



# ***YEAR-END REPORT & 2023 GUIDANCE***

## ***Today's presenters***

**OLA CARLSSON**  
**Acting CEO**



**THOM MATHISEN**  
**CFO**





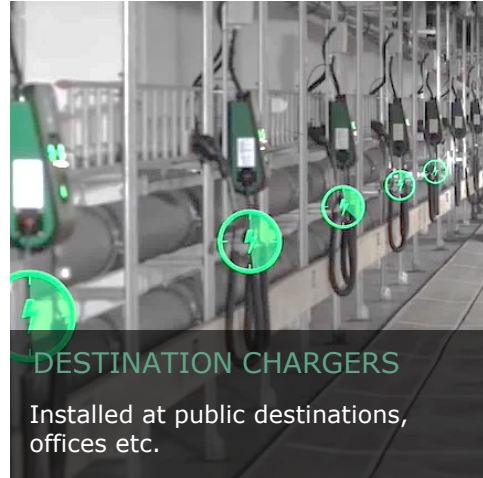
# What we do at CTEK

## EVSE



### HOME CHARGERS

Installed in garages, driveways or at residential properties



### DESTINATION CHARGERS

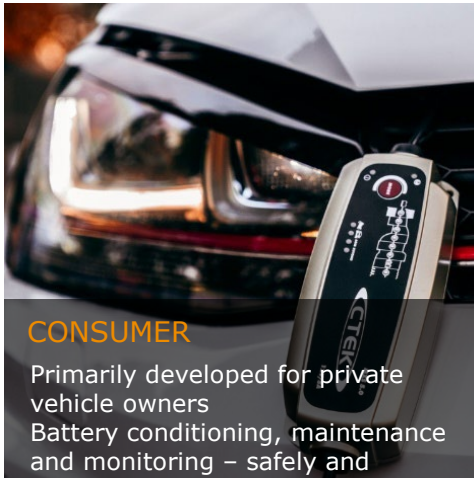
Installed at public destinations, offices etc.



### PORTABLE EV CHARGERS

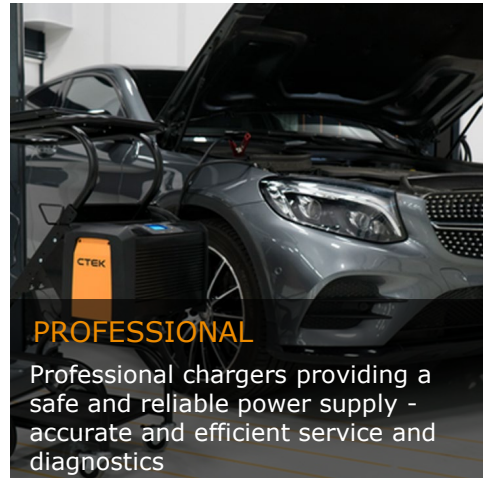
Portable chargers for use away from home (e.g. holiday homes)

## Low voltage



### CONSUMER

Primarily developed for private vehicle owners  
Battery conditioning, maintenance and monitoring – safely and



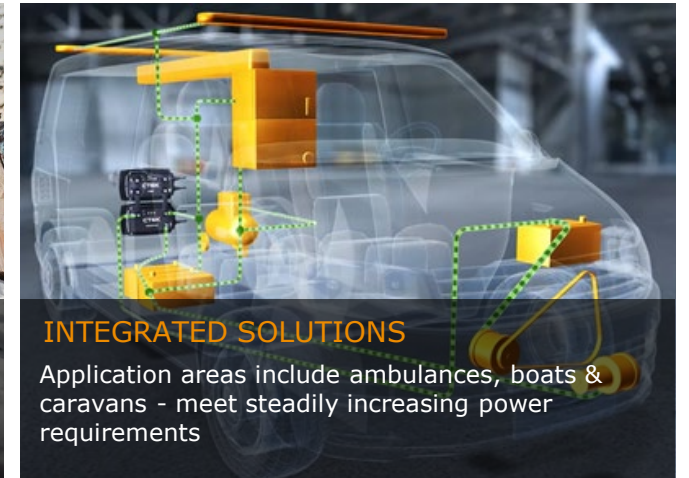
### PROFESSIONAL

Professional chargers providing a safe and reliable power supply - accurate and efficient service and diagnostics



