HMS Networks

Interim report: January - June 2026

Hardware Meets Software™

Second quarter

- Order intake increased by 20% to SEK 979 m (816). Organically, order intake increased by 15%
- Net sales increased by 18% to SEK 991 m (843). Organically, net sales increased by 12%
- EBITA reached SEK 266 m (167), equal to a 26.8% (19.8) margin
- EBIT reached SEK 238 m (138), equal to a 24.0% (16.4) operating margin
- Profit after tax totaled SEK 155 m (84) and basic earnings per share were SEK 3.10 (1.67)
- Profit after tax adjusted for amortization of excess values from acquisitions (adjusted profit after tax) totaled SEK 183 m (113) and adjusted basic earnings per share were SEK 3.65 (2.24)
- Cash flow from operating activities amounted to SEK 334 m (201)
- Minority investment in AI company Ekkono

First six months

- Order intake increased by 19% to SEK 2,087 m (1,746). Organically, order intake increased by 12%
- Net sales increased by 13% to SEK 1,962 m (1,733). Organically, net sales increased by 14%
- EBITA reached SEK 530 m (372), equal to a 27.0% (21.5) margin
- EBIT reached SEK 475 m (313), equal to a 24.2% (18.1) operating margin
- Profit after tax totaled SEK 318 m (199) and basic earnings per share were SEK 6.33 (3.96)
- Profit after tax adjusted for amortization of excess values from acquisitions and non-recurring items (adjusted profit after tax), totaled SEK 373 m (258) and adjusted basic earnings per share were SEK 7.42 (5.15)
- Cash flow from operating activities amounted to SEK 584 m (388)
- Acquisition of Molex's industrial communications business

Order intake Q2	Net sales Q2	EBITA-margin Q2
+20%	+18%	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

PROFITABLE GROWTH CONTINUES

Continued strong demand enabled HMS to deliver another record quarter, both in terms of revenue and operating profit. Order intake increased by 20% to SEK 979 million (816), corresponding to organic growth of 15%. Investments in data centers continue to be a key growth driver for our customers across multiple stages of the value chain, most notably reflected in the sustained strong demand from the semiconductor industry. We believe that reported order intake accurately reflects underlying market demand. The order pull-forward effect reported in the first quarter, primarily related to the Molex acquisition, was not evident in the second quarter.

Revenue reached a record high SEK 991 million (843), corresponding to organic growth of 12%. All divisions contributed positively to the development.

Gross margin amounted to 63.8% (61.8), supported by a weaker Swedish Krona, a favorable product mix, and a lower impact from tariffs.

Operating expenses increased as planned, reflecting previously communicated development initiatives and investments to strengthen the organization. Total operating expenses amounted to SEK 403 million (383), representing an organic increase of 9%. Despite these increased investments, EBITA improved significantly to SEK 266 million (167), corresponding to an EBITA margin of 26.8%. This represents an improvement in earnings of 59% compared with the previous year.

Cash flow also developed very strongly, amounting to SEK 334 million (201). This contributed to reducing net debt to 1.74x (3.12) EBITDA excluding IFRS 16, providing us with a solid position to continue our growth journey, both organically and through acquisitions.

ALL REGIONS DELIVER DOUBLE-DIGIT GROWTH – APAC LEADS THE WAY

We experienced broad-based growth during the second quarter, with APAC delivering the strongest performance as order intake increased by 35%. EMEA also reported solid growth of 15%, although demand from the automotive industry remained hesitant. The Industrial Network Technology division (INT) stood out with continued broad-based demand growth and organic order intake growth exceeding 20% for the fourth consecutive quarter.

INDUSTRIAL NETWORK TECHNOLOGY INVESTS IN AI

During the quarter, HMS continued the rollout of AI-based tools across the organization. AI is becoming an increasingly integrated part of our development activities and is being utilized extensively to enhance productivity, quality, and innovation within our engineering teams.

The INT division also made a strategic investment by acquiring a minority stake in the Swedish AI company Ekkono. Through this collaboration, Ekkono's AI technology is being combined with HMS's industrial communication solutions. Our ambition is to deliver intelligent capabilities directly into customers' OEM devices, enabling machine data not only to be communicated but also analyzed and transformed into actionable insights. Through this partnership, we are strengthening our position in industrial digitalization while creating new opportunities to help customers improve efficiency, performance, and competitiveness in an increasingly data-driven industrial landscape.

ECOVADIS GOLD MEDAL CONFIRMS SUSTAINABILITY PROGRESS

In June, HMS was awarded the EcoVadis[1] Gold Medal. This places HMS among the top five percent of all companies evaluated globally and among the top one percent within the communications equipment manufacturing industry.

The award reflects the long-term and systematic efforts undertaken throughout the organization. Key areas of improvement behind the result include enhanced transparency and more comprehensive sustainability reporting, strengthened governance and management systems, a more structured approach to sustainable supply chains, and further development of processes related to business ethics, compliance, and information security. During the year, HMS has also continued to strengthen its efforts in environmental and climate initiatives, health and safety, employee development, diversity, and human rights.

The Gold Medal confirms that HMS continues to advance its sustainability agenda in line with increasing expectations from customers, investors, and other stakeholders, while sustainability becomes ever more integrated into the long-term value creation.

CONTINUED PRICE INCREASES AND LONGER LEAD TIMES FOR MEMORY COMPONENTS

As a result of substantial investments in data centers and AI infrastructure, prices and lead times for memory components and certain other semiconductor components continue to increase. We expect the effects to become somewhat more noticeable during the second half of the year, and certain delivery challenges, as well as a limited adverse impact on gross margin, cannot be ruled out. To mitigate these effects, our supply chain organization is working proactively to secure access to critical components.

