



Bo Annvik, CEO  
Patrik Johnson, CFO

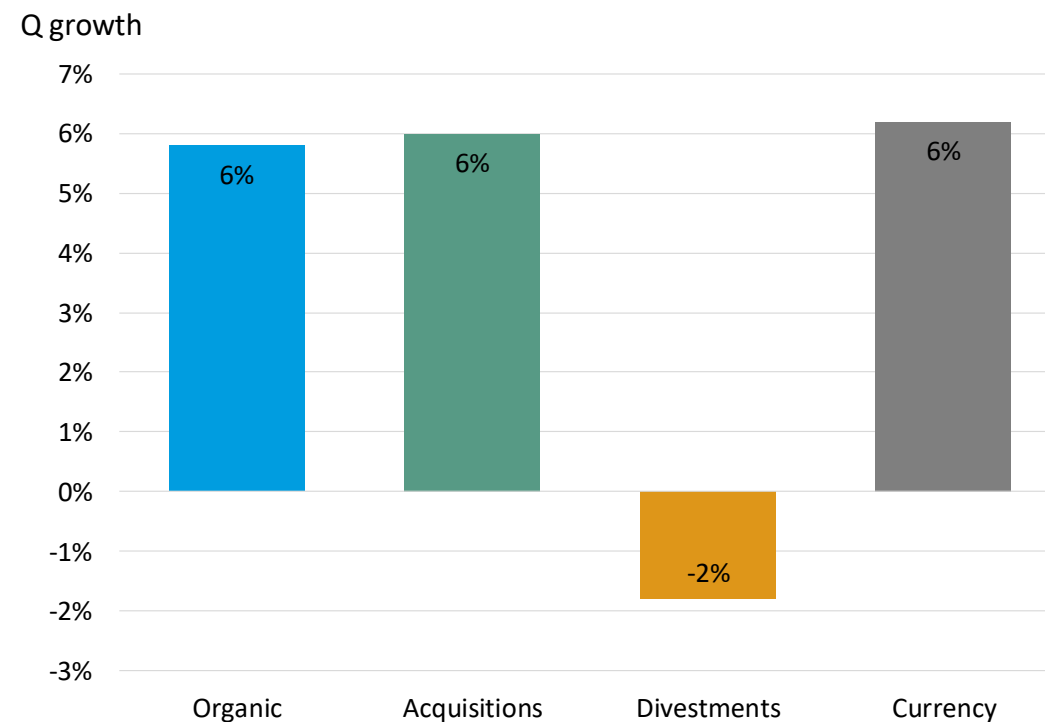
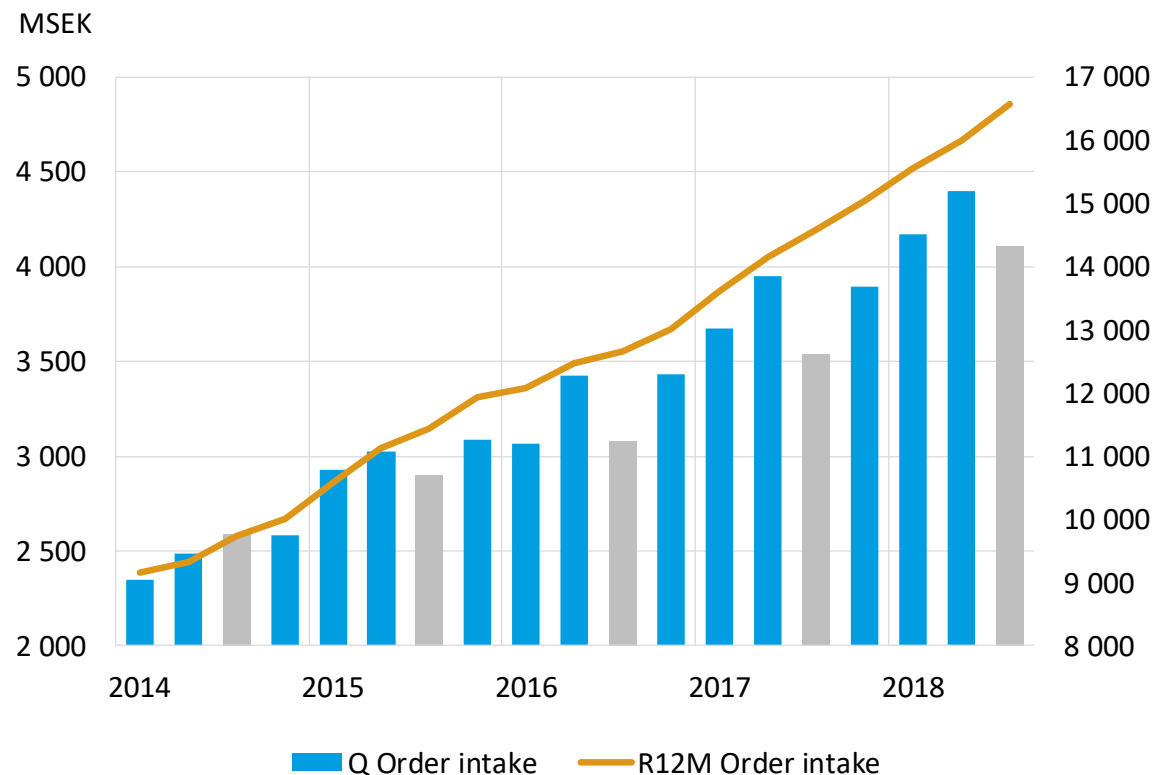
Presentation  
Interim Report January-September 2018  
8 November 2018



