Netel

Q3

Strong cash flow and continued high order backlog

Third quarter

- Net sales increased 0.3 per cent to MSEK 893 (890), of which organic growth was 0.3 per cent
- Adjusted EBITA amounted to MSEK 47 (50), with an adjusted EBITA margin of 5.3 per cent (5.6)
- EBITA amounted to MSEK 36 (46), with an EBITA margin of 4.1 per cent (5.2)
- Operating profit (EBIT) amounted to MSEK 34 (45), with an operating margin of 3.9 per cent (5.1)
- Profit for the period amounted to MSEK 8 (13)
- Earnings per share before and after dilution amounted to SEK 0.17 (0.27)
- Cash flow from operating activities increased to MSEK 47 (2)

January–September

- Net sales increased 4.1 per cent to MSEK 2,534 (2,434) with organic growth of 3.9 per cent
- Adjusted EBITA increased 5.0 per cent to MSEK 106 (101) with an adjusted EBITA margin of 4.2 per cent (4.1)
- EBITA increased 19.2 per cent to MSEK 87 (73) and the EBITA margin improved to 3.4 per cent (3.0)
- Operating profit (EBIT) increased to 17.1 per cent and amounted to MSEK 82 (70), with an operating margin of 3.2 per cent (2.9)
- Profit for the period increased 45.7 per cent to MSEK 11 (7).
- Earnings per share before and after dilution rose 46.7 per cent to SEK 0.22 (0.15)
- Cash flow from operating activities amounted to MSEK -4 (39)
- Net debt declined to MSEK 757 (798) and net debt/adjusted EBITDA amounted to 3.2 (3.2)
- The order backlog was MSEK 4,019 (4,104)

Significant events during the third quarter

- Climate targets submitted to the Science Based Targets Initiative (SBTi) for validation in the autumn.

Significant events after the end of the third quarter

- Contract with Green Mountain Data Centers in Norway for installation of power systems in the data center in Enebakk.

Indication 2024

- The adjusted EBITA margin for the full year 2024 is expected to be in line with 2023 and low net sales growth is expected for the full year 2024. The financial targets are expected to be reached in the medium term.

	Jul-Sep		Jan-Sep		R12 Oct-Sep	Full-year
SEK millions	**2024**	**2023**	**2024**	**2023**	**2023/2024**	**2023**
Net sales	893	890	2,534	2,434	3,559	3,459
Net sales growth (%)	0.3%	14.2%	4.1%	12.9%	3.5%	10.1%
Adjusted EBITA	47	50	106	101	169	164
Adjusted EBITA margin (%)	5.3%	5.6%	4.2%	4.1%	4.7%	4.8%
EBITA	36	46	87	73	147	133
EBITA margin (%)	4.1%	5.2%	3.4%	3.0%	4.1%	3.8%
EBIT	34	45	82	70	140	128
EBIT margin (%)	3.9%	5.1%	3.2%	2.9%	3.9%	3.7%
Net debt	757	798	757	798	757	610
Net debt/Adjusted EBITDA R12 (Ratio)	3.2	3.2	3.2	3.2	3.2	2.6

CEO's comments

We continue to build a stronger Netel

We are reporting a stable quarter with strong growth for Infraservices in Sweden and Telecom in Norway and Finland. Operating cash flow was strong in the quarter and amounted to MSEK 47. Our order backlog remains high at SEK 4.0 billion and our efficiency work to increase profitability over time is proceeding according to plan.

Sales increased organically by 0.3 per cent to MSEK 893 (890) in the quarter. Excluding currency effects organic growth was 2.8%, driven by strong growth in Infraservices and Telecom in Norway and Finland. In Power, comparative figures were impacted by the high volume of projects completed in the third quarter of 2023. Since the projects in Power are often major, sales can vary between the quarters depending on which projects are completed during each period. In Telecom in Sweden, we have started the projects to FMV, with initially low volumes in the quarter. We have also commenced deliveries to our new German customer UGG and can report growth, albeit modest, in Germany.

Over the past year, we have carried out a number of strategic initiatives that are crucial to our future development and competitiveness. Among other things, we change business systems, run important digitalisation projects and have intensified our sustainability efforts. Furthermore, we have made organisational changes that will strengthen our ability to meet future demands and enable continued growth. These measures are necessary to build a stronger, more sustainable business. We expect this year's adjusted EBITA margin to be in line with last year and we see low year-on-year growth due to lower volumes in Telecom in Germany, the UK and Sweden. The strategic initiatives we are implementing and incurring costs for this year will lay the foundation for us to achieve our medium-term financial targets.

Continued efforts to enhance efficiency

The EBITA margin fell to 4.1% (5.2%), impacted by lower volumes in Power and the completion of projects in Infraservices with lower margins than expected. We carry out extensive work where we identify and improve our processes and invest to see a positive development going forward, step by step. Our programmes to enhance efficiency, which encompasses among all increased digitalisation and a new common business system, is proceeding according to plan. The digitalisation projects for Telecom in Norway will enhance efficiency and further improve our service offering. The service business in Telecom consists of many small orders requiring us to maintain efficient systems to be competitive and more profitable.

High order backlog of SEK 4.0 billion

The markets for critical infrastructure are driven by powerful megatrends such as the electrification and digitalisation of society and modernising of sewage and water systems. As a result, we see a stable trend in our markets and our order backlog remains high at SEK 4.0 billion. It is gratifying to note that our strategic decision earlier this year to expand into new customer segments, such as industry, is continuing to yield results. In Norway we recently signed a contract with Green Mountain Data Centers for the design and installation of power systems for Green Mountain's continued expansion of its data center in Enebakk, near Oslo.

Strong cash flow

Operating cash flow amounted to MSEK 47 (2), reflecting the success of our efforts to strengthen our financial position. During the year, we invested in and modernised our systems, improved work procedures and developed processes from the tendering phase to project completion. This holistic approach has enabled us to optimise our use of resources, minimise bottlenecks and increase control over costs and revenue. By strengthening each link in the chain, we have created more efficient operations with improved cash flow.

Science based climate targets

Climate change is one of the most important issues of our time and we are focusing our efforts on reducing Netel's climate footprint. Our climate targets are currently being evaluated by Science Based Targets Initiative (SBTi) and we hope to soon be able to announce validated targets in line with the Paris Agreement. To achieve these ambitious targets, we will need to intensify cooperation with both our customers and partners. Together, we can develop and accelerate our initiatives that help reduce our climate impact and promote a sustainable future.

Future outlook

I have now been President and CEO of Netel for almost a year and a half, and during this time we have implemented major organisational changes and changed our ways of working. I am proud of the progress we have made, especially in attracting new customers and strengthening the relationships we have with our existing partners. This progress is the result of the expertise, commitment and professionalism of our employees, whose daily work strengthens Netel's competitiveness and creates long-term value on a step-by-step basis.