OUTLOOK

Demand during the second quarter was solid and broad across HMS's major markets. Despite an environment characterized by several uncertainties, many of our industrial customers continue to execute on their investment plans and business activities. As previously, we remain positive regarding the growth potential in a medium-term perspective, while uncertainty persists related to the macroeconomic environment, developments in the Middle East, and global trade. In the longer term, we expect that incentives and trends towards more regionally diversified industrial production in North America, Europe, China and Southeast Asia will increase demand for automation, digitalization and communication solutions for industrial applications, which is positive for HMS. We continue to see good opportunities to win new customers and to further grow business with existing customers through continued investments in product development, innovation and sales. Creating profitable growth, both organically and through acquisitions, remains our top priority.

CEO Staffan Dahlström and Fadwa Gmiden, Solution Product Owner within the IDS division, during a presentation of upcoming product launches.

[1] EcoVadis is a globally leading independent sustainability assessment platform evaluating companies' performance in environmental management, labor and human rights, ethics, and sustainable procurement.

Order intake, net sales and earnings

SECOND QUARTER

Order intake increased by 20% to SEK 979 m (816). Currency translation effects amounted to SEK 4 m (-87). Organically, order intake increased by 15%, and acquired growth was 5%.

Net sales increased by 18% to SEK 991 m (843). Currency translation effects amounted to SEK -7 m (-39). Organically, net sales increased by 12%, and acquired growth was 6%.

Gross profit amounted to SEK 633 m (521), corresponding to a gross margin of 63.8% (61.8). Operating expenses amounted to SEK 403 m (383). Operating expenses include amortization of excess values of SEK 28 m (29). Organically, operating expenses increased by SEK 29 m, corresponding to 9%. Operating income was positively impacted by SEK 6 m as a result of the divestment of a subsidiary.

EBITDA amounted to SEK 309 m (206), corresponding to an EBITDA margin of 31.2% (24.4). Depreciation, amortization and write-down amounted to SEK 71 m (68). EBITA amounted to SEK 266 m (167), corresponding to an EBITA margin of 26.8% (19.8). EBIT amounted to SEK 238 m (138), corresponding to an EBIT margin of 24.0% (16.4). Currency translation effects have affected operating profit by SEK 4 m (-2).

Net financials were SEK -34 m (-27), mainly consisting of interest expenses of SEK -19 m (-33) and currency translation effects of SEK -18 m (6). Profit before tax was SEK 204 m (111).

Profit after tax amounted to SEK 155 m (84) and earnings per share were SEK 3.10 (1.67). Profit after tax adjusted for amortization of excess values from acquisitions (adjusted profit after tax) totaled SEK 183 m (113) and adjusted earnings per share were SEK 3.65 (2.24).

Quarterly data for the Group	Q2 2026	Q1 2026	Q4 2025	Q3 2025	Q2 2025	Q1 2025	Q4 2024	Q3 2024	Q2 2024
Order Intake (SEK m)	**979**	**1,108**	**854**	**855**	**816**	**930**	**893**	**677**	**769**
Organic %	*15*	*10*	*3*	*22*	*8*	*12*	*2*	*-8*	*-22*
Acquisition %	*5*	*15*	*4*	*11*	*9*	*89*	*92*	*50*	*36*
Currency translation effects %[1]	*0*	*-6*	*-10*	*-7*	*-11*	*-4*	*16*	*-4*	*-5*
Order backlog	686	612	604	696	728	736	703	605	713
% of LTM Net sales	*18*	*17*	*17*	*20*	*19*	*21*	*20*	*17*	*18*
Net Sales (SEK m)	**991**	**971**	**951**	**894**	**843**	**890**	**807**	**792**	**845**
Organic %	*12*	*15*	*23*	*8*	*-5*	*-17*	*-33*	*-30*	*-20*
Acquisition %	*6*	*5*	*4*	*10*	*9*	*59*	*40*	*31*	*40*
Currency translation effects %	*-1*	*-10*	*-9*	*-5*	*-5*	*2*	*0*	*-1*	*0*
Gross margin (%)	63.8	62.4	63.0	64.1	61.8	63.0	62.6	63.5	61.9
EBITA (MSEK)	**266**	**264**	**264**	**242**	**167**	**205**	**136**	**190**	**130**
EBITA (%)	**26.8**	**27.2**	**27.7**	**27.1**	**19.8**	**23.1**	**16.9**	**24.0**	**15.4**
EBIT (SEK m)	238	237	236	213	138	175	106	163	104
EBIT (%)	24.0	24.4	24.8	23.9	16.4	19.6	13.2	20.6	12.3
Earnings per share (SEK)	**3.10**	**3.24**	**1.44**	**3.26**	**1.67**	**2.29**	**1.49**	**1.89**	**0.70**
Adjusted earnings per share (SEK)[2]	3.65	3.78	4.07	3.83	2.24	2.91	2.08	2.42	1.25

[1] Up to and including 2025, the KPI includes currency translation effects related to the order book

[2] Earnings per share adjusted for amortization of excess values from acquisitions and non-recurring items

FIRST SIX MONTHS

Order intake increased by 19% to SEK 2,087 m (1,746). Currency translation effects amounted to SEK -54 m (-105). Organically, order intake increased by 12%, and acquired growth was 10%.

