



FOURTH QUARTER 2024

21 February, 2025

engcon

PRESENTERS



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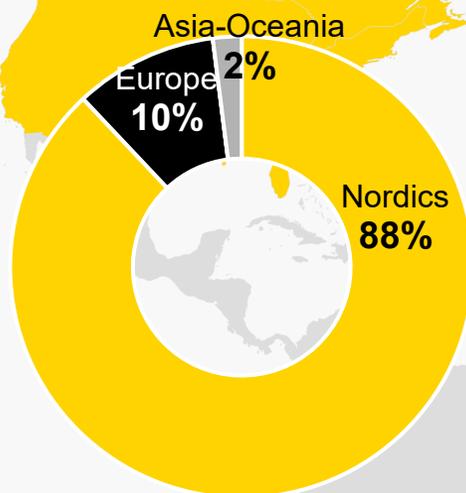
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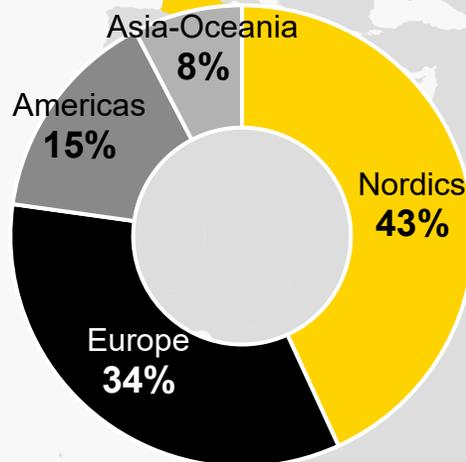
CHANGE THE WORLD OF DIGGING

FY 2012

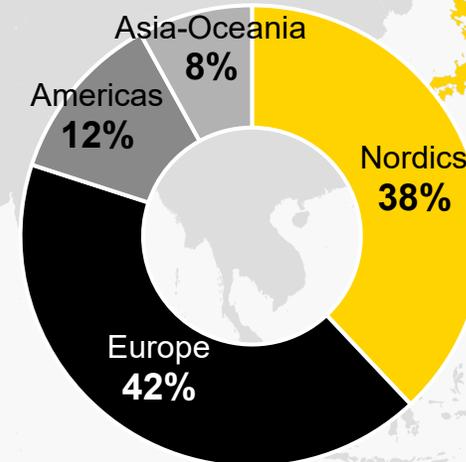


(Americas <0,5%)

