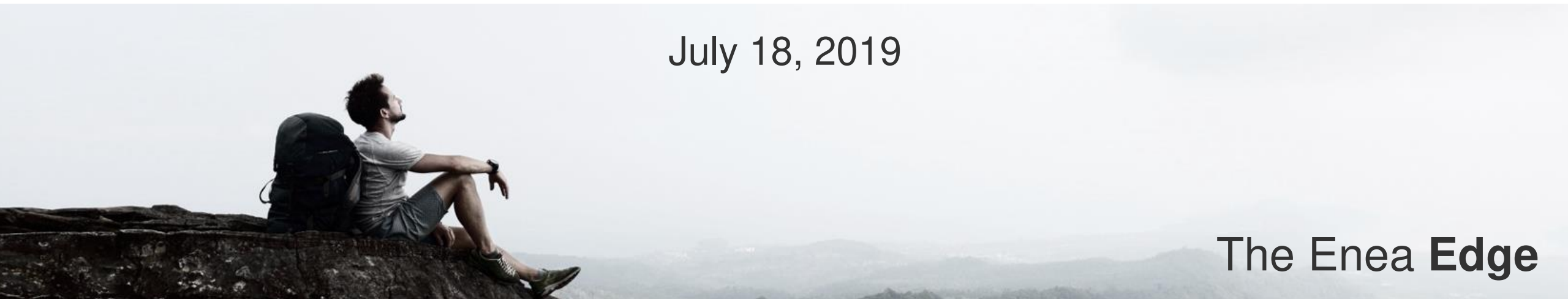




Q2 2019 Financial Result

Jan Häglund, President and CEO
Björn Westberg, CFO

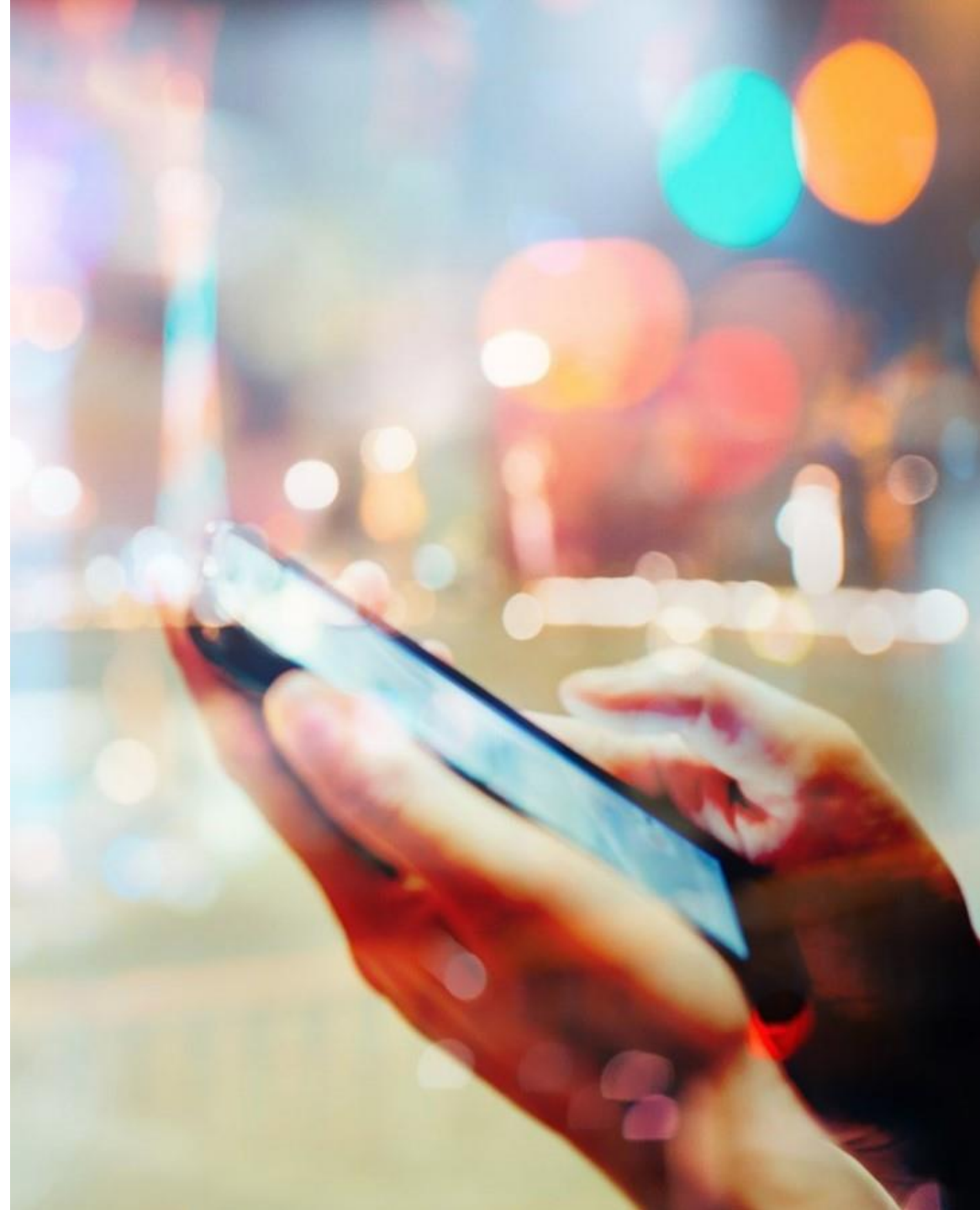
July 18, 2019



The Enea **Edge**

Agenda

- ▶ Introduction
- ▶ Financial result
- ▶ Way forward and outlook



Q2 2019

H1 2019

HEAD
QUARTER
KISTA,
SWEDEN

REVENUE
260.2
MSEK

OPERATING
MARGIN*
27.8
PERCENT

REVENUE
501.1
MSEK

OPERATING
MARGIN*
27.5
PERCENT

LISTED
NASDAQ
STOCKHOLM
(MID CAP)

NO. OF
EMPLOYEES
642

R&D OPEX
INVESTMENT
17
PERCENT

NO. OF
EMPLOYEES
642

R&D OPEX
INVESTMENT
16
PERCENT

*Excluding non-recurring items



Key events

**#1 position in
high-growth market**