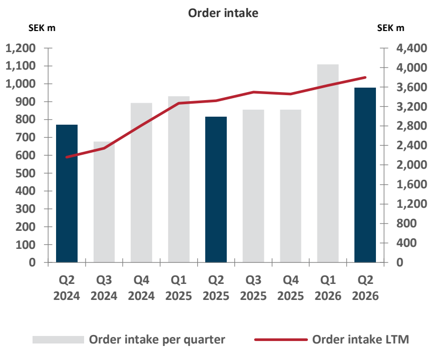
Net sales increased by 13% to SEK 1,962 m (1,733). Currency translation effects amounted to SEK -98 m (-25). Organically, net sales increased by 14%, and acquired growth was 5%.

Gross profit amounted to SEK 1,239 m (1,081), corresponding to a gross margin of 63.1% (62.4). Operating expenses amounted to SEK 776 m (773). Operating expenses include amortization of excess values of SEK 55 m (60). Organically, operating expenses increased by SEK 39 m, corresponding to 6%.

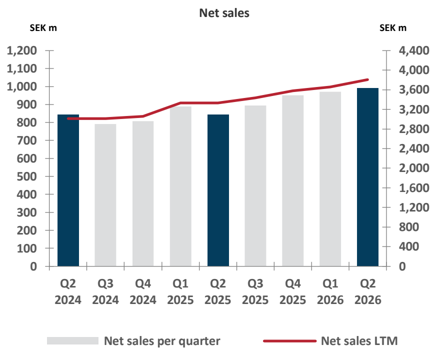
EBITDA amounted to SEK 612 m (450), corresponding to an EBITDA margin of 31.2% (26.0). Depreciation, amortization and write-down amounted to SEK 137 m (137). EBITA amounted to SEK 530 m (372), corresponding to an EBITA margin of 27.0% (21.5). EBIT amounted to SEK 475 m (313), corresponding to an EBIT margin of 24.2% (18.1). Currency translation effects have affected operating profit by SEK -27 m (6).

Net financials were SEK -68 m (-58), mainly consisting of interest expenses of SEK -38 m (-67) and currency translation effects of SEK -31 m (10). Profit before tax was SEK 408 m (256).

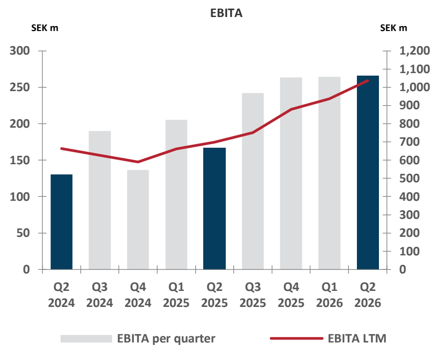
Profit after tax amounted to SEK 318 m (199) and earnings per share were SEK 6.33 (3.96). Profit after tax adjusted for amortization of excess values from acquisitions (adjusted profit after tax) totaled SEK 373 m (258) and adjusted earnings per share were SEK 7.42 (5.15).



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 EBITA per quarter. The bars refer to the scale on the left axis. The line represents EBITA 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	Q2 2026	Q2 2025	Q1-Q2 2026	Q1-Q2 2025	LTM 2026	Q1-Q4 2025
Order intake	436	382	881	841	1,666	1,626
Net sales	445	377	863	795	1,783	1,714
EBITA	122	52	228	138	483	393
EBITA (%)	27.5	13.9	26.4	17.4	27.1	22.9

SECOND QUARTER

Reported order intake amounted to SEK 436 m (382), corresponding to an increase of 14%. Organic growth also amounted to 14%. Net sales increased by 18% to SEK 445 m (377), while organic growth amounted to 23%.

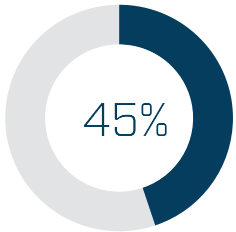
The division delivered stable and broad-based growth across all geographic regions. North America remained the largest market, where strong demand from the data center segment and its associated value chain continued to be a key growth driver.

During the quarter, several new products were launched within the Remote Access and Network switches portfolios. The new solutions offer enhanced functionality and strengthen the division's competitiveness, while addressing future customer needs and evolving market requirements.

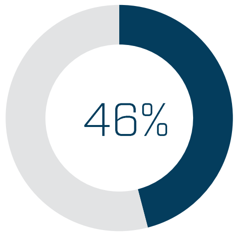
FIRST SIX MONTHS

During the first six months, order intake increased by 5% to SEK 881 m (841), corresponding to organic growth of 9%. Net sales increased by 9% to SEK 863 m (795), while organic net sales growth amounted to 18%.

Share of the Group's net sales, Q2 2026



Share of the Group's EBITA, Q2 2026



Net sales break-down by market, Q2 2026

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	Q2 2026	Q2 2025	Q1-Q2 2026	Q1-Q2 2025	LTM 2026	Q1-Q4 2025
Order intake	343	250	776	500	1,290	1,013
Net sales	334	269	666	526	1,175	1,035
EBITA	101	73	199	140	348	289
EBITA (%)	30.3	27.2	29.8	26.5	30.0	27.9

SECOND QUARTER

Order intake increased by 37% to SEK 343 m (250), of which 24% was organic growth. Strong demand within the semiconductor industry and the data center segment continued to drive growth among the division's customers across all markets. The acquired Molex industrial communication business developed according to plan during the quarter. The order pull-forward effect observed in the first quarter of the year was not evident in the second quarter, and the reported order intake is considered to reflect the underlying market demand.

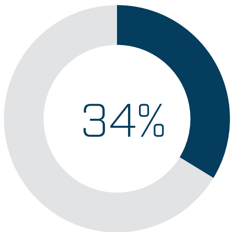
Net sales amounted to SEK 334 m (269), representing an increase of 24%, corresponding to organic growth of 10%.

