

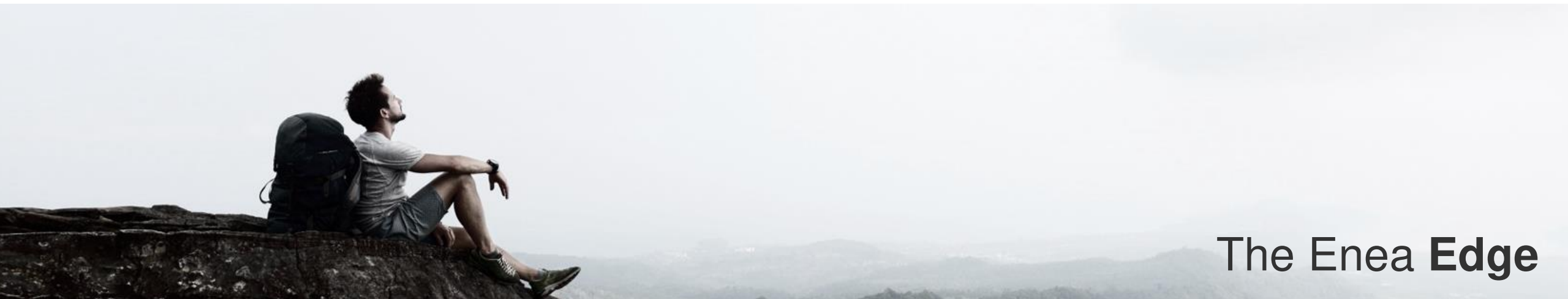


Q119

Presentation by Anders Lidbeck

President & CEO

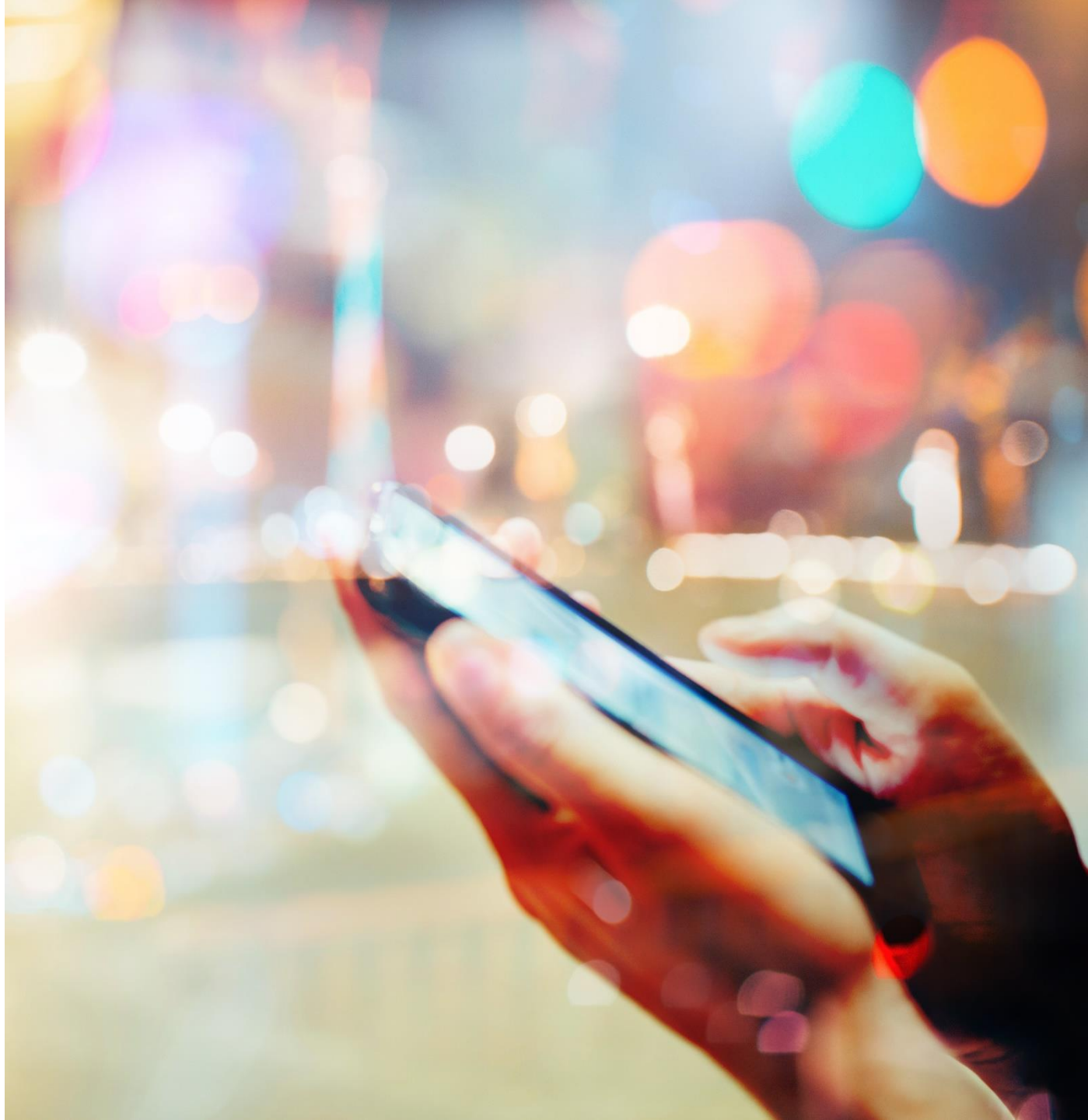
24 April 2019



The Enea **Edge**

Agenda

- ▶ Intro
- ▶ Financials Q119
- ▶ Way Forward & Outlook





Intro

FY 2018

Q1 2019

HEAD
QUARTER
KISTA,
SWEDEN

REVENUE
830.3
MSEK

OPERATING
MARGIN*
