

The logo for Indutrade, featuring a stylized white "IT" symbol followed by the word "Indutrade" in a bold, white, sans-serif font.

An entrepreneurial world  
where people make the difference

**Q4 Report 2023**

**Bo Annvik, President and CEO**  
**Patrik Johnson, CFO**

1 February 2024

# Summary 2023

- Successful 2023 thanks to our entrepreneurial companies and balanced diversification.
- Stable high demand with total order intake growth of 13% and 18% for net sales.
- Solid EBITA margin of 15.0%.
- Record high operational cash flow driven by strong result and inventory reductions during the year.
- 9 well-managed and profitable companies acquired during 2023, with a total annual turnover of 1.2 BSEK.
- New Group structure with 5 international business areas.
- Board proposes a dividend of SEK 2.85 (2.60) per share

Net Sales

**31.8**

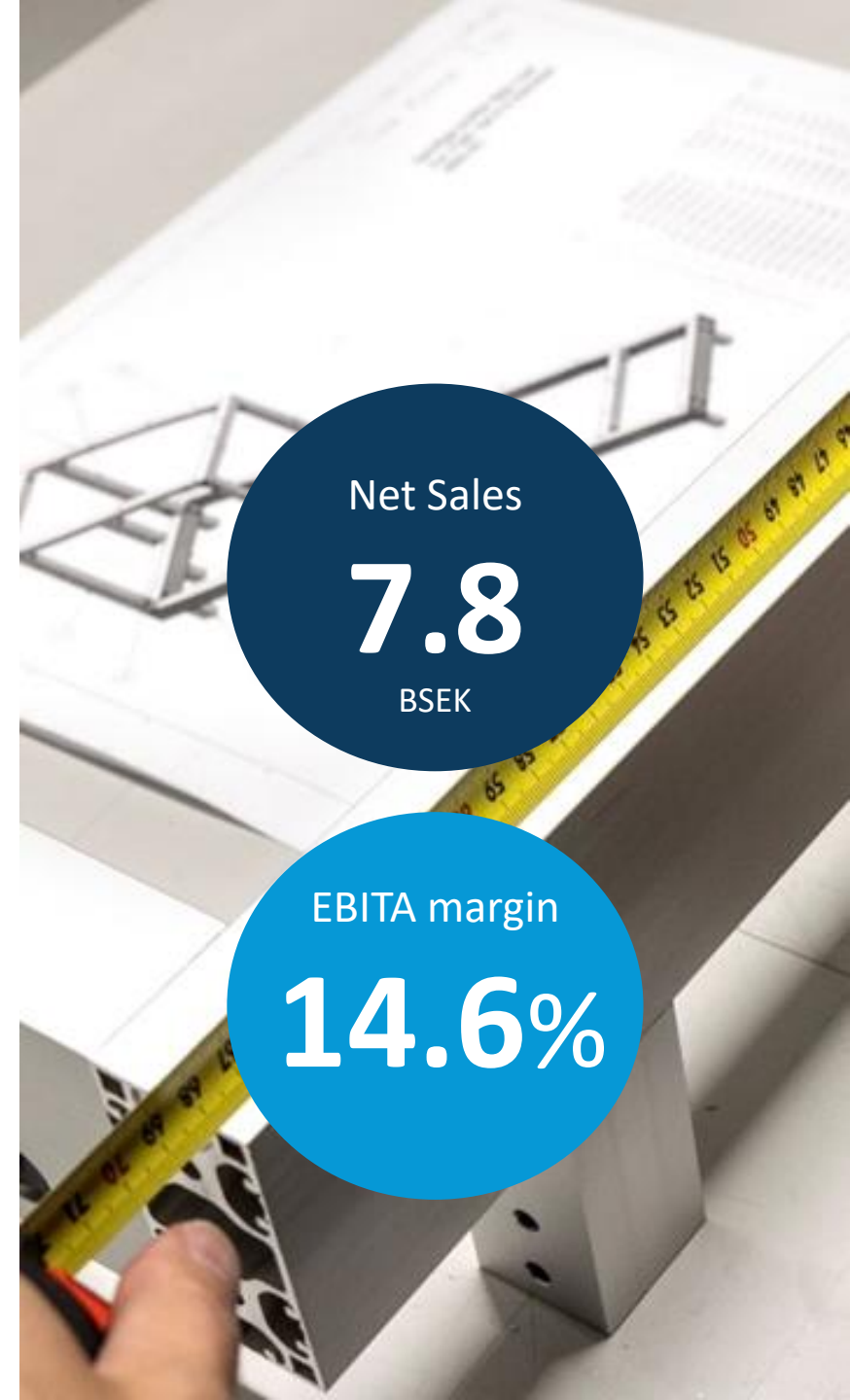
BSEK

EBITA margin

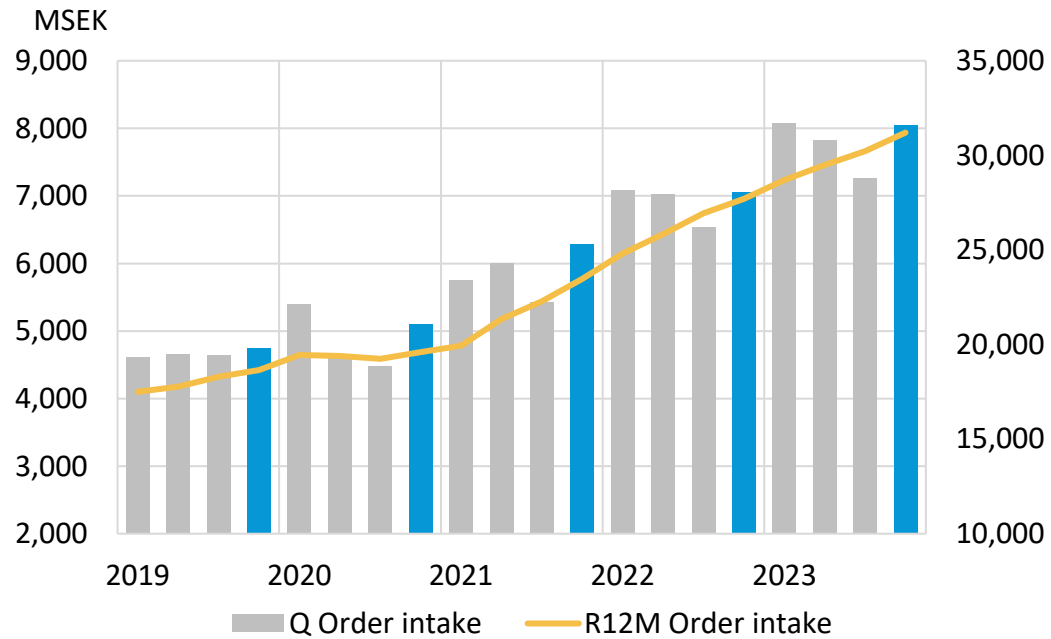
**15.0%**

# Highlights fourth quarter 2023

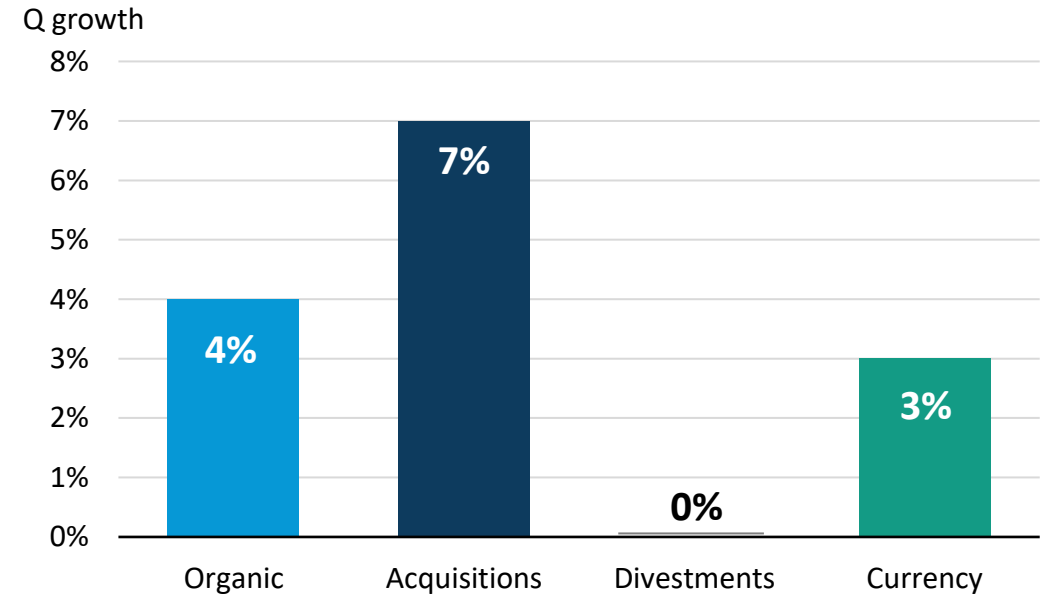
- Strong order intake – growth of 14% in total, whereof 4% organically.
  - Strongest order development in Medical technology & Pharmaceutical.
- Net sales growth of 8%, organically unchanged.
- Continued high EBITA margin at 14.6%.
- New all-time-high operational cash flow. Inventory reductions continued.
- 2 acquisitions completed in Q4 and 3 so far in 2024. The inflow of interesting companies to acquire remains good.



# Order intake

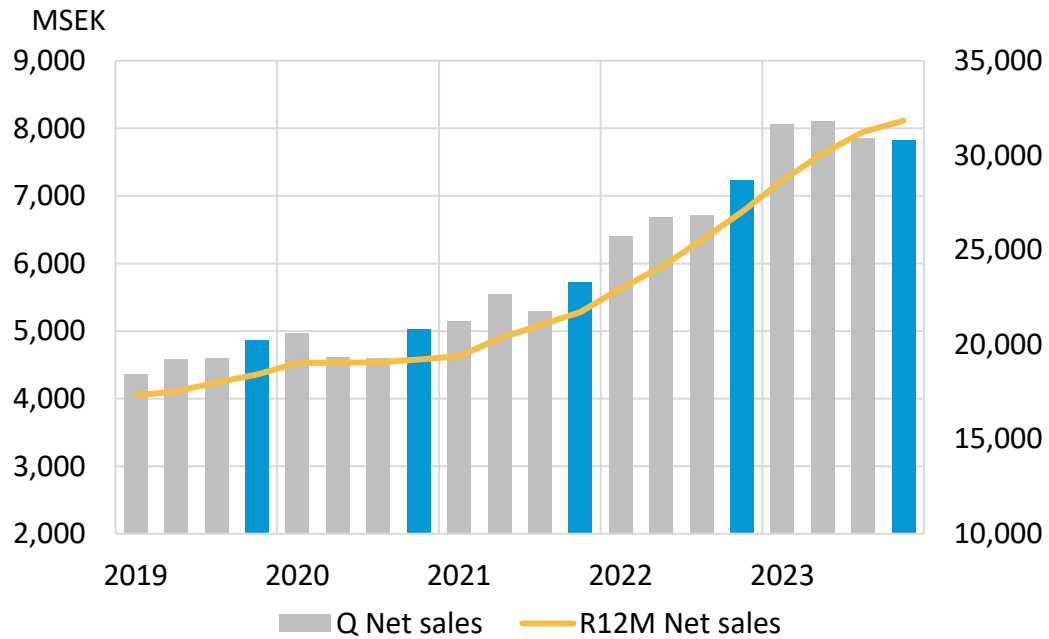


## QUARTERLY GROWTH

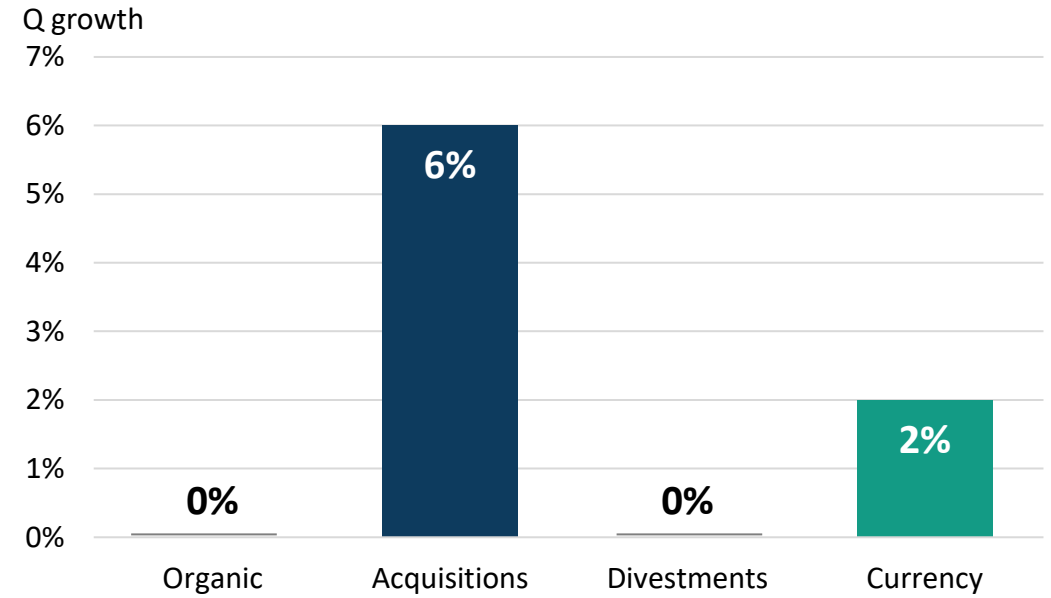


	Q GROWTH	YTD GROWTH	R3Y CAGR
<b>8,044 MSEK</b>	<b>+14%</b>	<b>+13%</b>	<b>+16%</b>

