

Ependion AB

Financial Statement 2023

Investing in a secure and connected world

Subdued demand ends record year

Fourth quarter

- Order intake decreased to 478.0 MSEK (602.8).
- Net sales amounted to 589.7 MSEK (588.6).
- EBIT was 61.5 MSEK (62.7).
- EBIT margin was 10.4 percent (10.7).
- Profit after tax decreased to 34.1 MSEK (51.1).
- Earnings per share decreased to 1.18 SEK (1.77).
- Free cash flow increased to 109 MSEK (57).
- The Westermo business entity decided to establish itself in India with a focus on growth in rail and energy.
- The Beijer Electronics business entity completed strategy review; a decision on a new strategy is expected in the first quarter of 2024.

Full year

- Order intake decreased to 2,307.0 MSEK (2,552.0).
- Net sales increased by 16 percent to 2,470.6 MSEK (2,128.4).
- EBIT rose to 321.7 MSEK (201.1).
- EBIT margin increased to 13.0 percent (9.4).
- Profit after tax increased to 200.4 MSEK (146.4).
- Free cash flow increased to 118 MSEK (35).
- Earnings per share improved to 6.93 SEK (5.07).
- The Board proposes a doubled dividend of 1.00 SEK (0.50) per share for 2023.

On March 5, from 13:00-16:00, Ependion is holding a Capital Markets Day in Stockholm which will also be able to be followed digitally. More information will be presented on www.ependion.com shortly.



Comments from CEO Jenny Sjödah



"With the fourth quarter of 2023 behind us, we can sum up a new record year for the group in terms of sales, earnings and cash flow. A lot has happened during the year, where the key events were the appointment of a new CEO for the Beijer Electronics business entity, the appointment of a sustaina-

bility manager, the strategy work within Beijer Electronics and the name change of the group.

Ependion's fourth quarter of 2023 landed on par with the corresponding period last year, which was in line with our expectation. The more mixed pattern in the development of our business that we saw already the second and third quarters also affected the past period. After some record-breaking quarters, we are now seeing a period of weaker demand development, which reflects the uncertainty in the world economy. However, we still feel very confident that Ependion is on the right track, not least considering all the forward-looking activities in the business entities that have characterized both the period and the year.

The Group's order intake decreased to 478 MSEK for the period and both business entities recorded a lower order booking rate. For the full year, order intake amounted to 2,307 MSEK and Ependion had an order backlog of 1,247 MSEK at the end of the year. For Westermo, order intake decreased to 277 MSEK in the quarter, which is mainly due to adjustments to the large order volumes for the train segment that were booked during the second quarter, but also to a generally weaker demand in other segments. The order backlog decreased, but still amounted to 936 MSEK at the end of the period. For Beijer Electronics, order intake decreased to 201 MSEK, which is due to the same factors that had an impact in the second and third quarters of 2023: orders with a shorter time horizon in combination with weaker industrial conditions, especially in Asia. Europe developed stably, while North America was weaker during the period.

Ependion's sales for the period amounted to 590 MSEK, which is on par with the corresponding period last year. For the full year, sales increased to a new record level of 2,471 MSEK. Westermo's invoicing increased to 362 MSEK for the fourth quarter, driven by continued high delivery rates within all focus segments. During the period, the decision was made to establish a legal unit for sales and production in India, which provides a presence in the market that is judged to have the greatest future potential within the train segment given the large infrastructure investments that are planned. For Beijer Electronics, sales decreased in the quarter to 228 MSEK in line with the lower order booking

level that we have seen in recent quarters. The strategy review for the business entity that began in the third quarter is now completed. Decisions on a new strategy with a clearer focus are expected to be made in the first quarter of 2024.

The Group's EBIT for the fourth quarter landed at 61 MSEK – marginally lower than for the corresponding period last year – with an EBIT margin of 10.4 percent. We are of course not satisfied with this somewhat weaker level of profitability. For the full year, Ependion increased its EBIT to a new record level of 322 MSEK, corresponding to an EBIT margin of 13.0 percent. This means that we are taking a big step in the direction of reaching the financial profitability goal, while at the same time continuing the work of sharpening the business to take further steps.

For Westermo, EBIT increased to 56 MSEK and the EBIT margin to 15.4 percent. The business entity was temporarily negatively affected by a less favorable mix in invoicing during the period, at the same time significant investments have been made to strengthen the supply chain. For Beijer Electronics, EBIT decreased to 19 MSEK, with an EBIT margin of 8.3 percent. Here, too, the EBIT margin was affected by a poorer product mix, with a higher proportion of older products approaching the end of their life cycle. The restructuring of operations in Asia initiated during the third quarter with the aim of lowering the cost level is complete and will have full effect with 20 MSEK on an annual basis from and including the first quarter of 2024.

Both business entities continue to maintain a high pace in product development work. In Westermo's case, it is about continuing to strengthen the product portfolios within both railways and energy, but also about enabling a more developed service business. Beijer Electronics is finalizing the development of next-generation HMIs expected to be launched by the end of 2024.

As a result of reduced capital tied up, free cash flow developed positively to 109 MSEK for the period, and the group thereby strengthens its financial position.

