

Q1 2025

Interim report
Jan–Mar 2025

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Presenters



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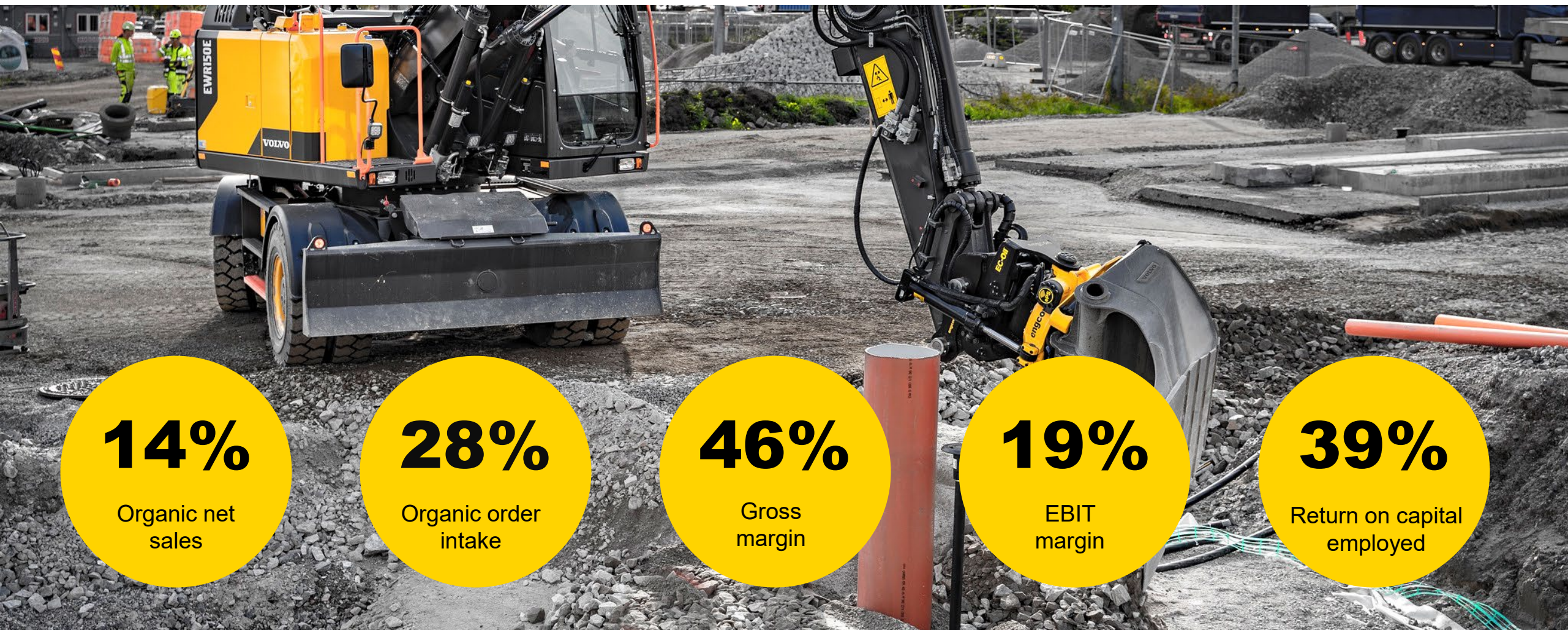
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Q1 business highlights

- Strong order intake ahead of the Nordic digging season.
 - Increasingly positive outlook among end customers and relatively low inventory at dealers.
- Increased order intake in Europe, driven by a growing awareness of the tiltrotator concept.
 - Large representation of tiltrotators at the world's leading construction exhibition, Bauma.
- Strong operating profit growth of 40%, partly offset by the strengthening of the Swedish krona.
- The Patent and Market Court of Appeal dismisses Rototilt's lawsuit against engcon.

