

# Ependion AB

## Interim Report January-March 2024

*Investing in a secure and connected world*

### Continued focus on the future in a cautious market

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#### First quarter

- Order intake amounted to 527.5 MSEK (617.3).
  - Net sales were 598.5 MSEK (623.2).
  - EBIT amounted to 74.5 MSEK (85.2).
  - EBIT margin was 12.4% (13.7).
  - Profit after tax amounted to 51.3 MSEK (55.8).
  - Earnings per share reached 1.78 SEK (1.95).
  - Free cash flow improved to -8.4 MSEK (-39.3).
  - The Beijer Electronics business entity decided on a new strategy with a focus on profitable growth.
  - The Westermo business entity established a sales office in Denmark.
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## Comments from CEO Jenny Sjö Dahl



“The development in the first quarter of 2024 shows a sequential improvement for order intake, sales, and earnings. Compared to the previous year, however, Ependion’s business was affected by weaker demand for both business entities driven by the uncertainty in the world economy and

the high interest rate. With an EBIT margin of 12.4%, I can state that the Group succeeded better in mitigating the negative effects on the bottom line than during the fourth quarter last year.

Ependion’s order intake decreased to 528 MSEK for the period. For the Group as well as for the two business entities, order intake was lower than in the first quarter last year, but stronger than in the immediately preceding quarter.

For Westermo, order intake amounted to 310 MSEK, where the train, trackside and energy segments all contributed to stronger order intake than in the fourth quarter. However, the record-breaking first half of 2023 is disturbing the comparison because Westermo’s, and also the Group’s, largest customer then extended their order horizon, which led to a very high order booking that did not reflect the underlying demand. The business entity’s order backlog amounted to a continued strong 906 MSEK at the end of the period, of which just over half refers to deliveries in 2024. For Beijer Electronics, the order intake in the quarter totalled to 219 MSEK, an improvement compared to the fourth quarter of 2023, but lower than the same quarter last year. The weak development in Asia contributed to the decline, while Europe developed slightly positively, and North America was stable. The business entity’s order intake was also affected by the strategic decision in 2023 to discontinue the business within Display Solutions, a product area with low margins. Beijer Electronics’ order backlog amounted to 302 MSEK at the end of the period.

The Group’s sales for the first quarter amounted to 599 MSEK, which is slightly lower than for the equivalent period last year but stronger than the previous quarter. While Westermo increased invoicing to 364 MSEK, Beijer Electronics reduced sales to 236 MSEK. During the period several future-oriented investments in profitable growth were made. Westermo opened a sales office in Denmark with a focus on the energy segment, at the same time as the work on the previously decided establishment in India proceeded according to plan. Beijer Electronics presented its new strategy. To be able to sustainably perform in line with Ependion’s financial goals going forward, the business entity will prioritize three areas: marine applications, machine builders in the manufacturing industry, and solutions for demanding environments. During the quarter the new strategic focus has been communicated in the organization and the implementation phase has begun.

EBIT for the first quarter of 2024 decreased to 74 MSEK, with an EBIT margin of 12.4%. It is weaker than the comparison period, but clearly better than the fourth quarter last year. Westermo’s EBIT increased slightly to 55 MSEK, while the EBIT margin fell to 15.2% mainly as a result of a temporarily poorer product mix in deliveries. Beijer Electronics’ EBIT amounted to 31 MSEK with the EBIT margin of 13.3%, which is weaker than the comparison period results but significantly better than in the fourth quarter last year. The cost reduction program that was initiated in the third quarter of 2023 with the main focus on Asia has now given the desired effect, which contributes to strengthened margins compared to the previous quarter.

The Group’s product development initiatives constitute the engine behind our organic growth ambition, and development expenses accounted for 12.6% of sales during the period. During the quarter, Westermo has launched several new product lines that complement and renew the offering.

“With an EBIT margin of 12.4%, the Group succeeded better in mitigating the negative effects on the bottom line than during the fourth quarter last year.”

Jenny Sjö Dahl, President and CEO

Beijer Electronics' development of next generation HMIs is in an intense phase, aiming for launch before the end of the year.

The work to integrate sustainability as a natural part of our operations continues, and although there is much left to do, I am pleased that our progress on sustainability issues has increased significantly. During the quarter, we worked on the development of a double materiality assessment at Group level in accordance with the EU's new CSRD regulations, while the business entities' continued with concrete sustainability-related activities. In our Annual and Sustainability report published during this period, we provide examples of how we address these issues.

