Netel

Q2

Organic growth of 7.7 per cent driven by favourable development across all divisions

Second quarter

- Net sales increased 7.7 per cent to MSEK 927 (861) with organic growth of 7.7 per cent.
- Adjusted EBITA increased 7.3 per cent to MSEK 44 (41), with an adjusted EBITA margin of 4.8 per cent (4.7).
- EBITA increased 30.0 per cent to MSEK 39 (30) and the EBITA margin improved to 4.2 per cent (3.4).
- Operating profit (EBIT) increased 27.6 per cent to MSEK 37 (29), with an operating margin of 4.0 per cent (3.3).
- Profit for the period increased 267 per cent to MSEK 11 (3).
- Earnings per share before and after dilution increased 214 per cent to SEK 0.22 (0.07).
- Cash flow from operating activities increased 31.0 per cent to MSEK 38 (29).

January-June

- Net sales increased 6.3 per cent to MSEK 1,641 (1,544) with organic growth of 6.0 per cent.
- Adjusted EBITA increased 13.7 per cent to MSEK 58 (51), with an adjusted EBITA margin of 3.6 per cent (3.3).
- EBITA increased 88.9 per cent to MSEK 51 (27) and the EBITA margin improved to 3.1 per cent (1.7).
- Operating profit (EBIT) increased 92.0 per cent to MSEK 48 (25), with an operating margin of 2.9 per cent (1.6).
- Profit/loss for the period increased to MSEK 2 (-6).
- Earnings per share before and after dilution increased to SEK 0.05 (-0.12).
- Cash flow from operating activities was MSEK -51 (37).
- Net debt decreased to MSEK 756 (788) and net debt/adjusted EBITDA amounted to 3.1 (3.2).
- The order backlog increased to MSEK 4,194 (3,976).

Significant events during the second quarter

- New three-year NOK 0.9–1.2 billion framework agreement with Telenor in Norway covering operation, maintenance and expansion of fibre networks.
- Contract signed with UGG in Germany for fibre roll-out valued at MEUR 10.

	Apr-Jun		Jan-Jun		R12 Jul-Jun	Full-year
SEK millions	**2024**	**2023**	**2024**	**2023**	**2023/2024**	**2023**
Net sales	927	861	1,641	1,544	3,556	3,459
Net sales growth (%)	7.7%	14.5%	6.3%	12.1%	7.5%	10.1%
Adjusted EBITA	44	41	58	51	171	164
Adjusted EBITA margin (%)	4.8%	4.7%	3.6%	3.3%	4.8%	4.8%
EBITA	39	30	51	27	157	133
EBITA margin (%)	4.2%	3.4%	3.1%	1.7%	4.4%	3.8%
EBIT	37	29	48	25	151	128
EBIT margin (%)	4.0%	3.3%	2.9%	1.6%	4.2%	3.7%
Net debt	756	788	756	788	756	610
Net debt/Adjusted EBITDA R12 (Ratio)	3.1	3.2	3.1	3.2	3.1	2.6

CEO's comments

New customers and larger framework agreements are strengthening our position

We are continuing to build our order backlog with expanded framework agreements and new, strategically important customers, strengthening our position in the strong critical infrastructure markets in Northern Europe. The progress is noticed in all three of our divisions – Infraservices, Power and Telecom, and the efficiency work continues to increase profitability over time.

Sales increased organically by 7.7 per cent to MSEK 927 (861) in the quarter with particularly strong development in Infraservices and Power in Sweden and Telecom in Norway and Finland. The adjusted EBITA margin amounted to 4.8 per cent (4.7). We are continuing to take planned measures to enhance margins mainly in Power in Norway and Finland as well as Telecom in Norway, among other things through carrying out digitalisation projects to increase efficiency and develop services. We can already see that our new organisation with the three divisions of Infraservices, Power and Telecom is yielding synergy effects in areas such as resource allocation and customer processing.

We continued to have a high proportion of projects in the start-up phase during the quarter, which impacted sales and profitability because sales and earnings are accrued as production is carried out. The volume for our new customer FMV (the Swedish Defense Materiel Administration) was delayed, which also had a negative effect, however several projects start up during the summer.

