

Q4 2025

Interim report

Presenters



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2025 IN REVIEW



3rd Generation



Large Cap



engcon Japan



"Liberation day"



Bauma



Partnerships



Extended market presence Italy



Entrepreneur of The Year



Ongoing lawsuit



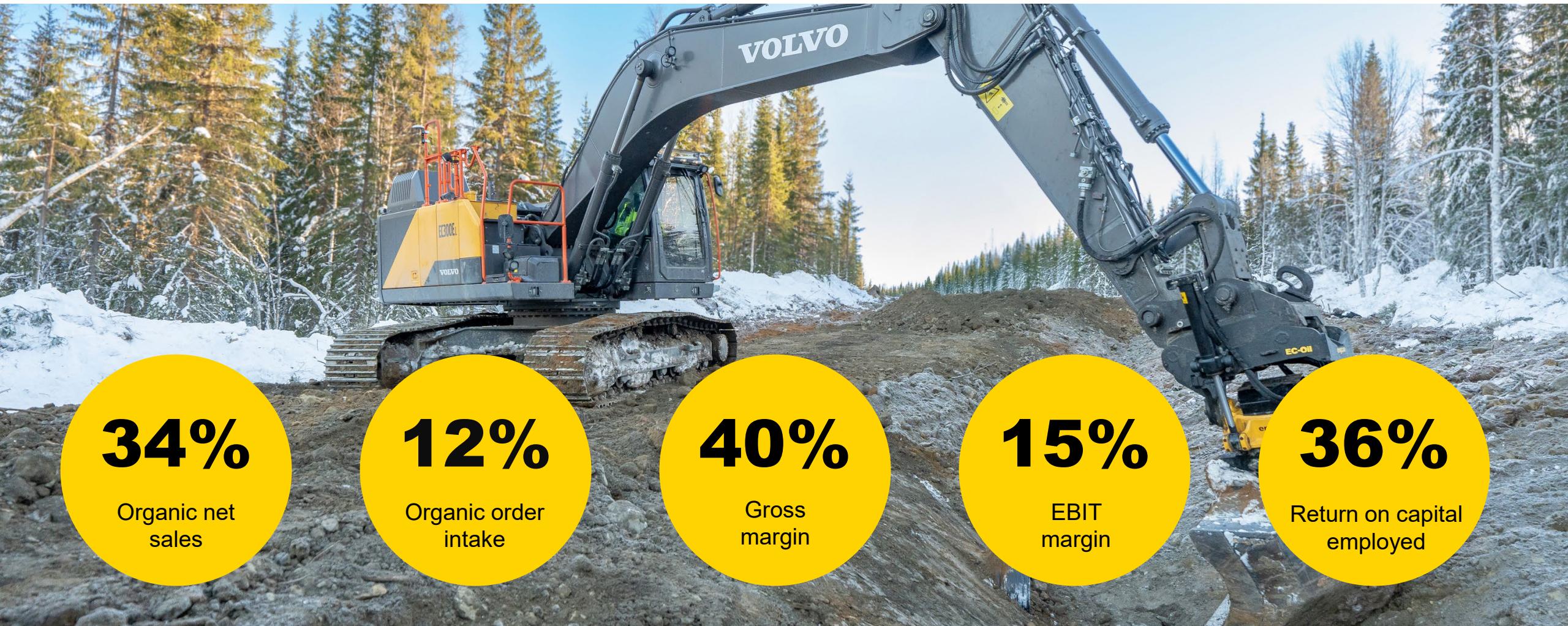
Global market share



Q4 business highlights

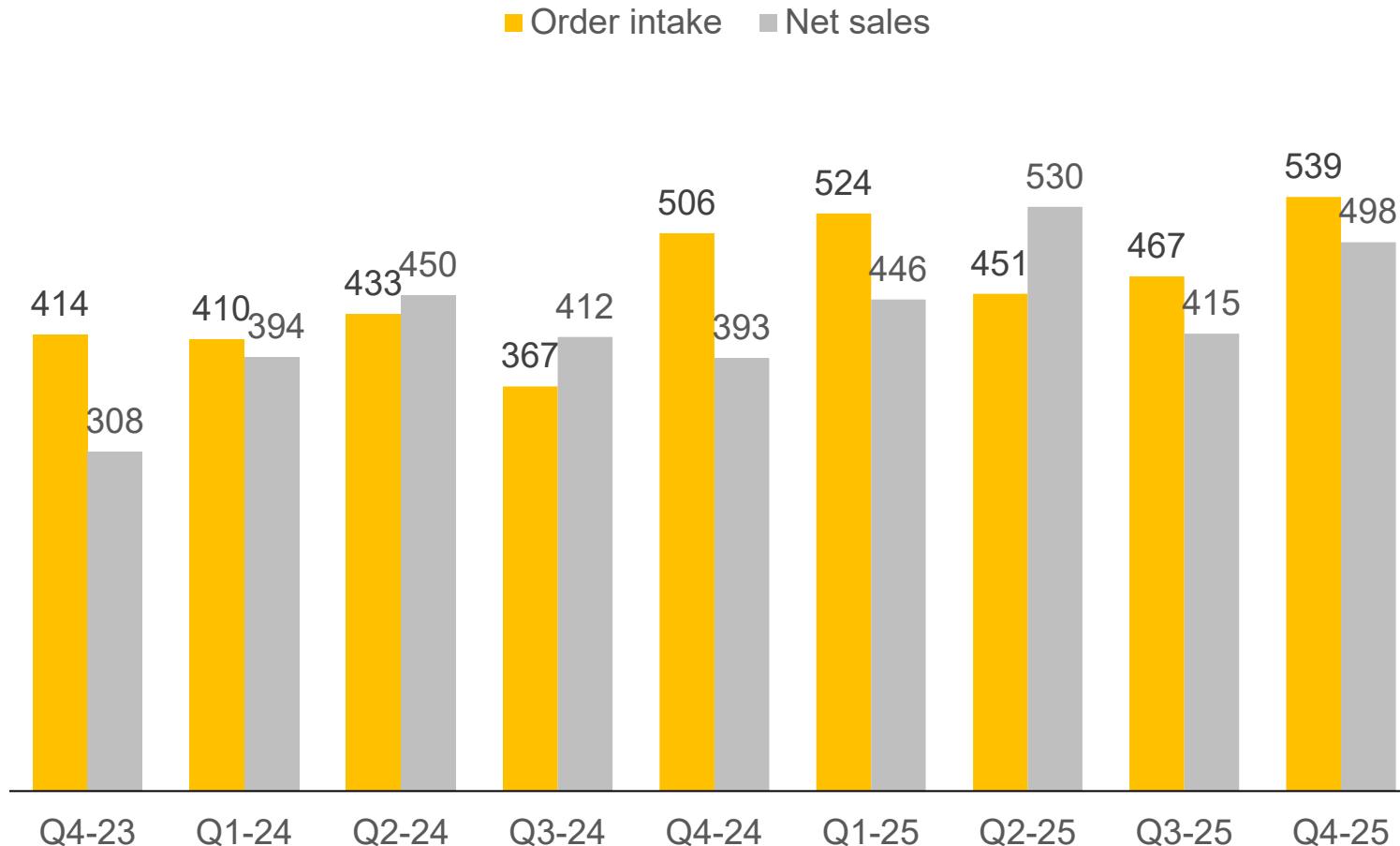
- Strong finish to the year with an organic net sales increase of 34%, corresponding to 498 (393) MSEK.
 - Solid net sales recovery from Europe and the Nordics.
- Order intake increased organically by 12% to 539 (506) MSEK, with strong demand in the Nordics.
 - Increase is mainly driven by Sweden,
- Margins pressured by less favorable market mix, currency effects, and increased administrative costs related to IT and legal services.

