



HMS Networks

Interim report: January - March 2026

Hardware Meets Software™

First quarter

- Order intake increased by 19% to SEK 1,108 m (930). Organically, order intake increased by 10%
- Net sales increased by 9% to SEK 971 m (890). Organically, net sales increased by 15%
- EBITA reached SEK 264 m (205), equal to a 27.2% (23.1) margin
- EBIT reached SEK 237 m (175), equal to a 24.4% (19.6) operating margin
- Profit after tax totaled SEK 163 m (115) and basic earnings per share were SEK 3.24 (2.29)
- Profit after tax adjusted for amortization of excess values from acquisitions (adjusted profit after tax) totaled SEK 190 m (146) and adjusted basic earnings per share were SEK 3.78 (2.91)
- Cash flow from operating activities amounted to SEK 250 m (187)
- Acquisition of Molex's industrial communications business

Last twelve months

- Order intake increased by 11% to SEK 3,633 m (3,269). Organically, order intake increased by 10%
- Net sales increased by 10% to SEK 3,659 m (3,333). Organically, net sales increased by 10%
- EBITA reached SEK 937 m (662), equal to a 25.6% (19.9) margin
- EBIT reached SEK 825 m (548), equal to a 22.5% (16.4) operating margin
- Profit after tax totaled SEK 482 m (319) and basic earnings per share were SEK 9.61 (6.43)
- Profit after tax adjusted for amortization of excess values from acquisitions and non-recurring items (adjusted profit after tax), totaled SEK 699 m (433) and adjusted basic earnings per share were SEK 13.93 (8.67)
- Cash flow from operating activities amounted to SEK 940 m (721)

Order intake
Q1

+19%

Net sales
Q1

+9%

EBITA-margin
Q1

27%

This is a translation of the Swedish language original. In the event of any differences between this translation and the Swedish original, the latter shall prevail.

CEO Comments

INCREASED DEMAND ACROSS ALL DIVISIONS

The year has started with strong demand for HMS. All divisions report positive development, reflected in increased order intake as well as higher revenue.

Order intake exceeded SEK 1 billion for the first time in a single quarter, representing an important milestone for HMS. Order intake amounted to SEK 1,108 million (930), corresponding to an organic growth of 10%. During the quarter, we estimate that orders of approximately SEK 130 million were received that would normally have been distributed over the rest of the year. This relates primarily to the newly acquired Molex's industrial communications business, as well as extended lead times for two product groups within the Industrial Data Solutions division (IDS).

Net sales reached SEK 971 million (890), representing a new record, with an organic growth of 15%. The book-to-bill ratio amounted to 1.16 in constant currencies, indicating favorable conditions for continued growth.

Currency volatility and a stronger Swedish Krona during most of the quarter, together with product mix effects, had a negative impact on the gross margin. This was partly offset by economies of scale arising from higher volumes. Overall, the gross margin amounted to 62.4% (63.0).

Over the past six months, HMS has initiated a ramp-up of development projects, focusing on new product generations for the two largest divisions, IDS and Industrial Network Technology (INT). Operating expenses were positively impacted by currency effects during the quarter but are expected to increase gradually over the year as investments in the organization continue. Operating expenses amounted to SEK 373 million, corresponding to an organic growth of 3%.

While the investments in product development continue to increase, we are also observing improved efficiency in the development organizations, supported by using AI-based tools. Pilot projects are being conducted across several parts of the Group to further enhance efficiency through the usage of AI.

For the quarter, EBITA amounted to SEK 264 million (205), corresponding to a record level in earnings, which we continue to convert to a strong operating cash flow of SEK 250 million (187). Net debt in relation to EBITDA, excluding IFRS 16, decreased to 1.87x (3.37). From the beginning of the year, HMS uses EBITA as its primary earnings metric instead of adjusted EBIT, in order to increase transparency and facilitate follow-up.

INT SHOWS A CLEAR RECOVERY AND A POSITIVE START FOR THE ACQUIRED BUSINESS

All divisions reported positive development during the quarter. The INT division showed the strongest performance, with order intake increasing by 73%, of which 25% was organic. The acquired industrial communications business from Molex developed favorably, with a couple of customers placing orders corresponding to their estimated full-year demand already in the first quarter. Overall, we assess that the business will exceed previously communicated expectations for 2026. This is particularly noteworthy given that the acquisition, which primarily comprised several assets, was completed without an existing order backlog.

Integration of the business has progressed according to plan, and we continue to see good potential for the realization of synergies going forward.

POSITIVE DEVELOPMENT ACROSS ALL GEOGRAPHICAL MARKETS

Order intake and sales increased across all geographical markets. North America recorded a strong development following a somewhat weaker end to 2025.

Germany and Europe continued to develop in the right direction, although certain industrial segments remain under pressure. At the same time, higher activity levels are observed among customers that have previously shown more subdued demand.

