Company Nordic Fibreboard AS

Type Company Release

Category Management interim statement or quaterly financial report

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Attachments:
- Nordic Fibreboard AS Interim report 2024 Q2 and 6M 2024.pdf (http://oam.fi.ee/en/download?id=8674)
- Nordic Fibreboard AS Vahearuanne 2 kvartal ja 6 kuud 2024.pdf (http://oam.fi.ee/en/download?id=8675)

Currency

Title Nordic Fibreboard AS consolidated unaudited financial results for Q2 and 6 months of 2024

MANAGEMENT REPORT

Consolidated net sales for Q2 2024 were EUR 2.18 million, which was a 8% increase compared to the same period last year (Q2 2023: EUR 2.01 million). The main business area is the production and wholesale of softboard, which recorded sales in Q2 2024 of EUR 2.17 million (Q2 2023: EUR 2.00 million). The remaining business area is real estate management of the property owned in Suur-Jõe street in Pärnu, who recorded sales of EUR 0.01 million in Q2 2024 (Q2 2023: also EUR 0.01 million).

The reason for the increase in sales revenue of fiberboard (comparing the Q2 2023 to the Q2 2024) is the addition of new industrial customers in 2024. The company's primary focus remains on finding new customers, with the goal of expanding its customer portfolio and discovering new business directions.

The consolidated EBITDA of Nordic Fibreboard AS for Q2 2024 was positive EUR 217 thousand (Q2 2023: positive EUR 190 thousand). EBITDA margin was positive 10% in Q2 2024 (Q2 2023: positive 9%). The Group's gross margin was 25% both in the Q2 2024 and in the Q2 2023.

The consolidated operating profit of Nordic Fibreboard AS for Q2 2024 was EUR 86 thousand and operating margin was 4%, (Q2 2023: operating profit EUR 69 thousand and operating margin was 3%).

Group`s consolidated net loss for Q2 2024 was EUR 23 thousand (Q2 2023: loss EUR 7 thousand). The net loss for the Q2 2024 included the loss from the revaluation of the shares of Trigon Property Development AS (TPD) owned by Nordic Fibreboard Ltd in the amount of EUR 56 thousand (Q2 2023, the loss from the revaluation of the TPD shares was EUR 19 thousand).

DIVISIONAL REVIEW

REVENUE BY BUSINESS SEGMENTS

EUR thousand	Q2 2024	Q2 2023	6M 2024	6M 2023
Fibreboards production and sales	2,170	1,998	4,119	4,583
Real Estate Management	9	12	21	23
TOTAL	2,179	2,010	4,140	4,606

PROFIT BY BUSINESS SEGMENTS

EUR thousand	Q2 2024	Q2 2023	6M 2024	6M 2023
EBITDA by business units:				
Fibreboards production and sales	228	212	290	137
Real Estate Management	(3)	(4)	(15)	(17)
Group transactions	(8)	(18)	(5)	(24)
TOTAL EBITDA	217	190	270	96
Extraordinary other operating expenses	0	0	0	(406*)
Depreciation	(131)	(121)	(260)	(244)
TOTAL OPERATING PROFIT/ LOSS	86	69	10	(554)
Net financial costs	(109)	(76)	(106)	(50)
NET PROFIT/ LOSS	(23)	(7)	(96)	(604)

* consists of the one-time loss received from the resale of electricity to the electricity company.

NORDIC FIBREBOARD Ltd: fibreboard productions and sales

Fibreboard sales for Q2 2024 were EUR 2.17 million (Q2 2023: EUR 2.00 thousand). The main reason for the increase in sales revenue in the 2nd quarter of 2024 compared to the 2nd quarter of 2023 was the addition of new industrial customers. Sales in Estonia increased by 48% in the second quarter of 2024 compared to the same period last year, and sales to the Finnish market increased by 43%.

In the Q2 2024, there was no sales revenue from a large Danish customer, whose share was 22% of total sales in the same period of 2023. In the Q2 2024, this part of the sales revenue will be compensated by the addition of new industrial customers. The largest of them is located in the Netherlands, followed by Swedish and Polish companies. These new customers accounted for 18% of sales in the first half of 2024

The consolidated EBITDA of Nordic Fibreboard Ltd OÜ for Q2 2024 was positive EUR 228 thousand (Q2 2023: positive EUR 212 thousand).

