



# Enea Financial Results Q4 & FY 2023

Anders Lidbeck, CEO

Ulf Stigberg, CFO

February 1, 2024

# Agenda

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



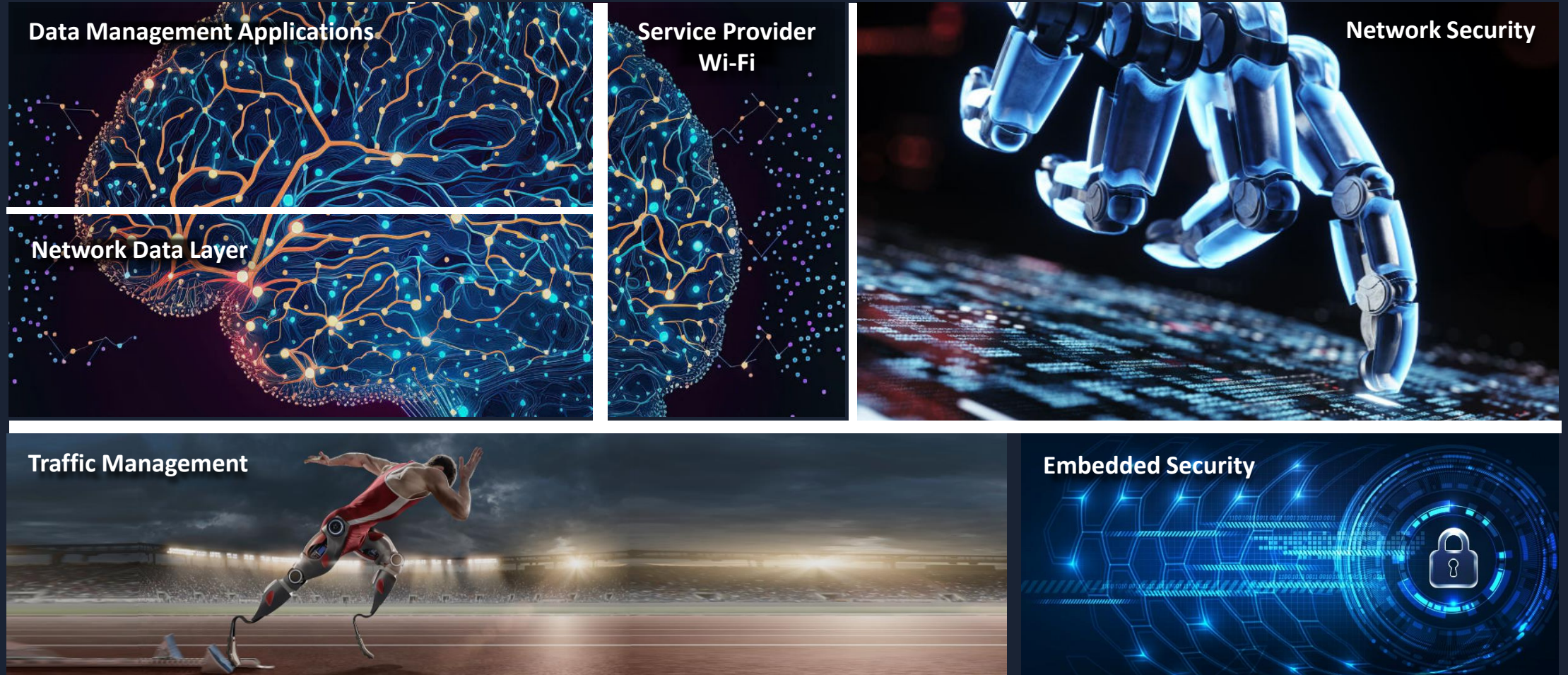
# Our Vision

*"We make the world's communications safer and more efficient"*





# World Class Cyber Security & Telecom Core Portfolio



# Key Numbers Q4 & FY 2023

## October - December

## January - December

HEAD QUARTER KISTA, SWEDEN	NET SALES 241 MSEK	EBITDA MARGIN <sup>2/</sup> 38 PERCENT	NET DEBT 209 MSEK	NET SALES 913 MSEK	EBITDA MARGIN <sup>2/</sup> 34 PERCENT	NET DEBT 209 MSEK
LISTED NASDAQ STOCKHOLM (MID CAP)	EARNINGS PER SHARE 0.60 SEK	OPERATING CASH FLOW -24 MSEK	R&D <sup>1/</sup> 20 PERCENT	EARNINGS PER SHARE -25.80 SEK	OPERATING CASH FLOW 259 MSEK	R&D <sup>1/</sup> 25 PERCENT

