

The image features a dark blue background with a glowing globe on the left side. The globe is composed of a network of white lines and dots, representing a digital or data network. The word "ENEAA" is written in a bold, white, sans-serif font across the top left of the globe.

**ENEAA**

# Enea Financial Results Q3 2023

Anders Lidbeck, CEO

Ulf Stigberg, CFO

October 26, 2023

# Agenda

- ▶ Intro
- ▶ Financial Results
- ▶ Way Forward and Outlook





# Summary Q3 2023

## July - September

## January - September

HEAD  
QUARTER  
KISTA,  
SWEDEN

NET SALES  
**216**  
MSEK

EBITDA  
MARGIN<sup>2/</sup>  
**34**  
PERCENT

NET DEBT  
**147**  
MSEK

NET SALES  
**671**  
MSEK

EBITDA  
MARGIN <sup>2/</sup>  
**32**  
PERCENT

NET DEBT  
**147**  
MSEK

LISTED  
NASDAQ  
STOCKHOLM  
(MID CAP)

EARNINGS PER  
SHARE  
**0.95**  
SEK

OPERATING  
CASH FLOW  
**108.3**  
MSEK

R&D <sup>1/</sup>  
**23**  
PERCENT

EARNINGS PER  
SHARE  
**-26.13**  
SEK

OPERATING  
CASH FLOW  
**282.9**  
MSEK

R&D <sup>1/</sup>  
**26**  
PERCENT

<sup>1/</sup> (OPEX less D&A plus Capitalized R&D)/(Net Sales)

<sup>2/</sup> (EBITDA excl NRI)/(Net Sales)

# First 90 Days

Simplification & Performance – Entire Company

Build Solid Plans & Deliver – Product and Sales

Accelerate Established Products – Product and Sales

Focus on Winning – Sales and Company

Focus on Growth in Security & Embrace AI – Company

Value Creation – for Customers, Employees, Shareholders

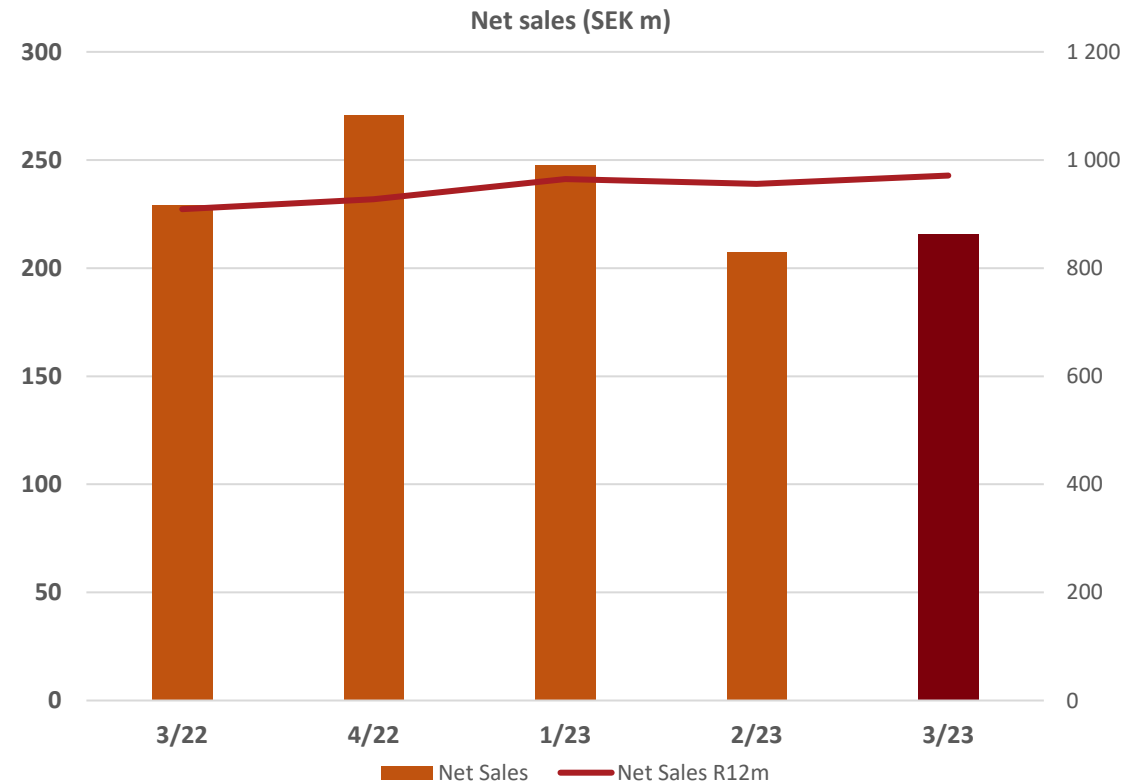
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# Stable Net Sales Q3