During the year, our sustainability work has accelerated, and the sustainability aspect has been integrated as a natural part of our business strategies and processes. While we have been preparing to meet new reporting requirements, great focus has also been on training employees and creating forums to drive initiatives that contribute to a lower climate footprint. The core of our business, robust and efficient products with a long lifespan and low energy consumption, has a clear advantage when sustainability becomes an increasingly important decision criterion for customers.

Looking at 2024, the external factors are still uncertain and geopolitical and economic developments can go both in a more positive and in a more negative direction. Our

fundamentally positive view of growth in our focus segments remains, as the need for our products and solutions is driven by strong global trends such as digitization and the green transition. We have our focus on long-term growth and on what we can influence: during the period and the past year, we have made major investments in an even sharper offering, as well as in strengthening and streamlining our business entities. In conclusion, I would like to extend a big thank you to all employees for their very good efforts during the past year!”

Fourth quarter

The Group’s order intake decreased to 478.0 MSEK (602.8). Both business entities’ order intake decreased. The Group’s turnover was stable at 589.7 MSEK (588.6), where Westermo’s sales increased while Beijer Electronics’ sales decreased.

The Group’s EBITDA was 99.5 MSEK (99.9). Depreciation and amortization amounted to 38.0 MSEK (37.2). EBIT amounted to 61.5 MSEK (62.7), corresponding to an EBIT margin of 10.4 percent (10.7). The result was affected by currency effects with -0.3 MSEK. The total development expenditure amounted to 80.8 MSEK (59.4). This corresponded to 13.7 percent (10.1) of the Group’s sales. Net financial expense was -14.1 MSEK (-7.3). The profit before tax amounted to 47.4 MSEK (55.3). The profit after estimated

tax amounted to 34.1 MSEK (51.1). Earnings per share after estimated tax was 1.18 SEK (1.77).

Full year

The Group’s order intake decreased to 2,307.0 MSEK (2,552.0) for the full year. Adjusted for currency effects, order intake decreased by 12 percent. The Group’s turnover rose by 16 percent to 2,470.7 MSEK (2,128.4). Adjusted for currency effects, sales rose by 13 percent. Sales increased by 43 percent for Westermo and decreased by 8 percent for Beijer Electronics.

The Group’s EBITDA increased by 34 percent to 474.0 MSEK (354.8). Depreciation and amortization amounted to 152.3 MSEK (153.7). EBIT rose to 321.7 MSEK (201.1), corresponding to an EBIT margin of 13.0 percent (9.4). The total development expenditure amounted to 282.8 MSEK (223.3). This corresponded to 11.4 percent (10.5) of the Group’s sales. Net financial expense was -46.4 MSEK (-15.0). The large increase is due to the increased market interest rates. Profit before tax amounted to 275.3 MSEK (186.1). The profit after estimated tax amounted to 200.4 MSEK (146.4). Earnings per share after estimated tax were 6.93 SEK (5.07).

Dividend

The Board proposes a doubled dividend of 1.00 SEK (0.50) per share for the financial year 2023.

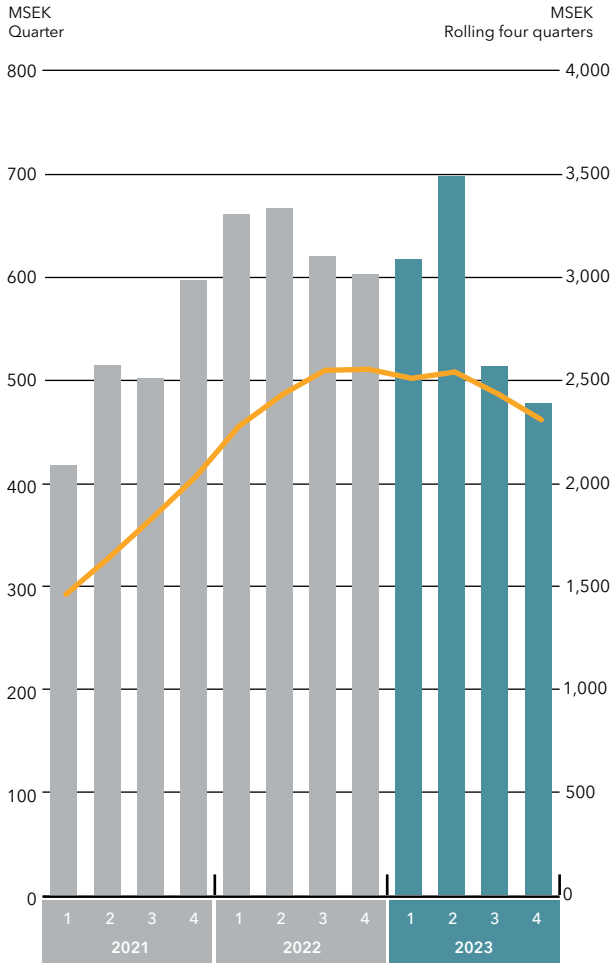
Business entity net sales and EBIT

MSEK	Sales Quarter 4		EBIT Quarter 4		Sales Full year		EBIT Full year	
	2023	2022	2023	2022	2023	2022	2023	2022
Westermo	361.9	299.6	55.7	36.9	1,444.0	1,009.8	237.7	104.7
Beijer Electronics	228.3	290.6	18.9	40.3	1,032.9	1,127.6	133.7	145.1
Intra-sales	-0.5	-1.6			-6.3	-9.1		
Group adjustments and depreciation			-13.1	-14.5			-49.7	-48.7
Ependion Group	589.7	588.6	61.5	62.7	2,470.6	2,128.4	321.7	201.1

“With the fourth quarter behind us, we can summarize a new record year for the group in terms of sales, earnings and cash flow.”

