

Ependion AB

Interim Report January–June 2024

Investing in a secure and connected world

Investments for growth in a continued cautious market

Second quarter

- Order intake decreased to 483 MSEK (698).
- Net sales amounted to 588 MSEK (638).
- EBIT was 60.1 MSEK (85.8).
- EBIT margin was 10.2% (13.4).
- Profit after tax amounted to 39.8 MSEK (57.9).
- Earnings per share reached 1.37 SEK (2.00).
- Free cash flow doubled to 60.1 MSEK (30.3).
- The Westermo business entity took a first large train order for the Indian market.
- The business entity Westermo acquired a minority stake in Blu Wireless Technology and gets access to unique technology for connected trains.

First half-year

- Order intake amounted to 1,010 MSEK (1,315).
 - Net sales were 1,187 MSEK (1,262).
 - EBIT amounted to 134.6 MSEK (171.0).
 - EBIT margin was 11.3% (13.6).
 - The profit after tax was 91.0 MSEK (113.7).
 - Earnings per share reached 3.14 SEK (3.94).
 - Free cash flow increased to 51.8 MSEK (-9.1).
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Comments from CEO Jenny Sjö Dahl



“The second quarter of the year settled in line with our expectations, where the Group’s development continued to be affected by the weaker demand that we have seen during the last twelve-month period. It is the persistently high interest rates and the uncertainty in the world economy

that continue to affect our customers’ investment pace. It is my assessment that the decline we are now experiencing is of a temporary nature linked to a weaker economy and that our market shares remain unchanged. We have clear growth strategies in place for both business entities with the aim of significantly advancing the positions within our focus areas in the next few years. While the Group is of course focused on cost savings to counter lower volumes, we choose to continue with forward-looking investments such as the establishment in India, the development of the product offering and investments in new technology.

Ependion’s order intake decreased to 483 MSEK compared to the record-breaking second quarter last year. Sequentially, however, the order intake remained stable at the 500 million SEK level. For Westermo, order intake decreased to 294 MSEK. Most of the decline is explained by the fact that the business entity during the comparison period was strongly positively affected by an extension of the order horizon for the Group’s largest customer. During the period, the business entity took a first significant order in the large and strongly growing Indian train market, underscoring the value of the ongoing establishment in India. Also, for Beijer Electronics, order intake fell slightly to 190 MSEK. It was primarily the manufacturing industry segment that accounted for the decline, while the marine segment and solutions for demanding environments developed stably.

The Group’s sales amounted to 588 MSEK for the period, a decline that is a consequence of the lower order intake

in recent quarters. Both business entities reported reduced invoicing. Beijer Electronics has now adapted the sales organization to the business entity’s new strategy, which means focusing on three segments: marine applications, machine builders in the manufacturing industry and solutions for demanding environments. This strengthens the conditions for increasing growth and, in the long term, achieving the financial goals.

Although both business entities have implemented several cost-saving measures in the quarter, these cannot fully compensate for the lower volume. EBIT for the period therefore decreased to 60 MSEK with an EBIT margin of 10.2%. Westermo’s EBIT decreased to 44 MSEK with an EBIT margin of 13.2% and Beijer Electronics’ EBIT decreased to 30 MSEK with an EBIT margin of 11.7%. For Beijer Electronics, deliveries within Display Solutions—volumes to be phased out in 2024—contributed to a lower profitability mix for the period. It is gratifying that free cash flow for the Group doubled to 60 MSEK and that inventory levels continued to be reduced.

Ependion’s significant investment in organic growth meant that expenditure on product development amounted to 13.8% of the Group’s sales during the period. For Westermo, it is mainly about further development of the offer in train, trackside and energy, where a significant part of the projects is linked to concrete business opportunities, not least regarding cyber security. Beijer Electronics is in the final stages of development of the next generation of HMIs where the first products of the new X3 family will be launched before year-end.

In May, Westermo acquired a minority stake in the British company Blu Wireless Technology. In connection with the deal, a strategic partnership agreement was also signed. The agreement gives access to patented new technology for connecting trains with significantly higher bandwidth than current technologies allow and complements Westermo’s portfolio in train-to-track communication. The solution has the potential to significantly improve the passenger

“At the same time as the Group focuses on cost savings, we continue with important forward-looking investments such as the establishment in India and investments in new technology.”

Jenny Sjö Dahl, President and CEO

experience through a reliable and fast internet connection on board, but also the train operator's ability to transmit moving images in real time to control centers for increased safety and higher efficiency.

In the area of sustainability, the implementation of EU's Corporate Sustainability Reporting Directive, CSRD, continued. During the quarter, the organization engaged in the completion of a double materiality analysis. Based on the results of this, a review of the Group's policies and processes for collecting data is now being carried out. During the period, a new energy survey was carried out at Beijer Electronics with the aim of reducing climate impact, while Westermo deepened its knowledge of products' environmental impact from a life cycle perspective.