<sup>1/</sup> (OPEX less D&A plus Capitalized R&D)/(Net Sales)

<sup>2/</sup> (EBITDA excl NRI)/(Net Sales)

# Key Numbers Q4 & FY 2023

October - December

EARNINGS PER  
SHARE  
**0.60**  
SEK

January - December

EARNINGS PER  
SHARE  
**-25.80**  
SEK

# Key Numbers Q4 & FY 2023

## October - December



## January - December



<sup>1/</sup> (OPEX less D&A plus Capitalized R&D)/(Net Sales)

<sup>2/</sup> (EBITDA excl NRI)/(Net Sales)

# Key Numbers Q4 & FY 2023

October - December

January - December

OPERATING  
CASH FLOW

259

MSEK

<sup>1/</sup> (OPEX less D&A plus Capitalized R&D)/(Net Sales)

<sup>2/</sup> (EBITDA excl NRI)/(Net Sales)



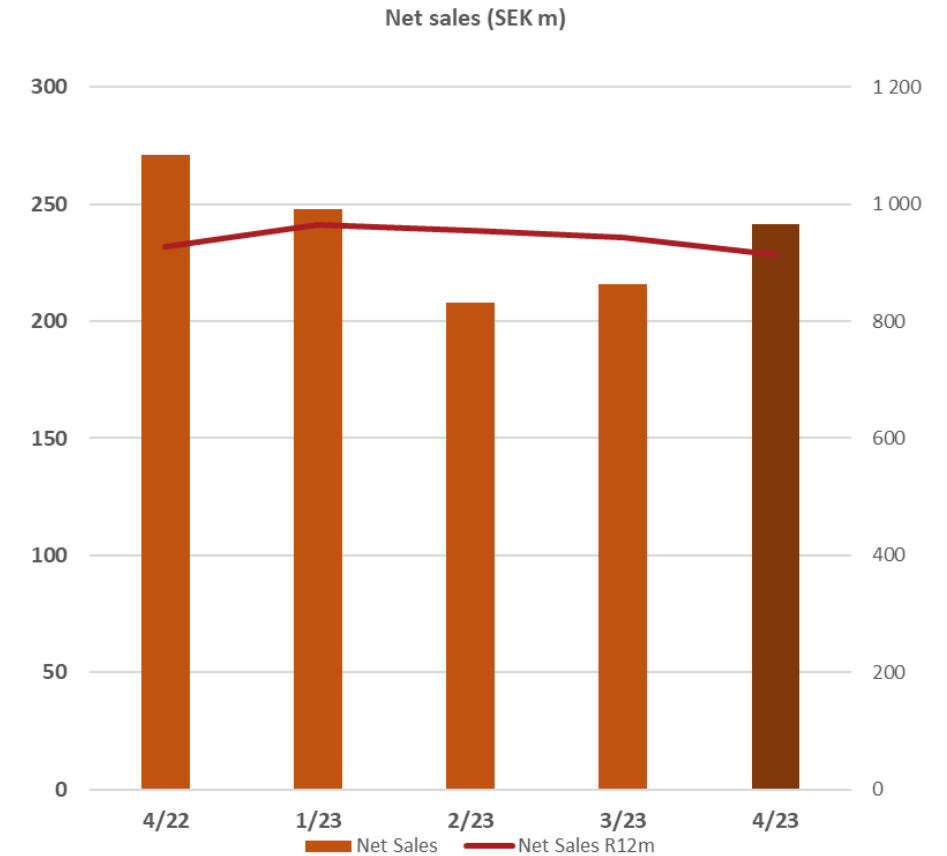
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# Net Sales Q423

