



Q4 2023

Subdued demand ends record year



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# AGENDA

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➤ Business Update

Jenny Sjödahl

➤ Financial Performance

Joakim Laurén

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Jenny Sjödahl

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## Business Update for the quarter

- ✓ As expected, a fourth quarter in line with last year with regards to sales and earnings.
- ✓ The more mixed pattern in our business that was seen last quarter remains and the order bookings came in on a lower level compared to last year. Significantly affected by adjustments to the larger Train backlog received during Q2 in Westermo but also generally weaker demand in other segments. For Beijer Electronics we see similar markets conditions as last quarters.
- ✓ Sales growth in Westermo with good delivery pace in all segments while Beijer Electronics decreased as an effect of the lower order bookings the last quarters. EBIT overall came in at 10.4%, similar to last year.
- ✓ Strong cash flow in the quarter of +109 MSEK.
- ✓ We sum up 2023 as a new record year for Ependion.
- ✓ The Board proposes a dividend of 1.00 SEK per share (0.50).

# Business Update for the business entities

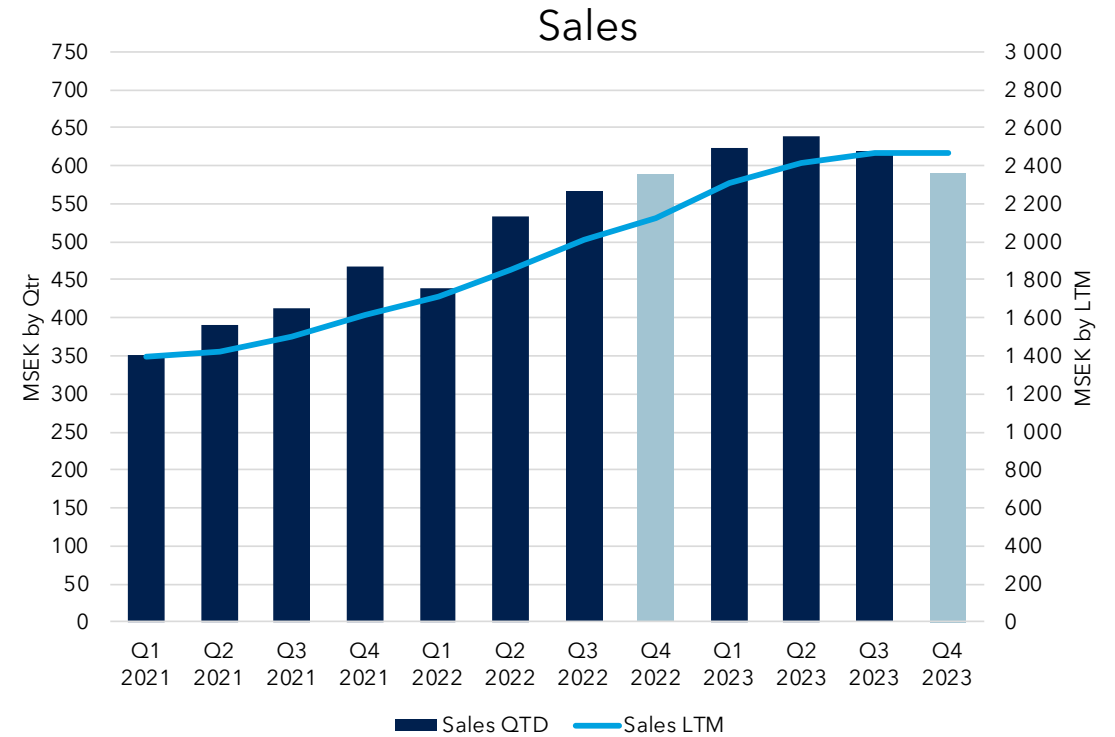
## Westermo

The quarter offered a two-sided picture with continued good delivery pace while the orders came in lower than last year. We experienced some adjustments to the large order backlog booked in Q2 for a large Train customer in combination with a generally weaker demand in other segments. Good sales and profit growth concludes a record year for Westermo. High activity level including Supply Chain capacity ramp-up for the future and decision taken to establish presence in India for sales and assembly.

## Beijer Electronics

More of the same with regards to orders in the quarter where EMEA is stable while APAC remains weak and Americas somewhat slow. Sales is affected by the lower order bookings the last quarters and came in lower than last year impacting the profitability. Cost restructuring program finalised with full effect as from 2024. Strategy work completed during the quarter and up for decision in the first quarter this year. High activity level within R&D with full focus on the new generation of HMIs. New production unit in Sweden is completed and will begin series production in the first quarter 2024.