## Highlights Q3 2018

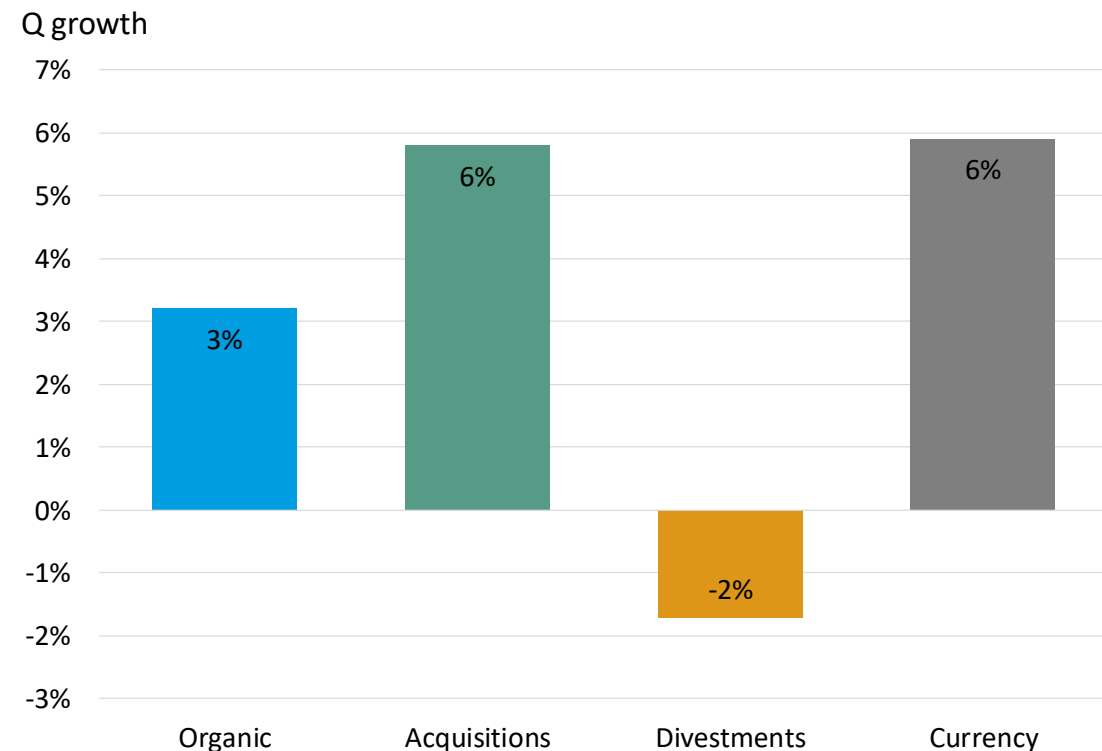
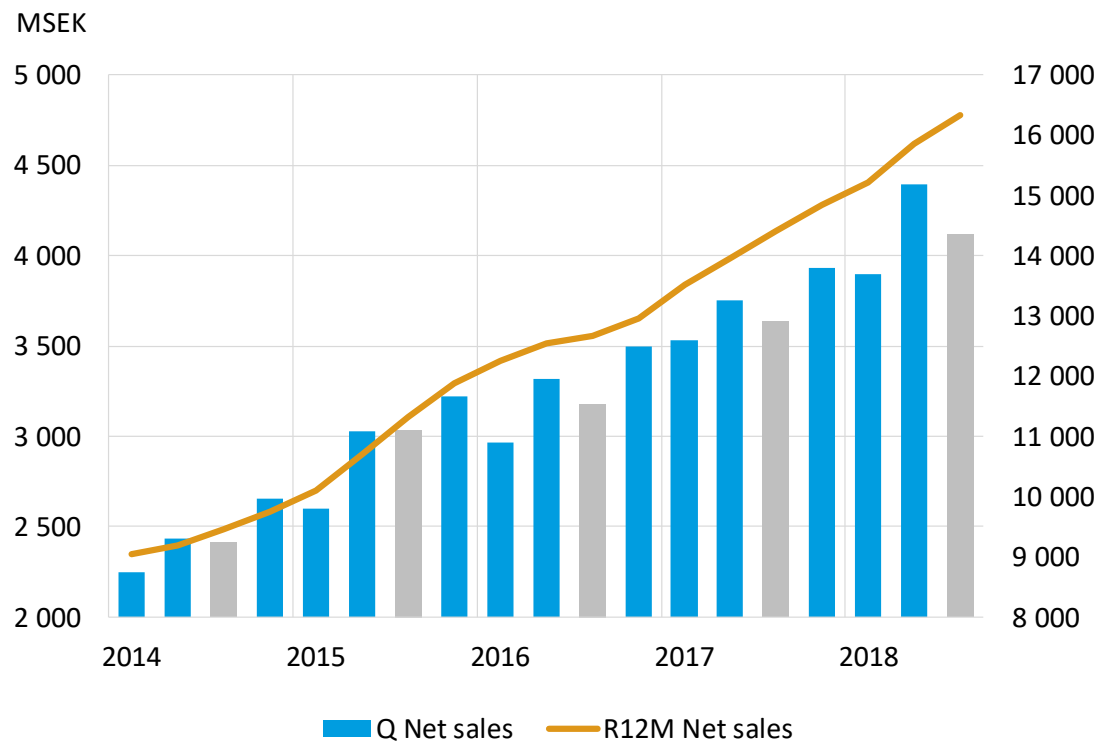
- Continued stable demand on a high level with improved organic order intake
- EBITA margin improvement both organically and through acquisitions
- Improved cash flow during the quarter
- Good performance in most business areas, particularly in UK, Measurement & Sensor Technology and Finland
- Acquisition of Norsecraft, TX RX and Thermo Electric
- Indutrade increases the target for the EBITA margin

