

Q1 2025

INTERIM REPORT JANUARY - MARCH 2025

First-quarter report 2025

First quarter 2025

- Order intake increased 28 per cent to SEK 524 million (410); organic order growth was 28 per cent.
- Net sales increased 13 per cent to SEK 446 million (394); organic net sales growth was 14 per cent.
- Operating profit increased 40 per cent to SEK 84 million (60) and the operating margin was 18.8 per cent (15.2).
- Profit for the period increased 9 per cent to SEK 53 million (49).
- Basic and diluted earnings per share amounted to SEK 0.34 (0.32).

Financial performance indicators for the Group¹

	Q1			Jan-Dec
	2025	2024	Δ%	2024
Order intake, SEK million	524	410	28	1,716
Net sales, SEK million	446	394	13	1,649
Gross profit, SEK million	206	166	24	726
Gross margin, %	46.1	42.1	-	44.0
Operating profit, SEK million	84	60	40	295
Operating margin, %	18.8	15.2	-	17.9
Profit/loss for the period, SEK million	53	49	9	229
Earnings per share, before and after dilution, SEK	0.34	0.32	5	1.42
Return on capital employed, %	38.8	27.8	-	38.3
Equity/assets ratio, %	62.1	61.3	-	65.8

¹ For more information, see the alternative performance measures and financial definitions section on pages 19-21.

CEO'S comments



Despite a challenging business environment, we can reflect on a strong quarter in terms of earnings, with increased demand. We remain confident in our strong position, and with the launch of our third generation tiltrotator, we have strengthened our position at the forefront of technology in the industry.



Stable earnings and significant increase in order intake

We began the year with a strong order intake mainly due to increased demand in the Nordic region ahead of the upcoming digging season. Order intake increased organically by 28 per cent and amounted to SEK 524 million (410). Net sales in the quarter amounted to SEK 446 million (394), an organic year-on-year increase of 14 per cent. The gross margin for the quarter amounted to 46 per cent (42) and was mainly attributable to higher volumes in production combined with a favourable product and market mix. Operating profit increased 40 per cent to SEK 84 million (60), corresponding to an EBIT of 19 per cent (15). Earnings were impacted by a negative currency effect due to the stronger SEK.

Strong demand ahead of the Nordic digging season

The Nordic region reports the strongest start to the year. The order intake amounted to SEK 231 million (156), corresponding to organic growth of 49 per cent. Net sales amounted to SEK 190 million (159), an organic increase of 21 per cent. We are seeing increasing positivity in the market among end customers while the inventory levels of dealers are relatively low.

The tiltrotator continues to gain ground in Europe and the order intake increased 20 per cent organically. Net sales increased 17 per cent to SEK 182 million (156). We are seeing increased awareness of our products and their advantages, which was particularly evident at the world's largest and most visited trade exhibition, Bauma in Munich, where tiltrotators were represented by all major excavator manufacturers. Germany is also one of the countries in Europe where we are seeing a significant increase in demand. The trend demonstrates that more and more customers are moving from either tilt or rotation couplers, which have long been common in Germany, to full tiltrotator solutions.

Despite the turbulent situation in the US, order intake increased 19 per cent organically in the Americas, while net sales declined 14 per cent with low inventory levels holding back deliveries. We are now working to adjust inventory levels to meet demand in the region. It is currently difficult to assess how the future trend in the Americas will be impacted by the announced tariffs.

Order intake in Asia-Oceania declined 10 per cent from low levels. We are continuing to develop our Japanese sales company, which has had a strong start, and we are seeing an increase in order intake in Japan. In Australia, we are seeing a cautious market due to the upcoming federal election that will be held in May.

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

engcon at the forefront

In the first quarter, the Patent and Market Court of Appeal upheld the lower court's previous ruling in the case between Rototilt and engcon regarding alleged patent infringement. Rototilt's claim of patent infringement was rejected. As in the lower court, the court ruled that no patent infringement had occurred. The ruling is final and cannot be appealed, thus the matter is settled in Sweden.

The first model of our third generation tiltrotator, EC319, is now in production, and we plan start of delivery of the next model, EC309, which was launched at Bauma, in September. The third generation has been developed to meet the demands of future electrified and autonomous excavators, offering substantial energy savings. Its self-learning configuration is unique and ensures a driving experience tailored to the operator. User feedback has been positive, with those who have experienced the third generation in daily operations particularly emphasizing its smooth and responsive handling. With the third generation, we further consolidate our technological advantage over our competitors.

Despite a challenging business environment, we can reflect on a strong quarter in terms of earnings, with increased demand. We remain confident in our strong position, and with the launch of our third generation tiltrotator, we have strengthened our position at the forefront of technology in the industry. Bauma was a success and we are maintaining our focus on end customers. We are looking forward to the forthcoming European digging tour – engcon Dig Days 2025 – in which we will have the opportunity to follow up with our contacts from Bauma and show more end customers how our products enhance efficiency and profitability. This is how we change the world of digging.

Krister Blomgren
President and CEO

Group's financial performance

engcon Group's operations are conducted and reported as a single segment. As further disclosures, order intake and net sales are reported based on the Group's geographic regions: Nordic region, Europe (excl. the Nordic region), the Americas and Asia-Oceania, which includes the rest of the world.

