

# Ependion AB

## Financial Statement 2024

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*Investing in a secure and connected world*

## Stronger order intake and results conclude a challenging year

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### The fourth quarter

- Order intake increased to 572.3 MSEK (478.0).
- Net sales amounted to 578.2 MSEK (589.7).
- EBIT increased to 65.5 MSEK (61.5).
- EBIT margin rose to 11.3% (10.4).
- Profit after tax strengthened slightly to 34.9 MSEK (34.1).
- Earnings per share improved to 1.22 SEK (1.18).
- Free cash flow amounted to 80 MSEK (109).
- The Beijer Electronics business entity launched X3 web, the first product in the next generation of HMIs.

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### The full year

- Order intake decreased to 2,038.9 MSEK (2,307.0).
  - Net sales decreased to 2,258.1 MSEK (2,470.6).
  - EBIT amounted to 250.9 MSEK (321.7).
  - EBIT margin was 11.1% (13.0).
  - Profit after tax amounted to 157.0 MSEK (200.4).
  - Free cash flow increased to a record level of 187 MSEK (118).
  - Earnings per share was 5.45 SEK (6.93).
  - The Board proposes an increased dividend of 1.25 SEK (1.00) per share for 2024.
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## Comments from the CEO, Jenny Sjö Dahl



“After an extended period of weaker demand, Ependion’s fourth quarter of 2024 exceeded expectations, with order intake increasing by 20 percent to 572 MSEK. The increase covered both business entities and all focus segments: train, trackside, and energy for Westermo, as well

as marine applications, manufacturing industry, and solutions for demanding environments for Beijer Electronics. In particular, a strong order intake was noted from several of Westermo’s train customers. Despite the improvement during the period, our cautious approach to costs remains, combined with a focus on key forwardlooking investments. For the full year, order intake amounted to 2,039 MSEK, and the Group had an order backlog of 1,026 MSEK at the end of the year.

The improved order booking in the quarter contributed to stable sales, despite the order backlog at the beginning of the quarter being relatively weak. Ependion’s sales amounted to 578 MSEK, which was in line with the corresponding period last year and an increase of 17 percent sequentially. The business entity Westermo’s sales decreased slightly to 347 MSEK, while Beijer Electronics increased marginally to 232 MSEK. The level of market activity remained high. Westermo’s focus on establishing a presence in India, a market with significant potential within train, trackside, and energy due to ongoing investments, continued as planned. For Beijer Electronics, the completion of the next-generation HMIs has been the focus. For the full year 2024, the Group’s sales amounted to 2,258 MSEK, of which Westermo accounted for 1,317 MSEK and Beijer Electronics 946 MSEK.

Ependion’s EBIT for the fourth quarter increased to 66 MSEK, with an EBIT margin of 11.3 percent, also better than the comparison period. For Westermo, EBIT increased to 62 MSEK, with an EBIT margin of 17.7 percent, marking the highest operating margin the business entity has ever recorded for a single quarter. The profit improvement is due to a combination of gross margin improvement and

continued restraint regarding ongoing costs. Lower material costs and a series of measures to gradually streamline production have yielded results, which is encouraging. For Beijer Electronics, EBIT remained stable at 19 MSEK, with an EBIT margin of 8.3 percent. The business entity’s result and margin were weighed down by an unfavorable mix, with a higher share of low-margin products under phase-out, as well as depreciation on R&D investments aimed at renewing and improving the portfolio.

For the full year 2024, Ependion achieved an EBIT of 251 MSEK and an EBIT margin of 11.1 percent. Westermo’s EBIT amounted to 199 MSEK, with an EBIT margin of 15.1 percent, while Beijer Electronics’ EBIT was 106 MSEK, with an EBIT margin of 11.2 percent. Although the full-year result for 2024 is lower than in 2023 due to a weaker economic climate, the Group demonstrates greater stability in earnings over an economic cycle than has historically been the case. While we are of course not satisfied with the result level, we continue working relentlessly with the goal of steadily achieving our financial target of 15 percent EBIT margin for the Group.

Free cash flow amounted to 80 MSEK for the period, despite a high investment pace. For the full year, Ependion reached 187 MSEK in free cash flow. This makes 2024 the best cash flow year ever, thanks to efforts in the business entities to reduce working capital, primarily through lower inventory levels.

Ependion’s expenses for product development remained at a high level due to the significant investments in new products currently underway within the Group. For the quarter, development costs amounted to 14.7 percent of the Group’s revenue. During the quarter, both business entities made important progress towards meeting IEC62443-4 - a standard for cybersecurity requirements in industrial systems. Both Westermo and Beijer Electronics are also continuously working to strengthen the cybersecurity functionality in their offerings. Beijer Electronics is in the final stages of developing the next generation of operator panels (HMIs). The first product in the new X3 family - X3 web - was launched in the fourth quarter and will gradually be followed by additional variants throughout 2025.

“Ependion’s fourth quarter of 2024 exceeded expectations, with order intake increasing by 20 percent to 572 MSEK. The increase covered both business entities and all focus segments.”

Jenny Sjö Dahl, President and CEO

Sustainability is a driving force for investments in the green transition, benefiting Ependion, while the Group's own sustainability focus is an important argument in both sales and recruitment. Ependion has overall very low direct emissions in the so-called Scope 1 and Scope 2. Nevertheless, we are determined to contribute our part to the necessary reduction of greenhouse gas emissions, and in the fourth quarter of 2024, targets were set for the Group's own emissions. The work to prepare the Group to meet the EU sustainability reporting requirements that enter into force in 2025 is ongoing, and we have made significant progress toward compliance during the year. Our conviction that sustainability is important for Ependion, both now and in the future, remains firm, and we are pleased with the progress in this area.