23.2
PERCENT

REVENUE
240.9
MSEK

OPERATING
MARGIN*
27.3
PERCENT

LISTED
NASDAQ
STOCKHOLM
(MID CAP)

NO. OF
EMPLOYEES
571

R&D OPEX
INVESTMENT
16
PERCENT

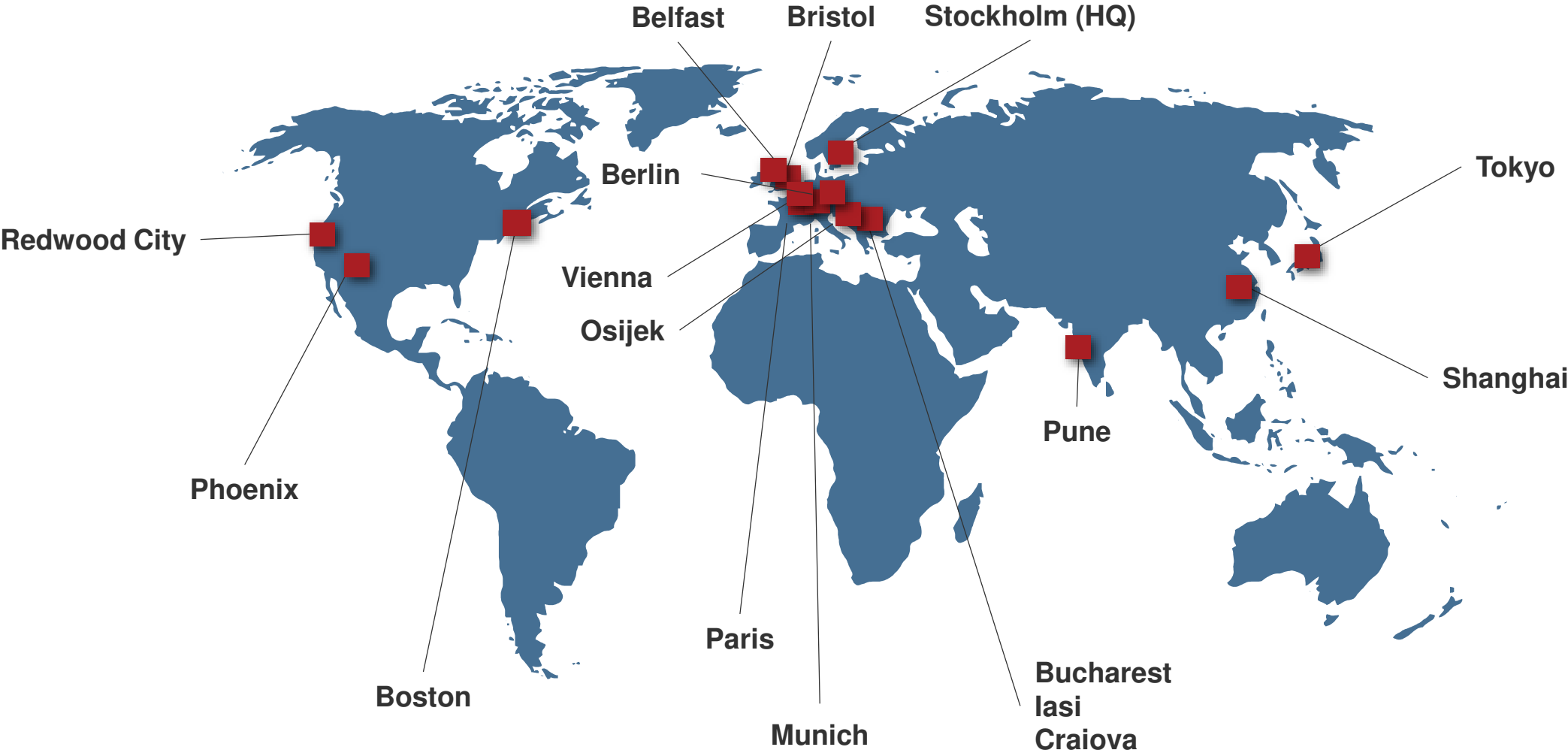
NO. OF
EMPLOYEES
640

R&D OPEX
INVESTMENT
16
PERCENT

*Excluding non-recurring items



Global Presence



Did you bring your mobile phone?