The beginning of the year has not given us reason to change our outlook for 2024: external factors remain uncertain, and we see a subdued demand because of weaker economic conditions. In the short term, the lower order intake rate at Westermo over the past three quarters has led to a weaker order backlog for the second quarter. While selectively making forward-looking investments, both business entities are working to increase efficiency and adjust costs to the volume development. Our positive outlook on the long-term growth opportunities in our

focus segments remains unchanged, as the demand for our products and solutions is driven by strong global trends such as digitalization and the green transition."

### The Group's first quarter

The Group's order intake decreased by 15% to 528 MSEK (617). Order intake for both business entities decreased. Adjusted for currency effects, order intake decreased by 14%. The Group's turnover decreased by 4% to 599 MSEK (623), with an increase in Westermo's sales and a decrease in Beijer Electronics's sales. Adjusted for currency effects, turnover decreased by 3%.

The Group's EBITDA amounted to 117.1 MSEK (123.1). Depreciation and amortization amounted to 42.6 MSEK (37.9). EBIT landed at 74.5 MSEK (85.2), corresponding to an EBIT margin of 12.4% (13.7). The result was affected by positive currency effects of 8.1 MSEK which mainly consist of transactional differences. Total development expenditure amounted to 75.2 MSEK (63.6). This corresponded to 12.6% (10.2) of the Group's sales. Profit before tax amounted to 64.9 MSEK (76.3). Net financial items were -9.6 MSEK (-8.9). Profit after estimated tax amounted to 51.3 MSEK (55.8). Earnings per share after estimated tax were 1.78 SEK (1.95).

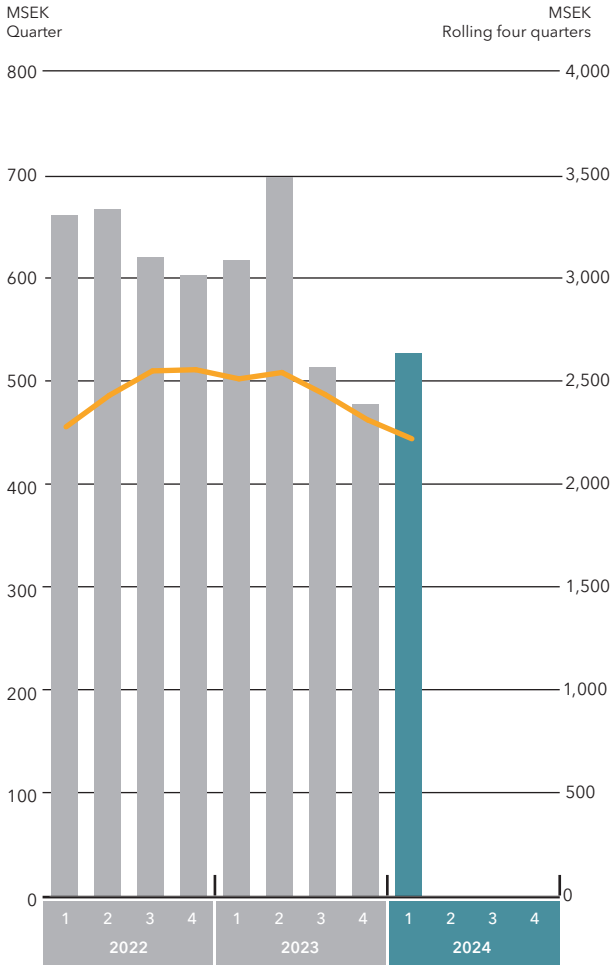
### Business entity net sales and EBIT

	Sales, MSEK		EBIT, MSEK		EBIT margin, %	
	Quarter 1		Quarter 1		Quarter 1	
	2024	2023	2024	2023	2024	2023
Westermo	363.8	335.0	55.4	54.8	15.2	16.4
Beijer Electronics	236.4	291.4	31.4	44.0	13.3	15.1
Intra-sales	-1.6	-3.2				
Group adjustments and depreciation			-12.3	-13.6		
<b>Ependion Group</b>	<b>598.5</b>	<b>623.2</b>	<b>74.5</b>	<b>85.2</b>	<b>12.4</b>	<b>13.7</b>

"Beijer Electronics' new strategy was presented during the period and entails a clear focus on the areas where the business entity enjoys the greatest trust and creates the most value for customers."

