

# Q2 2025

Interim report  
Apr–Jun 2025



# Presenters



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## Q2 business highlights

- Highest Q2 net sales and order intake since 2022.
  - Net sales increase driven by the Nordic digging season - Coming back to traditional seasonal patterns.
- Volume growth in Europe confirms that we are changing the world of digging.
- Stronger Swedish krona and less favorable market and product mix are putting pressure on the margins.
- Project initiated to develop engcon's shared core values across the entire organization.
- High volume from tailored customer offers to meet local standards.



# CHANGE THE WORLD OF DIGGING

**Early days** (low penetration)



engcon basic

**Acceleration** (accelerating penetration)



engcon with  
local quick  
coupler

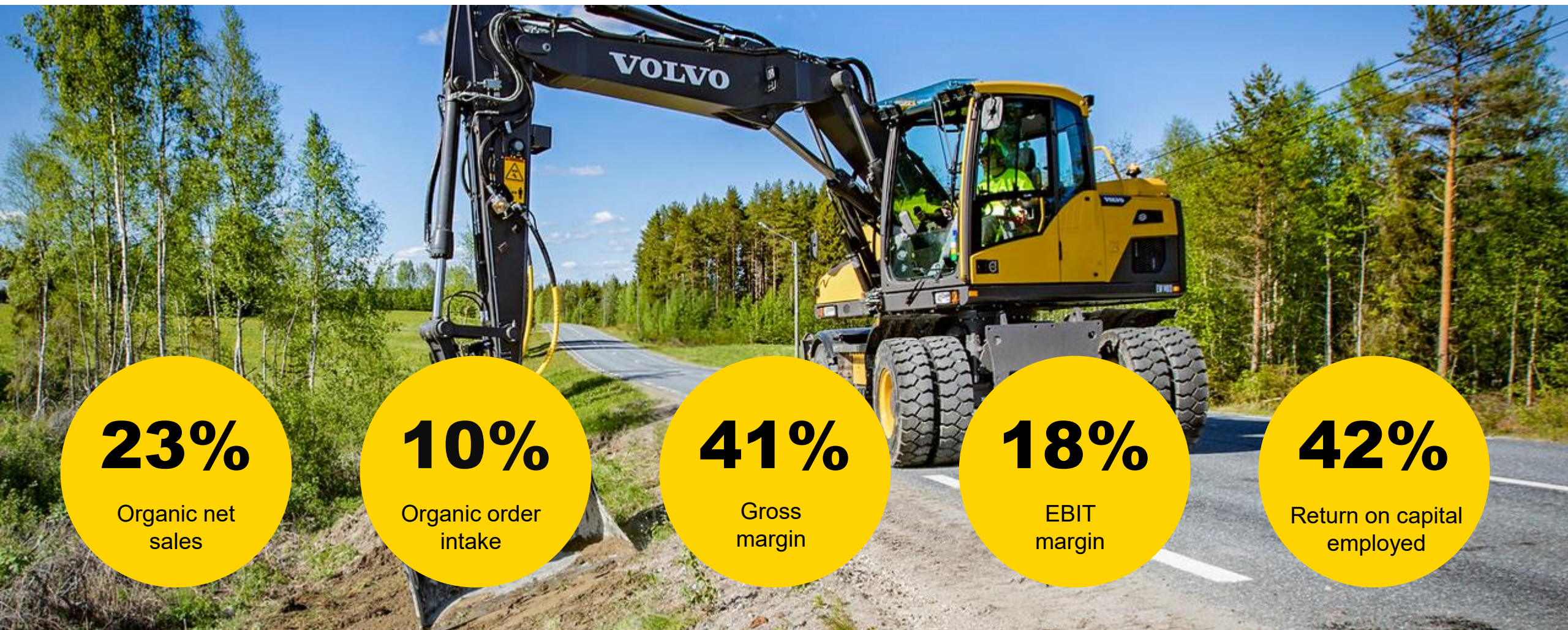
**Mature** (high penetration)



