

Momentum Group

Year-end report | 1 January–31 December, 2023



Q4 23

Stable conclusion to a year dominated by strong growth

The Group's operations delivered favourable sales growth, with organic growth of 5% in the quarter. Acquired businesses strengthened this growth, and the Group's revenue increased by a total of 35% year on year. Revenue growth, combined with effective cost control, led to a 25% increase in EBITA compared with the same quarter last year. In 2023, 11 companies were acquired, of which four in the fourth quarter, adding combined annual revenue of about SEK 610 million.

Fourth quarter 2023

- Revenue increased by 35% to SEK 667 m (494), of which 5% was attributable to comparable units.
- Operating profit rose by 17% to SEK 61 m (52), corresponding to an operating margin of 9.1% (10.5).
- EBITA increased by 25% to SEK 70 m (56), corresponding to an EBITA margin of 10.5% (11.3).
- Profit for the quarter increased by 13% to SEK 44 m (39), corresponding to earnings per share of SEK 0.85 (0.75).
- Acquisition of Cobalch, a specialist in pipeline accessories.
- Acquisition of WEH Sweden, a specialist in CNG/hydrogen refuelling components and gas detection.
- Acquisition of Swerub, a market leader in Sweden in advanced custom-made rubber products.
- Acquisition of Finnish company Helsingin Kumi, a specialist in customised rubber products.

Full-year 2023

- Revenue increased by 32% to SEK 2,298 m (1,739), of which 7% was attributable to comparable units.
- Operating profit rose by 28% to SEK 237 m (185), corresponding to an operating margin of 10.3% (10.6).
- EBITA increased by 30% to SEK 265 m (204), corresponding to an EBITA margin of 11.5% (11.7).
- Profit for the period increased by 24% to SEK 173 m (140), corresponding to earnings per share of SEK 3.45 (2.70).
- The return on working capital (EBITA/WC) was 59% (61).
- The equity/assets ratio was 33% (42) at the end of the period.
- The Board proposes a dividend of SEK 1.10 per share (1.00).
- As of 31 December 2023, the number of repurchased Class B shares totalled 1,083,026. The change in the fourth quarter was attributable to acquisitions.
- During Q1 Hydmos Industriteknik, LocTech and Agera were acquired. During Q2 Askalon and Regal were acquired. During Q3 Processkontroll Items and Conclean were acquired. During Q4 Cobalch, WEH Sweden, Swerub and Helsingin Kumi were acquired. In total, the acquisitions generate approximately SEK 610 m in annual revenue.

	Q4			Jan-Dec		
	2023	2022	Δ	2023	2022	Δ
Revenue	667	494	35%	2,298	1,739	32%
Operating profit	61	52	17%	237	185	28%
of which: Items affecting comparability	-	-		-	-6	
of which: Amortisation of intangible assets in connection with acquisitions	-9	-4		-28	-13	
EBITA	70	56	25%	265	204	30%
Net profit	44	39	13%	173	140	24%
Earnings per share before and after dilution, SEK	0.85	0.75	13%	3.45	2.70	28%
Operating margin	9.1%	10.5%		10.3%	10.6%	
EBITA margin	10.5%	11.3%		11.5%	11.7%	
Return on working capital (EBITA/WC)				59%	61%	
Equity/assets ratio				33%	42%	

Events after the end of the period

- As of 1 January 2024, the business was divided into two business areas: Industry and Infrastructure. For more information, refer to the separate press release.
- Acquisition of PW Kullagerteknik, a specialist in ball and rolling bearings.

A quarterly presentation is available on the company's website, momentum.group, where CEO Ulf Lilius and CFO Niklas Enmark present the report and provide an update on operations.

> Summary

- President's statement
- Group financial development
- Components business area
- Services business area
- Financial position
- Business combinations
- Other
- Consolidated financial statements
- Parent Company financial statements
- Notes
- Performance measures
- About Momentum Group

Download PDF for print 



We exceeded all of our financial targets for 2023

We concluded 2023 with a continued favourable trend in terms of both revenue and earnings. In the fourth quarter, we achieved organic sales growth of 5 per cent, and with acquisitions, we grew a full 35 per cent. EBITA increased by 25 per cent. Despite the economic turbulence that impacted the market in 2023, our operations remained stable with continued satisfactory demand.

We are seeing a certain level of caution among customers and lower activity in some customer segments, but Nordic industry, which is our primary segment, displayed strong resilience. We are continually in dialogue with our customers in order to enhance the profitability and sustainability of their operations. Our decentralised structure, with decisions made close to customers and suppliers, enables us to act quickly based on customer needs and behaviour. I am therefore particularly proud that our operations continued to perform so well and displayed an ability to adapt to current market conditions.

Our second year as an independent company

We exceeded all of our financial targets for 2023. EBITA growth was 30 per cent, compared with our target of at least 15 per cent per year, and EBITA amounted to SEK 265 million. Together with favourable acquisitions, we achieved this growth as a result of structured work carried out in the Group's companies in order to boost sales combined with stable or improved gross margins and good cost control.

Profitability measured as a return on working capital (EBITA/WC) reached 59 per cent, exceeding the target of at least 45 per cent. We call this our "super-efficiency target" and it is a good measure of the cash flow that our operations are able to generate. We posted strong cash flow, with operational cash flow of SEK 260 million for 2023, which is at a level that will enable us to continue to self-finance acquisitions, investments and the development of existing operations as well as provide dividends to our shareholders. For 2023, a dividend has been proposed of SEK 1.10 per share, which corresponds to a

pay-out ratio of 32 per cent, exceeding our target of at least 30 per cent.

Favourable conditions for continued acquisitions

In total, we carried out 11 acquisitions during the year, with combined annual revenue of nearly SEK 610 million. The acquired companies will continue to be operated as independent niche companies in accordance with our philosophy of decentralised responsibility.

Along with a strong balance sheet and cash flow from operating activities, our organisation and structural capital provide us with favourable conditions for maintaining healthy earnings growth and a high pace of acquisitions in 2024.

Summarising the year and looking forward with confidence

We would like to thank our dedicated employees for their many outstanding contributions during the year – and our customers and business partners for their continued confidence. By focusing on development and successfully acquiring businesses in our core areas, we have not only strengthened our market position but also introduced new talent and skills to our team.

We are an active owner with a clear vision, and we have the desire to challenge ourselves to reach new limits. We believe in the power of collaboration and innovation within the framework of our decentralised corporate responsibility, and I am convinced that our impressive journey will continue in 2024. As a step in our continued growth – both through acquisitions and to



support our operations – we launched a new organisation at the end of the year with additional focus on our skills and on establishing even better conditions for collaboration and best practice within our Group.

In conclusion, we are continuing along our established path, with earnings growth in our existing businesses together with acquisitions of successful niche companies continuing to make us "better than yesterday."

Stockholm, February 2024
Ulf Lilius, President & CEO

Summary

› President's statement

Group financial development

Components business area

Services business area

Financial position

Business combinations

Other

Consolidated financial statements

Parent Company financial statements

Notes

Performance measures

About Momentum Group

Download PDF for print 



Sales performance

Comments on the market

The business climate in our main markets in the Nordic region remained satisfactory in the final quarter of the year. The economic turbulence that dominated the market in 2023 has resulted in more cautious behaviour with lower activity from some customers, in particular in the latter part of the year. However, the scenario is not identical across the board, and demand remains generally stable, particularly within industry, which is the Group's primary customer segment. The component shortage that previously impacted the market is continuing to stabilise and companies in the Group managed a high delivery capacity in general during the period.

Purchasing prices and cost increases are continuing but with more moderate and less frequent increases.

The weak and volatile SEK is yet to have any major impact on sales or earnings, but is a factor that the businesses need to continually take into account.

A continued sluggish economy and challenging international security situation, with the uncertainty that comes with this, are also expected to lead to a somewhat cautious market moving forward. The Group's companies are continually adopting measures in their operations to adapt to the prevailing market situation. The Group's decentralised structure, with decisions made close to customers and suppliers, has proven to be a major strength in these efforts.

The current situation has not led to any changes in material bases of judgement compared with those applied in the annual report for 2022.