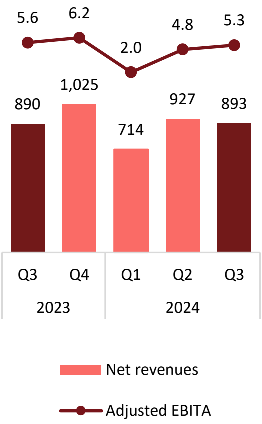
Jeanette Reuterskiöld
President and CEO

Condensed consolidated financial performance

Third quarter

Net sales

Net sales
and adjusted EBITA
margin



Net sales increased organically by 0.3 per cent to MSEK 893 (890) in the third quarter. Exchange rate effects had a negative impact of 2.5 per cent. The increase of net sales was particularly strong for Infraservices and Telecom in Norway and Finland. Net sales were mainly negatively impacted by Power in Sweden and Norway by the typical quarterly variation due to the timing of project completions.

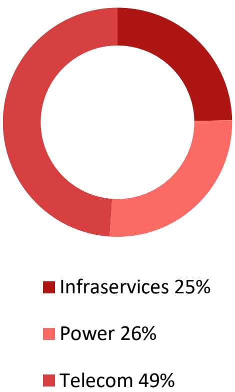
Order bookings were favourable during the quarter and the order backlog amounted to MSEK 4,019 (4,104). At the end of the second quarter, the order backlog amounted to MSEK 4,194.

Earnings

EBITDA decreased 15.8 per cent to MSEK 54 (65), with an EBITDA margin of 6.1 per cent (7.3). EBITA decreased 21.7 per cent to MSEK 36 (46), and the EBITA margin was 4.1 per cent (5.2). Margins were impacted by the lower volumes in Power and the completion of projects in Infraservices with lower margins than expected.

Adjusted EBITDA declined 3.0 per cent to MSEK 65 (68) for the quarter with an adjusted EBITDA margin of 7.3 per cent (7.6). Adjusted EBITA declined 6.0 per cent to MSEK 47 (50) and the margin amounted to 5.3 per cent (5.6). Adjustments have been made for items affecting comparability with SEK 11 million, which includes, among other things, restructuring costs for the implementation of business systems and organisational changes. Adjustments were made in the year-earlier quarter of MSEK 3, of which MSEK 2 related to acquisition-related costs.

Net sales by segment



Depreciation/amortisation and impairment amounted to MSEK -20 (-20).

Net financial items amounted to MSEK -21 (-26) for the quarter. Interest expenses amounted to MSEK -16 (-18), of which MSEK -1 (-1) was attributable to lease liabilities.

Profit before tax decreased 29.7 per cent to MSEK 13 (19) during the quarter.

Profit after tax decreased 36.0 per cent to MSEK 8 (13). Tax amounted to MSEK -5 (-6), leading to an effective tax rate of 37.4 per cent (31.2).

Cash flow and financial position

Cash flow from operating activities increased to MSEK 47 (2).

During the quarter, cash flow from investing activities was MSEK -40 (-1), mainly attributable to paid contingent considerations.

Cash flow from financing activities amounted to MSEK -16 (-5).

Cash flow for the period was MSEK -9 (-5).

Cash and cash equivalents at the end of the period amounted to MSEK 249, compared to MSEK 260 at the start of the quarter. Unutilised credit facilities totalled MSEK 298 compared with MSEK 292 at the start of the period, which together with cash and cash equivalents means a total of MSEK 547 in available funds compared with MSEK 552 at the start of the period.

Net debt, which is defined as current and non-current interest-bearing liabilities from credit institutions less cash and cash equivalents and current investments, amounted to MSEK 757 at the end of the quarter compared with MSEK 756 at the start of the quarter. This is equivalent to net debt in relation to adjusted EBITDA R12M of a multiple of 3.2. The leverage ratio calculated in accordance with the Group's financial target was a multiple of 2.8 at the end of the period, which is above the capital structure target in the medium term.

Other current and non-current interest-bearing liabilities primarily comprise bank financing and lease liabilities. These commitments amounted to MSEK 1,005 at the end of the quarter compared with MSEK 1,016 at the start of the quarter.

Total assets amounted to MSEK 3,036 compared with MSEK 3,104 at the start of the quarter and equity to MSEK 1,149 compared with MSEK 1,145 at the start of the quarter.

January–September

Net sales

Net sales rose 4.1 per cent to MSEK 2,534 (2,434) in the first nine months of the year with organic growth of 3.9 per cent, primarily as a result of a favourable performance in Infraservices and Power in Sweden and Telecom in Norway and Finland. Exchange rate effects had a negative impact of 1.0 per cent.

Earnings

EBITDA increased 9.7 per cent to MSEK 140 (127) and the EBITDA margin improved to 5.5 per cent (5.2). EBITA increased 19.2 per cent to MSEK 87 (73) and the EBITA margin improved to 3.4 per cent (3.0). Margins were negatively impacted primarily by lower volumes in Telecoms in Germany and the UK. In the same period in 2023, profitability was impacted by restructuring costs of MSEK 20 for Power in Finland.

Adjusted EBITDA increased 1.9 per cent to MSEK 158 (155) for the nine-month period with an adjusted EBITDA margin of 6.2 per cent (6.4). Adjusted EBITA increased by 5.0 per cent to MSEK 106 (101), and the adjusted EBITA margin was 4.2 per cent (4.1). Adjustments have been made for items affecting comparability of MSEK 18, of which MSEK 3 for the introduction of the long-term incentive programme LTIP 2024 in accordance with the resolution of the Annual General Meeting in May 2024, and MSEK 5 for the implementation of business systems and organisational changes. Adjustments were made of MSEK 28 in the same period of 2023, of which MSEK 20 pertained to restructuring costs and MSEK 8 pertained to acquisition costs.

Depreciation/amortisation and impairment amounted to MSEK -58 (-57).

Net financial items amounted to MSEK -61 (-50) for the nine-month period. Interest expenses amounted to MSEK -50 (-49), of which MSEK -2 (-3) was attributable to lease liabilities.

Profit before tax increased 3.3 per cent to MSEK 21 (20) during the first nine months of the year. Earnings were positively impacted in the same period of 2023 by a one-off effect of MSEK 5 from a dispute with a major fibre customer.

Profit after tax increased 45.7 per cent to MSEK 11 (7). Tax, calculated with respect to tax adjustments and impacted by restrictions on interest deductions, amounted to MSEK -10 (-13), leading to an effective tax rate of 48.0 per cent (63.1).

Cash flow and financial position

Cash flow from operating activities amounted to MSEK -4 (39), mainly impacted by seasonal patterns with a high share of projects start-ups in the first quarter. In the same period of 2023, cash flow was positively affected by MSEK 70 from the settlement with a major fibre customer.

During the nine-month period, cash flow from investing activities was MSEK -120 (-79), mainly attributable to paid contingent considerations.

Cash flow from financing activities amounted to MSEK -79 (-46). The raising of loans was higher during the first nine months of 2023 compared with 2024, which impacts the comparison.

Cash flow for the period was MSEK -204 (-87).