During the quarter, the INT division made a strategic investment by acquiring a minority stake in the Swedish AI company Ekkono. Through the established collaboration, Ekkono's AI technology is being combined with HMS's industrial communication solutions. The ambition is to deliver intelligent capabilities directly into customers' OEM devices, enabling machine data not only to be communicated but also analyzed and transformed into actionable insights. Through this partnership, INT strengthens their position in industrial digitalization and creates new opportunities to help customers improve efficiency, performance, and competitiveness in an increasingly data-driven industrial landscape.

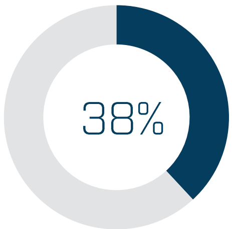
FIRST SIX MONTHS

During the first six months, order intake increased by 55% to SEK 776 m (500), corresponding to organic growth of 24%. Net sales increased by 27% to SEK 666 m (526), while organic net sales growth amounted to 16%.

Share of the Group's net sales, Q2 2026



Share of the Group's EBITA, Q2 2026



Net sales break-down by market, Q2 2026

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	Q2 2026	Q2 2025	Q1-Q2 2026	Q1-Q2 2025	LTM 2026	Q1-Q4 2025
Order intake	199	184	429	406	840	817
Net sales	212	197	432	412	848	828
EBITA	42	39	103	91	205	193
EBITA (%)	20.1	19.7	23.8	22.2	24.2	23.3

SECOND QUARTER

Reported order intake amounted to SEK 199 m (184), corresponding to an increase of 8%. Organic growth amounted to 7%. The Building Automation business, for which the Middle East represents a significant market, was affected by the regional conflict towards the end of the first quarter. The effects persisted to some extent during the second quarter, but the situation gradually stabilized and, overall, the Building Automation business delivered solid growth during the quarter. The Vehicle Communications business was affected by the somewhat weak automotive market but nevertheless delivered modest growth.

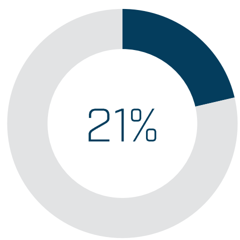
Net sales increased by 7% to SEK 212 m (197), while organic growth amounted to 11%.

Geographically, performance varied somewhat across regions. North America continued to experience a wait-and-see market environment, while EMEA delivered stable growth. APAC showed particularly strong performance, with growth exceeding 40% compared with the corresponding quarter of the previous year.

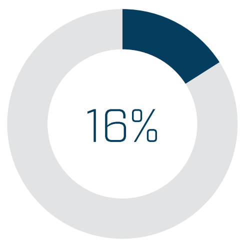
FIRST SIX MONTHS

During the first six months, order intake increased by 6% to SEK 429 m (406), corresponding to organic growth of 7%. Net sales increased by 5% to SEK 432 m (412), while organic net sales growth amounted to 10%.

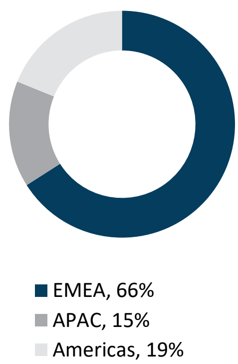
Share of the Group's net sales, Q2 2026



Share of the Group's EBITA, Q2 2026



Net sales break-down by market, Q2 2026



Cash flow, investments and financial position

SECOND QUARTER

Cash flow from operating activities before changes in working capital amounted to SEK 280 m (132). Changes in working capital were SEK 53 m (70). Cash flow from operating activities was thereby SEK 334 m (201).

Cash flow from investing activities amounted to SEK -47 m (-29) and mainly refers to investments in intangible and tangible assets of SEK -40 m (-33). Changes in financial assets were SEK -15 m (3) and refers to an acquisition of a minority stake in the Swedish AI company Ekkono. Divestment of subsidiaries amounted to SEK 9 m (-).

Cash flow from financing activities amounted to SEK -291 m (-199), primarily consisting of dividends paid to shareholders of SEK -241 m (-) and payments of acquisition-related liabilities of SEK -73 m (-1). Interest-bearing liabilities changed with SEK 39 m (-181) in the quarter. Amortizations of lease liabilities were SEK -17 m (-16). Cash flow for the quarter amounted to SEK -4 m (-27).

FIRST SIX MONTHS

Cash flow from operating activities before changes in working capital amounted to SEK 567 m (271). Changes in working capital were SEK 16 m (118). Cash flow from operating activities was thereby SEK 584 m (388).

Cash flow from investing activities amounted to SEK -146 m (-64) and mainly refers to investments in intangible and tangible assets of SEK -135 m (-64). A significant portion of these investments relate to the acquisition of Molex's industrial communication business as well as increased product development activities. Investments and changes in financial assets were SEK -13 m (1) and mainly refers to the acquisition of a minority stake in the Swedish AI-company Ekkono. In addition, investments in subsidiaries amounted to SEK -6 m (-) while divestment of subsidiaries amounted to SEK 9 m (-).

Cash flow from financing activities amounted to SEK -474 m (-318), primarily consisting of dividends paid to shareholders of SEK -243 m (-2). Interest-bearing liabilities decreased by SEK -125 m (-282). Payments of acquisition-related liabilities amounted to SEK -73 m (0). Moreover, amortizations of lease liabilities were SEK -33 m (-34). Cash flow for the first six months amounted to SEK -36 m (6).