In Asia, both China and Japan reported positive development. In China, we see increased order placements among certain customers, driven by concerns related to potential disruptions in global supply chains in the current geopolitical environment.

THE SITUATION IN THE MIDDLE EAST

Developments in the Middle East are monitored closely. During March, a slowdown in order intake was observed within the Building Automation business in the New Industries division (IN), which has relatively high exposure to the region. For the Group as a whole, however, the Middle East represents a limited market, accounting for less than 2% of the annual net sales.

Higher logistics costs were also recorded during the period, without any material impact on earnings. At the same time, the supply situation within the semiconductor segment has become more challenging, with longer lead times and price increases for certain components, such as memory components. Measures have been taken to improve delivery capability, including building larger inventories of critical components.

OUTLOOK

Demand during the first quarter was solid and broad across HMS's major markets. Despite continued geopolitical and macroeconomic uncertainty, many of the Group's industrial customers continue to execute their investment plans and business activities. As previously, we remain positive regarding the growth potential in a medium-term perspective, while uncertainty persists related to the macroeconomic environment, developments in the Middle East, and global trade.

In the longer term, we expect that incentives and trends towards more regionally diversified industrial production in North America, Europe, China and Southeast Asia will increase demand for automation, digitalization and communication solutions for industrial applications, which is positive for HMS. We continue to see good opportunities to win new customers and to further grow business with existing customers through continued investments in product development, innovation and sales. Creating profitable growth, both organically and through acquisitions, remains a priority for HMS.



Christian Hall, Operations Manager at HMS in York, Pennsylvania, showing CEO Staffan Dahlström efficiency and quality improvements from recent investments in new machinery.

Order intake, net sales and earnings

FIRST QUARTER

Order intake increased by 19% to SEK 1,108 m (930). Currency translation effects amounted to SEK -58 m (-18). Organically, order intake increased by 10%, and acquired growth was 15%.

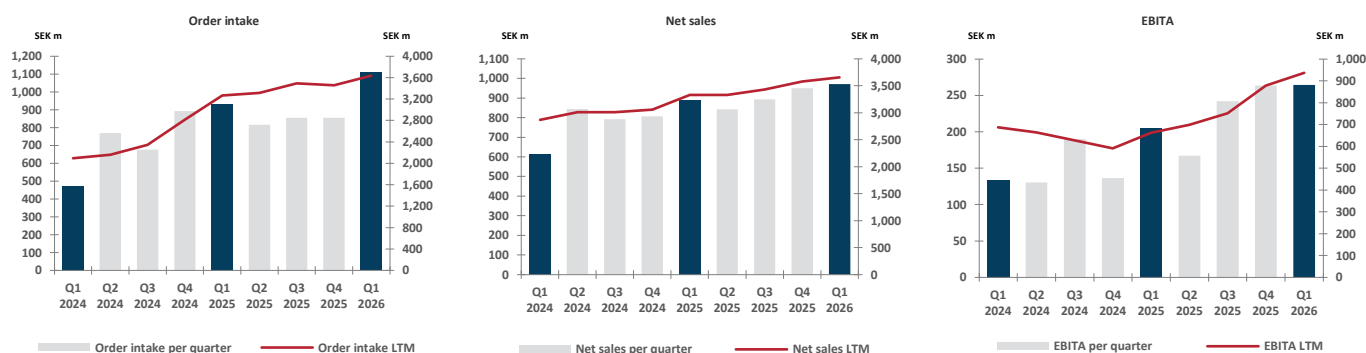
Net sales increased by 9% to SEK 971 m (890). Currency translation effects amounted to SEK -90 m (13). Organically, net sales increased by 15%, and acquired growth was 5%.

Gross profit amounted to SEK 606 m (561), corresponding to a gross margin of 62.4% (63.0). The lower gross margin is mainly affected by a stronger SEK during the largest part of the quarter. Operating expenses amounted to SEK 373 m (390). Operating expenses include amortization of excess values of SEK 27 m (31). Organically, operating expenses increased by SEK 10 m, corresponding to 3%.

EBITDA amounted to SEK 303 m (244), corresponding to an EBITDA margin of 31.2% (27.4). Depreciation and amortization amounted to SEK 66 m (70). EBITA amounted to SEK 264 m (205), corresponding to an EBITA margin of 27.2% (23.1). EBIT amounted to SEK 237 m (175), corresponding to an EBIT margin of 24.4% (19.6). Currency translation effects have affected operating profit by SEK -31 m (8).

Net financials were SEK -34 m (-30), mainly consisting of interest expenses of SEK -20 m (-34) and currency translation effects of SEK -13 m (4). Profit before tax was SEK 203 m (144).

Profit after tax amounted to SEK 163 m (115) and earnings per share were SEK 3.24 (2.29). Profit after tax adjusted for amortization of excess values from acquisitions (adjusted profit after tax) totaled SEK 190 m (146) and adjusted earnings per share were SEK 3.78 (2.91).



