



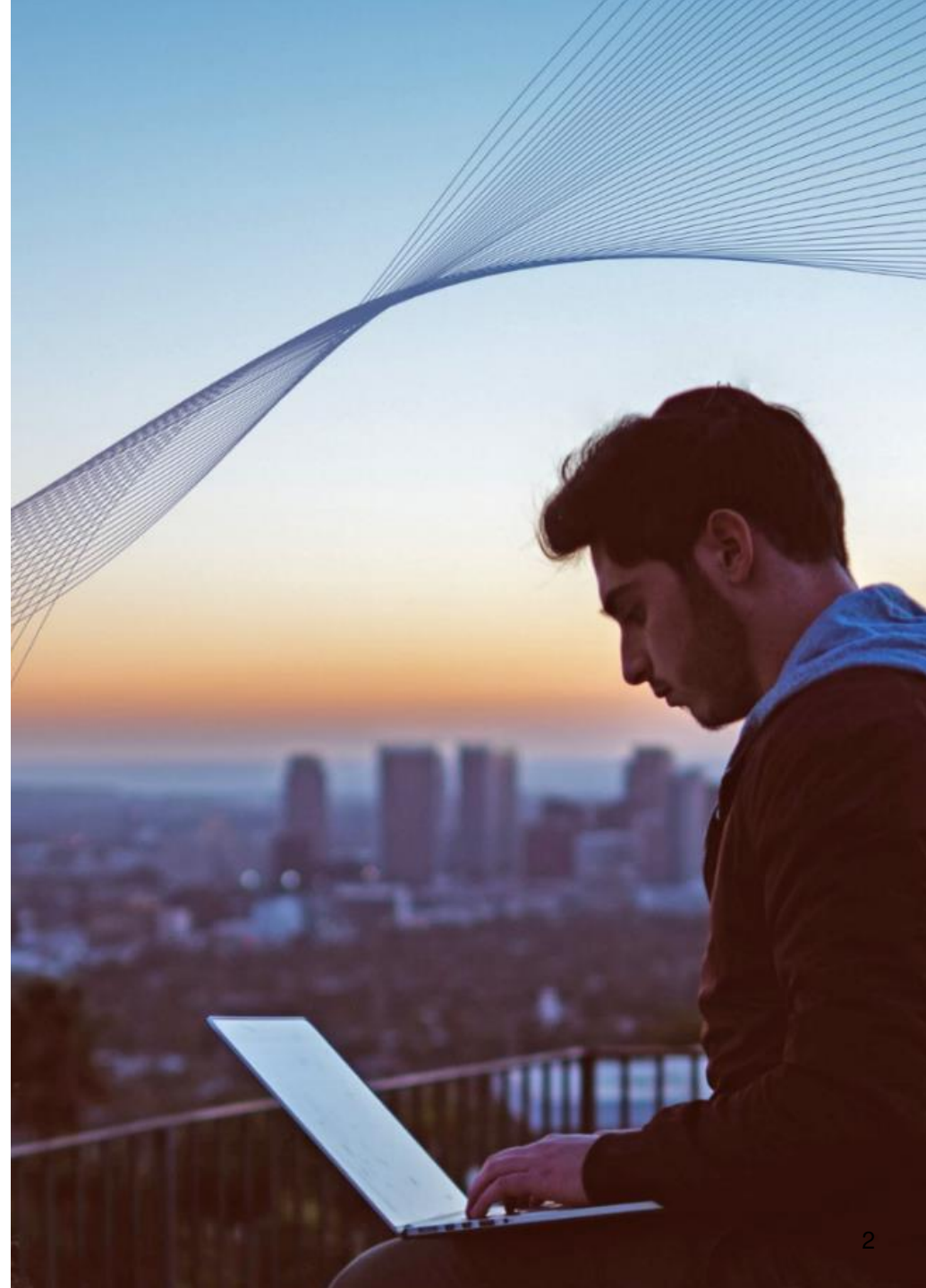
Annual Statement 2019

Jan Häglund, President and CEO
Björn Westberg, CFO

January 30, 2020

Agenda

- ▶ Introduction
- ▶ Financial Results
- ▶ Way Forward and Outlook

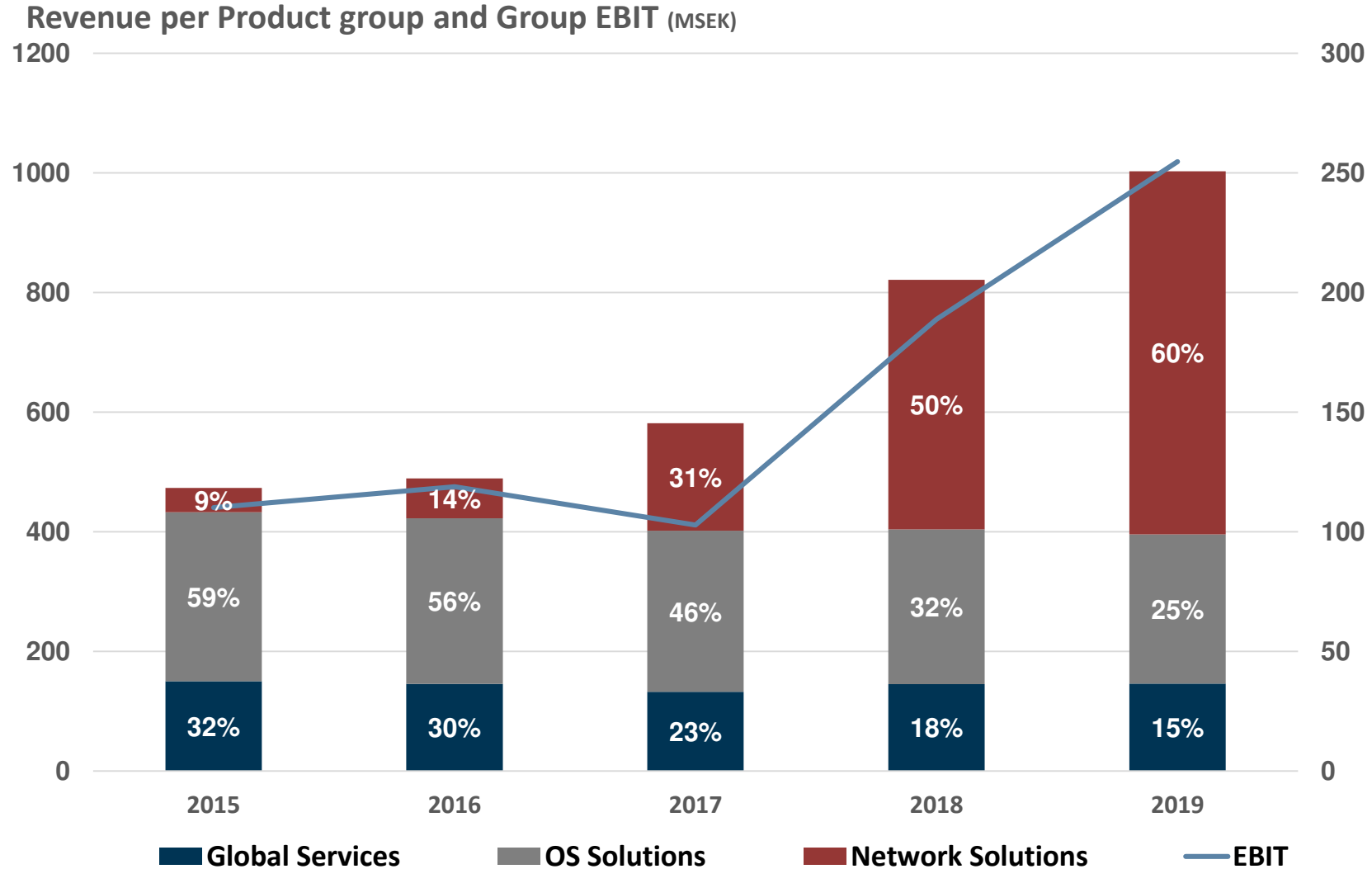


Summary

	Oct-Dec 2019	Jan-Dec 2019
HEAD QUARTER KISTA, SWEDEN	REVENUE 261 MSEK	REVENUE 1012 MSEK
	OPERATING MARGIN 21.8 PERCENT	OPERATING MARGIN* 25.5 PERCENT
LISTED NASDAQ STOCKHOLM (MID CAP)	EARNINGS PER SHARE 1.32 SEK	EARNINGS PER SHARE 8.47 SEK
	NET DEBT TO EBITDA 0.63	R&D OPEX INVESTMENT 16.5 PERCENT