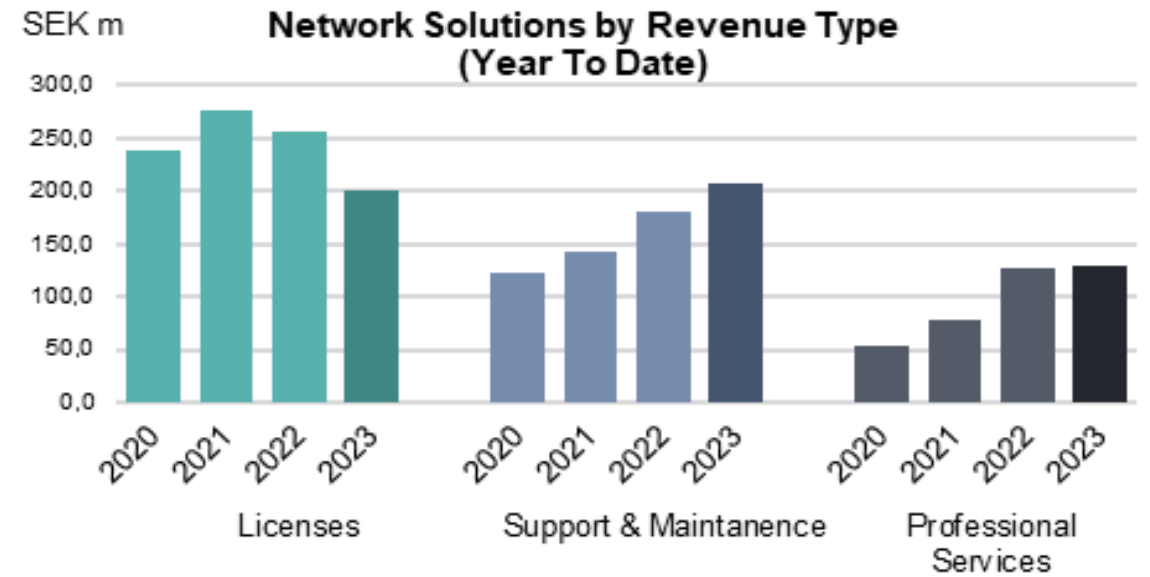
- Q323 Net Sales MSEK 216 (229)
- 6% decline over Q322 but 4% growth over Q223
- Total revenues MSEK 221(253) including currency gains
- FX impact vs last year MSEK 12.3
- 9 months 23: MSEK 671 (657)
- 2% growth over 9 months 22
- Stable but slow development across the business





