

An aerial photograph of a two-lane road with a red car in the center. The road is flanked by trees with autumn foliage. The background is a large body of water with a blue tint.

Strong growth and growth strategy implementation  
**Revenue increased by 52%**

Wetteri Plc | Financial statements bulletin 2023 | 14 March 2024

**WETTERI**



Aarne Simula  
CEO  
Joined Wetteri in 2001

1. Wetteri in 2023
2. Business model
3. Sector and strategy
4. Financial targets and guidance
5. Q&A: submit your questions via the chat



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## Financial performance in 2023

Wetteri started measures to implement its growth strategy in 2023





Big picture:

**Revenue increased by 52%**

**EUR 443.3  
million**

Revenue

Pro forma 2022  
EUR 291.0 million

**EUR 24.9  
million**

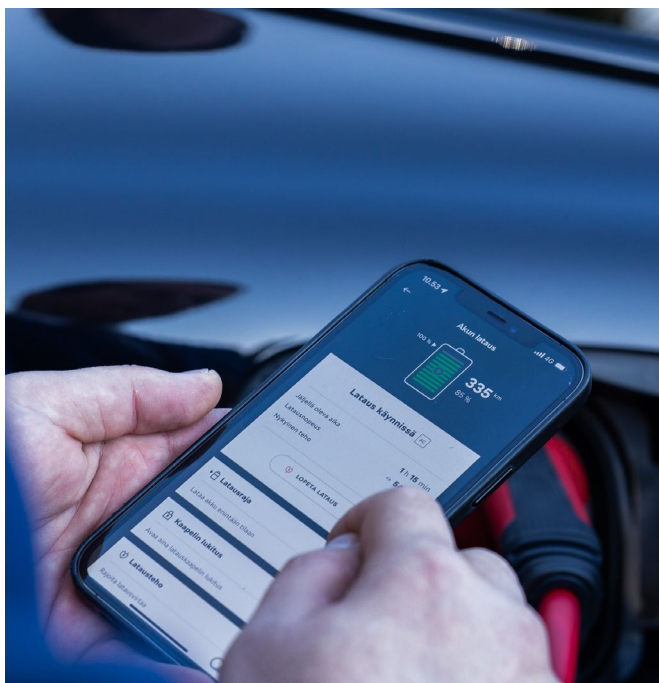
Adjusted EBITDA

Pro forma 2022  
EUR 13.8 million

**EUR 12.0  
million**

Adjusted operating profit

Pro forma 2022  
EUR 3.9 million



**1. Passenger Cars**



**2. Heavy Vehicles**



**3. Maintenance Services**



## Passenger Cars 2023:

Strong growth, interest rate affected the performance

**EUR 284.5**  
**million**

Revenue

**3,322**

Invoiced sales of  
new cars

**5,764**

Invoiced sales of  
used cars

**65%**

Revenue growth,  
pro forma Q1–Q4/2022

**EUR 57.3**  
**million**

Order backlog for new  
cars



## Passenger Cars 2023:

EUR thousand	Q1–Q4/2023	Q4/2023	Q3/2023	Q2/2023	Q1/2023	Q1– Q4/2022 Pro forma
Revenue	284,456	89,426	73,750	70,164	51,117	171,969
EBITDA	4,235	281	1,555	1,780	619	2,430
Adjusted EBITDA	5,070	934	1,672	1,839	626	2,456
Operating profit (EBIT)	-2,491	-1,400	-350	52	-793	-2,449
Adjusted operating profit	77	-422	263	596	-359	-828

Full tables: [sijoittajat.wetteri.fi/en/news-and-publications/](https://sijoittajat.wetteri.fi/en/news-and-publications/)



## Heavy Equipment 2023:

Profitable growth continued, Wetteri Power has a 38.8% market share in its own region

