



Indutrade

An entrepreneurial world
where people make the difference

Q3 Report 2023

Bo Annvik, President and CEO
Patrik Johnson, CFO

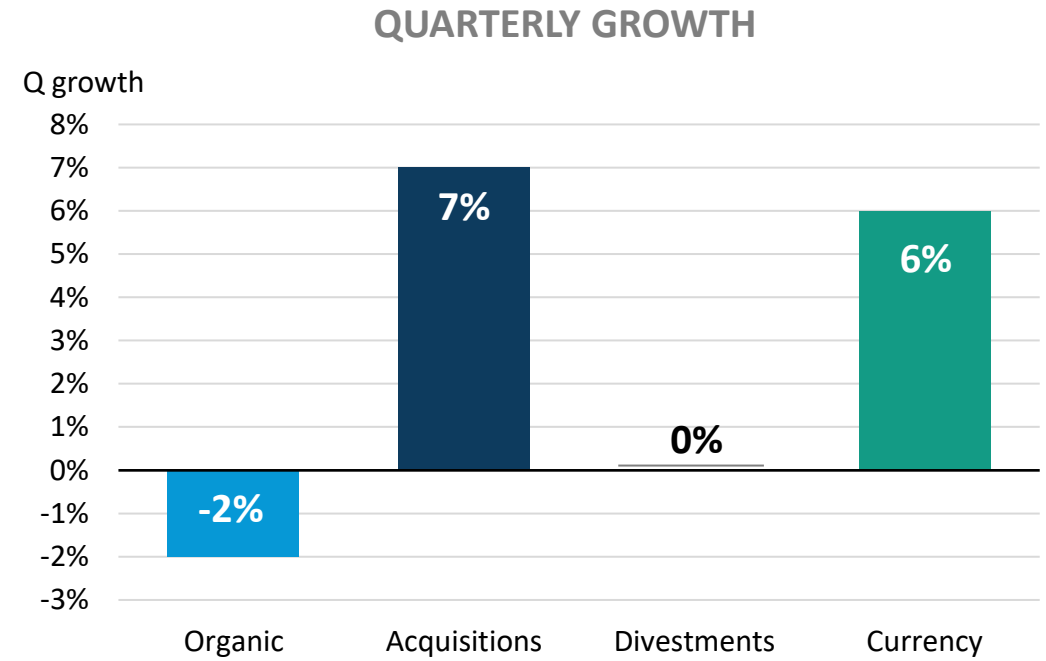
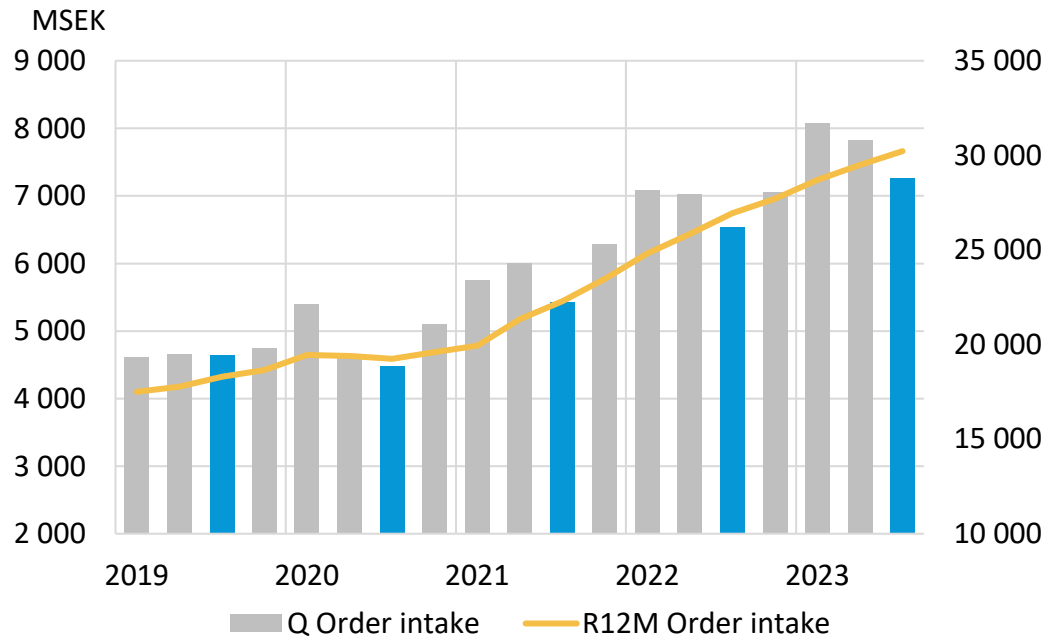
27 October 2023

Highlights third quarter 2023

- Continued high demand – order intake up 11% in total of which -2% organically.
 - Strongest order development in Medical technology/Pharmaceutical and Water/wastewater.
 - Weaker demand in infrastructure/construction and engineering
- Strong sales with a growth of 17 percent, of which 3% was organic.
- Continued high EBITA margin at 15.2%.
- New all-time-high operational cash flow. Inventories continued to decrease sequentially.
- 1 acquisition completed in Q3 and 2 so far in Q4. The inflow of interesting companies to acquire remains good.

