

18-07-2024

**ENECA**

# Interim report

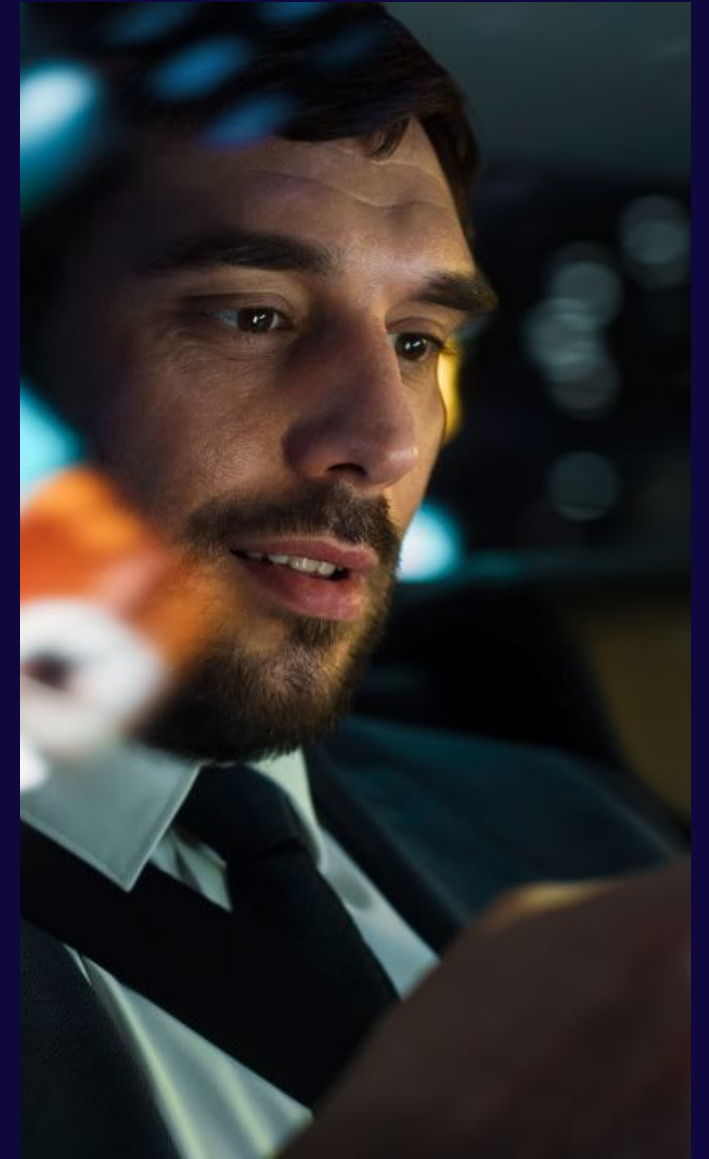
## Q2 2024

*ANDERS LIDBECK, CEO*

*ULF STIGBERG, CFO*

# Agenda

- **Intro**
- Financial Results
- Way Forward & Outlook



# A Really Good Quarter

APRIL - JUNE 2024

“14% organic growth and 35% EBITDA margin has made for a very strong Q2.”

NET SALES

236

MSEK

EBITDA  
MARGIN <sup>2/</sup>

35

PERCENT

NET DEBT

144

MSEK

EARNINGS  
PER SHARE

1.63

SEK

OPERATING  
CASH FLOW

37.1

MSEK

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

23

PERCENT

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

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

# Our Vision

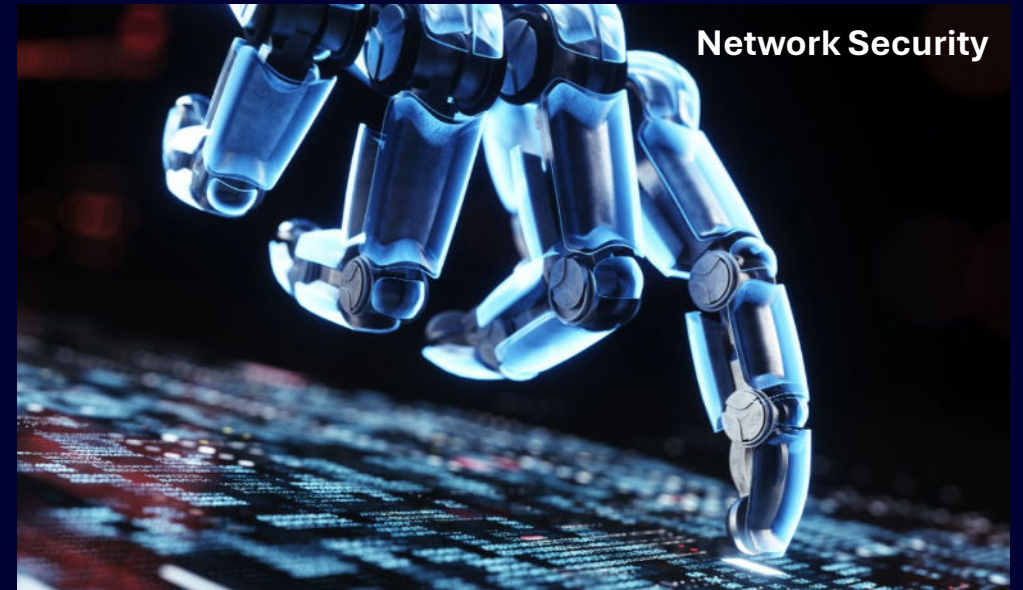
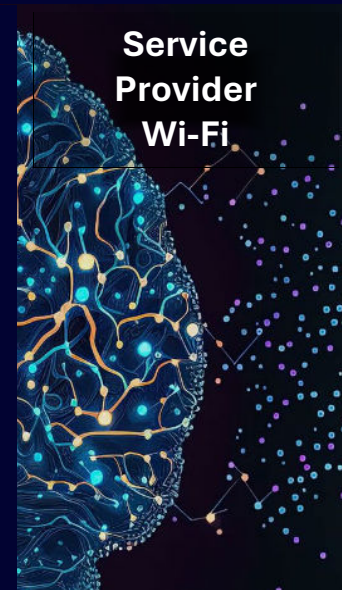
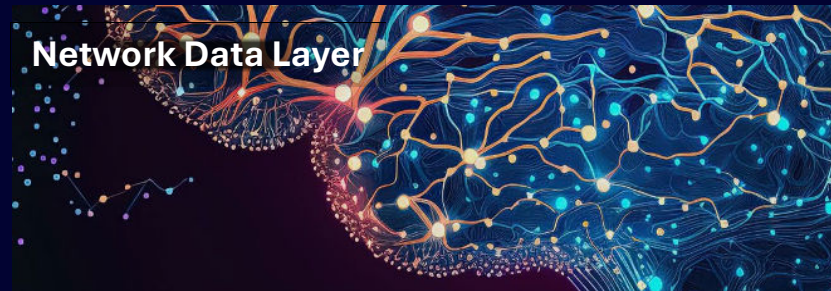