As we now review 2024, I can conclude that the year has presented several challenges linked to a hesitant approach among our customers and a weaker industrial economy. It remains my assessment that, as a Group, we are well-positioned in attractive markets and that we have defended our market share during the year. The strategic initiatives and continuous improvements we drive have equipped us well for the future. In line with the Group's growth strategy, we are actively working on evaluating various acquisition opportunities.

The fourth quarter marked a shift from the hesitant pattern that characterized much of 2024. It is too early to say whether this represents a general trend reversal, as external factors continue to create uncertainty about the future development. In the medium and long-term perspective, Ependion's prospects for profitable growth are very strong, given the structural growth within our focus segments. We are cautiously optimistic about the outlook for the full year 2025."

### The Group in the fourth quarter

The Group's order intake increased by 20% to 572.3 MSEK (478.0). Both business entities saw an increase in order

intake. The Group's revenue decreased slightly to 578.2 MSEK (589.7), with Westermo's sales declining while Beijer Electronics' sales increased slightly.

The Group's EBITDA rose to 108.8 MSEK (99.5). Depreciation and amortization amounted to 44.3 million SEK (38.0). EBIT increased to 65.5 MSEK (61.5), corresponding to an EBIT margin of 11.3% (10.4). EBIT was negatively impacted by total currency effects of -4.4 MSEK. Total development expenditure amounted to 85.2 MSEK (80), equivalent to 14.7% (13.7) of the Group's sales. Net financial items were -13.8 MSEK (-14.1). Profit before tax amounted to 51.7 MSEK (47.4). Profit after estimated tax was 34.9 MSEK (34.1). Earnings per share after estimated tax were 1.22 SEK (1.18).

### The Group full year

The Group's order intake decreased to 2,038.9 MSEK (2,307.0) for the full year. Adjusted for currency effects, order intake decreased by 11%. The Group's revenue decreased by 9% to 2,258.1 MSEK (2,470.7). Adjusted for currency effects and acquisitions, revenue decreased by 8%. Sales decreased by 9% for Westermo and by 8% for Beijer Electronics.

The Group's EBITDA decreased by 10% to 427.5 MSEK (474.0). Depreciations and amortization amounted to 176.6 MSEK (152.3). EBIT fell to 250.9 MSEK (321.7), corresponding to an EBIT margin of 11.1% (13.0). Total development expenditure amounted to 313.4 MSEK (282.8), corresponding to 13.9% (11.4) of the Group's revenue. Net financial items were -44.5 MSEK (-46.4). Profit before tax amounted to 206.4 MSEK (275.3). Profit after estimated tax amounted to 157.0 MSEK (200.4). Earnings per share after estimated tax were 5.45 SEK (6.93).

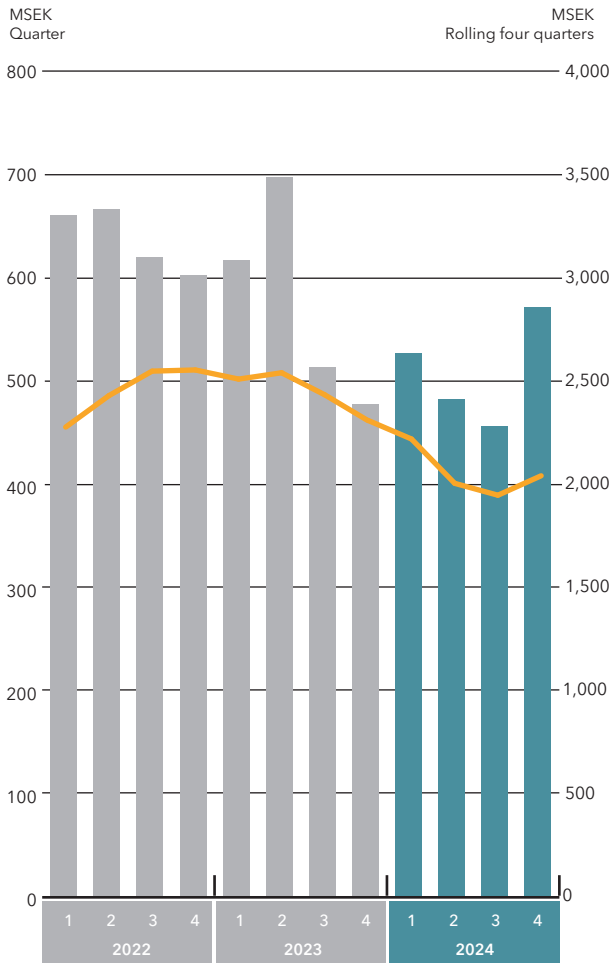
### Dividend

The Board proposes an increased dividend of 1.25 SEK (1.00) per share for the fiscal year 2024.

