

Ependion AB

Interim Report January–March 2025

Investing in a secure and connected world

Progressive future investments and cost savings in uncertain times

First quarter

- Order intake increased to 550.6 MSEK (527.5).
- Net sales amounted to 545.1 MSEK (598.5).
- EBIT decreased to 49.2 MSEK (74.5).
- EBIT margin was 9.0 percent (12.4).
- Profit after tax amounted to 32.0 MSEK (51.3).
- Earnings per share reached 1.10 SEK (1.78).
- Free cash flow was -12.2 MSEK (-8.4).
- The Westermo business entity inaugurated its unit in Bangalore and secured an initial order worth 11 MSEK in the train segment.
- The Beijer Electronics business entity carried out a restructuring that reduces costs by 22 MSEK annually and affects the quarter negatively with 3.4 MSEK in restructuring costs.

Events after the end of the period

- The Westermo business entity strengthens its position in the energy sector through the acquisition of Welotec.
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Comments from the CEO, Jenny Sjö Dahl



"Ependion began 2025 with an eventful first quarter, marked by intensive work on the acquisition of the technology company Welotec, continued launches of new operator panels in Beijer Electronics' X3 series, and the inauguration of Westermo's unit in India. At the same time, we are not

satisfied with our profitability and continue to see challenges within Beijer Electronics, which prompted a cost savings program implemented during the period to strengthen profitability.

Order intake for the period increased by 5 percent, adjusted for currency effects, to 551 MSEK. In the train and trackside segments, order intake was slightly lower during the period, while the positive trend in the energy, marine, and manufacturing industry segments continued. Despite a turbulent global environment, we continue to see a high level of activity among our customers.

For the Westermo business entity, order intake increased by 2 percent to 317 MSEK, and the order backlog amounted to 835 MSEK at the end of the period. The entity's newly opened unit in Bangalore secured its first order worth 11 MSEK for a local Indian train manufacturer. Beijer Electronics increased its order booking pace by 8 percent to 235 MSEK, where, encouragingly, growth was driven by rising demand for the entity's core offering, operator panels, which grew by 18 percent. Beijer Electronics' order backlog amounted to 143 MSEK at the end of the period.

The Group's sales amounted to 545 MSEK for the first quarter, which was weaker than the corresponding period last year for both business entities. Earnings came in at a lower level, with an operating profit of 49 MSEK and a margin of 9.0 percent. The result was impacted by an unfavourable sales mix and negative currency effects for Beijer Electronics, as well as non-recurring cost items totalling approximately 10 MSEK for the Group.

Westermo's operating profit remained stable at 50 MSEK. The business entity's operating margin for the first quarter increased to 15.7 percent, thanks to improved gross margins and cost restraint. For Beijer Electronics, operating profit declined to 15 MSEK, with an operating margin of 6.7 percent (8.3 percent excluding restructuring costs). To strengthen profitability, the business entity implemented a cost savings program during the quarter. The action plan affected 33 positions – primarily in the U.S. and Taiwan – and will reduce costs by 22 MSEK annually.

Free cash flow, which is normally weak during the first quarter of the year amounted to minus 12 MSEK for the period.

Ependion's spending on product development remains at a high level because of major forward-looking investments in new products. Development costs amounted to 13.5 percent of the Group's sales during the quarter. Both business entities launched new products during the period, and Beijer Electronics received initial orders for X3 web, which is part of the new generation of operator panels.

At the end of the quarter, the Group's Annual Report was published, featuring a significant expansion of sustainability data. Scope 3 targets were adopted for the Group, and subsidiaries have developed their plans to further address the environmental impact of their products. Scope 3 emissions cover the indirect emissions that occur in the value chain, and efforts to reduce these emissions also benefit the Group's customers in several ways, primarily through reduced environmental impact during the products' operational phase.

After the end of the period, we were pleased to announce a significant acquisition as the Westermo business entity entered into an agreement to acquire all shares in the technology company Welotec, headquartered in Laer, Germany. This transaction has very strong strategic logic: Westermo is stepping into a new but closely related technology area – Edge Computing – and accelerating growth in the energy segment, while also creating significant potential for sales

"Order intake for the period increased by 5 percent to 551 MSEK, adjusted for currency effects. Despite a turbulent global environment, we continue to see a high level of activity among our customers."

Jenny Sjö Dahl, President and CEO

synergies as the businesses are combined. Welotec will help strengthen our position in the digitalization of the power grid, a rapidly growing market expected to account for nearly a quarter of global grid investments by 2050. The purchase price amounts to 35.2 MEUR, plus a performance-based earn-out linked to the results for 2025–2026.

While we are seeing cautious signs of increasing customer demand, the uncertainty that has characterized the global economy for some time has intensified. Tariffs and trade barriers had no financial impact on the Group during the quarter, but we are closely monitoring developments and are prepared to mitigate any effects through, among other measures, price adjustments.

Ependion is well positioned in attractive markets. The strategic initiatives and continuous improvements we are driving make us well equipped for the future. In the medium- and long-term perspectives, our prospects for profitable growth are very strong, given the structural growth within our focus segments. In the short term, however, uncertainty remains high. In times of uncertainty, we focus on the factors we can influence. We balance cost discipline with strategic future investments and remain committed to creating value, regardless of market conditions.”