We make the world's  
communications safer  
and more efficient.

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

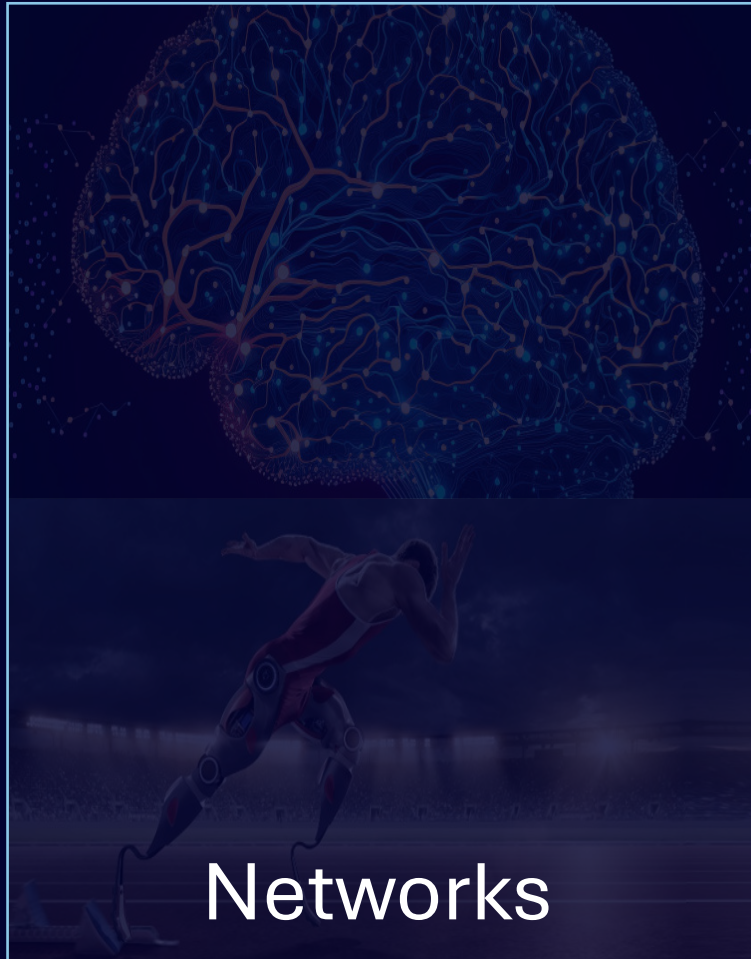


# World Class Cybersecurity & Telecom Portfolio



# New Revenue Split from 2024

TO BETTER REFLECT ENEA'S MARKET FOCUS AND PORTFOLIO



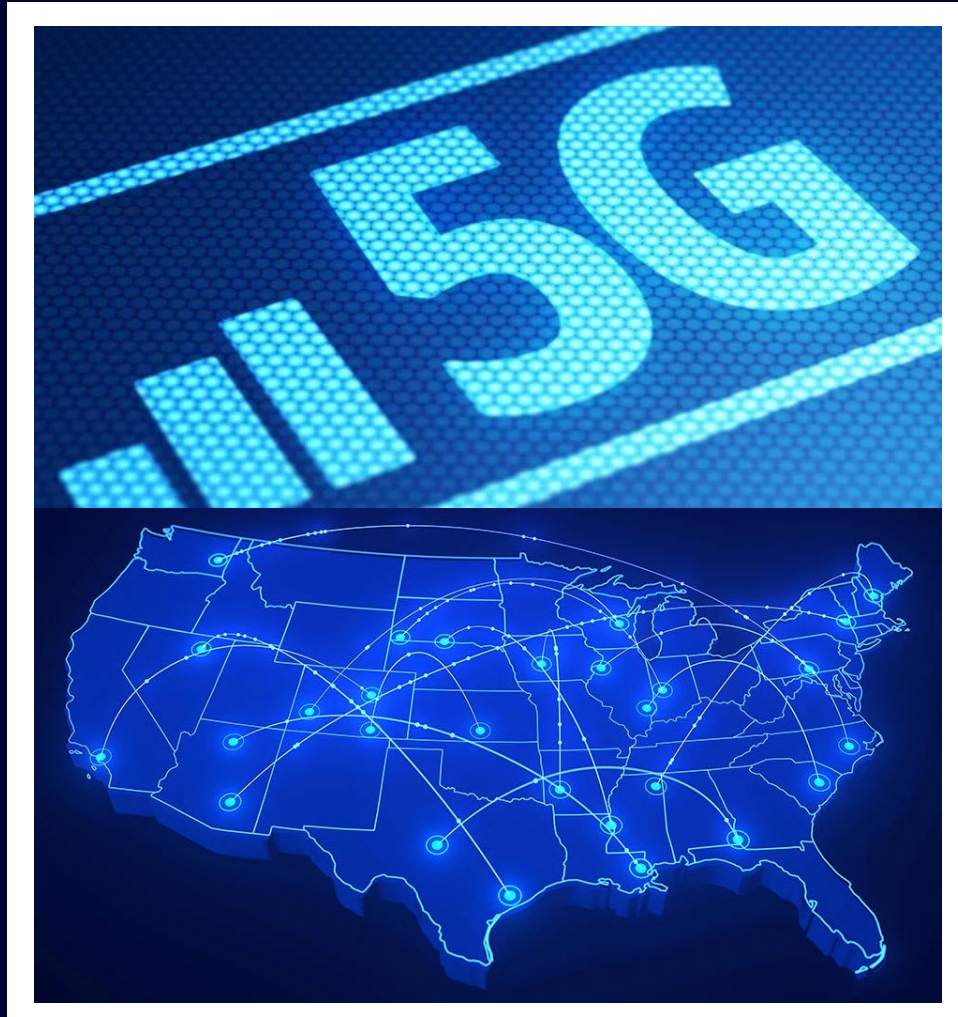


# A Quarter of Notable Performance

- 14% y-o-y organic growth in total Net Sales
- 15% y-o-y organic growth in our Security business
- 25% y-o-y organic growth in our Network business
- 35% EBITDA margin
  
- Customer Trust
  - Large license expansion deal \$2.9M (or 31MSEK)
- Operational Quality
- Employee Satisfaction