Segments

Infraservices division

	Jul-Sep			Jan-Sep			R12 Oct-Sep	Full-year	
MSEK	**2024**	**2023**	**Δ**	**2024**	**2023**	**Δ**	**2023/2024**	**2023**	**Δ**
Net Sales	220	203	8.4%	606	534	13.5%	848	776	9.3%
of which									
Sweden	*220*	*198*	*10.8%*	*606*	*534*	*13.5%*	*848*	*776*	*9.3%*
EBITA	14	18	-21.2%	40	40	-0.6%	68	68	-0.4%
EBITA margin	6.5%	9.1%	-2.6	6.6%	7.5%	- 0.9	8.0%	8.8%	-0.8

Net sales grew 8.4 per cent to MSEK 220 (203) in the quarter as a result of high project activity. Netel continued to win attractive contracts during the quarter in highly competitive markets. These include Netel being awarded the continued development of the BRT (Bus Rapid Transit) project in Örebro, Sweden, with a contract value of about MSEK 42.

EBITA decreased by 21.2 per cent to MSEK 14 (18), with an EBITA margin of 6.5 per cent (9.1), with the decline due to the completion of projects with lower margins than expected.

Power division

	Jul-Sep			Jan-Sep			R12 Oct-Sep	Full-year	
MSEK	**2024**	**2023**	**Δ**	**2024**	**2023**	**Δ**	**2023/2024**	**2023**	**Δ**
Net Sales	236	286	-17.7%	764	805	-5.1%	1,103	1,144	-3.6%
of which									
Sweden	*143*	*153*	*-6.6%*	*429*	*407*	*5.3%*	*652*	*630*	*3.5%*
Norway	*64*	*105*	*-39.1%*	*256*	*287*	*-10.6%*	*341*	*371*	*-8.2%*
Finland	*29*	*29*	*2.2%*	*77*	*111*	*-31.0%*	*107*	*142*	*-24.3%*
EBITA	8	25	-66.5%	31	23	*36.4%*	59	51	10.0%
EBITA margin	3.5%	8.6%	-5.1	4.0%	2.8%	1.2	5.4%	4.5%	0.9

Net sales decreased by 17.7 per cent to MSEK 236 (286) during the quarter. Comparative figures are impacted by the high volume of project completions, primarily in Norway, in the third quarter of 2023. Since Power often involves major projects, sales can vary between the quarters depending on which projects were completed during the period.

After the end of the quarter, a contract was signed with Green Mountain Data Centers in Norway for the design and installation of the power supply for the further expansion of their data center in Enebakk, near Oslo.

EBITA decreased 66.5 per cent to MSEK 8 (25) in the quarter and the EBITA margin was 3.5 per cent (8.6). Profitability was impacted by the lower volumes in the quarter and the Finnish power operation which is still making a loss. Efforts to increase margins in Norway and Finland are continuing according to plan.

Telecom division

	Jul-Sep			Jan-Sep			R12 Oct-Sep	Full-year	
MSEK	**2024**	**2023**	**Δ**	**2024**	**2023**	**Δ**	**2023/2024**	**2023**	**Δ**
Net Sales	437	401	9.1%	1,163	1,091	6.6%	1,612	1,540	4.7%
of which									
Sweden	*53*	*54*	*-2.0%*	*184*	*197*	*-6.6%*	*269*	*282*	*-4.6%*
Norway	*254*	*228*	*11.6%*	*662*	*574*	*15.3%*	*912*	*824*	*10.7%*
Finland	*68*	*42*	*61.4%*	*132*	*81*	*63.3%*	*182*	*131*	*38.9%*
Germany	*47*	*45*	*3.3%*	*123*	*149*	*-17.0%*	*85*	*110*	*-23.0%*
UK	*15*	*32*	*-51.7%*	*61*	*91*	*-33.0%*	*162*	*192*	*-15.6%*
EBITA	13	5	184.5%	14	15	-7.2%	14	23	-39.1%
EBITA margin	3.0%	1.1%	1.8	1.2%	1.4%	-0.2	0.9%	1.5%	-0.6

Net sales grew 9.1 per cent to MSEK 437 (401) in the quarter, primarily due to good development in Norway and Finland. In Sweden, the first projects with FMV have commenced but volumes remain low. In Norway, increased volumes in mobile and services contributed to the sales growth. In Finland, fibre projects are ongoing, which contributed to the strong performance. In Germany, major projects for the roll-out of fibre to UGG have commenced. In the UK, the build-up of Netel’s market presence is continuing.

EBITA improved 184.5 per cent to MSEK 13 (5) and the EBITA margin increased to 3.0 per cent (1.1) in the quarter, primarily due to increased volumes. Measures to increase margins in Norway are proceeding according to plan.

Other information

Significant events after the end of the reporting period

Contract signed with Green Mountain Data Centers covering the design and installation of power systems for the data center in Enebakk, near Oslo. The project includes the entire system from the 132 kV line, the substations and terminations in the data center. The project has already started and should be completed in 2026.

Employees

The number of employees at the end of the period was 852 (857). The average number of employees for the third quarter was 865 (870).

Financial targets

Revenue growth
Annual growth target of 10 per cent, including inorganic growth.

Margin target
Adjusted EBITA margin above 7 per cent in the medium term.

Capital structure
Net debt (excluding lease liabilities) in relation to adjusted EBITDA R12M of a multiple below 2.5. The leverage ratio can temporarily be exceeded in connection with acquisitions.

Dividend policy

Pay-out ratio of 40 per cent of the Group's net profit, considering other factors such as acquisition opportunities, financial position, cash flow and organic growth opportunities.

Long-term incentive programme LTIP 2024

In May 2024, the Annual General Meeting resolved to implement a long-term incentive programme – LTIP 2024 – for members of the Executive Team and certain other key employees of the Group, totalling eight persons. Some of the participants in the programme will have the opportunity to acquire shares in the company (warrants), while other participants will have the opportunity to receive a cash amount based on the share price (synthetic options). Participants have been offered to purchase the options at market value, with a subsidy in the form of a cash payment equivalent to approximately 50% of the investment amount. The benefit corresponding to the subsidy is recognised as share-based payment in accordance with IFRS 2, meaning personnel costs over the vesting period of three years.

The programme encompasses 750,000 warrants and 214,000 synthetic options. Both warrants and synthetic options may be exercised during the period from 1 June 2027 up to and including 31 August 2027. The subscription/exercise price amounts to 150% of the volume-weighted average price paid during five trading days ending on 17 May 2024, which was SEK 22.39. The terms and conditions of the warrants contain a so-called net strike recalculation clause, which means that the subscription price and the number of shares that each warrant entitles to subscription for will be recalculated before the exercise period.

The fair value on the allotment date amounted to SEK 1.88 for warrants and SEK 1.87 for synthetic options. The maximum number of warrants has been subscribed.

During the quarter the Group recognised SEK 58,750 as costs in accordance with IFRS 2 and the share-based payment.

Parent Company

The Parent Company's net sales amounted to MSEK 6 (8) for the quarter. The Parent Company was charged with personnel costs and certain financial expenses.