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

Quarterly data for the Group	Q1 2026	Q4 2025	Q3 2025	Q2 2025	Q1 2025	Q4 2024	Q3 2024	Q2 2024	Q1 2024
Order Intake (SEK m)	1,108	854	855	816	930	893	677	769	473
Organic %	10	3	22	8	12	2	-8	-22	-36
Acquisition %	15	4	11	9	89	92	50	36	0
Currency translation effects % ¹	-6	-10	-7	-11	-4	16	-4	-5	5
Order backlog	612	604	696	728	736	703	605	713	641
% of LTM Net sales	17	17	20	19	21	20	17	18	22
Net Sales (SEK m)	971	951	894	843	890	807	792	845	616
Organic %	15	23	8	-5	-17	-33	-30	-20	-20
Acquisition %	5	4	10	9	59	40	31	40	0
Currency translation effects %	-10	-9	-5	-5	2	0	-1	0	0
Gross margin (%)	62.4	63.0	64.1	61.8	63.0	62.6	63.5	61.9	62.6
EBITA (MSEK)	264	264	242	167	205	136	190	130	134
EBITA (%)	27.2	27.7	27.1	19.8	23.1	16.9	24.0	15.4	21.7
EBIT (SEK m)	237	236	213	138	175	106	163	104	130
EBIT (%)	24.4	24.8	23.9	16.4	19.6	13.2	20.6	12.3	21.1
Earnings per share (SEK)	3.24	1.44	3.26	1.67	2.29	1.49	1.89	0.70	2.28
Adjusted earnings per share (SEK) ²	3.78	4.07	3.84	2.24	2.91	2.08	2.42	1.25	2.36

¹ Up to and including 2025, the KPI includes currency translation effects related to the order book

² Earnings per share adjusted for amortization of excess values from acquisitions and non-recurring items

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	Q1 2026	Q1 2025	LTM 2026	Q1-Q4 2025
Order intake	445	459	1,612	1,626
Net sales	418	418	1,715	1,714
EBITA	106	86	413	393
EBITA (%)	25.4	20.6	24.1	22.9

FIRST QUARTER

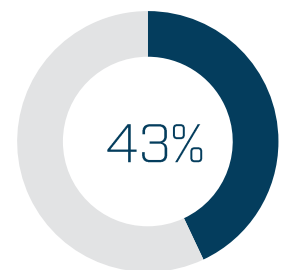
Industrial Data Solutions (IDS) reported order intake of SEK 445 m (459) in the first quarter, corresponding to a decrease of 3% compared with the same period last year. Organically, order intake increased by 5%.

Net sales amounted to SEK 418 m (418), in line with the previous year. Organically, net sales increased by 13%.

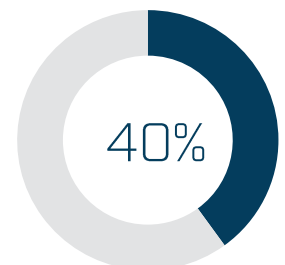
Demand in North America developed positively during the quarter, largely driven by panel meters and HMIs, following a somewhat weaker fourth quarter last year. At the same time, demand in Europe and Asia was more hesitant.

During the quarter, the division continued its investments in development projects, with focus on launching new product generations. In parallel, AI-related initiatives were launched within the R&D organization with the aim of increasing efficiency.

Share of the Group's net sales, Q1 2026



Share of the Group's EBITA, Q1 2026



Net sales break-down by market, Q1 2026



■ EMEA, 25%
 ■ APAC, 7%
 ■ Americas, 68%

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	Q1 2026	Q1 2025	LTM 2026	Q1-Q4 2025
Order intake	433	250	1,197	1,013
Net sales	332	257	1,110	1,035
EBITA	98	66	320	289
EBITA (%)	29.4	25.9	28.8	27.9

FIRST QUARTER

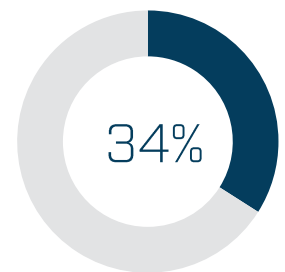
Industrial Network Technology (INT) reported a strong first quarter, with order intake increasing by 73% to SEK 433 m (250). Organically, order intake increased by 25%. The acquisition of Molex’s industrial communications business was completed in early January and has contributed positively, with several customers placing orders corresponding to their full-year expected volumes already during the first quarter.

Driven by the strong order intake, net sales also showed positive development, increasing by 29% to SEK 332 m (257). Organically, net sales increased by 23%.

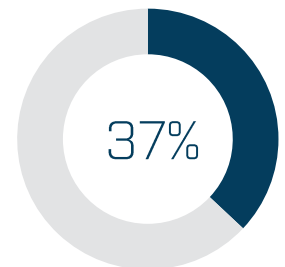
Demand was strong across all geographical regions, primarily driven by increased demand from the data center and semiconductor manufacturing verticals. The market in Germany and the rest of Europe continued to show positive signals, with a higher growth rate compared with previous periods.