## Business entity net sales and EBIT

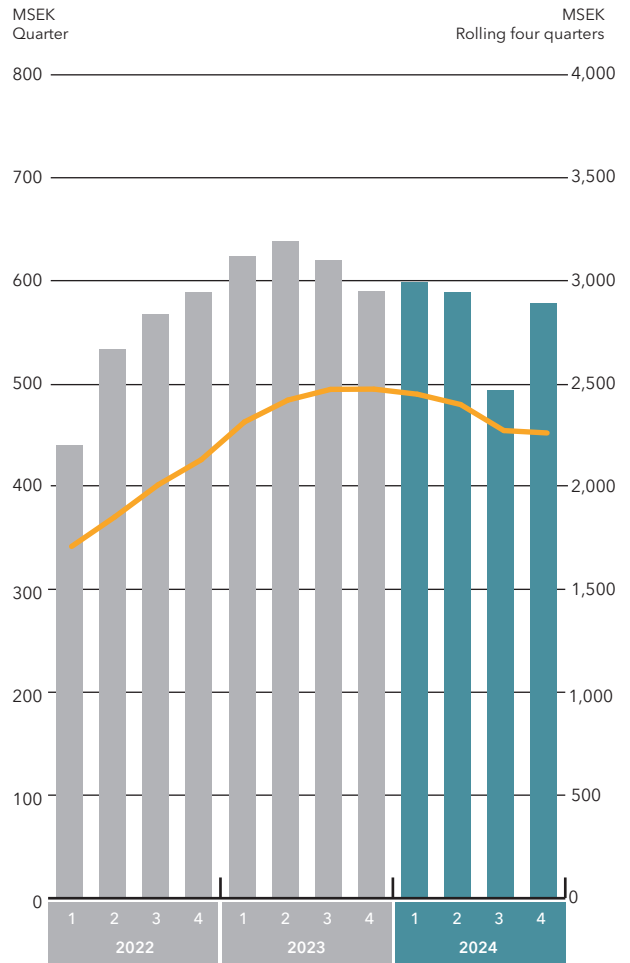
	Sales, MSEK		EBIT, MSEK		EBIT margin, %		Sales, MSEK		EBIT, MSEK		EBIT margin, %	
	Quarter 4						Full year					
	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023
Westermo	347.2	361.9	61.6	55.7	17.7	15.4	1,316.6	1,444.0	198.9	237.7	15.1	16.5
Beijer Electronics	232.3	228.3	19.2	18.9	8.3	8.3	946.3	1,032.9	106.0	133.7	11.2	12.9
Intra-group sales	-1.3	-0.5					-4.8	-6.3				
Group adjustments and parent company			-15.3	-13.1					-54.0	-49.7		
<b>Ependion Group</b>	<b>578.2</b>	<b>589.7</b>	<b>65.5</b>	<b>61.5</b>	<b>11.3</b>	<b>10.4</b>	<b>2,258.1</b>	<b>2,470.6</b>	<b>250.9</b>	<b>321.7</b>	<b>11.1</b>	<b>13.0</b>

### 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

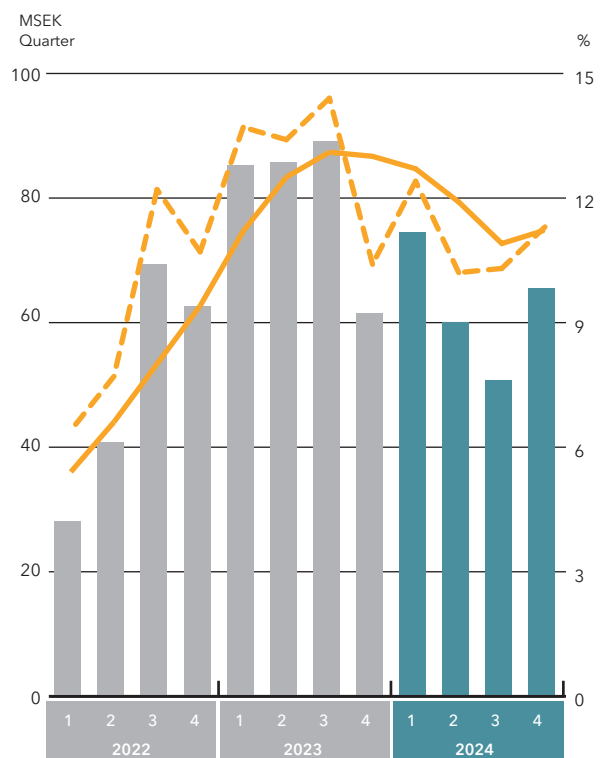


The bars and left-hand scale indicate quarterly net sales. The curve and right-hand scale show rolling four quarter net sales.

“Despite a challenging year in terms of the economic climate and volumes, both of our business entities have successfully mitigated the downturn while simultaneously continuing with offensive and future-oriented activities that strengthen the Group’s prospects for profitable growth.”

Jenny Sjödah, 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 concluded the year with a quarter in which both order intake and results strengthened. For the fourth quarter of 2024, order intake increased by 28 percent to 354.6 MSEK, driven by higher demand across all focus segments. For the important train segment, order intake doubled compared to the lower activity levels that characterized the third quarter of the year, driven by several of the entity's key customers. For the full year of 2024, order intake amounted to 1,236.8 MSEK, and the order backlog stood at 882.5 MSEK at the end of the year.

