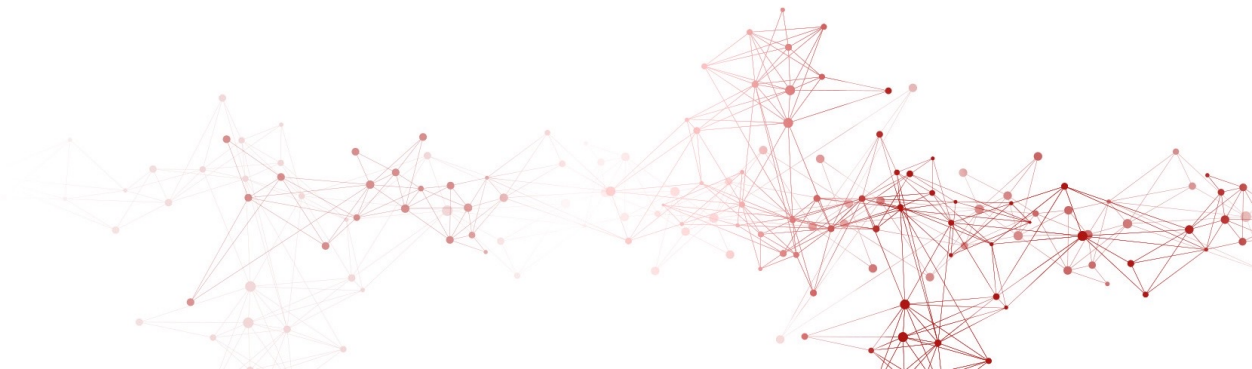


neotel group

Q223 presentation

14 July 2023



Q223 summary

Net sales +14.5% and record high order backlog

- High activity level
- Strong market trends – order backlog increased to SEK 4.0 billion
- We expect growth of 10% and an adjusted EBITA margin of 4.5-5.5% FY 2023
- We have come a long way with the margin enhancing measures in Norway and Finland
- Agreements with large Swedish fiber customer and Finnish power customer



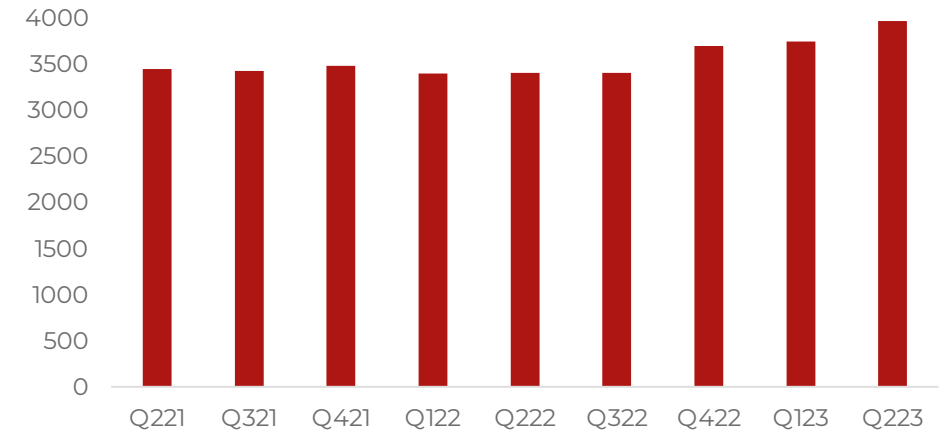
Group performance



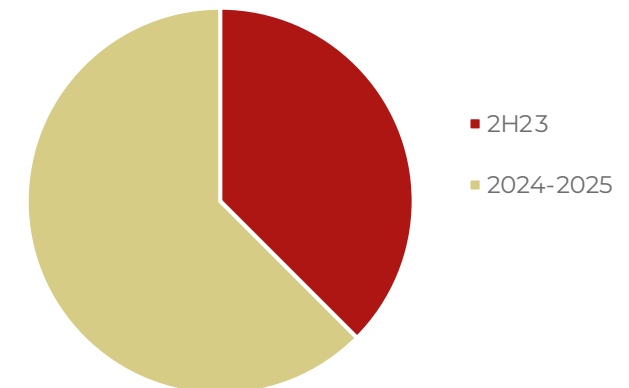
Q223 order Another order backlog record

- Stable development
- Increased order backlog with new and expanded existing projects of more than SEK 1 billion
- Approx SEK 1.5 billion are to be performed in 2H23 – the rest during 2024-2025

