

A close-up photograph of a yellow industrial robotic arm with a complex metal toolhead, positioned over a large, circular metal workpiece. The background is a blurred industrial setting with orange and grey structural elements. The image is overlaid with decorative white-outlined shapes: a grey one in the top left, an orange one on the right, and a green one in the bottom left.

Karnell.

Q2

Interim report

January – June 2024

January - June 2024

Second quarter

- Net sales for the second quarter increased by 22.6% to SEK 357.2 million (291.3), of which organic growth amounted to 0.8%.
- EBITA amounted to SEK 40.8 million (35.7), an increase of 14.1%.
- The quarter was charged by SEK 0.9 million (0.0) in acquisition costs.
- Operating profit (EBIT) amounted to SEK 37.5 million (35.0), an increase of 7.1%.
- Cash flow from operating activities for the quarter amounted to SEK 30.5 million (32.3).
- Earnings per share for the quarter after dilution amounted to SEK 0.29 (0.54).
- In April, the over-allotment option issued in connection with the IPO was exercised and Karnell received SEK 37.5 million.
- In May, Karnell completed the acquisition of Ojop Sweden AB.

January - June

- Net sales for the second quarter increased by 19.3% to SEK 642.8 million (538.9), of which organic growth amounted to 1.6%.
- EBITA amounted to SEK 60.7 million (63.6), which is a decrease of 4.5%.
- The period is charged by approximately SEK 7.2 million (0.0) in costs related to the IPO, as well as SEK 4.1 million (0.9) in acquisition costs.
- Operating profit (EBIT) amounted to SEK 54.5 million (62.2), a decrease of 12.4%.
- Cash flow from operating activities for the quarter amounted to SEK 42.5 million (39.9).
- Capital raising and transactions with owners have provided the Group with a total of SEK 287.0 million after issue costs.
- Earnings per share for the quarter after dilution amounted to SEK 0.36 (0.85).
- During the period, two acquisitions and one add-on acquisition have been completed.

Karnell.

357 SEKm

Net sales Q2

41 SEKm

EBITA Q2

11.4%

EBITA margin Q2

Key figures

MSEK	Q2			Jan-Jun			LTM	Jan-Dec
	2024	2023	Δ	2024	2023	Δ	Jul-Jun	2023
Net sales	357.2	291.3	23%	642.8	538.9	19%	1,207.2	1,103.3
EBITDA	56.7	48.2	18%	92.4	88.2	5%	192.8	188.6
EBITA	40.8	35.7	14%	60.7	63.6	-5%	133.8	136.7
EBITA margin, %	11.4%	12.3%		9.4%	11.8%		11.1%	12.4%
Operating profit (EBIT)	37.5	35.0	7%	54.5	62.2	-12%	124.9	132.6
EBIT margin, %	10.5%	12.0%		8.5%	11.5%		10.3%	12.0%
Net profit after tax for the period	15.8	22.8	-30%	18.0	35.6	-49%	59.8	77.4
Net debt excl. leasing/ EBITDA LTM excl. leasing							0.6	1.2
Cash flow from operating activities	30.5	32.3	-6%	42.5	39.9	7%	135.3	132.8
Earnings per share before dilution (SEK)	0.30	0.55	-45%	0.38	0.88	-57%	1.33	1.88
Earnings per share after dilution (SEK)	0.29	0.54	-45%	0.36	0.85	-57%	1.29	1.81
Number of employees, closing day	646	542	19%	646	542	19%	646	553
Number of shares outstanding ('000)	52,921	41,431	28%	52,921	41,431	28%	52,921	42,094

CEO comment

Building on the momentum of our successful IPO on Nasdaq Stockholm in March, we have continued to solidify our position as a long-term and active owner of industrial technology companies during the second quarter of 2024, a quarter marked by stable financial performance and acquisition, underscoring our commitment to delivering sustained value.

Group development

Net sales for the second quarter increased by 22.6 percent year-on-year to SEK 357.2 million, driven primarily by recent acquisitions. We also experienced a small but positive organic growth of 0.8 percent, which reflects the underlying strength of our business given a market that continues to be cautious. This growth is a testament to our strategic focus on expanding our portfolio and enhancing our market position. EBITA for the quarter amounted to SEK 40.8 million, an increase of 14.1 percent year-on-year.

Our Product companies performed well and have continued the recovery from the challenges in 2023, with several of them seeing significant revenue increases. The stabilization of the construction market has contributed to improved visibility for several of our companies. While it is too early to declare a full return to growth, the positive trends are encouraging.

Demand in the Niche manufacturer sector has been somewhat lower, with a cautious market environment. Our niche companies generally had a weaker period, compared to a very strong first half of the previous year, with slightly lower demand, resulting in reduced margins. However, we are starting to sense more positive tones, which is reassuring.

Strategic Acquisitions

During the second quarter, we continued to execute our acquisition strategy with the purchase of Ojop Sweden AB, a producer of high-quality toggle latches, trailer latches, and battery connectors. With a leading edge in the market and good profitability, they fit perfectly with our strategy of nurturing small industrial technology companies. We look

"A stable quarter with a 22.6% increase in sales driven by strategic acquisitions and a modest organic growth"

forward to continuing to support Ojop's legacy of quality and innovation under the Karnell umbrella.

Additionally, after the end of the quarter, we acquired NE Engineering in the UK, a precision engineering company specializing in CNC milling and turning of small and complex components for demanding environments. These acquisitions align with our goal of expanding our footprint and capabilities in the industrial technology sector.

Looking ahead

The market outlook for our group companies is expected to remain stable. Lower inflation and interest rates are gradually increasing investment willingness, particularly in interest-sensitive sectors like construction. Our low debt levels and strong M&A pipeline position us well to continue executing our growth strategy and seize opportunities as they arise.

As part of our goal to grow and further strengthen our presence in the UK market, we have recruited an Investment Director in the UK. By experience, we know that it is of great importance to have a local presence, and we look forward to continuing our expansion in the UK.

In closing, I would like to express my gratitude to our employees, shareholders, and partners for their support. Together, we are building a strong foundation for sustained growth and success. We look forward to continuing our journey and reinforcing Karnell's position as a leading industrial technology group.

Thank you for your continued trust and confidence in Karnell.

Petter Moldenius

Chief executive officer

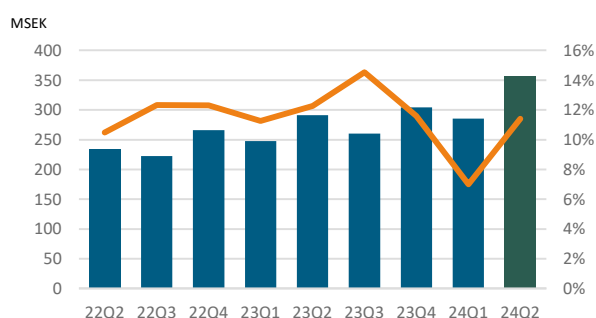


Group performance

Net sales

Net sales increased in the second quarter by 22.6% compared to the same period last year and amounted to SEK 357.2 million (291.3). The growth was mainly related to acquisitions, 22.1%. Exchange rate effects accounted for -0.3% and organically sales increased by 0.8%. The market situation during the second quarter has continued to be a bit hesitant, but despite this, the Group's companies are performing well. The Product companies had a good quarter, with several of the companies seeing larger sales increases. Niche production continued at a slightly slower pace, with some major customers being a bit more cautious.