Integration of the acquired Molex business unit was initiated during the quarter and is progressing according to plan. Business-critical supply chain functions are already fully integrated, and focus is now on realizing synergies within the product portfolios.

Share of the Group’s net sales, Q1 2026



Share of the Group’s EBITA, Q1 2026



Net sales break-down by market, Q1 2026



- EMEA, 50%
- APAC, 26%
- Americas, 24%

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	Q1 2026	Q1 2025	LTM 2026	Q1-Q4 2025
Order intake	229	221	825	817
Net sales	220	215	834	828
EBITA	61	53	201	193
EBITA (%)	27.5	24.4	24.1	23.3

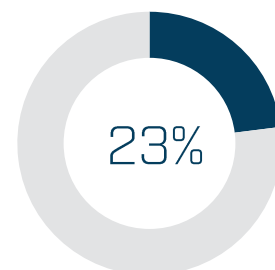
FIRST QUARTER

New Industries (NI) reported an increase in order intake of 4% to SEK 229 m (221) in the first quarter compared with the corresponding quarter last year. The development was primarily driven by increased demand for products within Vehicle Communication. Building Automation, which has a significant market presence in the Middle East, experienced effects of the war in Iran during the quarter and reported a more cautious development. Organically, order intake increased by 7%.

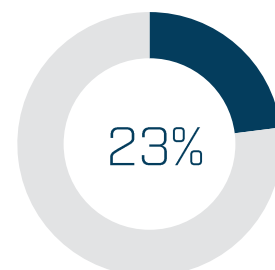
Net sales increased by 3% to SEK 220 m (215). Organically, net sales increased by 8%.

From a geographical perspective, North America showed strong development, while Europe also continued to demonstrate stable growth. The situation in the Middle East primarily affects the Building Automation segment, where uncertainty currently remains high, leading to a somewhat slowing order intake.

Share of the Group's net sales, Q1 2026



Share of the Group's EBITA, Q1 2026



Net sales break-down by market, Q1 2026



■ EMEA, 66%
 ■ APAC, 14%
 ■ Americas, 20%

Cash flow, investments and financial position

FIRST QUARTER

Cash flow from operating activities before changes in working capital amounted to SEK 287 m (139). Changes in working capital were SEK -37 m (48). Cash flow from operating activities was thereby SEK 250 m (187).

Cash flow from investing activities amounted to SEK -99 m (-34) and mainly refers to investments in intangible assets of SEK -68 m (-16). Of this amount, a significant contribution relates to the acquisition of Molex's industrial communication business as well as increased product development. In addition, investments in tangible assets amounted to SEK -26 m (-16), and investments in subsidiaries, net of acquired cash and cash equivalents, amounted to SEK -6 m (-).

Cash flow from financing activities amounted to SEK -183 m (-119), primarily consisting of a reduction in interest-bearing liabilities of SEK -164 m (-101). Moreover, amortizations of lease liabilities were SEK -16 m (-18). Dividends paid to non-controlling interests amounted to SEK -2 m (-2). Cash flow for the quarter amounted to SEK -32 m (33).

Cash and cash equivalents and net debt

Cash and cash equivalents amounted to SEK 59 m (100), and unutilized credit facilities amounted to SEK 961 m (503). Net debt decreased with SEK 111 m in the quarter and with SEK 707 m in the last twelve months, driven by a strong cash flow and amounted to SEK 2,243 m (2,950). Net debt primarily consists of external loans of SEK 1,875 m (2,599). Furthermore, net debt consists of lease liabilities of SEK 238 m (266) and a debt corresponding to expected exercise price on option of SEK 110 m (106) and acquisition-related debt of SEK 79 m (78).

The financial position was strengthened and the net debt to EBITDA (for the last twelve months) ratio decreased to 1.96x (3.40), including proforma from acquisitions. The net debt to equity ratio was 60% (87), and the equity to asset ratio was 55% (48).

Net debt, SEK m	2026-03-31	2025-03-31	2025-12-31
Interest-bearing liabilities	1,875	2,599	2,011
Option debt	110	106	110
Debt related to acquisitions	79	78	78
Less: Cash and cash equivalents	-59	-100	-89
Net debt excl. IFRS 16	2,005	2,683	2,109
Lease liabilities	238	266	245
Net debt	2,243	2,950	2,354
Net debt/EBITDA LTM ¹	1.96	3.40	2.28
Net debt /EBITDA LTM excl. IFRS 16 ¹	1.87	3.37	2.21

¹ KPI includes pro forma EBITDA from acquisitions. The KPI has been changed to be based on EBITDA rather than adjusted EBITDA, as previously reported, following the changes to the alternative performance measures applied in the financial reporting.