Order backlog, MSEK

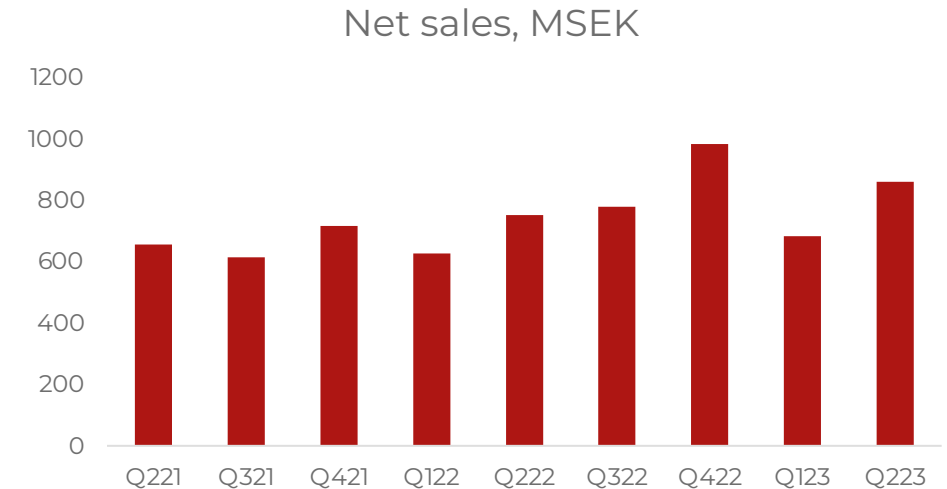


Order backlog per year

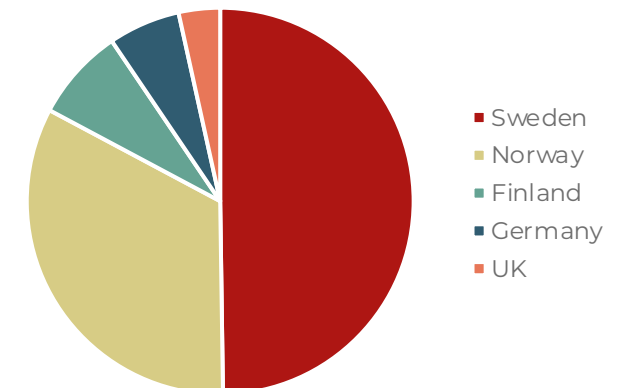


Q223 net sales Organic growth of 5.3%

- +14.5% to MSEK 856
- Driven mainly by strong development in Sweden and acquisitions in the UK
- Organic growth 5.3%
- Organic growth 7.9% excl the phasing out of fiber rollout in Sweden



