



# Q423 presentation

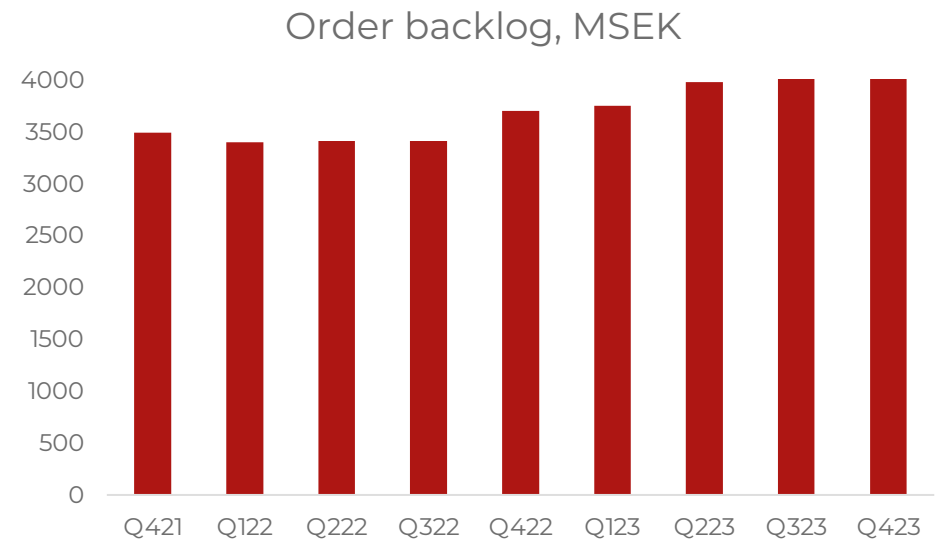
16 February 2024



## Q423 summary

# Improved profitability and strengthened financial position

- Performance in line with our indication
- Robust order backlog of SEK 4.0 billion
- Strong cash flow
- Net debt in line with target





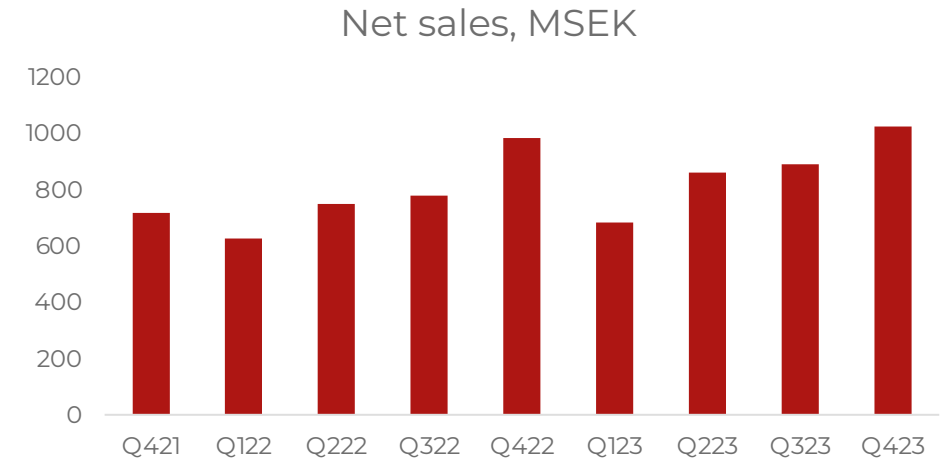
# Group performance



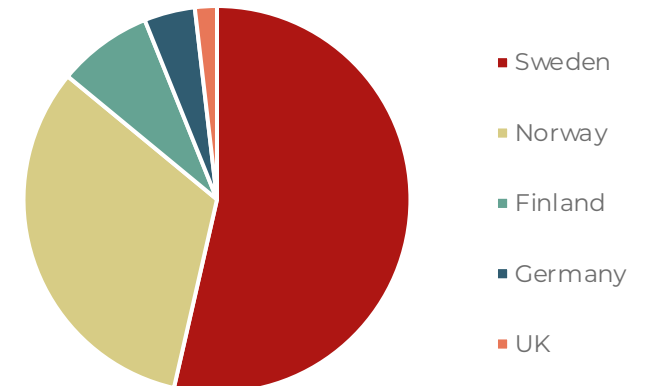
## Q423 net sales

# Growth mainly driven by strong development in Sweden

- +4.2% to MSEK 1,025 (984)
- Driven mainly by strong organic development in Sweden within Power
- Organic growth +1.0%
- Organic growth +2.1% excl phasing out of fiber rollout in Sweden
- FX effects -1.6% and acquisitions +3.2%



