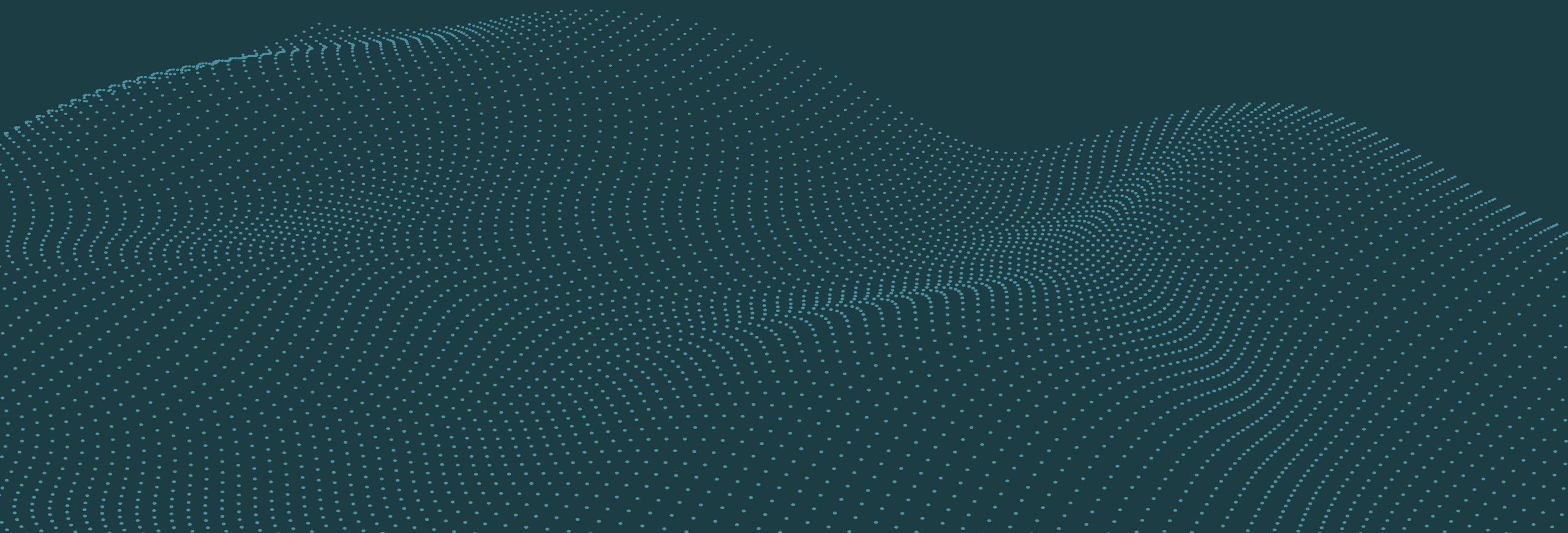




Q3 2024

**Margin protection and growth
focus in a challenging market**

October 25, 2024





Jenny Sjödahl

President & CEO



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AGENDA

OCTOBER 25, 2024

➤ Business Update

Jenny Sjödahl

➤ Financial Performance

Joakim Laurén

➤ Concluding Notes and Outlook

Jenny Sjödahl

➤ Q&A

Business Update for the quarter

- Q3 still challenging as expected with a continued weak demand affecting order bookings and sales.
- Ependion focus on strengthening our positions to be prepared to capture change in business climate, combined with short-term cost reductions to balance lower sales.
- Similar order levels as last quarter with no larger orders booked in the period. Same pattern for both Westermo and Beijer Electronics.
- Sales drop vs stronger last year and also sequentially at -16% mainly due to an unusually weak order book for the Train segment.
- Good development of gross margin where Westermo show significant improvement. Sequentially, we improve 1.7 percentage points driven by both business entities.
- General tight cost control to balance the lower deliveries.
- EBIT% drop vs the strong last year while maintained compared to last quarter.