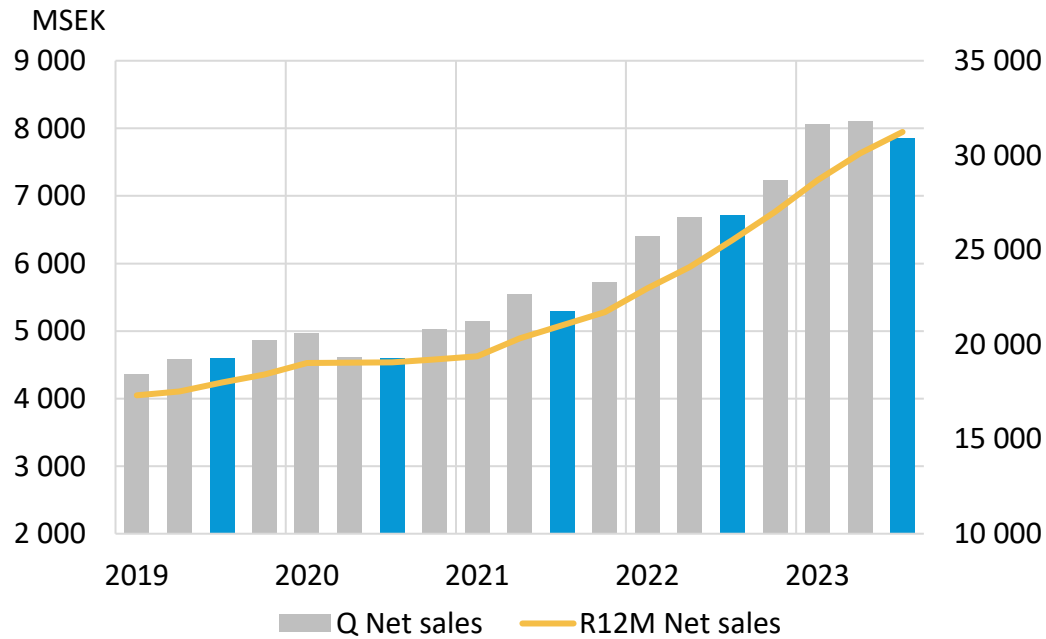


Order intake

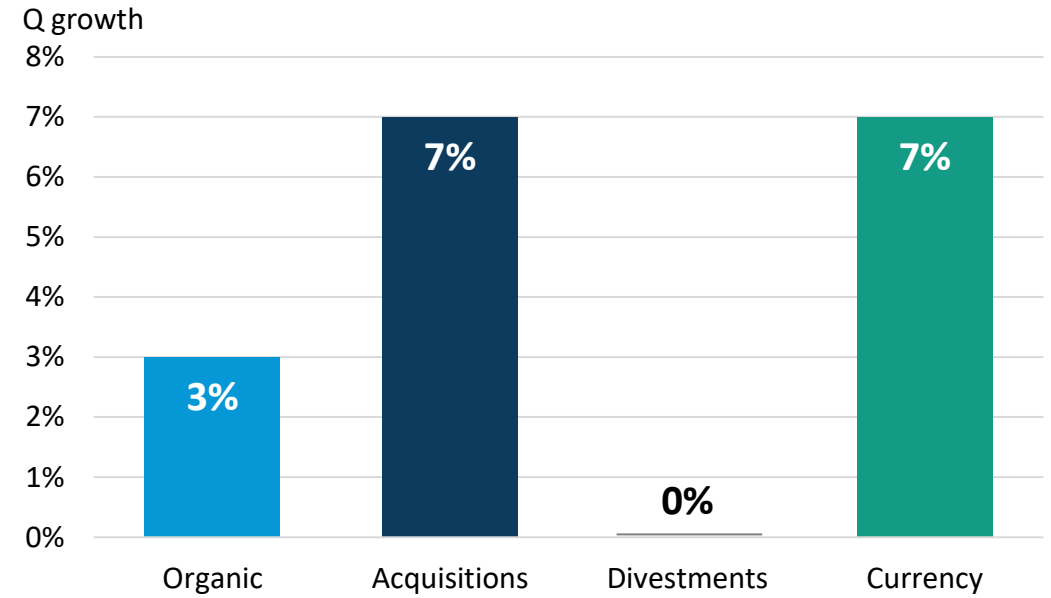


	Q GROWTH	YTD GROWTH	R3Y CAGR
7,262 MSEK	+11%	+12%	+17%

Net sales



QUARTERLY GROWTH



	Q GROWTH	YTD GROWTH	R3Y CAGR
7,851 MSEK	+17%	+21%	+20%

Sales Growth – major countries



+



+ + +



+ + +



- -



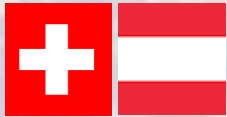
-



+ +



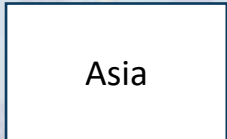