FIBREBOARD SALES BY GEOGRAPHICAL SEGMENTS

EUR thousand	Q2 2024	Q2 2023	6M 2024	6M 2023
European Union	2,106	1,862	3,798	4,317
Middle East	41	28	57	28
Asia	23	23	84	55
Africa	0	40	167	93
Other	0	45	13	90
TOTAL	2,170	1,998	4,119	4,583

PÄRNU RIVERSIDE DEVELOPMENT Oü: real estate management

Pärnu Riverside Development OÜ owns and manages real estate in Pärnu, Suur-Jõe street 48. The company offers commercial premises rental services in one of the property's buildings, the rental income from real estate management was EUR 9 thousand in Q2 2024, (Q2 2023: EUR 12 thousand).

The real estate management EBITDA for Q2 2024 were negative EUR 3 thousand (Q2 2023: negative EUR 4 thousand).

OUTLOOK

NORDIC FIBREBOARD LTD

The economic outlook for the second half of 2024 has not significantly improved, although regional interest rate reductions may have some positive impact on business operations. However, the effects of these measures are primarily long-term. In the near future, our greatest challenge-and simultaneously our greatest opportunity- is acquiring new clients and markets which we are actively working on. We are still focusing on managing existing markets and key clients, as stability and reliability are becoming increasingly valued in turbulent economic conditions.

On a positive side for Nordic Fibreboard the future trends and outlooks indicate an increasing focus on green and environmentally friendly solutions, both in the construction sector and also in various other industries that Nordic Fibreboard products are already being sold or potentially could be sold. Innovation is key in this process, providing solutions to the clients that meet increasingly stringent environmental regulations and the growing consumer preference for environmentally sustainable products.

As a result of our business analysis and mapping of growth opportunities, Nordic Fibreboard has launched a growth-oriented strategy focused on strategic investments in sales, marketing and development activities to expand our customer base and product line. In the first phase, we will focus on quick and straightforward opportunities to maximize growth potential in the near term. At the same time, we will continue to develop our value proposition to move higher up the value chain for our clients. This will ensure closer partnerships and a broader reach in capturing both current and future business opportunities.

When planning production volumes, we follow the dynamics of sales volumes, ensuring flexibility and quick response to customer orders.

PÄRNU RIVERSIDE DEVELOPMENT

We will continue to manage and develop the property on Suur-Jõe Street 48, Pärnu. A detail plan for the property has been completed, with the intention of converting the property into a residential property.

FINANCIAL HIGHLIGHTS

Income statement	Q2 2024	Q2 2023	6M 2024	6M 2023
Revenue	2,179	2,010	4,140	4,606
EBITDA	217	190	270	96
EBITDA margin	10%	9%	7%	2%
Operating profit	86	69	10	(554)
Operating margin	4%	3%	0%	(12%)
Net profit	(23)	(7)	(96)	(604)
Net margin	(1%)	(0%)	(2%)	(13%)

Statement of financial position	30.06.2024	31.12.2023	30.06.2023	31.12.2022
Total assets	9,252	8,505	8,856	9,408
Return on assets	(1%)	(8%)	(7%)	13%
Equity	4,306	4,402	4,480	5,084
Return on equity	(2%)	(16%)	(13%)	24%
Debt-to-equity ratio	53%	48%	49%	46%

Share	30.06.2024	31.12.2023	30.06.2023	31.12.2022
Last Price*	1.03	0.90	1.24	1.60
Earnings per share	(0.04)	(0.15)	(0.02)	0.27
Price-earnings ratio	(26.75)	(5.93)	(54.66)	5.83
Book value of a share	0.96	0.98	1.00	1.13
Market to book ratio	1.08	0.92	1.25	1.42
Market capitalization, EUR thousand	4 634	4 049	5 579	7 198
Number of shares, piece	4,499,061	4,499,061	4,499,061	4,499,061

