alignment with our strategic vision. We are confident that Normet's sustainability capabilities will provide considerable support to our customers and the industry in meeting their sustainability and productivity targets.

### The Group's financial performance

Normet posted a strong fiscal result in Q3 2021. The global economic recovery and strong industry fundamentals are supporting a high level of customer demand. Normet's equipment order backlog increased by 204.7% to MEUR 83.5 (MEUR 27.4 at 30.9.2020). The Group's sales totaled MEUR 248.1, compared to MEUR 230.3 in the comparison period. Equipment sales growth was affected by the timing of the deliveries of the order backlog, with some further additional impact of bottlenecks in the supply chain. Service and consumable sales continued to grow in line with our annual plan, up 17% and 14% respectively compared to last year.

Group EBITDA increased to MEUR 40.3 and EBITDA margin to 16.2% (MEUR 31.6 and 13.7%). Adjusted EBITA came in at MEUR 31.6, corresponding to an adjusted EBITA margin of 12.7% of sales (MEUR 24.2 and 10.5%).

### Short-term business risks and market uncertainties

Normet continues to maintain a high focus on managing COVID-19 risk, the situation remains unpredictable and measures to protect our people and our operations remain in place.

Major component availability and logistics delays (inbound and outbound) are having an impact on Normet's business, specifically in our equipment delivery schedule. The situation is being managed very closely and daily activities are in place to mitigate the impacts as much as possible.

### Market outlook

All three Business Lines performed well financially and continue to invest in building a strong and sustainable foundation for ongoing future development. Several exciting new products were released in the quarter. The outlook for the remainder of 2021 remains positive. The Company continues to focus on safety, sustainability, operational & capital efficiency and investing in future growth opportunities.

**Edoardo Santamaria**  
**President & CEO**  
**Normet Group**

# NORMET GROUP COMPREHENSIVE INCOME 1.1.2021- 30.09.2021

## Consolidated statement of comprehensive income Figures in 1000 EUR

	1.1.-30.9.2021	1.1.-30.9.2020
<b>REVENUE</b>	<b>248 115</b>	<b>230 265</b>
Materials, supplies and subcontracting	-121 128	-116 789
Personnel cost	-59 782	-52 930
Depreciation and impairments	-15 368	-10 429
Other operating expenses and income, net	-26 932	-28 994
<b>OPERATING PROFIT</b>	<b>24 905</b>	<b>21 124</b>
Financing income	8 872	12 635
Financing expenses	-10 991	-19 082
Share of profit/loss accounted for using the equity method	20	-28
<b>PROFIT/LOSS BEFORE TAX</b>	<b>22 806</b>	<b>14 649</b>
Tax on income from operations	-4 788	-3 474
<b>PROFIT/LOSS FOR THE PERIOD</b>	<b>18 017</b>	<b>11 175</b>
<b>CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME</b>		
<b>Profit for the period</b>	18 017	11 175
<b>Items that will not be reclassified to profit or loss</b>		
Remeasurement of defined benefit plan	-1	0
<b>Items that may be reclassified subsequently to profit or loss</b>		
Exchange differences on translating foreign operations	830	-2 594
<b>Other comprehensive income for the period, net of tax</b>	<b>829</b>	<b>-2 594</b>
<b>Total comprehensive income</b>	<b>18 847</b>	<b>8 581</b>
<b>Profit attributable to:</b>		
Owners of the parent company	18 017	11 175
	<b>18 017</b>	<b>11 175</b>
<b>Total comprehensive income attributable to:</b>		
Owners of the parent company	18 847	8 581
	<b>18 847</b>	<b>8 581</b>

