

A series of approximately 10 horizontal orange lines on a black background. On the left side, these lines curve inward, creating a rounded, tunnel-like effect that frames the central text.

INTERIM REPORT Q3 2023

Today's presenters

HENRIK FAGRENIUS
CEO

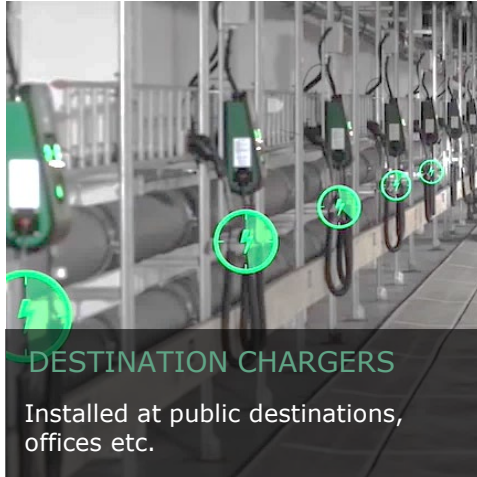


THOM MATHISEN
CFO



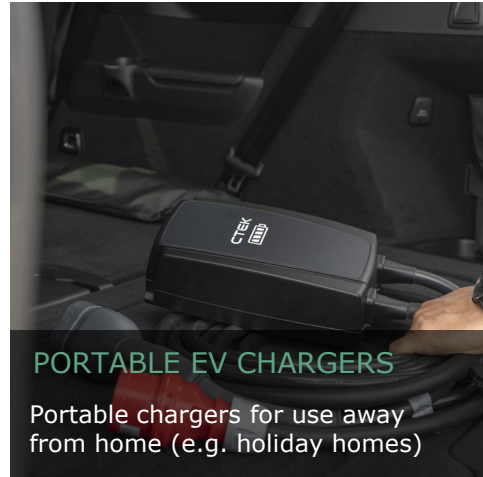
What we do at CTEK

EVSE



DESTINATION CHARGERS

Installed at public destinations, offices etc.