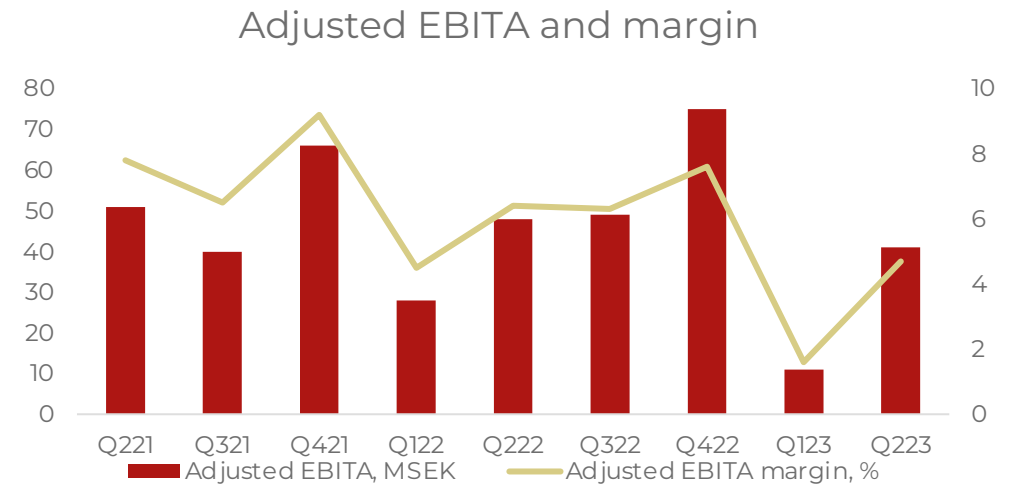
Net sales per segment, Q223



Q223 profitability

Sequential improvement due to high activity level

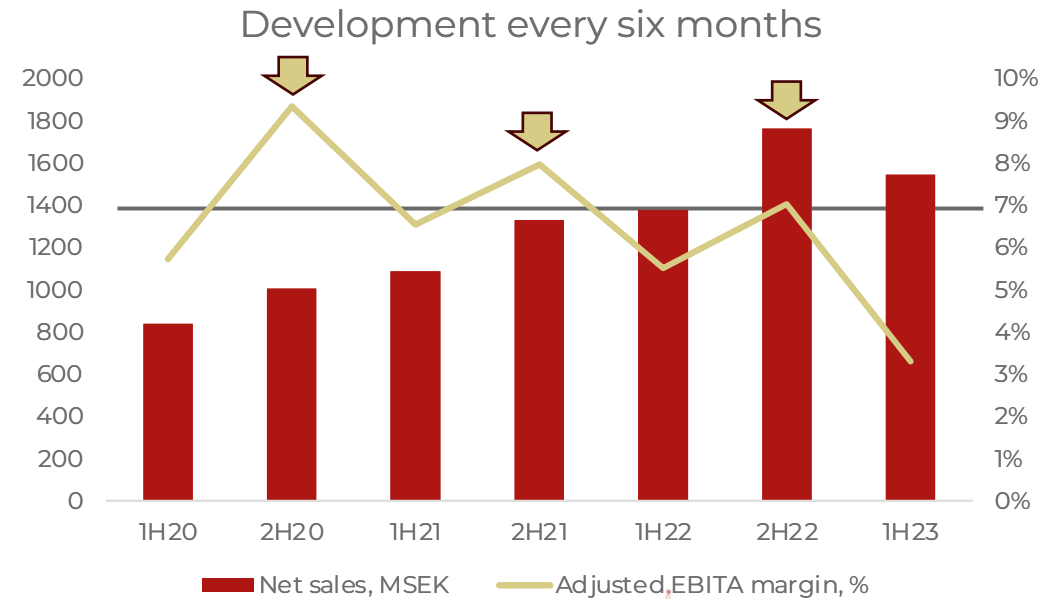
- Adjusted EBITA MSEK 41 (48)
- Adjusted EBITA margin 4.7% (6.4)
 - Impacted by lower volumes in Norway and measures to lower costs in Norway and Finland
- Adjusted EBITA margin increased 3.1 percentage points from Q123 due to high activity level
- Restructuring cost of MSEK 10 in Finland
- EPS 0.07(0.60) SEK



FY 2023 indication

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

Financial targets		
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



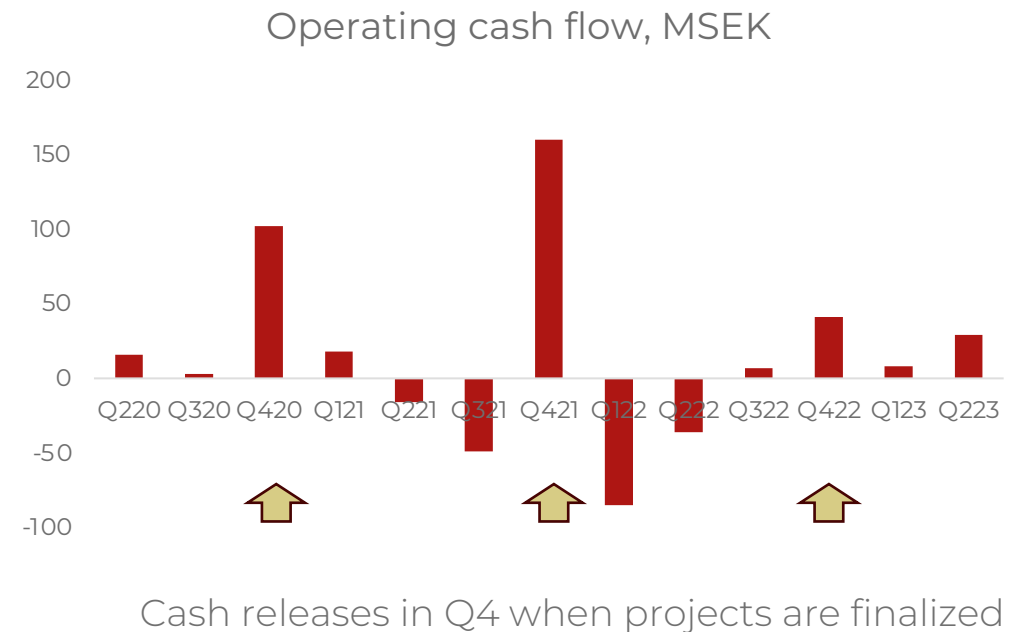
¹ The leverage ratio can temporarily be exceeded in connection with acquisitions.