* Excluding non-recurring items

Significant Increase in Revenue and EBIT



Key Events for Enea During the Fourth Quarter

Expansion of portfolio

Unveiling of 5G Data Management suite

New product capabilities

First vendor to offer optimization of Apple TV+ streaming

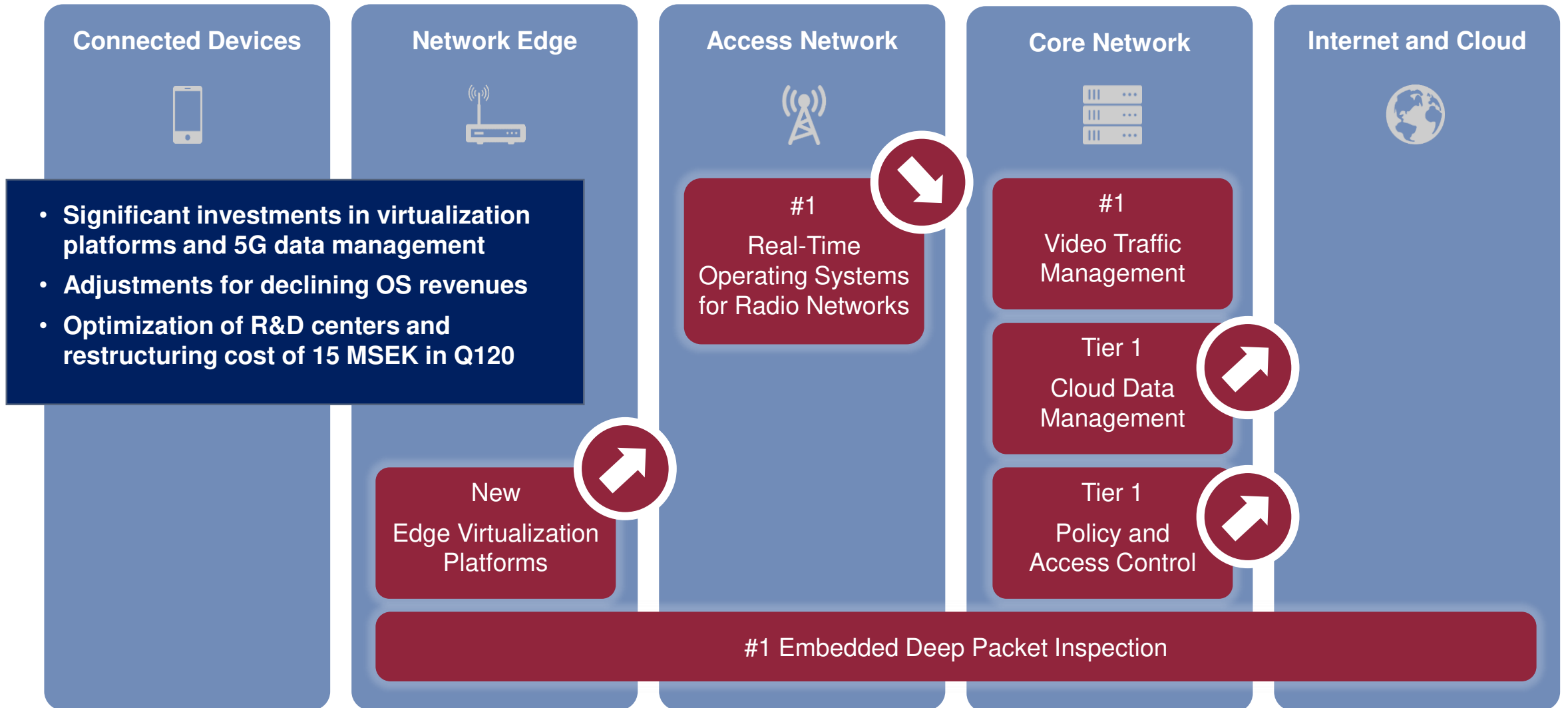
Capital markets day

Event attended by more than 70 institutional investors

Bond loan redemption

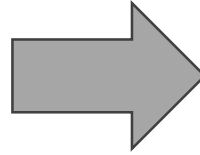
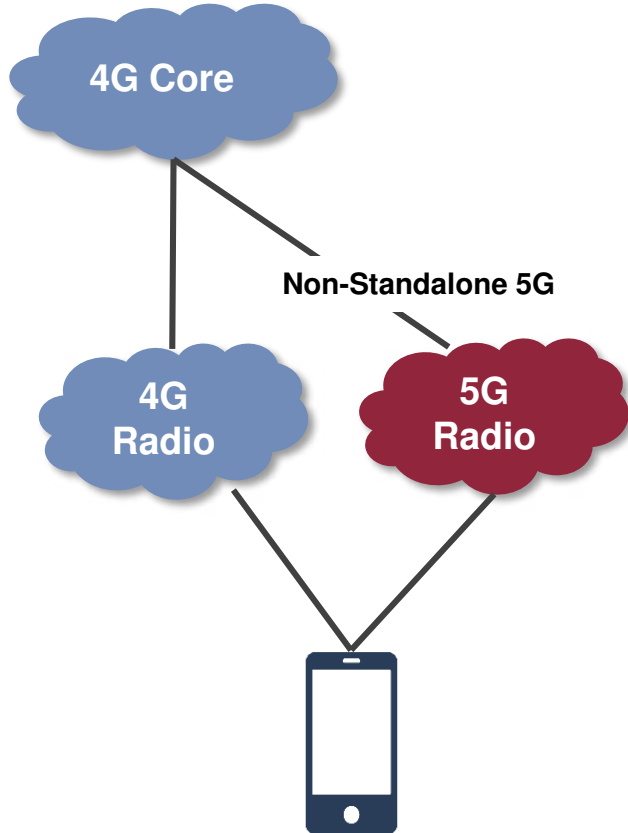