### PORTABLE LOW VOLTAGE

Multi-functional portable charging with revolutionary Adaptive Boost technology

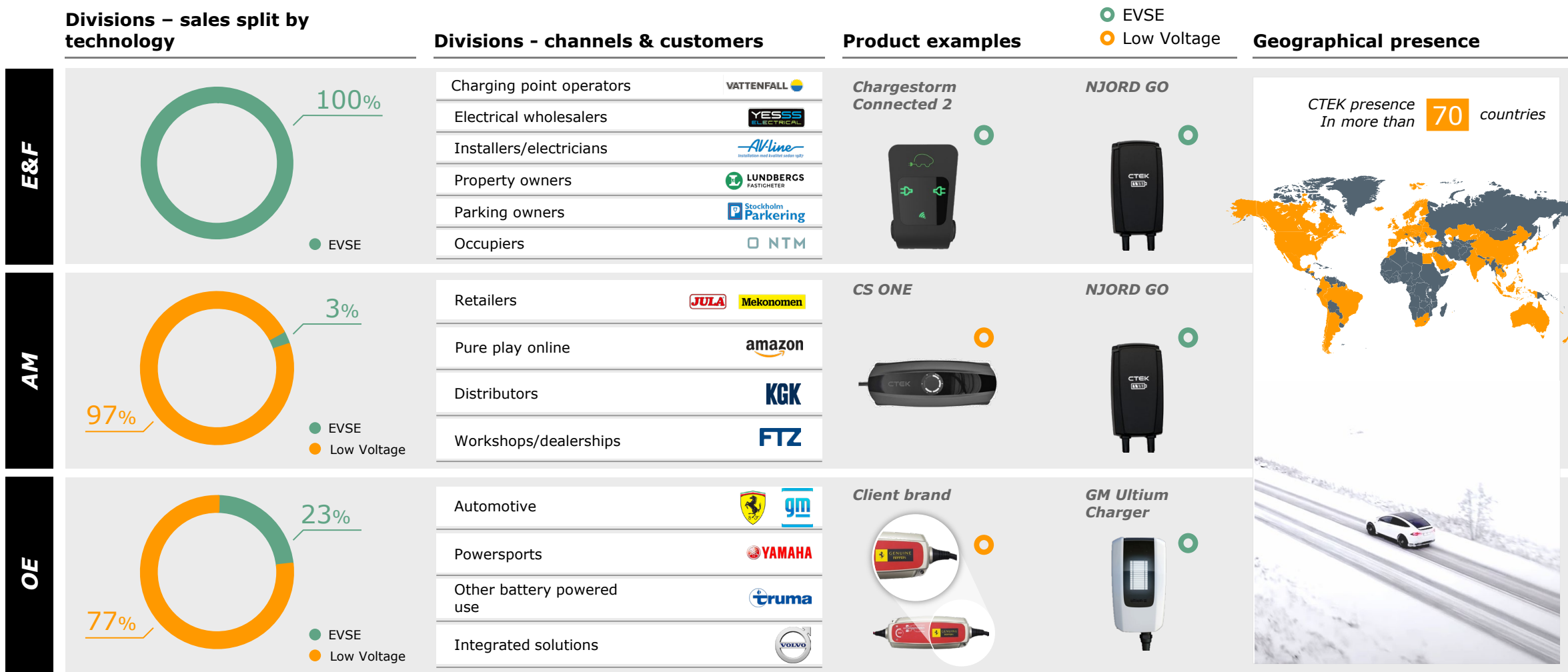


### INTEGRATED SOLUTIONS

Application areas include ambulances, boats & caravans - meet steadily increasing power requirements

