



# 2024 Q3 Presentation



# CEO comments

## ■ Navigating Dynamic Markets

- **Strength in Nordic and U.S markets:** close to double digit growth.
- **European Slowdown:** Economic slowdown in Europe softens demand, particularly affecting regional customers supplying to residential energy solutions, industrial vehicles, battery management, and e-mobility systems.
- **Resilient Sectors:** Despite challenges, larger global customers are demonstrating robust performance driven energy infrastructure expansion and modernization and the design and development of advanced chips.
- **Defence/Aerospace Stability:** The Defence and Aerospace market sectors continue to exhibit strong and sustained demand, providing a stabilizing force amid economic fluctuations.

## ■ Expanding Customer Growth

- **Regional Opportunities:** Regionalized production opens new markets in CEE and across Asia beyond China, aligning with global expansion plans.
- **Focus on New Partnerships:** Intensifying efforts to attract new clients in 2025, building on substantial contributions from 2024.

## ■ Proactive Demand Management

- **Adaptive Strategies:** Proactively managing forecasts to swiftly adapt strategies, mitigating risks from market volatility.

## ■ Optimizing Global Capacity Utilization

- **Efficiency Enhancements:** Executing targeted capacity adjustments and program transfers to optimize resources.
- **Competitive Cost Structure:** Maintaining competitive local costs through optimization and streamlined processes, offering better pricing and services.



# Third quarter sector trends

## Sector trends 2024-Q3

### Connectivity:

- Sector growth -11%. Industrial IOT, Network gateways, and 5G declining further in the quarter.
- Sensor equipment, satellite communication and tracking equipment accelerating growth at 76% with full year growth projected at 73%. Now at more than 40% of Connectivity sector.
- We expect a broader strength returning to the sector beyond mid-2025.

#### Connectivity

Expect full sector growth returning beyond mid 2025.

### Electrification:

- Sector growth -39%. Declining investment in residential energy solutions, industrial vehicles, battery management, and e-mobility systems
- Over 60% growth on energy infrastructure expansion and modernization .

#### Electrification

Expect strength returning to the sector in late 2025

### Industry:

- Sector growth -26%. Industrial activity is cooling off due to a combination of economic slowdown, reduced consumer demand, and overstocked supply chains.
- We're seeing an increase in China driven demand driven by investments as well and localization of production.

#### Industry

Expect strength returning to the sector in late 2025

### Medical Devices:

- Sector growth +7%
- Demand stabilizing, Continued demand increase for in vitro diagnostics.

#### Medical Devices

Demand stabilizing,

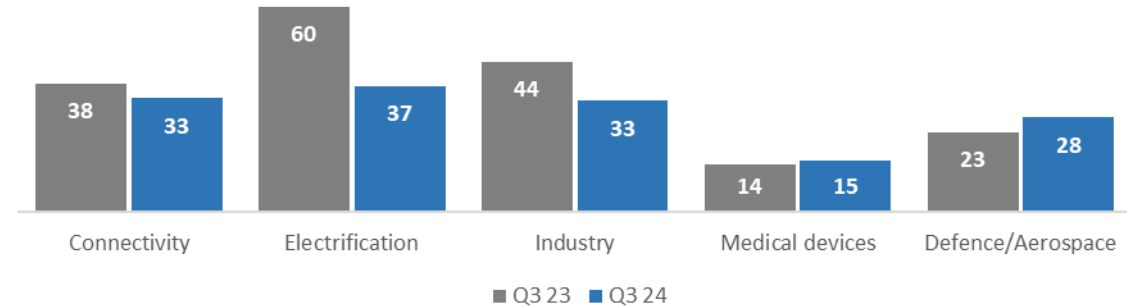
### Defence/Aerospace:

- Sector growth +18%. Increased demand for defense and security products as defense spending rises amid global security concerns.