Risks and uncertainties

There are several strategic, operational and financial risks and uncertainties that could impact the Group's financial results and position. Most of these can be managed by internal procedures, although some are governed by external factors to a greater extent. Risks and uncertainties are related to IT and control systems, suppliers, disputes related to projects, seasonal and weather variations and currencies, but could also arise in the event of new competition, changed market conditions and macroeconomic factors or changed customer behaviour. Interest rate risk also exists for the Group. A weaker macroeconomic situation, higher interest rates and inflation pressure could have a negative impact on demand from customers and entail project delays. Netel cannot currently assess the scope of any potential recession, the level of inflation or expected interest rates. It is thus also difficult to assess the effects on the Group's operations. Netel's business model is based on a low level of the Group's assets being tied up in own operations, for example, in machines, which makes the Group more financially agile during recessions. The Netel Group is also affected by weather factors. An early or late winter with lower temperatures has a negative impact on excavation projects, while autumn storms can lead to more assignments to secure power lines. For a more detailed description of the risks and uncertainties for the Group and the Parent Company, refer to the 2023 Annual Report.

Netel works actively to monitor and continuously evaluate sustainability-related risk and their impact on the Group's operations and earnings. As part of this governance, Group management has started to monitor and evaluate the Group's climate impact and how the Group is affected by climate-related risks. Group management is also following up compliance among subsidiaries regarding, for example, the Code of Conduct, work-related injuries and legal disputes.

2025 Annual General Meeting

The 2025 Annual General Meeting will be held on Thursday, 8 May, in Stockholm, Sweden. Shareholders who wish to have a matter brought before the AGM may submit a proposal to Netel's Chairman of the Board by e-mailing ir@netelgroup.com or writing to Netel Holding AB, Att: Årsstämma 2025, Fågelviksvägen 9, 7th floor SE-145 84 Stockholm, Sweden. To be assured of the proposal reaching the notice and therefore the agenda of the AGM, the proposal must have reached the company by 20 March 2025 at the latest.

Owners

On 30 September 2024, Netel Holding AB (publ) had 4,291 (2,267) shareholders. The five largest shareholders were IK VII fund via Cinnamon International S.à.r.l (46.67 per cent), Nordnet Pensionsförsäkring (6.91 per cent), Swedbank Robur Fonder (4.27 per cent), Cicero Fonder (3.15 per cent) and Delphi Fondsforvaltning (2.49 per cent).

There were a total of 48,511,873 shares and votes in Netel on 30 September 2024. All shares are ordinary shares.

Financial statements

Condensed consolidated statement of profit or loss

	Jul-Sep		Jan-Sep		R12 Oct-Sep	Full-year
SEK millions	**2024**	**2023**	**2024**	**2023**	**2023/2024**	**2023**
Operating income						
Net sales	893	890	2,534	2,434	3,559	3,459
Other operating income	4	3	7	7	33	32
Total revenue	**897**	**893**	**2,542**	**2,441**	**3,592**	**3,491**
Operating expenses						
Material and purchased services	-603	-592	-1,651	-1,559	-2,338	-2,246
Other external expenses	-80	-73	-212	-229	-310	-328
Personnel costs	-160	-163	-539	-526	-727	-713
Depreciation and amortisation	-20	-20	-58	-57	-76	-76
Operating profit/loss (EBIT)	**34**	**45**	**82**	**70**	**140**	**128**
Profit/loss from financial items						
Net financial items	-21	-26	-61	-50	-76	-64
Earnings before tax	**13**	**19**	**21**	**20**	**64**	**64**
Taxes	-5	-6	-10	-13	-17	-20
Earnings for the period	**8**	**13**	**11**	**7**	**47**	**44**
Earnings for the period is attributable to						
Parent company's shareholders	8	13	11	7	47	44
Non-controlling interests	-	-	-	-	-	-
Earnings per share						
Earnings per share before and after diltution (SEK)	0.17	0.27	0.22	0.15	0.98	0.91
Average number of shares before and after dilution (thousands)	48,512	48,512	48,512	48,470	48,512	48,480

Condensed consolidated statement of profit or loss and statement of comprehensive income

	Jul-Sep		Jan-Sep		R12 Oct-Sep	Full-year
SEK millions	**2024**	**2023**	**2024**	**2023**	**2023/2024**	**2023**
Earnings for the period	8	13	11	7	47	44
Other comprehensive income						
Translation differences for the period	-5	4	3	-10	18	5
Other comprehensive income for the period	**-5**	**4**	**3**	**-10**	**18**	**5**
Comprehensive income for the period	**3**	**17**	**14**	**-2**	**66**	**49**
period is attributable to						
Parent company's shareholders	3	17	14	-2	66	49
Non-controlling interests	-	-	-	-	-	-

In 2024, Netel replaced a bank loan in Swedish kronor (SEK) and signed a bank loan in Norwegian kronor (NOK) amounting to MNOK 200, corresponding to MSEK 199 at the time of borrowing. The loan is valued at the exchange rate on the balance sheet date. This loan was structured to secure the net investment in the Norwegian subsidiaries including the Parent Company’s lending to the companies amounting to an equivalent amount (MNOK 200) that was identified as an expanded net investment. Hedge accounting is applied, which is why gains or losses from currency translation of the loan are recognised in other comprehensive income and accumulated in equity to the extent that the hedge is effective. Any ineffective portion of the hedging relationship is recognised in net financial items in the income statement. Accumulative gains or losses recognised in other comprehensive income are presented in a separate item of equity and reclassified from equity to profit or loss as a reclassification adjustment on divestment or part divestment of the foreign operation. The hedge ratio is 1:1 for the hedge and an economic relationship is deemed to exist since the underlying currency risk in the loan and net investment are well matched. The Group did not recognise any ineffectiveness during the period.

Condensed consolidated statement of financial position

SEK millions	30 Sep 2024	30 Sep 2023	31 Dec 2023
ASSETS			
Non-current assets			
Goodwill	1,238	1,245	1,237
Intangible assets	206	200	199
Property, plant and equipment	160	187	173
Financial non-current assets	13	11	13
Deferred tax assets	16	10	16
Total non-current assets	**1,634**	**1,655**	**1,639**
Current assets			
Inventories	7	8	8
Current receivables	1,147	1,195	1,052
Cash and cash equivalents	249	281	446
Total current assets	**1,402**	**1,485**	**1,506**
Total assets	**3,036**	**3,139**	**3,146**
EQUITY AND LIABILITIES			
Equity			
Equity attributable to the parent company's shareholders	1,149	1,113	1,133
Equity attributable to non-controlling interests	-	-	-
Total equity	**1,149**	**1,113**	**1,133**
Non-current interest-bearing liabilities	955	1,005	1,003
Non-current non-interest-bearing liabilities	93	238	93
Total non-current liabilities	**1,048**	**1,243**	**1,097**
Current interest-bearing liabilities	50	75	53
Current non-interest-bearing liabilities	789	708	863
Total current liabilities	**839**	**783**	**916**
Total equity and liabilities	**3,036**	**3,139**	**3,146**