Have you checked your email yet?

Have you watched a streamed
video today?

**Every day, more than 3 billion people rely on
Enea's software to connect a call or to use
their mobile device to get online**





Our Mission

We provide the network software platform and expert services our customers need to enable today's and tomorrow's connected society



NOKIA

ERICSSON 

VOLVO



Honeywell

DATACOM

Hytera 

 **YAMAHA**




HUGHES


vodafone

 **Electrolux**

 **TELUS**



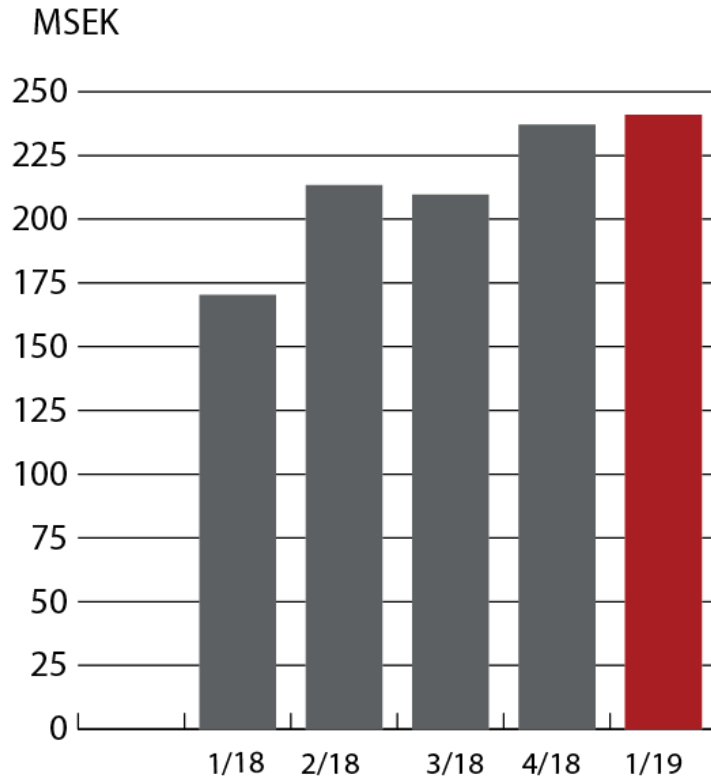
The Enea **Edge**



Financials Q119

Record Q1 Revenue Growth

Revenue

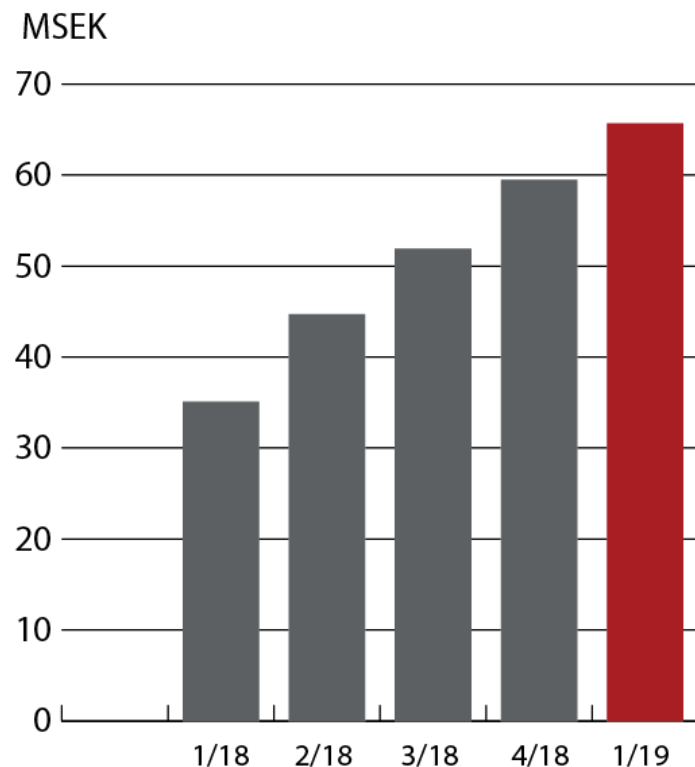


	Q119	Q118
Revenue (MSEK)	240.9	170.3
Revenue growth (%)	41	19
Revenue growth (% , currency adjusted)	34	21

- ▶ Highest Q1 revenue ever
- ▶ Highest quarterly revenue growth number on record
- ▶ 30 percent revenue growth excluding settlement