Q223 cash flow

Cash flow in line with seasonality

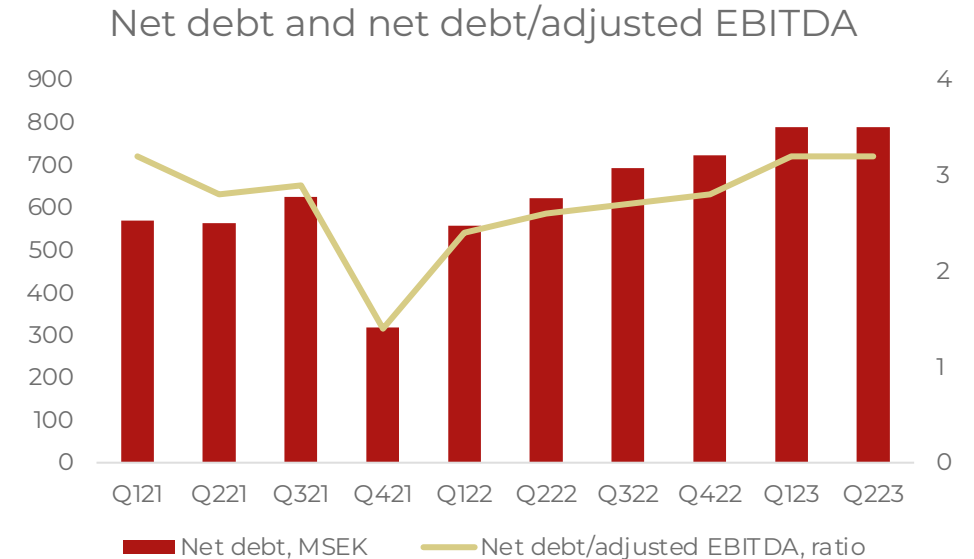
- Operating cash flow MSEK 29 (-36)
- Positively impacted by MSEK 70 from settlement with large fiber customer
- Operating cash flow excl settlement in line with seasonality
- Focus on cash improving measures short and long term
- Higher margins 2H23 and ongoing activities will improve cash flow the latter part of 2023



Q223 financial position

Focus on capital structure target

- Unutilized credit facilities and cash MSEK 528
- The leverage ratio calculated in accordance with the financial target was a multiple of 2.8 which is above the capital structure target in the medium term
- Less focus on M&A until net debt ratio has improved