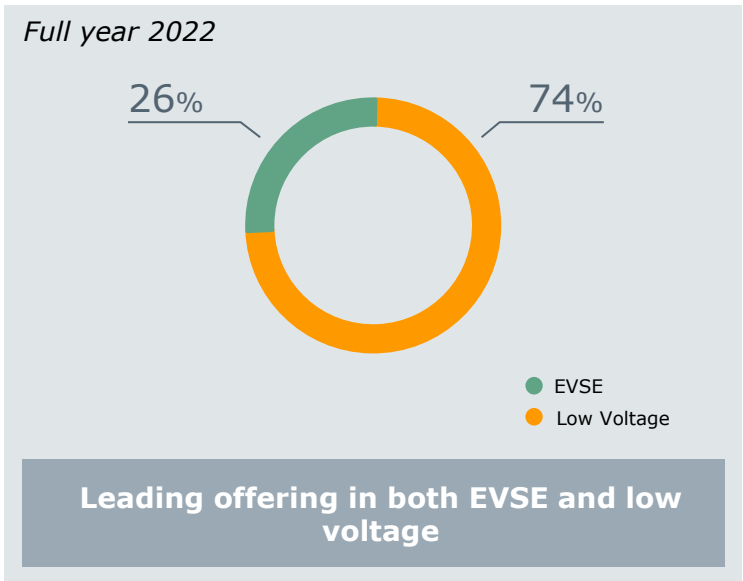
# CTEK

# CTEK has a global presence, efficient sourcing model and established relationships



# 2022 sales by technology, division and region

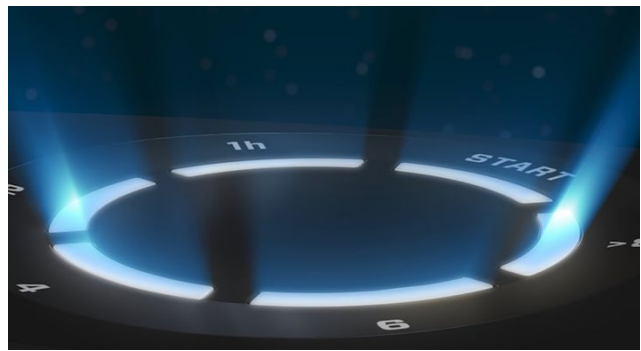
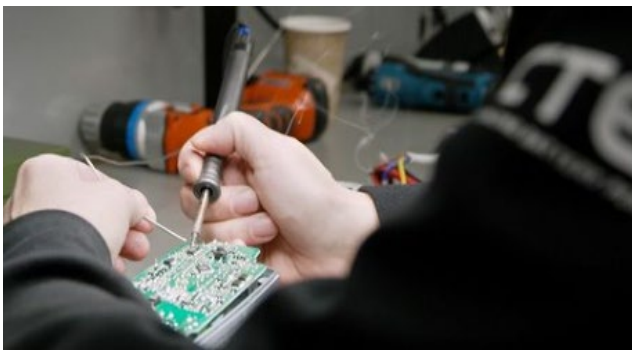
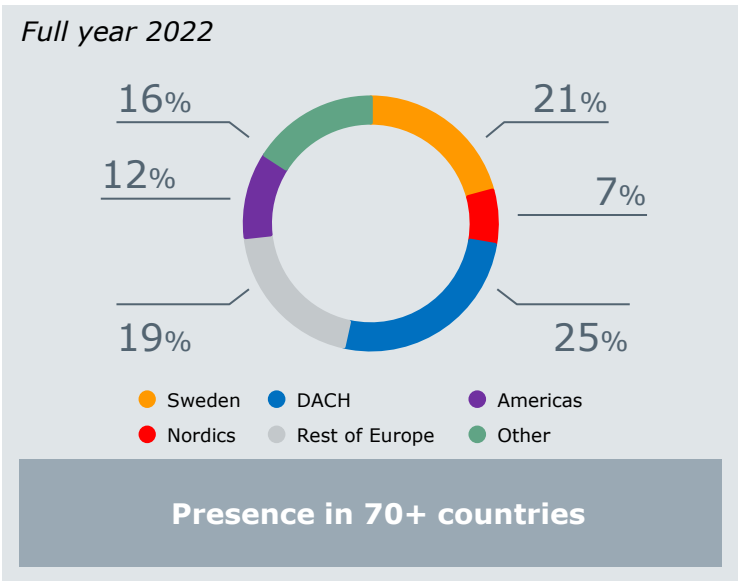
## Sales by technology



## Sales by division



## Sales by region



# ***YEAR-END REPORT 2022***

# Financial highlights Q4 2022

SEKm	2022 Q4	2021 Q4	Full year 2022
AM	146.8	176.3	566.4
OE	66.0	24.5	178.7
E&F	44.3	44.2	180.2
Central	0.2	12.9	24.8
<b>Total net sales</b>	<b>257.3</b>	<b>257.8</b>	<b>950.1</b>
Gross margin	50.5%	49.2%	50.3%
AM	47.2	59.0	19.9
OE	12.0	2.5	30.9
E&F	-13.1	-10.7	-32.5
<b>Adj. EBITDA pre OH costs</b>	<b>46.1</b>	<b>50.8</b>	<b>194.3</b>
Overhead costs	-21.2	-16.9	-71.2
<b>Adj. EBITDA, group</b>	<b>24.9</b>	<b>33.9</b>	<b>123.1</b>
Depreciations, non-acquisition related fixed assets	-12.0	-13.0	-43.9
<b>Adjusted EBITA, group</b>	<b>12.9</b>	<b>20.9</b>	<b>79.2</b>
Items affecting comparability	-10.0	-	-14.9
<b>EBITA, group</b>	<b>2.9</b>	<b>20.9</b>	<b>64.3</b>
Financial net	-13.2	-0.9	-14.8
Tax	-9.4	-3.3	-18.6
<b>Profit/loss for the period</b>	<b>-26.8</b>	<b>9.7</b>	<b>2.7</b>
EPS after dilution, SEK	-0.54	0.19	0.05

