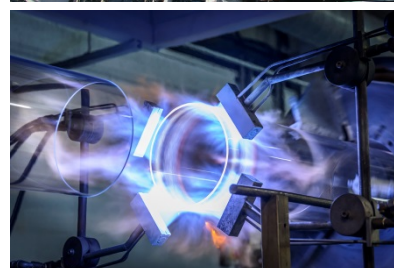


# Interim report first quarter

1 January – 31 March 2016

## First quarter 2016 – Yet another quarter of growth

- Order intake rose 5% to SEK 3,066 million (2,926). For comparable units, order intake decreased by 1%.
- Net sales rose 14% to SEK 2,963 million (2,601). The increase for comparable units was 8%.
- Operating profit before amortisation of intangible non-current assets attributable to acquisitions (EBITA) rose 11% to SEK 311 million (280), corresponding to an EBITA margin of 10.5% (10.8%).
- Profit after tax rose 15% to SEK 189 million (165).
- Earnings per share grew 15% to SEK 4.73 (4.13).
- Cash flow from operating activities was SEK 107 million (100).



## Financial Development

| SEK million                             | 2016<br>Jan-Mar | 2015<br>Jan-Mar | Change | 2015/16<br>Moving 12<br>mos | 2015<br>Jan-Dec |
|---|-----------------|-----------------|--------|-----------------------------|-----------------|
| Order intake                            | 3,066           | 2,926           | 5%     | 12,079                      | 11,939          |
| Net sales                               | 2,963           | 2,601           | 14%    | 12,243                      | 11,881          |
| EBITA                                   | 311             | 280             | 11%    | 1,458                       | 1,427           |
| EBITA margin, %                         | 10.5            | 10.8            |        | 11.9                        | 12.0            |
| Profit after financial items            | 243             | 212             | 15%    | 1,168                       | 1,137           |
| Net profit                              | 189             | 165             | 15%    | 918                         | 894             |
| Earnings per share before dilution, SEK | 4.73            | 4.13            | 15%    | 22.93                       | 22.33           |
| Return on operating capital, %          | 22              | 21              |        | 22                          | 22              |

# Q1

## CEO's message

*Yet another quarter of continued growth despite challenging market conditions.*

In recent years demand has varied between quarters, countries and product segments at the same time that global growth has been low. The first quarter of 2016 did not differ from the preceding year, and industrial growth remains weak overall. The lower price of oil that many countries have benefited from has not led to an increase in industrial investment. On the contrary, oil producing countries have scaled back on their investments, which on the whole has led to weaker growth in global industrial production.

Moreover, it is difficult to find markets and countries with a favourable growth outlook in the immediate future. During the first quarter, order intake and invoicing were negatively affected by the fact that Easter fell in March this year. Despite a challenging economic situation, Indutrade still continues to grow.

### First quarter

Sales increased by 14% during the quarter, of which 8% was organic.

Organic sales growth during the period was achieved primarily from favourable performance in Sweden, Denmark, Benelux and Ireland.

Sweden and Denmark continue to show good growth, and the Benelux countries, which historically have been dependent on development in Germany, outperformed their neighbour in recent years. Ireland is experiencing strong growth in the pharmaceutical industry, among other areas, which benefits our business.

The previous strong growth in the UK has subsided, owing in part to the negative impact of the decline in the oil and gas sector and in part to mounting uncertainty that is likely being caused by concerns over "Brexit" and the strong pound sterling during the preceding year.

In Finland, which is an important market for Indutrade, the business climate was weaker than expected.

Indutrade's target to achieve at least 10% growth over an economic cycle is based on a combination of organic and acquired growth. In the current market climate, a larger share of growth will be achieved through acquisitions, compared with the situation in a strong economy, where we would gain a boost from a broad-based upswing in industrial production.