# Order intake



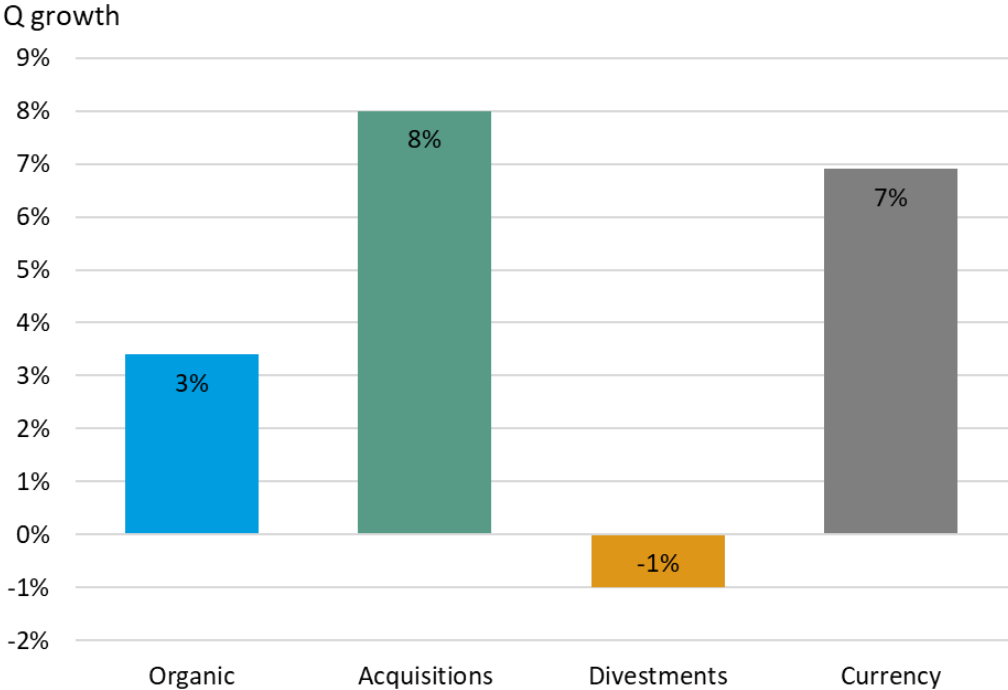
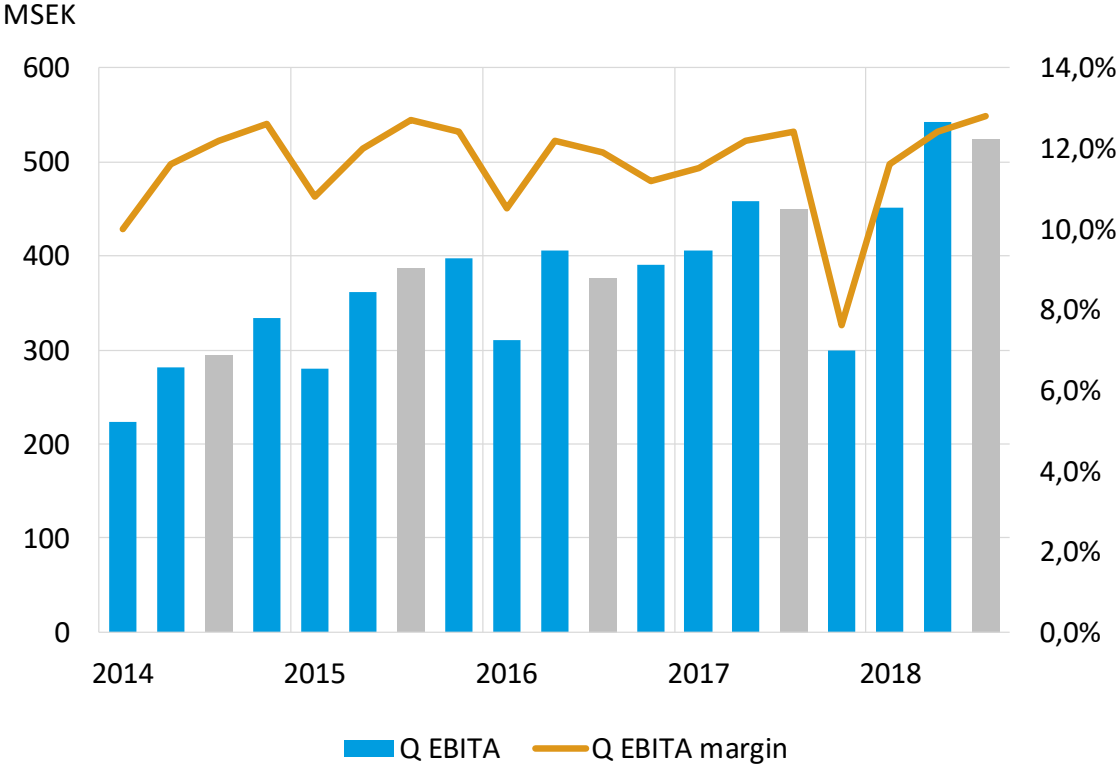
	Q GROWTH	YTD GROWTH	R3Y CAGR
<b>4 106 MSEK</b>	<b>+16%</b>	<b>+14%</b>	<b>+12%</b>