FY 2023



FY 2024

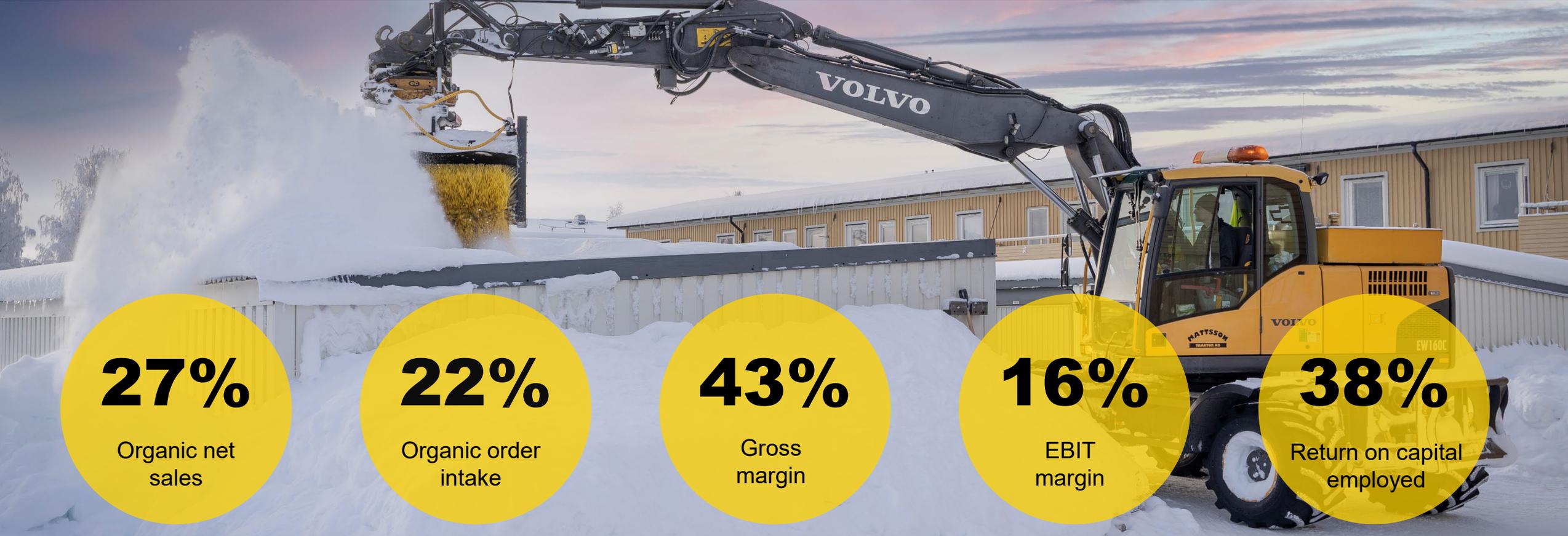


Net sales split per region

Q4 BUSINESS HIGHLIGHTS

- Highest order intake in eight consecutive quarters with contributions from all regions.
 - Strong order intake in the Nordic region with increasing signs of optimism.
- Net sales increase organic from the low level in Q4 2023.
- Changes in the management structure in the American region.
- Establishing of a sales company in Japan to strengthen our position in Asia.
- engcon joins the UN Global Compact Initiative.