### Acquisitions

Our acquisition prospects remain favourable, and during the year to date five acquisitions have been carried out, of



which two after the end of the first quarter. Two of the acquisitions were carried out in the UK – one company that manufactures advanced packings, and the other a distribution company for hydraulic components. In Norway we acquired another distribution company specialising in infrastructure. In the Netherlands a company was acquired that complements our existing operations in fasteners. Our largest acquisition during the period, of Senmatic in Denmark, strengthens the Group's position in temperature measurement, where we have since previously had a strong position in Sweden and Finland.

### Outlook

At present I do not see any general change in the demand situation. The volatility in the market will remain, and our challenge is to capture market shares in a market with low organic growth. Indutrade – whose companies are small, flexible, and close to their customers – can act swiftly and adapt to prevailing demand. The companies that have prospects to grow organically with improved or maintained profitability are challenged to do so. Companies with a high market share and that have a hard time growing, such as traditional trading companies, are focusing on profitability and cash flow, which enables a continued high level of acquisition activity.

With this combination of strategies and 200 companies in a diverse range of countries and segments, we have favourable prospects to achieve profitable growth this year as well.

Johnny Alvarsson, President and CEO

# Group performance

# Q1

## Order intake

Order intake during the first quarter totalled SEK 3,066 million (2,926), an increase of 5%. For comparable units, order intake decreased by 1%, while acquired growth was 7%. Currency movements had a negative effect on order intake, by 1%.

The variation in order intake for the Group's companies remains large between markets, segments and countries. While the overall view is that uncertainty in the market has once again increased, most units have a positive view of the current demand situation. In addition, a level of order intake was reported for the quarter that is in excess of invoicing.

Order intake in the Nordic countries showed a split situation, with Sweden and Denmark showing positive development, which countered the situation in Finland. In Norway, weak demand has been noted in the offshore and marine segments at the same time that the fishing industry, water/wastewater and general industry are showing strength. Outside the Nordic countries, Benelux and Ireland continue to show positive performance, while

the business situation in Switzerland is challenging. The slowing of demand in recent quarters in the UK continued during the first quarter and had a negative impact on order intake compared with the corresponding quarter a year ago.

For other countries and markets, the trend was unchanged compared with the preceding quarter.

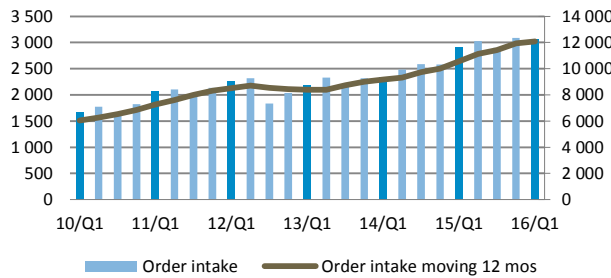
In many industrial segments, demand was stable compared with the immediately preceding quarters. Continued good order intake for valves for power generation in the energy segment has provided balance to weaker sub-segments, such as oil and gas, and the marine sector.

## Net sales

Net sales rose 14% during the first quarter to SEK 2,963 million (2,601). The increase for comparable units was 8%, while acquisitions contributed 8%. Currency movements had a negative effect on net sales, by 2%.