In summary, our view on 2024 remains: the external factors are uncertain, and we see a dampening of demand because of a weaker macro-economic development. In the short term, this affects the Group's business conditions negatively and we see a relatively weak order book for the third quarter as well. In the medium and long term, however, the prospects for profitable growth are very good given the structural growth within our focus segments, combined with our clear positioning to meet customers' needs. The demand for our products and solutions is fundamentally driven by strong global trends such as digitization and the green transition. In parallel with the business entities working to offset the effects of the short-term downturn, work continues with the future-oriented investments in modern technology, new products and new markets. We look to the future with confidence."

The Group's second quarter

The Group's order intake decreased by 31% to 483 MSEK (698) during the second quarter of 2024. Currency effects had no impact on the decrease. Order intake decreased for both Westermo and Beijer Electronics. The order backlog amounted to 1,092 MSEK (1,565) at the end of the quarter.

The Group's turnover decreased by 8% to 588 MSEK (638) during the period. Adjusted for currency effects and acquisitions, turnover decreased by 7%. Both Westermo and Beijer Electronics reduced turnover compared to the corresponding period last year.

The Group's EBITDA decreased to 103.7 MSEK (123.2). Depreciation and amortization amounted to 43.7 MSEK (37.4). EBIT decreased to 60.1 MSEK (85.8), corresponding to an EBIT margin of 10.2% (13.4). The result was affected by positive currency effects of 6.2 MSEK. Total development expenditure amounted to 81.5 MSEK (73.7). This corresponded to 13.8% (11.5) of the Group's sales.

Net financial items were -10.1 MSEK (-9.3). Profit before tax amounted to 50.0 MSEK (76.5). Profit after estimated tax amounted to 39.8 MSEK (57.9). Earnings per share after estimated tax were 1.37 SEK (2.00).

The Group's first half of the year

The Group's order intake decreased by 23% to 1,010 MSEK (1,315) during the first half of 2024. Currency effects had no impact on the decrease rate.

The Group's turnover decreased by 6% to 1,187 MSEK (1,262). Adjusted for currency effects, turnover decreased by 5%. Beijer Electronics turnover decreased, while Westermo's remained stable.

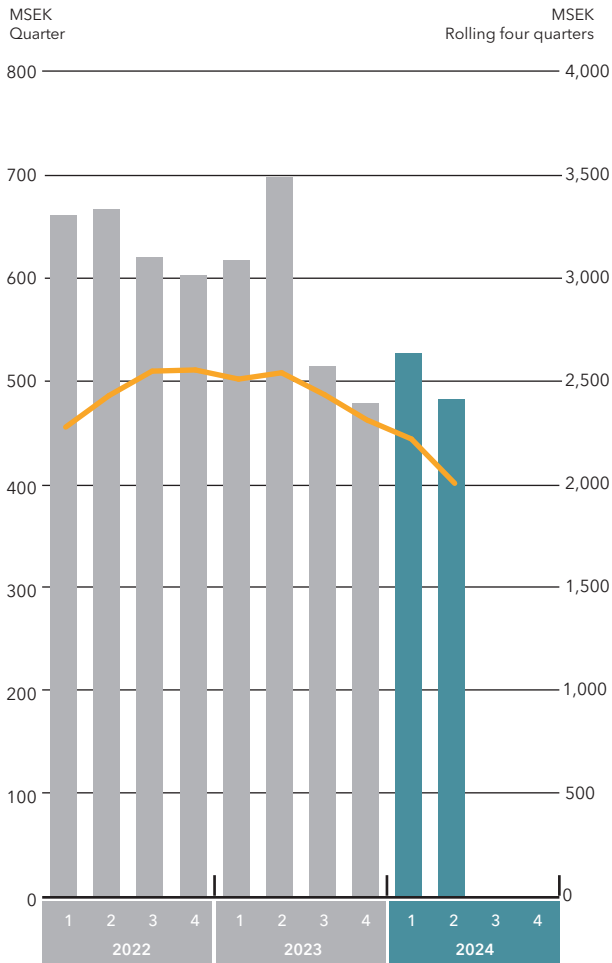
The Group's EBITDA decreased to 220.8 MSEK (246.4). Depreciation and amortization amounted to 86.3 MSEK (75.3). EBIT was 134.6 MSEK (171.0), corresponding to an EBIT margin of 11.3% (13.6). Total development expenditure amounted to 156.7 MSEK (137.3). This corresponded to 13.2% (10.9) of the Group's sales.

Net financial items were -19.7 MSEK (-18.2). Profit before tax amounted to 114.9 MSEK (152.8). Profit after estimated tax amounted to 91.0 MSEK (113.7). Earnings per share after estimated tax were 3.14 SEK (3.94).

