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Addnode Group
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Operator



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Prepared Remarks



Operator

Welcome to the Presentation of Addnode Group's Year-End Report 2025. During the questions and answers session, participants are able to ask questions by dialing pound key five on their telephone keypad. Now, I will hand the conference over to the CEO, Johan Andersson, and CFO, Kristina Mackintosh. Please go ahead.



Operator

Sorry to interrupt. I will just unmute Kristina and Johan at this moment, so everyone can hear you. Now, go ahead.



Johan Andersson

President and CEO | Addnode Group

Hello, everyone. It seems that we had some technical trouble in the beginning, so it might be that you didn't hear me in the beginning. So I just want to start over again, and thank you for listening in, and show the agenda, and let's start from there. So Addnode Group's purpose is all about utilization for a better society. We operate, acquire, and develop entrepreneurial companies that provide digital solutions. For innovation and continuous development in close collaboration with our customers, we create digital solution for specific needs. The software and digital solution that we provide design buildings, infrastructure, and cities, and also the products that we all use every day, like cars, and all the way to our life science instruments.



Johan Andersson

President and CEO | Addnode Group

When things have been designed and built, they need to be maintained with a life cycle perspective, and the public sector has a responsibility for the design and maintenance of our infrastructure. Our digital solutions makes all this possible. So looking at 2025, it was a year when we have set the foundation for further expansion. As I look back, I'm proud of the efforts our employees made, and I truly feel confident about the future. We have landed new customers, strengthened our offerings, expanded into new geographic markets. Acquisitions have added net sales of approximately SEK 700 million, and we have strengthened the EBITDA margin. We have defined new financial targets, secure refinancing on more favorable terms, changed a new transaction model, adapted a reporting of third-party agreements. We also continued to invest in AI and product development, optimized our organization, and improved the EBITDA margin.



Johan Andersson

President and CEO | Addnode Group

We increased the net sales by 4%. We had an EBITDA growth, also 5%, and the EBITDA margin increased to 15.6%. Looking at the five-year perspective in the graph to the right, you will see that from 2021 to 2025, net sales has increased from SEK 3.5 billion to SEK 5.8 billion, and EBITDA has increased from SEK 461 million to SEK 903 million. Q4, we saw significant improvement in margins and profit. Acquisitions and cost efficiency measures contributed to Addnode Group delivering its highest EBITDA ever for a single quarter. Net sales increased by 5%, of which -4% was currency-adjusted organic sales growth. EBITDA increased by 20% to SEK 298 million, and EBITDA margin improved to 19.1%.



Johan Andersson

President and CEO | Addnode Group

We can also see that our EPS increased with 45% if you adjust for revaluation of consideration for earnouts. If you look at our three divisions, Process Management, thanks to organic growth, supported by margin-enhancing acquisitions, increased EBITDA by 44%. Product Lifecycle Management posted negative growth on sales, but EBITDA was in line with the previous year, thanks to cost savings. EBITDA in the Design Management division improved by 16%, despite challenging comparative figures for the fourth quarter in last year. Margin-enhancing acquisitions in Canada and Brazil contributed to the improvement.



Johan Andersson

President and CEO | Addnode Group

Looking at the five-year perspective in the graph to the right, for Q4, Q4 in 2021, we increased net sales from SEK 865 million to almost more than SEK 1.5 billion in 2025, and EBITDA has doubled from SEK 148 million to SEK 298 million.



Johan Andersson

President and CEO | Addnode Group

With that as an introduction, I would like to hand over to Kristina, our CFO, who will give you further guidance on group net sales performance in Q4 2025.



Kristina Elfström Mackintosh

CFO | Addnode Group

Yes, thank you very much, Johan. I'm going to take you through the net sales development from the same quarter last year to Q4, 2025. As you can see, that net sales has increased by 5% compared to last year, and this growth was supported by the continued execution across core markets and acquisitions, although partly offset by the currency movements. Looking at the organic side, the currency-adjusted organic growth was -4%, reflecting tough comparison figures from last year, where we had a larger amount of three-year contracts within Autodesk. In the Design division, in particular, we saw now in Q4 this year, a lower share of three-year agreements compared with the same period in 2024. As we have previously communicated, the option to renew certain three-year agreements ended after Q2 this year, and these contracts are now being renewed on a one-year basis.