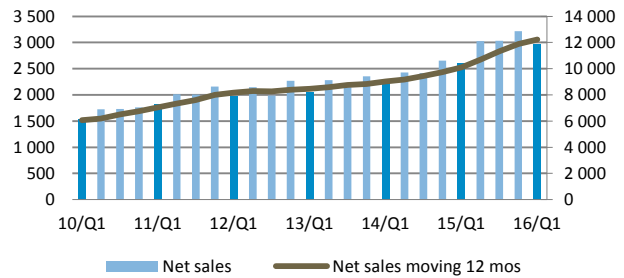
### Order intake

SEK million

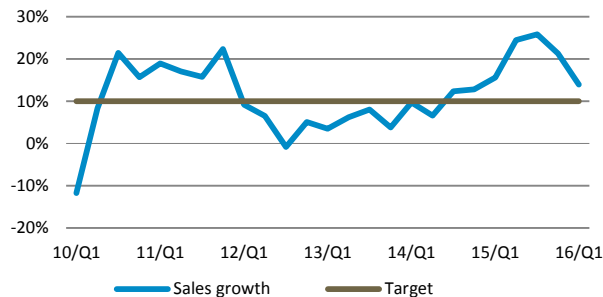


### Net Sales

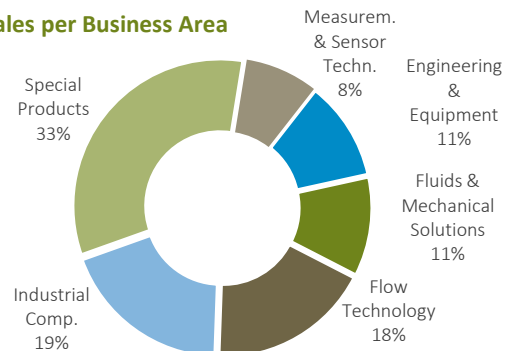
SEK million



### Sales growth



### Net Sales per Business Area



# Q1

## Earnings

Operating profit before amortisation of intangible assets attributable to acquisitions (EBITA) amounted to SEK 311 million (280) for the first quarter, an increase of 11%. The increase for comparable units was 4%, acquisitions contributed 9%, and currency movements had a negative effect, by 2%. The EBITA margin decreased marginally, to 10.5% (10.8%).

The gross margin for the Group as a whole decreased slightly compared with the corresponding quarter a year ago, to 33.6% (34.7%).

Earnings performance for the business areas was mixed. Engineering & Equipment, whose companies are in Finland, reported falling earnings and narrower margins. Special Products reported higher earnings and an improved EBITA margin, which countered a weaker quarter for Measurement & Sensor Technology. For Flow Technology, Fluids & Mechanical Solutions and Industrial Components, earnings were level with the same period a year ago, however, a changed mix and the effect of Easter

falling in March this year resulted in lower EBITA margins compared with the same quarter a year ago.

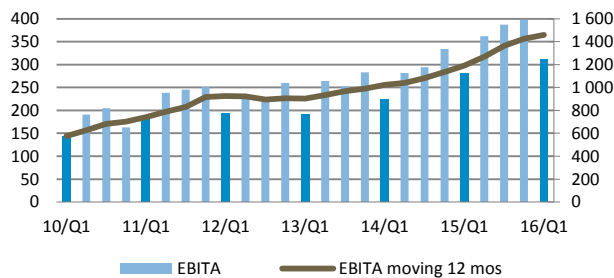
Net financial items for the first quarter amounted to SEK -19 million (-23), of which net interest expense was SEK -17 million (-19). Tax on profit for the period was SEK -54 million (-47), corresponding to a tax charge of 22% (22%). Profit after tax rose 15% to SEK 189 million (165). Earnings per share before dilution grew 15% to SEK 4.73 (4.13).

## Return

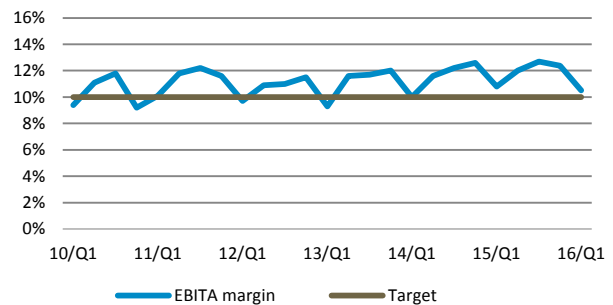
The return on operating capital was 22% (21%), and the return on equity was 26% (25%).