New framework agreements and increased order backlog

The order backlog remains stable and increased to SEK 4.2 billion. Infraservices has been successful this tender season even if we continue to notice high competition in the local markets. In Power, we have also seen a strong market with good order intake and we continue to grow organically. We are very happy with Telenor's continued confidence in us and the three-year framework agreement of NOK 0.9-1.2 billion. The framework agreement covers the operation, maintenance and expansion of fibre networks in Norway and is significantly more comprehensive than the current framework agreement both in terms of geography and areas of operation. Netel signed its first framework agreement with Telenor in Norway in 2021 and has built a local organisation that can capitalise on these larger volumes. That such a large and important player chooses Netel as a supplier is proof that we stand for quality, competence and reliability.

During the quarter, we also made progress in the emerging German fibre market, signing a contract with UGG, Unsere Grüne Glasfaser, a joint venture between Allianz and Telefónica, for the roll-out of fibre to 5,000 households in Raguhn-Jeßnitz, north of Leipzig. UGG is a new customer and important for our further expansion in the rapidly growing German fibre market.

Improved cash flow

Operating cash flow improved in the quarter to MSEK 38 (29). We are continuing to work on our cash flow all the way from the tender stage to the completion of projects to further improve our financial position.

Brand revamp

As part of our renewal and innovation efforts, I am proud to present with this report our brand revamp for Netel, which also includes a new logo. The change is not only a visual update, but a strategic shift that clarifies our role in society and our vision for the future.

We want our new visual identity to demonstrate how Netel is connecting the world. By building and modernising critical infrastructure in Northern Europe, we are a driving force in creating a more connected and sustainable future for all.

The brand revamp is an element in the overall image of Netel. This change will provide us with an extra boost, strengthening our expanded business areas and our established reputation.

Outlook

We have made significant strategic progress with new customers and increased confidence from existing customers, which, combined with our internal measures to improve margins and cash flow, provides me with continued confidence in the future and Netel's ability to create value.

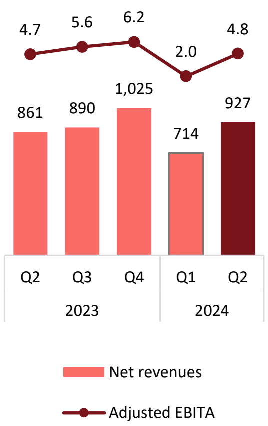
Jeanette Reuterskiöld
President and CEO

Condensed consolidated financial performance

Second quarter

Net sales

Net sales and adjusted EBITA margin



Net sales increased organically by 7.7 per cent to MSEK 927 (861) in the second quarter. Exchange rate effects had a negative impact of 0.5 per cent. The increase of net sales was particularly strong for Infraservices and Power in Sweden as well as Telecom in Norway and Finland. Net sales for Telecom in Sweden were negatively impacted by the delayed project start with FMV (the Swedish Defense Materiel Administration).Net sales were also negatively impacted by lower project volumes in Power in Finland and Telecom in Germany and the UK.

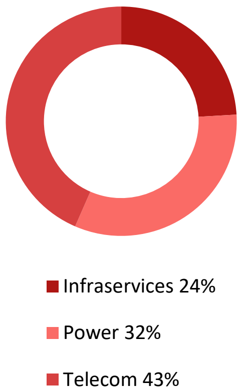
Order bookings were favourable during the quarter and the order backlog increased to MSEK 4,194 (3,976). At the end of the first quarter, the order backlog amounted to MSEK 3,836.

Earnings

EBITDA increased 16.7 per cent to MSEK 56 (48) and the EBITDA margin improved to 6.1 per cent (5.6). EBITA increased 30.0 per cent to MSEK 39 (30), and the EBITA margin improved to 4.2 per cent (3.4). Margins were negatively impacted by the high proportion of projects in the start-up phase as well as lower volumes in Telecom in Sweden, the UK and Germany. In 2023, profitability was negatively impacted by measures taken in Norway and Finland to adapt operations to lower volumes and restructuring costs of MSEK 10 in Power in Finland.

Adjusted EBITDA increased 5.1 per cent to MSEK 62 (59) for the quarter with an adjusted EBITDA margin of 6.6 per cent (6.9). Adjusted EBITA increased 7.3 per cent to MSEK 44 (41) and the margin amounted to 4.8 per cent (4.7). Adjustments have been made for items affecting comparability of MSEK 5, 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. Adjustments were made in the second quarter of 2023 for restructuring costs in Finland of MSEK 10 and acquisition costs of MSEK 1.

Net sales by segment



Depreciation/amortisation and impairment amounted to MSEK -19 (-19).

