



Year-end report: January - December 2025

Hardware Meets Software™

Fourth quarter

- Order intake decreased by 4% to SEK 854 m (893). Organically, order intake increased by 3%
- Net sales increased by 18% to SEK 951 m (807). Organically, net sales increased by 23%
- Adjusted EBIT reached SEK 268 m (163), equal to a 28.2% (20.2) adjusted operating margin
- EBIT reached SEK 236 m (106), equal to a 24.8% (13.2) operating margin
- Adjusted profit after tax totaled SEK 209 m (131). Adjustments include a non-recurring tax effect of SEK 104 m, increasing the tax expense for the period. Adjusted basic earnings per share were SEK 4.17 (2.60)
- Profit after tax totaled SEK 72 m (75) and basic earnings per share were SEK 1.44 (1.49)
- Cash flow from operating activities amounted to SEK 231 m (177)
- Signed a binding agreement to acquire Molex's industrial communications business

Yearly

- Order intake increased by 23% to SEK 3,456 m (2,812). Organically, order intake increased by 10%
- Net sales increased by 17% to SEK 3,577 m (3,059). Organically, net sales increased by 3%
- Adjusted EBIT reached SEK 911 m (665), equal to a 25.5% (21.8) adjusted operating margin
- EBIT reached SEK 762 m (503), equal to a 21.3% (16.4) operating margin
- Adjusted profit after tax totaled SEK 689 m (472) and adjusted basic earnings per share were SEK 13.73 (9.65)
- Profit after tax totaled SEK 435 m (310) and basic earnings per share were SEK 8.66 (6.35)
- Cash flow from operating activities amounted to SEK 877 m (592)
- New organizational structure from January 1, 2025, to strengthen customer focus and cross-selling
- New financial and strategic targets have been set, presented at HMS Capital Markets Day on September 9
- The Board of Directors proposes a dividend to the amount of SEK 4.80 (0) per share

Subsequent events

- Completed acquisition of Molex's industrial communications business

Order intake
Q4

-4%

Net sales
Q4

+18%

Adjusted EBIT-margin
Q4

28%

CEO Comments

STRONG DELIVERIES CONCLUDE THE YEAR

The final quarter of the year was characterized by high delivery volumes. The high volumes were enabled by both the increased capacity in our North American manufacturing unit and by the fact that a significant portion of the order backlog that was build up at the end of 2024 and in the beginning of 2025 was delivered.

The quarter's order intake amounted to SEK 854 million (893), with an organic increase of 3%, against challenging comparables from 2024, due to big project orders in the Industrial Data Solutions division (IDS). The market continues to be difficult to analyze, and order intake has partly fluctuated during the quarter. We see that the underlying business is developing positively, although there is somewhat lower activity within transactions that can lead to larger orders and projects for IDS. For the full year, order intake amounted to SEK 3,456 million (2,812) with an organic increase of 10%.

The quarter's revenue reached a record level of SEK 951 million (807), corresponding to an organic increase of 23%. For the full year, revenue amounted to SEK 3,577 million (3,059), corresponding to an organic increase of 3% and a reported increase of 17%. In total, the book-to-bill ratio for the year landed at 0.99 in constant currencies.

During the final quarter of the year, we saw continued improvement in Europe and the Middle East. Germany also showed growth in both revenue and order intake. In North America, we note a temporarily weaker order intake compared with earlier this year, while we were able to deliver high volumes. In Asia, development is stable with signs of recovery in Japan.

We can summarize the demand situation for full-year 2025 as a gradual improvement compared to 2024, mainly reflected in the increased organic order intake of 10%. In the European market, we continue to see a somewhat cautious approach among customers, particularly in Germany, even though development improved during the second half of the year. North America performed stronger than expected in 2025, and we see both a broadening and deepening of demand in the region.

NEW RECORD IN OPERATING PROFIT

The gross margin developed in line with our expectations and amounted to 63.0% (62.6%), both for the quarter and the full year. The margin has now stabilized, following a year in which tariffs and price adjustments intermittently affected the margin.

Normally, profitability is somewhat lower in the fourth quarter, but in 2025 the adjusted operating profit for the quarter reached a record level of SEK 268 million (163), corresponding to a margin of 28.2%. The high delivery volumes were the main cause of the positive result in the quarter. For the full year, we reached an adjusted operating profit of SEK 911 million (665), corresponding to a margin of 25.5%, in line with our long-term profitability targets.

We delivered another quarter with strong underlying cash flow from operations, which after changes in working capital amounted to SEK 231 million (177), where continued inventory reductions contributed positively with SEK 36 million. Cash flow was held back by a non-recurring tax expense. Net debt in relation to adjusted EBITDA at year-end amounted to 2.21x, which, in line with our previous forecasts, aligns with our long-term target of below 2.5x. To secure our financial capacity to execute our strategic agenda through 2030, we also entered into a new long-term financing agreement with two Swedish banks during the quarter.

NON-RECURRING TAX EXPENSE

In connection with the Group's acquisition of Red Lion in 2024, the Group elected to apply Section 338(h)(10) of the U.S. federal tax legislation. The election results in the transaction being treated as an asset acquisition for tax purposes, allowing for tax depreciation of identifiable assets and goodwill.

The application of Section 338(h)(10) has resulted in a non-recurring tax effect of SEK 104 million, which has been recognized in the tax expense for the period. There is some uncertainty regarding the final amount of the non-recurring expense, which may be reduced following the additional review to be carried out in 2026. The future tax benefits are collectively assessed to exceed the one-off effect by a comfortable margin.

ACQUISITION OF MOLEX BUSINESS UNIT WITHIN INDUSTRIAL COMMUNICATION

During the quarter, an agreement was signed to acquire parts related to the industrial communication business from Molex's Industrial Solutions division. The new addition is well aligned with the INT division's existing offering as well as future strategy. We see several synergies between the acquisition's leading offering within network controllers, which complement our product portfolio and broaden our total customer offering while creating favorable cross-selling opportunities. The transaction closed on January 2, 2026, and already by mid-January we began delivering products through our supply chain from the acquired business. The integration within the INT division is now well underway.

OUTLOOK

We remain cautiously optimistic regarding the development potential in the short to medium term, while acknowledging continued uncertainty regarding the macroeconomic environment. Particularly the global trade policy situation may affect overall demand and postpone customers' willingness to invest.

In the longer term, incentives and trends toward regionalized industrial production (North America, Europe, China, and Southeast Asia) are expected to create a greater demand for automation, digitalization, and communication for industrial applications – something that is beneficial for HMS. We are optimistic about the opportunities to continue winning new customers and expanding business with our current customers through continued investments in product development, innovation, and sales resources. Achieving profitable growth—both organically and through acquisitions—will remain a strategic priority for HMS in the coming years.