## Comments Q4 2022

- Net sales of SEK 257m (258) – flat growth vs Q4 2021, -10% adjusted for currency
- EVSE products accounted for 30% (19%) of total sales
- Gross margin increased 1.3 p.p. to 50.5% (49.2%)
- Adjusted EBITA margin of 5.0% (8.1%). Lower margin mainly due to new product mix and higher cost levels
- Q4 2022 included SEK -10m (0) of items affecting comparability, attributable to organizational changes
- Financial items (net) amounted to SEK -13.2m (-0.9m)
- EPS was SEK -0.54 (0.19)

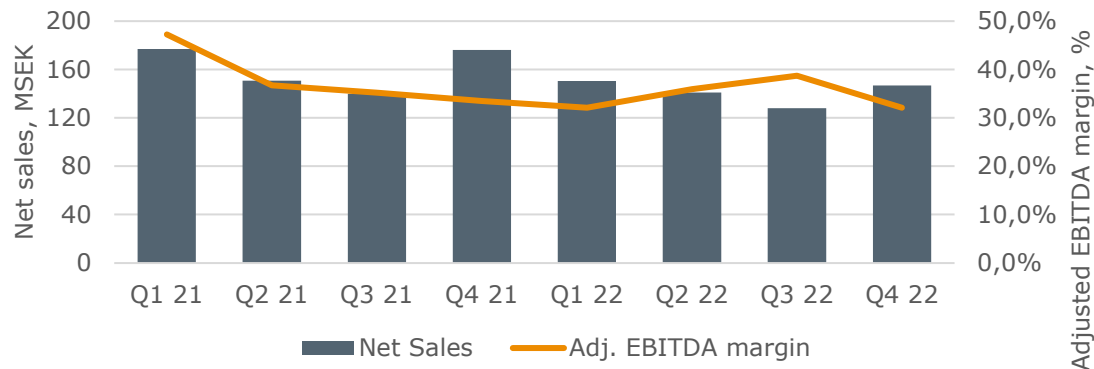


# Aftermarket

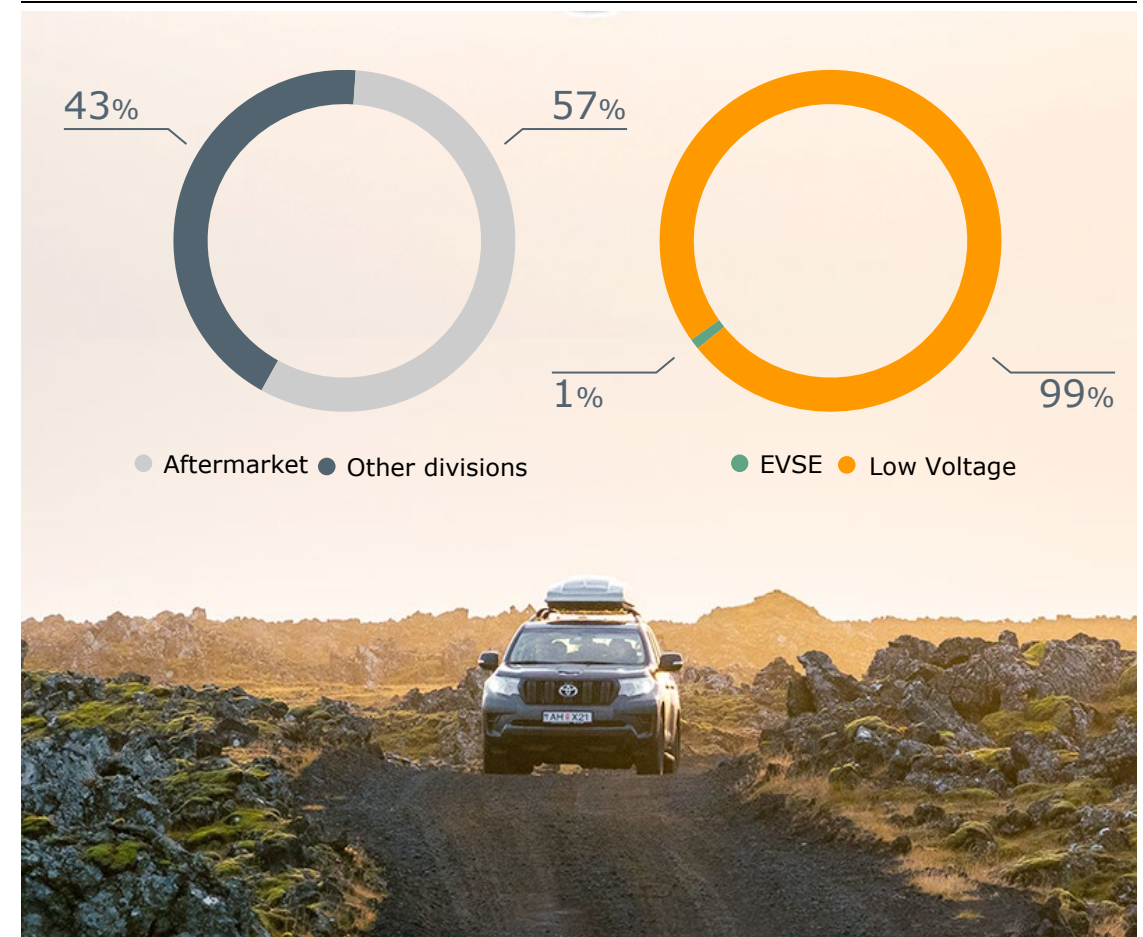
## Lower consumer spending impacted net sales and margins