Net financial items amounted to MSEK -20 (-18) for the quarter. Interest expenses amounted to MSEK -15 (-18), of which MSEK -1 (-1) was attributable to lease liabilities. In the second quarter of 2023, interest expenses were negatively impacted by MSEK 10 from the settlement with a major fibre customer.

Profit before tax increased 54.5 per cent to MSEK 17 (11) for the quarter.

Profit after tax increased 267 per cent to MSEK 11 (3). Tax amounted to MSEK -6 (-8), leading to an effective tax rate of 36.0 per cent (71.1).

Cash flow and financial position

Cash flow from operating activities increased to MSEK 38 (29).

During the quarter, cash flow from investing activities was MSEK -43 (-24), mainly attributable to paid contingent considerations.

Cash flow from financing activities amounted to MSEK -9 (-69).

Cash flow for the period amounted to MSEK -14 (-65).

Cash and cash equivalents at the end of the period amounted to MSEK 260, compared to MSEK 278 at the start of the quarter. Unutilised credit facilities totalled MSEK 292 compared with MSEK 295 at the start of the period, which together with cash and cash equivalents means a total of MSEK 552 in available funds compared with MSEK 573 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 756 at the end of the quarter compared with MSEK 738 at the start of the quarter. This is equivalent to net debt in relation to adjusted EBITDA R12M of a multiple of 3.1. The leverage ratio calculated in accordance with the Group's financial targets 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 1,016 at the end of the quarter compared with MSEK 1,016 at the start of the quarter.

Total assets amounted to MSEK 3,104 compared with MSEK 2,967 at the start of the quarter and equity to MSEK 1,145 compared with MSEK 1,133 at the start of the quarter.

January-June

Net sales

Net sales rose 6.3 per cent to MSEK 1,641 (1,544) during the first half of the year with organic growth of 6.0 per cent as a result of good development in Infraservices, Power in Sweden and Norway as well as Telecom in Norway and Finland. Exchange rate effects had a negative impact of 0.1 per cent.

Earnings

EBITDA increased 37.1 per cent to MSEK 85 (62) and the EBITDA margin improved to 5.2 per cent (4.0). EBITA increased 88.9 per cent to MSEK 51 (27) and the EBITA margin improved to 3.1 per cent (1.7). Margins were negatively affected by the high proportion of projects in the start-up phase and lower volumes within Telecom in Sweden, Germany and the UK. In the first half of 2023, profitability was impacted by restructuring costs of MSEK 20 for Power in Finland.

Adjusted EBITDA increased 6.9 per cent to MSEK 93 (87) for the first half of the year with an adjusted EBITDA margin of 5.6 per cent (5.6). Adjusted EBITA increased 13.7 per cent to MSEK 58 (51) and the adjusted EBITA margin amounted to 3.6 per cent (3.3). Adjustments have been made for items affecting comparability of MSEK 7, 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 4 for other items affecting comparability. Adjustments were made in the first half of 2023 for restructuring costs of MSEK 20 and acquisition costs of MSEK 4.

Depreciation/amortisation and impairment amounted to MSEK -38 (-38).

Net financial items amounted to MSEK -40 (-24) for the six-month period. Interest expenses amounted to MSEK -33 (-31), of which MSEK -2 (-2) was attributable to lease liabilities.

Profit before tax increased 600 per cent to MSEK 7 (1) during the first half of the year. Earnings were positively impacted in the first half of 2023 by a one-off effect of MSEK 5 from a dispute with a major fibre customer.

Profit/loss after tax increased to MSEK 2 (-6). Tax, calculated with respect to tax adjustments and impacted by restrictions on interest deductions, amounted to MSEK -5 (-7), leading to an effective tax rate of 67.0 per cent.

Cash flow and financial position

Cash flow from operating activities amounted to MSEK -51 (37), largely impacted by seasonal patterns with a high proportion of projects start-ups during the first quarter. In the first half of 2023, cash flow was positively affected by MSEK 70 from the settlement with a major fibre customer.

During the six-month period, cash flow from investing activities was MSEK -80 (-78), mainly attributable to paid contingent considerations.

Cash flow from financing activities amounted to MSEK -63 (-41). The uptake of loans was higher in the first half of 2023 than the same period in 2024, which affects the comparison.

Cash flow for the period amounted to MSEK -195 (-82).

