



Q3 2023

New record result in continued mixed market



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# AGENDA

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➤ Business Update

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➤ Financial Performance

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➤ Concluding Notes and Outlook

Jenny Sjödahl

➤ Q&A

## Business Update for the quarter

- ✓ Mixed picture with record result & operating margin and weaker order intake.
- ✓ Overall lower orders after seven quarters on 600+ level. Normalisation in Westermo and where the Train segment came in low after record levels in H1 and Beijer Electronics continues on similar level as last quarter.
- ✓ Good sales levels driven by another record quarter for Westermo.
- ✓ Ependion at good 14.4 EBIT% where Westermo continue strong at record 17.6 EBIT% and Beijer Electronics at stable 12.7 EBIT% despite the lower sales.
- ✓ Working capital still at high levels limiting the free cash flow to +18 MSEK in the quarter.

## Business Update for the business entities

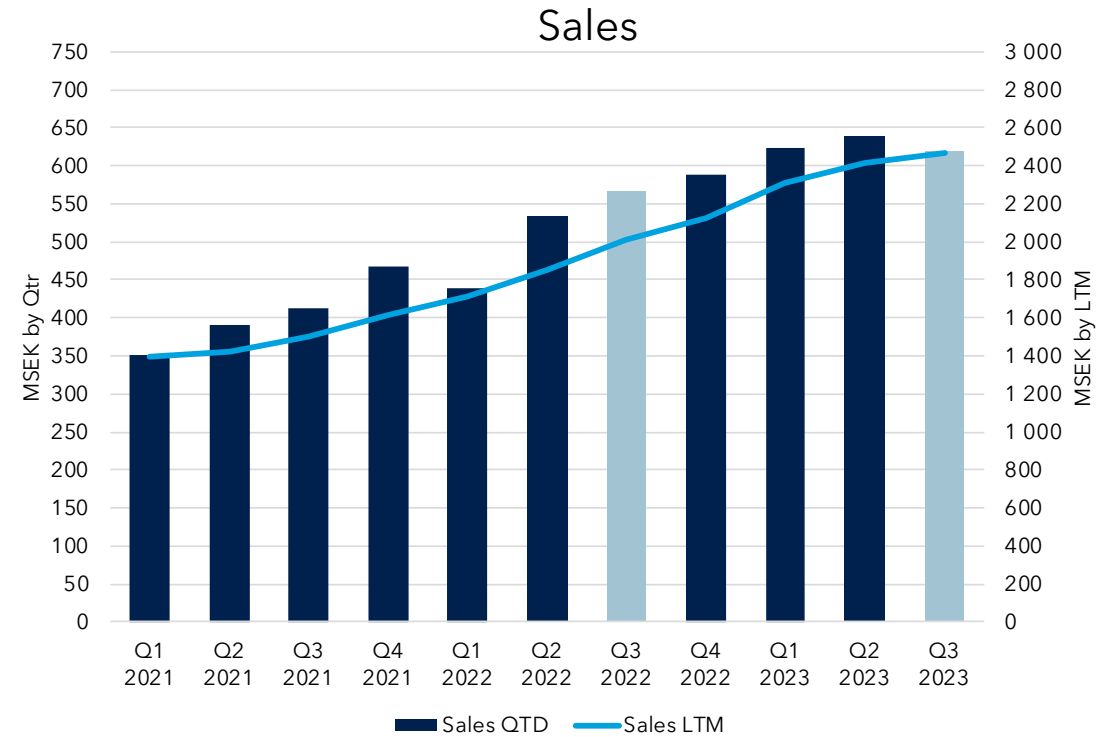
### Westermo

Another record sales and result quarter for Westermo. Orders decreased somewhat due to low order bookings for the Train segment after record levels in H1. Customer activities in our focus segments still at good levels. Deliveries develops well as there is less impact of component shortage and the delayed backlog is reduced. EBIT% at strong 17.6.

### Beijer Electronics

Continued overall lower demand as seen last quarter. Effects of normalisation of customer ordering pattern in combination of a weaker industrial economy. The quarter came in sequentially at +10%. Sales lowered compared to previous quarter as expected with another -12%. EBIT% at stable 12.7 despite the volume drop due to good gross margins and cost-effective operations. Cost reduction program initiated with Asia focus and strategy work in progress.