- Net sales fell 17% to SEK 147m (176m) in Q4 2022, or -24% adjusted for currency
- The Aftermarket division noted more volatile end-consumer demand due to current geopolitical situation, restrained consumer spending and lower share of online sales
- Adjusted EBITDA amounted to SEK 47m (59m), corresponding to a margin of 32.1% (33.5%). The negative margin development is primarily due to the lower volumes, although the gross margin been stable due to price increases.

Net sales and adjusted EBITDA margin



## Share of divisional Q4 sales - Aftermarket

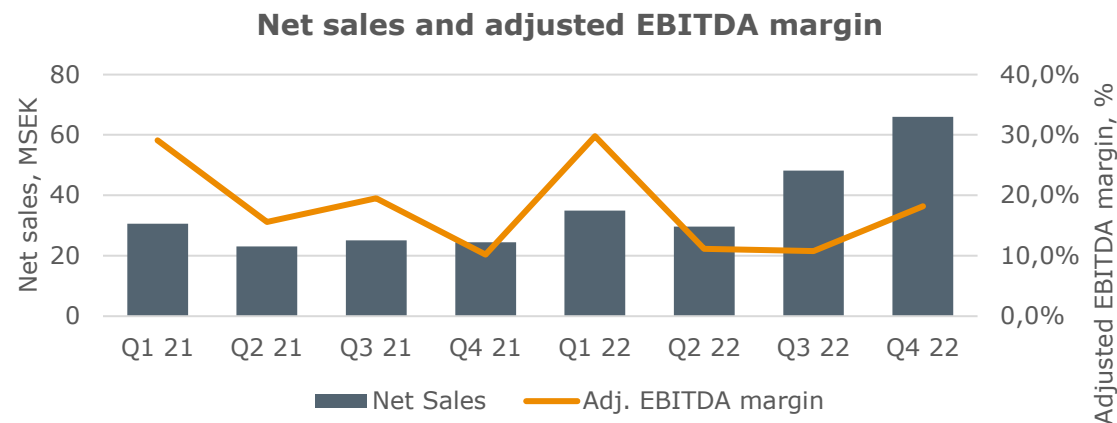




# Original Equipment

## Improved net sales due to gradual ramp-up of GM deliveries and other OEMs

- Net sales increased 170% to SEK 66m (24m) in Q4 2022, of which 140% organically
- The performance was due to the gradual ramp-up of EV charger deliveries to General Motors, as well as a generally higher demand from a number of leading automotive manufacturers in different geographies after a weaker period due to the pandemic
- Adjusted EBITDA amounted to SEK 12m (2m), corresponding to a margin of 18.2% (10.1%). The improved margin was due to higher volumes.



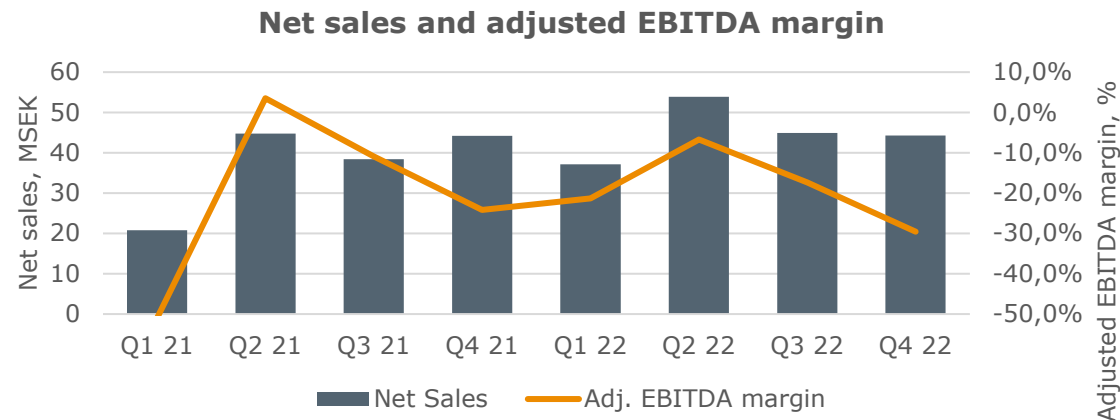
## Share of divisional Q4 sales – Original Equipment