Segment performance

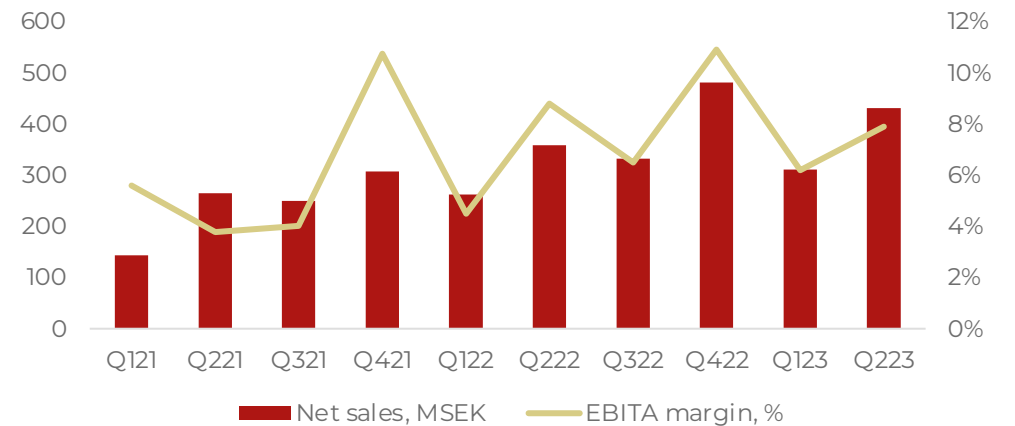


Q223 Sweden

Strong growth and robust profitability

- Organic growth in Infraservices and Power
- Important frame agreements signed with new and existing customers
- Infraservices – strong development driven by value adding acquisitions
- Power – high demand for especially power stations
- Telecom – impacted by the ongoing phasing out of fiber rollout

Net sales and EBITA margin



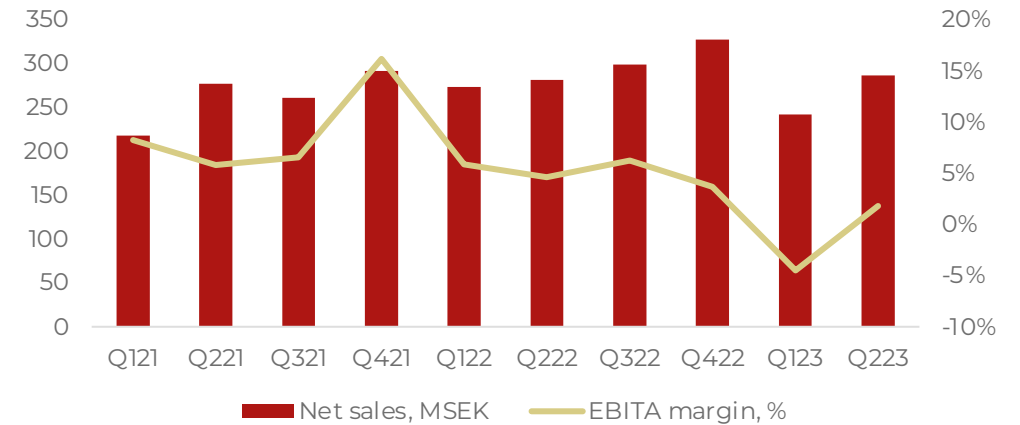
	Q2					
MSEK	2023	2022	Change	R12M	2022	Change
Net sales	431	358	20.3%	1,538	1,410	7.3%
- Infraservices	198	160	23.9%	749	687	9.0%
- Power	142	86	66.4%	441	330	33.6%
- Telecom	86	106	-19.2%	343	393	-12.7%
EBITA	34	31	9.7%	127	117	8.6%
EBITA margin	7.9%	8.8%	-0.9	8.3%	8.2%	0.1

Q223 Norway

Good basis for a better 2H23

- Improved volumes in Power
- Telecom impacted by lower service volumes in mobile
- Margin enhancing measures ongoing and will contribute to improved profitability 2H23
- Significant agreements signed

Net sales and EBITA margin



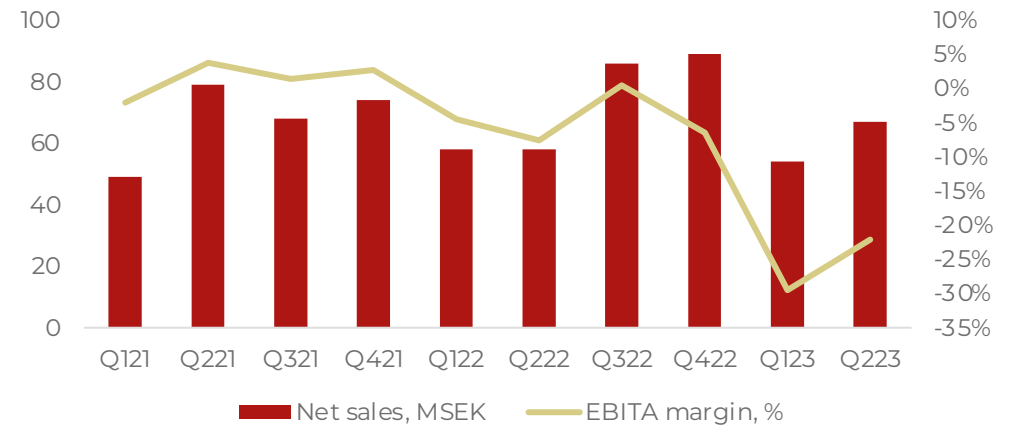
	Q2					
MSEK	2023	2022	Change	R12M	2022	Change
Net sales	286	281	1.9%	1,154	1,179	-2.1%
- Power	105	84	25.2%	346	341	1.5%
- Telecom	181	197	-8.0%	808	839	-3.7%
EBITA	5	13	-61.5%	25	60	-58.3%
EBITA margin	1.8%	4.6%	-2.8	-2.2%	8.2%	-6.0

