# HMS Networks

# Interim report: January - September 2025

Hardware Meets Software™

## Third quarter

- Order intake increased by 26% to SEK 855 m (677). Organically, order intake increased by 22%
- Net sales increased by 13 % to SEK 894 m (792). Organically, net sales increased by 8%
- Adjusted EBIT reached SEK 244 m (194), equal to a 27.3% (24.5) adjusted operating margin
- EBIT reached SEK 213 m (163), equal to a 23.9% (20.6) operating margin
- Adjusted profit after tax totaled SEK 195 m (126) and adjusted basic earnings per share were SEK 3.88 (2.51)
- Profit after tax totaled SEK 164 m (95) and basic earnings per share were SEK 3.26 (1.89)
- Cash flow from operating activities amounted to SEK 258 m (205)
- New financial and strategic targets have been set, presented at HMS Capital Markets Day on September 9

## First nine months

- Order intake increased by 36% to SEK 2,601 m (1,918). Organically, order intake increased by 14%
- Net sales increased by 17% to SEK 2,627 m (2,253). Organically, net sales decreased by 4%
- Adjusted EBIT reached SEK 643 m (503), equal to a 24.5% (22.3) adjusted operating margin
- EBIT reached SEK 526 m (396), equal to a 20.0% (17.6) operating margin
- Adjusted profit after tax totaled SEK 480 m (342) and adjusted basic earnings per share were SEK 9.56 (7.05)
- Profit after tax totaled SEK 363 m (235) and basic earnings per share were SEK 7.23 (4.86)
- Cash flow from operating activities amounted to SEK 646 m (415)
- New organizational structure from January 1, 2025, to strengthen customer focus and cross-selling

| Order intake Q3 | Net sales Q3 | Adjusted EBIT-margin Q3 |
|---|---|---|
| +26% | +13% | 27% |

This is a translation of the Swedish language original. In the event of any differences between this translation and the Swedish original, the latter shall prevail.

# CEO Comments

## A STRONG QUARTER WITH POSITIVE DEVELOPMENTS IN NORTH AMERICA

During the third quarter, we saw improvements in all markets. The most positive development is in North America, where customers' investments, particularly in energy and infrastructure, are creating new business opportunities for us.

Order intake for the quarter amounted to SEK 855 million (677), representing an organic increase of 22%. All markets delivered solid growth, although compared to a weak third quarter in 2024.

Revenue for the quarter reached a record level of SEK 894 million (792), corresponding to an organic increase of 8%. The gross margin was 64.1% (63.5%), driven by a favorable product mix and, to some extent, price adjustments implemented to offset U.S. tariff costs. Operating expenses increased organically by 7% compared to the previous year, derived from investments in sales and marketing.

The adjusted operating profit reached a new record of SEK 244 million (194), corresponding to a margin of 27.3%. The impact of exchange rates on the result for the quarter was minimal, primarily due to effective currency hedging strategies. However, this positive effect is expected to decrease in the coming quarter.

We delivered another quarter of strong cash flow from operations, totaling SEK 258 million (205), supported by continued inventory reductions of SEK 16 million. The net debt to adjusted EBITDA ratio continues to improve and now stands at 2.66x, moving steadily toward our long-term target of below 2.5x.

## IMPROVEMENTS ACROSS ALL DIVISIONS

Compared to the previous year, we are seeing positive signals across all major geographic markets. North America is driving sales growth, while order intake grows by over 20% in all our main markets.

In North America, we see strong performance in our largest division, Industrial Data Solutions (IDS), with an organic increase in order intake of 15%. The delayed deliveries of SEK 15 million from Q2 related to the implementation of a new ERP system have now been delivered, and our production unit in the U.S. is operating at full capacity. We continue to invest in increased capacity and productivity. Price adjustments to offset tariff effects are fully reflected in the quarter and contribute to both improved revenue and gross margin within the division.

China continues to perform well, particularly within the Industrial Network Technology division (INT), where we offer a competitive technology portfolio that meets little domestic competition. China has now surpassed Japan as our largest market in Asia. INT shows a solid organic increase in order intake of 34%.

New Industries (NI) is also showing better performance than in previous quarters, with an organic improvement in order intake of 21%, especially driven by a rebound in building automation, which has seen promising order intake and a couple of larger projects.

Our large market in Germany is performing slightly better than in previous quarters, although we are still seeing a cautious approach from several customers.

## STRATEGY 2030 AND NEW STRATEGIC TARGETS

On September 9, we held a well-attended Capital Markets Day, where we presented our strategic plan for 2030 along with new strategic targets. The strategy focuses on accelerating efforts to win new customers while expanding business with existing ones. In addition to organic growth, acquisitions will be a high priority to strengthen and broaden the offering across all divisions. Over the next five years, we will make significant investments in new product offerings and gradually develop our SaaS business model. To ensure continued stable profitability, HMS has also set goals to further improve operational efficiency.

Strategic goals have been set for sustainability, people/customers, and growth and profitability. The financial targets include a revenue goal of SEK 7.5 billion by 2030, with an EBITA margin of 25%.

## TARIFFS

The market is adapting to the new conditions with increased tariffs becoming part of everyday life. We are implementing activities to create as much flexibility as possible by reviewing logistics flows and increasing investments in our production facility in York, Pennsylvania. We see opportunities to move selected products and production steps to our U.S. operations to reduce the impact of the tariffs. We anticipate further changes in tariff regulations, and we are investing in maintaining high flexibility in our production processes.

## OUTLOOK

Uncertainty surrounding tariffs, geopolitics, and regulations continues to make the market hesitant in certain geographies. As before, we remain cautiously optimistic about the development potential for the year, although uncertainty persists regarding the macroeconomic situation. In the longer term, we believe that incentives and trends toward regionalized industrial production (North America, Europe, China, and Southeast Asia) will create greater demand for automation, digitalization, and communication in industrial applications—which is positive for HMS. We are optimistic about our ability to continue winning new customers and expanding business with our current customers through continued investments in product development, innovation, and sales resources. Creating profitable growth, both organically and through acquisitions, will be our priority in the coming years.

*CEO Staffan Dahlström, together with Courtney Peel, Strategic Product Manager, presents the Red Lion product FlexEdge, currently HMS's fastest growing product within energy and infrastructure applications.*

# Order intake, net sales and earnings

## THIRD QUARTER

Order intake increased by 26% to SEK 855 m (677), of which currency translation effects, including revaluation of the order book, amounted to SEK -47 m (-18). Organically, order intake increased by 22%, and acquired growth was 11%.

Net sales increased by 13% to SEK 894 m (792). Currency translation effects amounted to SEK -39 m (-5). Organically, net sales increased by 8%, and acquired growth was 10%.

Gross profit amounted to SEK 573 m (503), corresponding to a gross margin of 64.1% (63.5). Operating expenses amounted to SEK 362 m (343). Operating expenses include integration costs of SEK 2 m and amortization of excess values of SEK 29 m. Organically, operating expenses increased by SEK 21 m corresponding to 7%.

Adjusted EBITDA amounted to SEK 283 m (226), corresponding to a margin of 31.7% (28.6). Depreciation and amortization amounted to SEK 68 m (59). Adjusted EBIT amounted to SEK 244 m (194), corresponding to a margin of 27.3% (24.5). EBITDA amounted to SEK 281 m (222), corresponding to a margin of 31.4% (28.1). EBIT amounted to SEK 213 m (163), corresponding to a margin of 23.9% (20.6). Currency translation effects have affected operating profit by SEK -1 m (11).

Net financials were SEK -26 m (-45), burdened by interest expenses of SEK -28 m in respect of loans and lease liabilities, which gave a profit before tax of SEK 187 m (118).