Order intake and net sales

First quarter 2025

Order intake

SEK million	Q1					
	2025	Organic	2024	Δ	Δ Organic	Δ % Organic
Nordic region	231	232	156	75	76	49%
Europe	202	202	168	34	34	20%
Americas	56	55	46	10	9	19%
Asia-Oceania	35	36	40	-5	-4	-10%
Total	524	525	410	114	115	28%

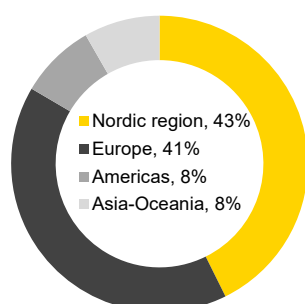
Order intake during the quarter amounted to SEK 524 million (410), an increase of 28 per cent (1), and organic order intake growth was 28 per cent (1). All market regions, with the exception of Asia-Oceania, reported higher order intake for the quarter with the Nordic region accounting for the largest change.

Net sales

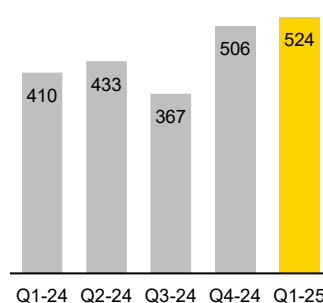
SEK million	Q1					
	2025	Organic	2024	Δ	Δ Organic	Δ % Organic
Nordic region	190	192	159	31	33	21%
Europe	182	182	156	26	26	17%
Americas	37	36	42	-5	-6	-14%
Asia-Oceania	37	38	37	-0	1	3%
Total	446	448	394	52	54	14%

Net sales during the quarter amounted to SEK 446 million (394), an increase of 13 per cent (-43) and organic net sales growth of 14 per cent (-43). Compared with the preceding quarter, net sales increased in all regions, with the exception of the Americas. The Nordic region accounted for the largest increase.

Share of net sales by geographic market region in Q1



Order intake by quarter, SEK million



Earnings

	Q1			Jan-Dec
	2025	2024	Δ%	2024
Order intake, SEK million	524	410	28	1,716
Net sales, SEK million	446	394	13	1,649
Gross profit, SEK million	206	166	24	726
Gross margin, %	46.1	42.1	-	44.0
Operating profit, SEK million	84	60	40	295
Operating margin, %	18.8	15.2	-	17.9

First quarter 2025

Gross earnings for the quarter amounted to SEK 206 million (166), an increase of 24 per cent (-47). The gross margin amounted to 46.1 per cent (42.1) as a result of increased production volume and a favourable product and market mix.

Other operating income and expenses amounted to SEK -10 million (-2), including negative currency effects of SEK -14 million which were offset by derivative instruments of SEK 4 million.

EBIT for the quarter amounted to SEK 84 million (60), an increase of 40 per cent (-70). The operating margin was 18.8 per cent (15.2). The improved operating profit is the result of increased net sales and an improved gross margin.

Net financial items for the quarter amounted to SEK -18 million (1), including negative currency effects related to foreign exchange of SEK -15 million.

Profit before tax for the quarter amounted to SEK 66 million (61).

Income tax for the quarter was SEK -12 million (-12). The effective tax rate amounted to 20.0 per cent (19.7).

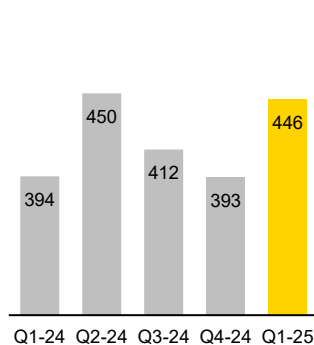
Total earnings after tax for the quarter amounted to SEK 53 million (49).

Investments and depreciation/amortisation

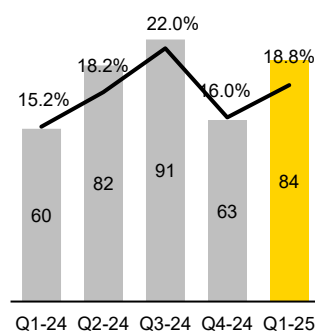
Investments in intangible and tangible assets and right-of-use assets amounted to SEK 29 million (18) for the quarter. The investments were mainly attributable to newly signed leases and development costs for the third generation tiltrotator.

Depreciation and amortisation of tangible and intangible assets amounted to SEK 13 million (11) for the quarter.

Net sales by quarter, SEK million



EBIT SEK million and EBIT margin by quarter



Cash flow

Cash flow from operating activities amounted to SEK 13 million (-44) for the quarter, mainly attributable to higher operating profit and lower tax paid.

Cash flow from investing activities amounted to SEK -7 million (-15) for the quarter. The investments were mainly attributable to

property, plant and equipment and development costs for the third generation tiltrotator.

Cash flow from financing activities amounted to SEK -14 million (12) for the quarter, with the year-on-year change mainly attributable to a change in lease liabilities.

Total cash flow from operations amounted to SEK -8 million (-47) for the quarter.

Financial position and return

	31 Mar 2025	31 Mar 2024	31 Dec 2024
Total borrowing, SEK million	30	39	33
Bank overdraft facilities, SEK million	1	14	-
Total lease liabilities, SEK million	99	96	89
Cash and cash equivalents, SEK million	-105	-59	-132
Net debt (+) / Net cash (-), SEK million	24	90	-10
Equity, SEK million	767	701	732
Equity/assets ratio, %	62.1	61.3	65.8
Return on capital employed, %	38.8	27.8	38.3

Inventory amounted to SEK 405 million on 31 March 2025 compared with SEK 339 million on 31 December 2024. Accounts receivable increased to SEK 282 million on 31 March 2025 compared with SEK 227 million on 31 December 2024.