The Group in the First Quarter

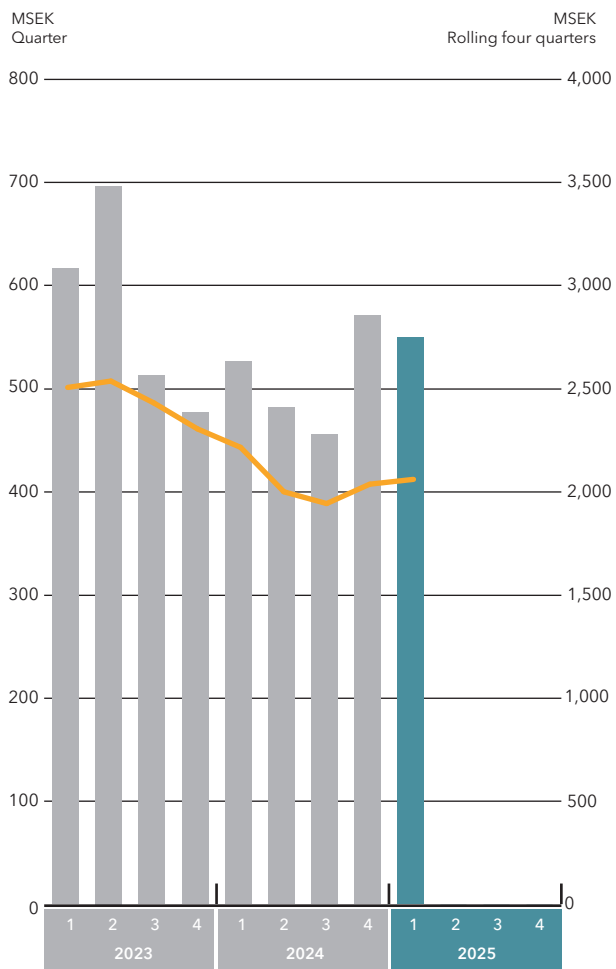
The Group’s order intake increased by 4 percent to 551 MSEK (528). Adjusted for currency effects, order intake increased by 5 percent. Order intake for both business entities increased. The Group’s turnover decreased to 545 MSEK (599), with both Westermo’s and Beijer Electronics’ sales contributing to the decline. Adjusted for currency effects, turnover decreased by 9 percent.

The Group’s EBITDA amounted to 96.7 MSEK (117.1). Depreciation and amortization amounted to 47.6 MSEK (42.6). EBIT was 49.2 MSEK (74.5), corresponding to an EBIT margin of 9.0 percent (12.4). The result was negatively affected by currency effects of 4.1 MSEK, and the parent company’s higher overhead costs were due to one-off items. Total development expenditure amounted to 73.3 MSEK (75.2). This corresponded to 13.5 percent (12.6) of the Group’s sales. Net financial items were -4.6 MSEK (-9.6). Profit before tax amounted to 44.6 MSEK (64.9). Profit after estimated tax amounted to 32.0 MSEK (51.3). Earnings per share after estimated tax were 1.10 SEK (1.78).

Business entity net sales and EBIT

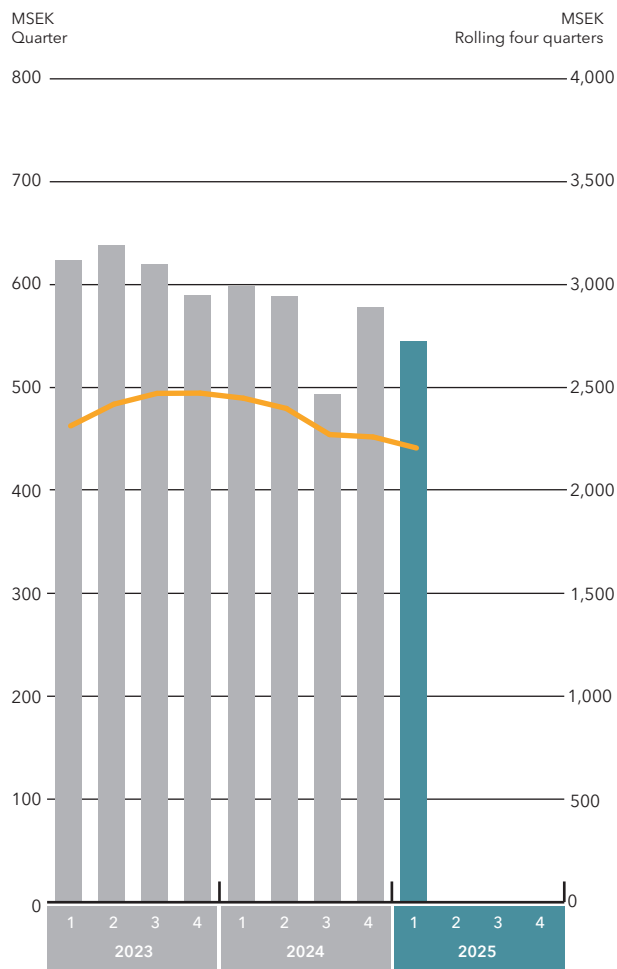
	Sales, MSEK		EBIT, MSEK		EBIT margin, %	
	Quarter 1		Quarter 1		Quarter 1	
	2025	2024	2025	2024	2025	2024
Westermo	320.8	363.8	50.5	55.4	15.7	15.2
Beijer Electronics	225.7	236.4	15.2	31.4	6.7	13.3
Intra-group sales	-1.4	-1.6				
Group adjustments and parent company			-16.5	-12.3		
Ependion Group	545.1	598.5	49.2	74.5	9.0	12.4

Group order intake



The bars and left-hand scale indicate quarterly order intake.
The curve and right-hand scale show rolling four quarter order intake.