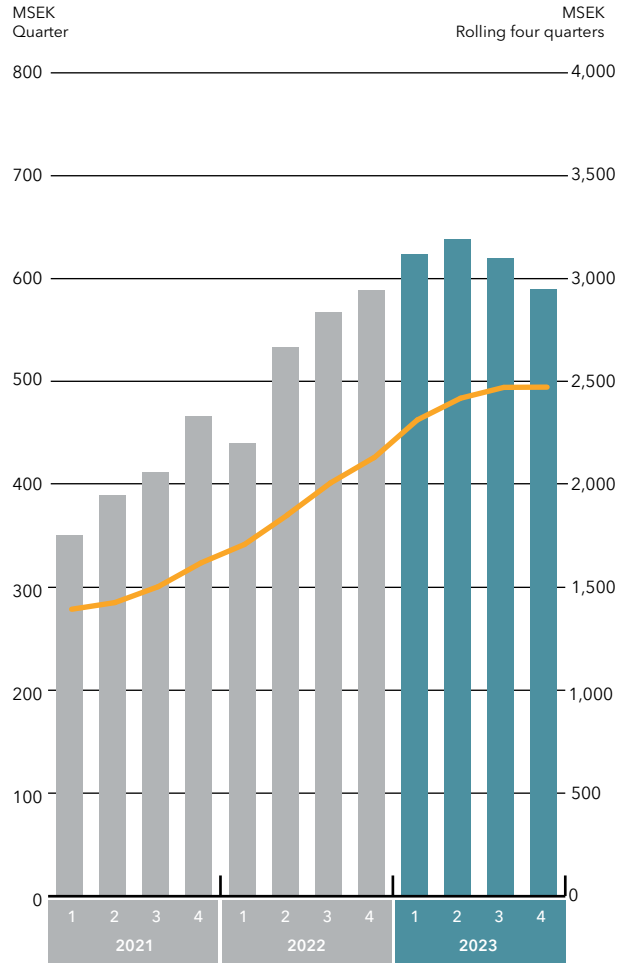
Jenny Sjö Dahl, President and CEO

Group order intake



The bars and left-hand scale indicate quarterly order intake. The curve and right-hand scale show rolling four quarter order intake.

Group net sales

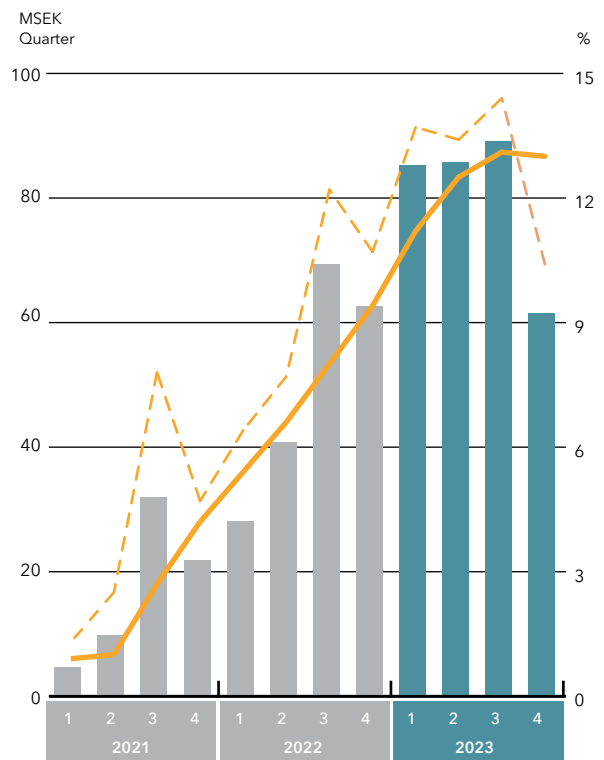


The bars and left-hand scale indicate quarterly net sales. The curve and right-hand scale show rolling four quarter net sales.

“We are of course not satisfied with the lower level of profitability in the fourth quarter, and we keep focusing on achieving our financial goals.”

Jenny Sjö Dahl, President and CEO

Group EBIT



The bars and left-hand scale indicate quarterly EBIT. The solid curve and right-hand scale show rolling four quarter EBIT margin, the dashed curve and right-hand scale show quarterly EBIT margin.

Westermo

Business entity

Westermo ended the year with a quarter that offered a more mixed picture. The full year 2023 meant new records for order intake, sales, and results. During the period, however, incoming orders fell to 277.4 MSEK. The level of activity, as well as our confidence in the future, remain high even though this quarter was marked by weaker base demand in all focus segments, while no major orders were booked. The order intake was also negatively affected by an adjustment of booked orders that a large customer in the train segment carried out as a result of the high order bookings during the first half of 2023.

