



ELECSTER



ANNUAL RERORT 2022

CEO's Review



Elecster Oyj is doing business mainly in countries and continents which may seem remote. European companies of this size perhaps seldom need to pay attention to occurrences or circumstances in African, Latin American or Asian countries, or their possible impacts on their business. In Europe, it was naturally the war in Ukraine towards which main attention was focused in 2022, but at Elecster we had to take into

account many other crises as well, as they affected local people's lives even more than the war in Ukraine.

Large coastal floods in Pakistan and Bangladesh, the worst drought in 40 years in East Africa, exceptional heat waves in India and Pakistan, hurricanes around the Gulf of Mexico and in the Indian Ocean, etc. - the list seems endless. Furthermore, remembering the sabre-rattling between India and Pakistan, deep financial troubles in some South American countries, large protests in Iran, and so on, we have a good reason to describe our business environment with the word 'challenging' - all this in the aftermath of Covid 2019. Based on all above mentioned severe local crises, which significantly affected the activities of the local companies, and consequently Elecster, we can be relatively pleased with our year 2022 result.

Elecster turnover grew remarkably, similarly our profitability developed positively. In year 2021, Elecster operating profit from continuous operations amounted to 0,3 million euros only, while in year 2022, we reached an operating profit of 3,1 million euros. Even though the business profit margin remained somewhat unsatisfactory, we can be happy with the way Elecster Group profitability developed this year. Especially when considering uncertainties in our mar-

kets and exceptional cost inflation causing the sharpest rise in costs for almost all our production factors in a long time.

Many of the abovementioned crises were caused by extreme natural phenomena – draught, floods and hurricanes. Elecster Group works hard to do its share in reducing carbon emissions, the negative effects of which on climate have been proven scientifically. We joined Motivia Energy Efficiency Agreement and are investing in heating systems using renewable energy resources. Electricity used in our units in Finland is derived from 100% renewable energy sources. Elecster packaging machines are constantly developed bearing in mind energy efficiency. For our packaging materials we are searching solutions to use more biobased raw materials and on the other hand, to cut the weight of our films based on fossil raw materials. To achieve these goals, we made a major investment in our Reisjärvi factory film manufacturing lines. Global warming is a serious threat to the future of the globe. Elecster Group has taken actions to contribute to achieving carbon neutrality in Finland by 2035. As stated by one of our customers: it is important to act now - not when cows fly.

I wish to thank all our stakeholders for good co-operation. Special thanks go to all Elecster Group employees, who in spite of the demanding conditions managed to generate quite positive development. When pulling in the same direction and not getting discouraged when facing difficulties, we will also in future be a desired and reliable cooperation partner to our customers, suppliers and financiers, a profitable and responsible investment for our shareholders and an accountable operator in our society. We aim to do our share in keeping the globe a great place to live for the present and future generations.

Arto Kinnunen
CEO

Consolidated Financial Statements, IFRS

Consolidated income statement

1000 EUR	1.1.-31.12.2022	1.1.-31.12.2021
NET SALES	42 680	32 542
Change in inventories of finished goods and work in progress	-562	1 430
Production for own use	138	105
Other operating income	185	396
Material and services	-23 289	-19 799
Employee benefit expenses	-8 032	-7 557
Depreciation	-1 621	-1 321
Other operating expenses	-6 365	-5 543
OPERATING PROFIT	3 134	254
Financial income	1 192	417
Financial expenses	-2 318	-881
PROFIT/LOSS BEFORE TAXES, continuing operations	2 008	-210
Income taxes, continuing operations	-830	-381
PROFIT/LOSS FOR THE PERIOD, continuing operations	1 178	-590
PROFIT/LOSS FOR THE PERIOD, discontinued operations		3 087
PROFIT/LOSS FOR THE PERIOD	1 178	2 497
NET PROFIT/LOSS ATTRIBUTABLE TO		
Equity holders of the parent	1 177	2 588
Minority interest	1	-91
	1 178	2 497
Earnings per share calculated on profit attributable to equity holders of the parent		
Earnings per share undiluted (EUR), profit/loss for the period	0,31	0,69
Earnings per share undiluted (EUR), continuing operations	0,31	-0,16
Earnings per share undiluted (EUR), discontinued operations		0,85