Adjusted profit after tax amounted to SEK 195 m (126). Adjusted basic earnings per share were SEK 3.88 (2.51). Profit after tax amounted to SEK 164 m (95). Basic earnings per share were SEK 3.26 (1.89).

| Quarterly data for the Group | Q3 2025 | Q2 2025 | Q1 2025 | Q4 2024 | Q3 2024 | Q2 2024 | Q1 2024 | Q4 2023 | Q3 2023 |
|---|---|---|---|---|---|---|---|---|---|
| **Order Intake (SEK m)** | **855** | **816** | **930** | **893** | **677** | **769** | **473** | **426** | **492** |
| *Organic %* | *22* | *8* | *12* | *2* | *-8* | *-22* | *-36* | *-34* | *-25* |
| *Acquisition %* | *11* | *9* | *89* | *92* | *50* | *36* | *0* | *0* | *0* |
| *Currency translation effects %[1]* | *-7* | *-11* | *-4* | *16* | *-4* | *-5* | *5* | *-6* | *-2* |
| Order backlog | 696 | 728 | 736 | 703 | 605 | 713 | 641 | 778 | 1,106 |
| *% of LTM Net sales* | *20* | *19* | *21* | *20* | *17* | *18* | *22* | *26* | *37* |
| **Net Sales (SEK m)** | **894** | **843** | **890** | **807** | **792** | **845** | **616** | **760** | **789** |
| *Organic %* | *8* | *-5* | *-17* | *-33* | *-30* | *-20* | *-20* | *-3* | *20* |
| *Acquisition %* | *10* | *9* | *59* | *40* | *31* | *40* | *0* | *0* | *0* |
| *Currency translation effects %* | *-5* | *-5* | *2* | *0* | *-1* | *0* | *0* | *2* | *6* |
| Gross margin (%) | 64.1 | 61.8 | 63.0 | 62.6 | 63.5 | 61.9 | 62.6 | 65.3 | 65.4 |
| **Adjusted EBIT (SEK m)[2]** | **244** | **181** | **218** | **163** | **194** | **172** | **137** | **196** | **226** |
| **Adjusted EBIT (%)[2]** | **27.3** | **21.4** | **24.5** | **20.2** | **24.5** | **20.4** | **22.2** | **25.8** | **28.7** |
| EBIT (SEK m) | 213 | 138 | 175 | 106 | 163 | 104 | 130 | 169 | 223 |
| EBIT (%) | 23.9 | 16.4 | 19.6 | 13.2 | 20.6 | 12.3 | 21.1 | 22.3 | 28.2 |
| **Adjusted basic earnings per share (SEK)[2]** | **3.88** | **2.52** | **3.17** | **2.60** | **2.51** | **2.12** | **2.43** | **2.94** | **3.77** |
| Basic earnings per share (SEK)[2] | 3.26 | 1.67 | 2.29 | 1.49 | 1.89 | 0.70 | 2.28 | 2.36 | 3.69 |

*[1] Related to currency effects for the period, and currency translation effect of the order book.*

*[2] Excluding items affecting comparability and amortization of excess values. Please see Adjusted EBIT in Economic Definitions on* ***page 19****.*

## FIRST NINE MONTHS

Order intake increased by 36% to SEK 2,601 m (1,918). Currency translation effects, including revaluation of the order book, amounted to SEK -152 m (-15). Organically, the order intake increased by 14%, and acquired growth was 30%.

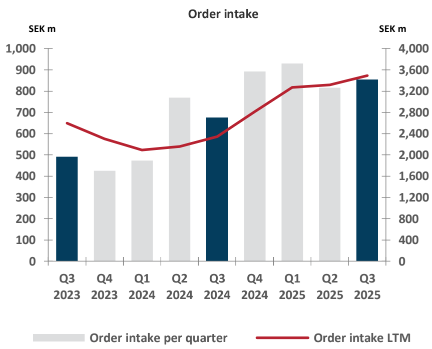
Net sales increased by 17% to SEK 2,627 m (2,253). Currency translation effects amounted to SEK -65 m (-8). Organically, net sales decreased by 4%, and acquired growth was 23%.

Gross profit amounted to SEK 1,654 m (1,411), corresponding to a gross margin of 63.0% (62.6). Operating expenses amounted to SEK 1,135 m (1,021). Operating expenses include restructuring-, transaction- and integration costs of SEK 28 m (49) and amortization of excess values of SEK 88 m (57). Organically, operating expenses are in line with the previous period.

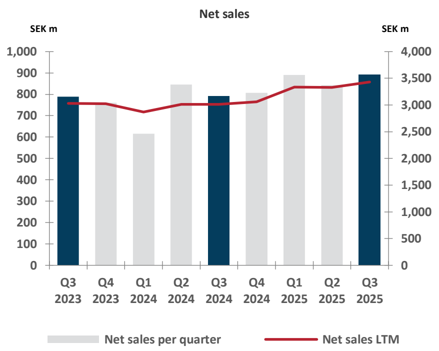
Adjusted EBITDA amounted to SEK 760 m (596), corresponding to a margin of 28.9% (26.5). Depreciation and amortization amounted to SEK 205 m (151). The increase compared to the previous period is primarily due to amortization of excess values from the acquisitions of Red Lion and PEAK-System. Adjusted EBIT amounted to SEK 643 m (503), corresponding to a margin of 24.5% (22.3). EBITDA amounted to SEK 731 m (547), corresponding to a margin of 27.8% (24.3). EBIT amounted to SEK 526 m (396), corresponding to a margin of 20.0% (17.6). Currency translation effects have affected operating profit by SEK 5 m (4), supported by currency hedges.

Net financials were SEK -83 m (-103), burdened by interest expenses of SEK -95 m (-84) in respect of loans and lease liabilities, which gave a profit before tax of SEK 443 m (294).

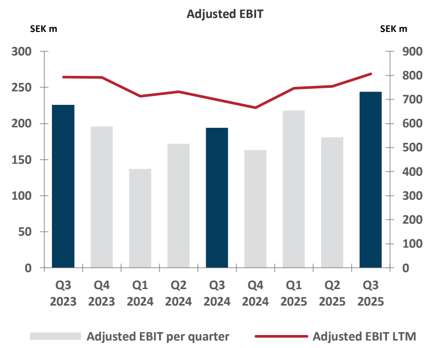
Adjusted profit after tax amounted to SEK 480 m (342). Adjusted basic earnings per share were SEK 9.56 (7.05). Profit after tax amounted to SEK 363 m (235). Basic earnings per share were SEK 7.23 (4.86).




*The graph shows order intake per quarter in bars with the scale on the left axis. The line shows order intake for the latest 12-month period with the scale on the right axis.*




*The graph shows quarterly net sales in the bars with the scale on the left axis. The line represents net sales for the latest 12-month period with the scale on the right axis.*




*The graph shows adjusted EBIT per quarter. The bars refer to the scale on the left axis. The line represents adjusted EBIT for the latest 12-month period, with the scale on the right axis.*

# Industrial Data Solutions

**Solutions to connect, secure, diagnose and visualize data in industrial applications.**

The Industrial Data Solutions division (IDS) ensures that data from industrial equipment can be transferred to IT systems securely. Customers can collect, process and visualize data from sensors and machines, providing a better overview and easier decision-making. Data can be provided remotely via the internet, as well as via internal systems and machine displays on site. HMS is a market leader in remote access and data connectivity for machines.