Performance in the fourth quarter of 2023

The Group posted a continued favourable sales trend with stable demand for the companies' products and services in most customer segments during the quarter. Certain segments and some export-oriented

customers, particularly in pulp and paper, noted a lower level of activity. This had a limited impact on the Group since other sectors experienced a more positive trend. The service operations noted a strong capacity utilisation during the quarter, albeit somewhat lower toward the end of the quarter. The companies have worked closely with their customers to understand any changes in demand patterns and, in some cases, have implemented adjustments. They also remain restrictive with their costs.

During the fourth quarter, revenue increased by 35 per cent compared with the year-earlier period and amounted to SEK 667 million (494). Growth in comparable units was 5 per cent. During the quarter, the acquisitions of Cobalch, WEH Sweden, Swerub and Helsingin Kumi were completed. The quarter included one trading day fewer than the corresponding quarter in the preceding year.

Growth in comparable units

compared with Q4 2022

+5%

Sales performance

	Q4	Jan-Dec
%	2023	2023
Comparable units in local currency	5.5%	7.5%
Currency effects	0.2%	0.5%
Number of trading days	-1.8%	-1.0%
Acquisitions	31.2%	25.2%
Total change	35.1%	32.2%



- Summary
- President's statement
- › **Group financial development**
 - Components business area
 - Services business area
 - Financial position
 - Business combinations
 - Other
 - Consolidated financial statements
 - Parent Company financial statements
 - Notes
 - Performance measures
 - About Momentum Group

Download PDF for print 



Earnings performance

Fourth quarter 2023

Operating profit rose by 17 per cent to SEK 61 million (52), corresponding to an operating margin of 9.1 per cent (10.5).

Operating profit was charged with amortisation of intangible non-current assets of SEK –9 million (–4) arising in conjunction with acquisitions and with depreciation of right-of-use assets and tangible non-current assets of SEK –21 million (–15). Exchange-rate translation effects did not impact operating profit during the quarter (0).

EBITA increased by 25 per cent to SEK 70 million (56), corresponding to an EBITA margin of 10.5 per cent (11.3).

Profit after financial items totalled SEK 58 million (49) and profit after tax amounted to SEK 44 million (39), which corresponds to earnings per share of SEK 0.85 (0.75) for the quarter.

Full-year 2023

Operating profit rose by 28 per cent to SEK 237 million (185), corresponding to an operating margin of 10.3 per cent (10.6).

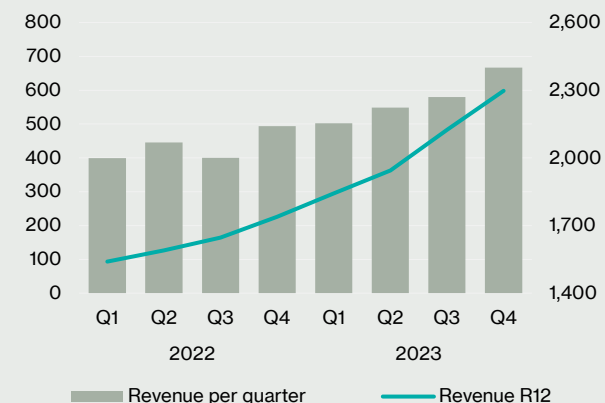
Operating profit was charged with amortisation of intangible non-current assets of SEK –28 million (–13) arising in conjunction with acquisitions and with depreciation of right-of-use assets and tangible non-current assets of SEK –72 million (–55). Exchange-rate translation effects had a positive impact of SEK 1 million (0) on operating profit. Acquisition-related expenses had an impact of SEK 6 million (3) in the period.

EBITA increased by 30 per cent to SEK 265 million (204), corresponding to an EBITA margin of 11.5 per cent (11.7).

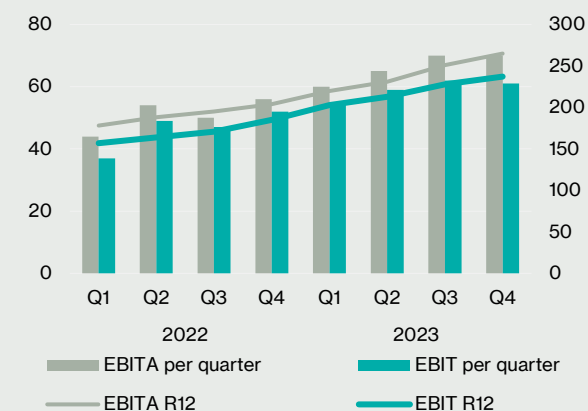
Profit after financial items totalled SEK 222 million (177) and profit after tax amounted to SEK 173 million (140), which corresponds to earnings per share of SEK 3.45 (2.70) for the reporting period.

MSEK	Q4			Jan-Dec		
	2023	2022	Δ	2023	2022	Δ
Revenue	667	494	35%	2,298	1,739	32%
of which: Components	567	400	42%	1,934	1,395	39%
of which: Services	104	99	5%	379	363	4%
of which: Group-wide and eliminations	-4	-5		-15	-19	
Operating profit	61	52	17%	237	185	28%
EBITA	70	56	25%	265	204	30%
of which: Components	69	49	41%	255	187	36%
of which: Services	10	14	-29%	37	40	-8%
of which: Group-wide and eliminations	-9	-7		-27	-23	
Operating margin	9.1%	10.5%		10.3%	10.6%	
EBITA margin	10.5%	11.3%		11.5%	11.7%	

Revenue, SEK million



EBITA and operating profit, SEK million



Summary

President's statement

Group financial development

Components business area

Services business area

Financial position

Business combinations

Other

Consolidated financial statements

Parent Company financial statements

Notes

Performance measures

About Momentum Group

Download PDF for print 



Components business area

Group of companies in industrial components, services and solutions for industry, with expertise in industrial improvement as well as companies with leading specialist positions in their respective market niches.

Operations

Momentum Industrial continued to display a positive sales and earnings performance during the quarter, with volume growth primarily in the automotive and mining segments. Volumes in pulp and paper declined as a result of a challenging market situation for these customers. Sales increased in the product areas of bearings, automation and seals. The area Seals was positively impacted by an acquisition made during the year and now integrated.

The specialist companies posted a positive trend during the quarter with growth in both sales and earnings, in particular thanks to acquired businesses, which made a strong contribution of SEK 155 million in revenue. In general, the companies are experiencing stable demand, but with customers somewhat more cautious regarding certain project transactions. Certain businesses have postponed deliveries until later periods as a result of delivery delays. During the quarter, the acquisitions of Cobalch, WEH Sweden, Swerub and Helsingin Kumi were completed.



Financial performance in the fourth quarter of 2023

Revenue rose by 42 per cent to SEK 567 million (400) compared with the same quarter last year. Revenue for comparable units, measured in local currency and adjusted for the number of trading days, increased by 5 per cent.

EBITA amounted to SEK 69 million (49), corresponding to an EBITA margin of 12.2 per cent (12.3). EBITA increased by 41 per cent, due both to acquisitions and to the growth in earnings in existing operations.

The business area's profitability, measured as the return on working capital (EBITA/WC), amounted to 68 per cent (69).

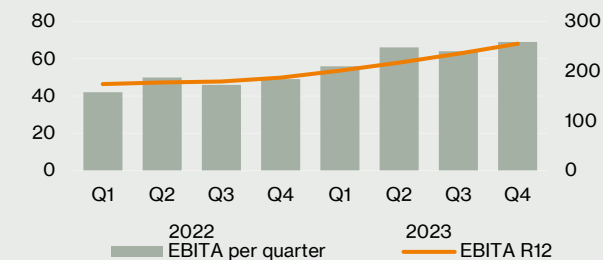
Revenue Q4 2023, SEK million

567

Revenue R12



EBITA, SEK million



MSEK	Q4			Jan-Dec		
	2023	2022	Δ	2023	2022	Δ
Revenue	567	400	42%	1,934	1,395	39%
EBITA	69	49	41%	255	187	36%
EBITA margin	12.2%	12.3%		13.2%	13.4%	
Return on working capital (EBITA/WC)				68%	69%	

Content

Summary

President's statement

Group financial development

› Components business area

Services business area

Financial position

Business combinations

Other

Consolidated financial statements

Parent Company financial statements

Notes

Performance measures

About Momentum Group

Download PDF for print 



Services business area

Group of companies in industrial services in Sweden that, through its services, offers longer life and efficiency of installed machines and carries out new installations. In addition, solutions are offered for digitalised maintenance.