PORTABLE EV CHARGERS

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

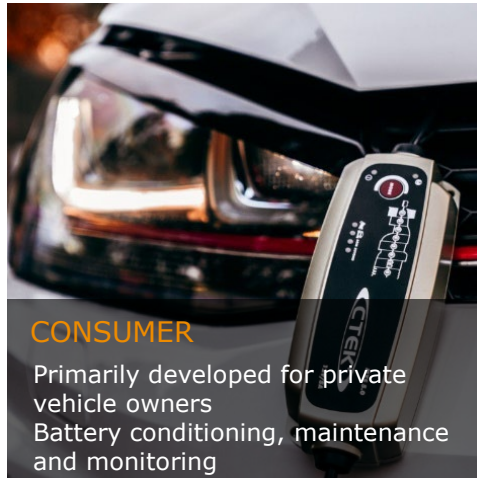


CLIENT BRAND

Installed in garages, driveways or at residential properties

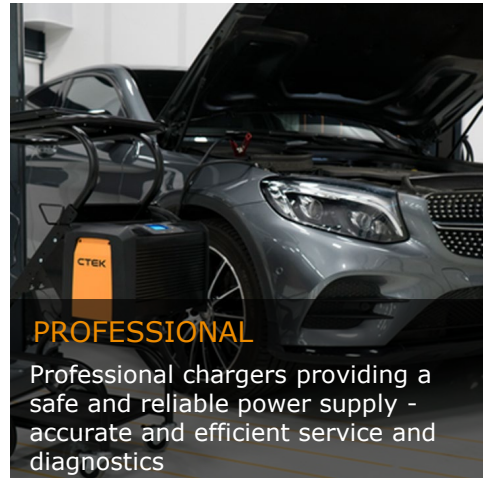
CTEK

Low voltage



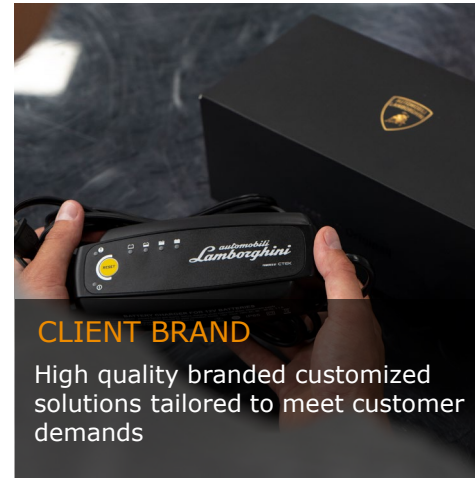
CONSUMER

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



PROFESSIONAL

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



CLIENT BRAND

High quality branded customized solutions tailored to meet customer demands



INTEGRATED SOLUTIONS

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

Q3 – key take aways

- **Improved underlying profitability and sequential growth for the Aftermarket division**
 - Adjusted EBITA margin improved with 7,7 percentage points compared with the second quarter.
- **Impairment of goodwill charged to the quarter**
 - Non-cash impairment of SEK 166m within the Energy & Facilities division.
 - Non-cash, previously communicated, impairment of SEK 60m relating to the reduced number of product variants for the North American market.
 - The impairments do not change the company's view on continued long-term growth within EVSE.
- **Concentration of operations to two divisions from the fourth quarter – Professional and Consumer**
 - Earlier divisions *Original Equipment* and *Energy & Facilities* concentrated to one new division named *Professional*.
 - Focus on larger business-to-business customers who have the capacity to assume responsibility for a share of the support.
 - One-off cost of SEK 12m for inventory write-downs related to the new focus.
- **Production started in Mexico for North American EV chargers**
 - Deliveries to commence by the end of the year.
 - Significant cost reductions.
- **Extended long-term partnership with global sports car manufacturer**
 - First customized version of CS ONE.



Q3 Financials

Key financials Q3 2023

SEKm	2023 Q3	2022 Q3	Full year 2022
AM	131.1	128.0	566.4
OE	42.3	48.2	178.7
E&F	25.5	44.9	180.2
Central	0.2	0.2	24.8
Total net sales	199.2	221.4	950.1
Gross margin	51.6%	50.3%	50.3%
Segment profit/loss (Adjusted EBITDA)			
AM	53.4	49.6	195.9
OE	7.5	5.2	30.9
E&F	-15.6	-7.8	-32.5
Adj. EBITDA pre OH costs	45.2	47.0	194.3
Overhead costs	-12.9	-15.1	-71.2
Adj. EBITDA, group	32.3	31.9	123.1
Depreciations, non-acquisition related fixed assets	-14.1	-10.8	-43.9
Adjusted EBITA, group	18.2	21.1	79.2
Impairments, non-M&A related fixed assets	-60.0		
Items affecting comparability	-18.0	-4.9	-14.9
EBITA, group	-59.8	16.2	64.3
Impairments, M&A related fixed assets	-166.0	-	-
Financial net	-10.4	-0.2	-14.8
Tax	26.5	-2.1	-18.6
Profit/loss for the period	-216.7	6.8	2.7
EPS after dilution, SEK	-3.10	0.14	0.05