As part of the implementation of the WeGrow strategy, Westermo decided during the period to establish a legal entity for sales and production in Bangalore in India. Major investments in railway infrastructure are planned in India over the next decade. To take part in the growth as a partner to leading train builders, it is necessary to be present with local production. There are also great business opportunities in the growing energy market in India. The establishment involves an initial investment of approximately 10 MSEK and the recruitment of around 10 employees for sales, support, and local assembly of products for trains and railways. Westermo has also decided to open a unit in Denmark to tap into the growing energy segment. For the full year, the business entity achieved an order intake of 1,421.6 MSEK, an increase of 13 percent. The order backlog amounted to 935.8 MSEK at the end of the year.

Sales increased by 21 percent and amounted to 361.9 MSEK for the fourth quarter, driven by continued high delivery rates to all focus segments. The supply problems that previously negatively affected deliveries are now handled and the business entity has been able to eliminate all delayed orders during the period and can once again deliver with normal lead times.

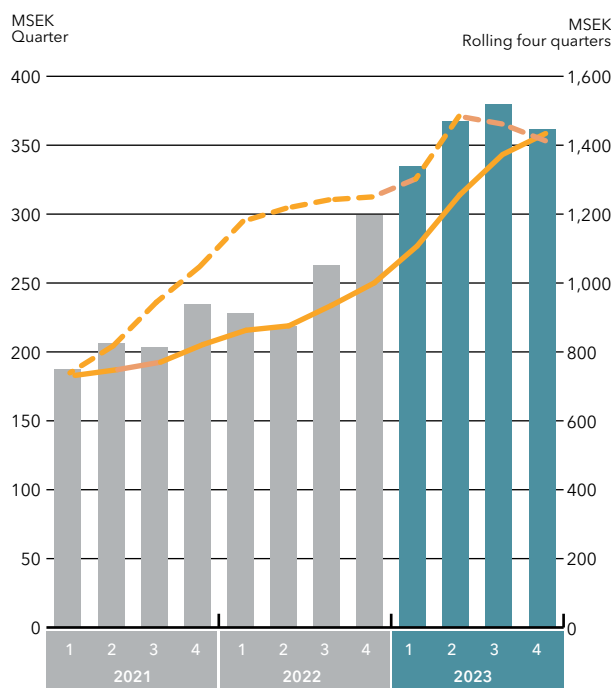
During the year and in the period, Westermo has invested heavily in raising production capacity and efficiency, above all in the Stora Sundby factory. A clear three-year plan has been established to develop the industrial system across Westermo to ensure capacity for growth going forward and increase resilience to supply chain disruptions.

For the full year, the business entity's sales increased by 43 percent to 1,444.0 MSEK. Westermo showed another quarter with good profitability: the EBIT margin was 15.4

percent and the EBIT increased by 51 percent to 55.7 MSEK. The result was negatively affected by a slightly less favorable mix in invoicing during the final quarter of the year. For the full year, the business entity achieved an EBIT of 237.7 MSEK, up 127 percent compared to 2022, and an EBIT margin of 16.5 percent.

During the period, Westermo launched several new products in strategic segments, particularly with a focus on the energy sector. The Lynx and RedFox series have been expanded and the WeOS software has been updated. During the period and the year, significant investments were made in developing system support as a basis for a further developed service offering.

Net sales, Westermo



The bars and left-hand scale indicate quarterly net sales. The solid curve and right-hand scale show rolling four quarter net sales, the dashed curve shows rolling four-quarter order intake.

Fourth quarter

Order intake decreased by 15 percent to 277.4 MSEK (325.9). Turnover increased by 21 percent to 361.9 MSEK (299.6). EBITDA increased to 74.9 MSEK (55.7). Depreciation and amortization were 19.2 MSEK (18.8). EBIT profit rose by 51 percent to 55.7 MSEK (36.9). This corresponded to an EBIT margin of 15.4 percent (12.3).

Full year

Order intake rose by 13 percent to 1,421.6 MSEK (1,258.9). Turnover rose to 1,444.0 MSEK (1,009.8). EBITDA increased to 316.9 (180.2). Depreciation and amortization were 79.2 MSEK (75.5). EBIT increased by 127 percent to 237.7 MSEK (104.7). This corresponded to an EBIT margin of 16.5 percent (10.4).

“The Westermo business entity showed another quarter with strong profitability and sums up a year with new records for order intake, sales and earnings.”

