

neotel group

Q323 presentation

8 November 2023

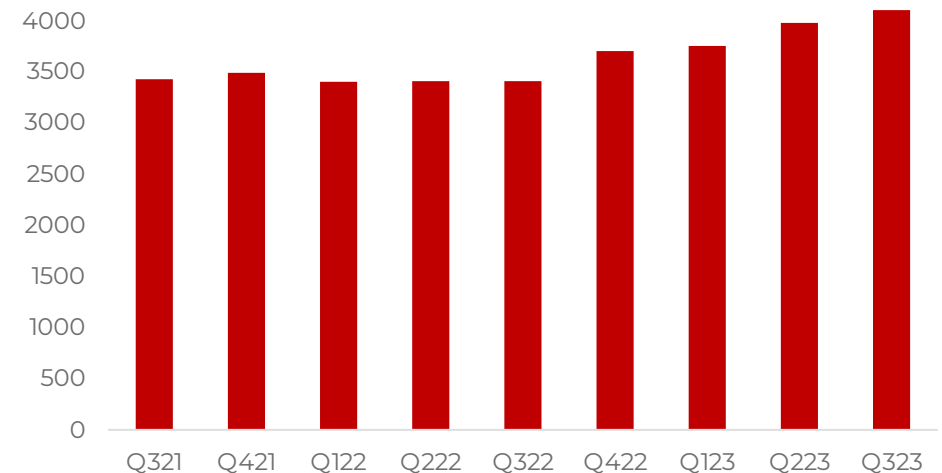


Q323 summary

Increased results with continued growing order backlog and strong organic growth

- We continue to grow at a good pace, with strong underlying market trends driven by climate change
- Robust order backlog as we move into 2024
- Continued focus on margin-enhancing measures
- Our assessment that we will reach our indication for FY 2023 remains firm
 - Growth of 10% and an adjusted EBITA margin of 4.5-5.5% FY 2023