# NORMET GROUP STATEMENT OF FINANCIAL POSITION 30.9.2021

Consolidated statement of financial position  
 Figures in 1000 EUR

	30.9.2021	30.9.2020
<b>ASSETS</b>		
<b>NON-CURRENT ASSETS</b>		
Intangible assets	23 195	26 386
Goodwill	10 862	10 409
Property, plant, equipment	35 939	29 084
Right-of-use assets	8 701	10 496
Investments accounted for using the equity method	4 781	5 142
Other non-current financial assets	7	7
Non-current trade and other receivables	3 181	2 064
Deferred tax asset	11 916	9 281
<b>NON-CURRENT ASSETS</b>	<b>98 581</b>	<b>92 870</b>
<b>CURRENT ASSETS</b>		
Inventories	109 430	96 721
Trade receivables and other receivables	75 663	68 948
Tax Receivable, income tax	2 959	2 526
Cash and cash equivalents	32 678	41 416
<b>CURRENT ASSETS</b>	<b>220 730</b>	<b>209 610</b>
<b>ASSETS</b>	<b>319 311</b>	<b>302 480</b>
<b>EQUITY AND LIABILITIES</b>		
<b>Owners of the parent company</b>		
Share capital	3 423	3 423
Share premium	3 350	3 350
Unrestricted equity reserve	3 292	3 906
Hybrid bond	34 668	50 476
Reserves	279	220
Translation differences	-3 521	-4 857
Retained earnings	76 133	61 743
<b>Owners of the parent company</b>	<b>117 623</b>	<b>118 260</b>
<b>Non-controlling interests</b>	<b>2 192</b>	<b>1 732</b>
<b>EQUITY</b>	<b>119 816</b>	<b>119 992</b>
<b>NON-CURRENT LIABILITIES</b>		
Non-current liabilities, interest-bearing	61 577	71 424
Non-current interest-free liabilities	15 130	14 183
Non-current provisions	353	564
Liabilities from defined benefit plan	1 132	1 374
Deferred tax liability	2 241	1 767
<b>NON-CURRENT LIABILITIES</b>	<b>80 434</b>	<b>89 313</b>
<b>CURRENT LIABILITIES</b>		
Current interest-bearing liabilities	27 431	34 193
Trade Payables and Other Liabilities	81 934	54 299
Tax liability, income tax	8 300	3 480
Current provisions	1 398	1 204
<b>CURRENT LIABILITIES</b>	<b>119 062</b>	<b>93 176</b>
<b>Liabilities</b>	<b>199 495</b>	<b>182 489</b>
<b>EQUITY AND LIABILITIES</b>	<b>319 311</b>	<b>302 480</b>

# NORMET GROUP CASH FLOW STATEMENT 1.1.-30.9.2021

For the six months ended 30 September

Figures in 1000 EUR

	1.1.-30.9.2021	1.1.-30.9.2020
<b>Cash flow from operating activities</b>		
Profit for the period	18 017	11 175
Depreciation, amortisation and impairment	15 639	10 757
Net foreign exchange differences	-1 851	7 160
Share of profit/loss accounted for using equity method	-20	28
Financial income and expenses	2 425	2 244
Taxes	4 751	3 488
Change in provisions	-65	1 856
Other adjustments	155	-635
<b>Operating income before change in net working capital</b>	<b>39 052</b>	<b>36 074</b>
Change in inventories	-13 300	10 416
Change in interest-free current receivables	-5 385	3 359
Change in interest-free current liabilities	23 396	-22 324
<b>Change in net working capital</b>	<b>4 712</b>	<b>-8 549</b>
Financial expense	-1 049	-2 706
Dividends received	0	1
Financial income	334	223
Income taxes paid	-3 854	-4 525
<b>Net cash from operating activities</b>	<b>39 193</b>	<b>20 517</b>
<b>Cash flow from investing activities</b>		
Purchase of tangible and intangible assets	-16 494	-9 223
Proceeds from sale of tangible and intangible assets	45	433
<b>Net cash used in investing activities</b>	<b>-16 449</b>	<b>-8 790</b>
<b>Cash flow from financing activities</b>		
Acquisition of own shares	0	-221
Proceeds from loans	23 000	15 829
Loan repayments	-10 565	-13 106
Repayment of lease liabilities	-3 024	-3 534
Hybrid bond repayments	-15 809	-13 800
Proceeds from hybrid bond	0	35 000
Hybrid bond interest and expenses	-4 252	-3 819
Dividends paid	-4 097	-8 903
<b>Net cash from financing activities</b>	<b>-14 746</b>	<b>7 446</b>
<b>Change in cash flows</b>	<b>7 998</b>	<b>19 173</b>
<b>Cash and cash equivalents, at beginning</b>	<b>24 134</b>	<b>26 856</b>
Change in cash flows	7 998	19 173
Effects of exchange rate fluctuations on cash held	545	-4 613
<b>Cash and cash equivalents, at end</b>	<b>32 678</b>	<b>41 416</b>