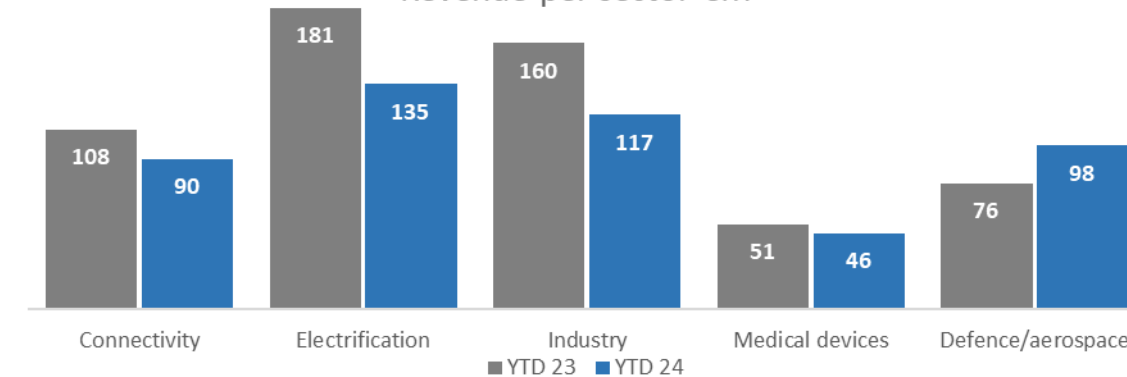
#### Defense/Aerospace

Continued double digit growth over next several years

Revenue per sector €M



Revenue per sector €M



# Order backlog

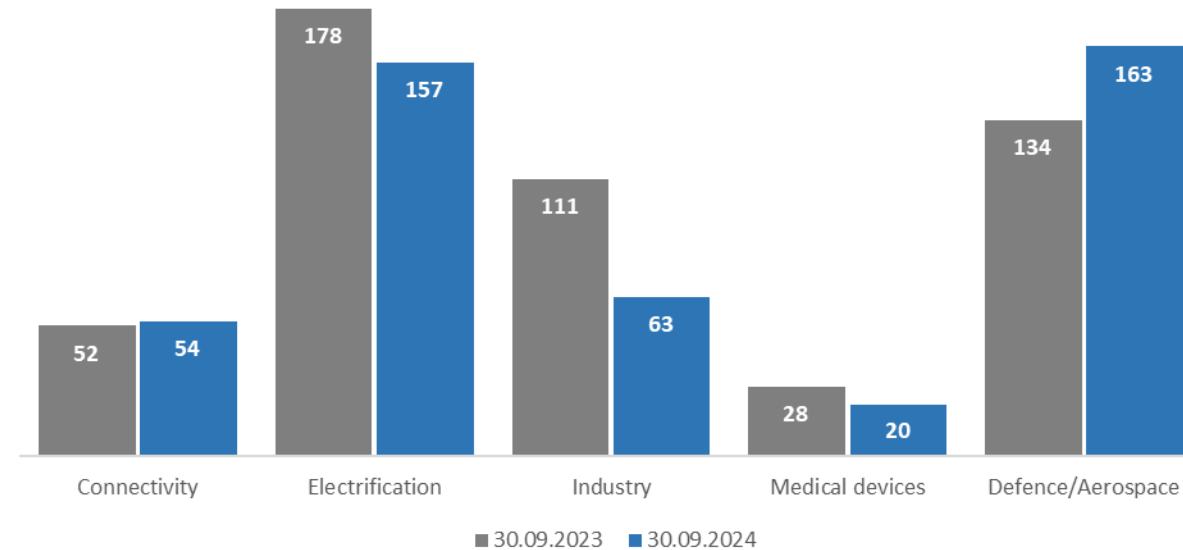
## Order Backlog

- Order backlog: 457.7 €M, -9% (502.1 €M) year-over year. Sequentially the order backlog is increased with 3M€ or 1% compared to the previous quarter.
- The Defence/Aerospace sector remains robust due to increased defense spending driven by global security concerns, regional conflicts, and higher government investment in defense and aerospace capabilities.
- Other sectors exhibit shorter customer order horizons, reflecting the seasonal third quarter, current market sentiment, reduced lead times, and ongoing de-stocking of customer inventory.

## Forward demand

- Rolling six-month outlook 323 €M (1.10.24)
- This contains all customer demand, firm demand and forecast

Order backlog €M



The Order backlog features all firm customer orders and the first 4 months of customer forecast.



