

**neotel** group

# Q124 presentation

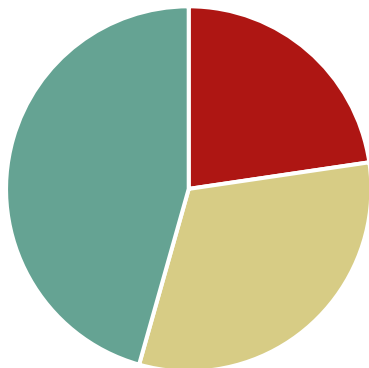
26 April 2024



# Leading specialists in critical infrastructures

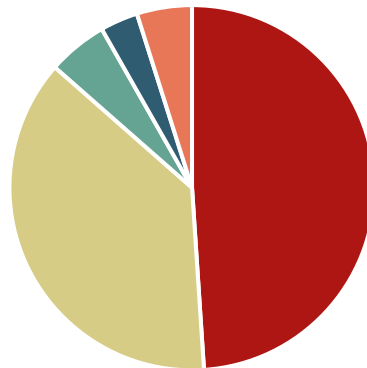
- Net sales R12M SEK 3 490 m, +9.1%
- Adjusted EBITA R12M SEK 168 m
- Order backlog SEK 3.8 b

Net sales by segment Q124

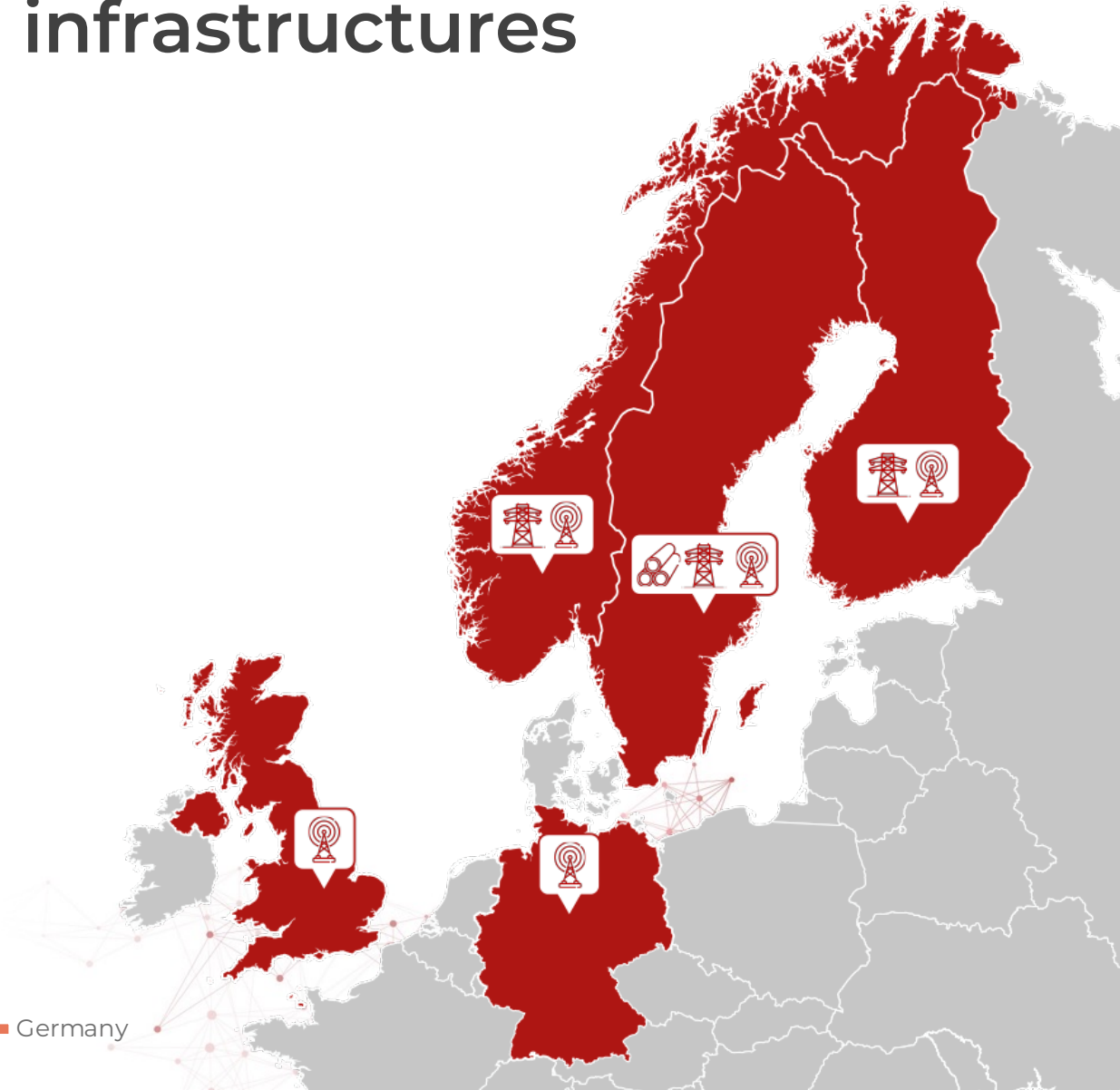


■ InfraserVICES ■ Power ■ Telecom

Net sales by country Q124



■ Sweden ■ Norway ■ Finland ■ UK ■ Germany



# Strong market trends

Climate change

Digitalisation

Modernisation of infrastructures



# Electrifying Nacka

- Southeast of central Stockholm
- 20,000 new homes and 15,000 new workplaces by 2030
- Electricity network must be expanded
- Netel to rebuild two distribution stations
- Customer: Nacka Energi



# Digitalising Norwegian Østlandet

- Development, maintenance and troubleshooting of fibre networks in six of nine zones
- Responsibility for security and readiness throughout the whole network
- Framework agreement renewed and expanded in 2023
- Customer: Viken Fiber



# Modernising infrastructures in Örebro

- Project Bus Rapid Transit, BRT