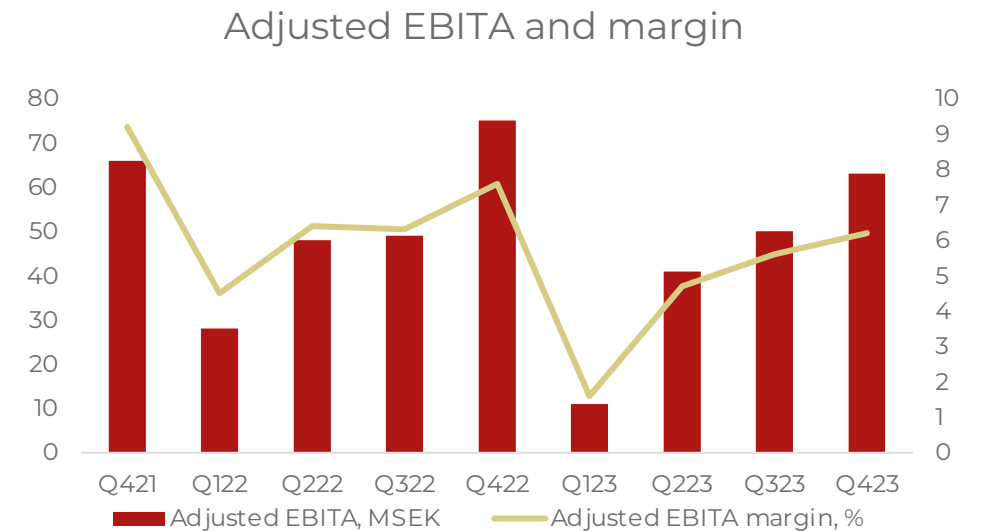
Net sales per segment, 4Q23



## Q423 profitability

# Continued sequential improvement

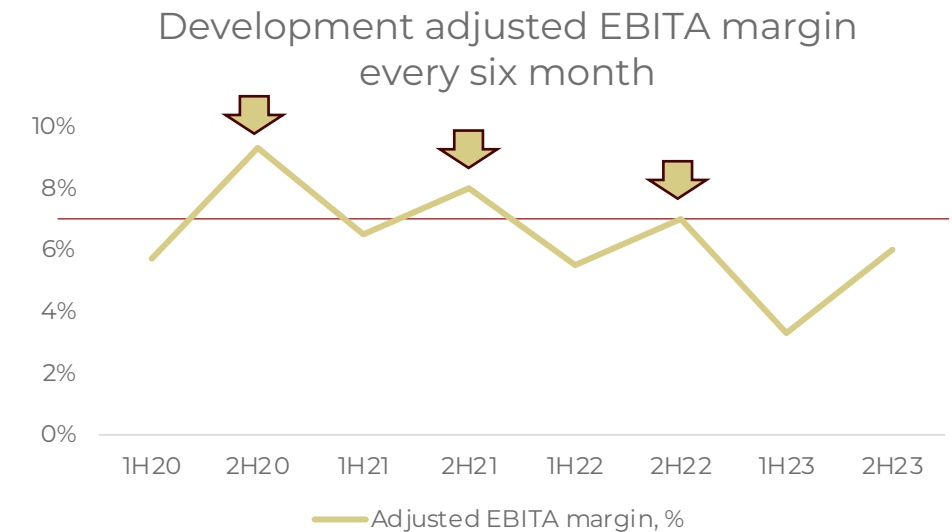
- Adjusted EBITA MSEK 63 (75)
- Adjusted EBITA margin 6.2% (7.6)
- Improved profitability driven by margin-enhancing measures in Norway and Finland as well as high activity levels
- Negative impact from the early winter season and preparations for the large frame agreements with the Swedish Defense Material Administration
- EPS 0.75 (1.00) SEK



# FY 2023 indication

## Performance in line with our indication

Financial targets		Indication	Performance
Revenue growth	Annual growth of 10% incl acquisitions	To be reached	10.1%
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	2023: 4.8% 2H23: 6.0%
Capital structure	Net debt excl lease liabilities/adj EBITDA below 2.5 <sup>1</sup>	To be reached	2.2