# Third Quarter 2024 Highlights

- **Revenue:** 145.1 -19.0 % (179.2)
- **EBIT:** 10.7, -53% (16.2)
- **EBIT margin:** 7.4% (9.0%)
- **ROOC:** 16.8% (23.2%)
- **Cash Cycle Conversion days:** 123 (103)
- **Operating Cash flow** 2.2 (2.5)
- **NIBD:** 118.4 (141.6)
- **NIBD/EBITDA** 1.6 (1.7)
- **Net Gearing:** 0.61 (0.85)
- **Equity %:** 35.2% (28.6%)
- **Order Backlog:** 457.7, -9% (502.1)
- **Net Income** 6.1 (9.7)
- **EPS (EUR):** 0.03, -40% (0.05)

\*Performance measures expressed in €M





# Year to date 2024 Highlights

- Revenue: 486.6 -16.0% (576.1)
- EBIT: 36.3, -31.1% (52.7)
- EBIT margin: 7.5% (9.1%)
- EBIT and EBIT % adj for non-recurring items in Q1 24:
  - 41.1 and 8.4%
- Operating Cash flow 29.4 (25.6)
- Net Income 23.1 (38.7)
- EPS (EUR): 0.12, -40% (0.20)

\*Performance measures expressed in €M



# Business sectors

- Nordics & North America show 9.3% growth, profit margins at 6.8%
- For CEE and Asia; volume reductions of 40% and 35% compared to last year, Profit margins at 8.5% and 10.9% respectively.
- Restructuring charge of 4.8 MEUR in Q1 2024
- No of employees 2 474 and reduced with 595 compared to last year
  - Nordics +16%
  - CEE -33%
  - China -37%



Revenue Business Sectors	Q3 2024	Q3 2023	Change	30.09.2024	30.09.2023	31.12.2023
Nordics & North America	79.6	72.8	6.8	265.7	233.6	325.0
CEE	42.3	71.8	-29.5	154.9	227.2	304.8
Asia	24.7	37.2	-12.5	72.0	125.3	157.4
Group and eliminations	-1.5	-2.7	1.2	-6.1	-10.1	-12.0
<b>Revenue</b>	<b>145.1</b>	<b>179.2</b>	<b>-34.1</b>	<b>486.6</b>	<b>576.1</b>	<b>775.2</b>

EBIT Business Sectors	Q3 2024	Q3 2023	Change	30.09.2024	30.09.2023	31.12.2023
Nordics & North America	5.4	5.7	-0.3	22.2	20.0	27.3
CEE	3.6	7.0	-3.4	13.4	23.2	29.2
Asia	2.7	5.7	-3.0	7.6	16.0	19.8
Group and eliminations*	-1.0	-2.3	1.4	-7.0	-6.6	-5.6
<b>EBIT</b>	<b>10.7</b>	<b>16.2</b>	<b>-5.5</b>	<b>36.3</b>	<b>52.7</b>	<b>70.7</b>

FTE Business Sectors	Q3 2024	Q3 2023	Change	Full year 2023
Nordics & North America	1 048	904	144	994
CEE	944	1 402	-458	1 376
Asia	482	763	-281	631
<b>FTE</b>	<b>2 474</b>	<b>3 069</b>	<b>-595</b>	<b>3 001</b>

\* includes restructuring charge in Q1 and YTD 2024



# Cash flow and working capital

- Q3 Cash flow from operating activities at 2.3 €M (2.5 €M).
- Net working capital at 183.1 €M (199.9 €M), down 8 % from last year, down 3% from last quarter.

	€M					
Cash Flow	Q3 2024	Q3 2023	Change	30.09.2024	30.09.2023	31.12.2023
Profit before tax	8.4	12.3	-3.9	29.6	47.9	64.7
Depreciations	4.6	4.5	0.1	13.8	12.8	17.6
Change in inventory, accounts receivable, contract assets and accounts payable	3.9	-11.1	15.0	9.7	-16.8	-10.2
Change in net other current assets and other operating related items	-14.7	-3.1	-11.6	-23.6	-18.2	-13.2
<b>Net cash flow from operating activities</b>	<b>2.3</b>	<b>2.5</b>	<b>-0.2</b>	<b>29.4</b>	<b>25.6</b>	<b>59.0</b>
<b>Net cash flow from investing activities</b>	<b>0.2</b>	<b>-1.6</b>	<b>1.8</b>	<b>-4.5</b>	<b>-8.6</b>	<b>-16.3</b>
<b>Net cash flow from financing activities</b>	<b>5.0</b>	<b>10.2</b>	<b>-5.2</b>	<b>-16.3</b>	<b>-10.8</b>	<b>-29.5</b>

