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Results Reaction	Industrial Sales	Sweden	24 April 2025
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Q1: Fairly in line with expectations with no improvement in order intake yet

Q1/25 adj. EBITA of SEK 6m was fairly in line with our expectations of SEK 7m. As expected, cash flow was burdened by NWC build-up ahead of peak season, and leverage increased to 3.3x (3.0x in Q4/24). Management expects leverage to decrease from current levels. With regard to the outlook, management argues that it has seen an increase in activity among customers, although there are no signs of any recovery in order intake as of yet.

Outcome: Adj. EBITA at SEK 6m vs. SEB expectations at 7m

Sales SEK 207m (-2% vs. SEB), -5% y/y whereof -5% organic (SEB -4%). Segment Industrial Components reported -5% organic sales growth y/y, and segment Products -4% y/y. Adj. EBITA of SEK 6m (-8% vs. SEB at SEK 7m), 0% y/y, margin of 2.9% (SEB at 3.1%) vs. 2.7% in Q1/24.

Leasing adj. FCF of -13m, affected by a build-up of inventory ahead of the peak season.

ND/EBITDA of 3.3x (3.0x Q4/24) as it is defined in order to calculate the bank loan's covenant, or 4.3x including tax deferral. Tax deferral amounted to SEK 71m at end of Q1/25, which must be repaid by the end of September 2027. SEK 18m must be repaid during the remaining part of 2025, of which c. SEK 13m will occur during Q3/25. Cash and cash equivalents amounted to SEK 20m at the end of Q1/25. Management's ambition is to continue to reduce NWC ahead, and expects leverage to decrease from current levels.

Outlook: Increased customer activity, but no signs of any recovery in order intake

On demand, management states that although it has seen an increase in activity among customers, caution still prevails and closing deals remains a slow process. There are also no signs of any recovery in order intake as yet. Nonetheless, the effects from activities to strengthen gross margin are expected to become visible gradually throughout the year.

Impact: 2025E adj. EBITA estimates to come down 1% mechanically.

2025E adj. EBITA estimates to come down 1% mechanically based on the reported numbers.

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