Jenny Sjö Dahl, President and CEO

Beijer Electronics

Business entity

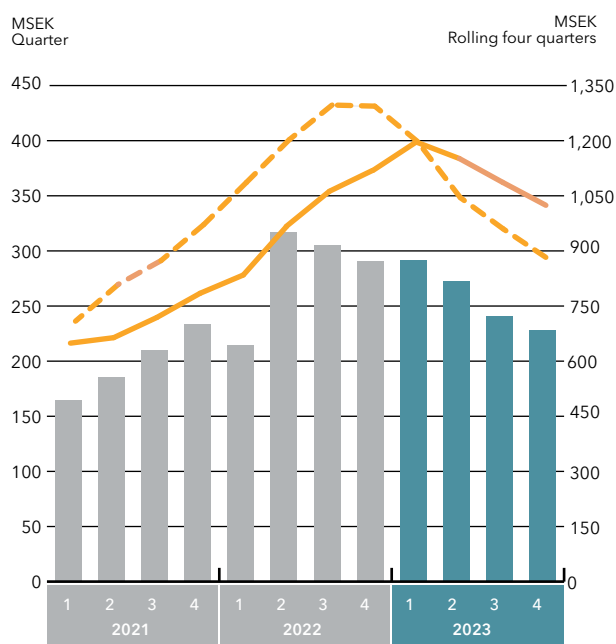
For Beijer Electronics, the quarter was characterized by the same pattern as in recent periods, with shorter order horizons that are now two to three months, weak development in China and Taiwan in particular, and deteriorating general industrial economy. The business entity's order intake decreased by 28 percent to 201.1 MSEK for the period and by 32 percent for the full year, where order intake was 891.5 MSEK. At the end of the year, the order backlog amounted to 311.5 MSEK.

The business entity's sales amounted to 228.3 MSEK for the period. Asia continued to develop weakly, while Europe was stable. For North America, the fourth quarter was weaker. During the period, Beijer Electronics completed the strategy work that began in the third quarter. The review shows that the business entity has had an overly broad focus, with an offer that is widely aimed at many different sectors and industries. Decision on updated strategy is expected to be adopted during the first quarter of 2024. For the full year, Beijer Electronics achieved sales of 1,032.9 MSEK. WebIQ, a web-based HMI solution brought to the business entity via the acquisition of Smart HMI in April 2023, was displayed at several trade shows alongside the next generation of HMIs. The product meets great interest on the market and acts as an important door opener.

Beijer Electronics achieved an EBIT of 18.9 MSEK with an EBIT margin of 8.3 percent. The result was negatively affected by an unfavorable mix in the deliveries: an older product line with lower margins is approaching the end of its life cycle and therefore recorded a temporary increase in sales during the period. The cost reduction program that began in Asia during the third quarter has now been implemented and will take full effect during the first quarter of 2024. The program reduces costs by 20 MSEK on an annual basis. During the period, a new sales manager has been recruited to strengthen sales in Asia. For the full year 2023, the business entity achieved an EBIT of 133.7 MSEK with an EBIT margin of 12.9 percent, which was comparable to the full year 2022.

Both during the period and the full year of 2023, Beijer Electronics has invested significant amounts in the development of next-generation operator panels (HMIs). The new X3 series, which will be launched at the end of 2024 and is based on Windows-based software, means greater opportunities to tailor the products to the needs of customers. In combination with WebIQ, this means that the business entity creates an even more modern and competitive offer. The production unit in Malmö is completed and certification is in progress. The entity will begin series production of X2 Pro panels in the first quarter of 2024.

Net sales, Beijer Electronics



The bars and left-hand scale indicate quarterly net sales. The solid curve and right-hand scale show rolling four quarter net sales, the dashed curve shows rolling four-quarter order intake.

Fourth quarter

Order intake decreased by 28 percent to 201.1 MSEK (278.6). Turnover decreased by 21 percent to 228.3 MSEK (290.6). EBITDA decreased to 35.4 MSEK (56.3). Depreciation and amortization were 16.5 MSEK (16.0). EBIT amounted to 18.9 MSEK (40.3), corresponding to an EBIT margin of 8.3 percent (13.9).

Full year

Order intake decreased by 32 percent to 891.5 MSEK (1,302.1). Turnover decreased by 8 percent to 1,032.9 MSEK (1,127.6). EBITDA amounted to 198.6 MSEK (211.3). Depreciation and amortization were 64.8 MSEK (66.2). EBIT amounted to 133.7 MSEK (145.1), corresponding to an EBIT margin of 12.9 percent (12.9).

“Beijer Electronics has completed the business unit’s strategy review and decisions on updated strategy are expected to be made in the first quarter of 2024.”

Jenny Sjö Dahl, President and CEO

Other financial information

Group investments, including capitalized development expenses and acquisitions, amounted to 232.2 MSEK (124.6) for the full year 2023, which includes the acquisition of Smart HMI. Cash flow from current activities was 334.6 MSEK (200.9). Equity amounted to 1,159 MSEK (989) at the end of December 2023. The equity ratio was 45.2 percent (40.9). Cash and cash equivalents amounted to 142 MSEK (160). Net debt was 713 MSEK (734). The average number of employees was 869 employees (827).

LTI program

The Board decided in April 2023, in accordance with the decision at the 2022 Annual General Meeting, to issue 189,608 C shares with a quota value of SEK 0.33. The issue was directed to a financial institution and was immediately repurchased by the company. The repurchased C shares are intended, upon delivery to the participants in 2025, to be converted into ordinary shares, in accordance with the terms of the incentive program LTI 2022/2025.

The Board decided in May 2023, in accordance with the decision at the 2020 Annual General Meeting, to convert 103,789 own C shares into the corresponding number of ordinary shares to execute the transfer of ordinary shares to the participants in LTI 2020/2023 and to sell ordinary shares on Nasdaq Stockholm for cash flow hedging of social security contributions linked to LTI 2020/2023. After completed buyback of C shares and conversion to ordinary shares, the number of shares amounts to 29,241,296, of which 28,941,216 ordinary shares and 300,080 C shares, corresponding to a total of 28,971,224 votes.