Q4 FIGURES IN BRIEF



27%

Organic net sales

22%

Organic order intake

43%

Gross margin

16%

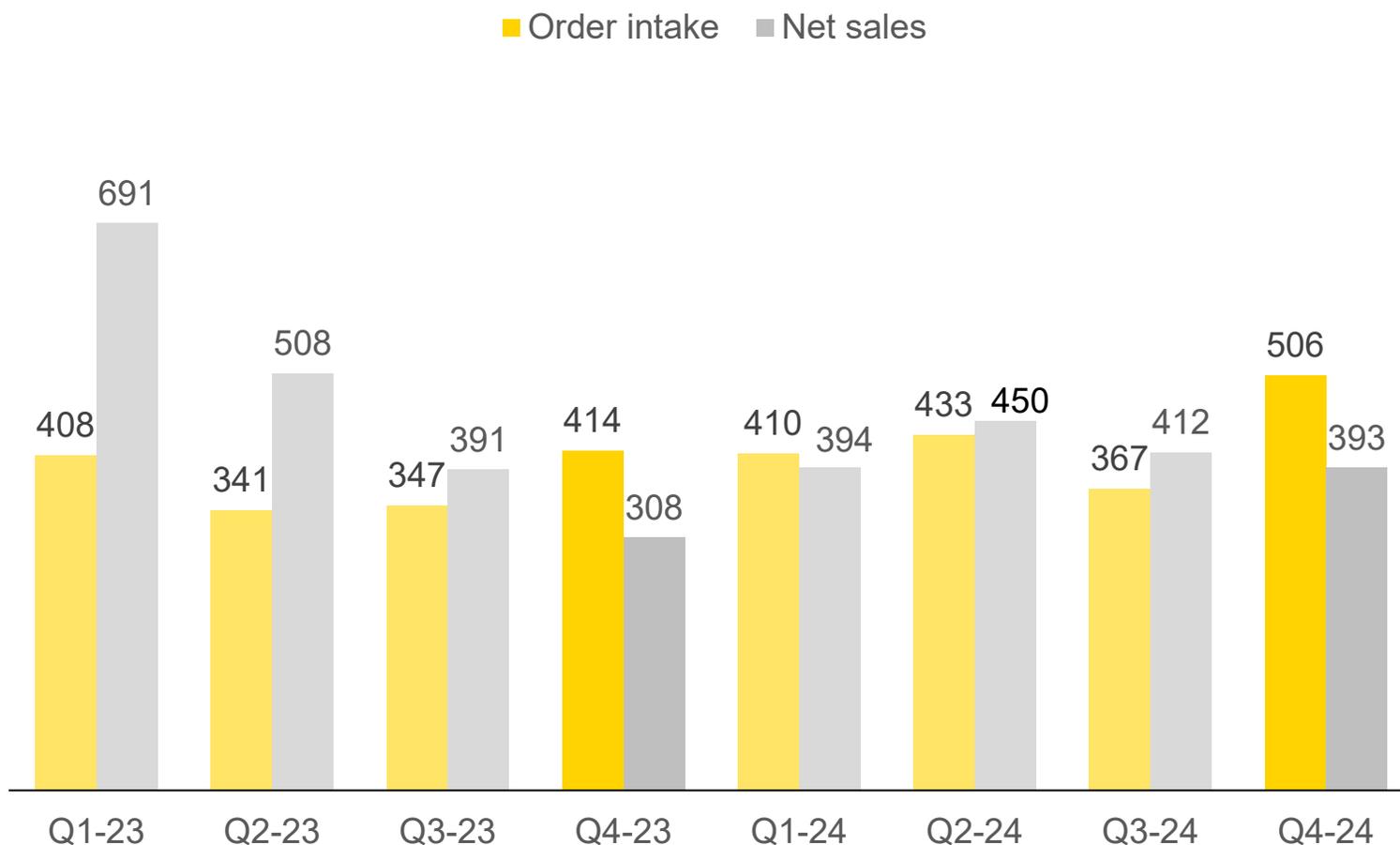
EBIT margin

38%

Return on capital employed

STRONG ORDER INTAKE IN ALL REGIONS

Order intake and net sales development per quarter, MSEK



Key comments

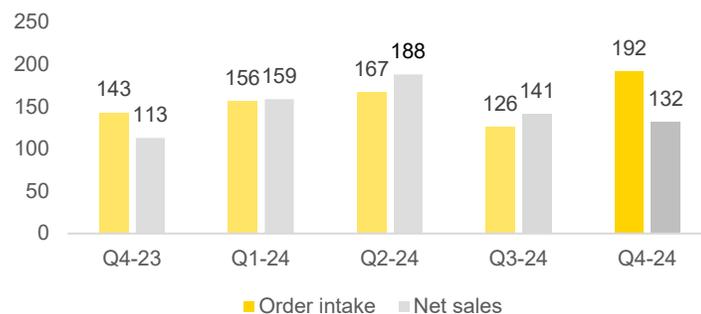
- Net sales increased 27%, organic 27%, positive currency effect of 3 MSEK.
- Order intake increase 22%, organic 22%, positive currency effect of 3 MSEK.
- Strongest order intake in eight consecutive quarters.

NORDICS

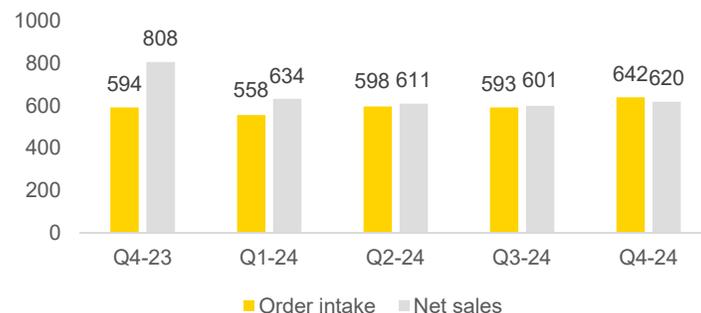
Q4 2024, Order intake and net sales, MSEK



Per quarter



R12



Key comments

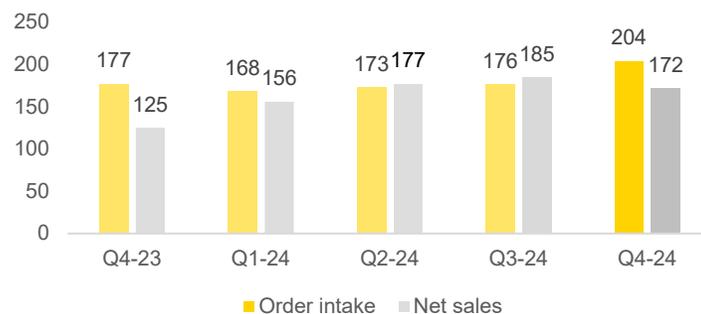
- Order intake increased organic 34%.
- Net sales increased organic 17%.
- Strong increase in order intake versus last year and earlier quarters 2024.
- Pre-ordering can be seen as a sign of an increasingly optimistic view of the market situation.