Kristina Elfström Mackintosh

CFO | Addnode Group

Also in PLM system, sales and related services remained stable in U.K., U.S., and in the Nordics, supported by a broad and diversified customer base. Demand in Germany continued to be weak in the quarter, and the market shift from perpetual licenses towards subscription solutions further intensified during the quarter. Process division contributed with currency-adjusted organic growth of 4%, and sales to the public sector remained stable during the period. Looking at the contributions from acquisitions, acquisitions continued to perform according to the plan and contributed SEK 236 million in the quarter. Integration is progressing well, and acquired businesses delivered in line with our expectations. Currency, however, the currency movement had a significant impact during this quarter, and the strongest SEK, particularly against the U.S. dollar, reduced net sales by SEK 97 million.



Kristina Elfström Mackintosh

CFO | Addnode Group

It's mainly within the Design division, where the majority of the U.S. dollar-denominated business resides. Looking at the cash conversion then on the next page, our business model, characterized by the asset-light model with moderate working capital and R&D requirements. We also have strong cash generation, supported by the upfront payments that we can bill our customers. This graph, as we have been shown before, illustrates Addnode's cash conversion over the past decade, and it's calculated as free cash flow in relation to EBITA. The pink trend line that you see shows the average cash conversion of around 70% up to 2023. As highlighted in previous communication, we are currently experiencing a temporary working capital drag related to the changes in payment terms from Autodesk three-year contracts.



Kristina Elfström Mackintosh

CFO | Addnode Group

Since 2023, these agreements are paid annually rather than upfront for the full three-year term, and this shift has reduced cash flow in the transition period. Now, in Q4 2025, cash flow from operating activities improved to SEK 324 million, from SEK 275 million last year, although it's still affected by the payment terms adjustment, and the impact is gradually decreasing over the year. Reassuring, the graph now shows the first clear upward trend in the latest quarter, confirming that the working capital headwind is beginning to ease. But as you can see, also historically, the cash conversion tends to fluctuate from quarter to quarter, and we expect this pattern also to continue going forward.



Kristina Elfström Mackintosh

CFO | Addnode Group

Now, let's have a look at the financial position on next page. Over the past years, we have maintained a low debt level and leverage around 1.1x-1.3x. But during 2024, we have completed 10 acquisitions, which have resulted in a temporary increase in leverage. Ahead of the SolidCAD acquisition in late October, we refinanced and also increased our credit facilities, which now total approximately SEK 3.7 billion, secured by more favorable terms than before. As of December 31, 2025, net debt, including leasing, amounted to SEK 2.5 billion, supported by cash of SEK 625 million. Leverage has increased to 2.4x as a result of the acquisition activity. From the expanded facilities, we currently have SEK 860 million in available unutilized capacity.



Kristina Elfström Mackintosh

CFO | Addnode Group

As we have communicated previously, we intend to maintain a controlled net debt position going forward, and at the same time, we will also continue to pursue strategic value creating acquisitions, which may temporarily increase the leverage, depending on timing and scale. Moving over to look at the return on capital employed. Addnode continues to demonstrate the characteristic of a co-compounder, and we are delivering consistent and strengthening returns on capital employed over time. You can see that the acquisitions completed in 2025 temporarily impacted reported return on capital employed, while the results from the acquired entities were included only from their respective acquisition date. That's, for example, for SolidCAD by end of October, FF Solution came in in beginning of August, and Genus, the Norwegian company, in beginning of July.



Kristina Elfström Mackintosh

CFO | Addnode Group

The full amount of capital employed is added immediately to the base at the point of acquisitions. The timing effect creates a dilution of return on capital employed, which now amounts to 14.1% by end of December 2025. As the acquired businesses continue to contribute to earnings, return on capital will progressively improve, reinforcing our long-term track record of a disciplined capital allocation and profitable growth.



Kristina Elfström Mackintosh

CFO | Addnode Group

Now let's have a closer look at the performance of our division. I'm going to hand over to you, Johan, again.



Johan Andersson

President and CEO | Addnode Group

Thank you, Kristina. So, Addnode Group, we are reporting in three different segments, three divisions: Design Management, Product Lifecycle Management, and Process Management. If you look at the share of the net sales and the gross profit and EBITDA from the three divisions, you will see that Design Management is the biggest division with regards to both, net sales and profit. Then you will see that Process Management is second in size, and the third is Product Lifecycle Management. I'm going to walk you through the three different divisions and the progress during the quarter. Starting with Design Management, that's where we help our customers with design software, product data management software, and the maintenance of buildings and infrastructure. So in the quarter, you can see that net sales increased by 6% to SEK 701 million.



