



An entrepreneurial world  
where people make the difference

Q1 Report 2022

Bo Annvik, President and CEO  
Patrik Johnson, CFO

29 April 2022

# Highlights first quarter 2022

- Continued broad and strong demand in almost all segments and companies
- Strong performance from our companies despite challenging market conditions – Net Sales improved vs Q4 21 and Q1 21
- Organic Order Intake and Net Sales grew +12%, respectively
- Record high EBITA margin for a first quarter driven by strong organic gross margin development together with good margins in newly acquired companies
- Two acquisitions in Q1 – in total 4 acquisitions with annual turnover of 340 MSEK in 2022. Good pipeline!

Net Sales

**6.4**

BSEK

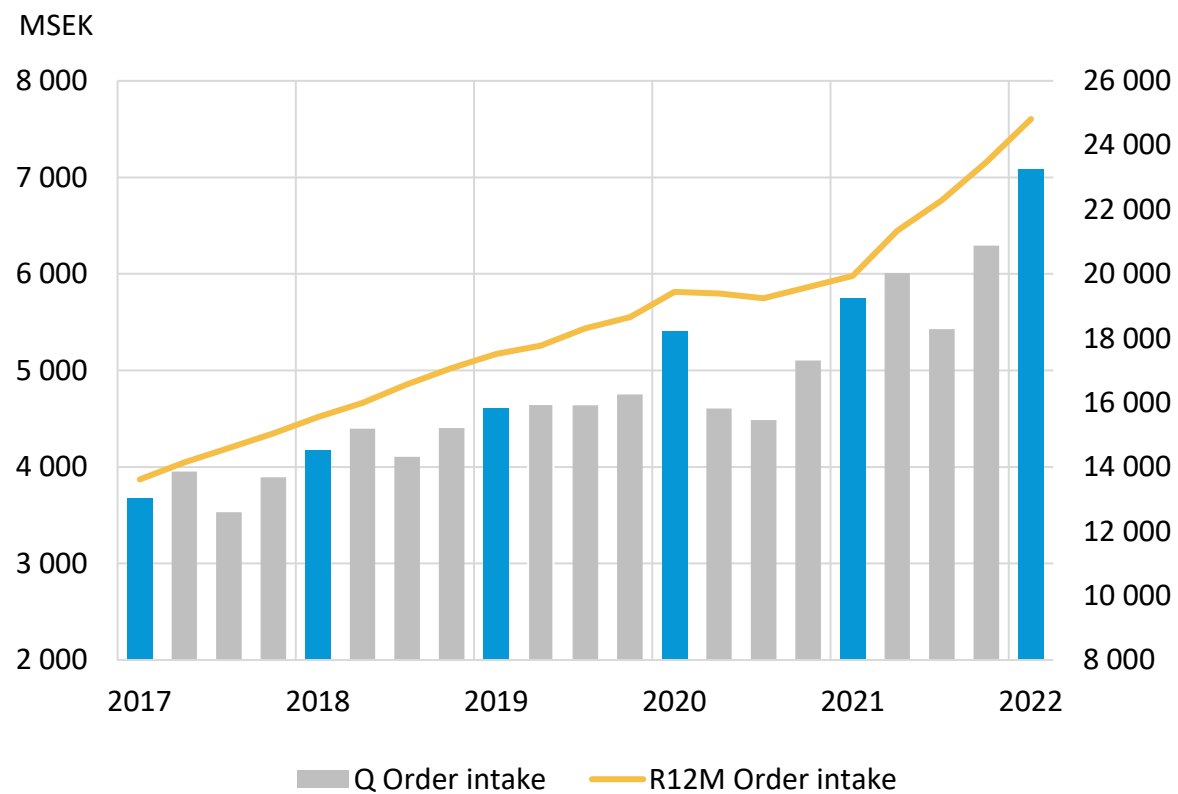
EBITA margin

**15.0%**

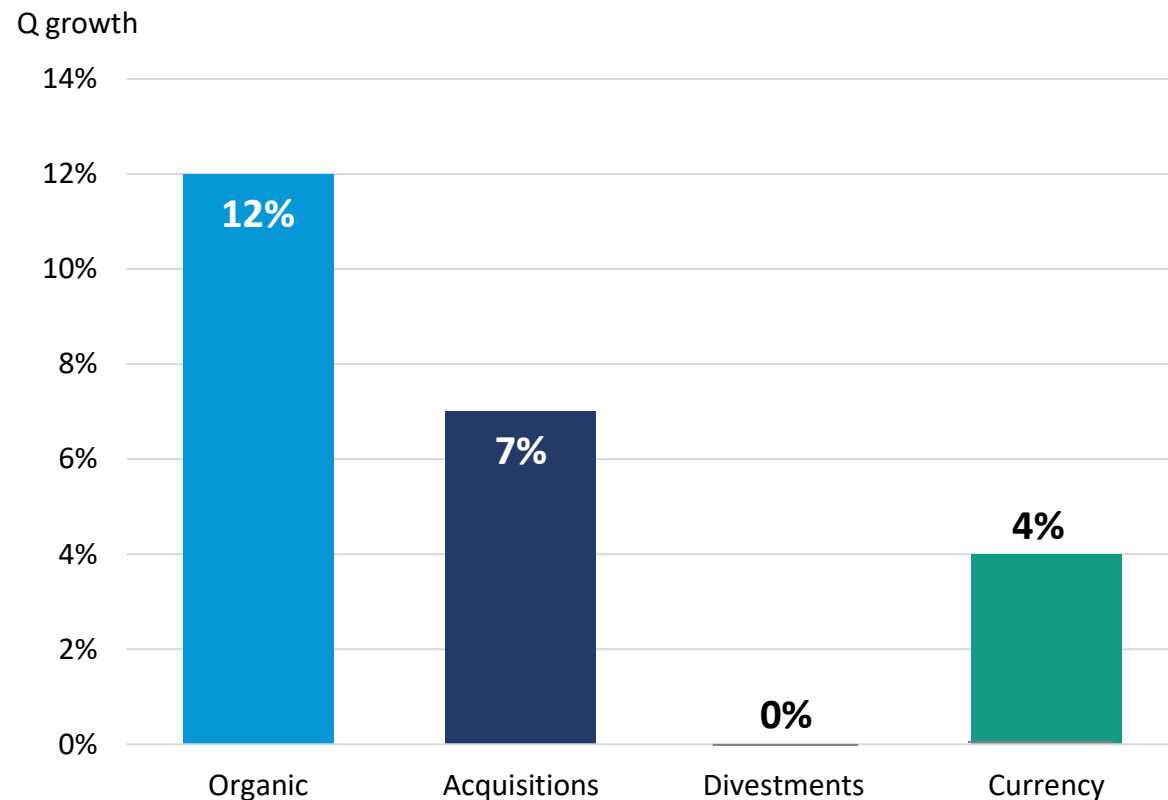
# Challenging market conditions

- War in Ukraine
  - Indutrade has stopped all business activities with companies in Russia and Belarus
  - No companies or employees in Russia, Belarus or Ukraine
  - Limited direct and indirect business exposure
  - Limited sourcing from Russia, Belarus and Ukraine
- Continued supply chain disturbances. No indications of an improvement
- Inflation – a rising challenge