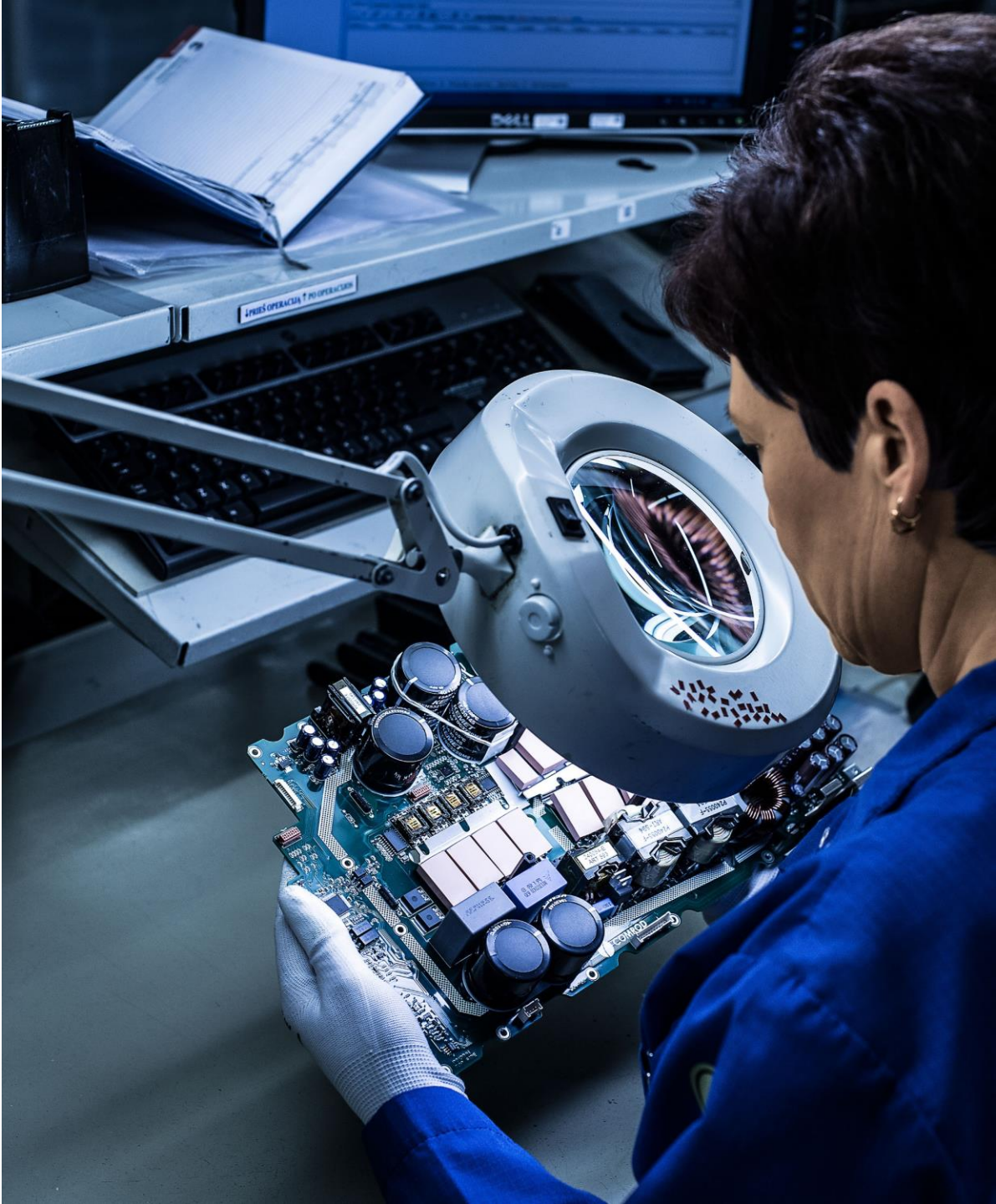
	€M			
Net working capital	30.09.2024	30.09.2023	Change	31.12.2023
Inventory	145.9	184.4	-38.5	166.4
Contract assets	73.2	68.0	5.2	77.9
Trade receivables	115.9	146.1	-30.2	131.3
Trade payables	151.9	198.5	-46.6	181.9
<b>Net working capital</b>	<b>183.1</b>	<b>199.9</b>	<b>-16.9</b>	<b>193.7</b>



