



Q2 2023

New record for order intake, revenue, and profit in a mixed market



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AGENDA

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- Business Update Jenny Sjö Dahl
- Financial Performance Joakim Laurén
- Concluding Notes and Outlook Jenny Sjö Dahl
- Q&A

Business Update for the quarter

- ✓ Q2 represents another record quarter for Ependion but with fragmented picture in business entities
- ✓ Record high order intake at 698 MSEK or +5%. Strong demand in Westermo, further weakening in Beijer Electronics.
- ✓ Sales at a new record of 638 MSEK or +20% vs last year
- ✓ All-time-high results and earnings at strong 13.4% for the quarter
- ✓ Westermo continue very strong at 16.5% EBIT% and Beijer Electronics at stable 14.8%
- ✓ Kristine Lindberg took office as CEO for Beijer Electronics business entity
- ✓ Lena Westerholm took office as Head of Sustainability for the Group
- ✓ Uncertain macroeconomic situation remains and we follow the development closely

Update by business entity

Westermo

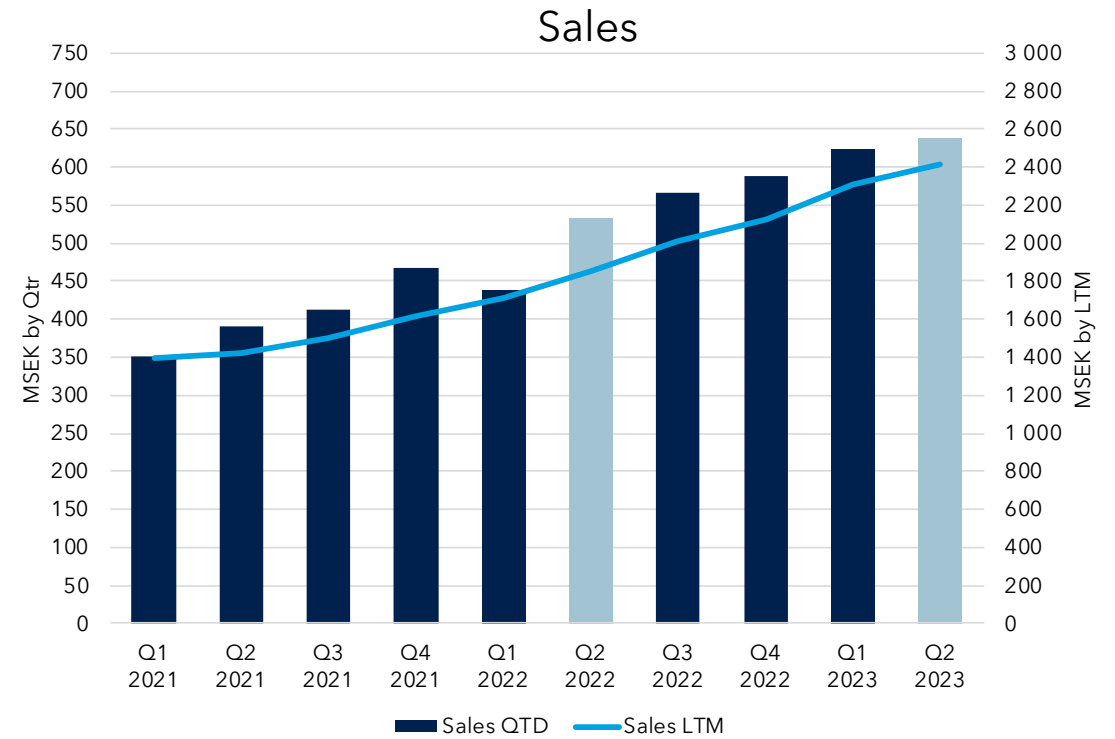
Another record quarter for Westermo. Demand continues to be strong—Train and Trackside developed particularly well. Orders boosted about 100 MSEK due to larger customer extending their order horizon.

Westermo posted all-time-high earnings of 16.5% in the quarter despite higher cost related to spot purchases.

Beijer Electronics

Demand is weakening due to uncertainty in the market and changed order pattern. Asia still very slow while Europe and Americas more moderate . Sales quite stable—efficient price management and cautiousness on the cost side gave good profitability level of 14.8%. Strategy review initiated for longer term growth focus.