Group net sales

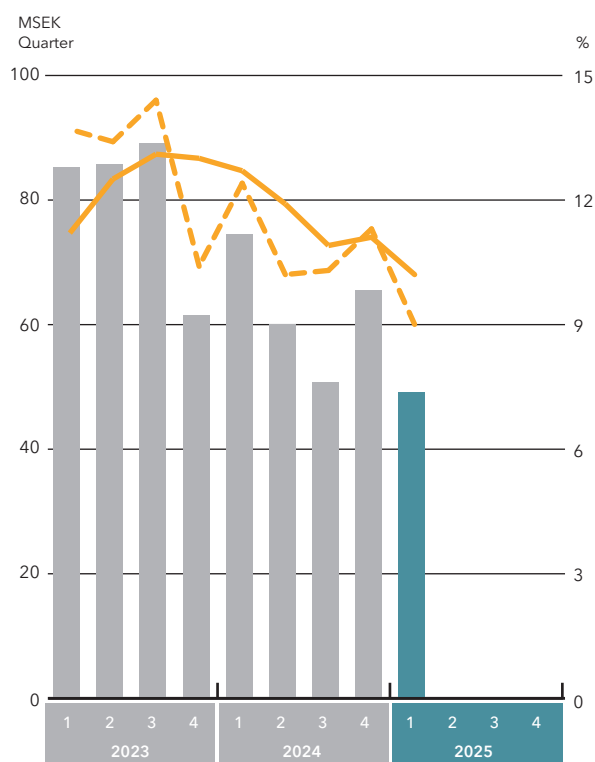


The bars and left-hand scale indicate quarterly net sales.
The curve and right-hand scale show rolling four quarter net sales.

"Naturally, we are not satisfied with the profitability and have taken actions during the period to reduce costs."

Jenny Sjö Dahl, President and CEO

Group EBIT



The bars and left-hand scale indicate quarterly EBIT. The solid curve and right-hand scale show rolling four quarter EBIT margin, the dashed curve and right-hand scale show quarterly EBIT margin.

Westermo

Business entity

Developments in the first quarter of 2025 continued to reflect the mixed picture that has characterized the market and customer demand for several quarters. For Westermo, order intake amounted to 317 MSEK, which was higher than in the comparison period but slightly lower than in the fourth quarter of 2024. The new unit in Bangalore – inaugurated during the period – secured its first local order worth 11 MSEK for an Indian manufacturer of passenger trains, a deal made possible by the local presence. The business entity is experiencing strong interest and sees significant potential in India.

Westermo's sales declined by 12 percent to 321 MSEK compared to the particularly strong comparison period, which was positively impacted by catch-up effects related to the component shortages in 2023. During the first quarter of 2025, the business entity strengthened its U.S. sales organization, with a focus on all core segments: trains, trackside, and energy. Thanks to improved gross margins and solid cost control, Westermo achieved an operating profit of 50.5 MSEK, with an operating margin that improved slightly to 15.7 percent. The result for the period was impacted by acquisition-related costs of 2.5 MSEK.

After the end of the period, Westermo signed an agreement to acquire the technology company Welotec, a German family-owned business with around seventy employees and a company culture closely aligned with Westermo's. The company has grown by an average of 12 percent per year since 2020 and generated sales of approximately 24 MEUR last year, with an operating margin of 13.4 percent. Welotec specializes in solutions within Edge Computing and provides robust, certified industrial computers on which customers can run applications such as real-time optimization, cybersecurity, and virtualization. It's hardware and software are used for the digitalization of power grids and industrial automation. Customers include leading energy companies, international system integrators, and machine builders. Welotec will serve as Westermo's technology centre for Edge Computing.

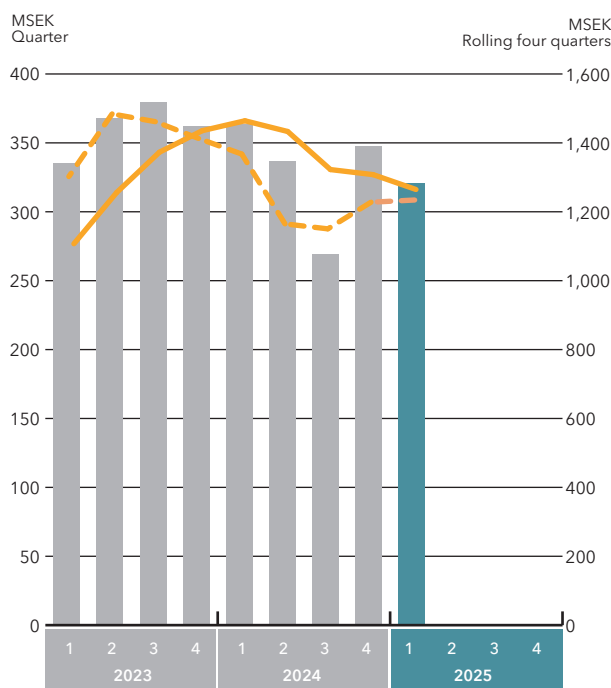
During the period, Westermo strengthened its offering by launching new or improved products for both the train

and energy segments, such as within the Ibox-4000 series, the RedFox 5000 series, and the Merlin family. Other key milestones included Westermo's OpenRoaming™ certification from the Wireless Broadband Alliance, as well as an update to the WeOS software.

