

04 - 25 - 2024

**ENEAA**

# Interim report Q1 2024

*ANDERS LIDBECK, CEO*

*ULF STIGBERG, CFO*

# Agenda

ENE A INTERIM REPORT Q124

- Intro
- Financial results
- Cybersecurity development
- Way forward and outlook



ANDERS LIDBECK, CEO



ULF STIGBERG, CFO

# Our Vision

4.5 BILLION PEOPLE ARE RELYING ON OUR SOFTWARE EVERY DAY



We make the world's  
communications safer  
and more efficient.

*Our solutions connect, optimize and protect  
communications between companies, people,  
devices and things worldwide.*

# Key Numbers Q124

JANUARY - MARCH 2024

HEAD  
QUARTER  
KISTA,  
SWEDEN

LISTED  
NASDAQ  
STOCKHOLM  
(MID CAP)

NET SALES

200

MSEK

EBITDA MARGIN <sup>2/</sup>

29

PERCENT

NET DEBT

133

MSEK

EARNINGS  
PER SHARE

0.52

SEK

OPERATING  
CASH FLOW

120

MSEK

R&D <sup>1/</sup>

26

PERCENT

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

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

# New Revenue Segmentation from Q124

TO BETTER REFLECT ENEA'S MARKET FOCUS AND PORTFOLIO



NETWORK SOLUTIONS



OS

# New Revenue Segmentation from Q124

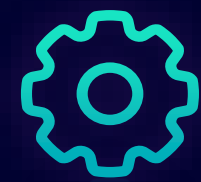
TO BETTER REFLECT ENEA'S MARKET FOCUS AND PORTFOLIO



NETWORK



SECURITY



OS

# Q124 Growth in Focus Areas

*GOOD GROWTH BUT STILL SOFT MARKET CONDITIONS*

- 9% y-o-y growth in our Security Segment
- 10% y-o-y growth in our Network Segment
  
- Growth is driven by growing recurring revenues
- The Telecom market is still soft
  
- 11% decline in the global RAN investments 2023 over 2022 (Dell'Oro Report, 2024)
- Continued decline expected in 2024 (Dell'Oro Report, 2024)

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# Net Sales in Q1 2024



	2024 Q1*	2023 Q1*	2024 Q1	2023 Q1
Net Sales	200	187	200	248
Growth (%)	7%		-19%	18%
Growth (% , currency adjusted)	5%		-21%	13%
Total Revenues	206		206	254