Order backlog, MSEK

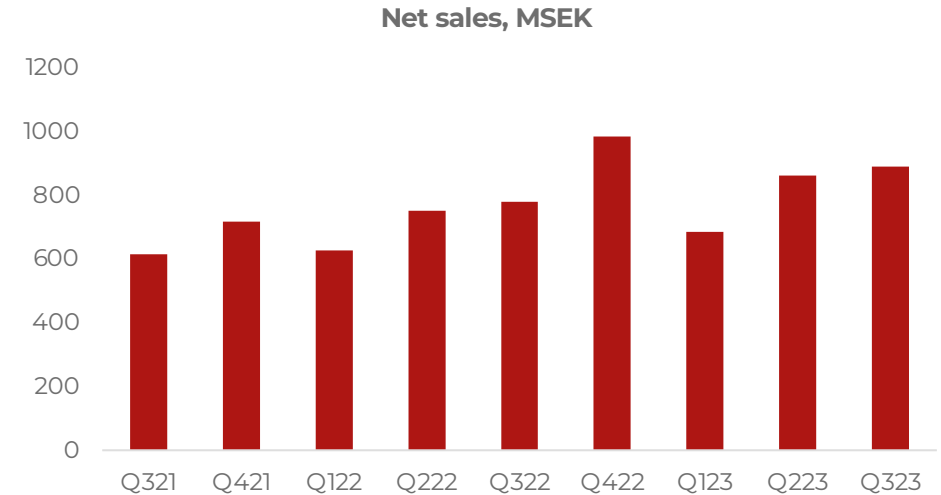


Group performance

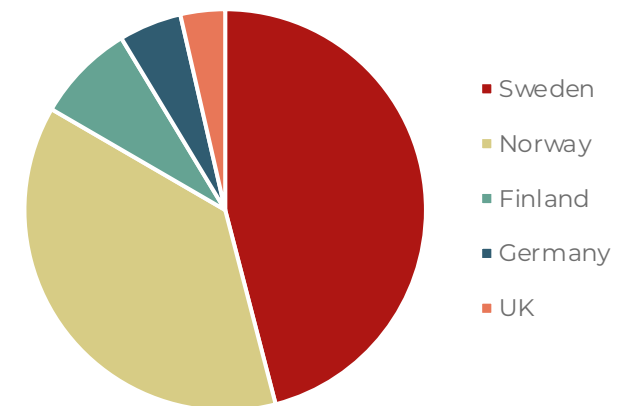


Q323 net sales Organic growth of 9.3%

- +14.2% to MSEK 890 ('779)
- Driven mainly by strong organic development in Sweden and Norway within Power
- Organic growth 9.3%
- Organic growth 10.9% excl phasing out of fiber rollout in Sweden



Net sales per segment, Q323

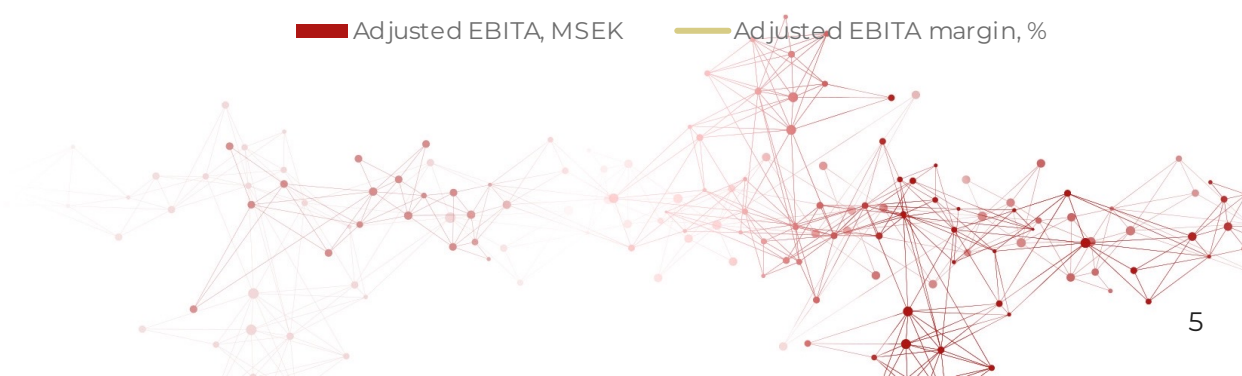
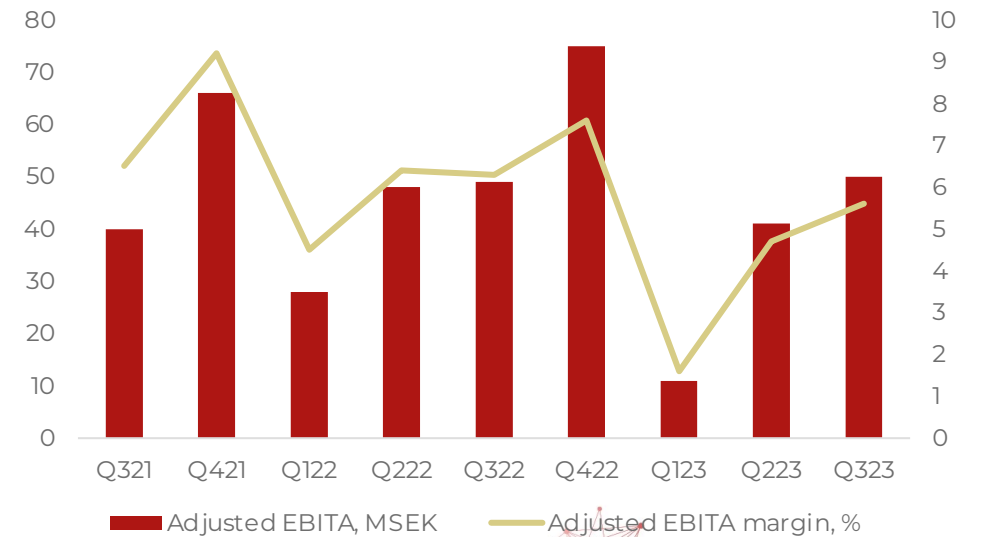