On 31 March 2025, net debt/net cash amounted to SEK 24 million compared with SEK -10 million on 31 December 2024. Equity increased and the equity/assets ratio amounted to 62.1

per cent on 31 March 2025 compared with 61.3 per cent on 31 December 2024. The Group had unutilised credit facilities of SEK 308 million at the end of the quarter compared with SEK 314 million on 31 December 2024. Including cash and cash equivalents, the Group's unutilised total liquidity amounted to SEK 412 million (446). The Group's existing credit facility amounted to SEK 321 million (322).





Events in the quarter

First quarter

- On 1 January 2025, Group management was expanded with the addition of Anders Smith, who took on the role of Chief Operating Officer (COO).
- In January, changes to the management structure were implemented in the Americas.
- engcon was moved to Nasdaq Stockholm's Large Cap segment on 2 January 2025.
- On 27 March, the Patent and Market Court of Appeal announced its judgement and dismissed Rototilt Group's lawsuit regarding alleged infringement of patented technology against engcon.
- No other material events took place during the quarter.

Events after the end of the quarter

- On 9 April, it was announced that engcon entered into agreements to acquire minority stakes in engcon Denmark A/S, engcon Finland OY and engcon France SAS. The purchase price for the shares corresponded to approximately SEK 126 million in total, half of which will be paid with newly issued B-shares.
- engcon exhibited at the world's largest and most visited trade exhibition, Bauma, in Munich between 7-13 April.
- No other material events have taken place after the end of the quarter.

Financial targets, sustainability targets and dividend policy

Net sales growth

- engcon's objective is to exceed the growth in the existing markets through organic growth.

Profitability

- engcon's target is an operating margin (EBIT margin) in excess of 20 per cent measured over a business cycle.

Capital efficiency

- engcon will continue to achieve an industry-leading capital efficiency. Return on capital employed (ROCE) to exceed 40 per cent measured over a business cycle.

Capital structure

- engcon will maintain a strong capital structure supporting further expansive organic growth and dividends to shareholders. Equity/assets ratio to be above 35 per cent.

Dividend policy

- engcon will pay approximately 50 per cent of net profit in dividends. The dividend proposal will consider engcon's long-term development potential, financial position and investment needs.

Sustainability targets

- engcon is to combat climate change by reducing emissions of Scope 1 and Scope 2 greenhouse gases by -42 per cent by 2030 from a base year of 2021. The targets are validated by the Science Based Targets initiative (SBTi). For more information, see the 2024 Annual and Sustainability Report pages 28-29.

Other information

Risks and uncertainties

engcon is, by way of its operations, exposed to various risks that may give rise to variations in earnings and cash flow. Significant risks and uncertainties include industry and market risks, operational risks and financial risks. Risks and uncertainties are consistent with the description contained in the 2024 Annual Report, pages 41-45, with the addition of what is stated below. The Annual Report is available at www.engcongroup.com.

Although the prevailing global situation had some impact on engcon's operations during the period, engcon will be further affected going forward. The uncertainty related to the prevailing external and economic situation with inflation, higher interest rates, currency effects and geopolitical turbulence with increased tariffs and trade restrictions could entail a negative impact for engcon in the form of a decline in demand, a cautious approach to placing orders and supply chain disruptions.

The Board and Group management continue to closely monitor developments and the potential effects these could lead to.

Lawsuit

In May 2023, the Swedish Patent and Market Court announced its verdict regarding Rototilt's lawsuit against engcon alleging infringements by engcon of Rototilt patented technology. The damages claimed amounted to approximately SEK 200 million. The alleged infringement related to sensor technology in the Q-safe locking system. The court determined that no infringement had taken place and therefore dismissed Rototilt's action. At the same hearing, engcon claimed that Rototilt's patent should be declared invalid. However, the court determined that the patent was valid. Following appeals, both parties were granted leave to appeal by the Swedish Patent and Market Court of Appeal. The main hearing in the case was conducted on 18-20 February 2025. On 27 March 2025, the judgement in the case was announced with the Patent and Market Court of Appeal, similar to the Patent and Market Court, determining that there was no patent infringement by engcon. Rototilt Group's lawsuit was therefore dismissed at the same time as the court determined that the patent was valid. Pursuant to the judgement, it may not be appealed.

Employees

The average number of full-time employees at the end of the quarter amounted to 409 (378), of whom 24 per cent (24) were women and 76 per cent (76) men.

Seasonal variations

Seasonal variations have little impact on engcon's operations and diminish successively on account of sales in several markets, which contributes to a more even earnings trend over the course of the year. The fourth quarter typically has lower net sales as a result of less digging in several of engcon's markets, and is normally characterised by a somewhat higher order intake as an effect of forthcoming price increases.

Share capital and shareholders

The company's registered share capital at 31 March 2025 amounted to SEK 21,250,320, distributed among 35,344,778 Class A shares and 116,443,222 Class B shares. The shares have a quotient value of SEK 0.14 per share. Each Class A share represents ten votes and each Class B share one vote. On 31 March 2025, there were 7,415 shareholders in the company.

The company's largest shareholder on 31 March 2025 was the company's founder, Stig Engström, through the company Ommapo förvaltning AB, which controlled 35.4 per cent of the capital and 67.1 per cent of the votes. The second largest shareholder was Monica Engström, through the company Monen Group AB, which controlled 32.0 per cent of the capital and 22.4 per cent of the votes. Following these, Nordstjernen, Capital Group, the First Swedish National Pension Fund, the Second Swedish National Pension Fund, Premier Miton Investors, C WorldWide Asset Management, Svolder and Spiltan Fonder were engcon's largest shareholders.