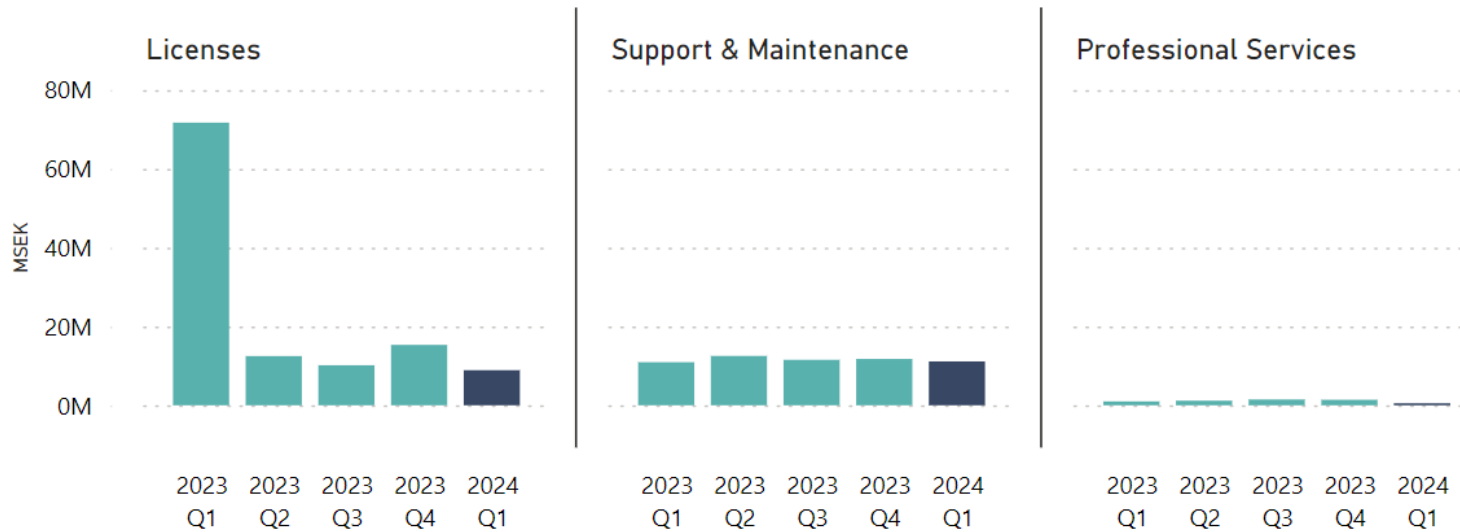
\*Adjusted for one-off revenue in Q123

- Stable net sales generated from current business
- High renewal rate results in stable growth in recurring revenue
- Year over year growth when adjusted for Q123 one-time buyout deal.
- Total Revenues of SEK 206m (254) include Other revenues of SEK 5.9m (6.1), all related to currency gains.

# Operating Systems – Following Plans

REVENUE BY TYPE

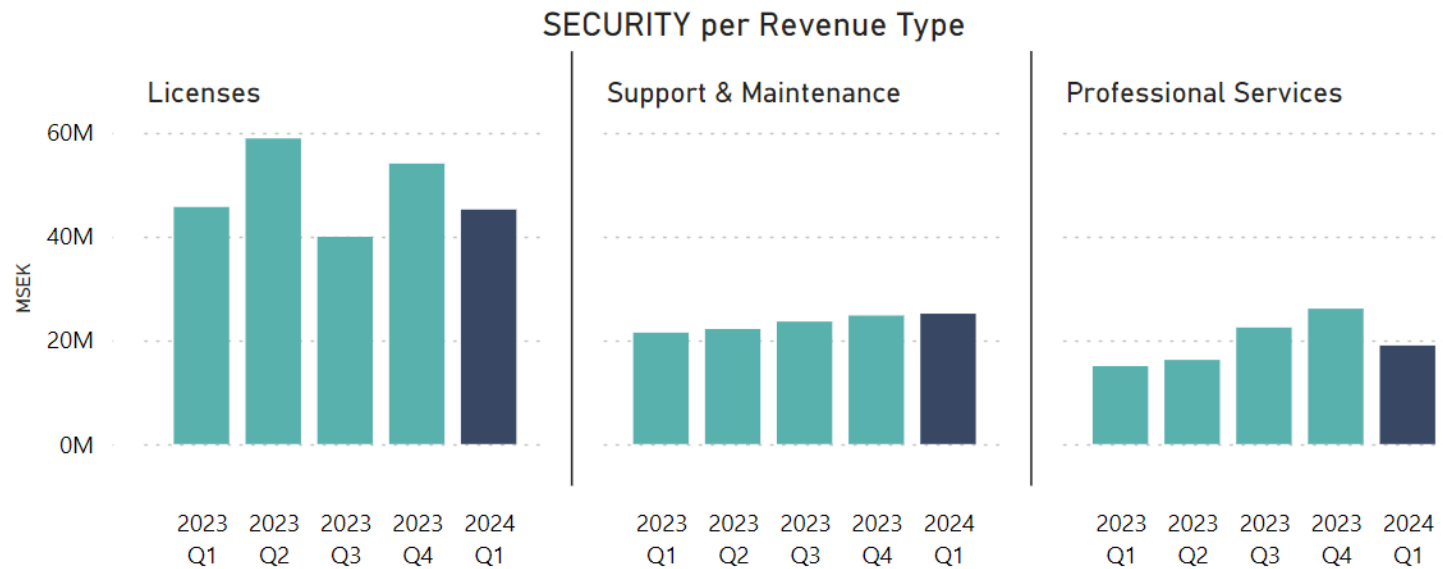
LEGACY BUSINESS per Revenue Type



- License revenues of SEK 9m (72) or -92%
- Excluding buyout 2023 of 61m, the drop is 2m (17%) which is excepted.
- Support & Maintenance of SEK 11m (11m) or +2%
- Performing steady and in line with plan