Q4 figures in brief



HIGH ORDER INTAKE AND SOLID NET SALES GROWTH

Order intake and net sales development per quarter, MSEK



Key comments

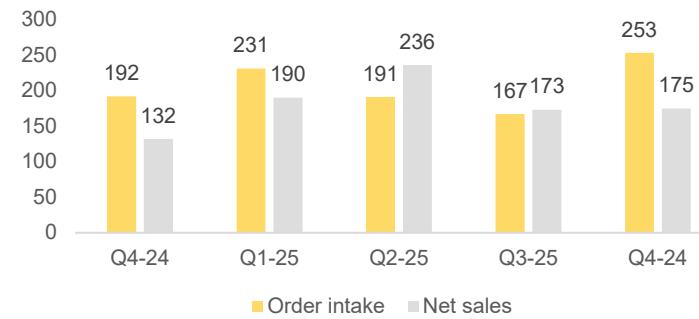
- Order intake increased 7%, organic 12%, negative currency effect of 30 MSEK.
- Net sales increased 27%, organic 34%, negative currency effect of 26 MSEK.
- Strong order intake despite weak demand in Americas and Asia/Oceania.

Nordics

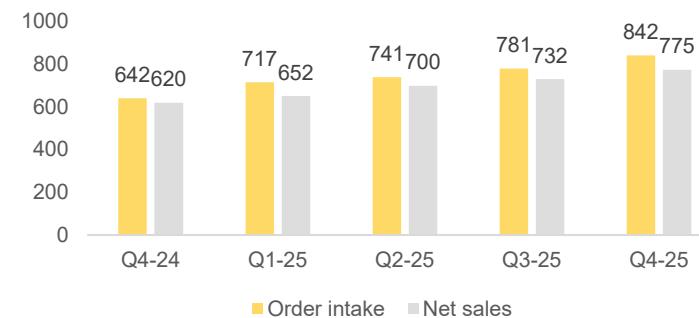
Q4 2025, Order intake and net sales, MSEK



Per quarter



R12

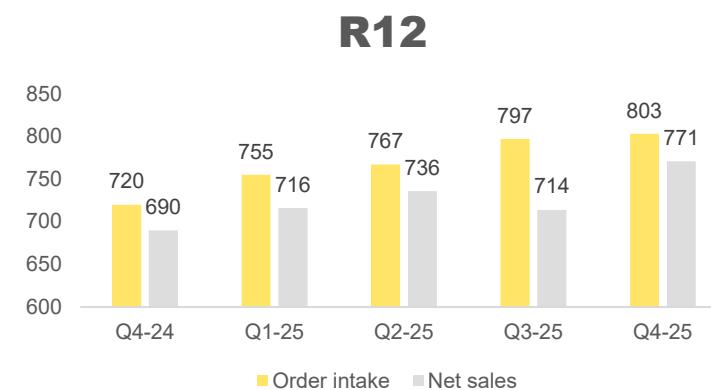
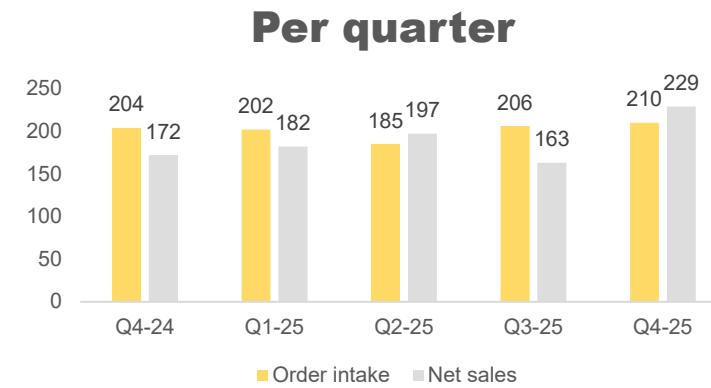


Key comments

- Order intake increased organic 35%.
- Net sales increased organic 37%.
- Clear pre-order pattern ahead of the spring digging season.
- Strong demand driven by increased excavator sales and gradually growing optimism.

