

# Viafin Service Plc Business Review

## 1.1.-31.3.2024

VIAFIN SERVICE PLC | Company release May 6, 2024 at 8:00 AM.

### Profitability Improved Compared to the Previous Period

Figures in parentheses refer to the corresponding period of the previous year. The figures are unaudited and rounded.

#### Highlights for January-March 2024

- Revenue was EUR 15.0 (16.4) million, decreasing by 8.5 percent.
- EBITDA was EUR 0.6 (0.4) million, or 3.8 (2.5) percent of revenue.
- EBIT was EUR 0.2 (0.1) million, or 1.6 (0.8) percent of revenue.
- Viafin Service Plc expanded its service portfolio by acquiring OT Service Oy on February 29, 2024.

#### Key Figures, IFRS (unaudited)

(Million euros)	1-3/2024	1-3/2023	1-12/2023
Revenue	15.0	16.4	75.4
EBITDA	0.6	0.4	5.4
EBITDA %	3.8 %	2.5 %	7.1 %
EBIT	0.2	0.1	4.2
EBIT %	1.6 %	0.8 %	5.5 %
Cash Conversion <sup>1)</sup>	554.3 %	663.7 %	122.6 %
Cash and Cash Equivalents	13.8	18.2	17.2

<sup>1)</sup> Cash conversion formula: Operating cash flow before interest and taxes / Operating profit.

#### Financial Guidance for Fiscal Year 2024 (unchanged)

The company maintains its full-year financial guidance: Revenue for 2024 is expected to grow (EUR 75.4 million in 2023) and relative operating profit (EBIT %) is expected to improve (5.5% in 2023).

#### CEO Heikki Pesu's Review: "Our profitability improved compared to the previous period"

"The first quarter of 2024 continued to be maintenance business-oriented with a slight increase in project business compared to the same period last year. Our revenue for January-March was EUR 15.0 (16.4) million. Operating profit (EBITDA) was EUR 0.6 (0.4) million and operating profit (EBIT) EUR 0.2 (0.1) million, with relative profitability increasing to 1.6 (0.8) percent. During the review period, EUR 13.1 (14.7) million, or 87 (89) percent of revenue, was generated from maintenance business and EUR 2.0 (1.7) million, or 13 (11) percent, from project business.

The company achieved a high cash conversion rate of 554.3%. Cash and cash equivalents at the end of the period were EUR 13.8 (18.2) million. The most significant changes in cash were related to the acquisition prices of Wind Group business of JL Steel Group Oy, acquired at the end of 2023, and the mechanical maintenance and machine workshop services provider OT Service Oy, acquired on February 29, 2024. The current cash reserves provide a solid foundation to continue our growth strategy, emphasizing shareholder value.

The first quarter of 2024 experienced several political strikes. The impact of these strikes on our maintenance business was minimal due to plant closures. Through entrepreneurial, local decision-making and supportive operational models, we

managed to keep our organization operational and agile even in a strike-affected business environment. The ongoing political strikes in the maintenance market raise uncertainty about their continuation and potential effects on the upcoming collective bargaining in autumn. Uncertainty also stems from potential impacts of customer renegotiations on the use of external workforce. We estimate that maintenance business revenue share for the fiscal year 2024 will be approximately 85 (92) percent and project business revenue share around 15 (8) percent of the estimated total revenue.

The operational profitability of our maintenance business, which has experienced strong growth in recent years, has improved due to development measures. We will continue to focus on improving the profitability of our maintenance business. The integration of recent acquisitions (Wind Group business of JL Steel Group Oy and OT Service Oy) is being carried out efficiently and purposefully with our new employees, locally and with a customer-centric approach. We are very pleased with the achievements in integration and the new profitable growth opportunities created by these acquisitions. The one-time transaction costs related to the acquisition of OT Service Oy, approximately EUR 0.2 million, are reflected in the results for January-March."

#### **Post-Review Events**

- Viafin Service announced the completion of its share buyback program on April 2, 2024.
- Viafin Service announced the invitation to the Annual General Meeting, held on Wednesday, April 24, 2024, starting at 1:00 PM at Innopoli 2, Tekniikantie 14, 02150 Espoo.
- Decisions of the Annual General Meeting and the organization of the company's board were announced in press releases on April 24, 2024.

#### **Financial Targets for 2023-2025**

- Profitability: The company aims for an 8% operating profit (EBIT).
- Cash conversion: The company aims for more than 100 percent cash conversion every year. Calculation formula: "The operating cash flow before interests and taxes / EBITDA."
- Revenue: The company aims for an average increase in revenue of 10 percent each year.
- Dividend: The company's goal is to distribute an annually growing dividend.

#### **For further information**

Heikki Pesu, CEO, email: heikki.pesu@viafin.fi, tel. +358 40 300 5450

Approved Advisor: Aktia Alexander Corporate Finance Oy, tel. +358 50 520 4098

#### **About Viafin Service Plc**

Viafin Service Plc specializes in industrial maintenance, and installation of pipelines, equipment, and gas systems. Its wide range of services includes wind power maintenance and servicing, LNG and biogas system maintenance, gas network maintenance, and system deliveries. Viafin Service operates mainly in Finland, serving several significant companies in the pulp, energy, chemical, and metal industries. The company has thirty-two regional service units in twenty-three locations across Finland. Viafin Service employs approximately 600 people. Viafin Service Plc's shares are listed on Nasdaq Helsinki Ltd's Nasdaq First North Growth Market Finland under the ticker symbol VIAFIN.

[www.viafinservice.fi](http://www.viafinservice.fi)