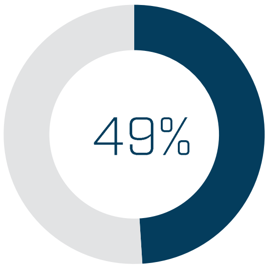
## FINANCIAL OVERVIEW

| SEK m | Q3 2025 | Q3 2024 | Q1-Q3 2025 | Q1-Q3 2024 |
|---|---|---|---|---|
| Order intake[1] | 410 | 386 | 1,251 | 1,189 |
| Net sales[1] | 439 | 399 | 1,233 | 1,244 |
| Adjusted EBIT[2] | 118 | | 276 | |
| Adjusted EBIT (%)[2] | 27.0 | | 22.4 | |

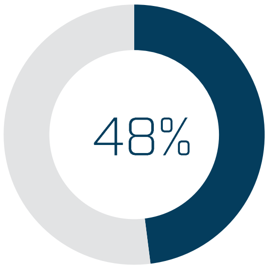
*[1] Comparable figures for 2024 contain proforma and have been reallocated in accordance with the divisional structure.*

*[2] As the organizational structure has changed from January 1, 2025, it has not been possible to obtain accurate comparative figures for the performance measure for the periods prior to the organizational change.*

Share of the Group's net sales, Q3 2025




Share of the Group's adjusted EBIT, Q3 2025




Net sales break-down by market, Q3 2025


## THIRD QUARTER

The Industrial Data Solutions division, with a strong presence in the US, reported a 6% increase in order intake to SEK 410 m (386) in the third quarter. Organic growth in order intake was 15%. The increase was primarily driven by switches and HMIs (Human Machine Interfaces) in the US. Net sales increased by 10% to SEK 439 m (399), mainly attributable to restored delivery capacity. This normalization is a result, one on hand, of the operational challenges following the ERP system change at Red Lion in the US being resolved, and on the other hand, of the previous component shortage related to switches being addressed. Organic growth in net sales was 21%.

One of the key milestones during the quarter was the launch of the division's 2030 strategy. Two of the prioritized targets are to increase the share of direct sales and to grow the share of recurring revenue (ARR), by investing in a stronger service offering targeting the industrial data and connectivity market.

## FIRST NINE MONTHS

During the first nine months of the year, order intake increased by 5% to SEK 1,251 m (1,189), with the entire customer offering continuing to develop in the right direction. Organic growth in order intake was 13%. Net sales decreased by 1% to SEK 1,233 million (1,244), impacted by currency fluctuations and internal delivery challenges, that were resolved during the third quarter. Organic growth in net sales was 4%.

# Industrial Network Technology

**Technology for communication, control and security in industrial devices.**

The Industrial Network Technology division (INT) facilitates real-time communication between devices, machines and systems in industrial automation. The products connect different communication technologies – wired or wireless. There are many different industrial communication protocols depending on geographic market and segment.

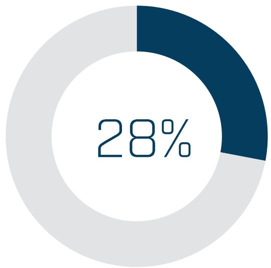
## FINANCIAL OVERVIEW

| SEK m | Q3 2025 | Q3 2024 | Q1-Q3 2025 | Q1-Q3 2024 |
|---|---|---|---|---|
| Order intake[1] | 241 | 190 | 741 | 632 |
| Net sales[1] | 246 | 275 | 773 | 891 |
| Adjusted EBIT[2] | 70 | | 217 | |
| Adjusted EBIT (%)[2] | 28.4 | | 28.0 | |

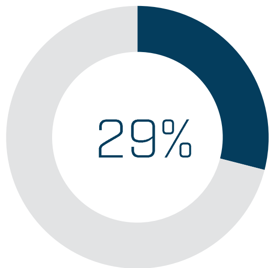
*[1] Comparable figures for 2024 have been reallocated in accordance with the divisional structure.*

*[2] As the organizational structure has changed from January 1, 2025, it has not been possible to obtain accurate comparative figures for the performance measure for the periods prior to the organizational change.*

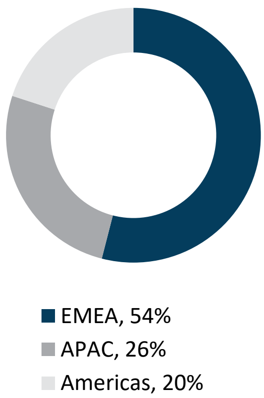
Share of the Group's net sales, Q3 2025




Share of the Group's adjusted EBIT, Q3 2025




Net sales break-down by market, Q3 2025




## THIRD QUARTER

The Industrial Network Technology division continues to show improvement in order intake, which increased by 27% to SEK 241 m (190) during the third quarter. The growth was primarily driven by Embedded solutions, which continue to show a positive trend, but also by gateways. Organic growth in order intake was 34%. Net sales decreased by 10% to SEK 246 m (275), reflecting softer performance across all markets, except China where the division sees a slight increase. Organic net sales decreased by 3%.

A key milestone during the quarter was the launch of the division's 2030 strategy. Two prioritized targets are to introduce a new Embedded offering to broaden the addressable market among OEMs, and to expand the business in North America. During the quarter, the division has also successfully completed RED certification for the entire portfolio of wireless products, ensuring full compliance with EU regulatory requirements.

## FIRST NINE MONTHS

Order intake increased by 17% to SEK 741 m (632), mainly driven by Embedded solutions. Organic growth in order intake was 25%. Net sales decreased by 13% to SEK 773 m (891), primarily attributable to the temporarily high invoicing in Q1 2024 linked to a relatively large order book. During 2025, the order book has returned to normal levels. Despite the lower net sales, the division continues to demonstrate solid profitability and delivers a stable operating margin. Organic net sales declined by 9%.

# New Industries

## Industrial communication for niche applications in growing industries.

The New Industries division (NI) consists of two areas, Building Automation and Vehicle Communication.

Building Automation delivers communication solutions that are designed for buildings, such as air conditioning, lighting, heat pumps, meters, etc. Building automation is a rapidly growing market, where HMS enjoys excellent growth opportunities for the future.

Vehicle Communication solves challenges for, among other things, communication between test stations and vehicles, simulation tools and remote monitoring of heavy vehicles such as loaders and excavators.

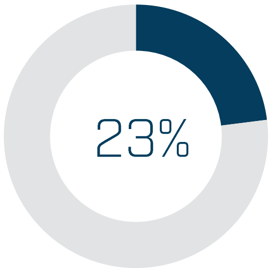
### FINANCIAL OVERVIEW

| SEK m | Q3 2025 | Q3 2024 | Q1-Q3 2025 | Q1-Q3 2024 |
|---|---|---|---|---|
| Order intake[1] | 204 | 174 | 610 | 592 |
| Net sales[1] | 209 | 190 | 621 | 609 |
| Adjusted EBIT[2] | 56 | | 150 | |
| Adjusted EBIT (%)[2] | 26.5 | | 24.1 | |

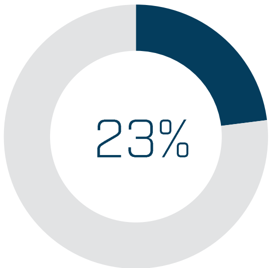
*[1] Comparable figures for 2024 contain proforma and have been reallocated in accordance with the divisional structure.*

*[2] As the organizational structure has changed from January 1, 2025, it has not been possible to obtain accurate comparative figures for the performance measure for the periods prior to the organizational change.*

Share of the Group's net sales, Q3 2025




Share of the Group's adjusted EBIT, Q3 2025




Net sales break-down by market, Q3 2025


### THIRD QUARTER

The New Industries division reports a 17% increase in order intake to SEK 204 m (174), supported by improved demand for products within Building Automation. The division is seeing signs of recovery from previously cautious market conditions. However, for Vehicle Communication, the market remains hesitant in both the US and Europe. Organic growth in order intake was 21%. Net sales increased by 10% to SEK 209 m (190). Within Building Automation, the positive trend continues in the Middle East, which maintained strong sales performance during the quarter. Organic growth in net sales was 14%.

