

Interim Report July - September 2026 - Teqnion AB

TEQ Flash Q3 report 2026

It is difficult and fun growing Teqnion. Further improvements are presented. FCF for the quarter is 76,3 MSEK (59,8) up 28%, EBITA is up 8% to 73,2 MSEK (67,8) and EBITA margin remains at 14,9% (14,9). Net sales got to 492,2 MSEK (455,6) which is up 8%, -3% organic. EPS is 2,26 SEK (-1,31) and profit after tax 39 MSEK (-22,5) since the goodwill impairment is out of the R12 figures. EPS R12 is now 9,45 SEK (3,80). Onward, upward.

- Johan Steene, CEO

Events during the quarter

- Abercromby Vending Ltd was acquired
- TJ Hydraulic AB was acquired
- Unique Door Panels Ltd was acquired

Events after the quarter

- Nothing significant, just everyday grinding

Teqnion financial development, MSEK	2026 Q3	2025 Q3	Δ%	2026 YTD	2025 YTD	Δ%
FCF excluding acquisitions	76,3	59,8	+28%	131,1	82,8	+58%
EPS (SEK)	2,26	-1,31	--	6,78	3,06	+122%
Diluted EPS (SEK)	2,26	-1,31	--	6,78	3,06	+122%
Profit for the period	39,0	-22,5	--	116,6	52,6	+122%
Profit before taxes	46,5	-4,7	--	151,7	86,0	+76%
EBITA	73,2	67,8	+8%	214,2	154,5	+39%
EBITA margin (%)	14,9%	14,9%	--	14,4%	11,6%	--
Net sales	492,2	455,6	+8%	1 484,4	1 336,4	+11%
Net debt / EBITDA*	--	--	--	1,8	2,0	--
RoE R12* (%)	--	--	--	17,1%	7,7%	--

* When calculations have been based on 12 months, they are only visualized in the YTD columns

CEO Letter – Johan's thoughts

Hi Teqniåns,

Ten years back I raced a stretch from the Mediterranean to the Atlantic along a hiking trail in the Pyrenees in France. We started at a castle ruin a little way up from the coast and from there set off on an almost 900 km forced march over mountains and valleys. It became an adventure that made me discover a new acceptance level of discomfort. As my body broke down, the sleep deprivation grew and the loneliness during long, slow night stages became painfully intrusive, I reached, after about four days, a state that was awfully uncomfortable. A mentally depleted, colourless place where I was confronted with a fact. A choice I had never faced. To move on, I had to embrace the distinctly uncomfortable present, to put it mildly, or I could very easily step aside and be free, go back into everyday life where all coziness and security are within arm's reach. I chose the former. I could no longer allow myself to think about the distance covered, what was left to cover or how long it might take. The concept became, *this is how it is*. And this is how it will be until it isn't anymore. I allowed myself to accept that it might always be, *this is how it is*. My task became incredibly simple and clear. Don't stop to feel, keep going. At the same time the

world became tiny and colourless despite the grand scenery around me. The purpose was at best vague. But the task! Keep going. Regardless.

Twenty years ago we started building Teqnion (it was registered on 20 October 2006). Much of what it has taken to build the group into what it is today has not been particularly simple or clear. But the purpose has been. **Create the highest possible return for shareholders over the long term.** And there is endlessly more to achieve. So we keep grinding. We have now reached a point where there are sufficient margins to focus on driving sales in profitable niches. Sorry to say we cannot report organic growth yet, but rather a decline of 3% in the quarter (-3% year to date or 1% down in flat currencies). We still have a few too many companies struggling with profitability, even though we should have come further.

Yes, we are improving but all our companies must rise to our profitability targets. Again, there are no sacred cows. We now have the conditions to start growing in the existing portfolio without losing any momentum in the acquisition engine. Now that margins have improved and much of what was unprofitable has been turned around, we can more clearly begin the journey towards increasing both sales and profit. The organic top line growth is coming.

Keeping the right mindset is key. To be prepared when conditions around us are difficult, forward motion and development are required in good times. We must deliberately increase the pace in tailwinds and on downhills. Create forced resistance when there is none naturally. Don't relax and rest when things are easy. Our individual responsibility is to sustain a high level of effort. Discomfort is the fuel of life. Satisfaction and success cannot exist without it.