Q323 profitability

Sequential improvement due to high activity level

- Adjusted EBITA MSEK 50 (49)
- Adjusted EBITA margin 5.6% (6.3)
- Increased adjusted EBITA margin due to high activity level and margin-enhancing measures in particularly Norway
- Margin-enhancing measures in Norway and Finland should continue to contribute to profitability Q423 and 2024
- EPS 0.27 (0.65) SEK

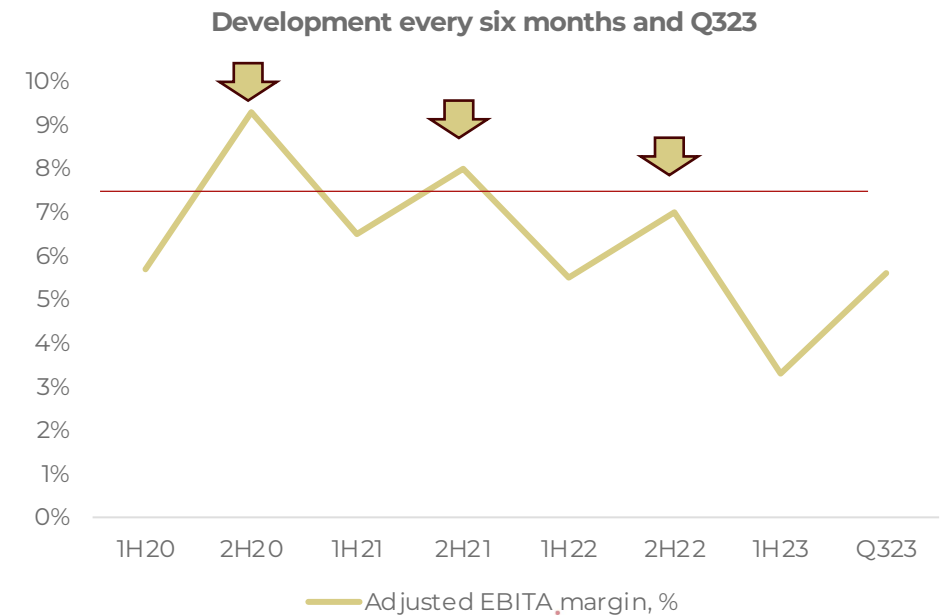
Adjusted EBITA and margin



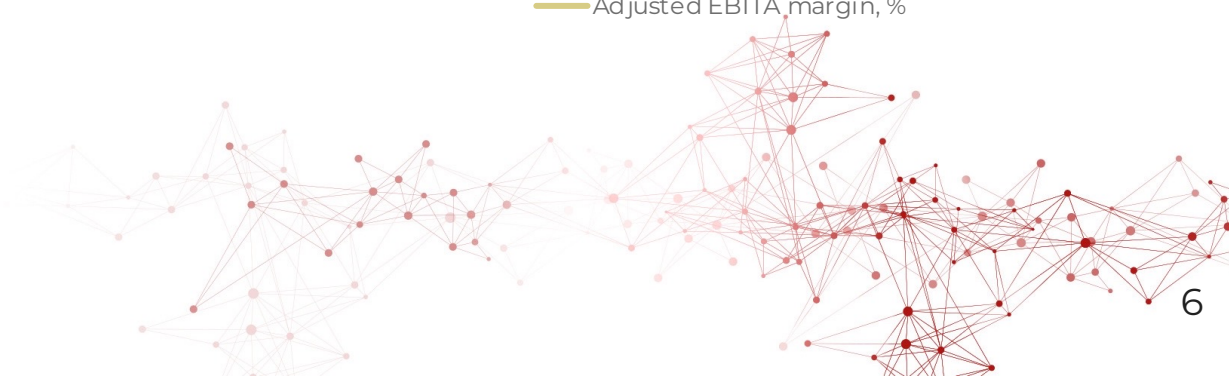
FY 2023 indication unchanged

We expect growth of 10% and an adjusted EBITA margin of 4.5-5.5%

Financial targets		Indication
Revenue growth	Annual growth of 10% incl acquisitions	To be reached
Margin	Adj EBITA margin above 7% medium term	Adj EBITA margin of 4.5%-5.5% expected for FY 2023 Adj EBITA margin expected to approach the target in 2H23
Capital structure	Net debt excl lease liabilities/adj EBITA below 2.5 ¹	To be reached