Operations

The companies in the business area posted a positive sales trend in general during the quarter. Workshops noted a favourable capacity utilisation, but the period was characterised by some larger projects with somewhat lower margins and a decline in capacity utilisation toward the end of the period, particularly as a result of the holiday period and the merger of the companies Mekano and Carl A. The merger was completed as planned at year-end, resulting in a lower level of activity at the end of the year due to the move, which together with moving costs, had a negative impact on earnings.

The business area's operations specialising in digitalised maintenance, Intertehna and Mytolerans, posted sales growth during the quarter, driven by increased customer activity and an improvement in demand, which also involved investments in further expansion.

Financial performance in the fourth quarter of 2023

Revenue rose by 5 per cent to SEK 104 million (99) compared with the same quarter last year. Revenue for comparable units, measured in local currency and adjusted for the number of trading days, increased by 7 per cent.

EBITA amounted to SEK 10 million (14), corresponding to an EBITA margin of 9.6 per cent (14.1).

The business area's profitability, measured as the return on working capital (EBITA/WC), amounted to 51 per cent (62).



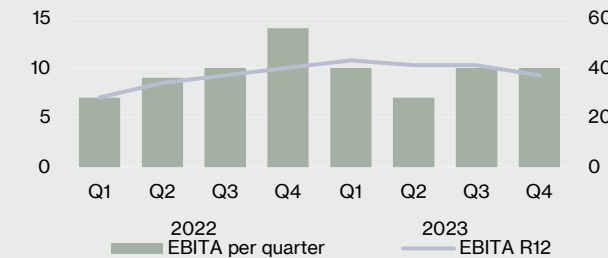
Revenue Q4 2023, SEK million

104

Revenue R12



EBITA, SEK million



MSEK	Q4			Jan-Dec		
	2023	2022	Δ	2023	2022	Δ
Revenue	104	99	5%	379	363	4%
EBITA	10	14	-29%	37	40	-8%
EBITA margin	9.6%	14.1%		9.8%	11.0%	
Return on working capital (EBITA/WC)				51%	62%	

Content

Summary

President's statement

Group financial development

Components business area

› **Services business area**

Financial position

Business combinations

Other

Consolidated financial statements

Parent Company financial statements

Notes

Performance measures

About Momentum Group

Download PDF for print



Profitability, cash flow and financial position

Profitability

The Group's profitability, measured as the return on working capital (EBITA/WC), amounted to 59 per cent (61) for the most recent 12-month period. The return on equity for the same period was 31 per cent (29).

Cash flow for full-year 2023

Cash flow from operating activities before changes in working capital for the reporting period totalled SEK 280 million (185). Cash flow was impacted by paid tax of SEK –40 million (–59). During the reporting period, inventories increased by SEK 20 million. Operating receivables and operating liabilities both declined by SEK 26 million. Accordingly, cash flow from operating activities for the reporting period amounted to SEK 260 million (135).

Cash flow from investing activities for the reporting period amounted to SEK –436 million (–105). Cash flow includes business combinations of SEK –414 million (–100), settlements of deferred payments regarding acquisitions of SEK –10 million (–) and net investments in non-current assets of SEK –12 million (–5).

Cash flow from financing activities for the reporting period, which amounted to SEK 206 million (–83), was mainly attributable to a net change in interest-bearing liabilities of SEK 239 million (–5) and the dividend paid of SEK –50 million (–), of which SEK –1 million pertained to the dividend to non-controlling interests in subsidiaries. Cash flow for the reporting period was also impacted in an amount of SEK 17 million (15) by sales of own shares in connection with acquisitions. The comparative period also included a repurchase of own shares of SEK –87 million and changes in holdings

in partly owned subsidiaries amounting to SEK –16 million in conjunction with the exercise of call options.

Financial position

The Group's financial net loan liability at the end of the reporting period amounted to SEK 514 million, compared with SEK 181 million at the beginning of the year. At the end of the period, the Group's operational net loan liability amounted to SEK 326 million, compared with SEK 48 million at the beginning of the financial year. The difference is largely attributable to cash flow from operating activities and acquisitions carried out during the reporting period, as well as the dividend paid during the second quarter.

Cash and cash equivalents, including unutilised granted credit facilities, totalled SEK 691 million. Granted credit facilities comprise the company's revolving facility of SEK 800 million with a remaining maturity until 31 December 2026 and a committed credit facility totalling SEK 200 million with a maturity of one year (extended in March 2024). Of the company's revolving facility and committed credit facility, SEK 502 million and SEK 142 million, respectively, were unutilised at the end of the reporting period. At the end of the reporting period, the Group had met all financial obligations to lenders.

The equity/assets ratio at the end of the reporting period was 33 per cent (42).

Equity per share totalled SEK 12.50 at the end of the reporting period, compared with SEK 10.10 at the beginning of the year.

The balance-sheet total at the end of the reporting period was SEK 1,862 million, compared with SEK 1,173 million at the beginning of the year. The change during the year was largely attributable to acquisitions, and acquired assets and liabilities are presented in Note 4.

Equity/assets ratio

33%

Available cash and cash equivalents, SEK million

691

EBITA/WC (R12 per quarter)



Summary

President's statement

Group financial development

Components business area

Services business area

Financial position

Business combinations

Other


Consolidated financial statements

Parent Company financial statements

Notes

Performance measures

About Momentum Group

Download PDF for print 



Business combinations

During 2023 Momentum Group acquired eleven companies, with combined annual revenue of approximately SEK 610 million. The acquisitions will further strengthen Momentum Group's position as a specialist company in industrial components and related services for Nordic industry. The acquisitions contributed positively to Momentum Group's earnings per share during the period.

Hydmos Industriteknik

In February, Hydmos Industriteknik AB was acquired, which has a leading position in advanced hydraulic and gas systems for use in high-pressure applications.

Agera Industritillbehör

In February, Agera Industritillbehör AB was acquired, which is a supplier-independent retailer of ball bearings, transmissions, motors and filters, as well as seals.

LocTech

In March, the subsidiary Momentum Industrial AB acquired LocTech AB, a comprehensive supplier of seals for rotating and static applications.

Askalon

In June, Askalon AB was acquired, which is a leading player in advanced valve solutions primarily for the power, refinery and process industries in the Nordics.

Regal

In June, Regal A/S was acquired, which is a leading niche player in transmission, electrical automation and control for both OEM and end customers in the food, toy and pharmaceutical industries in Denmark.

Processkontroll Items

In July, Processkontroll Items AB was acquired, which has a leading niche position in instrumentation for demanding operating condition.

Conclean

In September, Conclean AB was acquired, a leading niche player in private sewage, rainwater recycling and stormwater management, Part of the purchase price was paid through the transfer of own Class B shares.

Cobalch

In November, the subsidiary BPS acquired Cobalch ApS, a specialist in pipeline accessories for gas, water, oil, sewage treatment plants, waterworks and refineries.

WEH Sweden

In November, the subsidiary iTEMS acquired WEH Sverige AB, a specialist CNG/Hydrogen refueling components and gas detection.

Swerub

In November, Swerub AB was acquired, a market leader in Sweden in advanced custom-made rubber products for industry. Part of the purchase price was paid through the transfer of own Class B shares.

Helsingin Kumi

In December, Helsingin Kumi Oy, a specialist in customised rubber products and rubber profiles for industrial customers in Finland, was acquired.

For acquisition analyses and other disclosures about the acquisitions closed during the reporting period, refer to Note 4. Closing dates and acquired holdings are presented in the table to the left.

¹ Refers to information for the full year on the date of acquisition.

² Momentum Group initially acquired 70/80 per cent of the shares in each company. For the remaining 30/20 per cent, the sellers have a put option and Momentum Group has a call option. The price of the options is dependent on certain results being achieved in the companies.