- -



-

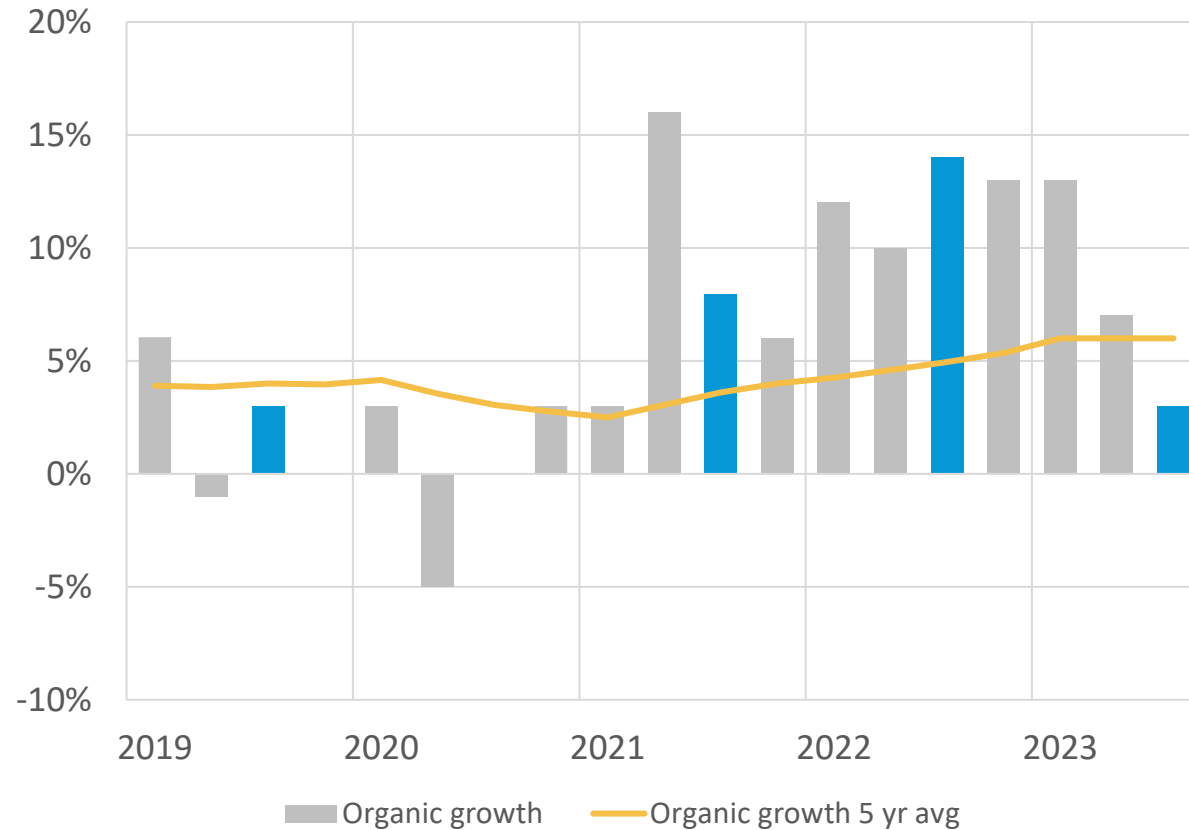


+ + +



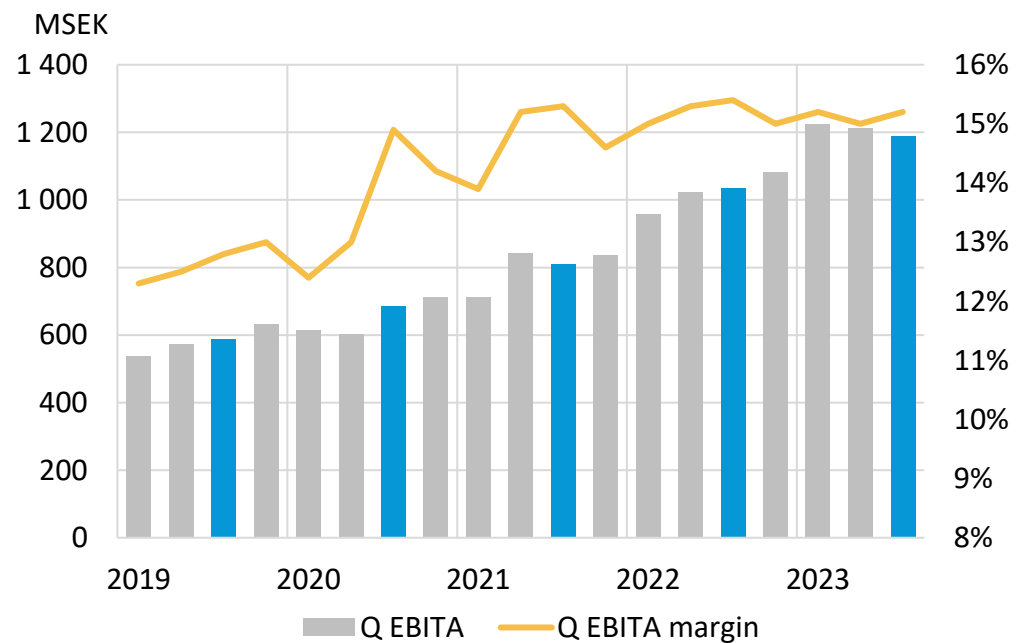
- - -

Organic Sales Growth trend

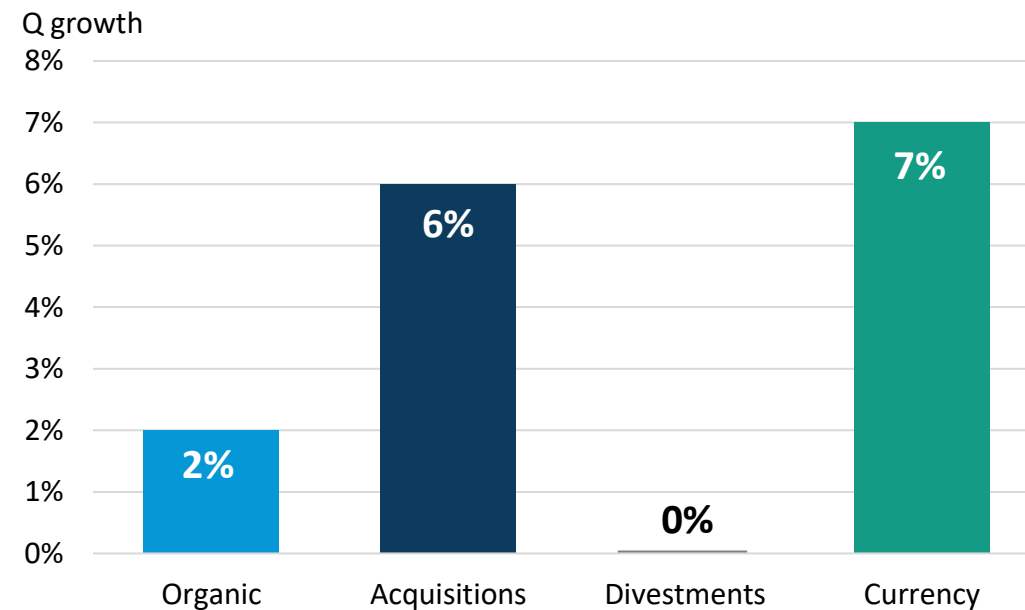


- Organic growth twelve consecutive quarters
- Majority of companies grew in the quarter but growth rate declining slightly
- Organic growth in 6 out of 8 Business Areas
- Back-log is normalised