Early payment of 500 MSEK, earnings per share positive from 2020

Investment Focus for Long-Term Growth



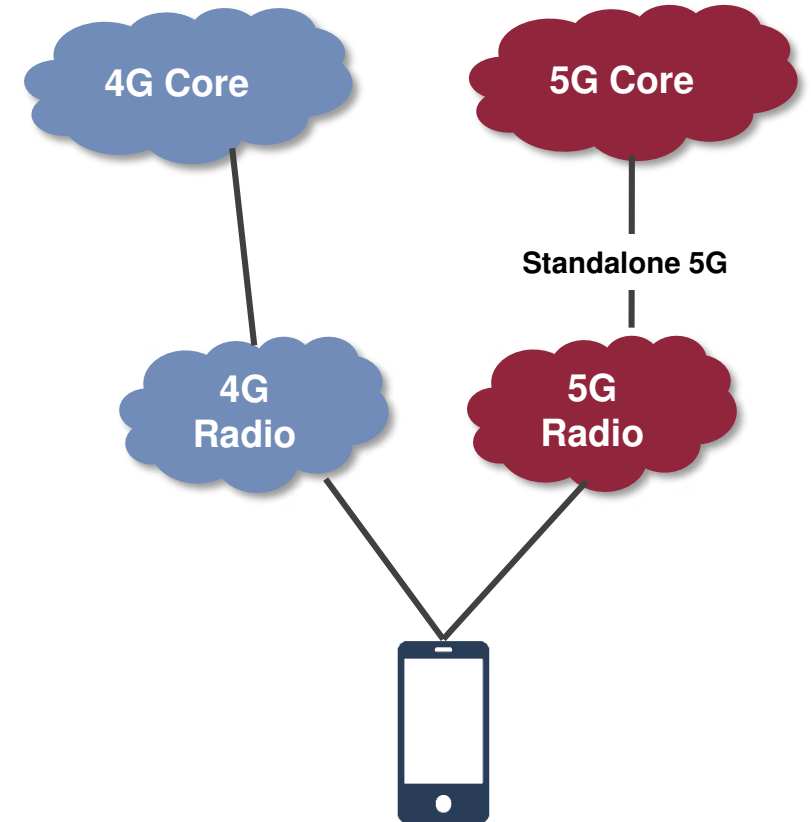
Evolution to 5G Standalone (SA)

Until now:
4G core + 5G radio



- Support for new applications (AR/VR, gaming, smart factories, connected vehicles)
- Optimized use of 5G Radio
- Better service differentiation and user experience
- Ability to mix software from different vendors

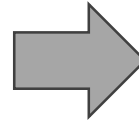
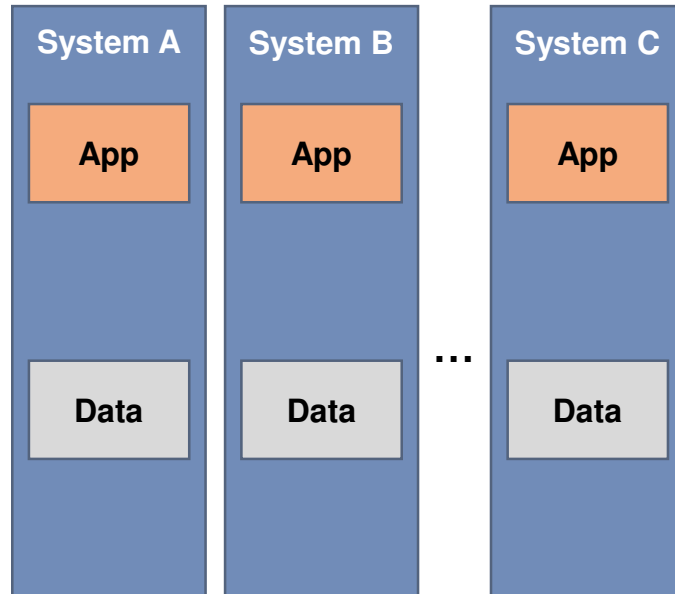
From 2020/2021:
Addition of 5G core