# Order intake



## QUARTERLY GROWTH



**7,085 MSEK**

Q GROWTH

**+23%**

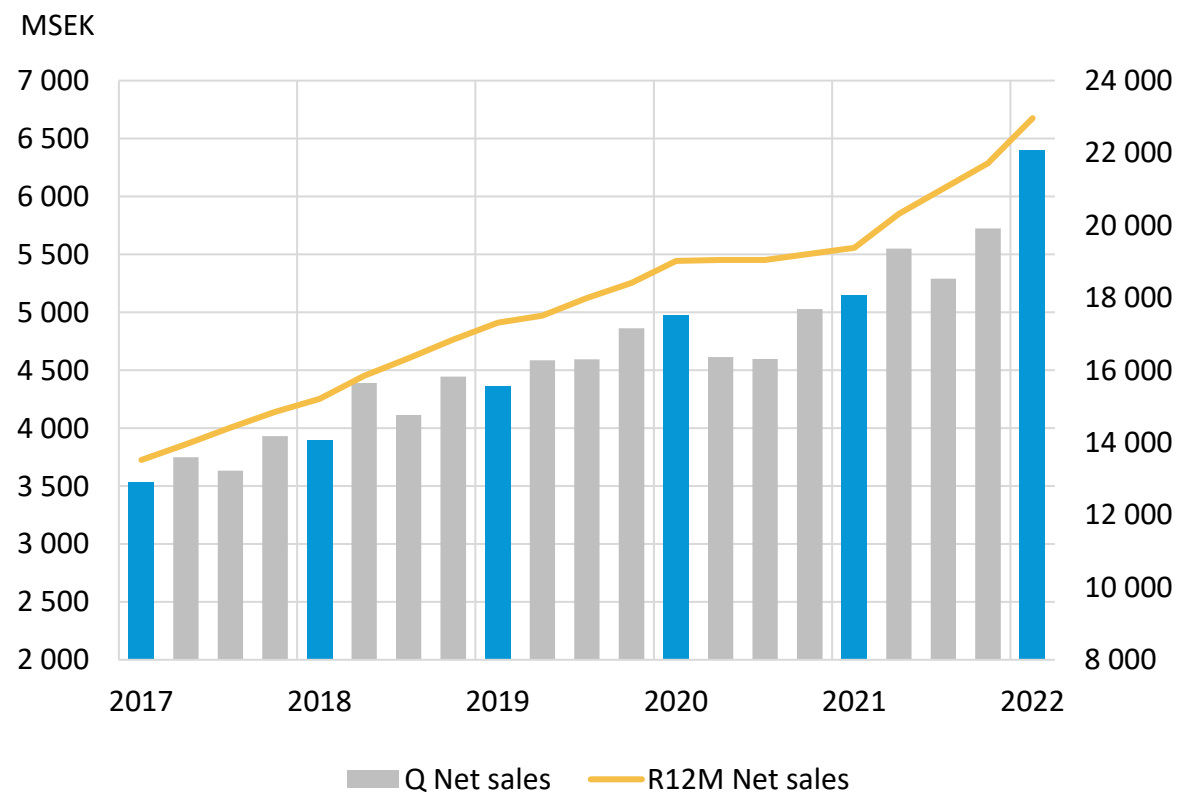
YTD GROWTH

**+23%**

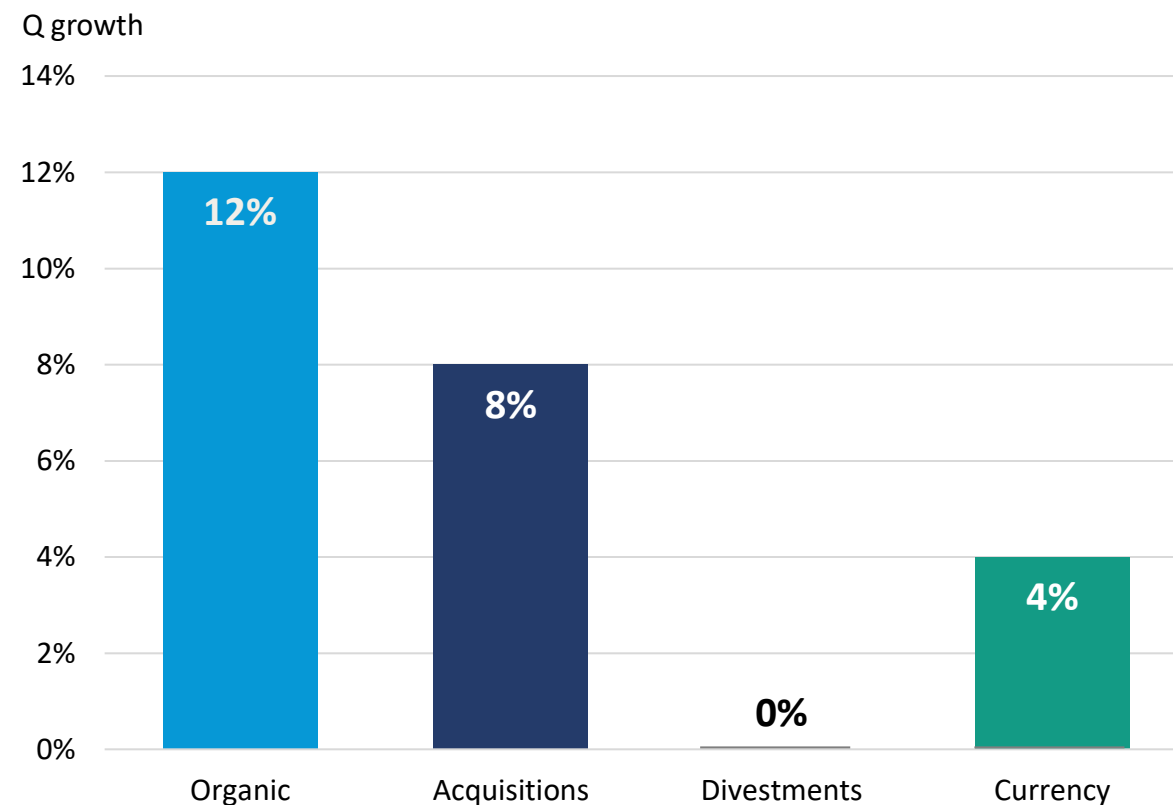
R3Y CAGR