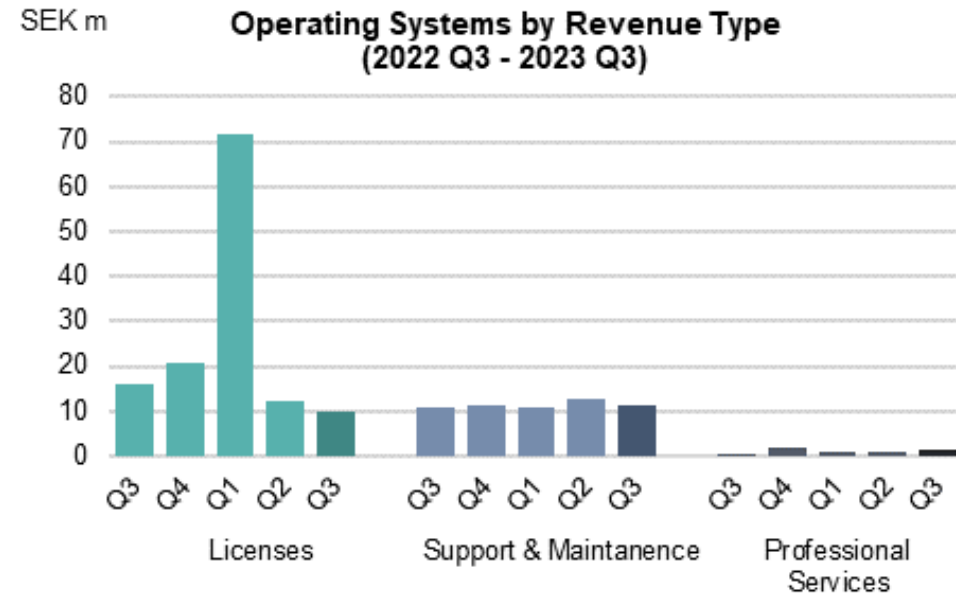
# Recurring Revenue Growing

- ▶ Q323 Support & Maintenance of MSEK 70 (67) or +5%
- ▶ Q323 Professional Services of MSEK 48 (45) or +8%