Record Quarterly Operating Profit

Operating profit excl. non-recurring items



	Q119	Q118
Operating profit excl. non-recurring items, MSEK	65.7	35.1
Operating profit, MSEK	62.2	27.0
Operating margin excl. non-recurring items, %	27.3	20.6
Operating margin, %	25.8	15.9
Earnings per share, SEK	2.14	0.94

- ▶ 87 percent operating profit growth (excl. NRI)
- ▶ 130 percent operating profit growth
- ▶ 56 percent operating profit growth excluding settlement
- ▶ Highest ever quarterly operating profit
- ▶ 128 percent EPS growth

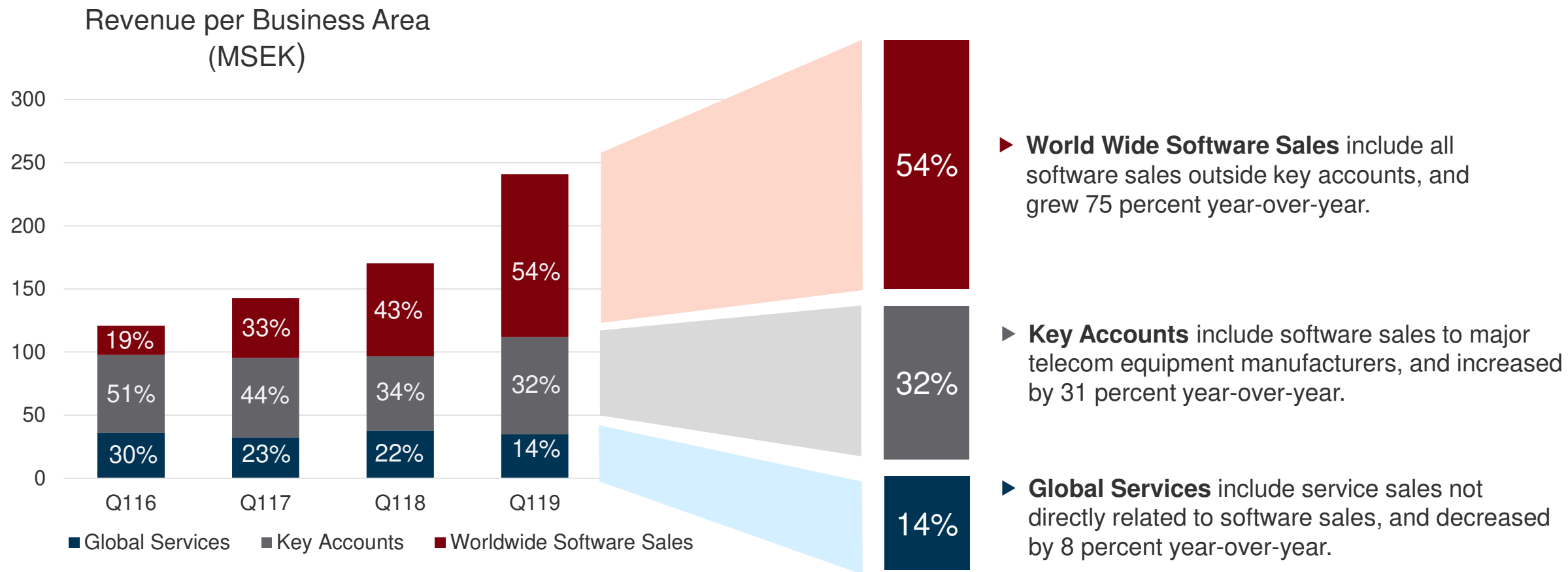
Settlement Agreement with Large Customer

- ▶ The settlement follows the arbitral award from January 2018, and covers historic royalty shipments up to 2018
- ▶ Marks the end and full closure of a multi-year discussion with the customer
- ▶ Gives Enea to an additional amount of 20 MSEK covering historic royalty shipments
- ▶ Included in the “Key Accounts” business area and the “OS Solutions” product group as reported in Q1 numbers

“We are happy to have come to this settlement and expect that this agreement will also contribute to a restart of a mutually beneficial and continued cooperation with this large customer.”