Segments

Infraservices division

	Quarter 2			January-June					
MSEK	2024	2023	Δ	2024	2023	Δ	R12M	2023	Δ
Net sales	223	198	12.8%	386	335	15.1%	827	776	6.6%
of which									
Sweden	*223*	*198*	*12.8%*	*386*	*335*	*15.1%*	*827*	*776*	*6.6%*
EBITA	17	17	0.0%	26	22	18.2%	72	68	5.9%
EBITA margin	7.6%	8.6%	-1.0	6.7%	6.6%	0.1	8.7%	8.8%	-0.1

Net sales increased 12.8 per cent to MSEK 223 (198) as a result of high project activity. During the second quarter, Netel's companies secured contracts in local markets that continue to be highly competitive, and several new projects were commenced.

EBITA amounted MSEK 17 (17) with an EBITA margin of 7.6 per cent (8.6).

Power division

	Quarter 2			January-June					
MSEK	2024	2023	Δ	2024	2023	Δ	R12M	2023	Δ
Net sales	301	289	4.2%	529	519	1.9%	1,153	1,144	0.8%
of which									
Sweden	*162*	*142*	*13.8%*	*286*	*254*	*12.6%*	*662*	*630*	*5.1%*
Norway	*113*	*105*	*7.7%*	*193*	*182*	*5.9%*	*382*	*371*	*3.0%*
Finland	*23*	*41*	*-43.3%*	*47*	*83*	*-42.5%*	*107*	*142*	*-24.6%*
EBITA	14	7	100%	23	-2	-	75	51	47.1%
EBITA margin	4.6%	2.5%	2.1	4.3%	-0.4%	4.7	6.5%	4.5%	2.0

Net sales increased by 4.2 per cent to MSEK 301 (289) during the quarter, due to strong underlying markets in Sweden and Norway which are driven by the need to expand and modernize the power grids. As expected, net sales were negatively affected by planned lower volumes in Finland.The planned lower volumes in Finland are the result of negotiations with a major customer that were concluded at the start of July 2023.

EBITA doubled to MSEK 14 (7) during the quarter and the EBITA margin improved to 4.6 per cent (2.4). Efforts to increase margins in Norway and Finland are continuing according to plan.

Telecom division

	Quarter 2			January-June					
MSEK	2024	2023	Δ	2024	2023	Δ	R12M	2023	Δ
Net sales	399	374	6.7%	727	690	5.3%	1,576	1,540	2.3%
of which									
Sweden	*67*	*86*	*-21.8%*	*131*	*143*	*-8.4%*	*270*	*282*	*-4.3%*
Norway	*218*	*181*	*20.1%*	*407*	*346*	*17.7%*	*885*	*824*	*7.4%*
Finland	*49*	*25*	*91.1%*	*63*	*38*	*65.5%*	*156*	*131*	*19.1%*
UK	*22*	*30*	*-28.8%*	*46*	*59*	*-23.0%*	*96*	*110*	*-12.7%*
Germany	*42*	*52*	*-18.3%*	*77*	*104*	*-25.8%*	*166*	*192*	*-13.5%*
EBITA	9	6	50.0%	1	10	-90.0%	14	23	-39.1%
EBITA margin	2.2%	1.6%	0.6	0.1%	1.5%	-1.4	0.9%	1.5%	-0.6

Net sales grew 6.7 per cent to MSEK 399 (374) in the quarter due to a healthy trend in Norway and Finland. In Sweden, the volume for our new customer FMV (the Swedish Defense Materiel Administration) has been delayed, but projects will commence during the summer. In Norway, increased volumes in mobile and services contributed to the strong sales growth. In the UK and Germany, the underlying fibre market is strong and Netel are continuing to expand its presence in these markets.

During the quarter, a new framework agreement valued at NOK 0.9–1.2 billion was signed with Telenor in Norway. The agreement, which will commence in 2025, will run for three years with the option of an additional extension of up to two years, and covers the operation, expansion and maintenance of fibre networks in counties including Østfold, Akershus and Buskerud. During the quarter, a contract valued at MEUR 10 was also signed with UGG in Germany for a fibre roll-out to 5,000 households in Raguhn-Jeßnitz, north of Leipzig.

EBITA increased 50.0 per cent to MSEK 9 (6) and the EBITA margin improved to 2.2 per cent (1.6) in the quarter. Profitability was negatively impacted by delayed project starts with FMV and lower volumes in the UK and Germany. The measures to enhance margins in Norway continues according to plan.

Other information

Significant events after the end of the reporting period

No significant events have occurred after the end of the reporting period.

Employees

The number of employees at the end of the period was 865 (888). The average number of employees in the second quarter was 860 (880).