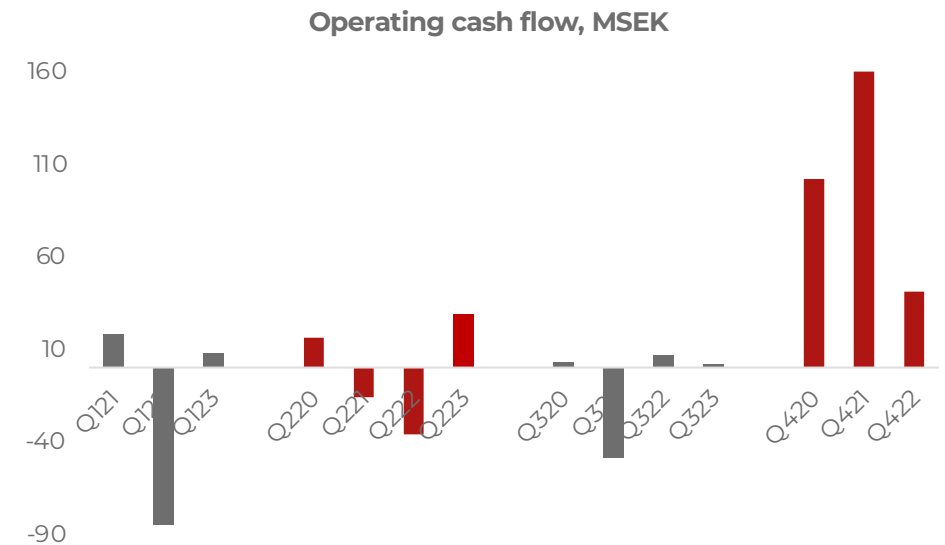
¹ The leverage ratio can temporarily be exceeded in connection with acquisitions.



Q323 cash flow

Cash flow in line with seasonality

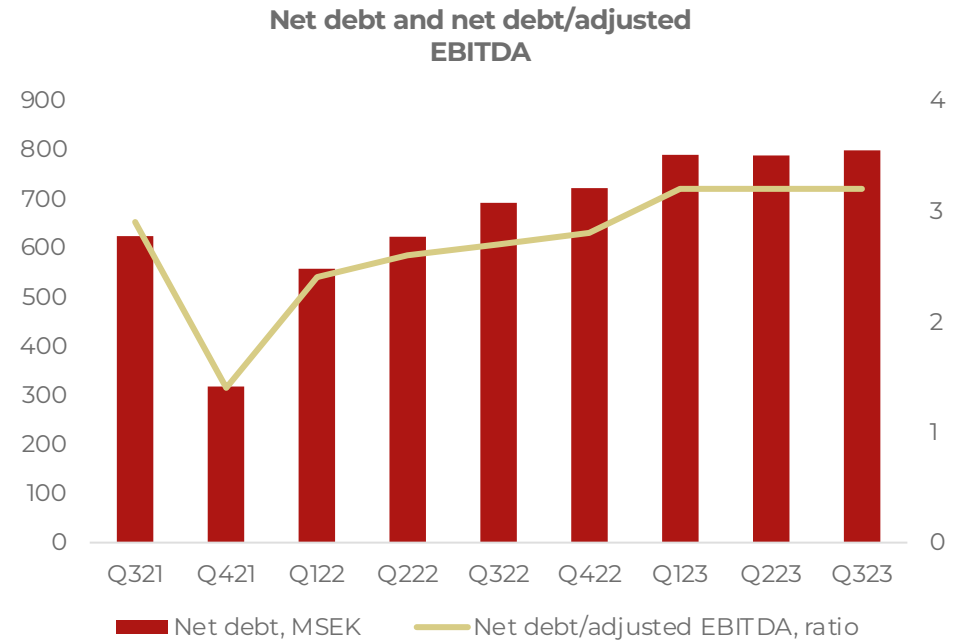
- Operating cash flow MSEK 2 (7)
- In line with seasonality
- Continued focus on cash improving measures short and long term
- Cash releases expected in Q4 when projects are finalized
- Cash flow effect may occur in the first quarter as a result of the timing of invoicing and payments