**EUR 67.8**

**million**

Revenue

**14%**

Revenue growth,  
Q1–Q4/2022 pro forma

**181**

Invoiced sales of  
new commercial trucks

**EUR 13.7**

**million**

Order backlog

**92%**

Maintenance contract coverage: Proportion of cars covered by a maintenance contract of all cars sold





## Heavy Equipment 2023:

EUR thousand	Q1–Q4/2023	Q4/2023	Q3/2023	Q2/2023	Q1/2023	Q1–Q4/2022 Pro forma
Revenue	67,846	15,424	15,044	16,619	20,760	59,644
EBITDA	4,809	1,470	1,244	1,057	1,038	2,199
Adjusted EBITDA	5,441	1,495	1,265	1,204	1,477	3,953
Operating profit (EBIT)	2,596	939	779	540	338	-244
Adjusted operating profit	3,682	1,015	851	800	1,016	2,467

Full tables: [sijoittajat.wetteri.fi/en/news-and-publications/](https://sijoittajat.wetteri.fi/en/news-and-publications/)



## Maintenance Services 2023:

Commissioning of new cars supported growth

**EUR 76.0 million**

Revenue

**46.9%**

Increase in the number of hours of work sold

**71%**

Revenue growth, pro forma Q1–Q4/2022

**59.8%**

Increase in spare parts sales

**70%**

Most of Wetteri's personnel work in maintenance, spare parts and repair shop services



## Maintenance Services 2023:

EUR thousand	Q1– Q4/2023	Q4/2023	Q3/2023	Q2/2023	Q1/2023	Q1– Q4/2022 Pro forma
Revenue	76,040	22,158	20,358	19,025	14,499	44,356
EBITDA	10,534	1,720	3,592	2,305	2,917	5,059
Adjusted EBITDA	12,654	2,966	3,865	2,554	3,269	6,468
Operating profit (EBIT)	3,151	-276	1,472	393	1,563	77
Adjusted operating profit	5,680	1,072	1,846	745	2,017	1,894

Full tables: [sijoittajat.wetteri.fi/en/news-and-publications/](https://sijoittajat.wetteri.fi/en/news-and-publications/)

# Consignment stock financing solutions and working capital management

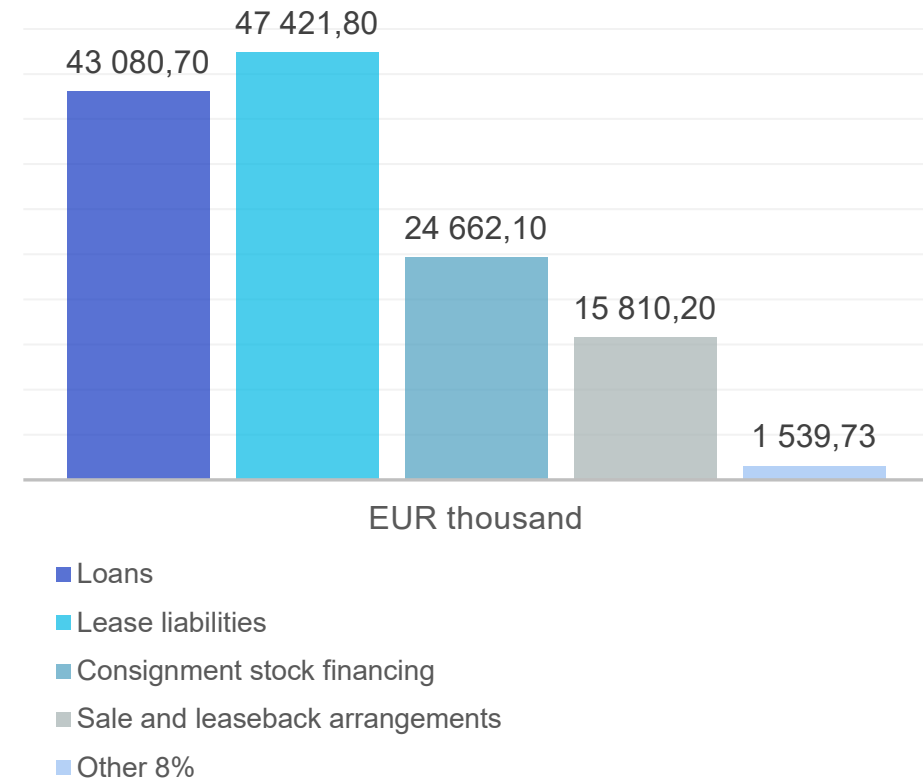
Consignment stock financing for used cars and sale and leaseback arrangements for demonstration cars are part of efficient working capital management.