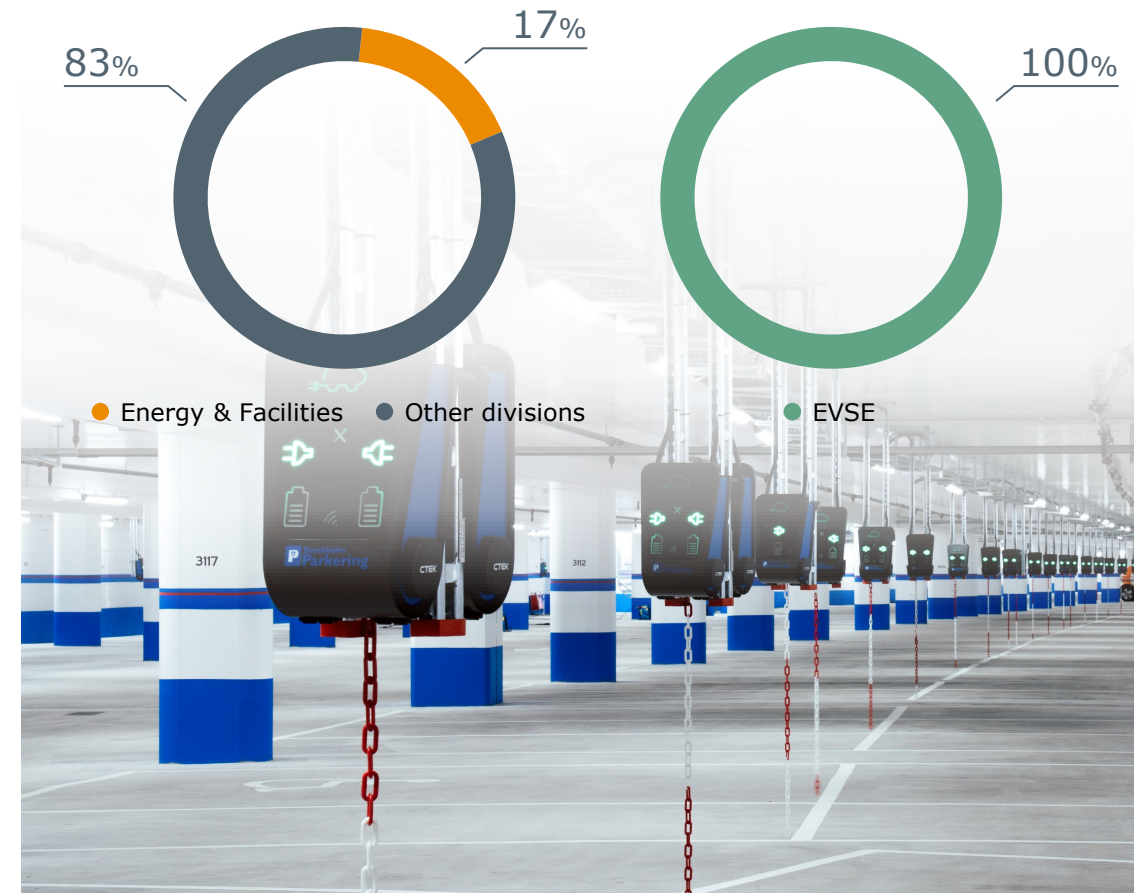
# Energy & Facilities

## High demand from domestic customers

- Net sales in Q4 2022 was similar to the period in 2021 at SEK 44m (44m). Organic growth was -7%. Focus on profitable growth before topline growth and a lower activity within the construction sector have impacted sales negatively.
- Adjusted EBITDA amounted to SEK -13m (-11m), corresponding to a segment margin of -29.6% (-24.2%). The operations continue to have a relatively large share of fixed costs given current volumes.