Q323 financial position

Focus on capital structure target

- Unutilized credit facilities and cash MSEK 507
- The leverage ratio 2.8 calculated in accordance with the financial target which is above the capital structure target in the medium term
- Less focus on M&A until net debt ratio has improved



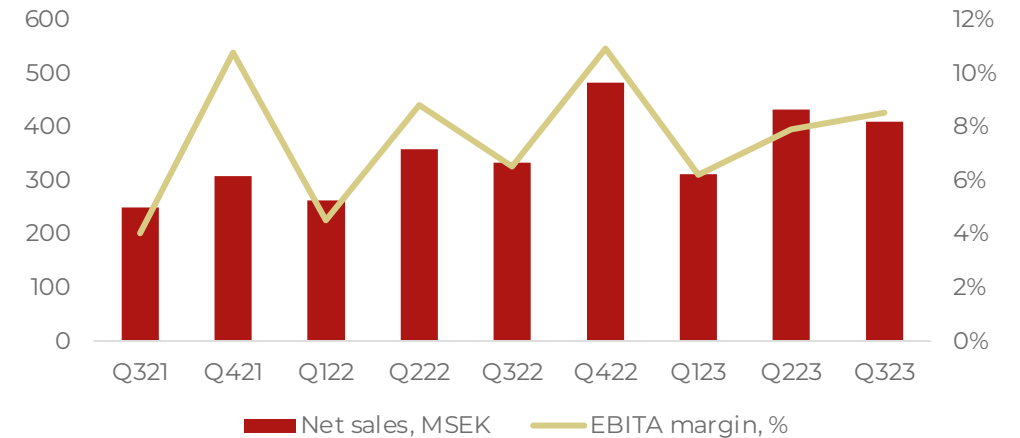
Segment performance



Q323 Sweden Strong growth and improved profitability

- Net sales +23.1% driven by organic growth and acquisitions in Infraservices and Power
- Increased margin of 2% to 8,5%(6,5)
- Infraservices – good demand from municipal and state clients
- Power – high demand for especially power stations
- Telecom – impacted by the ongoing phasing out of fiber rollout and lower activity within mobile and service

Net sales and EBITA margin



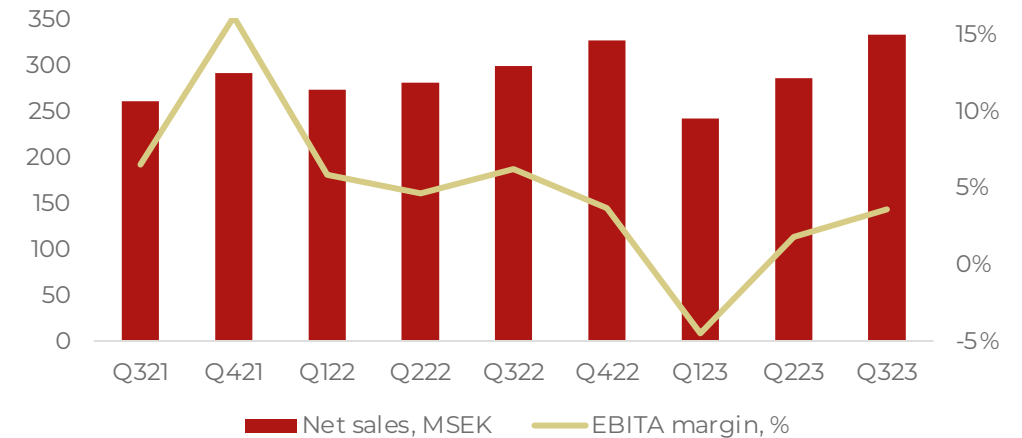
	Q3					
MSEK	2023	2022	Change	R12M	2022	Change
Net sales	409	332	23.1%	1,631	1,433	13.8%
- Infraservices	198	169	17.6%	779	687	13.4%
- Power	153	73	110%	521	330	57.9%
- Telecom	54	83	-35.1%	314	393	-20.1%
EBITA	35	22	45.5%	140	117	19.7%
EBITA margin	8.5%	6.5%	2.0	8.6%	8.2%	0.4