First quarter overview

Order intake increased by 2 percent to 316.7 MSEK (310.3). Turnover decreased by 12 percent to 320.8 MSEK (363.8). EBITDA amounted to 74.5 MSEK (77.8). Depreciation and amortization were 24.0 MSEK (22.3). EBIT amounted to 50.5 MSEK (55.4), corresponding to an EBIT margin of 15.7 percent (15.2).

Net sales, Westermo



The bars and left-hand scale indicate quarterly net sales. The solid curve and right-hand scale show rolling four quarter net sales, the dashed curve shows rolling four-quarter order intake.

“Westermo’s acquisition of Welotec strengthens our position in the digitalization of the power grid, a rapidly growing market expected to account for nearly a quarter of global grid investments by 2050.”

Jenny Sjö Dahl, President and CEO

Beijer Electronics

Business entity

In the first quarter of 2025, Beijer Electronics increased its order intake by 8 percent to 235 MSEK, driven by continued high activity in the marine segment combined with improved demand in the manufacturing industry segment. For the core product, operator panels, order booking increased by 18 percent during the period. The order backlog amounted to 143 MSEK at the end of the period.

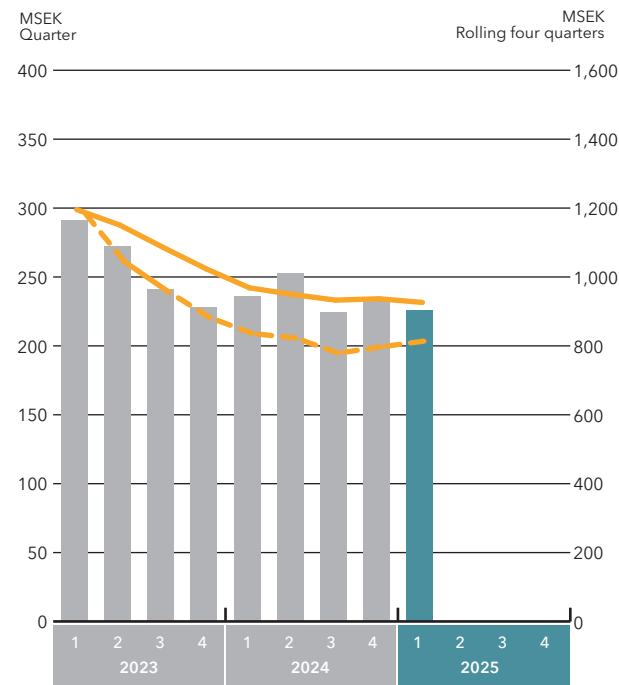
Beijer Electronics' sales declined slightly to 225.7 MSEK in the first quarter. Profitability for the quarter was impacted by negative currency effects of 4 MSEK, final deliveries of low-margin products, and restructuring costs, resulting in an operating profit of 15.2 MSEK and an operating margin of 6.7 percent (8.3 percent excluding restructuring costs). To adjust the organization in line with the strategy and improve margins, the business entity carried out a reduction of 33 positions in the U.S. and Taiwan during the period. This is expected to reduce costs by 22 MSEK annually, of which 18 MSEK will impact 2025. Restructuring costs of 3.4 MSEK were recognized in the quarter.

In the fourth quarter of 2024, the first member of the X3 family – the next generation of operator panels from Beijer Electronics – was launched. After the end of the period, deliveries of the X3 web began. Additional members of the X3 family will gradually be introduced, and by the end of the first half of 2025, the offering will be virtually complete. Customer interest is high: the business entity has already produced hundreds of X3 panels that are out with customers for testing and feedback. In April, the X3 series received the Red Dot Award 2025 for best product design. The business entity also launched a new switch in the JetNet 2208 series for robust industrial use.

First quarter overview

Order intake increased by 8 percent to 235.4 MSEK (218.9). Turnover decreased by 5 percent to 225.7 MSEK (236.4). EBITDA amounted to 36.4 MSEK (49.2). Depreciation and amortization were 21.2 MSEK (17.8). EBIT decreased to 15.2 MSEK (31.4), resulting in an EBIT margin of 6.7 percent (13.3).

Net sales, Beijer Electronics



The bars and left-hand scale indicate quarterly net sales. The solid curve and right-hand scale show rolling four quarter net sales, the dashed curve shows rolling four-quarter order intake.

“Beijer Electronics increased its order intake by 8 percent to 235 MSEK, driven by continued rising activity in the marine segment combined with improved demand in the manufacturing industry segment.”