For more information about ownership structure, see www.engcongroup.com.

Parent Company

The Parent Company's net sales for the quarter amounted to SEK 8 million (13).

Operating loss for the quarter amounted to SEK -14 million (-13). Loss for the quarter was SEK -18 million (-7) and was negatively impacted by currency effects.

Amounts and dates

Amounts are presented in SEK million unless otherwise indicated. All comparative figures pertain to the same period of the preceding year. Rounding differences may occur.

Signing of the report

The Board of Directors and CEO give their assurance that this interim report provides a true and fair account of the company's and the Group's operations, financial position and earnings, and that it describes the significant risks and uncertainties faced by the company and those companies that form the Group. This interim report has not been reviewed by the company's auditors.

engcon AB

Strömsund, 29 April 2025

Annika Bäremo
Chairman

Anna Stålenbring
Board member

Peter Hofvenstam
Board member

Monica Engström
Board member

Stig Engström
Board member

Krister Blomgren
CEO

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Audiocast presentation of the interim report

engcon will present the report via
an audiocast on
29 April at 10:00 a.m. CEST.

To participate, use this link:
<https://engcon.events.inderes.com/q1-report-2025>

To participate via a telephone
conference, use the link below:
<https://conference.inderes.com/teleconference/?id=50051791>

The presentation is available at
www.engcongroup.com.

Financial calendar 2025/2026

Annual General Meeting, 15 May 2025 in
Strömsund, Sweden

Interim Report January-June 2025,
18 July 2025

Interim Report January-September 2025,
28 October 2025

Financial statements are available in
their entirety at engcon's website
www.engcongroup.com.

Publication

This interim report comprises such information that engcon AB is obligated to publish in accordance with the EU Market Abuse Regulation. This information was published through the auspices of the persons named above on 29 April 2025 at 08.00 a.m. CEST.

Condensed consolidated income statement

SEK million	Q1		Jan-Dec
	2025	2024	2024
Net sales	446	394	1,649
Cost of goods sold	-240	-228	-923
Gross profit	206	166	726
Selling costs	-66	-64	-262
Administrative costs	-34	-29	-121
Research and development costs	-13	-11	-47
Other operating income and operating expenses	-10	-2	-
Operating profit	84	60	295
Profit/loss from financial items			
Net financial items	-18	1	-
Profit/loss before tax	66	61	295
Income tax	-12	-12	-66
Profit/loss for the period	53	49	229
Total profit/loss for the period	53	49	229
Total profit/loss for the period:			
Attributable to:			
Parent Company shareholders	51	47	216
Non-controlling interest	2	2	13
Earnings per share, total (SEK)			
Before dilution	0.34	0.32	1.42
After dilution	0.34	0.32	1.42

Rounding may entail that columns/rows do not tally.

Condensed consolidated statement of comprehensive income

SEK million	Q1		Jan-Dec
	2025	2024	2024
Total profit/loss for the period	53	49	229
Other comprehensive income			
Items that may be reversed to profit or loss:			
Exchange-rate differences upon translation of foreign operations	-17	10	9
Comprehensive income for the period	36	59	238
Attributable to:			
Parent Company shareholders	36	56	225
Non-controlling interest	0	3	14

Rounding may entail that columns/rows do not tally.

Condensed consolidated balance sheet

SEK million	31 Mar 2025	31 Mar 2024	31 Dec 2024
Assets			
Fixed assets			
Goodwill	22	23	22
Other intangible assets	92	70	87
Right-of-use assets	94	89	79
Property plant and equipment	142	149	146
Other non-current receivables	5	4	5
Derivatives	4	1	-
Deferred tax receivables	10	6	8
Total non-current assets	370	342	348
Current assets			
Inventories	405	329	339
Accounts receivable	282	256	227
Current tax assets	18	66	14
Other receivables	31	44	20
Prepaid expenses and accrued income	26	47	33
Cash and cash equivalents	105	59	132
Total current assets	867	801	765
Total assets	1,236	1,143	1,112
Equity and liabilities			
Share capital	21	21	21
Other contributed capital	6	6	6
Translation reserve	6	23	23
Retained earnings including profit for the year	695	616	643
Equity attributable to Parent Company shareholders	728	666	693
Non-controlling interest	39	35	39
Total equity	767	701	732
Non-current liabilities			
Deferred tax asset	27	19	25
Lease liabilities	74	74	65
Provisions product warranty	6	11	7
Total non-current liabilities	108	104	97
Current liabilities			
Trade payables	157	123	83
Current tax liabilities	2	4	8
Lease liabilities	25	22	23
Borrowings	30	39	33
Overdraft facility	1	14	-
Provisions product warranty	23	21	24
Derivatives	-	-	0
Other liabilities	47	43	37
Accrued expenses and deferred income	77	72	74
Total current liabilities	361	338	283
Total liabilities	469	442	381
Total equity and liabilities	1,236	1,143	1,112

Rounding may entail that columns/rows do not tally.