# Ependion



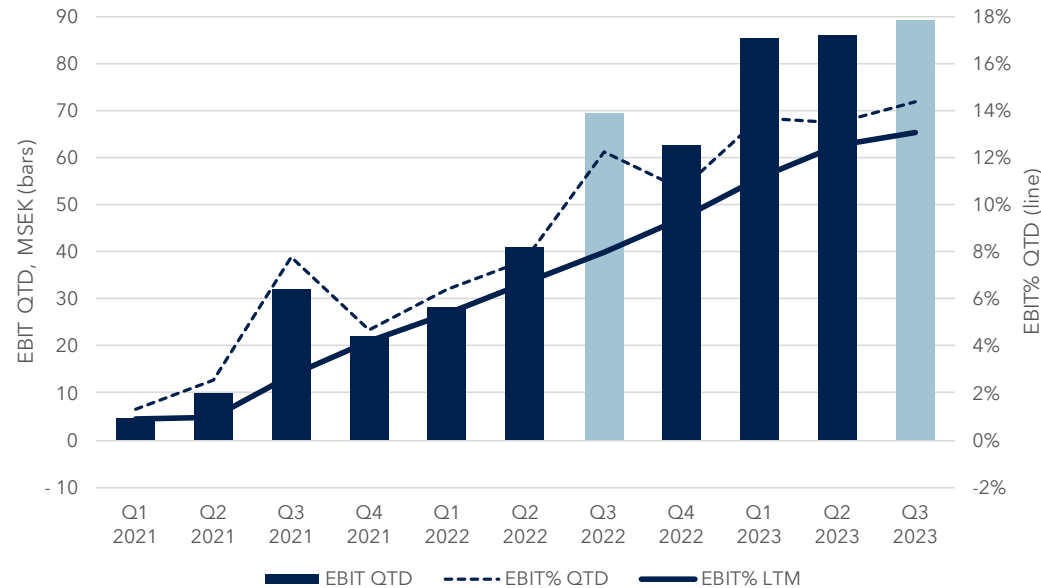
- ✓ Orders at 514 MSEK or at -17% vs. last year.
- ✓ Sales at 619 MSEK or at +9% vs. last year.
- ✓ Favorable translation-FX adding on +2-3 p.p. in the quarter comparisons vs last year.
- ✓ Backlog still at high 1.4 billion SEK (1.5).



# Ependion

MSEK	Q3 2023	Q3 2022	%	YTD 2023	YTD 2022	%	FY 2022
Order intake	513.9	620.7	-17%	1,828.9	1,949.2	-6%	2,552.0
Sales	619.3	566.8	9%	1,880.9	1,539.8	22%	2,128.4
EBIT	89.2	69.4	28%	260.2	138.4	88%	201.1
EBIT%	14.4%	12.2%		13.8%	9.0%		9.4%

## EBIT and EBIT% QTD & LTM



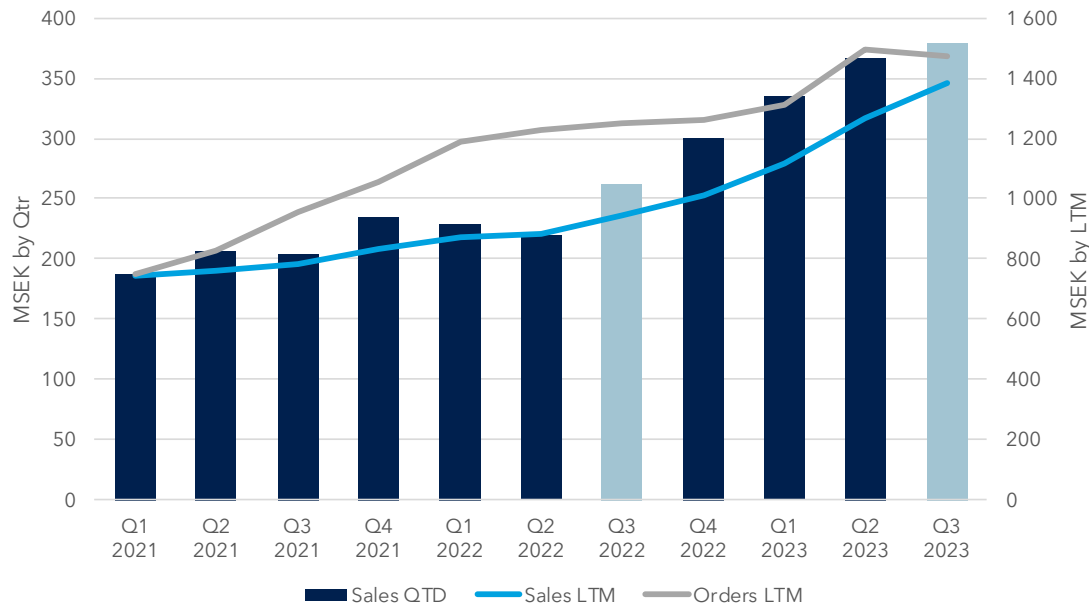
## Comments to Q3

- ✓ Earnings at record levels with EBIT at +89 MSEK or 14.4%.
- ✓ Favourable total FX impacts EBIT with totally +11 MSEK in the quarter, mostly transactional variances.
- ✓ Positive free cash flow of +18 MSEK but working capital still at high levels due to remains from component crisis period.
- ✓ Financial net cost increase to -14 MSEK (-1.4) due to the general higher interest levels in the market.
- ✓ Net income at 52 MSEK (51).
- ✓ EPS increase to 1.81 SEK (1.77).