## Share of divisional Q4 sales – Energy & Facilities

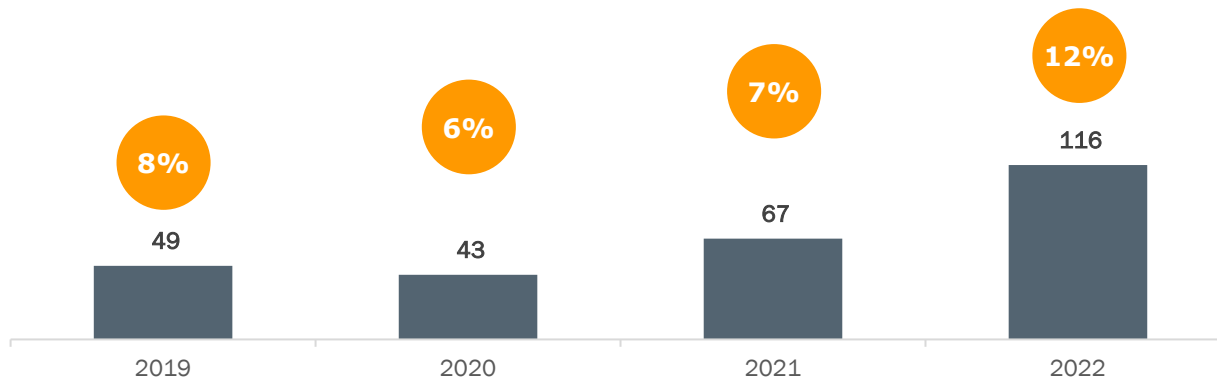


# Cash flow and Capex

## Lower cash flow from operations due to higher OPEX needs

- Cash flow from operating activities amounted to SEK -47m (-28m) in FY 2022
- Capex in FY 2022 amounted to SEK -116m (-67m)
- Cash flow after investment activities in FY2022 was SEK -162m (-95m)
- Cash and cash equivalents at the end of the period amounted to SEK 10m (54m). Available credit facilities at the end of period amounted to 200 MSEK (100), and 181 MSEK (58) had been utilised
- Net debt to LTM EBITDA ratio for the period increased to 5.4x, primarily as a result of lower margins

## Capital expenditure development (2019-2022)





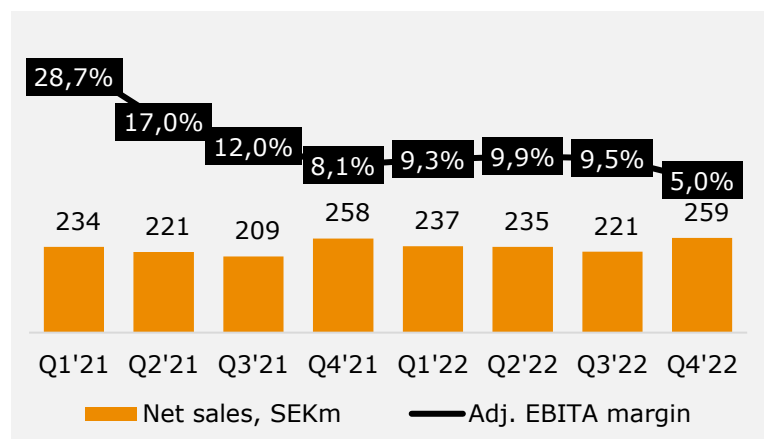
# ***OUTLOOK 2023***



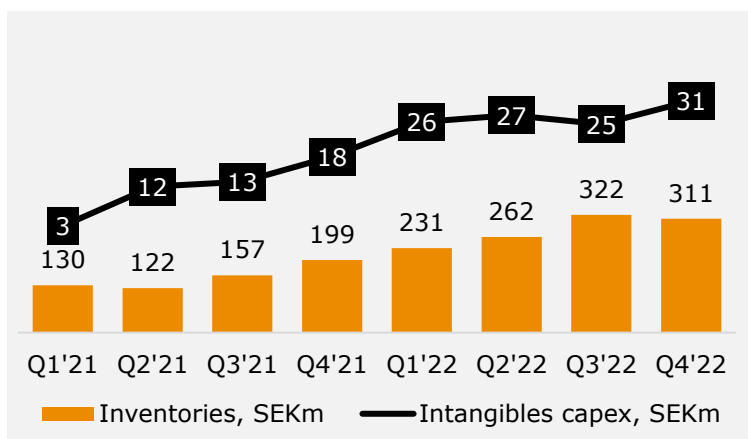
# Robust actions initiated to improve profitability and to reduce leverage