Cash and cash equivalents and net debt

Cash and cash equivalents amounted to SEK 47 m (70), and unutilized credit facilities amounted to SEK 931 m (484). Net debt decreased by SEK 562 m over the past twelve months, driven by a strong cash flow, and amounted to SEK 2,260 m (2,823). Net debt primarily consists of external loans of SEK 1,943 m (2,439). Furthermore, net debt includes lease liabilities of SEK 247 m (259), debt corresponding to expected exercise price on option of SEK 113 m (114), and acquisition-related debt of SEK 5 m (81).

The financial position strengthened and the net debt to EBITDA (for the last twelve months) ratio decreased to 1.84x (3.16x), including proforma from acquisitions. The net debt to equity ratio was 61% (85), and the equity to asset ratio was 54% (48).

Net debt, SEK m	2026-06-30	2025-06-30	2025-12-31
Interest-bearing liabilities	1,943	2,439	2,011
Option debt	113	114	110
Debt related to acquisitions	5	81	78
Less: Cash and cash equivalents	-47	-70	-89
Net debt excl. IFRS 16	**2,014**	**2,564**	**2,109**
Lease liabilities	247	259	245
Net debt	**2,260**	**2,823**	**2,354**
Net debt/EBITDA LTM[1]	1.84	3.16	2.28
Net debt /EBITDA LTM excl. IFRS 16[1]	1.74	3.12	2.21

[1] *The KPI includes pro forma EBITDA from acquisitions.*

Fair value of financial instruments

The HMS' financial instruments consist of deposits, long-term securities holdings, accounts receivable, 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 158-163 under Note 21 in the Annual Report for 2025. 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 June 30, 2026, forward contracts with positive market values amounted to SEK 5.4 m, compared to SEK 28.5 m as of June 30, 2025. As of 30 June 2026, forward contracts with negative market values amounted to SEK 33.2 m compared to SEK 0.5 m as of June 30, 2025.

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 124,852 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).

Annual General Meeting

At the Annual General Meeting on April 23, 2026, it was decided to re-elect the board members Charlotte Brogren, Niklas Edling, Anna Kleine, Anders Mörck, Johan Stakeberg and Cecilia Wachtmeister. Henrik Elmin was elected as a new board member.

Other decisions from the Annual General Meeting;

- A dividend of SEK 4.80 per share was approved, corresponding to SEK 241 m, excluding shares held in treasury
- Decision to authorize the board to decide on new share issues of such number of shares that corresponds to a maximum of 10 percent of the company's share capital to enable the company to finance or carry out, in whole or in part, acquisitions of companies
- Decision to implement a performance-based share savings program, Share Saving Program 2027-2030, aimed at permanent employees and covering up to 60,000 shares, and authorizing the Board to acquire and transfer the corresponding number of shares

Share saving program

The company has four ongoing share saving programs. According to decisions at the company's annual general meetings, permanent employees are offered the opportunity to save shares in HMS through an annual share saving 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 June 30, 2026, the total number of shares saved in ongoing programs amounted to 63,057 (62,752).

On December 31, 2025, the share savings program 2022-2025 was concluded. During the first quarter of 2026, 9,518 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 six months amounted to SEK 0 m (0). Dividend from subsidiaries was received with SEK 19 m (1,025). The profit after tax for the first six months was SEK 19 m (1,025). Cash and cash equivalents amounted to SEK 1 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 172 under Note 36 in the 2025 annual report.

Significant events

No significant events affecting the Group's financial position or performance occurred during the reporting period.

Subsequent events

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

Outlook

Demand during the second quarter was solid and broad across HMS's major markets. Despite an environment characterized by several uncertainties, many of the industrial customers for the Group continue to execute on their investment plans and business activities. As previously, HMS remain positive regarding the growth potential in a medium-term perspective, while uncertainty persists related to the macroeconomic environment, developments in the Middle East, and global trade.

In the longer term, incentives and trends towards more regionally diversified industrial production in North America, Europe, China and Southeast Asia are expected to increase demand for automation, digitalization and communication solutions for industrial applications, which is positive for HMS. The company continues to see good opportunities to win new customers and to further grow business with existing customers through continued investments in product development, innovation and sales. Creating profitable growth, both organically and through acquisitions, remains a priority.

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 2025, and under the section Outlook. Additionally, no significant risks are considered to have emerged.

Audit review

This interim report has not been reviewed by the Company's auditors.

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 2025 Annual Report.

New or revised IFRS standards or other IFRIC interpretations that have come into effect after January 1, 2026, have not had any effect on the group's financial reports as of June 30, 2026.

HMS is currently assessing the impact of IFRS 18 Presentation and Disclosure in Financial Statements, issued by the IASB, on its financial reporting. The standard will be effective for reporting periods beginning on or after January 1, 2027.

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

Due to rounding, totals presented in the tables may not always correspond to the sum of the individual line items. Each line item and total are presented and rounded in accordance with its underlying source data. As totals are calculated using exact amounts prior to rounding, the aggregation of rounded line items may result in differences compared with the reported totals.

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 ICT (Information & Communication Technology).

PRODUCT STRATEGY – HMS products consist of both hardware and software for Industrial ICT. The products are developed, marketed, and sold by three divisions, each focused on specific markets and target groups.

- Industrial Data Solutions (IDS) develops products for handling data in industrial environments. Machine builders, system integrators, and end users (such as factories or water treatment plants) use these products to make machines connected for remote service and data access, visualize and monitor machines, and build industrial network infrastructures.
- Industrial Network Technology (INT) develops products that connect industrial devices to various industrial networks. These products are often integrated into other products such as robots and drives for real-time communication and control. This multi-network connectivity enables customers to sell their products globally, regardless of country or industry, without having to consider network connectivity.
- New Industries (NI) focuses on industrial communication for niche applications in growing segments, primarily building automation and vehicle communication. The expanding offering for industrial security is also part of New Industries.