Johan Andersson

President and CEO | Addnode Group

If you adjust for currency effect, reported organic growth was -8%. But as Kristina earlier told us, that most of the effect of their lower organic growth has to do with this quarter. We have a lower portion of three-year agreements being sold compared to last year in the Q4, when we had a higher portion. You can also see that we had almost 15% organic growth in Q4 last year on gross profit level, and this -8%. So the lower organic growth is mainly related to the mix of one-year and three-year deals being made. But the weaker U.S. dollar also had a negative impact this quarter, as Kristina previously described.



Johan Andersson

President and CEO | Addnode Group

But if you look at EBITDA, our profit, it increased by 15% to SEK 169 million, and the EBITDA margin increased to 24.1%. Acquisitions in Canada, Brazil, and U.S. have been successfully integrated and contributed to earnings according to plan. This is also the first quarter where we like for like can report with regards to the reporting of a three-year contracts. So going forward, we will not be posting pro forma figures as much as we've done, because now we're reporting like for like with regards to the our partner contracts. Symetri, who is the world's largest Autodesk partner with a supporting offering of own tech and services, noted good demand from customers in infrastructure, construction, process, and manufacturing industries.



Johan Andersson

President and CEO | Addnode Group

As I mentioned, we can also see a negative impact on reported net sales from the three-year agreements, and as previously communicated, the possibility to renew certain of these deals was ended in 2025. That only meant that the customers are now renewing them as one-year contracts instead. We're not losing any customers. So I know that we have some discrepancies here with the reporting that says, and the underlying organic growth, but our belief is that we do have an organic growth in the subscription base. Service Works Global, who delivers digital solution for facility management, and Tribia, who provide collaboration platforms to the construction infrastructure sector, had a stable earnings compared with the year-earlier period.



Johan Andersson

President and CEO | Addnode Group

If you look on a five-year period in the graph, you can see that we had a growth going from almost SEK 1 billion in net sales in 2021 to the SEK 2.5 billion that we're trailing right now in 2025, and we've been able to improve EBITDA along that rise. It's been a good progressing trend over the years. If you look at product lifecycle management, we're also providing design simulation, and product data management software to different customers group based on a very good partnership with Dassault Systèmes, complementing with own services and products. We can see that we had a net sales decrease by 9% in the fourth quarter. If we adjust for currency effect, the organic growth was -5%.



Johan Andersson

President and CEO | Addnode Group

Sales and related service show a stable trend in U.K., U.S., and Nordics, where we have a broad customer base spanning manufacturing, defense, and life science industries—In construction, demand in Germany remained weak. Sales to strategically important aviation and defense segment remained strong, with several new customers added. We can also see that the trend with customers choosing subscription solutions or licenses with the perpetual right of use is continuing to strengthen. EBITDA decreased somewhat to SEK 48 million, but EBITDA margin was on par at 10.8% as last year, mainly related to the measures implemented to adapt the organization and cost structure, which were communicated in the first quarter, has proceeded as planned and has been successful.



Johan Andersson

President and CEO | Addnode Group

These restructuring costs of almost SEK 24 million were charged early in the first quarter in 2025, and we now see the benefit, and we are expected to generate at least annual cost savings of about SEK 45 million. In Q4, we acquired a company, Extended Solutions in Sweden, and has delivered according to expectation. And in January 2026, we also acquired a customer base in Germany. Look at the five-year perspective. You can see we've also been growing here, and you can also, but unfortunately, you can see the decline in the profit, and we've been addressing that, and we believe that we are trending on a higher level than we performed in 2025.



Johan Andersson

President and CEO | Addnode Group

Process management. Here, we are predominantly active in Sweden and Norway, providing local and central government softwares that makes it possible for them to do their job, to both plan the infrastructure that we are all part of, but also case management and also high-regulated industries like banks that we serve. Continued fantastic growth here, and the division delivered yet another strong quarter with growth and improved EBITDA margin. Net sales increased by 24% to SEK 425 million. Adjusted for currency effect, the organic growth was 4%. EBITDA was also strengthened by improved operational efficiency and positive contributions from acquired companies. Sales to the public sector remained stable. Large authorities are continuing to show certain restraint when it comes to investing in major projects. EBITDA increased even more by 34% to SEK 94 million, and EBITDA margin increased to 22%.



Johan Andersson

President and CEO | Addnode Group

The division's business are well-positioned in public sector, owing to their attractive digital solutions, in-depth experience, and strong references. So all in all, a strong quarter from the division. So moving on. If you look at acquisitions, we have announced 10 acquisitions in 2025. They are all expected to contribute annual net sales of approximately SEK 700 million and to strengthen the EBITDA margin. This has been supported through the EBITDA increase in Q4 2025, and as Kristina mentioned earlier on, when she talked about net sales, that most of these acquisitions were made in Q4, so the majority of the several million will have a positive effect in 2026. But since the presentation of the last interim report, Q3 2025, we have announced two add-on acquisitions.