A key milestone during the quarter was the launch of the division's 2030 strategy. Two of the prioritized targets are to become the preferred partner for AC manufacturers in meeting their communication needs within Building Automation, and to offer a harmonized product offering through one brand within Vehicle Communication aimed at attracting more customers. During the quarter, Vehicle Communication also launched the product Ixxat Mobilizer Pro 820 – the company's first solution supporting Automotive Ethernet, marking an important step in meeting future demands in vehicle communication.

### FIRST NINE MONTHS

During the first nine months, order intake increased by 3% to SEK 610 m (592) and net sales increased by 2% to SEK 621 million (609). The development reflects a cautiously positive trend in a still somewhat hesitant market. Organic growth in order intake was 5%, and organic growth in net sales was 5%.

# Cash flow, investments and financial position

### THIRD QUARTER

Cash flow from operating activities before changes in working capital amounted to SEK 233 m (136). Changes in working capital were SEK 24 m (69). Cash flow from operating activities was thereby SEK 258 m (205).

Cash flow from investing activities amounted to SEK -24 m (-34) and corresponds to investments in intangible and tangible assets of SEK -24 m (-25).

Cash flow from financing activities amounted to SEK -200 m (-152), primarily consisting of changes in bank loans of SEK -182 m (-133). Moreover, amortizations of lease liabilities were SEK -17 m (-15). This results in a cash flow of SEK 33 m (19).

### FIRST NINE MONTHS

Cash flow from operating activities before changes in working capital amounted to SEK 504 m (401). Changes in working capital were SEK 142 m (15), primarily related to inventory reductions. Cash flow from operating activities was thereby SEK 646 m (415).

Cash flow from investing activities amounted to SEK -88 m (-3,898) and corresponds to investments in intangible and tangible assets of SEK -88 m (-91).

Cash flow from financing activities amounted to SEK -519 m (3,454), primarily consisting of changes in bank loans of SEK -463 m (2,348). Moreover, amortizations of lease liabilities were SEK -51 m (-45). This results in a cash flow of SEK 39 m (-28).

# Cash and cash equivalents and net debt

Cash and cash equivalents amounted to SEK 101 m (98), and unused credit facilities to SEK 600 m (519). Net debt amounted to SEK 2,574 m (2,556), primarily consisting of external loans with SEK 2,238 m (2,268). Furthermore, net debt consists of lease liabilities of SEK 245 m (248) and a debt corresponding to expected exercise price on option of SEK 112 m (137) and acquisition-related debt of SEK 80 m (1).

The net debt to adjusted EBITDA (for the last twelve months) ratio was 2.66 (2.78), including proforma from acquisitions. The net debt to equity ratio was 75% (80), and the equity to asset ratio was 50% (50).

| Net debt, SEK m | 2025-09-30 | 2024-09-30 | 2024-12-31 |
|---|---|---|---|
| Interest-bearing liabilities | 2,238 | 2,268 | 2,876 |
| Option debt | 112 | 137 | 114 |
| Debt related to acquisitions | 80 | 1 | 83 |
| Less: Cash and cash equivalents | -101 | -98 | -74 |
| **Net debt excl. IFRS 16** | **2,329** | **2,308** | **2,999** |
| Lease liabilities | 245 | 248 | 276 |
| **Net debt incl. IFRS 16** | **2,574** | **2,556** | **3,275** |
| Net debt incl. IFRS 16/adjusted EBITDA LTM[1] | 2.66 | 2.78 | 3.40 |
| Net debt excl. IFRS 16/adjusted EBITDA LTM[1] | 2.60 | 2.70 | 3.35 |

[1] *Prior periods include proforma EBITDA from acquisitions.*

# Fair value of financial instruments

The HMS' financial instruments consist of deposits, long-term securities holdings, trade receivables, other receivables, derivative instruments, cash and cash equivalents, option debt, acquisition-related debt, debt to credit institutions, and accounts payable. Descriptions of each category and the valuation techniques applied for the different levels are shown on pages 88–93 under Note 20 in the Annual Report for 2024. No transfers occurred between any of the levels during the period.

Currency derivatives used for hedging purposes are measured at fair value based on inputs corresponding to level 2. As of September 30, 2025, forward contracts with positive market values amounted to SEK 26.4 million, compared to SEK 5 million as of December 31, 2024. Forward contracts with negative market values amounted to SEK 1 million, compared to SEK 18.7 million as of December 31, 2024.

Long-term securities holdings are measured at fair value corresponding to level 3.

Other financial assets and liabilities are measured at accrued amortized cost.

# The HMS Networks AB share

HMS Networks AB (publ) is listed on NASDAQ OMX Stockholm, in the Large Cap segment under the Telecommunications sector. The total number of shares at the end of the period amounted to 50,318,868, where 134,370 shares were held in treasury. A breakdown of the company's owner-ship structure can be found on the company's website (www.hms-networks.com).

# Share saving program

The company has four ongoing share savings programs. According to decisions at the company's annual general meetings, employees are offered the opportunity to save shares in HMS through an annual share savings program. The company has committed, subject to specified criteria being met, to provide participants in the program with up to two performance shares in HMS for each saved share. As of September 30, 2025, the total number of shares saved in ongoing programs amounted to 67,352 (63,595).

On December 31, 2024, the share savings program from 2021 was concluded. During the first quarter of 2025, 9,046 performance shares were distributed free of charge to the remaining participants. Shares held in treasury were used for the allocation.

# The parent company

The parent company's operations primarily focus on Group-wide management and financing. Apart from the Group's CEO, the company has no employees. The operating profit for the first nine months amounted to SEK 0 m (0) and dividends from shares in subsidiaries were received with SEK 1,025 m (537). The profit after tax for the first nine months was SEK 1,025 m (537). Cash and cash equivalents amounted to SEK 3 m (3), and external borrowing does not exist.

# Related party transactions

No material transactions with related parties have occurred during the period.

# Contingent liabilities

There have been no changes in the group's contingent liabilities, further described on page 103 under Note 35 in the 2024 annual report.

# Significant events

## FINANCIAL AND STRATEGIC TARGETS FOR 2030

On September 9, a Capital Markets Day was held in Stockholm, during which the company presented strategic goals for 2030. Regarding growth and profitability targets, the goal for net sales in 2030 has been set to SEK 7.5 billion, with organic growth and acquisitions expected to account for equal parts, with an EBITA margin target of 25% for the period 2026–2030. The dividend target will range between 30–50% of adjusted earnings per share for the period 2026–2030, and the guideline for financial leverage, expressed as net debt in relation to earnings before interest, tax, depreciation, and amortization (EBITDA), remains below 2.5x. Furthermore, HMS aims to increase annual recurring revenue (ARR) to represent 10% of net sales by 2030, which will contribute to achieving the new, higher ambition of a gross margin above 65%. Targets for employee- and customer satisfaction, and sustainability were also presented.

# Subsequent events

No events that are to be considered significant has occurred after the end of the period until the signing of this interim report.

# Outlook

Uncertainty regarding tariffs, geopolitics, and regulations continues to make the market cautious in certain geographies. HMS assumes that further changes in tariff regulations may occur and is investing in maintaining high flexibility in its production processes. There are opportunities to move selected products and processes to production in the US to reduce the impact of tariffs. As before, the company is cautiously optimistic about development potential during the year, but with continued uncertainty regarding how the macroeconomic situation will evolve. In the longer term, incentives and trends toward regionalized industrial production (North America, Europe, China, and Southeast Asia) are expected to create a greater demand for automation, digitalization, and communication for industrial applications. HMS is optimistic about the opportunities to continue winning new customers and expanding business with our current customers through continued investments in product development, innovation, and sales resources.