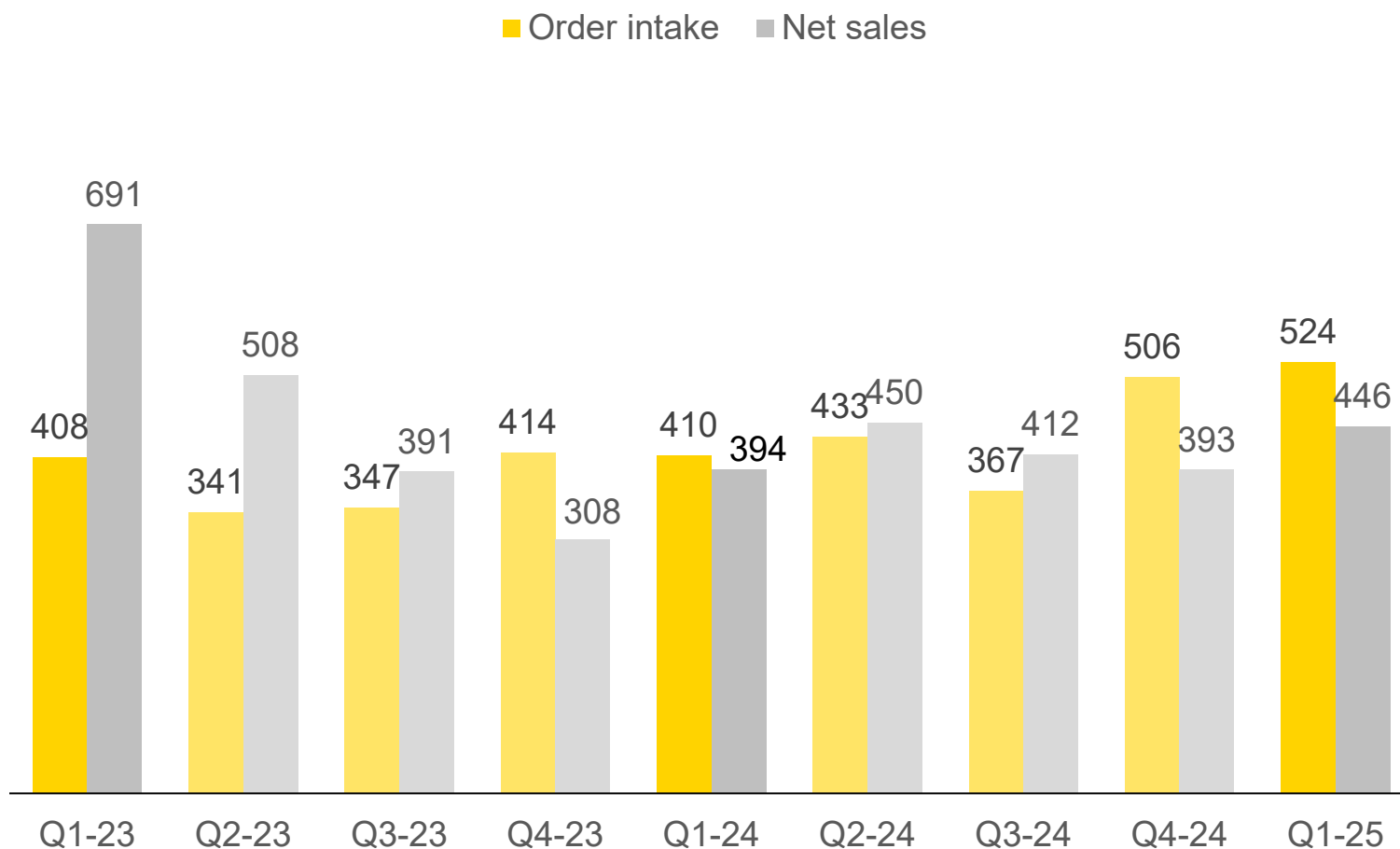


Q1 figures in brief



Strong order intake driven by the Nordic region

Order intake and net sales development per quarter, MSEK



Key comments

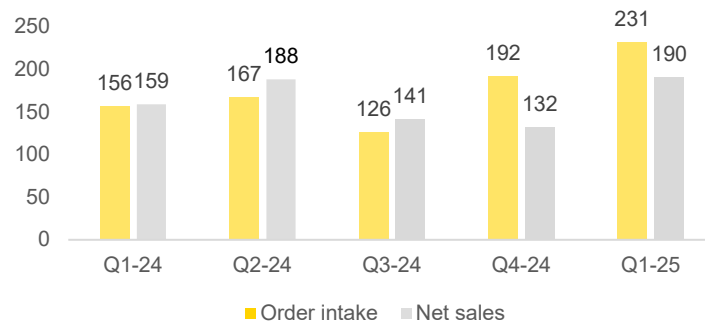
- Strong order intake ahead of the Nordic digging season.
- Order intake increased 28%, organic 28%, negative currency effect of 1 MSEK.
- Net sales increased 13%, organic 14%, negative currency effect of 2 MSEK.

Nordics

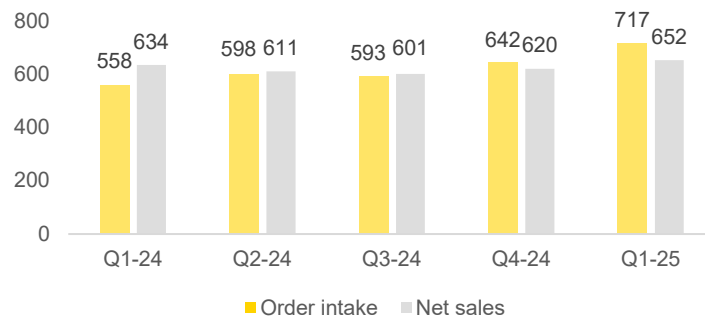
Q1 2025, Order intake and net sales, MSEK



Per quarter



R12



Key comments

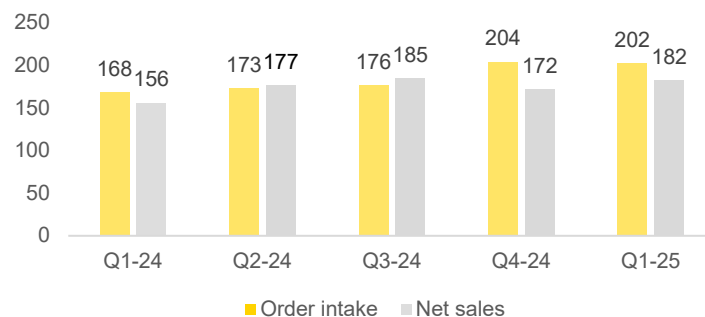
- Order intake increased organic 49%.