# \$2.9M 5G License Expansion Deal in Q224



Enea's Stratum database supports all 5G subscriptions for a major Tier 1 operator in US. Already in commercial use, Stratum facilitates the open 5G network envisioned by the telecom industry, utilizing open and standard interfaces.

5G User Data Repository



# A Quarter of Notable Performance

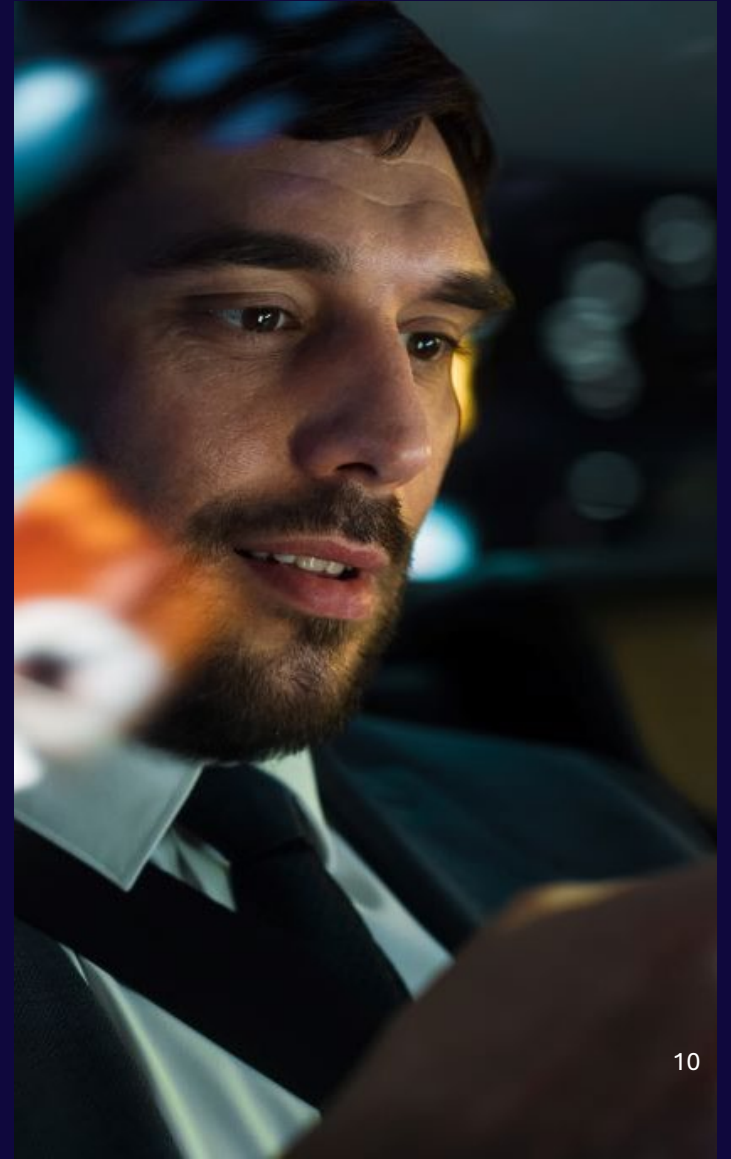
- **Customer Trust**
  - Large license expansion deal, concrete value realized, joint webinars, joint press-releases, speaker slots
- **Operational Quality**
  - ISO 9001 re-certification (ISO 2701)
- **Employee Satisfaction**
  - eNPS significantly up
  - Summary index significantly up

Q224 is one quarter, our journey continues...