# Net sales



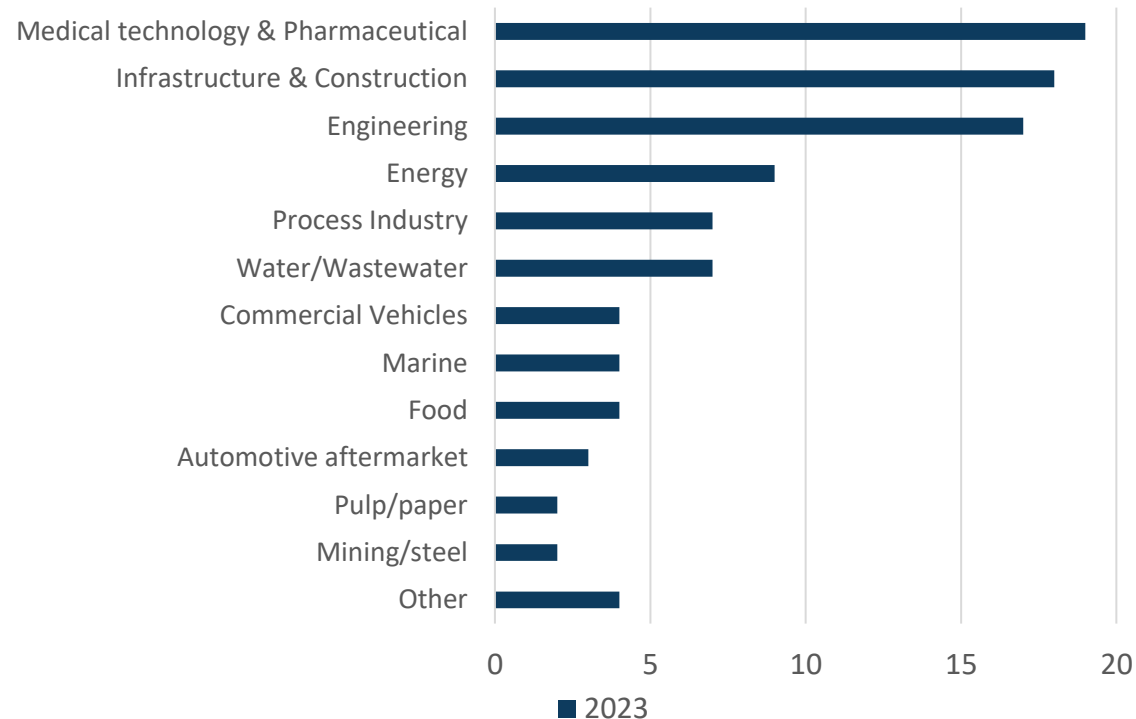
## QUARTERLY GROWTH



	Q GROWTH	YTD GROWTH	R3Y CAGR
<b>7,821 MSEK</b>	<b>+8%</b>	<b>+18%</b>	<b>+16%</b>

# Net sales per customer segment 2023

## Share of total sales, %



- Medical technology and Pharmaceutical is now the largest customer segment – up 1 percentage point from 2022
- Good sales growth in most segments, except infrastructure & construction (down 1 percentage point from 2022)