- New bus stop and own bus lanes
- Reconstruction of street, GC track, lighting and signaling systems
- Relocation and renovation of water sewage
- Customer: Örebro Municipality



# Sustainability – a key competitive advantage

- In the process of applying for science-based targets
- Implemented external system support for collecting, quality-assuring and analysing sustainability data
- Double materiality analysis according to CSRD is performed



## Q124 highlights

# Good sales development and new reporting structure

- Good sales development especially in Infraservices, Power in Sweden and Telecom in Norway
- Negatively affected by seasonality with a normally weak first quarter due to winter conditions and a high proportion of projects in start-up phase
- Improved profitability
- Robust order backlog
- Cashflow impacted by late invoicing and normal seasonality for the first quarter
- New management team and organisational structure





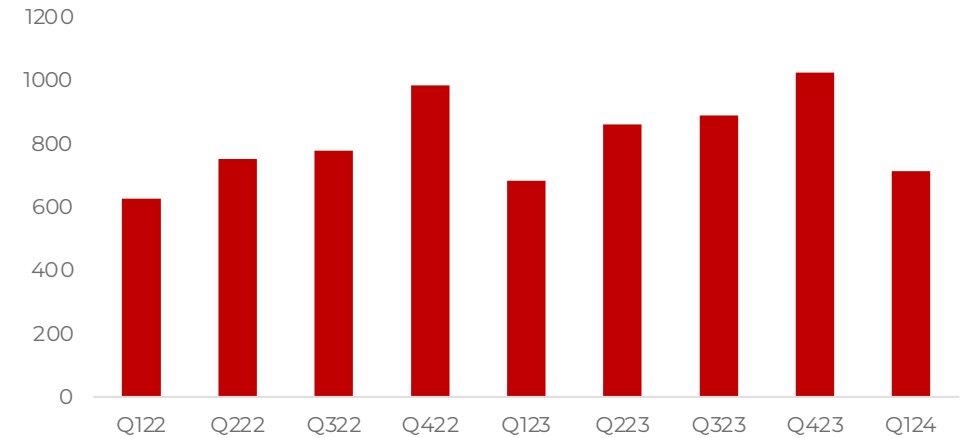
# Financial performance

# Q124 net sales and order backlog

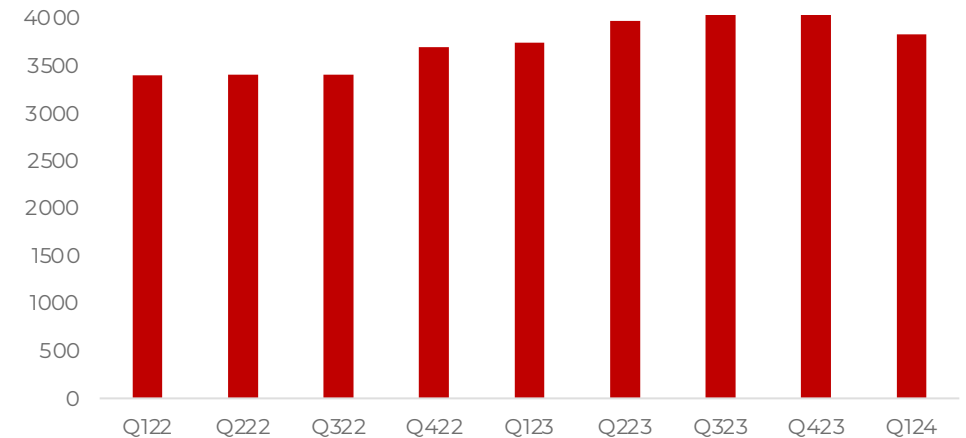
## Organic growth of 3.9% and normal seasonality