# Risk management

HMS is exposed to general business and financial risks in its operations. These risks have been comprehensively described in the company's annual report for 2024, and under the section Outlook. Additionally, no significant risks are considered to have emerged.

# Nomination committee

In accordance with principles adopted at a prior HMS' Annual General Meeting, the following persons have been assigned to be a part of the Nomination Committee: Johan Menckel, Investment AB Latour, representing 26% of the shares, Staffan Dahlström representing 12% of the shares, Sophie Larsén, AMF Fonder representing 8% of the shares, Patrik Jönsson, SEB Investment Management AB representing 7% of the shares, and Charlotte Brogren, Chairman of the Board. The Nomination Committee has appointed Johan Menckel as its Chairman.

Shareholders who wish to present proposals to HMS' Nomination Committee may do so by e-mail to: valberedningen@hms.se or in writing to: HMS Networks AB, Att: Nomination Committee, Box 4126, SE 300 04 Halmstad, Sweden no later than January 8, 2026.

# Accounting policies

HMS prepares its consolidated financial statements in accordance with International Financial Reporting Standards (IFRS) adopted by the EU. The interim report has been prepared in accordance with IAS 34 Interim Financial Reporting and the Swedish Annual Accounts Act. The parent company applies RFR 2 Accounting for Legal Entities and the Swedish Annual Accounts Act.

The accounting principles applied conform to those described in the 2024 Annual Report, with exception of the addendum below.

Due to the new organizational structure, IFRS 8 Operating Segments will be applied for from January 1, 2025. From January 1, 2025, the organization is structured into three divisions; Industrial Data Solutions, Industrial Network Technology and New Industries, which also constitute the Group's reportable segments. The segments' accounting principles are consistent with those of the Group. For the assessment of the segments' performance and for the allocation of resources, the chief operating decision maker, which for HMS is the Group's CEO, primarily follows the performance measure adjusted EBIT. As the organizational structure has changed from January 1, 2025, it has not been possible to obtain accurate comparative figures for the performance measure for the periods prior to the organizational change. For reconciliation with the Group's profit before tax, the total of the segments' adjusted EBIT is summed up to the Group's adjusted EBIT, with additions for adjustments in section ”Alternative KPIs”. For a description of each segment and information on the segment's performance, see pages 5-7.

Other new or revised IFRS standards or other IFRIC interpretations that have come into effect after January 1, 2025, have not had any effect on the group's financial reports as of September 30, 2025.

HMS applies the European Securities and Markets Authority's (ESMA) guidelines for alternative performance measures (metrics not defined under IFRS).

# HMS in short

## STRATEGIES

GROWTH STRATEGY – HMS' growth strategy is a combination of organic growth and acquisitions. Expansion in existing markets is made through a continuously improved and expanded product offering. This is combined with a high level of service and active investments in new sales channels. New markets are addressed with innovative and targeted solutions.

DEVELOPMENT STRATEGY – HMS' core competence is the broad and deep knowledge of industrial communication and IIoT, Industrial Internet of Things.

PRODUCT STRATEGY – HMS offers solutions for industrial ICT (Information and Communication Technology) under the brands Anybus®, Ewon®, Ixxat®, Intesis®, Red Lion® and N-Tron®.

- Anybus – connecting automation products and machines to industrial networks and IIoT applications, through embedded network cards, gateways, and wireless solutions. Also, industrial network diagnostics
- Ewon – remote access, data collection, monitoring, and visualization of machines as well as other industrial applications
- Ixxat – communication within machines and smart grids, solutions for functional safety as well as automotive testing
- Intesis – communication solutions for building automation, primarily within HVAC (heating, ventilation, and air conditioning)
- Red Lion – The Red Lion products allow industrial customers to get access to and visualize their critical data and further management in machine displays and HMIs (Human Machine Interfaces)
- N-Tron – The N-Tron products are easy-to-use Industrial Ethernet Switches designed to keep the network connected and protected even in the harshest of environments.

HMS also offers solutions for wireless communication in mobile industrial applications through Owasys. Furthermore, HMS offers communication solutions for developers of advanced development and test equipment in the automotive, medical and transportation segments through PEAK-System.

PRODUCTION STRATEGY – Flexible low volume production in own factories in Halmstad, Nivelles, Igualada, York and Darmstadt are combined with high volume production in Europe, USA and Asia in close collaboration with carefully selected subcontractors.

MARKETING STRATEGY – HMS' markets its solutions to several customer segment in the industrial value chain. Device manufacturers and machine builders are offered solutions that are tightly integrated into the customer's application. System integrators and end users are offered flexible infrastructure products that solve all kinds of communication problems in industrial systems and IIoT applications. HMS' most important market is factory automation, but other important markets are energy and infrastructure, transport, and logistics, and building automation.

SALES STRATEGY – HMS combines direct sales from own sales offices with sales through distribution. HMS has sales offices in key markets in 20 countries, complemented by a network of distributors and solution partners in more than 50 countries.

## BUSINESS MODEL

HMS has developed its business models by packaging technology into targeted solutions for each targeted customer group. With device manufacturers and machine builders, HMS signs long-term framework agreements, so-called Design-Wins. This model is characterized by a relatively long sales cycle and design phase during which HMS' solutions are integrated into the customer's application, ensuring long-term revenue. The close collaboration gives HMS clear insight into the customer's future needs. The business model towards system integrators is more traditional with a short sales cycle and manufacturing against customer orders or short-term forecasts. This sale is often handled by local distributors who are supported by HMS' sales and marketing organization.

# Financial calendar

- The year-end report for 2025 will be presented on January 27, 2026
- The interim report for the first quarter of 2026 will be presented on April 23, 2026
- The Annual General Meeting 2026 will be held on April 23, 2026
- The half-year report for 2026 will be presented on July 14, 2026

# Conference call

## OCTOBER 21, 2025 (09:00 CEST)

President and CEO Staffan Dahlström and CFO Joakim Nideborn present the third quarter 2025.

For link to the webcast, go to:
https://www.hms-networks.com/hms-for-shareholders

Halmstad October 21, 2025

Staffan Dahlström
Chief Executive Officer

Further information can be obtained by:
Staffan Dahlström, CEO, +46 (0)35 17 29 01, Joakim Nideborn, CFO, +46 (0)35 710 6983

# Report of review of interim financial information

## INTRODUCTION

We have reviewed the condensed interim financial information (interim report) of HMS Networks AB (publ) as of September 30, 2025, and the nine-month period then ended. The board of directors and the CEO are responsible for the preparation and presentation of the interim financial information in accordance with IAS 34 and the Swedish Annual Accounts Act. Our responsibility is to express a conclusion on this interim report based on our review.

## SCOPE OF REVIEW

We conducted our review in accordance with the International Standard on Review Engagements ISRE 2410, Review of Interim Report Performed by the Independent Auditor of the Entity. A review consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing, ISA, and other generally accepted auditing standards in Sweden. The procedures performed in a review do not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

## CONCLUSION

Based on our review, nothing has come to our attention that causes us to believe that the interim report is not prepared, in all material respects, in accordance with IAS 34 and the Swedish Annual Accounts Act, regarding the Group, and with the Swedish Annual Accounts Act, regarding the Parent Company.

