

# Viafin Service Plc Business Review

## 1.1.-30.9.2024

VIAFIN SERVICE PLC | Company release November 4, 2024 at 8:00 AM.

### Profitability and Revenue Growth in a Challenging Market

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

#### Key Figures for July–September 2024

- Revenue was EUR 24.0 million (18.0 million), an increase of 32.9 percent.
- EBITDA was EUR 2.4 million (1.3 million), or 10.0 percent (7.3 percent) of revenue.
- Operating profit (EBIT) was EUR 1.9 million (1.0 million), or 8.1 percent (5.7 percent) of revenue.

#### Key Figures for January–September 2024

- Revenue was EUR 65.6 million (55.8 million), an increase of 17.6 percent.
- EBITDA was EUR 5.0 million (3.1 million), 7.6 percent (5.6 percent) of revenue.
- Operating profit (EBIT) was EUR 3.7 million (2.3 million), or 5.7 percent (4.1 percent) of revenue.

#### Key Figures, IFRS (Unaudited)

| (Million euros)    | 7-9/2024 | 7-9/2023 | 1-9/2024 | 1-9/2023 | 1-12/2023 |
|--------------------|----------|----------|----------|----------|-----------|
| Revenue            | 24.0     | 18.0     | 65.6     | 55.8     | 75.4      |
| EBITDA             | 2.4      | 1.3      | 5.0      | 3.1      | 5.4       |
| EBITDA %           | 10.0 %   | 7.3 %    | 7.6 %    | 5.6 %    | 7.1 %     |
| EBIT               | 1.9      | 1.0      | 3.7      | 2.3      | 4.2       |
| EBIT %             | 8.1 %    | 5.7 %    | 5.7 %    | 4.1 %    | 5.5 %     |
| Cash Conversion 1) | 142.9 %  | 101.4 %  | 76.3 %   | 104.7 %  | 122.6 %   |
| Cash Reserves      | 10.0     | 15.4     | 10.0     | 15.4     | 17.2      |

1) Formula for Cash Conversion: Cash flow from operations before financial items and taxes / EBITDA

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

The company expects revenue for fiscal year 2024 to grow (EUR 75.4 million in 2023) and the relative operating profit (EBIT %) for the year to improve (5.5 % in 2023) compared to the previous fiscal year.

## **CEO Heikki Pesu's Review: "Profitability and Revenue Growth in a Challenging Market"**

"In the third quarter of 2024, our operating profit (EBIT) was EUR 1.9 million (1.0 million), up 88.6 percent from the comparison period. Our relative profitability (EBIT) also improved, reaching 8.1 percent (5.7 percent). Revenue for the review period was EUR 24.0 million (18.0 million), growing by 32.9 percent from the comparison period.

The third quarter of the year was exceptionally strong overall compared to the previous year, despite a declining market. Despite the strong quarter, the weak economic conditions in the forestry industry particularly impacted maintenance business revenue in the third quarter. We expect this weak market environment to persist and continue to affect maintenance business revenue in the final quarter of the year. Project business, on the other hand, proceeded as expected in the third quarter, but the challenging market conditions also create uncertainty regarding the start of new investment projects

Our operating profit and revenue for January–September grew compared to the previous period. Operating profit for January–September increased by 65.1 percent, reaching EUR 3.7 million (2.3 million). Our relative profitability (EBIT) rose to 5.7 percent for January–September, up from 4.1 percent during the same period in 2023. At the same time, our revenue grew by 17.6 percent to EUR 65.6 million (55.8 million). Of the revenue for the review period, EUR 53.4 million (50.8 million), or 81 percent (91 percent), came from the maintenance business, while EUR 12.2 million (5.0 million), or 19 percent (9 percent), came from the project business. Investments in improving the profitability of the maintenance business have shown results, yet we will continue actively pursuing profitability measures in response to a declining market.

Cash flow from operations before financial items and taxes improved as expected, from EUR 0.4 million in the half-year review to EUR 3.8 million. The company's cash reserves at the end of the review period were EUR 10.0 million (15.4 million), and cash conversion was 76.3 percent, an improvement from the half-year review. We will continue to take actions to reach the company's strategic target level in these areas as well.

We believe that market uncertainty and geopolitical risks will persist, creating significant uncertainty in the market outlook well into next year. However, we remain confident that our entrepreneurial approach, based on local decision-making and supported by agile operating models, enables us to pursue our strategy despite uncertainties.

The integrations of our latest acquisitions (Wind Group business of JL Steel Group Oy and OT Service Oy) proceeded as planned in the third quarter of the year. We are very pleased with the targets achieved so far in the integrations and the new profitable growth opportunities created by these acquisitions. We will also continue to systematically evaluate acquisition targets in line with our strategy, with a focus on enhancing shareholder value."

**Post-Review Events:**

- No significant events have occurred after the review period.

**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**

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**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)