

Waystream's best ever quarter

The third quarter was Waystream's best ever, with revenue growth of 89% and a 236% improvement in operating result compared to 2021. Underpinning this is that we continue to see great demand for our products, from both new and existing customers, while simultaneously increasing the production rate as planned in order to meet the increased demand.

We have secured more new customers during the first nine months of the year than in all of 2020 and 2021 combined, while not losing a single customer. It is especially gratifying that at the beginning of September we were able to present a significant order of over MSEK 11 from a German operator as a new end customer for Waystream. The value of continuously securing more and larger customers, both in Sweden and internationally, will be of great importance to Waystream in the future.

Revenue during the quarter increased by 89% to MSEK 36.6 (MSEK 19.4 for the same period last year), and the operating result increased by 236% to MSEK 8.5 (MSEK 2.5), with an operating margin of 23% (13%) and a positive cash flow of MSEK 7.3.

For the first nine months of the year, revenue increased by 36% to MSEK 90.8 (MSEK 66.7), and the operating result increased by 57% to MSEK 18.0 (MSEK 11.5), with an operating margin of 20% (22%) and a positive cash flow of MSEK 4.1. At the same time, we have a total of MSEK 26 in accounts receivable, and have made advance payments of MSEK 10.

We had a negative cash flow during the previous quarter, which was a result of planned investments in, among other things, the purchase of components in order to be able to increase our production rate and thereby be able to increase revenue. We have felt the effect of these investments as early as in the third quarter; revenue is increasing, and we have been able to meet more customers' needs for Waystream's products. We expect that we will continue to maintain a high production rate during the fourth quarter in order to be able to continue delivering our access switches to our new and existing customers.

At the same time as we increased the rate of production and sales, we have continued to have a well-filled order book. Our customers still understand the importance of placing their orders well in advance to be sure they will receive products when required. It is becoming increasingly common that we receive annual orders well in advance, which of course makes it easier for us to plan both production and further investments.

It requires a lot of time and work to secure customers in all markets, but entails a little extra effort in markets where we are not as well known. We have therefore strengthened the organisation with a new Marketing Manager, who, among other things, will head the work in making us more visible at a number of industry-related conferences and trade fairs, both in Sweden and internationally. In addition to this, we will continue to invest in our profitable growth journey across the organisation.

We will continue to reinforce the sales team, primarily in Germany, as well as strengthen the technology organisation. Our long-term focus on profitable growth is the backbone of our work going forward, but that in no way prevents us from continuing to invest in growth to be able to secure even more customers over time. This not only requires an active sales organisation, but also a technology organisation that is agile and ensures we continue to offer market-leading products in the future.

The component shortage on a global front continues to affect our industry, and we persist in working hard to minimise the consequences, both for us and our customers. We still witness no change in lead times or availability of components, so predict that the situation will continue for the remainder of 2022 and all of 2023. We choose to see the global component shortage as an opportunity rather than a problem. As a small player, we have been able to deliver products when other larger players have had delivery issues, which has definitely been in our favour, and we hope it will continue in this way moving forward.

I am extremely proud of the work the team at Waystream has delivered during the first nine months of the year, and I am confidently looking forward to the last quarter of the year.

Kista, 13 October 2022

Fredrik Lundberg
CEO