



NORDWEST CLOSSES THE 2023 FINANCIAL YEAR SUCCESSFULLY DESPITE ECONOMIC CHALLENGES

Annual Press Conference 2024

Dortmund, 08/05/2024 – The NORDWEST Group closed the 2023 financial year with a business volume of 4,801.2 million euros, a decline of 17.6 % compared to the same period of the previous year. Despite the economic and political challenges presented during the year and the difficult economic conditions they entailed, NORDWEST nevertheless considers this result to be very positive. The record sales achieved in the warehousing business and the continuous increase in the number of specialist trade partners are

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particularly pleasing developments.

In the 2023 financial year, the NORDWEST Group achieved earnings before interest and taxes (EBIT) of 18.9 million euros (+0.2 % compared to the previous year) with earnings after taxes of 12.6 million euros (+1.4 % compared to 2022). These figures confirm the conviction of the NORDWEST Management Board that, under the current economic conditions, the result for 2023 should be even higher than the record business volume and result of 2022.

“NORDWEST is pursuing a sustainable approach that ensures stability, particularly in difficult times. It is therefore understandable that a corporate strategy that focuses on stability cannot lead to an unchecked upward trend in good years. Rather, this strategy and the stability it brings are what NORDWEST needs to navigate the ‘rough seas’ with poise and confidence,” said NORDWEST board member Michael Rolf. However, stability at NORDWEST is by no means synonymous with standing still, because as soon as necessities arise or opportunities open up, NORDWEST is there to support its partners and seize the opportunities to generate further growth together.

More equity as a basis for investments

With a view to future investments, NORDWEST has focussed on strengthening equity in recent years. The equity ratio showed an increase from 28.5 % to 30.2 % in 2023. The Group’s equity is therefore above 100 million euros for the first time. The aim has always been to provide a solid basis for growth plans and investments by strengthening our capital accordingly. The projects initiated during the times of crisis – such as the plans for the new central warehouse in Alsfeld and the conversion of business processes to SAP S/4 HANA – as well as the support provided to maintain stability will ensure new growth in the years to come. As board member Jörg Simon explains: “For us, it is important to emphasise that, when assessing the development of NORDWEST, it is always necessary to consider a longer cycle and not just a single year. If one looks back at the development since 2015, NORDWEST has more than doubled its business volume and further boosted its operating result (EBIT).”

New record sales volume at the NORDWEST central warehouse

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Warehouse sales at the central warehouse in Gießen increased to 245.7 million euros in 2023. This represents a new record in the warehousing business in spite of difficult conditions, with a strong +5.0 % increase over the previous year's figure.

High product availability and the outstanding performance of the NORDWEST central warehouse in Gießen continue to be of crucial importance for the specialist trade partners. "Together with its industrial and specialist trade partners, NORDWEST succeeded in the 2023 financial year in defying the significant increase in costs for procurement, transport, energy and personnel, the ongoing supply bottlenecks and a significant slump in construction-related areas without losing sight of the successful path we have been pursuing", said NORDWEST board member Thorsten Segal, assessing this result.

The number of **specialist trade partners** also continued to develop very positively. NORDWEST registered 69 new additions in the 2023 financial year, making a total of 1,255 specialist trade partners at the end of the year (+15 compared to the previous year). This clearly demonstrates that NORDWEST is recognised and valued on the market as a reliable and capable partner. NORDWEST's network of specialist trade partners is expected to expand further in 2024.

In terms of business volume, the development exhibited in the individual business divisions varies greatly.

Steel

In the steel business, slumps in demand due to the weak development, particularly in the construction industry, and significant drops in prices resulted in a significant decline in business volume.

The NORDWEST Steel division achieved a business volume of 1,691.9 million euros and, as expected, fell considerably short of the volumes of the record year of 2022 (-37.8 %). This represents a drop that follows the negative scenario. The forecast in the half-year financial report had already been adjusted accordingly (fluctuation margin of up to -45 %).

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Construction/Crafts/Industry

The division achieved a business volume of 1,476.5 million euros last year, thus recording a slight decline of 0.7 % compared to the previous year. However, there is a strong divergence in the development of the individual areas.

In the area of **Crafts and Industry**, the development was entirely positive, with the business volume exceeding the one-billion-euro mark for the first time. The central payment and drop shipment business reached 818.3 million euros and thus grew by 2.3 % compared to the previous year. The warehousing business also continued to generate a very positive response from specialist trade partners. With a warehouse volume of 197.9 million euros, the previous year's figure was exceeded by a strong 9.2 %. The increase was driven, in particular, by the acquisition of new specialist dealers during the year.

The area of **Construction** achieved a business volume of 460.3 million euros, or 9.1 % lower than the previous year. Both the central payment and drop shipment business (-9.3 %) and the warehousing business (-5.6 %) were affected by the significant decline in orders in the construction sector. The construction sector as a whole was significantly impacted by high inflation in particular. This was caused by increases – some of them dramatic – in energy and production costs as well as higher financing costs compared to previous years. As a result of this development, there was a noticeable slump in demand in the entire main construction industry.

Building Services

For the first time in a long while, the Building Services division once again recorded a business volume in excess of 300 million euros. With an increase of 4.7 % to a total of 312.1 million euros in 2023, this division successfully liberated itself from the difficult market situation. The positive development was driven, in particular, by the acquisition of new specialist trade partners in the previous year. In addition, it was possible to partially counteract the subdued purchasing power by expanding the exclusive brand range and offering attractive showcase concepts to support specialist trade partners.

TeamFaktor/Services

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The business volume in the TeamFaktor/Services division totalled 1,320.7 million euros, which was only slightly below the previous year's level (-0.2 %). Although there were positive developments in the area of small and medium-sized customers, the decline in volume among existing customers from the steel sector in particular prevents an increase in the business volume of TeamFaktor/Services.

The NORDWEST share

The NORDWEST share price closed at 22.60 euros on 31/12/2023, thus registering an increase of 4.6 % compared to the previous year's reporting date (31/12/2022: 21.60 euros). The share price moved between a low of 20.00 euros (31/08/2023) and a high of 23.80 euros (02/11/2023). Together with the Supervisory Board, NORDWEST's management proposes a dividend distribution of 1.00 euros per share at the Annual General Meeting (after 0.80 euros per share in the previous year).

Über die NORDWEST Handel AG:

Die NORDWEST Handel AG mit Sitz in Dortmund gehört seit 1919 zu den leistungsstärksten Verbundunternehmen des Produktionsverbundhandels (PVH) mit einem Geschäftsvolumen in Höhe von 4.801 Mio. Euro gesamt per 2023. Die Kernaufgaben des Verbandes zur Unterstützung der rund 1.255 Fachhandelspartner aus den Bereichen Stahl, Bau-Handwerk-Industrie und Sanitär- und Heizungstechnik (Haustechnik) liegen in der Bündelung der Einkaufsvolumina, der Zentralregulierung, einem starken Zentrallager sowie in umfangreichen Dienstleistungen. NORDWEST ist auch in Europa, insbesondere in den Schwerpunktländern Österreich, Schweiz, Frankreich, Polen sowie Benelux aktiv.

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Presseinformation



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