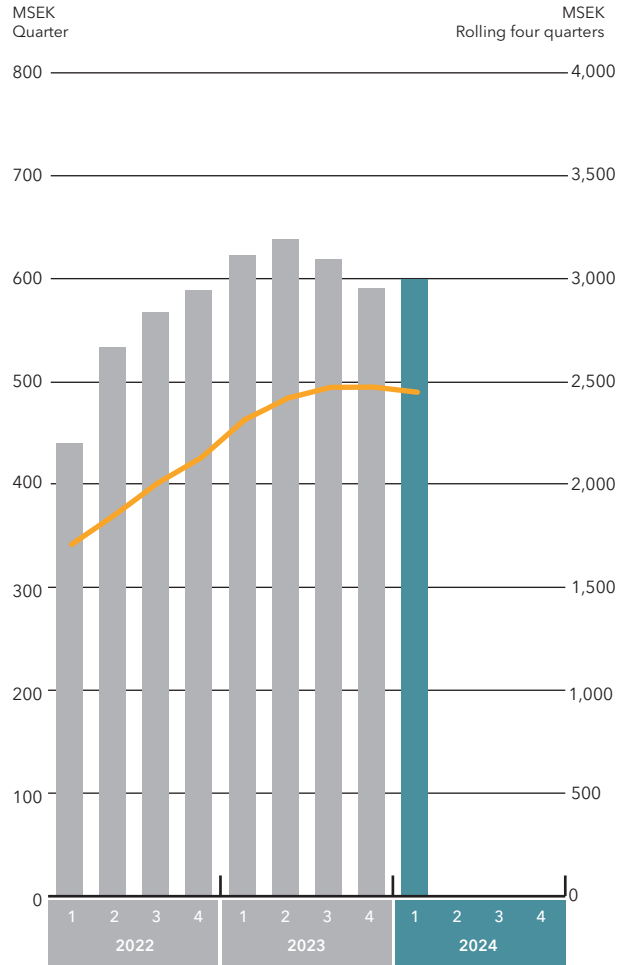
Jenny Sjö Dahl, President and CEO

### Group order intake



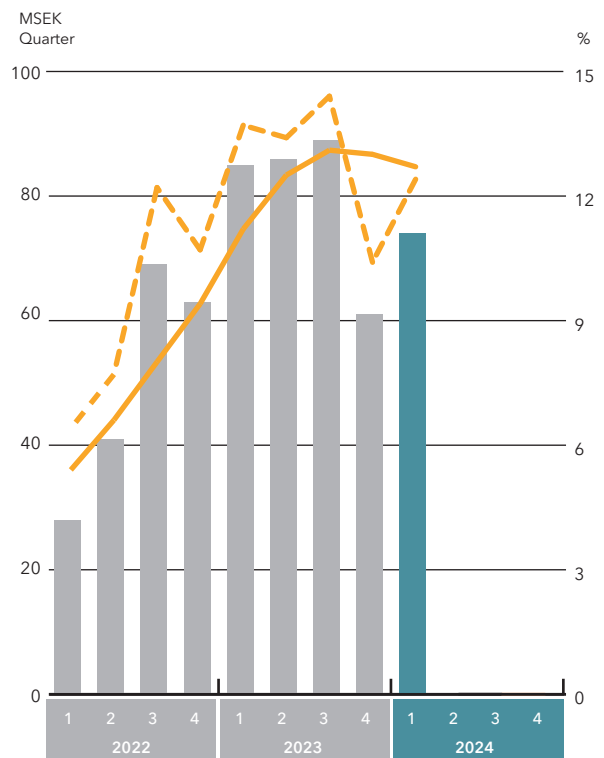
The bars and left-hand scale indicate quarterly order intake. The curve and right-hand scale show rolling four quarter order intake.

### 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.

### 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.

“The development in the first quarter of 2024 shows a sequential improvement for order intake, sales, and earnings.”

Jenny Sjödaahl, President and CEO

# Westermo

## Business entity

Westermo’s first quarter of 2024 presents a mixed picture. Order intake decreased to 310 MSEK. The comparison with the first quarter of 2023 is affected by Westermo’s largest customer extending their order horizon, which had a significant positive impact on order bookings throughout the first half of 2023. The train network segment, adjusted for these effects, shows stable underlying demand. The order intake rate is affected by a somewhat cautious market situation in several markets. However, the business entity’s customer-related activity level is high, and the pipeline of business opportunities remains strong.