engcon  
sandwich with  
EC-Oil

Increasing penetration and volume

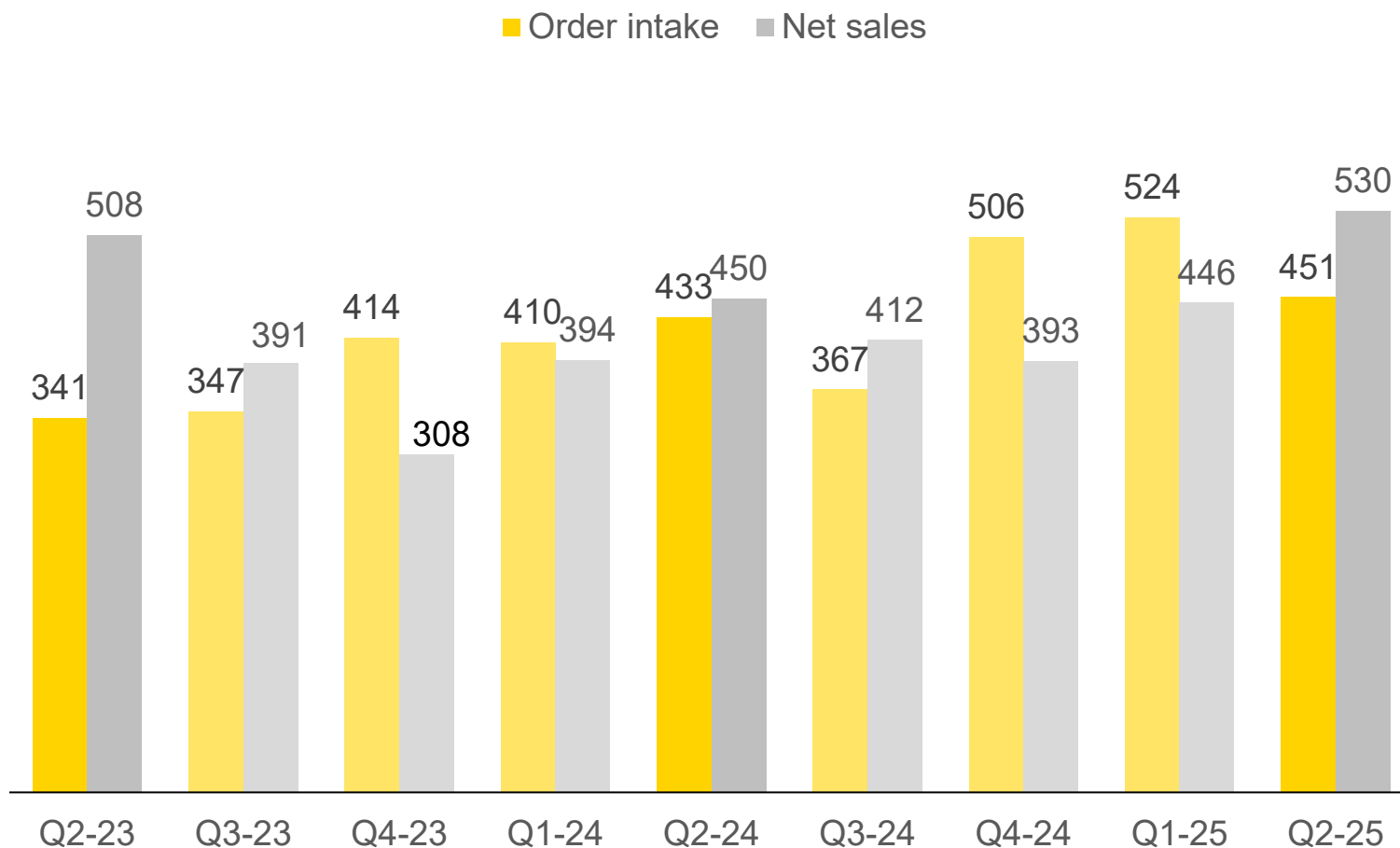
## Q2 figures in brief





# A strong second quarter

## Order intake and net sales development per quarter, MSEK



## Key comments

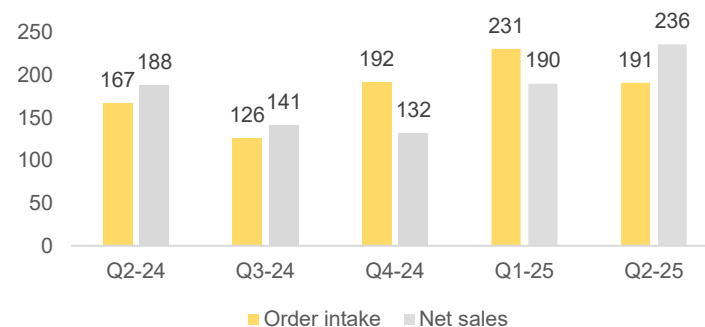
- Order intake increased 4%, organic 10%, negative currency effect of 24 MSEK.
- Net sales increased 18%, organic 23%, negative currency effect of 25 MSEK.
- Return to historical seasonal pattern in the Nordics drove strong net sales in Q2.
- Ripple effects from Liberation Day in the USA.

# Nordics

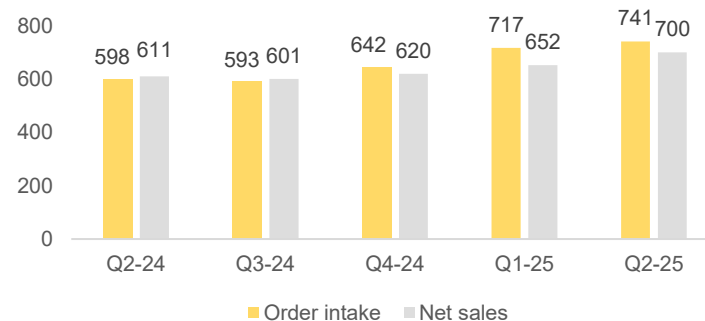