Comments Q3 2023

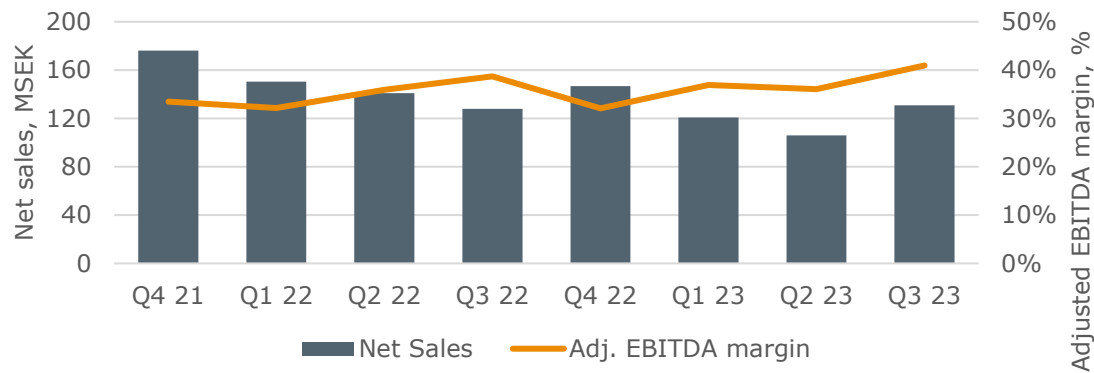
- Net sales decreased to SEK 199.2m (221.4m), -15% adjusted for currency
- EVSE products accounted for 18% (27%) of total sales
- Gross margin increased 1.3 p.p. to 51.6% (50.3%) The higher margin is mainly due to a changed product mix with less share of EVSE products within Original Equipment.
- Adjusted EBITA margin decreased to 9.1% (9.5%).
- Q2 2023 included SEK -18.0m (5) of items affecting comparability mainly related to write-off of inventories
- Operating profit amounted to SEK 11.2 (14.1) excluding items affecting comparability of -18m (-5) and write-downs of 226m
- Financial items (net) amounted to SEK -10.4m (-0.2m)
- EPS was SEK -3.10 (0.14)