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 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, which is also the basis for HMS's divisions.

The INT division focuses on device manufacturers and machine builders, and 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 IDS and NI divisions targets system integrators and end users with a shorter and more traditional 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 interim report for the third quarter of 2026 will be presented on October 21, 2026
- The year-end report 2026 will be presented on January 28, 2027
- The interim report for the first quarter of 2027 will be presented on April 15, 2027
- The Annual General Meeting 2027 will be held on April 20, 2027

Conference call

JULY 14, 2026 (09:00 CEST)

President and CEO Staffan Dahlström and CFO Joakim Nideborn present the second quarter 2026.

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

ASSURANCE

The Board of Directors and CEO assure that the interim report provides a true and fair overview of the parent company and the Group's operations, positions and earnings and describes the material risks and uncertainties faced by the parent company and the Group.

Halmstad July 14, 2026

Staffan Dahlström Chief Executive Officer	Charlotte Brogren Chair of the Board	Niklas Edling Board member	Henrik Elmin Board member	Anna Kleine Board member
Anders Mörck Board member	Johan Stakeberg Board member	Cecilia Wachtmeister Board member	Michael Mårtensson Employee representative	

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

Consolidated income statement in summary

SEK m	Q2 2026	Q2 2025	Q1-Q2 2026	Q1-Q2 2025	LTM 2026	Q1-Q4 2025
Net sales	991	843	1,962	1,733	3,807	3,577
Cost of goods and services sold	-359	-322	-724	-651	-1,397	-1,325
GROSS PROFIT	**633**	**521**	**1,239**	**1,081**	**2,410**	**2,253**
Selling expenses	-155	-147	-296	-291	-589	-584
Administrative expenses	-128	-106	-250	-220	-464	-434
Research and development expenses	-91	-85	-174	-173	-334	-332
Other operating income	8	1	12	4	20	12
Other operating expenses	-29	-46	-56	-89	-119	-153
OPERATING PROFIT	**238**	**138**	**475**	**313**	**924**	**762**
Financial income and expenses	-34	-27	-68	-58	-122	-112
Results from associated companies	0	0	0	0	0	0
PROFIT BEFORE TAX	**204**	**111**	**408**	**256**	**802**	**650**
Income tax	-49	-27	-90	-56	-248	-215
PROFIT FOR THE PERIOD	**155**	**84**	**318**	**199**	**554**	**435**
Attributable to:						
Parent company shareholders	155	84	318	199	554	435
Non-controlling interests	-	0	0	0	0	0
Earnings per share regarding profit attributed to parent company shareholders:						
Basic (SEK)	3.10	1.67	6.33	3.96	11.03	8.66
Diluted (SEK)	3.09	1.67	6.32	3.96	11.01	8.65

Consolidated statement of comprehensive income in summary

SEK m	Q2 2026	Q2 2025	Q1-Q2 2026	Q1-Q2 2025	LTM 2026	Q1-Q4 2025
Profit for the period	155	84	318	199	554	435
Other comprehensive income						
Items that may be reclassified subsequently to income statement:						
Cash flow hedges	-23	-2	-59	42	-56	45
Hedging of net investments	-28	-21	-57	156	10	222
Translation differences	117	-134	258	-586	99	-745
Income tax attributable to the items above	2	17	4	7	2	5
Other comprehensive income for the period, net of tax	**68**	**-140**	**146**	**-382**	**55**	**-472**
Total comprehensive income for the period	**223**	**-56**	**463**	**-182**	**609**	**-37**
Attributable to:						
Parent company shareholders	223	-56	463	-182	609	-37
Non-controlling interests	0	0	0	0	0	0

Consolidated balance sheet in summary

SEK m	2026-06-30	2025-06-30	2025-12-31
ASSETS			
Goodwill	4,068	3,987	3,870
Other intangible assets	855	900	842
Property, plant and equipment	205	168	176
Right-of-use	254	265	251
Deferred tax assets	67	73	63
Interest in associates	14	14	14
Other non-current assets	28	17	15
Total non-current assets	**5,491**	**5,424**	**5,231**
Inventories	603	749	652
Trade receivables	501	401	462
Other current receivables	162	235	165
Cash and cash equivalents	47	70	89
Total current assets	**1,313**	**1,455**	**1,369**
TOTAL ASSETS	**6,805**	**6,879**	**6,600**
EQUITY AND LIABILITIES			
Equity attributed to parent company shareholders	3,698	3,323	3,476
Non-controlling interests	-	2	2
Total equity	**3,698**	**3,325**	**3,477**
Liabilities			
Interest-bearing liabilities	1,734	1,818	1,809
Non-interest-bearing liabilities	122	119	114
Lease liabilities	174	189	176
Deferred tax liabilities	194	156	172
Other provisions	4	23	4
Total non-current liabilities	**2,228**	**2,304**	**2,275**
Interest-bearing liabilities	209	621	202
Non-interest-bearing liabilities	0	76	74
Lease liabilities	72	70	68
Trade payables	182	141	153
Other provisions	5	12	6
Other liabilities	411	330	344
Total current liabilities	**879**	**1,250**	**847**
TOTAL EQUITY AND LIABILITIES	**6,805**	**6,879**	**6,600**