Q223 Finland

Focused activities to improve profitability

- Easy comparison due to a weak Q222
- Negotiations with a major Power customer finalized with acceptable outcome for both parties
- We can now finalize adapt the organization and ways of working for Power, creating the prerequisites to become profitable in 2024
- One-off reservation Q223 of MSEK 10
- The new fiber projects have started which have good potential to contribute to improved profitability 2H23

Net sales and EBITA margin

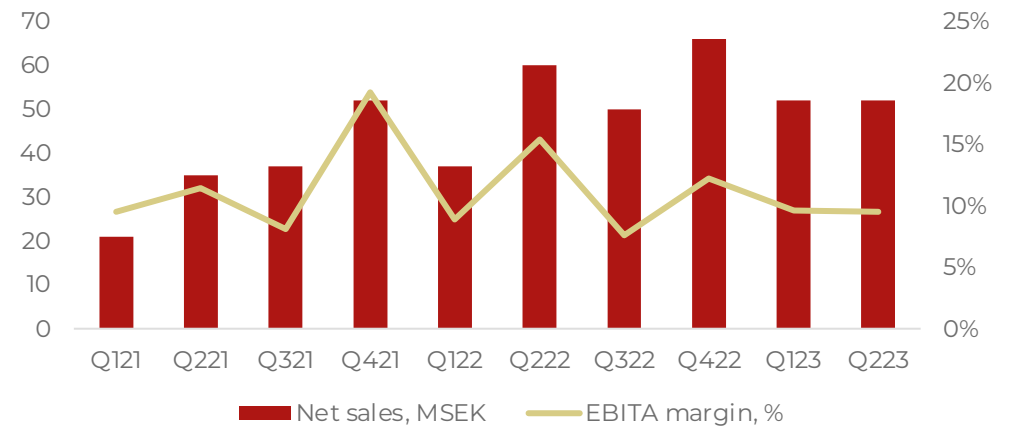


	Q2					
MSEK	2023	2022	Change	R12M	2022	Change
Net sales	67	58	15.2%	296	291	1.7%
- Power	41	42	-2.6%	206	210	-1.9%
- Telecom	25	16	63.8%	89	81	9.9%
EBITA	-15	-4	-275%	-37	-12	-208%
EBITA margin	-22.1%	-7.6%	-14.5	-12.5%	-4.2%	8.3

Q223 Germany Strong underlying demand

- Q223 impacted by the finalization of projects in combination with the start-up of new projects
- Building the organization to meet the strong demand
- Focus on new customers to grow with further improved profitability

Net sales and EBITA margin



	Q2					
MSEK	2023	2022	Change	R12M	2022	Change
Net sales	52	60	-14.2%	220	213	3.3%
- Telecom	52	60	-14.2%	220	213	3.3%
EBITA	5	9	-44.4%	22	24	-8.3%
EBITA margin	9.5%	15.4%	-5.9	10.01%	11.5%	-1.5

Q223 UK

Broadened customer portfolio

- Merger of our two UK companies ongoing – will make us more competitive for continued profitable growth
- In start-up process with new customer GoFibre

	Q2		
	2023	2022	2022
MSEK			
Net sales	30	-	47
- Telecom	30	-	47
EBITA	1	-	6
EBITA margin	3.9%		13.5%

Q3 report

8 November 2023