EBITA

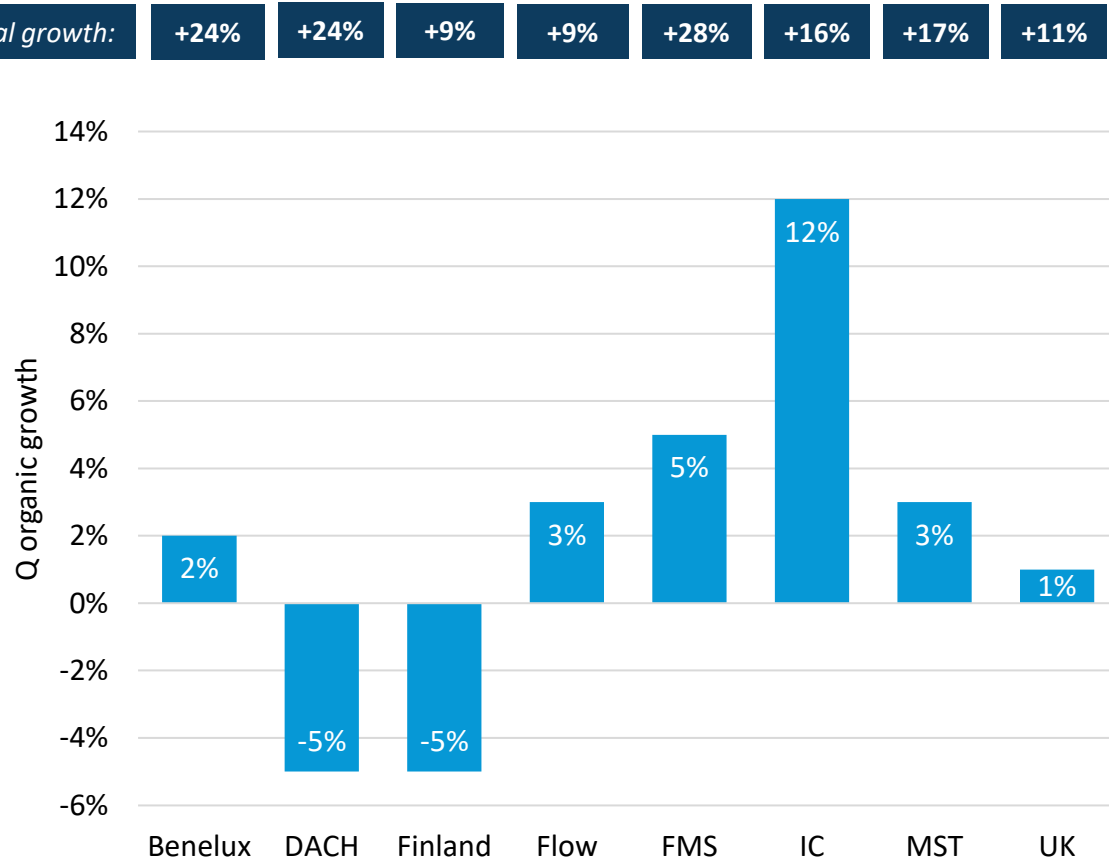


QUARTERLY GROWTH



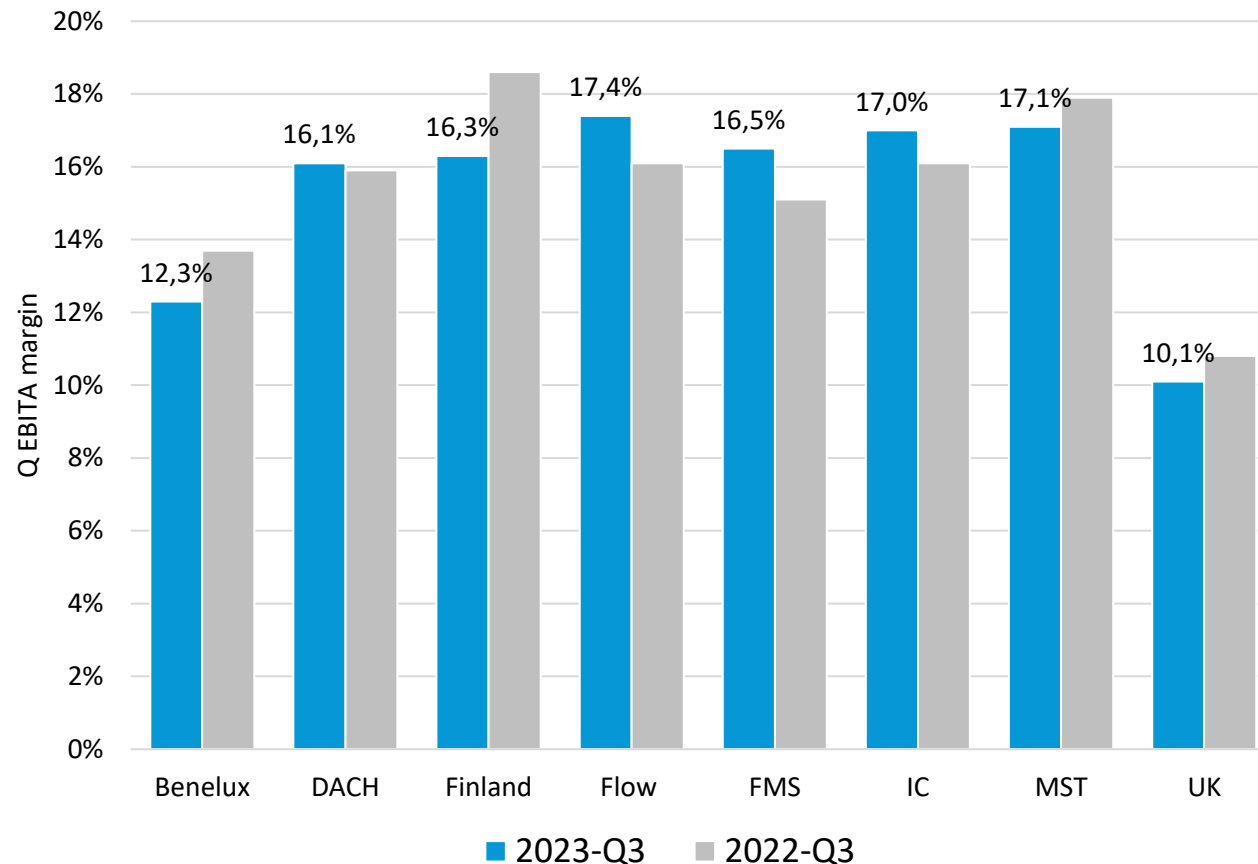
	Q3-23 MARGIN	Q GROWTH	YTD GROWTH
1,190 MSEK	15.2%	+15%	+20%

Organic sales growth Q3 by Business Area












- Organic sales growth in 6 out of 8 Business Areas
- Strongest growth in Business Areas Industrial Components and Fluids & Mechanical Solutions
 - MedTech and automotive aftermarket customer segments strong contributors
- Decline in Business Area Finland and DACH
 - Weakened demand situation in several companies

EBITA margin by Business Area



- Improved EBITA margin in 4 Business Areas – largest improvements in Fluids & Mechanical Solutions and Flow Technology
- Strong price management improves gross margins
- Higher expense levels dampens margin development in many companies
- Largest EBITA margin decline in Business Area Finland driven by the sales decrease in combination with higher expenses