Condensed consolidated statement of changes in equity

SEK million	Share capital	Other contributed capital	Translation reserve	Retained earnings including profit for the year	Equity attributable to owners of the parent company	Non- controlling interest	Total equity
Opening balance 1 January 2024							
	21	6	14	571	612	32	643
Profit/loss for the period	-	-	-	47	47	2	49
Other comprehensive income	-	-	9	-	9	1	10
Total comprehensive income	-	-	9	47	56	3	58
Transactions with shareholders:							
Dividends to shareholders	-	-	-	-	-	-	-
Total transactions with shareholders	-	-	-	-	-	-	-
Closing balance 31 March 2024							
	21	6	23	616	666	35	701
Profit/loss for the period	-	-	-	169	169	11	180
Other comprehensive income	-	-	-	-	-	-	-
Total comprehensive income	-	-	-	169	169	11	180
Transactions with shareholders:							
Dividends to shareholders	-	-	-	-143	-143	-7	-149
Total transactions with shareholders	-	-	-	-143	-143	-7	-149
Closing balance 31 December 2024							
	21	6	23	643	693	39	732
Opening balance 1 January 2025							
	21	6	23	643	693	39	732
Profit/loss for the period	-	-	-	51	51	2	53
Other comprehensive income	-	-	-17	-	-17	-1	-17
Total comprehensive income	-	-	-17	51	35	1	36
Transactions with shareholders:							
Dividends to shareholders	-	-	-	-	-	-	-
Closing balance 31 March 2025							
	21	6	6	695	728	39	767

Rounding may entail that columns/rows do not tally.

Condensed consolidated statement of cash flows

SEK million	Q1		Jan-Dec
	2025	2024	2024
Operating profit	84	60	295
Adjustments for non-cash items:			
Amortisation and depreciation	13	11	48
Other adjustments	-23	17	18
Net financial items (Paid/received)	1	-3	-12
Income tax paid	-23	-78	-72
Cash flow from operating activities before changes in working capital	52	7	277
Changes in working capital			
Decrease/increase in inventories	-66	-26	-36
Decrease/increase in trade receivables	-55	-63	-34
Decrease/increase in other receivables	-4	-33	6
Increase/decrease in trade payables	74	41	1
Increase/decrease in other liabilities	12	30	26
Cash flow from operating activities	13	-44	239
Investing activities			
Acquisition of intangible assets	-6	-8	-25
Acquisition of tangible assets	-1	-6	-19
Acquisition of financial assets	-	-2	-2
Sale of financial assets	-	1	2
Cash flow from (-used in) investing activities	-7	-15	-44
Financing activities			
New borrowing and change in overdraft facilities	1	14	-
Loan repayments	-15	-2	-27
Dividends to shareholders	-	-	-149
Cash flow from financing activities	-14	12	-176
Cash flow for (-used in) the period	-8	-47	19
Cash and cash equivalents at beginning of period	132	101	101
Exchange rate fluctuations in cash and cash equivalents	-19	5	12
Cash and cash equivalents at end of period	105	59	132

Rounding may entail that columns/rows do not tally.

Condensed Parent Company income statement

SEK million	Q1		Jan-Dec
	2025	2024	2024
Net sales	8	13	59
Cost of goods sold	-	-2	-4
Gross profit	8	11	55
Selling costs	-2	-3	-23
Administrative costs	-16	-23	-89
Research and development costs	-4	-4	-14
Other operating income and operating expenses	-	6	7
Operating profit	-14	-13	-64
Profit/loss from financial items			
Net financial items	-9	4	76
Income after financial items	-23	-9	12
Appropriations	-	-	187
Income tax	5	2	-29
Profit/loss for the period	-18	-7	170

Condensed Parent Company balance sheet

SEK million	31 Mar	31 Mar	31 Dec
	2025	2024	2024
Assets			
Fixed assets	173	138	164
Current assets	427	437	485
Total assets	600	575	649
Equity and liabilities			
Equity	295	280	314
Untaxed reserves	160	112	160
Current liabilities	145	183	175
Total liabilities	305	295	335
Total equity and liabilities	600	575	649

Notes to the accounts

NOTE 1. ACCOUNTING POLICIES

engcon's consolidated financial statements have been prepared in accordance with the International Financial Reporting Standards (IFRS) as approved by the EU. This interim report has been prepared in accordance with IAS 34 Interim Financial Reporting and applicable rules in the Swedish Annual Accounts Act. The Parent Company's interim report has been prepared in accordance with the Swedish Annual Accounts Act and Recommendation RFR 2 Financial Reporting for Legal Entities of the Swedish Financial Reporting Board. Disclosures according to IAS 34 are provided in the notes and elsewhere in

the interim report. The accounting policies applied in the preparation of this interim report apply to all periods and correspond with the accounting policies presented in engcon's 2024 Annual Report, Note 2 Accounting policies. No new and revised standards and interpretations that came into force on 1 January 2025 have had any material impact on engcon's financial statements. From 1 January 2025, the effects of derivatives are recognised in other operating income and expenses.

NOTE 2. KEY ASSESSMENTS AND ESTIMATES

The preparation of financial statements requires management to make assessments and estimates in addition to the assessments that impact the application of the accounting policies and the recognised amounts of assets, liabilities, revenue and expenses. Actual outcomes may differ from those estimates. The assessments and sources of uncertainty in the estimates correspond with those presented in

the most recent annual report. For more details on key assessments and estimates, refer to Note 3 of the 2024 Annual Report. engcon could continue to be impacted by the prevailing business environment and macro-economic situation with increasing inflation and interest-rate hikes as well as increased tariffs and other trade restrictions, for more information, refer to page 7 in the Risks and uncertainties section.