Europe

Q4 2025, Order intake and net sales, MSEK



Key comments

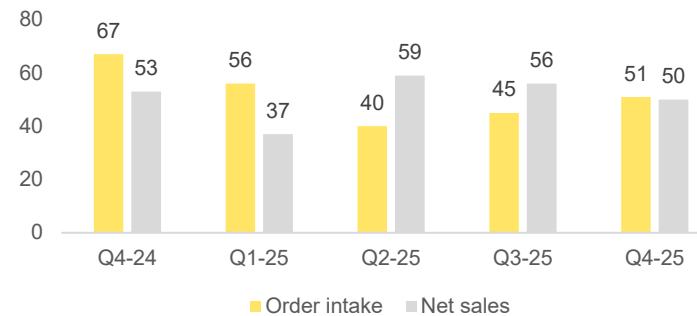
- Order intake increased organic 9%.
- Net sales increased organic 39%.
- Record-high fourth quarter for both order intake and net sales.
- Net sales back at high levels after backlog from the third quarter.

Americas

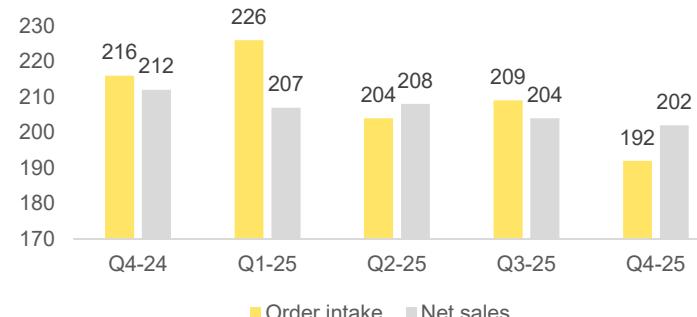
Q4 2025, Order intake and net sales, MSEK



Per quarter



R12

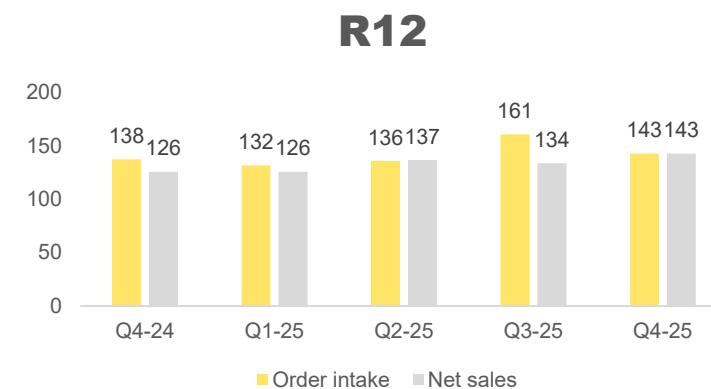
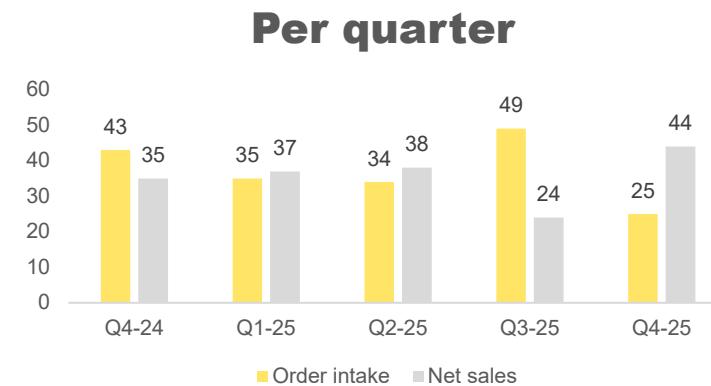


Key comments

- Order intake decreased organic 13%.
- Net sales increased organic 7%.
- Increased net sales driven by price adjustments to offset tariffs.
- Customers remain cautious due to ongoing uncertainties surrounding tariffs and general market conditions.