Business entity net sales and EBIT

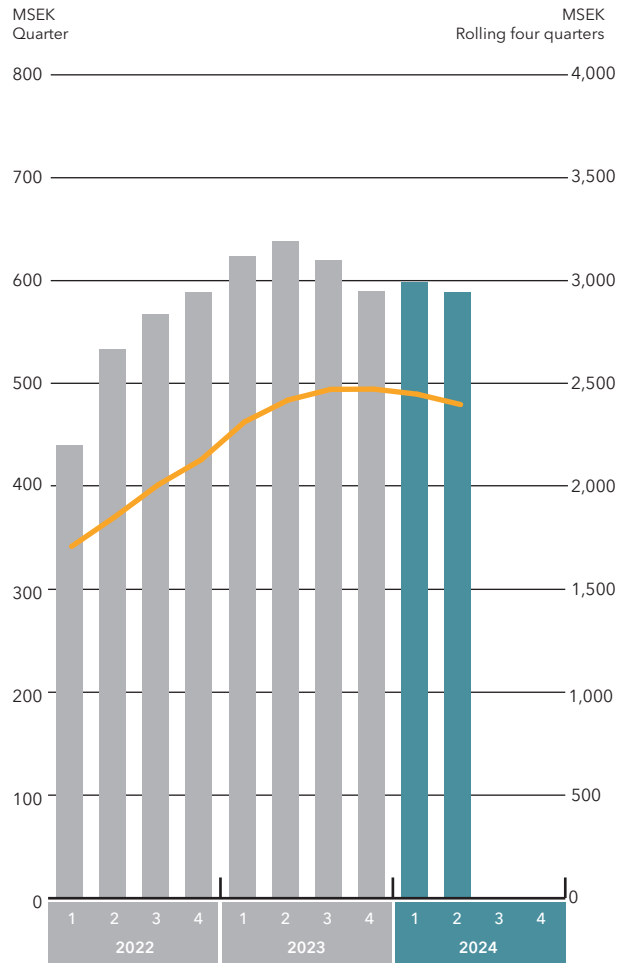
	Sales, MSEK		EBIT, MSEK		EBIT margin, %		Sales, MSEK		EBIT, MSEK		EBIT margin, %	
	Quarter 2						6 mth.					
	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023
Westermo	336.5	367.5	44.5	60.5	13.2	16.5	700.2	702.5	99.9	115.3	14.3	16.4
Beijer Electronics	253.0	272.1	29.6	40.1	11.7	14.8	489.4	563.5	61.0	84.1	12.5	14.9
Intra-group sales	-1.1	-1.2					-2.7	-4.4				
Group adjustments and parent company			-14.0	-14.8					-26.3	-28.4		
Ependion Group	588.4	638.4	60.1	85.8	10.2	13.4	1 186.9	1 261.6	134.6	171.0	11.3	13.6

Group order intake



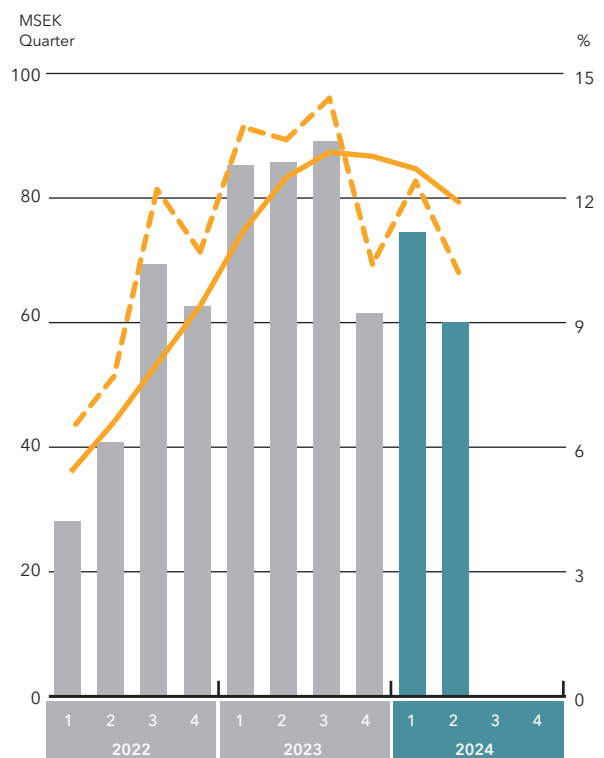
The bars and left-hand scale indicate quarterly order intake. The curve and right-hand scale show rolling four quarter order intake.

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 prospects for profitable growth are very good in the longer term—the need for our products and solutions is driven by strong global trends such as digitization and the green transition.”

Jenny Sjödaahl, President and CEO

Westermo

Business entity

Westermo’s order intake continued to be affected by the weaker economy and fell to 294 MSEK during the second quarter. A large part of the change compared to the record-breaking second quarter of 2023 is due to the fact that the business entity’s and the Group’s largest customer then extended their order horizon, which positively affected order intake by more than 100 MSEK. At the end of the period, the business entity had an order backlog that amounted to 856 MSEK.

The period did not include any major orders, but a strategically very important order from Siemens Mobility in India was added, which concerns wireless data communication for a large number of new electric locomotives for Indian Railways’ freight trains. The order confirms the importance of establishing a presence in the fast-growing Indian market, where major investments are being made to expand and modernize everything from metro systems and local transport in India’s many multi-million cities, to improvements to rail freight systems and high-speed rail between key hubs. The build-up of Westermo’s India organization for sales and production is proceeding according to plan.