Halmstad October 21, 2025
Öhrlings PricewaterhouseCoopers AB

Johan Palmgren
Authorized Public Accountant

## Consolidated income statement in summary

| SEK m | Q3 2025 | Q3 2024 | Q1-Q3 2025 | Q1-Q3 2024 | LTM 2025 | Q1-Q4 2024 |
|---|---|---|---|---|---|---|
| Net sales | 894 | 792 | 2,627 | 2,253 | 3,433 | 3,059 |
| Cost of goods and services sold | -321 | -289 | -972 | -841 | -1,274 | -1,143 |
| **GROSS PROFIT** | **573** | **503** | **1,654** | **1,411** | **2,159** | **1,916** |
| Selling expenses | -142 | -175 | -433 | -503 | -611 | -680 |
| Administrative expenses[1] | -117 | -66 | -337 | -208 | -421 | -292 |
| Research and development expenses | -72 | -71 | -245 | -203 | -328 | -287 |
| Other operating income | 3 | 3 | 7 | 7 | 10 | 10 |
| Other operating expenses | -31 | -31 | -120 | -107 | -177 | -164 |
| **OPERATING PROFIT** | **213** | **163** | **526** | **396** | **633** | **503** |
| Financial income and expenses | -26 | -45 | -83 | -103 | -119 | -138 |
| Results from associated companies | 0 | 0 | 0 | 0 | 0 | 0 |
| **PROFIT BEFORE TAX** | **187** | **118** | **443** | **294** | **514** | **364** |
| Income tax[2] | -24 | -24 | -80 | -59 | -76 | -55 |
| **PROFIT FOR THE PERIOD** | **164** | **95** | **363** | **235** | **438** | **310** |
| | | | | | | |
| Attributable to: | | | | | | |
| Parent company shareholders | 164 | 95 | 363 | 235 | 437 | 310 |
| Non-controlling interests | 0 | - | 1 | - | 1 | 0 |
| | | | | | | |
| Earnings per share regarding profit attributed to parent company shareholders: | | | | | | |
| Basic (SEK) | 3.26 | 1.89 | 7.23 | 4.86 | 8.71 | 6.35 |
| Diluted (SEK) | 3.26 | 1.88 | 7.21 | 4.85 | 8.70 | 6.34 |

*[1] In connection with the reorganization into three divisions, a reclassification of costs has been carried out. As of the first quarter of 2025, all administrative expenses are reported in full under Administrative expenses for each division as well as for the Group. Previously, these costs were allocated across Selling expenses, Administrative expenses and Research and development expenses. As the organizational structure has changed from 1 January 2025, it is impracticable to obtain fair comparative figures for periods before the change took place.*

*[2] The tax expense for Q3 2025 was impacted by several non-recurring items, resulting in a lower cost compared to previous periods.*

## Consolidated statement of comprehensive income in summary

| SEK m | Q3 2025 | Q3 2024 | Q1-Q3 2025 | Q1-Q3 2024 | LTM 2025 | Q1-Q4 2024 |
|---|---|---|---|---|---|---|
| Profit for the period | 164 | 95 | 363 | 235 | 438 | 310 |
| **Other comprehensive income** | | | | | | |
| **Items that may be reclassified subsequently to income statement:** | | | | | | |
| Cash flow hedges | -3 | -3 | 39 | -7 | 6 | -39 |
| Hedging of net investments | 19 | 43 | 175 | 82 | 96 | 3 |
| Translation differences | -53 | -185 | -639 | -201 | -308 | 131 |
| Income tax relating to components of other comprehensive income | 0 | 6 | 7 | 3 | 6 | 2 |
| **Other comprehensive income for the period, net of tax** | **-36** | **-138** | **-417** | **-122** | **-199** | **96** |
| **Total comprehensive income for the period** | **128** | **-43** | **-54** | **113** | **238** | **405** |
| | | | | | | |
| Attributable to: | | | | | | |
| Parent company shareholders | 128 | -43 | -54 | 113 | 238 | 405 |
| Non-controlling interests | 0 | - | 1 | - | 0 | 0 |

# Consolidated balance sheet in summary

| SEK m | 2025-09-30 | 2024-09-30 | 2024-12-31 |
|---|---|---|---|
| **ASSETS** | | | |
| Goodwill | 3,953 | 3,614 | 4,394 |
| Other intangible assets | 871 | 898 | 1,041 |
| Property, plant and equipment | 163 | 181 | 177 |
| Right-of-use | 251 | 253 | 280 |
| Deferred tax assets | 63 | 41 | 54 |
| Interest in associates | 14 | 13 | 14 |
| Other non-current assets | 18 | 15 | 20 |
| **Total non-current assets** | **5,332** | **5,015** | **5,979** |
| Inventories | 717 | 784 | 859 |
| Trade receivables | 442 | 370 | 427 |
| Other current receivables | 262 | 171 | 159 |
| Cash and cash equivalents | 101 | 98 | 74 |
| **Total current assets** | **1,521** | **1,423** | **1,519** |
| **TOTAL ASSETS** | **6,853** | **6,438** | **7,498** |
| | | | |
| **EQUITY AND LIABILITIES** | | | |
| Equity attributed to parent company shareholders | 3,454 | 3,196 | 3,504 |
| Non-controlling interests | 2 | - | 1 |
| **Total equity** | **3,456** | **3,196** | **3,505** |
| **Liabilities** | | | |
| Interest-bearing liabilities[1] | 1,622 | 2,051 | 2,608 |
| Non-interest-bearing liabilities | 117 | 137 | 202 |
| Lease liabilities | 176 | 184 | 206 |
| Deferred tax liabilities | 158 | 126 | 165 |
| Other provisions[1] | 20 | 18 | 24 |
| **Total non-current liabilities** | **2,094** | **2,516** | **3,205** |
| Interest-bearing liabilities | 616 | 217 | 269 |
| Non-interest-bearing liabilities | 75 | 1 | 0 |
| Lease liabilities | 69 | 64 | 69 |
| Trade receivables | 154 | 140 | 143 |
| Other provisions[1] | 9 | 10 | 16 |
| Other liabilities | 381 | 294 | 290 |
| **Total current liabilities** | **1,303** | **726** | **787** |
| **TOTAL EQUITY AND LIABILITIES** | **6,853** | **6,438** | **7,498** |

[1] *As of 2025, pension liabilities are reported as provisions in the balance sheet in accordance with IAS 19. To enable comparison, the figures for 2024 have been restated.*

# Consolidated cash flow statement in summary

| SEK m | Q3 2025 | Q3 2024 | Q1-Q3 2025 | Q1-Q3 2024 | LTM 2025 | Q1-Q4 2024 |
|---|---|---|---|---|---|---|
| Cash flow from current operations before changes in working capital | 233 | 136 | 504 | 401 | 631 | 528 |
| Change in working capital | 24 | 69 | 142 | 15 | 191 | 64 |
| **Cash flow from operating activities** | **258** | **205** | **646** | **415** | **823** | **592** |
| Acquisition of subsidiaries | - | -12 | - | -3,811 | -523 | -4,375 |
| Divestment of subsidiaries | - | - | - | - | - | 41 |
| Investments in intangible fixed assets | -19 | -18 | -50 | -61 | -71 | -82 |
| Investments in tangible fixed assets | -5 | -7 | -38 | -30 | -47 | -39 |
| Other investments | 0 | 3 | 0 | 4 | 2 | 6 |
| **Cash flow from investing activities** | **-24** | **-34** | **-88** | **-3,898** | **-639** | **-4,449** |
| Borrowings and repayments of borrowings, net | -182 | -133 | -463 | 2,348 | 69 | 2,880 |
| Share issue | - | - | - | 1,390 | - | 1,390 |
| Dividend to shareholders | -2 | -2 | -4 | -225 | -4 | -225 |
| Amortization of lease liabilities | -17 | -15 | -51 | -45 | -67 | -62 |
| Repurchase of own shares | - | - | - | - | - | -11 |
| Repayment of liabilities related to acquisitions | - | - | - | - | - | -145 |
| Other financing items | 0 | -3 | 0 | -13 | -144 | - |
| **Cash flow from financing activities** | **-200** | **-152** | **-519** | **3,454** | **-146** | **3,827** |
| **Cash flow for the period** | **33** | **19** | **39** | **-28** | **38** | **-30** |
| **Cash and cash equivalents at the beginning of the period** | **70** | **102** | **74** | **124** | **98** | **124** |
| Exchange rate effects | -2 | -23 | -12 | 2 | -35 | -20 |
| **Cash and cash equivalents at the end of the period** | **101** | **98** | **101** | **98** | **101** | **74** |