Jenny Sjö Dahl, President and CEO

Other financial information

Group investments, including capitalized development expenses and acquisitions, amounted to 60 MSEK (47) during the first quarter of 2025, of which 14 MSEK refers to an earn-out payment. Cash flow from current activities was 46 MSEK (50). Equity amounted to 1,287 MSEK (1,254) as of March 31, 2025. The equity ratio was 48.5 percent (47.2). Cash and cash equivalents amounted to 141 MSEK (143). Net debt was 707 MSEK (732). The average number of employees was 814 (868).

LTI program

In accordance with the Annual General Meeting of 2024, a share-based incentive program has been implemented, LTI 2024/2027. Under the authorization granted for the program, the Board of Directors resolved in April 2025 to issue 54,000 Class C shares based on the estimated outcome of the program.

In April 2025, the Board of Directors also resolved to convert 189,608 own Class C shares into the same number of ordinary shares to enable the upcoming transfer of ordinary shares to participants in the LTI 2022/2025 program and the transfer of ordinary shares on Nasdaq Stockholm to cash-flow hedge the social security costs related to LTI 2022/2025.

Significant events

After the end of the quarter, Ependion's business entity Westermo signed an agreement to acquire all shares in Welotec, headquartered in Laer, Germany. To finance part of the purchase price of 35.2 MEUR, the Annual General Meeting on May 13, 2025, will be proposed to authorize the Board of Directors to resolve on a directed share issue of approximately 300 MSEK.

Financial targets

The Group's financial goals consist of three objectives for growth, profitability, and dividends. The growth objective entails an annual organic growth of at least 10 percent. Acquired growth is additional. The profitability goal aims for the Group to achieve an operating margin of at least 15 percent. The Group shall be a distributing company.

Outlook for 2025

Ependion operates in attractive markets with solid underlying growth and, in the midterm, has good prospects for reaching both the growth and profitability targets. Investments in critical infrastructure such as trains, railways maritime transport, and energy are increasing. The Group balances cost discipline with strategic, future-oriented investments focused on value creation. In the short term, however, geopolitical and economic uncertainty remains high, which makes the short-term outlook difficult to assess.

Malmö, Sweden, 29 April 2024

Jenny Sjö Dahl
President and CEO

For more information, please contact:

President and CEO Jenny Sjö Dahl, tel +46 (0)725 89 60 80
or EVP and CFO Joakim Laurén, tel +46 (0)703 35 84 96

This report has not been subject to review by the company's auditors.

The Group's Financial Reports

Consolidated Income Statement in summary

SEK 000	Quarter 1 2025	Quarter 1 2024	Full year 2024
Net sales	545,056	598,521	2,258,125
Cost of goods sold	-249,115	-299,004	-1,110,418
Gross profit	295,941	299,517	1,147,707
Sales expenses	-84,403	-84,646	-341,299
Administration expenses	-92,454	-88,013	-341,181
Research and development expenses	-61,630	-58,811	-219,514
Other operating revenue and operating expenses	-8,295	6,447	5,194
Operating profit	49,159	74,494	250,907
Financial income/expense	-4,608	-9,622	-44,465
Profit before tax	44,551	64,872	206,442
Tax	-12,540	-13,616	-49,439
Profit for the period	32,011	51,256	157,003
Attributable to equity holders of the parent	32,011	51,493	158,009
Attributable to non-controlling interests		-237	-1,006
Basic earnings per share, SEK	1.10	1.78	5.45

Statement of Comprehensive Income

SEK 000	Quarter 1 2025	Quarter 1 2024	Full year 2024
Profit for the period	32,011	51,256	157,003
Actuarial gains and losses	7,205	-3,058	-17,230
Net investment hedge effects	13,111	-7,803	-7,740
Change in fair value of equity instruments	-2,288		-3,015
Translation differences	-96,886	52,143	61,972
Comprehensive income for the period	-46,847	92,538	190,990
Attributable to equity holders of the parent	-46,847	92,670	191,996
Attributable to non-controlling interests		-132	-1,006

Consolidated Balance Sheet in summary

SEK 000	March 31, 2025	March 31, 2024	Dec. 31, 2024
ASSETS			
Fixed assets			
Intangible assets	1,332,290	1,303,042	1,374,111
Property, plant and equipment	102,695	91,913	105,150
Right-of-use assets	135,555	101,719	144,502
Financial fixed assets	107,214	45,598	107,667
Total fixed assets	1,677,754	1,542,272	1,731,430
Current assets			
Inventories	376,698	473,711	396,301
Accounts receivable	386,297	453,870	381,599
Other receivables	72,117	55,306	69,348
Cash and cash equivalents	140,664	142,561	178,053
Total current assets	975,776	1,125,448	1,025,301
Total assets	2,653,530	2,667,720	2,756,731
EQUITY AND LIABILITIES			
Equity attributable to equity holders of the parent	1,287,113	1,253,678	1,331,895
Equity attributable to non-controlling interests		4,479	
Total equity	1,287,113	1,258,157	1,331,895
Long-term liabilities			
Borrowings	348,248	461,469	430,476
Lease liabilities	89,024	61,036	97,497
Other long-term liabilities	188,597	162,401	195,663
Deferred tax liabilities	106,826	92,202	106,902
Total long-term liabilities	732,695	777,108	830,538
Current liabilities			
Borrowings	211,579	180,412	126,697
Lease liabilities	47,315	40,962	48,212
Accounts payable	158,302	176,572	154,411
Other liabilities	216,526	234,509	264,978
Total current liabilities	633,722	632,455	594,298
Total equity and liabilities	2,653,530	2,667,720	2,756,731