### EBITA

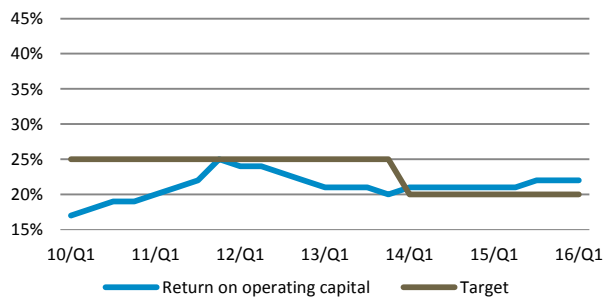
SEK million



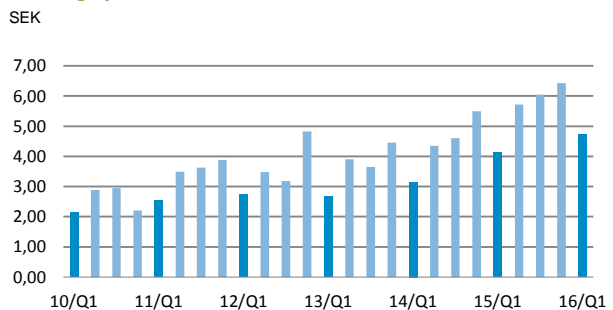
### EBITA margin



### Return



### Earnings per share



# Business areas

# Q1

## Engineering & Equipment

Engineering & Equipment's operations involve sales of components as well as customisation, combinations and installations of products from various suppliers. Business is conducted mainly in Finland.

| SEK million     | 2016<br>Jan-Mar | 2015<br>Jan-Mar | Change | 2015/16<br>Moving 12 mos | 2015<br>Jan-Dec |
|-----------------|-----------------|-----------------|--------|--------------------------|-----------------|
| Net sales       | 336             | 346             | -3%    | 1,456                    | 1,466           |
| EBITA           | 15              | 23              | -35%   | 117                      | 125             |
| EBITA margin, % | 4.5             | 6.6             |        | 8.0                      | 8.5             |

Net sales decreased by 3% during the quarter, to SEK 336 million (346). For comparable units, the decrease was 3%, while currency movements had a marginal effect on net sales.

The demand situation for most of the business area's companies remains challenging, which has resulted in lower invoicing and negative earnings development. The signs of increased activity that have been noted in certain segments, such as infrastructure, have not yet resulted in concrete orders, and thus continued measures for gaining

market shares and adapting costs to the current market situation have top priority.

Order intake exceeded net sales by 11% during the quarter.

EBITA for the quarter decreased by 35% to SEK 15 million (23), corresponding to an EBITA margin of 4.5% (6.6%). Earnings for comparable units fell by 35%, with a marginal impact from currency movements.

## Flow Technology

Flow Technology offers components and systems for controlling, measuring, monitoring and regulating flows. The business area includes companies that specialise in various areas of industrial flow technology.

| SEK million     | 2016<br>Jan-Mar | 2015<br>Jan-Mar | Change | 2015/16<br>Moving 12 mos | 2015<br>Jan-Dec |
|-----------------|-----------------|-----------------|--------|--------------------------|-----------------|
| Net sales       | 529             | 484             | 9%     | 2,279                    | 2,234           |
| EBITA           | 40              | 43              | -7%    | 214                      | 217             |
| EBITA margin, % | 7.6             | 8.9             |        | 9.4                      | 9.7             |

Net sales rose 9% during the quarter, to SEK 529 million (484). The increase for comparable units was 12%, while currency movements had a negative effect, by 3%.

Even though the companies in the business area have noted a resurgence of uncertainty in the market, they have reported continued favourable underlying demand. Positive market development in Sweden and Denmark has countered weak order intake in segments, such as the marine and offshore segments.

Order intake exceeded net sales by 2% during the quarter.

EBITA for the quarter decreased by 7% to SEK 40 million (43), and the EBITA margin reached 7.6% (8.9%). For comparable units, EBITA decreased by 2%, while currency movements had a negative effect, by 5%.