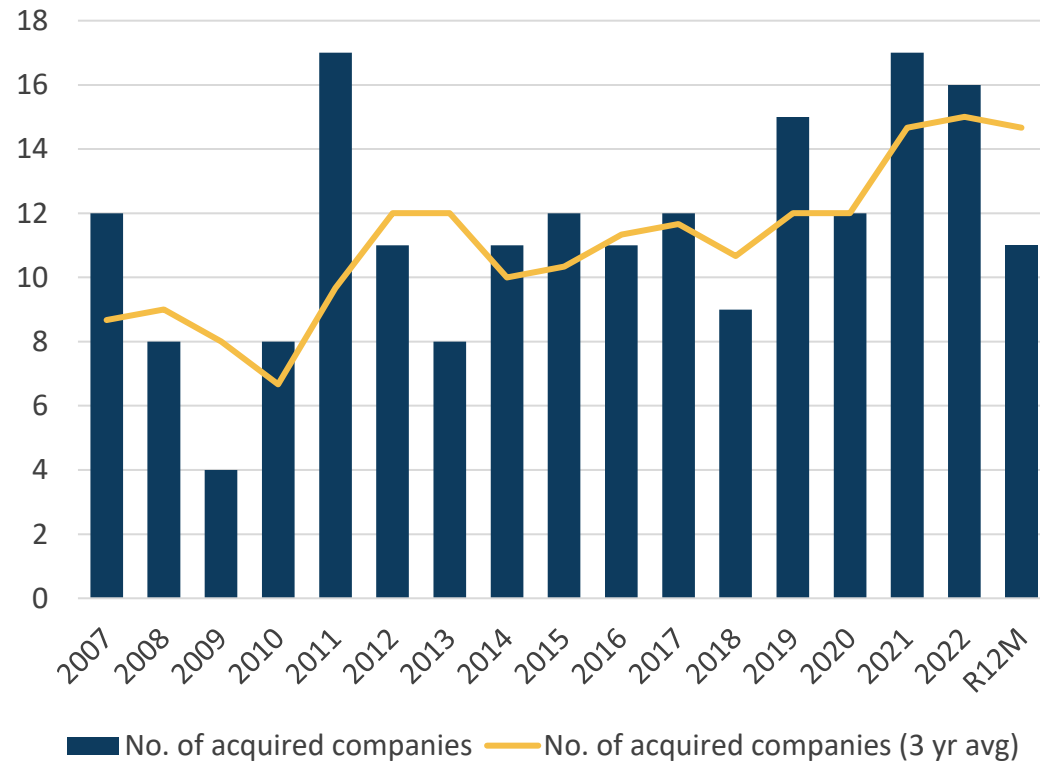
Acquisitions

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
Total			1 190 MSEK

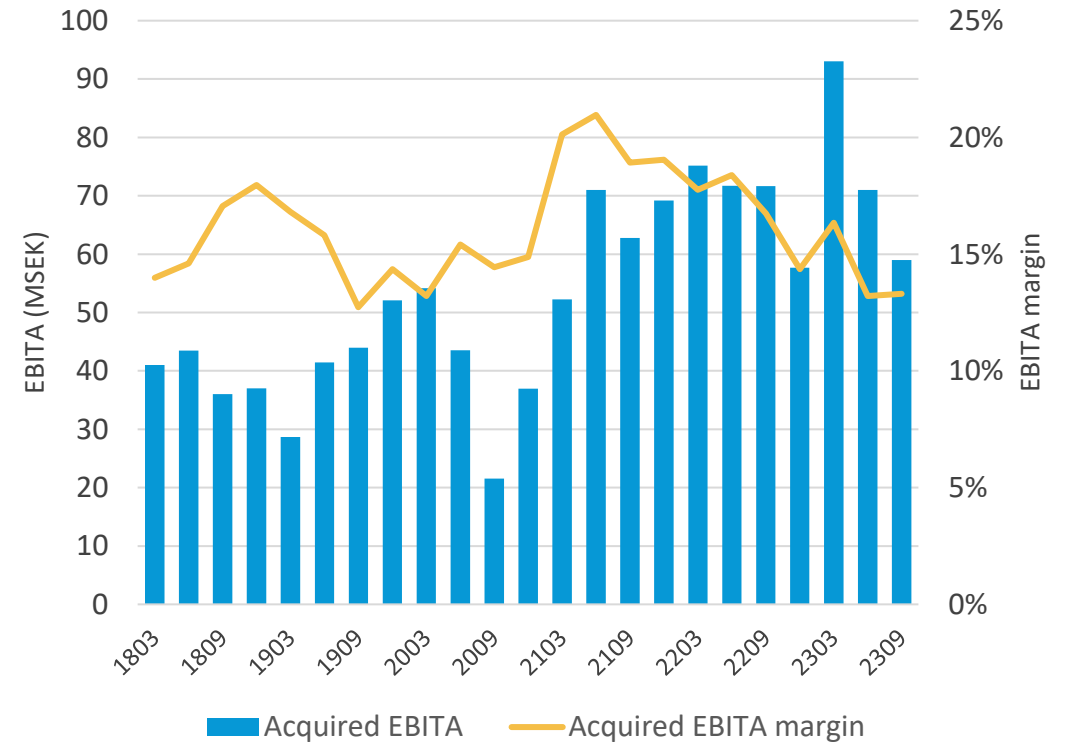


Successful acquisition track record

No. of acquired companies per year



Quarterly financial effects acquisitions*

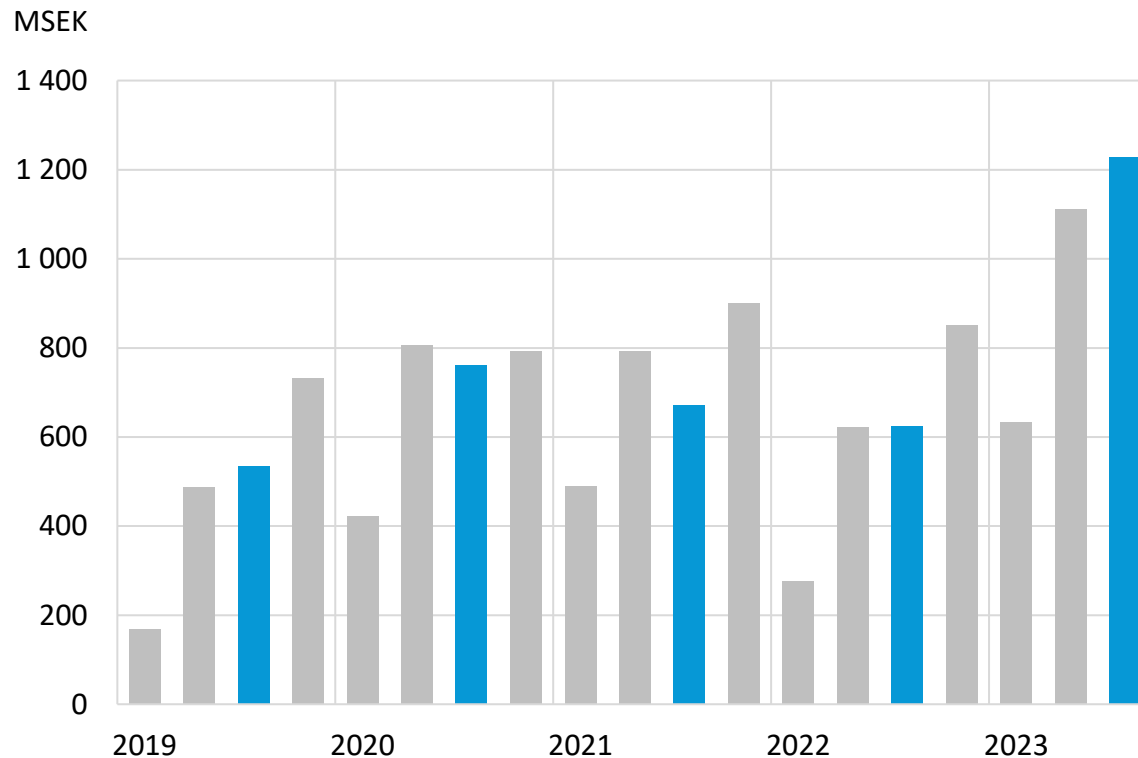


* "bridge effects" from acquisitions last 12 months from date of closing, in respective quarter

Key data summary

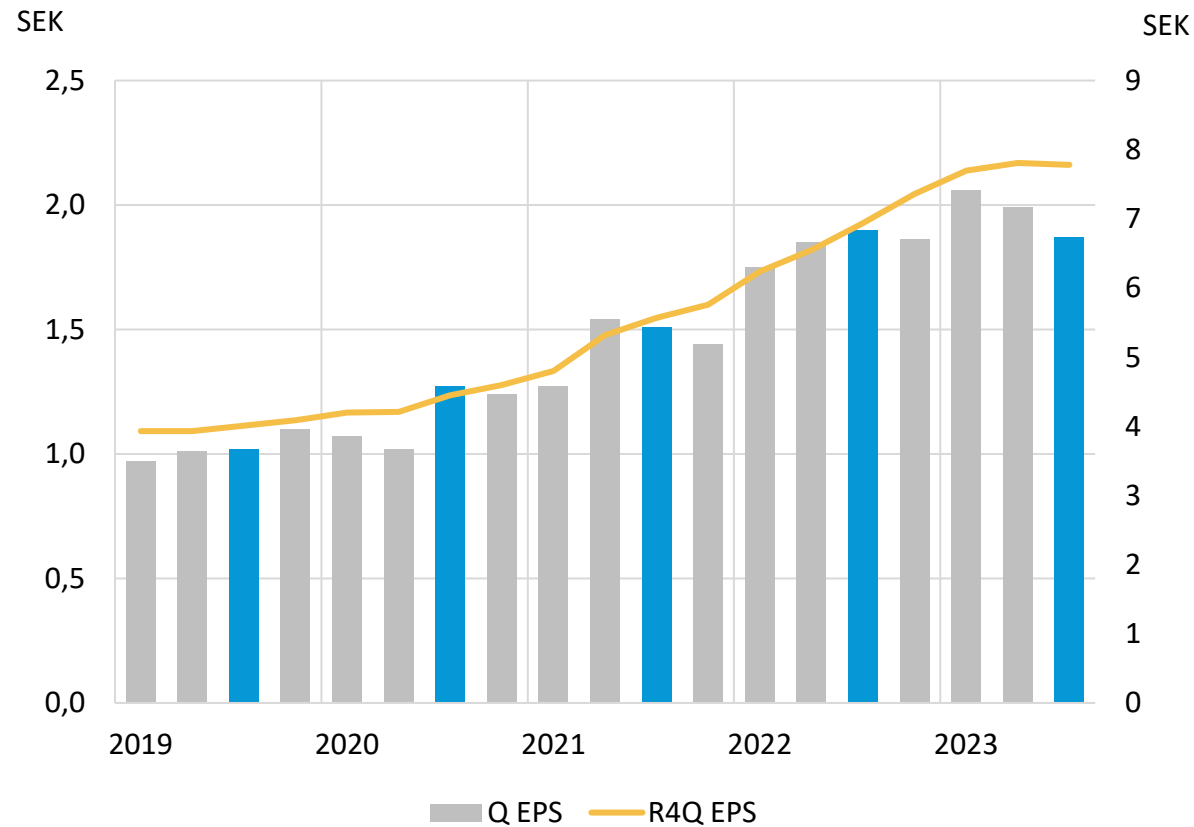
MSEK	2023-Q3	2022-Q3	Change	2023-YTD	2022-YTD	Change
Order Intake	7,262	6,535	11%	23,167	20,649	12%
Net Sales	7,851	6,707	17%	24,014	19,788	21%
Gross margin, %	34.8	34.2		34.7	34.6	
EBITA	1,190	1,035	15%	3,628	3,017	20%
EBITA-margin, %	15.2	15.4		15.1	15.2	
Net financial items	-134	-42	219%	-354	-114	211%
Tax	-217	-179	21%	-661	-551	20%
Earnings per share (before dilution), SEK	1.87	1.90	-1.6%	5.92	5.50	7.6%
Return On Capital Employed, %	21	23		21	23	
Cash Flow from operating activities	1,227	624	97%	2,971	1,522	95%
Net debt / EBITDA, times	1.7	1.6		1.7	1.6	