Orders and Sales



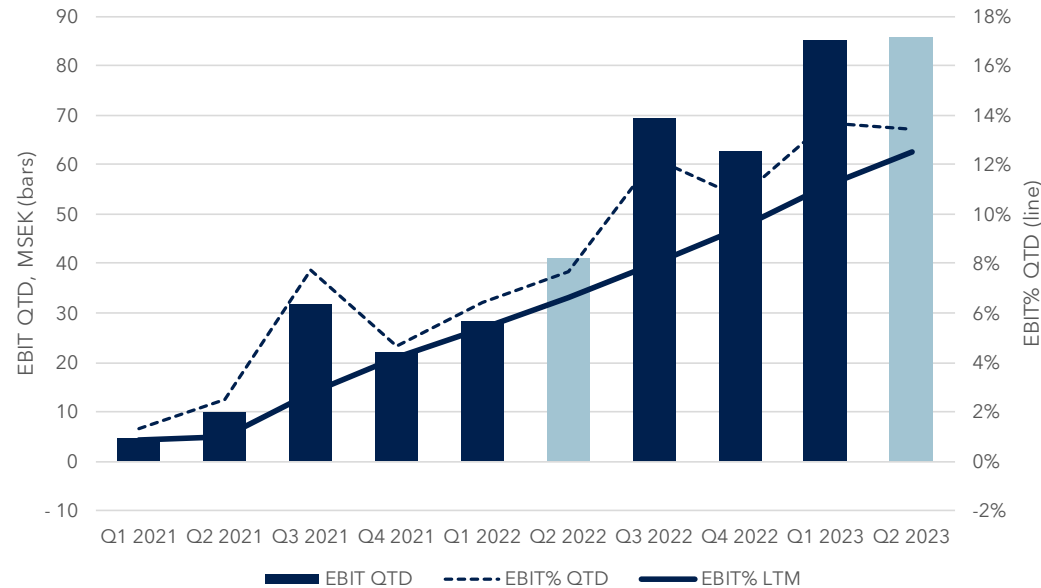
- ✓ Orders at 698 MSEK or at +5% vs last year. 6th consecutive quarter above 600 MSEK.
- ✓ Sales at 638 MSEK or at +20% vs last year.
- ✓ Favorable translation-FX adding on +4-5 p.p. in the quarter comparisons vs last year.
- ✓ Backlog at all-time-high 1.6 billion SEK (1.4).



Ependion

MSEK	Q2 2023	Q2 2022	%	H1 2023	H1 2022	%	FY 2022
Order intake	697.7	666.8	5%	1,315.0	1,328.4	-1%	2,552.0
Sales	638.4	533.2	20%	1,261.6	973.0	30%	2,128.4
EBIT	85.8	40.8	110%	171.0	69.0	148%	201.1
EBIT%	13.4%	7.7%		13.6%	7.1%		9.4%

EBIT and EBIT% QTD & LTM



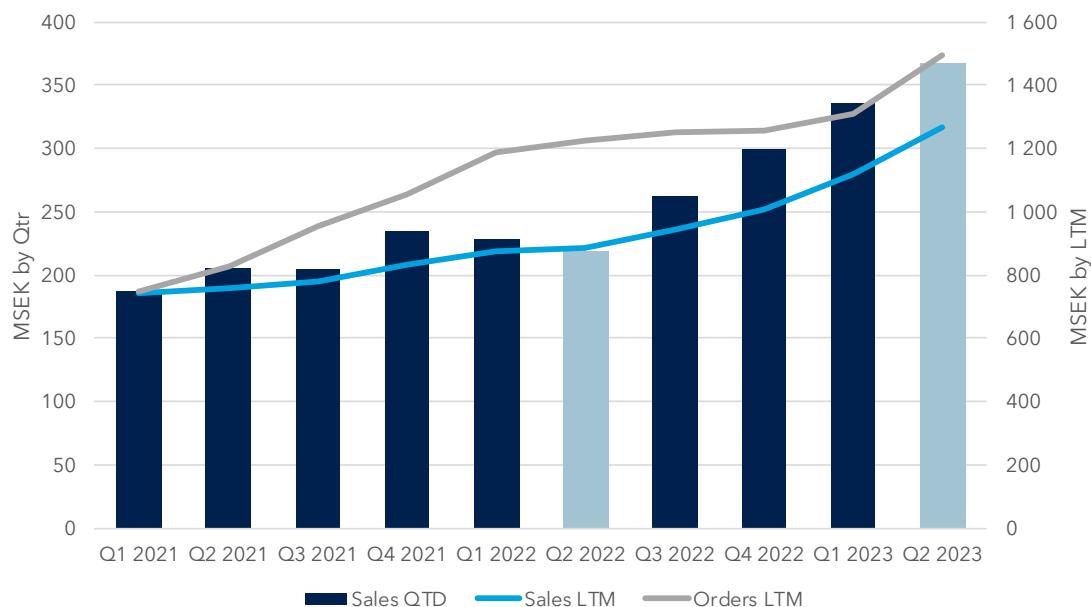
Comments to Q2

- ✓ Orders boosted by some 100 MSEK due to larger customer extending order horizon.
- ✓ Sales at all-time-high.
- ✓ EBIT more than doubled and EBIT margin at similar level as last quarter. LTM trending strongly.
- ✓ Favourable total FX effect impacts EBIT with total +12 MSEK in the quarter—mostly transactional variances.
- ✓ Positive free cash flow of +30 MSEK but working capital still at high levels due to component situation.
- ✓ Net income at +58 MSEK (28).
- ✓ EPS increase nicely to 2.00 SEK (0.97).