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 7 (6) 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.

Owners

On 30 June 2024, Netel Holding AB (publ) had 3,383 (2,108) shareholders. The five largest shareholders were IK VII fund via Cinnamon International S.à.r.l (46.67 per cent), Nordnet Pensionsförsäkring (6.94 per cent), Swedbank Robur Fonder (4.27 per cent), Delphi Fondsforvaltning (2.49 per cent) and Cicero Fonder (2.41 per cent).

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

Financial statements

Condensed consolidated statement of profit or loss

	Apr-Jun		Jan-Jun		R12 Jul-Jun	Full-year
SEK millions	**2024**	**2023**	**2024**	**2023**	**2023/2024**	**2023**
Operating income						
Net sales	927	861	1,641	1,544	3,556	3,459
Other operating income	3	1	3	3	32	32
Total revenue	**929**	**862**	**1,644**	**1,548**	**3,588**	**3,491**
Operating expenses						
Material and purchased services	-611	-551	-1,048	-966	-2,328	-2,246
Other external expenses	-65	-78	-132	-156	-304	-328
Personnel costs	-198	-185	-379	-363	-729	-713
Depreciation and amortisation	-19	-19	-38	-38	-76	-76
Operating profit/loss (EBIT)	**37**	**29**	**48**	**25**	**151**	**128**
Profit/loss from financial items						
Net financial items	-20	-18	-40	-24	-81	-64
Earnings before tax	**17**	**11**	**7**	**1**	**70**	**64**
Taxes	-6	-8	-5	-7	-18	-20
Earnings for the period	**11**	**3**	**2**	**-6**	**52**	**44**
Earnings for the period is attributable to						
Parent company's shareholders	11	3	2	-6	52	44
Non-controlling interests	-	-	-	-	-	-
Earnings per share						
Earnings per share before and after diltution (SEK)	0.22	0.07	0.05	-0.12	1.07	0.91
Average number of shares before and after dilution (thousands)	48,512	48,448	48,512	48,448	48,512	48,480

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

	Apr-Jun		Jan-Jun		R12 Jul-Jun	Full-year
SEK millions	**2024**	**2023**	**2024**	**2023**	**2023/2024**	**2023**
Earnings for the period	11	3	2	-6	52	44
Other comprehensive income						
Translation differences for the period	0	1	8	-13	27	5
Other comprehensive income for the period	**0**	**1**	**8**	**-13**	**27**	**5**
Comprehensive income for the period	**11**	**5**	**11**	**-19**	**79**	**49**
Comprehensive income for the period is attributable to						
Parent company's shareholders	11	5	11	-19	79	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, together identified as extended net investments amounting to an equivalent amount (MNOK 200). 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 a financial relationship have been assumed 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 Jun 2024	30 Jun 2023	31 Dec 2023
ASSETS			
Non-current assets			
Goodwill	1,243	1,247	1,237
Intangible assets	203	201	199
Property, plant and equipment	166	196	173
Financial non-current assets	14	11	13
Deferred tax assets	16	10	16
Total non-current assets	**1,642**	**1,664**	**1,639**
Current assets			
Inventories	8	8	8
Current receivables	1,194	1,135	1,052
Cash and cash equivalents	260	286	446
Total current assets	**1,462**	**1,429**	**1,506**
Total assets	**3,104**	**3,093**	**3,146**
EQUITY AND LIABILITIES			
Equity			
Equity attributable to the parent company's shareholders	1,145	1,096	1,133
Equity attributable to non-controlling interests	-	-	-
Total equity	**1,145**	**1,096**	**1,133**
Non-current interest-bearing liabilities	964	1,017	1,003
Non-current non-interest-bearing liabilities	94	240	93
Total non-current liabilities	**1,058**	**1,257**	**1,097**
Current interest-bearing liabilities	52	57	53
Current non-interest-bearing liabilities	849	683	863
Total current liabilities	**901**	**740**	**916**
Total equity and liabilities	**3,104**	**3,093**	**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	-	-	-	-5,627	-5,627	-	-5,627
Other comprehensive income	-	-	-13,401	-	-13,401	-	-13,401
Comprehensive income for the period	**-**	**-**	**-13,401**	**-5,627**	**-19,027**	**-**	**-19,027**
Transactions with Group owners							
Completed issues	5	9,995	-	-	10,000	-	10,000
Total	**5**	**9,995**	**-**	**-**	**10,000**	**-**	**10,000**
Closing equity 30 Jun 2023	**746**	**1,470,810**	**-8,664**	**-366,968**	**1,095,924**	**-**	**1,095,924**
Opening equity 1 Jan 2024	**746**	**1,470,810**	**-20,703**	**-317,415**	**1,133,438**	**-**	**1,133,438**
Profit/loss for the period	-	-	-	2,462	2,462	-	2,462
Other comprehensive income	-	-	8,336	-	8,336	-	8,336
Comprehensive income for the period	**-**	**-**	**8,336**	**2,462**	**10,798**	**-**	**10,798**
Transactions with Group owners							
Completed issues	-	764	-	-	764	-	764
Total	-	764	-	-	764	-	764
Closing equity 30 Jun 2024	**746**	**1,471,574**	**-12,367**	**-314,953**	**1,145,000**	**-**	**1,145,000**