**+15%**

# Net sales



## QUARTERLY GROWTH



**6,398 MSEK**

Q GROWTH

**+24%**

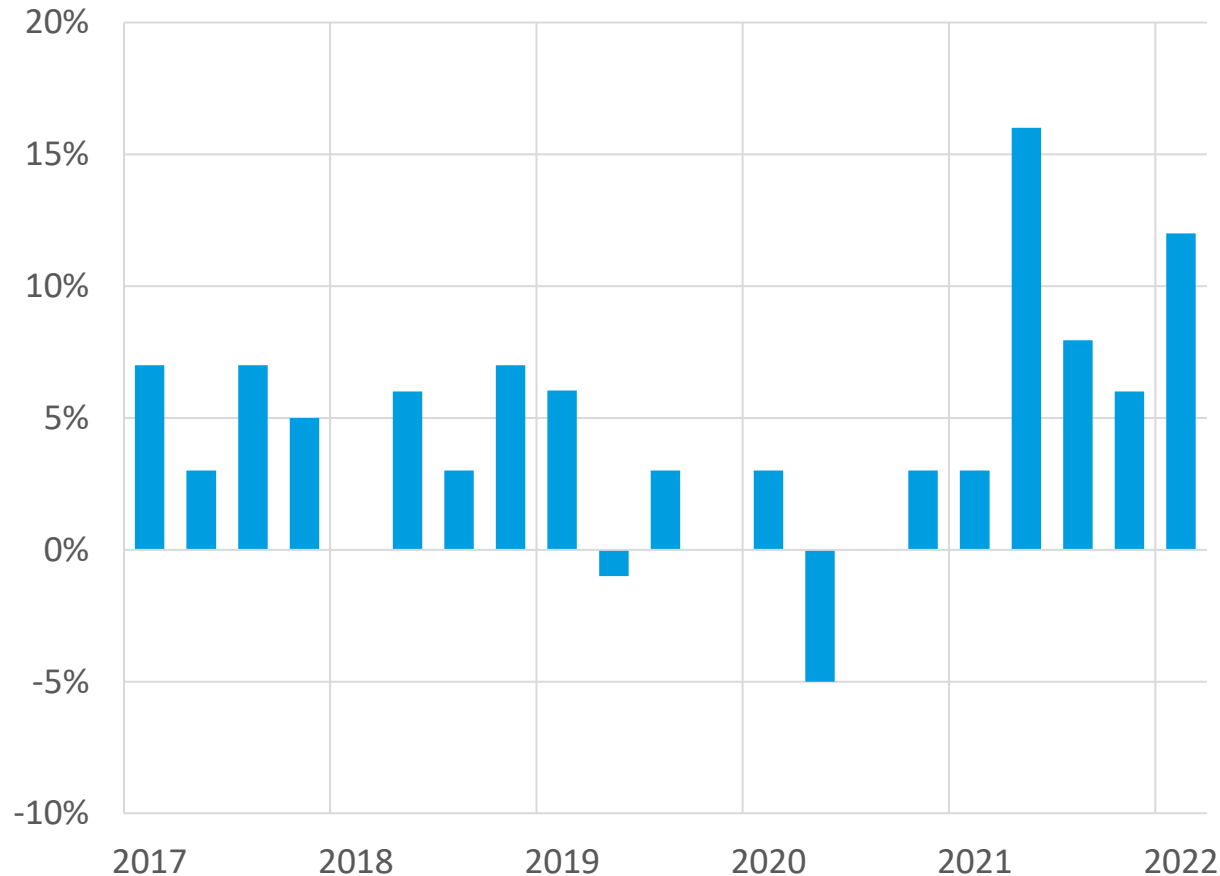
YTD GROWTH

**+24%**

R3Y CAGR

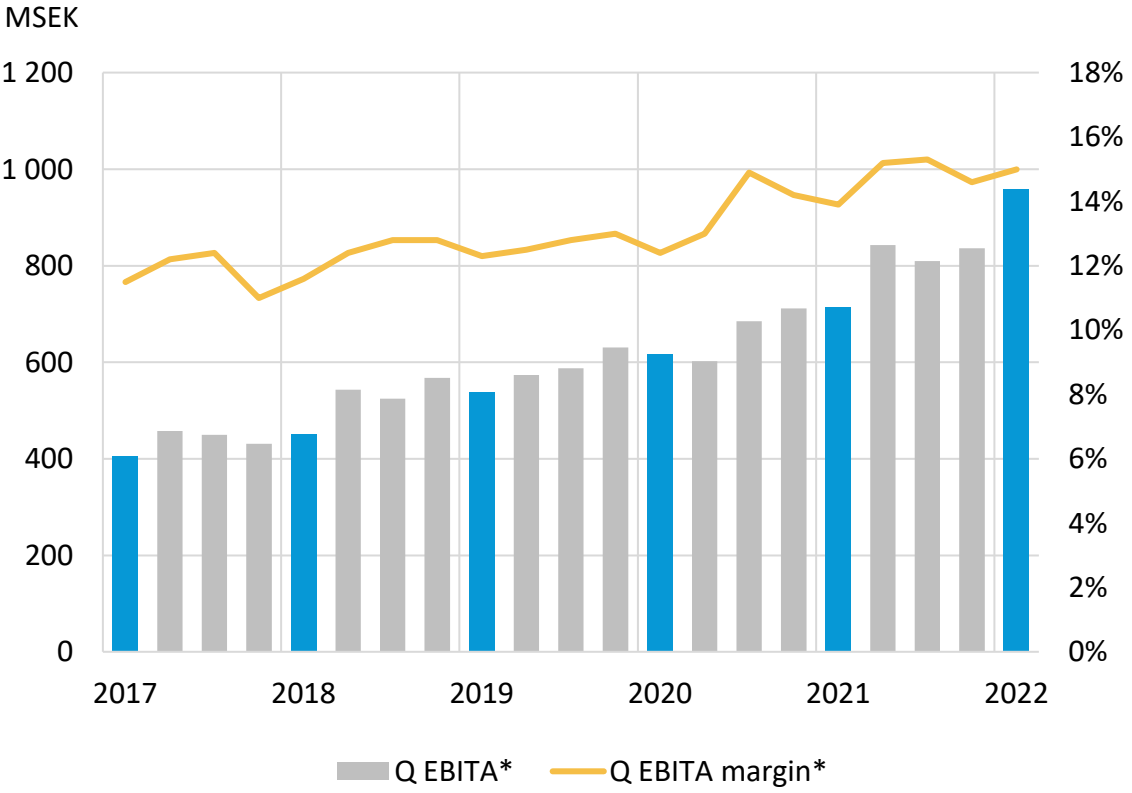