Sweden's ambassador to Singapore, Anders Sjöberg, together with CEO Staffan Dahlström, at the inauguration of HMS's new regional sales office in Singapore

Order intake, net sales and earnings

FOURTH QUARTER

Order intake decreased by 4% to SEK 854 m (893). Currency translation effects, including revaluation of the order book, amounted to SEK -93 m (-70). Organically, order intake increased by 3%, and acquired growth was 4%.

Net sales increased by 18% to SEK 951 m (807). Currency translation effects amounted to SEK -71 m (-3). Organically, net sales increased by 23%, and acquired growth was 4%.

Gross profit amounted to SEK 598 m (505), corresponding to a gross margin of 63.0% (62.6). Operating expenses amounted to SEK 368 m (402). Operating expenses include integration and transaction costs of SEK 5 m (10) and amortization of excess values of SEK 28 m (30). Organically, operating expenses increased by SEK 9 m, corresponding to 3%.

Adjusted EBITDA amounted to SEK 304 m (200), corresponding to a margin of 32.0% (24.8). Depreciation and amortization amounted to SEK 64 m (67). Adjusted EBIT amounted to SEK 268 m (163), corresponding to a margin of 28.2% (20.2). EBITDA amounted to SEK 299 m (174), corresponding to a margin of 31.5% (21.5). EBIT amounted to SEK 236 m (106), corresponding to a margin of 24.8% (13.2). Currency translation effects have affected operating profit by SEK -15 m (-2).

Net financials were SEK -29 m (-36), burdened by interest expenses of SEK 28 m (36) in respect of loans and lease liabilities, resulting in a profit before tax of SEK 207 m (71).

In connection with the Group's acquisition of Red Lion in 2024, the Group elected to apply Section 338(h)(10). The application has resulted in a non-recurring tax effect of SEK 104 m, which has been recognized in the tax expense for the period. Excluding this effect, adjusted profit after tax amounted to SEK 209 m (131) and adjusted earnings per share were SEK 4.17 (2.60). For further information, see *Significant events* on page 9.

Profit after tax amounted to SEK 72 m (75). Earnings per share were SEK 1.44 (1.49).

Quarterly data for the Group	Q4 2025	Q3 2025	Q2 2025	Q1 2025	Q4 2024	Q3 2024	Q2 2024	Q1 2024	Q4 2023
Order Intake (SEK m)	854	855	816	930	893	677	769	473	426
Organic %	3	22	8	12	2	-8	-22	-36	-34
Acquisition %	4	11	9	89	92	50	36	0	0
Currency translation effects % ¹	-10	-7	-11	-4	16	-4	-5	5	-6
Order backlog	604	696	728	736	703	605	713	641	778
% of LTM Net sales	17	20	19	21	20	17	18	22	26
Net Sales (SEK m)	951	894	843	890	807	792	845	616	760
Organic %	23	8	-5	-17	-33	-30	-20	-20	-3
Acquisition %	4	10	9	59	40	31	40	0	0
Currency translation effects %	-9	-5	-5	2	0	-1	0	0	2
Gross margin (%)	63.0	64.1	61.8	63.0	62.6	63.5	61.9	62.6	65.3
Adjusted EBIT (SEK m)²	268	244	181	218	163	194	172	137	196
Adjusted EBIT (%)²	28.2	27.3	21.4	24.5	20.2	24.5	20.4	22.2	25.8
EBIT (SEK m)	236	213	138	175	106	163	104	130	169
EBIT (%)	24.8	23.9	16.4	19.6	13.2	20.6	12.3	21.1	22.3
Adjusted earnings per share (SEK)³	4.17	3.88	2.52	3.17	2.60	2.51	2.12	2.43	2.94
Earnings per share (SEK)	1.44	3.26	1.67	2.29	1.49	1.89	0.70	2.28	2.36

¹ Related to currency effects for the period, and currency translation effect of the order book.

² Excluding items affecting comparability and amortization of excess values. Please see Adjusted EBIT in Economic Definitions on page 18.

³ Excluding items affecting comparability, amortization of excess values and non-recurring tax effect. Please see Adjusted earnings per share in Economic Definitions on page 18.

YEARLY

Order intake increased by 23% to SEK 3,456 m (2,812). Currency translation effects, including revaluation of the order book, amounted to SEK -245 m (54). Organically, order intake increased by 10%, and acquired growth was 21%.

Net sales increased by 17% to SEK 3,577 m (3,059). Currency translation effects amounted to SEK -136 m (-11). Organically, net sales increased by 3%, and acquired growth was 18%.

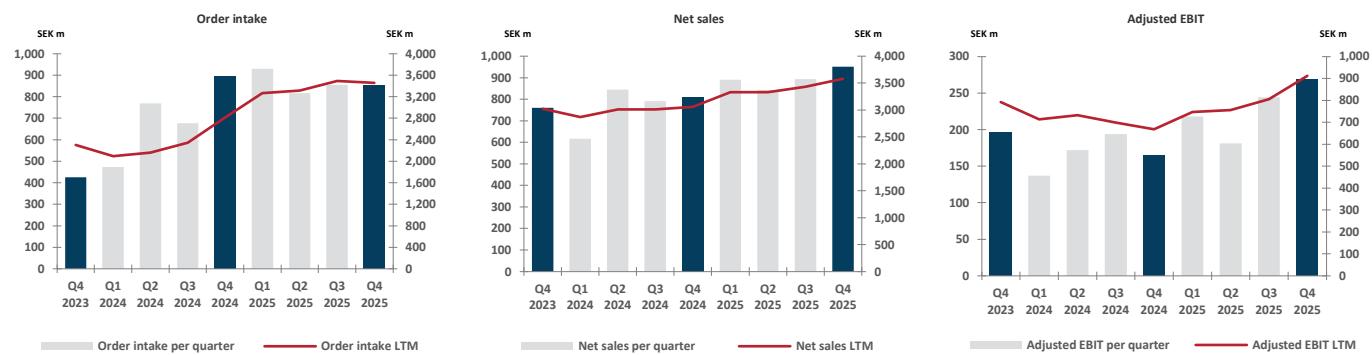
Gross profit amounted to SEK 2,253 m (1,916), corresponding to a gross margin of 63.0% (62.6). Operating expenses amounted to SEK 1,503 m (1,423). Operating expenses include transaction, integration and restructuring costs of SEK 33 m (75), and amortization of excess values of SEK 116 m (87). Organically, operating expenses increased by SEK 11 m, equivalent to 1%.