# Sales Growth – major countries



+



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+/- 0



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-



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-

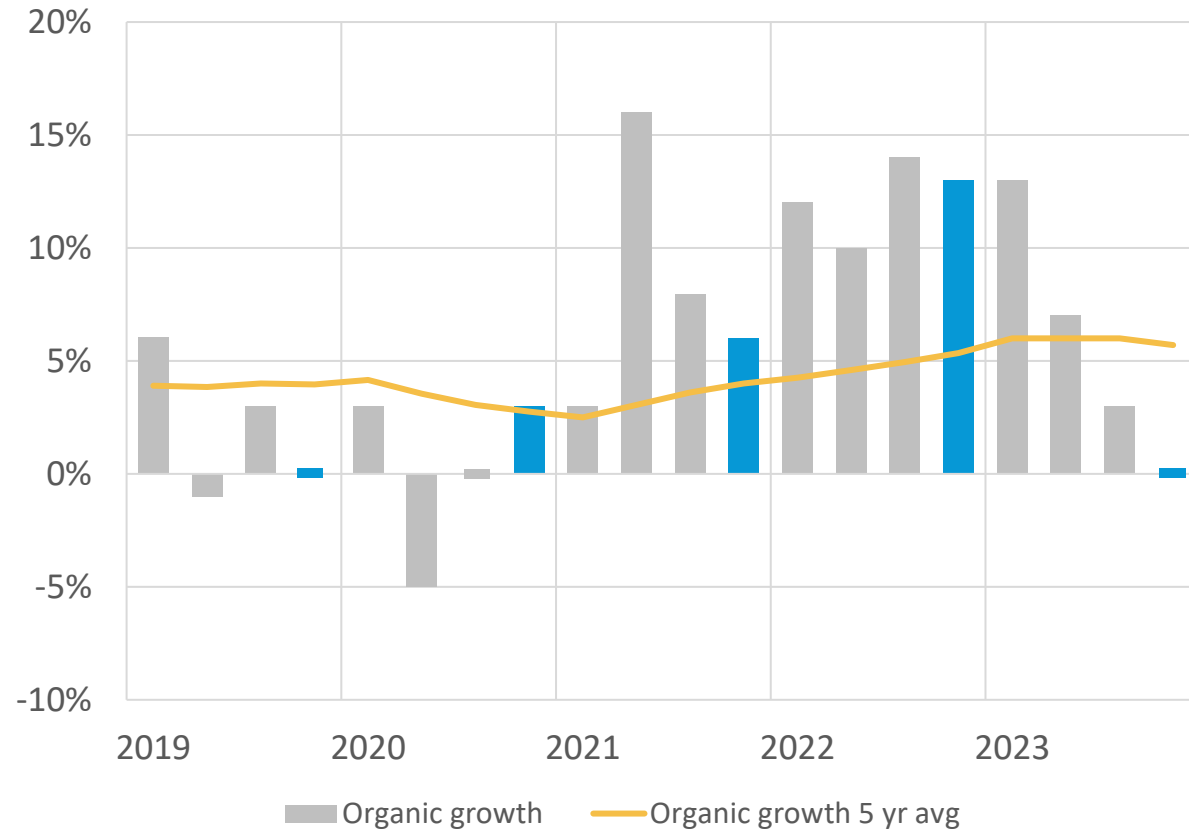
North America

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Asia

+

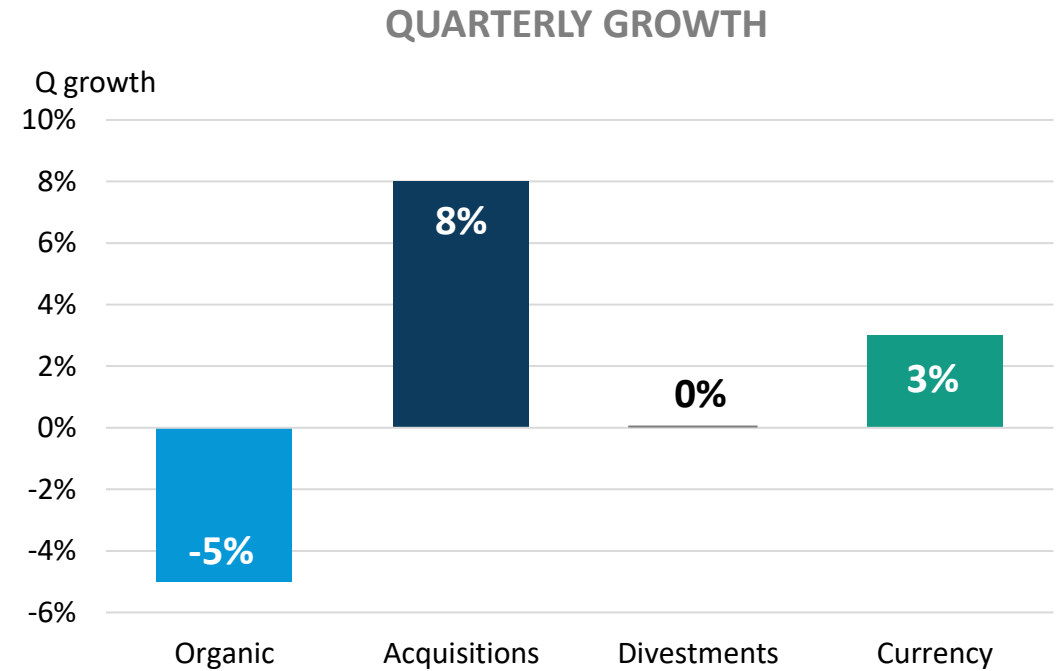
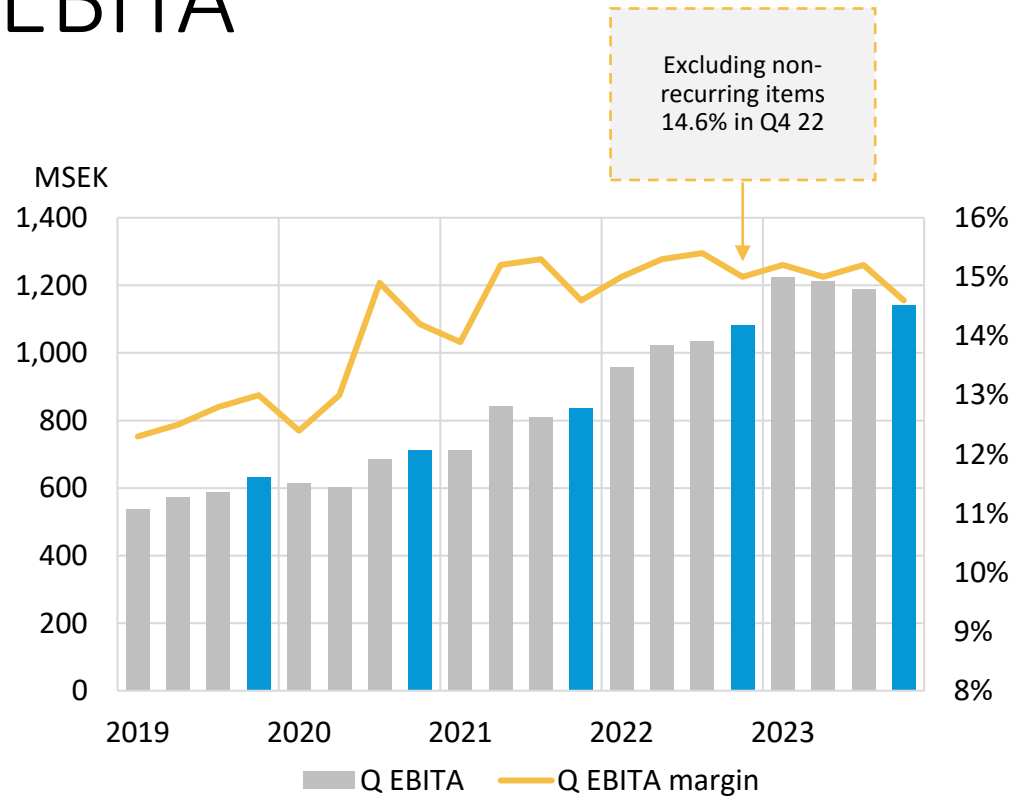
# Organic Sales Growth trend



- Flat or growing organic sales 14 consecutive quarters
- Majority of companies grew sales in the quarter
- Organic growth in 3 out of 8 Business Areas
- Back-log is normalised