Asia-Oceania

Q4 2025, Order intake and net sales, MSEK



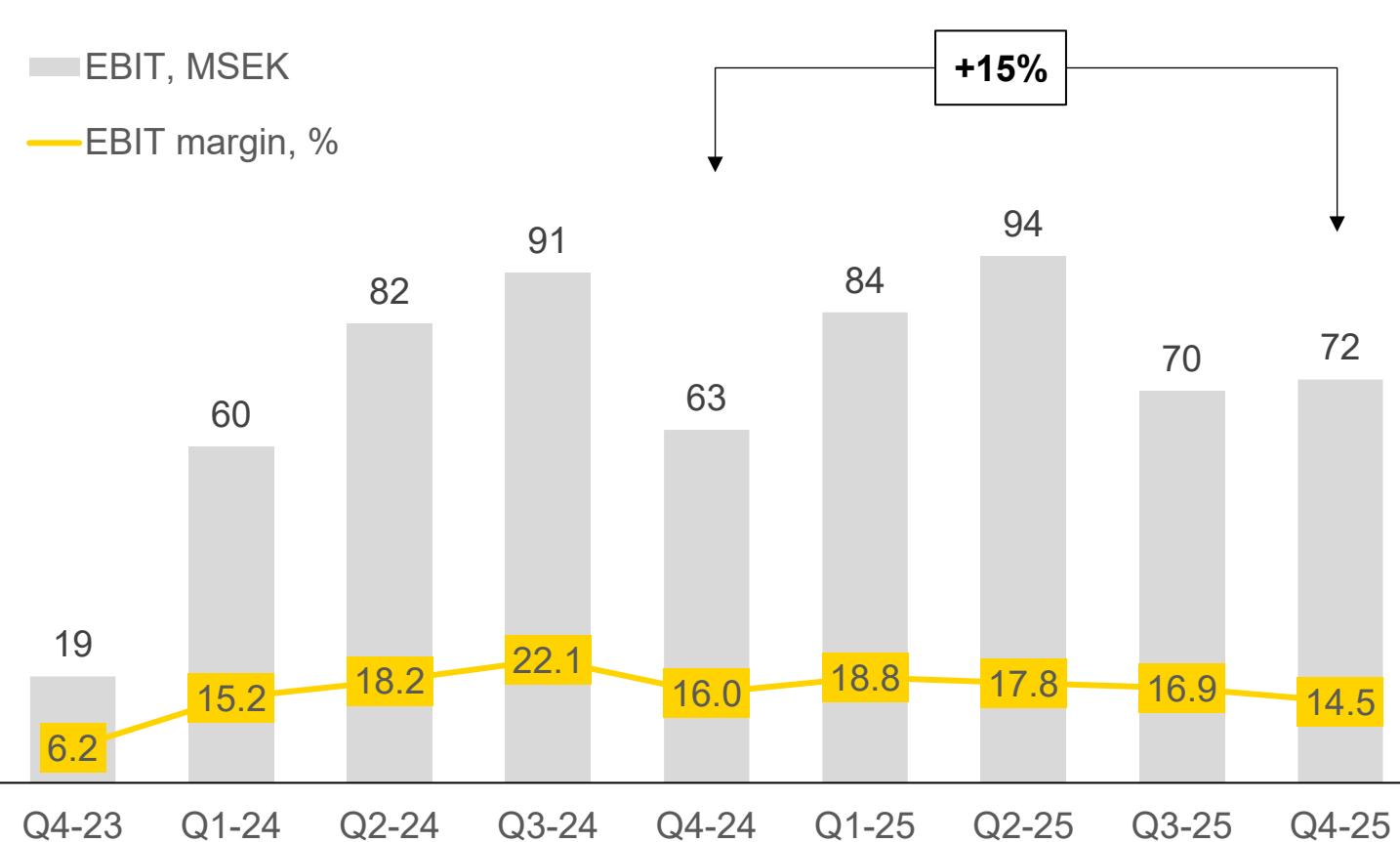
Key comments

- Order intake decreased organic 32%.
- Net sales increased organic 33%.
- The region is characterized by large fluctuations in sales between quarters.
- Japan is expected to be the key growth driver, supported by government incentives.