Sales rose by 9% to 364 MSEK, which is in line with sales during the fourth quarter of 2023. Westermo’s EBIT slightly increased to 55 MSEK, resulting in an EBIT margin of 15.2%. The somewhat weaker EBIT margin is mainly due to a less favorable product mix delivered during the period compared to the first quarter of 2023. To offset the temporarily weaker demand, the business entity is working to reduce ongoing costs and adjust them to volumes, a process that was initiated during the period and continues in the second quarter. At the same time, the long-term efforts to streamline and strengthen the supply chain continued as planned. Westermo’s establishment of a sales and production unit in India proceeded as planned, and the business entity also started up a sales office in Denmark.

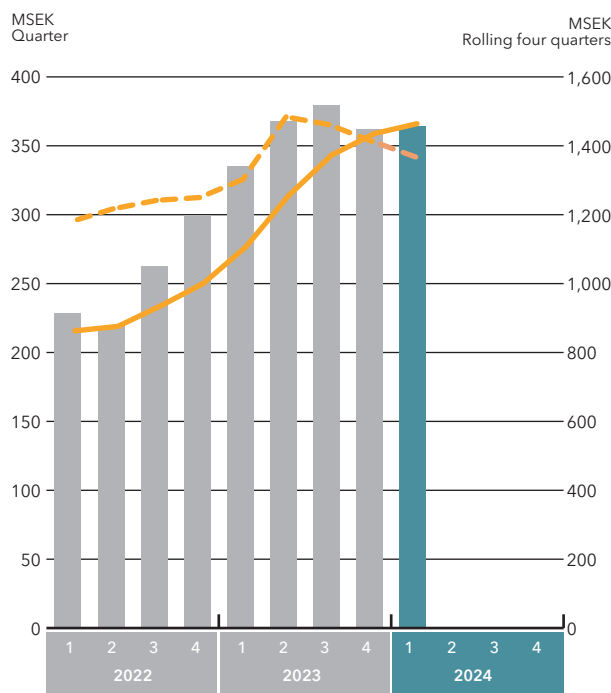
During the period, Westermo strengthened its offering through the launch of several new or updated products. Within the wireless network products targeting train customers, the Ibex and CyBox families were supplemented with support for the new WiFi6 standard, providing faster and more secure connectivity. Within Westermo’s Viper product family – Ethernet products onboard trains – a new powerline bridge was launched, enabling fast and secure network connections between train sets. Collaboration with the cybersecurity company Eviden continues with the goal of jointly creating solutions for encrypted communication for trains, railways, and other critical infrastructure. This is an area where new standards are placing increasing demands

on secure data communication, which train operators, among others, need to meet in the coming years.

### First quarter

Order intake decreased by 13% to 310.3 MSEK (355.7), due to the extension of the order horizon for one of the business entity’s major customers during the comparison period. Sales rose by 9% to 363.8 MSEK (335.0). EBITDA amounted to 77.8 MSEK (74.4). Depreciation and amortization increased to 22.3 MSEK (19.5). EBIT amounted to 55.4 MSEK (54.8), corresponding to an EBIT margin of 15.2% (16.4).

### 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.

“At Westermo, we balance long-term growth investments with adjusting ongoing costs to volume developments.”

Jenny Sjö Dahl, President and CEO

# Beijer Electronics

## Business entity

For Beijer Electronics, order intake, sales, and profit decreased compared to the strong start of the previous year, but all key metrics were better than in the immediate preceding quarter. Order intake for the first quarter of 2024 decreased by 17% to 219 MSEK compared to the same quarter last year. The decline was expected and in line with a more cautious market: historically, the business entity has been early in the economic cycle, both in downturns and upturns. Order intake was also influenced this quarter by weak demand in Asia, while Europe showed slightly positive growth, and North America remained stable.

Last year, Beijer Electronics made the strategic decision to discontinue the Display Solutions product area, primarily sold in Asia. The product family, which has significantly lower margins than the average, accounted for approximately 50 MSEK in sales last year and is estimated to amount to just over 30 MSEK in the current year. The decision affected the order intake from the fourth quarter of 2023 onwards.

The business entity's new strategy was presented during the period and entails a clear focus on areas where the business entity enjoys the greatest trust and creates the most value for customers: marine applications, machine builders in the manufacturing industry, and solutions for demanding environments. In line with the new strategic direction, Beijer Electronics has established a globally integrated sales and marketing organization during the period, a measure that contributes to an accelerated implementation of the strategy.