Aftermarket

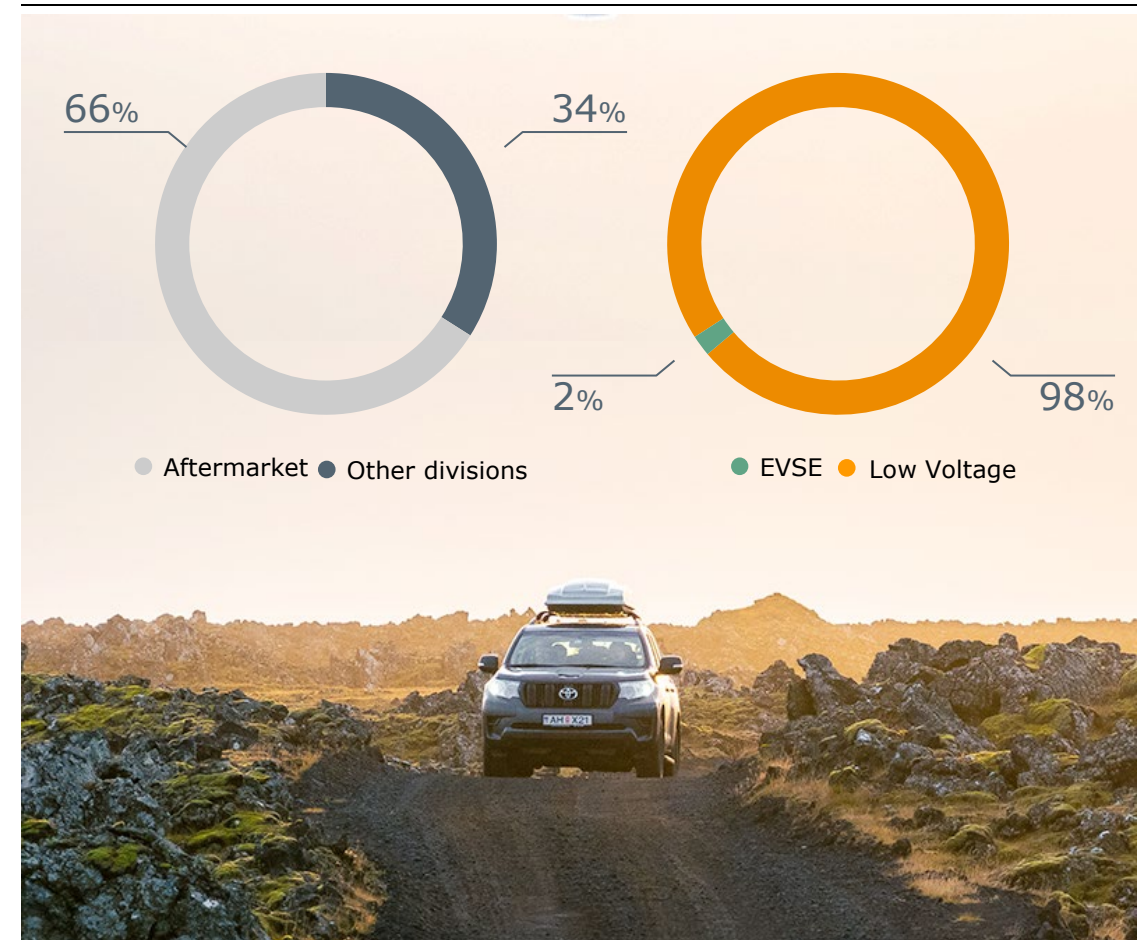
Sequential quarterly growth

- Net sales increased 2% to SEK 131m (128m) in Q3 2023, or -5% adjusted for currency.
- The Aftermarket division noted a sequential quarterly growth.
- Adjusted EBITDA amounted to SEK 53m (50m), corresponding to a margin of 40.7% (38.8%). The continuously stable margins was due to conducted price increases, less air freights and spot buy of components compared to last year.

Net sales and adjusted EBITDA margin



Share of divisional Q3 sales - Aftermarket



Original Equipment

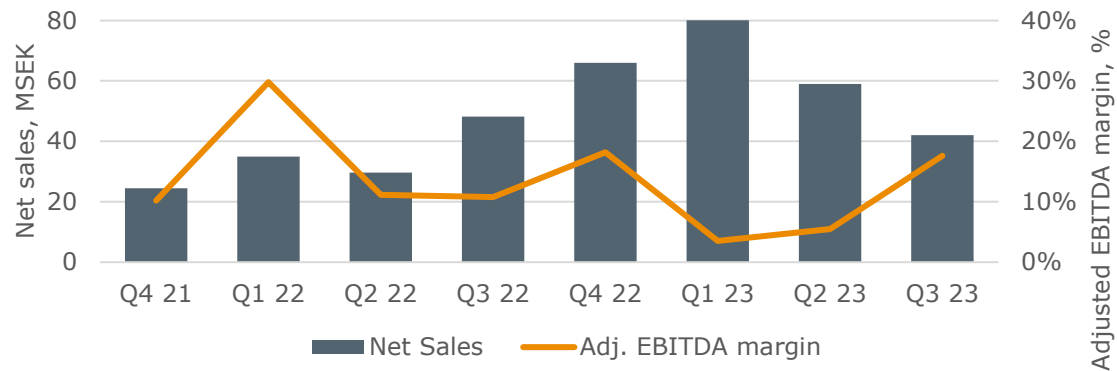
Decreased net sales due to lower North American EVSE volumes

- Net sales decreased -12% to SEK 42m (48m) in Q3 2023, -17% adjusted for currency.
- The development was mainly due to less deliveries of EV charger to North America.
- Adjusted EBITDA amounted to SEK 7m (5m), corresponding to a margin of 17.6% (10.7%). The margin development is due to changed product mix.