# Ependion



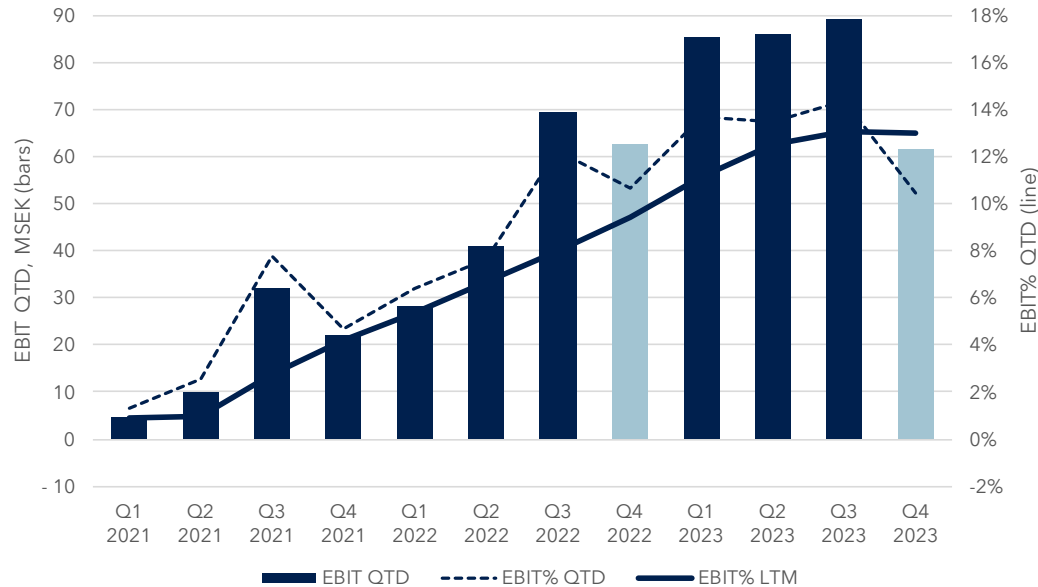
- ✓ Orders at 478 MSEK or at -21% vs. last year.
- ✓ Sales at 590 MSEK or at same level as last year.
- ✓ No translation-FX effect on volumes in the quarter comparisons vs last year.
- ✓ Backlog still at decent 1.2 billion SEK (1.5).



# Ependion

MSEK	Q4 2023	Q4 2022	%	YTD 2023	YTD 2022	%	FY 2022
Order intake	478.0	602.8	-21%	2,307.0	2,552.0	-10%	2,552.0
Sales	589.7	588.6	0%	2,470.6	2,128.4	16%	2,128.4
EBIT	61.5	62.7	-2%	321.7	201.1	60%	201.1
EBIT%	10.4%	10.7%		13.0%	9.4%		9.4%

EBIT and EBIT% QTD & LTM



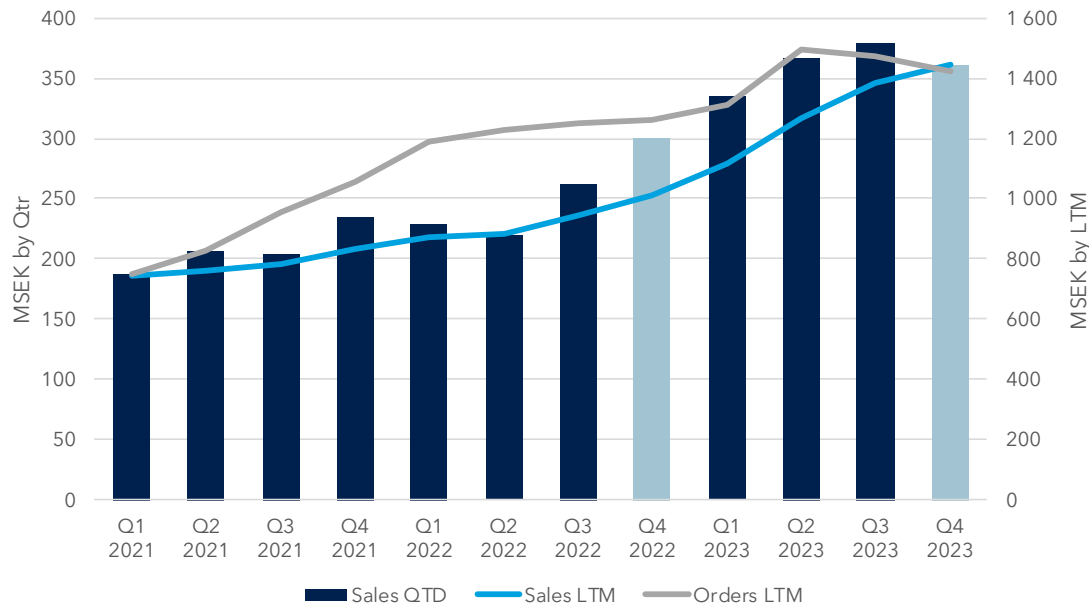
## Comments to Q4

- ✓ Earnings at similar level with an EBIT at +61 MSEK or 10.4%.
- ✓ Minor negative total FX-impact to EBIT with total -0.3 MSEK in the quarter.
- ✓ Strong positive free cash flow of +109 MSEK driven by lower working capital.
- ✓ Financial net cost increase to -14 MSEK (-7) due to the general higher market interest levels.
- ✓ Net income at 34 MSEK (51).
- ✓ EPS ended at 1.18 SEK (1.77).
- ✓ Full year 2023 with sales at 2.5 billion SEK and an EBIT at record 322 MSEK or 13.0%.