Net sales for the first six months increased by 19.3% compared to the same period last year and amounted to SEK 642.8 million (538.9). The growth is mainly explained by completed acquisitions. Organic growth amounted to 1.6%.



Net sales and EBITA margin in percent

In the second quarter, the EBITA margin amounted to 11.4% (12.3).

Profit

EBITA increased in the second quarter by 14.1% to SEK 40.8 million (35.7). Acquisitions contributed 35.7% and FX effects -0.4% of the increase. Organically, EBITA decreased by 21.1%. Most of the decrease was due to unusually high central costs in the quarter, which were mainly due to timing effects, where certain costs were previously not fully accrued, including board fees and bonuses. For the operating companies, EBITA decreased organically by 4.8%.

Operating profit increased by 7.1% compared to the same quarter last year and amounted to SEK 37.5 million (35.0).

The Product companies once again had a strong quarter, with increased sales and higher margins boosting earnings. The Niche producing companies continued to have a more cautious quarter, compared with the same quarter last year, with slightly lower demand and thus reduced margins. During

the period, the parent company has incurred SEK 0.9 million in acquisition costs related to the acquisition of Ojop.

For the first six months of the year, EBITA decreased by 4.5% and amounted to SEK 60.7 million (63.6). The reduced profit is explained by the unusually high costs that the Group has incurred in connection with the IPO in Q1. Listing costs amounted to SEK 7.2 million (0.0) and in addition to this, the Group has had transaction costs of SEK 4.1 million (0.9) for completed acquisitions.

Acquisitions accounted for a 23.3% year-over-year increase and FX effects amounted to -0.2%. EBITA declined organically by 27.5%. EBITA for the operating companies decreased organically by 1.7%. Operating profit decreased by 12.4% compared to the same period last year and amounted to SEK 54.5 million (62.2), including listing costs.

The Product companies first six months showed increased sales and margins which boosted earnings. The Niche producing companies have generally had a weaker period, compared to a very strong period previous year, with slightly lower demand and thus reduced margins.

Net financial items

Net financial items for the second quarter amounted to SEK -11.3 million (-7.9). Net financial items consisted of interest expenses to credit institutions of SEK -7.6 million (-7.3), interest on lease liabilities of SEK -1.4 million (-1.2), interest income of SEK 2.6 million (1.9) and SEK -2.0 million (0.2) of FX effects. Net financial items were affected in the second quarter by revaluation of put/call options of SEK -3.1 million (-1.5). See note 5.

For the first six months of the year, net financial items amounted to SEK -21.2 million (-10.0). Net financial items consisted of interest expenses to credit institutions of SEK -16.7 million (-11.8), interest on lease liabilities of SEK -2.9 million (-2.5), interest income of SEK 4.1 million (3.8) and SEK -1.7 million (0.0) of FX effects. Net financial items are also affected by the revaluation of put/call options of SEK -5.7 million (+0.5). See note 5.

Income tax

For the Group, the weighted tax rate for the second quarter was 39.4% (15.8). The high tax rate was mainly due to the loss in the parent company, where no deferred tax is booked. There is ongoing work within the Group to bring down the tax rate in the long term.

The Group's weighted tax rate for the first six months of the year was 45.9% (31.8).

Cash flow and financial position

Cash flow

Cash flow from operating activities for the quarter amounted to SEK 30.5 million (32.3). The marginal decrease compared with the previous year is mainly a result of slightly higher working capital, where trade receivables in particular have increased. During the quarter, SEK 11.9 million (7.1) was invested in property, plant and equipment and SEK 0.9 million (0.6) in intangible fixed assets. During the quarter, the Swedish company Ojop Sweden AB was acquired, which affected cash flow by SEK -60.2 million. Cash flow from financing activities amounted to SEK -3.6 million (24.5), with the largest item attributable to the over-allotment option in connection with the IPO, which was paid out during the quarter.

Cash flow from operating activities for the first six months of the year amounted to SEK 42.5 million (39.9). The increase compared with the previous year is primarily a result of improved working capital. Cash flow from operating activities for the first six months of the year was affected by the increased costs incurred by the Group in connection with the IPO and the acquisitions that have been carried out. During the period, SEK 18.2 million (10.1) was invested in property, plant and equipment and SEK 1.9 million (1.7) in intangible fixed assets. During the period, two acquisitions and one add-on acquisition were completed, which impacted cash flow by SEK -188.6 million. Cash flow from financing activities amounted to SEK 313.4 million (122.9). The largest impact was the new share issues carried out in connection with the IPO, but also the directed share issue to the owners of Sähkö-Jokinen in connection with the acquisition.

Financial position

Equity at the end of the period amounted to SEK 1,094.8 million (774.5). During the year, new share issues totalling SEK 326.0 million, gross, were carried out. This is divided into new share issues in connection with the IPO, including the over-allotment option, of SEK 287.5 million, a set-off issue of SEK 21.7 million and a directed share issue in connection with the acquisition of Sähkö-Jokinen of SEK 16.8 million. The issue amounts have been reduced by costs related to the issues of SEK -17.3 million. The balance sheet total amounted to SEK 2,069.8 million (1,600.4) and the equity/assets ratio was 52.9% (48.4).

Non-current interest-bearing liabilities amounted to SEK 309.2 million (283.3) and consisted of external loans from credit institutions. Other non-current liabilities consisted of put/call options and earn-outs amounting to SEK 161.4 million (134.4). Non-current lease liabilities amounted to SEK 58.2 million (42.1). Total non-current liabilities totalled SEK 581.0 million (501.8) at the end of the period. The increase in external loans is mainly due to the acquisition of Sähkö-Jokinen. Current interest-bearing liabilities consisted of short-term external loans and overdraft facilities and amounted to SEK 123.3 million (92.8). Current lease liabilities amounted to SEK 31.5 million (26.0).

Cash and cash equivalents at the end of the period amounted to SEK 339.9 million (190.4).

Property, plant and equipment at the end of the period amounted to SEK 234.6 million (224.0).

Right-of-use assets at the end of the period amounted to SEK 87.3 million (65.6). The change in leased assets from the beginning of the year is primarily attributable to acquisitions.

At the end of the period, the Group's goodwill amounted to SEK 696.4 million (554.8). The increase compared to the beginning of the year is attributable to acquisitions. Other intangible non-current assets at the end of the period amounted to SEK 128.3 million (77.8). The increase is attributable to acquisitions.

Acquisition

During the year, three acquisitions were completed. On 10 January, the acquisition of Sähkö-Jokinen "SJ" was completed. On 15 January, Tekniseri completed an add-on acquisition, AB Svenska Maskinsyltfabriken "SMF". During the second quarter, on May 31, the acquisition of Ojop Sweden AB "Ojop" was completed. The acquisition balances for the acquisitions are preliminary as they are within the valuation period. During the period, retroactive adjustments may be made if they reflect new information about the circumstances that existed at the time of acquisition. Acquisition analyses for the acquisitions carried out before 1 January 2024 have now been established, no significant adjustments have been made. For more information, see Note 3.

Other information

Significant risks and uncertainties

The uncertainties that are primarily expected to affect the Group are as follows.