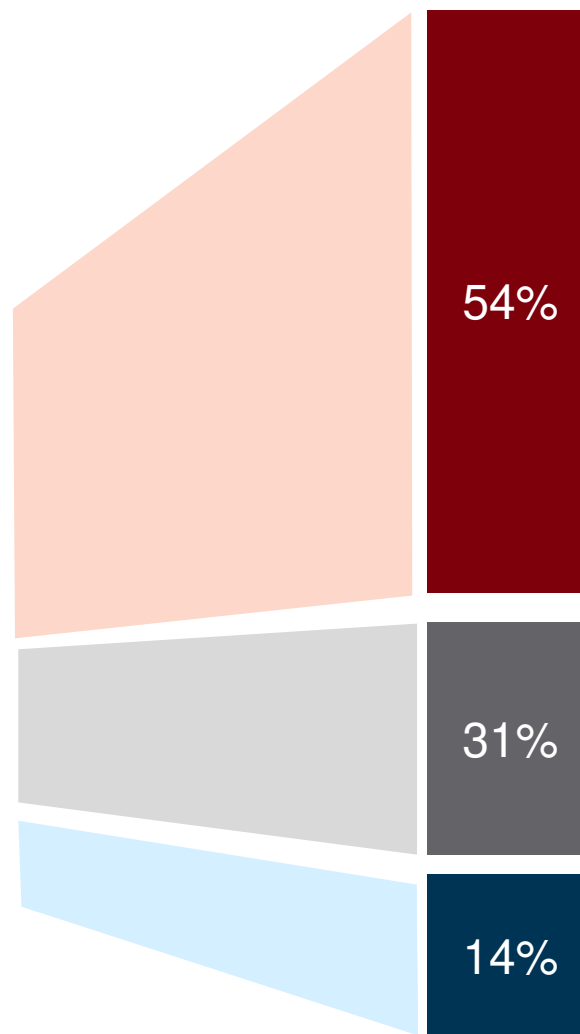
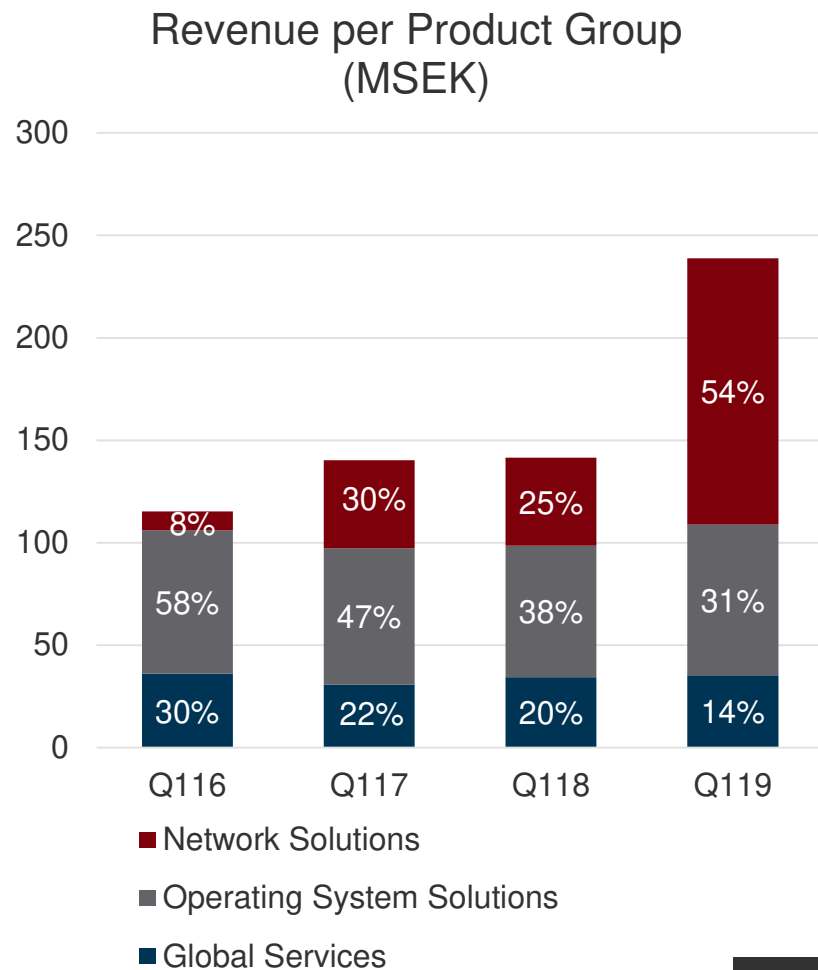
Anders Lidbeck
President & CEO

Significant Growth in Revenues from New Customers



- ▶ Significantly reduced dependency on single customers and single product
- ▶ 19 quarters of y-o-y revenue growth & 18 out these 19 quarters of y-o-y EBIT growth

Significant Growth in Revenues from New Products



- ▶ **Network Solutions** Sales increased significantly in the quarter due to the acquisition of Openwave Mobility. This product group almost doubled over Q118.
- ▶ **Operating System Solutions** represented 31 percent of the revenues in the quarter, with growth Q119 over Q118.
- ▶ **Global Services** revenue decreased Q119 over Q118, accounting for 14 percent of Enea's total revenues.

- ▶ The fastest growing product group is now also the largest
- ▶ Improved margin & earnings capacity

Accelerated Software Growth in the US and Asia

► EMEA

Revenue in EMEA increased by 22 percent in the quarter year over year. The increase is related to World Wide Software Sales, where the acquisitions and the settlement are contributors. Global Services had a slow development in the quarter, mainly due to structural changes in Rumania.