EUROPE

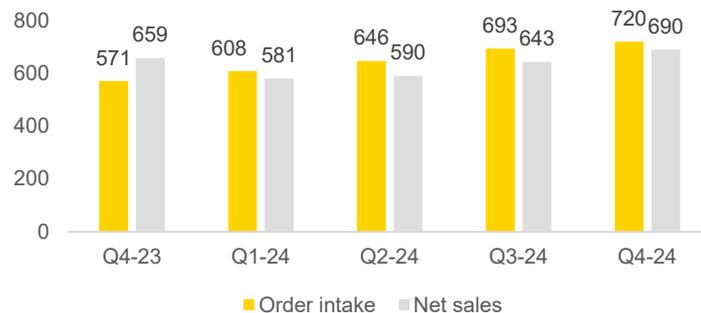
Q4 2024, Order intake and net sales, MSEK



Per quarter



R12



Key comments

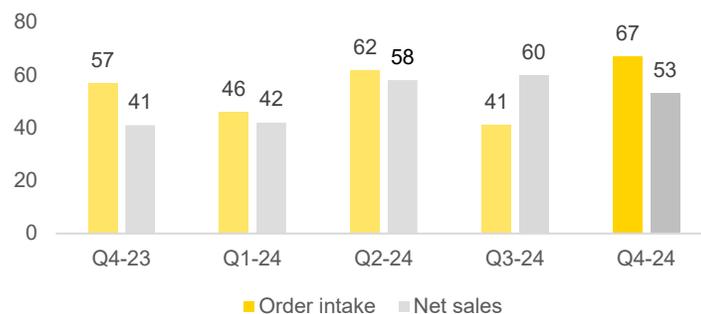
- Order intake increased organic 14%.
- Net sales increased organic 36%.
- Continued momentum in the region. Declining excavator sales is compensated by increased penetration.
- Europe is our largest region in 2024.

AMERICAS

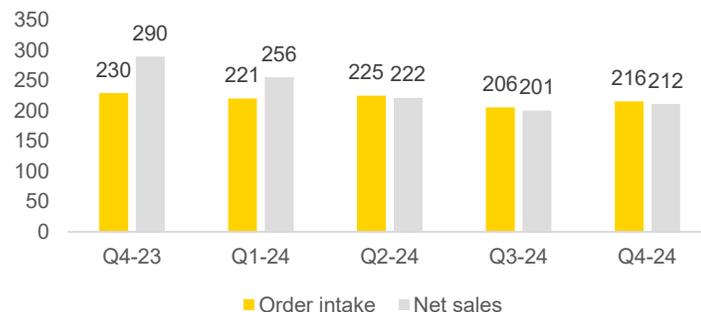
Q4 2024, Order intake and net sales, MSEK



Per quarter



R12



Key comments

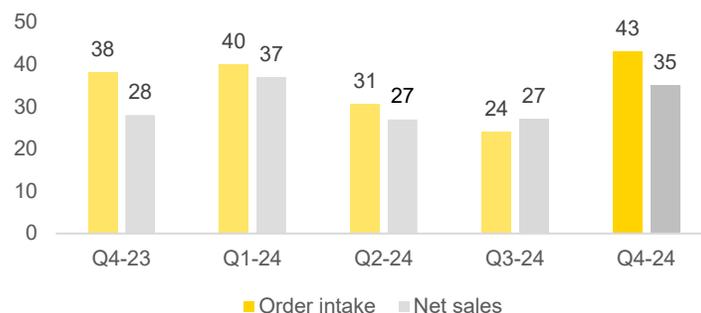
- Order intake increased organic 17%.
- Net sales increased organic 28%.
- Continued uncertainty in the region, potential impact from introduction of trade barriers.
- Changes in the management structure.