- **Economic activity** – the general industrial economy is expected to have a major impact on the Group as the majority of the companies sell to other manufacturing companies. However, the geographical spread in sales means that dependence on an individual country's economic situation is not decisive.
- **Inflation** – the increased inflation in 2022 and 2023 has resulted in increased raw material prices for the Group's companies. The companies compensate for this through increased prices, which is however happening with some lag.
- **Geopolitical unrest** – the ongoing war against Ukraine and other conflicts have not had any significant impact on the Group's operations. The long-term economic consequences depend on the duration of the war as well as the measures taken by governments, central banks and other authorities.
- **Currencies** – The Group has a certain dependence on the development of the Swedish krona against the leading currencies in that a certain part of costs are paid in SEK while corresponding sales are made in foreign currencies. Therefore, a strengthening of the Swedish krona would affect competitiveness. The primary currency risk consists of translation exposure to EUR in the Finnish subsidiaries.
- **Interest** – the Group is partly financed by external borrowing. A significant increase in interest rates would thus increase financial costs and reduce liquidity.

For more information, please refer to the section Risks and uncertainties on page 3 and Note 20 in the Annual Report for 2023.

Personnel

At the end of the period, the Group had 646 employees (553). The change is mainly due to the recent acquisition of SJ and Ojop.

Number of shares

On the balance sheet date, the share capital of SEK 5.3 million (4.2) consisted of 52,920,992 shares (42,094,039).

Parent company

Operating profit for the second quarter amounted to SEK -10.6 million (-4.8). The operating profit for the first six months of the year was SEK -23.8 million (10.1), the large difference is mostly due to increased costs related to the IPO.

Events after the end of the reporting period

In July, the acquisition of the British precision engineering company NE Engineering was completed. The company has a turnover of approximately GBP 5 million and will be included in the Niche Production business area.

Related party transactions

All transactions between Karnell Group AB (publ) and its subsidiaries have been eliminated in the consolidated financial statements. Fees to the Board of Directors can be found in Note 5 in the Annual Report for 2023. In connection with the IPO, 252,370 warrants were repurchased. The transaction was made on a market basis and on the same terms as applied at the time of the listing.

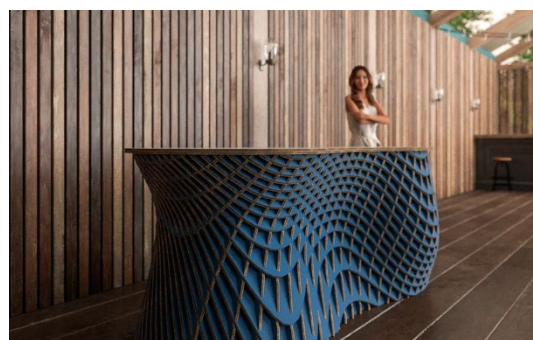
Business area – Product companies

Net sales in the second quarter increased by 45.0% and amounted to SEK 179.1 million (123.5). Acquisitions contributed 41.7% and currency effects -0.2% of the increase. Organically, sales increased by 3.5%, EBITA increased by 102.5% and amounted to SEK 24.2 million (11.9). Acquisitions contributed 87.0% and FX effects -0.3%. Organically, EBITA increased by 15.8%.

The companies in the business area have continued to see some recovery against a weaker 2023. Both Re-Board and VEBE have seen increased sales and margins and have thus increased earnings sharply and Drivex managed to maintain good levels from the previous year. Ojop is included in the result as of June, but still only had a limited contribution to the business area's earnings.

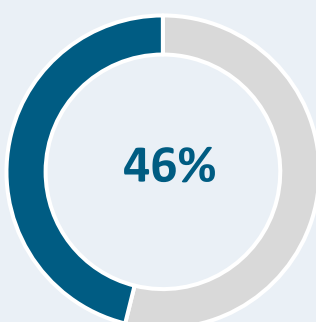
Sales during the first six months of the year increased by 37.2% and amounted to SEK 296.5 million (216.0). Acquisitions contributed 31.9% and currency effects was -0.1% of the increase. Organic sales increased by 5.4%, EBITA increased by 92.2% and amounted to SEK 35.6 million (18.5). Acquisitions contributed 51.5% and FX effects -0.1%. Organically, EBITA increased by 40.9%.

In the business area, there are to some extent seasonal effects, with Rotomon and SJ having their weaker months during the winter and in addition, both are affected by the continued cautious construction sector in Finland, which leads to fierce competition for projects and depressed prices. During the second quarter, some stability has been seen and possibly a beginning of recovery for both Rotomon and SJ. As a counterbalance to this seasonal variation, Drivex, which manufactures tools for snow removal and road maintenance, among other things, has its strongest months during the winter months.



The Product Company business area focuses on B2B industrial technology companies. These are companies that develop, own the rights and have a unique product offering. The business area consists of eight business units.

Share of Group sales



MSEK	Q2			Jan-Jun		
	2024	2023	Δ	2024	2023	Δ
Net sales	179.1	123.5	45%	296.5	216.0	37%
EBITA	24.2	11.9	102%	35.6	18.5	92%
EBITA margin	13.5%	9.7%	-	12.0%	8.6%	-

MSEK	R12	Jan-Dec
	Jul-Jun	2023
Net sales	537.6	457.2
EBITA	68.1	51.0
EBITA margin	12.7%	11.2%

Companies in the business area as of June 30, 2024



Business area – Niche manufacturers

Net sales increased in the second quarter by 6.1% and amounted to SEK 178.1 million (167.8), of which organic change accounted for -1.2%. Acquisitions and FX effects contributed 7.7% and -0.4%, respectively. EBITA decreased by 5.6% during the quarter and amounted to SEK 27.8 million (29.4). Organically, EBITA decreased by 13.2%, acquisitions contributed positively by 8.0% and currency by -0.4%.

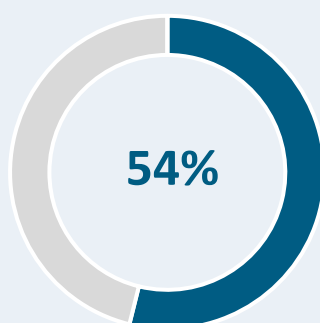
Last year's second quarter was a very strong quarter with several of the companies reporting record sales and margins. The second quarter of this year generally showed slightly lower activity but continued with good profitability. During the quarter, several of the companies saw continued lower activity among major industrial customers compared to before, which has led to slightly lower sales and some margin pressure. Tekniseri has also seen weaker demand in the Chinese market during the quarter.

During the first six months of the year, sales increased by 7.3% and amounted to SEK 346.4 million (322.8), of which the organic change accounted for -0.9%. Acquisitions and FX effects contributed 8.5% and -0.3%, respectively. EBITA decreased by 6.6% during the first six months of the year and amounted to SEK 52.8 million (56.5). Organically, EBITA decreased by 15.7%, acquisitions contributed positively by 9.3% and FX effects impacted -0.3%.



The Niche Manufacturers business area focuses on companies that are market leaders in producing products in their niche area. Often, our companies work closely with the customers' development department and add value in the development of the product. Niche production consists of five business units.