# Security Solutions – Growing Recurring Revenue

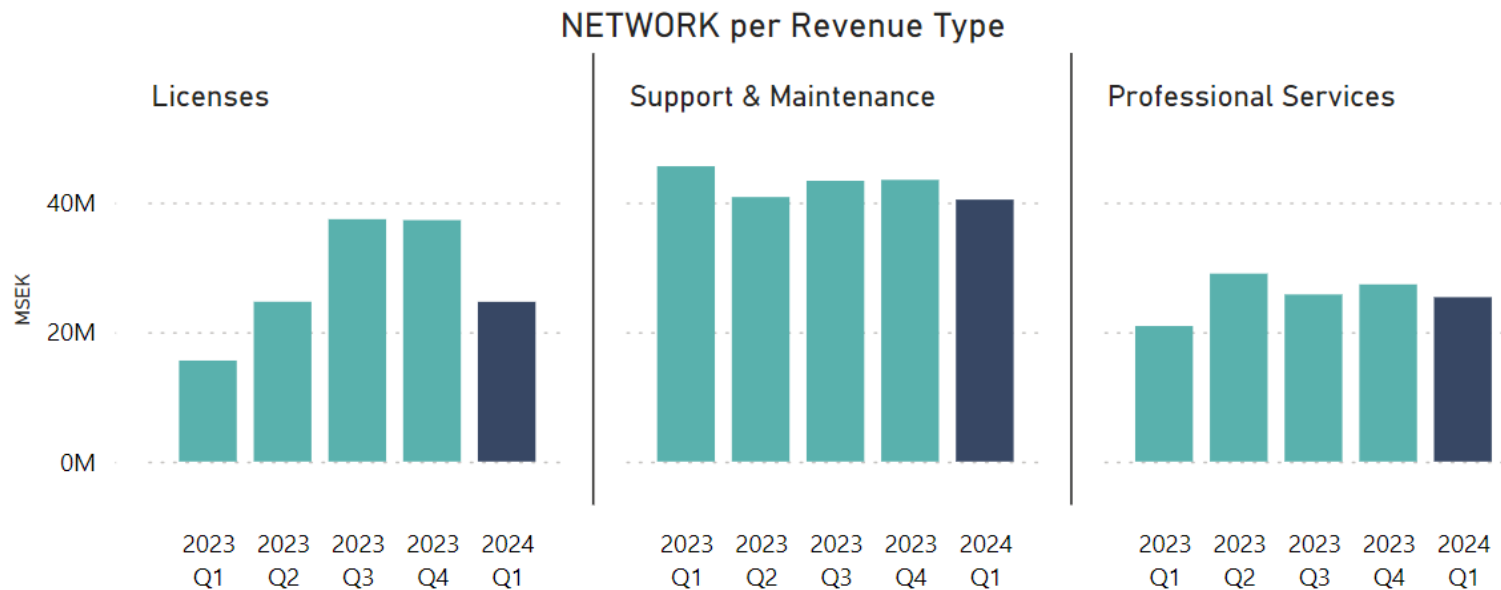
REVENUE BY TYPE



- License revenues of SEK 45m (46) or -1%
- Support & Maintenance steady increase vs last year. SEK 25m (21) or +17% vs Q123
  - Partly thanks to increased installed base and higher rates for specific deals
- Professional Services of SEK 19m (15) or +26%