**Secure operating
system revenues**

New market entry

Innovation awards

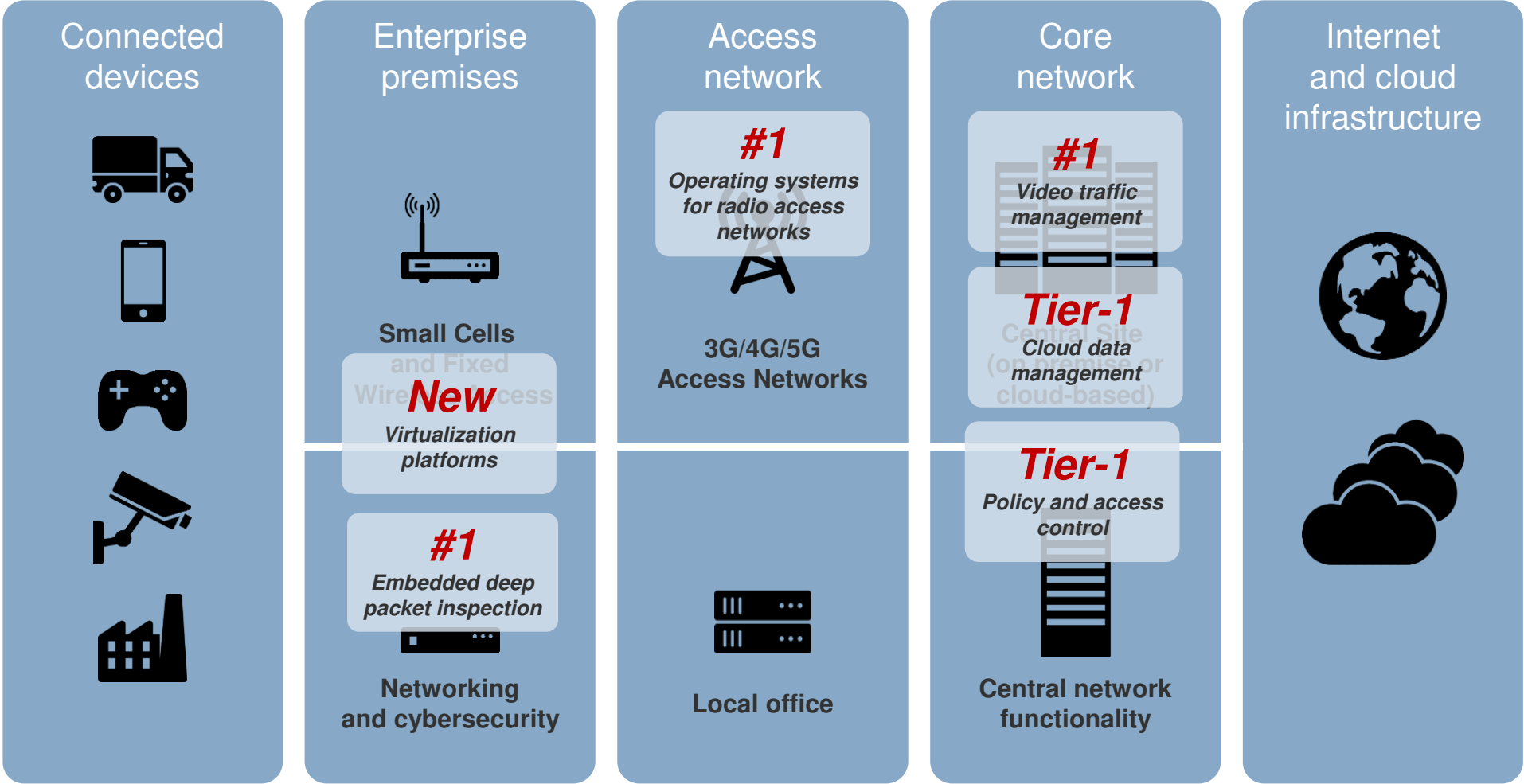
- ▶ Contract for Deep Packet Inspection (DPI) technology worth MUSD 2.8 signed with US-based market leader in Software Defined Wide Area Networks (SD-WAN)
- ▶ Frame agreement with key customer and leading global telecom equipment supplier extended - will generate MEUR 21.2 in revenue over four years
- ▶ First contracts signed for the NFV Access product, a virtualization platform for Universal Customer Premise Equipment (uCPE)
- ▶ Two innovation awards won for the RAN Congestion Manager and Stratum Cloud Data Manager solutions