Consolidated Statement of Changes in Equity and Number of Shares

SEK 000	March 31, 2025	March 31, 2024	Dec. 31, 2024
<i>Attributable to equity holders of the parent</i>			
Opening balance, 1 January	1,331,895	1,159,082	1,159,082
Paid-up capital after deducting for transaction expenses			-276
Re-purchase of treasury shares			-34
Sale of treasury shares			3,089
Dividend			-28,941
Share-based payment	2,065	1,926	6,979
Comprehensive income	-46,847	92,670	191,996
Closing balance, shareholders' equity	1,287,113	1,253,678	1,331,895
<i>Attributable to non-controlling interests</i>			
Opening balance, 1 January		4,611	4,611
Divestment of a jointly owned subsidiary			-3,605
Comprehensive income		-132	-1,006
Closing balance, shareholders' equity		4,479	

The number of ordinary shares amounts to 29,050,025 and the number of class C shares amounts to 294,189.

Consolidated Cash Flow Statement in summary

SEK 000	Quarter 1 2025	Quarter 1 2024	Full year 2024
Cash flow from operating activities before changes in working capital	99,082	100,189	379,966
Changes in working capital	-53,563	-50,210	79,540
Cash flow from operating activities	45,519	49,979	459,506
Cash flow from investments in tangible and intangible assets	-45,633	-48,561	-224,217
Cash flow from acquisition of subsidiary and investment in other companies	-14,351		-49,565
Cash flow from divestment of subsidiary			-2,550
Cash flow from other investing activities	49	1,283	715
Cash flow from investing activities	-59,935	-47,278	-275,617
Cash flow from interest-bearing liabilities*	9,966	-10,401	-133,700
Dividend paid			-28,941
Cash flow from other financing activities	-6,719		2,778
Cash flow from financing activities	3,247	-10,401	-159,863
Cash flow for the period	-11,169	-7,700	24,026
Cash and cash equivalents at beginning of year	178,053	142,486	142,486
Exchange difference in cash and cash equivalents	-26,220	7,775	11,541
Cash and cash equivalents at end of year	140,664	142,561	178,053
Free cash flow	-12,248	-8,377	187,372
<i>*of which amortization of lease liabilities</i>	-12,183	-11,078	-48,632

Notes to the financial statements in summary

Note 1

General information

Ependion AB (the "Company"), Corp. Id. No. 556025-1851, is a company with its registered office in Malmö, Sweden. This consolidated interim report for the Group (the "Interim Report") for the period January–December 2024 includes the Company and its subsidiaries, referred to jointly below as Ependion. The Group's consolidated accounting currency is SEK. All amounts are presented in thousands of SEK (SEK 000), unless otherwise stated.

Note 2

Accounting principles

Ependion's consolidated accounts are prepared in accordance with IFRS® Accounting Standards and with the same accounting principles as described in the Financial Statement for 2023.

Reporting for the Parent follows the Swedish Annual Accounts Act and RFR 2 Reporting for Legal Entities.

Ependion's Interim Report for the Group has been prepared in accordance with IAS 34 Interim Financial Reporting and applicable provisions of the Swedish Annual Accounts Act. Disclosures in accordance with IAS 34.16A are provided not only in the financial statements and related notes but also in other parts of the Interim Report. The Interim Report for the parent company has been prepared in accordance with the Swedish Annual Accounts Act's chapter 9, Interim Reporting.

Related party transactions have taken place to the same extent as in the previous year and the accounting policies described in the Financial Statement for 2024 apply.

Ependion uses a number of financial key ratios that are not defined in the accounting regulations used by the company, so-called alternative performance measures (APM). For definitions of financial key figures, see pages 16-17 of this report.

Note 3

Risks and uncertainties

Ependion is an international group and as such, it is exposed to several strategic, business and financial risks. Risk management is therefore an important process relative to the goals set by the Group. Throughout the Group, efficient risk management routines are an ongoing process within the framework of the Group's operational management and a natural part of the continual follow-up of activities.

Risk management within Ependion starts with an assessment in the business entity teams where the material risks to the business are continuously identified, followed by an assessment of the likelihood of the risks materializing and their potential impact on the Group. Once the material risks have been identified and assessed, decisions are made on activities to eliminate or reduce the risks.

In addition to the risks and uncertainties described in Ependion's Annual Report for 2024, pages 87 and 127-128, the ongoing risk management has not resulted in additional risks or uncertainties.