Business Update for the business entities

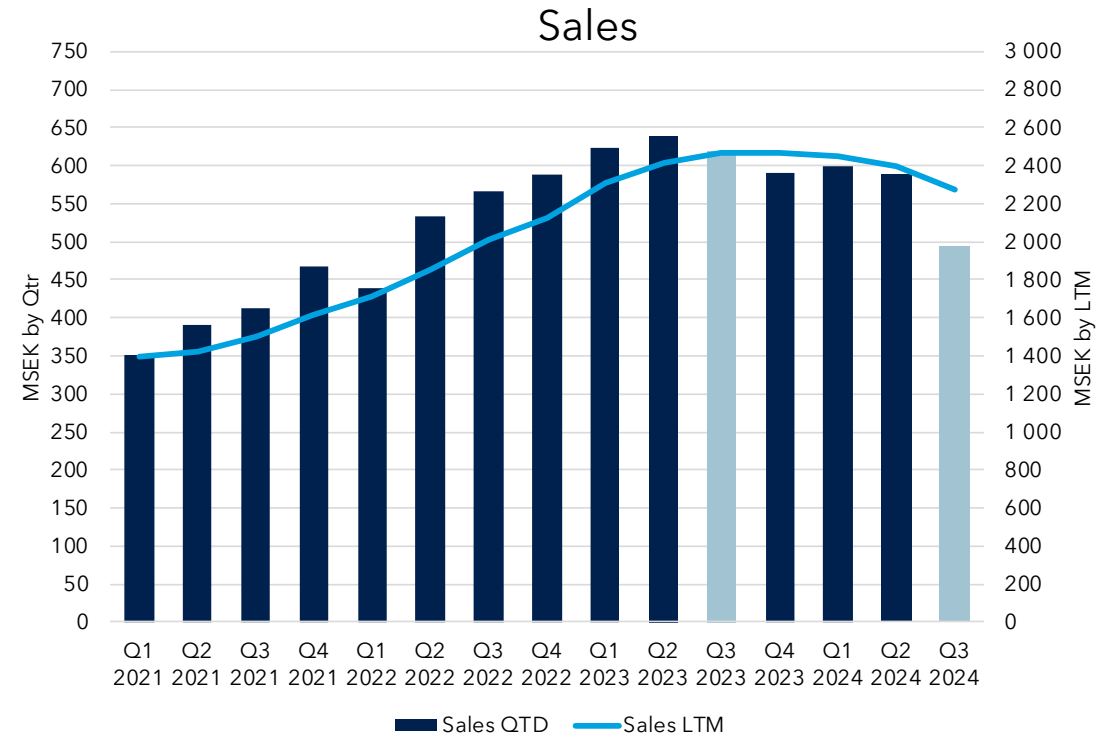
Westermo

- The weaker business climate continues to impact order bookings short term in all segments. Maintained market share. Underlying long-term demand within the focus segments assessed to be robust.
- Sales drop compared to record levels last year and also sequentially due to unusual low order book for the quarter.
- India establishment progress according to plan and customer interactions ongoing. Fully operational by end of the year.
- Multiple forward-directed activities ongoing.

Beijer Electronics

- Orders impacted by challenging business climate as seen in previous quarters. The phase-out of Display Solutions impacts while HMI volumes remain stable. As part of the new strategy, ongoing review of the portfolio to focus on high margin offerings.
- Sales at quite stable LTM levels.
- Full focus in the organisation on next generation of HMIs with first launch of X3 web scheduled during Q4 adopted to the software platform WEBIQ. Gradual releases of the X3 family with new value-creating functionality throughout 2025.

Ependion



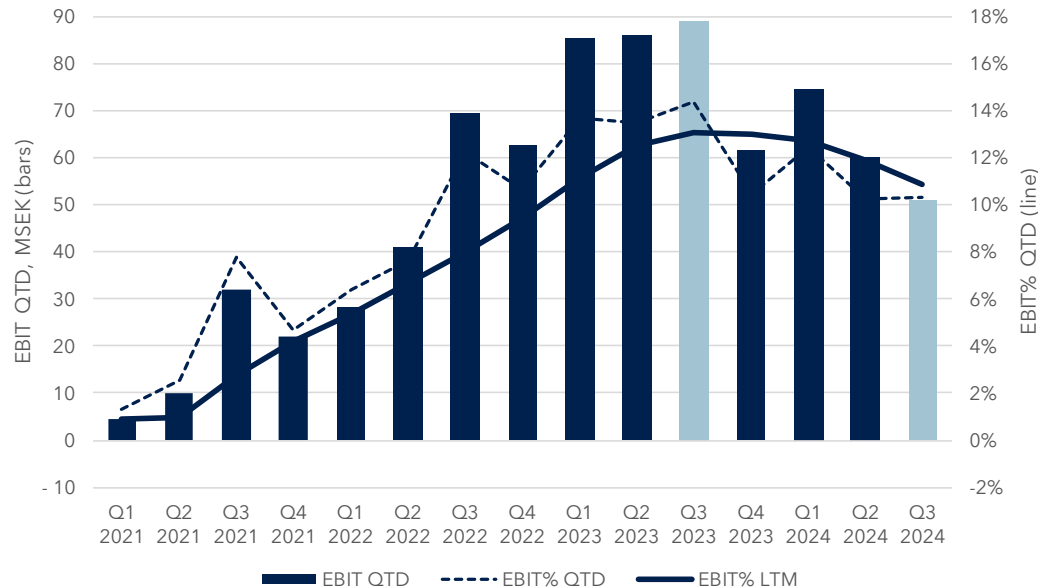
- ✓ Orders at 456 MSEK or at -11% vs. last year. Sequentially at -5%.
- ✓ Sales at 493 MSEK or -20% vs. last year. Sequentially at -16%.
- ✓ Smaller negative translation-FX effects of 1-2% on the volumes compared to last year.
- ✓ Backlog overall at 1.0 billion SEK (1.4).