What We Do

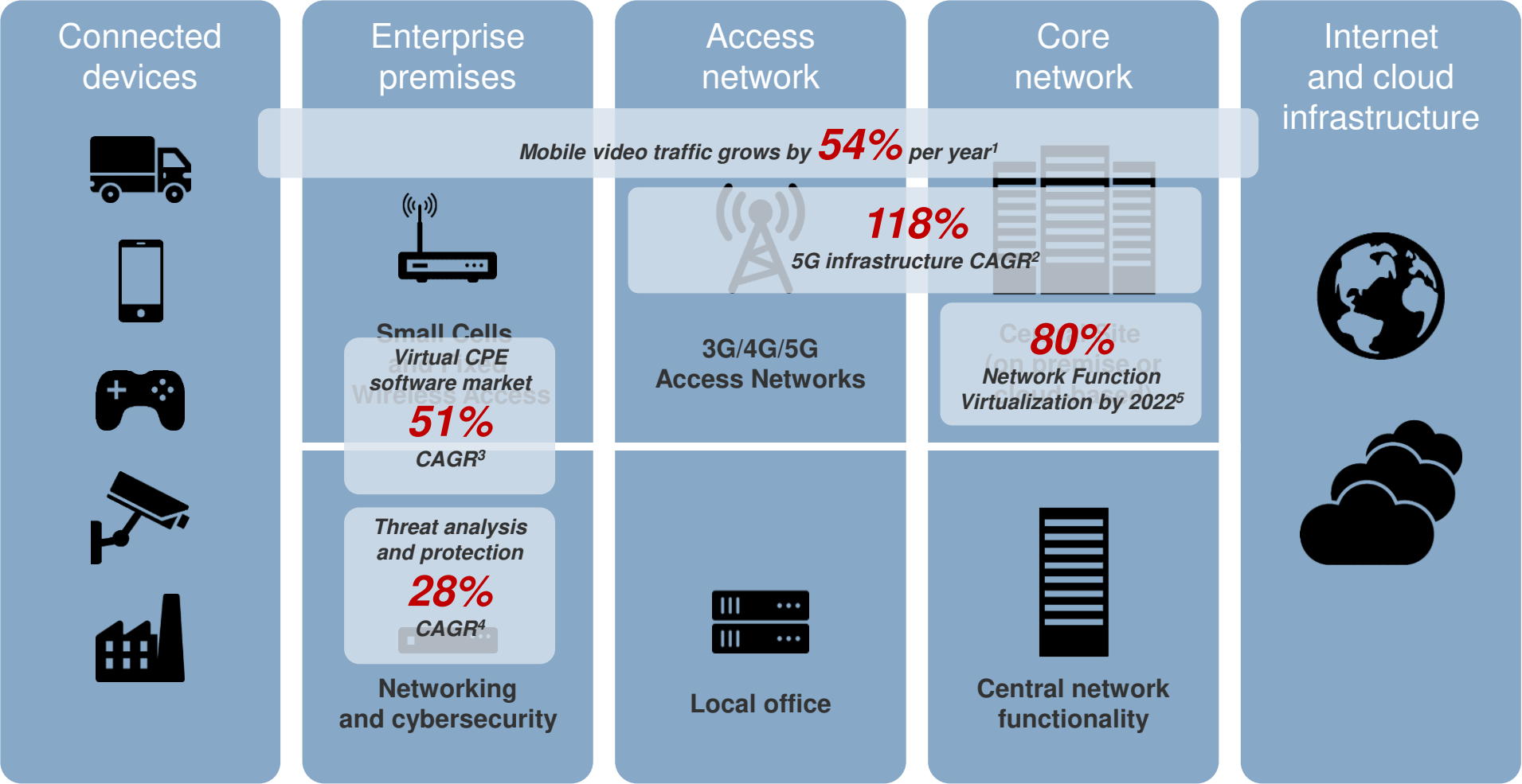
Enea is a world-leading supplier of innovative software components for telecommunications and cybersecurity