Financial development

EBIT Development

EBIT and EBIT margin per quarter



Key comments

- EBIT increased 15% to 72 (63) MSEK, mainly due to higher revenues.
- EBIT margin decreased to 14.5% from 16.0%.

Overview of costs and EBIT

MSEK	2025 Q4	2024 Q4	2025 FY	2024 FY
Net sales	498	393	1,889	1,649
COGS	-297	-225	-1,090	-923
<i>Gross margin</i>	<i>40.2%</i>	<i>42.7%</i>	<i>42.3%</i>	<i>44.0%</i>
Selling expenses	-69	-59	-272	-262
<i>% of net sales</i>	<i>-13.9%</i>	<i>-15.0%</i>	<i>-14.4%</i>	<i>-15.9%</i>
Administrative expenses	-37	-32	-132	-121
<i>% of net sales</i>	<i>-7.4%</i>	<i>-8.1%</i>	<i>-7.0%</i>	<i>-7.3%</i>
R&D expenses	-16	-13	-55	-47
<i>% of net sales</i>	<i>-3.2%</i>	<i>-3.3%</i>	<i>-2.9%</i>	<i>-2.9%</i>
Other operating income and expenses	-6	0	-19	0
<i>% of net sales</i>	<i>-1.2%</i>	<i>0.0%</i>	<i>-1.0%</i>	<i>0.0%</i>
EBIT	72	63	321	295
<i>EBIT margin</i>	<i>14.5%</i>	<i>16.0%</i>	<i>17.0%</i>	<i>17.9%</i>

Key comments

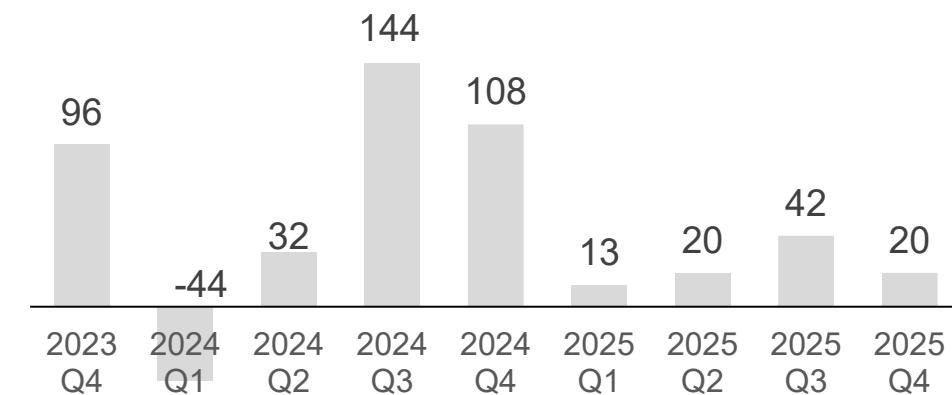
- Gross margin of 40.2% (42.7) and 42.3% FY25.
- Selling and administrative expenses are lower compared to net sales however burdened by costs mainly related to IT and legal services.
- Negative currency effects and less favorable market mix are holding back the margins.
- EBIT margin of 14.5% (16.0) and 17.0% FY25.