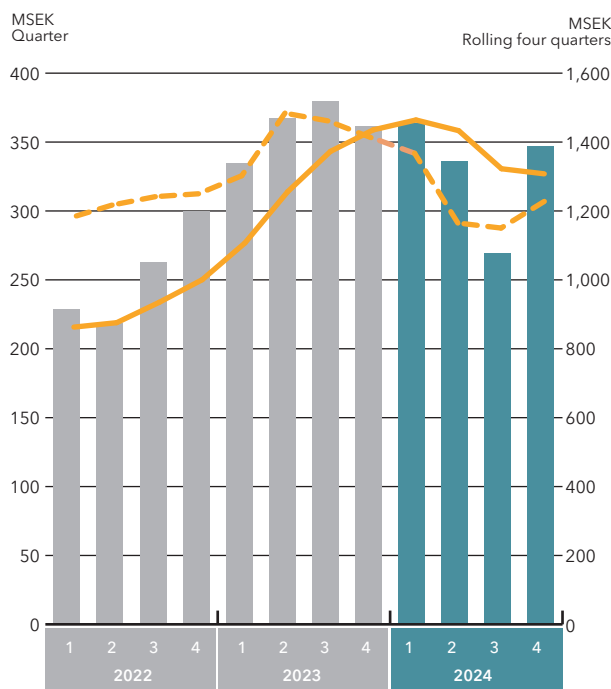
During the quarter, the intensive work on establishing operations in India continued, with an office and production facilities set to officially open with customers in early March 2025. Production and testing equipment have been installed, and by the end of the year, 8 people were employed in the Indian operations. The establishment contributed to Westermo securing its first order for Indian Rail in 2024, in collaboration with Siemens Mobility. Customer outreach is now largely carried out with local resources, supported by central teams.

Sales decreased slightly compared to the strong comparative period, landing at 347.2 MSEK for the fourth quarter of 2024, which represented a significant increase compared to the third quarter of 2024. The train segment was again a key driver. For the full year of 2024, sales amounted to 1,316.6 MSEK, a decline compared to 2023, due to a more hesitant approach from customers.

Westermo's EBIT increased to 61.6 MSEK, and the EBIT margin reached a record level of 17.7 percent, reflecting a significantly improved gross margin and extensive measures to strengthen operational efficiency. Since the component crisis, the business entity has systematically worked to strengthen the supply chain and increase internal efficiency, efforts that, in combination with good cost control and relatively high invoicing, had a significant effect. During the period, Westermo relocated production from Bubikon, Switzerland, to the Swedish production facility as part of further streamlining the production system.

During the quarter, Westermo launched new versions of its own operating system, WeOS, which enables enhanced cybersecurity and improves support for mission-critical applications across all focus segments. The business entity also added new products within the RedFox family, focusing on the energy segment. The collaboration with the jointly owned Blu Wireless continued, focusing on solutions that radically improve connectivity onboard trains: during the period, the wireless technology received positive feedback from Blu Wireless customer Caltrain and its passengers in California.

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.

“For Westermo, the EBIT margin increased to 17.7 percent, which is the highest EBIT margin the business entity has ever recorded for a single quarter.”

Jenny Sjö Dahl, President and CEO

**Fourth quarter**

The order intake increased by 28% to 354.6 MSEK (277.4). Revenue decreased by 4% to 347.2 MSEK (361.9). EBITDA increased to 83.1 MSEK (74.9). Depreciation and amortization amounted to 21.5 MSEK (19.2). EBIT rose by 11% to 61.6 MSEK (55.7). This corresponded to an EBIT margin of 17.7% (15.4).

**Full year**

Order intake decreased by 13% to 1,236.8 MSEK (1,421.6). Revenue decreased to 1,316.6 MSEK (1,444.0). EBITDA decreased to 288.7 (316.9). Depreciation and amortization amounted to 89.9 MSEK (79.2). EBIT decreased to 198.9 MSEK (237.7). This corresponded to an EBIT margin of 15.1% (16.5).

# Beijer Electronics

## Business entity

Beijer Electronics increased both order intake, sales, and earnings in the fourth quarter. The business entity's order intake grew by 9 percent to 219.0 MSEK for the period; compared to the previous quarter, the increase was 22 percent. The growth encompassed all focus segments, including the manufacturing industry, where demand had been weak for most of 2024. During the period, the business entity signed an agreement with Festo, a leading global player in industrial automation. The collaboration involves the software WebIQ, which will be integrated into Festo's products for machine and process control. For the full year, Beijer Electronics' order intake declined to 806.9 MSEK. The order backlog amounted to 143.2 MSEK at the end of the year.

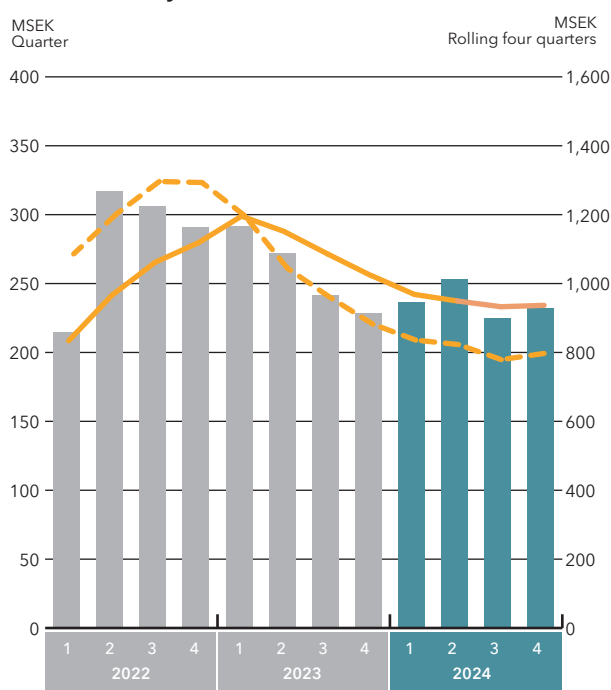
The business entity's sales increased to 232.3 MSEK for the period. The marine segment showed the strongest development, growing by 37 percent compared to the same period in 2023. Demand is primarily driven by investments aimed at reducing carbon emissions. The International Maritime Organization's (IMO) net-zero emissions target for shipping by 2050 is contributing to high activity, which is expected to remain in the foreseeable future as the climate adaptation of the global fleet will take place gradually. For the full year, the business entity's sales amounted to 946.3 MSEK.