Enea Well-Positioned in Data Management for 5G Core

3G/4G Core

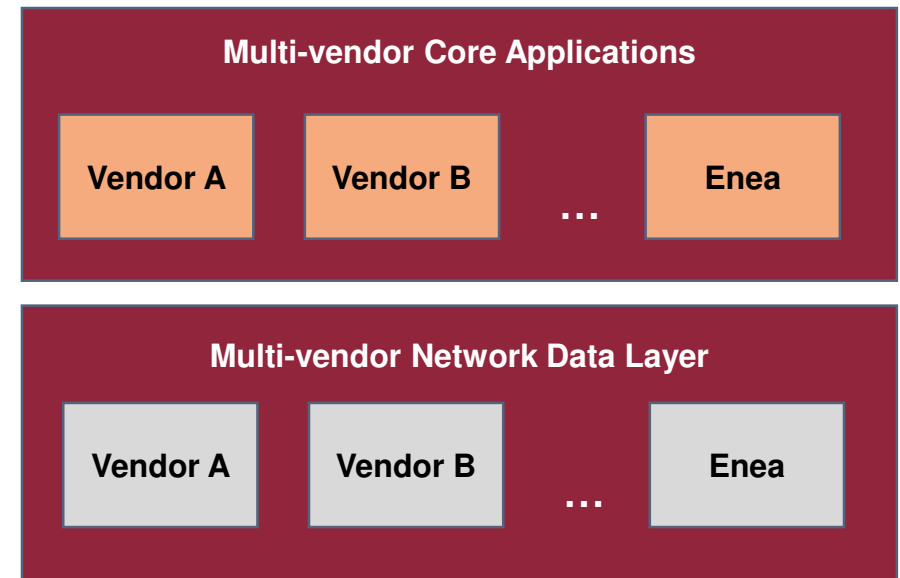
Data locked into vendor-specific “silos”