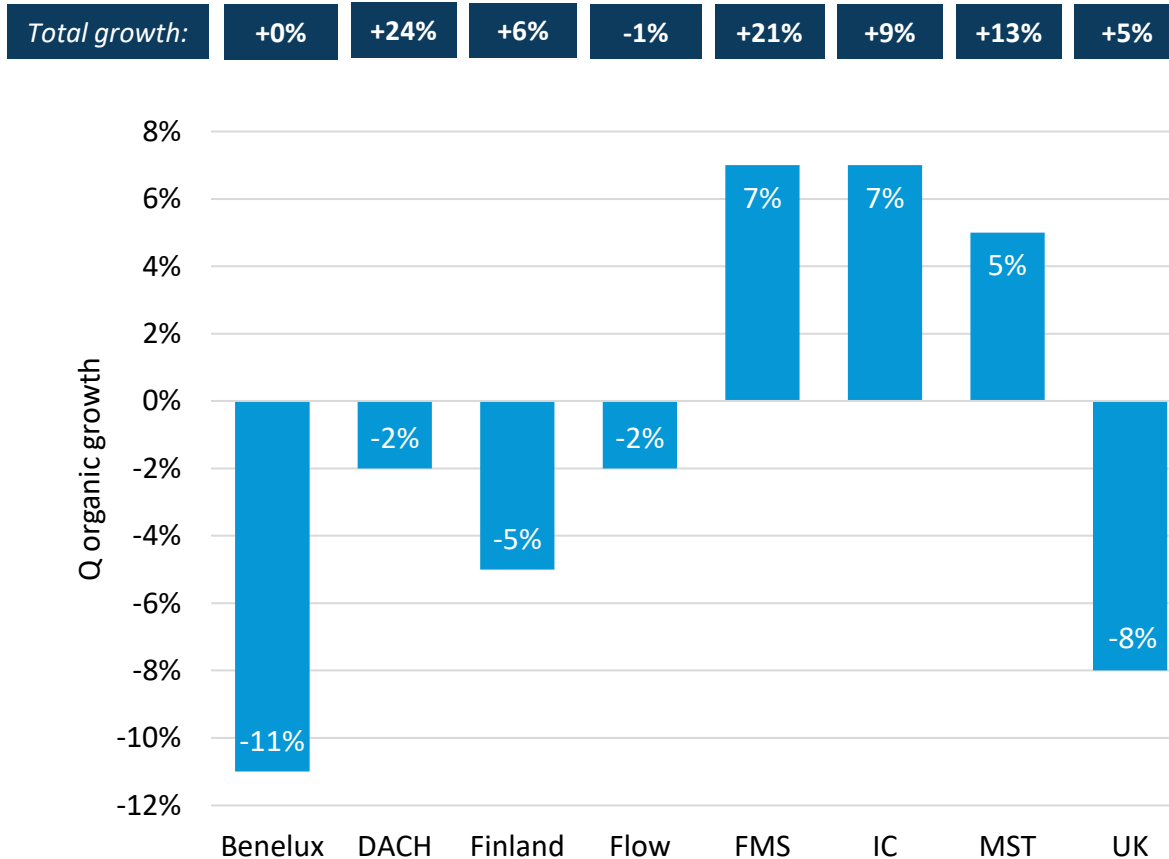


# EBITA



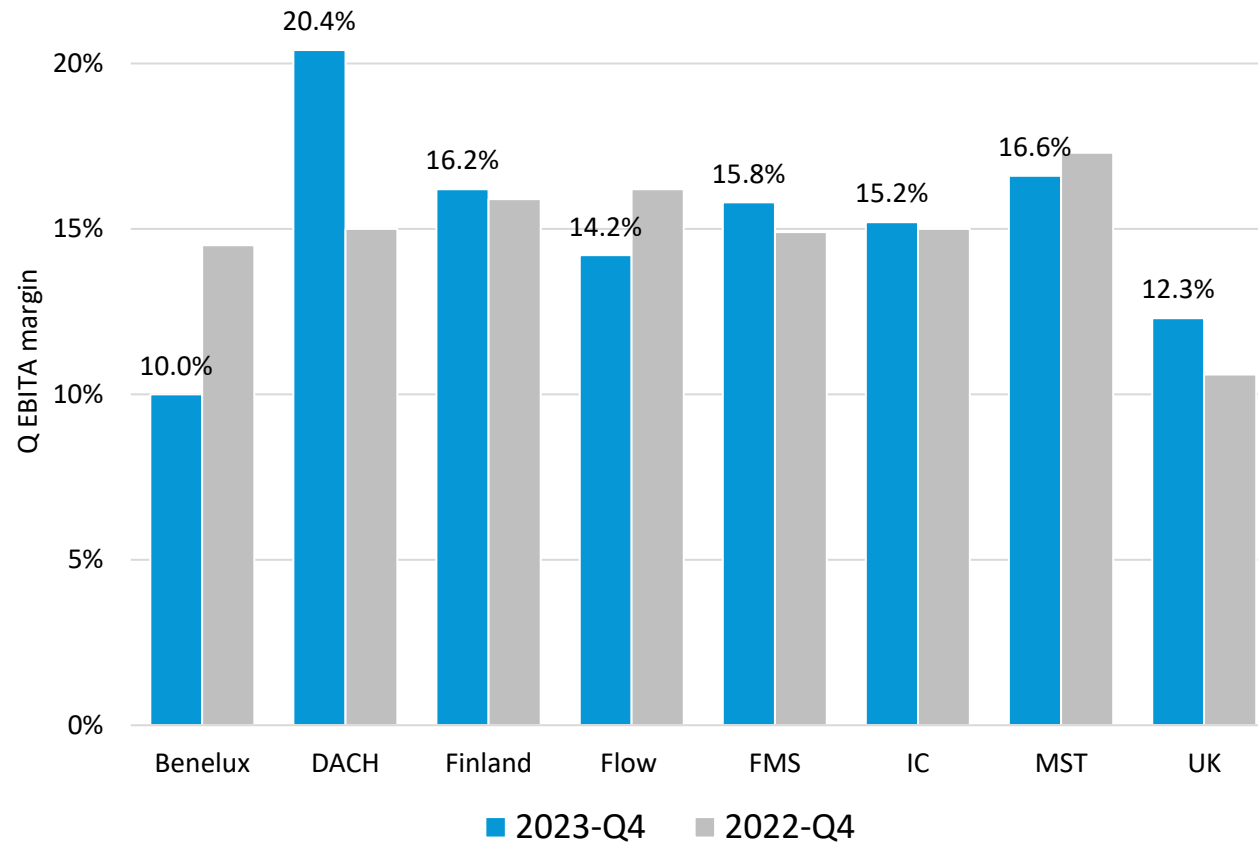
	Q4-23 MARGIN	Q GROWTH	YTD GROWTH
<b>1,141 MSEK</b>	<b>14.6%</b>	<b>+6%</b>	<b>+16%</b>

# Organic sales growth Q4 by Business Area












- Organic sales growth in 3 out of 8 Business Areas
- Strongest growth in Business Areas Industrial Components and Fluids & Mechanical Solutions
  - MedTech and automotive aftermarket customer segments strong contributors
- Largest decline in Business Area Benelux and UK
  - Impacted by strong references in energy and pharma in combination with weak demand in infrastructure and construction

# EBITA margin by Business Area



- Improved EBITA margin in 5 Business Areas – largest improvements in DACH
- Stable gross margins
- Flat organic sales and cost inflation dampens margin development in many companies
- Strong contribution from newly acquired companies
- Largest EBITA margin decline in Business Area Benelux driven by strong references in energy and pharma, in combination with weak demand in infrastructure and construction

# Acquisitions

Acquisitions 2023		Business Area	Annual Sales
Q1	 Sax Lift A/S	FMS	130 MSEK
	 Hobe GmbH	DACH	80 MSEK
	 Siersema Componenten Service B.V.	Benelux	390 MSEK
Q2	 Safematic A/S	FMS	55 MSEK
	 Labema Oy	Finland	70 MSEK
	 I-tronik S.r.l.	DACH	165 MSEK
Q3	 Noby A/S	IC	60 MSEK
Q4	 Powerpoint Engineering	UK	150 MSEK
	 TSE Troller	DACH	90 MSEK
<b>Total</b>			<b>1 190 MSEK</b>