Sales for the first quarter decreased to 236 MSEK. EBIT amounted to 31 MSEK, with an EBIT margin of 13.3%. It is lower than during the strong comparative period but significantly better than the fourth quarter of 2023. Beijer Electronics has actively worked on pricing and cost control to mitigate the effects of lower sales. The cost reduction program of 20 MSEK annually, implemented during the fourth quarter of 2023, has now reached full effect. Sales of WebIQ continued to develop positively, and the order intake rate has doubled since the acquisition in April 2023.

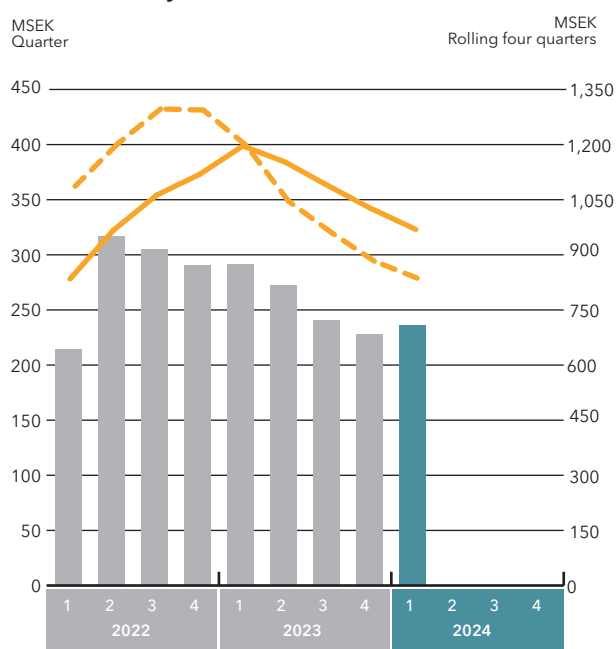
The development work has focused on the next generation HMIs with the X3 series, which the business entity plans to launch before the end of the year. The new production facility in Malmö started series production in March.

The establishment, combined with the business entity's efforts in diversity and sustainability, contributed to Beijer Electronics being awarded Company of the Year in Malmö during the period.

### First quarter

Order intake decreased by 17% to 218.9 MSEK (264.8). The change is primarily due to weaker demand and the decision to discontinue sales of Display Solutions. Sales decreased by 19% to 236.4 MSEK (291.4). EBITDA amounted to 49.2 MSEK (60.2). Depreciation and amortization were 17.8 MSEK (16.2). EBIT decreased to 31.4 MSEK (44.0), resulting in an EBIT margin of 13.3% (15.1).

### 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.

# Other financial information

Group investments, including capitalized development expenses and acquisitions, amounted to 47 MSEK (35) during the first quarter of 2024. Cash flow from current activities was 50 MSEK (6). Equity amounted to 1,254 MSEK (1,047) as of March 31, 2024. The equity ratio was 47.2% (41.1). Cash and cash equivalents amounted to 143 MSEK (144). Net debt was 732 MSEK (805). The average number of employees was 868 (841).

## LTI program

In accordance with the Annual General Meeting of 2023, a share-based incentive program has been implemented, LTI 2023/2026. The estimated outcome entails that the parent company, in line with the decided program, intends to issue 102,918 C-shares during the first half of 2024.

## Important events

During the quarter, the business entity Beijer Electronics decided on a new strategy focusing on marine applications, industrial machinery builders, and solutions for demanding environments. The strategy aims to contribute to increased growth and profitability. Implementation has begun through the creation of an integrated global sales and marketing organization. A new legal entity has been established for Westermo in Denmark.

## Financial targets

The Group's financial targets consist of three goals for growth, profitability, and dividends. The growth target means an annual organic growth of at least 10%. Acquired growth is additional. The profitability target aims for the Group to achieve an operating margin of at least 15%. 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, 24 April 2024

Jenny Sjö Dahl  
President and CEO

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## Accounting Principles

For the Group, this Interim Report 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.