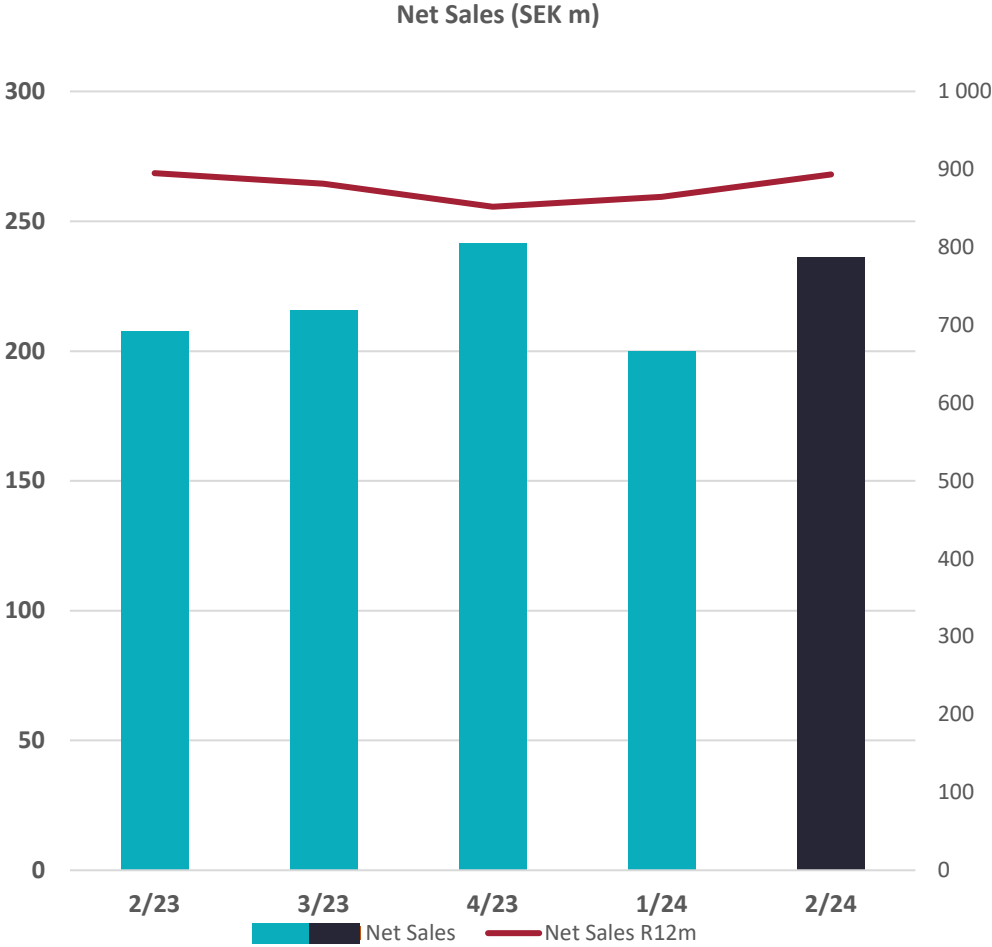


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# Double Digit Organic Growth Q224



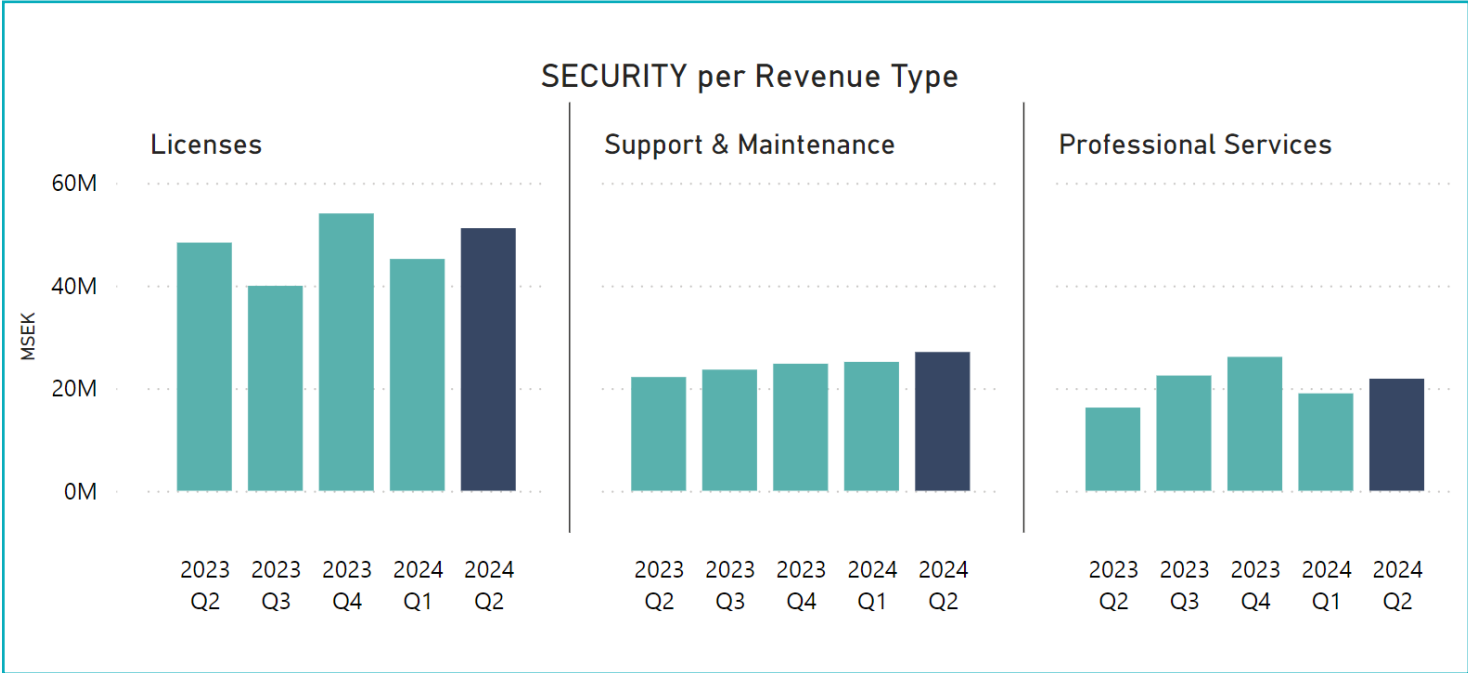
	2024 Q2	2023 Q2
Net Sales	236	208
Growth (%)	14%	-4%
Growth (% , currency adjusted)	13%	-10%
Total Revenues	239	217
Fx impact vs. last year	0.9	