## Acquisitions 2024

### pure! GmbH

Business area: Industrial & Engineering  
Annual sales: 110 MSEK

### SDT Scandinavian Drive Technologies AB

Business area: Industrial & Engineering  
Annual sales: 55 MSEK

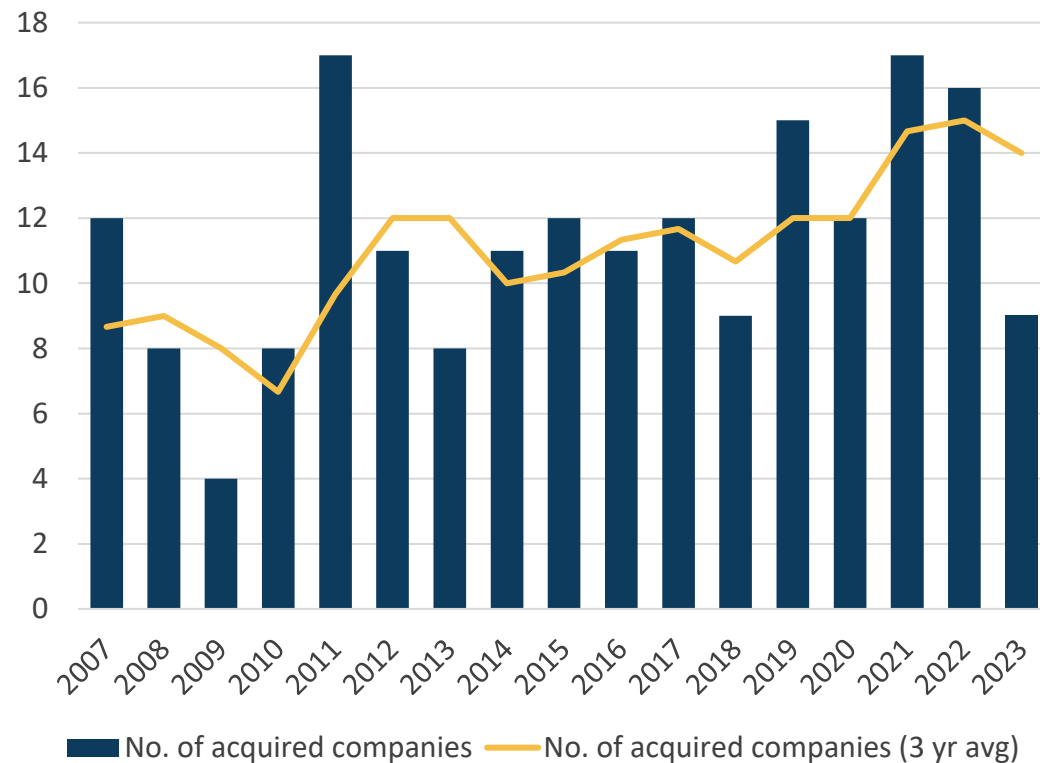
### MeHow Medical Ireland Ltd.

Business area: Life Science  
Annual sales: 160 MSEK

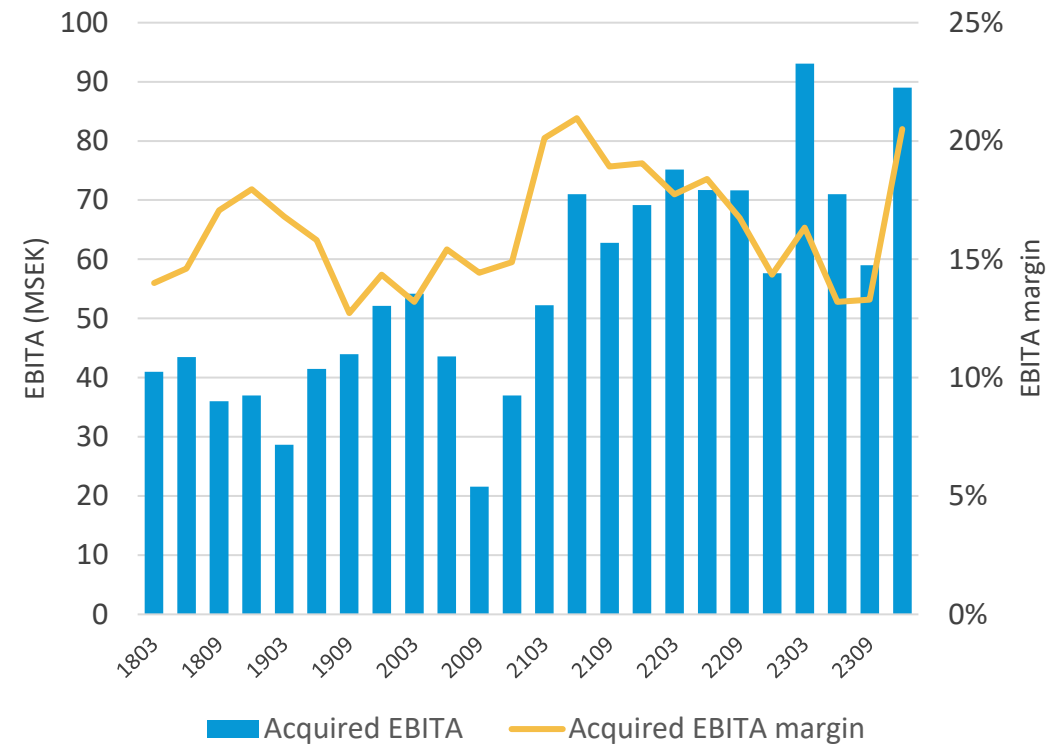


# Successful acquisition track record

## No. of acquired companies per year



## Quarterly financial effects acquisitions\*

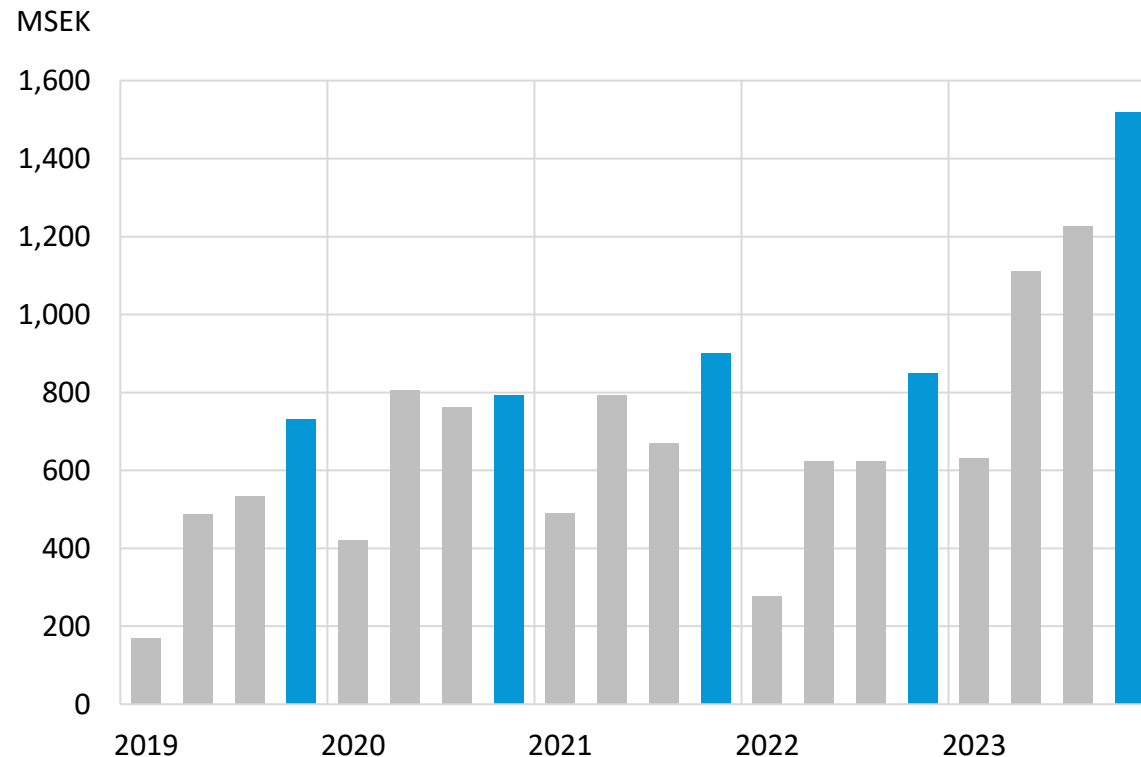


\* "bridge effects" from acquisitions last 12 months from date of closing, in respective quarter