Long distance driver – year two

In last year's Q3 report you were given a few measures to judge us by. Here is a follow-up, even though a year in our timeframe is just a blink of an eye. Same method, no adjustments. And yes, I know extrapolating is dangerous. I do it here anyway, but I'll warn you when it happens...

- **Cash flow vs. external capital.** Since start, Teqnion has raised ~290 MSEK in external equity. FCF R12 is now ~221 MSEK, giving a ratio of ~75% (~45% a year ago). If you extrapolate the third quarter (warning), cash flow lands at ~305 MSEK and the ratio at ~105%.
- **Internal capital efficiency.** Our FCF R12 of ~221 MSEK against total assets of 2 456 MSEK and equity of 1 054 MSEK gives FCF/total assets of 9.0% and FCF/equity of 21%. Last year I extrapolated (with a warning) Q3 FCF to land at 11.6% and 28% respectively. The same game this year gives 12.4% and 29.0%.

As always: we report, you judge.

M&A engine humming

The acquisition leg keeps moving forward, and during the quarter we welcomed Abercromby Vending and Unique Door Panels in the UK, as well as a Swedish company, TJ Hydraulic. It's wonderful when the family grows. Our list of potential acquisitions is well filled and Daniel has busy days.

"Hinder me? Thou fool. No living man may hinder me!" - J.R.R. Tolkien

After just over twelve days in the Pyrenees, pushing up the last mountain, the glittering Atlantic came into view. The journey was almost over. Even though I had accepted the blocking of all emotions, there was a spark of hope that I would now feel something on the way down to the finish. Maybe there was something, but not the relief I had longed for. More of an unease. I saw the beauty, but I didn't feel it. Celebrated with a cold pint in the harbour, and the acceptance of the uncomfortable life collapsed. The tough rules I had set myself, eleven hours of moving alternated with one hour of rest, had by then been my clear task for close to ten days. Why. Because I had decided it and then not asked questions. Now it was over. I was empty, the purpose, if it had ever been formulated, was completely erased. The bubble burst. All the small pieces and distractions of an ordinary life came creeping back. The colour of the self

slowly returned. Crossing the finish line meant nothing at all in everyday life. Everything, in the made-up bubble. Which was now gone.

The prize from the ordeal was the knowledge that I had managed to submit to an uncomfortable state without choosing when it would end. Never before or since have I accepted anything so deeply within. Never been so empty and stripped bare while continuing forward. Not because I believed the suffering would end, but because I no longer needed it to.

“Don’t adventures ever have an end? I suppose not.” - J.R.R. Tolkien

After twenty years, I dare say with confidence that Teqnion is enduring. It is a long way yet before we might possibly catch a glimpse of the sea. The future holds countless mountains to be climbed in headwinds, rain and sleet, but we will push each other to keep the pace up, even on the downhill stretches when the steps feel easy and the sun shines on our faces. There is nothing to be gained from stopping to feel. We have something incredibly fine to build on, and we are **only at the beginning**.

Run far, be nice!

Johan Steene

CEO and founder

The report is attached to this press release and is available via the following link:

<https://www.teqnion.se/en/investor-relations/financial-reports/>

Q&A

You are welcome to ask us questions about the report and anything else you would like to know about Teqnion on Monday, October 19th at 8:08 CET when we open a Teams meeting. We will be present on the screen with Johan Steene and Daniel Zhang.

Warmly welcome!

To participate, please press [here](#) or by the Teams meeting ID below.

Meeting ID: 311 405 206 531 28

Passcode: dJ6Kb2AF

Send in questions to the Q&A session, e-mail: QA@teqnion.se

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The information in this report is such that Teqnion AB is obligated to make public in accordance with the EU Market Abuse Regulation. The information was submitted for publication by the agency of the above contact persons on 17th of October 2026 at 8:08 CET.

About Teqnion

Teqnion AB is an industrial group that acquires stable niche companies with good cash flows to develop and own with an eternal horizon. The subsidiaries are managed decentralized with support from the parent company. We operate in numerous industries with leading products, which gives us good resistance to economic fluctuations as well as solid industrial know-how. For us, it is central to focus on profitability

and long-term sustainable business relationships. The company's shares with the abbreviation TEQ are traded on the Nasdaq First North Growth Market.

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