## Q2 2025, Order intake and net sales, MSEK



### Per quarter



### R12



## Key comments

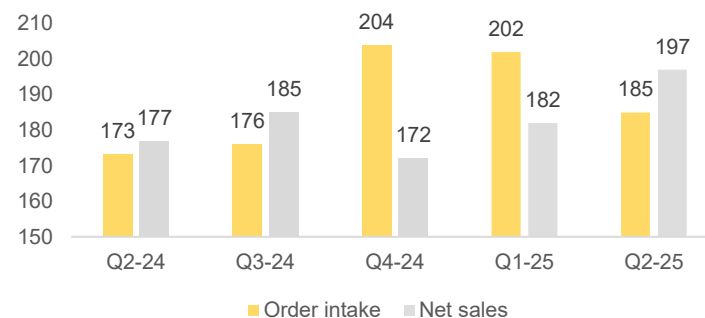
- Order intake increased organic 18%.
- Net sales increased organic 30%.
- Demand driven by increased replacement need, improved market outlook and lower dealer inventory levels.

# Europe

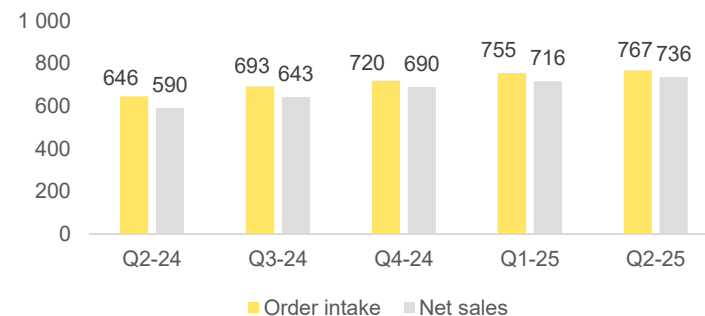
## Q2 2025, Order intake and net sales, MSEK



### Per quarter



### R12



## Key comments

- Order intake increased organic 11%.
- Net sales increased organic 15%.
- Continued strong underlying momentum with increased market penetration and product awareness.
- Bauma clearly showed that the tiltrotator has become a natural part of the industry.