In accordance with the 2023 Annual General Meeting, a share-based incentive program has been implemented, LTI 2023/2026. Estimated outcome means that the parent company, in line with the decided program, intends to issue 102,919 C shares during the first half of 2024.

Important events

During the second quarter, Kristine Lindberg took office as the new CEO of the Beijer Electronics business entity. In April 2023, Beijer Electronics acquired the German software company Smart HMI, which strengthens the business entity's competence and technology in visualization and digitization. At the time of acquisition, Smart HMI had some ten employees and was in an early commercial phase with sales of approximately 1 MEUR. In May 2023,

Lena Westerholm took over as head of sustainability with the task of developing both the Group's and business entities' sustainability work and reporting. In December 2023, Westermo decided to establish a legal entity for sales, support, and assembly in India.

Name change

Following a decision at the Annual General Meeting on May 10, the Group changed its name from Beijer Electronics Group to Ependion.

Update of financial information

As of 2023, the layout and partly the content of the financial information in the quarterly report has been updated to increase transparency and follow practice.

Financial goals

The Group's financial goals consist of three goals for growth, profitability, and dividends. The growth target means an annual organic growth of at least ten percent. Acquired growth is added. The profitability target means that the group must reach an operating margin of at least 15 percent. The Group shall be a distributing company.

Outlook for 2024

Ependion operates in attractive markets with good underlying growth and, in the mid term, has good prospects for reaching both the growth and profitability targets. Investments in societally important infrastructure such as trains, railways and energy production and electricity distribution are increasing. At the same time, there is still a great deal of uncertainty about the development in 2024, both in geopolitical and economic terms. The mixed picture we have seen for some time is therefore expected to persist in 2024.

This report has not been subject to review by the company's auditors.

Malmö, Sweden, 25 January 2024

Jenny Sjö Dahl
President and CEO

For more information, please contact:

*President and CEO Jenny Sjö Dahl, tel. +46(0)725 89 60 80
or EVP and CFO Joakim Laurén, +46(0)70 335 84 96*

Accounting Principles

For the Group, this Financial Statement has been prepared in accordance with IAS 34 Interim Financial Reporting and applicable provisions of the Swedish Annual Accounts Act. The Interim Report for the parent company has been prepared in accordance with the Swedish Annual Accounts Act's chapter 9, Interim Reporting.

Year in Summary

Consolidated Income Statement in summary

SEK 000	Quarter 4 2023	Quarter 4 2022	Full Year 2023	Full Year 2022
Net sales	589,731	588,567	2,470,647	2,128,386
Cost of goods sold	-300,581	-304,616	-1,247,715	-1,118,633
Gross profit	289,150	283,951	1,222,932	1,009,753
Sales expenses	-86,457	-85,824	-341,063	-302,406
Administration expenses	-79,806	-94,489	-342,461	-317,943
Research and development expenses	-56,672	-47,032	-213,366	-191,129
Other operating revenue and operating expenses	-4,741	6,086	-4,358	2,851
Operating profit	61,474	62,692	321,684	201,127
Financial income/expense	-14,115	-7,344	-46,389	-15,026
Profit before tax	47,359	55,348	275,295	186,101
Tax	-13,214	-4,268	-74,918	-39,656
Profit for the period	34,145	51,080	200,377	146,445
<i>Attributable to equity holders of the parent</i>	34,058	51,083	200,508	146,080
<i>Attributable to non-controlling interests</i>	87	-3	-131	365
<i>Basic earnings per share, SEK</i>	1.18	1.77	6.93	5.07

Statement of Comprehensive Income

SEK 000	Quarter 4 2023	Quarter 4 2022	Full Year 2023	Full Year 2022
Profit for the period	34,145	51,080	200,377	146,445
Actuarial gains and losses	-6,830	7,361	7,010	56,156
Net investment hedge effects	7,698	-2,556	-1,366	-20,791
Translation differences	-55,942	-20,917	-30,864	87,638
Comprehensive income for the period	-20,929	34,968	175,157	269,448
<i>Attributable to equity holders of the parent</i>	-20,888	35,103	175,418	268,865
<i>Attributable to non-controlling interests</i>	-41	-135	-261	583

Consolidated Balance Sheet in summary

SEK 000	Dec 31, 2023	Dec 31, 2022
ASSETS		
Fixed assets		
Intangible assets	1,257,203	1,132,029
Property, plant and equipment	85,797	80,395
Right-of-use assets	99,119	82,326
Financial fixed assets	41,695	61,989
Total fixed assets	1,483,814	1,356,739
Current assets		
Inventories	486,628	435,695
Accounts receivable	407,004	417,393
Other receivables	52,478	63,102
Cash and cash equivalents	142,486	159,864
Total current assets	1,088,596	1,076,054
Total assets	2,572,410	2,432,793
EQUITY AND LIABILITIES		
Equity attributable to equity holders of the parent	1,159,082	989,241
Equity attributable to non-controlling interests	4,611	4,872
Total equity	1,163,693	994,113
Long-term liabilities		
Borrowings	462,631	443,775
Lease liabilities	59,766	45,784
Other long-term liabilities	167,354	142,655
Deferred tax liabilities	88,830	72,139
Total long-term liabilities	778,581	704,353
Current liabilities		
Borrowings	167,668	241,590
Lease liabilities	39,319	35,877
Accounts payable-trade	194,650	215,053
Other liabilities	228,499	241,807
Total current liabilities	630,136	734,327
Total equity and liabilities	2,572,410	2,432,793