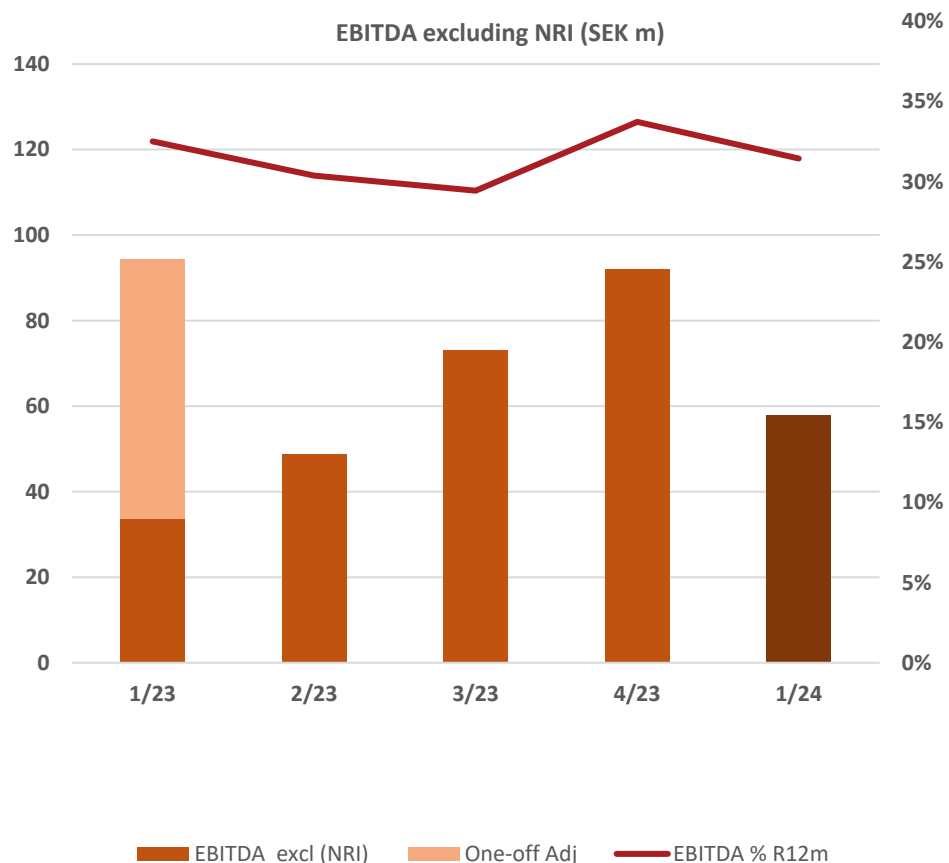
# Network Solutions – Good Renewal Rate

REVENUE BY TYPE



- Renewal rate of recurring contracts, in all categories, is good including key operators in both Europe and North America.
- License revenues of SEK 25m (16) or +58% vs Q123
  - Increase based on expansion and new deals for the quarter
- Support & Maintenance of SEK 41m (46) or -10%
  - This is mainly explained by a positive adjustment in Q123 of 2.8m and a negative adjustment in Q124 of 1.2m
- Professional Services of SEK 25m (21) or +19%
  - Stable and increase compared to 2023

# EBITDA in Q124



	2024 Q1*	2023 Q1*	2024 Q1	2023 Q1
EBITDA excl Non-Recurring Items, SEK m	57.9	33.7	57.9	94.4
EBITDA, SEK m			57.9	53.5
EBITDA margin excl. non-rec. items, %	29%	18%	29%	38%
EBITDA margin, %			29%	22%

\*Adjusted for one-off revenue in Q123

- 29% (18%) EBITDA margin excl. NRI\*
- 29% (38%) EBITDA margin excl. NRI
- No Non-recurring items in Q1 affecting EBITDA
- 77.0% in Gross margin (80.0%), impacted by change in revenue mix Lower share SW license revenues.
- Operational expenses, excluding D&A of SEK 100.5m (108.9).
  - Opex spend SEK 122.0 (139.4), positively impacted by one-time items of 3m
  - Capex SEK 21.5m (30.5)

# Strong Cash Flow Q124



## CASH FLOW GENERATION

- Cash flow from operations SEK 120.0m (97.5)
- Net Cash flow SEK 51.0m (24.2)



## FINANCING STRUCTURE

- Net debt of MSEK 132.9m (262.9)

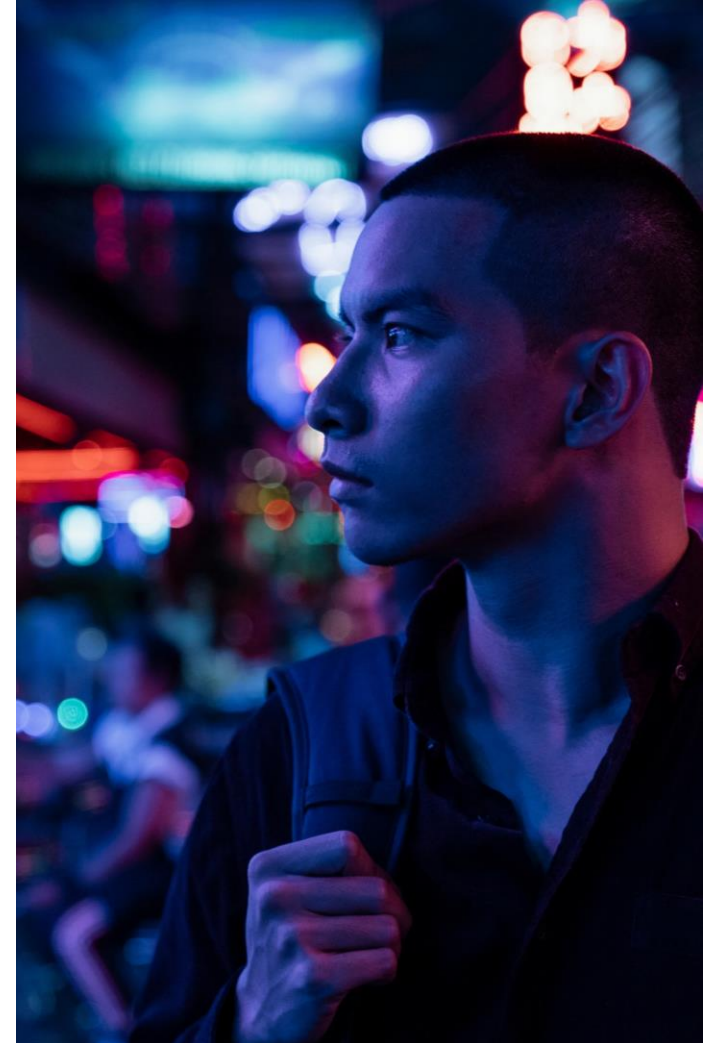


## FINANCIAL KPI'S

- Equity ratio 65.8 percent (68.9)
- Net debt to EBITDA 0.74 (0.74)