Westermo

MSEK	Q2 2023	Q2 2022	%	H1 2023	H1 2022	%	FY 2022
Order intake	496.4	315.0	58%	852.1	618.4	38%	1,258.9
Sales	367.5	219.0	68%	702.5	447.4	57%	1,009.8
EBIT	60.5	7.5	707%	115.3	29.7	288%	104.7
EBIT%	16.5%	3.4%		16.4%	6.6%		10.4%

Sales & Orders



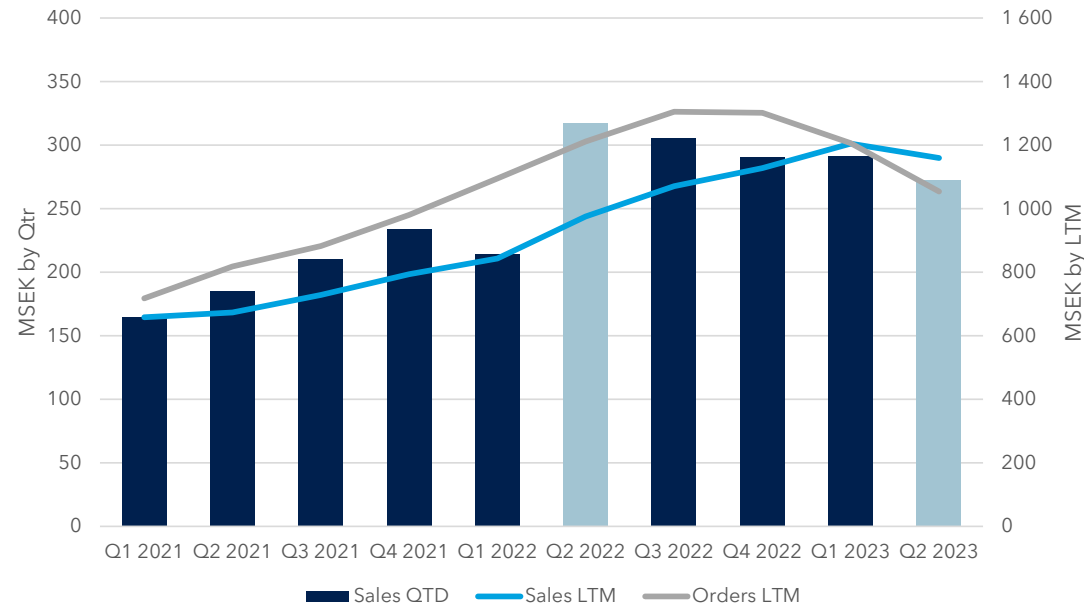
Comments to Q2

- ✓ Strong order development.
- ✓ Supply chain pacing up deliveries giving all-time-high sales level.
- ✓ Still some component shortages leading to expensive spot purchases impacting the quarter.
- ✓ Supply chain project ongoing to ensure capacity and resilience to support growth plan.
- ✓ Full focus on R&D activities providing for attractive offer and continued growth going forward.
- ✓ Continued strong EBIT margin at 16.5%.

Beijer Electronics

MSEK	Q2 2023	Q2 2022	%	H1 2023	H1 2022	%	FY 2022
Order intake	202.5	354.8	-43%	467.3	715.8	-35%	1,302.1
Sales	272.1	317.1	-14%	563.5	531.4	6%	1,127.6
EBIT	40.1	44.3	-9%	84.1	61.3		145.1
EBIT%	14.8%	14.0%		14.9%	11.5%		12.9%

Sales & Orders



Comments to Q2

- ✓ Low order bookings due to market and changing customer behaviour. Very strong level last year.
- ✓ Stable sales where most of offerings are back to normal deliveries.
- ✓ Good effects of price management and cautions on cost spendings.
- ✓ R&D spending on plan with focus on new generation of products for future competitiveness.
- ✓ Stable good EBIT% at 14.8%. 5th consecutive quarter in the 14-15% range.
- ✓ Closing of the Smart HMI acquisition early in the quarter and progress according to plan.



Concluding notes by Jenny

- Demand-wise a mixed picture with strong development in Westermo while market uncertainty affects Beijer Electronics.
- Progress made in supply chains and good deliveries providing for stable results. Yet more to do to reach financial targets.
- Full focus on execution and at the same time close monitoring of market developments.
- Several steps in the longer term plan are now in place and confidence in our journey forward.

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 has good prospects for reaching both the growth and profitability targets.

The high inflation and interest rates continue to affect the global economy, which has a negative impact on demand, above all in the manufacturing industry.

The mixed picture we have seen for some time is therefore expected to remain.