# Westermo

MSEK	Q4 2023	Q4 2022	%	YTD 2023	YTD 2022	%	FY 2022
Order intake	277.4	325.9	-15%	1,421.6	1,258.9	13%	1,258.9
Sales	361.9	299.6	21%	1,444.0	1,009.8	43%	1,009.8
EBIT	55.7	36.9	51%	237.7	104.7	127%	104.7
EBIT%	15.4%	12.3%		16.5%	10.4%		10.4%

## Sales & Orders



## Comments to Q4

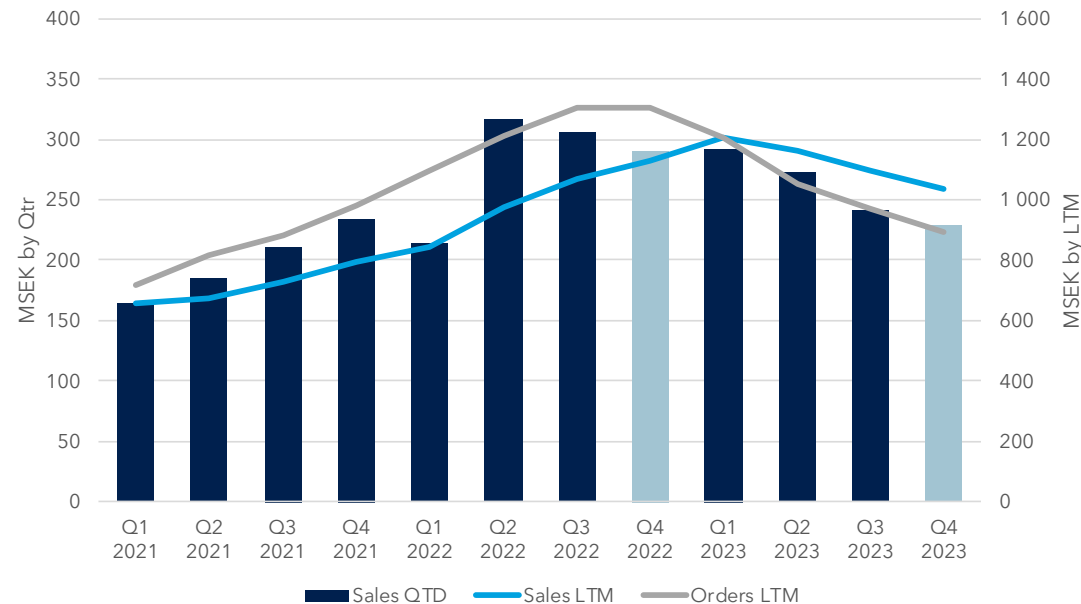
- ✓ Lower orders due to adjustments to large Train backlog and weaker demand in other segments. Still, good growth at +13% for the full year.
- ✓ Sales now in balance with demand and normal lead-times, no delays remaining. Good growth and decent profitability in the quarter.
- ✓ Continued high R&D activities providing for a wider offering to the focus segments including Service.
- ✓ Decision on India establishment for sales and assembly. Initial investment of approx. 10 MSEK and involves around 10 employees.
- ✓ New sales entity in Denmark.
- ✓ Record FY 2023 at an EBIT of 16.5%.



# Beijer Electronics

MSEK	Q4 2023	Q4 2022	%	YTD 2023	YTD 2022	%	FY 2022
Order intake	201.1	278.6	-28%	891.5	1,302.1	-32%	1,302.1
Sales	228.3	290.6	-21%	1,032.9	1,127.6	-8%	1,127.6
EBIT	18.9	40.3	-53%	133.7	145.1	-8%	145.1
EBIT%	8.3%	13.9%		12.9%	12.9%		12.9%

## Sales & Orders



## Comments to Q4

- ✓ Continued overall order booking levels as seen the last quarters. EMEA stable but weak in APAC and slow towards the end of the year in Americas. The pattern of shorter order horizons by customers remain.
- ✓ Sales at low levels affected by the order pace the last quarters.
- ✓ Low profitability in the quarter affected mainly by unfavourable mix. Cost restructuring program completed and full effect expected as from 2024 with reduced cost of 20 MSEK.
- ✓ High activity within R&D of new HMI generation with planned release at the end of 2024.
- ✓ Full year at 1 billion of sales and 12.9% EBIT.



## Concluding Notes by Jenny

- The full year 2023 is a new record year for Ependion in terms of sales, earnings and cash flow. More to do to reach our profitability target.
- High level of future-oriented activities building a stronger Ependion for 2024 and beyond. Our journey continues.
- Close focus on market developments and preparedness to act if needed.

## Ependion Financial targets

### REVENUES

10% average annual growth - acquired growth added



### PROFITABILITY

15% operating margin (EBIT)



### DIVIDEND

A dividend-paying company



## Outlook

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.

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.