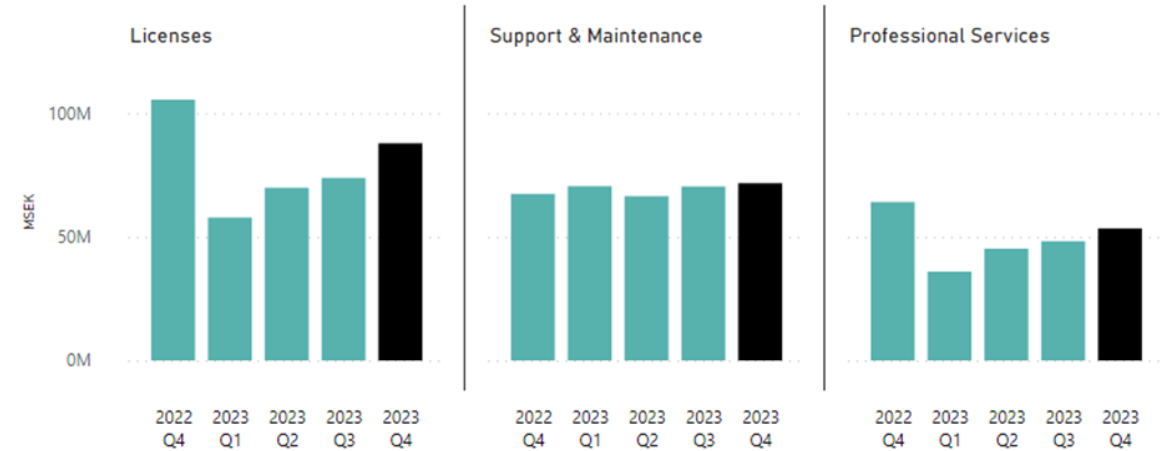
- Q423 Net Sales MSEK 241 (271)
- 12% growth over Q323 but 11% decline over Q422
- Total revenues MSEK 243 (273) including currency gains
- FX impact vs last year MSEK 4.6
- FY23: MSEK 913 (928)
- -2% growth over FY22



# Networks Solutions - Recurring Revenue Growing

- ▶ License revenues increased compared to previous quarters in 2023. 88 MSEK (106) or a decline by 17% compared to Q422
- ▶ Support & Maintenance of 72 MSEK (67) increased 6%. Three consecutive years of stable growth
- ▶ Professional Services increased compared to previous quarters in 2023. 53 MSEK (64) or -17% compared to previous year.