CONSOLIDATED STATEMENT OF FINANCIAL POSITIONS

EUR thousand	30.06.2024	31.12.2023	30.06.2023	31.12.2022
Cash and cash equivalents	2	7	2	2
Receivables and prepayments (Note 2)	1,084	534	717	559
Inventories (Note 3)	1,027	728	930	1,672
Total current assets	2,113	1,269	1,649	2,233
Investment property (Note 4)	2,294	2,269	1,859	1,859
Financial assets at fair value				

through profit or loss (Note 7)	491	491	698	644
Property, plant and equipment (Note 5)	4,351	4,475	4,648	4,670
Intangible assets (Note 6)	3	1	2	2
Total non-current assets	7,139	7,236	7,207	7,175
TOTAL ASSETS	9,252	8,505	8,856	9,408
Borrowings (Notes 8)	765	556	124	290
Payables and prepayments (Notes 9)	1,401	756	1,094	1,014
Short-term provisions (Note 10)	10	21	8	18
Total current liabilities	2,176	1,333	1,226	1,322
Long-term borrowings (Notes 8)	2,659	2,659	2,884	2,875
Long-term payables and prepayments (Notes 9)	0	0	139	0
Long-term provisions (Note 10)	111	111	127	127
Total non-current liabilities	2,770	2,770	3,150	3,002
Total liabilities	4,946	4,103	4,376	4,324
Share capital (at nominal value) (Note 11)	450	450	450	450
Statutory reserve capital	45	45	45	45
Retained earnings (loss)	3,811	3,907	3,985	4,589
Total equity	4,306	4,402	4,480	5,084

TOTAL LIABILITIES AND EQUITY	9,252	8,505	8,856	9,408

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

EUR thousand	Q2 2024	Q2 2023	6M 2024	6M 2023
Revenue (Note 13)	2,179	2,010	4,140	4,606
Cost of goods sold (Note 14)	1,755	1,629	3,468	4,064
Gross profit	424	381	672	542
Distribution costs (Note 15)	251	171	477	403
Administrative expenses (Note 16)	94	133	192	273
Other operating income (Note 18)	8	0	8	0
Other operating expenses (Note 18)	1	8	1	420
Operating profit (loss)	86	69	10	(554)
Finance income (Note 19)	0	0	0	55
Finance costs (Note 19)	109	76	106	105
LOSS BEFORE INCOME TAX	(23)	(7)	(96)	(604)
NET PROFIT (LOSS) FOR THE PERIOD	(23)	(7)	(96)	(604)
Basic earnings per share (Note 12)	(0.01)	(0.00)	(0.02)	(0.13)
Diluted earnings per share (Note 12)	(0.01)	(0.00)	(0.02)	(0.13)

CONSOLIDATED STATEMENT OF CASH FLOW

EUR thousand	6M 2024	6M 2023
Cash flows from operating activities		
Operating profit (loss)	10	(554)
Adjustments:		
Depreciation charge (Notes 5; 6)	260	244
Change in trade and other receivables (Note 2)	(550)	(158)
Change in inventories (Note 3)	(299)	742
Change in trade and other payables (Note 9)	645	219
Change in provisions (Note 10)	(11)	(10)
Cash generated from operations	55	483
Interest payments (Note 19)	(106)	(101)
Net other financial income and expense	0	(4)
Net cash generated from operating activities	(51)	378
Cash flows from investing activities		
Purchase of property, plant and equipment and intangible assets (Notes 5; 6)	(138)	(171)
Purchase of real estate investment (Note 4)	(25)	0
Net cash used in investing activities	(163)	(171)
Cash flows from financing activities		
Repayment of loans received (Note 8)	(104)	(306)
Loans received from related parties (Note 8)	0	200
Change in overdraft (Note 8)	324	(68)

Repayment of principal element of lease liability (Note 8)	(11)	(33)
Net cash (used in)/from financing activities	209	(207)
NET CHANGE IN CASH	(5)	0
OPENING BALANCE OF CASH	7	2
CLOSING BALANCE OF CASH	2	2

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