Johan Andersson

President and CEO | Addnode Group

The first one is ACAD-Plus, it's a U.S.-based provider of CAD-based space management and facilities optimization and software. Its product, FMG Plus, is a powerful AutoCAD add-on that seamlessly integrate with other third-party platforms. This will strengthen existing software portfolio and Symetri. It will have a strong footprint in higher education, almost 150 public and private university, and a growing public sector client base. There's net sales today of SEK 12 million and five employees, and it's consolidated as part of Design Division as of December 2025. EngCAD is another example of an add-on acquisition, but this is for Technia in the PLM division. It will strengthen their presence in Germany. It's an asset deal, some 80 customers agreement for the associated software portfolio, and it will add approximately SEK 18 million in net sales.



Johan Andersson

President and CEO | Addnode Group

Customers, primarily within the aerospace and defense, industrial equipment, and transport and mobility, and it's consolidated as part of product life cycle management from January 2026. So what are we doing for our customers? If you look from an AI perspective, we have. You can see that there were two cases presented in our interim reports. We also presented cases in our last interim report, and we will continue to present different cases as part of our interim report going forward. This quarter, we are showing two cases where we support public sector customers in both U.S. and Europe. Symetri has implemented an AI solution at the Port Authority of New York and New Jersey to streamline infrastructure inspections of bridges, tunnels, and buildings. The Port Authority needed a unified system to manage fragmented and inconsistent inspection data.



Johan Andersson

President and CEO | Addnode Group

Symetri delivered an automation platform integrating GIS, Geographic Information Systems, AI, and natural language querying for intuitive data access. The solution improved data accuracy, eliminated silos, and accelerated real-time reporting. It achieved 100% data consistency and enabled faster data-driven infrastructure decisions. Another example is Decerno, who has developed an AI-based solution for the City of Stockholm's city planning department to improve and streamline maintenance of the city's geodata system. The City of Stockholm needed a scalable solution to keep geodata accurate and up-to-date, as manual inspections were too slow and costly.



Johan Andersson

President and CEO | Addnode Group

Decerno developed GAIA, an AI tool that compares aerial imagery with maps to automatically detect and update changes. The system delivered reduced manual work by up to 75%, while improving data accuracy and update frequency. GAIA provides a data-driven foundation for digital twins and sustainable urban development. These are two good example how we can enhance our offering with AI and increase the efficiency in uses of, with our customers, based on our knowledge of the business that they are working in. So going forward, Addnode Group, we are a decentralized organization, but with the benefit of being part of a bigger group where we can share experience as we move forward. But if you look at the group perspective, we are focused on four things to build and expand AI capacity. And one thing is, of course, to deliver business value, because everything is that what we do for our customers.



Johan Andersson

President and CEO | Addnode Group

So AI is an enabler for increased customer value, innovation, efficiency. The technology, with it being integrated into customer solution and internal processes, is an important aspect of how we create value. So all, all the things that we do is that how can we use AI to drive the better customer solutions. But we can also help each other by coordinate the leadership in how to move things forward. As I mentioned, we are a decentralized group, but we have very strong teams who are moving things forward, and we can share the experience. Our executive summit, where we gather all executive management teams, is an example on how we can coordinate and share experiences. This year event was fully dedicated to the theme of AI, focusing on practical applications, business value, and the opportunities and challenges AI present for operations.



Johan Andersson

President and CEO | Addnode Group

We also have an everyday task on being more effective and structured when implementing AI solutions. One thing that helps in that is our AI collaboration network. It's a group that brings together employees from across Addnode Group to share experience, ideas, and best practices within AI. It connects people working on similar initiatives and strengthen learnings within the organizations. Innovation is always very important for us. It's something that drives us forward. And Addnode Innovation is the group's innovation program, where all employees are given the opportunity to develop ideas and potentially start companies within Addnode Group. In 2026, the focus will be entirely on AI. Participants will have the opportunity to elevate their skills, gain practical experience, and tap into insights from industry experts in everything from idea development to applied AI.



Johan Andersson

President and CEO | Addnode Group

This year, 56 different teams within Addnode Group have submitted proposal to the jury as a lovable POC to the jury in January, and the winner will be announced in May. So it's a fantastic opportunity to get all the great ideas that are existing in the organization. But this is just some example of how we try to build and expand AI capacity across the group. So to end, where are we in our strategy and moving towards our financial targets? We believe that we are delivering on our growth strategy, combining organic growth with a value-creating acquisition strategy. Our financial target is to grow EBITDA with 15% year-over-year, meaning that we continue to double EBITDA every fifth year. Part of this is that we aim to move EBITDA margin to 17%. We are in Q4 showing that we are delivering on our targets.