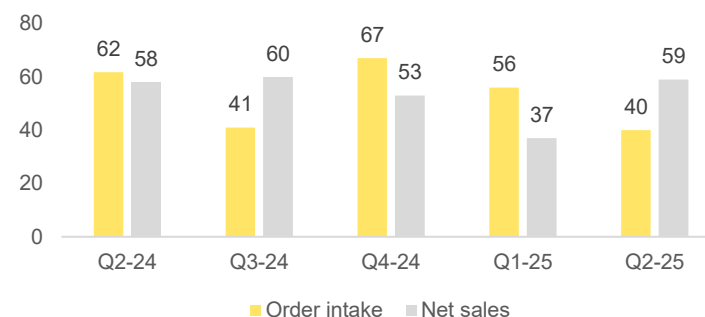


# Americas

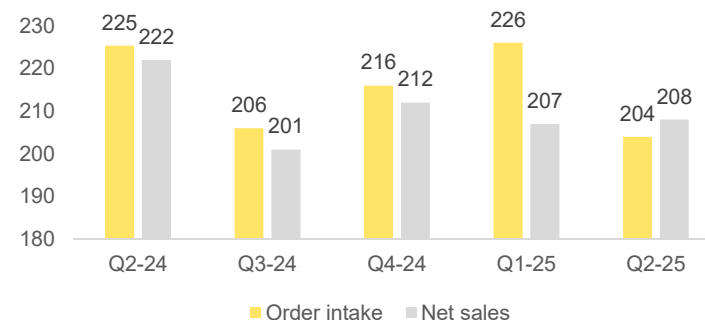
## Q2 2025, Order intake and net sales, MSEK



### Per quarter



### R12

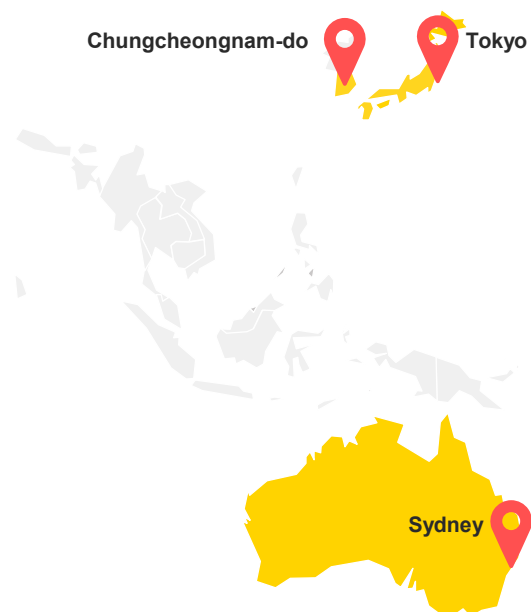


## Key comments

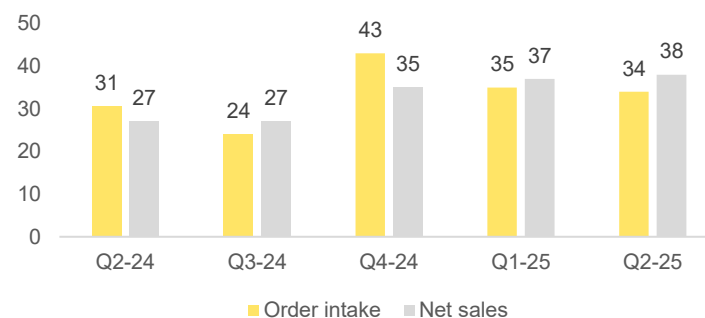
- Order intake decreased organic 26%.
- Net sales increased organic 12%.
- Higher deliveries linked to orders placed in previous quarters.
- Uncertainties regarding tariffs are complicating pricing and slowing down demand.