**+14%**

# Organic Sales Growth trend

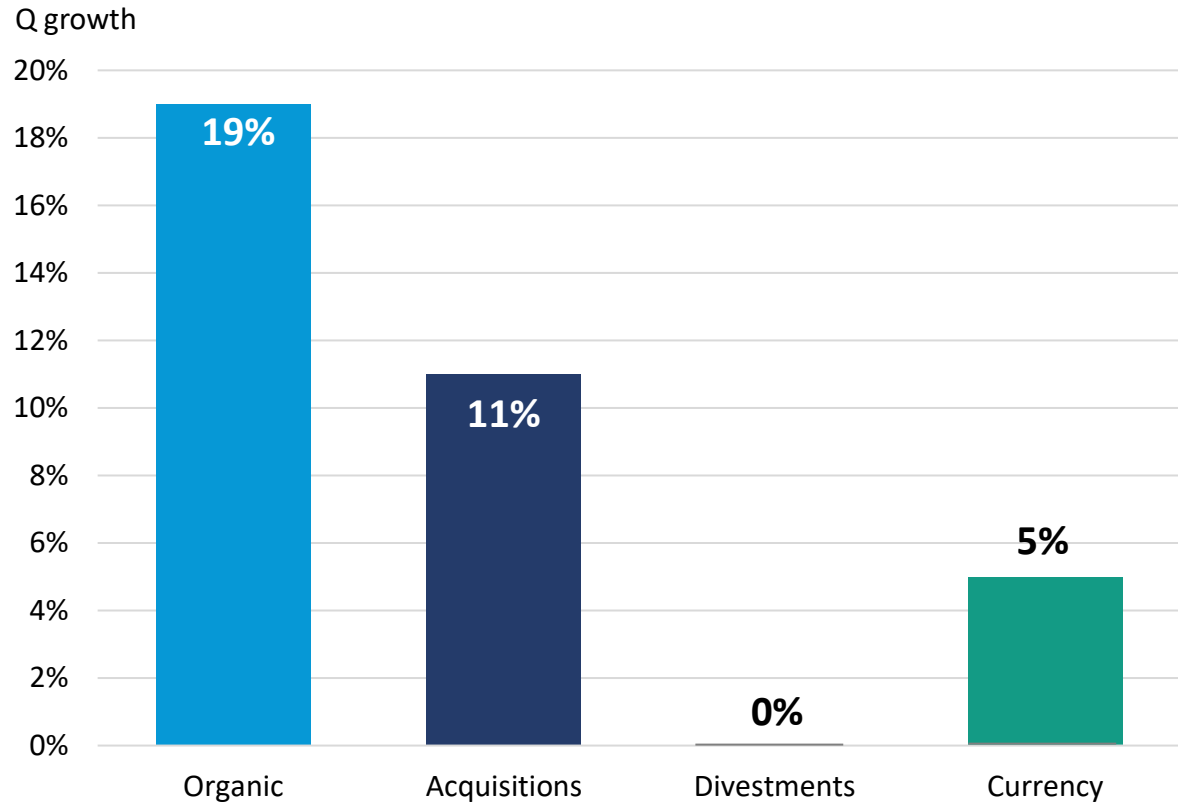


- Organic growth six consecutive quarters
- Sequentially increased organic growth rate
- Organic growth in all Business Areas
- Strong order back log