- ▶ Three consecutive years of stable growth



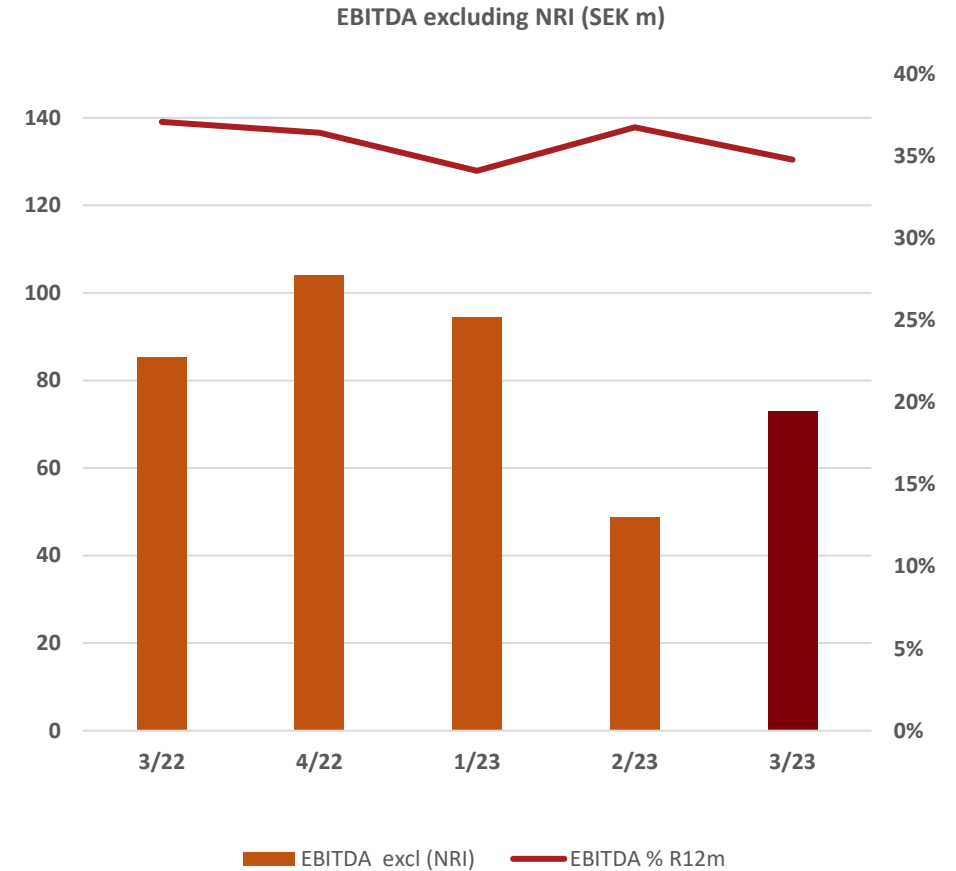
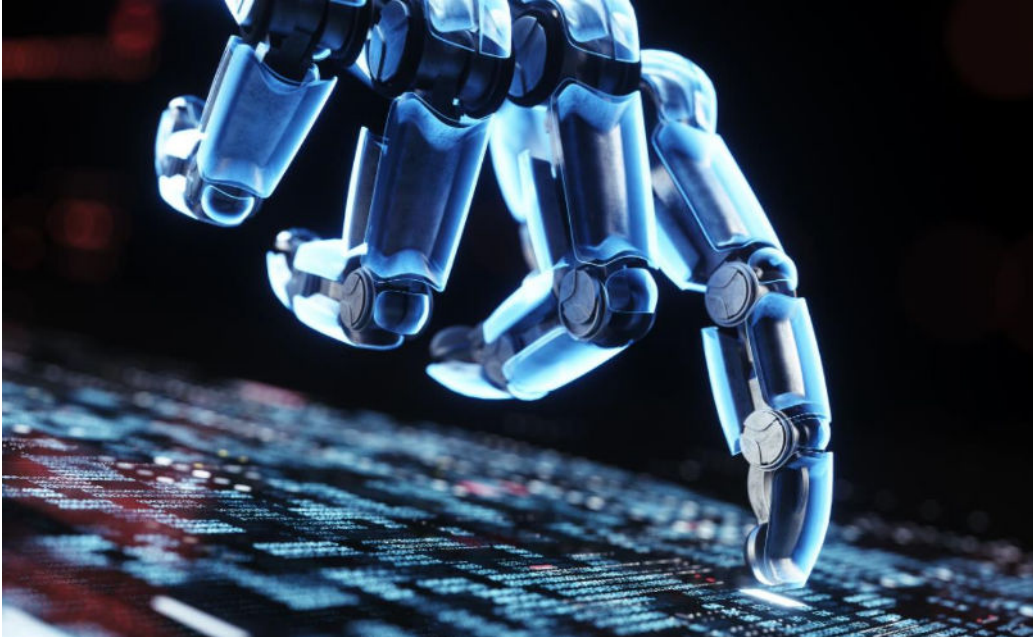
# Operating Systems – Small Numbers as Predicted