Network Solutions per Revenue Type per Quarter

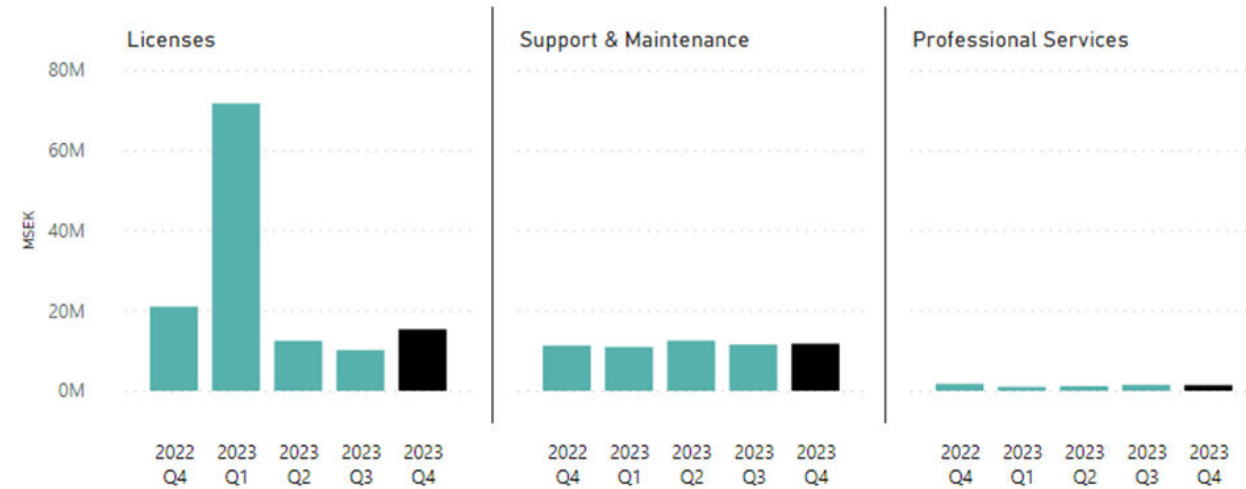




# Operating Systems – Solid Numbers as Predicted

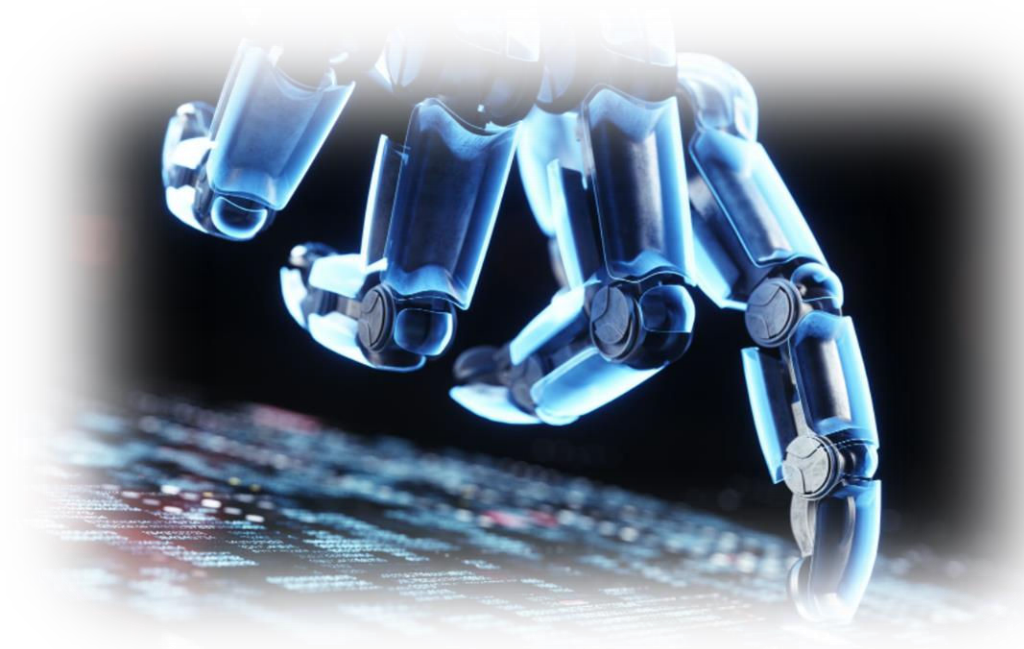
- ▶ Expected drop in license revenues to MSEK 15 (21) or -19%
- ▶ Support & Maintenance of MSEK 12 (11) or +4%. Performing well in the quarter and is above plan (with very small FX-effect)
- ▶ Professional Services of MSEK 1 (2), small numbers but stable