Share of Group sales



MSEK	Q2			Jan-Jun		
	2024	2023	Δ	2024	2023	Δ
Net sales	178.1	167.8	6%	346.4	322.8	7%
EBITA	27.8	29.4	-6%	52.8	56.5	-7%
EBITA margin	15.6%	17.5%	-	15.2%	17.5%	-

MSEK	R12	Jan-Dec
	Jul-Jun	2023
Net sales	669.5	646.0
EBITA	113.7	117.5
EBITA margin	17.0%	18.2%

Companies in the business area as of June 30, 2024

K O N E P A J A
TIMEKA

SIMFAS

KLMechanics

P *Plalite Limited*

Tekniseri

Certification by the Board of Directors and the CEO

The undersigned declares that the interim report provides a true and fair overview of the Group's and the Parent Company's operations, financial position and results, and describes the significant risks and uncertainties faced by the Parent Company and the companies that are part of the Group.

The report has not been subject to the auditors' review.

Stockholm, August 16 2024

Patrik Rignell
Chairman

Per Nordgren
Board member

Dajana Mirborn
Board member

Hans Karlander
Board member

Helena Nordman - Knutson
Board member

Lena Wäppling
Board member

Petter Moldenius
CEO

Consolidated income statement in summary

MSEK	Note	Q2		Jan-Jun		LTM	Jan-Dec
		2024	2023	2024	2023	Jul-Jun	2023
Net sales	2	357.2	291.3	642.8	538.9	1,207.2	1,103.3
Other operating revenue		1.1	11.4	3.4	12.8	-0.8	8.6
Total income		358.3	302.7	646.2	551.8	1,206.4	1,111.9
Change in inventories		-5.7	-1.1	6.6	7.8	5.7	6.9
Raw materials and consumables		-145.4	-162.4	-283.3	-293.5	-474.9	-485.1
Employee benefits expense		-113.9	-63.3	-195.1	-121.6	-396.7	-323.2
Other external expenses		-36.5	-27.7	-82.0	-56.2	-147.7	-121.9
Depreciation and amortisation of property, plant and equipment		-8.6	-6.7	-17.1	-13.2	-32.6	-28.7
Depreciation and amortisation of right-to-use assets		-7.3	-5.8	-14.6	-11.4	-26.5	-23.2
Depreciation and amortisation of intangible assets		-3.3	-0.7	-6.3	-1.4	-8.9	-4.1
Operating income		37.5	35.0	54.5	62.2	124.9	132.6
Net financial items	5	-11.3	-7.9	-21.2	-10.0	-34.3	-23.1
Profit/loss before tax		26.2	27.1	33.3	52.2	90.6	109.5
Tax on profit/loss for the period		-10.3	-4.3	-15.3	-16.6	-30.8	-32.1
Profit/loss for the period		15.8	22.8	18.0	35.6	59.8	77.4
Earnings per share, SEK							
- before dilution		0.30	0.55	0.38	0.88	1.33	1.88
- after dilution		0.29	0.54	0.36	0.85	1.29	1.81

Consolidated comprehensive income report in summary

MSEK	Q2		Jan-Jun		LTM	Jan-Dec
	2024	2023	2024	2023	Jul-Jun	2023
Profit/loss for the period	15.8	22.8	18.0	35.6	59.8	77.4
Items that may be reversed to the statement of income						
Translation differences	-7.5	22.4	15.9	27.9	-15.2	-3.2
Other comprehensive income	-7.5	22.4	15.9	27.9	-15.2	-3.2
Total comprehensive income for the year	8.4	45.2	33.9	63.5	44.6	74.2

Consolidated statement of Financial Position in summary

MSEK	Note	30 Jun 2024	30 Jun 2023	31 Dec 2023
Fixed assets				
Intangible fixed assets	3	824.7	552.6	632.6
Right of use asset		87.3	73.7	65.6
Property plant and equipment		234.6	198.9	224.0
Other financial assets	4	4.6	5.8	4.8
Total non-current assets		1,151.3	831.0	927.0
Current assets				
Inventories		301.9	212.7	251.6
Accounts receivable	4	244.4	186.2	211.1
Other current receivables		22.7	10.7	11.7
Prepaid expenses and accrued income		9.6	6.9	8.6
Cash and cash equivalents	4	339.9	269.0	190.4
Total current assets		918.5	685.6	673.4
Total assets		2,069.8	1,516.6	1,600.4
Equity				
Deferred tax asset		47.4	13.9	37.4
Provisions		4.8	3.1	4.6
Non-current interest-bearing liabilities	4	309.2	256.8	283.3
Other non-current liabilities	4	161.4	111.8	134.4
Non-current leasing liabilities		58.2	49.8	42.1
Total non-current liabilities		581.0	435.4	501.8
Current liabilities				
Current interest-bearing liabilities	4	123.3	120.7	92.8
Trade payables	4	92.2	76.6	79.1
Contract liabilities	4	15.0	3.3	20.8
Current tax liabilities		11.5	1.4	4.9
Current leasing liabilities		31.5	26.8	26.0
Other current liabilities		63.4	47.0	41.4
Accrued expenses and prepaid income		57.0	53.0	59.1
Total current liabilities		393.9	328.7	324.1
Total equity and liabilities		2,069.8	1,516.6	1,600.4

Consolidated statement of changes in equity in summary

MSEK	Share capital	Other contributed capital	Translation reserve	Retained earnings incl. this year's profit/loss	Total equity
Opening balance, equity 1 Jan 2024	4.2	677.4	16.0	76.9	774.5
Net profit for the year				18.0	18.0
year			15.8		15.8
Comprehensive income for the year			15.8	18.0	33.9
New share issue	1.1	324.9			326.0
Issue costs		-17.3			-17.3
Option premiums		2.2			2.2
Repurchase warrants				-24.5	-24.5
Closing balance, equity 30 Jun 2024	5.3	987.3	31.8	70.5	1,094.8

MSEK	Share capital	Other contributed capital	Translation reserve	Retained earnings incl. this year's profit/loss	Total equity
Opening balance, equity 1 Jan 2023	3.7	567.6	19.1	-0.5	590.0
Net profit for the year				35.6	35.6
Other comprehensive income for the year			27.9		27.9
Comprehensive income for the year			27.9	35.6	63.5
New share issue	0.4	102.9			103.4
Issue costs		-4.3			-4.3
Closing balance, equity 30 Jun 2023	4.1	666.2	47.0	35.1	752.5