# The Group's Financial Reports

## Consolidated Income Statement in summary

SEK 000	Quarter 1 2024	Quarter 1 2023	Full Year 2023
Net sales	598,521	623,174	2,470,647
Cost of goods sold	-299,004	-318,717	-1,247,715
<b>Gross profit</b>	<b>299,517</b>	<b>304,458</b>	<b>1,222,932</b>
Sales expenses	-84,646	-84,816	-341,063
Administration expenses	-88,013	-86,382	-342,461
Research and development expenses	-58,811	-49,335	-213,366
Other operating revenue and operating expenses	6,447	1,296	-4,358
<b>Operating profit</b>	<b>74,494</b>	<b>85,219</b>	<b>321,684</b>
Financial income/expense	-9,622	-8,942	-46,389
<b>Profit before tax</b>	<b>64,872</b>	<b>76,277</b>	<b>275,295</b>
Tax	-13,616	-20,458	-74,918
<b>Profit for the period</b>	<b>51,256</b>	<b>55,819</b>	<b>200,377</b>
<i>Attributable to equity holders of the parent</i>	51,493	56,095	200,508
<i>Attributable to non-controlling interests</i>	-237	-277	-131
<i>Basic earnings per share, SEK</i>	1.78	1.95	6.93

## Statement of Comprehensive Income

SEK 000	Quarter 1 2024	Quarter 1 2023	Full Year 2023
<b>Profit for the period</b>	<b>51,256</b>	<b>55,819</b>	<b>200,377</b>
Actuarial gains and losses	-3,058		7,010
Net investment hedge effects	-7,803	-3,087	-1,366
Translation differences	52,143	3,241	-30,864
<b>Comprehensive income for the period</b>	<b>92,538</b>	<b>55,973</b>	<b>175,157</b>
<i>Attributable to equity holders of the parent</i>	92,670	56,259	175,418
<i>Attributable to non-controlling interests</i>	-132	-286	-261



## Consolidated Balance Sheet in summary

SEK 000	March 31, 2024	March 31, 2023	Dec. 31, 2023
<b>ASSETS</b>			
<b>Fixed assets</b>			
Intangible assets	1,303,042	1,146,685	1,257,203
Property, plant and equipment	91,913	77,213	85,797
Right-of-use assets	101,719	107,081	99,119
Financial fixed assets	45,598	66,935	41,695
<b>Total fixed assets</b>	<b>1,542,272</b>	<b>1,397,914</b>	<b>1,483,814</b>
<b>Current assets</b>			
Inventories	473,711	503,431	486,628
Accounts receivable	453,870	444,935	407,004
Other receivables	55,306	69,157	52,478
Cash and cash equivalents	142,561	143,500	142,486
<b>Total current assets</b>	<b>1,125,448</b>	<b>1,161,023</b>	<b>1,088,596</b>
<b>Total assets</b>	<b>2,667,720</b>	<b>2,558,937</b>	<b>2,572,410</b>
<b>EQUITY AND LIABILITIES</b>			
Equity attributable to equity holders of the parent	1,253,678	1,046,895	1,159,082
Equity attributable to non-controlling interests	4,479	4,586	4,611
<b>Total equity</b>	<b>1,258,157</b>	<b>1,051,481</b>	<b>1,163,693</b>
<b>Long-term liabilities</b>			
Borrowings	461,469	495,764	462,631
Lease liabilities	61,036	67,144	59,766
Other long-term liabilities	162,401	144,756	167,354
Deferred tax liabilities	92,202	74,693	88,830
<b>Total long-term liabilities</b>	<b>777,108</b>	<b>782,357</b>	<b>778,581</b>
<b>Current liabilities</b>			
Borrowings	180,412	216,828	167,668
Lease liabilities	40,962	40,105	39,319
Accounts payable-trade	176,572	233,893	194,650
Other liabilities	234,509	234,273	228,499
<b>Total current liabilities</b>	<b>632,455</b>	<b>725,099</b>	<b>630,136</b>
<b>Total equity and liabilities</b>	<b>2,667,720</b>	<b>2,558,937</b>	<b>2,572,410</b>

## Consolidated Statement of Changes in Equity and Number of Shares

SEK 000	March 31, 2024	March 31, 2023	Dec. 31, 2023
<i>Attributable to equity holders of the parent</i>			
Opening balance, 1 Jan	1,159,082	989,241	989,241
Paid-up capital after deducting for transaction expenses			-69
Re-purchase of treasury shares			-63
Sale of treasury shares			3,108
Dividend			-14,419
Share-based payment	1,926	1,395	5,866
Comprehensive income	92,670	56,259	175,418
<b>Closing balance, shareholders' equity</b>	<b>1,253,678</b>	<b>1,046,895</b>	<b>1,159,082</b>
<i>Attributable to non-controlling interests</i>			
Opening balance, 1 Jan	4,611	4,872	4,872
Comprehensive income	-132	-286	-261
<b>Closing balance, shareholders' equity</b>	<b>4,479</b>	<b>4,586</b>	<b>4,611</b>