Condensed consolidated statement of cash flows

	Apr-Jun		Jan-Jun		Full-year
SEK millions	**2024**	**2023**	**2024**	**2023**	**2023**
Operating profit/loss	37	29	48	25	128
Reversal of non-cash items	14	16	29	33	70
Interest received	1	0	1	0	6
Interest paid	-15	-18	-33	-28	-67
Tax paid	-20	-7	-46	-32	-39
Cash flow from operating activities before changes in working capital	**17**	**19**	**-1**	**-3**	**98**
Changes in inventories	0	0	1	0	0
Changes in operating receivables	-153	-41	-138	27	94
Changes in operating liabilities	174	51	87	12	49
Cash flow from operating activities	**38**	**29**	**-51**	**37**	**242**
Acquisition of non-current assets	-11	-5	-19	-9	-19
Acquisition of subsidiaries and businesses	-35	-20	-65	-74	-74
Sale of non-current assets	3	1	3	6	11
Cash flow from investing activities	**-43**	**-24**	**-80**	**-78**	**-83**
New share issue	-	-	-	-	-
Amortisation of lease liabilities	-12	-13	-25	-26	-51
Proceeds from current and non-current loans and credits	3	-	14	43	50
Amortisation of current and non-current loans and credits	-	-56	-53	-58	-66
Cash flow from financing activities	**-9**	**-69**	**-63**	**-41**	**-67**
Cash flow for the period	-14	-65	-195	-82	92
Cash and cash equivalents at the beginning of the period	278	349	446	369	369
Translation difference in cash and cach equivalents	-3	2	9	-0	-14
Cash and cash equivalents at the end of the period	**260**	**286**	**260**	**286**	**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, together identified as extended net investments amounting to an equivalent amount (MNOK 200). 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 a financial relationship have been assumed 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.

Apr-Jun 2024	Infraservices	Power	Telecom	Total segments	Group-wide items and eliminations	Group total
Revenue from external customers	223	301	399	923	4	927
Revenue from other segments	-	-	-	-	-	-
Total revenue	**223**	**301**	**399**	**923**	**4**	**927**
EBITA	**17**	**14**	**9**	**40**	**-1**	**39**

Apr-Jun 2023	Infraservices	Power	Telecom	Total segments	Group-wide items and eliminations	Group total
Revenue from external customers	198	289	373	860	1	861
Revenue from other segments	-	-	-	-	-	-
Total revenue	**198**	**289**	**373**	**860**	**1**	**861**
EBITA	**17**	**7**	**6**	**30**	**-1**	**30**

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.

Apr-Jun 2024	Infraservices	Power	Telecom	Group total
Business area				
Sweden	223	162	67	452
Norway	-	113	217	331
Finland	-	23	49	72
Germany	-	-	42	42
United Kingdom	-	-	21	21
Group-wide	4	2	2	8
Revenue from contracts with customers	**227**	**301**	**399**	**927**
Type of service				
Framework agreement	51	109	290	451
Project	172	190	107	468
Group-wide	4	2	2	8
Revenue from contracts with customers	**227**	**301**	**399**	**927**

Apr-Jun 2023	Infraservices	Power	Telecom	Group total
Business area				
Sweden	198	142	86	426
Norway	-	105	181	286
Finland	-	41	25	67
Germany	-	-	52	52
United Kingdom	-	-	30	30
Group-wide	-	-	-	-
Revenue from contracts with customers	**198**	**289**	**374**	**861**
Type of service				
Framework agreement	45	234	151	430
Project	153	55	223	431
Group-wide	-	-	-	-
Revenue from contracts with customers	**198**	**289**	**374**	**861**

