

## Interim Report January - March 2026 - Teqnon AB

### TEQ Flash Q1 report 2026

We're on the right trajectory. The quarter's net sales are up 17% and EBITA is up 106%. Organic sales are down 5%, the result of deliberate actions to discontinue unprofitable business. The strategy is working since organic EBITA is up 13% corresponding to a Q1 EBITA margin record of 14,3% (8,1%). Free cash flow is up 7%. EPS is down 4%, driven by FX headwinds from a volatile SEK and higher taxes. No time for contemplation, full steam ahead.

- Johan Steene, CEO and founder

### Events during the quarter

- Cambs Compressor Engineering Ltd was acquired

### Events after the quarter

- Bolt-on acquisition - Powerair Limited

Teqnon financial development, MSEK	2026 Q1	2025 Q1	Δ%
FCF excluding acquisitions	19,8	18,5	+7%
EPS (SEK)	2,04	2,13	-4%
Diluted EPS (SEK)	2,04	2,13	-4%
Profit for the period	34,9	36,5	-4%
Profit before taxes	53,0	46,5	+14%
EBITA	68,0	33,0	+106%
EBITA margin (%)	14,3%	8,1%	--
Net sales	474,4	406,3	+17%
Net debt / EBITDA	1,6	1,8	--
RoE R12 (%)	11,0%	13,7%	--

### CEO Letter – Johan's thoughts

#### Hi Teqniöns,

The group's operating result has continued to trend upward. When you step into the arena yourself instead of observing from the sidelines, my frustration with the group's slow pace of change eases. As Roosevelt so clearly put it: "The credit belongs to the man who is actually in the arena...". Operationally a lot of good things are taking place. The financial results will follow. Our people are pushing hard, have been given clear targets and new tools, and we are working together to exceed our goals. A continuous forward movement.

#### I sense change

With the strategic and operational changes implemented since our last Q1 report, the Teqnon group has become significantly stronger. The operating profit and cash flows are now pointing in the right direction. At first glance, it may seem odd that profit before tax only increased 14% compared to the same quarter last year. This is primarily due to some currency volatility. Last year's start, with a weakening krona, and the current strengthening of the krona, create obvious translation effects from our Sterling loans and future earn-outs, impacting the quarter and comparison figures. In short, factors outside our control lifted last year's EBT, and this year we've taken a hit in the opposite direction. And remember, the consolidated group accounts remain non-taxable. Taxes are primarily collected in the subsidiaries based on their operational profits. Operational profits are roughly doubled, therefore tax collected is roughly

doubled. On the bright side, the described reevaluation effect has minimal impact on cash flow. The differences between the quarters are explained more clearly in this report's Wipe Board on page 9.

Organic sales are down a few percent, please don't panic over this since it's primarily the result of deliberate actions to discontinue unprofitable business, and should be seen in that context. As explained previously, there are no holy cows in this respect and we do what's necessary to advance. It's operational result and cash flow we're after. They are both improved. But we want more. The reported cash flow should be better, but as we had good sales at the end of the quarter, a quite big amount is currently tied up in receivables and stock that will be converted into cash.

### *Covering Nord & Väst*

To bring some light into an otherwise rather gloomy world, I'm happy to say that we've come a long way with our new group organization. It's genuinely exciting. From now on, Teqnon will report according to our two business areas, with improved processes in place for setting strategy at the individual company level and following up on it. We now operate with Teqnon Nord in Solna, supporting the Swedish companies, and Teqnon Väst in Birmingham, covering the UK and Ireland. This report therefore includes new financial information on these business areas on page 7 and further details in the note on page 23 and 24. Compared to Q1 last year, EBITA has increased substantially in Nord and meaningfully in Väst. It should be noted that last year's results in Väst were supported by rather favorable business that should not be considered standard. With that, nothing bad has happened this quarter, rather nothing extremely good has happened. We're grinding on.

Tightening the group structure has been necessary to safeguard our model of decentralized decision-making and to create a foundation from which we can double, and then double again, and again... Clearer structure leads to better decisions, which leads to stronger earnings. Order in our processes drives value creation. When conditions and targets are clear for the subsidiaries, we can focus on supporting them, not controlling them.

### *Bolting-on*

More good things are happening. I'm pleased to see our companies starting to nourish their own smaller companies. We now have several acquisitions classified as bolt-ons. For example, Eloflex has established a subsidiary in France by acquiring the assets of its distributor there. Avelair is building a mini-group in the compressed air segment through the acquisition of Cambs and Powerair. Wallmek in Kungälv, the "Invest in Time" tool company, has registered a subsidiary in the UK and will now invest in its own local sales force there. My guess is that more of these will come.

Our everyday acquisition activities are, as always, promising! Daniel is performing his magic and has several strong projects in progress while balancing a healthy inflow of new, interesting prospects. Our ambition remains to acquire companies that are better than the average of those we already own. The group grows while quality improves. We have also signed a new agreement with our bank, increasing our credit facility from 575 million kronor to one billion kronor. We see limited constraints on continuing acquisitions at the pace we have communicated. Onwards!

Despite all the positive developments in our House of Teqnon, we find ourselves operating in a turbulent and unsettling external environment where little seems certain or stable. The challenges facing societies and businesses are taken very seriously. Rising energy prices are fueling inflation. Everyone is forced to ride along. We are watching carefully and have initiated measures. There's never a dull moment when you're in the arena.

The direction of Teqnon is clearly more encouraging than it was a year ago. But as always, everything can be much better. I feel we are still 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 Thursday, April 23rd at 10:08 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: 345 094 967 414 78

Passcode: HC2j7yD9

Send in questions to the Q&A session, e-mail: [QA@teqnion.se](mailto:QA@teqnion.se)

## For more information, please contact:

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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 23rd of April 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.*

*Redeye Nordic Growth AB is Certified Adviser.*