Acquisitions during 2022	Closing	Share	Revenue ¹	Employees ¹	Business Area
HNC Group ² , DK	1 June 2022	70%	60 MSEK	30	Components
Mytolerans AB ² , SE	7 September 2022	70%	35 MSEK	10	Services
Börjesson Pipe Systems AB, SE	12 October 2022	100%	50 MSEK	7	Components
JOKRAB Automatikbyggnad AB, SE ²	20 December 2022	70%	30 MSEK	6	Components
Acquisitions during 2023					
Hydmos Industriteknik AB, SE ²	2 February 2023	70%	17 MSEK	4	Components
Agera Industritillbehör AB, SE	16 February 2023	100%	15 MSEK	5	Components
LocTech AB, SE	1 March 2023	100%	13 MSEK	6	Components
Askalon AB, SE	5 June 2023	94%	317 MSEK	115	Components
Regal A/S, DK	30 June 2023	100%	34 MDKK	6	Components
Processkontroll Items AB, SE	3 July 2023	100%	50 MSEK	12	Components
Conclean AB, SE ²	1 September 2023	80%	47 MSEK	11	Components
Cobalch ApS, DK ²	15 November 2023	70%	17 MDKK	4	Components
WEH Sverige AB, SE	30 November 2023	100%	10 MSEK	1	Components
Swerub AB, SE	30 November 2023	100%	40 MSEK	25	Components
Helsingin Kumi Oy, FI	18 December 2023	100%	2 MEUR	7	Components

Summary

President's statement

Group financial development

Components business area

Services business area

Financial position

Business combinations

Other

Consolidated financial statements

Parent Company financial statements

Notes

Performance measures

About Momentum Group

Download PDF for print 



Other

Parent Company in full-year 2023

The Parent Company's revenue for the reporting period amounted to SEK 17 million (13) and the loss after financial items totalled SEK -28 million (6). The comparative period included dividends received of SEK 40 million. In December, the Parent Company received a Group contribution of SEK 120 million (150) that is recognised in the line item appropriations. Profit after tax for the reporting period amounted to SEK 54 million (109).

Employees

At the end of the reporting period, the number of employees in the Group amounted to 749, compared with 558 at the beginning of the year. The change is primarily a result of acquisitions.

The share

Momentum Group's Class B share (ticker MMGR B) has been listed on Nasdaq Stockholm since 31 March 2022. The share price as of 31 December 2023 was SEK 130.50 (58.51).

On 9 May 2023, the Board decided, with the authorisation of the Annual General Meeting, to establish a repurchase programme to adapt the capital structure and to enable future acquisitions of businesses and operations to be paid for using treasury shares. The decision applies to repurchases of a maximum of 10 per cent of the number of Class B shares outstanding until the 2024 Annual General Meeting.

During the third quarter, the Group acquired Conclean AB, which was partly financed through the transfer of 154,830 own Class B shares to the seller at a price of SEK 93.80 per share. During the fourth quarter, the Group acquired Swerub AB, which was partly financed through the transfer of 21,768 own Class B shares to the seller at a price of SEK 114.84

per share. These prices correspond to the volume-weighted average price for the company's Class B share on Nasdaq Stockholm during the ten trading days immediately preceding the closing date.

As of 31 December 2023, the holding of Class B treasury shares totalled 1,083,026 shares, corresponding to approximately 2 per cent of the total number of shares.

At the end of the period, the share capital amounted to SEK 25.2 million. The distribution by class of share was as follows:

Class of share

Class A shares (10 votes/share)	564,073
Class B shares (1 vote/share)	49,916,816
Total number of shares before repurchasing	50,480,889
Less: Repurchased Class B shares	-1,083,026
Total number of shares after repurchasing	49,397,863

2024 Annual General Meeting

Momentum Group's Annual General Meeting will be held at 4:00 p.m. on 7 May 2024 in Stockholm. All documentation for the Meeting will be available from the company's head office and on momentum.group no later than three weeks prior to the Meeting. The 2023 Annual Report will be published around 31 March 2024.

Shareholders who wish to have a matter addressed at the Annual General Meeting may do so by email to ir@momentum.group or by post to:

Momentum Group AB
Östermalmsgatan 87 E
SE-114 59 Stockholm

To enable the Election Committee to address any proposals received in a constructive manner, all proposals

must be received by the Board well in advance of the Meeting.

Proposed dividend

The Board of Directors has proposed a dividend of SEK 1.10 per share (1.00), totalling approximately SEK 54 million (49), corresponding to a pay-out ratio of 32 per cent (37) in relation to profit for the period. Momentum Group's dividend policy states that the target is for the dividend to exceed 30 per cent of the Group's average profit over a business cycle.



Content

Summary

President's statement

Group financial development

Components business area

Services business area

Financial position

Business combinations

> Other

Consolidated financial statements

Parent Company financial statements

Notes

Performance measures

About Momentum Group

Download PDF for print 



Other, cont.

Transactions with related parties

No transactions having a material impact on the Group's position or earnings occurred between Momentum Group and its related parties during the reporting period. The related-party transactions in place pertain primarily to lease expenses in acquired companies. These leases have been entered into on market terms. The remuneration of senior executives follows the guidelines established by the General Meeting.

Risks and uncertainties

Momentum Group's earnings, financial position and strategic position are impacted by a number of factors that are within the control of Momentum Group as well as a number of external factors. The most important external risk factors for Momentum Group are the economic and market situation for the industrial sector. Other risks include the competitive situation in the Group's markets and the significance of efficient logistics with high accessibility, in which the accessibility of the Group's logistics centres are important for certain flows of goods, as well as a dependence on identifying and developing relationships with qualified suppliers. The Group's opportunities and risks also include the completion of acquisitions and related capital requirements and the intangible surplus value that this can result in. Cyber-related risks are also considered important.

The future trend in the market and in demand may be impacted by the challenging security situation. Delivery times and the availability of components as well as rising prices, interest rates and inflation could also impact market conditions. The Parent Company is impacted indirectly by the above risks and uncertainties through its function in the Group.

Events after the end of the period

As of 1 January 2024, the business was divided into two business areas: Industry and Infrastructure. For more information, refer to the separate press release.

On 13 February, the subsidiary Agera acquired all of the shares in PW Kullagerteknik, a specialist in ball and rolling bearings.

Stockholm, 15 February 2024

Ulf Lilius
President & CEO

This report has not been reviewed by the Company's auditors.

Dates for forthcoming financial information

31 March 2024

Annual and Sustainability Report 2023

26 April 2024

Interim Report for the first quarter of 2024

7 May 2024

Annual General Meeting 2024

17 July 2024

Interim Report for the second quarter of 2024

24 October 2024

Interim Report for the third quarter of 2024

14 February 2025

Year-end report 2024

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Summary

President's statement

Group financial development

Components business area

Services business area

Financial position

Business combinations

> Other

Consolidated financial statements

Parent Company financial statements

Notes

Performance measures

About Momentum Group

Download PDF for print 



Group

Condensed income statement

MSEK	Q4		Jan-Dec	
	2023	2022	2023	2022
Revenue	667	494	2,298	1,739
Other operating income	0	1	4	4
Total operating income	667	495	2,302	1,743
Cost of goods sold	-347	-261	-1,201	-915
Personnel costs	-165	-114	-555	-412
Depreciation, amortisation, impairment losses and reversal of impairment losses	-30	-19	-100	-68
Other operating expenses	-64	-49	-209	-163
Total operating expenses	-606	-443	-2,065	-1,558
Operating profit	61	52	237	185
Financial income	4	1	6	1
Financial expenses	-7	-4	-21	-9
Net financial items	-3	-3	-15	-8
Profit after financial items	58	49	222	177
Taxes	-14	-10	-49	-37
Net profit	44	39	173	140
Of which attributable to:				
Parent Company shareholders	43	38	170	137
Non-controlling interests	1	1	3	3
Earnings per share (SEK)				
Before dilution	0.85	0.75	3.45	2.70
After dilution	0.85	0.75	3.45	2.70

Condensed statement of comprehensive income

MSEK	Q4		Jan-Dec	
	2023	2022	2023	2022
Net profit	44	39	173	140
Other comprehensive income for the period				
<i>Components that will not be reclassified to net profit</i>				
Total components that will not be reclassified to net profit	-	-	-	-
<i>Components that will be reclassified to net profit</i>				
Translation differences	-6	1	-6	3
Fair value changes for the year in cash-flow hedges	-1	0	-1	0
Tax attributable to components that were or can be reclassified to net profit	0	0	0	0
Total components that will be reclassified to net profit	-7	1	-7	3
Other comprehensive income for the period	-7	1	-7	3
Comprehensive income for the period	37	40	166	143
Of which attributable to:				
Parent Company shareholders	37	39	164	140
Non-controlling interests	0	1	2	3