# Key data summary

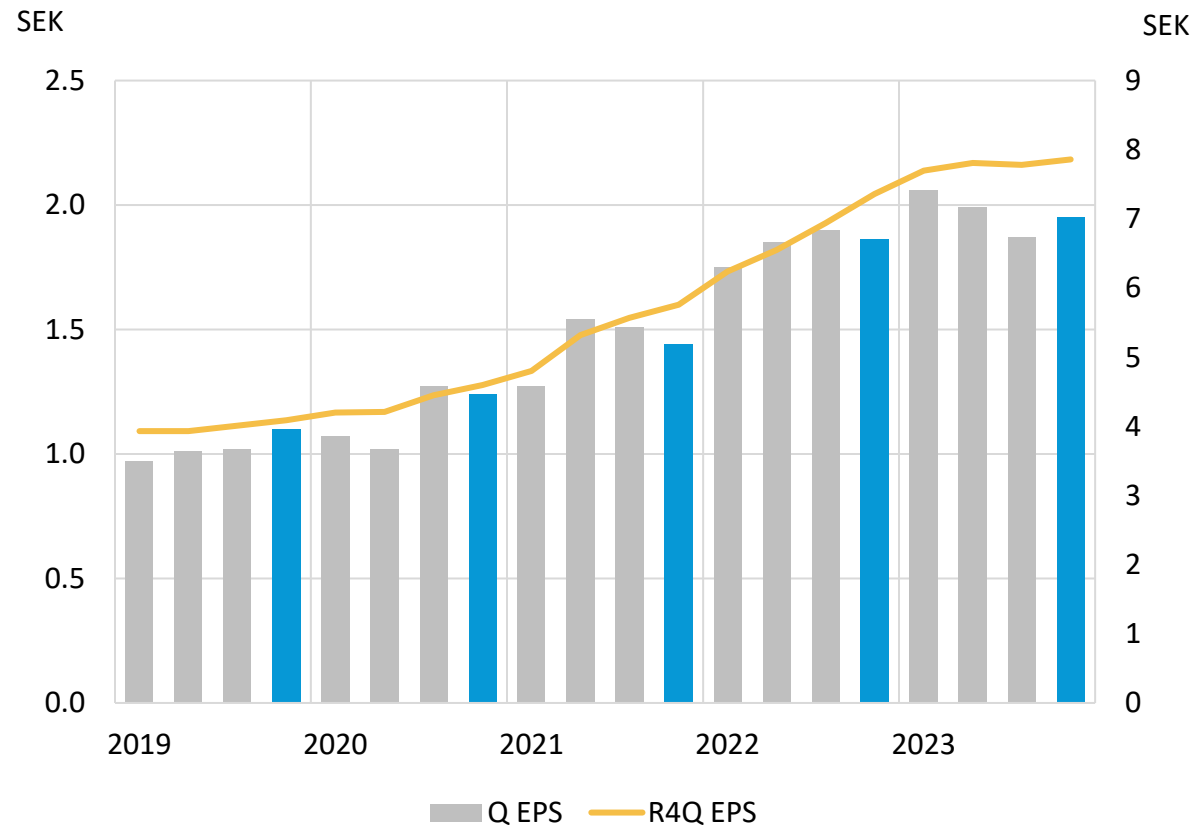
MSEK	2023-Q4	2022-Q4	Change	2023	2022	Change
Order Intake	8,044	7,052	14%	31,211	27,701	13%
Net Sales	7,821	7,228	8%	31,835	27,016	18%
Gross margin, %	34.8	34.9		34.7	34.7	
EBITA	1,141	1,081	6%	4,769	4,098	16%
EBITA-margin, %	14.6	15.0		15.0	15.2	
Net financial items	-113	-66	71%	-467	-180	159%
Tax	-164	-208	-21%	-825	-759	9%
Earnings per share (before dilution), SEK	1.95	1.86	5%	7.86	7.36	7%
Return On Capital Employed, %	21	23		21	23	
Cash Flow from operating activities	1,520	850	79%	4,491	2,372	89%
Net debt / EBITDA, times	1.4	1.8		1.4	1.8	

# Cash Flow from operating activities



- All-time-high operating cash flow during the quarter of 1,520 (850) MSEK
- The increase versus last year was mainly related to a more favorable working capital development
- Continued inventory reduction during the quarter
- The working capital efficiency\* improved versus Q3-2023 but remains lower than last year