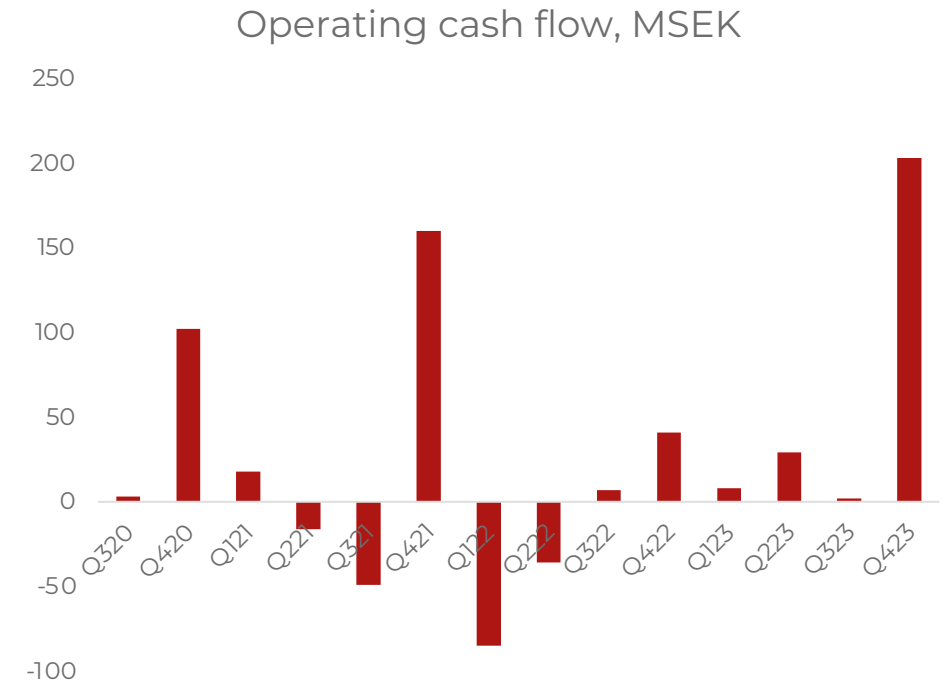


<sup>1</sup> The leverage ratio can temporarily be exceeded in connection with acquisitions.

## Q423 cash flow

# Strong operating cash flow

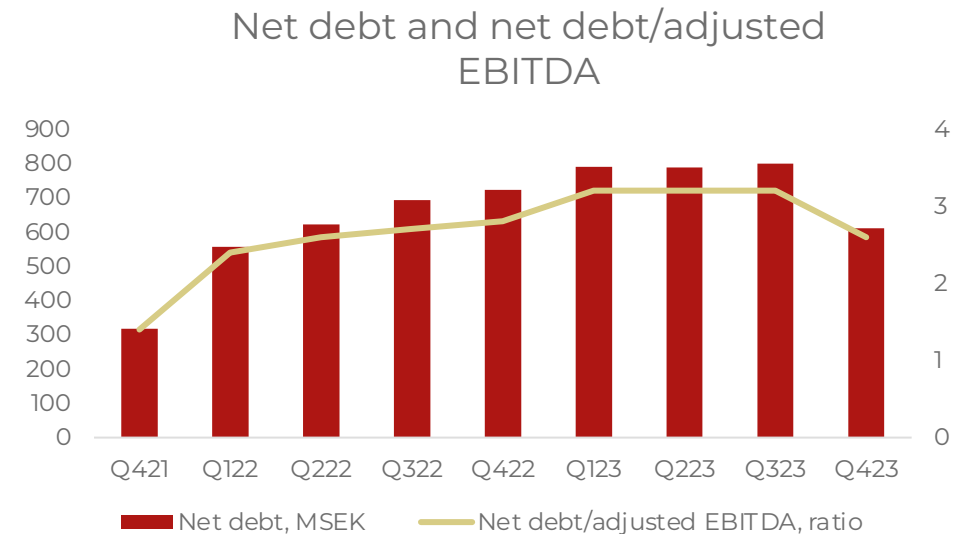
- Operating cash flow MSEK 203 (41)
- FY 2023 MSEK 242 (-72)
- Improvement due to normal seasonality and successful cash improvement initiatives across the Group



## Q423 financial position

# Net debt in line with target

- Unutilized credit facilities and cash MSEK 690
- Leverage ratio of 2.2 in line with the medium term capital structure target
- We enter 2024 with a strengthened financial position
- The Board proposes that no dividend is paid for the the financial year 2023 to further strengthen Netel's financial position