- Frees up working capital for the car trade business
- The Group has significant credit facilities that enable volume growth

## Impact on the Group's balance sheet and interest-bearing liabilities:

- The financing obtained from consignment stock financing for used cars and sale and leaseback arrangements for demonstration cars is **presented under current financial liabilities on the consolidated balance sheet**
- A car issued for financing is **included in the Group's inventories and serves as collateral for the financing granted**
- A car under financing is redeemed when it is sold to a customer

## Interest-bearing liabilities Q4/2023



# Key events in 2023

- 7 March 2023: Autotalo Hartikainen became part of Wetteri
- 24 April 2024: The mandatory tender offer procedure ended
- 8 May 2023: Annual General Meeting in Oulu
- 1 June 2023: AutoPalin became part of Wetteri
- 27 October 2023: Wetteri announced the acquisition of the Suur-Savo Cooperative Society's car dealership business operations
- 11 December 2023: Wetteri announced the acquisition of Suvanto Trucks through a share exchange (29 February 2024)
- 21 December 2023: Share issue without payments to the personnel
  
- 2023 Four new used car centres (Oulu, Raisio, Joensuu) and two new energy-efficient repair shops were opened (Kemi, Kajaani/2024)



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# Business model

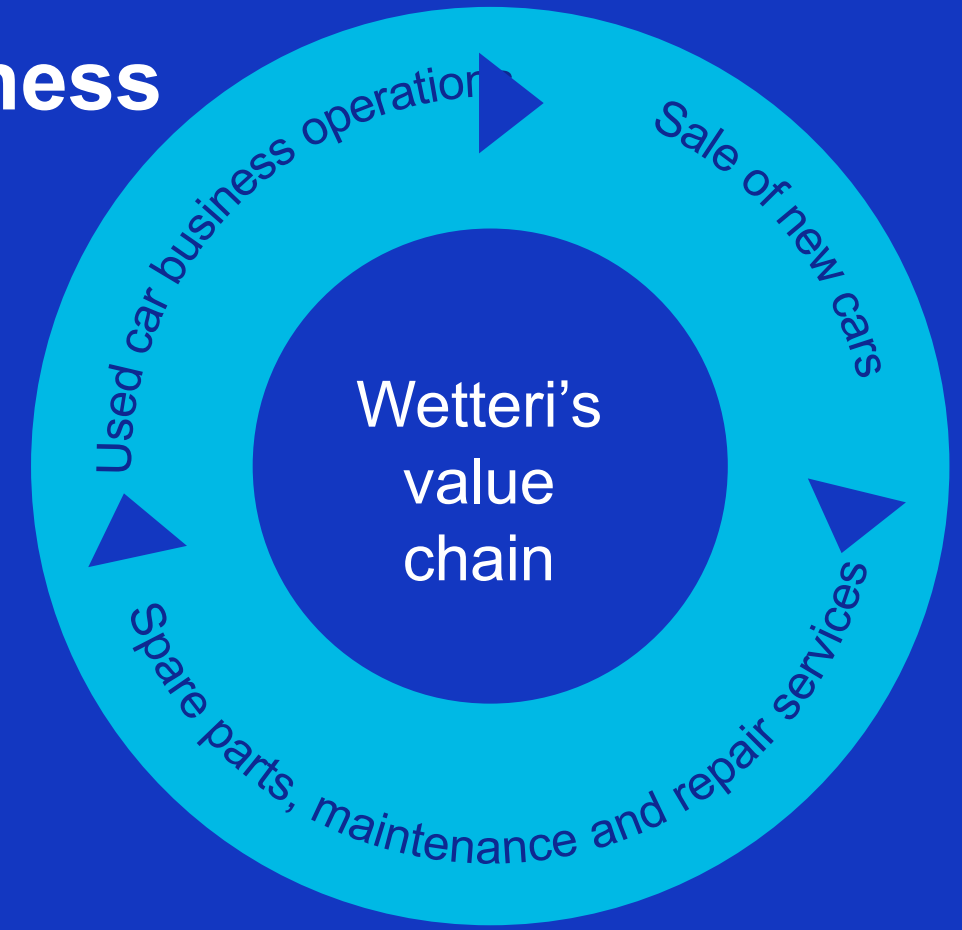
Wetteri's business model is a strength in the automotive market, which is sensitive to economic cycles