Share of divisional Q3 sales – Original Equipment



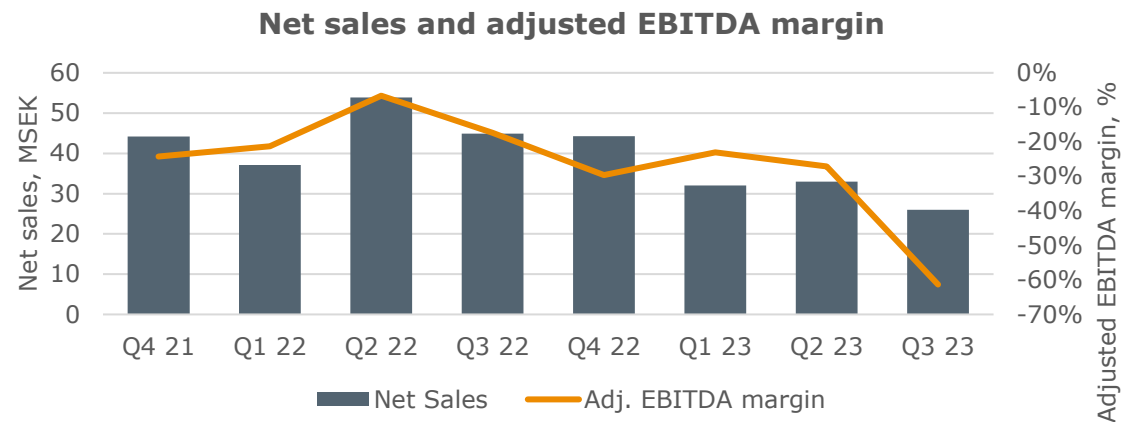
Net sales and adjusted EBITDA margin



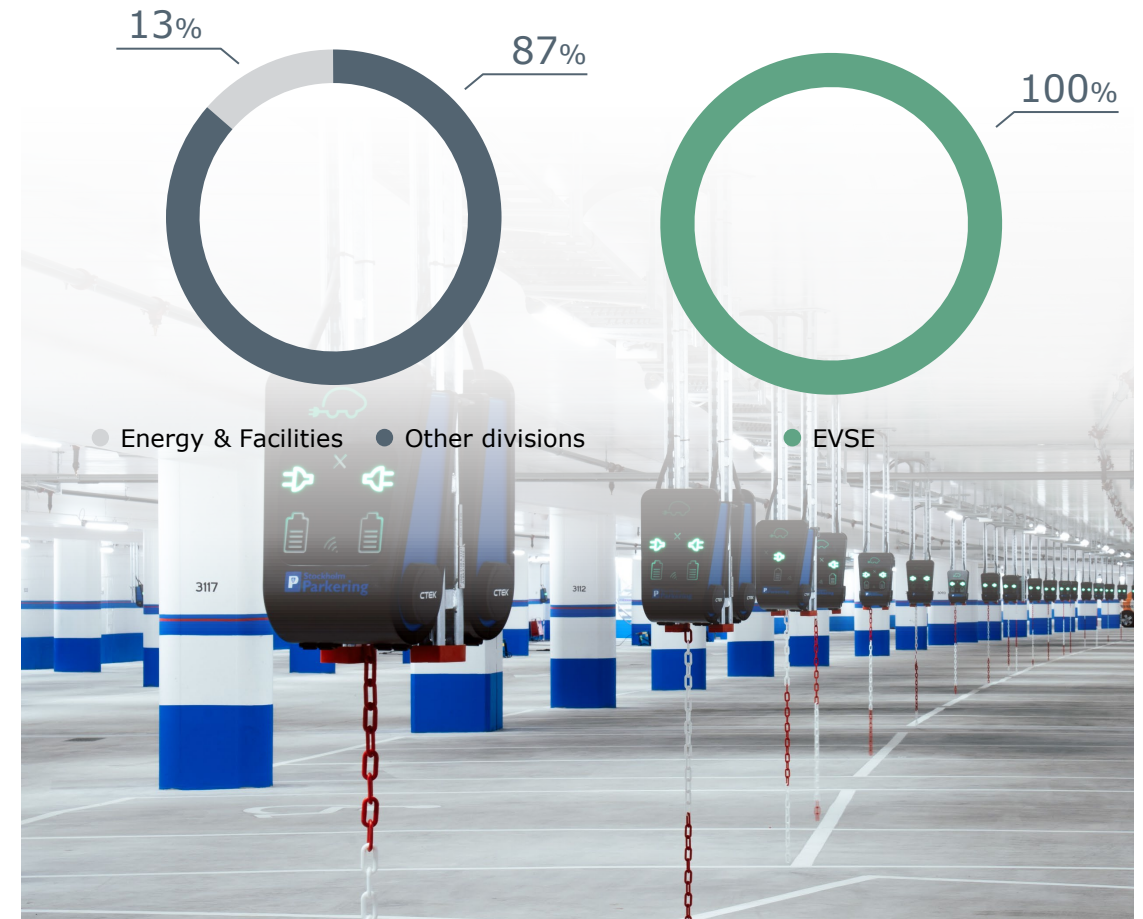
Energy & Facilities

Lower sales due to less activity within the construction sector

- Net sales fell 43% to SEK 26m (45m) in Q3 2023, or -45% adjusted for currency.
- A lower activity within the construction sector have impacted sales negatively.
- Adjusted EBITDA amounted to SEK -16m (-8m), corresponding to a segment margin of -61.3% (-17.3%).



Share of divisional Q3 sales – Energy & Facilities

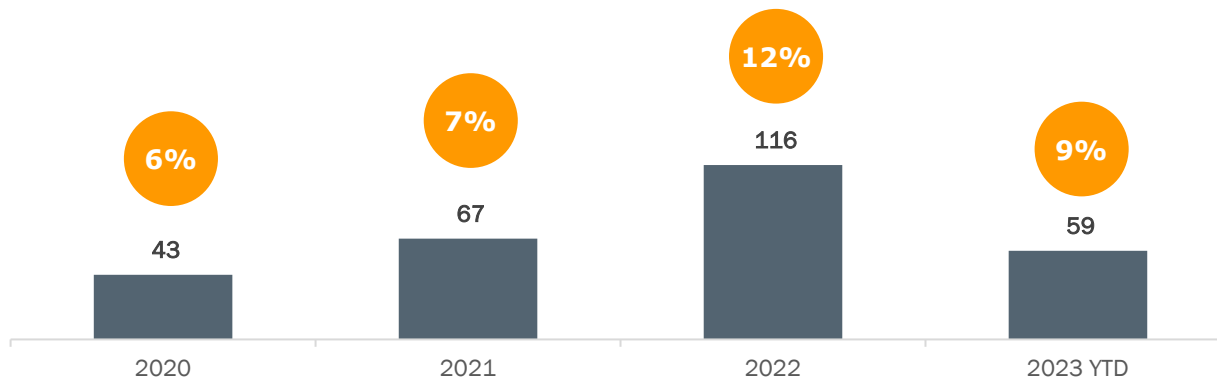


Cash flow and Capex

Cash flow and financial position

- Cash flow from operating activities amounted to SEK -14m (-1m) in the period. Accumulated the cash flow from operating activities was 61m (-9).
- Capex during the period amounted to SEK -14m (-25m).
- Cash flow after investment activities in the period was SEK -26m (-29m). Accumulated the cash flow after investment activities was SEK -2m (-94).
- Cash and cash equivalents at the end of the period amounted to SEK 144m (19m). Available credit facilities at the end of period amounted to SEK 100m (200), which of SEK 0m (118) had been utilized.
- Net debt to LTM EBITDA ratio for the period increased to 3.7x.

Capital expenditure development (2020-2023 YTD)