# Q1

## Fluids & Mechanical Solutions

Fluids & Mechanical Solutions offers hydraulic and mechanical components to industries in the Nordic and Baltic countries. Key product areas are filters, hydraulics, tools & transmission, industrial springs, valves, water/wastewater products, steel constructions, compressors, product labelling and construction plastics.

| SEK million     | 2016<br>Jan-Mar | 2015<br>Jan-Mar | Change | 2015/16<br>Moving 12 mos | 2015<br>Jan-Dec |
|-----------------|-----------------|-----------------|--------|--------------------------|-----------------|
| Net sales       | 324             | 287             | 13%    | 1,286                    | 1,249           |
| EBITA           | 41              | 39              | 5%     | 165                      | 163             |
| EBITA margin, % | 12.7            | 13.6            |        | 12.8                     | 13.1            |

Net sales rose 13% during the quarter, to SEK 324 million (287). The increase for comparable units was 1%. Acquisitions contributed 13%, while currency movements had a negative impact, by 1%.

Demand remained stable in most segments, except for in the oil and gas segments in Norway and for the companies in the Baltics.

Order intake exceeded net sales by 5% during the quarter.

EBITA for the quarter rose 5% to SEK 41 million (39), and the EBITA margin reached 12.7% (13.6%). For comparable units, EBITA decreased by 4%, while acquisitions contributed 10% and currency movements had a negative impact, by 1%.

## Industrial Components

Industrial Components offers a wide range of technically advanced components and systems for production and maintenance, and medical technology equipment. The products consist mainly of consumables.

| SEK million     | 2016<br>Jan-Mar | 2015<br>Jan-Mar | Change | 2015/16<br>Moving 12 mos | 2015<br>Jan-Dec |
|-----------------|-----------------|-----------------|--------|--------------------------|-----------------|
| Net sales       | 566             | 489             | 16%    | 2,340                    | 2,263           |
| EBITA           | 50              | 45              | 11%    | 254                      | 249             |
| EBITA margin, % | 8.8             | 9.2             |        | 10.9                     | 11.0            |

Net sales rose 16% during the quarter, to SEK 566 million (489). For comparable units, net sales decreased marginally, while acquisitions contributed 17%. Currency movements had a negative impact on net sales, by 1%.

All in all, order intake was weak towards the end of the quarter, which is largely perceived as an effect of Easter falling in March this year. This mainly affected order intake and invoicing in companies with a high share of daily sales. The demand situation is still varied for the

business area's companies, where the differences within sub-segments such as medical technology remain large.

Companies with exposure to the steel, mining and offshore industries continue to note low market activity.

Order intake exceeded net sales by 4% during the quarter. EBITA for the quarter rose 11% to SEK 50 million (45), corresponding to an EBITA margin of 8.8% (9.2%). For comparable units, earnings fell by 9%, while acquisitions contributed 20% and currency movements had a marginal impact.

## Measurement & Sensor Technology

Measurement & Sensor Technology offers design solutions, measurement instruments, measurement systems and sensors for various industries. All of the business area's companies have proprietary products based on advanced technological solutions and own development, design and manufacturing.

| SEK million     | 2016<br>Jan-Mar | 2015<br>Jan-Mar | Change | 2015/16<br>Moving 12 mos | 2015<br>Jan-Dec |
|-----------------|-----------------|-----------------|--------|--------------------------|-----------------|
| Net sales       | 241             | 219             | 10%    | 960                      | 938             |
| EBITA           | 30              | 41              | -27%   | 153                      | 164             |
| EBITA margin, % | 12.4            | 18.7            |        | 15.9                     | 17.5            |

Net sales rose 10% during the quarter, to SEK 241 million (219). For comparable units, net sales decreased by 1%, while acquisitions contributed 12% and currency movements had a negative effect, by 1%.

The business area includes companies with own manufacturing and proprietary products, and has a relatively high share of project-related business, and as a result, order intake and invoicing vary between months and quarters.

Order intake and invoicing for the business area's companies gradually improved following a weak start to the year. Companies with sales to China and the USA

noted an increase in activity during the quarter, following several months characterised by restraint.

Order intake exceeded net sales during the quarter by 7%.

