



## PRESS RELEASE

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### HMS Networks sets new strategic targets

**The Board of Directors of HMS Networks AB (publ) has decided to set new strategic targets. The updated targets together with a strategy and trading update will be presented at HMS' Capital Markets Day tomorrow.**

In Q4 2020, HMS Networks presented a new mid-term strategy – HMS2025, comprising new strategic targets and ambitions regarding sustainability, employee and customer satisfaction and financials. The financial targets included a growth target with net sales at SEK “π” (3.14) billion and an operating margin target of 20%.

As a result of a strong financial performance under the first half of the strategy period the board of directors and management have concluded to revise these 2025 targets.

*“Our new targets reflect our ambition to contribute to a reduced climate impact, and through building employee and customer loyalty, drive continued profitable growth and value creation for all our stakeholders. The journey towards “HMS2025” has gone faster than we anticipated when setting the strategy in 2020, why we now, halftime to 2025, stretch the targets”, says Staffan Dahlström, President and CEO of HMS Networks.*

#### The new targets

- **Planet**  
To accelerate the systematic sustainability work and HMS' commitment to support the Paris-agreement, HMS has decided to commit to Science Based Targets Initiative (SBTi) with midterm targets to 2030. The work is ongoing and approved SBTi targets are expected to be finalized during 2024. In addition to reduce HMS' own footprint, the company sees a continued great impact to help customers reduce their emissions, why HMS wants to triple the handprint from today's about 1 million ton to 3 million ton in avoided annual CO<sub>2</sub> emissions by 2030.
- **People**  
The Net Promoter Score (NPS) for employee and customer satisfaction has been raised from original 25 to 50 for both employees and customers.
- **Growth and profit**  
The Net Sales target set in 2020 of SEK “π” (3.14) billion by 2025 has been raised to “π+” meaning Net Sales should exceed SEK 3.14 billion by 2025. Furthermore, the profitability target of reaching yearly operating margins of 20% set in 2020 is raised to yearly operating margins of 25%. The target for dividend remains in the interval between 30-50% of Earnings Per Share and the guideline for financial leverage, maximum Net Debt in relation to Earnings Before Interest, Tax, Depreciation and Amortization, remains at 2.5x.



### Trading update

The supply chain situation continues to improve, both lead times and component availability are getting better. Only a few components are now driving longer lead times for HMS. As indicated in the last quarterly report, Order Intake normalization continues. The normalization pace is faster than seen in previous quarter since also European customers start to destock.

As communicated in the report from the second quarter, there were a temporary delivery issue in May when the new ERP-system was launched. The issues have now been fully addressed and the majority of the 40 MSEK worth of deliveries that were delayed from the previous quarter is expected to be delivered in the current quarter.

### HMS' Capital Markets Day

The presentation will start tomorrow at 09.00 CEST and is expected to end at 12.00 CEST. All participants joining digitally will be able to ask written questions via the webcast. No pre-registration is required for participation via webcast. The event will also be available for viewing after the event. The live webcast will be available via this [link](#).

#### **For more information, please contact:**

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**HMS Networks AB (publ)** is a market-leading provider of solutions in industrial information and communication technology (Industrial ICT). HMS develops and manufactures products under the Anybus®, Ixxat®, Ewon® and Intesis® brands. Development takes place at the headquarter in Halmstad and in Ravensburg, Nivelles, Igualada, Wetzlar, Buchen, Delft, Sibiu, Rotterdam and Bilbao. Local sales and support are handled by branch offices in Germany, USA, Japan, China, Singapore, Italy, France, Spain, the Netherlands, India, UK, Sweden, South Korea, Australia, UAE and Vietnam, as well as through a worldwide network of distributors and partners. HMS employs over 800 people and reported sales of SEK 2,506 million in 2022. HMS is listed on the NASDAQ OMX in Stockholm in the Large Cap segment and Telecommunications sector.

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