# Net sales



	Q GROWTH	YTD GROWTH	R3Y CAGR
<b>4 115 MSEK</b>	<b>+13%</b>	<b>+14%</b>	<b>+11%</b>

# EBITA



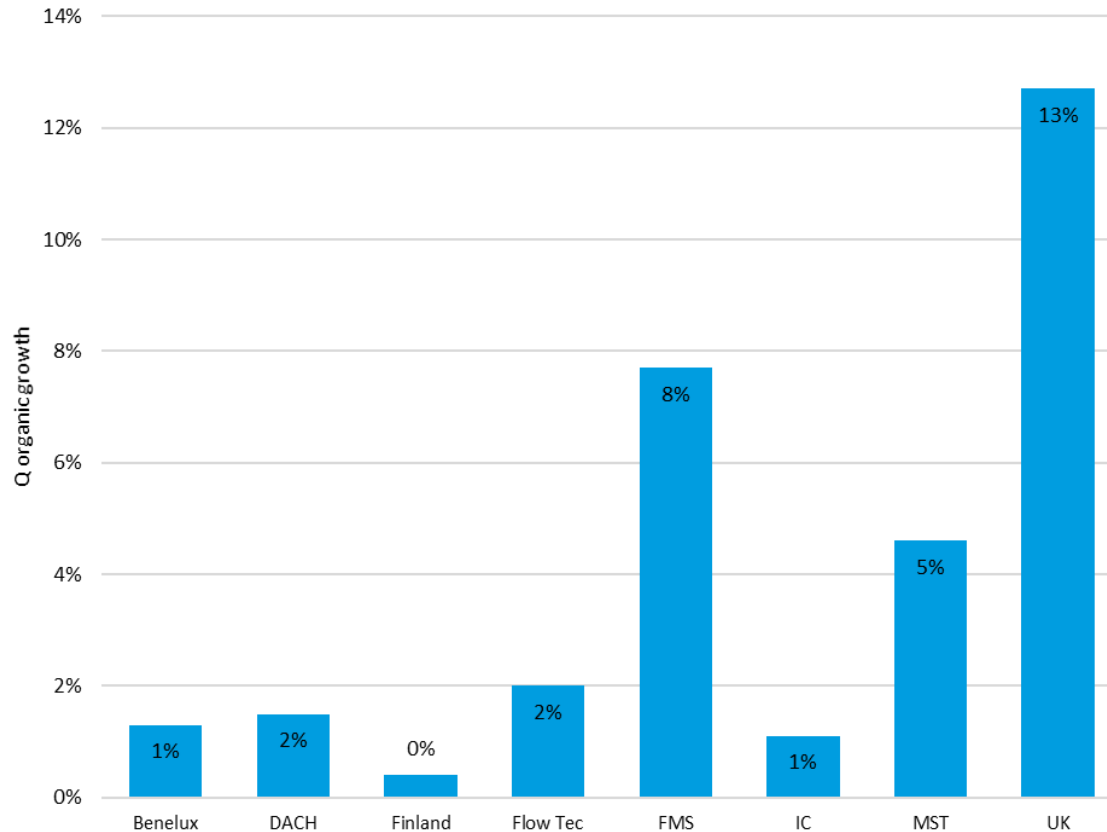
**525 MSEK**

Q GROWTH  
**+17%**

YTD GROWTH  
**+16%**

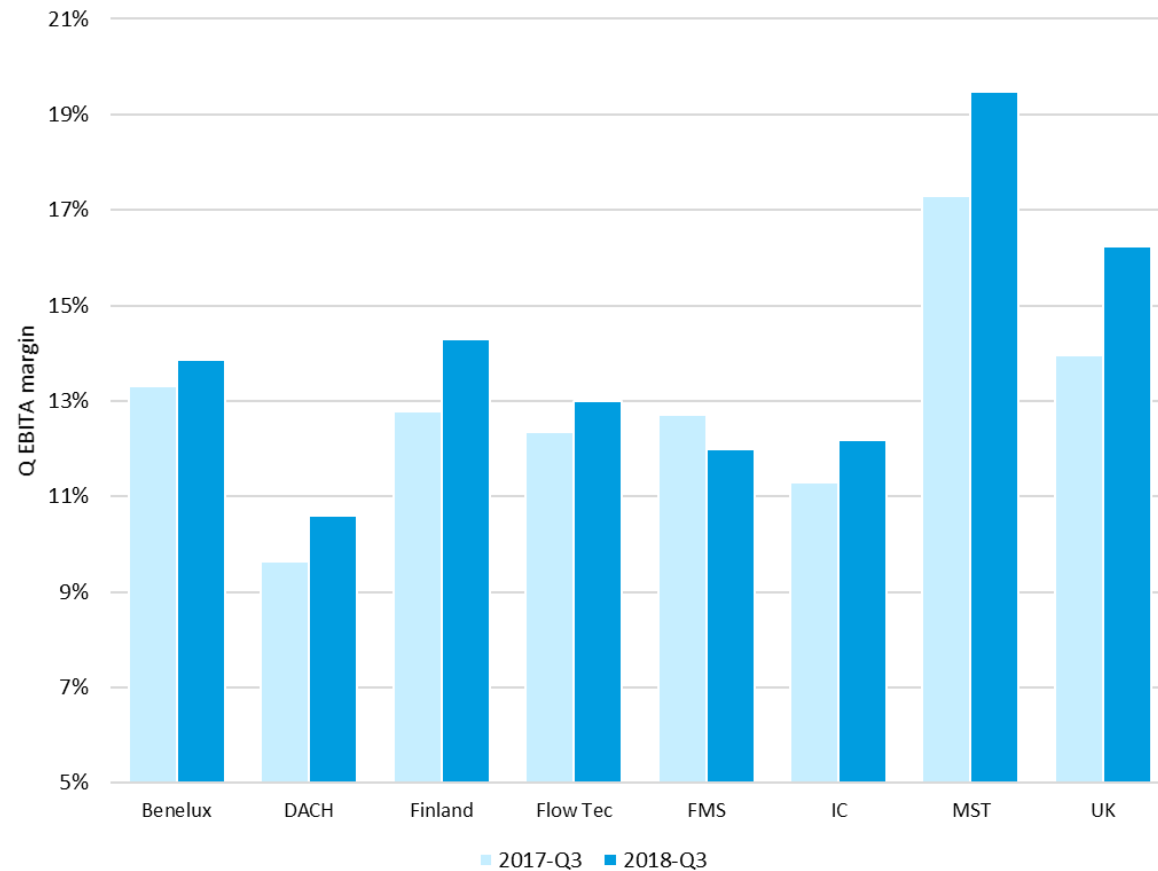
R3Y CAGR  
**+8%**

# Organic sales growth by Business Area















- All Business Areas grew organically in the quarter
- Broad strong demand in UK – both domestic and export oriented companies developed positively
- Automotive after sales and industry segment companies performed strong in Fluids & Mechanical Solutions
- General demand rebound in Measurement & Sensor Technology in combination with larger projects

# EBITA margin by Business Area



- EBITA margin improved in seven out of eight Business Areas
- Benelux and DACH improvements primarily driven by acquisitions
- Finland benefited from restructuring and divestments
- Improvements in restructured Sander Meson supported Business Area Flow
- Good price management and cost control main improvement drivers in Industrial Components
- UK and Measurement & Sensor Technology increase mainly related to the strong demand
- Slight decrease in Fluids & Mechanical Solutions due to higher raw material and component prices