- Net sales increased organic 21%.
- More positive outlook among end customers and low inventory levels create stronger demand.
- Strong order book ahead of the digging season.

Europe

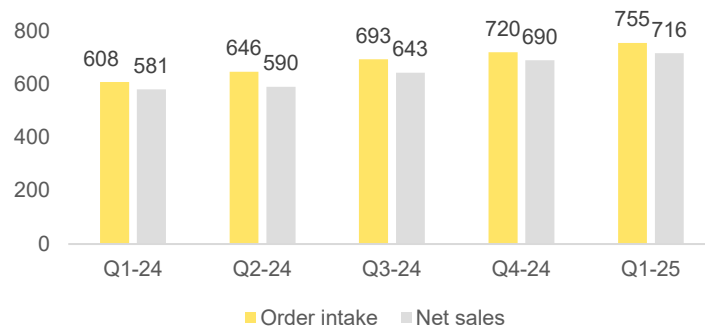
Q1 2025, Order intake and net sales, MSEK



Per quarter



R12



Key comments

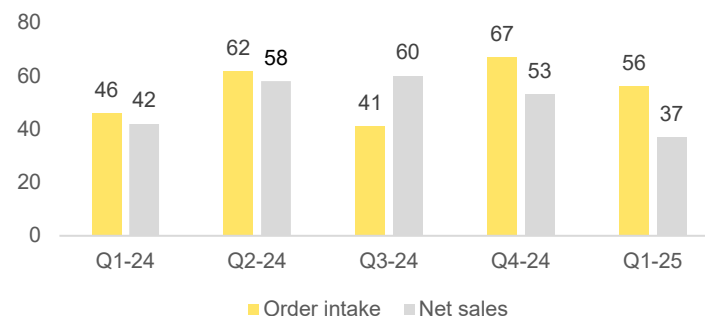
- Order intake increased organic 20%.
- Net sales increased organic 17%.
- Growth through increased market penetration and awareness of the advantages of the tiltrotator system.
- High representation of tiltrotators at Bauma demonstrates strong recognition within the industry.