Johan Andersson

President and CEO | Addnode Group

If you look at the longer perspective, 2015, EBITDA was SEK 160 million, and 2025, we are reporting SEK 903 million, meaning that the compounded annual growth rate for the corresponding period has been 18%, and we have moved EBITDA margin from 9.6% to 15.6%. The acquisitions that we did in 2025 will add to the EBITDA growth in 2026, an expansion of EBITDA margins. While we're seeing good demand for our business and mission-critical digital solutions, the global economy and geopolitical situation is still uncertain. But given our combination of diversified business, not only in terms of technologies, but also industries and geographic markets, our leading market positions and our dedicated employees, we believe that we have a good reason to feel confident about the future.



Johan Andersson

President and CEO | Addnode Group

With that, as a presentation introduction to Q4, we would like to open up for Q&A.

Q&A

**Operator**

If you wish to ask a question, please dial pound key five on your telephone keypad to enter the queue. If you wish to withdraw your question, please dial pound key six on your telephone keypad. The next question comes from Mikael Laséen from DNB Carnegie. Please go ahead.

**Mikael Laséen**

Equity Analyst | DNB Carnegie

All right. Thanks, and good morning.

**Johan Andersson**

President and CEO | Addnode Group

Good morning.

**Mikael Laséen**

Equity Analyst | DNB Carnegie

I have a few questions, and let's start with one regarding the design segment. That segment reported -8% organic growth in Q4. So can you help us bridge that growth figure with FX acquired sales and contract duration implications so we can understand the different forces here?

**Johan Andersson**

President and CEO | Addnode Group

Yeah. Thank you for that question. And just to repeat the question, is that the growth in Design Management, how much is related to organic, how much is related to FX, and how much is related to acquisitions?

**Mikael Laséen**

Equity Analyst | DNB Carnegie

Yeah.

**Kristina Elfström Mackintosh**

CFO | Addnode Group

Yes, I think, if you have a look at our report that we published on, we have all the divisions included in the appendix. So what you can see from Design Management, we had organic. We were moving up from SEK 660 million net sales. We had negative organic growth of 50%. Acquisitions contributed with SEK 148 million, and FX by minus SEK 67 million. And, as we previously identified that in Q4 last year, 2024, we had the benefit of a larger amount of three-year contracts in relation to the total sales. And this year, in Q4 2025, we had a lesser amount of three-year contracts. But I would like to point out on page 29 in the presentation, you have all the details from the divisions.

**Johan Andersson**

President and CEO | Addnode Group

That's a new thing. You will see in what Kristina has related in the appendix to the presentation that is, we are discussing, we are breaking down the different topics, like you mentioned, on the division level as well.

**Mikael Laséen**

Equity Analyst | DNB Carnegie

That's excellent. I was just curious about this mixed effect, contract duration effect, to understand that.

**Johan Andersson**

President and CEO | Addnode Group

I think the important thing to view is that we do. As we are reporting net reported organic growth in, I think it was -8%, the underlying organic growth is not -8%. And that has to do with, like Kristina said, last year, we had roughly 15% organic growth in Q4, and that was due to that we had a higher portion of three-year contracts. And this year we have a lesser portion, so it's more of a mixed effect. So underlying organic growth is more to what we said on our capital markets day. It was low single-digit growth, but it's on organic growth. I think that's the best way to sort of guide you into it.



Mikael Laséen

Equity Analyst | DNB Carnegie

Okay. Yeah, that's helpful. And another one here on follow up on that, mix dynamic. You mentioned in the Q4 report that the possibility to renew certain three-year subscription agreements ended after Q2. So can you clarify which agreements and, and so we can understand this?



Johan Andersson

President and CEO | Addnode Group

I think it's for you who have been following us for a longer time, it goes back to. You remember last year, we had an effect between Q2 and Q3, that where we had a big push in Q4 for three-year agreements, and that has to do with over 10 years ago. Take it all the way back, when we moved from perpetual license to subscription models, the customer had a certain sort of locked in the price on those contracts, and those were promised over a 10-year period. And as we are reaching the end of that 10-year period, the customers cannot renew within that framework to three-year contract because there is just not three years left on that timing period. So it means that they are renewing within that framework to one-year agreements.



Johan Andersson

President and CEO | Addnode Group

The customers are renewing there, but they can't renew it to a three-year. They can renew it only to a one-year contract. That's what we are trying to describe there.