Summary

President's statement

Group financial development

Components business area

Services business area

Financial position

Business combinations

Other

› Consolidated financial statements

Parent Company financial statements

Notes

Performance measures

About Momentum Group

Download PDF for print 



Condensed balance sheet

MSEK	31 Dec 2023	31 Dec 2022
ASSETS		
Non-current assets		
Intangible non-current assets	789	383
Tangible non-current assets	27	19
Right-of-use assets	194	138
Financial non-current assets	2	1
Deferred tax assets	2	2
Total non-current assets	1,014	543
Current assets		
Inventories	366	285
Accounts receivable	388	300
Other current receivables	47	28
Cash and cash equivalents	47	17
Total current assets	848	630
TOTAL ASSETS	1,862	1,173

MSEK	31 Dec 2023	31 Dec 2022
EQUITY AND LIABILITIES		
Equity		
Equity attributable to Parent Company shareholders	617	498
Non-controlling interests	39	27
Total equity	656	525
Non-current liabilities		
Non-current interest-bearing liabilities	303	59
Non-current lease liabilities	116	84
Other non-current liabilities and provisions	209	102
Total non-current liabilities	628	245
Current liabilities		
Current interest-bearing liabilities	70	6
Current lease liabilities	72	49
Accounts payable	228	188
Other current liabilities	208	160
Total current liabilities	578	403
TOTAL LIABILITIES	1,206	648
TOTAL EQUITY AND LIABILITIES	1,862	1,173

Summary

President's statement

Group financial development

Components business area

Services business area

Financial position

Business combinations

Other

> **Consolidated financial statements**

Parent Company financial statements

Notes

Performance measures

About Momentum Group

Download PDF for print 



Statement of changes in equity

MSEK	Equity attributable to Parent Company shareholders				Non-controlling interests	Total equity
	Share capital	Reserves	Retained earnings incl. profit/loss for the year	Total		
Closing equity, 31 Dec 2021	0	1	457	458	17	475
Net profit			137	137	3	140
Other comprehensive income		3	0	3		3
Bonus issue	25		-25	0		0
Repurchase of own shares			-87	-87		-87
Sales of own shares ¹			15	15		15
Changes in ownership share in partly owned subsidiaries			1	1	-7	-6
Acquisitions of partly owned subsidiaries				0	14	14
Option liability, acquisitions ²			-29	-29		-29
Change in value of option liability ³			0	0		0
Closing equity, 31 Dec 2022	25	4	469	498	27	525
Net profit			170	170	3	173
Other comprehensive income		-6	0	-6	-1	-7
Dividend			-49	-49		-49
Sales of own shares ⁴			17	17		17
Acquisitions of partly owned subsidiaries				0	11	11
Dividends paid in partly owned subsidiaries				0	-1	-1
Option liability, acquisitions ⁵			-15	-15		-15
Change in value of option liability ³			2	2		2
Closing equity, 31 Dec 2023	25	-2	594	617	39	656

Condensed cash-flow statement

MSEK	Q4		Jan-Dec	
	2023	2022	2023	2022
Operating activities				
Cash flow from operating activities before changes in working capital	86	64	280	185
Changes in working capital	15	6	-20	-50
Cash flow from operating activities	101	70	260	135
Investing activities				
Purchase of intangible and tangible non-current assets	-3	-2	-12	-5
Acquisition of subsidiaries and other business units	-85	-60	-424	-100
Cash flow from investing activities	-88	-62	-436	-105
Cash flow before financing	13	8	-176	30
Financing activities				
Financing activities	2	-2	206	-83
Cash flow for the period	15	6	30	-53
Cash and cash equivalents at the beginning of the period	32	11	17	70
Exchange-rate differences in cash and cash equivalents	0	0	0	0
Cash and cash equivalents at period-end⁶	47	17	47	17

¹ Pertains to the transfer of 240,376 own Class B shares in conjunction with the acquisition of Börjesson Pipe Systems AB.

² Pertains to the value of put options in relation to non-controlling interests in the acquired subsidiaries HNC Group A/S, Mytolerans AB and Jokrab Automatikbyggnad AB, which entail that the shareholders are entitled to sell their shares to Momentum Group. The price of the options is dependent on certain results being achieved in the companies and may be extended by one year at a time from 2025 and 2026 (Jokrab).

³ Pertains to a change in the value of the put options in relation to non-controlling interests issued in conjunction with the acquisitions of partly owned subsidiaries.

⁴ Pertains to the transfer of 154,830 own Class B shares in conjunction with the acquisitions of Conclean AB and transfer of 21,768 own Class B shares in connection with the acquisition of Swerub AB.

⁵ Pertains to the value of put options in relation to non-controlling interests in the acquired subsidiaries Hydmos Industriteknik AB, Conclean AB and Cobalch ApS, which entail that the shareholders are entitled to sell their shares to Momentum Group. The price of the options is dependent on certain results being achieved in the companies and may be extended from 2026 (Hydmos) and 2027 (Conclean and Cobalch), respectively, by one year at a time.

⁶ The definition of cash and cash equivalents also includes current investments.

Summary

President's statement

Group financial development

Components business area

Services business area

Financial position

Business combinations

Other

› **Consolidated financial statements**

Parent Company financial statements

Notes

Performance measures

About Momentum Group

Download PDF for print 



Parent Company

Condensed income statement

MSEK	Q4		Jan-Dec	
	2023	2022	2023	2022
Revenue	5	4	17	13
Other operating income	1	1	3	4
Total operating income	6	5	20	17
Operating expenses	-16	-13	-51	-47
Operating loss	-10	-8	-31	-30
Financial income and expenses	2	-1	3	36
Profit/loss after financial items	-8	-9	-28	6
Appropriations	97	121	97	121
Profit/loss before tax	89	112	69	127
Taxes	-19	-23	-15	-18
Net profit/loss	70	89	54	109

In December 2023, the Parent Company received a Group contribution of SEK 120 million (150) that is recognised in the line item appropriations. In June 2022, the Parent Company received a dividend of SEK 40 million, which was resolved on at an EGM of the subsidiary Momentum Group Holding AB. The dividend is recognised in the line item financial income and expenses.

In the annual financial statements, it was noted that other operating income was incorrectly reported in the interim report for the second and third quarters and with a corresponding correction on the line for operating expenses. The correction amounted to SEK 4 million for the second quarter and SEK 6 million for the third quarter. The accounts have not had any impact on the Group's financial statements.

Condensed balance sheet

MSEK	31 Dec 2023	31 Dec 2022
ASSETS		
Intangible non-current assets	-	-
Tangible non-current assets	-	-
Financial non-current assets	43	43
Current receivables	810	383
Cash and cash equivalents	-	-
TOTAL ASSETS	853	426
EQUITY, PROVISIONS AND LIABILITIES		
Restricted equity	25	25
Non-restricted equity	118	96
Total equity	143	121
Untaxed reserves	69	46
Provisions	-	-
Non-current liabilities	298	50
Current liabilities	343	209
TOTAL EQUITY, PROVISIONS AND LIABILITIES	853	426

The Parent Company has its own internal bank function tasked with coordinating the Group's financial activities and ensuring that systems are available for efficient cash management. To support this, the Parent Company is the holder of the Group's cash pool and the Parent Company's current receivables and liabilities essentially comprise the subsidiaries' utilisation of credit facilities and the subsidiaries' surplus in the cash pool. At year-end, current receivables included a Group contribution received of SEK 120 million (150), which will be settled during the first quarter 2024.