# Ratios

- Net gearing and NIBD/EBITDA 0.6 and 1.6

Ratios	30.09.2024	30.09.2023	Change	31.12.2023
R3 NWC % sales	31.0 %	26.7 %	4.3 %	24.4 %
R3 ROOC % sales	16.8 %	23.2 %	-6.4 %	26.9 %
R3 Cash Cycle Conversion	123	103	20	95
Net Interest bearing debt €M	118.4	141.6	-23.2	129.4
Net gearing	0.61	0.85	-0.24	0.71
NIBD/EBITDA	1.6	1.7	-0.1	1.5
Equity percent	35.2 %	28.6 %	6.6 %	31.6 %
Earnings per share quarter €	0.03	0.05	-0.02	0.06
Earnings per share ytd €	0.12	0.20	-0.08	0.26



# Outlook full-year 2024

In September, the full-year 2024 outlook was updated:

- Revenues are expected at between EUR 635 and 660 million.
- EBIT is expected between EUR 44 and 50 million, including EUR 4.8 million in restructuring costs in the first quarter 2024.



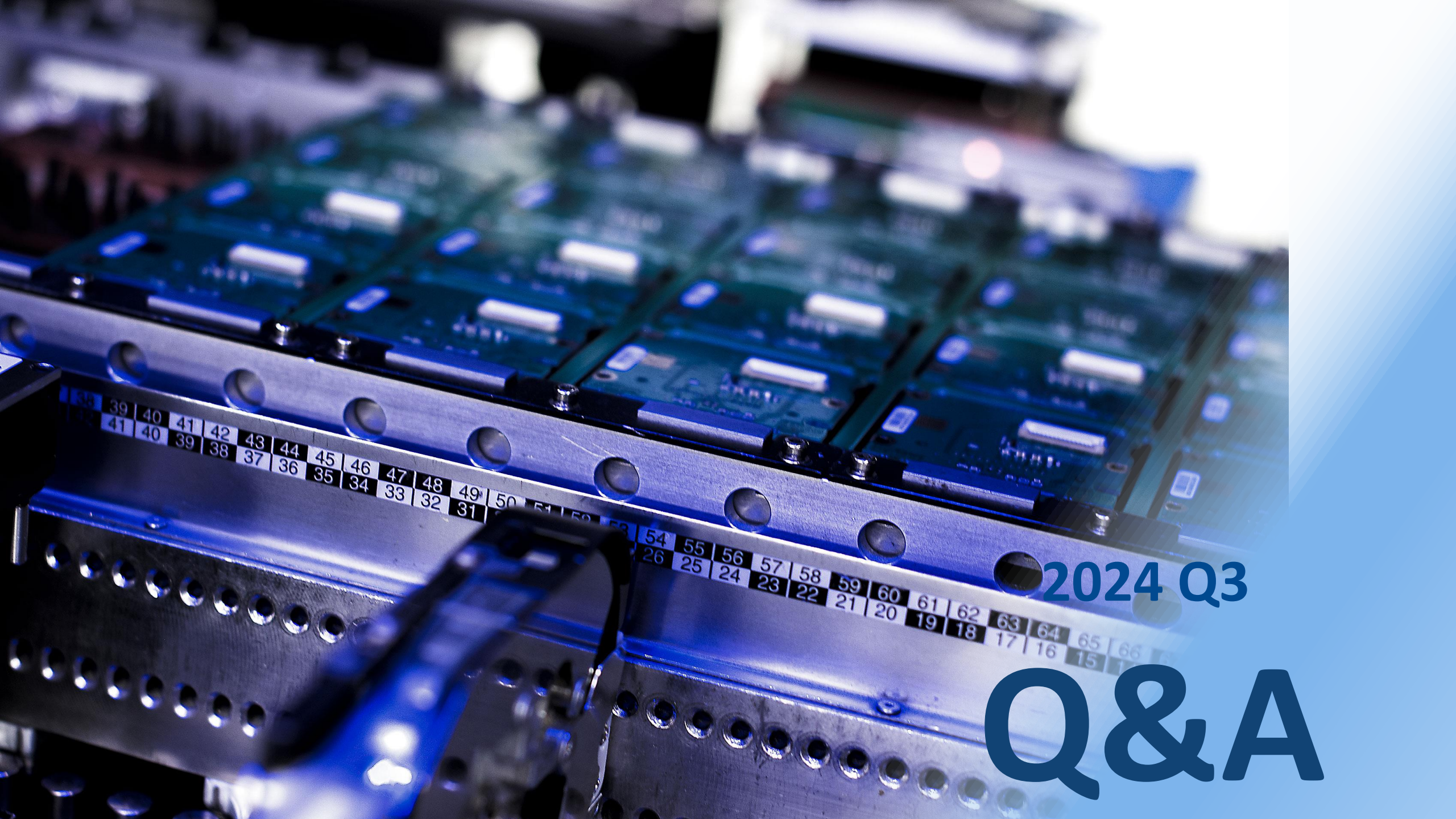


# Key take-ways

- Strength in Nordic and U.S. Markets continues.
- European Slowdown affects demand in Electrification and Industry Sectors.
- Resiliency in energy infrastructure expansion and advanced chip development drives growth with global customers.
- Strong, sustained demand in Defence and Aerospace provides stability during economic volatility.
- Demand for regional production opens markets in Central and Eastern Europe (CEE) and Asia beyond China, aligning with expansion plans.
- Intensifying efforts on growth opportunities through new markets and customers are creating new partnerships.
- Increased targeted M&A activities in key markets ongoing as valuations become more attractive.







2024 Q3

Q&A



# Appendix: Definition of alternative performance measures

## Order backlog

All firm orders and 4 months of committed customers forecast at revenue value as at balance sheet date.

## Foreign exchange effects

Group consolidation restated with exchange rates as comparable period the previous year. Change in volume or balance calculated with the same exchange rates for the both periods are defined as underlying growth. Change based on the change in exchange rates are defined as foreign exchange effects. The sum of underlying growth and foreign exchange effects represent the total change between the periods.

## EBITDA

Operating profit (EBIT) + Depreciation and Impairments