# Wetteri's comprehensive business model

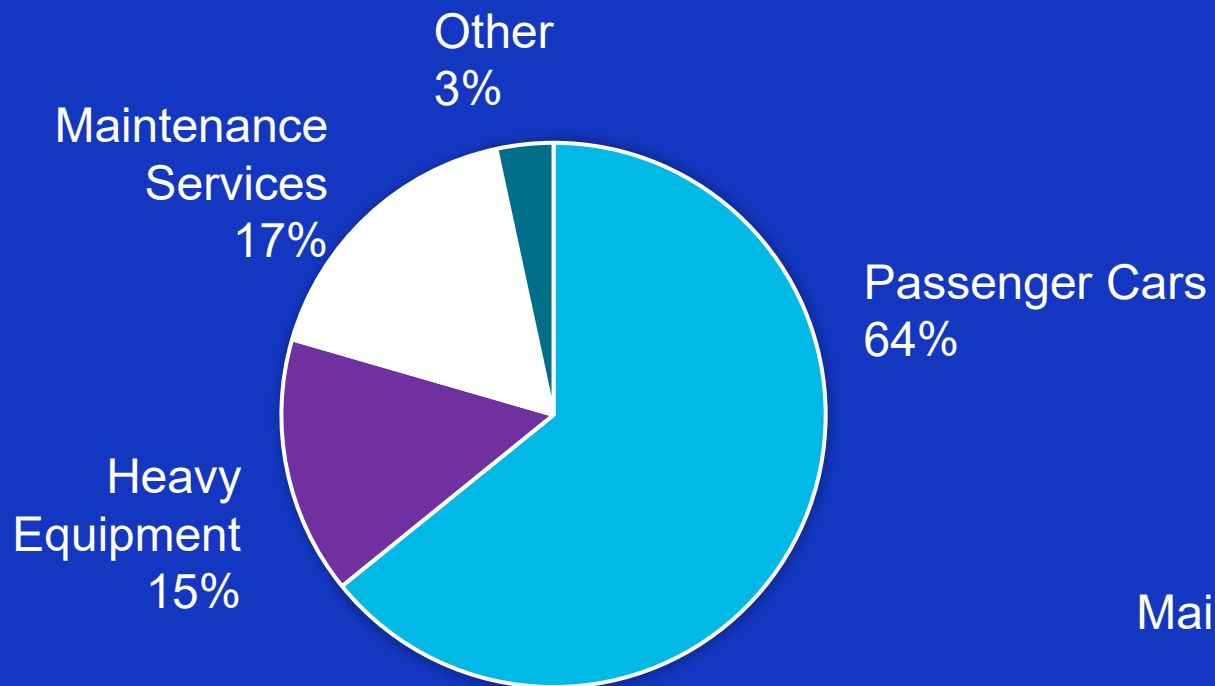
- ➔ Feeds growth
- ➔ Brings steady cash flow from several sources – wide offering
- ➔ Reduces business risks