Note 4

Consolidated Key Financial Ratios

SEK 000	March 31, 2025	March 31, 2024	Dec. 31, 2024
Operating margin, %	9.0	12.4	11.1
Profit margin, %	5.9	8.6	7.0
Equity ratio, %	48.5	47.2	48.3
Equity per share, SEK	44.3	43.3	45.8
Basic earnings per share, SEK	1.10	1.78	5.45
Diluted earnings per share, SEK	1.09	1.76	5.38
Return on equity after tax, %	10.8	17.0	12.6
Return on capital employed, %	10.9	15.3	12.1
Return on net operating assets, %	14.4	21.1	16.2
Financial net debt in relation to EBITDA	1.4	1.3	1.2
Average number of employees	814	868	861

Note 5

Reconciliation of Consolidated Net Debt

SEK 000	March 31, 2025	March 31, 2024	Dec. 31, 2024
Borrowings	559,827	641,881	557,174
Pension provisions	151,389	130,289	156,974
Liabilities attributable to right-of-use assets	136,340	101,998	145,708
Total interest-bearing liabilities	847,556	874,168	859,856
Total cash and cash equivalents	140,664	142,561	178,053
Net debt	706,892	731,607	681,803

Note 6

Financial assets valued at fair value

The Group's financial assets, in the form of long-term securities holdings for unlisted shares, are reported at fair value under level 3, i.e., determined based on inputs that are not observable in the market.

The fair value valuation is done by discounting future cash flows with a discount rate based on comparable

yield requirements for comparable companies and financial instruments. The table below presents a reconciliation between the opening and closing balance of the assets included in level 3.

SEK 000	March 31, 2025	March 31, 2024	Dec. 31, 2024
Opening balance	46,389		
Investments			49,380
Reported in other comprehensive income	-2,882		-2,991
Closing balance	43,507		46,389

Note 7

Allocation of Net Sales

SEK 000	Quarter 1 2025	Quarter 1 2024	Full year 2024
Net sales by geographical market			
Nordics	117,730	111,829	416,245
Rest of Europe	237,709	298,441	1,077,199
Americas	78,475	73,115	313,480
Asia	109,917	113,193	446,676
Rest of world	1,225	1,943	4,525
Total Group	545,056	598,521	2,258,125
Net sales by category			
Operator panels and accessories	183,965	184,182	746,690
Network equipment	271,435	328,216	1,192,667
Software	7,332	10,173	35,699
Servicing and other services	14,949	11,185	57,865
Third-party products	67,375	64,765	225,204
Total Group	545,056	598,521	2,258,125
Net sales by segment			
Train	103,609	127,306	449,428
Trackside	32,062	54,355	190,019
Energy	120,594	136,427	447,510
Manufacturing	87,465	91,880	370,525
Marine	76,810	53,423	275,136
Other	124,516	135,130	525,507
Total Group	545,056	598,521	2,258,125

Note 8

Operating Segments

SEK 000	Quarter 1 2025	Quarter 1 2024	Full year 2024
TOTAL GROUP			
Order intake	550,634	527,516	2,038,885
Net sales	545,056	598,521	2,258,125
Operating profit excl. depreciation and amortization	96,743	117,087	427,473
Depreciation	-47,584	-42,593	-176,565
Operating profit	49,159	74,494	250,907
Operating margin, %	9.0	12.4	11.1
Investments in intangible and tangible assets	45,633	48,561	224,217
<i>of which capitalized development expenditure</i>	37,999	38,246	183,656
Product development expenditure, %	13.5	12.6	13.9
Backlog	978,207	1,208,503	1,025,728
WESTERMO			
Order intake	316,668	310,281	1,236,784
Net sales	320,798	363,761	1,316,635
Operating profit excl. depreciation and amortization	74,523	77,755	288,734
Depreciation	-24,044	-22,329	-89,860
Operating profit	50,478	55,426	198,874
Operating margin, %	15.7	15.2	15.1
Investments in intangible and tangible assets	23,640	24,491	108,200
<i>of which capitalized development expenditure</i>	19,631	16,679	82,944
Product development expenditure, %	14.7	13.0	14.3
Backlog	835,333	906,439	882,495
BEIJER ELECTRONICS			
Order intake	235,415	218,868	806,931
Net sales	225,707	236,392	946,320
Operating profit excl. depreciation and amortization	36,395	49,204	182,861
Depreciation	-21,175	-17,825	-76,850
Operating profit	15,220	31,379	106,010
Operating margin, %	6.7	13.3	11.2
Investments in intangible and tangible assets	19,693	23,721	112,731
<i>of which capitalized development expenditure</i>	18,368	21,567	100,712
Product development expenditure, %	11.2	11.4	12.9
Backlog	142,874	302,064	143,233
PARENT COMPANY AND GROUP ADJUSTMENT			
Order intake (elimination)	-1,449	-1,632	-4,830
Net sales (elimination)	-1,449	-1,632	-4,830
Operating profit excl. depreciation and amortization	-14,175	-9,872	-44,122
Depreciation	-2,365	-2,439	-9,855
Operating profit	-16,539	-12,311	-53,977
Investments in intangible and tangible assets	2,300	349	3,286

Parent Company Financial Reports

Parent Company Income Statement in summary

SEK 000	Quarter 1 2025	Quarter 1 2024	Full year 2024
Income Statement			
Net sales	10,079	10,047	40,189
Administration expenses	-24,898	-22,028	-92,637
Operating profit	-14,819	-11,981	-52,448
Financial income/expense	-12,542	-1,905	37,166*
Profit before tax	-27,361	-13,886	-15,282
Appropriations			54,931
Tax	4,375	2,180	-2,008
Profit for the period	-22,986	-11,706	37,641

*Includes dividends received from subsidiary of 47 MSEK.