Statement of comprehensive income

	1.1.-31.12.2022	1.1.-31.12.2021
PROFIT FOR THE PERIOD	1 178	2 497
OTHER COMPREHENSIVE INCOME:		
Exchange difference on translating foreign operations	541	1 270
Other comprehensive income, net of tax	541	1 270
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	1 719	3 767
Total comprehensive income attributable to		
Equity holders of the parent	1 717	3 857
Minority interest	2	-91
	1 719	3 767

Condolidated balance sheet

1000 EUR	31.12.2022	31.12.2021
ASSETS		
NON-CURRENT ASSETS		
Intangible assets	141	162
Tangible assets	11 305	11 028
Investments available for sale	81	81
Long-term receivables	1 656	1 376
Deferred tax assets	512	434
TOTAL NON-CURRENT ASSETS	13 695	13 081
CURRENT ASSETS		
Inventories	20 264	18 280
Trade receivables and other receivables	7 092	6 965
Tax receivable, income tax	155	151
Cash and bank	11 434	10 427
TOTAL CURRENT ASSETS	38 945	35 822
TOTAL ASSETS	52 640	48 903
EQUITY AND LIABILITIES		
SHAREHOLDERS' EQUITY		
Share capital	3 152	3 152
Share premium account	4 239	4 239
Other reserves	98	100
Translation differences	372	652
Retained earnings	19 633	18 469
	27 493	26 612
Minority interest	11	9
SHAREHOLDERS' EQUITY	27 505	26 621
NON-CURRENT LIABILITIES		
Deferred tax liability	255	256
Long-term liabilities, interest-bearing	11 133	11 687
TOTAL NON-CURRENT LIABILITIES	11 388	11 943
CURRENT LIABILITIES		
Short-term interest-bearing liabilities	8 295	5 980
Trade payables and other liabilities	5 086	4 203
Tax liability, income tax	366	155
TOTAL CURRENT LIABILITIES	13 747	10 338
TOTAL EQUITY AND LIABILITIES	52 640	48 903

Key indicators

Financial indicators

1000 EUR	IFRS 2022	IFRS 2021 *	IFRS 2020 *	IFRS 2019	IFRS 2018
Net sales	42 680	32 542	36 665	39 385	42 180
Net sales change, %	31,2 %	-11,2 %	0,0 %	-6,6 %	7,0 %
Operating profit	3 134	254	3 904	2 215	3 567
% of net sales	7,3 %	0,8 %	10,6 %	5,6 %	8,5 %
Profit before extra-ordinary items and taxes	2 008	-210	3 797	1 479	3 372
% of net sales	4,7 %	-0,6 %	10,4 %	3,8 %	8,0 %
Return on equity, %	4,4 %	-2,4 %	11,3 %	3,8 %	10,1 %
Return on investment, %	6,2 %	1,6 %	12,2 %	5,0 %	8,3 %
Balance sheet total	52 640	48 903	44 913	50 112	50 657
Equity ratio, %	52,7 %	55,0 %	54,0 %	53,3 %	50,3 %
Gearing, %	29,1 %	27,2 %	41,3 %	47,5 %	49,3 %
Gross investments	1 143	1 117	1 274	2 904	2 213
% of net sales	2,7 %	3,4 %	3,5 %	7,4 %	5,2 %
Research and development	1 226	1 161	1 175	1 253	1 168
% of net sales	2,9 %	3,6 %	3,2 %	3,2 %	2,8 %
Average number of personnel during year about which abroad	230 100	273 148	292 162	302 171	300 170