Adjusted EBITDA amounted to SEK 1,064 m (796), corresponding to a margin of 29.7% (26.0). Depreciation and amortization amounted to SEK 268 m (218). The increase compared to the previous period is primarily due to amortization of excess values from the acquisitions of Red Lion and PEAK-System. Adjusted EBIT amounted to SEK 911 m (665), corresponding to a margin of 25.5% (21.8). EBITDA amounted to SEK 1,030 m (721), corresponding to a margin of 28.8% (23.6). EBIT amounted to SEK 762 m (503), corresponding to a margin of 21.3% (16.4). Currency translation effects have affected operating profit by SEK -11 m (1).

Net financials were SEK -112 m (-138), burdened by interest expenses of SEK 124 m (120) in respect of loans and lease liabilities, which gave a profit before tax of SEK 650 m (364).

In connection with the Group's acquisition of Red Lion in 2024, the Group elected to apply Section 338(h)(10). The application has resulted in a non-recurring tax effect of SEK 104 m, which has been recognized in the tax expense for the period. Excluding this effect, adjusted profit after tax amounted to SEK 689 m (472) and adjusted earnings per share were SEK 13.73 (9.65). For further information, see *Significant events* on page 9.

Profit after tax amounted to SEK 435 m (310). Earnings per share were SEK 8.66 (6.35).



The graph shows order intake per quarter in bars with the scale on the left axis. The line shows order intake for the latest 12-month period with the scale on the right axis.

The graph shows quarterly net sales in the bars with the scale on the left axis. The line represents net sales for the latest 12-month period with the scale on the right axis.

The graph shows adjusted EBIT per quarter. The bars refer to the scale on the left axis. The line represents adjusted EBIT for the latest 12-month period, with the scale on the right axis.

Industrial Data Solutions

Solutions to connect, secure, diagnose and visualize data in industrial applications

The Industrial Data Solutions division (IDS) ensures that data from industrial equipment can be transferred to IT systems securely. Customers can collect, process and visualize data from sensors and machines, providing a better overview and easier decision-making. Data can be provided remotely via the internet, as well as via internal systems and machine displays on site. HMS is a market leader in remote access and data connectivity for machines.

FINANCIAL OVERVIEW

SEK m	Q4 2025	Q4 2024	Q1-Q4 2025	Q1-Q4 2024
Order intake ¹	374	492	1,626	1,681
Net sales ¹	481	395	1,714	1,639
Adjusted EBIT ²	139		415	
Adjusted EBIT (%) ²	28.9		24.2	

¹ Comparable figures for 2024 contain proforma and have been reallocated in accordance with the divisional structure

² As the organizational structure has changed from January 1, 2025, it has not been possible to obtain accurate comparative figures for the performance measure for the periods prior to the organizational change

FOURTH QUARTER

Industrial Data Solutions (IDS) reported a 24% decrease in order intake in the fourth quarter, amounting to SEK 374 m (492), compared to the corresponding quarter last year. Organically, order intake declined by 15%. The reduction was primarily driven by lower order intake in North America following a strong third quarter, while the fourth quarter of the previous year included several larger projects that contributed to a record-high order intake.

Net sales increased by 22% to SEK 481 m (395). Several major project deliveries took place during the quarter, supporting the strong revenue. Organically, net sales increased by 28%.

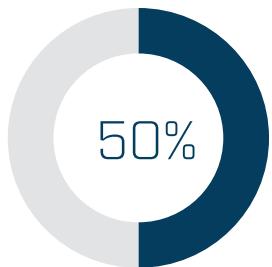
During the quarter, the division introduced a new product series under the N-Tron brand related to industrial Ethernet switches and executed a comprehensive N-Tron re-branding campaign to strengthen recognition of its industrial networking portfolio.

Annual Recurring Revenue (ARR) continued to grow during the quarter, driven by both new and existing customers. The division has undertaken targeted initiatives to further strengthen its focus on this business, which forms a central part of the long-term strategic direction.

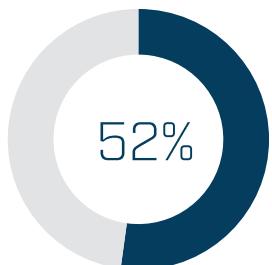
YEARLY

For the full year, order intake decreased by 3% to SEK 1,626 m (1,681). The decline is entirely attributable to currency effects, as IDS has a strong presence in the U.S. and a significant share of sales is conducted in U.S. dollars, which weakened against the Swedish Krona during the year. Organically, order intake increased by 5%. Net sales increased by 5% to SEK 1,714 m (1,639), supported by increased capacity in the U.S. production unit. Organically, net sales increased by 10%.

Share of the Group's net sales, Q4 2025



Share of the Group's adjusted EBIT, Q4 2025



Net sales break-down by market, Q4 2025



- EMEA, 26%
- APAC, 7%
- Americas, 67%

Industrial Network Technology

Technology for communication, control and security in industrial devices

The Industrial Network Technology division (INT) facilitates real-time communication between devices, machines and systems in industrial automation. The products connect different communication technologies – wired or wireless. There are many different industrial communication protocols depending on geographic market and segment.

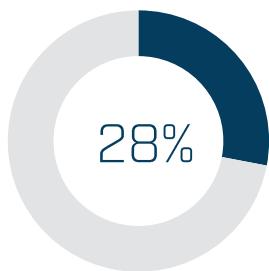
FINANCIAL OVERVIEW

SEK m	Q4 2025	Q4 2024	Q1-Q4 2025	Q1-Q4 2024
Order intake ¹	273	234	1,013	866
Net sales ¹	263	246	1,035	1,137
Adjusted EBIT ²	82		299	
Adjusted EBIT (%) ²	31.3		28.9	

¹ Comparable figures for 2024 have been reallocated in accordance with the divisional structure

² As the organizational structure has changed from January 1, 2025, it has not been possible to obtain accurate comparative figures for the performance measure for the periods prior to the organizational change

Share of the Group's net sales, Q4 2025



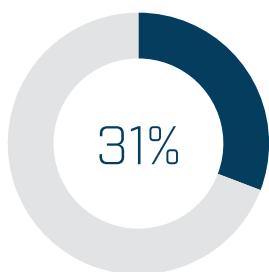
FOURTH QUARTER

Industrial Network Technology (INT) continued to report a positive trend in order intake in the fourth quarter, with an increase of 17% to SEK 273 m (234). Organically, order intake increased by 27%. Demand remained stable in China, and the year ended strong in Japan, primarily driven by orders from several major customers. EMEA also showed improvement, with order intake reaching the highest level of the year.

Net sales returned to growth in the final quarter of 2025 after a year characterized by challenging comparison figures from 2024. The division reported an increase of 7% to SEK 263 m (246). Organically, net sales increased by 13%.

During the fourth quarter, HMS entered into a binding agreement to acquire parts of Molex's Industrial Solutions division, which from 2026 will become part of INT. Molex's industrial communications business is a strong strategic fit with the division's focus areas and product offering. Their leading portfolio within network controllers complements the division's offering and creates important opportunities for cross-selling.