Q323 Norway

Good demand and improved profitability

- Increased volumes in Power and Telecom
- Strategic move in Power to broaden the business geographically has already led to extended regional cooperation with Elvia, Norway's largest power operator
- Telecom showed good volumes in both fiber and 5G rollout
- Margin-enhancing measures ongoing – margin improved to 3.6% from 1.8% Q223

Net sales and EBITA margin

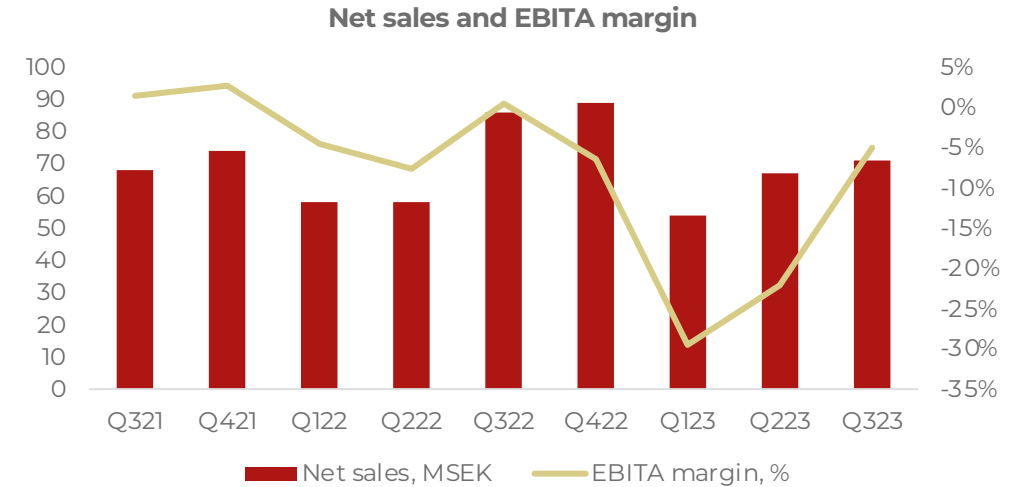


	Q3					
MSEK	2023	2022	Change	R12M	2022	Change
Net sales	333	299	11.4%	1,188	1,179	0.8%
- Power	105	83	26.1%	368	341	7.9%
- Telecom	228	216	5.7%	820	839	-2.3%
EBITA	12	19	-36.8%	18	60	-70.0%
EBITA margin	3.6%	6.2%	-2.6	1.6%	8.2%	-6.6

Q323 Finland

Focused activities to improve profitability

- Sales impacted by planned lower volumes in Power
- Negotiations with a major power customer finalized in July has created the prerequisites for Power to become profitable 2024
- New fiber projects increasing in volume
- The new large fiber projects have started after a protracted start and have good potential to contribute to improved profitability