NOTE 3. FAIR VALUE OF FINANCIAL INSTRUMENTS

The fair value of the Group's financial instruments, which are measured at fair value on a recurring basis.

Derivatives

The company holds derivatives that are measured at fair value at level 2 through profit or loss. At 31 March, there was a receivable amounting to SEK 4 million (1). The measurement

method is discounting of contractual cash flows with interest and currency on the balance sheet date.

No transfers were made between level 1 and level 2 during the current or prior years.

The company is of the opinion that the carrying amount is a reasonable approximation of the fair value of all financial instruments.

NOTE 4. EARNINGS PER SHARE

	Q1		Jan-Dec
	2025	2024	2024
Total:			
Total profit/loss for the period attributable to shareholders of the Parent Company, SEK million	51.2	48.8	215.9
Average number of ordinary shares outstanding	151,788,000	151,788,000	151,788,000
Basic and diluted earnings per share, SEK	0.34	0.32	1.42

NOTE 5. SEGMENT REPORTING AND ALLOCATION OF REVENUE

Operating segments are accounted for in a way that is consistent with the internal reports submitted to the chief operating decision maker. Group management and the CEO have been identified as the chief operating decision makers for assessment of the Group's earnings and position, as well as making strategic decisions. Group management and the CEO monitor the financial development in the Group as a unit. Accordingly, only one segment is recognised, which corresponds with the consolidated income statement. The reason that the Group is monitored as a segment is that earnings measures are only monitored at total level, since production and other overall costs are central for the Group and not distributed among the geographic market regions. Only the regions' sales and order intake in volume are monitored at a level lower than the operating segment.

Geographic market regions

The Group's sales are divided into four geographic market regions:

- Nordic region – Sweden, Denmark, Norway and Finland
- Europe – Europe excluding the Nordic region
- Americas – North America and South America
- Asia-Oceania – Japan, South Korea, Australia, New Zealand and Rest of the world

Internal sales are conducted between the production companies and the local sales companies, as well as between the local sales companies. Sales and installations are mainly conducted through dealers and our own local sales companies.

Net sales by geographic region

SEK million	Q1			Jan-Dec
	2025	2024	Δ	2024
Nordic region	190	159	31	623
Europe	182	156	26	689
Americas	37	42	-5	211
Asia-Oceania	37	37	-0	126
Total	446	394	52	1,649

Of total net sales for the period, Sweden, where the company is domiciled, accounted for SEK 69 million (54) in the Nordic region and the US accounted for SEK 29 million (33) in the Americas. The net sales above are based on where the customer is domiciled.

NOTE 6. INCENTIVE PROGRAMMES

In 2021, the Board resolved to introduce a long-term incentive programme in the form of a warrant programme for employees in the engcon Group. The purpose of the program is to encourage broad-based share ownership amongst the company's employees, facilitate recruitment, maintain competent employees, increase the alignment of interests between the employees and the company's shareholders and increase motivation to reach or exceed the company's financial targets. As of 31 March, 194 (202) engcon employees are participating in the warrant programme. A total of 1,517,880 warrants were issued, of which per den 31 March 2025,

1,094,785 (1,110,285) were subscribed for. The change pertains to the return of warrants in conjunction with termination of employment. Each warrant entitles the holder to subscribe for one share in engcon at an agreed future price. Warrants are conditional on a vesting period of five years. To participate in this programme, employees encompassed by the programme pay a premium that is based on the fair value of allotted warrants that are measured in accordance with the Black & Scholes model. Therefore, for this programme, no cost is recognised during the vesting period since employees have paid the fair value.

NOTE 7. RELATED-PARTY TRANSACTIONS

Private individuals who are owners of the companies Ommapo förvaltning AB and Monen Group AB, which comprise the principal owners of engcon AB, are the Board members of AB Mähler & Söner and Mähler International AB. engcon has had transactions with these companies and companies that are part of the same ownership structure. The transactions comprised the purchases of products from engcon totalling SEK 1.6 million (2.1) and sales of products to engcon of SEK

1.6 million (1.3). Ommapo förvaltning AB and Monen Group AB also have an indirect ownership of Drivex AB, which has conducted transactions, mainly comprising purchases of products, with engcon amounting to SEK 1.9 million (2.0). In addition to these transactions, Ommapo förvaltning AB delivered services to engcon AB for SEK 424 thousand (186). Transactions also exist for lesser amounts. All transactions were conducted at market value and pertain to the year.

NOTE 8. EVENTS AFTER THE BALANCE SHEET DATE

- On 9 April, it was announced that engcon entered into agreements to acquire minority stakes in engcon Denmark A/S, engcon Finland OY and engcon France SAS. The purchase price for the shares corresponded to approximately SEK 126 million in total, half of which will be paid with newly issued B-shares.
- engcon exhibited at the world's largest and most visited trade exhibition, Bauma, in Munich between 7-13 April.
- No other material events have taken place after the end of the quarter.