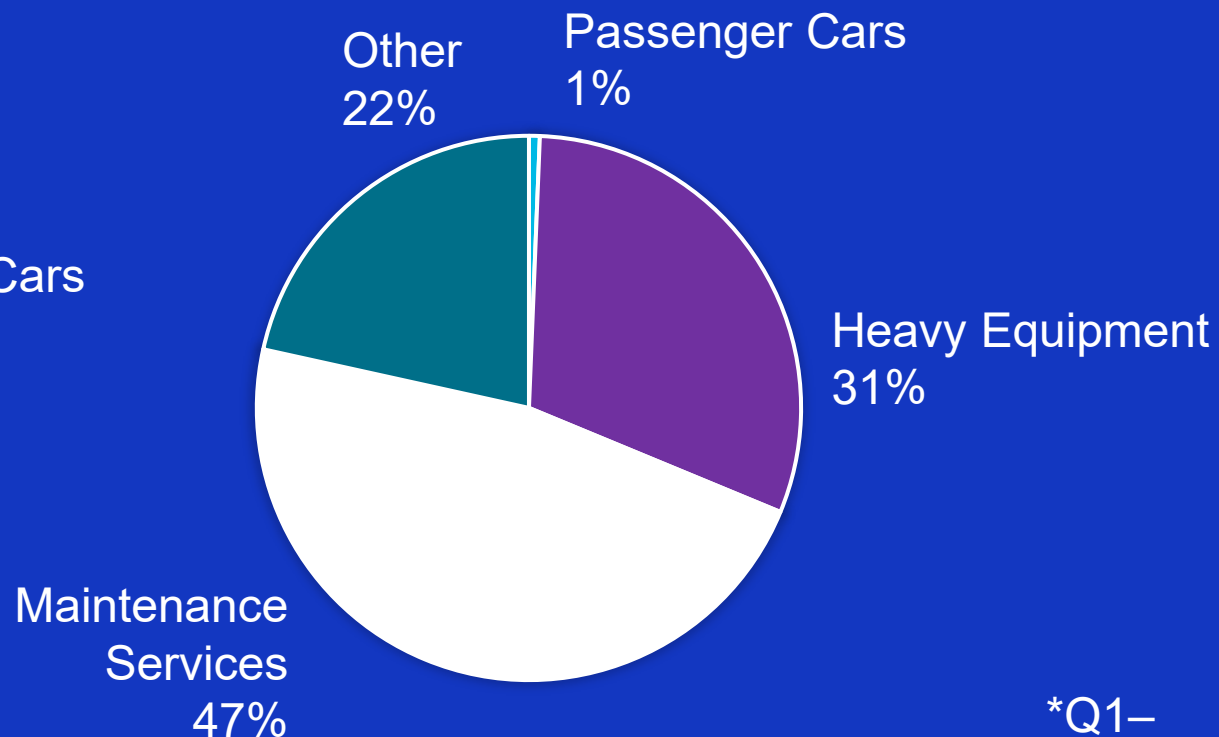


# A unique listed company in the automotive sector

Distribution of revenue\*



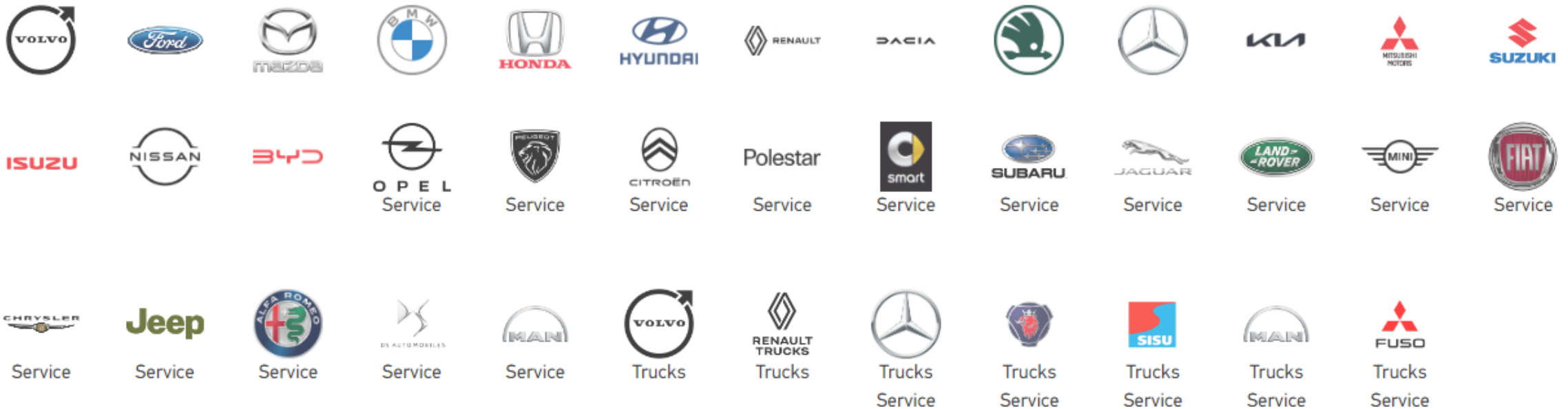
Distribution of adjusted operating profit\*



\*Q1–  
Q4/2023



# Multi-brand strategy: Finland's largest representation of car brands is an organic growth driver and a strength amidst changing distribution routes.



An indication of high-quality work and responsibility as part of the value chain for the car trade. An extensive customer base with