Condensed consolidated statement of changes in equity

	Equity attributable to the parent company's shareholders						
SEK thousands	Share capital	Other contributed capital	Translation reserve	Retained earnings including profit/loss for the period	Total equity attributable to the parent company's shareholders	Non-controlling interest	Total equity
Opening equity 1 Jan 2023	**742**	**1,460,815**	**4,737**	**-361,342**	**1,104,951**	**-**	**1,104,951**
Profit/loss for the period	-	-	-	7,429	7,429	-	7,429
Other comprehensive income	-	-	-9,622	-	-9,622	-	-9,622
period	**-**	**-**	**-9,622**	**7,429**	**-2,193**	**-**	**-2,193**
Transactions with Group owners							
Completed issues	5	9,995	-	-	10,000	-	10,000
Total	**5**	**9,995**	**-**	**-**	**10,000**	**-**	**10,000**
Closing equity 30 Sep 2023	**746**	**1,470,810**	**-4,886**	**-353,913**	**1,112,758**	**-**	**1,112,758**
Opening equity 1 Jan 2024	**746**	**1,470,810**	**-20,703**	**-317,415**	**1,133,438**	**-**	**1,133,438**
Profit/loss for the period	-	-	-	10,977	10,977	-	10,977
Other comprehensive income	-	-	3,455	-	3,455	-	3,455
period	**-**	**-**	**3,455**	**10,977**	**14,432**	**-**	**14,432**
Transactions with Group owners							
Completed issues	-	823	-	-	823	-	823
Total	-	823	-	-	823	-	823
Closing equity 30 Sep 2024	**746**	**1,471,632**	**-17,248**	**-306,439**	**1,148,692**	**-**	**1,148,692**

Condensed consolidated statement of cash flows

	Jul-Sep		Jan-Sep		Full-year
SEK millions	**2024**	**2023**	**2024**	**2023**	**2023**
Operating profit/loss	34	45	82	70	128
Reversal of non-cash items	16	16	45	49	70
Interest received	0	0	2	0	6
Interest paid	-16	-20	-50	-49	-67
Tax paid	-11	-5	-57	-37	-39
Cash flow from operating activities before changes in working capital	**23**	**36**	**23**	**34**	**98**
Changes in inventories	0	0	1	0	0
Changes in operating receivables	44	-62	-94	-35	94
Changes in operating liabilities	-20	28	67	40	49
Cash flow from operating activities	**47**	**2**	**-4**	**39**	**242**
Acquisition of non-current assets	-6	-4	-25	-13	-19
Acquisition of subsidiaries and businesses	-34	0	-99	-74	-74
Sale of non-current assets	0	3	3	8	11
Cash flow from investing activities	**-40**	**-1**	**-120**	**-79**	**-83**
New share issue	-	-	-	-	-
Amortisation of lease liabilities	-13	-13	-37	-39	-51
Proceeds from current and non-current loans and credits	0	8	14	50	50
Amortisation of current and non-current loans and credits	-3	-	-56	-58	-66
Cash flow from financing activities	**-16**	**-5**	**-79**	**-46**	**-67**
Cash flow for the period	-9	-5	-204	-87	92
Cash and cash equivalents at the beginning of the period	260	286	446	369	369
Translation difference in cash and cach equivalents	-3	-0	6	-1	-14
Cash and cash equivalents at the end of the period	**249**	**281**	**249**	**281**	**446**

Notes to the financial statements in summary

Key accounting policies

This interim report covers the Swedish Parent Company Netel Holding AB (publ), Corp. Reg. No. 559327–6263, and its subsidiaries. The activities of the company and its subsidiaries (the "Group") include the provision of the construction and maintenance of infrastructure in Sweden, Norway, Finland, Germany and the UK within the divisions of Infraservices, Power and Telecom. The Parent Company is a limited company with its registered office in Stockholm, Sweden. The address of the head office is Fågelviksvägen 9, SE-145 84 Stockholm.

Netel Holding AB (publ) applies International Financial Reporting Standards (IFRS) as adopted by the EU. The Group's interim report has been prepared in accordance with IAS 34 Interim Financial Reporting and applicable parts of the Annual Accounts Act (1995: 1554). The interim report for the Parent Company has been prepared in accordance with Chapter 9 Interim Reports of the Annual Accounts Act and RFR 2 Reporting for Legal Entities. For the Group and the Parent Company, the same accounting policies, calculation bases and assessments have been applied as in the latest annual report for Netel Holding AB (publ), with the exception of hedge accounting. A more detailed description of the Group's applied accounting policies as well as new and future changes in standards can be found in the latest published annual report. For a complete description of the Group and the Parent Company's applied accounting policies, see Note 1 in the 2023 Annual Report and the description below.

In addition to the financial statements and their accompanying notes, disclosures pursuant to IAS 34 are provided in the interim information, which comprise an integral part of this financial report.

All amounts in this report are stated in millions of Swedish kronor (MSEK) unless otherwise stated. Differences in rounding off may occur.

Hedging of net investment in foreign operations

In 2024, Netel replaced a bank loan in Swedish kronor (SEK) and signed a bank loan in Norwegian kronor (NOK) amounting to MNOK 200, corresponding to MSEK 199 at the time of borrowing. The loan is valued at the exchange rate on the balance sheet date. This loan was identified to secure the net investment in the Norwegian subsidiaries including the Parent Company's lending to the companies amounting to an equivalent amount (MNOK 200) that was identified as an expanded net investment. Hedge accounting is applied, which is why gains or losses from currency translation of the loan are recognised in other comprehensive income and accumulated in equity to the extent that the hedge is effective. Any ineffective portion of the hedging relationship is recognised in net financial items in the income statement. Accumulative gains or losses recognised in other comprehensive income are presented in a separate item of equity and reclassified from equity to profit or loss as a reclassification adjustment on divestment or part divestment of the foreign operation. The hedge ratio is 1:1 for the hedge and an economic relationship is deemed to exist since the underlying currency risk in the loan and net investment are well matched. The Group did not recognise any ineffectiveness during the period.

Warrants

Obligations for the Group's warrants are recognised as personnel costs over the period of service based on the estimated number of rights expected to be vested. The fair value is calculated on the allotment date and recognised in equity. The estimate of the number of shares expected to be vested is reassessed at the end of each reporting period and any differences are recognised in profit or loss with corresponding adjustments made in equity.

Synthetic options

Obligations for the Group's synthetic options are recognised as personnel costs over the period of service based on the estimated number of rights expected to be vested. The fair value of the liability is remeasured at the end of each reporting period and recognised as an employee benefit obligation in the balance sheet. Any changes in fair value are recognised in profit or loss as personnel costs. In the event that synthetic options are forfeited due to the employee not meeting the service conditions, the liability is derecognised and previously recognised expenses are reversed.

Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker is responsible for allocating resources and assessing the performance of the operating segments. In the Group, this function has been identified as the President and CEO. An operating segment is a part of the Group that conducts operations that earn revenue and incur costs, and for which discrete financial information is available. The Group is categorised into segments based on the internal structure of its business operations, which means that there are three operating segments: the Infraservices, Power and Telecom divisions.

The same accounting policies are used in the segments as for the Group, except for leases in accordance with IFRS 16. Leasing according to IFRS 16 was not allocated on the division level. Consequently, the divisions' leases are reported as if they were operating leases. The Group presents revenue and earnings before interest, tax and amortisation (EBITA) per segment.

Earnings per share

Earnings per share before dilution are calculated by dividing net profit attributable to holders of ordinary shares in the Parent Company by the weighted average number of outstanding ordinary shares during the year. Earnings per share after dilution are calculated by dividing net profit attributable to holders of ordinary shares in the Parent Company, adjusted where applicable, by the sum of the weighted average number of ordinary shares and potential ordinary shares that may give rise to a dilution effect. The dilution effect of potential ordinary shares is only reported if a recalculation of ordinary shares would lead to a decrease in earnings per share after dilution.