- Strong Net Sales from current business including software expansions and upgrades
- Large software license expansion closed in Q2 at SEK 31m (\$2.9M)
- Year over year growth at 14%
- Total Revenues of SEK 239m (217)



# Growing Recurring Revenue - Security Solutions

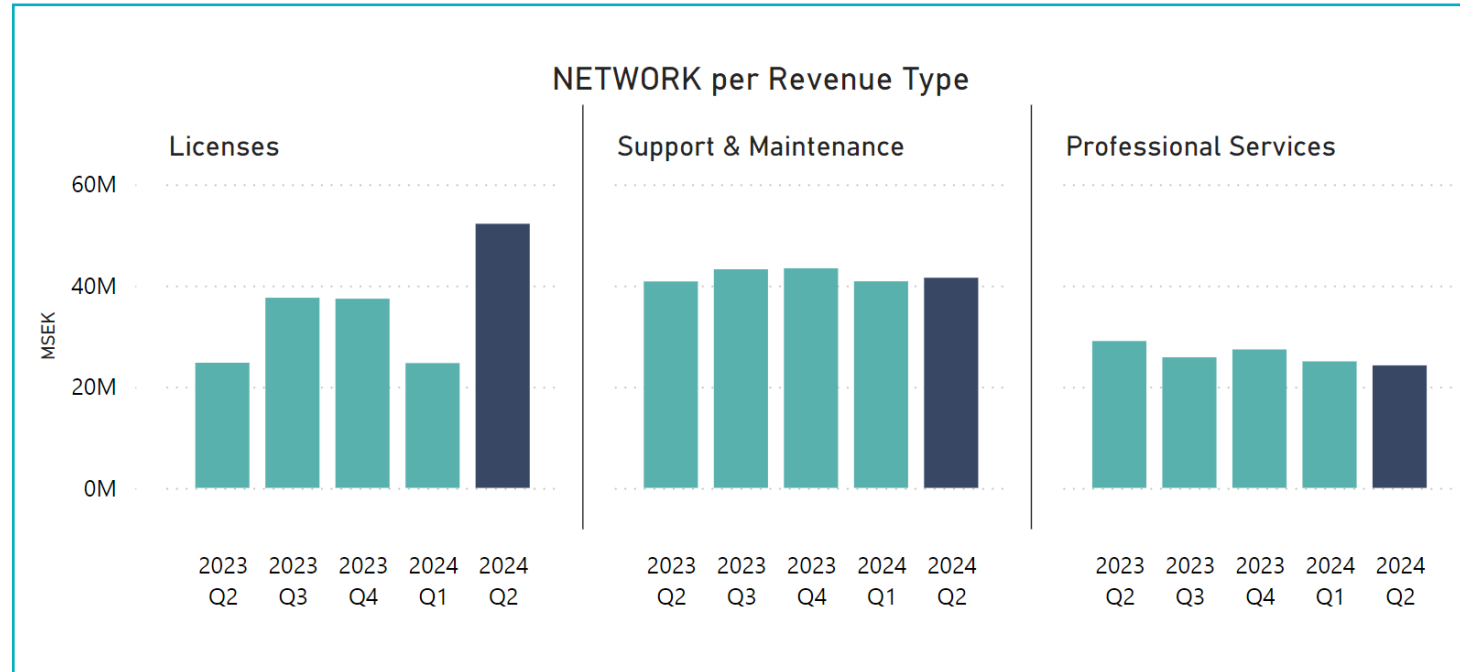
REVENUE BY TYPE



- License revenues of SEK 51m (48) or +6%
  - Driven by sales related to upgrades and expansions to current customers in combination with a base of recurring license revenues.
- Support & Maintenance steady increase vs last year. SEK 27m (22) or +22%
  - Driven by a stable customer base and increase because of license growth.
- Professional Services of SEK 22m (16) or +38%
  - Driven by new projects and increased delivery in the current projects.