# Acquisitions/divestments 2018

	<b>Acquisitions</b>	<b>BA</b>	<b>Annual Sales</b>
	Zijtveld Gripers B.V.	Benelux	130 MSEK
	RA Howarth Engineering Ltd	UK	20 MSEK
	Gaveco AB	Flow Technology	15 MSEK
	Precision UK Ltd	UK	130 MSEK
	Digitrade GmbH	DACH	15 MSEK
	Norsecraft Tec AS	Industrial Components	55 MSEK
	TXRX	Measurement & Sensor Technology	120 MSEK
	Thermo Electric	Measurement & Sensor Technology	115 MSEK
	<b>Divestments</b>	<b>BA</b>	<b>Annual Sales</b>
	Tecalemit Oy companies	Finland / Flow Technology	120 MSEK
	Novisol GmbH (Dresden branch)	DACH	90 MSEK
	Recair Oy	Finland	110 MSEK
	UAB Industek	Fluids & Mechanical Solutions	70 MSEK

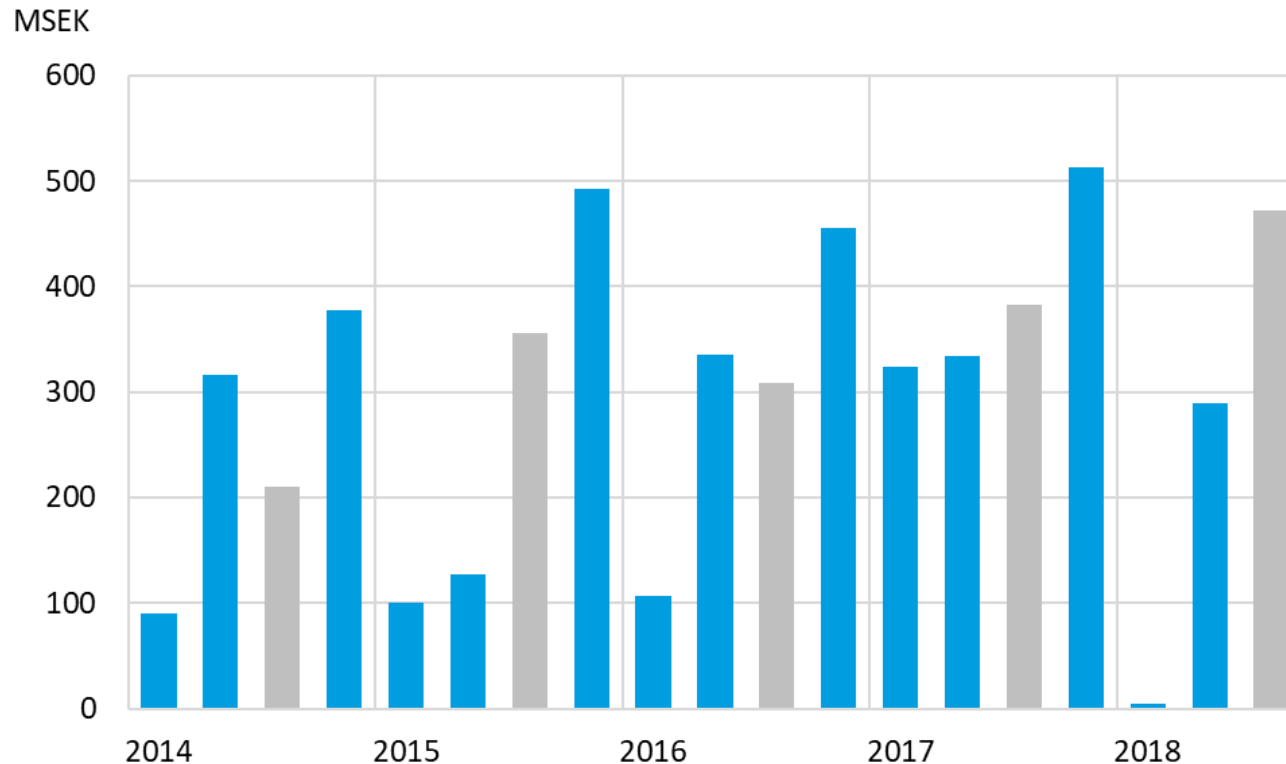




# Key data summary

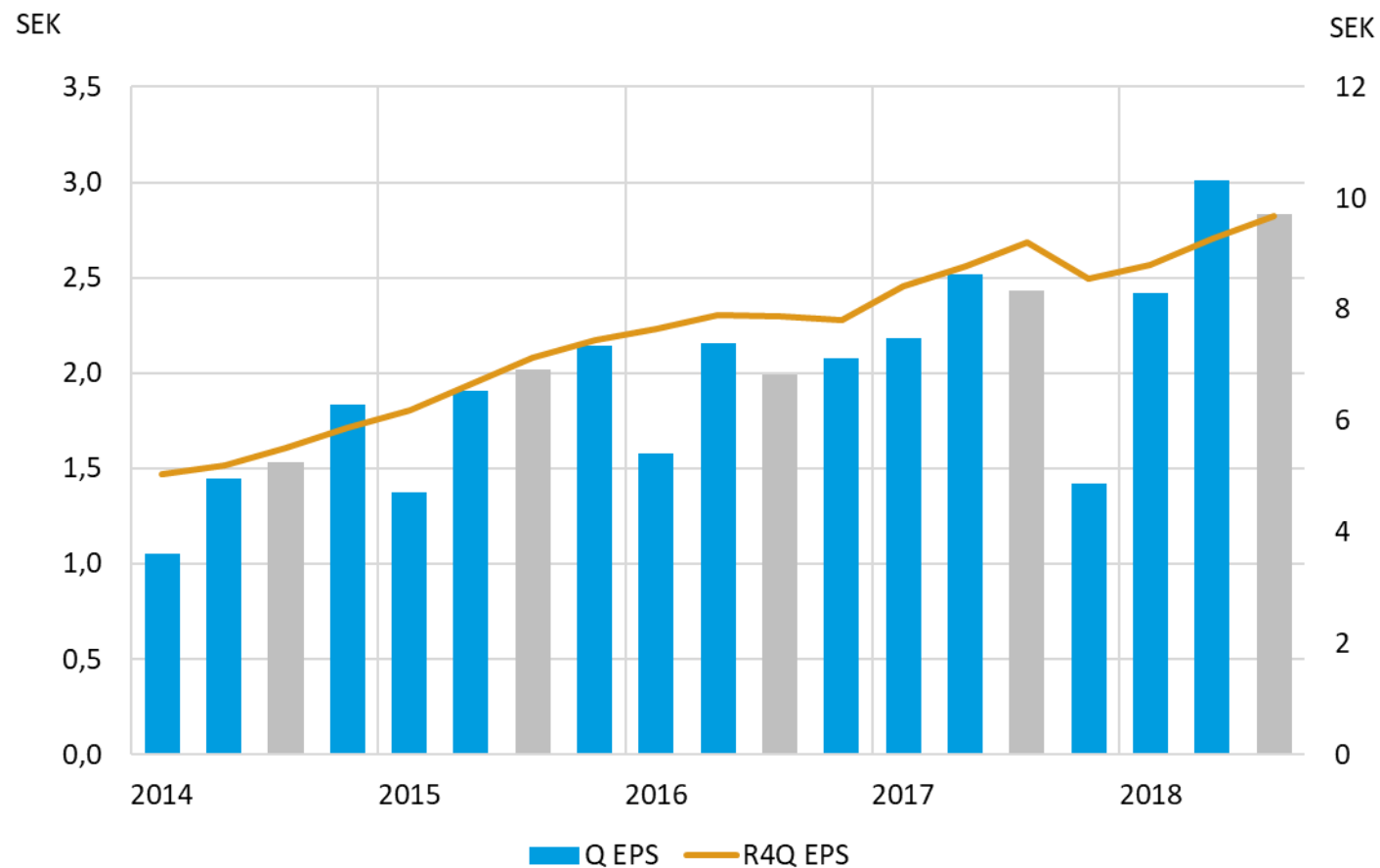
MSEK	2018-Q3	2017-Q3	Change	2018 YTD	2017 YTD	Change
Order Intake	4 106	3 532	16%	12 670	11 156	14%
Net Sales	4 115	3 633	13%	12 402	10 915	14%
Gross margin, %	34,1	33,1		34,1	33,6	
EBITA	525	450	17%	1 519	1 314	16%
EBITA-margin, %	12,8	12,4		12,2	12,0	
Net financial items	-21	-19	11%	-59	-53	11%
Tax	-96	-78	23%	-267	-231	16%
Earnings per share (before dilution), SEK	2,83	2,43	16%	8,26	7,12	16%
Return On Operating Capital, %	19	21		19	21	
Cash Flow from operating activities	472	383	23%	766	1 041	-26%
Net debt / EBITDA, times	2,1	2,0		2,1	2,0	