# Asia-Oceania

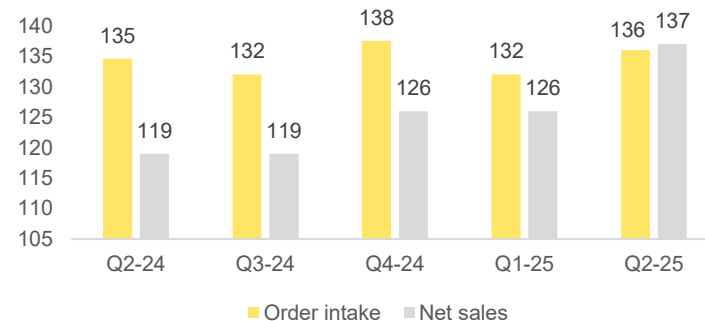
## Q2 2025, Order intake and net sales, MSEK



### Per quarter



### R12



## Key comments

- Order intake increased organic 24%.
- Net sales increased organic 53%.
- Positive development in Japan. Strong governmental incentive for efficiency-boosting technology.
- Strong growth in Korea despite bleak macroeconomic outlook.

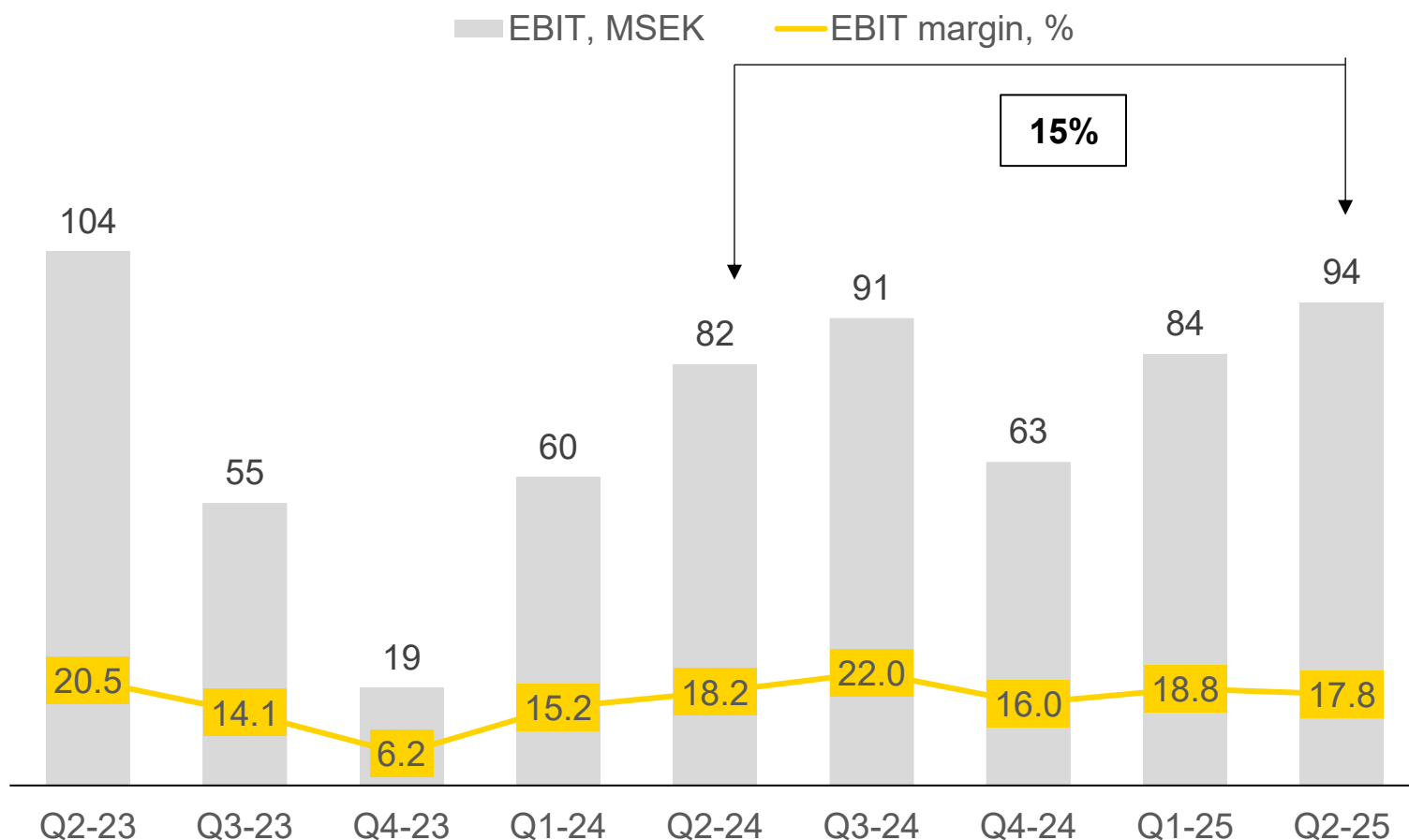




## Financial development

# EBIT Development

## EBIT and EBIT margin per quarter



## Key comments

- EBIT increased 15% to 94 (82) MSEK, mainly from higher net sales.
- EBIT margin decreased to 17.8% from 18.2%.



# Overview of costs and EBIT

MSEK	2025 Q2	2024 Q2	2025 R12	2024 FY
Net sales	530	450	1,780	1,649
COGS	-314	-248	-1,002	-923
Gross margin	40.7%	44.9%	43.7%	44.0%
Selling expenses	-72	-73	-263	-262
% of net sales	-13.6%	-16.2%	-14.8%	-15.9%
Administrative expenses	-33	-33	-126	-121
% of net sales	-6.3%	-7.3%	-7.1%	-7.3%
R&D expenses	-13	-16	-47	-47
% of net sales	-2.5%	-3.5%	-2.6%	-2.9%
Other operating income and expenses	-2	2	-13	0