# Consolidated changes of equity in summary

| SEK m | 2025-09-30 | 2024-09-30 | 2024-12-31 |
|---|---|---|---|
| Opening balance at January 1 | 3,505 | 1,933 | 1,933 |
| Total comprehensive income for the period | -54 | 113 | 405 |
| Cost of share-based renumeration | 7 | 6 | -1 |
| Repurchase of own shares | - | -11 | -11 |
| Share issue | - | 1,390 | 1,390 |
| Option | 2 | -9 | 13 |
| Dividend[1] | -4 | -225 | -225 |
| **Closing equity attributed to the parent company's shareholders** | **3,454** | **3,196** | **3,504** |
| | | | |
| Opening non-controlling interests at January 1 | 1 | - | - |
| Total comprehensive income for the period | 1 | - | 0 |
| Non-controlling interest arising from acquisition of susidiaries | - | - | 1 |
| **Closing non-controlling interest** | **2** | **-** | **1** |
| **Total equity** | **3,456** | **3,196** | **3,505** |

*[1] In 2025, Owasys paid a dividend to minority shareholders of SEK 4 m (4). At the 2025 Annual General Meeting for HMS Networks AB, it was decided, in accordance with the Board's proposal, that no dividend shall be paid to shareholders for the 2024 financial year, due to two long-term value-creating acquisitions that took place during the year (SEK 211 m).*

# Key ratios

| SEK m | Q3 2025 | Q3 2024 | Q1-Q3 2025 | Q1-Q3 2024 | LTM 2025 | Q1-Q4 2024 |
|---|---|---|---|---|---|---|
| **Revenue growth** | | | | | | |
| Change in net sales (%) | 13.0 | 0.3 | 16.6 | -0.6 | 14.0 | 1.1 |
| **Profitability** | | | | | | |
| Gross margin (%) | 64.1 | 63.5 | 63.0 | 62.6 | 62.9 | 62.6 |
| Adjusted EBITDA (SEK m) | 283 | 226 | 760 | 596 | 960 | 796 |
| Adjusted EBITDA (%) | 31.7 | 28.6 | 28.9 | 26.5 | 28.0 | 26.0 |
| Adjusted EBIT (SEK m) | 244 | 194 | 643 | 503 | 806 | 665 |
| Adjusted EBIT (%) | 27.3 | 24.5 | 24.5 | 22.3 | 23.5 | 21.8 |
| EBIT (SEK m) | 213 | 163 | 526 | 396 | 633 | 503 |
| EBIT (%) | 23.9 | 20.6 | 20.0 | 17.6 | 18.4 | 16.4 |
| **Return** | | | | | | |
| Return on capital employed (%) | - | - | - | - | 10.7 | 11.3 |
| Return on shareholder’s equity (%) | - | - | - | - | 13.0 | 11.1 |
| **Financial strength** | | | | | | |
| Net debt/adjusted EBITDA LTM[1] | - | - | - | - | 2.66 | 3.40 |
| Net debt/equity ratio | 0.75 | 0.80 | 0.75 | 0.80 | 0.75 | 0.94 |
| Equity/assets ratio (%) | 50.4 | 49.6 | 50.4 | 49.6 | 50.4 | 46.8 |
| Capital turnover rate | - | - | - | - | 0.49 | 0.57 |
| **Stock data** | | | | | | |
| Equity per share (SEK) | 67.55 | 64.16 | 68.11 | 51.96 | 67.23 | 55.54 |
| Cash flow from operating activities per share (SEK) | 5.13 | 4.09 | 12.87 | 8.58 | 16.39 | 12.14 |
| Adjusted earnings per share | 3.88 | 2.51 | 9.56 | 7.05 | 12.17 | 9.65 |
| Total number of shares (average, thousands) | 50,319 | 50,319 | 50,319 | 48,569 | 50,319 | 48,919 |
| Holding of own shares (average, thousands) | 134 | 143 | 139 | 148 | 140 | 147 |
| Total outstanding shares (average, thousands) | 50,184 | 50,175 | 50,180 | 48,421 | 50,179 | 48,772 |
| **Personal data** | | | | | | |
| Average number of employees (FTE) | 1,068 | 1,130 | 1,060 | 1,035 | 1,068 | 1,050 |
| Female employees (%) | 30.7 | 30.4 | 30.3 | 29.5 | 30.2 | 29.6 |
| Female managers (%) | 24.2 | 27.5 | 24.7 | 25.8 | 25.1 | 25.9 |

[1] *The KPI includes proforma from acquisitions*

# Quarterly data

| Net sales by division, SEK m | Q3 2025 | Q2 2025 | Q1 2025 | Q4 2024 | Q3 2024 | Q2 2024 | Q1 2024 |
|---|---|---|---|---|---|---|---|
| Industrial Data Solutions[1] | **439** | 377 | 418 | 395 | 399 | 436 | 409 |
| Industrial Networks Technology | 246 | 269 | 257 | 246 | 275 | 271 | 345 |
| New Industries[1] | 209 | 197 | 215 | 192 | 190 | 206 | 213 |
| **Total** | **894** | **843** | **890** | **832** | **864** | **912** | **967** |

*[1] The 2024 figures have been restated in accordance with the new divisional structure and include pro forma data from acquisitions.*

| Net sales by region, SEK m | Q3 2025 | Q2 2025 | Q1 2025 | Q4 2024 | Q3 2024 | Q2 2024 | Q1 2024 | Q4 2023 | Q3 2023 |
|---|---|---|---|---|---|---|---|---|---|
| EMEA | 382 | 382 | 401 | 359 | 348 | 369 | 349 | 447 | 486 |
| Americas | 390 | 333 | 366 | 328 | 332 | 355 | 144 | 175 | 160 |
| APAC | 122 | 128 | 124 | 120 | 112 | 121 | 124 | 138 | 143 |
| **Total** | **894** | **843** | **890** | **807** | **792** | **845** | **616** | **760** | **789** |

| Income statement in summary, SEK m | Q3 2025 | Q2 2025 | Q1 2025 | Q4 2024 | Q3 2024 | Q2 2024 | Q1 2024 | Q4 2023 | Q3 2023 |
|---|---|---|---|---|---|---|---|---|---|
| **Net sales** | **894** | **843** | **890** | **807** | **792** | **845** | **616** | **760** | **789** |
| **Gross profit** | **573** | **521** | **561** | **505** | **503** | **523** | **385** | **496** | **516** |
| *Gross margin (%)* | *64.1* | *61.8* | *63.0* | *62.6* | *63.5* | *61.9* | *62.6* | *65.3* | *65.4* |
| **Adjusted EBIT** | **244** | **181** | **218** | **163** | **194** | **172** | **137** | **196** | **226** |
| *Adjusted EBIT (%)* | *27.3* | *21.4* | *24.5* | *20.2* | *24.5* | *20.4* | *22.2* | *25.8* | *28.7* |