# Westermo

MSEK	Q3 2023	Q3 2022	%	YTD 2023	YTD 2022	%	FY 2022
Order intake	292.2	314.6	-7%	1,144.3	933.0	23%	1,258.9
Sales	379.5	262.8	44%	1,082.1	710.2	52%	1,009.8
EBIT	66.7	38.1	75%	182.0	67.8	169%	104.7
EBIT%	17.6%	14.5%		16.8%	9.5%		10.4%

## Sales & Orders



## Comments to Q3

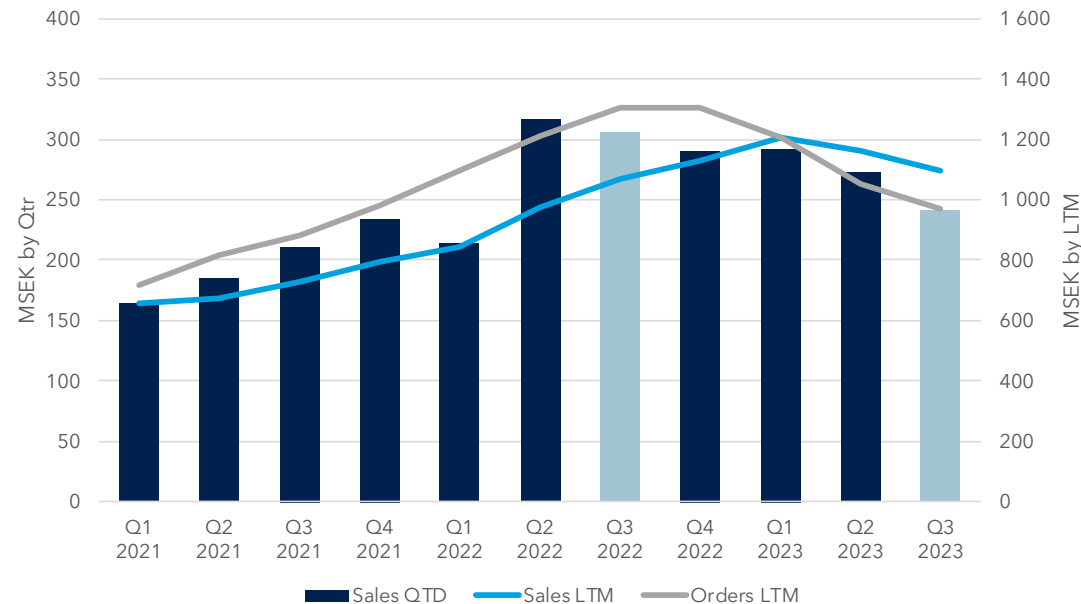
- ✓ Weaker order development after record H1.
- ✓ Supply chain continues to pace up deliveries giving all-time-high sales level.
- ✓ Further supply chain capacity expansion activities providing for future growth.
- ✓ Full focus on R&D activities providing for attractive offer and continued growth going forward.
- ✓ Strong EBIT margin at 17.6% confirming the capability.
- ✓ Westermo inaugurated a new site in Dublin for continued expansion in wireless data communication.



# Beijer Electronics

MSEK	Q3 2023	Q3 2022	%	YTD 2023	YTD 2022	%	FY 2022
Order intake	223.1	307.8	-28%	690.4	1,023.6	-33%	1,302.1
Sales	241.1	305.7	-21%	804.6	837.0	-4%	1,127.6
EBIT	30.7	43.5	-30%	114.8	104.9	10%	145.1
EBIT%	12.7%	14.2%		14.3%	12.5%		12.9%

## Sales & Orders



## Comments to Q3

- ✓ Continued low order bookings due to market and changing customer behaviour. Sequentially increase of 10%.
- ✓ Order backlog adjusted with -34 MSEK for uncertain China orders from 2022.
- ✓ Sales lowered as expected.
- ✓ Effects of price management generating good gross margins and cautious on cost spendings.
- ✓ R&D spending on plan with focus on new generation of products for future competitiveness.
- ✓ Cost reduction package initiated with Asia focus reducing costs with 20 MSEK as from 2024 and with the package cost of 3 MSEK absorbed in Q3.
- ✓ Stable EBIT margin at 12.7%.
- ✓ Integration of the acquired Smart HMI entity develops according to plan with good customer interest.



## Concluding notes by Jenny

- Demand-wise a mixed picture with good customer activity in Westermo's focus segments despite low order quarter, while market uncertainty affects Beijer Electronics.
- Stable development in our supply chains providing for another record earnings confirming the ability of the Group. Yet more to do to reach our financial targets.
- Full focus on execution and at the same time close monitoring of market developments.

## 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 especially in the manufacturing industry.

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

After three quarters in 2023, the EBIT exceeds 2022 full-year level which means Ependion is heading for new records for the full year.