Quarterly overview

	2025	2024				2023		
	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2
Income statement								
Net sales, SEK million	446	393	412	450	394	308	391	508
Gross profit, SEK million	206	168	190	202	166	124	157	206
Gross margin, %	46.1	42.7	46.1	44.9	42.1	40.3	40.2	40.6
Operating profit, SEK million	84	63	91	82	60	19	55	104
Operating margin, %	18.8	16.0	22.0	18.2	15.2	6.2	14.1	20.5
Profit/loss for the period, SEK million	53	54	64	62	49	9	41	86
Balance sheet								
Non-current assets, SEK million	370	348	344	346	342	345	324	317
Other current assets, SEK million	762	633	720	786	742	566	660	757
Cash and cash equivalents, SEK million	105	132	104	57	59	101	120	48
Total assets, SEK million	1,236	1,112	1,168	1,188	1,143	1,012	1,104	1,122
Equity, SEK million	767	732	672	613	701	643	642	614
Interest-bearing liabilities, SEK million	130	122	123	202	149	137	150	159
Non-interest-bearing liabilities, SEK million	339	258	373	373	293	232	312	349
Total equity and liabilities, SEK million	1,236	1,112	1,168	1,188	1,143	1,012	1,104	1,122
Cash flow								
Cash flow from operating activities, SEK million	13	108	144	32	-44	96	108	277
Cash flow from investing activities, SEK million	-7	-14	-5	-10	-15	-19	-13	-11
Cash flow from financing activities, SEK million	-14	-73	-89	-26	12	-81	-14	-245
Cash flow for the period, SEK million	-8	21	50	-4	-47	-4	81	21
Key performance indicators								
Order intake, SEK million	524	506	367	433	410	414	347	342
Net sales growth, %	13.7	26.6	7.7	-12.2	-42.8	-43.0	-6.0	-5.0
Net debt (+) / Net cash (-), SEK million	24	-10	19	146	90	37	30	111
Net debt/Net cash through EBITDA	0.1	0.0	0.1	0.6	0.3	0.1	0.1	0.2
Equity/assets ratio, %	62.1	65.8	57.6	51.6	61.3	63.6	58.2	54.7
Return on capital employed, %	38.8	38.3	31.4	27.8	27.8	49.3	64.3	73.4
Interest coverage ratio, multiple	9	18	15	14	17	24	22	33
Average number of full-time employees	409	379	386	367	378	393	415	406
Share data								
Earnings per share, before and after dilution, SEK	0.34	0.35	0.40	0.37	0.32	0.07	0.26	0.55
Average number of outstanding shares (thousands)	151,788	151,788	151,788	151,788	151,788	151,788	151,788	151,788

Rounding may entail that columns/rows do not tally.

Alternative performance measures and Financial definitions

This interim report contains references to a number of earnings measures (performance measures). Some of these performance measures are defined in IFRS, while others are alternative performance measures that are not recognised in accordance with applicable frameworks for financial reporting or other

legislation. These alternative performance measures comprise a complement to assist investors and company management in analysing the operations. Below is a report on the reconciliation of alternative performance measures and definitions of performance measures with a motivation for their use.

Estimates

	Q1		Jan-Dec
	2025	2024	2024
Equity/asset ratio			
Equity, SEK million	767	701	732
Total assets, SEK million	1,236	1,143	1,112
Equity/assets ratio, %	62.1	61.3	65.8
Gross margin			
Gross profit, SEK million	206	166	726
Net sales, SEK million	446	394	1,649
Gross margin, %	46.1	42.1	44.0
Operating margin			
Operating profit, SEK million	84	60	295
Net sales, SEK million	446	394	1,649
Operating margin, %	18.8	15.2	17.9
Net debt (-) / Net cash (+)			
Non-current borrowing (+), SEK million	-	-	-
Current borrowing (+), SEK million	30	39	33
Non-current lease liabilities (+), SEK million	74	74	65
Current lease liabilities (+), SEK million	25	22	23
Bank overdraft facilities (+), SEK million	1	14	-
Cash and cash equivalents (-), SEK million	-105	-59	-132
Net debt (+) / Net cash (-), SEK million	24	90	-10
EBITDA			
Operating profit, RTM, SEK million	300	235	295
Financial income, RTM, SEK million	-19	-12	-18
Interest expenses, RTM, SEK million	39	15	18
Depreciations, RTM, SEK million	50	45	48
EBITDA	370	283	343
Net debt (+) / Net cash (-) / EBITDA			
Net debt (+) / Net cash (-), SEK million	24	90	-10
EBITDA, SEK million	370	283	343
Net debt (+) / Net cash (-), SEK million/EBITDA	0.1	0.3	0.0
Interest coverage ratio, multiple			
Operating profit, RTM, SEK million	319	238	295
Financial income, RTM, SEK million	19	12	18
Sum	339	250	313
Interest expense, RTM, SEK million	39	15	18
Interest coverage ratio, multiple	9	17	18

Estimates (continued)

	Q1		Jan-Dec
	2025	2024	2024
Organic growth in order intake			
Order intake for the current period, SEK million	524	410	1,716
Foreign exchange, SEK million	1	-	3
Order intake, excl foreign exchange, SEK million	525	410	1,720
Order intake for the preceding period, SEK million	410	408	1,510
Change in order intake, SEK million	115	2	210
Change in order intake, %	28.0%	0.5%	13.9%
Net sales and organic net sales growth			
Net sales for the current period, SEK million	446	394	1,649
Foreign exchange, SEK million	2	1	6
Net sales, excl foreign exchange, SEK million	448	395	1,655
Net sales for the preceding period, SEK million	394	691	1,898
Change in organic net sales, SEK million	54	-296	-243
Change in organic net sales, %	13.7%	-42.8%	-12.8%
Return on capital employed			
Profit/loss before tax, RTM, SEK million	300	235	295
Interest expense, RTM, SEK million	39	15	18
Profit/loss before tax plus interest expense, RTM, SEK million	339	250	313
Capital employed at the beginning of the period, SEK million	850	950	781
Capital employed at the end of the period, SEK million	896	850	853
Capital employed, average, SEK million	873	900	817
Return on capital employed, %	38.8	27.8	38.3
Capital employed			
Balance sheet total, SEK million	1,236	1,143	1,112
Less non-interest-bearing liabilities			
Deferred tax liabilities, SEK million	-27	-19	-25
Provisions for product warranties, SEK million	-30	-32	-30
Accounts payable, SEK million	-157	-123	-83
Current tax liabilities, SEK million	-2	-4	-8
Derivatives, SEK million	-	-	-
Other liabilities, SEK million	-47	-43	-37
Accrued expenses and deferred income, SEK million	-77	-72	-74
Capital employed, SEK million	896	850	853

Rounding may entail that columns/rows do not tally.