Leading Position in Selected Market Segments



Profitable Market Segments with High Growth



¹ Cisco 2017
² IDC 2018
³ IDC 2018
⁴ IDC and Bloomberg 2018
⁵ Ericsson 2018

Market Leading Global Customers

Global Services



Operating System Solutions



Network Solutions

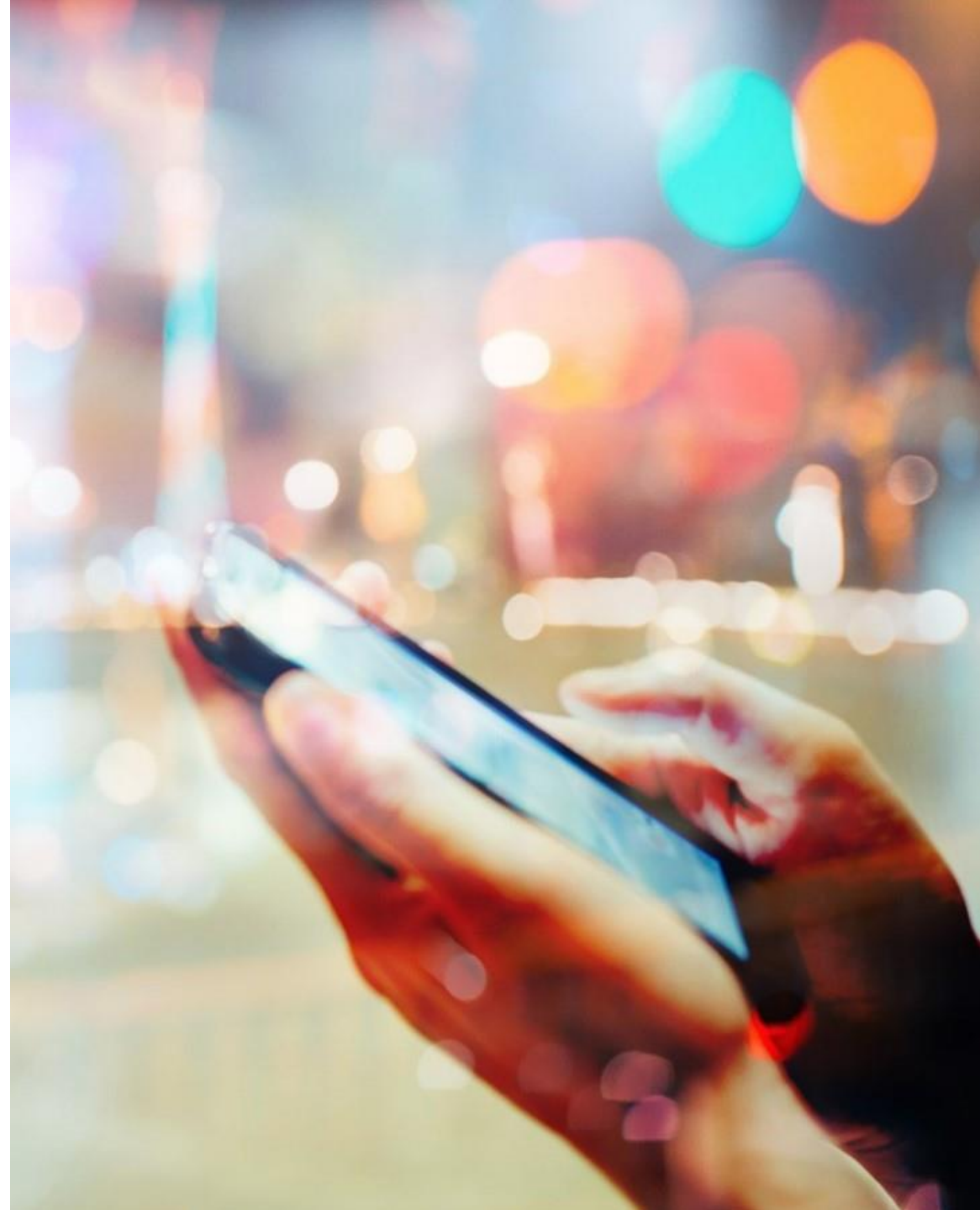


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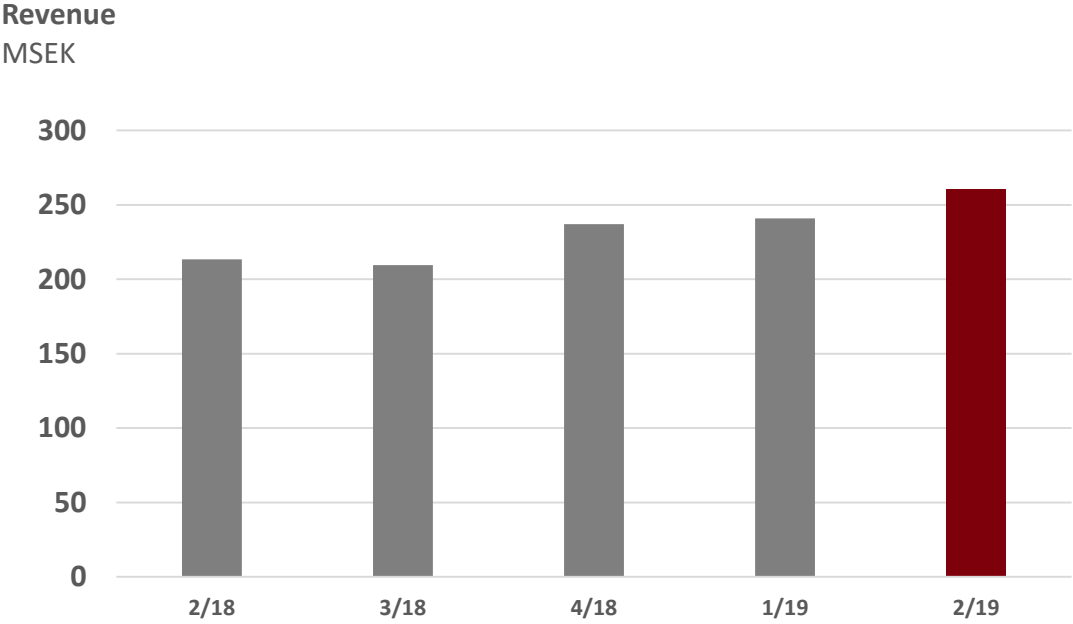
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Record Revenue



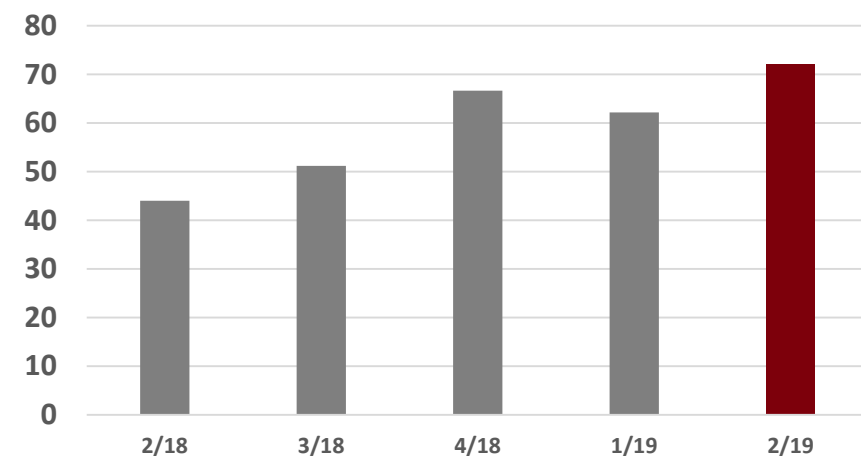
	Q219	Q218
Revenue (MSEK)	260.2	213.4
Revenue growth (%)	22	44
Revenue growth (% , currency adjusted)	17	44