Mikael Laséen

Equity Analyst | DNB Carnegie

Oh, okay. So, so this is really this Q2, Q3 temporary.



Johan Andersson

President and CEO | Addnode Group

Yes. It's not, so not, nothing new.



Mikael Laséen

Equity Analyst | DNB Carnegie

It's nothing new or nothing that. Okay. So that means that if, I guess, we still expect the design to grow low double-digit in spite of the lower share of three-year agreements in 2026. Is that?



Johan Andersson

President and CEO | Addnode Group

Yes, that's what we are aiming for.



Mikael Laséen

Equity Analyst | DNB Carnegie

Okay. Really good. Thanks.



Operator

The next question comes from Erik Larsson from SEB. Please go ahead.



Erik Larsson

Equity Analyst | SEB

Good morning. I have two questions. First up, a follow-up here, on the recent question with three-year deal. So just wanted to hear how you think about the Q1 2026 in terms of comparisons and mix. Do you see last Q1 as particularly good, or? Yeah, just any flavor there would be helpful.



Johan Andersson

President and CEO | Addnode Group

No, I think what we can say is that we are moving to a, as a portion, we can see that the three-year contract is moving from a higher to a lower. But at the same time, the renewal rates that we're having also have an expectation. And I think the best guidance is like we ended the last question, is that we still believe that we can have a low-digit organic growth in the online customer base. And then in design, you have to add the acquisitions that we did, predominantly in Brazil and Canada, by the end of 2025. That will also add to the reported growth in Q1.



Johan Andersson

President and CEO | Addnode Group

So I think, so from organic, we're still thinking about the sort of the low digit organic growth, and then, we have, you have to add the acquisitions that we have done.



Erik Larsson

Equity Analyst | SEB

All right, thank you. And then, second question on Process with the strong margins we saw here, as well as in Q3. So, you know, I assume this is mostly due to recent acquisitions, but I guess you've also sort of improved margins on the, on an underlying basis for, for quite some time now. So I just want to hear around these levels, are you comfortable with maintaining margins here going forward?



Johan Andersson

President and CEO | Addnode Group

Yes, is the short answer, and like you said, it's, it's a mix of the existing organization performing and being more efficient, and also adding acquisitions that by themselves are growing, after they have been part of Addnode Group. So, and that adds to the high growth for this group and the improved margins.



Erik Larsson

Equity Analyst | SEB

All right. That's all for me. Thank you.



Johan Andersson

President and CEO | Addnode Group

Thank you.



Operator

The next question comes from Thomas Nilsson, from Nordea. Please go ahead.



Thomas Nilsson

Equity Analyst | Nordea

Thank you for taking my question. I would like to ask about the sustainability of the record, EBIT margin reported, 19% this quarter. To what extent was this driven by one of favorable product mixes or timing of license renewals versus cost efficiencies that we should expect to persist throughout 2026?



Johan Andersson

President and CEO | Addnode Group

Well, I think one thing is that there are differences in margin we have is between the Q4 is a sort of a good quarter. Q1 is a strong quarter. Q2 is almost a little bit slower compared to the rest of the year. So there's a difference between the quarter. But having said that, as we are performing now, we have done a lot of focus on cost efficiency measures, so we're in better shape there. We have added acquisitions that by themselves has a higher margin than the group by themselves. So there's sort of, there's no special effects in any way that we have. Like, in any cases, in mixes, like we mentioned in design, is that we do have a sort of a negative mix effects in the quarter, if any.



Johan Andersson

President and CEO | Addnode Group

Then we also have negative SEK 20 million in the U.S., predominantly against the SEKs. So I wouldn't say that there's a sort of a boost in that. The boost is that we have done some acquisitions that are adding on top of it. The underlying business, we are pushing towards our target of 17%, that we still—and we believe that is sort of a feasible target to go for.



Thomas Nilsson

Equity Analyst | Nordea

Okay, thank you very much. One last question regarding Germany and the PLM division recovery. With the cost savings program you have in Germany, do you feel that the division is now right-sized for the current macro environment, or will there be further restructuring ahead here?



Johan Andersson

President and CEO | Addnode Group

Yeah. No, but I think, yes, we are right, sort of right size for the things that we have, have enough water under the bow to steer the boat going forward. But we are always focused on trying to be more efficient. So we can't promise you that we won't do anything more. This all depends on the macro. For the current situation, we are earning money in Germany, so it's not a matter of that we need to do something to earning. It's more of a, what do we feel a good operation should perform and, and at what level? So short answer, yes, we believe that we have the organization in sort of in right size to face the macro environment, but we will always continue to improve our efficiency.