Jan-Jun 2024	Infraservices	Power	Telecom	Group total
Business area				
Sweden	386	286	131	803
Norway	-	193	407	600
Finland	-	47	63	111
Germany	-	-	77	77
United Kingdom	-	-	46	46
Group-wide	-	2	2	5
Revenue from contracts with customers	**386**	**529**	**727**	**1,641**
Type of service				
Framework agreement	91	196	558	846
Project	294	330	166	791
Group-wide	-	2	2	5
Revenue from contracts with customers	**386**	**529**	**727**	**1,641**

Jan-Jun 2023	Infraservices	Power	Telecom	Group total
Business area				
Sweden	335	254	143	733
Norway	-	182	346	528
Finland	-	83	38	121
Germany	-	-	104	104
United Kingdom	-	-	59	59
Group-wide	-	-	-	-
Revenue from contracts with customers	**335**	**519**	**690**	**1 544**
Type of service				
Framework agreement	86	331	411	828
Project	249	188	280	716
Group-wide	-	-	-	-
Revenue from contracts with customers	**335**	**519**	**690**	**1 544**

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 95 (165). 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 Jun 2024**	**30 Jun 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	**6**	**5**	**6**

Contingent considiration	30 Jun 2024	30 Jun 2023	31 Dec 2023
Opening balance	**162**	**173**	**173**
Acquisition of subsidiaries and businesses	-	9	9
Paid considirations	-65	-20	-20
Change in value recognised through profit or loss	-4	-	1
Translation difference	1	3	-1
Closing balance	**95**	**165**	**162**

Other liabilities recognised at fair value	30 Jun 2024	30 Jun 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 Jun 2024	30 Jun 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

	Apr-Jun		Jan-Jun		Full-year
SEK millions	**2024**	**2023**	**2024**	**2023**	**2023**
Operating income					
Net sales	7	6	14	12	27
Other operating income	-	-	-	-	-
Total revenue	**7**	**6**	**14**	**12**	**27**
Operating expenses					
Personnel costs	-6	-4	-10	-7	-16
Other external expenses	-2	0	-3	-3	-7
Operatin profit (EBIT)	**-0**	**2**	**1**	**2**	**4**
Net financial items	-0	-6	-4	-11	-21
Earnings after financial items	**-0**	**-3**	**-3**	**-9**	**-18**
Appropriations	-	-	-	-	53
Earnings before tax	**-0**	**-3**	**-3**	**-9**	**36**
Taxes	1	-0	0	-0	-8
Earnings for the period	**0**	**-4**	**-3**	**-10**	**28**

Condensed balance for the Parent Company

SEK millions	30 Jun 2024	30 Jun 2023	31 Dec 2023
ASSETS			
Non-current assets			
Shares in subsidiaries	1,622	1,202	1,622
Financial non-current assets	4	4	7
Total non-current assets	**1,627**	**1,206**	**1,629**
Current assets			
Receivables from Group companies	769	1,135	755
Other current assets	3	0	0
Cash and cash equivalents	16	101	84
Total current assets	**788**	**1,236**	**839**
Total assets	**2,414**	**2,442**	**2,469**
EQUITY AND LIABILITIES			
Equity			
Share capital	1	1	1
Other equity	1,477	1,466	1,480
Total equity	**1,478**	**1,467**	**1,480**
Total untaxed reserves	**23**	-	**23**
Non-current interest-bearing liabilities	885	933	934
Non-current non-interest-bearing liabilities	8	5	8
Total non-current liabilities	**893**	**938**	**943**
Current interest-bearing liabilities	10	7	7
Current non-interest-bearing liabilities	11	30	15
Total current assets	**20**	**36**	**23**
Total equity and liabilities	**2,414**	**2,442**	**2,469**

The Board of Directors and the CEO assure that this report for the second quarter of 2024 provides a fair review of the Group’s and the Parent Company’s operations, financial position and results and describes the significant risks and uncertainties faced by the Parent Company and the companies included in the Group.

Stockholm, 12 July 2024

Alireza Etemad Chairman of the Board	Carl Jakobsson Board member	Göran Lundgren Board member
Therese Lundstedt Board member	Nina Macpherson Board member	Jeanette Reuterskiöld CEO and President

This report is unaudited.