OS per Revenue Type per Quarter

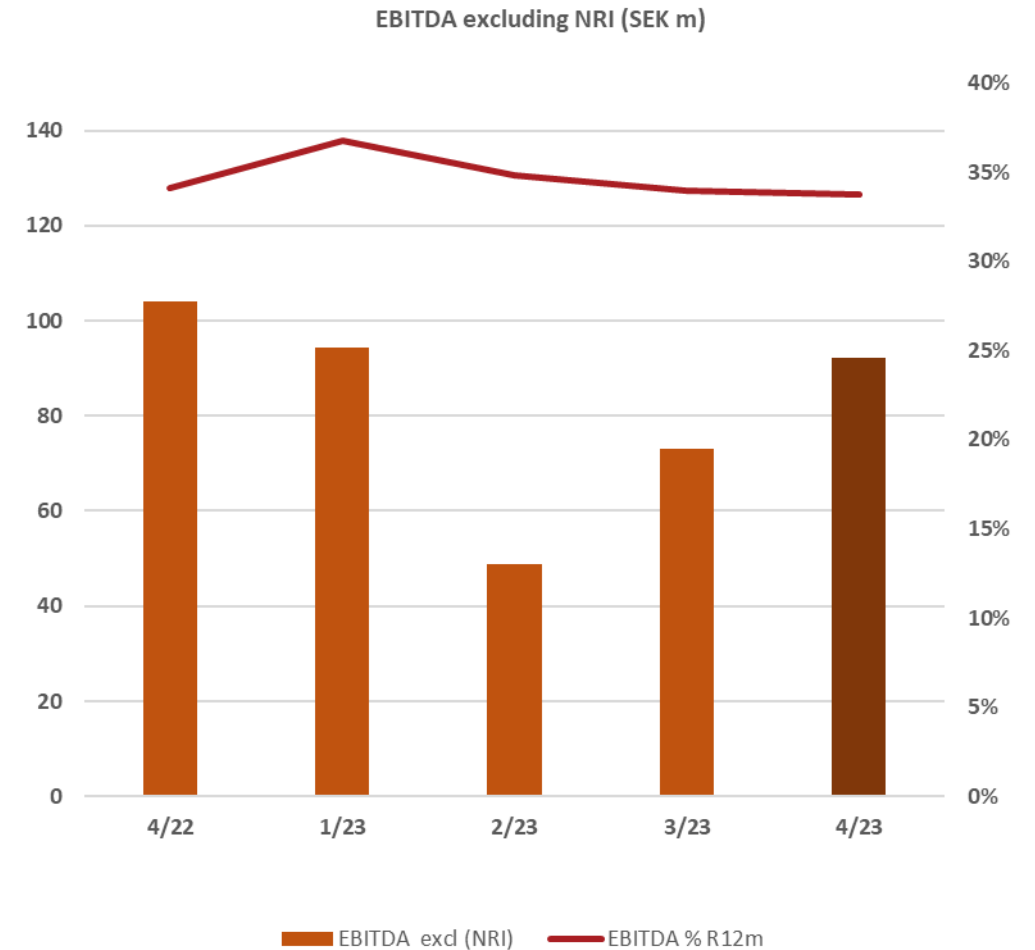




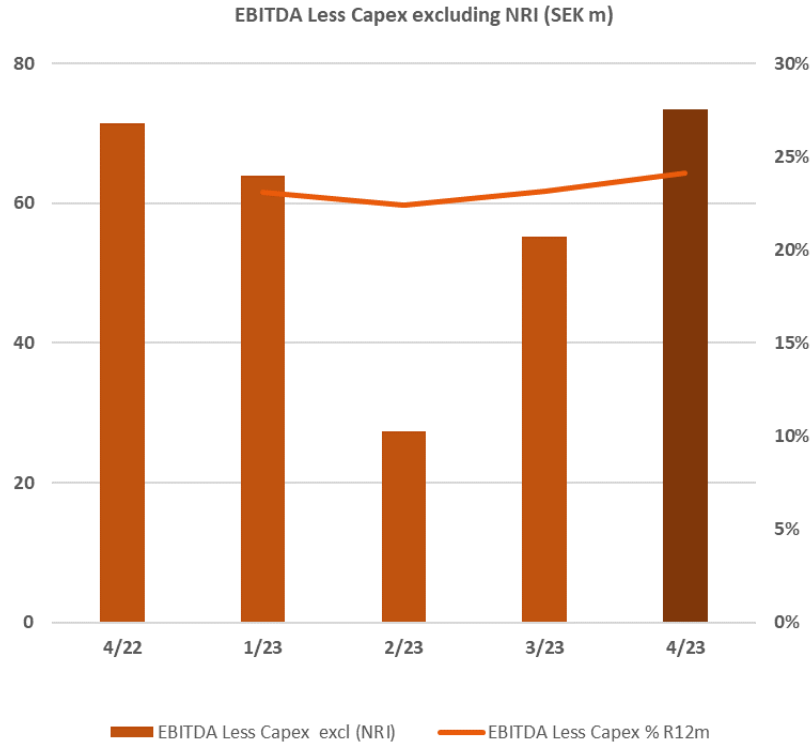
# 38 Percent EBITDA Margin in Q4



- 38% (38%) EBITDA margin excl. NRI
- Non-recurring items in Q4 affecting EBITDA amounted to SEK 4.3m
- 79.0% in Gross margin (76.4%), positive impact of 2.6 percentage units by reduced cost of sales.
- Operational expenses of SEK 144.6m (150.7).
- Operating expenses, excluding D&A, SEK 100.1m (105.3) have been negatively impacted by decreased Capex of SEK 13.3m and unfavorable exchange rates of approx. SEK 0.2m. R&D spend has been reduced by 18.3m



# Growing EBITDA Less Capex in Q4



- EBITDA Less Capex excl Non-Rec Items of SEK 73.4m (71.5) or 30% (26%) EBITDA Less Capex margin.
- EBITDA Less Capex excl. Non-Rec Items of MSEK 219.7m (194.8) or 24% (21%) EBITDA less Capex margin.
- EBIT excl Non-Rec Items of SEK 47.6m (57.9) or 20% (21%) EBIT margin
- EPS of SEK 0.60 (1.81) for the continued operation

# Cash Flows



## Cash flow generation

- Cash flow before changes in WC amounted to SEK 53.2m (70.4)
- Cash flow from operations amounted to SEK -24.0 (-2.1)
- Cash flow from investment activities SEK -21.0m (-34.2)
- Net Cash flow for the quarter of SEK -56.8m (-35.0)

## Financing structure

- Interest bearing bank loans amounted to SEK 470.9m (551.7)
- Cash and cash equivalents were SEK 261.8m (231.3)
- Net debt of MSEK 209.1 (320.5)

## Financial KPIs

- Equity ratio was 65.1 percent (69.1)
- Net debt to EBITDA was 0.97 (1.10)



# The Buy-back Program on Repeat

- 570 107 shares were bought back from the start of the program in July till December 31, 2023
- For a total consideration of MSEK 27,1
- Given the strong financial position the board has re-initiated a buy-back program of own shares for Q1
- Within the 10 percent mandate given by the AGM
- The program will be carried out by a credit institution following the 'Safe Harbour Regulation'