# EBITA



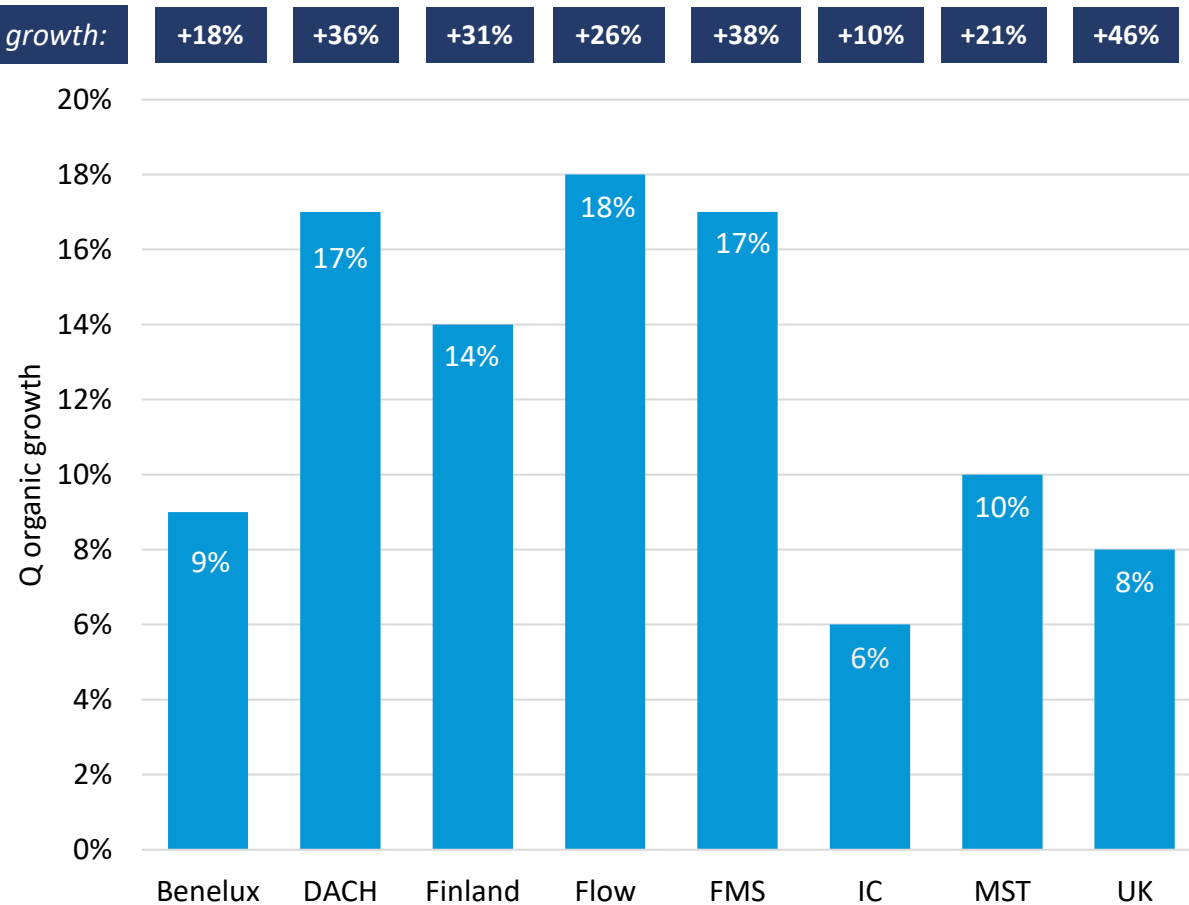
## QUARTERLY GROWTH



\*) Excluding restructuring costs 2017-Q4

<b>959 MSEK</b>	<b>Q1-22 MARGIN</b> <b>15.0%</b>	<b>Q GROWTH</b> <b>+35%</b>	<b>YTD GROWTH</b> <b>+35%</b>
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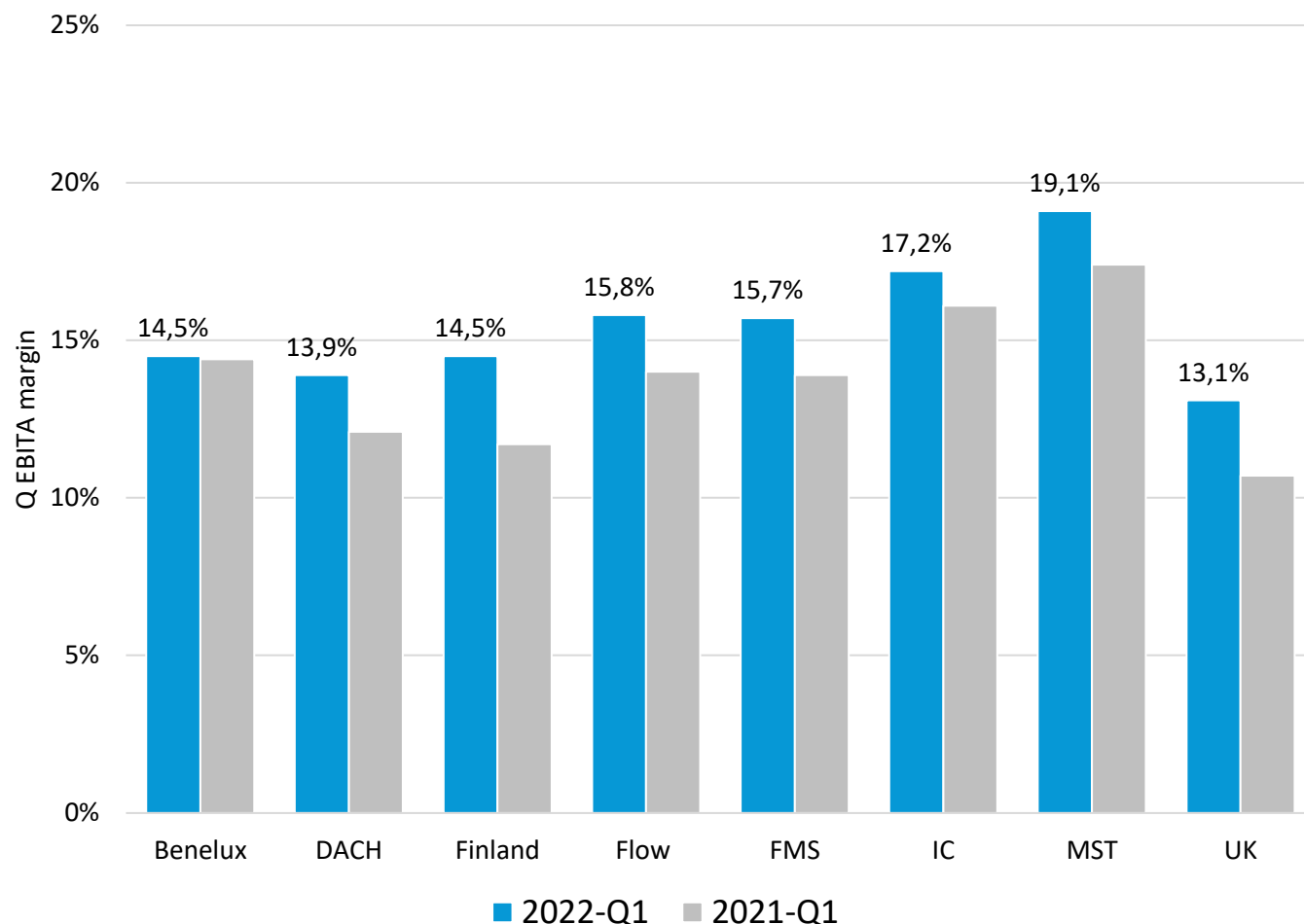
# Organic sales growth Q1 by Business Area