Share of the Group's adjusted EBIT, Q4 2025



YEARLY

Order intake increased by 17% to SEK 1,013 m (866). Organically, order intake increased by 25%. Net sales decreased by 9% to SEK 1,035 m (1,137), mainly explained by the temporarily elevated comparison figures from the first half of 2024, when a substantial order book at the beginning of the year drove higher volumes. Despite the lower net sales, the division continued to demonstrate solid profitability and delivered a stable operating margin. Organically, net sales declined by 4%.

Net sales break-down by market, Q4 2025



New Industries

Industrial communication for niche applications in growing industries

The New Industries division (NI) consists of two areas, Building Automation and Vehicle Communication.

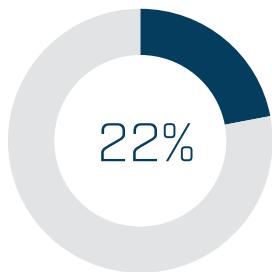
Building Automation delivers communication solutions that are designed for buildings, such as air conditioning, lighting, heat pumps, meters, etc. Building automation is a rapidly growing market, where HMS enjoys excellent growth opportunities for the future.

Vehicle Communication solves challenges for, among other things, communication between test stations and vehicles, simulation tools and remote monitoring of heavy vehicles such as loaders and excavators.

FINANCIAL OVERVIEW

SEK m	Q4 2025	Q4 2024	Q1-Q4 2025	Q1-Q4 2024
Order intake ¹	207	190	817	782
Net sales ¹	207	192	828	800
Adjusted EBIT ²	47		197	
Adjusted EBIT (%) ²	22.7		23.8	

Share of the Group's net sales, Q4 2025



¹ Comparable figures for 2024 contain proforma and have been reallocated in accordance with the divisional structure

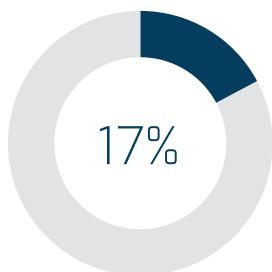
² As the organizational structure has changed from January 1, 2025, it has not been possible to obtain accurate comparative figures for the performance measure for the periods prior to the organizational change

FOURTH QUARTER

New Industries (NI) reported a 9% increase in order intake to SEK 207 m (190) compared with the corresponding quarter last year, primarily driven by a higher demand for products within Vehicle Communication. Building Automation reported a somewhat more cautious quarter following the strong outcome in the third quarter, but with positive developments in Asia, primarily related to a major customer project. Organically, order intake increased by 18%. Net sales increased by 8% to SEK 207 m (192). Organically, net sales increased by 12%.

During the quarter, several new product generations were launched within Vehicle Communication. In Building Automation, demand remained strong in the Middle East, while developments in other markets were more subdued.

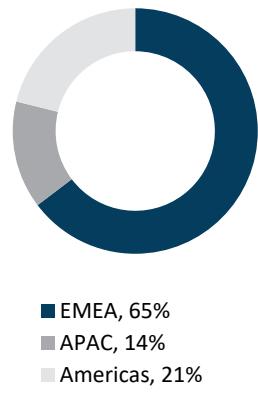
Share of the Group's adjusted EBIT, Q4 2025



YEARLY

Order intake increased by 4% to SEK 817 m (782), and net sales increased by 3% to SEK 828 m (800). The development reflects a cautiously positive trend in a market that remains somewhat hesitant. Organically, order intake increased by 8%, and organic net sales increased by 6%.

Net sales break-down by market, Q4 2025



Cash flow, investments and financial position

FOURTH QUARTER

Cash flow from operating activities before changes in working capital amounted to SEK 205 m (127). Cash flow from operating activities before changes in working capital was impacted by a non-recurring tax expense of SEK -104 m during the quarter. Changes in working capital were SEK 27 m (49). Cash flow from operating activities was thereby SEK 231 m (177).

Cash flow from investing activities amounted to SEK -47 m (-551) and corresponds to investments in intangible and tangible assets of SEK -45 m (-30).

Cash flow from financing activities amounted to SEK -196 m (373), primarily consisting of changes in bank loans of SEK -180 m (533). Moreover, amortizations of lease liabilities were SEK -16 m (-16). This results in a cash flow of SEK -12 m (-2).

YEARLY

Cash flow from operating activities before changes in working capital amounted to SEK 709 m (528). Cash flow from operating activities before changes in working capital was impacted by a non-recurring tax expense of SEK -104 m. Changes in working capital were SEK 169 m (64), primarily related to inventory reductions. Cash flow from operating activities was thereby SEK 877 m (592).

Cash flow from investing activities amounted to SEK -135 m (-4,449) and corresponds to investments in intangible and tangible assets of SEK -133 m (-121).

Cash flow from financing activities amounted to SEK -715 m (3,827), primarily consisting of changes in bank loans of SEK -644 m (2,880). Moreover, amortizations of lease liabilities were SEK -67 m (-62). This results in a cash flow of SEK 27 m (-30).

Cash and cash equivalents and net debt

Cash and cash equivalents amounted to SEK 89 m (74), and unused credit facilities to SEK 794 m (490). Net debt amounted to SEK 2,354 m (3,275), primarily consisting of external loans of SEK 2,011 m (2,876). Furthermore, net debt consists of lease liabilities of SEK 245 m (276) and a debt corresponding to expected exercise price on option of SEK 110 m (114) and acquisition-related debt of SEK 78 m (83).

The net debt to adjusted EBITDA (for the last twelve months) ratio was 2.21 (3.41), including proforma from acquisitions. The net debt to equity ratio was 68% (93), and the equity to asset ratio was 53% (47).

During the quarter, a refinancing was completed, and a new bank agreement was entered into with the existing bank SEB together with Nordea. The agreement consists of a revolving credit facility of EUR 250 m, corresponding to SEK 2,705 m as of December 31, 2025, as well as an accordion feature (expansion option) of EUR 200 m, corresponding to SEK 2,164 m as of December 31, 2025. In connection with the new bank agreement, all existing loans were repaid during the quarter and new loans were raised. The bank agreement was signed on December 11, 2025, and runs for 3 years, with extension options of 1 + 1 years.

Net debt, SEK m	2025-12-31	2024-12-31
Interest-bearing liabilities	2,011	2,876
Option debt	110	114
Debt related to acquisitions	78	83
Less: Cash and cash equivalents	-89	-74
Net debt excl. IFRS 16	2,109	2,999
Lease liabilities	245	276
Net debt incl. IFRS 16	2,354	3,275
Net debt incl. IFRS 16/adjusted EBITDA LTM ¹	2.21	3.41
Net debt excl. IFRS 16/adjusted EBITDA LTM¹	2.13	3.36

¹ Prior periods include proforma EBITDA from acquisitions.