KPI	End of 2022	End of 2023	Difference
Workforce (incl. consultants)	>300	~230	-70 or -25%
Opex	~SEK 100m (runrate Q4)	~SEK 80m (runrate Q4)	-SEK 80m (annually) or -20%
Development Cost	~SEK 150m	~SEK 80m	-SEK 70m or ~50%
Cash flow	~SEK -160m	Positive	>SEK 160m

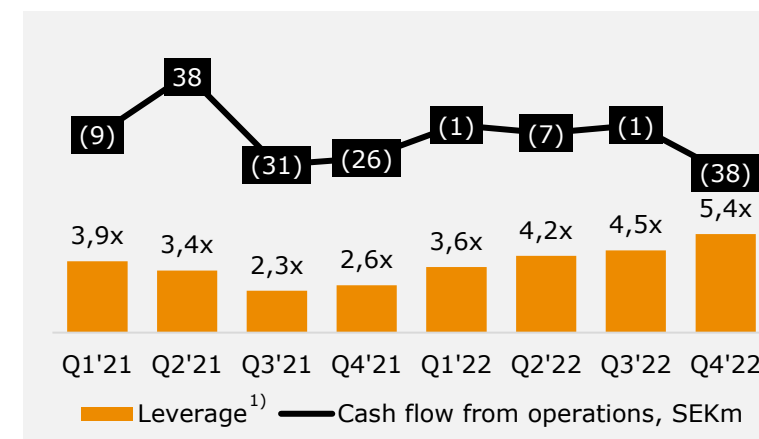
## Net sales and Adj. EBITA margin



## Inventories and intangibles capex



## Leverage and cash flow from operations



Note: 1) Net debt / LTM Adj. EBITDA

# General Motors

## Background

- **Longstanding relationship with a global OEM**
  - Supplier of Low Voltage chargers since 2009
- **Process to expand relationship from LV to EVSE initiated in 2020**
  - +10 years' experience of EVSE through Chagestorm
  - Opportunity for both CTEK and GM to collaborate on designing and producing a custom-made EVSE charger
- **Development commenced during the peak of the Covid-19 pandemic**
  - Conducted all development work with GM remotely
  - Global component shortage necessitated numerous redesigns and recertifications, causing delays and driving costs
  - Development costs several times higher than originally planned and diverted focus from other projects
- **Immature market where consumer demand shifted from first agreement to first delivery**



## Current status and outlook

- First delivery initially planned for March 2022, but was delayed until August 2022, thereby impacting NWC
- Gradual delivery ramp-up from Q3 2022 – product well-received by end-customers and market
- Current delivery forecasts substantially higher vs. original expectations in 2020
  - However, significantly lower gross margins vs. Group average due to a higher cost base for the product than originally used as basis for price negotiations with GM
- **Product cost reduction activities initiated:**
  - Redesign of product to improve margins
- **Next product model launch in Q2 2023**







# Guidance for 2023

## Net Sales

EVSE share of net sales in line with the mid-term financial target and total double digit total growth

Aftermarket .....	➡
Original Equipment .....	↗
Energy & Facilities .....	➡
EVSE .....	↗

## Gross margin

approximately 10 p.p. decline on Group level, mainly due to shift in product mix

## Adjusted EBITA

Further decrease in Q1 followed by gradual improvement during the year towards high single-digit margin

## CAPEX

Back to normal R&D levels, materially lower than 2022

## Cash flow

Positive, mainly due to lower CAPEX and actions to reduce NWC, as well as the robust cost reduction initiated

## Net debt

In line with financial target after completed rights issue

# Capital injection to secure sustainable and profitable future growth

## Comments

- The Board of Directors has resolved on a SEK 350m rights issue, subject to EGM approval, to strengthen the balance sheet and thereby increase the financial flexibility to execute on strategic initiatives
- The rights issue is fully guaranteed by CTEK's largest shareholder Investment AB Latour with 30.6% of capital / votes
  - Additional commitments from AP4, Skirner, AMF Tjänstepension, Swedbank Robur and SEB Fonder who together own ~27% of capital/votes
- The Board of Directors has also reviewed the financial targets and made the following revision to reflect the Company's updated product mix:
  - Adjusted EBITA margin target revised to 20% in the medium term

### GROWTH



Achieve SEK 2bn in sales in the medium term with the majority stemming from EVSE products

### MARGIN



Achieve an adjusted EBITA margin of 20% in the medium term

### CAPITAL STRUCTURE



Net debt shall amount to less than 3.0x LTM adjusted EBITDA, strategic decisions such as acquisitions can have a temporary impact

### DIVIDEND POLICY



We invest our resources into growth and developing our business. In addition, we aim to pay out a dividend corresponding to 30% of net earnings







25

25 YEARS POWERED BY CTEK



# Mid term strategy