- Organic sales growth in all Business Areas
- Strongest growth in Business Areas Flow Technology, Fluids & Mechanical Solutions, DACH and Finland supported by broad positive development within the Process industry, Infrastructure and Pharma customer segments
- Majority of the companies grew in Business Area Benelux, Industrial Components, Measurement and Sensor Technology and UK but the development was dampened slightly by for instance valves for power generation, strong references in the pharma customer segment and supply chain disturbances







# EBITA margin by Business Area



- Record EBITA margin for a Q1
- Strengthened EBITA-margin in all Business Areas
- Continued strong organic gross margin development
- Good profitability in newly acquired companies
- Strongest improvements in Business Areas Finland and UK, driven by positive development in majority of the companies and newly acquired companies
- Development in Business Area Benelux dampened somewhat by valves for power generation

# Acquisitions 2022

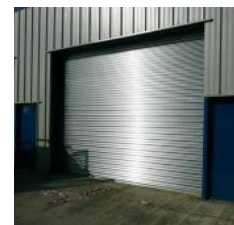
Acquisitions	Business Area	Annual Sales
Q1	 Autoroll UK Ltd	67 MSEK
	 NTi Audio AG	90 MSEK
Q2	 Stabalux GmbH	40 MSEK
	 PMH International AB	140 MSEK
<b>Total</b>		<b>337 MSEK</b>