different needs, even within vehicle categories. Partnerships with customers cover the entire life cycle of the car.

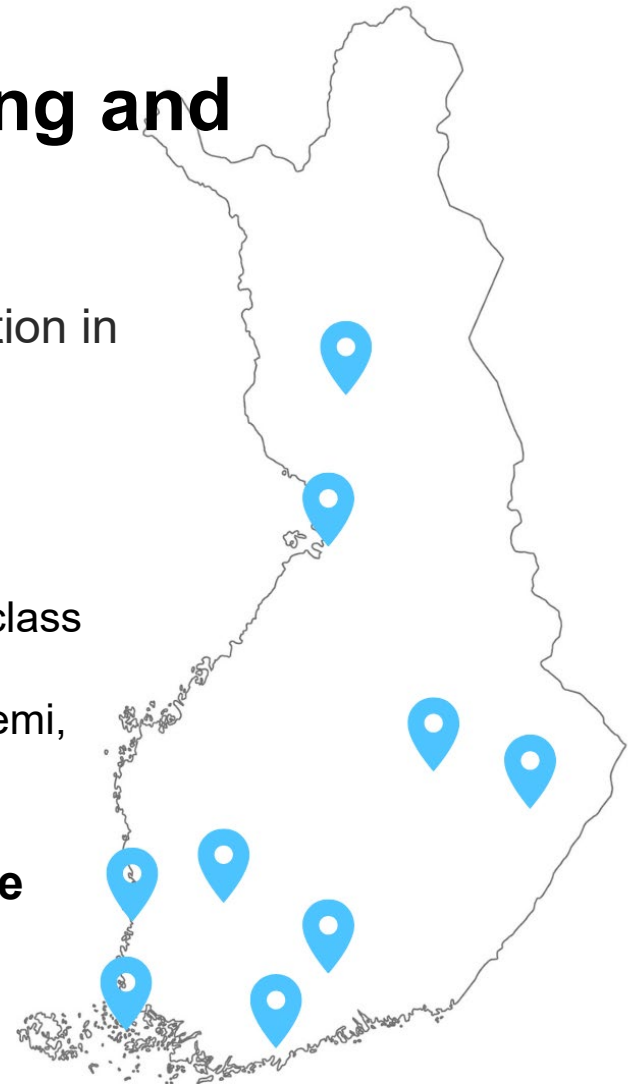


# Wetteri becomes Dongfeng and Voyah-reseller

Significant impact on Wetteri's market position in electric cars market

- Dongfeng: 5 – 6 electric car models is more affordable price segment – strong demand
- Voyah: Free, Dream and Passion, Premium-class
- M Hero for off-road segment
- Vantaa, Turku, Tampere, Lahti, Oulu, Rovaniemi, Kuopio, Joensuu and Pori

