

# Interim report January-Mars 2022

## Summary first quarter

- Net sales increased by 19.6% to KSEK 25 296 (21 142).
- Gross profit increased by 6.9% to KSEK 17 224 (16 112).
- Operating income before depreciation (EBITDA) was KSEK 5 735 (7 374).
- Operating income (EBIT) was KSEK 4 211 (5 915).
- The operating margin was 16.6 (22.1) %
- Net profit was KSEK 3 288 (4 665).
- Cash flow from operating activities amounted to KSEK 8 395 (15 837).
- Earnings per share amounted to SEK 0.41 (0.58)

## A few words from our CEO - Q1 2022

**We continued to experience strong demand for our products during the first quarter, from both new and existing customers. The single largest order came from an existing Norwegian customer, yet we also secured a number of new business deals in Sweden, Finland and Germany.**

**Revenue during the quarter increased by 20% to MSEK 25,3 compared to MSEK 21,1 for the same period last year, and operating profit was MSEK 4,2 (MSEK 5.9), with an operating margin of 17% (28%). Both the increase in revenue and the lower operating result compared with 2021 are due to our investments in sales, marketing, and product development. It is precisely these investments that form the foundation for our future growth journey. As previously communicated, we will continue to invest in our focus on profitable growth.**

**The current global semiconductor/component shortage is far from over. Demand for our products continues to exceed supply, despite our increased production rate. We have not been able to meet the demand for our products, which has resulted in somewhat longer delivery times. We expect to be affected by the component shortage throughout 2022, and probably even during the first half of 2023, but are working actively to minimise the associated effects.**

We stepped into 2022 with a larger order backlog than in previous years, and this trend has continued during the first quarter. We have had the pleasure of welcoming new city networks in Sweden, Finland and Germany, all of which have chosen Waystream as the new supplier of their access equipment. This is proof that our products are perfectly timed and are appreciated in the market, and that we do things right. Despite competing with major global players, we continue to gain market share in our segment. Being a Swedish supplier that is fast on its feet and can offer "Made in Sweden", with production in Sweden, has proven to be of even greater interest in the shadow of the global security situation, and the ongoing global trade problems. The situation in Ukraine has not affected us beyond somewhat extended delivery times and slightly increased freight costs.

Our existing customers, even our new customers, are demonstrating a grasp of the effects of the global semiconductor/component shortage on our industry, and placing their orders with longer foresight. For example, an existing large Norwegian communications operator placed an order of approximately MSEK 20 as early as during the first quarter in order to secure its deliveries for all of 2022.

As I have mentioned before, we have a solid purchase conversion when we meet potential customers and allow them to test our products. As a result, we are continuing to invest in our sales force. During the first quarter, we recruited new sales personnel in both Sweden and Germany, in order to be able to increase the number of physical meetings in the Nordic region and the rest of Europe. The international market is vast, and it is important for us to continuously offer potential customers the knowledge we have built up in the Nordic region and increase our presence in the market.

We are going to participate in a number of industry-related conferences during the spring, for example, in April we will be exhibiting at Sweden's largest industry conference, the Swedish Local Fibre Alliance's (Stadsnätöföreningen) annual conference. We will later place significant focus on increasing our presence in Central Europe. This includes us exhibiting at the major industry fairs ANGACOM, focusing on broadband and media, and Fiberdays 22, focusing on fibre infrastructure and digitalisation. Our hope is that increased visibility on an international level will create greater brand awareness, which in turn gives us the opportunity to present our products to more potential customers. Completely in line with our goal.

Overall, we hold a strong market position in the Nordic region and are gradually advancing our position to the rest of Europe. We will continue to take advantage of this standing, and actively work to win new customers. The fibre market (FTTx) is expanding strongly, and the need for our products is great.

All in all, I am pleased with what we've achieved during the first quarter. I am confidently looking forward to the rest of 2022, which I hope will be a record year for Waystream in many ways.

CEO  
Fredrik Lundberg