# Agenda

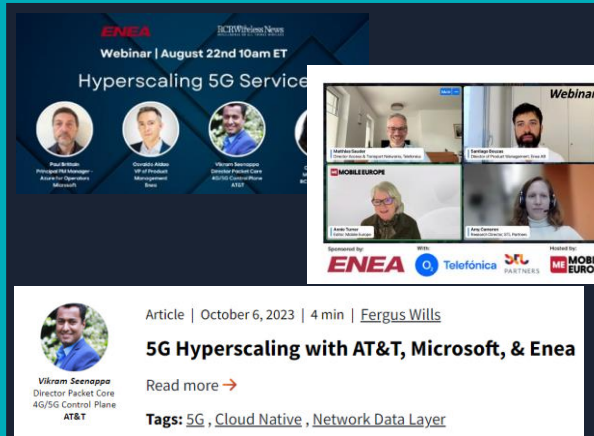
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# 15 New Logos during 2023 & Much More..



West-Africa – project kickoff



On stage with AT&T, Telefonica and more.



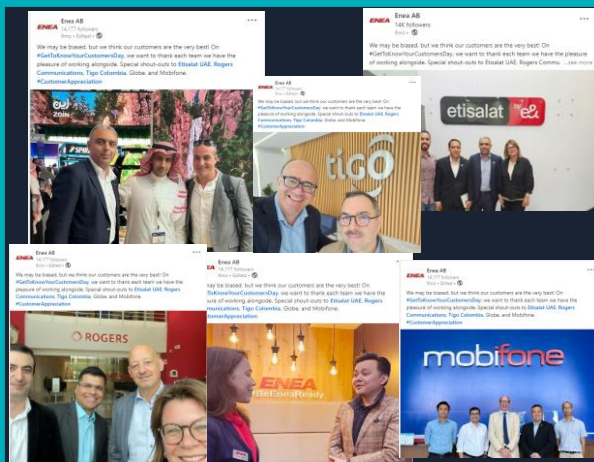
Swisscom IoT launch



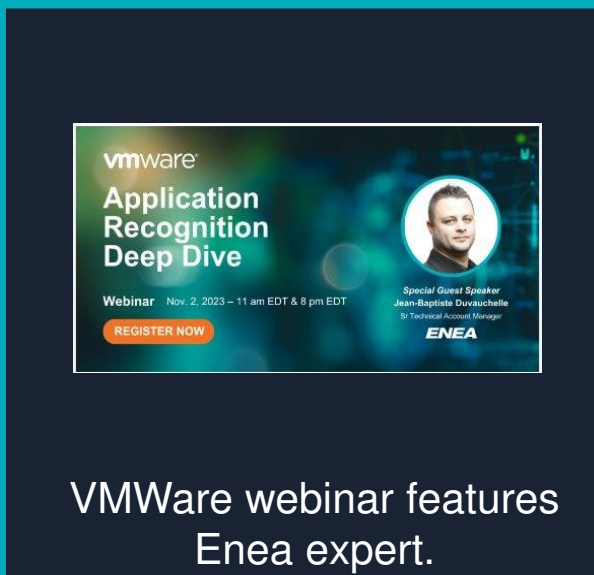
Zscaler & Arista, joint AI report and seminars



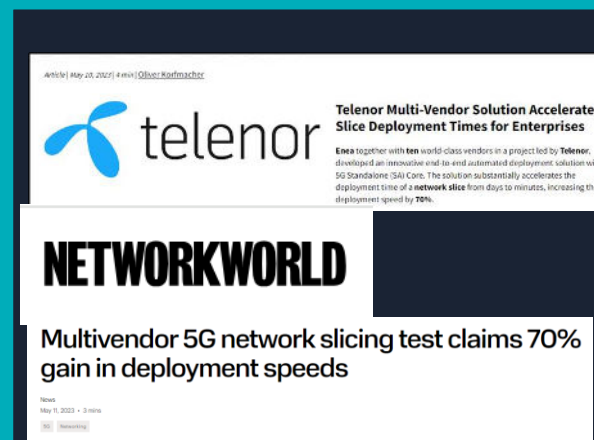
Globe Philippines Case Study



Customer focus – mobifone, E&, Rogers, Globe, Tigo



VMWare webinar features Enea expert.