# The Buy-back Program on Repeat

- 245 825 shares were bought back in Q124, for a total consideration of MSEK 13.2
- The board has decided to continue the buy-back program of own shares until next AGM on May 7th
- The program will be carried out by a credit institution following the 'Safe Harbour Regulation'



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# Industry in Force at Mobile World Congress



## MWC 2024

- 101,000 attendees, close to 2019 high
- 59% from wider mobile ecosystem
- 2700 exhibitors
- 180 ministerial delegations, representing 140 countries, 70 Ministers
- Security, AI, Revenue growth & protection key themes

## Enea at MWC 2024

- 100+ executive level customer meetings
- High interest in AI developments for traffic management and security
- Voice security and revenue protection key focus
- Winner inaugural Mobile IoT award from Mobile Ecosystem Forum

# State of Security - Survey Reveal Investment Gaps



Mobile World Live survey of 416 enterprise and CSP respondents.

## ENTERPRISE EXPECTATIONS

61%

Report significant cost to business from mobile messaging fraud and scams.

51%

Require CSP to provide firewall protection.

47%

CSP is rated the most important Cybersecurity provider.

## COMMUNICATIONS SERVICE PROVIDER INVESTMENT

56%

Plan to invest in SMS or multiprotocol messaging firewalls in next 3 years.

37%

Plan to invest in Signaling Firewalls in next 3 years.

46%

Plan to invest in Threat Intelligence Services in next 3 years.

# Call To Arms for 2024



## Voice Fraud

Learn how to defend yourself and your business

Don't be surprised; vishing attacks are on the rise.

## Artificial Intelligence

Deepfake Biometrics, Imposter Chatbots, and "Inferred Private Data"

Be ready. Discover the Zero-Trust Strategies and Cutting-edge AI Defenses.

## The EU's New Digital Networks Act

What's Changed, How It Impacts You, and the Future of Mobile Networks

Don't be surprised by the transformative shifts ahead – be ready for the evolution

## Artificial Inflation of Traffic

Unmasking the Threats, Financial Fallout, and Strategies for 2024

Be ready for the battle to safeguard digital communications

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# Demonstrating Thought Leadership

Enea Wins Mobile Ecosystem Forum's Mobile IoT Innovation Award 2024



Global Award  
Mobile IoT with Swisscom

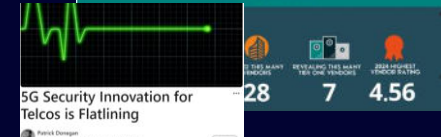


Sms Fraud Keynote At Mobile  
Ecosystem Global Forum



100+ Executive Meetings At  
Mobile World Congress Barcelona

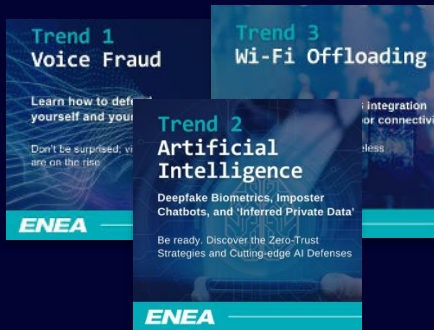
THE LEADING VENDORS  
IN SMS MONETISATION  
2024



5G Security Innovation for  
Telcos is Flatlining

Interestingly, two notable exceptions to this rule this year came from NETSCOUT and Enea for Service Providers (CSPs). From very different portfolio starting points, both came to MWC to expound on new 5G security solutions for providing better visibility and threat detection within 5G SA environments.

Analyst Recognitions  
For Network Security



Mobile Trends 2024



Enea Security Survey  
Reveals Investment Gaps



Industry Momentum In  
Openroaming For Wi-fi



Cybersecurity Insiders  
Recommends Enea  
Threat Detection SDK

# 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.





*ANDERS LIDBECK, CEO*



*ULF STIGBERG, CFO*

# Thank You!

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