- ▶ Expected drop in license revenues to MSEK 10 (16) or -38%
- ▶ Support & Maintenance of MSEK 12 (11) or +6%. Performing well in the quarter and is above plan (with very small FX-effect)
- ▶ Professional Services of MSEK 1 (1), small numbers but stable



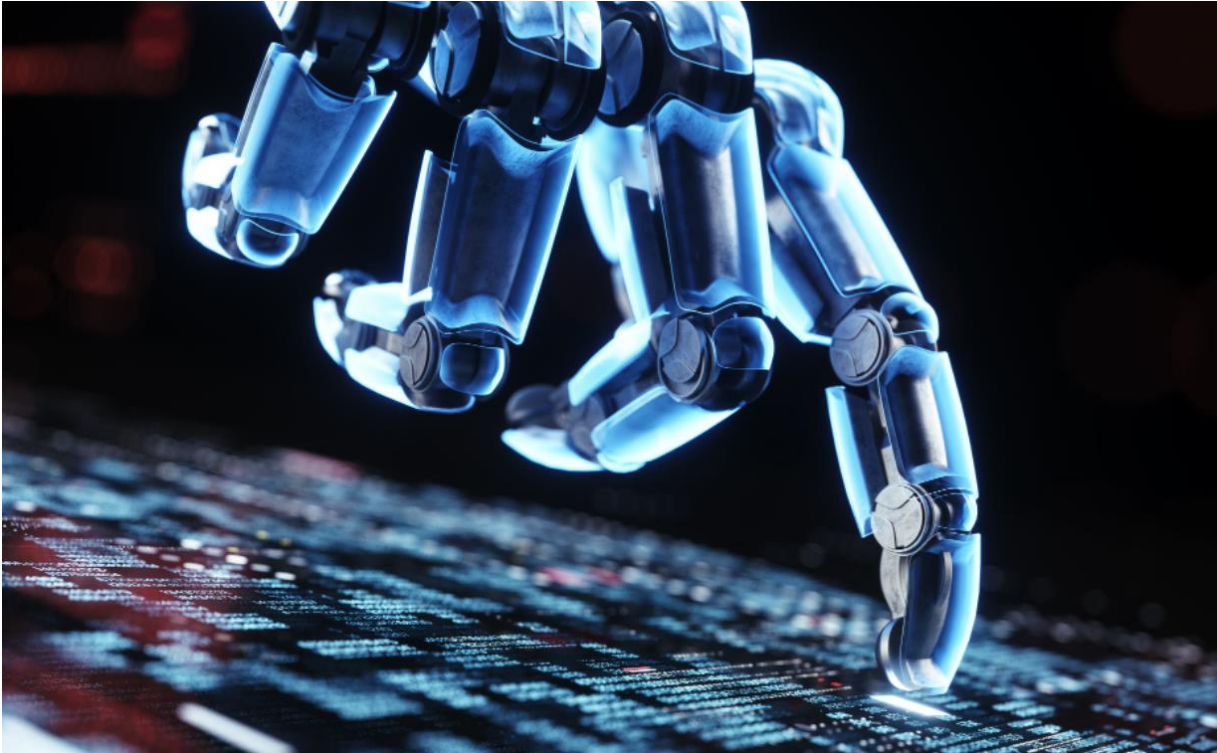


# 34 Percent EBITDA Margin in Q3

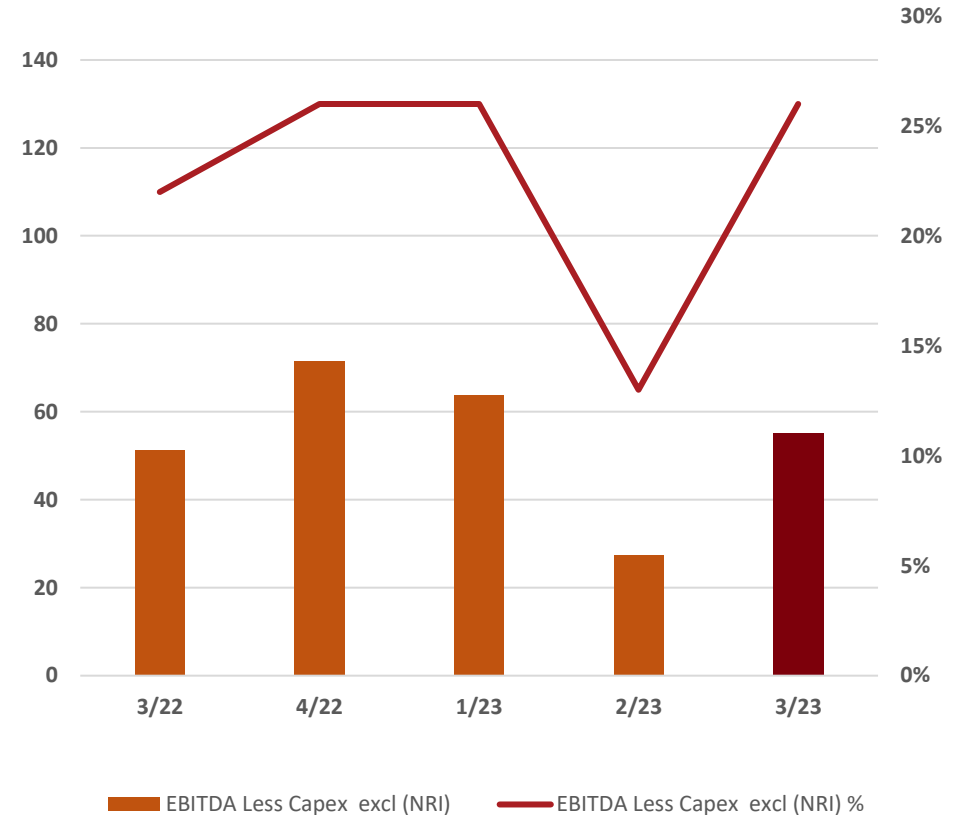


- EBITDA margin excl. NRI of 34% (37%)
- MSEK 4.5 non-recurring items in Q3 affecting EBITDA
- Gross margin of 76.7% (78.8%), impacted by lower share of license revenues in the quarter
- The right-sizing initiatives have effect and operational expenses down with MSEK 15 to MSEK 142.9 (158.1)
- Operating expenses excluding D&A are down with MSEK 17 to MSEK 96.4 (113.8), still negatively impacted by decreased CAPEX of MSEK 17.4 and unfavorable exchange rates of approx. MSEK 4.0

# Growing EBITDA Less Capex in Q3



EBITDA Less Capex excluding NRI (SEK m)



- EBITDA Less Capex excl. Non-Rec Items of MSEK 55.2 (51.3) or 26% (22%) EBITDA less Capex margin.
- EBITDA Less Capex excl. Non-Rec Items of MSEK 146.4 (122.4) or 22% (19%) EBITDA less Capex margin.
- EBIT excl non-recurring items MSEK 26.9 (41.1) or 12% (18%) EBIT margin
- EPS of SEK 0.95 (1.69) for the continued operation