In line with Beijer Electronics' new, more focused strategy, the phase-out of low-margin products is underway. The business entity had previously announced the discontinuation of the Display Solutions business in Asia. Additionally, the business entity has decided to phase out further low-margin products, which accounted for 70 MSEK in sales in 2024 and are estimated to amount to approximately 20 MSEK in 2025. As the phase-out progresses, costs are being continuously adjusted, and the gross margin is expected to improve.

Beijer Electronics' EBIT increased marginally to 19.2 MSEK, with an EBIT margin of 8.3 percent. The result was negatively impacted by higher depreciation on capitalized development costs and an unfavorable delivery mix. For the full year 2024, the business entity's EBIT reached 106.0 MSEK, with an EBIT margin of 11.2 percent.

During 2024, Beijer Electronics has made significant investments in the completion of the next generation of operator panels (HMIs). Throughout the year, Beijer Electronics showcased the new X3-family at 25 different trade fairs, and in December, X3 web was launched on the market. The plan is to gradually roll out the complete X3-family throughout 2025. During the period, WebIQ underwent a major update, and the added features now meet, among other things, the requirements of machine builders supplying the pharmaceutical industry.

**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 increased by 9% to 219.0 MSEK (201.1). Revenue grew by 2% to 232.3 MSEK (228.3). EBITDA increased to 39.7 MSEK (35.4). Depreciation and amortization amounted to 20.5 MSEK (16.5). EBIT amounted to 19.2 MSEK (18.9), corresponding to an EBIT margin of 8.3% (8.3).

**Full year**

Order intake decreased by 9% to 806.9 MSEK (891.5). Revenue declined by 8% to 946.3 MSEK (1,032.9). EBITDA amounted to 182.9 MSEK (198.6). Depreciation and amortization amounted to 76.9 MSEK (64.8). EBIT reached 106.0 MSEK (133.7), corresponding to an EBIT margin of 11.2% (12.9).

“Beijer Electronics’ sales increased to 232.3 MSEK. The strongest-performing area is the marine segment, where demand is primarily driven by investments to reduce climate impact.”

Jenny Sjö Dahl, President and CEO



# Other financial information

Group investments, including capitalized development expenses and acquisitions, amounted to 275.6 MSEK (232.2) for the whole year of 2024, which includes the acquisition of a minority stake in Blu Wireless. During the corresponding period last year, Smart HMI was acquired. Cash flow from current activities was 459.5 MSEK (334.6). Equity amounted to 1,332 MSEK (1,159) as of December 31, 2024. The equity ratio was 48.3% (45.2). Cash and cash equivalents amounted to 178 MSEK (142). Net debt was 682 MSEK (713). The average number of employees was 861 (869).

## LTI program

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 0.33 SEK. The issue was directed to a financial institution and was immediately repurchased by the company. The repurchased class C-shares are intended, upon delivery to the participants in 2026, to be converted into ordinary shares, 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 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 linked to LTI 2021/2024.

After completed repurchase 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.

In accordance with the 2024 Annual General Meeting, a share-based incentive program, LTI 2024/2027, has been implemented. The estimated outcome indicates that the parent company, in line with the approved program, intends to issue approximately 53,000 class C-shares during the first half of 2025.

## Significant events

At the Annual General Meeting on May 14, it was decided to elect Peter Nilsson as a new Board member and Chair of the Board, as well as to appoint the registered auditing firm KPMG AB as the company's auditor until the end of the Annual General Meeting in 2025.

In June, the legal entity Westermo India Private Limited was established as part of the entry into the Indian market.

In September, the financing with Danske Bank and Swedish Export Credit was extended under the same terms as before.

In December, the shares in the partially owned subsidiary Jen Hsiang Electronics Co Ltd., a small production unit in Taiwan, were divested. The transaction had a minimal impact on the Group's financial position and results.

## Financial targets

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 10 percent. Acquired growth is added. The profitability target means that the Group must reach an EBIT margin of at least 15 percent. The Group must be a distributing company.

## Outlook for 2025

EPENDION operates in attractive markets with strong underlying growth and has favorable conditions to achieve both growth and profitability targets in the mid-term. Investments in critical infrastructure such as rail, maritime transport, and energy are increasing. In the near term, significant uncertainty remains regarding both geopolitical and economic developments, but we are carefully optimistic about the outlook for the full year 2025.

Malmö on 31 January 2025  
Jenny Sjö Dahl  
President and CEO

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The information in this report has not been subject to review by the company's auditors.

# The Group's Financial Reports

## Consolidated Income Statement in summary

SEK 000	Quarter 4 2024	Quarter 4 2023	Full year 2024	Full year 2023
Net sales	578,217	589,731	2,258,125	2,470,647
Cost of goods sold	-283,038	-300,581	-1,110,418	-1,247,715
<b>Gross profit</b>	<b>295,179</b>	<b>289,150</b>	<b>1,147,707</b>	<b>1,222,932</b>
Sales expenses	-90,745	-86,457	-341,299	-341,063
Administration expenses	-87,942	-79,806	-341,181	-342,461
Research and development expenses	-52,416	-56,672	-219,514	-213,366
Other operating revenue and operating expenses	1,426	-4,741	5,194	-4,358
<b>Operating profit</b>	<b>65,502</b>	<b>61,474</b>	<b>250,907</b>	<b>321,684</b>
Financial income/expense	-13,832	-14,115	-44,465	-46,389
<b>Profit before tax</b>	<b>51,670</b>	<b>47,359</b>	<b>206,442</b>	<b>275,295</b>
Tax	-16,803	-13,214	-49,439	-74,918
<b>Profit for the period</b>	<b>34,867</b>	<b>34,145</b>	<b>157,003</b>	<b>200,377</b>
<i>Attributable to equity holders of the parent</i>	35,334	34,058	158,009	200,508
<i>Attributable to non-controlling interests</i>	-467	87	-1,006	-131
<i>Basic earnings per share, SEK</i>	1.22	1.18	5.45	6.93