Consolidated Statement of Changes in Equity and Number of Shares

SEK 000	Dec 31, 2023	Dec 31, 2022
<i>Attributable to equity holders of the parent</i>		
Opening balance, 1 Jan	989,241	729,196
Paid-up capital after deducting for transaction expenses	-69	-84
Re-purchase of treasury shares	-63	-33
Sale of treasury shares	3,108	1,088
Dividend	-14,419	-14,384
Share-based payment	5,866	4,593
Comprehensive income	175,418	268,865
Closing balance, shareholders' equity	1,159,082	989,241
<i>Attributable to non-controlling interests</i>		
Opening balance, 1 Jan	4,872	4,289
Comprehensive income	-261	583
Closing balance, shareholders' equity	4,611	4,872

The number of ordinary shares amounts to 28,941,216 and the number of class C shares amounts to 300,080.

Consolidated Cash Flow Statement in summary

SEK 000	Quarter 4 2023	Quarter 4 2022	Full Year 2023	Full Year 2022
Cash flow from operating activities before changes in working capital	104,204	90,863	428,751	312,301
Changes in working capital	66,190	11,648	-94,133	-111,362
Cash flow from operating activities	170,394	102,511	334,618	200,939
Cash flow from investing activities	-50,339	-34,977	-173,641	-124,609
Cash flow from acquisition of subsidiary			-58,560	
Cash flow from financing activities*	-113,614	-41,625	-96,969	-64,745
Dividend paid to equity holders of the parent			-14,419	-14,384
Cash flow for the period	6,441	25,909	-8,971	-2,799
Cash and cash equivalents at beginning of year	146,526	136,173	159,864	146,585
Exchange difference in cash and cash equivalents	-10,481	-2,218	-8,407	16,078
Cash and cash equivalents at end of year	142,486	159,864	142,486	159,864
Free cash flow	109,110	56,823	117,573	34,997
<i>*of which amortization of lease liabilities.</i>	<i>-10,944</i>	<i>-10,712</i>	<i>-43,404</i>	<i>-41,333</i>

Consolidated Key Financial Ratios

	Dec 31, 2023	Dec 31, 2022
Operating margin, %	13.0	9.4
Profit margin, %	8.1	6.9
Equity ratio, %	45.2	40.9
Equity per share, SEK	40.0	34.3
Basic earnings per share, SEK	6.93	5.07
Return on equity after tax, %	18.6	17.0
Return on capital employed, %	16.6	11.8
Return on net operating assets, %	21.8	16.7
Average number of employees	869	827

Reconciliation of Consolidated Net Debt

SEK 000	Dec 31, 2023	Dec 31, 2022
Borrowings	630,299	685,365
Pension provisions	125,777	127,033
Liabilities attributable to right-of-use assets	99,085	81,661
Total interest-bearing liabilities	855,161	894,059
Total cash and cash equivalents	142,486	159,864
Net debt*	712,675	734,195

*Alternative key ratio

Allocation of Net Sales

SEK 000	Quarter 4 2023	Quarter 4 2022	Full Year 2023	Full Year 2022
Net sales by geographical market				
Nordics	105,146	111,854	477,834	410,348
Rest of Europe	259,099	237,313	1,096,413	782,832
Americas	79,857	85,274	376,724	337,120
Asia	141,223	149,688	511,223	590,387
Rest of world	4,406	4,438	8,453	7,699
Total Group	589,731	588,567	2,470,647	2,128,386
Net sales by category				
Operator panels and accessories	172,885	214,561	795,251	850,157
Network equipment	327,017	253,832	1,284,113	916,604
Software	8,072	5,482	27,294	21,268
Servicing and other services	14,729	22,821	61,365	50,020
Third-party products	67,028	91,871	302,624	290,337
Total Group	589,731	588,567	2,470,647	2,128,386