**Geographical area coverages 80 % of the market potential**



**Voyah Dream**



**Voyah Free**



**M Hero**



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# Sector and strategy

Our goal is to be the largest and most profitable player in the automotive sector by the end of 2025.

## Market development

(January–December 2023)

1. First registrations of new cars increased by 7.1% year-on-year.
2. First registrations of heavy vehicles increased by 18.2% year-on-year.
3. The sales of used cars increased by 6% (in dealerships)
4. Strong growth in other parts of Europe as well.  
Registrations of passenger cars 13.9%  
Registrations of commercial trucks 16.3%  
Market share of electric cars 14.6%



The delivery times for new cars have returned to normal levels.



The Finnish car fleet is ageing, with the average age around 13 years. First registrations in 2023 were below the long-term average – pent-up demand.



Stabilised interest rate levels, slower inflation rate in Finland



The change in motive power types is progressing in different vehicle categories. Electric cars represented 33.8% and hybrids represented 20.7% of first registrations of passenger cars in 2023.

### Growth drivers in the operating environment

# The vehicle market is undergoing a transformation

The consolidation of the automotive sector into larger units with better profitability is a megatrend.

There are many reasons behind the transformation

Domestic operators in the automotive industry increasingly need to decide whether there is **continuity for their business as such or as part of a larger unit.**