Cash flow

Cash flow and net working capital overview, MSEK

MSEK	2025 Q4	2024 Q4	2025 FY	2024 FY
Cash flow before changes in working capital	87	100	296	277
Inventories	477	339	447	339
Accounts receivables	257	227	257	227
Other receivables	22	20	22	20
Accounts payables	58	83	58	83
Other payables	43	37	43	37
Net working capital	655	466	655	466
<i>% of net sales, 12 months</i>	35%	28%	35%	28%
Cash flow from operating activities	20	108	95	239
Investing activities	-9	-14	-37	-44

Operating cash flow per quarter, MSEK



Key comments

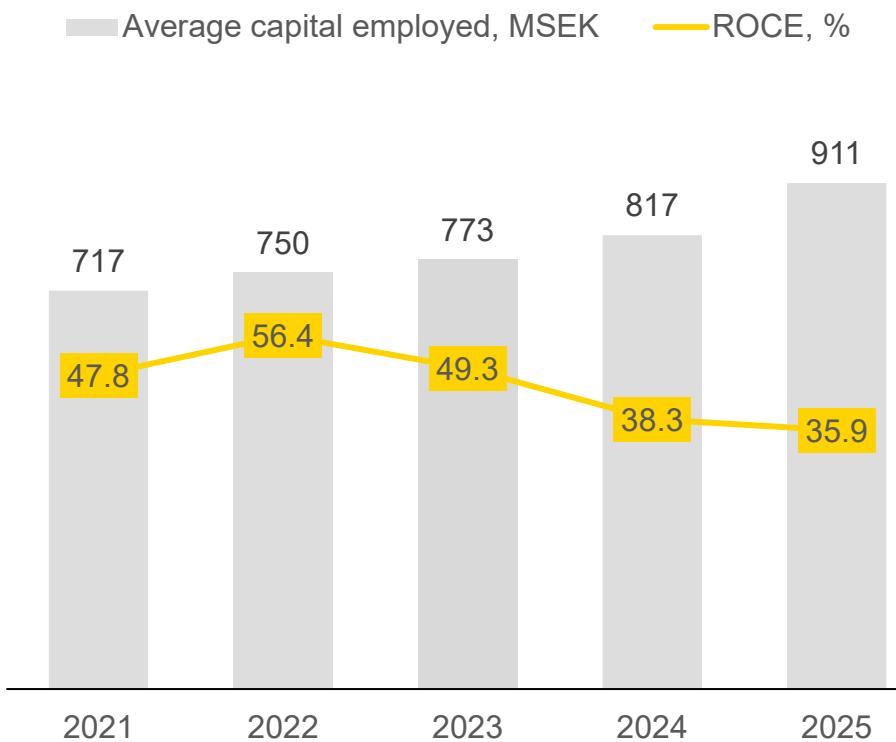
- Lower cash flow from operating activities compared to last year mainly due to increased working capital.
- Unutilized total liquidity of 211 (446) MSEK.

ROCE level

Return on capital employed overview

MSEK	2021	2022	2023	2024	2025
EBT	341	415	365	295	290
Interest expense	2	8	16	18	38
Capital employed, beginning of period	699	735	765	781	853
Capital employed, end of period	735	765	781	853	969
Capital employed, average	717	750	773	817	911
Total assets	1,013	1,186	1,012	1,112	1,210
Non-interest-bearing liabilities	278	421	231	258	242
ROCE	47.8%	56.4%	49.3%	38.3%	35.9%

Average capital employed and ROCE



FINANCIAL TARGETS FY 2025

Growth

Exceed the growth in existing market through organic growth.

18%

Net sales organic growth

Profitability

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

17%

EBIT margin

Capital efficiency

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

36%

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 %.

59%

Equity-to-asset ratio

Dividend policy

Pay approximately 50% of net profit in dividends.

Dividend proposal will consider engcon's long-term potential, financial position and investment needs.

1.00

SEK/share



SUMMARY & OUTLOOK

- Key regions Europe and the Nordics are driving strong net sales growth.
- Positive indications that demand will continue to increase in the key regions going forward.
- Stronger revenue growth partly offset by weaker margins and a higher administration cost.
 - Reviewing pricing, product packaging and strategic priorities for improved profitability.
- Conexpo in March – North America's largest construction equipment trade show.

Q&A

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