Thomas Nilsson

Equity Analyst | Nordea

Okay, thank you very much.



Operator

The next question comes from Fredrik Lithell, from Handelsbanken. Please go ahead.



Fredrik Lithell

Analyst | Handelsbanken

Thank you, and thank you for taking my questions as well.



Johan Andersson

President and CEO | Addnode Group

Thank you.



Fredrik Lithell

Analyst | Handelsbanken

Maybe if I could start with a sort of a clarification, Kristina, you in your prepared remarks, you talked about the move from perpetual to subscription intensified in Q4. Is that the same discussion as the three-year and one-year contracts, or is this sort of another angle of something that likely took down the organic growth pace year over year? Because if, if we could sort of split that out a little bit. Thank you.



Kristina Elfström Mackintosh

CFO | Addnode Group

Yeah. Yeah, thank you for the question. Let me clarify that, within Design Management, that's where we are talking about the three- and one-year contracts. When we're talking about the perpetual licenses, that is mainly within the PLM division where we are moving away, or the customers are moving away from perpetual licenses to subscription rather. And we saw that was, it's we have been communicating that throughout the year, and we saw that continue in Q4 as well. So it's two different divisions that we are talking about.



Fredrik Lithell

Analyst | Handelsbanken

Yeah, yeah, that's fine. And how far on that journey are you? I mean, you know, do we still have most of it in front of us, so that most customers are still on perpetual, or have you come a very long way on this so that organic growth ultimately will start to improve?



Kristina Elfström Mackintosh

CFO | Addnode Group

Yes, we have come quite a long way. This has been visible through the last two years, that customers are moving away from perpetual to subscription. We could also see that last Q4 last year, we had more perpetual licenses in the quarter than we had this year. So it has an effect on the comparison from Q4 to Q4 this year. So we have come a long way.



Fredrik Lithell

Analyst | Handelsbanken

Yeah.



Kristina Elfström Mackintosh

CFO | Addnode Group

And I will also bring your attention to that we are reporting this in our report, in the segment section, where we specify the licenses, that is the perpetual licenses.



Fredrik Lithell

Analyst | Handelsbanken

That's very clear. Thank you very much. And, Johan, if I could ask a question to you. When you now have SolidCAD and FF Solutions being the bigger sort of acquisitions inside your organization and gotten to learn them better and all that stuff, have you discovered any sort of positives that you didn't see in the due diligence processes and everything, or something that shed some more light on these acquisitions?



Johan Andersson

President and CEO | Addnode Group

I think, in, what it has done is, confirm our assumption why we would like them to join us and be part of Symetri Group, that they're great teams in the different organization. They have strong positions in their respective markets, and, they have a culture of growth and taking on the system of the customer. So if any, it's just confirmed, and, that, we believe that they are, will be a good part, and the one you mentioned will be a good part of the wider Symetri Group as the, delivering solutions. I think more of a confirmation of what we all about and what we hoped about that they could deliver. So, so we're happy.



Fredrik Lithell

Analyst | Handelsbanken

Yep. Perfect. Thank you very much.



Operator

The next question comes from Daniel Thorsson, from ABG Sundal Collier. Please go ahead.



Daniel Thorsson

Analyst | ABG Sundal Collier

Yes, thank you very much. A question on central costs here on EBITDA SEK 13 million in Q4. Looks quite low to me. Are there any one-offs in there or any guidance comments in the coming quarters? I would rather guess slightly above SEK 20 million.



Kristina Elfström Mackintosh

CFO | Addnode Group

Yeah. Yes, you're absolutely right. We had an effect on the OpEx this quarter, on the central cost. And the majority of that is based on the bonuses that we are target, the bonuses is targeted on growth. And, as you can see, that, the growth has been very moderate from the quarter. We had to release some of the bonus reserves, so, that was an isolated effect in the Q4.



Daniel Thorsson

Analyst | ABG Sundal Collier

Is that around SEK 10 million, or?



Kristina Elfström Mackintosh

CFO | Addnode Group

The majority of that is relating to bonuses, yes.



Daniel Thorsson

Analyst | ABG Sundal Collier

Okay, that's fair. And then on cash flow, based on your graph that you follow up with now every quarter, do you expect full year 2026 free cash flow to EBITDA to be back to your 70% line on a reported basis, or should we think more of the beginning of 2027?



Kristina Elfström Mackintosh

CFO | Addnode Group

Yeah. I think what we also communicated in the past is that we still have this year, 2026. We will see the upward trend coming at the, by the H2 2026, but we're not expecting to be up at the full level by the end of Q4 next year.