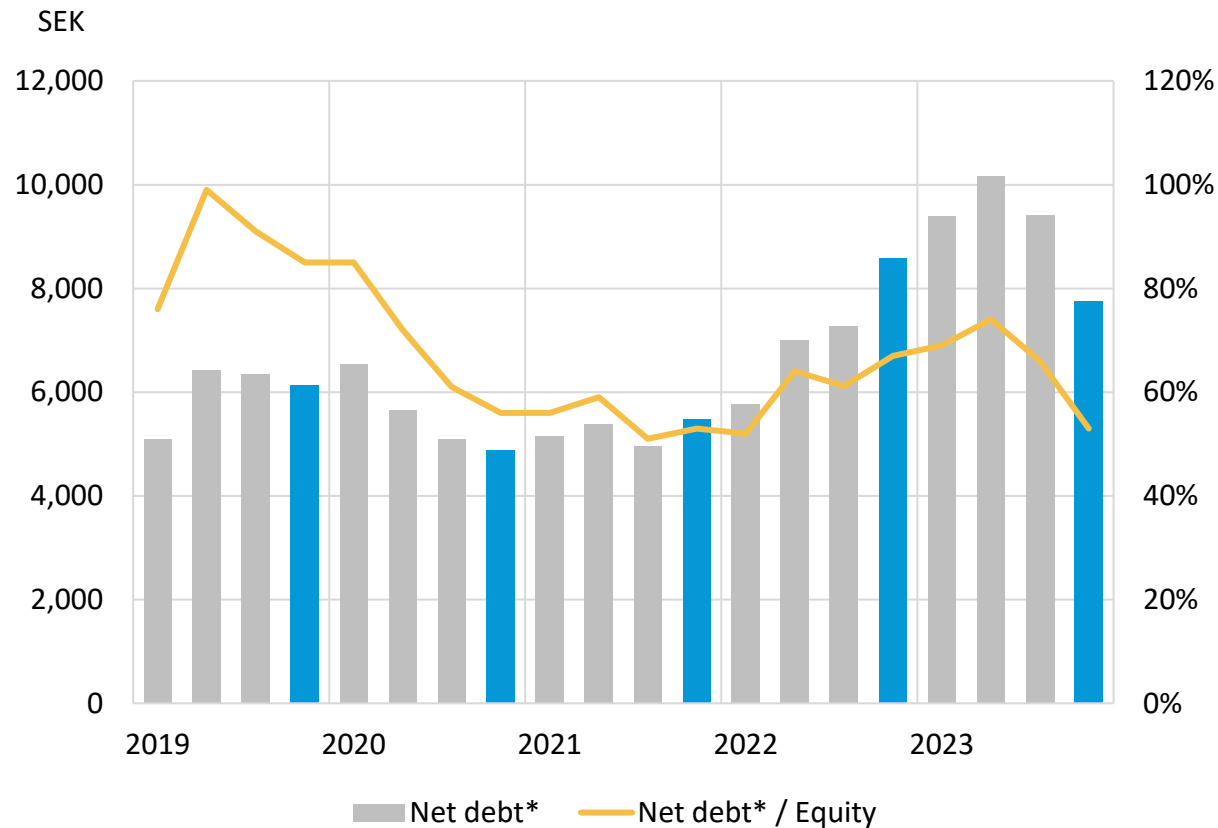
# Earnings per share



- EPS increased 5% in the quarter to SEK 1.95 (1.86) per share and with 7% during the year to SEK 7.86 (7.36) per share
- The improvement in EBITA was somewhat offset by higher interest costs and amortisations
- 3- and 5-year rolling 4Q earnings per share CAGR, were 20% and 16%



# Net debt



- The interest-bearing net debt declined both sequentially and versus last year to 7,747 (8,580) MSEK
- The decline is mainly due to stronger operational cash flow, fewer acquisitions and revaluation of earn-outs
- Net debt/equity ratio was 53% (67%)
- Net debt/EBITDA was 1.4x (1.8).  
Excluding earn-out liabilities 1.3x (1.5)

# New Group structure for future growth

*Moving from a geographic and product-based structure to a market and customer-based structure*



# Key takeaways

- Summarising a successful 2023 with a strong Q4.
- Continued high and stable demand situation. The uncertainty around the general state of the economy remains for the coming quarters and we face tough references.
- Strong underlying market drivers, not least linked to the green technology transition and a growing MedTech and Pharma sector, where many of our companies are well positioned.
- Solid EBITA-margin and all-time-high operational cash flow.
- 9 acquisitions in 2023, with combined annual sales of SEK 1.2 billion. Good pace so far in 2024.
- New Group structure for future growth!



**Thank you!**

**Q&A**



**Indutrade**

# Financial calendar & contact details

**9 APRIL 2024**

AGM 2024

**25 APRIL 2024**

Interim Report Q1 2024

**18 JULY 2024**

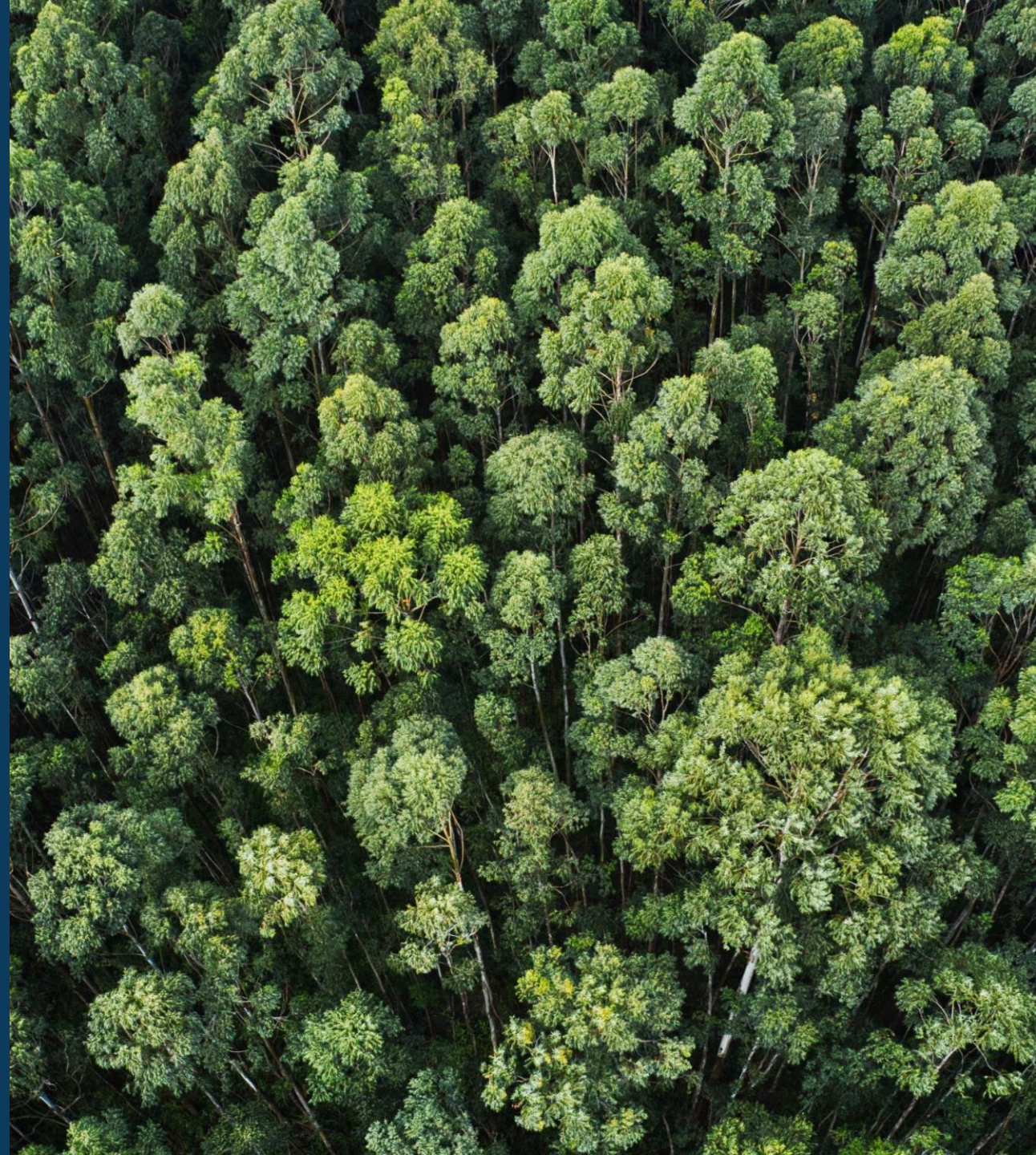
Interim Report Q2 2024

**25 OCTOBER 2024**

Interim Report Q3 2023

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