



Inside Information, Profit Warning: Bittium Corporation Lowers Its Financial Outlook for 2023

Bittium Corporation
Inside information

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Bittium Corporation, Stock Exchange Release, September 15, 2023, at 6:05 pm (CEST+1)

Bittium Corporation lowers its financial outlook for the year 2023. The company expects the net sales in 2023 to be at the same level or lower than in the previous year (EUR 82.5 million in 2022), and the operating result to be lower than in the previous year (EUR 0.3 million in 2022). Cash flow in 2023 is expected to be negative.

The main reason for the decrease in net sales and operating profit is the delivery volumes of tactical communication products and security solutions in the Defense & Security business unit, which are realizing during the current year at a slower pace and with lower volumes than expected. Due to the decrease in the net sales and operating result, the cash flow in 2023 is expected to be negative.

Updated Financial Outlook for 2023

Bittium expects the net sales in 2023 to be at the same level or lower than in the previous year (EUR 82.5 million in 2022) and the operating result to be lower than in the previous year (EUR 0.3 million in 2022). Cash flow in 2023 is expected to be negative.

Previous Financial Outlook for 2023, published on August 4, 2023, in the Half-Year Financial Report January-June 2023

Bittium expects the net sales in 2023 to grow and the operating result to improve from the previous year (net sales EUR 82.5 million in 2022 and operating result EUR 0.3 million in 2022). Cash flow in 2023 is expected to be positive.

Long-term Financial Targets (unchanged)

Bittium continues to develop its operations towards independent business units and seeks a clearer focus, growth, and improvement of its ability to generate profits. The company has also continued with other measures and review of processes, operating methods, and cost structure to enable profitable growth. As part of measures to improve its profitability and develop its operations towards independent business units, on August 23, 2023, Bittium Corporation started change negotiations that concern all company's subsidiaries in Finland. The negotiations cover around 600 employees. The planned measures, if implemented, could lead to the termination of employment or lay-offs of a maximum of 80 employees. Change negotiations were initiated for financial and production-related reasons as well as for reasons related to the reorganization of the company's operations.

With these measures, Bittium aims for annual cost savings of approximately EUR 6.0 million, which supports the company's goal of achieving an average annual net sales growth of more than 10 percent and an operating profit level of 10 percent, which it estimates to achieve in 2024 (published on August 4, 2023, in the Half-Year Financial Report January-June 2023).

Bittium's long-term financial targets remain unchanged: Bittium aims for an average annual net sales growth of more than 10 percent and an operating profit level of 10 percent and estimates that it will achieve these goals in 2024.

In Oulu, Finland, September 15, 2023

Bittium Corporation
The Board of Directors

Further information

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Bittium

Bittium specializes in the development of reliable, secure communications and connectivity solutions leveraging its over 35-year legacy of expertise in advanced radio communication technologies. Bittium provides innovative products and services, customized solutions based on its product platforms and R&D services. Complementing its communications and connectivity solutions, Bittium offers proven information security solutions for mobile devices and portable computers. Bittium also provides healthcare technology products and services for biosignal measuring in the areas of cardiology and neurophysiology. Net sales in 2022 were EUR 82.5 million and operating profit was EUR 0.3 million. Bittium is listed on Nasdaq Helsinki. www.bittium.com