- ▶ Highest quarterly revenue ever
- ▶ 22 percent revenue growth

Record Operating Profit

EBIT excl. non-recurring items

MSEK

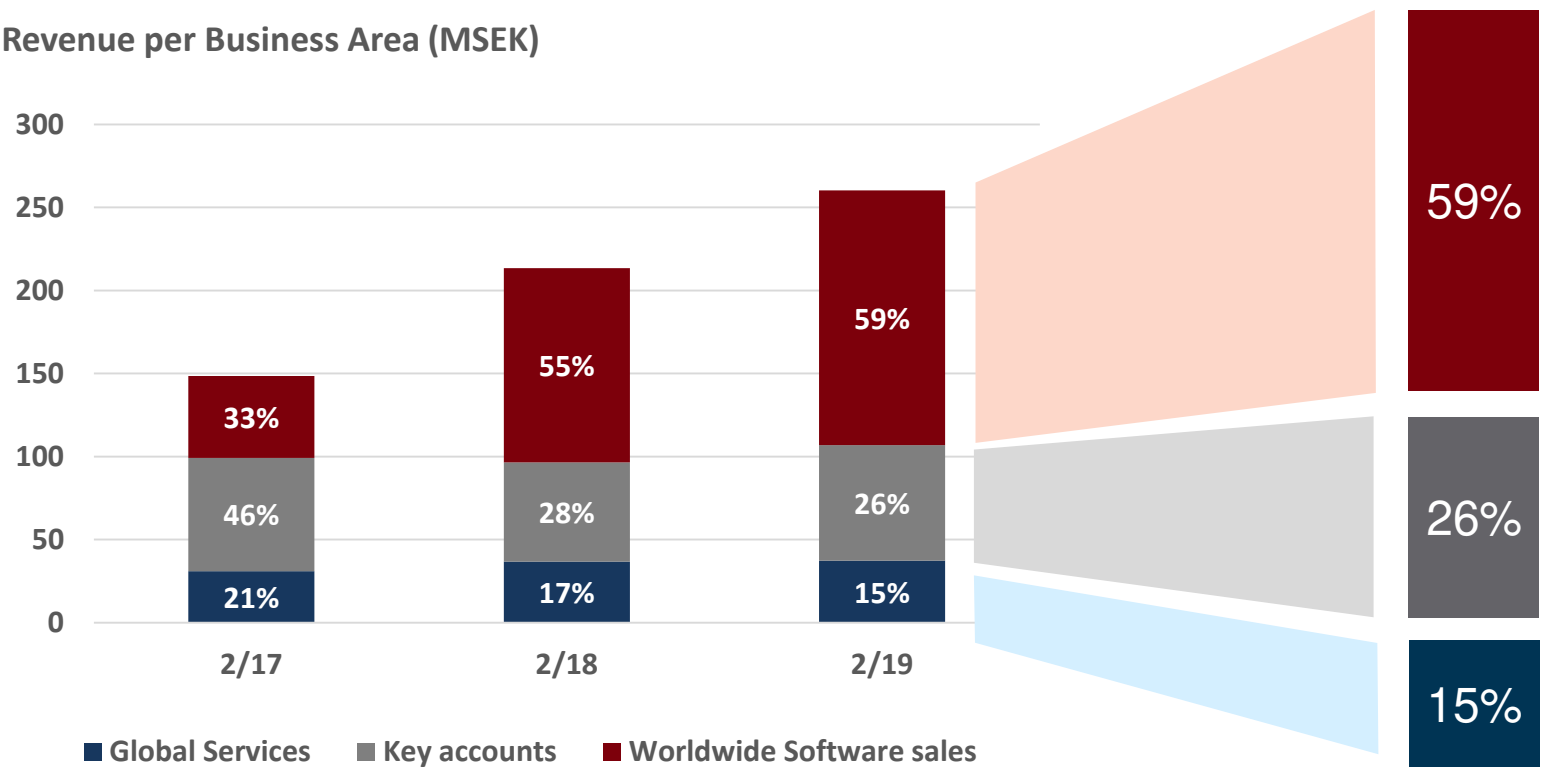


	Q219	Q218
Operating profit excl. non-recurring items, MSEK	72.2	45.9
Operating profit, MSEK	72.0	44.0
Operating margin excl. non-recurring items, %	27.8	21.5
Operating margin, %	27.7	20.6