# Strong Cash Flows

## Cash flow generation

- Cash flow before changes in WC MSEK 47.3 (91.4)
- Cash flow from operations MSEK 108.3 (92.1)
- Cash flow from investment activities MSEK -18.8 (-21.8)
- Cash flow from financing activities MSEK -39.2 (-38.4)
- Net Cash flow for the quarter of MSEK 50.3 (35.9)

## Financing structure

- Interest bearing bank loans MSEK 479.7 (546.7)
- Cash and cash equivalents were MSEK 333.0 (264.0)
- Net debt of MSEK 146.7 (282.7)
- Unutilized credit facilities of MSEK 400

## Financial KPIs

- Equity ratio was 64.9 (68.5) percent
- Net debt to EBITDA was 0.64 (1.10)



# The Buy-back Program on Repeat

- 374 790 shares were bought back from the start of the program in July till October 25, 2023
- For a total consideration of MSEK 17.6
  
- Given the strong financial position the board has re-initiated a buy-back program of own shares for Q4
- Within the 10 percent mandate given by the AGM
- The program will be carried out by a credit institution following the 'Safe Harbour Regulation'



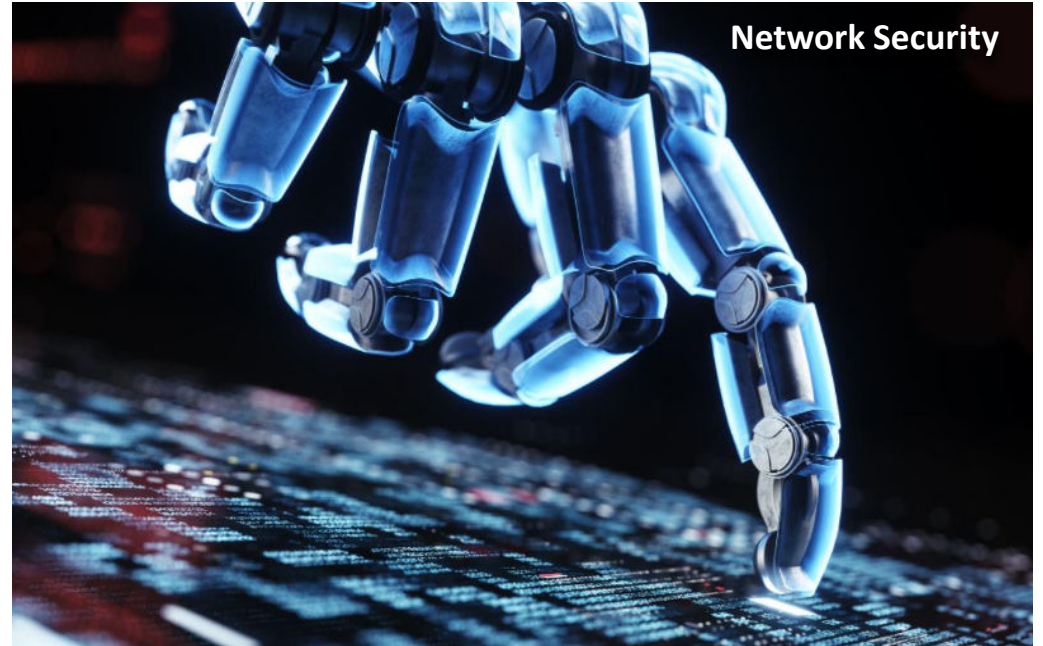
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# Wide Telecom Core & Cybersecurity Portfolio





# AI in Cybersecurity

## Global Survey of 457 Cybersecurity Professionals

### Fears

**77%** concerned that artificial intelligence will become unpredictable and dangerous.

### Plans

**41%** have high priority to deploy AI as part of their cybersecurity strategy

**68%** expect a budget increase for this over the next two years.

### Hopes

**48%** believe artificial intelligence can help detect malware in encrypted traffic.

**72%** think automation based on artificial intelligence will be key.

2023 REPORT

# Artificial Intelligence in Cybersecurity



# Long Term Financial Ambition and 2023 Outlook

*Our goal in the coming years is to generate double-digit growth in Network Solutions, an EBITDA margin over 35 percent, and strong cash flows.*

*In 2023, we also expect a strong cash flow. But after a weak first half of the year and with a difficult economic situation, 2023 will be a challenging year in terms of growth and profit.*

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