- Lower cost
- Consistent data
- Better scalability
- Service agility

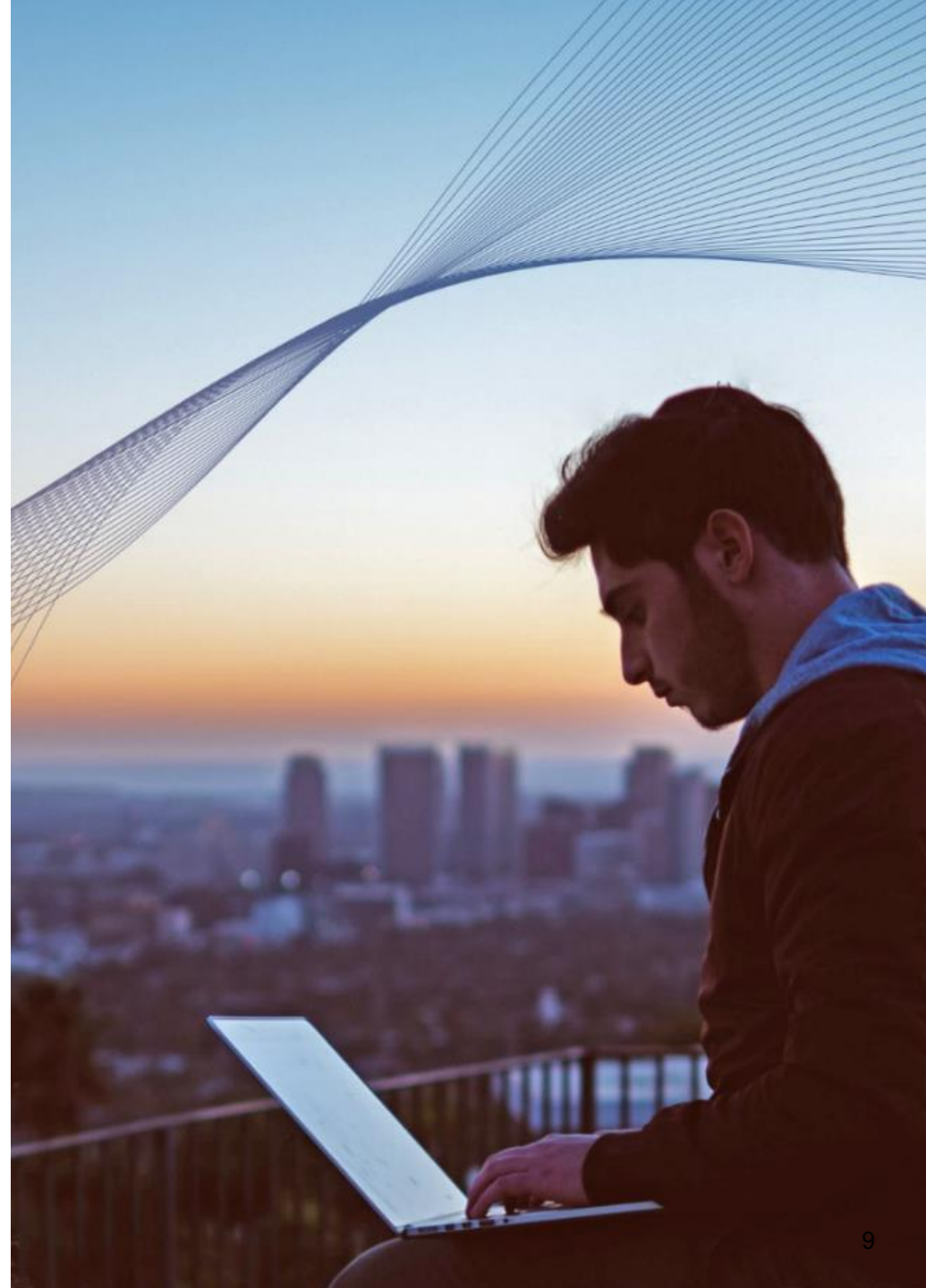
5G Core

Open, cloud-native, multi-vendor architecture

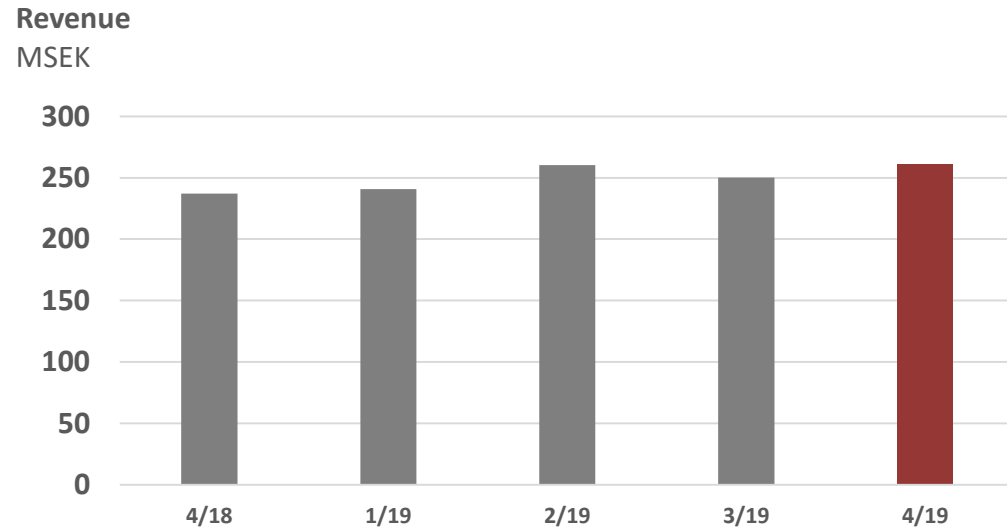


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- ▶ **Financial Results**
- ▶ Way Forward and Outlook



Record revenue for a quarter and > SEK 1bn for the year



	Q419	Q418	FY19	FY18
Revenue (MSEK)	261	237	1,012	830
Revenue growth (%)	10	56	22	41
Revenue growth (% , currency adjusted)	7	49	17	38

Q4

- ▶ Highest revenue for a quarter
- ▶ Acquisition^{1/} increased revenue by 17.6%
- ▶ LY included a 4.5 MUSD order

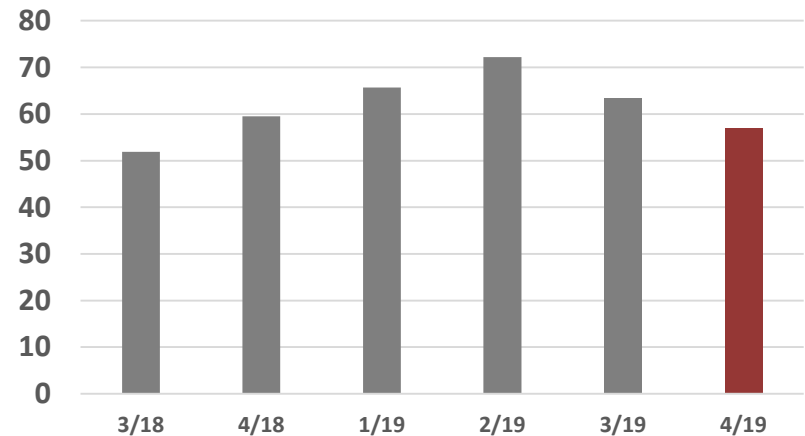
FY

- ▶ First time > 1 bn SEK
- ▶ 22% vs LY (17% currency adjusted)
- ▶ Acquisition increased revenue by 15.5%

^{1/} the Policy and Access Control business acquired from ATOS

All quarters in the year > 20% in EBIT margin

EBIT excl. non-recurring items
MSEK



	Q419	Q418	FY19	FY18
EBIT excl. non-recurring items, MSEK	57.0	59.5	258.4	192.5
EBIT, MSEK	57.0	66.7	254.7	188.9
EBIT margin excl. non-recurring items, %	21.8	25.1	25.5	23.2
EBIT margin, %	21.8	28.1	25.2	22.7
Earnings per share, SEK	1.32	2.72	8.47	7.33