Fair value of financial instruments

The HMS' financial instruments consist of deposits, long-term securities holdings, accounts receivable, other receivables, derivative instruments, cash and cash equivalents, option debt, acquisition-related debt, debt to credit institutions, and accounts payable. Descriptions of each category and the valuation techniques applied for the different levels are shown on pages 88–93 under Note 20 in the Annual Report for 2024. No transfers occurred between any of the levels during the period.

Currency derivatives used for hedging purposes are measured at fair value based on inputs corresponding to level 2. As of December 31, 2025, forward contracts with positive market values amounted to SEK 31.7 m, compared to SEK 5.1 m as of December 31, 2024. As of 31 December 2025, there are no forward contracts with negative market values (SEK 18.7 m).

Long-term securities holdings are measured at fair value corresponding to level 3.

Other financial assets and liabilities are measured at accrued amortized cost.

The HMS Networks AB share

HMS Networks AB (publ) is listed on NASDAQ OMX Stockholm, in the Large Cap segment under the Telecommunications sector. The total number of shares at the end of the period amounted to 50,318,868, where 134,370 shares were held in treasury. A breakdown of the company's ownership structure can be found on the company's website (www.hms-networks.com).

Share saving program

The company has four ongoing share savings programs. According to decisions at the company's annual general meetings, employees are offered the opportunity to save shares in HMS through an annual share savings program. The company has committed, subject to specified criteria being met, to provide participants in the program with up to two performance shares in HMS for each saved share. As of December 31, 2025, the total number of shares saved in ongoing programs amounted to 71,179 (68,608).

On December 31, 2024, the share savings program from 2021 was concluded. During the first quarter of 2025, 9,046 performance shares were distributed free of charge to the remaining participants. Shares held in treasury were used for the allocation.

The parent company

The parent company's operations primarily focus on Group-wide management and financing. Apart from the Group's CEO, the company has no employees. The operating profit for the full year amounted to SEK 0 m (0) and dividends from shares in subsidiaries were received with SEK 1,025 m (537). The profit after tax for the full year was SEK 1,043 m (555). Cash and cash equivalents amounted to SEK 4 m (3), and external borrowing does not exist.

Related party transactions

No material transactions with related parties have occurred during the period.

Contingent liabilities

There have been no changes in the group's contingent liabilities, further described on page 103 under Note 35 in the 2024 annual report.

Significant events

ACQUISITION OF MOLEX BUSINESS UNIT WITHIN INDUSTRIAL COMMUNICATION

On November 17, 2025, a binding agreement was signed with Molex regarding the acquisition related to parts of the industrial communication business from Molex's Industrial Solutions division, comprising several strategic assets. The acquisition strengthens the INT division's strategy by broadening the offering within hardware and software through complementary IP blocks. It also expands HMS's customer base in North America, a strategic market and an important initiative within the INT division's 2030 strategy.

The existing customer portfolio is expected to generate annual revenues of more than USD 10 m in the coming years, as well as a positive contribution to HMS's operating profit, without a significant effect on the Group's overall profitability level. The purchase consideration amounts to USD 7 m on a cash- and debt-free basis and will be paid in cash upon closing. The transaction was completed in January 2026 and is expected to have a limited impact on HMS's earnings per share.

NON-RECURRING TAX EXPENSE

In connection with the Group's acquisition of Red Lion in 2024, the Group elected to apply Section 338(h)(10) of the U.S. federal tax legislation (Internal Revenue Code). The election results in the transaction being treated as an asset acquisition for tax purposes, allowing for tax depreciation of identifiable assets and goodwill.

The application of Section 338(h)(10) has resulted in a non-recurring tax effect of SEK 104 million, which has been recognized in the tax expense for the period. There is some uncertainty regarding the final amount of the non-recurring expense, which may be reduced following the additional review to be carried out in 2026. The future tax benefits are collectively assessed to exceed the one-off effect by a comfortable margin.

ACQUISITION ANALYSIS PEAK-SYSTEM

The acquisition analysis from the acquisition of all shares in PEAK-System Technik GmbH (PEAK-System) became definitive in the last quarter of 2025, as one year has passed since the acquisition on November 1, 2024. Final acquisition analysis was presented on page 101 under Note 31 in the 2024 annual report. This also means that from November 2025 onwards, PEAK-System is defined as organic according to the Group's economic definitions on page 18.

Subsequent events

COMPLETED ACQUISITION OF MOLEX INDUSTRIAL COMMUNICATIONS BUSINESS

The acquisition of parts of Molex's Industrial Solutions business unit was completed on January 2, 2026, and consolidation will take place from this date.

Outlook

HMS remains cautiously optimistic regarding the development potential in the short to medium term, while acknowledging continued uncertainty regarding the macroeconomic environment. Particularly the global trade policy situation may affect overall demand and postpone customers' willingness to invest.

In the longer term, incentives and trends toward regionalized industrial production (North America, Europe, China, and Southeast Asia) are expected to create a greater demand for automation, digitalization, and communication for industrial applications. HMS is optimistic about the opportunities to continue winning new customers and expanding business with its current customers through continued investments in product development, innovation, and sales resources. Achieving profitable growth—both organically and through acquisitions—will remain a strategic priority for HMS in the coming years.

Risk management

HMS is exposed to general business and financial risks in its operations. These risks have been comprehensively described in the company's annual report for 2024, and under the section Outlook. Additionally, no significant risks are considered to have emerged.

Audit review

This interim report has not been reviewed by the Company's auditors.

Nomination committee

In accordance with principles adopted at a prior HMS' Annual General Meeting, the following persons have been assigned to be a part of the Nomination Committee: Johan Menckel, Investment AB Latour, representing 26% of the shares, Staffan Dahlström representing 12% of the shares, Sophie Larsén, AMF Fonder representing 8% of the shares, Patrik Jönsson, SEB Investment Management AB representing 7% of the shares, and Charlotte Brogren, Chairman of the Board. The Nomination Committee has appointed Johan Menckel as its Chairman.

Accounting policies

HMS prepares its consolidated financial statements in accordance with International Financial Reporting Standards (IFRS) adopted by the EU. The interim report has been prepared in accordance with IAS 34 Interim Financial Reporting and the Swedish Annual Accounts Act. The parent company applies RFR 2 Accounting for Legal Entities and the Swedish Annual Accounts Act.

The accounting principles applied conform to those described in the 2024 Annual Report, with exception of the addendum below.