 Indutrade

**NTi**  
AUDIO



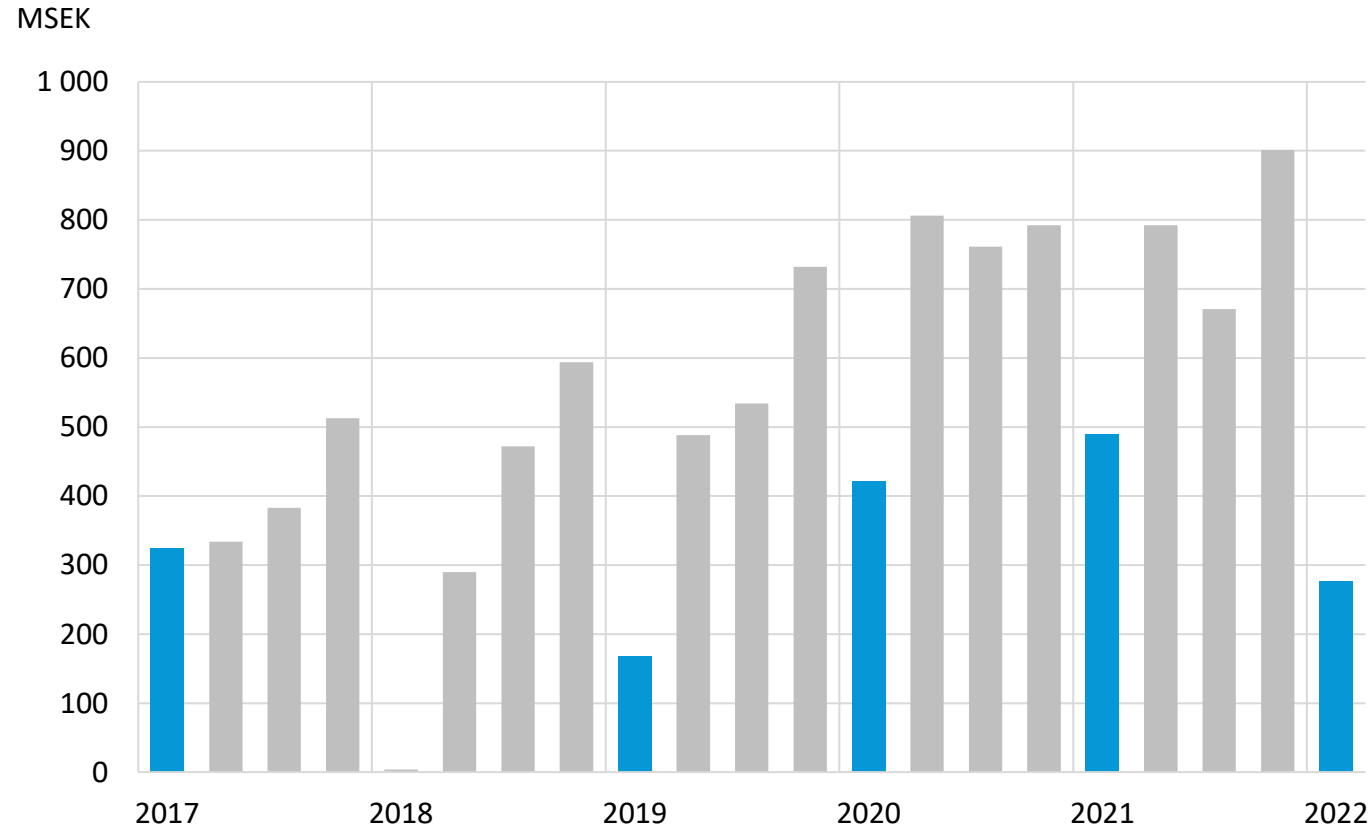
STABALUX



# Key data summary

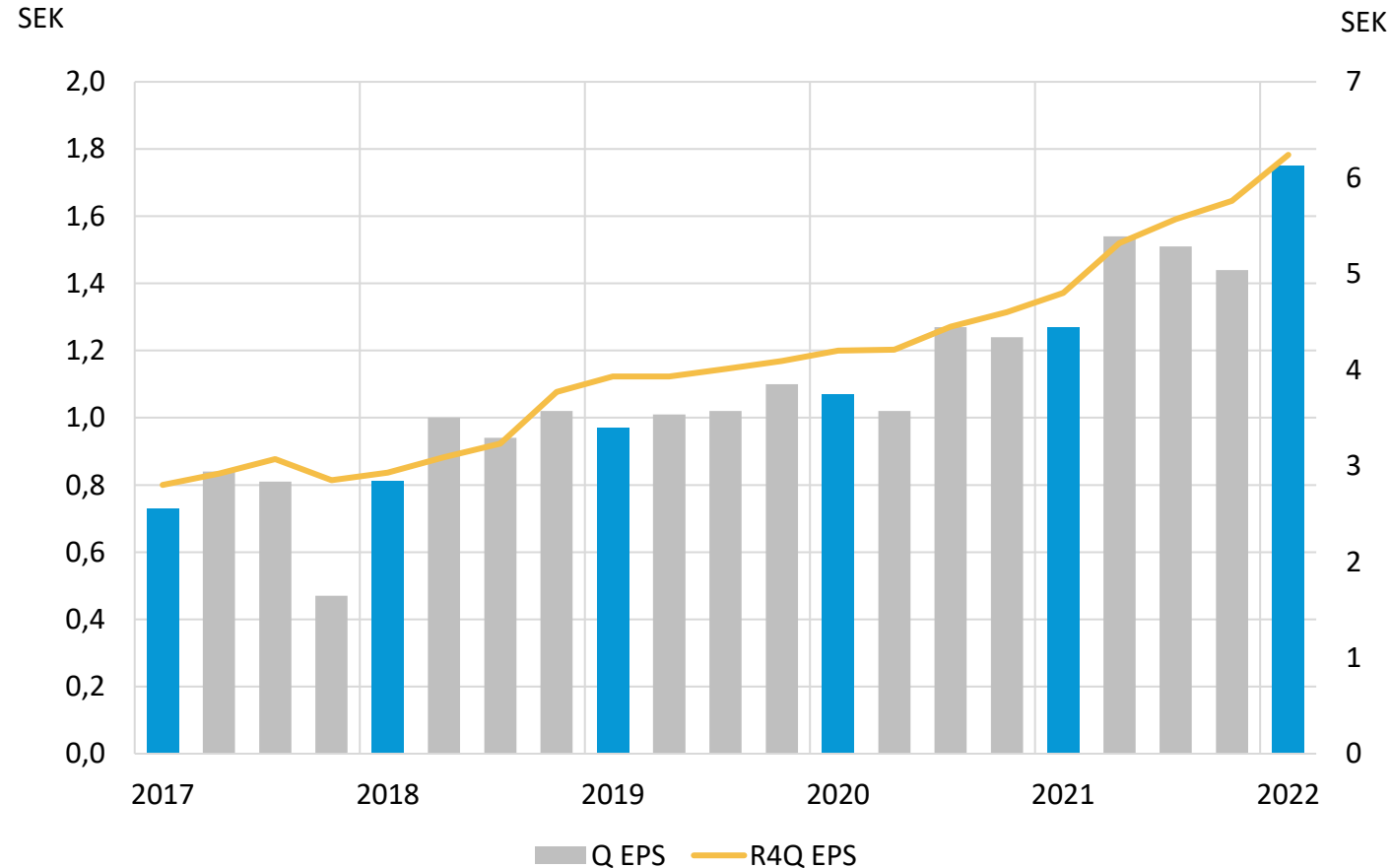
MSEK	2022-Q1	2021-Q1	Change
Order Intake	7,085	5,747	23%
Net Sales	6,398	5,147	24%
Gross margin, %	34.6	34.3	
EBITA	959	713	35%
EBITA-margin, %	15.0	13.9	
Net financial items	-35	-29	21%
Tax	-176	-133	32%
Earnings per share (before dilution), SEK	1.75	1.27	38%
Return On Capital Employed, %	23	20	
Cash Flow from operating activities	276	489	-44%
Net debt / EBITDA, times	1.4	1.5	

# Cash Flow from operating activities



- Operating cash flow during the quarter was 276 (489) MSEK
- Cash flow in Q1 seasonally low
- The decline versus last is related to increases of receivables and inventories
- The working capital efficiency improved further during the quarter