- +4.5% to MSEK 714 (684)
- Impacted by seasonality
- Strong development in Infraservices, Power Sweden and Telecom Norway
- Organic growth +3.9%
- FX effects -1.1%
- Acquisitions +0.6%

Net sales, MSEK



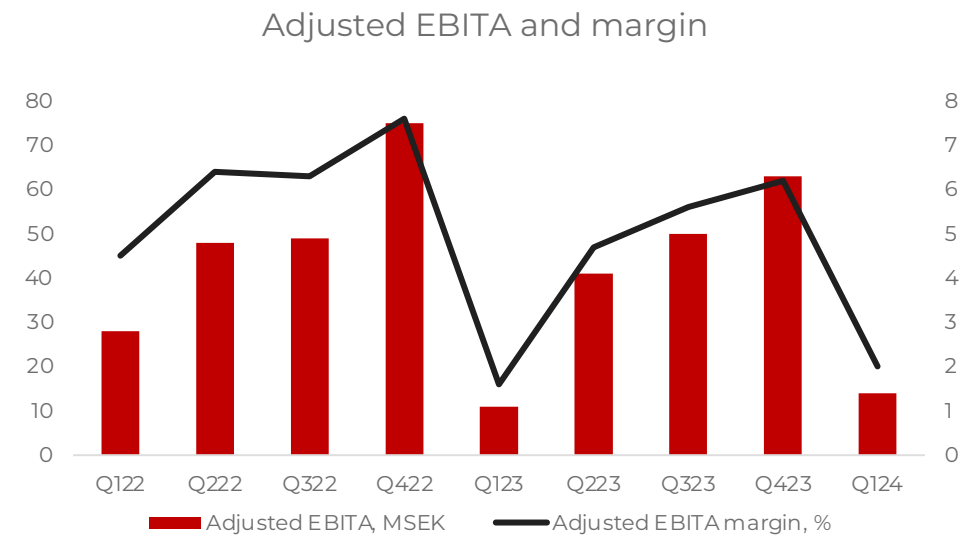
Order backlog, MSEK



# Q124 profitability

## Impact from seasonality and projects in start-up phase

- Adjusted EBITA MSEK 14 (11)
- Adjusted EBITA margin 2.0% (1.6)
- Impact from normal seasonality and a high proportion of projects in start-up phase
- EPS -0.17 (-0.18) SEK