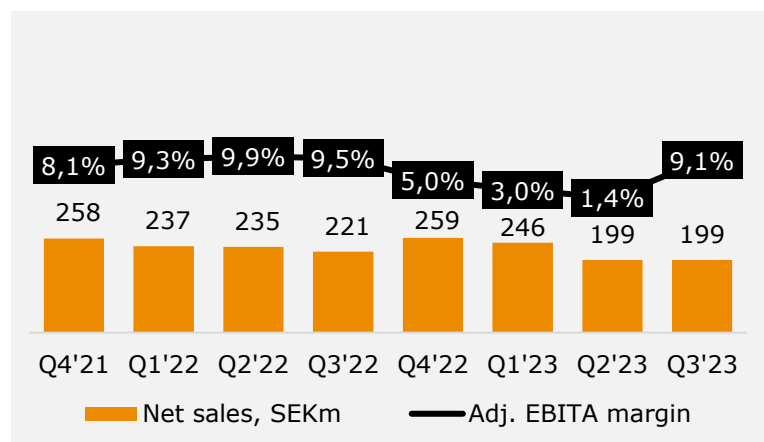


Summary & activities going forward

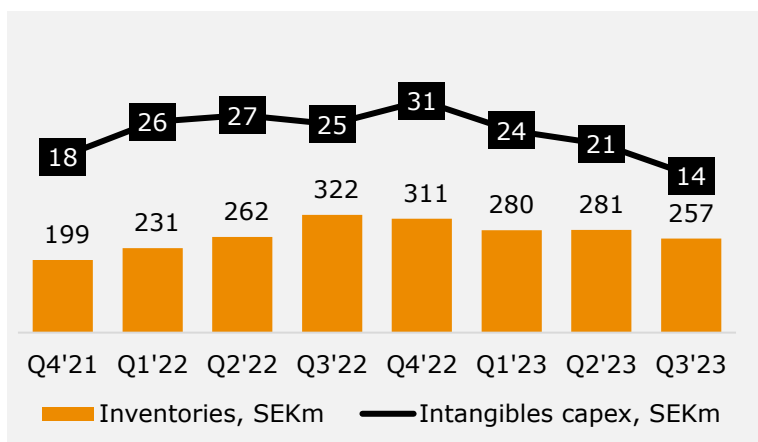
Previously communicated actions to improve profitability and strengthen balance sheet continue as per plan

KPI	End of 2022	Q4 2022 vs Q3 2023 variance	End of 2023 target
Workforce (incl. consultants)	>300	~240	~230
Opex	~SEK 100m (runrate Q4)	~SEK 80m	~SEK 80m (run rate Q4)
Development Cost	~SEK 150m	~SEK 95m (run rate Q3)	~SEK 80m (run rate Q4)
Cash flow	~SEK -160m	Improved with ~SEK 100m	Positive