Q4

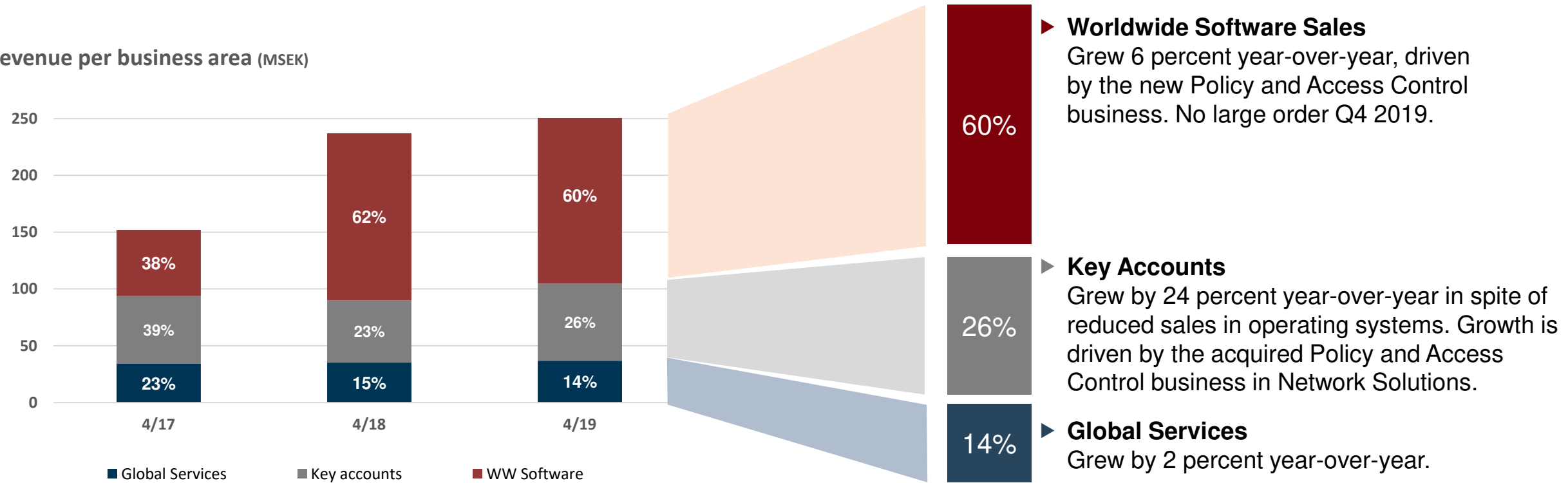
- ▶ 21.8 % EBIT margin
- ▶ Affected by higher LTIP cost (partly due to share price increase)

FY

- ▶ 25.5 % EBIT margin (all quarters > 20%)
- ▶ Highest EBIT ever
- ▶ Highest EPS ever

Increased number of customers and products

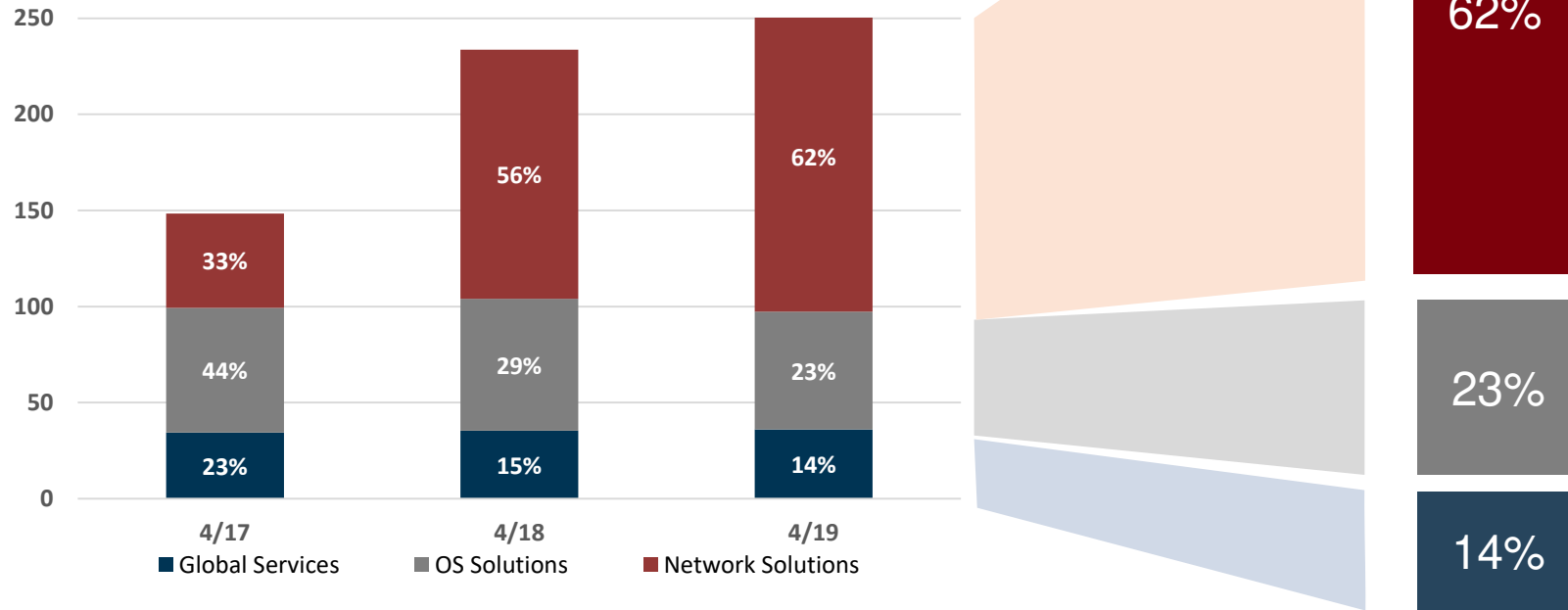
Revenue per business area (MSEK)



- ▶ Significantly reduced dependency on single customers and single products
- ▶ 22 quarters of y-o-y revenue growth and 20 out these 22 quarters of y-o-y EBIT growth

Significant Growth in Network Solutions

Revenue per Product group (MSEK)



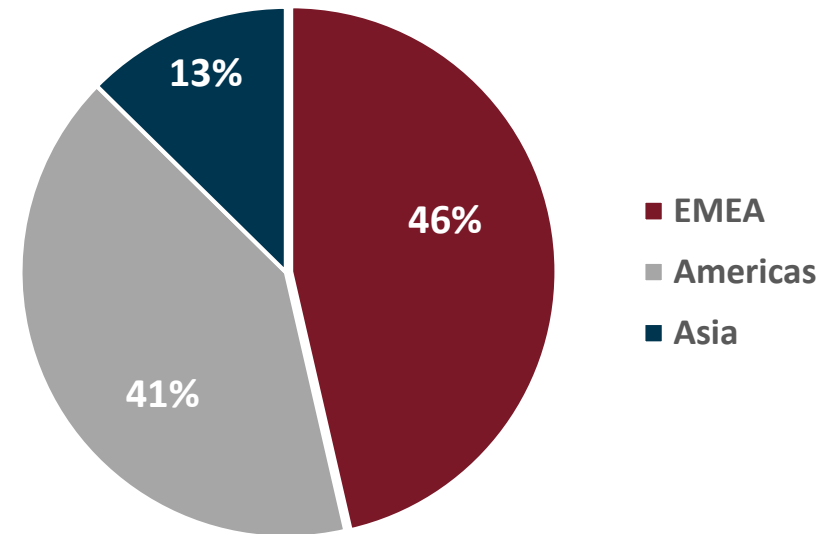
- ▶ **Network Solutions**
Revenue increased by 24 percent. Main contribution from the new Policy and Access Control business.
- ▶ **Operating System Solutions**
Revenue decreased by 11 percent due to an expected decline in one of the key accounts.
- ▶ **Global Services**
Revenue increased by 2 percent.