Ependion

MSEK	Q3 2024	Q3 2023	%	YTD 2024	YTD 2023	%	FY 2023
Order intake	456.3	513.9	-11%	1,466.6	1,828.9	-20%	2,307.0
Sales	493.0	619.3	-20%	1,679.9	1,880.9	-11%	2,470.6
EBIT	50.8	89.2	-43%	185.4	260.2	-29%	321.7
EBIT%	10.3%	14.4%		11.0%	13.8%		13.0%

EBIT and EBIT% QTD & LTM



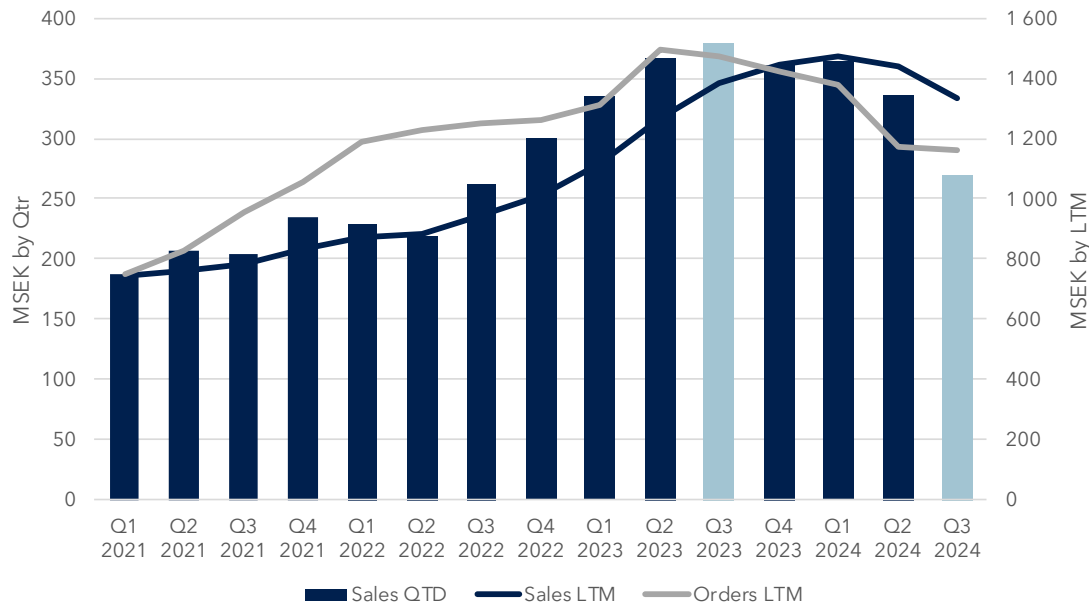
Comments to Q3

- ✓ Earnings and profitability impacted by the lower sales level compared to last year. Sequential profitability maintained despite lower deliveries due to strengthened gross margins and tight cost control.
- ✓ Negative total FX- impact compared to last year impacting -14 MSEK of which mainly transactional variances.
- ✓ Free cash flow tripled at +56 MSEK. Still more to do to reduce working capital.
- ✓ Tax cost rate somewhat lower than last year due to some one-off activations of losses carried forward.
- ✓ Net income at 31 MSEK (52).
- ✓ EPS ended at 1.08 SEK (1.81).