Earnings per share, SEK	2.71	1.83

- ▶ 57 percent operating profit growth (excl. NRI)
- ▶ 64 percent operating profit growth
- ▶ 27.7% operating margin
- ▶ Highest ever quarterly operating profit
- ▶ 48 percent EPS growth

Worldwide Software Sales Continues to Increase

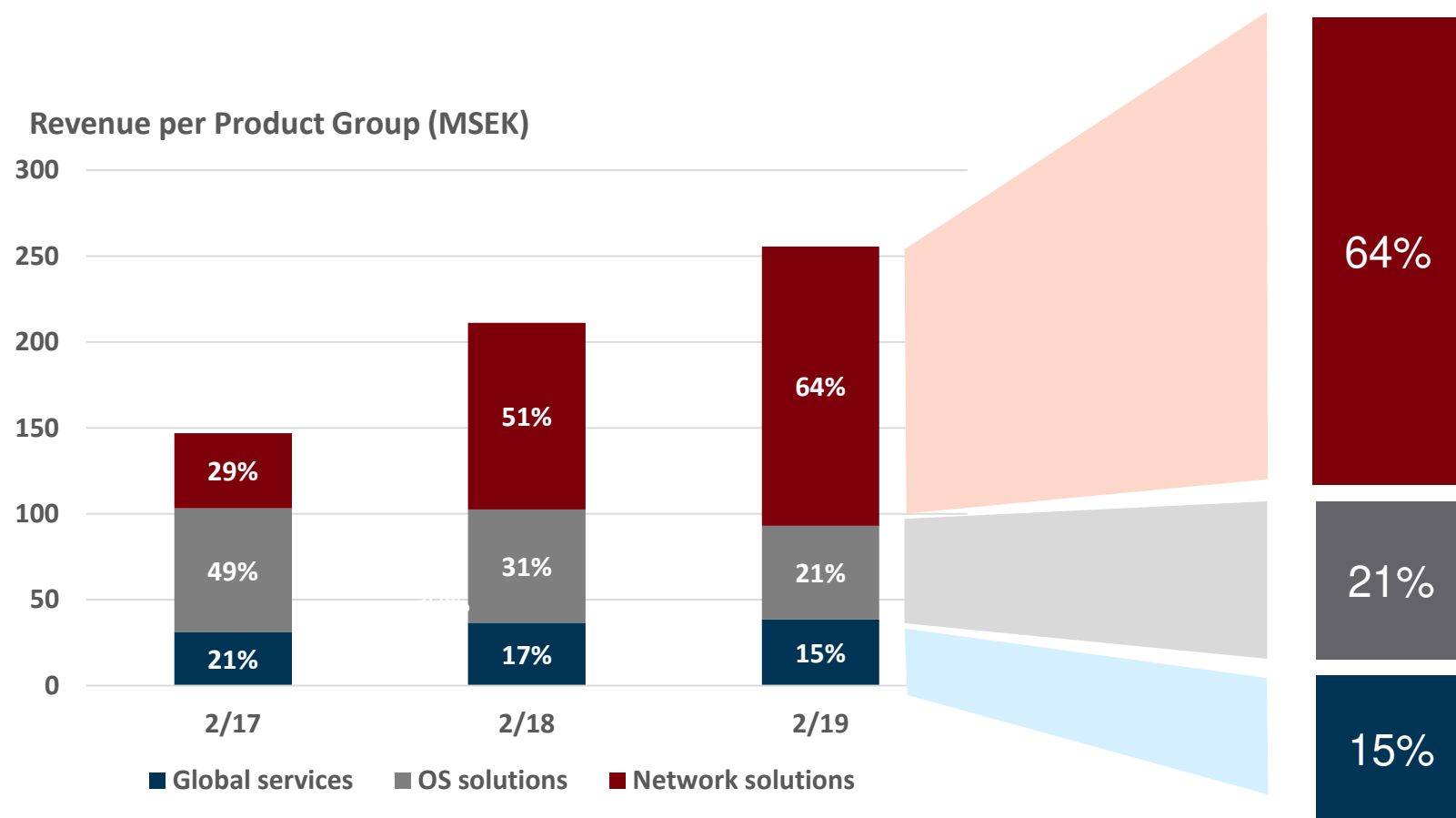
Revenue per Business Area (MSEK)