% of net sales	-0.4%	0.4%	-0.7%	0.0%
<b>EBIT</b>	<b>94</b>	<b>82</b>	<b>330</b>	<b>295</b>
EBIT margin	17.8%	18.2%	18.6%	17.9%

## Key comments

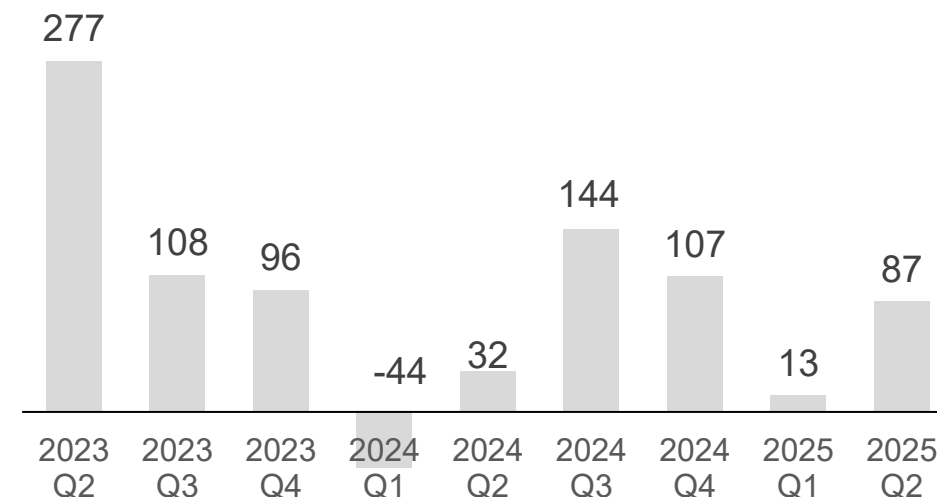
- Gross margin of 40.7% (44.9) and 43.7% R12.
- Negative currency effects and less favorable market and product mix are holding back the margins.
- Maintained operating expenses through scalable business model.
- EBIT margin of 17.8% (18.2) and 18.6% R12.

# Cash flow

## Cash flow and net working capital overview, MSEK

MSEK	2025 Q2	2024 Q2	2024 FY
Cash flow before changes in working capital	87	63	277
Inventories	446	347	339
Accounts receivables	323	282	227
Other receivables	30	51	20
Accounts payables	152	116	83
Other payables	126	122	37
Net working capital	521	442	466
% of net sales, 12 months	29%	29%	28%
Cash flow from operating activities	20	32	239
Investing activities	-11	-10	-44

## Operating cash flow per quarter, MSEK



## Key comments

- Stronger operating profit and reduced tax payments offset by higher net working capital.
- Unutilized total liquidity of 261 (300) MSEK and 446 MSEK FY 2024.