Summary

President's statement

Group financial development

Components business area

Services business area

Financial position

Business combinations

Other

Consolidated financial statements

› **Parent Company financial statements**

Notes

Performance measures

About Momentum Group

Download PDF for print 



Notes

1. Accounting policies

The Interim Report for the Group was prepared in accordance with IFRS and by applying IAS 34 Interim Financial Reporting, the Swedish Annual Accounts Act and the Swedish Securities Market Act. In addition to the financial statements and associated notes, other disclosures in accordance with IAS 34.16A are also presented in other sections of the report. The Interim Report for the Parent Company was prepared in accordance with the Swedish Annual Accounts Act and the Swedish Securities Market Act, which conforms to the provisions detailed in RFR 2 Accounting for Legal Entities. The same accounting policies and bases of judgement as in the annual report for 2022 have been applied. IASB has issued additions and amendments to standards that will take effect for the Group on or after 1 January 2023. These additions and amendments are deemed not to be material for the consolidated financial statement.

Parent Company accounting policies

The Parent Company applies the Swedish Annual Accounts Act (1995:1554) and recommendation RFR 2 Accounting for Legal Entities issued by the Swedish Financial Reporting Board. RFR 2 stipulates that the Parent Company, in the annual accounts for the legal entity, is to apply all IFRS and statements adopted by the EU to the greatest extent possible within the framework of the Swedish Annual Accounts Act and with due consideration given to the relationship between accounting and taxation. The recommendation states which exceptions/additions should be made from/to IFRS. Combined, this results in differences between the Group's and the Parent Company's accounting policies in the primary areas of subsidiaries, leased assets, taxes, Group contributions and shareholder contributions.

2. Financial instruments

Momentum Group measures financial instruments at fair value or amortised cost in the balance sheet depending on their classification. In addition to items in financial net debt, financial instruments also include accounts receivable and accounts payable. The carrying amount of all of the Group's financial assets is deemed to be a reasonable approximation of their fair value. Assets and liabilities measured at fair value comprise hedging instruments for which fair value is based on observable market data and which are therefore included in level 2 according to IFRS 13 and liabilities for contingent purchase considerations that are measured using discounted cash flow and which are thus included in level 3.

MSEK	31 Dec 2023	31 Dec 2022
Financial assets measured at fair value		
Financial investments	0	0
Derivative hedging instruments	0	1
Financial assets measured at amortised cost		
Long-term receivables	2	1
Accounts receivable	388	300
Other current receivables	1	1
Cash and cash equivalents	47	17
Total financial assets	438	320
Financial liabilities measured at fair value		
Derivative hedging instruments	2	0
Contingent purchase considerations	30	11
Financial liabilities measured at amortised cost		
Option liability	53	40
Deferred payment acquired business, non-interest bearing	16	10
Interest-bearing liabilities	561	198
Accounts payable	228	188
Total financial liabilities	890	447
	Jan-Dec 2023	Jan-Dec 2022
Contingent purchase considerations		
Opening balance	11	-
Acquisitions during the period	23	11
Change in value	0	-
Change in value related to discounting factor	1	-
Confirmed or settled during the period	-5	-
Closing balance	30	11



The accounting policies for the Group and the Parent Company are published in full in the [annual report for 2022](#).

Content

Summary

President's statement

Group financial development

Components business area

Services business area

Financial position

Business combinations

Other

Consolidated financial statements

Parent Company financial statements

› Notes

Performance measures

About Momentum Group

Download PDF for print



3. Operating segments and information on income

The Group's operating segments comprise the business areas Components and Services. The operating segments are consolidations of the operational organisation, as used by Group management and the Board of Directors to monitor operations. Group management, comprising the CEO and CFO, are the Group's chief operating decision makers. **Components** comprises operations in industrial components, services and solutions for industry, with expertise in industrial improvement as well as

companies with leading specialist positions in their respective market niches. **Services** comprises operations in industrial services in Sweden that, through its services, offers longer life and efficiency of installed machines and carries out new installations. In addition, solutions are offered for digitalised maintenance. **Group-wide** includes the Group's management, finance and support functions. The support functions include internal communications, investor relations, M&A and legal affairs.

Financial items and taxes are not distributed by operating segment but recognised in their entirety in Group-wide. Intra-Group pricing between the operating segments occurs on market terms. The accounting policies are the same as those applied in the consolidated financial statements. Revenue presented for the geographic markets below is based on the domicile of the customers.

MSEK	Jan-Dec 2023				
	Compon- ents	Services	Group-wide	Elimin- ations	Group total
Revenue					
From external customers per country					
Sweden	1,602	358	-	-	1,960
Norway	52	5	-	-	57
Denmark	195	3	-	-	198
Other countries	81	2	-	-	83
From other segments	4	11	13	-28	-
Total	1,934	379	13	-28	2,298
Revenue					
From external customers by class of revenue					
Sale of goods	1,754	202	-	-	1,956
Service assignments	173	161	-	-	334
Other income	3	5	-	-	8
From other segments	4	11	13	-28	-
Total	1,934	379	13	-28	2,298
EBITA	255	37	-27	-	265
Items affecting comparability	-	-	-	-	-
Amortisation of intangible assets in connection with corporate acquisitions	-22	-6	-	-	-28
Operating profit/loss	233	31	-27	0	237

MSEK	Jan-Dec 2022				
	Compon- ents	Services	Group-wide	Elimin- ations	Group total
Revenue					
From external customers per country					
Sweden	1,228	340	-	-	1,568
Norway	40	5	-	-	45
Denmark	93	1	-	-	94
Other countries	29	3	-	-	32
From other segments	5	14	9	-28	-
Total	1,395	363	9	-28	1,739
Revenue					
From external customers by class of revenue					
Sale of goods	1,272	190	-	-	1,462
Service assignments	115	155	-	-	270
Other income	3	4	-	-	7
From other segments	5	14	9	-28	-
Total	1,395	363	9	-28	1,739
EBITA	187	40	-23	-	204
Items affecting comparability	-	-	-6	-	-6
Amortisation of intangible assets in connection with corporate acquisitions	-7	-6	-	-	-13
Operating profit/loss	180	34	-29	0	185

- Summary
- President's statement
- Group financial development
- Components business area
- Services business area
- Financial position
- Business combinations
- Other
- Consolidated financial statements
- Parent Company financial statements

> Notes

- Performance measures
- About Momentum Group

Download PDF for print 



4. Business combinations

Acquisition of Askalon AB

On 22 May 2023, 93.7 per cent of the shares in Askalon AB were acquired and closing took place on 5 June. Askalon is a leading player in advanced valve solutions primarily for the power, refinery and process industries in Sweden, Denmark and Iceland. The remaining 6.3 per cent of the shares in the company will be acquired by Momentum Group in 2025. Accordingly, the acquisition was consolidated on a 100 per cent basis and the agreement concerning the remaining shares in the company is being treated as a deferred payment.

The total purchase consideration for the acquisition was SEK 265 million excluding acquisition costs. Acquisition costs totalling SEK 1 million were recognised in the item other operating expenses during the reporting period.

In accordance with the final acquisition analysis below, SEK 93 million of the purchase consideration was allocated to goodwill, SEK 115 million to supplier relations and SEK 24 million to customer relations. The allocation to supplier and customer relations was based on the discounted value of future cash flows attributable to each class of assets. The amortisation period for the values identified, such as supplier relations, is 15 years and a period of ten years for customer relations. The value of goodwill is based on the expectation that the Momentum Group's position in the markets in question will strengthen and on the future sales performance, profitability and other synergies that the Group expects to realise through the acquisition.

If the acquisition had been completed on 1 January 2023, a consolidated income statement for Momentum Group, including Askalon, at 31 December 2023 indicates total net revenue of SEK 2,454 million and profit after tax of SEK 176 million for the reporting period. These amounts have been calculated based on Askalon's earnings, adjusted for additional depreciation and amortisation that would have arisen if the adjustment to the fair value of tangible and intangible non-current assets had been applied from 1 January 2023, together with attributable tax effects. There are no material differences in accounting policies between Momentum Group and the acquired business, with the exception of IFRS 16, which has no material impact on profit after tax for the period in question.

During the reporting period, the acquisition of Askalon contributed SEK 212 million to the Group's revenue and SEK 13 million to the Group's EBITA.