Parent Company Balance Sheet in summary

SEK 000	March 31, 2025	March 31, 2024	Dec. 31, 2024
ASSETS			
Fixed assets			
Intangible and tangible assets	11,545	8,103	9,765
Other financial assets	1,189,320	1,152,147	1,205,978
Total fixed assets	1,200,865	1,160,250	1,215,743
Current assets			
Receivables from group companies	59,978	65,130	113,375
Other receivables	18,608	17,668	20,771
Cash and cash equivalents	66	65	66
Total current assets	78,652	82,863	134,212
Total assets	1,279,517	1,243,113	1,349,955
EQUITY AND LIABILITIES			
Equity			
Restricted equity	16,007	17,502	16,007
Non-restricted equity	319,096	309,205	339,659
Total equity	335,103	326,707	355,666
Current liabilities			
Liabilities to credit institutions	348,248	461,469	430,476
Provisions	23,708	23,512	23,647
Liabilities to Group companies	364,960	266,320	409,674
Total long-term liabilities	736,916	751,301	863,797
Current liabilities			
Liabilities to credit institutions	181,106	143,413	92,861
Other liabilities	26,392	21,692	37,631
Total current liabilities	207,498	165,105	130,492
Total equity and liabilities	1,279,517	1,243,113	1,349,955

Financial definitions

Ependion presents a number of financial measures in Annual and Interim Reports that are not defined according to IFRS, but are consistent with how investors and the company's management measure the company's financial performance. Ependion considers that these metrics offer valuable additional information to investors and the company's management as they enable evaluation of trends and the company's performance. These alternative performance measures should not be viewed as a substitute for financial information presented in accordance with IFRS, but rather as a complement. The supplementary alternative performance measures stated in this report may differ in their computation methods from similar measures used by other companies. Reconciliations of alternative performance measures can be found on Ependion's website: ependion.com/sv/investerare/alternativa-nyckeltal

Average

Average values are calculated as the mean value in the relevant reporting period and corresponding item in the comparative period 12 months earlier.

Average number of employees

Average number of employees during the year based on working hours. Excludes contracted staff.

Basic earnings per share

Net income after tax, attributable to the parent company's shareholders, in relation to the weighted number of outstanding shares.

Capital employed

Equity plus interest-bearing liabilities.

Earnings per share after dilution

Earnings per share after dilution is calculated by adjusting the weighted average number of shares by the estimated number of shares from incentive programs. Incentive programs are included in the dilution calculation from the end of each program.

EBIT

Net sales less operating expenses.

EBITDA

EBIT excluding depreciation and amortization on tangible assets (including right-of-use assets) and intangible assets.

EBIT margin

EBIT in relation to net sales.

Equity/assets ratio

Equity in relation to total assets.

Equity per share before dilution

Equity attributable to the parent company's shareholders divided by the number of shares.

Financial net debt in relation to EBITDA

Interest-bearing liabilities, excluding net provisions for pensions, less cash and cash equivalents and investments in securities, divided by rolling 12-month EBITDA, adjusted for restructuring costs and acquired EBITDA.

Free cash flow

Cash flow from operating activities, cash flow from investing activities excluding cash flow from acquisitions of subsidiaries and investments in other companies, as well as amortization of lease liability.

Net debt

Interest-bearing liabilities less cash and cash equivalents and short-term investments.

Net operating assets

Equity plus interest-bearing liabilities less financial assets.

Operativt cash flow

Cash flow from operating activities.

Order backlog

The total value of customer orders received by the Group that have not yet been delivered.

Order intake

Net sales less the difference between opening and closing order backlog.

Product development expenditure

Expenditure related to product development work, such as personnel costs, external consultancy fees, and other external costs. This also includes expenses that are capitalized as assets in the balance sheet.

Product development expenditure in relation to net sales

Product development expenditure in relation to net sales.

Profit margin

Profit after tax in relation to net sales.

Return on capital employed

Profit before tax plus financial expenses for the past 12 months in relation to average capital employed.

Return on equity after tax

Profit after tax for the past 12 months in relation to average equity.

Return on net operating assets

EBIT for the past 12 months in relation to average net operating assets.

Working capital

Current assets less current liabilities.

Ependion AB

Ependion AB is an expansive global technology group delivering digital solutions for secure control, management, visualization and data communication for industrial applications in environments where reliability and high quality are critical factors. The Group’s customers include some of the world’s leading companies. Ependion consists of independent business entities with total sales of 2.3 billion SEK in 2024 and 950 employees. The company is listed on Nasdaq Stockholm Main Market’s Mid Cap-list under the ticker EPEN.

More Information

You can subscribe for financial information on Ependion via e-mail. Subscribe easily at our website, www.ependion.com. If you have any questions about Ependion, please call +46 (0)40 35 84 00, or send an email: info@ependion.com.

Financial Calendar

13 May 2025Annual General Meeting
15 July 2025 Six-month Interim Report
21 October 2025Nine-month Interim Report



Head office
Ependion AB
Box 426, Stora Varvgatan 13a
201 24 Malmö, Sverige
Corp. ID. no. 556025-1851
www.ependion.com | +46 40 35 84 00