ASIA-OCEANIA

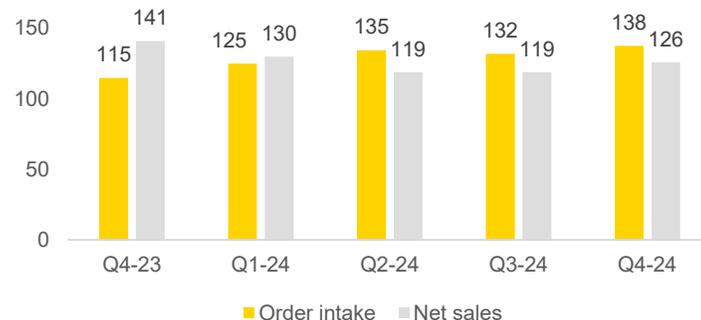
Q4 2024, Order intake and net sales, MSEK



Per quarter



R12



Key comments

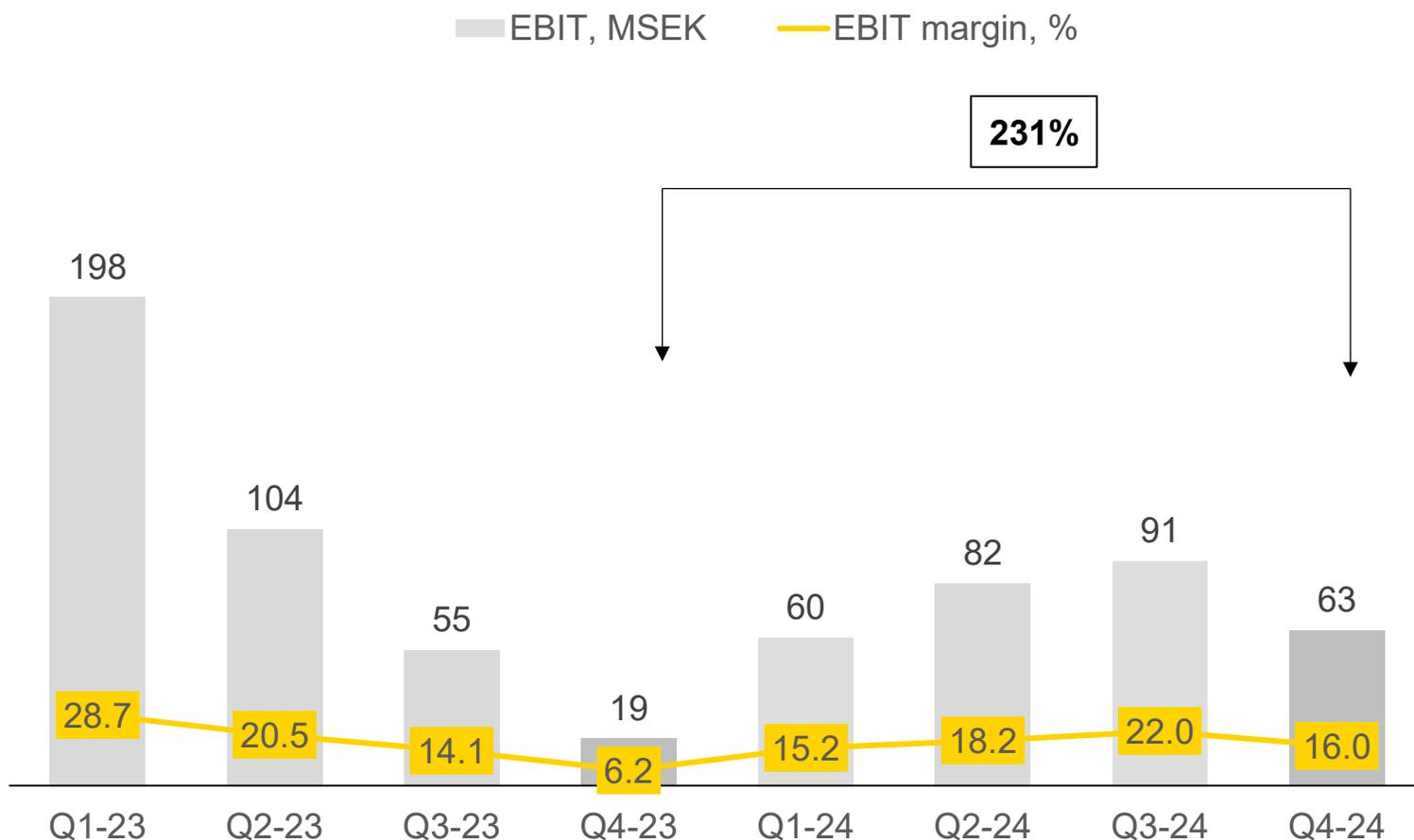
- Order intake increased organic 16%.
- Net sales increased organic 26%.
- Highest order intake for the year and good performance throughout the region.
- Sales company established in Japan.
- The tiltrotator will be a part of The Increased Productivity Program in Japan according to Ministry of Land, Infrastructure, Transport and Tourism (MLIT).