EBITA decreased by 27% during the quarter, to SEK 30 million (41), and the EBITA margin was 12.4% (18.7%). The decrease for comparable units was 32%, while acquisitions contributed 7%. Currency movements had a negative effect on EBITA, by 2%.

The lower EBITA margin and decrease in earnings for comparable units are mainly attributable to a changed mix combined with temporarily higher costs for establishment of new sales and distribution channels.

## Special Products

Special Products offers specially manufactured niche products, design solutions, aftermarket service and assembly, and special processing. The business area includes companies with a considerable amount of own manufacturing and proprietary products.

| SEK million     | 2016<br>Jan-Mar | 2015<br>Jan-Mar | Change | 2015/16<br>Moving 12 mos | 2015<br>Jan-Dec |
|-----------------|-----------------|-----------------|--------|--------------------------|-----------------|
| Net sales       | 976             | 785             | 24%    | 3,963                    | 3,772           |
| EBITA           | 152             | 104             | 46%    | 612                      | 564             |
| EBITA margin, % | 15.6            | 13.2            |        | 15.4                     | 15.0            |

Net sales rose 24% during the quarter, to SEK 976 million (785). The increase for comparable units was 19%, while acquisitions contributed 7% and currency movements had a negative effect, by 2%.

The monthly and quarterly variation in order intake and invoicing remains large for companies in the business area. Order intake and invoicing related to valves for power generation in the energy segment remained strong during the quarter. For the companies in Benelux and Ireland, demand developed in a positive direction, which countered weaker order intake and invoicing for some of the companies in the UK during the quarter. For the business area's companies in Switzerland, the market

situation remains challenging, even though earnings have now stabilised.

Net sales were level with order intake during the quarter.

EBITA increased by 46% during the quarter, to SEK 152 million (104), and the EBITA margin was 15.6% (13.2%). Earnings for comparable units increased by 40%, while acquisitions contributed 8%. Currency movements affected earnings negatively, by 2%.

The like-for-like earnings improvement is mainly attributable to higher invoicing and a changed mix, which also countered costs for adapting some of the operations in the UK to the poorer market situation.



# Q1

## Other financial information

### Financial position

Shareholders' equity amounted to SEK 3,911 million (3,399), and the equity ratio was 40% (38%).

Cash and cash equivalents amounted to SEK 368 million (344). In addition to this, the Group had unutilised credit promises of SEK 2,490 million (1,868). Interest-bearing net debt amounted to SEK 3,151 million (2,865).

The net debt/equity ratio was 81% at end of the quarter (84%).

### Cash flow, Capital expenditures and Depreciation

Cash flow from operating activities was SEK 107 million (100) for the quarter. Cash flow after net capital expenditures in intangible non-current assets and in property, plant and equipment (excluding company acquisitions) was SEK 33 million (49).

The Group's net capital expenditures, excluding company acquisitions, totalled SEK 74 million (51). Depreciation of property, plant and equipment totalled SEK 40 million (37). Investments in company acquisitions amounted to SEK 198 million (332). In addition, earn-out payments for previous years' acquisitions totalled SEK 84 million (52).

### Employees

The number of employees was 5,267 at the end of the period, compared with 5,107 at the start of the year. A total of 101 employees were added during the quarter through acquisitions.

### Company acquisitions

The Group acquired the following companies, which are consolidated for the first time in 2016.

| Month acquired | Acquisitions               | Business area                   | Net Sales/SEK m* | No. of employees* |
|----------------|----------------------------|---------------------------------|------------------|-------------------|
| January        | PECO Select Fasteners B.V. | Special Products                | 30               | 4                 |
| March          | Industri Verktøy AS        | Industrial Components           | 40               | 10                |
| March          | Senmatic A/S               | Measurement & Sensor Technology | 150              | 87                |
| <b>Total</b>   |                            |                                 | <b>220</b>       | <b>101</b>        |

\* Estimated annual sales and number of employees at the time of acquisition.

Further information about completed company acquisitions can be found on page 17 of this interim report.