According to the final acquisition analysis, the total assets and liabilities included in the acquisition of Askalon amounted to the following:

MSEK	Fair value recognised in the Group
Acquired assets:	
Intangible non-current assets	140
Right-of-use assets	22
Other non-current assets	3
Inventories	22
Other current assets incl. cash and cash equivalents	106
Total assets	293
Acquired provisions and liabilities:	
Interest-bearing liabilities	-
Lease liabilities	22
Deferred tax liability	29
Current operating liabilities	70
Total provisions and liabilities	121
Net of identified assets and liabilities	172
Goodwill ¹	93
Purchase consideration	265
Less: Cash in acquired business	-18
Less : Additional purchase consideration ²	-15
Effect on the Group's cash and cash equivalents	232

¹ Of recognised goodwill, SEK 93 million is expected to be tax deductible.

² Deferred payment corresponds to the value of acquisition of the remaining 6.3 per cent of the shares in the company and is not subject to interest payment. The undiscounted amount to be paid in 2025 amounts to SEK 17 million.

Summary

President's statement

Group financial development

Components business area

Services business area

Financial position

Business combinations

Other

Consolidated financial statements

Parent Company financial statements

> Notes

Performance measures

About Momentum Group

Download PDF for print 



Other corporate acquisitions during the reporting period

In addition to Askalon, Momentum Group conducted a further ten business combinations with closing during the reporting period. The acquisitions are presented on page 9.

Acquisition analysis – other business combinations closing during the reporting period

The total purchase consideration for the acquisitions was SEK 261 million excluding acquisition costs. Acquisition costs totalling approximately SEK 3 million were recognised in the item other operating expenses. In accordance with the acquisition analysis presented below, SEK 99 million of the purchase consideration was allocated to goodwill and SEK 106 million to customer relations. The acquisition analyses for acquisitions closed in the fourth quarter are preliminary. Other acquisition analyses are final.

The allocation to customer relationships was based on the discounted value of future cash flows attributable to each class of assets, where an assessment was conducted that included margin, tied-up capital and turnover rate of the customer base. Goodwill on the acquisition date refers to the amount by which the cost of the acquired net assets exceeds their fair value. Goodwill is motivated by the anticipated future sales performance and profitability as well as the fact that the subsidiaries' position in their current markets is expected to be strengthened.

The acquisition analyses that are considered preliminary are largely because the acquisitions were closed only recently.

Impact on the Group's cash and cash equivalents

In addition to the acquisitions completed during the reporting period, cash flow from acquisitions of subsidiaries was also affected by the settlement of a deferred payment of SEK 10 million. The payment was made during the fourth quarter.

MSEK	Fair value recognised in the Group
Acquired assets:	
Intangible non-current assets	106
Right-of-use assets	29
Other non-current assets	5
Inventories	39
Other current assets incl. cash and cash equivalents	100
Total assets	279
Acquired provisions and liabilities:	
Interest-bearing liabilities	3
Lease liabilities	29
Deferred tax liability	26
Current operating liabilities	48
Total provisions and liabilities	106
Net of identified assets and liabilities	173
Goodwill ¹	99
Non-controlling interests ²	-11
Purchase consideration	261
Less: Net cash in acquired business	-53
Less : Contingent purchase consideration ³	-23
Less : Additional purchase consideration ⁴	-3
Effect on the Group's cash and cash equivalents	182

¹ Of recognised goodwill, SEK 99 million is expected to be tax deductible.

² Non-controlling interest is calculated as the proportional share of the identified net assets.

³ Contingent purchase consideration is recognised at a value corresponding to some 90 per cent of a maximum outcome. The outcome of the contingent purchase consideration will be determined continuously during 2024-2026 and is dependent on the earnings of the acquired subsidiary. The potential undiscounted amount to be paid amounts to approximately SEK 29 million.

⁴ Deferred payment will be made during the first half of 2024 and will accrue interest.

Summary
President's statement
Group financial development
Components business area
Services business area
Financial position
Business combinations
Other
Consolidated financial statements
Parent Company financial statements
› Notes
Performance measures
About Momentum Group



Performance measures

Momentum Group uses certain financial performance measures in its analysis of the operations and their performance that are not defined in accordance with IFRS. Momentum Group believes that these alternative performance measures provide valuable information for the company's Board of Directors, owners and investors, since they enable a more accurate assessment of current trends and the company's performance when combined with other performance measures calculated in accordance with IFRS.

MSEK	Q4		Jan-Dec	
	2023	2022	2023	2022
IFRS performance measures				
Revenue	667	494	2,298	1,739
Profit for the period	44	39	173	140
IFRS performance measures per share (SEK)				
Earnings per share before dilution	0.85	0.75	3.45	2.70
Earnings per share after dilution	0.85	0.75	3.45	2.70
Other performance measures per share				
Equity per share before dilution, at the end of the period			12.50	10.10
Equity per share after dilution, at the end of the period			12.50	10.10
Number of shares (thousands of shares)				
Number of shares before dilution	49,398	49,221	49,398	49,221
Weighted number of shares before dilution	49,383	49,221	49,300	49,791
Weighted number of shares after dilution	49,383	49,221	49,300	49,791
Other performance measure				
No. of employees at the end of the period			749	558
Share price, SEK			130.50	58.51

Since not all listed companies calculate these financial performance measures in the same way, there is no guarantee that the information is comparable with other companies' performance measures of the same name. Hence, these financial performance measures must not be viewed as a replacement for those measures calculated in accordance with IFRS.

MSEK	Q4		Jan-Dec	
	2023	2022	2023	2022
ALTERNATIVE PERFORMANCE MEASURES				
Income statement-based performance measures				
Operating profit	61	52	237	185
of which: Items affecting comparability	-	-	-	-6
of which: Amortisation of intangible non-current assets in connection with acquisitions	-9	-4	-28	-13
EBITA	70	56	265	204
Profit after financial items	58	49	222	177
Operating margin	9.1%	10.5%	10.3%	10.6%
EBITA margin	10.5%	11.3%	11.5%	11.7%
Profit margin	8.7%	9.9%	9.7%	10.2%
Profitability performance measures				
Return on working capital (EBITA/WC)			59%	61%
Return on capital employed			25%	28%
Return on equity			31%	29%
Performance measures on financial position				
Financial net loan liability			514	181
Operational net loan liability/receivable +/-			326	48
Equity attributable to Parent Company shareholders			617	498
Equity/assets ratio			33%	42%

Summary

President's statement

Group financial development

Components business area

Services business area

Financial position

Business combinations

Other

Consolidated financial statements

Parent Company financial statements

Notes

> Performance measures

About Momentum Group

Download PDF for print 



Definitions of alternative performance measures and their purpose

Operating profit

Profit before financial items and tax.

Used to present the Group's earnings before interest and tax.

Items affecting comparability

Items affecting comparability include revenue and expenses that do not arise regularly in the operating activities. Items affecting comparability for the period pertain to costs for preparations ahead of the separate listing and mainly pertain to advisory costs, review costs and separation costs.

The separate disclosure of items affecting comparability clarifies the development of operational activities.

EBITA

Operating profit adjusted for items affecting comparability and before any impairment of goodwill and amortisation and impairment of other intangible assets arising in connection with acquisitions and equivalent transactions.

Used to present the Group's earnings generated from operating activities.

Operating margin, %

Operating profit relative to revenue.

Used to measure the Group's earnings generated before interest and tax and provides an understanding of the earnings performance over time. Specifies the percentage of revenue remaining to cover interest payments and tax and to provide profit after the Group's expenses have been paid.

EBITA margin, %

EBITA as a percentage of revenue.

Used to measure the Group's earnings generated before interest and tax and provides an understanding of the earnings performance over time. The EBITA margin based on revenue from both external and internal customers is presented per business area (operating segment).

Profit margin, %

Profit after financial items as a percentage of revenue.

Used to assess the Group's earnings generated before tax and presents the share of revenue that the Group may retain in earnings before tax.

Return on working capital (EBITA/WC), %

EBITA for the most recent 12-month period divided by average working capital measured as total working capital (accounts receivable and inventories less accounts payable) at the end of each month for the most recent 12-month period and the opening balance at the start of the period divided by 13.

The Group's internal profitability target, which encourages high EBITA and low tied-up capital. Used to analyse profitability in the Group and its various operations.

Return on capital employed, %

Operating profit plus financial income for the most recent 12-month period divided by average capital employed measured as the balance-sheet total less non-interest-bearing liabilities and provisions at the end of the most recent four quarters and the opening balance at the start of the period divided by five.

