



Tekna Holding ASA: Second quarter and first half-year results 2024

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(Arendal, NORWAY / Sherbrooke QC, CANADA) Tekna Holding ASA (Tekna, OSE: TEKNA), a world-leading provider of advanced materials to industry, today announces the company's results for the second quarter and first half-year of 2024. In the second quarter, Tekna generated CAD 11.2 million in revenue, a 1.9 per cent increase year-over-year. The slower than expected revenue development has led management to consider additional strategic adjustments to better align with annual targets. Despite the challenges, a 30 per cent increase in revenue from first to second quarter suggests that full-year 2024 revenue is likely to surpass that of previous years.

"While we have recorded good performance in some areas, our overall results are not where we expected them to be. To mitigate the impact on profitability, we are taking corrective actions with resilience and strategic foresight," said Luc Dionne, CEO of Tekna Holding ASA.

Systems revenue decreased by 1.9 per cent compared to Q2 2023, due to the strong performance and revenue recognition of the PlasmaSonic system last year. As systems revenue is recognized based on project completion, fluctuations are expected.

Advanced Materials revenue increased by 4.2 per cent year-over-year in Q2, below management expectations. This is primarily due to a softer than expected order intake in Q1 from the 3D printing machine manufacturers, aerospace, and medical sectors, reflecting a broader industry slowdown.

Adjusted EBITDA for Q2 2024 was CAD -1.5 million, down from CAD -0.6 million in Q2 2023. The profitability was affected by one-off costs of CAD 0.5 million in the margin for materials, in part driven by efforts to reduce working capital, and indirect costs that were marked by CAD 0.6 million higher costs due to the absence of services historically invoiced to the joint venture.

"We have accelerated the implementation of a comprehensive profitability improvement program. This program is focusing on improving product cost, reducing overhead costs and enhancing organizational efficiency. We anticipate that the cost saving program can contribute CAD 2 million in adjusted EBITDA over the next six months, with some of the cost savings recurring in 2025", said Luc Dionne.

Tekna's total order backlog was CAD 18.2 million going out of the second quarter, down from CAD 22.0 million in Q2 2023, largely due to lower order intake in Systems. The pipeline remains strong for the rest of the year, with CAD 2.0 million in system orders already secured in Q3 2024. Conversely, Advanced Materials showed strong demand with an order intake of CAD 5.9 million (+18%) and a backlog of CAD 14.0 million (+28%).

In the second quarter, Tekna secured a major win in an intellectual property case concerning competing patent rights to produce titanium powder in Canada. The losing party has a limited time to appeal the judgement. Per the Federal Court process, Tekna is working to recoup a potentially significant part of its related legal costs.

Looking ahead, Tekna is experiencing the usual seasonal decline in activity due to the summer vacation period in North America and Europe in Q3. However, we expect a recovery in Q4 2024. The volatility in material sales reflects the nascent stage of the industry, which contributes to supply chain transparency issues and makes predictions challenging. Despite these hurdles, the strong fundamentals of the industry and Tekna's strategic positioning as a reliable supplier of high-quality products reinforce our growth vision.

Results presentation

Tekna will host a short presentation of the financial results for the second quarter and first half-year and a Q&A session today at 13:00 CET. The results will be presented by CEO Luc Dionne and CFO Espen Schie of Tekna Holding ASA, and the event will be made available via a live webcast. Click the following link to register and gain access to the webcast:

<https://www.tekna.com/investors/webcast-2024q2>

Questions can be submitted via email to investors@tekna.com prior to the event and via the webcast link during the live event. A recorded version of the webcast will be available shortly after the webcast has concluded.

For more information, please see the second quarter and half-year report, which is attached to this notice and available at <http://www.tekna.com> - <http://www.tekna.com/>.

Disclosure regulation

This information is subject to the disclosure requirements pursuant to Section 5-12 of the Norwegian Securities Trading Act.

Contacts

- Arina Van Oost, Investor Relations | VP Corporate Strategic Development & Innovation, Tekna Holding ASA, +33670115190, investors@tekna.com

About Tekna Holding ASA

Tekna is a world-leading provider of advanced materials to industry, headquartered in Sherbrooke, Canada.

Tekna produces high-purity metal powders for applications such as 3D printing in the aerospace, medical and automotive sectors, as well as optimized induction plasma systems for industrial research and production. With its unique, IP-protected plasma technology, the company is well positioned in the growing market for advanced nanomaterials within the electronics and batteries industries.

Building on 30 years of delivering excellence, Tekna is a global player recognized for its quality products and its commitment to its large base of multinational blue-chip customers. Tekna's powder products increase productivity and enable more efficient use of materials, thereby paving the way towards a more resilient supply chain and circular economy.

<https://www.tekna.com>

Attachments

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- [Tekna Halfyear report 2024 vF website.pdf](#)