Agenda

Summary and introduction

Business update

Financial results

Q&A
Financial summary of Q2 2021 and first six months

<table>
<thead>
<tr>
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<th>Q2</th>
<th>First six months</th>
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<tbody>
<tr>
<td><strong>Net sales</strong></td>
<td>474 MSEK (355), +33%</td>
<td>929 MSEK (716), +30%</td>
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<tr>
<td><strong>Order intake</strong></td>
<td>606 MSEK (302), +100%</td>
<td>1,170 MSEK (703), +67%</td>
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<tr>
<td><strong>EBIT</strong></td>
<td>121 MSEK (69)</td>
<td>235 MSEK (136)</td>
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<tr>
<td><strong>EBIT margin</strong></td>
<td>25.5% (19.4%)</td>
<td>25.3% (18.9%)</td>
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<td><strong>Cash flow from ops.</strong></td>
<td>126 MSEK (115)</td>
<td>257 MSEK (170)</td>
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<tr>
<td><strong>EPS</strong></td>
<td>2.02 (1.24)</td>
<td>3.94 (2.26)</td>
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HMS at a glance

Our field: Industrial ICT (Information and Communication Technology)

+7,000,000 devices connected in automation
+300,000 machines connected to cloud systems

At the forefront of technology

700 employees worldwide
Partners in over 50 countries
Offices in 16 countries
Head office in Halmstad, Sweden

π billion SEK: 2025 growth goal
1467 MSEK 2020 sales
Operating margin goal: 20%

2020
Earnings per share: 4.79 SEK
Two customer groups – Users and Makers

Users of automation systems
Usually targeted via partners

Makers of industrial equipment
Usually targeted direct
HMS strategic focus areas 2020-2025

**ENVIRONMENT**
Make HMS a net positive CO₂ company by 2025

**STAFF & CUSTOMERS**
Happy & high performing employees generate loyal customers

**GROWTH & PROFITABILITY**
Continue our sustainable and profitable growth
HMS targets 2020-2025

**ENVIRONMENT**
Make HMS a net positive CO$_2$ company by 2025

**STAFF & CUSTOMERS**
Happy & high performing employees generate loyal customers

**GROWTH & PROFITABILITY**
Continue our sustainable and profitable growth

**TARGETS FOR 2025**
- Net positive internal CO$_2$ impact
- Net positive external CO$_2$ impact
- Employee NPS > 25
- Customer NPS > 25
(NPS=Net Promoter Score)
- Net Sales > π (3.14) BSEK
- EBIT-margin of 20%
- Dividend 30-50% of EPS
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Business update second quarter 2021

• All brands growing order intake 50%+

• Continued investments in industry main driver of growth – key areas:
  • Machine building and Robot manufacturing on record levels
  • Automotive transition to E-cars driving Anybus in Germany and USA
  • New customers in renewable energy segments e.g., battery

• Stocking effects **boosting order intake by ~100 MSEK**
  • Customers placing orders instead of forecasts to secure volumes and to offset longer lead times

• **Positive outlook 2021** – good investment climate to continue, but somewhat slower pace than seen in Q2

• **Challenging component situation** – Some deliveries in Q3 might be pushed out to Q4 due to component constraints
Acquisition of 60% of shares in Owasys

Owasys is a Spanish company making wireless gateways and platforms for utility vehicles

Company profile

Products and use cases

IoT gateways and platform
For controlling and monitoring the data from industrial machines and vehicles at the Edge

Cloud based Telemetry Systems for industrial vehicles

Waste collection vehicles monitoring system

Next generation telemetry and prognostics solution for electrical vehicles

Deal and financials

Overview of transaction
- HMS acquired 60% of Owasys on July 1st
- Management team of 4 owns 10% each
- Option buy remaining 40% in 2024

Financial overview 2021
- Expected Net Sales ~6 MEUR
- Expected EBIT ~1.4 MEUR

Expectations
- Double digit organic growth expected for the coming years
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Q2 2021: Order intake 606 MSEK, +100%

ORDER INTAKE, MSEK

- Q2 2021: 606 MSEK (302), +100% (organic +88%)
- YTD 2021: 1 170 MSEK (703), +67% (organic +60%)
- One third of growth related to stocking orders, in total ~100 MSEK in Q2 and ~170 MSEK YTD
- All markets strong – Europe being main driver 100%+ growth
- Ewon 100%+ organic growth – remote access becoming standard

HIGHLIGHTS

BRIDGE Q220-Q221, MSEK

BRIDGE first six months, MSEK

- Organic
- FX
- Acquisitions
Q2 2021: Net Sales 474 MSEK, +33%

- Q2 2021: 474 MSEK (355), +33% (organic +28%)
- YTD 2021: 929 MSEK (716), +30% (organic +23%)
- Procentec continues to have an excellent quarter with doubled sales, Ewon +45% and Intesis +26% growth
- Component lead times increasingly unpredictable, impacting HMS lead time, daily operational challenges and reprioritization
- About 30 MSEK of orders that are pushed out from Q2 to Q3/Q4
Q2 2021: Sales per region

Sales per region Q2 2021, MSEK

**Americas**
- Net Sales 107 MSEK (84)
- 22% of Group sales (24%)
- USA represents 73%

**EMEA**
- Net Sales 285 MSEK (198)
- 61% of Group sales (56%)
- Germany represents 35%

**APAC**
- Net Sales 82 MSEK (73)
- 17% of Group sales (20%)
- Japan represents 41%
- China 32%
Q2 2021: EBIT 121 MSEK (25.5% margin)

- EBIT 121 MSEK (69), EBIT margin of 25.5% (19.4%)
- Volume and gross margin in favor, together with continued low OPEX
- Q2 gross margin of 63.7% (62.0%)
- Main impact from 2020 gross margin work
- Some negative effects from price increases of components ~1%-point
- OPEX amounted to 182 MSEK (162) corresponding to an organic increase of 13 MSEK (+8%)
- Adjusted for non-recurring items in Q2 2020 organic increase is 19 MSEK (12%)
- Expected OPEX ramp-up during coming quarters from new investments and business activities normalizing
Q2 2021: EPS 2.02

EPS, SEK

- EPS of 2.02 SEK (1.24)
- Net financials of -4 MSEK (0)

Comments on Q2 EPS

- EPS of 2.02 SEK (1.24)
- Net financials of -4 MSEK (0)

Comments on first six months EPS

- EPS of 3.94 (2.26)
- Net financials of -2 MSEK (-5)

*Adjusted EPS 0.68
Q2 2021: Cash flow from operations of 126 MSEK

- Cash flow from operating activities of 126 MSEK
- Changes in NWC → cash flow of -5 MSEK
- NWC in % of sales 8.5% (11.0)

Comments on first six months Cash Flow:
- Cash flow from operating activities of 257 MSEK
- Changes in NWC → cash flow of -24 MSEK (-11)
Q2 2021: Net debt of 78 MSEK

- Net debt / EBITDA of 0.16 (0.73)
- Net debt / Equity: 0.06 (0.24)
- Dividend paid of 2.00 SEK per share, 93 MSEK
- Acquisition of Owasys July 1st impacting cash flow in Q3
- Strong balance sheet to support M&A strategy