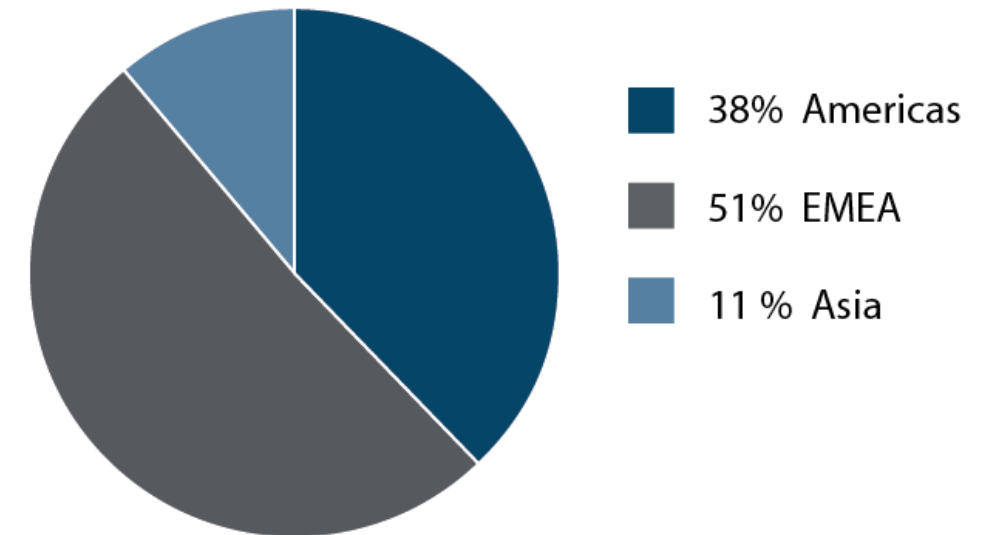
► Americas

Revenue increased by 64 percent in the quarter, year over year. The increase predominantly relates to the acquisition of Openwave Mobility, that closed March 2018. Also the latest acquisition contributed to the increase. Global Services produced y-o-y growth numbers.

► Asia

Revenue increased by 95 percent year over year in the quarter. The increase relates to the acquisition of Openwave Mobility, that closed March 2018.

Revenue per region (Jan-Mar)



Financial Position

- ▶ Cash flow from operations 93.3 (8.0) MSEK for the quarter.
- ▶ Cash flow before change in working capital 66.9 (21.1) MSEK for the quarter.
- ▶ Cash, cash equivalents at the end of the quarter were 142.7 (140.6) MSEK.
- ▶ Total interest-bearing liabilities at the end of the quarter amounted to 686.2 (588.9) MSEK.
- ▶ Net debt position 554 (558.4) MSEK.
- ▶ The equity ratio is 48.7 (43.7) percent





Way Forward & Outlook

Our Evolved Business Q119

54%
Network
Solutions



31%
Operating System
Solutions

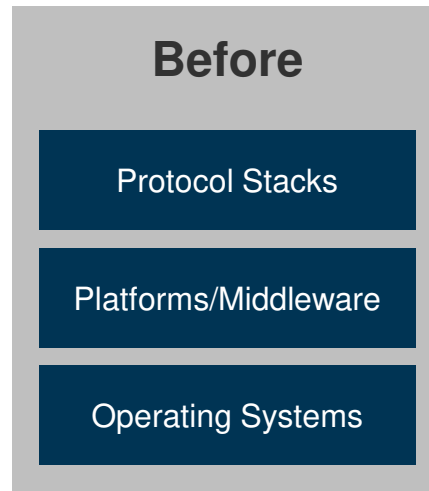


14%
Global
Services

Our New Expanded Portfolio

- In a situation where operating systems and other low-level software are encountering a growing presence of open source, it will be easier for us to find growth with good margins higher up the software stack.

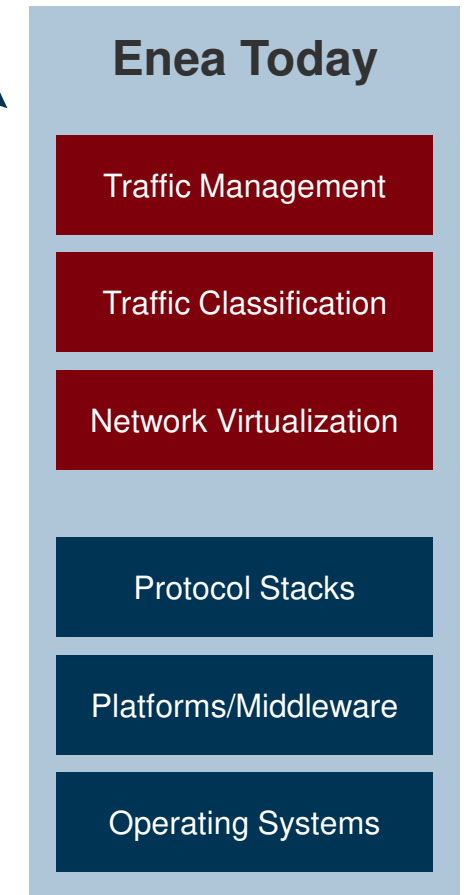
Software that constitutes the “fundament” for network infrastructure



More focus on software at the application level

Software as a complete solution rather than software as an OEM component

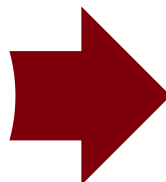
Software that adds “intelligence” to the network



The Latest Addition to our Portfolio

More focus on software at the application level

**Move up
in the
software
stack**



This acquisition brings several new applications for the 4G/5G core network, functional blocks that sits side-by-side with products that we previously acquired through Openwave Mobility and Qosmos.