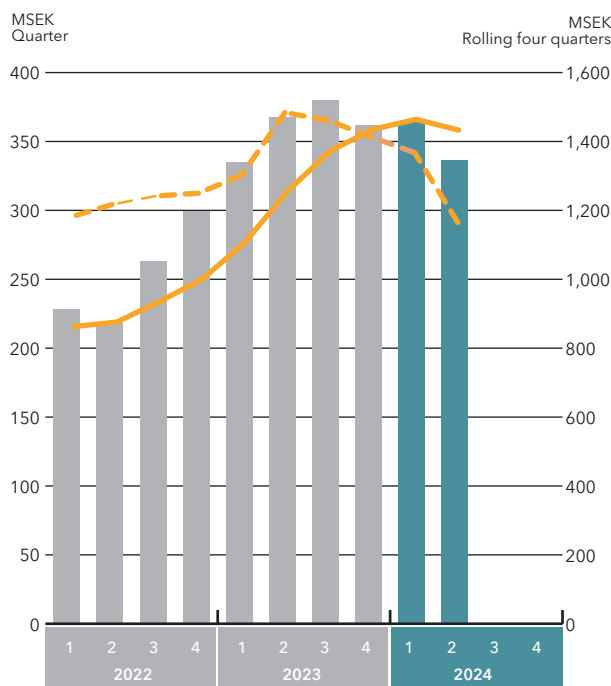
The business entity’s sales decreased to 336 MSEK for the period but were stable during the first half of the year compared to the corresponding period in 2023. The lower sales in the quarter could not be fully compensated by strengthened gross margins and cost savings regarding running costs. In combination with selective future-oriented investments, the lower volume contributed to EBIT falling to 44 MSEK with an EBIT margin of 13.2%.

The period has been characterized by continued high activity in product development. Notable among the launches is the Merlin 4700, a mobile router that has established a new benchmark for network redundancy with both 4G and VDSL support. In addition, Westermo introduced the lbex-A2510, an access point that simplifies installation in rail systems thanks to its integrated antenna. Furthermore, several new software features designed to meet the requirements of the transport and energy sectors have been launched.

During the period, Westermo completed the acquisition of a minority stake in the British technology company Blu Wireless Technology. The investment amounts to 3.4 million

pounds. The deal gives Westermo access to patented new technology for connecting trains with high bandwidth and low latency. This solution is expected to be an important piece of the puzzle in solving the fundamental problem behind substandard internet connectivity on trains, namely that existing technologies such as WiFi and 5G cannot provide sufficient transmission capacity to cover the growing needs of passengers and train operators in a cost-effective way. Thus, the deal gives Westermo the opportunity to contribute even more clearly to increasing the attractiveness of the train—something that is necessary for the green transition—and the parties are now collaborating on both business development and continued product development.

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.

Second quarter

Order intake decreased by 41% to 294 MSEK (496). Sales decreased by 8% to 336 MSEK (368). EBITDA amounted to 67.0 MSEK (80.5). Depreciation and amortization were 22.6 MSEK (20.0). EBIT amounted to 44.5 MSEK (60.5), corresponding to an EBIT margin of 13.2% (16.5).

First half-year

Order intake decreased by 29% to 605 MSEK (852). Sales remained stable at 700 MSEK (703). EBITDA amounted to 144.8 MSEK (154.9). Depreciation and amortization were 44.9 MSEK (39.6). EBIT amounted to 99.9 MSEK (115.3). This corresponded to an EBIT margin of 14.3% (16.4).

“During the period, Westermo won a first significant order in the large and strongly growing Indian train market which underlines the value of the establishment in India.”

Jenny Sjö Dahl, President and CEO

Beijer Electronics

Business entity

For Beijer Electronics, order intake decreased slightly to 190 MSEK during the second quarter of 2024, mainly driven by a continued weak industrial cycle. It was primarily within the manufacturing industry that demand decreased, while the pace of order bookings for the segments marine applications and solutions for demanding environments developed stably. In the marine area, there is a lot of activity, and significant investments are being made in more sustainable solutions for ships, which creates new business opportunities in a segment where Beijer Electronics has a strong position.