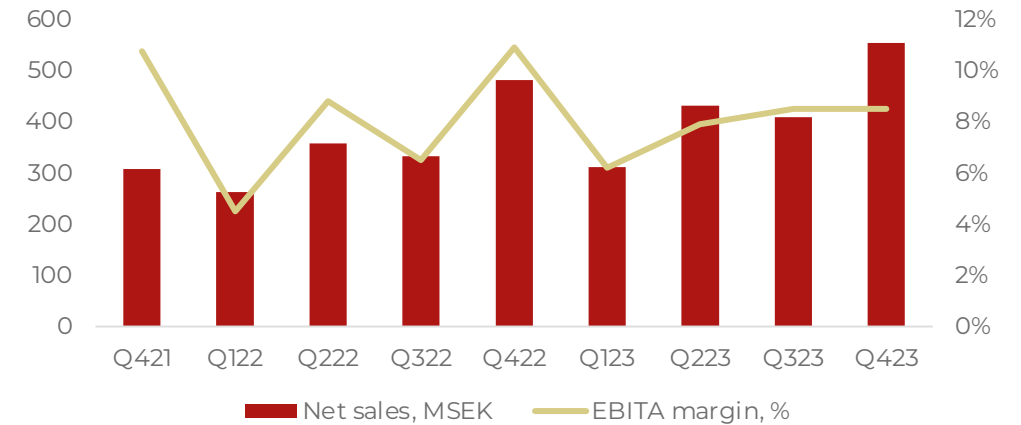


# Segment performance

## Q423 Sweden Strong growth and high profitability

- Net sales +15.3% driven by organic growth and acquisitions in Power
- Adjusted EBITA margin 8.1% (10.9)
- 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. Preparation for the large frame agreements with the Swedish Defense Material Administration has started

Net sales and EBITA margin



	Q4					
MSEK	2023	2022	Change	2023	2022	Change
Net sales	554	481	15.3%	1,704	1,433	19.0%
- Infraservices	243	245	-0.1%	776	687	13.0%
- Power	223	114	95.6%	630	330	90.9%
- Telecom	85	117	-27.4%	282	393	-28.2%
Adjusted EBITA	45	52	-13.5%	133	117	13.7%
Adjusted EBITA margin	8.1%	10.9%	-2.8	7.8%	8.2%	-0.4



# Charging station for EVs only



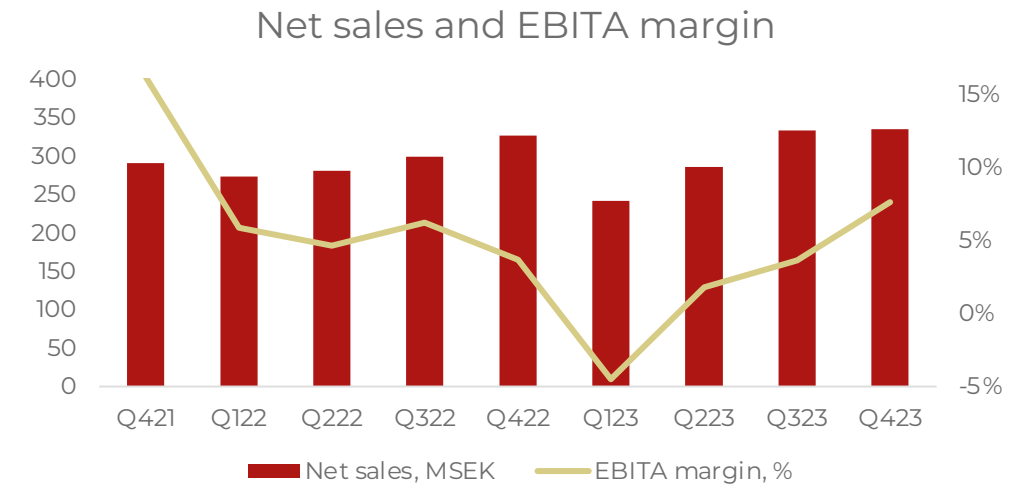
Co-funded by  
the European Union



## Q423 Norway

# Good demand and improved profitability

- Increased volumes in Power and Telecom
- Expanded cooperation with Elvia
- Telecom showed good volumes in fiber rollout
- EBITA margin improved to 7.6% (3.7) mainly due to margin enhancing activities