Definitions

Key performance indicators	Definitions	Explanation
Return on capital employed	Pre-tax profit plus interest expenses as a percentage of average capital employed, rolling 12 months.	Return on capital employed is a profitability measure used to put earnings in relation to the capital required to conduct operations.
EBITDA	Operating profit before interest and taxes and amortisation of intangible assets and depreciation of non-current assets.	EBITDA is used to facilitate comparisons and assessments of the company's cash flow.
Gross margin	Gross profit divided by net sales.	Gross margin is used to measure product profitability.
Average number of employees	Average number of full-time employees during the reporting period.	Non-financial performance measure.
Net debt (+) / Net cash (-)	Defined as interest-bearing debt minus cash and cash equivalents and certain other financial assets. Interest-bearing debt includes liabilities to credit institutions and lease liabilities.	To ensure that engcon has a stable financing structure and can meet its financial commitments in accordance with its loan agreements.
Net debt (+) / Net cash (-) through EBITDA	Defined as interest-bearing debt minus cash and cash equivalents and certain other financial assets through EBITDA. Interest-bearing debt includes liabilities to credit institutions and lease liabilities.	To ensure that engcon has a stable financing structure and can meet its financial commitments in accordance with its loan agreements.
Order intake	Total order intake during the period calculated in the same way as net sales.	Order intake provides an indication of the current demand for the Group's products and services, which becomes apparent in net sales with varying delays.
Organic net sales growth	Change in net sales as a percentage of net sales during the comparative period in the preceding year for the companies that were part of the Group for the entire comparative period and the current period, excluding exchange-rate effects.	Relevant measure for the assessment of the company's capacity to create growth through volume, price and product/service offering in operating activities.
Organic growth in order intake	Organic growth in order intake is growth in order intake excluding translation effects from exchange rate differences, as well as acquisitions and divestments.	It provides an understanding for the Group's order intake, which is driven by changes in volume, price and product/service offering.
Earnings per share	Earnings per share for the period, in SEK, attributable to the Parent Company shareholders, in relation to the weighted average number of shares before and after dilution.	Performance measures in accordance with IFRS.
Interest coverage ratio	EBIT plus financial income through interest expenses.	To ensure that engcon has a stable financing structure and can meet its financial commitments in accordance with its loan agreements.
Operating profit (EBIT)	Earnings before interest and taxes.	Enables comparisons of profitability regardless of capital structure or tax situation.
Operating margin (EBIT margin)	Operating profit divided by net sales.	The EBIT margin is used to measure operational profitability.
Equity/assets ratio	Equity including non-controlling interests divided by total assets.	A key measurement for the assessment of the company's financial stability.
Capital employed	Total assets less non-interest-bearing liabilities.	Capital employed shows the proportion of the company's assets that are financed by capital requiring returns.

Exchange rates

	Closing rate 31 Mar 2025	Average rate Jan-Mar 2025	Closing rate 31 Mar 2024	Average rate Jan-Mar 2024
1 EUR is equivalent to SEK	10.85	11.23	11.53	11.28
1 DKK is equivalent to SEK	1.45	1.51	1.55	1.51
1 NOK is equivalent to SEK	0.95	0.96	0.99	0.99
1 USD is equivalent to SEK	10.03	10.68	10.66	10.39
1 AUD is equivalent to SEK	6.26	6.70	6.94	6.83
1 PLN is equivalent to SEK	2.59	2.67	2.67	2.60
1 GBP is equivalent to SEK	12.99	13.44	13.48	13.17
1 KRW is equivalent to SEK	0.01	0.01	0.01	0.01
1 CAD is equivalent to SEK	6.98	7.44	7.86	7.71
	0.07	0.07	-	-



About engcon

Business operations

engcon AB is the leading global manufacturer of tiltrotators with associated attachments, which enhance excavators' profitability, effectiveness, flexibility, safety and sustainability. Under our own brand, we offer a unique full-range product suite that transforms an excavator into a tool carrier that can replace several other machines.

engcon focuses on an attractive market niche, where our products contribute to changing the conditions for digging by ensuring the sustainable and responsible use of resources. From the beginning, we have formed close relationships with end users of our products, with the aim of optimising their everyday work.

We address the market through our 15 local sales companies and through an established network of dealers. With about 400 employees, engcon is currently active in 16 markets. The head office is located in Strömsund, in northern Sweden, and this is also the location of our largest production facility. We also have a production plant in Niepruszewo, Poland.

Our mission

To become the world's leading, independent manufacturer of advanced attachments for excavators worldwide.

Our vision

Change the world of digging.



16
markets



~400
employees



15 local
sales companies



SEK 1.6 billion in net
sales in 2024

CHANGE THE WORLD OF DIGGING