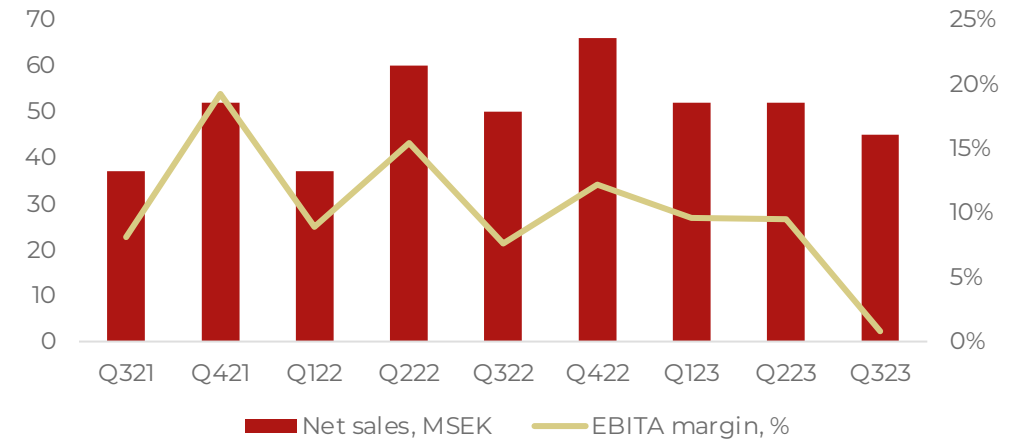
	Q3					
MSEK	2023	2022	Change	R12M	2022	Change
Net sales	71	86	-17.2%	281	291	-3.4%
- Power	29	65	-56.3%	170	210	-19.0%
- Telecom	42	20	107%	111	81	37.0%
EBITA	-4	0	-	-40	-12	-233%
EBITA margin	-5.0%	0.0%	-5.0	-14.2%	-4.2%	-10.0

Q323 Germany

Strong underlying demand

- Q323 impacted by the finalization of projects in combination with the start-up of new projects with a large new customer
- Building the organization to meet the strong demand
- Focus on new customers to grow with further improved profitability

Net sales and EBITA margin

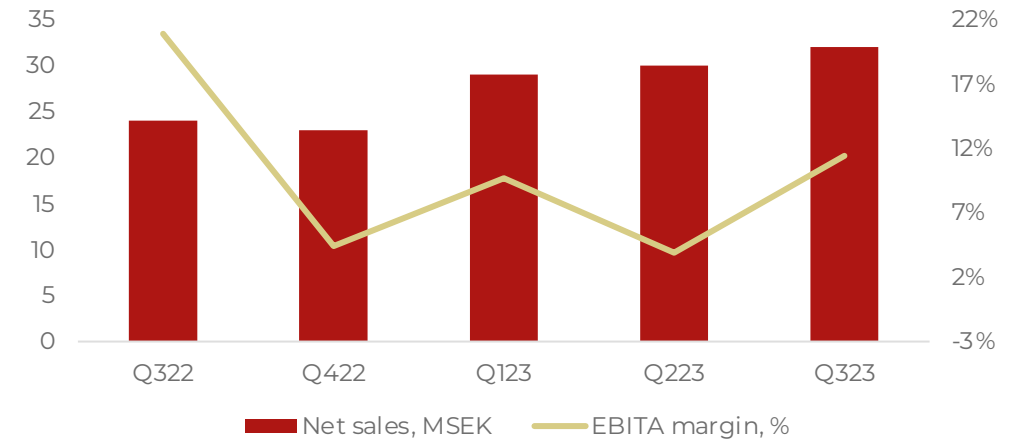


	Q3					
MSEK	2023	2022	Change	R12M	2022	Change
Net sales	45	50	-10.2%	215	213	0.9%
- Telecom	45	50	-10.2%	215	213	0.9%
EBITA	0	4	-100%	18	24	-25.0%
EBITA margin	0.8%	7.6%	-6.8	8.6%	11.5%	-2.9

Q323 UK Merger finalized

- Merger of our two UK companies finalized
- Working under one brand - Netel
- Projects with new fiber customer and synergies will continue to contribute to profitability
- Building the organization to meet the strong demand
- Focus on new customers to grow with further improved profitability

Net sales and EBITA margin



	Q3					
MSEK	2023	2022	Change	R12M	2022	Change
Net sales	32	24	32.3%	114	47	-
- Telecom	32	24	32.3%	114	47	-
EBITA	4	5	-20.0%	9	6	-
EBITA margin	11.4%	20.9%	-9.5	7.8%	13.5%	-

Q4 and year-end report

16 February 2024