# Cash Flow from operating activities



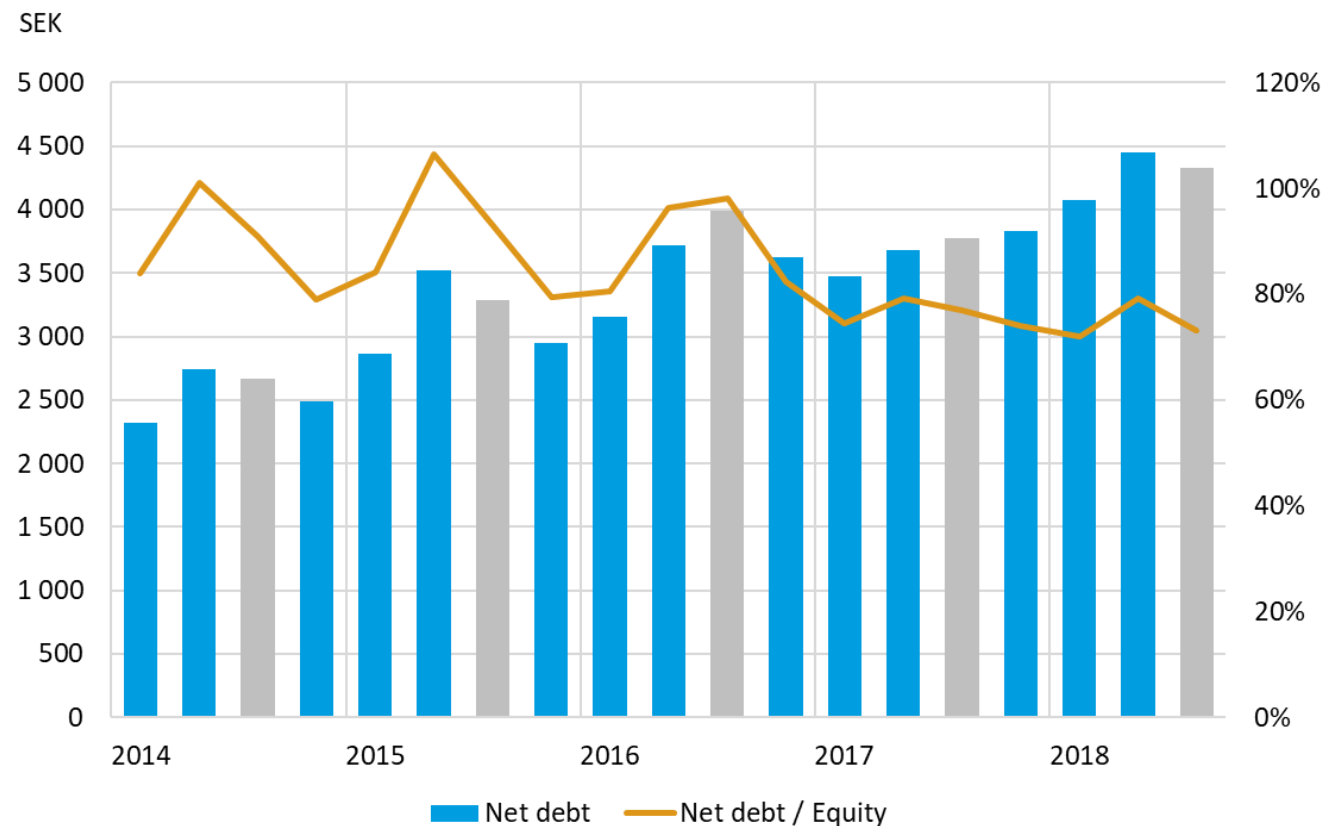
- Cash Flow from operating activities grew with 23% to 472 MSEK, mainly driven by increased profits
- Accumulated Cash Flow from operating activities still behind last year due to higher working capital
- Working capital increase relates to higher volumes and inventory increases to mitigate longer lead times from suppliers

# Earnings per share



- Earnings per share rose 16% to SEK 2.83 (2.43)
- 12 months rolling earnings per share rose 5% to SEK 9.68 (9.20)
- Excluding restructuring 12 months rolling earnings per share rose 14% to SEK 10.53 (9.20)
- 5 year earnings per share CAGR, excluding restructuring is 16%

# Net debt



- The interest bearing net debt end of Q3 increased with 15% to 4,324 MSEK (3,775)
- Net debt / equity ratio 73% (77%) – slightly down versus last year and last quarter

# Changed financial target

- Growth  $\geq 10\%$
- EBITA margin  $\geq 12\%$  (prev. 10%)
- Return on operating capital  $\geq 20\%$
- Net debt/Equity  $\leq 100\%$
- Dividend 30-60% of net profit

*Measured over a business cycle*

# Welcome to our Capital Markets Day

- 4 December 2018
- Starting at 09.00 am to approximately 02.00 pm  
(registration from 08.30 am)
- Location: Indutrades head office  
Raseborgsgatan 9 in Kista
- Registration latest 25 November:  
[CMD2018@indutrade.com](mailto:CMD2018@indutrade.com)



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# Key takeaways and outlook

- Solid quarter with continued stable, high demand and improved profitability
- Uncertain macro ahead but no clear sign of a changed demand situation
- Diversified structure with agile and flexible companies, working closely with their customers
- Continued execution of successful business model and strategy
- Updated financial targets