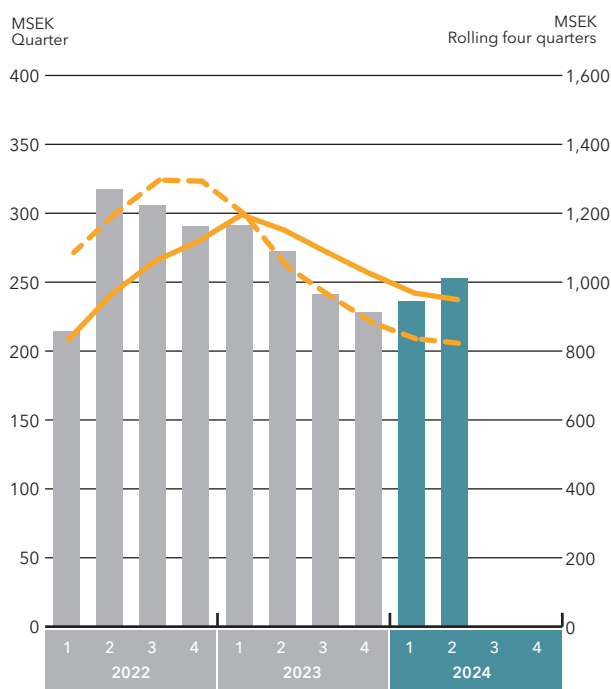
Sales amounted to 253 MSEK, which was slightly lower than for the comparison period, but represents an increase compared to the three immediately preceding quarters. The previously weak Asian market recovered from low levels, which is a positive signal that may indicate that the bottom has been passed. Sales in North America and Europe decreased somewhat, which in the latter case is mainly due to the weak German industrial economy.

Beijer Electronics achieved an EBIT of 29.6 MSEK, which was lower than for the corresponding quarter last year. The EBIT margin of 11.7% was pressured by an unfavorable mix in sales due to final deliveries regarding discontinued volumes in the Display Solutions product area, which was not fully compensated for by continued restraint in running costs. 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 during the current year.

The business entity's development activities remained at a high level with the aim of developing the next generation HMIs: the X3 series will be launched in November, when X3 web will be released. It is a product that is adapted to the WebIQ software, which is expected to strengthen Beijer Electronics' position for web-based visualization solutions. There is great interest in WebIQ and increasingly concrete dialogues are being held with several larger customers. Additional members of the X3 series will be continuously introduced throughout 2025.

The implementation of Beijer Electronics' new strategy with a focus on the three segments where the business entity has the greatest potential—machine builders in the manufacturing industry, marine applications and solutions for demanding environments—continued in full force during the period. The new global organization for sales, support and technical support is now in place and contributes to increased focus and exchange of experience—an important prerequisite for the continued process.

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.

Second quarter

Order intake decreased by 6% to 190 MSEK (203). Turnover decreased by 7% to 253 MSEK (272). EBITDA amounted to 48.0 MSEK (56.1). Depreciation and amortization were 18.4 MSEK (15.9). EBIT amounted to 29.6 MSEK (40.1), which corresponded to an EBIT margin of 11.7% (14.8).

First half-year

Order intake decreased by 13% to 408 MSEK (467). Turnover decreased by 13% to 489 MSEK (563). EBITDA amounted to 97.2 MSEK (116.3). Depreciation and amortization were 36.3 MSEK (32.1). EBIT decreased to 61.0 MSEK (84.1) with an EBIT margin of 12.5% (14.9).

“For Beijer Electronics, the previously weak Asian market is recovering from low levels, which is a positive signal that may indicate that the bottom has been reached.”

Jenny Sjö Dahl, President and CEO

Other financial information

The Group's investments, including capitalized development expenses and acquisitions, amounted to 151.1 MSEK (139.7) during the first half of the year, which includes the acquisition of a minority stake in Blu Wireless Technology. During the corresponding period last year, Smart HMI was acquired. Cash flow from operating activities was 179.2 MSEK (93.1). Equity amounted to 1,250 MSEK (1,135) as of June 30, 2024. The equity ratio was 46.8% (41.5). Cash and cash equivalents amounted to 165 MSEK (160). Net debt was 746 MSEK (847). The average number of employees was 865 employees (860).

Issuance of class C-shares and conversion to ordinary shares

The Board decided in April 2024, in accordance with the decision at the 2023 Annual General Meeting, to issue 102,918 class 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 class C-shares are intended to be converted into ordinary shares upon delivery to the participants in 2026, in accordance with the terms of the incentive program LTI 2023/2026.

The Board decided in May 2024, in accordance with the decision at the 2021 Annual General Meeting, to convert 108,809 of its own class C-shares into the corresponding number of ordinary shares to execute the transfer of ordinary shares to the participants in LTI 2021/2024 and to sell ordinary shares on Nasdaq Stockholm for cash flow hedging of social security contributions connected to LTI 2021/2024. After completed buyback of class C-shares and conversion to ordinary shares, the number of shares amounts to 29,344,214, of which 29,050,025 ordinary shares and 294,189 class C-shares, corresponding to a total of 29,079,443.9 votes.

Significant events

At the Annual General Meeting on May 14, it was decided to elect Peter Nilsson as a new Board member, also chairman of the board, and to appoint the registered auditing firm KPMG AB as the company's auditor for the period until the end of the annual general meeting in 2025.

In June, the legal entity Westermo India Private Limited was formed as part of the establishment on the Indian market.

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 added. 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.