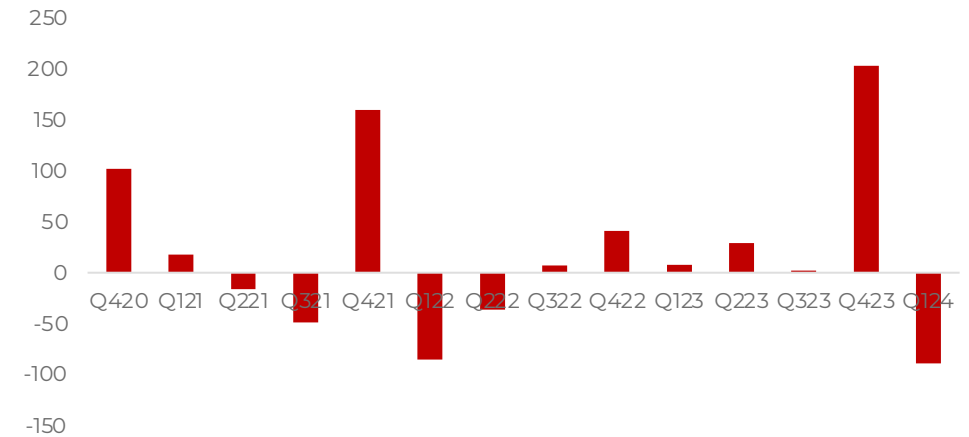


# Q124 cash flow and financial position

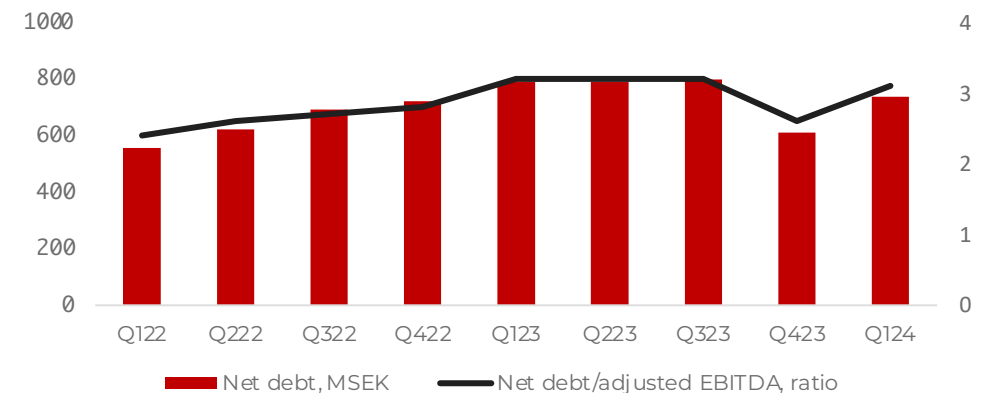
## Weak operating cash flow

- Operating cash flow MSEK -89 (8)
- Impact from start-up phase
- Unutilized credit facilities and cash MSEK 573
- Leverage ratio of 2.7 – higher than the medium term capital structure target

Operating cash flow, MSEK



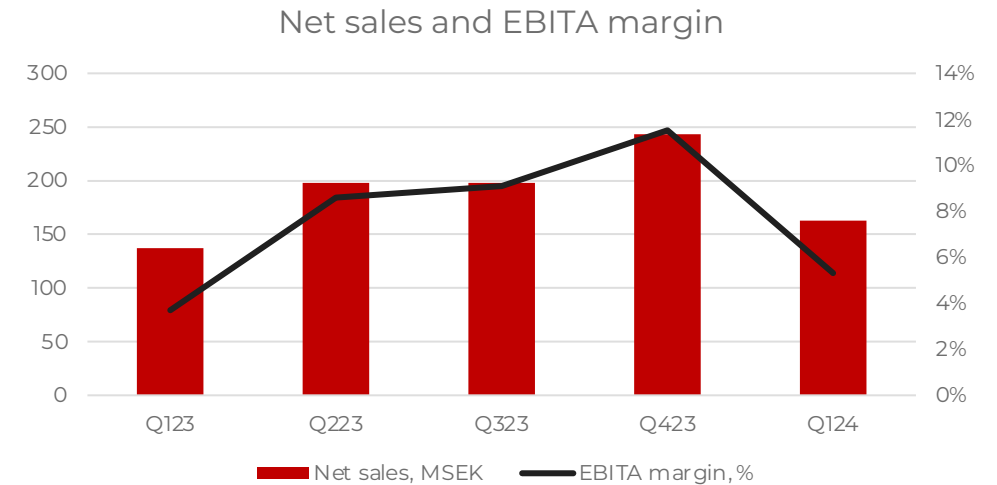
Net debt and net debt/adjusted EBITDA



# Segment performance

# Q423 Infraservices Strong growth and improved profitability

- Net sales +18.5% to MSEK 163
  - Good demand for larger projects in Q423 where deliveries started already in Q124
- EBITA +80.0% to MSEK 9
- EBITA margin 5.3% (3.7)
  - Improved profitability due to higher volumes