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 158-163 under Note 21 in the Annual Report for 2025. 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 March 31, 2026, forward contracts with positive market values amounted to SEK 10.9 m, compared to SEK 30.3 m as of March 31, 2025. As of 31 March 2026, forward contracts with negative market values amounted to SEK 15.9 m. As per March 31, 2025, there were no forward contracts with negative market values.

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 124,852 shares were held in treasury. A breakdown of the company's owner-ship structure can be found on the company's website (www.hms-networks.com).

Annual General Meeting and dividend

The Annual General Meeting will be held at the Company's premises on Thursday, April 23, 2026, at 11.00 CEST. The Board proposes to the Annual General Meeting 2026 that an ordinary dividend of SEK 4.80 (-) per share will be paid for the 2025 fiscal year. Excluding shares held by the Company, this corresponds to a total of SEK 241 m (-). The dividend is proposed to be paid on one occasion with record date April 27, 2026.

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 March 31, 2026, the total number of shares saved in ongoing programs amounted to 58,758 (57,448).

On December 31, 2025, the share savings program from 2022 was concluded. During the first quarter of 2026, 9,518 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 first quarter amounted to SEK 0 m (0). The profit after tax for the quarter was SEK 0 m (0). Cash and cash equivalents amounted to SEK 3 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 172 under Note 36 in the 2025 annual report.

Significant events

COMPLETED ACQUISITION OF MOLEX INDUSTRIAL COMMUNICATIONS BUSINESS

On January 2, 2026, HMS completed the acquisition related to parts of the industrial communication business from Molex's Industrial Solutions division, comprising several strategic assets. The primary objective for the acquisition is to obtain strategic intellectual property and know-how from the experienced engineering teams. The acquisition has been included in the Group's income statement and balance sheet as of January 2, 2026. During the first quarter of 2026, the acquisition contributed with SEK 42 m in net sales and SEK 13 m in EBIT, including acquisition costs.

The preliminary purchase price allocation follows below (SEK m):

Total purchase consideration	
Cash and cash equivalents	117
Total	117

The assets and liabilities recognized in conjunction with the acquisition are as follows:	
Intangible fixed assets	18
Current assets	12
Cash and cash equivalents	59
Current liabilities	-4
Net identifiable assets and liabilities	85
Goodwill ¹	32
Total	117

¹ Goodwill is attributable to the market position and expected synergies with existing operations. Reported Goodwill is expected to be tax-deductible.

Subsequent events

No events that are to be considered significant have occurred after the end of the period until the signing of this interim report.

Outlook

Demand during the first quarter was solid and broad across HMS's major markets. Despite continued geopolitical and macroeconomic uncertainty, many of the Group's industrial customers continue to execute their investment plans and business activities. As previously, HMS remain positive regarding the growth potential in a medium-term perspective, while uncertainty persists related to the macroeconomic environment, developments in the Middle East, and global trade.

In the longer term, incentives and trends towards more regionally diversified industrial production in North America, Europe, China and Southeast Asia are expected to increase demand for automation, digitalization and communication solutions for industrial applications, which is positive for HMS. The company continues to see good opportunities to win new customers and to further grow business with existing customers through continued investments in product development, innovation and sales. Creating profitable growth, both organically and through acquisitions, remains a priority.

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 2025, 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.

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 2025 Annual Report.

New or revised IFRS standards or other IFRIC interpretations that have come into effect after January 1, 2026, have not had any effect on the group's financial reports as of March 31, 2026.

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 ICT (Information & Communication Technology).

PRODUCT STRATEGY – HMS products consist of both hardware and software for Industrial ICT. The products are developed, marketed, and sold by three divisions, each focused on specific markets and target groups.

- **Industrial Data Solutions (IDS)** develops products for handling data in industrial environments. Machine builders, system integrators, and end users (such as factories or water treatment plants) use these products to make machines connected for remote service and data access, visualize and monitor machines, and build industrial network infrastructures.
- **Industrial Network Technology (INT)** develops products that connect industrial devices to various industrial networks. These products are often integrated into other products such as robots and drives for real-time communication and control. This multi-network connectivity enables customers to sell their products globally, regardless of country or industry, without having to consider network connectivity.
- **New Industries (NI)** focuses on industrial communication for niche applications in growing segments, primarily building automation and vehicle communication. The expanding offering for industrial security is also part of New Industries.

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 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, which is also the basis for HMS's divisions.

The INT division focuses on device manufacturers and machine builders, and 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 IDS and NI divisions targets system integrators and end users with a shorter and more traditional 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 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
- The year-end report 2026 will be presented on January 28, 2027

Halmstad April 23, 2026

Staffan Dahlström
Chief Executive Officer

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 CEST on April 23, 2026.

Conference call

APRIL 23, 2026 (09:00 CEST)

President and CEO Staffan Dahlström and CFO Joakim Nideborn present the first quarter 2026.