- ▶ **Worldwide Software Sales** include all software sales outside key accounts. Grew 31 percent year-over-year, driven by the new Policy and Access Control business and other new contracts.
- ▶ **Key Accounts** include software sales to major telecom equipment manufacturers. Grew by 16 percent year-over-year, driven by the Policy and Access Control business.
- ▶ **Global Services** include development services related to integrated systems and other advanced system solutions. Grew by 2 percent year-over-year.

- ▶ Significantly reduced dependency on single customers and single products
- ▶ 20 quarters of y-o-y revenue growth and 19 out these 20 quarters of y-o-y EBIT growth

Significant Growth in Network Solutions



- ▶ **Network Solutions**
Sales increased significantly in the quarter due to the Policy and Access Control business and several new deals from other products. Sales is now representing 64 percent of total Group revenues
- ▶ **Operating System Solutions**
represented 21 percent of total Group revenues.
- ▶ **Global Services** revenue increased by 2 percent Q219 over Q218, accounting for 15 percent of total Group revenues.

Accelerated Software Growth in the US and EMEA

► EMEA

Revenue in EMEA increased by 18 percent in the quarter, year over year. The increase is mainly related to the acquisition of the Policy and Access Control business (closed March 2019)

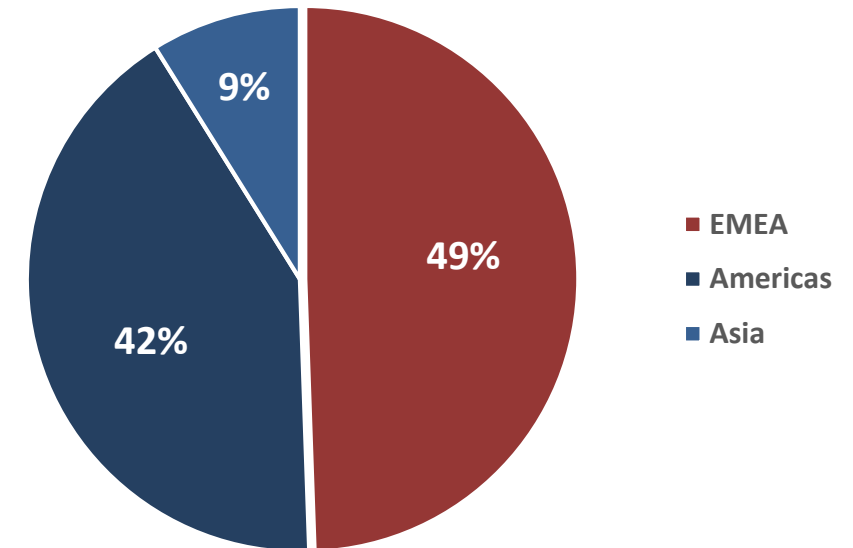
► Americas

Revenue increased by 57 percent in the quarter, year over year. The increase predominantly relates to contracts in the Policy and Access Control business and new orders in the Enterprise market segment

► Asia

Revenue decreased by 35 percent in the quarter, year over year. Last year included a few large orders which did not happen this year (example of quarterly variations)

Revenue per region Apr -Jun



Financial Position

- ▶ Cash flow before change in working capital amounted to 74.5 MSEK (41.5) in the quarter.
- ▶ Cash flow from operations amounted to 33.7 MSEK (95.2) in the quarter.
- ▶ Cash and cash equivalents at the end of the quarter were 150.5 MSEK (220.6).
- ▶ Total interest-bearing liabilities at the end of the quarter amounted to 640.3 MSEK (589.6).
- ▶ Net debt position was 537.0 MSEK (473.2).
- ▶ The equity ratio was 50.1 percent (46.2).