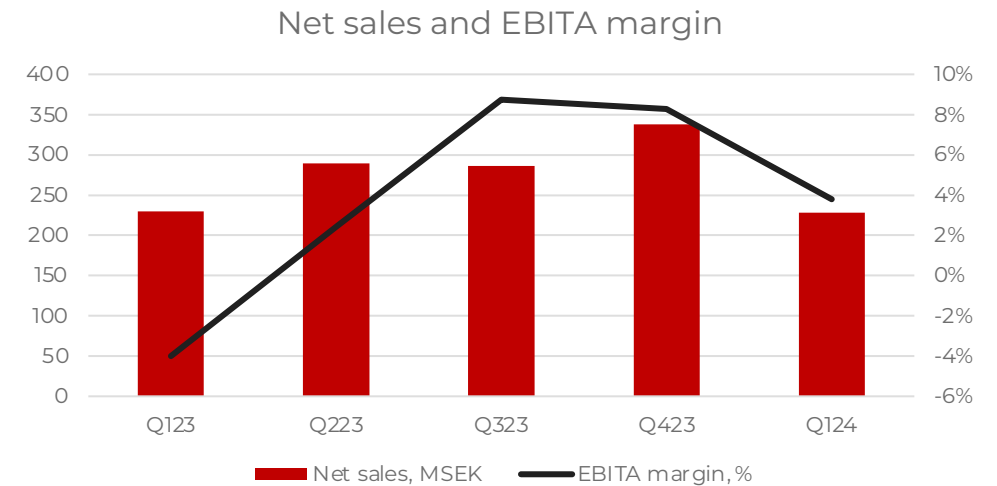


	Q1			R12M	2023	Change
	2024	2023	Change			
<b>MSEK</b>						
<b>Net sales</b>	163	137	18.5%	802	776	3.4%
<b>- Sweden</b>	163	137	18.5%	802	776	3.4%
<b>EBITA</b>	9	5	80.0%	72	68	5.9%
<b>EBITA margin</b>	5.3%	3.7%	1.6	9.0%	8.8%	0.2

# Q124 Power

## Good demand and improved profitability

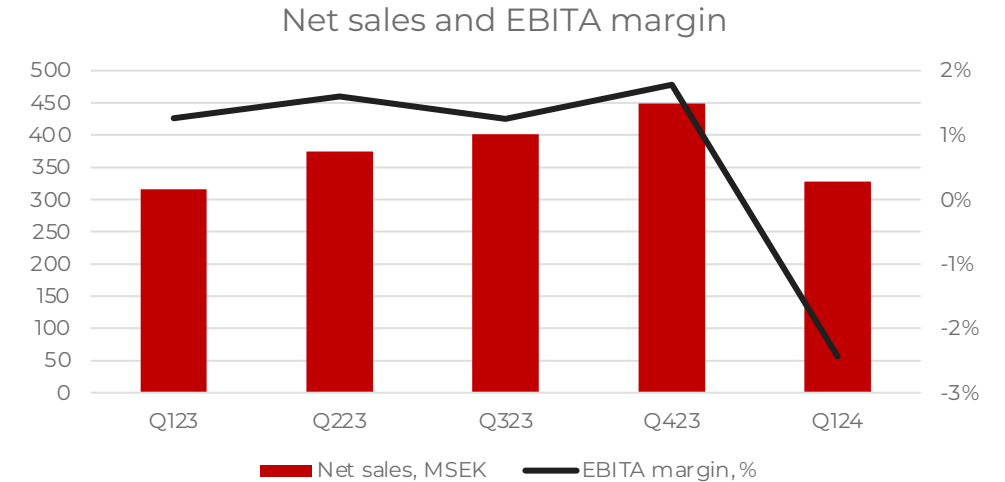
- Net sales -1.1% to MSEK 228
  - Impacted by planned lower volumes in Finland
  - Good development in Sweden and Norway
- EBITA improved to MSEK 9 (-9)
- EBITA margin 5.3% (-4.0)
  - Profitability still unsatisfactory in Norway and Finland, where measures are underway to increase margins



	Q1					
MSEK	2024	2023	Change	R12M	2023	Change
<b>Net sales</b>	228	230	-1.0%	1,142	1,144	-0.2%
<b>- Sweden</b>	124	112	11.0%	642	630	1.9%
<b>- Norway</b>	80	77	3.4%	374	371	0.8%
<b>- Finland</b>	24	41	-41.7%	125	142	-12.0%
<b>EBITA</b>	9	-9	-	69	51	35.3%
<b>EBITA margin</b>	3.8%	-4.0%	7.8	6.0%	4.5%	1.5

# Q124 Telecom Good sales development in the Nordics

- Net sales +3.5% to MSEK 328
- EBITA MSEK -8 (4)
- EBITA margin -2.4% (1.3)
  - Impact from normal seasonality, a high proportion of projects in start-up phase and lower volumes in UK and Germany



	Q1					
MSEK	2024	2023	Change	R12M	2023	Change
<b>Net sales</b>	328	316	3.5%	1,552	1,540	0.8%
- Sweden	64	57	11.7%	289	282	2.5%
- Norway	190	165	15.1%	849	824	3.0%
- Finland	14	13	14.2%	132	131	0.8%
- UK	24	29	-16.9%	105	110	-4.5%
- Germany	35	52	-33.3%	175	192	-8.9%
<b>EBITA</b>	-8	4	-	11	23	-52.2%
<b>EBITA margin</b>	-2.4%	1.3%	-3.7	0.7%	1.5%	-0.8



# Key ongoing activities

- Further strengthening our position as a leader in critical infrastructure
- Continue margin enhancing activities in Norway and Finland
- Digitalisation project across the Group
- Monitoring development in the UK and Germany closely
- Focus on working capital and cash flow
- Focus on our sustainability work



# Q224 report

12 July 2024