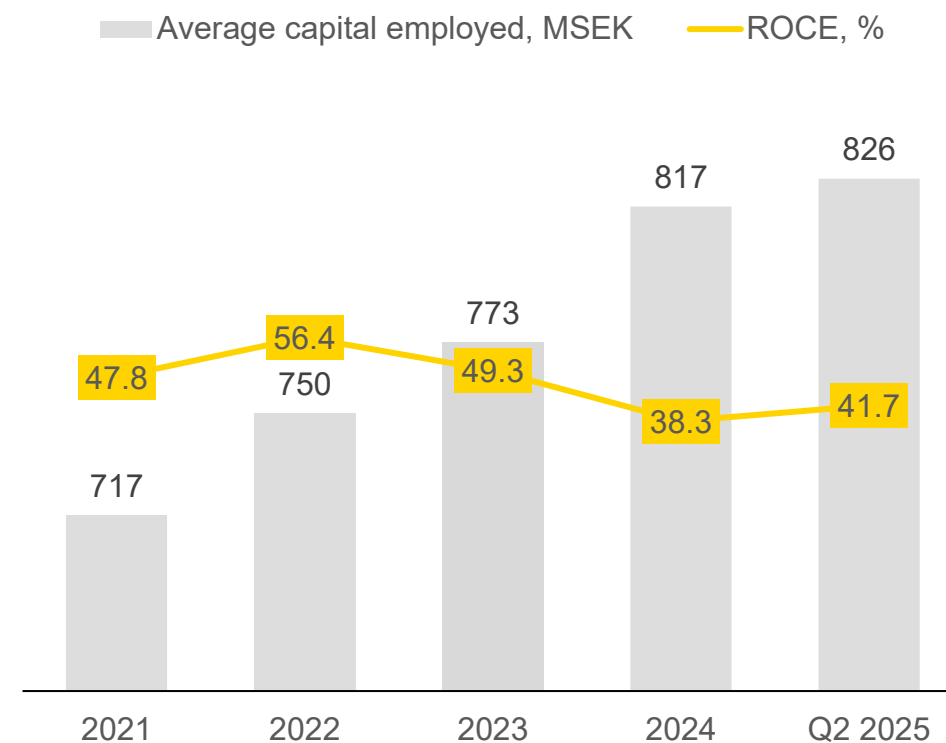


# ROCE level

## Return on capital employed overview

MSEK	2021	2022	2023	2024	R12
EBT	341	415	365	295	312
Interest expense	2	8	16	18	32
Capital employed, beginning of period	699	735	765	781	816
Capital employed, end of period	735	765	781	853	836
Capital employed, average	717	750	773	817	826
Total assets	1,013	1,186	1,012	1,112	1,257
Non-interest-bearing liabilities	278	421	231	258	421
<b>ROCE</b>	<b>47.8%</b>	<b>56.4%</b>	<b>49.3%</b>	<b>38.3%</b>	<b>41.7%</b>

## Average capital employed and ROCE



# Financial targets

## Growth

Exceed the growth in existing market through organic growth.

**23%**

Net sales organic growth

## Profitability

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

**18%**

EBIT margin

## Capital efficiency

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

**42%**

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.

**49%**

Equity-to-asset ratio



## Summary & Update

- Closing the second quarter with strong net sales and solid order intake.
  - Strong recovery in the Nordics.
  - Accelerating volume in Europe.
  - Lost quarter in the Americas.
  - Solid commercial traction in Asia-Oceania.
- Stronger Swedish krona combined with less favorable market and product mix impacts the margins for the quarter.
- Focus on corporate culture and personnel lays the foundation for continued growth.



## Looking ahead

*"Looking forward, we anticipate continued growth compared with the preceding year as a result of the recovery in the Nordic region and increased market penetration in Europe and AsiaOceania.*

*In the second quarter, we were negatively impacted by the stronger Swedish krona and we cannot rule out that this effect will be sustained moving forward"*





Q&A

CHANGE  
THE WORLD OF  
DIGGING