## Events after the end of the reporting period

In April two company acquisitions were carried out. For further information, see the section "Acquisitions" on page 17.

In other respects, no significant events for the Group have occurred after the end of the reporting period.

## Incentive programme

In April 2014 the Annual General Meeting of Indutrade AB resolved to introduce a long-term incentive programme, LTI 2014, comprising a combined maximum of 460,000 warrants in two series for senior executives and other key persons in the Indutrade Group.

Within the framework of Series I, which was directed at 135 individuals, the participants subscribed for a total of 257,500 warrants for a combined total of SEK 3,914,000. The price per warrant was SEK 15.20, which corresponded to the market price. The subscription price for Indutrade shares under the warrants was set at SEK 356.30 per share.

Within the framework of Series II, which was directed at 13 individuals, a total of 27,500 warrants were subscribed for a combined total of SEK 319,000. The price per warrant was SEK 11.60, which corresponded to the market price. The subscription price for Indutrade shares under the warrants was set at SEK 350.00 per share.

Shares can be purchased during specially stipulated subscription periods through Friday, 18 May 2018. Upon full exercise, the number of shares outstanding will increase by 285,000, corresponding to 0.7% of the total number of shares and votes. A dilutive effect of 0.16% (–) arose during the reporting period January–March, and of 0.12% (–) for the last 12 months.

## Parent company

The main functions of Indutrade AB are to take responsibility for business development, acquisitions, financing, business control and analysis. The Parent Company's sales, which consist exclusively of intercompany invoicing of services, amounted to SEK 0 million (0) during the period January–March. The Parent Company's financial assets consist mainly of shares in subsidiaries. During the quarter the Parent Company

acquired shares in three new companies. The Parent Company did not make any major investments in intangible non-current assets or in property, plant and equipment. The number of employees on 31 March was 11 (10).

## Risks and uncertainties

The Indutrade Group conducts business in 27 countries on four continents, through some 200 companies. This diversification, together with a large number of customers in various industries and a large number of suppliers, mitigates the business and financial risks. Apart from the risks and uncertainties described in Indutrade's 2015 Annual Report, no significant risks or uncertainties are judged to have emerged or been eliminated. Since the Parent Company is responsible for the Group's financing, it is exposed to financing risk.

The Parent Company's other activities are not exposed to risks other than indirectly via subsidiaries. For a more detailed account of risks that affect the Group and Parent Company, please see the 2015 Annual Report.

## Related party transactions

No transactions took place during the period between Indutrade and related parties that have significantly affected the Company's financial position or result of operations.

## Accounting principles

Indutrade reports in accordance with International Financial Reporting Standards (IFRS). This interim report has been prepared in accordance with IAS 34 and RFR 1. The Parent Company applies RFR 2. The same accounting principles and calculation methods are used in this report as those used in Indutrade's 2015 Annual Report.

No new IFRSs or IFRIC interpretations that have been endorsed by the EU are applicable for Indutrade or have had any material impact on the Group's result of operations or financial position in 2016.

Changes in the Annual Accounts Act effective 1 January 2016 do not have any significant impact on the Parent Company or the Group.

# Q1

## Financial calendar

- The interim report for the period 1 January–30 June 2016 will be published on 22 July 2016.
- The interim report for the period 1 January–30 September 2016 will be published on 25 October 2016

Stockholm, 27 April 2016  
Indutrade AB (publ)

Johnny Alvarsson  
President and CEO

The report has not been reviewed by the company's auditors.

### Note

The information provided in this report is published in accordance with the Securities Market Act, the Financial Instruments Trading Act, and/or the Issuers Rules and Regulations for NASDAQ Stockholm. Submitted for publication at 2 p.m. (CET) on 27 April 2016.