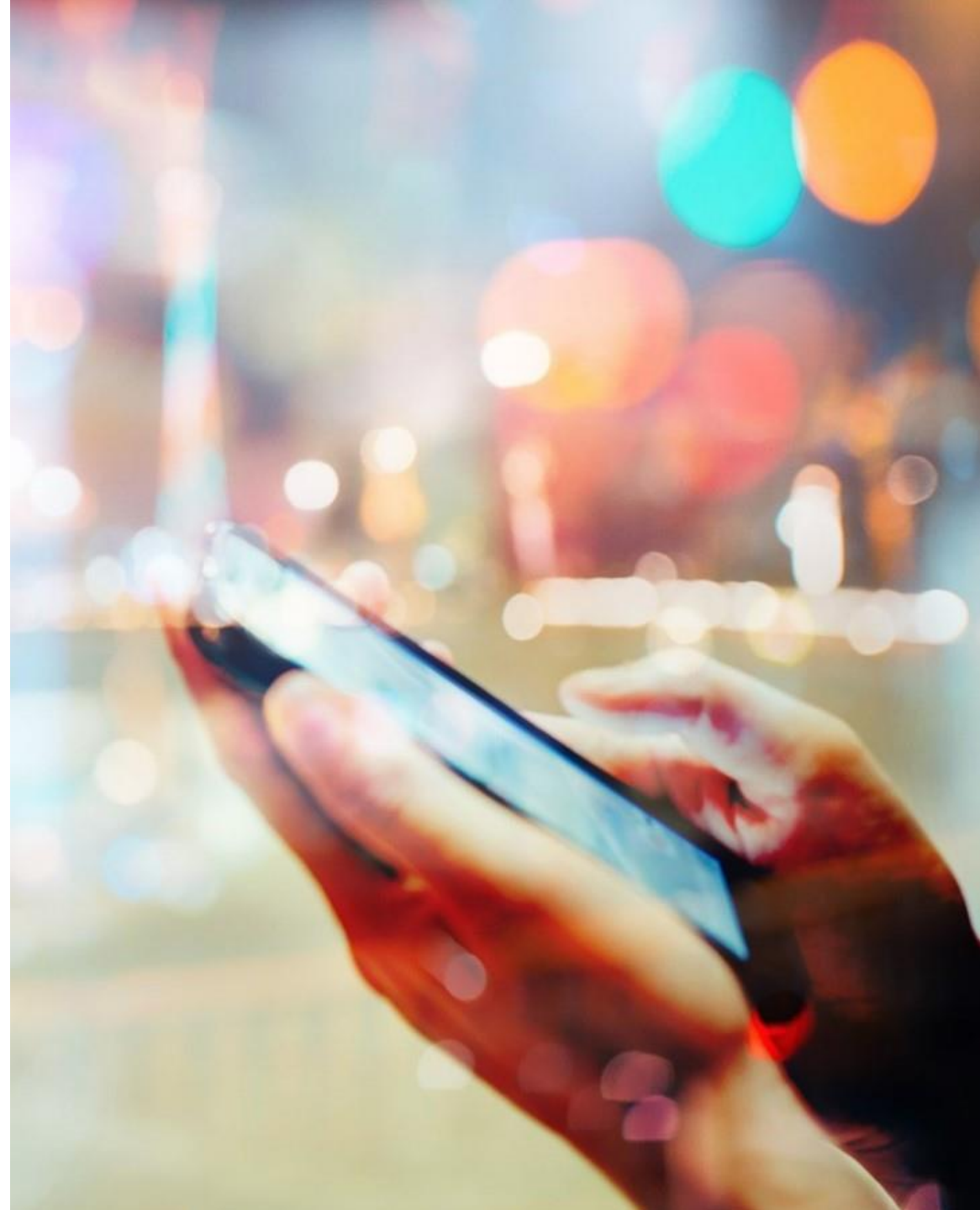


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Positioned for Profitable Growth

Market Position

Select markets in telecommunication (4G and 5G) and cybersecurity, working with leading customers and gaining top positions in key niche segments.

Business Model

Pure play software company with high gross margin and significant recurring revenues, unencumbered by hardware legacy.

Go-to-Market Model

Extensive market reach through own sales force complemented with multiple global partners, combining both direct and indirect sales at a global scale.

Growth Strategy

Innovation and leadership in key technology and product areas through own R&D investments complemented with strategic acquisitions.

Track Record

Proven track record in innovation (unique technology), strategy execution (portfolio and business expansion) and financial development (20 quarters of growth). We deliver on promises.

Financial Position

Solid financial position with a robust balance sheet, attractive revenue mix, significant earnings capacity and strong cash flows.

Management

Experienced management team and board, with deep technical, market and customer understanding.

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