Cash Flow from operating activities



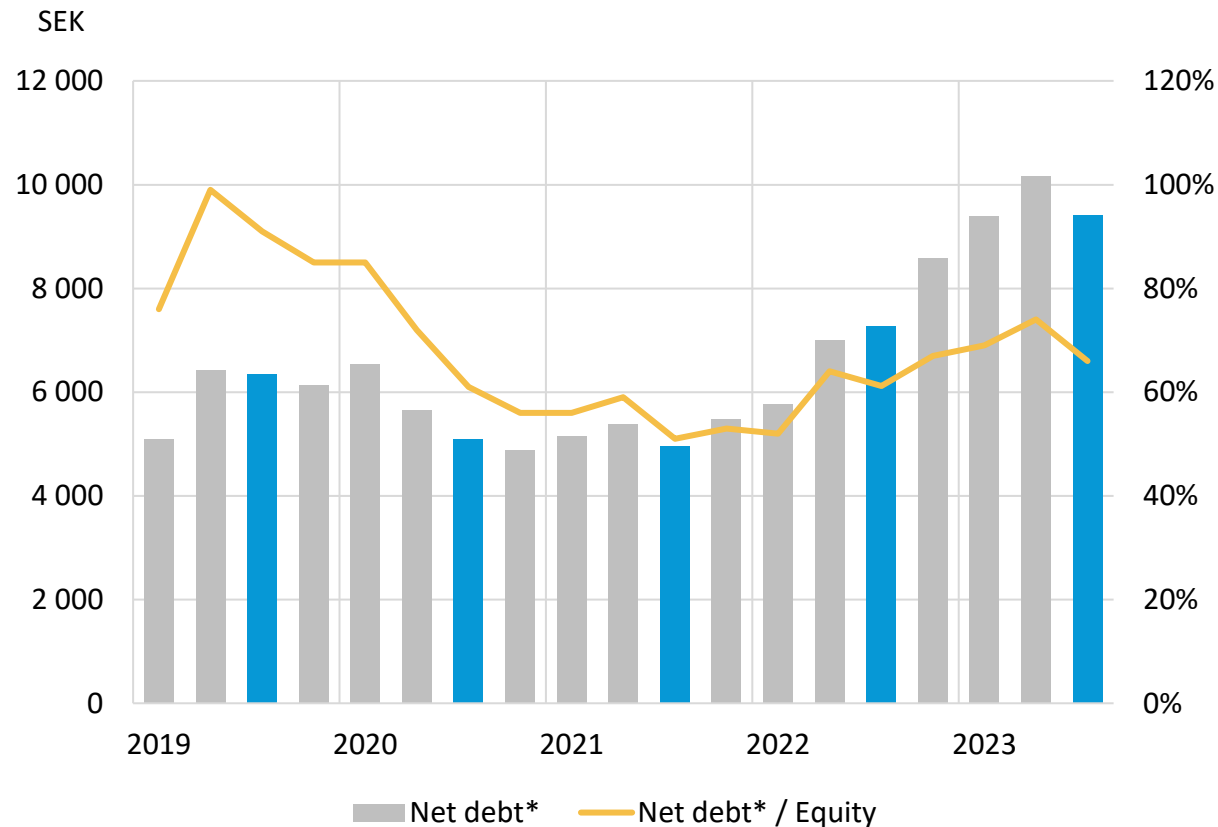
- All-time-high operating cash flow during the quarter, 1,227 (624) MSEK
- The increase versus last year was mainly related to a more favorable working capital development
- Inventory reduced slightly during the quarter
- The working capital efficiency remains lower than last year

Earnings per share



- EPS declined 2% in the quarter to SEK 1.87 (1.90) per share
- The improvement in EBITA was offset by higher interest costs and amortisations in combination with an increased tax rate
- 3- and 5-year rolling 4Q earnings per share CAGR, were 20% and 19%

Net debt



- The interest-bearing net debt declined sequentially to 9,403 (7,267) MSEK
- The increase compared to last year is mainly due to a high acquisition pace and a dampened operational cash flow during last year
- Net debt/equity ratio was 66% (61%)
- Net debt/EBITDA was 1.7x (1.6).
Excluding earn-out liabilities 1.5x (1.3)

Balanced diversification

No of companies
~200

No of product areas
14+

~9,300 employees in
>30 Countries

No of customer segments
12+

10 largest companies
~20% Of annual sales

56%

Of net sales 2022



Technical trading companies

44%

Of net sales 2022



Companies with proprietary brands

Key takeaways

- Continued high demand situation, although somewhat dampened. The uncertainty around the general state of the economy remains for the coming quarters.
- Several of our companies are well positioned in structurally growing market areas with good opportunities for continued growth.
- Solid EBITA-margin and all-time-high operational cash flow.
- 9 acquisitions so far in 2023, with combined annual sales of SEK 1,200 million. Several ongoing projects in different phases
- Strong platform for continued sustainable profitable growth!



Thank you!

Q&A



Indutrade

Financial calendar & contact details

1 FEBRUARY 2024

Year-end report 2023

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

Contact: ir@indutrade.com

+46 8 703 03 00





Trusted by
entrepreneurs