# NORMET GROUP STATEMENT OF CHANGES IN EQUITY 30.9.2021

For the six months ended 30 September 2021

Figures in 1000 EUR

	Share capital	Share premium	Paid in capital	Hybrid bond	Reserves	Translation difference	Retained earnings	Total	Non-controlling interest	Total equity
Balance at January 1, 2021	3 423	3 350	3 906	50 476	223	-4 067	65 141	122 452	2 192	124 644
Dividends paid to equity holders			-680				-3 417	-4 097		-4 097
Other changes			65		56		-3 608	-3 487		-3 487
Hybrid bond repayments				-15 809						
Proceeds from hybrid bond										
Profit for the period							17 188	17 188		17 188
Other comprehensive income						547	829	1 376		1 376
Total comprehensive income	0	0	0	0	0	547	18 017	18 564	0	18 564
Balance at September 30, 2021	3 423	3 350	3 292	34 668	279	-3 520	76 133	117 624	2 192	119 816


For the six months ended 30 September 2020

Figures in 1000 EUR


	Share capital	Share premium	Paid in capital	Hybrid bond	Reserves	Translation difference	Retained earnings	Total	Non-controlling interest	Total equity
Balance at January 1, 2020	3 423	3 350	3 906	29 543	223	-2 153	64 187	102 478	1 732	104 211
Dividends paid to equity holders							-10 787	-10 787		-10 787
Other changes					-3		-2 833	-2 836		-2 836
Hybrid bond repayments				-13 735						
Proceeds from hybrid bond				34 668						
Profit for the period							13 769	13 769		13 769
Other comprehensive income						-2 703	-2 594	-5 297		-5 297
Total comprehensive income	0	0	0	0	0	-2 703	11 175	8 472	0	8 472
Balance at September 30, 2020	3 423	3 350	3 906	50 476	220	-4 856	61 742	118 260	1 732	119 992

# NORMET GROUP NORMET GROUP NOTES TO FINANCIAL STATEMENTS

## Key Figures

	Normet Group IFRS		
	30.9.2021	30.9.2020	31.12.2020
Revenue (1000 €)	248 115	230 265	305 541
Order backlog (1000 €)	83 471	27 413	35 201
EBITDA (1000 €)	40 272	31 552	43 366
EBITDA %	16,2	13,7	14,2
EBITA (1000 €)	31 554	24 248	33 459
EBITA %	12,7	10,5	11,0
Operating profit (1000 €)	24 905	21 124	27 764
Operating profit %	10,0	9,2	9,1
Return on equity %	14,7	10,0	13,1
Leverage ratio	1,0	1,2	1,2
Equity to asset ratio %	37,5	39,7	43,6
Net working capital (1000 €)	102 328	113 222	106 576

## Personnel

	Normet Group		
	30.9.2021	30.9.2020	31.12.2020
Personnel (FTE), average in Finland	500	450	451
Personnel (FTE), average total	1 602	1 445	1 476
Personnel expenses (1000 €)	59 782	52 930	68 522

# NORMET GROUP NORMET GROUP

## NOTES TO FINANCIAL STATEMENTS

### Definitions of key figures

<b>Earnings Before Interest, Taxes, Depreciation and Amortization (EBITDA)</b>	=	Operating profit + Depreciation + Amortization
<b>Earnings Before Interest, Taxes and Amortization Adjusted (adjusted EBITA)</b>	=	Operating profit + Amortization + Adjusted Items
<b>Return on Equity %</b>	=	$\frac{\text{Net Income}}{\text{Average Shareholders' Equity}}$
<b>Leverage Ratio</b>	=	$\frac{\text{EBITDA}}{\text{Net Interest Bearing Liabilities - Cash And Cash Receivables}}$
<b>Equity to Asset Ratio %</b>	=	$\frac{\text{Total Shareholder Equity}}{\text{Total Assets}}$
<b>Net Working Capital (NWC)</b>	=	Inventory + Accounts Receivables - Accounts Payables - Received Advance Payments