Consolidated cash flow statement in summary

MSEK	Not Note	Q2		Jan-Jun		LTM	Jan-Dec
		2024	2023	2024	2023	Jul-Jun	2023
Operating activities							
Operating profit (EBIT)		37.5	35.0	54.5	62.2	124.9	132.6
Adjustments for non-cash items		21.6	16.8	38.5	33.3	69.6	64.4
Interest received		2.6	-1.4	4.1	0.5	11.3	7.7
Interest paid		-9.0	-8.4	-19.6	-14.3	-33.4	-28.1
Paid tax		-4.6	-14.2	-16.9	-20.0	-30.6	-33.7
Cash flow before changes in working capital		48.2	27.8	60.4	61.6	141.7	143.0
Changes in working capital							
Changes in inventories		20.6	3.3	-4.4	-22.8	2.9	-15.5
Changes in trade receivables		-34.5	5.4	-13.1	-6.2	-27.6	-20.7
Change in other operating receivables		-8.7	1.3	-4.7	8.3	-7.8	5.2
Change in trade payables		-7.4	-2.3	-2.4	2.1	-1.6	2.9
Change in other operating liabilities		12.2	-3.2	6.7	-3.1	27.6	17.8
Cash flow from changes in working capital		-17.7	4.5	-17.9	-21.8	-6.4	-10.2
Cash flow from operating activities		30.5	32.3	42.5	39.9	135.3	132.8
Investing activities							
Acquisition of subsidiaries	3	-60.2	-3.1	-188.6	-31.2	-319.7	-162.3
Investments in intangible assets		-0.9	-0.6	-1.9	-1.7	-4.5	-4.3
Investments in property, plant and equipment		-11.9	-7.1	-18.2	-10.1	-30.3	-22.2
Divestments of tangible assets		-0.0	-	0.5	-	0.8	0.3
Changes in other financial assets		-0.2	-	-0.2	-	-0.8	-0.6
Cash flow from investing activities		-73.3	-10.7	-208.5	-43.0	-354.7	-189.2
Financing activities							
Borrowings		-	43.9	82.0	386.7	123.0	427.8
Loan repayments		-	-12.5	-26.0	-349.1	-50.5	-373.6
Loan repayments, leasing		-7.6	-6.9	-14.7	-13.7	-24.3	-23.4
Change in current credit facility		-29.9	-	-10.5	-	-37.8	-27.3
New share issue		35.4	-	287.0	99.0	298.3	110.3
Warrants		2.2	-	-0.5	-	-0.5	-
Cash-settled put/call options and earn-outs		-3.8	-	-3.8	-	-20.2	-16.4
Cash flow from financing activities		-3.6	24.5	313.4	122.9	288.0	97.5
Cash flow for the period		-46.4	46.1	147.4	119.9	68.7	41.2
Cash and cash equivalents at the beginning of the period		387.1	222.9	190.4	148.7	269.0	148.7
equivalents		-0.8	-0.0	1.9	0.5	2.1	0.7
Cash and cash equivalents at the end of the period		339.9	269.0	339.9	269.0	339.9	190.4

Summary of the Parent Company's income statement

MSEK	Q2		Jan-Jun		LTM	Jan-Dec
	2024	2023	2024	2023	Jul-Jun	2023
Net sales	0.7	0.7	1.3	1.3	2.4	2.4
Other operating revenue	0.0	1.5	0.0	1.5	-1.4	0.1
Total income	0.7	2.2	1.3	2.9	1.1	2.6
Operating costs						
Employee benefits expense	-8.1	-4.4	-12.8	-8.8	-18.9	-14.9
Other external expenses	-3.1	-2.5	-12.3	-4.0	-22.7	-14.5
Depreciation of tangible and intangible fixed assets	-0.0	-0.0	-0.1	-0.1	-0.2	-0.2
Other operating expenses	-0.0	-0.0	-0.1	-0.0	-0.0	-0.0
Operating income	-10.6	-4.8	-23.8	-10.1	-40.8	-27.1
Profit/loss from financial items						
Other interest income and similar profit/loss items	21.1	9.1	32.7	11.2	54.5	33.0
Interest expenses and similar profit/loss items	-14.4	-6.6	-23.1	-6.6	-36.2	-19.7
Profit/loss after financial items	-3.9	-2.3	-14.2	-5.5	-22.5	-13.7
Tax on profit/loss for the period	-	-	-	-	-	-
Profit/loss after tax	-3.9	-2.3	-14.2	-5.5	-22.5	-13.7

Profit for the period is in line with the comprehensive income for the period.

Summary of the Parent Company's Financial Position Report

MSEK	30 Jun 2024	30 Jun 2023	31 Dec 2023
Fixed assets			
Intangible fixed assets	0.2	0.3	0.2
Property plant and equipment	0.2	0.3	0.2
Shares in subsidiaries	724.6	454.2	644.2
Non-current receivables from subsidiaries	434.3	399.6	330.9
Total non-current assets	1,159.3	854.3	975.5
Current assets			
Accounts receivable	-	-	-
Current receivables from subsidiaries	0.6	3.6	0.6
Other current receivables	2.1	0.4	0.9
Prepaid expenses and accrued income	4.3	2.0	0.4
Cash and cash equivalents	204.1	147.9	85.3
Total current assets	211.1	153.8	87.2
Total assets	1,370.4	1,008.1	1,062.7
Equity			
Restricted equity	5.3	4.1	4.2
Non-restricted equity	847.7	572.4	576.5
Total equity	852.9	576.6	580.7
Non-current liabilities			
Liabilities to credit institutions	302.7	255.7	276.4
Non-current liabilities to Group companies	-	-	6.1
Other non-current liabilities	130.7	79.3	115.9
Current liabilities			
Liabilities to credit institutions	76.0	91.8	76.7
Trade payables	2.8	1.7	2.7
Other current liabilities	2.4	1.5	0.9
Accrued expenses and prepaid income	2.9	1.7	3.2
Total liabilities	517.5	431.6	482.0
Total equity and liabilities	1,370.4	1,008.1	1,062.7

Notes

This quarterly report covers the Swedish parent company Karnell Group AB (publ), corporate identity number 559043-3214, hereinafter referred to as Karnell, with its registered office in Stockholm, Sweden, and its subsidiaries (the consolidated financial statements). The address of the head office is Riddargatan 13D, 114 51 Stockholm. Its main business is to conduct investment activities.

Note 1. Accounting principles

Karnell's consolidated financial statements are prepared in accordance with International Financial Reporting Standards (IFRS) and related interpretations (IFRIC), as adopted by the EU. The Group's interim report has been prepared in accordance with applicable parts of the Annual Accounts Act and IAS 34 Interim reporting. The interim report for the parent company has been prepared in accordance with Chapter 9 of the Annual Accounts Act, Interim Report.

For the Group and the Parent Company, the same accounting principles, calculation bases and assessments have been applied as in the last annual report.

A more detailed description of the Group's applied accounting principles and new and future standards can be found in the most recently published Annual Report.

Disclosures pursuant to IAS 34.16A appear, except in the financial statements and their related notes in the interim information, on pages 4 to 8 which form an integral part of this financial statement.

All amounts in this report are stated in millions of Swedish kronor (SEKm) unless otherwise stated. Rounding may occur in tables and counts, which means that the total amounts given are not always an exact sum of the rounded partial amounts.

Note 2. Segments and distribution of net sales

MSEK	Q2		Jan-Jun		Jan-Dec
	2024	2023	2024	2023	2023
Product companies	179.1	123.5	296.5	216.0	457.2
Sale of products	150.2	105.2	255.0	187.5	403.5
Project sales	20.9	12.0	28.8	16.8	25.9
Sale of services	8.0	6.3	12.6	11.7	27.8
Niche production	178.1	167.8	346.4	322.8	646.0
Sale of products	178.1	167.8	346.4	322.8	646.0
Project sales	-	-	-	-	-
Sale of services	-	-	-	-	-
Central and eliminations	0.0	0.0	0.0	0.1	0.1
Total Group	357.2	291.3	642.8	538.9	1,103.3

Net sales are attributable to external income from agreements with customers. Sales of services are recognised as revenue over time, other income is recognised at one point in time.