Telenor Award Entry gains attention



# Take Aways from 2023



# Enea Cybersecurity & Telecom Core Portfolio

Control  
Plane

Data Management Applications

Network Data Layer

Service Provider  
Wi-Fi

Network Security

Traffic Management

User  
Plane

Embedded Security



# Enea Playing Fields & Strategic Moves in 2024

7

Expand Applications & WiFi footprint with Strategic Partners

6

Expand UDR in production with Key Customers

Service Provider Wi-Fi

4

Expand from Signaling FW to Voice Fraud Protection

5

Expand from Messaging FW to AI-based functions

1

Expand from Optimization to DPI & Monetization

3

Adopt AI technologies for full traffic encryption

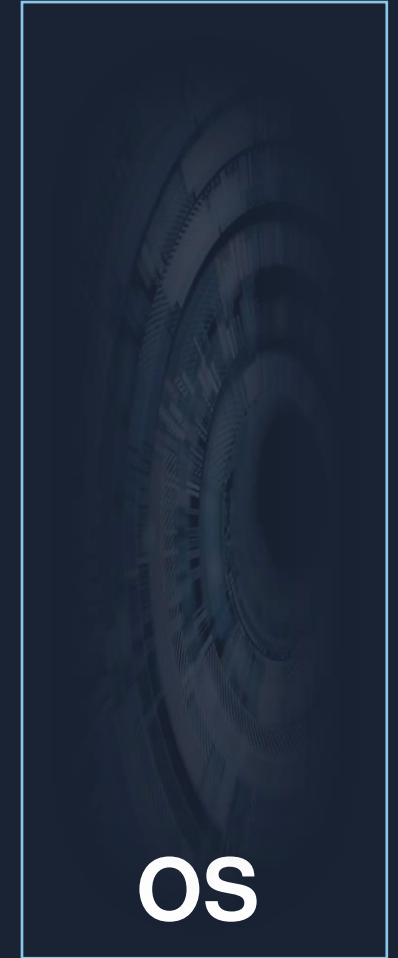
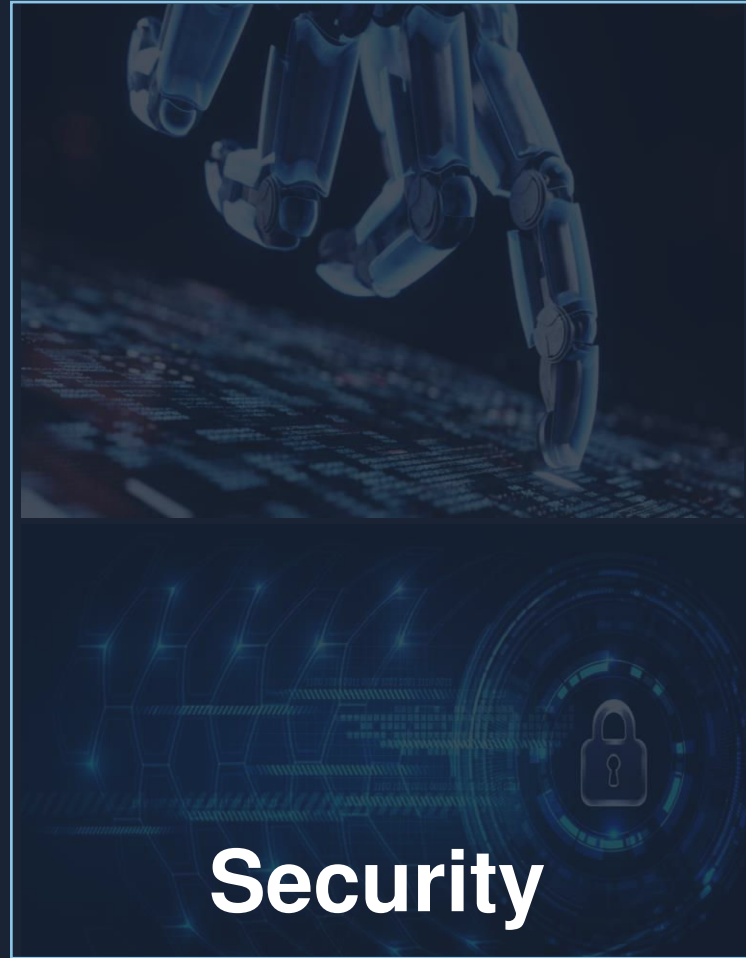
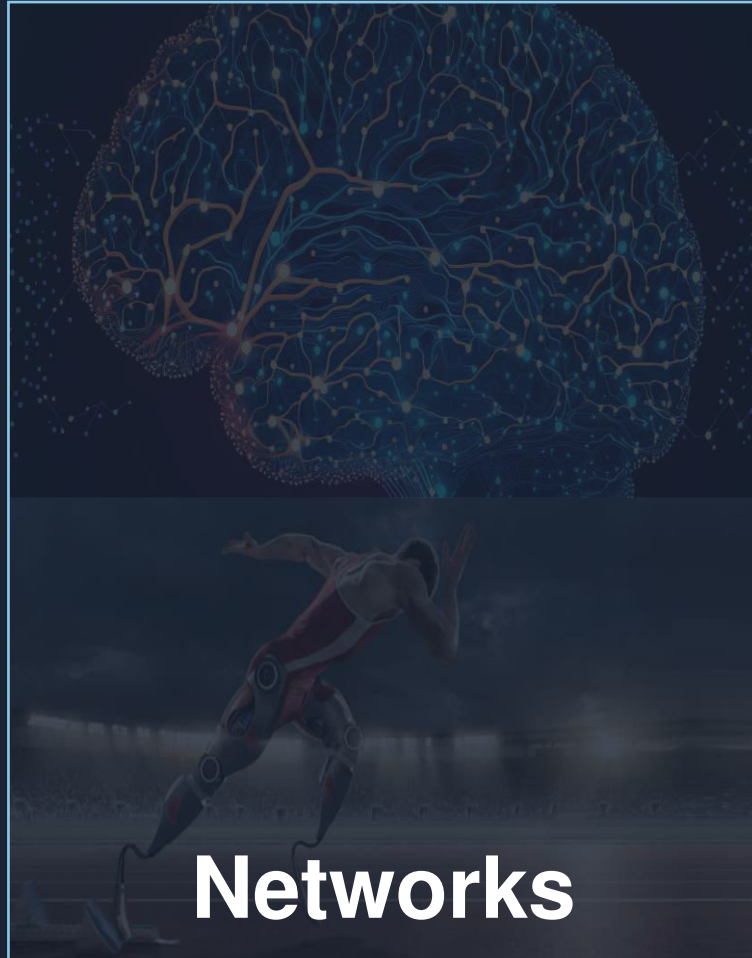
Traffic Management