Due to the new organizational structure, IFRS 8 Operating Segments will be applied for from January 1, 2025. From January 1, 2025, the organization is structured into three divisions; Industrial Data Solutions, Industrial Network Technology and New Industries, which also constitute the Group's reportable segments. The segments' accounting principles are consistent with those of the Group. For the assessment of the segments' performance and for the allocation of resources, the chief operating decision maker, which for HMS is the Group's CEO, primarily follows the performance measure adjusted EBIT. As the organizational structure has changed from January 1, 2025, it has not been possible to obtain accurate comparative figures for the performance measure for the periods prior to the organizational change. For reconciliation with the Group's profit before tax, the total of the segments' adjusted EBIT is summed up to the Group's adjusted EBIT, with additions for adjustments in section "Alternative KPIs". For a description of each segment and information on the segment's performance, see pages 5-7.

Other new or revised IFRS standards or other IFRIC interpretations that have come into effect after January 1, 2025, have not had any effect on the group's financial reports as of December 31, 2025.

HMS applies the European Securities and Markets Authority's (ESMA) guidelines for alternative performance measures (metrics not defined under IFRS).

HMS in short

STRATEGIES

GROWTH STRATEGY – HMS' growth strategy is a combination of organic growth and acquisitions. Expansion in existing markets is made through a continuously improved and expanded product offering. This is combined with a high level of service and active investments in new sales channels. New markets are addressed with innovative and targeted solutions.

DEVELOPMENT STRATEGY – HMS' core competence is the broad and deep knowledge of industrial communication and IIoT, Industrial Internet of Things.

PRODUCT STRATEGY – HMS offers solutions for industrial ICT (Information and Communication Technology) under the brands Anybus®, Ewon®, Ixxat®, Intesis®, Red Lion® and N-Tron®.

- Anybus – connecting automation products and machines to industrial networks and IIoT applications, through embedded network cards, gateways, and wireless solutions. Also, industrial network diagnostics
- Ewon – remote access, data collection, monitoring, and visualization of machines as well as other industrial applications
- Ixxat – communication within machines and smart grids, solutions for functional safety as well as automotive testing
- Intesis – communication solutions for building automation, primarily within HVAC (heating, ventilation, and air conditioning)
- Red Lion – The Red Lion products allow industrial customers to get access to and visualize their critical data and further management in machine displays and HMIs (Human Machine Interfaces)
- N-Tron – The N-Tron products are easy-to-use Industrial Ethernet Switches designed to keep the network connected and protected even in the harshest of environments.

HMS also offers solutions for wireless communication in mobile industrial applications through Owasys. Furthermore, HMS offers

communication solutions for developers of advanced development and test equipment in the automotive, medical and transportation segments through PEAK-System.

PRODUCTION STRATEGY – Flexible low volume production in own factories in Halmstad, Nivelles, Igualada, York and Darmstadt are combined with high volume production in Europe, USA and Asia in close collaboration with carefully selected subcontractors.

MARKETING STRATEGY – HMS' markets its solutions to several customer segment in the industrial value chain. Device manufacturers and machine builders are offered solutions that are tightly integrated into the customer's application. System integrators and end users are offered flexible infrastructure products that solve all kinds of communication problems in industrial systems and IIoT applications. HMS' most important market is factory automation, but other important markets are energy and infrastructure, transport, and logistics, and building automation.

SALES STRATEGY – HMS combines direct sales from own sales offices with sales through distribution. HMS has sales offices in key markets in 20 countries, complemented by a network of distributors and solution partners in more than 50 countries.

BUSINESS MODEL

HMS has developed its business models by packaging technology into targeted solutions for each targeted customer group. With device manufacturers and machine builders, HMS signs long-term framework agreements, so-called Design-Wins. This model is characterized by a relatively long sales cycle and design phase during which HMS' solutions are integrated into the customer's application, ensuring long-term revenue. The close collaboration gives HMS clear insight into the customer's future needs. The business model towards system integrators is more traditional with a short sales cycle and manufacturing against customer orders or short-term forecasts. This sale is often handled by local distributors who are supported by HMS' sales and marketing organization.

Financial calendar

- The interim report for the first quarter of 2026 will be presented on April 23, 2026
- The Annual General Meeting 2026 will be held on April 23, 2026
- The half-year report for 2026 will be presented on July 14, 2026
- The interim report for the third quarter of 2026 will be presented on October 21, 2026

Halmstad January 27, 2026

Staffan Dahlström
Chief Executive Officer

Conference call

JANUARY 27, 2026 [09:00 CET]

President and CEO Staffan Dahlström and CFO Joakim Nideborn present the fourth quarter 2025.

For link to the webcast, go to:
<https://www.hms-networks.com/hms-for-shareholders>

Further information can be obtained by:

Staffan Dahlström, CEO, +46 (0)35 17 29 01, Joakim Nideborn, CFO, +46 (0)35 710 6983

This information is such that HMS Networks AB (publ) is obliged to make public pursuant to the EU Market Abuse Regulation and the Securities Markets Act. The information was submitted for publication, through the contact persons set out above, at 07.30 CET on January 27, 2026.

Consolidated income statement in summary

SEK m	Q4 2025	Q4 2024	Q1-Q4 2025	Q1-Q4 2024
Net sales	951	807	3,577	3,059
Cost of goods and services sold	-352	-302	-1,325	-1,143
GROSS PROFIT	598	505	2,253	1,916
Selling expenses	-151	-178	-584	-680
Administrative expenses ¹	-97	-84	-434	-292
Research and development expenses	-87	-83	-332	-287
Other operating income	5	3	12	10
Other operating expenses	-33	-57	-153	-164
OPERATING PROFIT	236	106	762	503
Financial income and expenses	-29	-36	-112	-138
Results from associated companies	0	0	0	0
PROFIT BEFORE TAX	207	71	650	364
Income tax ²	-135	4	-215	-55
PROFIT FOR THE PERIOD	72	74	435	310
Attributable to:				
Parent company shareholders	72	75	435	310
Non-controlling interests	0	0	0	0
Earnings per share regarding profit attributed to parent company shareholders:				
Basic (SEK)	1.44	1.49	8.66	6.35
Diluted (SEK)	1.43	1.48	8.65	6.34

¹ In connection with the reorganization into three divisions, a reclassification of costs has been carried out. As of the first quarter of 2025, all administrative expenses are reported in full under administrative expenses for each division as well as for the Group. Previously, these costs were allocated across selling expenses, administrative expenses and research and development expenses. As the organizational structure has changed from 1 January 2025, it is impracticable to obtain fair comparative figures for periods before the change took place.

² In connection with the Group's acquisition of Red Lion in 2024, the Group elected to apply Section 338(h)(10). The application resulted in a non-recurring tax effect of SEK 104 m, which increased the tax expense for the period.