# Growing Recurring Revenue - Network Solutions

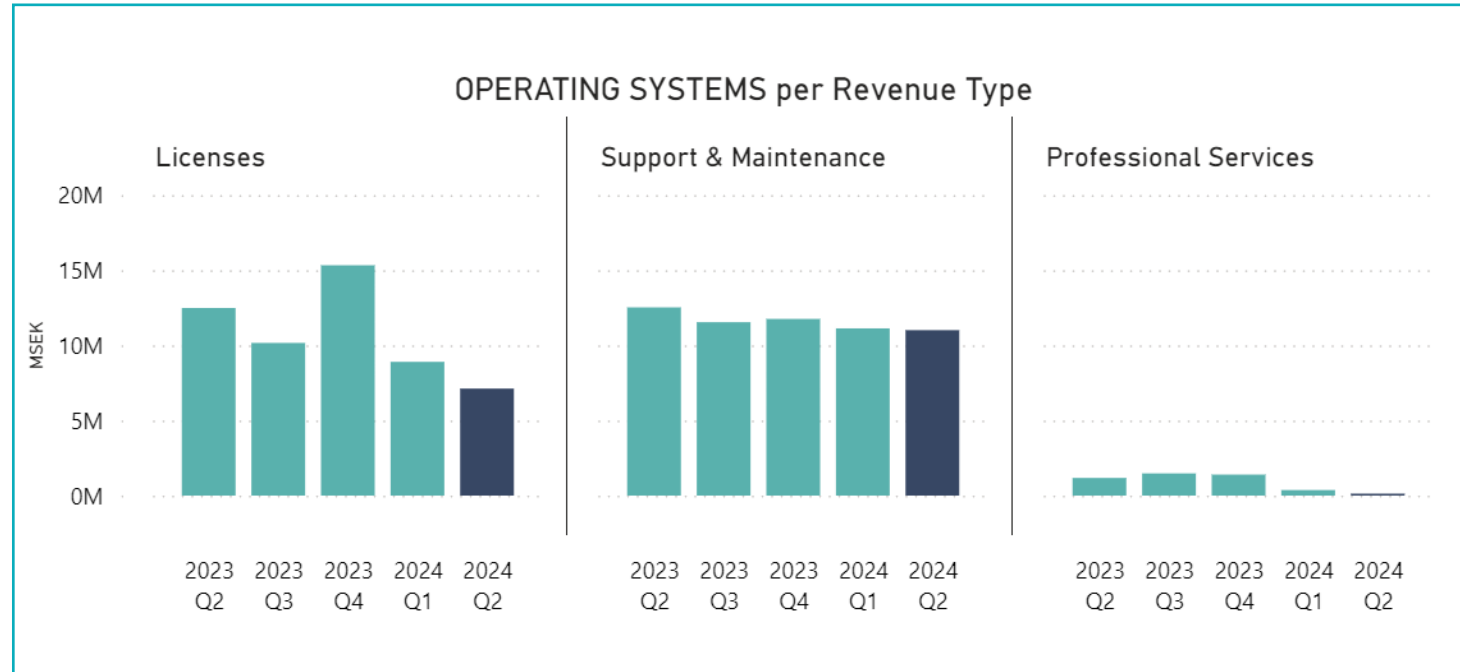
REVENUE BY TYPE



- License revenues of SEK 52m (25) or +108%
  - Significant impact from large license deal software license expansion closed in Q2 at SEK 31m (\$2.9M)
- Support & Maintenance of SEK 42m (41) or +2%
  - Slight increase based on renewals by current customers.
- Professional Services of SEK 24m (29) or -17%
  - Lower revenue from projects major reason

# Operating Systems Following Plans

REVENUE BY TYPE



- License revenues of SEK 7m (12) or -42%
  - Result of lower current license sales as planned.
  - Q223 included a new sizeable deal that we didn't have in Q224.
- Support & Maintenance of SEK 11m (13m) or -12%
  - The decrease is expected.



# 35% EBITDA Margin Q224



	2024 Q2	2023 Q2
EBITDA excl Non-Recurring Items, SEK m	83.1	48.8
EBITDA, SEK m	75.1	-35.8
EBITDA margin excl. non-rec. items, %	35%	23%
EBITDA margin, %	32%	-17%

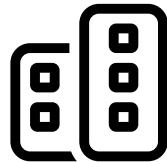
- 35% (23%) EBITDA margin excl. NRI
- 32% (-17%) EBITDA margin
- Non-recurring items in Q2 affecting EBITDA amounted to SEK 8.0m
- 79.2% in Gross margin (75.7%), impacted by change in revenue mix Higher share SW license revenues.
- Operational expenses of SEK 149.7m (163.2).
  - D&A SEK 43.1m (47.5)
- Operational expenses, excluding D&A of SEK 106.6m (115.7).
  - Opex spend SEK 127.1 (137.2)
  - Capex SEK 20.5m (21.5)

# Stable Cash Flow Q224



## CASH FLOW GENERATION

- Cash flow from operations SEK 35.1m (77.1)
- Net Cash flow SEK -11.7m (20.0)



## FINANCING STRUCTURE

- Net debt of MSEK 144.5m (220.4)