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 1 2024	Quarter 1 2023	Full Year 2023
Cash flow from operating activities before changes in working capital	100,189	108,855	428,751
Changes in working capital	-50,210	-102,588	-94,133
<b>Cash flow from operating activities</b>	<b>49,979</b>	<b>6,267</b>	<b>334,618</b>
Cash flow from investing activities	-47,278	-35,039	-173,641
Cash flow from acquisition of subsidiary			-58,560
Cash flow from financing activities*	-10,401	12,920	-96,969
Dividend paid to equity holders of the parent			-14,419
<b>Cash flow for the period</b>	<b>-7,700</b>	<b>-15,852</b>	<b>-8,971</b>
Cash and cash equivalents at beginning of year	142,486	159,864	159,864
Exchange difference in cash and cash equivalents	7,775	-512	-8,407
<b>Cash and cash equivalents at end of year</b>	<b>142,561</b>	<b>143,500</b>	<b>142,486</b>
<b>Free cash flow</b>	<b>-8,377</b>	<b>-39,346</b>	<b>117,573</b>
<i>*of which amortization of lease liabilities.</i>	-11,078	-10,574	-43,404

## Consolidated Key Financial Ratios

SEK 000	Quarter 1 2024	Quarter 1 2023	Full Year 2023
Operating margin, %	12.4	13.7	13.0
Profit margin, %	8.6	9.0	8.1
Equity ratio, %	47.2	41.1	45.2
Equity per share, SEK	43.3	36.3	40.0
Basic earnings per share, SEK	1.78	1.95	6.93
Return on equity after tax, %	17.0	20.6	18.6
Return on capital employed, %	15.3	14.3	16.6
Return on net operating assets, %	21.1	19.0	23.1
Financial net debt in relation to EBITDA	1.3	1.6	1.2
Average number of employees	868	841	869

## Reconciliation of Consolidated Net Debt

SEK 000	Quarter 1 2024	Quarter 1 2023	Full Year 2023
Borrowings	641,881	712,592	630,299
Pension provisions	130,289	128,496	125,777
Liabilities attributable to right-of-use assets	101,998	107,249	99,085
<b>Total interest-bearing liabilities</b>	<b>874,168</b>	<b>948,337</b>	<b>855,161</b>
<b>Total cash and cash equivalents</b>	<b>142,561</b>	<b>143,500</b>	<b>142,486</b>
<b>Net debt*</b>	<b>731,607</b>	<b>804,837</b>	<b>712,675</b>

\*Alternative key ratio

## Allocation of Net Sales

SEK 000	Quarter 1 2024	Quarter 1 2023	Full Year 2023
<b>Net sales by geographical market</b>			
Nordics	111,829	127,726	477,834
Rest of Europe	298,441	253,426	1,096,413
Americas	73,115	89,038	376,724
Asia	113,193	150,350	511,223
Rest of world	1,943	2,634	8,453
<b>Total Group</b>	<b>598,521</b>	<b>623,174</b>	<b>2,470,647</b>
<b>Net sales by category</b>			
Operator panels and accessories	184,182	223,239	795,251
Network equipment	328,216	297,327	1,284,113
Software	10,173	5,325	27,294
Servicing and other services	11,185	14,637	61,365
Third-party products	64,765	82,646	302,624
<b>Total Group</b>	<b>598,521</b>	<b>623,174</b>	<b>2,470,647</b>
<b>Net sales by segment</b>			
Train	127,306	125,024	495,082
Trackside	54,355	32,507	190,120
Energy	136,427	135,047	474,796
Manufacturing	91,880	128,509	431,056
Marine	53,423	63,592	244,430
Other	135,130	138,495	635,163
<b>Total Group</b>	<b>598,521</b>	<b>623,174</b>	<b>2,470,647</b>

