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### Financial summary of Q3 2021 and first nine months

#### Q3
- Net sales 472 MSEK (345), +37%
- Order intake 669 MSEK (336), +99%
- EBIT 101 MSEK (77)
- EBIT margin 21.5% (22.3%)
- Cash flow from ops. of 148 MSEK (116)
- EPS 1.81 (1.33)

#### First nine months
- Net sales 1,401 MSEK (1,061), +32%
- Order intake 1,839 MSEK (1,039), +77%
- EBIT 336 MSEK (213)
- EBIT margin 24.0% (20.0%)
- Cash flow from ops. of 405 MSEK (286)
- EPS 5.75 (3.58)
HMS at a glance

Our field: Industrial ICT (Information and Communication Technology)

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%

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 CO₂ company by 2025

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TARGETS FOR 2025

- Net positive internal CO₂ impact
- Net positive external CO₂ impact

TARGETS FOR 2025

- Employee NPS > 25
- Customer NPS > 25

(NPS=Net Promoter Score)

TARGETS FOR 2025

- Net Sales > π (3.14) BSEK
- EBIT-margin of 20%
- Dividend 30-50% of EPS
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• Strong demand across the line – drivers from increased automation, digitalization, energy monitoring and remote access
• Mainly good development of existing customers behind the growth

• Continued stocking effects boosting order intake by ~140 MSEK
• More and more customers placing orders far out in 2022 already

• Gross margin negatively impacted by ~2%-points from price increases and spot-market purchases of components
• Expected margins in line with current levels until mid 2022
• Price increases initiated to recoup and get back to 63%+ gross margins
- Acquisition of 60% of the shares in Owasys on July 1st
- Cellular IoT platform for Utility Vehicles
- Strengthen HMS’ offer within Mobile Machines

Positive outlook 2021 – good investment climate to continue, during coming quarters order intake is expected to normalize

Challenging component situation – Expected delivery capacity to remain on current levels short term and improve slowly during 2022
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Q3 2021: Order intake 669 MSEK, +99%

ORDER INTAKE, MSEK

HIGHLIGHTS

- Q3 2021: 669 MSEK (336), +99% (organic +80%)
- YTD 2021: 1,839 MSEK (1,039), +77% (organic +66%)

- Adjusting for 140 MSEK order intake boost resulting in 43% underlying organic growth in Q3
- Anybus is the main growth driver with 100%+ organic growth in Q3 – embedded business strong in all geographies

BRIDGE Q320-Q321, MSEK

BRIDGE first nine months, MSEK

- Q3 2021: 669 MSEK (336), +99% (organic +80%)
- YTD 2021: 1,839 MSEK (1,039), +77% (organic +66%)

- Adjusting for 140 MSEK order intake boost resulting in 43% underlying organic growth in Q3
- Anybus is the main growth driver with 100%+ organic growth in Q3 – embedded business strong in all geographies
Q3 2021: Net Sales 472 MSEK, +37%

- Q3 2021: 472 MSEK (345), +37% (organic +18%)

- YTD 2021: 1,401 MSEK (1,061), +32% (organic +22%)

- Procentec has reached a new level during the year, now a 200 MSEK business on R12 basis

- Delivery constraints primarily on Ewon and Intesis – in total ~50 MSEK in postponed deliveries during Q3
Underlying demand is growing throughout the year

**ORDER INTAKE, MSEK**

- Q1: 500
- Q2: 605
- Q3: 669

**NET SALES, MSEK**

- Q1: 455
- Q2: 504
- Q3: 522

**Compounded quarterly growth**

- **+9%**
- **+3%**
- **+7%**

- Boosted orders
- Underlying demand
- Postponed deliveries
- Net Sales

*Compounded quarterly growth*
Growing backlog from component constraints

ORDER BACKLOG

ORDERS FOR DELIVERY > 3 MONTHS
Q3 2021: Sales per region

Sales per region Q3 2021, MSEK

**Americas**
- Net Sales 96 MSEK (80)
- 20% of Group sales (23%)
- USA represents 77%

**APAC**
- Net Sales 80 MSEK (57)
- 17% of Group sales (17%)
- Japan represents 42%
- China 36%

**EMEA**
- Net Sales 296 MSEK (208)
- 63% of Group sales (60%)
- Germany represents 36%
Q3 2021: EBIT 101 MSEK (21.5% margin)

- EBIT Q3: 101 MSEK (77), margin of 21.5% (22.3%)
- EBIT YTD: 336 MSEK (213), margin of 24% (20%)
- Q3 gross margin of 61.4% (61.9%)
  - Negative effects from price increases of components ~2%-point
  - Price increases is under implementation
- OPEX amounted to 189 MSEK (137) corresponding to an organic increase of 33 MSEK (+25%) related to growth initiatives
- Expected OPEX ramp-up during Q4, ~10% vs Q3 levels
Q3 2021: EPS 1.81

**Comments on Q3 EPS**
- EPS of 1.81 SEK (1.33)
- Net financials of 1 MSEK (-4)

**Comments on first nine months EPS**
- EPS of 5.75 (3.58)
- Net financials of -2 MSEK (-9)

*Adjusted EPS 0.68
Q3 2021: Cash flow from operations of 148 MSEK

- Cash flow from operating activities of 148 MSEK (116)
- Changes in NWC → cash flow of +20 MSEK (20)
- NWC in % of sales 7.4% (10.7)

Comments on first nine months Cash Flow
- Cash flow from operating activities of 405 MSEK (286)
- Changes in NWC → cash flow of -4 MSEK (8)
Q3 2021: Net debt of 416 MSEK

- Net debt / EBITDA of 0.81 (0.42)
- Net debt / Equity: 0.38 (0.14)
- Dividend of 2.00 SEK per share, 93 MSEK in Q2
- Acquisition of Owasys July 1st impacting Net Debt
- Put/call option of Owasys and Procentec increasing Net Debt by 390 MSEK