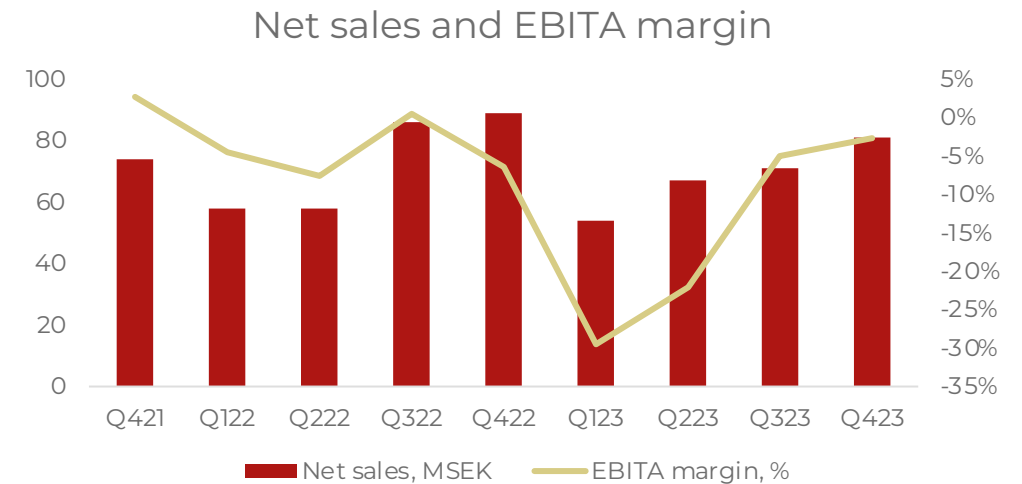


	Q4					
MSEK	2023	2022	Change	2023	2022	Change
Net sales	335	327	2.3%	1,196	1,179	1.4%
- Power	85	81	4.9%	371	341	9.1%
- Telecom	250	246	1.6%	824	839	-1.8%
EBITA	25	12	117%	32	60	-46.7%
EBITA margin	7.6%	3.7%	3.9	2.7%	5.1%	-2.4



## Q423 Finland New fiber projects increasing in volume

- Sales impacted by planned lower volumes in Power
- New fiber projects increasing in volume
- The early winter season has had a negative impact
- Still focus on improved profitability

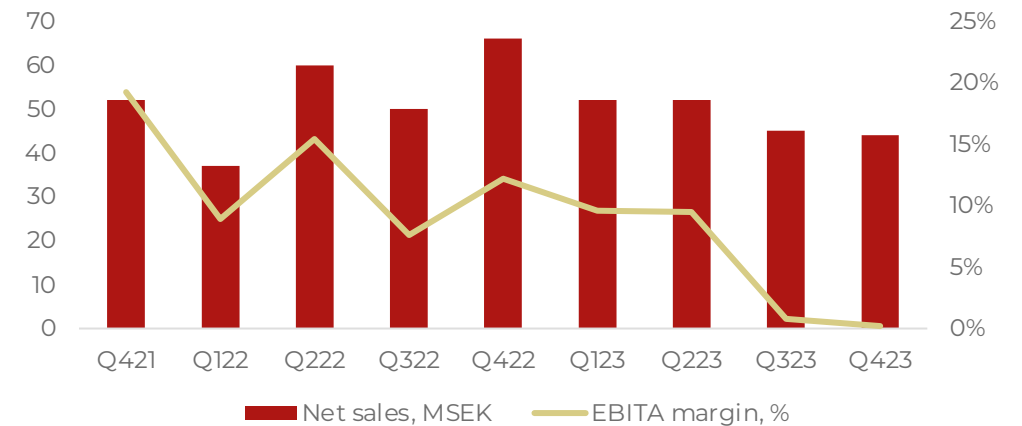


	Q4					
MSEK	2023	2022	Change	2023	2022	Change
Net sales	81	89	-8.7%	273	291	-6.1%
- Power	31	59	-47.5%	142	210	-32.4%
- Telecom	51	30	70.0%	131	81	61.7%
EBITA	-2	-6	200%	-36	-12	-200%
EBITA margin	-2.7%	-6.4%	3.7	-13.3%	-4.2%	-9.1

## Q423 Germany Strong underlying demand

- Building phase with fluctuating project volumes
- Impacted by early winter season
- Pilot project that includes installation of fiber in homes
- Smaller contract signed with one of the largest energy companies
- Underlying fiber market strong
- Still focus on broadening our customer base