## EBIT

Operating profit

## EBIT margin (%)

Operating profit (EBIT) / Revenue

## Net working capital

Inventory + Accounts Receivable – Accounts Payable

## Operating capital

Other intangible assets + Tangible fixed assets + Net working capital

## Return on operating capital (ROOC) %

Annualised Operating profit (EBIT) / Operating Capital

## Return on operating capital (ROOC) R3 %

(Last 3 months Operating profit (EBIT))\*4 / (Last 3 months Operating Capital /3)

## Return on capital employed (ROCE)

EBIT/(Total assets - short term debt)

## Return on equity

Net Income/Equity

## Direct Cost

Cost of material + Direct wages (subset of personnel expenses only to include personnel directly involved in production)

## Days of Inventory Outstanding

360/ (Annualised Direct Costs/Inventory)

## Days of Inventory Outstanding R3

360/ ((Last 3 months Direct Costs \*4) / (Last 3 months Inventory/3))

## Days of Receivables Outstanding

360/ (Annualised Revenue/Trade Receivables)

## Days of Receivables Outstanding R3

360/ (((Last 3 months Revenue\*4)/(Last 3 months Trade Receivables/3))

## Days of Payables outstanding

360/ ((Annualised Cost of Material + Annualised other operational expenses) /Trade Payables)

## Days of Payables Outstanding (R3)

360/ (((Last 3 months (Cost of Material + other operational expenses)\*4) / (Last 3 months Trade Payables/3))

## Cash conversion cycle (CCC)

Days of inventory outstanding + Days of receivables outstanding – Days of payables outstanding

## Cash conversion cycle (CCC) R3

Days of inventory outstanding (R3) + Days of receivables outstanding (R3) – Days of payables outstanding (R3)

## Net Interest-bearing debt

- Cash and cash equivalents + Loans (Non- current liabilities) + Loans (Current liabilities)

## Interest-bearing debt

Loans (Non- current liabilities) + Loans (Current liabilities)

## Net gearing

Net Interest-bearing debt / Equity

## Free Cash flow

Net Cash Flow from operating activities – Cash flows from acquisition of tangible fixed assets – Cash flows from acquisition of other intangible assets

## Equity ratio

Total Equity / Total Assets

## EPS

Earnings Per Share