Estimates and judgements

The preparation of the interim report requires that company management makes assessments and estimates and makes assumptions that affect the application of the accounting policies and the reported amounts of assets, liabilities, revenue and expenses. The actual outcome may differ from these estimates and assessments. The critical assessments and sources of uncertainty in estimates are the same as in the latest published annual report. See Note 1 in the 2023 Annual Report for more information.

Operating segments

For accounting and monitoring purposes, the Group has divided its operations into three operating segments based on how the Group CEO evaluates the Group's operations. The three operating segments are the Infraservices, Power and Telecom divisions. The Group CEO primarily uses earnings before interest, tax and amortisation (EBITA) in assessing the performance of the operating segments.

Other adjustments at Group level are included under Group-wide items and eliminations, for example, transaction costs and other Group-wide costs that are not allocated at segment level.

Changes in 2024

Starting in the first quarter of 2024, Netel carried out a reorganisation to clarify synergies, better utilise business opportunities and expertise as well as allocate resources between countries based on the nature of the operations. The previous segments Sweden, Norway, Finland, Germany and the UK were replaced by the Infraservices, Power and Telecom divisions which, as of the first quarter of 2024, are recognised as the primary operating segments. The previous segments will be reported as business areas within each division. To increase transparency, restated figures are also presented for all of the remaining quarters and full-year 2023 in accordance with the new operating segments.

Jul-Sep 2024	Infraservices	Power	Telecom	Total segments	Group-wide items and eliminations	Group total
Revenue from external customers	221	236	437	893	0	893
Revenue from other segments	-	-	-	-	-	-
Total revenue	**221**	**236**	**437**	**893**	**0**	**893**
EBITA	**14**	**8**	**13**	**35**	**1**	**36**

Jul-Sep 2023	Infraservices	Power	Telecom	Total segments	Group-wide items and eliminations	Group total
Revenue from external customers	198	286	401	886	4	890
Revenue from other segments	-	-	-	-	-	-
Total revenue	**198**	**286**	**401**	**886**	**4**	**890**
EBITA	**18**	**25**	**5**	**47**	**-1**	**46**

Oct-Dec 2023	Infraservices	Power	Telecom	Total segments	Group-wide items and eliminations	Group total
Revenue from external customers	243	338	449	1,030	-5	1,025
Revenue from other segments	-	-	-	-	-	-
Total revenue	**243**	**338**	**449**	**1,030**	**-5**	**1,025**
EBITA	**28**	**28**	**8**	**64**	**-5**	**59**

Jan-Dec 2023	Infraservices	Power	Telecom	Total segments	Group-wide items and eliminations	Group total
Revenue from external customers	776	1,144	1,540	3,460	-0	3,459
Revenue from other segments	-	-	-	-	-	-
Total revenue	**776**	**1,144**	**1,540**	**3,460**	**-0**	**3,459**
EBITA	**68**	**51**	**23**	**142**	**-10**	**133**

Revenue from contracts with customers

Currently, the Group only conducts Infraservices in Sweden. Power operations are conducted in Sweden, Norway and Finland. Telecom operations are conducted in all five countries. Telecom only encompasses fibre roll-out and service in the UK and Germany. In Sweden, Norway and Finland, Telecom also encompasses roll-out and service of mobile networks.

Jul-Sep 2024	**Infraservices**	**Power**	**Telecom**	**Group total**
Business area				
Sweden	220	143	53	416
Norway	-	64	254	318
Finland	-	29	68	98
Germany	-	-	47	47
United Kingdom	-	-	15	15
Group-wide	1	-0	-0	0
customers	**221**	**236**	**437**	**893**
Type of service				
Framework agreement	48	23	380	451
Project	172	213	58	443
Group-wide	1	-0	-0	0
customers	**221**	**236**	**437**	**893**

Jul-Sep 2023	**Infraservices**	**Power**	**Telecom**	**Group total**
Business area				
Sweden	198	153	54	405
Norway	-	105	228	333
Finland	-	29	42	71
Germany	-	-	45	45
United Kingdom	-	-	32	32
Group-wide	4	-	-	4
customers	**203**	**286**	**401**	**890**
Type of service				
Framework agreement	55	156	247	459
Project	147	130	153	431
Group-wide	-	-	-	-
customers	**203**	**286**	**401**	**890**

Jan-Sep 2024	Infraservices	Power	Telecom	Group total
Business area				
Sweden	606	429	184	1,219
Norway	-	256	662	918
Finland	-	77	132	208
Germany	-	-	123	123
United Kingdom	-	-	61	61
Group-wide	1	2	2	5
customers	**607**	**764**	**1,163**	**2,534**
Type of service				
Framework agreement	140	219	938	1,296
Project	466	544	224	1,233
Group-wide	1	2	2	5
customers	**607**	**764**	**1,163**	**2,534**

Jan-Sep 2023	Infraservices	Power	Telecom	Group total
Business area				
Sweden	534	407	197	1,138
Norway	-	287	574	861
Finland	-	111	81	192
Germany	-	-	149	149
United Kingdom	-	-	91	91
Group-wide	4	-	-	4
customers	**538**	**805**	**1,091**	**2,434**
Type of service				
Framework agreement	142	487	658	1,287
Project	396	318	433	1,147
Group-wide	-	-	-	-
customers	**538**	**805**	**1,091**	**2,434**

Financial instruments

The Group's financial instruments measured at fair value only refer to contingent considerations and fund holdings (see below). For other financial assets and liabilities, the carrying amounts are good approximations of the fair value.

Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The table below shows financial instruments measured at fair value, based on the classification of the fair value hierarchy. The different levels are defined as follows:

Level 1 – Quoted prices (unadjusted) in active markets for identical assets and liabilities.

Level 2 – Other observable input data for the asset or liability than quoted prices included in level 1, either direct (i.e. price quotes) or indirect (i.e. derived from price quotes).

Level 3 – Input data for the asset or liability that are not based on observable market data (i.e. unobservable input data).

Fund holdings

The Group holds funds included in the item Financial non-current assets. Fund holdings are measured at fair value by use of quoted prices in active markets for identical assets and are thus found in level 1 of the valuation hierarchy.

Contingent consideration

For some of the Group's business combinations, there are contingent considerations. The contingent considerations are dependent on the average EBITA for the business combinations over one to three years. The considerations will be settled in cash.

The contingent considerations are included in the items Non-current non-interest-bearing liabilities and Current non-interest-bearing liabilities in the amount of MSEK 61 (164). The contingent considerations are found in level 3 of the valuation hierarchy.

Other holdings and liabilities measured at fair value

The Group holds currency futures that are included in the item Current non-interest-bearing liabilities. These currency futures are measured at fair value through indirect calculations from underlying currencies, according to data received from the counterparty/bank, and thus are found in level 2 of the valuation hierarchy.