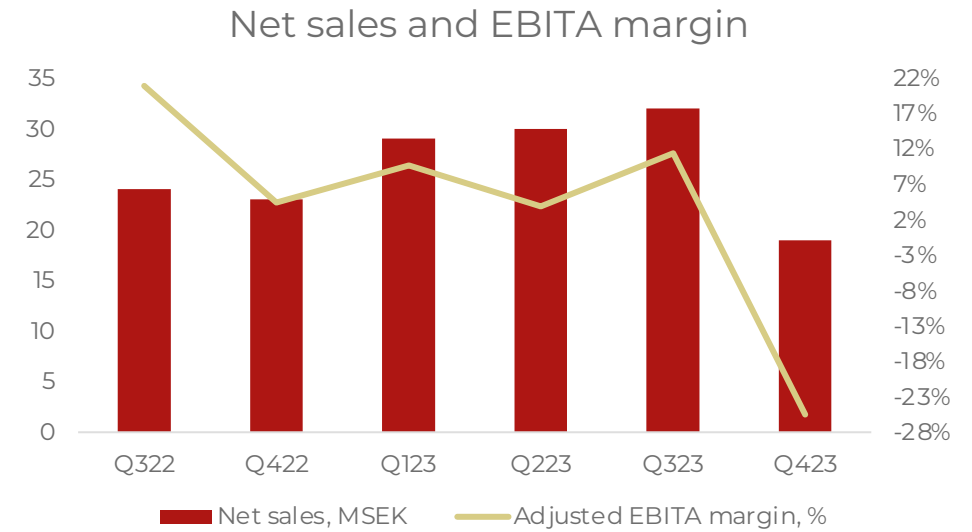
Net sales and EBITA margin



	Q4					
MSEK	2023	2022	Change	2023	2022	Change
Net sales	44	66	-33.8%	192	213	-9.9%
- Telecom	44	66	-33.8%	192	213	-9.9%
EBITA	0	8	-100%	10	24	-58.3%
EBITA margin	0.2%	12.2%	-12.0	5.4%	11.5%	-6.1

## Q323 UK Quickly growing market

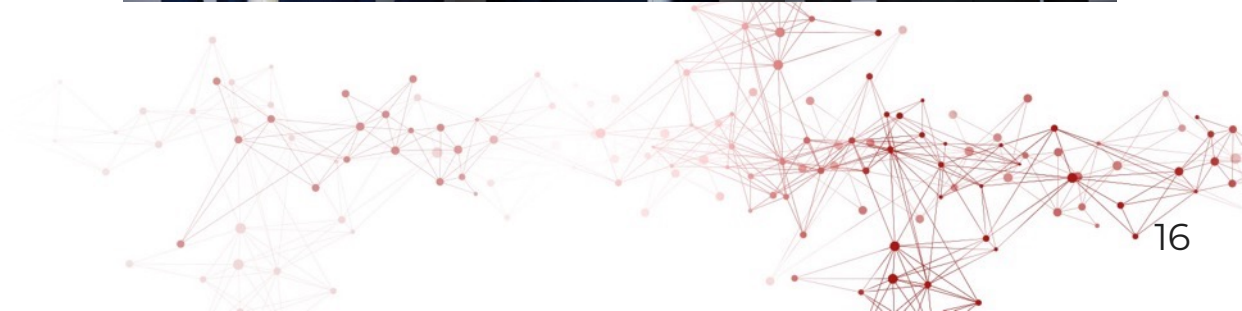
- Building phase with fluctuating project volumes
- Projects with new fiber customer and synergies will contribute to profitability
- Underlying fiber market is strong
- Still focus on broadening our customer base



	Q4					
MSEK	2023	2022	Change	2023	2022	Change
Net sales	19	23	-18.9%	110	47	-
- Telecom	19	23	-18.9%	110	47	-
Adjusted EBITA	-5	1	-	3	6	-
Adjusted EBITA margin	-25.5%	5.9%	-31.4	2.5%	13.5%	-

# New Group Management and organisational structure to balance resources and create synergies

- CEO, Jeanette Reuterskiöld
- CFO, Fredrik Helenius
- Head of Division Power, Klas Eldebrandt
- Head of Division Infraservices, Fredrik Land
- Head of Division Telecom, Edward Olastuen
- Group Operational Support, Johan Olofsson





# Outlook 2024

- Order backlog SEK 4.0 billion
  - 2024: SEK 2.5 billion – 2025-2026: SEK 1.5 billion
  - Conservative approach to frame agreements
- Q1 normally impacted by strong seasonality
  - Start of new projects
  - A long, severe winter would impact Q1 negatively
- Margin enhancing activities to continue in Norway and Finland
- Digitalisation project for Netel Group
- Continued focus on cash flow and net debt
- Continued focus on our sustainability work



# Q124 report

26 April 2024