Americas

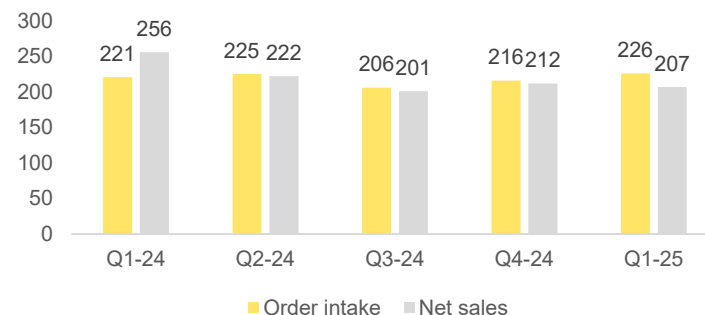
Q1 2025, Order intake and net sales, MSEK



Per quarter



R12

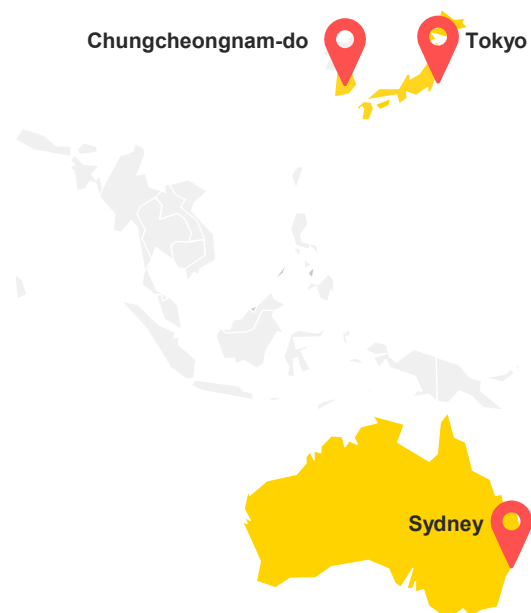


Key comments

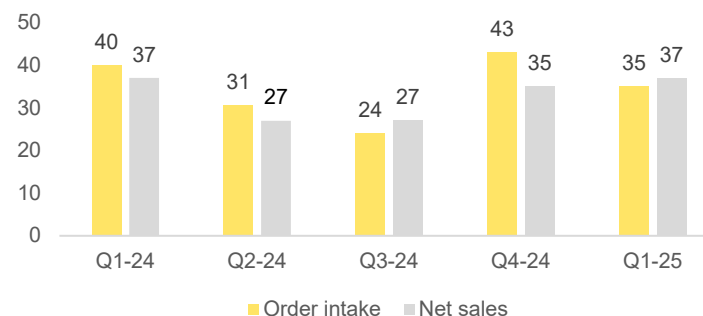
- Order intake increased organic 19%.
- Net sales decreased organic 14%.
- Increased order intake despite turbulent market situation linked to tariffs.
- Temporary shortage of sellable stock has limited deliveries during the quarter.

Asia-Oceania

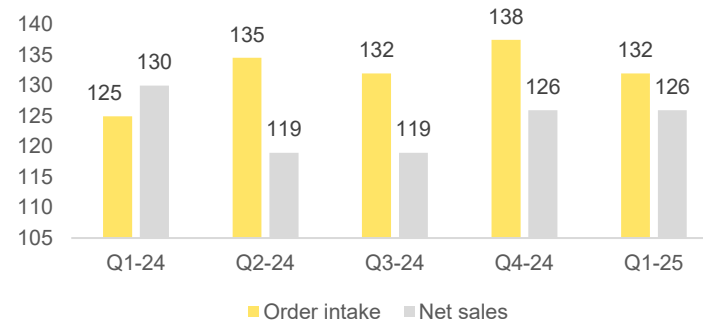
Q1 2025, Order intake and net sales, MSEK