Fund holdings	30 Sep 2024	30 Sep 2023	31 Dec 2023
Opening balance	**6**	**5**	**5**
Investments	1	1	1
Divestments	-	-	-
Change in value recognised through profit or loss	-	-	-
Translation difference	-	-	-
Closing balance	**7**	**6**	**6**

Contingent considiration	30 Sep 2024	30 Sep 2023	31 Dec 2023
Opening balance	**162**	**173**	**173**
Acquisition of subsidiaries and businesses	-	9	9
Paid considirations	-99	-20	-20
Change in value recognised through profit or loss	-4	-	1
Translation difference	1	2	-1
Closing balance	**61**	**164**	**162**

Other liabilities recognised at fair value	30 Sep 2024	30 Sep 2023	31 Dec 2023
Opening balance	**-1**	**-**	**-**
Changes in recognised liabilities	-	-	-
Change in value recognised through profit or loss	0	-	-1
Translation difference	-	-	-
Closing balance	**-0**	**-**	**-1**

Transactions with related parties

No significant changes took place during the year for the Group or the Parent Company in relationships or transactions with related parties compared to what has been described in Note 32 of the 2023 Annual report for Netel Holding AB (publ).

Management	30 Sep 2024	30 Sep 2023
Sales of goods and services	-	-
Purchase of goods and services	-	-
Interest income	-	-
Interest expenses	-	-
Receivables (closing)	-	-
Debt (closing)	-	-

Condensed income statement for the Parent Company

	Jul-Sep		Jan-Sep		Full-year
SEK millions	**2024**	**2023**	**2024**	**2023**	**2023**
Operating income					
Net sales	6	8	20	19	27
Other operating income	-	-	-	-	-
Total revenue	**6**	**8**	**20**	**19**	**27**
Operating expenses					
Personnel costs	-3	-4	-13	-10	-16
Other external expenses	-2	-2	-6	-6	-7
Operatin profit (EBIT)	**1**	**2**	**2**	**3**	**4**
Net financial items	7	8	4	-3	-21
Earnings after financial items	**8**	**10**	**5**	**0**	**-18**
Appropriations	-	-	-	-	53
Earnings before tax	**8**	**10**	**5**	**0**	**36**
Taxes	-1	-0	-1	-1	-8
Earnings for the period	**7**	**9**	**4**	**-0**	**28**

Condensed balance for the Parent Company

SEK millions	30 Sep 2024	30 Sep 2023	31 Dec 2023
ASSETS			
Non-current assets			
Shares in subsidiaries	1,622	1,300	1,622
Financial non-current assets	6	4	7
Total non-current assets	**1,628**	**1,304**	**1,629**
Current assets			
Receivables from Group companies	780	1,165	755
Other current assets	-	-	0
Cash and cash equivalents	6	81	84
Total current assets	**786**	**1,246**	**839**
Total assets	**2,414**	**2,549**	**2,469**
EQUITY AND LIABILITIES			
Equity			
Share capital	1	1	1
Other equity	1,484	1,476	1,480
Total equity	**1,485**	**1,476**	**1,480**
Total untaxed reserves	**23**	**-**	**23**
Non-current interest-bearing liabilities	877	933	934
Non-current non-interest-bearing liabilities	8	5	8
Total non-current liabilities	**886**	**938**	**943**
Current interest-bearing liabilities	9	7	7
Current non-interest-bearing liabilities	11	128	15
Total current assets	**20**	**135**	**23**
Total equity and liabilities	**2,414**	**2,549**	**2,469**

Stockholm, 25 October 2024

Jeanette Reuterskiöld
President and CEO

Review report

Introduction
We have reviewed the interim report for Netel Holding AB (publ) for the period 1 January–30 September 2024. The Board of Directors and the CEO are responsible for the preparation and presentation of this interim report in accordance with IAS 34 and the 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 Financial Information 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 has a different focus and is substantially less in scope than an audit conducted in accordance with ISA and other generally accepted auditing practices. The procedures performed in a review do not enable us to obtain a level of assurance that would make us aware of all significant matters that might be identified in an audit. Therefore, the conclusion expressed based on a review does not give the same level of assurance as a conclusion expressed based on an audit.

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

Stockholm, 25 October 2024

Deloitte AB
Jenny Holmgren
Authorised Public Accountant

Selected financial information

Definitions and a reconciliation of alternative performance measures for Netel Holding AB (publ) are presented here in accordance with the guidelines from the European Securities and Markets Authority (ESMA) regarding the use of alternative performance measures. These guidelines require expanded disclosures regarding the financial measures not defined by IFRS. Alternative performance measures are measures showing historical or future financial results, financial position or cash flows that are not defined by IFRS. Netel Group uses alternative performance measures to monitor and describe the Group's financial position and to provide additional useful information where relevant for the user's understanding of the financial statements. These performance measures are not directly comparable with similar performance measures used by other companies. The performance measures stated below are presented in the interim report.

Alternative performance measures not defined under IFRS

	Jul-Sep		Jan-Sep		Full-year
SEK millions	**2024**	**2023**	**2024**	**2023**	**2023**
Net sales growth (%)	0.3%	14.2%	4.1%	12.9%	29.9%
Organic sales growth (%)	0.3%	9.3%	3.9%	5.0%	7.5%
EBITDA	54	65	140	127	204
EBITDA margin (%)	6.1%	7.3%	5.5%	5.2%	5.9%
EBITA	36	46	87	73	133
EBITA margin (%)	4.1%	5.2%	3.4%	3.0%	3.8%
Items affecting comparability	11	3	18	28	32
Adjusted EBITDA	65	68	158	155	236
Adjusted EBITDA margin (%)	7.3%	7.6%	6.2%	6.4%	6.8%
Adjusted EBITA	47	50	106	101	164
Adjusted EBITA margin (%)	5.3%	5.6%	4.2%	4.1%	4.8%
Net debt	757	798	757	798	610
Net debt/Adjusted EBITDA R12 (Ratio)	3.2	3.2	3.2	3.2	2.6
Equity ratio (%)	37.8%	35.4%	37.8%	35.4%	36.0%
Order backlog	4,019	4,104	4,019	4,104	4,047

Reconciliation of growth in net sales

	Jul-Sep		Jan-Sep		Full-year
SEK millions	**2024**	**2023**	**2024**	**2023**	**2023**
Net sales previous period	890	779	2,434	2,157	2,418
Acquired net sales	-	38	4	170	541
Organic net sales	893	852	2,530	2,264	2,600
Total net sales growth (%)	0.3%	14.2%	4.1%	12.9%	29.9%
Organic net sales growth (%)	0.3%	9.3%	3.9%	5.0%	7.5%

Reconciliation of EBITDA, EBITDA margin, adjusted EBITDA, adjusted EBITDA margin

	Jul-Sep		Jan-Sep		Full-year
SEK millions	**2024**	**2023**	**2024**	**2023**	**2023**
Net sales	893	890	2,534	2,434	3,459
Operating profit/loss (EBIT)	34	45	82	70	128
Depreciation and amortisation of tangible and intangible assets	20	20	58	57	76
EBITDA	54	65	140	127	204
EBITDA margin (%)	6.1%	7.3%	5.5%	5.2%	5.9%
Items affecting comparability					
Acquisition-related costs	-	2	-	6	7
Other items affecting comparability	11	1	18	21	25
Total items affecting comparability	11	3	18	28	32
Adjusted EBITDA	65	68	158	155	236
Adjusted EBITDA margin (%)	7.3%	7.6%	6.2%	6.4%	6.8%