# Parent company's income statement in summary

| SEK m | Q3 2025 | Q3 2024 | Q1-Q3 2025 | Q1-Q3 2024 | LTM 2025 | Q1-Q4 2024 |
|---|---|---|---|---|---|---|
| Net sales | 7 | 6 | 20 | 19 | 28 | 27 |
| **Gross profit** | **7** | **6** | **20** | **19** | **28** | **27** |
| Administrative expenses | -7 | -6 | -20 | -19 | -28 | -27 |
| **Operating profit** | **-** | **0** | **-** | **0** | **-** | **0** |
| Profit from interest in Group companies | - | - | 1,025 | 537 | 1,025 | 537 |
| Interest income/expenses and similar items | 0 | 0 | -0 | 0 | 23 | 23 |
| **Profit before tax** | **0** | **0** | **1,025** | **537** | **1,048** | **560** |
| Income tax | - | - | - | - | -5 | -5 |
| **Profit for the period** | **0** | **0** | **1,025** | **537** | **1,043** | **555** |

# Parent company's balance sheet in summary

| SEK m | 2025-09-30 | 2024-09-30 | 2024-12-31 |
|---|---|---|---|
| **ASSETS** | | | |
| Financial assets | 1,727 | 1,727 | 1,727 |
| **Total financial assets** | **1,727** | **1,727** | **1,727** |
| Receivables from Group companies | 1,985 | 940 | 966 |
| Other current receivables | 2 | 1 | 0 |
| Cash and cash equivalents | 3 | 3 | 3 |
| **Total current assets** | **1,990** | **945** | **968** |
| **TOTAL ASSETS** | **3,717** | **2,671** | **2,695** |
| | | | |
| **EQUITY AND LIABILITIES** | | | |
| **Equity** | **3,701** | **2,659** | **2,677** |
| **Current liabilities** | | | |
| Trade receivables | 0 | 0 | 0 |
| Other liabilities | 16 | 12 | 18 |
| **Total current liabilities** | **16** | **12** | **18** |
| **TOTAL EQUITY AND LIABILITIES** | **3,717** | **2,671** | **2,695** |

# Economic Definitions

### ADJUSTED EARNINGS PER SHARE

Share of the adjusted profit after tax attributable to the parent company shareholders in relation to the average number of shares outstanding.

### ADJUSTED EBIT

Operating profit excluding depreciation and amortization of excess values from acquisitions and goodwill, transaction and integration costs from acquisitions and restructuring costs.

### ADJUSTED EBIT MARGIN

Adjusted EBIT in relation to net sales.

### ADJUSTED EBITDA

EBITDA excluding transaction and integration costs from acquisitions and restructuring costs.

### AVERAGE NUMBER OF OUTSTANDING SHARES

The average number of registered shares less repurchased own shares that are held as treasury shares.

### BASIC EARNINGS PER SHARE

Share of profit after tax attributable to the shareholders of the parent company in relation to the average number of shares outstanding.

### BOOK-TO-BILL

Order intake in relation to net sales. Shows future development of net sales.

### CAPITAL TURNOVER RATE

Net sales in relation to average balance sheet total.

### CASH FLOW FROM OPERATING ACTIVITIES PER SHARE

Cash flow from operating activities in relation to the average number of shares outstanding.

### DILUTED EARNINGS PER SHARE

Share of profit after tax attributable to the shareholders of the parent company in relation to the average number of shares outstanding plus the average number of shares that are added upon conversion of the outstanding number of convertibles and options.

### EBIT

Operating profit including amortization and depreciation of intangible and tangible assets and before net financials and tax.

### EBIT MARGIN

Operating profit in relation to net sales.

### EBITDA

Operating profit excluding amortization and depreciation of intangible and tangible assets.

### EQUITY PER SHARE

Average equity attributable to the shareholders of the parent company in relation to the number of shares outstanding at the end of the period.

### EQUITY/ASSETS RATIO

Shareholders' equity in relation to the assets total.

### FINANCIAL ASSETS

Non-current and current financial receivables plus cash and cash equivalents.

### LTM

Last twelve months.

### NET DEBT

Non-current and current interest-bearing liabilities plus contingent consideration and option liability less financial interest-bearing assets and cash and cash equivalents.

### NET DEBT/EQUITY RATIO

Net debt in relation to Shareholders' equity.

### NUMBER OF SHARES OUTSTANDING

The number of registered shares, less repurchased own shares which are held by the company.

### ORGANIC CHANGE

Change in order intake, net sales, and operating expenses excluding increase attributable to acquisitions, translated at the previous year's exchange rates and calculated as a percentage of the previous year's figures. Amounts from acquired companies are included in the calculation of organic change from the end of the first month that falls 12 months after the acquisition date.

### RETURN ON CAPITAL EMPLOYED

Share of profit after financial income in relation to the average capital employed.

### RETURN ON SHAREHOLDER'S EQUITY

Share of profit after tax attributable to the shareholders of the parent company in relation to average of Shareholder's equity.

### WORKING CAPITAL

Current assets less cash and cash equivalents and current liabilities calculated on average values.

*For further key ratios, see the latest published annual report on the company's websiteshttps://www.hms-networks.com/*

# Alternative KPIs

HMS presents certain financial measures in the interim report that are not defined under IFRS. The company believes these measures provide valuable supplementary information to investors and management, enabling evaluation of relevant trends and the company's performance. Due to variations in calculation methods among companies, these financial measures may not always be comparable to those used by other companies. Therefore, these financial measures should not be considered a substitute for measures defined under IFRS, unless otherwise stated.

The KPIs Adjusted EBITDA and Adjusted EBIT are used to monitor and evaluate the business in a fair manner. The KPIs take into account amortization of intangible excess values as well as transaction and integration costs associated with acquisitions. In 2024 and 2025, restructuring costs have arisen that are of a one-time nature and are included in the KPIs.

## ADJUSTED EBITDA

| SEK m | Q3 2025 | Q3 2024 | Q1-Q3 2025 | Q1-Q3 2024 | LTM 2025 | Q1-Q4 2024 |
|---|---|---|---|---|---|---|
| EBIT | 213 | 163 | 526 | 396 | 633 | 503 |
| Amortization and depreciation of intangible and tangible assets | 68 | 59 | 205 | 151 | 272 | 218 |
| **EBITDA** | **281** | **222** | **731** | **547** | **905** | **721** |
| Restructuring costs | 0 | 0 | 8 | 27 | 24 | 43 |
| Transaction costs | 0 | 2 | 1 | 15 | 7 | 19 |
| Integration costs | 2 | 2 | 20 | 7 | 24 | 13 |
| **Adjusted EBITDA** | **283** | **226** | **760** | **596** | **960** | **796** |
| Net sales | 894 | 792 | 2,627 | 2,253 | 3,433 | 3,059 |
| Adjusted EBITDA (%) | 31.7 | 28.6 | 28.9 | 26.5 | 28.0 | 26.0 |

## ADJUSTED EBIT

| SEK m | Q3 2025 | Q3 2024 | Q1-Q3 2025 | Q1-Q3 2024 | LTM 2025 | Q1-Q4 2024 |
|---|---|---|---|---|---|---|
| EBIT | 213 | 163 | 526 | 396 | 633 | 503 |
| Amortization of excess values from acquisitions | 29 | 27 | 88 | 57 | 118 | 87 |
| Restructuring costs | 0 | 0 | 8 | 27 | 24 | 43 |
| Transaction costs | 0 | 2 | 1 | 15 | 7 | 19 |
| Integration costs | 2 | 2 | 20 | 7 | 24 | 13 |
| **Adjusted EBIT** | **244** | **194** | **643** | **503** | **806** | **665** |
| Net sales | 894 | 792 | 2,627 | 2,253 | 3,433 | 3,059 |
| Adjusted EBIT (%) | 27.3 | 24.5 | 24.5 | 22.3 | 23.5 | 21.8 |

## HMS mission

"We enable valuable data and insights from industrial equipment allowing our customers to increase productivity and sustainability."

Box 4126, 300 04 Halmstad
Phone: +46 35 17 29 00
info@hms-networks.com
www.hms-networks.com