Note 2. Segments and distribution of net sales, continued

Nets sales by geographic area

MSEK	Q2		Jan-Jun		Jan-Dec
	2024	2023	2024	2023	2023
Sweden	73.3	52.6	157.8	115.3	245.3
Finland	199.7	184.7	335.6	328.9	635.2
UK	15.0	2.3	30.3	3.8	7.4
Europe, other	47.9	41.0	86.1	72.9	170.9
Other countries	21.3	10.7	33.0	18.0	44.4
Total	357.2	291.3	642.8	538.9	1,103.3

Net sales are based on where the customer is located.

Q2 2024 (MSEK)	Product			Total Group
	companies	Niche production	HQ and other	
Net sales	179.1	178.1	0.0	357.2
EBITA	24.2	27.8	-11.2	40.8
Depreciation and amortisation of intangible fixed assets	-	-	-	-3.3
Net financial items				-11.3
Profit/loss before tax				26.2

Q2 2023 (MSEK)	Product			Total Group
	companies	Niche production	HQ and other	
Net sales	123.5	167.8	0.0	291.3
EBITA	11.9	29.4	-5.6	35.7
Depreciation and amortisation of intangible fixed assets	-	-	-	-0.7
Net financial items				-7.9
Profit/loss before tax				27.1

Jan-Jun 2024 (MSEK)	Product			Total Group
	companies	Niche production	HQ and other	
Net sales	296.5	346.4	-	642.8
EBITA	35.6	52.8	-27.7	60.7
Depreciation and amortisation of intangible fixed assets	-	-	-	-6.3
Net financial items				-21.2
Profit/loss before tax				33.3

Jan-Jun 2023 (MSEK)	Product			Total Group
	companies	Niche production	HQ and other	
Net sales	216.0	322.8	0.1	538.9
EBITA	18.5	56.5	-12.7	63.6
Depreciation and amortisation of intangible fixed assets	-	-	-	-1.4
Net financial items				-10.0
Profit/loss before tax				52.2

Note 3. Acquisitions

Sähkö-Jokinen

On 9 January 2024, Karnell completed the acquisition of Sähkö-Jokinen Oy ("SJ"), which was acquired to 91.9%. The acquisition includes a put/call option that entails a right and an obligation to acquire the remaining 8.1% of the shares from other owners. Hence, the acquisition is reported at 100% without any non-controlling interest. The expected purchase price for the remaining 8.1% is reported as a liability.

SJ is a leading manufacturer of outdoor lighting, located in Noormarkku, Finland. The company has sales of approximately EUR 8.5 million and will belong to the Product Companies business area.

The acquired goodwill is attributable to the companies' expected future earnings capacity and the competence of the personnel. No part of the goodwill is expected to be tax deductible. Transaction costs for the acquisition amount to approximately SEK 2.8 million, a large part of which is attributable to transfer tax, and is included in the item Other external costs in the Group's income statement. In addition to the cash consideration, there is also a performance-based earn-out amounting to a maximum of EUR 2.4 million.

Ojop

On May 31, Karnell completed the acquisition of Ojop Sweden AB, which was acquired to 90.1%. The acquisition includes a call/put option that entails a right and an obligation to acquire the remaining 9.9% of the shares from other owners. Hence, the acquisition is reported at 100% without any non-controlling interest. The expected purchase price for the remaining 9.9% is reported as a liability.

Ojop offers approximately 300 different eccentric locks under four brands that are aimed at both OEMs and end users in Sweden and internationally. The company has 20 employees and customers in some 50 countries.

During the last financial year, Ojop had sales of approximately SEK 50 million with good profitability. Ojop will be part of the Product Companies business area.

The acquired goodwill is attributable to the companies' expected future earnings capacity and the competence of the personnel. No part of the goodwill is expected to be tax deductible. Transaction costs for the acquisition amount to approximately SEK 0.9 million, and are included in the item Other external costs in the Group's income statement. In addition to the cash consideration, there is also a performance-based earn-out amounting to a maximum of SEK 25.7 million.

Add-on acquisitions 2024

SMF

On January 15, Tekniseri completed a minor add-on acquisition of AB Svenska Maskinsyltfabriken, in Linköping ("SMF"). SMF provides industrial customers with signs, decals and panels, in metal and plastic.

The acquisition of SMF has led to negative goodwill in the acquisition analysis. This has been recognised as Other financial income in the Group's income statement. Transaction costs for the acquisition amount to approximately SEK 0.4 million and are included in the item Other external costs in the Group's income statement. In addition to the cash consideration, there is also a performance-based earn-out of a maximum of SEK 1.5 million.

Acquisition analyses 2024

MSEK	Sähkö-Jokinen	OJOP
Intangible fixed assets	0.6	0.1
Property plant and equipment	31.1	7.7
Inventories	24.7	13.4
Current receivables	8.7	5.0
Cash and cash equivalents	6.5	0.7
Non-current liabilities	-23.0	-6.1
Current liabilities	-15.0	-5.5
Net identifiable assets and liabilities	33.6	15.3
Cash purchase price	134.7	60.9
Contingent liability	-	4.1
Put/call option	10.7	7.3
Total purchase price	145.4	72.2
Net assets acquired	33.6	15.3
Customer relationships	30.4	21.5
Deferred tax asset	-6.1	-4.4
Goodwill	87.4	39.9
	145.4	72.2
Impact on the Group's cash and cash equivalents		
Cash compensation	-134.7	-60.9
Acquired cash and cash equivalents	6.5	0.7
Net cash and cash equivalents	-128.2	-60.2

MSEK	Sähkö-Jokinen	OJOP
Impact after acquisition date included in consolidated earnings		
Net sales	35.4	3.8
Operating profit	3.2	-0.5
Impact if the acquisitions were completed on Jan 1		
Net sales	35.4	25.8
Operating profit	3.2	3.9

Add-on acquisition Analysis

MSEK	SMF
Property plant and equipment	1.9
Inventories	3.3
Current receivables	6.6
Cash and cash equivalents	0.0
Current liabilities	-9.1
Net identifiable assets and liabilities	2.8
Cash purchase price	0.3
Contingent liability	0.7
Total purchase price	0.9
Net assets acquired	2.8
Negative goodwill	-1.8
	0.9
Impact on the Group's cash and cash equivalents	
Cash compensation	-0.3
Acquired cash and cash equivalents	0.0
Net cash and cash equivalents	-0.2

Note 4. Financial assets and liabilities

30 Jun 2024 (MSEK)	Financial assets and liabilities measured at fair value through profit/loss	Financial assets and liabilities measured at amortised cost	Total fair value
Financial assets			
Non-current receivables	-	0.9	0.9
Accounts receivable	-	244.4	244.4
Cash and cash equivalents	-	339.9	339.9
Total	-	585.2	585.2
Financial liabilities			
Liabilities to credit institutions	-	432.5	432.5
Other non-current liabilities	-	-	-
Trade payables	-	92.2	92.2
Contract liabilities	-	15.0	15.0
Contingent liabilities	41.2	-	41.2
Put/call options attributable to non-controlling interests	120.2	-	120.2
Total	161.4	539.7	701.2