Malmö, Sweden, 15 July 2024

Jenny Sjö Dahl
President and CEO

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

For more information, please contact:

President and CEO Jenny Sjö Dahl, tel +46 (0)725 89 60 80

or EVP and CFO Joakim Laurén, tel +46 (0)703 35 84 96

Malmö, Sweden, 15 July, 2024

Jenny Sjö Dahl

President and CEO

Peter Nilsson

Chairman of the Board

Johan Wester

Board member

Lars Eklöf

Board member

Karin Gunnarsson

Board member

Jonas Hård

Board member

Accounting principles

Ependion's consolidated accounts are prepared in accordance with International Financial Reporting Standards (IFRS) and with the same accounting principles as described in the Financial Statement for 2023. Reporting for the Parent follows the Swedish Annual Accounts Act and RFR 2 Reporting for Legal Entities.

Ependion's Interim Report for the Group 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.

Related party transactions have taken place to the same extent as in the previous year and the accounting policies described in the Financial Statement for 2023 apply.

Risks and uncertainties

Ependion is an international group and as such, it is exposed to several business and financial risks. Risk management is therefore an important process relative to the goals set by the Group. Throughout the Group, efficient risk management routines are an ongoing process within the framework of the Group's operational management and a natural part of the continual follow-up of activities. No significant risks or uncertainties have arisen in addition to those described in the Financial Statement for 2023.

The Group's Financial Reports

Consolidated Income Statement in summary

SEK 000	Quarter 2 2024	Quarter 2 2023	6 mth. 2024	6 mth. 2023	Full Year 2023
Net sales	588,355	638,407	1,186,876	1,261,582	2,470,647
Cost of goods sold	-290,601	-322,661	-589,605	-641,378	-1,247,715
Gross profit	297,754	315,746	597,271	620,204	1,222,932
Sales expenses	-86,134	-87,032	-170,779	-171,849	-341,063
Administration expenses	-91,797	-91,849	-179,810	-178,232	-342,461
Research and development expenses	-57,397	-54,374	-116,208	-103,709	-213,366
Other operating revenue and operating expenses	-2,349	3,330	4,097	4,626	-4,358
Operating profit	60,077	85,821	134,571	171,040	321,684
Financial income/expense	-10,052	-9,294	-19,674	-18,236	-46,389
Profit before tax	50,025	76,527	114,897	152,804	275,295
Tax	-10,250	-18,629	-23,866	-39,087	-74,918
Profit for the period	39,775	57,898	91,031	113,717	200,377
<i>Attributable to equity holders of the parent</i>	39,772	57,857	91,265	113,952	200,508
<i>Attributable to non-controlling interests</i>	3	42	-234	-235	-131
<i>Basic earnings per share, SEK</i>	1.37	2.00	3.14	3.94	6.93

Statement of Comprehensive Income

SEK 000	Quarter 2 2024	Quarter 2 2023	6 mth. 2024	6 mth. 2023	Full Year 2023
Profit for the period	39,775	57,898	91,031	113,717	200,377
Actuarial gains and losses	-5,779	6,142	-8,837	6,142	7,010
Net investment hedge effects	3,231	-12,277	-4,572	-15,364	-1,366
Translation differences	-16,290	47,489	35,853	50,730	-30,864
Comprehensive income for the period	20,937	99,252	113,475	155,225	175,157
<i>Attributable to equity holders of the parent</i>	21,013	99,083	113,683	155,342	175,418
<i>Attributable to non-controlling interests</i>	-76	169	-208	-117	-261

Consolidated Balance Sheet in summary

SEK 000	June 30, 2024	June 30, 2023	Dec. 31, 2023
ASSETS			
Fixed assets			
Intangible assets	1,314,702	1,266,825	1,257,203
Property, plant and equipment	96,648	81,285	85,797
Right-of-use assets	97,723	103,589	99,119
Financial fixed assets	101,298	71,527	41,695
Total fixed assets	1,610,371	1,523,226	1,483,814
Current assets			
Inventories	437,354	529,522	486,628
Accounts receivable	412,265	456,446	407,004
Other receivables	56,376	80,325	52,478
Cash and cash equivalents	165,352	160,044	142,486
Total current assets	1,071,347	1,226,337	1,088,596
Total assets	2,681,718	2,749,563	2,572,410
EQUITY AND LIABILITIES			
Equity attributable to equity holders of the parent	1,250,224	1,135,386	1,159,082
Equity attributable to non-controlling interests	4,403	4,755	4,611
Total equity	1,254,627	1,140,141	1,163,693
Long-term liabilities			
Borrowings	447,635	499,949	462,631
Lease liabilities	59,352	61,456	59,766
Other long-term liabilities	169,518	157,349	167,354
Deferred tax liabilities	96,592	78,942	88,830
Total long-term liabilities	773,097	797,696	778,581
Current liabilities			
Borrowings	227,192	278,674	167,668
Lease liabilities	39,526	43,024	39,319
Accounts payable–trade	149,332	229,587	194,650
Other liabilities	237,944	260,441	228,499
Total current liabilities	653,994	811,726	630,136
Total equity and liabilities	2,681,718	2,749,563	2,572,410

Consolidated Statement of Changes in Equity and Number of Shares

SEK 000	June 30, 2024	June 30, 2023	Dec. 31, 2023
<i>Attributable to equity holders of the parent</i>			
Opening balance, 1 January	1,159,082	989,241	989,241
Paid-up capital after deducting for transaction expenses	-150	-69	-69
Re-purchase of treasury shares	-34	-63	-63
Sale of treasury shares	3,089	2,395	3,108
Dividend	-28,941	-14,419	-14,419
Share-based payment	3,495	2,959	5,866
Comprehensive income	113,683	155,342	175,418
Closing balance, shareholders' equity	1,250,224	1,135,386	1,159,082
<i>Attributable to non-controlling interests</i>			
Opening balance, 1 January	4,611	4,872	4,872
Comprehensive income	-208	-117	-261
Closing balance, shareholders' equity	4,403	4,755	4,611

The number of ordinary shares amounts to 29,050,025 and the number of class C-shares amounts to 294,189.