Per quarter



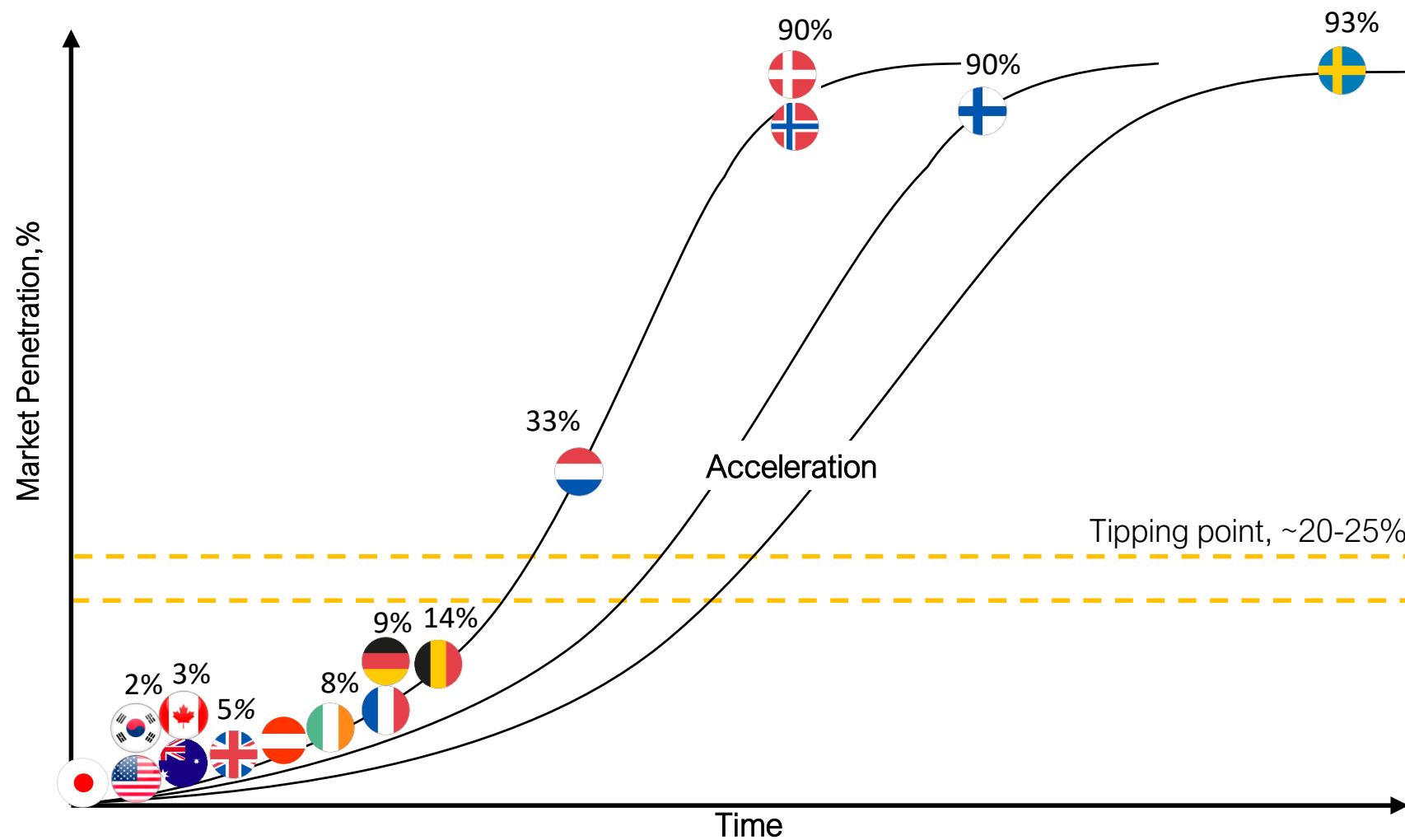
R12



Key comments

- Order intake decreased organic 10%.
- Net sales increased organic 3%.
- Positive start for the Japanese sales company.
- Uncertainties ahead of the Australian election create cautious buying behavior.