## Statement of Comprehensive Income

SEK 000	Quarter 4 2024	Quarter 4 2023	Full year 2024	Full year 2023
<b>Profit for the period</b>	<b>34,867</b>	<b>34,145</b>	<b>157,003</b>	<b>200,377</b>
Actuarial gains and losses	13,916	-6,830	-17,230	7,010
Net investment hedge effects	-3,851	7,698	-7,740	-1,366
Change in fair value of equity instruments	856		-3,015	
Translation differences	47,947	-55,942	61,972	-30,864
<b>Comprehensive income for the period</b>	<b>93,735</b>	<b>-20,929</b>	<b>190,990</b>	<b>175,157</b>
<i>Attributable to equity holders of the parent</i>	94,126	-20,888	191,996	175,418
<i>Attributable to non-controlling interests</i>	-391	-41	-1,006	-261

## Consolidated Balance Sheet in summary

SEK 000	Dec 31, 2024	Dec 31, 2023
<b>ASSETS</b>		
<b>Fixed assets</b>		
Intangible assets	1,374,111	1,257,203
Property, plant and equipment	105,150	85,797
Right-of-use assets	144,502	99,119
Financial fixed assets	107,667	41,695
<b>Total fixed assets</b>	<b>1,731,430</b>	<b>1,483,814</b>
<b>Current assets</b>		
Inventories	396,301	486,628
Accounts receivable	381,599	407,004
Other receivables	69,348	52,478
Cash and cash equivalents	178,053	142,486
<b>Total current assets</b>	<b>1,025,301</b>	<b>1,088,596</b>
<b>Total assets</b>	<b>2,756,731</b>	<b>2,572,410</b>
<b>EQUITY AND LIABILITIES</b>		
Equity attributable to equity holders of the parent	1,331,895	1,159,082
Equity attributable to non-controlling interests		4,611
<b>Total equity</b>	<b>1,331,895</b>	<b>1,163,693</b>
<b>Long-term liabilities</b>		
Borrowings	430,476	462,631
Lease liabilities	97,497	59,766
Other long-term liabilities	195,663	167,354
Deferred tax liabilities	106,902	88,830
<b>Total long-term liabilities</b>	<b>830,538</b>	<b>778,581</b>
<b>Current liabilities</b>		
Borrowings	126,697	167,668
Lease liabilities	48,212	39,319
Accounts payable	154,411	194,650
Other liabilities	264,978	228,499
<b>Total current liabilities</b>	<b>594,298</b>	<b>630,136</b>
<b>Total equity and liabilities</b>	<b>2,756,731</b>	<b>2,572,410</b>

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

SEK 000	Dec 31, 2024	Dec 31, 2023
<i>Attributable to equity holders of the parent</i>		
Opening balance, 1 January	1,159,082	989,241
Paid-up capital after deducting for transaction expenses	-276	-69
Re-purchase of treasury shares	-34	-63
Sale of treasury shares	3,089	3,108
Dividend	-28,941	-14,419
Share-based payment	6,979	5,866
Comprehensive income	191,996	175,418
<b>Closing balance, shareholders' equity</b>	<b>1,331,895</b>	<b>1,159,082</b>
<i>Attributable to non-controlling interests</i>		
Opening balance, 1 January	4,611	4,872
Divestment of a jointly owned subsidiary	-3,605	
Comprehensive income	-1,006	-261
<b>Closing balance, shareholders' equity</b>	<b>0</b>	<b>4,611</b>

The number of ordinary shares amounts to 29,050,025 and the number of class C-shares amounts to 294,189. Dividend amounts to SEK 1 per ordinary share (28,941,216 at the time of the dividend).

## Consolidated Cash Flow Statement in summary

SEK 000	Quarter 4 2024	Quarter 4 2023	Full year 2024	Full year 2023
Cash flow from operating activities before changes in working capital	108,091	104,204	379,966	428,751
Changes in working capital	49,300	66,190	79,540	-94,133
<b>Cash flow from operating activities</b>	<b>157,391</b>	<b>170,394</b>	<b>459,506</b>	<b>334,618</b>
Cash flow from investments in tangible and intangible assets	-65,149	-49,891	-224,217	-173,663
Cash flow from acquisition of subsidiary and investment in other companies			-49,565	-58,560
Cash flow from divestment of subsidiary	-2,550		-2,550	
Cash flow from other investing activities	-364	-448	715	22
<b>Cash flow from investing activities</b>	<b>-68,063</b>	<b>-50,339</b>	<b>-275,617</b>	<b>-232,201</b>
Cash flow from interest-bearing liabilities*	-87,376	-113,614	-133,700	-99,945
Dividend paid			-28,941	-14,419
Cash flow from other financing activities			2,778	2,976
<b>Cash flow from financing activities</b>	<b>-87,376</b>	<b>-113,614</b>	<b>-159,863</b>	<b>-111,387</b>
<b>Cash flow for the period</b>	<b>1,952</b>	<b>6,441</b>	<b>24,026</b>	<b>-8,971</b>
Cash and cash equivalents at beginning of year	164,281	146,526	142,486	159,864
Exchange difference in cash and cash equivalents	11,820	-10,481	11,541	-8,407
<b>Cash and cash equivalents at end of year</b>	<b>178,053</b>	<b>142,486</b>	<b>178,053</b>	<b>142,486</b>
<b>Free cash flow</b>	<b>79,979</b>	<b>109,110</b>	<b>187,372</b>	<b>117,573</b>
<i>*of which amortization of lease liabilities</i>	<i>-11,899</i>	<i>-10,945</i>	<i>-48,632</i>	<i>-43,404</i>