FINANCIAL DEVELOPMENT

EBIT DEVELOPMENT

EBIT and EBIT margin per quarter



Key comments

- EBIT increased 231% to 63 (19) MSEK coming from higher volumes.
- EBIT margin of 16.0% (6.2).

OVERVIEW OF COSTS AND EBIT

MSEK	2024 Q4	2023 Q4	2024 FY	2023 FY
Net sales	393	308	1,649	1,898
COGS	-225	-184	-923	-1,096
<i>Gross margin</i>	42.7%	40.3%	44.0%	42.3%
Selling expenses	-59	-62	-262	-271
<i>% of net sales</i>	-15.0%	-20.0%	-15.9%	-14.3%
Administrative expenses	-32	-32	-121	-120
<i>% of net sales</i>	-8.1%	-10.4%	-7.3%	-6.3%
R&D expenses	-13	-14	-47	-44
<i>% of net sales</i>	-3.3%	-4.6%	-2.9%	-2.3%
Fair value of derivatives	-1	7	-2	18
<i>% of net sales</i>	-0.3%	2.3%	-0.1%	1.0%
Other operating income and expenses	1	-4	2	-9
<i>% of net sales</i>	0.3%	-1.3%	0.1%	-0.5%
EBIT	63	19	295	376
<i>EBIT margin</i>	16.0%	6.2%	17.9%	19.8%

Key comments

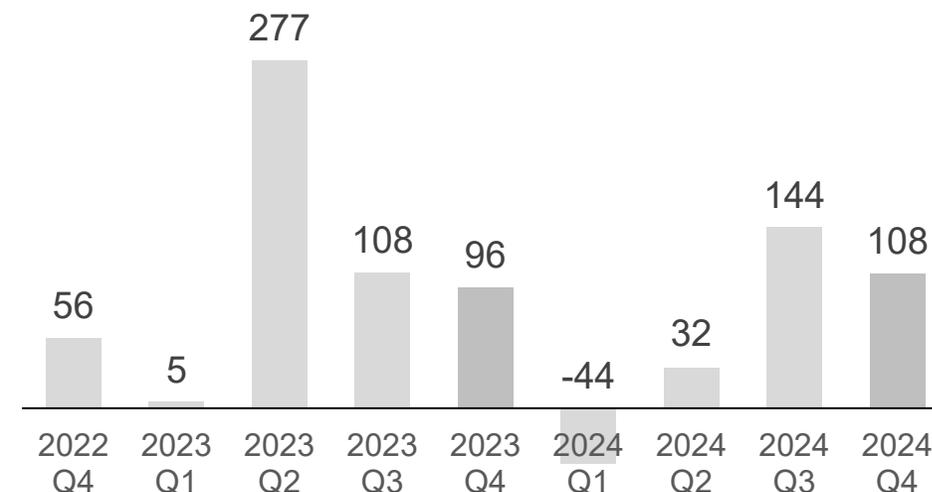
- EBIT margin of 16.0% (6.2) and 17.9% FY.
- Gross margin of 42.7% (40.3) and 44.0% FY.
- ERP implementation cost comes down to 6 (10) MSEK.
- R&D expenses 13 (14) MSEK, 47 MSEK in FY. R&D reported in balance sheet 87 (63) MSEK.

