



Tekna Holding ASA: Third quarter 2024 financial results

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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 third quarter of 2024. Despite industry-wide volatility and seasonal challenges, the company delivered strong operational improvements and demonstrated resilience across its business lines.

For Q3 2024, Tekna reported progress in profitability, including a year-over-year ("YoY") increase in contribution margin to 46% (up from 38% in Q3 2023), and a narrowing of adjusted EBITDA loss to CAD 1.4 million from CAD 1.7 million. These results reflect the company's continued focus on cost control, operational streamlining, and driving growth in its core sectors of advanced materials and plasma systems.

"We are encouraged by the progress we've made in a challenging market environment," said Luc Dionne, CEO of Tekna. "Our strategy to increase efficiency, focus on high-margin product sales, and address customer needs in key high-growth industries such as aerospace, medical, and consumer electronics position us well for the future. Our aim remains profitable growth."

Key financial highlights for the third quarter 2024:

- Revenue: CAD 7.6 million (9.1 million), down 16% from Q3 2023
- Adjusted EBITDA: Negative CAD 1.4 million, improving from negative CAD 1.7 million
- Headcount Reduction: Number of employees reduced year-over-year by 15% to 186 employees (203)

Plasma Systems: Short-term challenges, long-term potential

In Plasma Systems, Tekna faced a 43% year-over-year decline in revenues to CAD 2.2 million in the quarter, compared to CAD 3.8 million in Q3 2023. This was driven by a 51% reduction in order backlog, as slower order intake and delays in project execution impacted revenue recognition. However, the contribution margin improved significantly, rising by 19 percentage points to 76%.

Order intake for Plasma Systems was CAD 2.9 million for Q3, up slightly from CAD 2.8 million in Q3 2023. Despite delays in the sales cycle, Tekna remains confident in the long-term prospects for Plasma Systems, particularly in aerospace, space technologies, and hypersonic flight applications.

The company currently has a Plasma Systems pipeline valued at over CAD 300 million, with an expected CAD 35 million worth of orders over the next three years. Tekna anticipates that customer demand in these high-growth sectors will drive future revenue growth, with a potential PlasmaSonic order expected in 2025.

Advanced Materials: Strong demand in aerospace and medical

Advanced Materials reported revenues of CAD 5.5 million in the quarter, an increase of 5% compared to same quarter last year, remaining steady at CAD 19.0 million year-to-date. The contribution margin closed at 33%, up 9 percentage points year-over-year. The order intake totaled CAD 2.9 million in the period and the backlog stands at CAD 11.5 million at the end of the quarter.

"As previously guided, the quarter was affected by lower activity due to summer vacation as well as a continued lower demand from one specific customer segment, the 3D printer manufacturers. Revenues from the other main customer segments medical and aerospace were higher than last year, confirming our view that Tekna is maintaining its solid market position," said Luc Dionne.

Tekna's production efficiency also improved, with metal powder production up 39% year-to-date compared to 2023. This increase was driven by enhancements in Overall Equipment Effectiveness (OEE) and the addition of new production systems, which have positioned the company to meet increasing customer demand and rapidly respond to spot opportunities.

Liquidity and cash flow

Tekna remains focused on managing its liquidity, with a careful approach to cash flow and working capital. Net working capital improved by CAD 1.1 million since Q2, and capital expenditures remain tightly controlled, with spending expected to a total of approximately CAD 2.5 million for the full year (excluding IFRS 16). The cash balance at the end of quarter was CAD 7.6 million.

Outlook: Positive growth drivers ahead

After a few weeks into fourth quarter, the order book for Advanced Materials is showing signs of recovery – an indication that the growth in demand is picking up again. The pipeline for new orders for Plasma Systems is strong, but the timing of these order is somewhat uncertain due to delays in execution of the customer’s project.

In addition to increased revenues, the ongoing profitability improvement program will have a significant effect on the EBITDA going forward. The cash preservation measures will also continue to have a positive effect on cash flow.

In Microelectronics (MLCC), Tekna continues to develop its nanomaterials while maintaining close relations with its potential customers. Recent validation tests conducted on samples delivered have yielded promising outcomes. Tekna will deliver an adjusted version of the product in the fourth quarter with feedback expected early next year.

Tekna’s technology and products are well-positioned in a global market characterized by geopolitical uncertainty, economic instability, and an increasing emphasis on sustainable production. Additive manufacturing remains Tekna’s core business focus, with the market projected to grow by more than 20% annually. *“While we continue to manage the short-term challenges in some of our businesses, we are positioned for long-term profitable growth,”* said Luc Dionne.

Results presentation

Tekna will host a short presentation of the financial results for the third quarter and a Q&A session today at 19:00 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-2024q3>

To submit questions before, during, or after the webcast, please email investors@tekna.com or use the Q&A section on <https://investorweb.no/ir-channel/TEKNA/q&a>. A recorded version of the webcast will be available shortly after the webcast has concluded.

For more information, please see the third quarter 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.

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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

- [Download announcement as PDF.pdf](#)
- [Tekna 2024Q3 report vF.pdf](#)