



GOMSPACE

TRADING STATEMENT FOR
1 July – 30 September 2024

Reflections from the CEO

Dear Reader

We have reached another quarter of positive free cash flow, with EBIT year-to-date showing a strong improvement over last year. Notably, we launched a pioneering satellite that pushes the boundaries of deep space exploration. We remain confident that the second half of 2024 will continue this momentum, achieving positive free cash flow and setting a new record for annual revenue that surpasses 2023's, and with improved EBIT for the full year.

A Quarter of Execution

Q3 2024 was a quarter of execution. After a significant increase in our order backlog in Q2, we have been busy getting our new projects on the way and ensuring timely and within scope execution. We are on track and have successfully reached our contract milestones in Q3.

To support this, we have onboarded 20 new team members in recent months. At my recent CEO introduction session, we welcomed individuals from 10 different nationalities, underscoring our growing diversity. Our expanding international team positions GomSpace to compete globally and attract top talent.

Positive Free Cash Flow in Q3

We achieved a positive free cash flow of 12 MSEK this quarter, aligning with our goals and marking an 18 MSEK improvement from -6 MSEK in Q3 2023.

We're confident in maintaining positive free cash flow throughout the second half of 2024, largely hinging on our effective execution of the order backlog.

Our cash balance stands at 62 MSEK, a marked improvement from 46 MSEK at the end of Q3 last year and at par with our opening balance for 2024.

Record Revenue in Sight

Despite lower revenue year-to-date compared to 2023, we're on track to surpass the 238 MSEK revenue achieved in 2023. This expectation relies on our robust order backlog, alongside anticipated new orders from our Product Business Unit and North America in the coming months.

Improving Profitability

We remain dedicated to enhancing profitability. This quarter, we improved EBIT by 23 MSEK, moving from -67 MSEK year-to-date in Q3 2023 to -44 MSEK the same period this year.

It is worth noting that this is done with a year-to-date revenue of 173 MSEK in 2024, compared to 196 MSEK of revenue in 2023. In other words, we see an improvement in our profitability as planned.

With this trend, we expect the full year 2024 EBIT to improve compared to 2023.

Order Backlog Increased

Our efforts delivered a notable quarter, with revenue growth and increased EBIT, and we still managed to raise our order backlog by 10 MSEK. Programs contributed +7 MSEK, and Products achieved their best order intake this year at 26 MSEK.

Strengthening the GomSpace Brand with Deep Space Launch

On October 7th, our Juventas satellite launched aboard SpaceX's Falcon 9 rocket with the HERA mission. This success reinforces GomSpace's credibility in executing complex, beyond-near-earth missions. At the recent International Aeronautical Conference in Milan, partners, competitors, and dignitaries, including Luxembourg's Minister of Economy, celebrated this achievement with us.

The future for deep space missions is expanding, with potential goals such as water discovery or planetary mining. GomSpace is now positioned as a trusted technology provider for these groundbreaking ventures.

Indonesia

Concerning Indonesia, the status is the same. The program is listed in the last Green Book from September 2024, with Denmark listed as the provider of financing and technology. We are waiting for the necessary steps in Indonesia to continue finalize the financing. Notwithstanding any potential challenges in agreeing on the terms of financing, no information or facts indicates any changes to the program, and I expect that the Indonesian government will execute on this in due time.

My expectations for Q4 2024 are another quarter of strong execution and we expect to meet our indications on free cash flow, revenue, and EBIT.

With the warmest regards,

Carsten Drachmann
CEO

Financial Summary

T.SEK	Q3			YTD	
	2024	2023	▲%	2024	2023
Revenue	57,698	67,706	-15%	173,795	196,131
Operating profit (EBIT)	-13,292	-17,011	22%	-43,848	-67,203
Profit (loss) for the period	-22,831	-34,243	33%	-57,355	-83,653
Earnings per share, basic, SEK	-0.16	-0.24	33%	-0.41	-0.82
Earnings per share, diluted, SEK	-0.16	-0.24	33%	-0.41	-0.59
Balance sheet items					
Free Cash Flow	12,007	-6,311	-	6,518	-76,564
Net cash and cash equivalents	62,251	45,876	36%	62,251	45,876

T.SEK	Business areas			
	Program	Product	North America	Total
Order backlog 1 January 2024	92,616	54,045	5,950	152,611
Currency adjustment	1,036	3,355	389	4,779
Other adjustments	1,333	-3,268	3,268	1,333
Order intake	218,688	28,616	9,041	256,345
Converted to revenue Q1-Q2	-63,547	-41,624	-10,926	-116,097
Order backlog 30 June 2024	250,126	41,124	7,722	298,972
Order backlog 1 July 2024	250,126	41,124	7,722	298,972
Currency adjustment	-387	530	72	215
Other adjustments	-	-	-	-
Order intake	39,979	26,282	2,405	68,666
Converted to revenue Q3	-32,701	-21,353	-3,644	-57,698
Order backlog 30 September 2024	257,017	46,583	6,554	310,154

The figures have not been audited.

Outlook

The guidance for a positive free cash flow in the second half of 2024 assumes that we will enhance profitability by focusing on product management and increasing product sales with its strong contribution margin. Furthermore, we will improve project profitability, target best-fit customer projects, and expand in North America by increasing our presence through additional resources and partnerships.

The positive results from the third quarter reinforce our expectation of achieving positive free cash flow in the second half of 2024. We primarily anticipate that our existing satellite programs in the order backlog will continue as planned. Additionally, we expect to receive specific new orders, which will contribute to the positive cash flow in the fourth quarter.