Electrification of motoring

Digitalisation and technological development

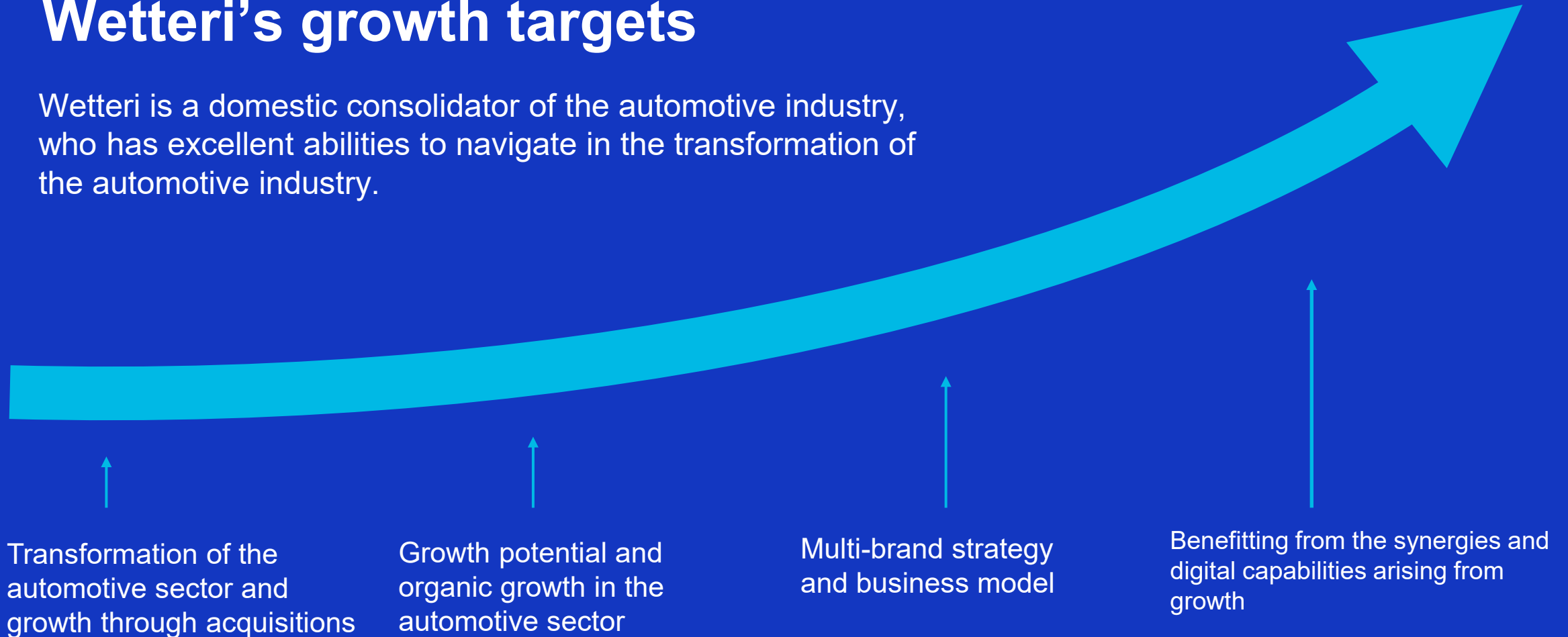
Increasing environmental requirements

Investment requirements

Renewal in business and distribution route models

# The transformation in the industry supports Wetteri's growth targets

Wetteri is a domestic consolidator of the automotive industry, who has excellent abilities to navigate in the transformation of the automotive industry.



## CORNERSTONES OF WETTERI'S GROWTH



## 2023: Start of growth

- Broader market area through business acquisitions, 49 locations
- Stronger brand representation in all vehicle categories and stronger market position, 38 vehicle brands
- Brand-specific expertise, operational efficiency
- Strong position in the changing vehicle market

## 2024: Next steps

- The car dealership business operations of the Suur-Savo Cooperative Society in January 2024
- Acquisition of Suvanto Trucks Oy in February 2024 and building a nationwide sales network for used commercial trucks
- A major used car dealership in Petikko in Vantaa in spring 2024

A significant expansion of the area of operation and a stronger position as a multi-brand car company and in the used car trade.



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# Outlook for 2024







## Estimate of developments in 2024

- Availability gaps for new cars mainly over
- The number of registrations of new cars in 2024 is expected to be around 80,000
- The electrification of the car fleet continues
- Demand for used cars is expected to increase in all vehicle segments
- Wetteri expects that the demand for maintenance services will remain strong in 2024.
- The company continues to implement measures in line with its growth strategy.

## Financial guideline for 2024 – new expression

- Revenue EUR 660 - 800 million
- Adjusted operating profit EUR 19 – 23 million

The company's medium-term (3 years) goal is to achieve a revenue of 1,000 million and an operating profit of 30 million.

### Former expression for 2024

Financial guidance for 2024

- Revenue MEUR 730
- Adjusted profit MEUR 21

# Sustainable shareholder value for investors

- Commitment to sustainable shareholder value growth and the implementation of the growth strategy
- Aiming for a broader ownership base and a liquid share
- Dividend policy: 30% of net earnings

Largest shareholders	% of shares
SIMULA INVEST OY	40.22%
PM RUUKKI OY	28.55%
OY HAAPALANDIA INVEST LTD	5.39%
ELO MUTUAL PENSION INSURANCE COMPANY	4.97%
RISTO JUHANI JÄRVELIN	1.97%
JOUNI VILHO HAANPÄÄ	1.97%
HERTTAKUUTONEN OY	1.35%
PROPER 100 OY	1.24%
MIKKO JOHANNES HAAPALA	1.15%
TEPPO KUUSISTO	0.94%

Situation on 31  
December 2023



# **Wetteri's disclosure of financial information in 2024**

18 April 2024: Annual report and financial statements for the 2023 financial year

30 May 2024: Interim report for January–March 2024

28 August 2024: Interim report for January–June 2024

21 November 2024: Interim report for January–September 2024

**Thank you!**



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