Consolidated statement of comprehensive income in summary

SEK m	Q4 2025	Q4 2024	Q1-Q4 2025	Q1-Q4 2024
Profit for the period	72	75	435	310
Other comprehensive income				
Items that may be reclassified subsequently to income statement:				
Cash flow hedges	6	-33	45	-39
Hedging of net investments	47	-79	222	3
Translation differences	-106	331	-745	131
Income tax attributable to the items above	-2	-2	5	2
Other comprehensive income for the period, net of tax	-55	218	-472	96
Total comprehensive income for the period	17	292	-37	405
Attributable to:				
Parent company shareholders	18	292	-37	405
Non-controlling interests	0	0	0	0

Consolidated balance sheet in summary

SEK m	2025-12-31	2024-12-31
ASSETS		
Goodwill	3,870	4,394
Other intangible assets	842	1,041
Property, plant and equipment	176	177
Right-of-use	251	280
Deferred tax assets	63	54
Interest in associates	14	14
Other non-current assets	15	20
Total non-current assets	5,231	5,979
Inventories	652	859
Trade receivables	462	427
Other current receivables	165	159
Cash and cash equivalents	89	74
Total current assets	1,369	1,519
TOTAL ASSETS	6,600	7,498
EQUITY AND LIABILITIES		
Equity attributed to parent company shareholders	3,476	3,504
Non-controlling interests	2	1
Total equity	3,477	3,505
Liabilities		
Interest-bearing liabilities	1,809	2,608
Non-interest-bearing liabilities	114	202
Lease liabilities	176	206
Deferred tax liabilities	172	165
Other provisions	4	24
Total non-current liabilities	2,275	3,205
Interest-bearing liabilities	202	269
Non-interest-bearing liabilities	74	0
Lease liabilities	68	69
Trade payables	153	143
Other provisions	6	16
Other liabilities	344	290
Total current liabilities	847	787
TOTAL EQUITY AND LIABILITIES	6,600	7,498

Consolidated cash flow statement in summary

SEK m	Q4 2025	Q4 2024	Q1-Q4 2025	Q1-Q4 2024
Cash flow from current operations before changes in working capital ¹	205	127	709	528
Change in working capital	27	49	169	64
Cash flow from operating activities	231	177	877	592
Acquisition of subsidiaries	-	-564	-	-4,375
Divestment of subsidiaries	-	41	-	41
Investments in intangible fixed assets	-20	-21	-70	-82
Investments in tangible fixed assets	-25	-9	-63	-39
Other investments	-2	-2	-2	6
Cash flow from investing activities	-47	-551	-135	-4,449
Borrowings and repayments of borrowings, net	-180	533	-644	2,880
Share issue	-	-	-	1,390
Dividend to shareholders	-	-	-4	-225
Amortization of lease liabilities	-16	-16	-67	-62
Repurchase of own shares	-	-	-	-11
Repayment of liabilities related to acquisitions	-	-144	-	-145
Other financing items	0	-	0	-
Cash flow from financing activities	-196	373	-715	3,827
Cash flow for the period	-12	-2	27	-30
Cash and cash equivalents at the beginning of the period	101	98	74	124
Exchange rate effects	1	-22	-11	-20
Cash and cash equivalents at the end of the period	89	74	89	74

¹ Cash flow from operating activities before changes in working capital is impacted in Q4 2025 by a non-recurring tax effect of SEK 104 m, which increased the tax expense for the period.

Consolidated changes of equity in summary

SEK m	2025-12-31	2024-12-31
Opening balance at January 1	3,504	1,933
Total comprehensive income for the period	-37	405
Cost of share-based renumeration	9	-1
Repurchase of own shares	-	-11
Share issue	-	1,390
Option	4	13
Dividend ¹	-4	-225
Closing equity attributed to the parent company's shareholders	3,476	3,504
Opening non-controlling interests at January 1	1	-
Total comprehensive income for the period	0	0
Non-controlling interest arising from acquisition of susidiaries	-	1
Closing non-controlling interest	2	1
Total equity	3,477	3,505

¹ In 2025, Owasy paid a dividend to minority shareholders of SEK 4 m (4). At the 2025 Annual General Meeting for HMS Networks AB, it was decided, in accordance with the Board's proposal, that no dividend shall be paid to shareholders for the 2024 financial year, due to two long-term value-creating acquisitions that took place during the year (SEK 211 m).

Key ratios

SEK m	Q4 2025	Q4 2024	Q1-Q4 2025	Q1-Q4 2024
Revenue growth				
Change in net sales (%)	17.8	6.2	16.9	1.1
Profitability				
Gross margin (%)	63.0	62.6	63.0	62.6
Adjusted EBITDA (SEK m)	304	200	1,064	796
Adjusted EBITDA (%)	32.0	24.8	29.7	26.0
Adjusted EBIT (SEK m)	268	163	911	665
Adjusted EBIT (%)	28.2	20.2	25.5	21.8
EBIT (SEK m)	236	106	762	503
EBIT (%)	24.8	13.2	21.3	16.4
Return				
Return on capital employed (%)	-	-	13.0	11.3
Return on shareholder's equity (%)	-	-	12.7	11.1
Financial strength				
Net debt/adjusted EBITDA LTM ¹	-	-	2.21	3.41
Net debt/equity ratio	0.68	0.94	0.68	0.94
Equity/assets ratio (%)	52.7	46.8	52.7	46.8
Capital turnover rate	-	-	0.51	0.57
Stock data				
Equity per share (SEK)	69.08	66.78	68.35	55.54
Cash flow from operating activities per share (SEK)	4.61	3.52	17.48	12.14
Adjusted earnings per share	4.17	2.60	13.73	9.65
Total number of shares (average, thousands)	50,319	50,319	50,319	48,919
Holding of own shares (average, thousands)	134	143	138	147
Total outstanding shares (average, thousands)	50,184	50,175	50,181	48,772
Personal data				
Average number of employees (FTE)	1,077	1,093	1,064	1,050
Female employees (%)	31.0	30.1	30.4	29.6
Female managers (%)	25.8	26.0	25.0	25.9

¹ The KPI includes proforma from acquisitions

Quarterly data

Net sales by division, SEK m	Q4 2025	Q3 2025	Q2 2025	Q1 2025	Q4 2024	Q3 2024	Q2 2024	Q1 2024
Industrial Data Solutions ¹	481	439	377	418	395	399	436	409
Industrial Networks Technology	263	246	269	257	246	275	271	345
New Industries ¹	207	209	197	215	192	190	206	213
Total	951	894	843	890	832	864	912	967

¹ The 2024 figures have been restated in accordance with the new divisional structure and include pro forma data from acquisitions.