30 Jun 2023 (MSEK)	Financial assets and liabilities measured at fair value through profit/loss	Financial assets and liabilities measured at amortised cost	Total fair value
Financial assets			
Non-current receivables	-	0.6	0.6
Accounts receivable	-	186.2	186.2
Cash and cash equivalents	-	269.0	269.0
Total	-	455.9	455.9
Financial liabilities			
Liabilities to credit institutions	-	377.5	377.5
Other non-current liabilities	-	-	-
Trade payables	-	76.6	76.6
Contract liabilities	-	3.3	3.3
Contingent liabilities	33.4	-	33.4
Put/call options attributable to non-controlling interests	80.8	-	80.8
Total	114.1	457.4	571.5

The carrying amount is considered a good approximation of the fair value. For the period 2024, there are two items measured at fair value in the income statement. The fair value of contingent liabilities (earn-outs) has been calculated based on the expected outcome of financial and operational targets for each individual agreement. The estimated expected adjustment will vary over time depending on, among other things, the degree of fulfilment of the conditions for the contingent earn-outs and the development of certain exchange rates against the Swedish krona. Contingent liabilities classified as financial liabilities are measured at fair value. The measurement is therefore in accordance with level 3 in the valuation hierarchy. Significant unobservable input information consists of forecasted sales and a risk-adjusted discount rate as well as operational targets.

The put/call options for non-controlling interests apply to put/call options in completed transactions where the selling shareholder retains a certain ownership in connection with subsequent transactions and there is an agreement that Karnell will buy the remaining holdings if the owner of the put/call option chooses to exercise the right to sell. The

valuation and payment are made in a similar manner as for contingent liabilities (Level 3 Fair Valuation). The fair value of the put/call options in respect of non-controlling interests has been calculated by assessing the likely outcome of the financial and operational targets for each individual agreement. The estimated probability of payment will vary over time depending on, among other things, the extent to which conditions for the put/call options have been met, as well as how exchange rates develop.

The levels available are as follows:

- **Level 1:** Financial instruments are valued according to prices quoted on an active market.
- **Level 2:** Financial instruments are valued on the basis of directly or indirectly observable market data and are not included in Level 1.
- **Level 3:** Financial instruments are valued based on inputs that are not observable in the market.

Reconciliation of put/call options and earn-outs

Changes in put/call options, MSEK

Opening balance, Jan 1 2024	97.0
Additional put/call options	18.4
Settled liabilities during the period	-3.8
Revaluations through profit/loss	5.7
Exchange rate differences	0.6
Closing balance, Jun 30 2024	117.9

Changes in earn-outs, MSEK

Opening balance, Jan 1 2024	37.4
Additional earn-outs	4.8
Settled liabilities during the period	-
Revaluations through profit/loss	-
Exchange rate differences	1.4
Closing balance, Jun 30 2024	43.6

Note 5. Net financial items

MSEK	Q2		Jan-Jun	
	2024	2023	2024	2023
Financial income				
Other interest income and similar items	2.6	1.9	4.1	3.8
Revaluation of put/call options	-	-	-	0.5
Exchange gains	4.6	0.2	7.6	-
Negative goodwill	-	-	1.8	-
Financial expenses				
Other interest expenses and similar items	-7.6	-7.3	-16.7	-11.8
Interest expenses leasing	-1.4	-1.2	-2.9	-2.5
Exchange losses	-6.6	-	-9.3	-
Revaluation of put/call options	-3.1	-1.5	-5.7	-
Net financial items	-11.3	-7.9	-21.2	-10.0

Key figures – Group

MSEK	Q2		Jan-Jun		LTM	Jan-Dec
	2024	2023	2024	2023	Jul-Jun	2023
Net sales	357.2	291.3	642.8	538.9	1,207.2	1,103.3
EBITDA ¹	56.7	48.2	92.4	88.2	192.8	188.6
EBITA ¹	40.8	35.7	60.7	63.6	133.8	136.7
EBITA margin, % ¹	11.4%	12.3%	9.4%	11.8%	11.1%	12.4%
EBITA growth, % ¹	14.1%	165.1%	-4.5%	67.5%	-	390.1%
Operating profit (EBIT)	37.5	35.0	54.5	62.2	124.9	132.6
EBIT margin, %	10.5%	12.0%	8.5%	11.5%	10.3%	12.0%
Profit/loss before tax	26.2	27.1	33.3	52.2	90.6	109.5
Cash flow from operating activities	30.5	32.3	42.5	39.9	135.3	132.8
Earnings per share before dilution (SEK)	0.30	0.55	0.38	0.88	1.33	1.88
Earnings per share after dilution (SEK)	0.29	0.54	0.36	0.85	1.29	1.81
Return on equity (LTM) ¹	-	-	-	-	6.5%	10.4%
Return capital employed (LTM) ¹	-	-	-	-	10.8%	13.0%
Equity ratio, % ¹	52.9%	49.6%	52.9%	49.6%	52.9%	48.4%
Net debt ¹	182.4	185.0	182.4	185.0	182.4	253.7
Net debt excl. leasing ¹	92.6	108.4	92.6	108.4	92.6	185.6
Net debt/EBITDA LTM ¹	-	-	-	-	0.9	1.3
Net debt excl. leasing/EBITDA LTM excl. leasing ¹	-	-	-	-	0.6	1.2
Number of employees, closing day	646	542	646	542	646	553
Average number of shares ('000)	52,782	41,431	47,912	40,526	44,805	41,133
Average number of shares. diluted ('000)	54,202	42,537	49,407	41,761	46,300	42,684

1) The key figure is an alternative key figure in accordance with ESMA's guidelines

Net sales and EBITA by quarter

KSEK	Q2 2024	Q1 2024	Q4 2023	Q3 2023	Q2 2023	Q1 2023	Q4 2022	Q3 2022	Q2 2022
Net sales									
Product companies	179.1	117.4	137.5	103.7	123.5	92.5	119.8	111.3	122.4
Niche production	178.1	168.3	166.9	156.2	167.8	155.1	146.3	111.1	111.2
Central and eliminations	0.0	0.0	0.0	0.1	0.0	0.0	0.0	0.0	0.0
Total Group	357.2	285.6	304.4	260.0	291.3	247.6	266.1	222.4	233.6
EBITA									
Product companies	24.2	11.4	18.6	14.0	11.9	6.6	17.7	18.7	17.2
Niche production	27.8	25.0	28.6	32.3	29.4	27.1	22.3	13.5	16.0
Central and eliminations	-11.2	-16.5	-11.9	-8.5	-5.6	-5.8	-7.2	-4.8	-8.8
Total Group	40.8	20.0	35.3	37.8	35.7	27.9	32.8	27.4	24.4
EBITA margin, %									
Product companies	13.5	9.7	13.5	13.5	9.7	7.1	14.8	16.8	14.1
Niche production	15.6	14.9	17.1	20.7	17.5	17.5	15.2	12.2	14.4
Total Group	11.4	7.0	11.6	14.5	12.3	11.3	12.3	12.3	10.4

Definitions

Net sales growth:

Change in the Group's net sales compared to the comparison period. The purpose is to show the total growth in net sales for all Group companies that are part of the Group in relation to the comparison period.

Organic net sales growth:

Change in net sales adjusted for currency effects and net sales acquired and divested, compared to the same period last year. Acquired companies are included in organic growth from the time they have comparative figures for the period in question. The purpose is to analyse the underlying net sales growth in current operations.