Consolidated cash flow statement in summary

SEK m	Q2 2026	Q2 2025	Q1-Q2 2026	Q1-Q2 2025	LTM 2026	Q1-Q4 2025
Cash flow from current operations before changes in working capital	280	132	567	271	1,005	709
Change in working capital	53	70	16	118	67	169
Cash flow from operating activities	**334**	**201**	**584**	**388**	**1,073**	**877**
Acquisition of subsidiaries	-	-	-6	-	-6	-
Divestment of subsidiaries	9	-	9	-	9	-
Investments in intangible fixed assets	-27	-15	-95	-31	-135	-70
Investments in tangible fixed assets	-14	-18	-40	-33	-69	-63
Other investments	-15	3	-13	1	-16	-2
Cash flow from investing activities	**-47**	**-29**	**-146**	**-64**	**-217**	**-135**
Borrowings and repayments of borrowings, net	39	-181	-125	-282	-486	-644
Dividend to shareholders	-241	-	-243	-2	-245	-4
Amortization of lease liabilities	-17	-16	-33	-34	-66	-67
Other financing items	-73	-1	-73	0	-73	0
Cash flow from financing activities	**-291**	**-199**	**-474**	**-318**	**-871**	**-715**
Cash flow for the period	**-4**	**-27**	**-36**	**6**	**-15**	**27**
Cash and cash equivalents at the beginning of the period	**59**	**100**	**89**	**74**	**70**	**74**
Exchange rate effects	-8	-4	-6	-10	-7	-11
Cash and cash equivalents at the end of the period	**47**	**70**	**47**	**70**	**47**	**89**

Consolidated changes of equity in summary

SEK m	2026-06-30	2025-06-30	2025-12-31
Opening balance at January 1	3,476	3,504	3,504
Total comprehensive income for the period	463	-182	-37
Cost of share-based renumeration	5	3	9
Option	-3	0	4
Dividend[1]	-243	-2	-4
Closing equity attributed to the parent company's shareholders	**3,698**	**3,323**	**3,476**
Opening non-controlling interests at January 1	2	1	1
Total comprehensive income for the period	0	0	0
Disposal of subsidiary[2]	-2	-	-
Closing non-controlling interest	**-**	**2**	**2**
Total equity	**3,698**	**3,325**	**3,477**

[1] During 2026, HMS paid a dividend of SEK 241 m (-) to its shareholders. In addition, the subsidiary Owasys paid a dividend of SEK 2 m (4) to non-controlling interests

[2] During the second quarter of 2026, HMS divested its entire shareholding in the subsidiary PEAK-System Technik France SARL

Key ratios

SEK m	Q2 2026	Q2 2025	Q1-Q2 2026	Q1-Q2 2025	LTM 2026	Q1-Q4 2025
Revenue growth						
Change in net sales (%)	17.6	-0.2	13.3	18.6	14.3	16.9
Profitability						
Gross margin (%)	63.8	61.8	63.1	62.4	63.3	63.0
EBITDA (MSEK)	309	206	612	450	1,192	1,030
EBITDA (%)	31.2	24.4	31.2	26.0	31.3	28.8
EBITA (MSEK)	266	167	530	372	1,036	878
EBITA (%)	26.8	19.8	27.0	21.5	27.2	24.5
EBIT (SEK m)	238	138	475	313	924	762
EBIT (%)	24.0	16.4	24.2	18.1	24.3	21.3
Return						
Return on capital employed (%)	-	-	-	-	16.4	13.0
Return on shareholder's equity (%)	-	-	-	-	15.7	12.7
Financial strength						
Net debt/EBITDA LTM[1]	-	-	-	-	1.84	2.28
Net debt/equity ratio	0.61	0.85	0.61	0.85	0.61	0.68
Equity/assets ratio (%)	54.3	48.3	54.3	48.3	54.3	52.7
Capital turnover rate	-	-	-	-	0.56	0.51
Stock data						
Equity per share (SEK)	73.87	66.87	72.34	67.86	70.42	68.35
Cash flow from operating activities per share (SEK)	6.65	4.01	11.63	7.74	21.37	17.48
Earnings per share (SEK)	3.10	1.67	6.33	3.96	11.03	8.66
Adjusted earnings per share (SEK)[2]	3.65	2.24	7.42	5.15	15.33	13.06
Total number of shares (average, thousands)	50,319	50,319	50,319	50,319	50,319	50,319
Holding of own shares (average, thousands)	125	139	128	140	131	138
Total outstanding shares (average, thousands)	50,194	50,180	50,191	50,178	50,188	50,181
Personal data						
Average number of employees (FTE)	1,140	1,063	1,131	1,069	1,099	1,097
Female employees (%)	31.3	30.2	30.7	30.1	30.8	30.4
Female managers (%)	27.1	25.7	26.1	25.0	25.5	25.0

[1] *The KPI includes proforma from acquisitions*

[2] *Earnings per share adjusted for amortization of excess values from acquisitions and non-recurring items*

Quarterly data

Net sales by division, SEK m	Q2 2026	Q1 2026	Q4 2025	Q3 2025	Q2 2025	Q1 2025	Q4 2024	Q3 2024	Q2 2024
Industrial Data Solutions[1]	445	418	481	439	377	418	395	399	436
Industrial Networks Technology	334	332	263	246	269	257	246	275	271
New Industries[1]	212	220	207	209	197	215	192	190	206
Total	**991**	**971**	**951**	**894**	**843**	**890**	**832**	**864**	**912**

[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	Q2 2026	Q1 2026	Q4 2025	Q3 2025	Q2 2025	Q1 2025	Q4 2024	Q3 2024	Q2 2024
EMEA	405	415	405	382	382	401	359	348	369
Americas	444	409	430	390	333	366	328	332	355
APAC	141	146	116	122	128	124	120	112	121
Total	**991**	**971**	**951**	**894**	**843**	**890**	**807**	**792**	**845**