▶ Significant increase of 24 percent in Network solutions, representing 62 percent of total revenue

All regions increased sales

- ▶ **EMEA**
Revenue increased by 9 percent in the quarter, year over year. The increase is mainly related to sales from the acquired Policy and Access Control business (closed March 2019).
- ▶ **Americas**
Revenue increased by 7 percent in the quarter, year over year. The increase predominantly relates to contracts in the Policy and Access Control business.
- ▶ **Asia**
Revenue increased by 24 percent in the quarter, year over year. The increase is mainly related to some deals in Network Solutions.

Revenue per region Oct-Dec



Financial Position

Stable cash flow generation

- CF before change in WC 2019 (FY) amounted to 288.3 MSEK (198.0)
- CF from operations 2019 (FY) amounted to 245.2 MSEK (168.6)

More effective financing structure

- Enea redeemed the 500 MSEK bond loan (from March 2018) in Q4-19
- Short term negative EPS impact but EPS positive effect already from 2020

Reduced net debt to 216 MSEK

- Interest bearing liabilities amounted to 362 MSEK (634)
- Remaining purchase price of 47 MSEK to Atos was paid in November
- Cash and cash equivalents were 146 MSEK (75)

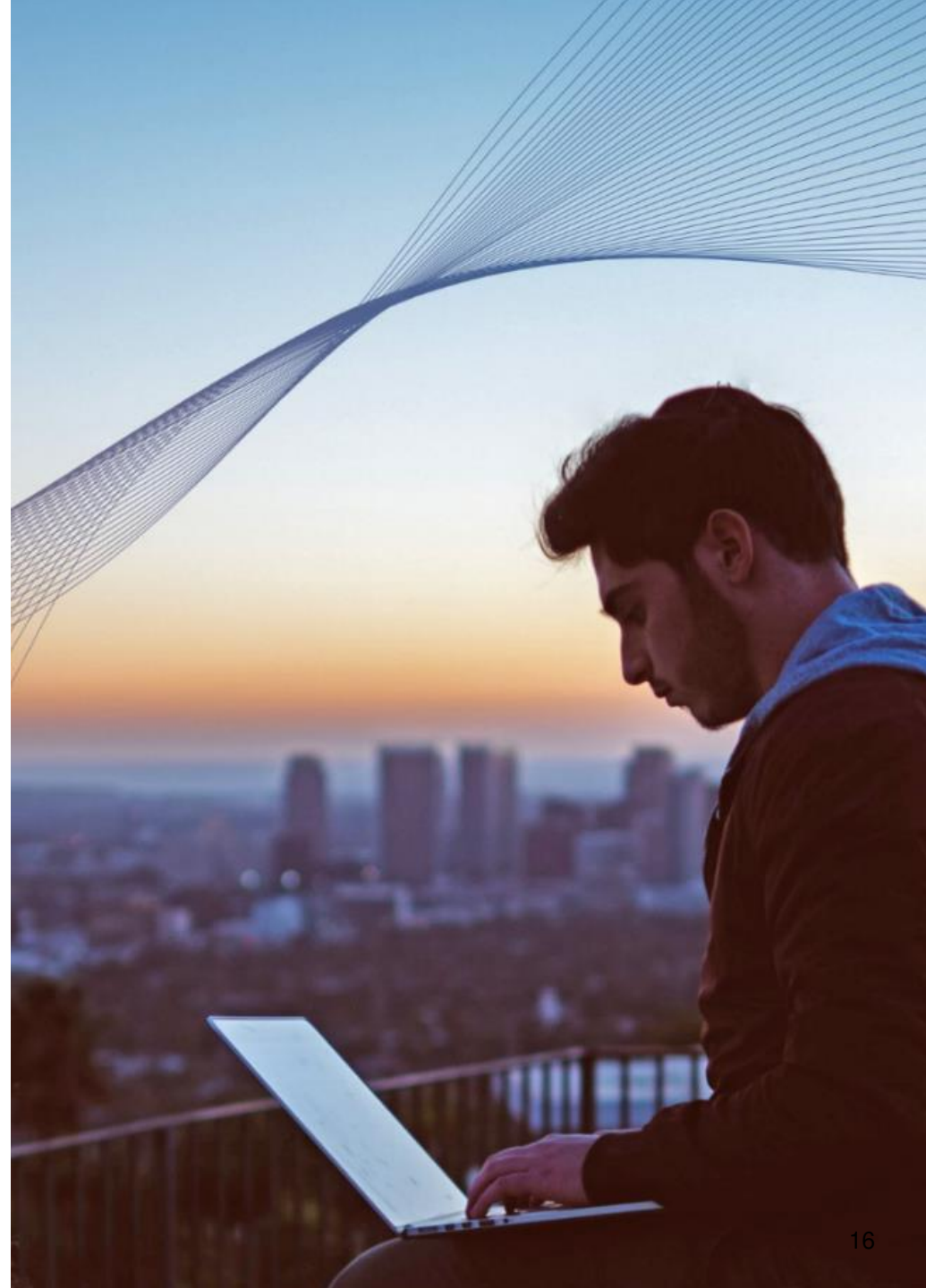
Improvement in financial KPIs

- Equity ratio was 66.9 percent (51.4)
- Net debt to EBITDA was 0.63 (2.44)