### Basis of Preparation

This unaudited and condensed consolidated financial statement information of Normet Group has been prepared in accordance with IAS 34 "Interim Financial Reporting" and it should be read in conjunction with the consolidated financial statements for 2020 prepared in accordance with IFRS as published by the IASB and adopted by the EU. The same accounting policies, methods of computation and applications of judgment are followed in this financial statement information as was followed in the consolidated financial statements for 2020. This financial report was authorized for issue by management on November 2, 2021.

Percentages and figures presented herein may include rounding differences and therefore may not add up precisely to the totals presented and may vary from previously published financial information.

### Accounting estimates and judgements

IFRS requires management to make estimates and judgements that affect the reported amounts. The most significant accounting estimates and judgements made by management relate to customer contracts, impairment of goodwill, valuation of inventories and trade receivables, provisions and deferred tax assets and liabilities. Although these estimates are based on the management's best knowledge of current events and actions, the actual results may differ from the estimates used in the financial statements.

### New accounting standards

Normet Group has applied the revised IFRS Standards that have been effective since January 1, 2021. These amendments have not had a material impact on the reported figures



# NORMET GROUP NORMET GROUP

## NOTES TO FINANCIAL STATEMENTS

### External sales by area

	1.1.-30.9.2021	1.1.-30.9.2020
EMEA and Eurasia	85 911	91 336
Americas	51 561	42 828
APAC, China and India	110 643	96 101
	<b>248 115</b>	<b>230 265</b>

### External sales by business line

	1.1.-30.9.2021	1.1.-30.9.2020
Equipment	84 060	89 039
Service	114 866	98 211
GCCT	49 189	43 016
<b>Total</b>	<b>248 115</b>	<b>230 265</b>

### Net working capital

	30.9.2021	30.9.2020	31.12.2020
Inventories	109 430	96 721	94 339
Trade receivables	53 861	51 902	54 822
Accounts payable	-49 507	-31 945	-37 084
Advances received	-11 455	-3 455	-5 500
	<b>102 328</b>	<b>113 222</b>	<b>106 576</b>

# NORMET GROUP NORMET GROUP NOTES TO FINANCIAL STATEMENTS

## Normet Group Oy Leadership Team from 30.9.2021

Edoardo Santamaria, CEO

Ville Pasanen, CFO

Kari Hämäläinen, Senior Vice President – Equipment Business Line

Riku Helander, Senior Vice President – Services Business Line

Alan Pengelly, interim Senior Vice President– Ground Control and Construction Technologies

Neil Fitzmaurice, Senior Vice President – APAC

Subhasis Mohanty, Vice President - India

Jukka Kurhinen, Senior Vice President – Eurasia

Jaakko Koppinen, Vice President – EMEA

Greg Hallett, Senior Vice president – North America

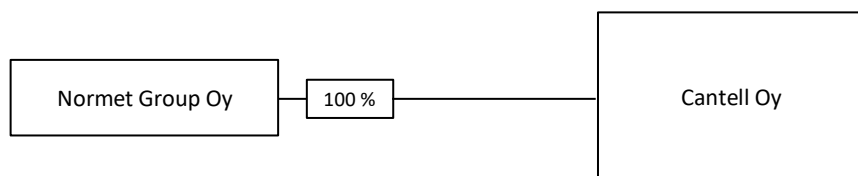
Marcelo Anabalon, Senior Vice President – Latin America

Daniel Yang, Vice President – China

Kimmo Karihtala, General Counsel

Niina Pesonen, Vice President, Human Resources

## Normet Group Oy Shareholders



## Material Debt Instruments:

- 1) Hybrid Equity Bond, MEUR 35
- 2) Loan Facility, MEUR 75