Consolidated Cash Flow Statement in summary

SEK 000	Quarter 2 2024	Quarter 2 2023	6 mth. 2024	6 mth. 2023	Full Year 2023
Cash flow from operating activities before changes in working capital	85,528	93,642	185,717	202,497	428,751
Changes in working capital	43,729	-6,833	-6,481	-109,421	-94,133
Cash flow from operating activities	129,257	86,809	179,236	93,076	334,618
Cash flow from investments in tangible and intangible assets	-57,887	-46,093	-106,448	-81,125	-173,663
Cash flow from acquisition of subsidiary and investment in other companies	-46,271	-58,560	-46,271	-58,560	-58,560
Cash flow from other investing activities	300	3	1,583	-3	22
Cash flow from investing activities	-103,858	-104,649	-151,136	-139,688	-232,201
Cash flow from interest-bearing liabilities*	25,861	40,634	15,460	53,555	-99,945
Dividend paid to equity holders of the parent	-28,941	-14,419	-28,941	-14,419	-14,419
Cash flow from other financing activities	2,904	2,263	2,904	2,263	2,976
Cash flow from financing activities	-175	28,479	-10,576	41,399	-111,387
Cash flow for the period	25,224	10,639	17,525	-5,213	-8,971
Cash and cash equivalents at beginning of year	142,561	143,500	142,486	159,864	159,864
Exchange difference in cash and cash equivalents	-2,433	5,905	5,341	5,393	-8,407
Cash and cash equivalents at end of year	165,352	160,044	165,352	160,044	142,486
Free cash flow	60,138	30,261	51,761	-9,085	117,573
<i>*of which amortization of lease liabilities</i>	-11,533	-10,459	-22,611	-21,033	-43,404

Consolidated Key Financial Ratios

SEK 000	June 30, 2024	June 30, 2023	Dec. 31, 2023
Operating margin, %	11.3	13.6	13.0
Profit margin, %	7.7	9.0	8.1
Equity ratio, %	46.8	41.5	45.2
Equity per share, SEK	43.0	39.2	40.0
Basic earnings per share, SEK	3.14	3.94	6.93
Return on equity after tax, %	14.8	21.9	18.6
Return on capital employed, %	13.6	15.8	16.6
Return on net operating assets, %	18.3	21.1	23.1
Financial net debt in relation to EBITDA	1.3	1.6	1.2
Average number of employees	865	860	869

Reconciliation of Consolidated Net Debt

SEK 000	June 30, 2024	June 30, 2023	Dec. 31, 2023
Borrowings	674,827	778,623	630,299
Pension provisions	137,788	123,567	125,777
Liabilities attributable to right-of-use assets	98,878	104,480	99,085
Total interest-bearing liabilities	911,493	1,006,670	855,161
Total cash and cash equivalents	165,352	160,044	142,486
Net debt*	746,141	846,626	712,675

*alternative key ratio

Allocation of Net Sales

SEK 000	Quarter 2 2024	Quarter 2 2023	6 mth. 2024	6 mth. 2023	Full Year 2023
Net sales by geographical market					
Nordics	113,395	126,316	225,224	254,042	477,834
Rest of Europe	284,453	289,585	582,894	543,011	1,096,413
Americas	76,373	115,417	149,488	204,455	376,724
Asia	112,128	106,446	225,321	256,797	511,223
Rest of world	2,006	643	3,949	3,277	8,453
Total Group	588,355	638,407	1,186,876	1,261,582	2,470,647
Net sales by category					
Operator panels and accessories	195,902	210,792	380,083	434,031	795,251
Network equipment	310,667	323,863	638,883	621,190	1,284,113
Software	7,308	7,315	17,482	15,980	27,294
Servicing and other services	20,647	20,516	31,832	31,813	61,365
Third-party products	53,831	75,921	118,596	158,567	302,624
Total Group	588,355	638,407	1,186,876	1,261,582	2,470,647
Net sales by segment					
Train	128,028	110,181	255,334	235,205	495,082
Trackside	40,691	63,276	95,046	95,783	190,120
Energy	91,253	111,698	227,680	246,745	474,796
Manufacturing	100,825	108,584	192,705	237,093	431,056
Marine	76,780	67,287	130,203	130,879	244,430
Other	150,778	177,381	285,908	315,877	635,163
Total Group	588,355	638,407	1,186,876	1,261,582	2,470,647