For link to the webcast, go to:

<https://www.hms-networks.com/hms-for-shareholders>

Consolidated income statement in summary

SEK m	Q1 2026	Q1 2025	LTM 2026	Q1-Q4 2025
Net sales	971	890	3,659	3,577
Cost of goods and services sold	-365	-329	-1,361	-1,325
GROSS PROFIT	606	561	2,298	2,253
Selling expenses	-141	-144	-580	-584
Administrative expenses	-122	-114	-442	-434
Research and development expenses	-83	-88	-327	-332
Other operating income	4	4	12	12
Other operating expenses	-27	-44	-136	-153
OPERATING PROFIT	237	175	825	762
Financial income and expenses	-34	-30	-116	-112
Results from associated companies	0	0	0	0
PROFIT BEFORE TAX	203	144	709	650
Income tax	-41	-29	-226	-215
PROFIT FOR THE PERIOD	163	115	482	435
Attributable to:				
Parent company shareholders	162	115	482	435
Non-controlling interests	0	0	0	0
Earnings per share regarding profit attributed to parent company shareholders:				
Basic (SEK)	3.24	2.29	9.61	8.66
Diluted (SEK)	3.23	2.29	9.59	8.65

Consolidated statement of comprehensive income in summary

SEK m	Q1 2026	Q1 2025	LTM 2026	Q1-Q4 2025
Profit for the period	163	115	482	435
Other comprehensive income				
Items that may be reclassified subsequently to income statement:				
Cash flow hedges	-37	44	-35	45
Hedging of net investments	-29	177	17	222
Translation differences	141	-452	-152	-745
Income tax attributable to the items above	2	-10	18	5
Other comprehensive income for the period, net of tax	78	-241	-153	-472
Total comprehensive income for the period	240	-126	329	-37
Attributable to:				
Parent company shareholders	240	-126	329	-37
Non-controlling interests	0	0	0	0

Consolidated balance sheet in summary

SEK m	2026-03-31	2025-03-31	2025-12-31
ASSETS			
Goodwill	3,995	4,076	3,870
Other intangible assets	863	947	842
Property, plant and equipment	198	162	176
Right-of-use	245	271	251
Deferred tax assets	67	64	63
Interest in associates	14	14	14
Other non-current assets	14	20	15
Total non-current assets	5,394	5,555	5,231
Inventories	624	804	652
Trade receivables	522	436	462
Other current receivables	158	205	165
Cash and cash equivalents	59	100	89
Total current assets	1,363	1,545	1,369
TOTAL ASSETS	6,758	7,101	6,600
EQUITY AND LIABILITIES			
Equity attributed to parent company shareholders	3,716	3,385	3,476
Non-controlling interests	2	2	2
Total equity	3,718	3,387	3,477
Liabilities			
Interest-bearing liabilities	1,670	2,311	1,809
Non-interest-bearing liabilities	119	185	114
Lease liabilities	170	197	176
Deferred tax liabilities	180	172	172
Other provisions	4	23	4
Total non-current liabilities	2,142	2,886	2,275
Interest-bearing liabilities	206	288	202
Non-interest-bearing liabilities	74	0	74
Lease liabilities	68	70	68
Trade payables	199	163	153
Other provisions	8	13	6
Other liabilities	343	294	344
Total current liabilities	898	827	847
TOTAL EQUITY AND LIABILITIES	6,758	7,101	6,600

Consolidated cash flow statement in summary

SEK m	Q1 2026	Q1 2025	LTM 2026	Q1-Q4 2025
Cash flow from current operations before changes in working capital	287	139	857	709
Change in working capital	-37	48	84	169
Cash flow from operating activities	250	187	940	877
Acquisition of subsidiaries	-6	-	-6	-
Investments in intangible fixed assets	-68	-16	-123	-70
Investments in tangible fixed assets	-26	-16	-73	-63
Other investments	2	-3	3	-2
Cash flow from investing activities	-99	-34	-200	-135
Borrowings and repayments of borrowings, net	-164	-101	-707	-644
Dividend to shareholders	-2	-2	-4	-4
Amortization of lease liabilities	-16	-18	-66	-67
Other financing items	-	1	-1	0
Cash flow from financing activities	-183	-119	-778	-715
Cash flow for the period	-32	33	-38	27
Cash and cash equivalents at the beginning of the period	89	74	100	74
Exchange rate effects	1	-7	-3	-11
Cash and cash equivalents at the end of the period	59	100	59	89

Consolidated changes of equity in summary

SEK m	2026-03-31	2025-03-31	2025-12-31
Opening balance at January 1	3,476	3,504	3,504
Total comprehensive income for the period	240	-126	-37
Cost of share-based remuneration	2	2	9
Option	0	8	4
Dividend ¹	-2	-2	-4
Closing equity attributed to the parent company's shareholders	3,716	3,385	3,476
Opening non-controlling interests at January 1	2	1	1
Total comprehensive income for the period	0	0	0
Closing non-controlling interest	2	2	2
Total equity	3,718	3,387	3,477

¹ During 2026, Owasy's paid a dividend to minority shareholders of SEK 2 m (4).