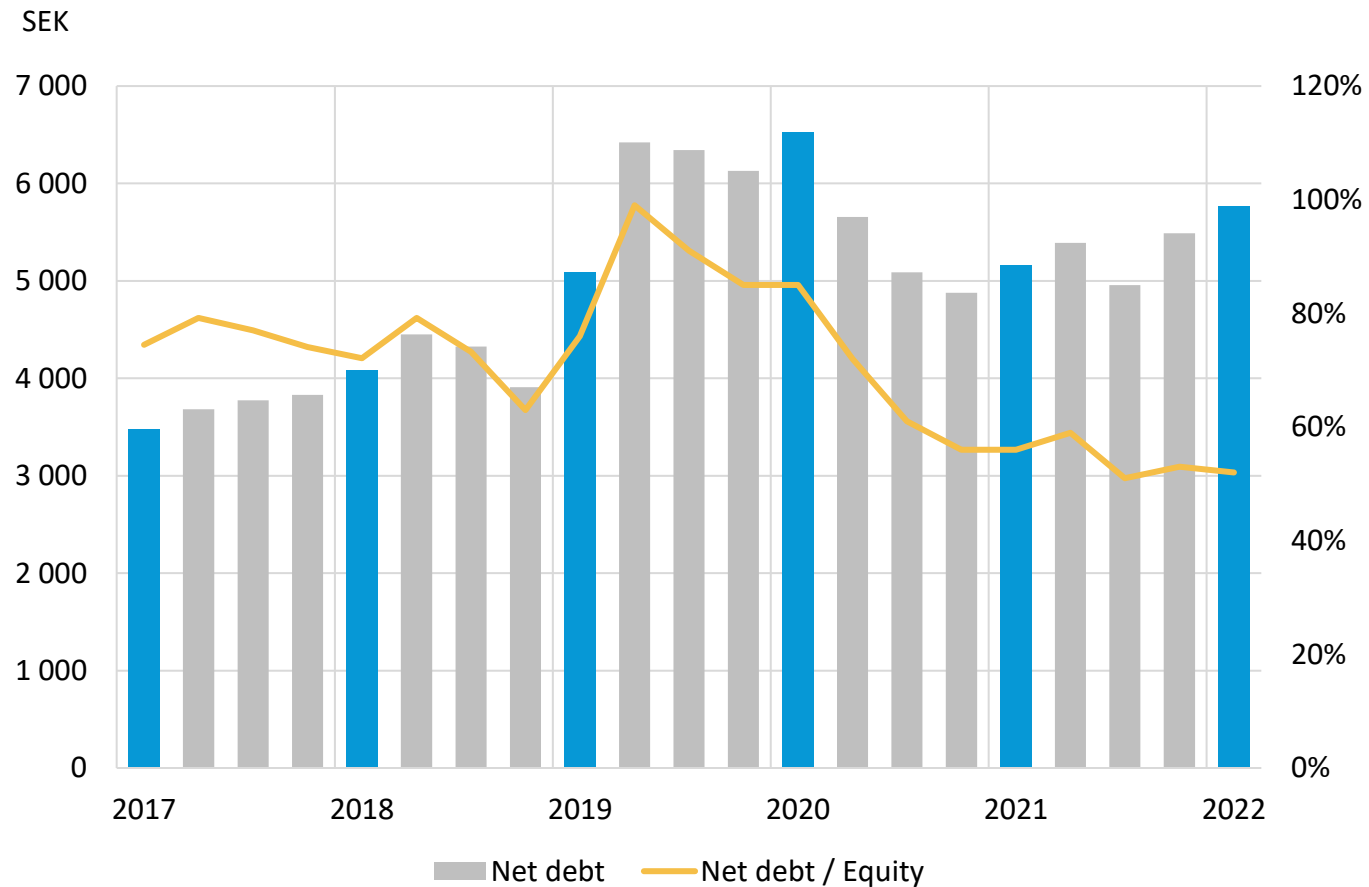
# Earnings per share



- EPS during the quarter grew 38% to SEK 1.75 (1.27)
- Improvements mainly driven by higher EBITA
- 3- and 5-year rolling 4Q earnings per share CAGR\*, were 17%

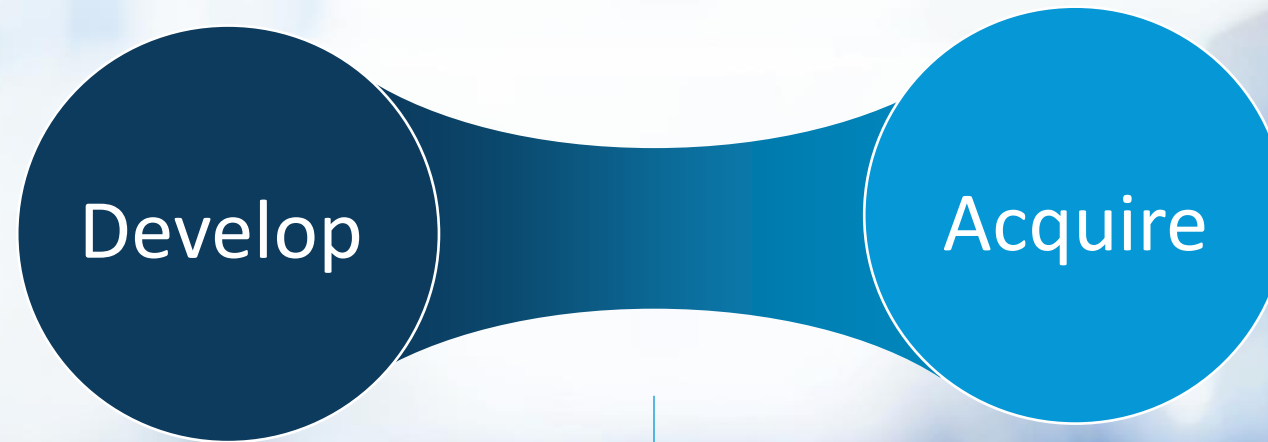
\* Adjusted with the Meson restructuring in 2017-Q4

# Net debt



- The interest-bearing net debt increased to 5,766 (5,157) MSEK
- The increase was mainly due to a higher acquisition pace the last year
- Net debt/equity ratio was 52% (56%)

# Historically resilient and successful business model

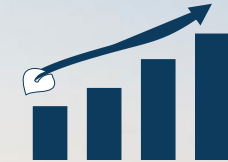


People and Talent management  
Knowledge sharing and toolbox  
Growth plans based on  
portfolio model  
Sustainability

Resource and capability build-up  
Scalable organization and  
structure  
Expanding geographical scope

# Moving forward on Sustainability

▪ Sustainability report 2021 published on [www.indutrade.com](http://www.indutrade.com)



<b>Focus areas and overall goals 2030</b>	<p>PEOPLE</p> <p><b>100%</b></p> <p>engaged people</p>	<p>ENVIRONMENT</p> <p><b>CO2 neutral</b></p> <p>scope 1 &amp; 2 (GHG)</p>	<p>PROFITABLE GROWTH</p> <p><b>100%</b></p> <p>of Indutrade's companies contributing to sustainable development</p>
<b>Sustainability governance</b>	Training and knowledge sharing, networking, Code of Conduct, policies and guidelines, Board meetings, Group and company targets and goals on material topics, data reporting and follow-up.		



# Key takeaways

- Strong growth and record high Q1 profits
- Increased business risks but demand expected to remain at a high level in the short term. Record high order backlog supports continued good invoicing and profit development
- Supply chain issues, component shortage and inflation challenges our companies – continued flexibility is key!
- High acquisition pace with 4 transactions so far in 2022 – strong pipeline and continued capability improvements
- Moving forward on sustainability
- Solid platform for continued long-term sustainable profitable growth!

**Thank you!**

**Q&A**

A pair of tortoiseshell glasses is resting on a black folder. The folder has the Indutrade logo, which consists of three slanted vertical bars, followed by the word "Indutrade" in a white sans-serif font. The folder is placed on a light-colored wooden desk. In the background, a person's hand is visible holding a pen over a notebook. To the right, a white ribbed shirt cuff is visible.

**Indutrade**



# Financial calendar & contact details

**19 JULY 2022**

Interim Report 1 January – 30 June 2022

**28 OCTOBER 2022**

Interim Report 1 January – 30 September 2022

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