## Operating Segments

SEK 000	Quarter 1 2024	Quarter 1 2023	Full Year 2023
<b>TOTAL GROUP</b>			
Order intake	527,516	617,262	2,306,956
Net sales	598,521	623,174	2,470,647
Operating profit excl. depreciation	117,087	123,146	473,955
Depreciation	-42,593	-37,927	-152,271
Operating profit	74,494	85,219	321,684
Operating margin, %	12.4	13.7	13.0
Investments in intangible and tangible assets	48,561	35,032	173,663
<i>of which capitalized development expenditure</i>	38,246	31,659	141,936
Product development expenditure, %	12.6	10.2	11.4
Backlog	1,208,503	1,467,207	1,247,328
<b>WESTERMO</b>			
Order intake	310,281	355,674	1,421,647
Net sales	363,761	335,033	1,443,994
Operating profit excl. depreciation	77,755	74,356	316,930
Depreciation	-22,329	-19,543	-79,208
Operating profit	55,426	54,812	237,722
Operating margin, %	15.2	16.4	16.5
Investments in intangible and tangible assets	24,491	17,794	77,606
<i>of which capitalized development expenditure</i>	16,679	16,178	63,673
Product development expenditure, %	13.0	11.8	12.1
Backlog	906,439	988,233	935,812
<b>BEIJER ELECTRONICS</b>			
Order intake	218,868	264,801	891,524
Net sales	236,392	291,354	1,032,867
Operating profit excl. depreciation	49,204	60,211	198,565
Depreciation	-17,825	-16,205	-64,819
Operating profit	31,379	44,006	133,746
Operating margin, %	13.3	15.1	12.9
Investments in intangible and tangible assets	23,721	16,663	91,639
<i>of which capitalized development expenditure</i>	21,567	15,481	78,263
Product development expenditure, %	11.4	8.0	10.2
Backlog	302,064	478,974	311,516
<b>PARENT COMPANY AND GROUP ADJUSTMENT</b>			
Order intake (elimination)	-1,632	-3,213	-6,214
Net sales (elimination)	-1,632	-3,213	-6,214
Operating profit excl. depreciation	-9,872	-11,420	-41,540
Depreciation	-2,439	-2,178	-8,244
Operating profit	-12,311	-13,599	-49,784
Investments in intangible and tangible assets	349	575	4,418

## Parent Company Income Statement in summary

SEK 000	Quarter 1 2024	Quarter 1 2023	Full Year 2023
Net sales	10,047	8,932	35,723
Administration expenses	-22,028	-22,674	-84,435
<b>Operating profit</b>	<b>-11,981</b>	<b>-13,742</b>	<b>-48,712</b>
Financial income/expense	-1,905	-4,139	45,500*
<b>Profit before tax</b>	<b>-13,886</b>	<b>-17,881</b>	<b>-3,212</b>
Appropriations			112,805
Tax	2,180	2,712	-9,952
<b>Profit for the period</b>	<b>-11,706</b>	<b>-15,169</b>	<b>99,641</b>

\* Includes dividends received from subsidiary of 66 MSEK.

## Parent Company Balance Sheet in summary

SEK 000	March 31, 2024	March 31, 2023	Dec. 31, 2023
<b>ASSETS</b>			
Fixed assets	1,160,250	1,058,769	1,143,340
Current assets	82,798	27,889	155,746
Cash equivalents and short-term investments	65	67	66
<b>Total assets</b>	<b>1,243,113</b>	<b>1,086,725</b>	<b>1,299,152</b>
<b>EQUITY AND LIABILITIES</b>			
Total equity	326,707	227,492	336,163
<b>Long-term liabilities</b>			
Borrowings	461,469	495,763	462,631
Provisions	23,512	21,619	22,335
Liabilities to Group companies	266,320	129,597	318,897
<b>Current liabilities</b>			
Borrowings	143,413	187,252	131,443
Other current liabilities	21,692	25,002	27,683
<b>Total equity and liabilities</b>	<b>1,243,113</b>	<b>1,086,725</b>	<b>1,299,152</b>

# 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 and interest-bearing liabilities.

## **Development expenditure**

Expenditure on product development work, such as personal expenses and external consulting expenses. This also includes expenses that are capitalized as assets in the balance sheet.

## **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.

## **Financial net debt in relation to EBITDA**

Interest-bearing liabilities, excluding net pension provision, less cash and cash equivalents, in relation to EBITDA rolling 12 months.

## **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.

## **Operating assets**

Equity and interest-bearing liabilities less financial assets.

## **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 operating assets**

EBIT rolling 12 months in relation to average 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](http://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](mailto:info@ependion.com).

### **Financial Calendar**

14 May 2024 .....Annual General Meeting  
15 July 2024..... Six-month Interim Report  
25 October 2024 ..... Nine-month Interim Report    *Note! New date.*



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