# Notes to the financial statements in summary

## Note 1

### General information

Ependion AB (the "Company"), Corp. Id. No. 556025-1851, is a company with its registered office in Malmö, Sweden. This consolidated interim report for the Group (the "Interim Report") for the period January–December 2024 includes the Company and its subsidiaries, referred to jointly below as Ependion. The Group's consolidated accounting currency is SEK. All amounts are presented in thousands of SEK (SEK 000), unless otherwise stated.

## Note 2

### Accounting principles

Ependion's consolidated accounts are prepared in accordance with IFRS® Accounting Standards and with the same accounting principles as described in the Financial Statement for 2023.

In May 2024, Ependion acquired a minority stake in the unlisted British company Blu Wireless Technology Ltd. The shares are measured at fair value in the balance sheet and the Group has chosen to present changes in fair value in other comprehensive income (OCI).

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. Disclosures in accordance with IAS 34.16A are provided not only in the financial statements and related notes but also in other parts of the Interim Report. 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.

Ependion uses a number of financial key ratios that are not defined in the accounting regulations used by the company, so-called alternative performance measures (APM). For definitions of financial key figures, see page 18 of this report.

## Note 3

### Risks and uncertainties

Ependion is an international group and as such, it is exposed to several strategic, 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.

Risk management within Ependion starts with an assessment in the business entity teams where the material risks to the business are continuously identified, followed by an assessment of the likelihood of the risks materializing and their potential impact on the Group. Once the material risks have been identified and assessed, decisions are made on activities to eliminate or reduce the risks.

In addition to the risks and uncertainties described in Ependion's Annual Report for 2023, pages 51-52 and 91, the ongoing risk management has not resulted in additional risks or uncertainties.

## Note 4

### Consolidated Key Financial Ratios

SEK 000	Dec 31, 2024	Dec 31, 2023
Operating margin, %	11.1	13.0
Profit margin, %	7.0	8.1
Equity ratio, %	48.3	45.2
Equity per share, SEK	45.8	40.0
Basic earnings per share, SEK	5.45	6.93
Diluted earnings per share, SEK	5.38	6.86
Return on equity after tax, %	12.6	18.6
Return on capital employed, %	12.1	16.6
Return on net operating assets, %	16.2	23.1
Financial net debt in relation to EBITDA	1.2	1.2
Average number of employees	861	869

## Note 5

### Reconciliation of Consolidated Net Debt

SEK 000	Dec 31, 2024	Dec 31, 2023
Borrowings	557,174	630,299
Pension provisions	156,974	125,777
Liabilities attributable to right-of-use assets	145,708	99,085
<b>Total interest-bearing liabilities</b>	<b>859,856</b>	<b>855,161</b>
<b>Total cash and cash equivalents</b>	<b>178,053</b>	<b>142,486</b>
<b>Net debt</b>	<b>681,803</b>	<b>712,675</b>

## Note 6

### Financial assets valued at fair value

The Group's financial assets, in the form of long-term securities holdings for unlisted shares, are reported at fair value under level 3, i.e., determined based on inputs that are not observable in the market.

The fair value valuation is done by discounting future cash flows with a discount rate based on comparable

yield requirements for comparable companies and financial instruments. The table below presents a reconciliation between the opening and closing balance of the assets included in level 3.

SEK 000	Dec 31, 2024	Dec 31, 2023
Opening balance		
Investments	49,380	
Reported in other comprehensive income	-3,015	
<b>Closing balance</b>	<b>46,365</b>	

## Note 7

### Allocation of Net Sales

SEK 000	Quarter 4 2024	Quarter 4 2023	Full year 2024	Full year 2023
<b>Net sales by geographical market</b>				
Nordics	99,164	105,146	416,245	477,834
Rest of Europe	270,876	259,099	1,077,199	1,096,413
Americas	85,632	79,857	313,480	376,724
Asia	122,358	141,223	446,676	511,223
Rest of world	187	4,406	4,525	8,453
<b>Total Group</b>	<b>578,217</b>	<b>589,731</b>	<b>2,258,125</b>	<b>2,470,647</b>
<b>Net sales by category</b>				
Operator panels and accessories	186,398	172,885	746,690	795,251
Network equipment	310,924	327,017	1,192,667	1,284,113
Software	11,124	8,072	35,699	27,294
Servicing and other services	14,470	14,729	57,865	61,365
Third-party products	55,301	67,028	225,204	302,624
<b>Total Group</b>	<b>578,217</b>	<b>589,731</b>	<b>2,258,125</b>	<b>2,470,647</b>
<b>Net sales by segment</b>				
Train	106,524	125,060	449,428	506,889
Trackside	59,650	53,532	190,019	190,120
Energy	131,598	115,014	447,510	474,796
Manufacturing	97,503	92,944	370,525	431,056
Marine	70,006	52,750	275,136	244,430
Other	112,936	150,431	525,507	623,356
<b>Total Group</b>	<b>578,217</b>	<b>589,731</b>	<b>2,258,125</b>	<b>2,470,647</b>