Software as a complete solution rather than software as an OEM component

**Move up
in the
value chain**



This acquisition enables us to address a larger scope of the 4G and 5G mobile network and to address bigger part of the tenders that we reply to.

More direct engagement with the end users of our software and solutions

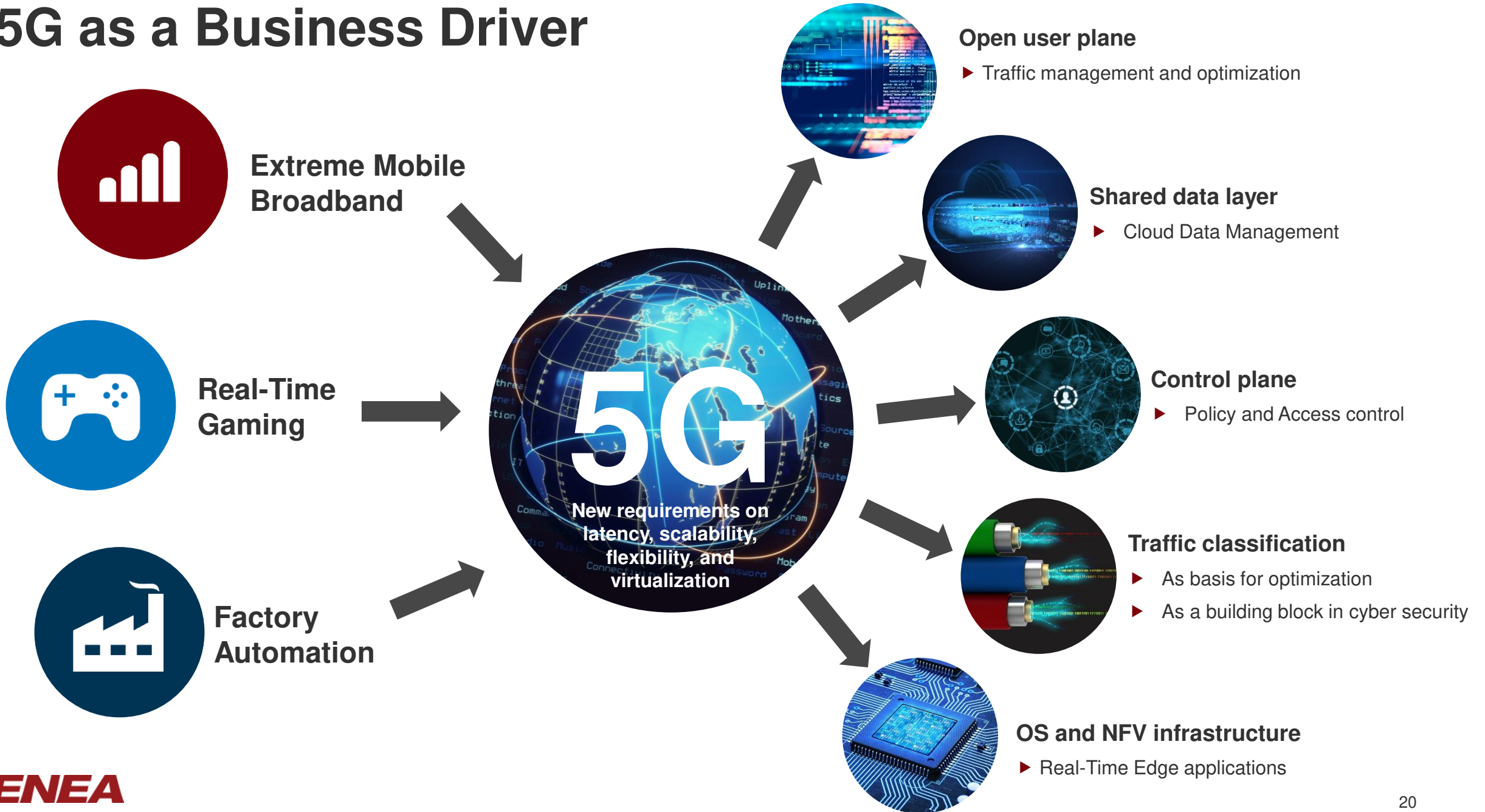
**Move
closer to the
end user**



This acquisition adds to Enea's incumbent customer base and market reach when addressing mobile operators, by adding expertise and a leading business in policy management, authentication, and user data management.