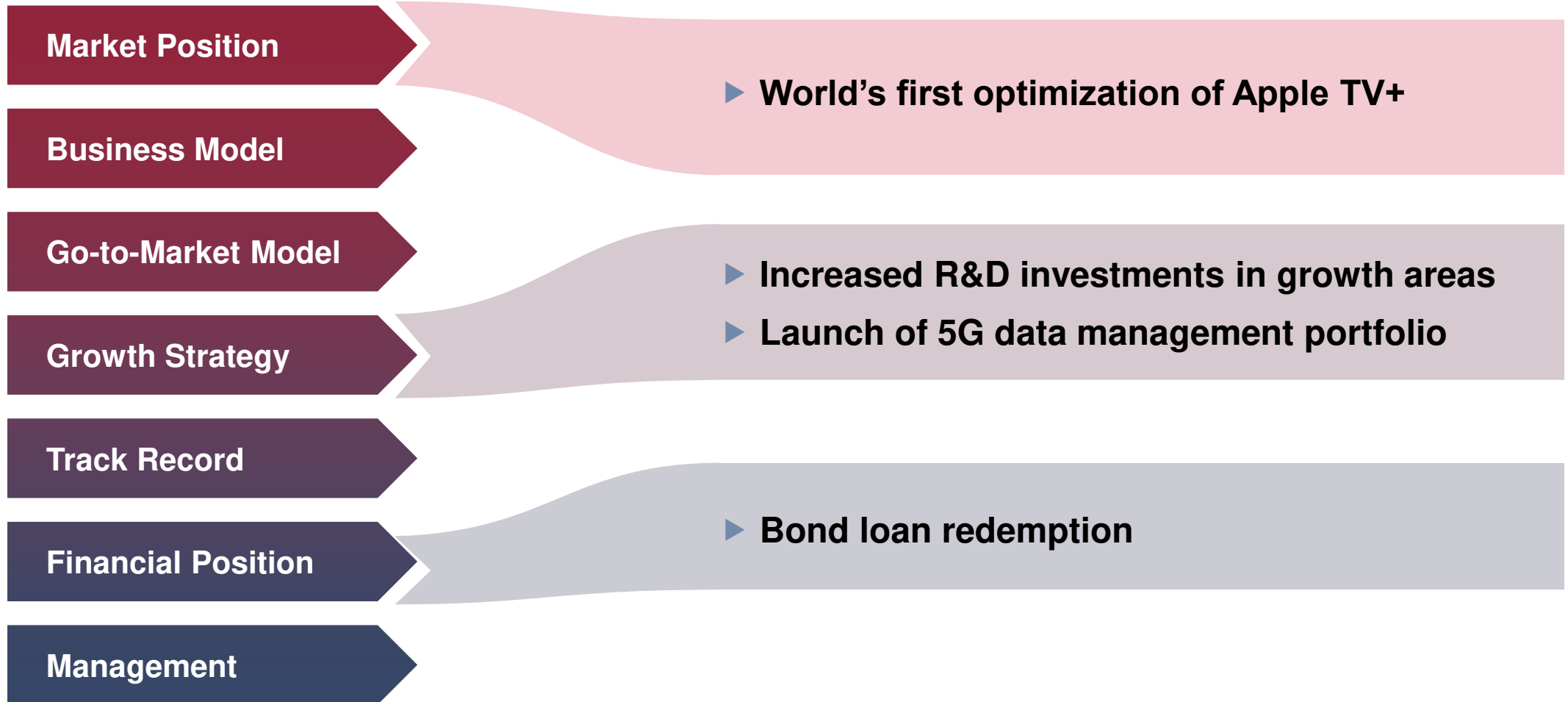
Well positioned to invest in both organic growth and potential non-organic opportunities

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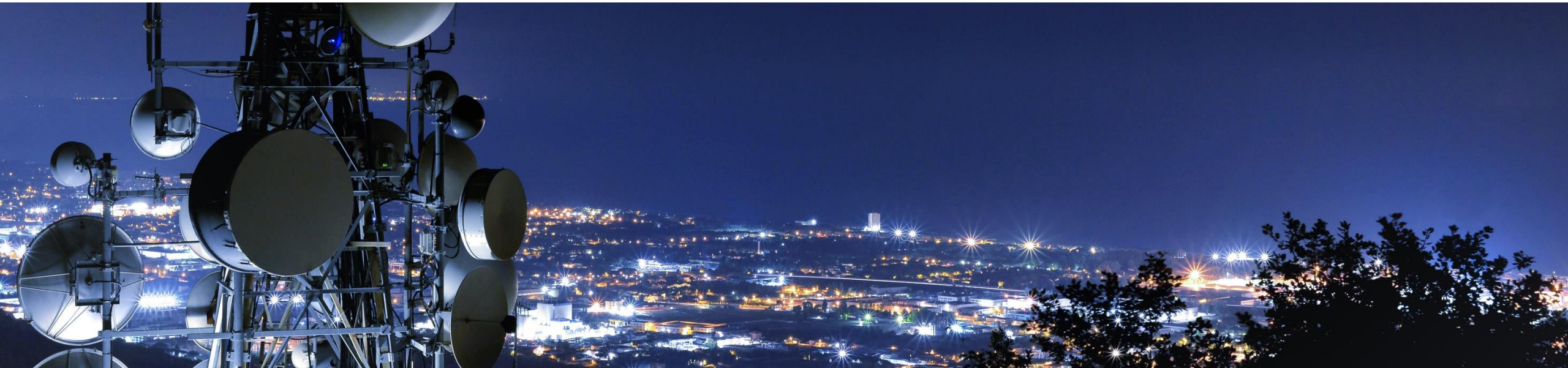


Strategy Execution - Highlights



Market Outlook 2020

Our goal for the full year 2020 is to achieve revenue growth on 2019, and an operating margin above 20 percent.



Thank you!

ENEAA

www.enea.com