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

	Apr-Jun		Jan-Jun		Full-year
SEK millions	**2024**	**2023**	**2024**	**2023**	**2023**
Net sales growth (%)	7.7%	14.5%	6.3%	12.1%	29.9%
Organic sales growth (%)	7.7%	5.3%	6.0%	2.5%	7.5%
EBITDA	56	48	85	62	204
EBITDA margin (%)	6.1%	5.6%	5.2%	4.0%	5.9%
EBITA	39	30	51	27	133
EBITA margin (%)	4.2%	3.4%	3.1%	1.7%	3.8%
Items affecting comparability	5	11	7	25	32
Adjusted EBITDA	62	59	93	87	236
Adjusted EBITDA margin (%)	6.6%	6.9%	5.6%	5.6%	6.8%
Adjusted EBITA	44	41	58	51	164
Adjusted EBITA margin (%)	4.8%	4.7%	3.6%	3.3%	4.8%
Net debt	756	788	756	788	610
Net debt/Adjusted EBITDA R12 (Ratio)	3.1	3.2	3.1	3.2	2.6
Equity ratio (%)	36.9%	35.4%	36.9%	35.4%	36.0%
Order backlog	4,194	3,976	4,194	3,976	4,047

Reconciliation of growth in net sales

	Apr-Jun		Jan-Jun		Full-year
SEK millions	**2024**	**2023**	**2024**	**2023**	**2023**
Net sales previous period	861	751	1,544	1,377	2,418
Acquired net sales	-	69	4	133	541
Organic net sales	927	791	1,637	1,412	2,600
Total net sales growth (%)	7.7%	14.5%	6.3%	12.1%	29.9%
Organic net sales growth (%)	7.7%	5.3%	6.0%	2.5%	7.5%

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

	Apr-Jun		Jan-Jun		Full-year
SEK millions	**2024**	**2023**	**2024**	**2023**	**2023**
Net sales	927	861	1,641	1,544	3,459
Operating profit/loss (EBIT)	37	29	48	25	128
Depreciation and amortisation of tangible and intangible assets	19	19	38	38	76
EBITDA	56	48	85	62	204
EBITDA margin (%)	6.1%	5.6%	5.2%	4.0%	5.9%
Items affecting comparability					
Acquisition-related costs	-	1	-	4	7
Other items affecting comparability	5	10	7	20	25
Total items affecting comparability	5	11	7	25	32
Adjusted EBITDA	62	59	93	87	236
Adjusted EBITDA margin (%)	6.6%	6.9%	5.6%	5.6%	6.8%

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

	Apr-Jun		Jan-Jun		Full-year
SEK millions	**2024**	**2023**	**2024**	**2023**	**2023**
Net sales	927	861	1,641	1,544	3,459
Operating profit/loss (EBIT)	37	29	48	25	128
Depreciation and amortisation of intangible assets	2	1	3	2	5
EBITA	39	30	51	27	133
EBITA margin (%)	4.2%	3.4%	3.1%	1.7%	3.8%
Items affecting comparability					
Acquisition-related costs	-	1	-	4	7
Other items affecting comparability	5	10	7	20	25
Total items affecting comparability	5	11	7	25	32
Adjusted EBITA	44	41	58	51	164
Adjusted EBITA margin (%)	4.8%	4.7%	3.6%	3.3%	4.8%

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

SEK millions	30 Jun 2024	30 Jun 2023	31 Dec 2023
Non-current interest-bearing liabilities	964	1,017	1,003
Current interest-bearing liabilities	52	57	53
Total interest-bearing liabilities	**1,016**	**1,075**	**1,056**
Cash and cash equivalents	260	286	446
Net debt	**756**	**788**	**610**
Adjusted EBITDA R12	241	243	236
Net debt/Adjusted EBITDA R12 (Ratio)	**3.1**	**3.2**	**2.6**

Reconciliation of equity ratio

SEK millions	30 Jun 2024	30 Jun 2023	31 Dec 2023
Total equity	1,145	1,096	1,133
Total assets	3,104	3,093	3,146
Equity ratio (%)	**36.9%**	**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, 12 July 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-q2-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=50048840. 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

Third quarter 2024	25 October
Fourth quarter 2024	7 February 2025

This information is such that Netel Holding AB (Publ) is obliged to make public in accordance with the EU Market Abuse Regulation and the Swedish Securities Market Act. The information was submitted for publication, through the agency of the contact persons below, on 12 July 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 within 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 SEK 3,500 million in 2023 and the number of employees in the group is about 860. Netel is 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	3,556 MSEK	171 MSEK

Netel