PENETRATION RATE ON OUR FOCUS MARKETS

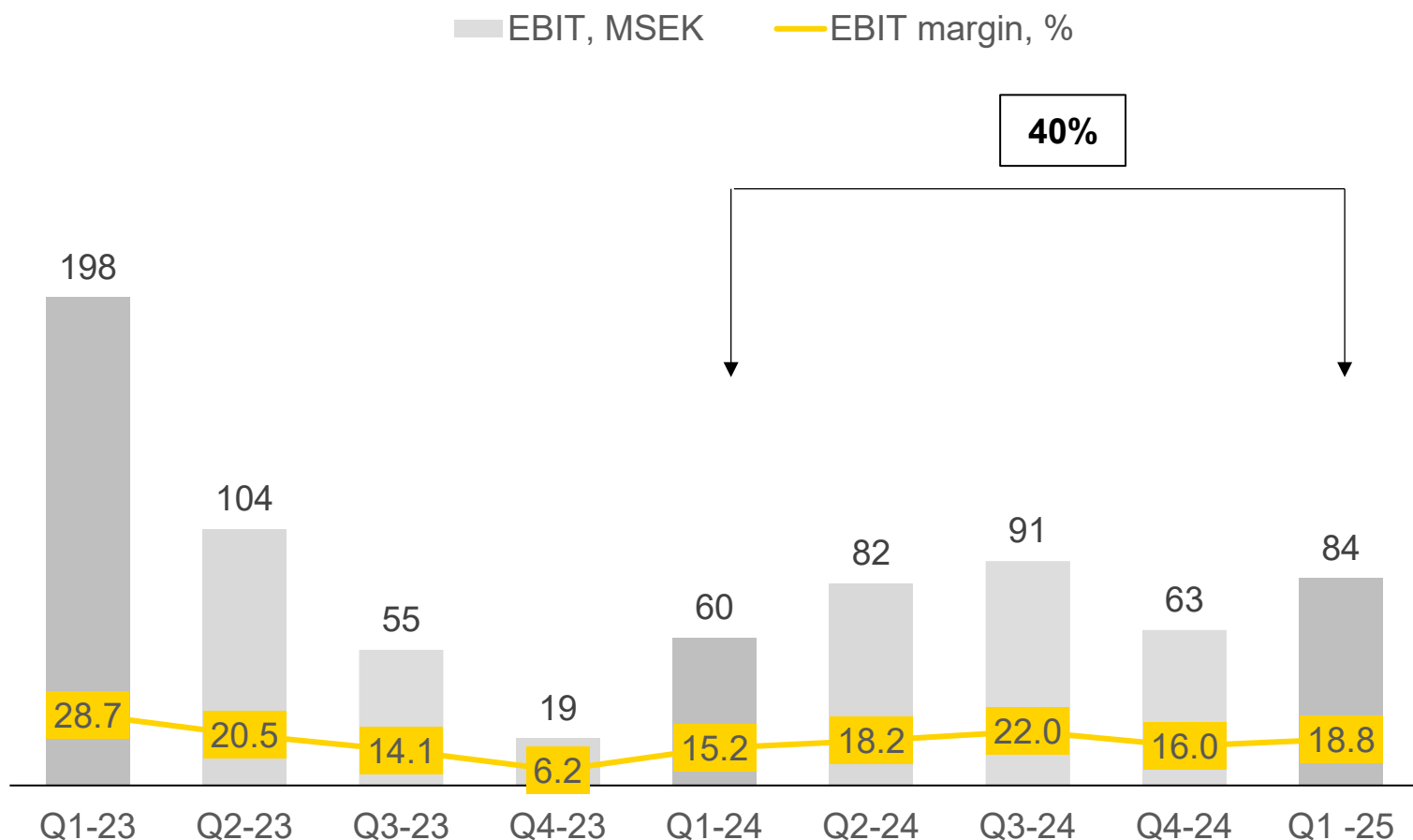




Financial development

EBIT Development

EBIT and EBIT margin per quarter



Key comments

- EBIT increased 40% to 84 (60) MSEK coming from higher net sales and volumes in production combined with a favorable product- and market mix.
- EBIT margin of 18.8% (15.2).