CASH FLOW

Cash flow and net working capital overview, MSEK

MSEK	2024 Q4	2023 Q4	2024 FY	2023 FY
Cash flow before changes in working capital	100	29	277	275
Inventories	339	302	339	302
Accounts receivables	227	193	227	193
Other receivables	20	27	20	27
Accounts payables	83	82	83	82
Other payables	37	34	37	34
Net working capital	466	406	466	406
% of net sales, 12 months	28%	21%	28%	21%
Cash flow from operating activities	108	96	239	486
Investing activities	-14	-19	-44	-61

Operating cash flow per quarter, MSEK



Key comments

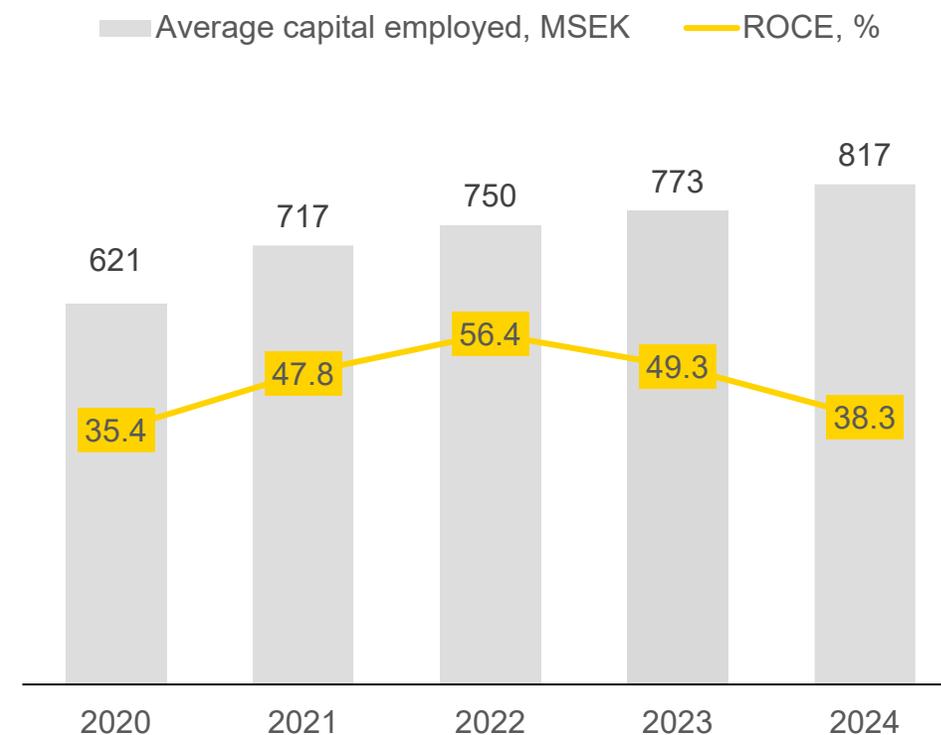
- Higher operating cash flow due to higher operating profit.
- Net working capital on a higher level than last year's fourth quarter.
- Unutilized total liquidity of 446 (421) MSEK.

ROCE LEVEL

Return on capital employed overview

MSEK	2020	2021	2022	2023	2024
EBT	218	341	415	365	295
Interest expense	2	2	8	16	18
Capital employed, beginning of period	543	699	735	765	781
Capital employed, end of period	699	735	765	781	853
Capital employed, average	621	717	750	773	817
Total assets	925	1,013	1,186	1,012	1,112
Non-interest-bearing liabilities	226	278	421	231	258
ROCE	35.4%	47.8%	56.4%	49.3%	38.3%

Average capital employed and ROCE



FINANCIAL TARGETS FY 2024

Growth

Exceed the growth in existing market through organic growth.

-13%

Net sales organic growth

Profitability

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

18%

EBIT margin

Capital efficiency

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

38%

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 %.

66%

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 & UPDATE

- Strong increase in order intake in our larger regions.
 - Trend break in the Nordic region.
 - Europe shows growth despite an uncertain market and declining excavator sales.
- Strong belief in the smaller regions and continued investments for increased growth.
 - Structural changes and increased sales recourses in the US.
 - Establishment of a sales company in Japan.
- Continued rollout of 3rd generation tiltrotators.
- engcon moves to Nasdaq Stockholm Large Cap.
- Hearing in the patent lawsuit has been conducted. The verdict will be announced on 27 March 2025.

LOOKING AHEAD

"Market conditions are still largely unpredictable, in part due to the geopolitical situation and potential tariffs in the US."

"As previously announced, we expect a stable trend with continued growth. We foresee an increase from low levels in the Nordic region and that growth in Europe will continue."





Q&A

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THE WORLD OF
DIGGING**

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