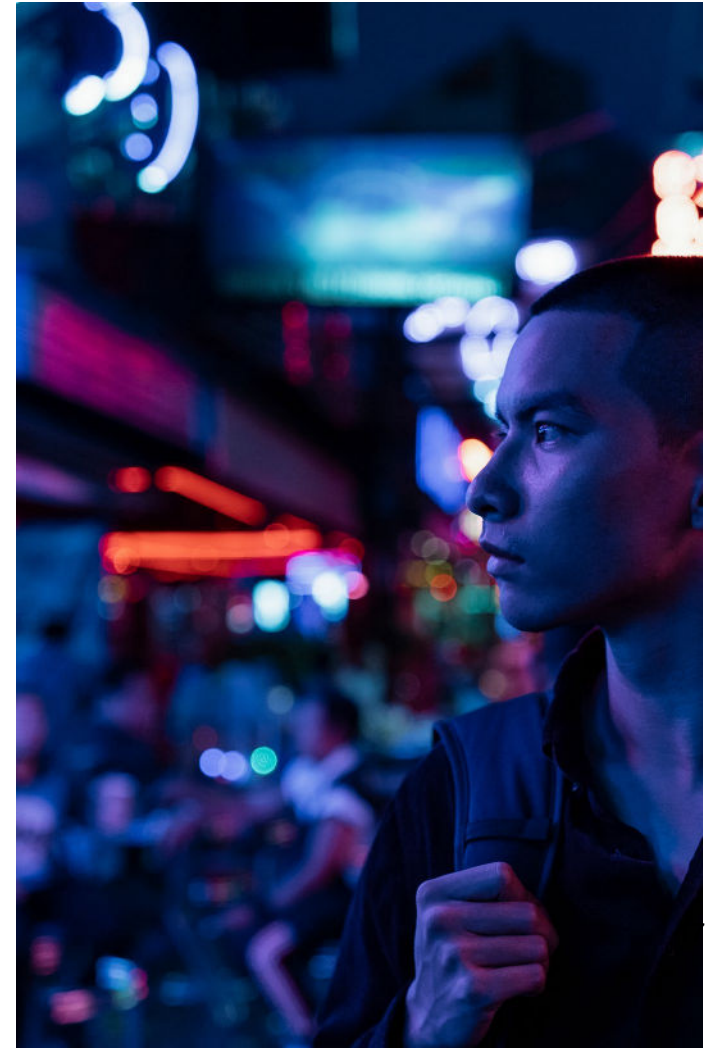


## FINANCIAL KPI'S

- Equity ratio 66.5 percent (64.0)
- Net debt to EBITDA 0.50 (0.89)

# The Buy-back Program Continues

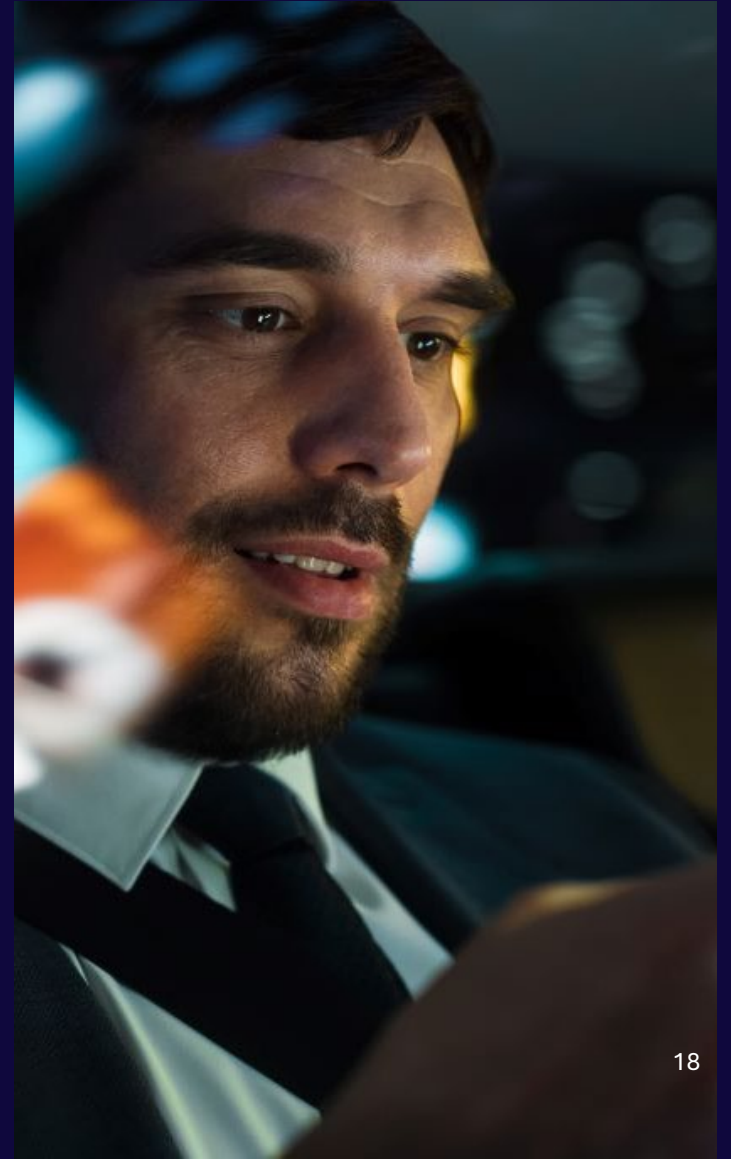
- **358 583 shares** were bought back in Q224, for a total consideration of **SEK 23.4m**
- The repurchases are since May 10<sup>th</sup> within the framework of the authorization from the Annual General Meeting 2024 to repurchase own shares up to SEK 100m.
- The program will be carried out by a credit institution following the 'Safe Harbour Regulation'