## Note 8

### Operating Segments

SEK 000	Quarter 4 2024	Quarter 4 2023	Full year 2024	Full year 2023
<b>TOTAL GROUP</b>				
Order intake	572,268	478,022	2,038,885	2,306,956
Net sales	578,217	589,731	2,258,125	2,470,647
Operating profit excl. depreciation	109,792	99,462	427,473	473,955
Depreciation	-44,290	-37,988	-176,565	-152,271
Operating profit	65,502	61,474	250,907	321,684
Operating margin, %	11.3	10.4	11.1	13.0
Investments in intangible and tangible assets	65,149	49,891	224,217	173,663
<i>of which capitalized development expenditure</i>	54,930	43,432	183,656	141,936
Product development expenditure, %	14.7	13.7	13.9	11.4
Backlog*			1,025,728	1,247,328
<b>WESTERMO</b>				
Order intake	354,587	277,373	1,236,784	1,421,647
Net sales	347,219	361,919	1,316,635	1,443,994
Operating profit excl. depreciation	83,106	74,894	288,734	316,930
Depreciation	-21,514	-19,168	-89,860	-79,208
Operating profit	61,592	55,726	198,874	237,722
Operating margin, %	17.7	15.4	15.1	16.5
Investments in intangible and tangible assets	27,589	23,038	108,200	77,606
<i>of which capitalized development expenditure</i>	22,988	20,120	82,944	63,673
Product development expenditure, %	13.5	14.0	14.3	12.1
Backlog			882,495	935,812
<b>BEIJER ELECTRONICS</b>				
Order intake	218,968	201,099	806,931	891,524
Net sales	232,285	228,261	946,320	1,032,867
Operating profit excl. depreciation	39,742	35,432	182,861	198,565
Depreciation	-20,494	-16,510	-76,850	-64,819
Operating profit	19,248	18,923	106,010	133,746
Operating margin, %	8.3	8.3	11.2	12.9
Investments in intangible and tangible assets	35,036	25,421	112,731	91,639
<i>of which capitalized development expenditure</i>	31,942	23,312	100,712	78,263
Product development expenditure, %	16.2	13.0	12.9	10.2
Backlog*			143,233	311,516
<b>PARENT COMPANY AND GROUP ADJUSTMENT</b>				
Order intake (elimination)	-1,287	-449	-4,830	-6,214
Net sales (elimination)	-1,287	-449	-4,830	-6,214
Operating profit excl. depreciation	-13,056	-10,864	-44,122	-41,540
Depreciation	-2,282	-2,310	-9,855	-8,244
Operating profit	-15,338	-13,175	-53,977	-49,784
Investments in intangible and tangible assets	2,524	1,432	3,286	4,418

\*Closing backlog 2024 for Beijer Electronics has been adjusted down with 36 MSEK regarding some uncertain orders in Asia placed 2023 and before.



# Parent Company Financial Reports

## Parent Company Income Statement in summary

SEK 000	Quarter 4 2024	Quarter 4 2023	Full year 2024	Full year 2023
<b>Income Statement</b>				
Net sales	10,047	8,931	40,189	35,723
Administration expenses	-25,531	-21,149	-92,637	-84,435
<b>Operating profit</b>	<b>-15,484</b>	<b>-12,218</b>	<b>-52,448</b>	<b>-48,712</b>
Financial income/expense*	27,772	-10,321	37,166	45,500
<b>Profit before tax</b>	<b>12,288</b>	<b>-22,539</b>	<b>-15,282</b>	<b>-3,212</b>
Appropriations	54,931	112,805	54,931	112,805
Tax	-10,487	-19,797	-2,008	-9,952
<b>Profit for the period</b>	<b>56,732</b>	<b>70,469</b>	<b>37,641</b>	<b>99,641</b>

\*Quarter 4 includes dividends received from subsidiary of 27 MSEK (0 MSEK). Full year includes dividends received from subsidiary of 47 MSEK (66 MSEK).

## Parent Company Balance Sheet in summary

SEK 000	Sept 30, 2024	Sept 30, 2023
<b>ASSETS</b>		
<b>Fixed assets</b>		
Intangible and tangible assets	9,765	8,268
Other financial assets	1,205,978	1,135,072
<b>Total fixed assets</b>	<b>1,215,743</b>	<b>1,143,340</b>
<b>Current assets</b>		
Receivables from group companies	113,375	144,455
Other receivables	20,771	11,291
Cash and cash equivalents	66	66
<b>Total current assets</b>	<b>134,212</b>	<b>155,812</b>
<b>Total assets</b>	<b>1,349,955</b>	<b>1,299,152</b>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity</b>		
Restricted equity	16,007	17,500
Non-restricted equity	339,659	318,663
<b>Total equity</b>	<b>355,666</b>	<b>336,163</b>
<b>Current liabilities</b>		
Liabilities to credit institutions	430,476	462,631
Provisions	23,647	22,335
Liabilities to Group companies	409,674	318,897
<b>Total long-term liabilities</b>	<b>863,797</b>	<b>803,863</b>
<b>Current liabilities</b>		
Liabilities to credit institutions	92,861	131,443
Other liabilities	37,631	27,683
<b>Total current liabilities</b>	<b>130,492</b>	<b>159,126</b>
<b>Total equity and liabilities</b>	<b>1,349,955</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 weighed number of shares at year-end.

Earnings per share after dilution is calculated by adjusting the average number of shares with the estimated number of shares from the share programs. The share programs are included in the calculation of dilution from the end of each program.

## **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 adjusted for restructuring costs and acquired EBITDA.

## **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**

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 total sales of some 2.3 billion SEK in 2024 and about 1,000 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**

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



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