Overview of costs and EBIT

MSEK	2025 Q1	2024 Q1	2025 R12	2024 FY
Net sales	446	394	1,701	1,649
COGS	-240	-228	-935	-923
<i>Gross margin</i>	46.1%	42.1%	45.0%	44.0%
Selling expenses	-66	-64	-263	-262
<i>% of net sales</i>	-14.8%	-16.2%	-15.5%	-15.9%
Administrative expenses	-34	-29	-126	-121
<i>% of net sales</i>	-7.6%	-7.4%	-7.4%	-7.3%
R&D expenses	-13	-11	-49	-47
<i>% of net sales</i>	-2.9%	-2.8%	-2.9%	-2.9%
Other operating income and expenses	-10	-2	-8	0
<i>% of net sales</i>	-2.2%	-0.5%	-0.0%	0.0%
EBIT	84	60	320	295
<i>EBIT margin</i>	18.8%	15.2%	18.8%	17.9%

Key comments

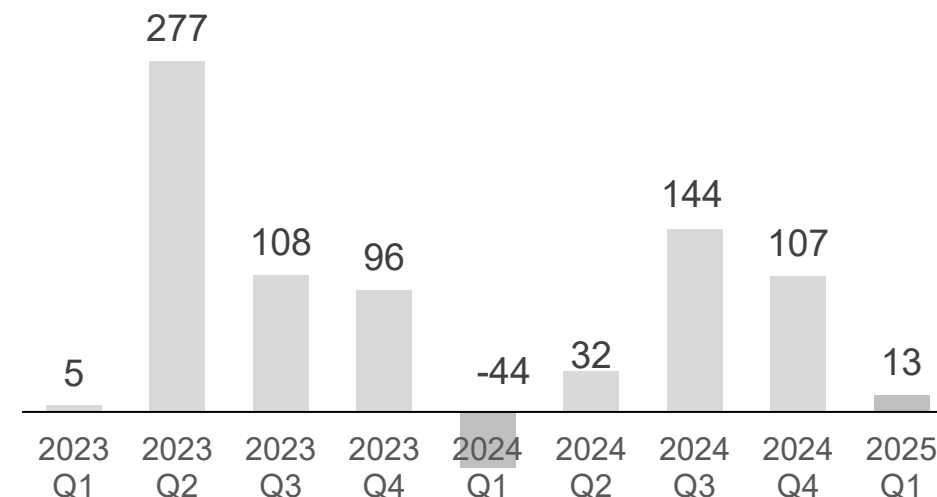
- EBIT margin of 18.8% (15.2) and 18.8% R12.
- Gross margin of 46.1% (42.1) and 45.0% R12.
- R&D expenses 13 (11) MSEK. R&D reported in balance sheet 92 (70) MSEK. Amortisation of 3rd gen tiltrotator started.
- Negative currency effect related to the revaluation of balance sheet items.

Cash flow

Cash flow and net working capital overview, MSEK

MSEK	2025 Q1	2024 Q1	2024 FY
Cash flow before changes in working capital	52	7	277
Inventories	405	329	339
Accounts receivables	282	256	227
Other receivables	31	44	20
Accounts payables	157	123	83
Other payables	47	43	37
Net working capital	514	463	466
% of net sales, 12 months	30%	29%	28%
Cash flow from operating activities	13	-44	239
Investing activities	-7	-15	-44