Presented to show the Group's return on its externally financed capital and equity, meaning independent of its financing.

Return on equity, %

Net profit for the most recent 12-month period divided by average equity measured as total equity attributable to Parent Company shareholders at the end of the most recent four quarters and the opening balance at the start of the period divided by five.

Used to measure the return generated on the capital invested by the Parent Company's shareholders.

Financial net loan liability

Financial net loan liability measured as non-current interest-bearing liabilities and current interest-bearing liabilities, less cash and cash equivalents at the end of the period.

Used to monitor the debt trend and analyse the Group's total indebtedness including lease liabilities.

Operational net loan liability / Net loan receivable

Operational net loan liability measured as non-current interest-bearing liabilities and current interest-bearing liabilities excluding lease liabilities less cash and cash equivalents at the end of the period.

Used to monitor the debt trend and analyse the Group's total indebtedness excluding lease liabilities.

Equity/assets ratio, %

Equity attributable to Parent Company shareholders as a percentage of the balance-sheet total at the end of the period.

Used to analyse the financial risk in the Group and show how much of the Group's assets are financed by equity.

Change in revenue for comparable units

Comparable units refer to sales in local currency from units that were part of the Group during the current period and the entire corresponding period in the preceding year. Trading days refer to the effect on sales in local currency depending on the difference in the number of trading days compared with the comparative period. Other units refer to the acquisition or divestment of units during the corresponding period.

Used to analyse the underlying sales growth driven by changes in volume, the product and service offering, and the price for similar products and services across different periods. Refer to the reconciliation table on page 4.

Summary

President's statement

Group financial development

Components business area

Services business area

Financial position

Business combinations

Other

Consolidated financial statements

Parent Company financial statements

Notes

> Performance measures

About Momentum Group

Download PDF for print 



Derivation of alternative performance measures¹

	Q4		Jan-Dec	
	2023	2022	2023	2022
EBITA				
Operating profit	61	52	237	185
Items affecting comparability	-	-	-	6
Amortisation of intangible non-current assets in connection with corporate acquisitions	9	4	28	13
EBITA	70	56	265	204
Items affecting comparability				
Listing and separation costs	-	-	-	-6
Total items affecting comparability	-	-	-	-6
Operating margin				
Operating profit	61	52	237	185
Revenue	667	494	2,298	1,739
Operating margin	9.1%	10.5%	10.3%	10.6%
EBITA margin				
EBITA	70	56	265	204
Revenue	667	494	2,298	1,739
EBITA margin	10.5%	11.3%	11.5%	11.7%
Profit margin				
Profit after financial items	58	49	222	177
Revenue	667	494	2,298	1,739
Profit margin	8.7%	9.9%	9.7%	10.2%
EBITA/WC				
Average inventories			324	249
Average accounts receivable			335	254
Total average operating assets			659	503
Average accounts payable			-212	-168
Average working capital (WC)			447	335
EBITA			265	204
EBITA/WC			59%	61%

	Jan-Dec	
	2023	2022
Return on capital employed		
Average balance sheet total	1,540	1,036
Average non-interest-bearing non-current liabilities	-155	-70
Average non-interest-bearing current liabilities	-400	-313
Average capital employed	985	653
Operating profit	237	185
Financial income	6	1
Total operating profit + financial income	243	186
Return on capital employed	25%	28%
Return on equity		
Average equity attributable to parent company shareholders	553	468
Profit for the period attributable to the Parent Company shareholders	170	137
Return on equity	31%	29%
Financial net loan liability		
Non-current interest-bearing liabilities	419	143
Current interest-bearing liabilities	142	55
Current investments	-	-
Cash and cash equivalents	-47	-17
Financial net loan liability	514	181
Operational net loan liability/receivable +/-		
Financial net loan liability	514	181
Lease liability	-188	-133
Operational net loan liability/receivable +/-	326	48
Equity/assets ratio		
Balance-sheet total	1,862	1,173
Equity attributable to the Parent Company shareholders	617	498
Equity/assets ratio	33%	42%

¹ Pertains to balance-sheet items, and performance measures related to financial position pertain to the closing balance for each year.

Summary

President's statement

Group financial development

Components business area

Services business area

Financial position

Business combinations

Other

Consolidated financial statements

Parent Company financial statements

Notes

› **Performance measures**

About Momentum Group

Download PDF for print 



Historical financial information¹

MSEK	R12					
	31 Dec 2023	31 Dec 2022	31 Dec 2021	31 Dec 2020	31 Mar 2020	31 Mar 2019
Revenue	2,298	1,739	1,491	1,163	1,254	1,196
Operating profit	237	185	155	130	130	111
EBITA	265	204	171	134	134	114
Net profit	173	140	117	99	99	84
Intangible non-current assets	789	383	284	175	177	165
Right-of-use assets	194	138	127	51	60	-
Other non-current assets	31	22	19	12	8	7
Inventories	366	285	213	176	193	191
Current receivables	435	328	271	175	227	220
Cash and cash equivalents and current investments	47	17	70	145	31	29
Total assets	1,862	1,173	984	734	696	612
Equity attributable to Parent Company shareholders	617	498	458	337	259	143
Non-controlling interests	39	27	17	6	5	-
Interest-bearing liabilities and provisions	561	198	132	147	193	141
Non-interest-bearing liabilities and provisions	645	450	377	244	239	328
Total equity and liabilities	1,862	1,173	984	734	696	612
Operating margin	10.3%	10.6%	10.4%	11.2%	10.4%	9.3%
EBITA margin	11.5%	11.7%	11.5%	11.5%	10.7%	9.5%
Return on working capital (EBITA/WC)	59%	61%	61%	54%	52%	46%
Return on equity	31%	29%	30%	35%	49%	51%
Financial net loan liability	514	181	62	2	162	112
Operational net loan liability/receivable +/-	326	48	-61	-45	107	112
Equity/assets ratio	33%	42%	47%	46%	37%	23%
Earnings per share before and after dilution, SEK	3.45	2.70	2.30	1.90	1.95	1.65
Equity per share, SEK	12.50	10.10	9.05	6.70	5.15	2.85
Share price, SEK	130.50	58.51	-	-	-	-
No. of employees at the end of the period	749	558	484	329	339	335

¹ Pertains to balance-sheet items, and performance measures related to financial position pertain to the closing balance for each year.

- Summary
- President's statement
- Group financial development
- Components business area
- Services business area
- Financial position
- Business combinations
- Other
- Consolidated financial statements
- Parent Company financial statements
- Notes
- › **Performance measures**
- About Momentum Group

Download PDF for print 



Developing and acquiring successful sustainable companies in the Nordic region

Momentum Group is a leading company offering sustainable products and services and related value-creating services to the industrial sector. Momentum Group is an active owner that focuses on developing and acquiring companies in the product and service categories where we possess knowledge, expertise and experience.

Mission

Together for a sustainable industry

The Group's businesses, together with their customers, partners and other stakeholders, will contribute to creating a sustainable industry from a social, environmental and economic perspective.

Vision

The customer's best sustainable choice

Our various companies focus on understanding customer needs in order to offer the best solution for the customer, based on their situation and needs.

Our focus areas

Business development through active ownership.

Business development through decentralised responsibility and employee development.

Growth through acquisitions of sustainable companies.

Business concept

We will make the everyday lives of our customers easier, safer and more profitable – by offering sustainable products and services

For the Group's customers, it is important to maintain good profitability in their operations. Our companies sell quality products and related services that create value for the customer throughout the life of the product or service.

Our financial targets

EBITA growth: **>15%**

Profitability EBITA/WC: **>45%**

Dividend: **>30%**

Momentum Group AB

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Org No: 559266-0699

Board of Directors' registered office:

Stockholm

momentum.group

Revenue SEK million¹

2,298

EBITA growth¹

30%

Profitability, EBITA/WC¹

59%

Employees²

749

¹ Refers to R12 until 31 December 2023. EBITA growth is measured against the corresponding R12 period of the preceding year.

² Number of employees as of 31 December 2023.

Summary

President's statement

Group financial development

Components business area

Services business area

Financial position

Business combinations

Other

Consolidated financial statements

Parent Company financial statements

Notes

Performance measures

› **About Momentum Group**

Download PDF for print 