Operating Segments

SEK 000	Quarter 4 2023	Quarter 4 2022	Full Year 2023	Full Year 2022
TOTAL GROUP				
Order intake	478,022	602,832	2,306,956	2,551,984
Net sales	589,731	588,567	2,470,647	2,128,386
Operating profit excl. depreciation	99,462	99,941	473,955	354,810
Depreciation	-37,988	-37,249	-152,271	-153,683
Operating profit	61,474	62,692	321,684	201,127
Operating margin, %	10.4	10.7	13.0	9.4
Investments in intangible and tangible assets	49,891	33,867	173,663	121,432
<i>of which capitalized development expenditure</i>	43,432	29,785	141,936	105,336
Product development expenditure, %	13.7	10.1	11.4	10.5
Backlog			1,247,328	1,478,059
WESTERMO				
Order intake	277,373	325,878	1,421,647	1,258,897
Net sales	361,919	299,607	1,443,994	1,009,811
Operating profit excl. depreciation	74,894	55,749	316,930	180,188
Depreciation	-19,168	-18,822	-79,208	-75,506
Operating profit	55,726	36,926	237,722	104,682
Operating margin, %	15.4	12.3	16.5	10.4
Investments in intangible and tangible assets	23,038	17,145	77,606	68,354
<i>of which capitalized development expenditure</i>	20,120	15,383	63,673	59,352
Product development expenditure, %	14.0	12.0	12.1	14.4
Backlog			935,812	960,487
BEIJER ELECTRONICS				
Order intake	201,099	278,579	891,524	1,302,139
Net sales	228,261	290,586	1,032,867	1,127,628
Operating profit excl. depreciation	35,432	56,338	198,565	211,347
Depreciation	-16,510	-16,045	-64,819	-66,199
Operating profit	18,923	40,293	133,746	145,148
Operating margin, %	8.3	13.9	12.9	12.9
Investments in intangible and tangible assets	25,421	15,600	91,639	50,032
<i>of which capitalized development expenditure</i>	23,312	14,402	78,263	45,984
Product development expenditure, %	13.0	7.8	10.2	6.8
Backlog			311,516	517,572
PARENT COMPANY AND GROUP ADJUSTMENT				
Order intake (elimination)	-449	-1,626	-6,214	-9,052
Net sales (elimination)	-449	-1,626	-6,214	-9,052
Operating profit excl. depreciation	-10,864	-12,146	-41,540	-36,725
Depreciation	-2,310	-2,382	-8,244	-11,978
Operating profit	-13,175	-14,528	-49,784	-48,703
InvstInvestments in intangible and tangible assets	1,432	1,121	4,418	3,046

Parent Company Income Statement in summary

SEK 000	Quarter 4 2023	Quarter 4 2022	Full Year 2023	Full Year 2022
Net sales	8,931	8,710	35,723	34,839
Administration expenses	-21,149	-22,146	-84,435	-84,381
Operating profit	-12,218	-13,436	-48,712	-49,542
Financial income/expense	-10,321	-7,913	45,500*	3,200
Profit before tax	-22,539	-21,349	-3,212	-46,342
Appropriations	112,805	12,117	112,805	12,117
Tax	-19,797	894	-9,952	4,851
Profit for the period	70,469	-8,338	99,641	-29,374

* Includes dividends received from subsidiary of 66 MSEK.

Parent Company Balance Sheet in summary

SEK 000	Dec 31, 2023	Dec 31, 2022
ASSETS		
Fixed assets	1,143,340	1,054,099
Current assets	155,746	41,479
Cash equivalents and short-term investments	66	68
Total assets	1,299,152	1,095,646
EQUITY AND LIABILITIES		
Total equity	336,163	240,994
Long-term liabilities		
Borrowings	462,631	443,775
Provisions	22,335	19,954
Liabilities to Group companies	318,897	130,560
Current liabilities		
Borrowings	131,443	231,209
Other current liabilities	27,683	29,154
Total equity and liabilities	1,299,152	1,095,646

Financial definitions

Average

Average values are computed as the median value of the current reporting period and the corresponding item in comparative periods 12 months previously.

Capital employed

Equity plus interest-bearing liabilities.

Development expenditure

Expenditure on product development work, such as personal expenses and external consulting expenses.

Earnings per share

Net profit attributable to parent company shareholders divided by the number of shares at year-end.

EBIT

Earnings before interest and taxes.

EBITDA

Earnings before interest, taxes, depreciation, and amortization.

Equity per share

Equity attributable to parent company shareholders divided by the number of shares.

Equity ratio

Equity in relation to total assets.

Free Cash Flow

Cash flow from operating activities, investments in tangible and intangible assets and amortization of lease liabilities.

Net debt

Interest-bearing liabilities less cash and cash equivalents and investments in securities, etc.

Operating assets

Total assets less cash and cash equivalents, and interest-bearing liabilities.

Operating margin

EBIT in relation to net sales.

Profit margin

Net profit in relation to net sales.

Return on capital employed

Profit before tax plus financial expenses rolling 12 months in relation to average capital employed.

Return on equity after tax

Net profit rolling 12 months in relation to average equity.

Return on net operating assets

EBITDA in relation to average net operating assets.

Ependion AB

Ependion AB is an expansive global technology group delivering digital solutions for secure control, management, visualization and data communication for industrial applications in environments where reliability and high quality are critical factors. The Group's customers include some of the world's leading companies. Ependion consists of independent business entities with sales of 2.5 billion SEK in 2023 and more than a thousand employees. The company is listed on Nasdaq Stockholm Main Market's Mid Cap-list under the ticker EPEN.

More Information

You can subscribe for financial information on Ependion via e-mail. Subscribe easily at our website, www.ependion.com. If you have any questions about Ependion, please call +46 (0)40 35 84 00, or send an email: info@ependion.com.

Financial Calendar

24 April 2024 Three-month Interim Report
14 May 2024 Annual General Meeting
15 July 2024 Six-month Interim Report
24 October 2024 Nine-month Interim Report



Head office
Ependion AB
Box 426, Stora Varvgatan 13a
201 24 Malmö, Sverige
Corp. ID. no. 556025-1851

www.ependion.com | +46 40 35 84 00