EBITA growth:

Change in EBITA compared to the same period last year. The purpose is to analyse the growth in earnings.

Organic EBITA growth:

Change in EBITA adjusted for exchange rate effects and acquired and divested EBITA, compared to the same period last year. Acquired companies are included in organic growth from the time they have comparative figures for the period in question. The purpose is to analyse the underlying earnings growth in current operations.

EBITDA:

Operating profit before depreciation. EBITDA is a complement to operating profit. The purpose is to measure the result from operating activities, regardless of depreciation.

EBITDA excl. leasing:

Operating profit before depreciation adjusted for the reversal of leasing expenses in accordance with IFRS 16. EBITDA excl. leases is a complement to operating profit. The purpose is to measure the result of operating activities, regardless of depreciation and adjustments for leasing in accordance with IFRS 16.

EBITA:

Operating profit before amortization of intangible non-current assets. EBITA is a complement to operating profit. The purpose is to measure the underlying result from operating activities, excluding depreciation and amortization of intangible assets.

Return on equity (LTM):

Net profit for the year as a percentage of average equity (opening balance plus closing balance for the period, divided by two). The purpose is to show the return on the shareholders' invested capital during the period.

Return on capital employed (LTM):

Profit after financial items plus financial expenses as a percentage of average capital employed (opening balance plus closing balance for the period, divided by two). The purpose is to demonstrate the profitability of the business in relation to its capital employed.

EBIT margin:

Operating profit (EBIT) as a percentage of net sales. The purpose is to give an indication of profitability in relation to sales.

EBITA margin:

EBITA as a percentage of net sales. The purpose is to demonstrate the operational profitability of the business regardless of depreciation and amortization of intangible fixed assets.

Net debt:

Non-current interest-bearing liabilities, non-current lease liabilities, current interest-bearing liabilities and current lease liabilities decreased by cash and cash equivalents. The purpose is to clarify how large the debt is minus current cash and cash equivalents (which in theory could be used to amortize loans).

Net debt excl. leasing:

Non-current interest-bearing liabilities, current interest-bearing liabilities reduced by cash and cash equivalents. The purpose is to assess the Group's debt, without taking into account lease liabilities, as these have a different maturity structure.

Capital employed:

Balance sheet total reduced by non-interest-bearing provisions and liabilities. The purpose is to show the capital financed by owners and lenders.

Equity ratio:

Equity as a percentage of total assets. The purpose is to assess financial risk and shows what proportion of the assets are financed with equity.

Net debt/EBITDA LTM:

Net debt divided by EBITDA for the last twelve-month period. The key figure is relevant for assessing the company's ability to make investments and live up to its financial commitments.

Net debt excl. leasing/EBITDA LTM excl. leasing:

Net debt excl. lease liabilities divided by EBITDA excl. leases for the most recent twelve-month period. The ratio provides an indication of the Group's ability to service its debts, excluding items related to IFRS 16, leasing.

Reconciliation and calculation of alternative performance measures (APM)

Karnell uses financial measures that are not defined in IFRS but are so-called alternative performance measures (APMs). These KPIs provide the reader with complementary data and facilitate further analysis of the group's performance over time. Below are reconciliations and an account of sub-

components included in the alternative performance measures used in this report. Reconciliation is made against the most directly reconcilable item, subtotal, or total stated in the financial statements for the corresponding period.

EBITDA, EBITA and EBIT

MSEK	Q2		Jan-Jun		LTM	Jan-Dec
	2024	2023	2024	2023	Jul-Jun	2023
EBITDA	56.7	48.2	92.4	88.2	192.8	188.6
Depreciation and amortization	-16.0	-12.5	-31.7	-24.6	-59.0	-52.0
EBITA	40.8	35.7	60.7	63.6	133.8	136.7
Depreciation and amortisation of intangible assets	-3.3	-0.7	-6.3	-1.4	-8.9	-4.1
Operating profit (EBIT)	37.5	35.0	54.5	62.2	124.9	132.6

EBITA margin and operating margin

MSEK	Q2		Jan-Jun		LTM	Jan-Dec
	2024	2023	2024	2023	Jul-Jun	2023
Net sales	357.2	291.3	642.8	538.9	1,207.2	1,103.3
EBITA	40.8	35.7	60.7	63.6	133.8	136.7
EBITA margin, %	11.4%	12.3%	9.4%	11.8%	11.1%	12.4%
Operating profit (EBIT)	37.5	35.0	54.5	62.2	124.9	132.6
Operating margin, %	10.5%	12.0%	8.5%	11.5%	10.3%	12.0%

Organic net sales growth, %

MSEK, %	Q2				Jan-Jun			
	2024		2023		2024		2023	
Growth net sales	65.9	22.6%	57.7	24.7%	103.9	19.3%	147.3	37.6%
Net sales	357.2	-	291.3	-	642.8	-	538.9	-
Acquired net sales growth	64.4	22.1%	35.1	15.0%	96.4	17.9%	104.7	26.7%
Net exchange rate effects	-0.9	-0.3%	13.4	5.7%	-1.1	-0.2%	21.1	5.4%
Organic net sales growth	2.3	0.8%	9.2	4.0%	8.6	1.6%	21.5	5.5%

Net debt

MSEK	Q2		Jan-Jun		LTM	Jan-Dec
	2024	2023	2024	2023	Jul-Jun	2023
Interest-bearing liabilities	432.5	377.5	432.5	377.5	432.5	376.0
Cash and cash equivalents	339.9	269.0	339.9	269.0	339.9	190.4
Net debt excl. leasing	92.6	108.4	92.6	108.4	92.6	185.6
Lease liabilities	89.8	76.6	89.8	76.6	89.8	68.1
Net debt	182.4	185.0	182.4	185.0	182.4	253.7

Net debt/EBITDA LTM

MSEK	LTM	Jan-Dec
	Jul-Jun	2023
Net debt	182.4	253.7
EBITDA	192.8	188.6
Net debt/EBITDA LTM	0.9	1.3

Net debt excl. leasing/EBITDA LTM excl. leasing

MSEK	LTM	Jan-Dec
	Jul-Jun	2023
Net debt	92.6	185.6
EBITDA	192.8	188.6
Leasing impact EBITDA	-31.4	-27.6
EBITDA LTM excl. leasing	161.4	161.0
Net debt excl. leasing/ EBITDA LTM excl. leasing	0.6	1.2

Return on equity (LTM)

MSEK	LTM	Jan-Dec
	Jul-Jun	2023
Profit/loss for the period	59.8	77.4
Equity	923.6	740.9
Return on equity	6.5%	10.4%

Return on capital employed (LTM)

MSEK	LTM	Jan-Dec
	Jul-Jun	2023
Profit/loss after financial items	90.1	109.5
Financial expenses (+)	-62.7	-41.8
Profit after financial items plus financial expenses	152.8	151.3
Balance sheet total	1,793.2	1,522.2
Non-interest-bearing liabilities (-)	346.9	327.0
Non-interest-bearing provisions (-)	34.6	30.4
Capital employed	1,411.7	1,164.9
Return on capital employed. %	10.8%	13.0%

Financial calendar

Interim report Q3 2024

8 November 2024

Year-end report 2024

18 February 2025



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