Westermo

MSEK	Q3 2024	Q3 2023	%	YTD 2024	YTD 2023	%	FY 2023
Order intake	277.6	292.2	-5%	882.2	1,144.3	-23%	1,421.6
Sales	269.2	379.5	-29%	969.4	1,082.1	-10%	1,444.0
EBIT	37.4	66.7	-44%	137.3	182.0	-25%	237.7
EBIT%	13.9%	17.6%		14.2%	16.8%		16.5%

Sales & Orders



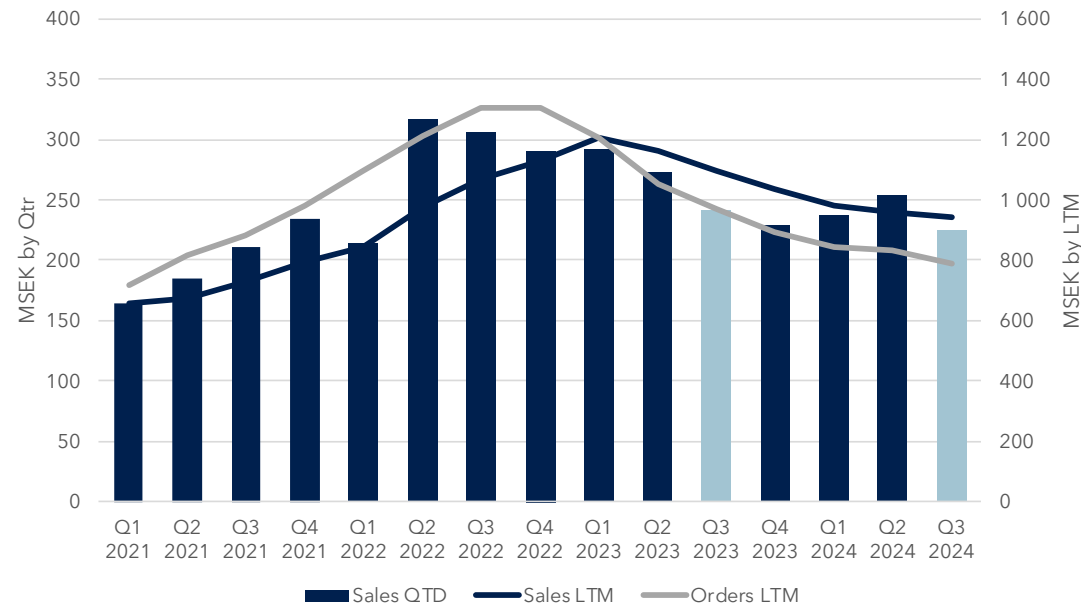
Comments to Q3

- ✓ Orders and sales at similar levels in the quarter with book-to-bill at 1.03.
- ✓ Sequential drop in sales of -20% due to unusual low order book for Train.
- ✓ Sequential increased profitability as gross margins continue to improve combined with tight cost control.
- ✓ Maintained high activity in Product Development with focus on the selected segments Train, Trackside and Energy.
- ✓ Efficiency activities in Supply Chain lead to closing of production in the Swiss entity and relocation to the Swedish facility.
- ✓ The collaboration with Blu Wireless progress according to plan.

Beijer Electronics

MSEK	Q3 2024	Q3 2023	%	YTD 2024	YTD 2023	%	FY 2023
Order intake	179.5	223.1	-20%	588.0	690.4	-15%	891.5
Sales	224.6	241.1	-7%	714.0	804.6	-11%	1,032.9
EBIT	25.8	30.7	-16%	86.8	114.8	-24%	133.7
EBIT%	11.5%	12.7%		12.2%	14.3%		12.9%

Sales & Orders



Comments to Q3

- ✓ Stable order bookings of HMIs while phaseout of Display Solutions impact the total.
- ✓ Sales level stable with some sequential variations due to Display Solutions deliveries.
- ✓ Sequentially maintained profitability due to mix and tight cost control.
- ✓ High level of activity in Product Development with focus on new X3 family behind the unusually high level of capitalisation. Partly, some software elements already impacting depreciations in the actuals for 2024.



Concluding notes by Jenny

- The year 2024 will be a transitional year after the record strong 2023 with external factors remaining uncertain. The order book for the coming quarter is weak similar to what was stated last quarter.
- Medium and long term we are confident about our ability to continue our profitable growth journey as demand for our products and solutions are driven by global trends.
- We are mitigating the short-term effects of lower sales demonstrating greater stability across an economic cycle than before and we see potential for margin improvement as demand increases.

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 weaker demand we have observed for some time is expected to persist throughout 2024.

