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Financial summary of Q1 2022 and R12

Q1

- Net sales 517 MSEK (455), +14%
- Order intake 857 MSEK (565), +52%
- EBIT 139 MSEK (114) (Adj. 112 MSEK)
- EBIT margin 26.9% (25.0) (Adj. 21.7%)
- Cash flow from ops. of 80 MSEK (132)
- EPS 2.41 (1.93) (Adj. EPS 1.84)

R12

- Net sales 2,034 MSEK (1,560), +30%
- Order intake 2,830 MSEK (1,611), +76%
- EBIT 471 MSEK (335) (Adj. 444 MSEK)
- EBIT margin 23.1% (21.4) (Adj. 21.8%)
- Cash flow from ops. of 456 MSEK (447)
- EPS 8.09 (5.70) (Adj. EPS 7.52)
HMS Playing Field — Customer groups

Makers of industrial equipment

Users of automation systems
HMS Playing Field — Customer groups

**Customer groups**
- Makers of industrial equipment
- Users of automation systems

**Device manufacturers**
- 43% of revenue
- Design Wins
- Direct Sales

**Machine builders**
- 35% of revenue
- Specified as standard or option in BOM
- Direct Sales & Distribution

**End users & System integrators**
- 22% of revenue
- Project Sales
- Product Sales
- Traditional Distributors
- E-Commerce Distributors

**Business model**
- Revenue

**Go-to-market**
- Go-to-market
- Revenue

**Makers of industrial equipment**
- Users of automation systems
### HMS Vision and Targets

#### To become the World’s Greatest Industrial ICT Company

<table>
<thead>
<tr>
<th>Vision and mission</th>
<th>2025 Group objectives</th>
</tr>
</thead>
</table>
| **Vision**  
The World’s Greatest Industrial ICT Company                                      | **Environment**  
Net Positive in CO₂ emissions                                                       |
| **Mission**  
“HMS enables valuable data and insights allowing our customers to increase productivity and sustainability” | **Staff & Customers**  
Staff NPS Customer NPS                                                                |
| **Financial**  
3.14 BSEK  
20% EBIT                                                                                | **Financial**  
π                                                                                                                                 |
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Business update – first quarter 2022

- Strong demand across all geographies – drivers from increased automation, digitalization, energy monitoring, remote access and sustainability
- All main markets showing 35%+ order intake growth – combination of strong underlying demand and boost orders

- Continued component shortage → boosting order intake by ~250 MSEK in Q1
- Expected improvement in component supply during second half of 2022

- Remaining 30% of the shares in Procentec was acquired on April 12th
- HMS now owns 100% and will integrate Procentec further with commercial collaboration in North America and Asia
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Q1 2022: Order intake 857 MSEK, +52%

ORDER INTAKE, MSEK

HIGHLIGHTS

- Q1 2022: 857 MSEK (565), +52% (organic +41%)

- Adjusting for order intake boost of 250 MSEK boost in Q1 2021 → 14% underlying organic order growth

- Book-to-bill 1.66 in Q1

- All brands are growing, driver Anybus with 60% organic growth in orders where several customers have placed orders for their full demand in 2022
Q1 2022: Net Sales 517 MSEK, +14%

HIGHLIGHTS

- Q1 2022: 517 MSEK (455), +14% (organic +5%)
- Net Sales R12 of 2,034 MSEK (1,560), +30% (organic +22%)
- As expected somewhat lower Net Sales after strong Q4
- Component availability currently deciding delivery levels, Q2 looks challenging – somewhat better in Q3 and Q4
- Building Automation coming back after hesitant development last two years, 32% growth in Intesis brand – new record quarter
Underlying demand estimated ~600 MSEK in Q1

The volatility throughout the industry supply chain remains and we continue to see a large number of orders to offset longer lead-times and component uncertainties.
Backlog continues to buildup by 330 MSEK in Q1

ORDER BACKLOG, MSEK

ORDERS FOR DELIVERY > 3 MONTHS

Total boost effect on orders since Q1 2021 is now ~750 MSEK in relation to order backlog of 1.2 BSEK
Q1 2022: Sales per region

**Americas**
- Net Sales 100 MSEK (96)
- 19% of Group sales (21%)
- USA represents 81%

**APAC**
- Net Sales 97 MSEK (79)
- 19% of Group sales (17%)
- Japan represents 53%
- China 26%

**EMEA**
- Net Sales 320 MSEK (280)
- 62% of Group sales (62%)
- Germany represents 33%
Q1 2022: EBIT 139 MSEK (26.9% margin)

• EBIT Q1: 139 MSEK (114), 26.9% (25%) margin
• Adj. EBIT Q1: 112 MSEK, 21.7% margin
• Q1 gross margin of 61.8% (64.0%)
  • Negative effects from price increases of components ~3%-points
  • Price increases are implemented, stepwise impact on gross margins until mid 2022
• Organic OPEX increase of +11% almost entirely related to Sales and Marketing initiatives
**Q1 2022: EPS 2.41 SEK**

### Comments on Q1 EPS
- EPS of 2.41 SEK (Adj. EPS 1.84)
- Net financials of -4 MSEK (1)

### Comments on R12 EPS
- EPS of 8.09 (5.70)
- Net financials of -2 MSEK (-8)
- Dividend proposed to 3.00 SEK

### EPS, SEK

<table>
<thead>
<tr>
<th>Quarter</th>
<th>EPS, SEK</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q319</td>
<td>1.10</td>
</tr>
<tr>
<td>Q419</td>
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<tr>
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<td>Q421</td>
<td>1.85</td>
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<tr>
<td>Q122</td>
<td>2.41</td>
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</tbody>
</table>

*Adjusted EPS 0.68
Q1 2022: Cash flow from operations of 80 MSEK

- Cash flow from operating activities of 80 MSEK
- Changes in NWC → -50 MSEK (-19)
- Component inventory buildup of ~30 MSEK
- NWC in % of sales 6.6% (9.5)

Comments on Q1 Cash Flow:
- Cash flow from operating activities of 80 MSEK (132)
- Changes in NWC → -50 MSEK (-19)
- Component inventory buildup of ~30 MSEK
- NWC in % of sales 6.6% (9.5)

Comments on R12 Cash Flow:
- Cash flow from operating activities of 456 MSEK (447)
- Changes in NWC → cash flow of -58 MSEK (23)
Q1 2022: Net Debt of 299 MSEK

Net debt and leverage, MSEK

- Net debt / EBITDA of 0.52 (0.21)
- Net debt / Equity: 0.23 (0.07)
- Revaluation of Procentec option related Net Debt of 27 MSEK, no further revaluation will be made of Procentec option related Net Debt (shares were acquired April 12th)