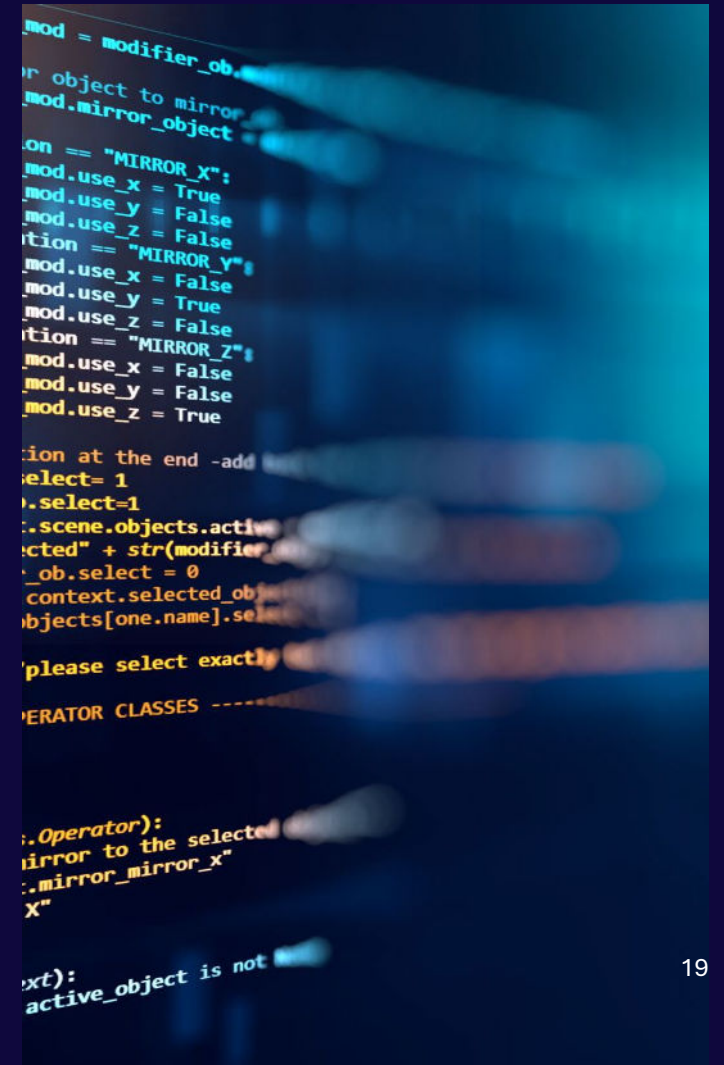
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# Significant Investment in Product Development

- 25% of our revenues invested in R&D during 1H24
- But now we amortize more than we capitalize



# We Help 5G to be Realized



Enea's Stratum database supports all 5G subscriptions for a major Tier 1 operator in US. Already in commercial use, Stratum facilitates the open 5G network envisioned by the telecom industry, utilizing open and standard interfaces.

5G User Data Repository

# We Help Minimize CLI Spoofing Attacks

FAKE CALLS IMPACT US ELECTIONS



It's not known who is behind the calls, though they falsely showed up to recipients as coming from the personal cellphone number of Kathy Sullivan, a former state Democratic Party chair who helps run Granite for America, a super-PAC supporting the Biden write-in campaign.

Source: AP, January 23, 2024

CLI Spoofing Attack



# We Help Accelerate Mobile Video Traffic



Enea's Traffic Management products optimize video traffic, while delivering a better viewing experience for users.

In the quarter we reduced the impact of video on a major European network by 16% during peak periods.

Traffic Management



# Well Positioned in the Market

## Events

**MOBILE WORLD LIVE** **ENEA**

23 May 2024 | 10:00am BST

**WEBINAR:**  
Diary of a CISO:  
Building a Resilient  
Telecom Organisation

Volodymyr Lutchenko  
CTO  
Kyivstar, Ukraine

Anton Bonifacio  
CISO  
Globe Telecommunications,  
Philippines

John Hughes  
SVP Head of Network  
Security  
Enea, Dublin

James Joiner  
Senior Analyst,  
Network Strategy  
GSMA Intelligence

**RCR Wireless**  
INTELLIGENCE IN ALL THINGS WIRELESS

**Rising above the noise**  
Managing risk in a barrage of voice fraud

Cem Dincer  
Turk Telekom

Julio Jimenez  
Enea

**European Conference of Postal and Telecommunications Administrations**

Financing Security in Voice Networks

## Awards

**Enea Qosmos Threat Detection SDK**  
Recognized by Two Awards for Innovative Excellence in NDR

**TIER ONE**  
**ENEA**  
SMS MONETISATION MARKET IMPACT REPORT  
2024

## In the media

**TELECOM TALK**

Telecom Egypt Reduces Scam Calls by 90 Percent With Enea's Voice Firewall

Received by SRIKAPADHI | JUNE 19TH, 2024 AT 05:07 PM

**THE FAST MODE**

Enea, Zain KSA to Pilot World's First Mobile Network Signaling Overlay Technology

**DARK READING**

Countering Voice Fraud in the Age of AI

Caller ID spoofing and AI voice deepfakes are supercharging phone scams. Fortunately, we have tools that help organizations and people protect themselves against the devious combination.

Laura Weber, Senior Industry Analyst, Omdia  
April 19, 2024

**UK & EUROPE - MIDDLE EAST & AFRICA**

**ME MOBILE EUROPE**

Cyber-criminals using AWS, Google and IBM services to steal data by SMS

By Simon Dux - 24 May 2024

**SW SECURITY**  
INFOWATCH.COM

How to combat caller ID spoofing and voice fraud

Innovations in cloud-based signaling security with a zero-trust model have helped operators significantly improve voice security.

**THE FAST MODE**

5 Actionable Takeaways for Cybersecurity Vendor Roadmaps

COMMENT POINT 2024 8.8 MIN READ

# Long Term Financial Ambition and 2024 Outlook

Our goal in the coming years is to generate double-digit growth in our focused business areas, an EBITDA margin over 35 percent, and strong cash flows.

Our growth will continue to be affected by the general economic circumstances. But for the full year 2024 we do expect strong cash flows and an EBITDA margin above 30 percent.





ANDERS LIDBECK, CEO



ULF STIGBERG, CFO

# Thank You!

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FINANCIAL INFORMATION

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