Key ratios

SEK m	Q1 2026	Q1 2025	LTM 2026	Q1-Q4 2025
Revenue growth				
Change in net sales (%)	9.1	44.4	9.8	16.9
Profitability				
Gross margin (%)	62.4	63.0	62.8	63.0
EBITDA (MSEK)	303	244	1,089	1,030
EBITDA (%)	31.2	27.4	29.8	28.8
EBITA (MSEK)	264	205	937	878
EBITA (%)	27.2	23.1	25.6	24.5
EBIT (SEK m)	237	175	825	762
EBIT (%)	24.4	19.6	22.5	21.3
Return				
Return on capital employed (%)	-	-	14.4	13.0
Return on shareholder's equity (%)	-	-	13.9	12.7
Financial strength				
Net debt/EBITDA LTM ¹	-	-	1.96	3.40
Net debt/equity ratio	0.60	0.87	0.60	0.68
Equity/assets ratio (%)	55.0	47.7	55.0	52.7
Capital turnover rate	-	-	0.54	0.51
Stock data				
Equity per share (SEK)	71.67	68.68	69.18	68.35
Cash flow from operating activities per share (SEK)	4.98	3.73	18.74	17.48
Earnings per share (SEK)	3.24	2.29	9.61	8.66
Adjusted earnings per share (SEK) ²	3.78	2.91	13.93	13.06
Total number of shares (average, thousands)	50,319	50,319	50,319	50,319
Holding of own shares (average, thousands)	130	143	134	138
Total outstanding shares (average, thousands)	50,189	50,175	50,185	50,181
Personal data				
Average number of employees (FTE)	1,124	1,066	1,079	1,064
Female employees (%)	30.0	29.9	30.5	30.4
Female managers (%)	25.0	24.3	25.2	25.0

¹ The KPI includes proforma from acquisitions

² Earnings per share adjusted for amortization of excess values from acquisitions and non-recurring items

Quarterly data

Net sales by division, SEK m	Q1 2026	Q4 2025	Q3 2025	Q2 2025	Q1 2025	Q4 2024	Q3 2024	Q2 2024	Q1 2024
Industrial Data Solutions ¹	418	481	439	377	418	395	399	436	409
Industrial Networks Technology	332	263	246	269	257	246	275	271	345
New Industries ¹	220	207	209	197	215	192	190	206	213
Total	971	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	Q1 2026	Q4 2025	Q3 2025	Q2 2025	Q1 2025	Q4 2024	Q3 2024	Q2 2024	Q1 2024
EMEA	415	405	382	382	401	359	348	369	349
Americas	409	430	390	333	366	328	332	355	144
APAC	146	116	122	128	124	120	112	121	124
Total	971	951	894	843	890	807	792	845	616

Income statement in summary, SEK m	Q1 2026	Q4 2025	Q3 2025	Q2 2025	Q1 2025	Q4 2024	Q3 2024	Q2 2024	Q1 2024
Net sales	971	951	894	843	890	807	792	845	616
Gross profit	606	598	573	521	561	505	503	523	385
<i>Gross margin (%)</i>	<i>62.4</i>	<i>63.0</i>	<i>64.1</i>	<i>61.8</i>	<i>63.0</i>	<i>62.6</i>	<i>63.5</i>	<i>61.9</i>	<i>62.6</i>
EBITA	264	264	242	167	205	136	190	130	134
<i>EBITA (%)</i>	<i>27.2</i>	<i>27.7</i>	<i>27.1</i>	<i>19.8</i>	<i>23.1</i>	<i>16.9</i>	<i>24.0</i>	<i>15.4</i>	<i>21.7</i>

Parent company's income statement in summary

SEK m	Q1 2026	Q1 2025	LTM 2026	Q1-Q4 2025
Net sales	8	6	30	29
Gross profit	8	6	30	29
Administrative expenses	-8	-6	-30	-29
Operating profit	0	0	0	-
Profit from interest in Group companies	-	-	1,025	1,025
Interest income/expenses and similar items	0	0	24	24
Profit before tax	0	0	1,049	1,049
Income tax	-	-	-5	-5
Profit for the period	0	0	1,043	1,043

Parent company's balance sheet in summary

SEK m	2026-03-31	2025-03-31	2025-12-31
ASSETS			
Financial assets	1,727	1,727	1,727
Total financial assets	1,727	1,727	1,727
Receivables from Group companies	1,998	957	2,011
Other current receivables	3	3	2
Cash and cash equivalents	3	3	4
Total current assets	2,004	962	2,017
TOTAL ASSETS	3,730	2,689	3,744
EQUITY AND LIABILITIES			
Equity	3,721	2,677	3,721
Current liabilities			
Trade payables	0	0	2
Other liabilities	9	12	21
Total current liabilities	10	12	23
TOTAL EQUITY AND LIABILITIES	3,730	2,689	3,744

Economic Definitions

ADJUSTED PROFIT AFTER TAX

Profit after tax attributable to the shareholders of the parent company adjusted for amortization of excess values from acquisitions and non-recurring items

ADJUSTED BASIC EARNING PER SHARE

Share of adjusted profit after tax attributable to the shareholders of the parent company in relation to the average number of shares outstanding.