Income statement in summary, SEK m	Q2 2026	Q1 2026	Q4 2025	Q3 2025	Q2 2025	Q1 2025	Q4 2024	Q3 2024	Q2 2024
Net sales	**991**	**971**	**951**	**894**	**843**	**890**	**807**	**792**	**845**
Gross profit	**633**	**606**	**598**	**573**	**521**	**561**	**505**	**503**	**523**
Gross margin (%)	*63.8*	*62.4*	*63.0*	*64.1*	*61.8*	*63.0*	*62.6*	*63.5*	*61.9*
EBITA	**266**	**264**	**264**	**242**	**167**	**205**	**136**	**190**	**130**
EBITA (%)	*26.8*	*27.2*	*27.7*	*27.1*	*19.8*	*23.1*	*16.9*	*24.0*	*15.4*

Parent company's income statement in summary

SEK m	Q2 2026	Q2 2025	Q1-Q2 2026	Q1-Q2 2025	LTM 2026	Q1-Q4 2025
Net sales	7	7	14	13	30	29
Gross profit	**7**	**7**	**14**	**13**	**30**	**29**
Administrative expenses	-7	-7	-14	-13	-30	-29
Operating profit	**0**	**0**	**0**	**0**	**0**	**-**
Profit from interest in Group companies	19	1,025	19	1,025	19	1,025
Interest income/expenses and similar items	0	0	0	0	24	24
Profit before tax	**19**	**1,025**	**19**	**1,025**	**42**	**1,049**
Income tax	-	-	-	-	-5	-5
Profit for the period	**19**	**1,025**	**19**	**1,025**	**37**	**1,043**

Parent company's balance sheet in summary

SEK m	2026-06-30	2025-06-30	2025-12-31
ASSETS			
Financial assets	1,727	1,727	1,727
Total financial assets	**1,727**	**1,727**	**1,727**
Receivables from Group companies	1,779	1,984	2,011
Other current receivables	3	2	2
Cash and cash equivalents	1	3	4
Total current assets	**1,783**	**1,989**	**2,017**
TOTAL ASSETS	**3,510**	**3,716**	**3,744**
EQUITY AND LIABILITIES			
Equity	**3,498**	**3,702**	**3,721**
Current liabilities			
Trade payables	0	1	2
Other liabilities	11	14	21
Total current liabilities	**12**	**14**	**23**
TOTAL EQUITY AND LIABILITIES	**3,510**	**3,716**	**3,744**

Economic Definitions

ADJUSTED PROFIT AFTER TAX

Profit after tax attributable to the shareholders of the parent company adjusted for amortization of excess values from acquisitions and non-recurring items

ADJUSTED BASIC EARNING PER SHARE

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

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

EBIT in relation to net sales.

EBITA

Operating profit excluding amortization of excess values from acquisitions.

EBITA MARGINAL

EBITA in relation to net sales.

EBITDA

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

EBITDA MARGIN

EBITDA in relation to net sales.

EQUITY PER SHARE

Equity attributable to the shareholders of the parent company in relation to the average 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.

As of 2026, HMS applies EBITA and EBITDA as key performance measures to monitor and evaluate the business in a fair and representative manner. Previously reported periods included adjusted EBIT and adjusted EBITDA, which excluded transaction costs, integration costs and restructuring costs. The purpose of this change is to simplify follow-up procedures and to increase transparency and comparability over time and with other companies in the industry.

Adjusted profit after tax is used to enable a consistent follow-up of the Group's performance in line with the EBITA metric. Accordingly, profit after tax is adjusted for amortization of excess values from acquisitions. Where applicable, adjustments are also made for non-recurring items, for which further disclosures are provided in the report for the period in which they arise.

For a description of the performance measures, see Economic definitions on page 18.

EBITA AND EBITDA

SEK m	Q2 2026	Q2 2025	Q1-Q2 2026	Q1-Q2 2025	LTM 2026	Q1-Q4 2025
EBIT	238	138	475	313	924	762
Amortization of excess values from acquisitions	28	29	55	60	111	116
EBITA	**266**	**167**	**530**	**372**	**1,036**	**878**
Depreciation of tangible assets	10	8	19	16	35	32
Depreciation of right-of-use assets	16	16	32	33	65	66
Amortization of intangible assets[1]	15	14	29	29	55	55
Impairment of intangible assets	2	-	2	-	2	-
EBITDA	**309**	**206**	**612**	**450**	**1,192**	**1,030**
Net sales	991	843	1,962	1,733	3,807	3,577
EBITA (%)	26.8	19.8	27.0	21.5	27.2	24.5
EBITDA (%)	31.2	24.4	31.2	26.0	31.3	28.8

[1] *Excluding amortization of excess values from acquisitions*

ADJUSTED PROFIT AFTER TAX

SEK m	Q2 2026	Q2 2025	Q1-Q2 2026	Q1-Q2 2025	LTM 2026	Q1-Q4 2025
Profit after tax attributed to parent company shareholders	155	84	318	199	554	435
Amortization of excess values from acquisitions	28	29	55	60	111	116
Non-recurring items[1]	-	-	-	-	104	104
Adjusted profit after tax	**183**	**113**	**373**	**258**	**769**	**655**
Earnings per share (SEK)	3.10	1.67	6.33	3.96	11.03	8.66
Adjusted earnings per share (SEK)	**3.65**	**2.24**	**7.42**	**5.15**	**15.33**	**13.06**

[1] *In connection with the Group's acquisition of Red Lion in 2024, the Group elected to apply Section 338(h)(10). The application resulted in a non-recurring tax effect of SEK 104 m during the last quarter of 2025.*

HMS mission

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

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