Operating cash flow per quarter, MSEK



Key comments

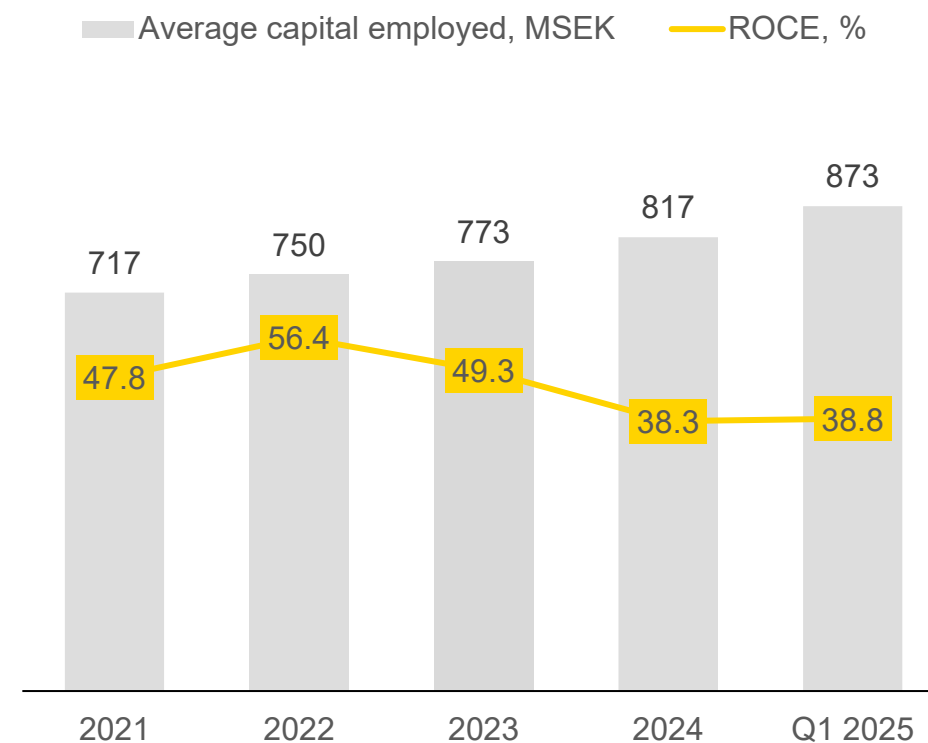
- Higher operating cash flow due to higher operating profit and paid income tax.
- Net working capital on a higher level than last year's quarter, connected to ramp-up.
- Unutilized total liquidity of 412 (361) MSEK and 446 MSEK FY 2024.

ROCE level

Return on capital employed overview

MSEK	2021	2022	2023	2024	R12
EBT	341	415	365	295	300
Interest expense	2	8	16	18	39
Capital employed, beginning of period	699	735	765	781	850
Capital employed, end of period	735	765	781	853	896
Capital employed, average	717	750	773	817	873
Total assets	1,013	1,186	1,012	1,112	1,236
Non-interest-bearing liabilities	278	421	231	258	339
ROCE	47.8%	56.4%	49.3%	38.3%	38.8%

Average capital employed and ROCE



Financial targets

Growth

Exceed the growth in existing market through organic growth.

14%

Net sales organic growth

Profitability

Have an EBIT margin in excess of 20 per cent, measured over a business cycle.

19%

EBIT margin

Capital efficiency

Continue to achieve an industry-leading capital efficiency. ROCE to exceed 40 per cent, measured over a business cycle.

39%

Return on capital employed

Capital structure

Maintain a strong capital structure supporting further expansive organic growth and dividends to shareholders. Equity-to-asset ratio to be above 35 per cent.

62%

Equity-to-asset ratio

Summary & Update

- Strong order intake trend continues in 2025.
 - Strong demand in the Nordics with increasing orderbook ahead of the digging season.
 - Continued strong momentum in Europe, where the penetration rate continues to increase.
- Strong net sales development parallel with production ramp-up and replenished inventory levels.
- Stable operating profit with negative currency effect.
- engcon acquires minority stakes in three subsidiaries.
- Positive experience at Bauma confirming the increased recognition of the tiltrotator in Europe.



Looking ahead

"The future market outlook contains a high degree of unpredictability related in part to tariffs and their impact on the global economy.

We anticipate continued positive net sales growth in the Nordic region ahead of the upcoming digging season and continued stable growth in Europe related to increased market penetration.

We did, however, experience minor disruptions in the supply chain in the quarter that could result in a slight delay of deliveries in the forthcoming quarters."



Q&A

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