

Nordic Rescue Group: development to continue after a challenging year

For the rescue vehicle manufacturer Nordic Rescue Group, the past year was characterised by challenges in the operating environment. At the end of the year, Nordic Rescue Group decided to cease the manufacturing of rescue lifts. The other Group companies, Saurus and Sala Brand, will continue their business operations as before. Both Saurus and Sala Brand have profitable business operations and strong market positions.

FAIR VALUE

MEUR 3.0

On 31 Dec. 2022

TARGET COMPANY SINCE

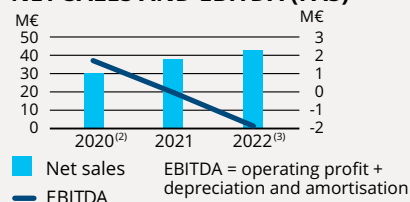
2020

HOLDING

68.1%⁽¹⁾

On 31 Dec. 2022

NET SALES AND EBITDA (FAS)



(1) Of outstanding shares

(2) Unaudited pro forma figures. Including 1.0 million of extraordinary income

(3) Unaudited figures

Nordic Rescue Group (NRG) faced a challenging operating environment in 2022. The Chinese market, which is an important market for NRG, was practically completely closed, and there were significant difficulties with the availability of components and truck chassis. However, the availability challenges eased slightly in the second half of the year. In Saurus' and Sala Brand's home markets in Finland and Sweden, the public sector's rescue vehicle purchases and new maintenance agreements improved demand and the visibility of business. At the same time, the impact of the reform of social welfare and health care services in Finland on the procurement of rescue equipment remains uncertain.

Nordic Rescue Group's net sales amounted to EUR 41.8 million in 2022 and the company's EBITDA was EUR -2.0 million. Vema Lift had significant effect on NRG's financial figures. Vema Lift's EBITDA in 2022 was EUR -1.9 million, and NRG's group expenses also include significant costs related to Vema Lift. The Saurus and Sala Brand businesses have a healthy foundation and are both profitable.

SAURUS AND SALA BRAND: GOOD BRAND AWARENESS AND STRONG MARKET POSITIONS

NRG's subsidiary Vema Lift Oy filed for bankruptcy in December 2022. The underlying reasons for the decision are Vema Lift's prolonged financial difficulties, the adverse market situation in China, the company's former main market, the shortage of chassis and components, and rising inflation.



High-quality Saurus products, tailored to customer needs, starting their approximately 30-year journey as crucial tools for professional rescue personnel.

“Vema Lift’s business suffered significantly from the practically complete closure of the Chinese market after the start of the COVID-19 pandemic. We started to enter new markets and made some progress in that respect. However, due to the long sales cycles in our industry, achieving a turnaround in profit performance was a slow process. We also sought a new industrial owner for Vema Lift, but as that was unsuccessful, bankruptcy unfortunately became the only option,” says **Esa Peltola**, CEO of NRG.

The other two NRG companies, Saurus and Sala Brand, will continue to develop and grow their businesses.

“Both companies have high brand awareness, a strong position in their main markets, and competent and committed personnel. The customer base for both Sala Brand and Saurus includes sectors in which significant investments are being made, such as the defence industry,” Peltola explains.

YEAR 2023: GROWTH AND PROGRESS

The Group aims to increase the net sales of its continuing businesses and improve profitability.

“One example of our development efforts is a production streamlining project. We are improving processes in both Saurus and Sala Brand with the aim of further improving efficiency,” Peltola states.



Above: Saurus machines of Etelä-Savo Rescue Services clearing storm damage in Pitkäjärvi, Mikkeli.

Below: A fire in a detached house in Turku’s Korppolaismäki district. NRG’s rescue unit was on hand to help prevent more extensive damage.