Adjusted share-related indicators

	IFRS 2022	IFRS 2021	IFRS 2020	IFRS 2019	IFRS 2018
Earnings per share, eur	0,31	0,69	0,73	0,26	0,67
Earnings per share, continuing operations, eur		-0,16	0,73		
Earnings per share, discontinued operations, eur		0,85	0,00		
Dividend per share (A-share), eur	0,15 **)	0,29	0,28	0,23	0,33
Dividend per share (K-share), eur	0,15 **)	0,29	0,28	0,23	0,33
Dividend per earnings, %	48,4 %	42,0 %	38,4 %	88,5 %	49,3 %
Effective dividend yield, %	2,5 %	3,5 %	2,5 %	3,1 %	3,7 %
Equity per share, eur	7,34	7,10	6,41	7,06	6,72
Price per earnings ratio (P/E-ratio)	20	12	15	29	13
Trading volume (A-share), 1000 pcs	177	269	329	101	55
% average number of shares	9,7 %	14,8 %	18,1 %	5,6 %	3,0 %
Average number of shares	3 748 116	3 748 116	3 748 116	3 748 116	3 748 116
Number of shares at the end of period					
A-share	1 820 116	1 820 116	1 820 116	1 820 116	1 820 116
K-share	1 928 000	1 928 000	1 928 000	1 928 000	1 928 000
Adjusted share (A-share)					
lowest share price, eur	5,40	7,50	4,90	7,00	8,30
highest share price, eur	8,66	11,20	12,30	10,10	13,40
share price at December 31, eur	6,10	8,32	11,30	7,45	8,80
Market capitalization of shares December 31, euros millions	22,9	31,2	42,4	27,9	33,0