Net sales by region, SEK m	Q4 2025	Q3 2025	Q2 2025	Q1 2025	Q4 2024	Q3 2024	Q2 2024	Q1 2024	Q4 2023
EMEA	405	382	382	401	359	348	369	349	447
Americas	430	390	333	366	328	332	355	144	175
APAC	116	122	128	124	120	112	121	124	138
Total	951	894	843	890	807	792	845	616	760

Income statement in summary, SEK m	Q4 2025	Q3 2025	Q2 2025	Q1 2025	Q4 2024	Q3 2024	Q2 2024	Q1 2024	Q4 2023
Net sales	951	894	843	890	807	792	845	616	760
Gross profit	598	573	521	561	505	503	523	385	496
<i>Gross margin (%)</i>	63.0	64.1	61.8	63.0	62.6	63.5	61.9	62.6	65.3
Adjusted EBIT	268	244	181	218	163	194	172	137	196
<i>Adjusted EBIT (%)</i>	28.2	27.3	21.4	24.5	20.2	24.5	20.4	22.2	25.8

Parent company's income statement in summary

SEK m	Q4 2025	Q4 2024	Q1-Q4 2025	Q1-Q4 2024
Net sales	8	7	29	27
Gross profit	8	7	29	27
Administrative expenses	-8	-7	-29	-27
Operating profit	-	-	-	-
Profit from interest in Group companies	-	-	1,025	537
Interest income/expenses and similar items	24	23	24	23
Profit before tax	24	23	1,049	560
Income tax	-5	-5	-5	-5
Profit for the period	19	18	1,043	555

Parent company's balance sheet in summary

SEK m	2025-12-31	2024-12-31
ASSETS		
Financial assets	1,727	1,727
Total financial assets	1,727	1,727
Receivables from Group companies	2,011	966
Other current receivables	2	0
Cash and cash equivalents	4	3
Total current assets	2,017	968
TOTAL ASSETS	3,744	2,695
EQUITY AND LIABILITIES		
Equity	3,721	2,677
Current liabilities		
Trade payables	2	0
Other liabilities	21	18
Total current liabilities	23	18
TOTAL EQUITY AND LIABILITIES	3,744	2,695

Economic Definitions

ADJUSTED EARNINGS PER SHARE	EBITDA
Share of the adjusted profit after tax attributable to the parent company shareholders in relation to the average number of shares outstanding.	Operating profit excluding amortization and depreciation of intangible and tangible assets.
ADJUSTED EBIT	EBITDA MARGIN
Operating profit excluding depreciation and amortization of excess values from acquisitions and goodwill, transaction and integration costs from acquisitions and restructuring costs.	EBITDA in relation to net sales.
ADJUSTED EBIT MARGIN	EQUITY PER SHARE
Adjusted EBIT in relation to net sales.	Average equity attributable to the shareholders of the parent company in relation to the number of shares outstanding at the end of the period.
ADJUSTED EBITDA	EQUITY/ASSETS RATIO
EBITDA excluding transaction and integration costs from acquisitions and restructuring costs.	Shareholders' equity in relation to the assets total.
ADJUSTED EBITDA MARGIN	FINANCIAL ASSETS
Adjusted EBITDA in relation to net sales.	Non-current and current financial receivables plus cash and cash equivalents.
ADJUSTED PROFIT AFTER TAX	LTM
Profit after tax excluding transaction and integration costs from acquisitions, restructuring costs and non-recurring items.	Last twelve months.
AVERAGE NUMBER OF OUTSTANDING SHARES	NET DEBT
The average number of registered shares less repurchased own shares that are held as treasury shares.	Non-current and current interest-bearing liabilities plus contingent consideration and option liability less financial interest-bearing assets and cash and cash equivalents.
BASIC EARNINGS PER SHARE	NET DEBT/EQUITY RATIO
Share of profit after tax attributable to the shareholders of the parent company in relation to the average number of shares outstanding.	Net debt in relation to Shareholders' equity.
BOOK-TO-BILL	NUMBER OF SHARES OUTSTANDING
Order intake in relation to net sales. Shows future development of net sales.	The number of registered shares, less repurchased own shares which are held by the company.
CAPITAL TURNOVER RATE	ORGANIC CHANGE
Net sales in relation to average balance sheet total.	Change in order intake, net sales, and operating expenses excluding increase attributable to acquisitions, translated at the previous year's exchange rates and calculated as a percentage of the previous year's figures. Amounts from acquired companies are included in the calculation of organic change from the end of the first month that falls 12 months after the acquisition date.
CASH FLOW FROM OPERATING ACTIVITIES PER SHARE	RETURN ON CAPITAL EMPLOYED
Cash flow from operating activities in relation to the average number of shares outstanding.	Share of profit after financial income in relation to the average capital employed.
DILUTED EARNINGS PER SHARE	RETURN ON SHAREHOLDER'S EQUITY
Share of profit after tax attributable to the shareholders of the parent company in relation to the average number of shares outstanding plus the average number of shares that are added upon conversion of the outstanding number of convertibles and options.	Share of profit after tax attributable to the shareholders of the parent company in relation to average of Shareholder's equity.
EBIT	WORKING CAPITAL
Operating profit including amortization and depreciation of intangible and tangible assets and before net financials and tax.	Current assets less cash and cash equivalents and current liabilities calculated on average values.
EBIT MARGIN	
Operating profit in relation to net sales.	

Alternative KPIs

HMS presents certain financial measures in the interim report that are not defined under IFRS. The company believes these measures provide valuable supplementary information to investors and management, enabling evaluation of relevant trends and the company's performance. Due to variations in calculation methods among companies, these financial measures may not always be comparable to those used by other companies. Therefore, these financial measures should not be considered a substitute for measures defined under IFRS, unless otherwise stated.

The KPIs Adjusted EBITDA and Adjusted EBIT are used to monitor and evaluate the business in a fair manner. The KPIs take into account amortization of intangible excess values as well as transaction and integration costs associated with acquisitions. In 2024 and 2025, restructuring costs have arisen that are of a one-time nature and are included in the KPIs.

ADJUSTED EBITDA

SEK m	Q4 2025	Q4 2024	Q1-Q4 2025	Q1-Q4 2024
EBIT	236	106	762	503
Amortization and depreciation of intangible and tangible assets	64	67	268	218
EBITDA	299	174	1,030	721
Restructuring costs	-	16	8	43
Transaction costs	4	6	4	19
Integration costs	1	4	21	13
Adjusted EBITDA	304	200	1,064	796
Net sales	951	807	3,577	3,059
Adjusted EBITDA (%)	32.0	24.8	29.7	26.0

ADJUSTED EBIT

SEK m	Q4 2025	Q4 2024	Q1-Q4 2025	Q1-Q4 2024
EBIT	236	106	762	503
Amortization of excess values from acquisitions	28	30	116	87
Restructuring costs	-	16	8	43
Transaction costs	4	6	4	19
Integration costs	1	4	21	13
Adjusted EBIT	268	163	911	665
Net sales	951	807	3,577	3,059
Adjusted EBIT (%)	28.2	20.2	25.5	21.8

HMS mission

"We enable valuable data and insights from industrial equipment allowing our customers to increase productivity and sustainability."



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