2

Expand from DPI to Security - Intrusion Detection

Embedded Security

# New Revenue Segmentation from Q124



# New Organization 2024

Anders Lidbeck  
President & CEO

## Business Groups

Roland Steiner  
Network Applications

Roland Steiner  
Network Performance

John Hughes  
Network Security

Jean-Pierre Coury  
Embedded Security

## Corporate Functions

Ulf Stigberg  
Finance

Anna Selander  
People & Culture

Stephanie Huf  
Marketing & Comms

Osvaldo Aldao  
Product & Technology

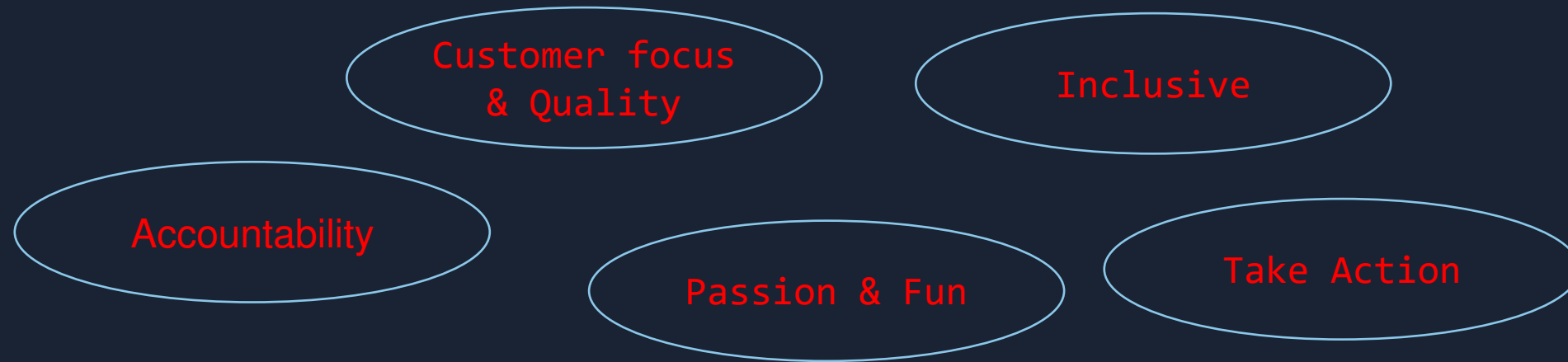
## Corporate Operations

Emma Bergvall  
Sales Operations

Osvaldo Aldao  
Product Operations



# New Values Drive Organization & Business Growth





# Long Term Financial Ambition and 2024 Outlook

*Our goal in the coming years is to generate double-digit growth in our focused business areas, an EBITDA margin over 35 percent, and strong cash flows.*

*Our growth will continue to be affected by the general economic circumstances. But for the full year 2024 we still expect continued strong cash flows and an EBITDA margin above 30 percent.*

# Thank You!

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