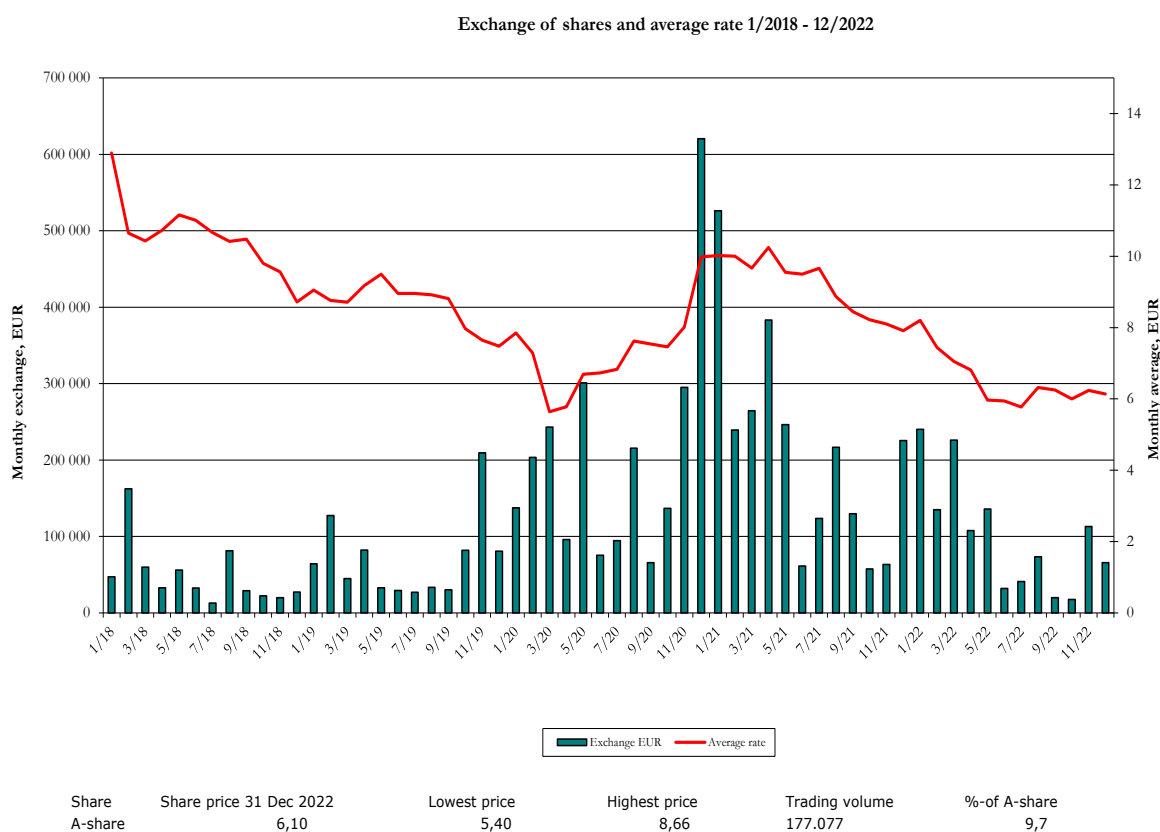
*) continuing operations

***) proposal by the Board of Directors

Calculation of key figures

Return on equity, %	$\frac{\text{Profit before extra-ordinary items and taxes - direct taxes}}{\text{Total equity (average)}} \times 100$
Return on investments, %	$\frac{\text{Profit before extra-ordinary items and taxes + interest expenses and other financial expenses}}{\text{Total assets - non-interest-bearing liabilities (average)}} \times 100$
Equity ratio, %	$\frac{\text{Total equity}}{\text{Total assets - advance payments received}} \times 100$
Gearing, %	$\frac{\text{Interest-bearing liabilities - cash and cash equivalents}}{\text{Total equity}} \times 100$
Earnings/share	$\frac{\text{Profit before extra-ordinary items - taxes - +/- minority interest}}{\text{Adjusted number of shares (average)}}$
Shareholders' equity/share	$\frac{\text{Equity attributable to shareholders of parent company}}{\text{Adjusted numbers of shares at 31 December}}$
Price/earnings ratio (P/E)	$\frac{\text{Adjusted share price at 31 December}}{\text{Earnings/share}}$
Effective dividend yield, %	$\frac{\text{Dividend per share}}{\text{Adjusted share price at 31 December}} \times 100$

Exchange of shares and average rate



Share Information

Principal shareholders on December 31st, 2022

	A-share	K-share	%-of shares	%-of votes
1. Finha Capital Oy	509 179	520 000	27,46 %	27,06 %
2. Okuli Oy	70 000	957 920	27,42 %	45,73 %
3. Mandatum Henkivakuutusosakeyhtiö	217 000		5,79 %	1,03 %
4. Alexandra Rosenqvist	1 794	114 709	3,11 %	5,44 %
5. Veronika Halonen		114 709	3,06 %	5,44 %
6. Tam-Kraft Oy	109 279		2,92 %	0,52 %
7. Määttä Mikko	80 000		2,13 %	0,38 %
8. Nordea Henkivakuutus Suomi Oy	50 000		1,33 %	0,24 %
9. Korte Kauko	58 339		1,56 %	0,28 %
10. Halonen Jukka	11 950	26 280	1,02 %	1,30 %

At the end of 2022, the members of Elecster's Board of Directors, Managing Director and the corporations in their authority hold a total 48.924 shares. These shares represent 1,31 percent of the total share capital and 1,35 percent of voting rights.

Structure of share capital on December 31st, 2022

Series of shares	Number of shares	%-of shares	%-of votes	Share capital €
K-shares	1 928 000	51 %	91,37 %	1 621 331,61
A-shares	1 820 116	49 %	8,63 %	1 530 607,68
Total	3 748 116	100 %	100,00 %	3 151 939,29

Distribution of shareholding on December 31st, 2022

Breakdown of shareholding

	Number of shares	Number of shareholders	%-of shareholders	Shares	%-of shares
1-100		631	47,09 %	27 255	0,73 %
101-1 000		559	41,72 %	213 460	5,70 %
1 001-5 000		110	8,21 %	234 897	6,27 %
5 001-10 000		16	1,19 %	107 927	2,88 %
10 001-100 000		20	1,49 %	776 494	20,72 %
100 001-		4	0,30 %	2 383 378	63,59 %
Total		1 340	100,00 %	3 743 411	99,87 %
Number of shares not entered in the book of entry systems				4 705	0,13 %
Number issued				3 748 116	100,00 %

According to shareholders

	Number of shareholders	%-of shares
Companies	64	60,53 %
Credit and insurance institutions *)	6	7,35 %
Non-profit institutions	2	0,02 %
Households	1 257	31,67 %
Foreign owners	11	0,30 %
Number of shares not entered in the book of entry systems		0,13 %
Total	1 340	100,00 %

*) Also the administratively registered shares are included in this figure

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