Daniel Thorsson
Analyst | ABG Sundal Collier

Okay, that's clear. And then final question, how do you see your internal organic net recruitment activities ahead, given improved productivity from, from AI on your software engineering side? Should we expect a slower personnel ramp in the coming years due to that, compared to historically?



Johan Andersson
President and CEO | Addnode Group

I think we have been slower on recruiting for the last two years, I would imagine. So, I guess that will continue as we are becoming more efficient in the way we are operating and doing things, partly with the help of AI, but also we don't expect our, any higher sort of total organic. But within that, there can, of course, be changes when you look at new capabilities and things, but on an overall level, we don't expect any high recruitment rates.



Daniel Thorsson
Analyst | ABG Sundal Collier

Okay, that's fair enough. And then final question on the Nordic public market outlook for—kind of IT investments in 2026 here. Process grew 4% in Q4. What's kind of your outlook view? What do you hear from your customers on planning investments in 2026?



Johan Andersson
President and CEO | Addnode Group

I think we expect a little bit what we had had this year. We can see some organic growth related to new sort of function, futures, deliveries. There are some price increases which related to our maintenance agreements. Roughly about +40% is our maintenance agreements in this section, and then those are KPI-related prices. So there are some possibilities to increase prices. Will it be 2%, 3%, 4% organic growth? Let's see, but there are some opportunities to organic growth as well.



Daniel Thorsson
Analyst | ABG Sundal Collier

Okay, excellent. Thank you very much.



Operator

The next question comes from Fredrik Nilsson from Redeye AB. Please go ahead.



Fredrik Nilsson
Equity Analyst | Redeye

Thank you very much. I want to start with a question about SolidCAD. As far as I understand, you have the ambition to add consulting services over time. Are those initiatives ongoing, or could you give us some kind of timeline for that?



Johan Andersson
President and CEO | Addnode Group

I do appreciate your sort of thoughts about our abilities to implement the changes, but they have only been part of us for two months. So we haven't seen any effects of it yet, so we are discussing, of course, this has to be handled with the local management of SolidCAD, because they are the ones who know the business. So yes, it's happening. We are discussing growth plans to things going forward, but no, we haven't seen an effect of it yet. So it is still to come.



Fredrik Nilsson
Equity Analyst | Redeye

Great, thanks. And also, one question regarding AI. I mean, it's interesting to see your customer solutions and initiatives and so on, but if we look at the, at the risk side, I mean, it's a big focus right now on, on software companies in general. So, I mean, do you see any risk of customers developing in-house software rather than buying from you? And I guess perhaps smaller add-on point solutions might see the highest risk.



Johan Andersson

President and CEO | Addnode Group

Of course, everything that is sort of, like I said, smaller point solution, where we can't add any value, they are always at risk. Because we need to prove for our customers that we can help them with both the software and the process and the routines to make that happen. So short term, we don't see the risks are sort of in report, and that's it. Long term, we need to always be proactive, making sure that we are helping our customers with the needs that they have, like the examples that I've shown you today. Our partners are also investing quite heavily with regards, and bigger partners like Autodesk, Dassault Systèmes, also Esri in the U.S.



Johan Andersson

President and CEO | Addnode Group

So yes, there is, but I think the way we look at it is a continuum of what we've always been doing for, as a group for the last 20 years. And a good example, I mentioned the Decerno there, who has done the solution for Stockholms stad. In the 1980s, they started the Decerno AI already, working with neural networks. So from that perspective, there are some capabilities. And so, and now it's all in a connection where everything is happening with the databases, language model, et cetera. So for us, it's still an opportunity, but we are investing, our customers are investing, and we are all hoping that it will give the benefit of better improvement going forward. But most of the benefits have we not seen yet. So I think it's a learning process.



Johan Andersson

President and CEO | Addnode Group

We think that we are positioned, and I think we're still important to be the one that connect the customer demands with the software and gets the benefit out of that. So yes, it's a risk, but it's also a very big opportunity for us.



Fredrik Nilsson

Equity Analyst | Redeye

Great. Thank you very much. That's, that's all for me.



Operator

As a reminder, if you wish to ask a question, please dial pound key five on your telephone keypad. There are no more questions at this time, so I hand the conference back to the speakers for any closing comments.



Johan Andersson

President and CEO | Addnode Group

Thank you for taking this time to listen in to our presentation and some very good questions. With that, we would like to say thank you from Addnode Group.



Kristina Elfström Mackintosh

CFO | Addnode Group

Thank you.