- ▶ The total consideration amounts to approximately 18 MEUR
- ▶ This acquisition closed and is consolidated into Enea Group accounts as of March 2019

5G as a Business Driver



Award Winning Portfolio



Gold for Product Excellence of the Year

- In the Forensics category of the 15th Annual 2019 Info Security PG's Global Excellence Awards

Gold Winner in "Network Traffic Analysis"

- 2019 Cybersecurity Excellence Awards



Best New NFVi Platform

- Enea NFV Access as a foundation for uCPE/SD-WAN agility and innovation in the Network Transformation Awards

ENEA

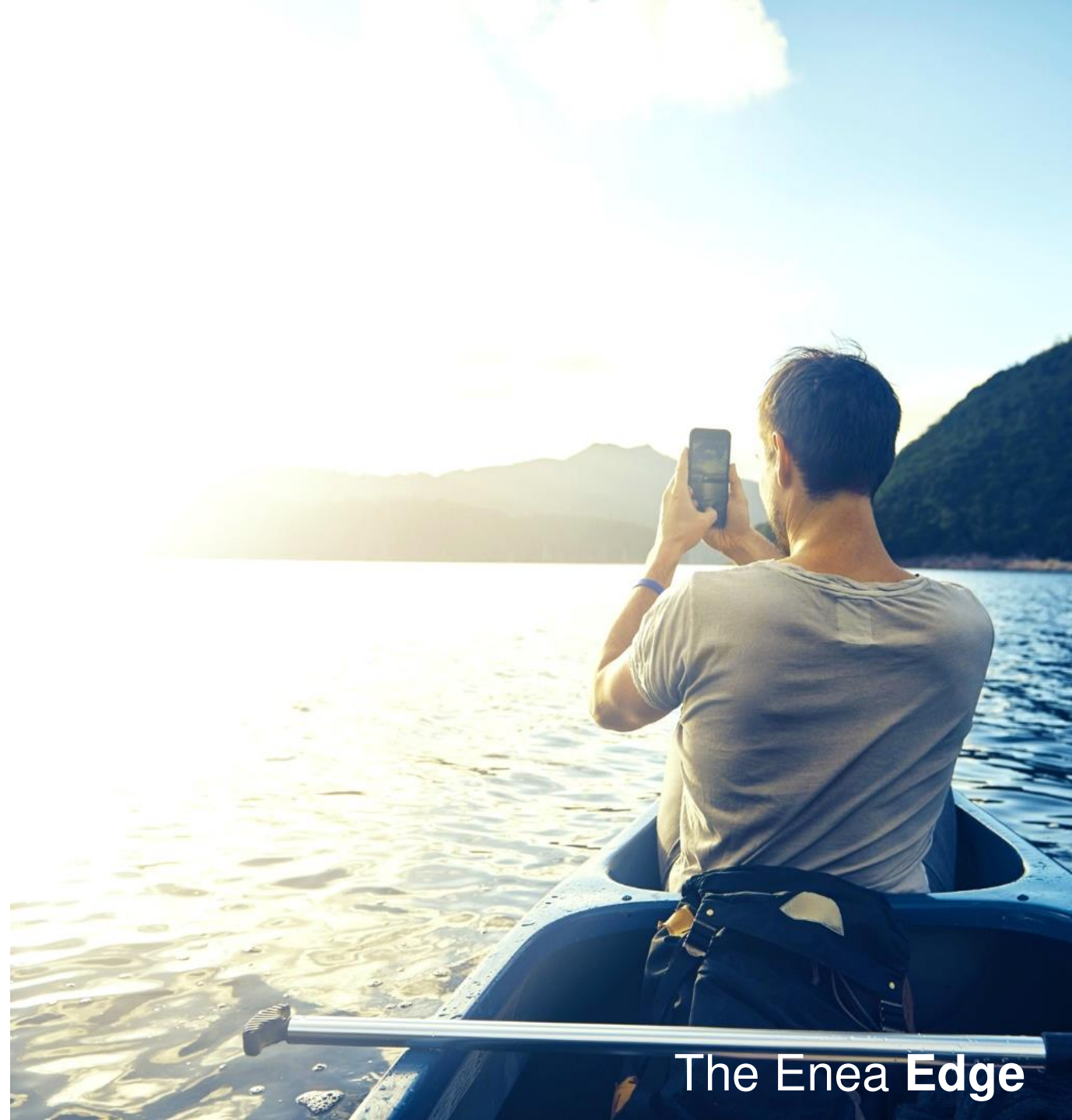


**"Most innovative product" in cyber forensics and
"most cutting edge product" in threat hunting**

- Cyber Defense Magazine's 2019 InfoSec Awards

Market Outlook 2019

Our objective for the full year 2019 is to achieve revenue growth over 2018 and an operating margin exceeding 20 percent



The Enea Edge

ENEAA

THANK YOU

www.enea.com