AVERAGE NUMBER OF OUTSTANDING SHARES

The average number of registered shares less repurchased own shares that are held as treasury shares.

BASIC EARNINGS PER SHARE

Share of profit after tax attributable to the shareholders of the parent company in relation to the average number of shares outstanding.

BOOK-TO-BILL

Order intake in relation to net sales. Shows future development of net sales.

CAPITAL TURNOVER RATE

Net sales in relation to average balance sheet total.

CASH FLOW FROM OPERATING ACTIVITIES PER SHARE

Cash flow from operating activities in relation to the average number of shares outstanding.

DILUTED EARNINGS PER SHARE

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.

EBIT

Operating profit including amortization and depreciation of intangible and tangible assets and before net financials and tax.

EBIT MARGIN

EBIT in relation to net sales.

EBITA

Operating profit excluding amortization of excess values from acquisitions.

EBITA MARGINAL

EBITA in relation to net sales.

EBITDA

Operating profit excluding amortization and depreciation of intangible and tangible assets.

EBITDA MARGIN

EBITDA in relation to net sales.

EQUITY PER SHARE

Equity attributable to the shareholders of the parent company in relation to the average number of shares outstanding at the end of the period.

EQUITY/ASSETS RATIO

Shareholders' equity in relation to the assets total.

FINANCIAL ASSETS

Non-current and current financial receivables plus cash and cash equivalents.

LTM

Last twelve months.

NET DEBT

Non-current and current interest-bearing liabilities plus contingent consideration and option liability less financial interest-bearing assets and cash and cash equivalents.

NET DEBT/EQUITY RATIO

Net debt in relation to Shareholders' equity.

NUMBER OF SHARES OUTSTANDING

The number of registered shares, less repurchased own shares which are held by the company.

ORGANIC CHANGE

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.

RETURN ON CAPITAL EMPLOYED

Share of profit after financial income in relation to the average capital employed.

RETURN ON SHAREHOLDER'S EQUITY

Share of profit after tax attributable to the shareholders of the parent company in relation to average of Shareholder's equity.

WORKING CAPITAL

Current assets less cash and cash equivalents and current liabilities calculated on average values.

For further key ratios, see the latest published annual report on the company's website <https://www.hms-networks.com/>

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.

As of the first quarter of 2026, HMS applies EBITA and EBITDA as key performance measures to monitor and evaluate the business in a fair and representative manner. Previously reported periods included adjusted EBIT and adjusted EBITDA, which excluded transaction costs, integration costs and restructuring costs. The purpose of this change is to simplify follow-up procedures and to increase transparency and comparability over time and with other companies in the industry.

Adjusted profit after tax is used to enable a consistent follow-up of the Group's performance in line with the EBITA metric. Accordingly, profit after tax is adjusted for amortization of excess values from acquisitions. Where applicable, adjustments are also made for non-recurring items, for which further disclosures are provided in the report for the period in which they arise.

For a description of the performance measures, see Economic definitions on page 17.

EBITA AND EBITDA

SEK m	Q1 2026	Q1 2025	LTM 2026	Q1-Q4 2025
EBIT	237	175	825	762
Amortization of excess values from acquisitions	27	31	112	116
EBITA	264	205	937	878
Depreciation of tangible assets	9	8	33	32
Depreciation of right-of-use assets	16	17	65	66
Amortization of intangible assets ¹	14	14	54	55
EBITDA	303	244	1,089	1,030
Net sales	971	890	3,659	3,577
EBITA (%)	27.2	23.1	25.6	24.5
EBITDA (%)	31.2	27.4	29.8	28.8

¹ Excluding amortization of excess values from acquisitions

ADJUSTED PROFIT AFTER TAX

SEK m	Q1 2026	Q1 2025	LTM 2026	Q1-Q4 2025
Profit after tax attributed to parent company shareholders	162	115	482	435
Amortization of excess values from acquisitions	27	31	112	116
Non-recurring items ¹	-	-	104	104
Adjusted profit after tax	190	146	699	655
Earnings per share (SEK)	3.24	2.29	9.61	8.66
Adjusted earnings per share (SEK)	3.78	2.91	13.93	13.06

¹ 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 during the last quarter of 2025.

HMS mission

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



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