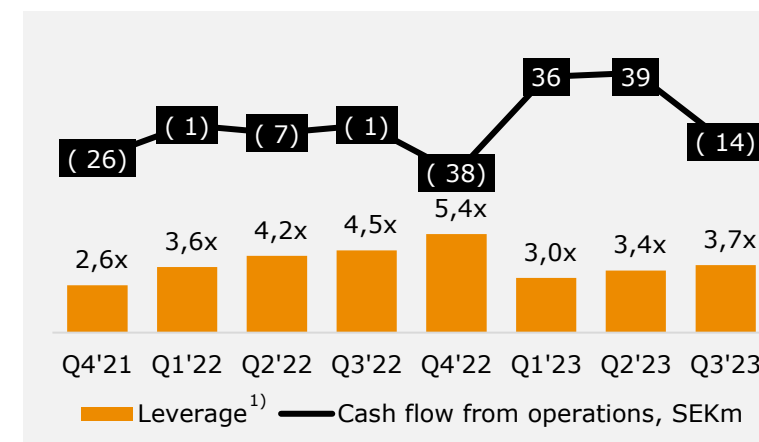
Net sales and Adj. EBITA margin



Inventories and intangibles capex

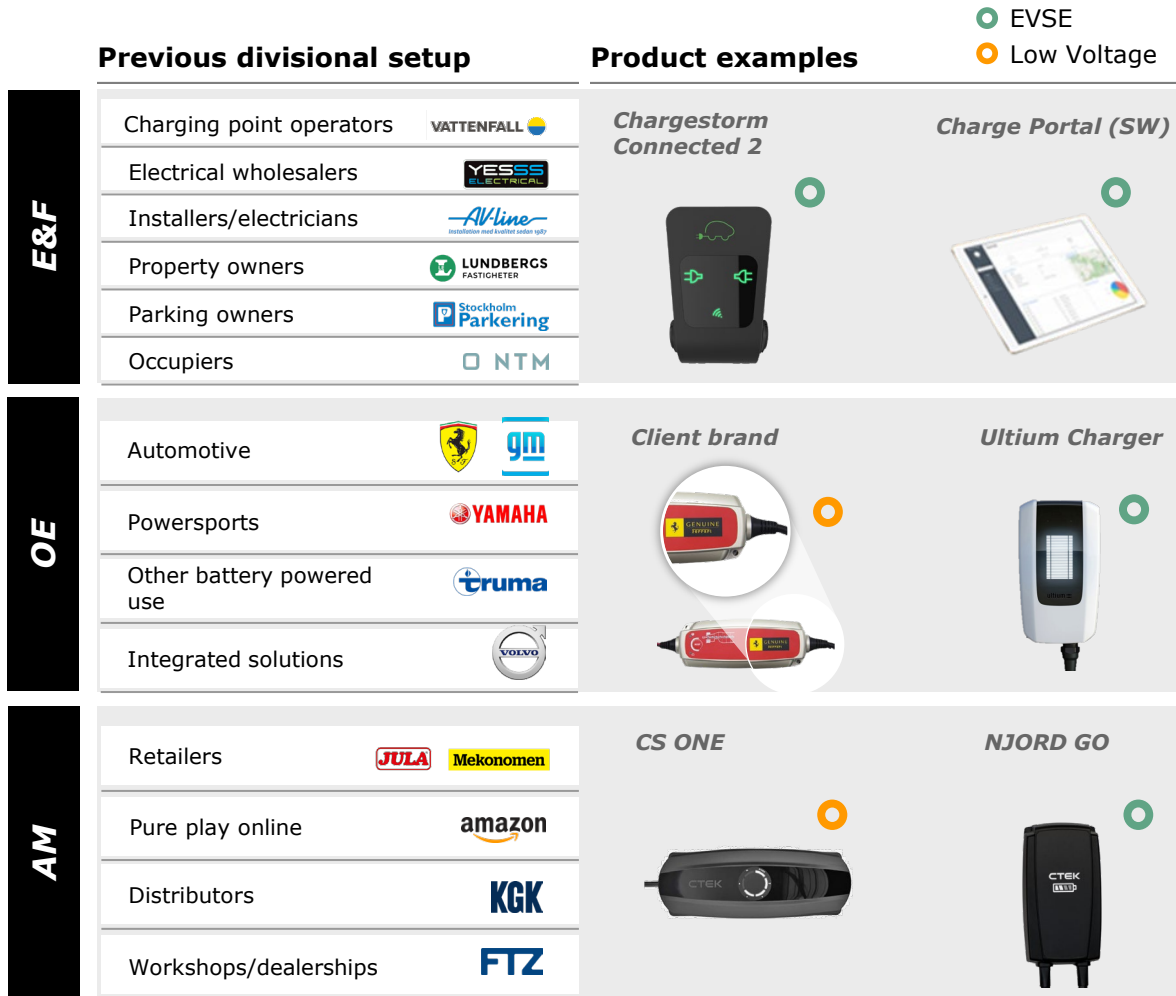


Leverage and cash flow from operations



Note: 1) Net debt / LTM Adj. EBITDA

New divisional setup effective from Q4 2023 with a greater focus on B2B customers and larger contracts within the new Professional division



Summary

Group

- Cost reduction activities running according to plan
- We stand by our previous assessment to be operating cash flow positive for the year

Consumer (Aftermarket)

- High and stable margins
- Sequential quarterly growth

Professional (Original Equipment & Energy & Facilities)

- Production moved to Mexico
 - Production up and running
 - Significant cost reductions
- Concentration of Energy & Facilities and Original Equipment to one division – Professional.
 - Focus on larger business-to-business customers
 - Technological synergies



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CTEK | *MAXIMIZING
BATTERY
PERFORMANCE*

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BATTERY
PERFORMANCE*



Mid term financial targets

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