Operating Segments

SEK 000	Quarter 2 2024	Quarter 2 2023	6 mth. 2024	6 mth. 2023	Full Year 2023
TOTAL GROUP					
Order intake	482,756	697,727	1,010,272	1,314,989	2,306,956
Net sales	588,355	638,407	1,186,876	1,261,582	2,470,647
Operating profit excl. depreciation	103,737	123,204	220,824	246,350	473,955
Depreciation	-43,660	-37,383	-86,253	-75,310	-152,271
Operating profit	60,077	85,821	134,571	171,040	321,684
Operating margin, %	10.2	13.4	11.3	13.6	13.0
Investments in intangible and tangible assets	57,887	46,093	106,448	81,125	173,663
<i>of which capitalized development expenditure</i>	47,398	36,795	85,645	68,454	141,936
Product development expenditure, %	13.8	11.5	13.2	10.9	11.4
Backlog			1,091,619	1,564,784	1,247,328
WESTERMO					
Order intake	294,293	496,425	604,574	852,099	1,421,647
Net sales	336,453	367,501	700,214	702,534	1,443,994
Operating profit excl. depreciation	67,048	80,498	144,803	154,853	316,930
Depreciation	-22,596	-20,023	-44,926	-39,566	-79,208
Operating profit	44,452	60,475	99,878	115,288	237,722
Operating margin, %	13.2	16.5	14.3	16.4	16.5
Investments in intangible and tangible assets	30,772	17,098	55,262	34,892	77,606
<i>of which capitalized development expenditure</i>	22,436	16,129	39,116	32,307	63,673
Product development expenditure, %	15.1	11.9	14.0	11.9	12.1
Backlog			856,107	1,154,820	935,812
BEIJER ELECTRONICS					
Order intake	189,589	202,537	408,457	467,339	891,524
Net sales	253,028	272,143	489,420	563,497	1,032,867
Operating profit excl. depreciation	48,021	56,053	97,225	116,264	198,565
Depreciation	-18,432	-15,912	-36,257	-32,117	-64,819
Operating profit	29,589	40,141	60,968	84,147	133,746
Operating margin, %	11.7	14.8	12.5	14.9	12.9
Investments in intangible and tangible assets	26,703	27,465	50,424	44,128	91,639
<i>of which capitalized development expenditure</i>	24,962	20,666	46,529	36,147	78,263
Product development expenditure, %	11.8	10.7	11.6	9.3	10.2
Backlog			235,512	409,964	311,516
PARENT COMPANY AND GROUP ADJUSTMENT					
Order intake (elimination)	-1,126	-1,236	-2,758	-4,449	-6,214
Net sales (elimination)	-1,126	-1,236	-2,758	-4,449	-6,214
Operating profit excl. depreciation	-11,333	-13,347	-21,204	-24,767	-41,540
Depreciation	-2,632	-1,449	-5,070	-3,627	-8,244
Operating profit	-13,965	-14,796	-26,275	-28,395	-49,784
Investments in intangible and tangible assets	412	1,530	762	2,104	4,418

Parent Company Income Statement in summary

SEK 000	Quarter 2 2024	Quarter 2 2023	6 mth. 2024	6 mth. 2023	Full Year 2023
Net sales	10,048	8,929	20,095	17,861	35,723
Administration expenses	-23,152	-23,185	-45,180	-45,859	-84,435
Operating profit	-13,104	-14,256	-25,085	-27,998	-48,712
Financial income/expense	-5,032	806	-6,937	-3,333	45,500*
Profit before tax	-18,136	-13,450	-32,022	-31,331	-3,212
Appropriations					112,805
Tax	3,714	5,085	5,894	7,797	-9,952
Profit for the period	-14,422	-8,365	-26,128	-23,534	99,641

* Includes dividends received from subsidiary of 66 MSEK.

Parent Company Balance Sheet in summary

SEK 000	June 30, 2024	June 30, 2023	Dec. 31, 2023
ASSETS			
Fixed assets	1,205,746	1,180,124	1,143,340
Current assets	59,436	36,059	155,746
Cash equivalents and short-term investments	66	67	66
Total assets	1,265,248	1,216,250	1,299,152
EQUITY AND LIABILITIES			
Total equity	288,073	208,862	336,163
Long-term liabilities			
Borrowings	447,635	499,949	462,631
Provisions	23,647	20,822	22,335
Liabilities to Group companies	296,054	208,906	318,897
Current liabilities			
Borrowings	190,884	249,707	131,443
Other current liabilities	18,955	28,004	27,683
Total equity and liabilities	1,265,248	1,216,250	1,299,152

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, cash flow from investing activities, excluding cash flow from acquisition of subsidiary and investment in other companies, 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

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Financial Calendar

25 October 2024 Nine-month Interim Report
31 January 2025.....Financial Statement
29 April 2025.....Three-month Interim Report
13 May 2025Annual General Meeting
15 July 2025 Six-month Interim Report
21 October 2025Nine-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