Reconciliation of EBITA, EBITA margin, adjusted EBITA and adjusted EBITA margin

	Jul-Sep		Jan-Sep		Full-year
SEK millions	**2024**	**2023**	**2024**	**2023**	**2023**
Net sales	893	890	2,534	2,434	3,459
Operating profit/loss (EBIT)	34	45	82	70	128
Depreciation and amortisation of intangible assets	2	1	5	3	5
EBITA	36	46	87	73	133
EBITA margin (%)	4.1%	5.2%	3.4%	3.0%	3.8%
Items affecting comparability					
Acquisition-related costs	-	2	-	6	7
Other items affecting comparability	11	1	18	21	25
Total items affecting comparability	11	3	18	28	32
Adjusted EBITA	47	50	106	101	164
Adjusted EBITA margin (%)	5.3%	5.6%	4.2%	4.1%	4.8%

Reconciliation of net debt and net debt/adjusted EBITDA R12M (Ratio)

SEK millions	30 Sep 2024	30 Sep 2023	31 Dec 2023
Non-current interest-bearing liabilities	955	1,005	1,003
Current interest-bearing liabilities	50	75	53
Total interest-bearing liabilities	**1,005**	**1,080**	**1,056**
Cash and cash equivalents	249	281	446
Net debt	**757**	**798**	**610**
Adjusted EBITDA R12	239	247	236
Net debt/Adjusted EBITDA R12 (Ratio)	**3.2**	**3.2**	**2.6**

Reconciliation of equity ratio

SEK millions	30 Sep 2024	30 Sep 2023	31 Dec 2023
Total equity	1,149	1,113	1,133
Total assets	3,036	3,139	3,146
Equity ratio (%)	**37.8%**	**35.4%**	**36.0%**

Definitions and reasons for use

Performance measures	Definition	Reason for use
EBITA*	Earnings before amortisation of intangible assets	EBITA is used to analyse the profitability generated by the underlying operations
EBITA margin*	EBITA as a percentage of net sales	The EBITA margin is used to illustrate the underlying operations' profitability
EBITDA*	Earnings before interest, taxes, depreciation and amortisation.	EBITDA is used to analyse the profitability generated by the underlying operations
EBITDA margin*	EBITDA as a percentage of net sales	The EBITDA margin is used to illustrate the underlying operations' profitability
Adjusted EBITA*	EBIT before amortisation of intangible assets, adjusted for items affecting comparability	Adjusted EBITA is used to analyse the profitability generated by the underlying operations
Adjusted EBITA margin*	Adjusted EBITA as a percentage of net sales	The adjusted EBITA margin is used to illustrate the underlying operations' underlying profitability
Adjusted EBITDA*	Earnings before interest, taxes, depreciation and amortisation, adjusted for items affecting comparability	Adjusted EBITDA is used to analyse the underlying profitability generated by the underlying operations
Adjusted EBITDA margin*	Adjusted EBITDA as a percentage of net sales	The adjusted EBITDA margin is used to illustrate the underlying operations' underlying profitability
Items affecting comparability*	Items affecting comparability are revenue and expenses of a non-recurring character such as capital gains from divestments, transaction costs in connection with M&As or capital raises, larger integration costs for acquisitions or planned reconstructions, and expenses following strategic decisions and major reconstructions that result in a discontinuation of operations	Items affecting comparability are used to highlight the income items that are not included in the operating activities to create a clear view of the underlying earnings trend
Cash flow from operating activities	Cash flow attributable to the company's main income-generating operations and operations other than investing activities and financing activities	The measure is a performance measure defined by IFRS
Net sales	The total of sales proceeds from goods and services less discounts provided, VAT and other tax related to the sale	The measure is a performance measure defined by IFRS

Organic growth*	Sales growth excluding material acquisitions in the last 12 months	The measure shows the size of the company's total growth that is organic growth
Order backlog	The remaining order value on the balance sheet date for contracted projects and estimated future volumes from framework agreements	Used to show contracted future net sales attributable to projects
Profit/loss before tax	Profit for the period before tax	The measure is a performance measure defined by IFRS
Earnings per share (SEK)	Earnings per share before and after dilution attributable to holders of ordinary shares in the Parent Company	The measure (before and after dilution) is a performance measure defined by IFRS
Net debt*	Interest-bearing liabilities (current and non-current) less cash and cash equivalents	The measure shows the size of the company's total assets financed via financial liabilities, taking into account cash and cash equivalents and is a component in assessing financial risk
Equity ratio*	Equity as a percentage of total assets	The measure shows the share of the company's total assets financed by the shareholders through equity

* The KPI is an alternative performance measure according to ESMA's guidelines

Webcast presentation and teleconference

Jeanette Reuterskiöld, President and CEO, and Fredrik Helenius, CFO, will present the interim report on Friday, 25 October at 9:00 a.m. (CEST) in a webcast. Questions may be asked both online and by phone. Presentation material is also available at https://netelgroup.com/en/investors/reports-and-presentations/. The presentation will be held in English.

If you want to participate through the webcast, use the link https://ir.financialhearings.com/netel-group-q3-report-2024. It will be possible to submit written questions during the webcast. If you want to ask questions orally via teleconference, please register through the link https://conference.financialhearings.com/teleconference/?id=50048841. After registration, you will receive a telephone number and ID to log in to the conference. It will be possible to ask questions orally during the teleconference.

Financial information

This report, previous interim reports and annual reports are available at https://netelgroup.com/en/investors/reports-and-presentations/.

Calendar

Fourth quarter and Year-end Report 2024	7 February 2025
Annual and Sustainability Report 2024	Week beginning 31 March
First quarter 2025	25 April
Second quarter 2025	11 July
Third quarter 2025	24 October
Fourth quarter and Year-end Report 2025	6 February 2026

This information is such that Netel Holding AB (Publ) is obliged to make public in accordance with the EU Market Abuse Regulation. The information was submitted for publication, through the agency of the contact persons below, on 25 October 2024 at 7:30 a.m. CEST.

For further information, contact:

Jeanette Reuterskiöld, President and CEO
+46 70 228 0389
jeanette.reuterskiold@netel.se

Fredrik Helenius, CFO
+46 73 085 5286
fredrik.helenius@netel.se

Åse Lindskog, IR
+46 73 024 4872
ase.lindskog@netelgroup.com

Netel in brief

With over 20 years of experience, Netel is a leader in the development and maintenance of critical infrastructure in Infraservices, Power and Telecom in Northern Europe. We are involved in the entire value chain from design, production and maintenance of our customers' facilities. We are dedicated to securing an accessible and reliable future, where technology unites and transforms society. Netel reported net sales of MSEK 3,500 in 2023 and the number of employees in the Group is approximately 860. Netel has been listed on Nasdaq Stockholm since 2021. Read more at netelgroup.com.

FOUNDED IN	EMPLOYEES	NET SALES IN 2024 R12M	ADJUSTED EBITA IN 2024 R12M
2000	865	3,559 MSEK	169 MSEK

Netel