### Further information

For further information, please contact:  
Johnny Alvarsson, President and CEO,  
Tel.: +46 70 589 17 95 or  
Jan Öhman, CFO, Tel.: +46 70 226 75 34

### This report will be commented upon as follows:

- Through a conference call/webcast today at 3 p.m. (CET) under the following link:  
<http://event.onlineseminarsolutions.com/r.htm?e=1163003&se=1&k=4343E6C64C315370631C00883C5AE62C>  
To participate, call  
SE: +46 8 566 426 62  
UK: +44 203 008 98 13  
US: +1855 831 59 45
- Through a videotaped version available under the following link:  
<http://www.indutrade.com>

## Indutrade consolidated income statement – condensed

| SEK million                                     | 2016<br>Jan-Mar | 2015<br>Jan-Mar | 2015/16<br>Moving 12 mos | 2015<br>Jan-Dec |
|---|-----------------|-----------------|--------------------------|-----------------|
| Net sales                                       | 2,963           | 2,601           | 12,243                   | 11,881          |
| Cost of goods sold                              | -1,968          | -1,698          | -8,117                   | -7,847          |
| <b>Gross profit</b>                             | <b>995</b>      | <b>903</b>      | <b>4,126</b>             | <b>4,034</b>    |
| Development costs                               | -34             | -33             | -134                     | -133            |
| Selling costs                                   | -533            | -481            | -2,096                   | -2,044          |
| Administrative expenses                         | -181            | -154            | -662                     | -635            |
| Other operating income and expenses             | 15              | 0               | 28                       | 13              |
| <b>Operating profit</b>                         | <b>262</b>      | <b>235</b>      | <b>1,262</b>             | <b>1,235</b>    |
| Net financial items                             | -19             | -23             | -94                      | -98             |
| <b>Profit after financial items</b>             | <b>243</b>      | <b>212</b>      | <b>1,168</b>             | <b>1,137</b>    |
| Income Tax                                      | -54             | -47             | -250                     | -243            |
| <b>Net profit for the period</b>                | <b>189</b>      | <b>165</b>      | <b>918</b>               | <b>894</b>      |
| <i>Net profit, attributable to:</i>             |                 |                 |                          |                 |
| Equity holders of the parent company            | 189             | 165             | 917                      | 893             |
| Non-controlling interests                       | 0               | 0               | 1                        | 1               |
| <b>EBITA</b>                                    | <b>311</b>      | <b>280</b>      | <b>1,458</b>             | <b>1,427</b>    |
| <i>Operating profit includes:</i>               |                 |                 |                          |                 |
| Amortisation of intangible assets <sup>1)</sup> | -54             | -50             | -213                     | -209            |
| <i>of which attributable to acquisitions</i>    | <i>-49</i>      | <i>-45</i>      | <i>-196</i>              | <i>-192</i>     |
| Depreciation of property, plant and equipment   | -40             | -37             | -159                     | -156            |
| Earnings per share before dilution, SEK         | 4.73            | 4.13            | 22.93                    | 22.33           |
| Earnings per share after dilution, SEK          | 4.72            | 4.13            | 22.90                    | 22.31           |
| Average number of shares before dilution, '000  | 40,000          | 40,000          | 40,000                   | 40,000          |
| Average number of shares after dilution, '000   | 40,065          | 40,000          | 40,048                   | 40,031          |

<sup>1)</sup> Excluding write-downs

## Indutrade consolidated statement of comprehensive income

| SEK million  | 2016<br>Jan-Mar | 2015<br>Jan-Mar | 2015/16<br>Moving 12 mos | 2015<br>Jan-Dec |
|--|-----------------|-----------------|--------------------------|-----------------|
| <b>Net profit for the period</b>                             | <b>189</b>      | <b>165</b>      | <b>918</b>               | <b>894</b>      |
| <b>Other comprehensive income</b>                            |                 |                 |                          |                 |
| <b>Items that can be reversed into income statement</b>      |                 |                 |                          |                 |
| Fair value adjustment of hedge instruments                   | 23              | -34             | 73                       | 16              |
| Tax attributable to fair value adjustments                   | -4              | 8               | -15                      | -3              |
| Exchange rate differences                                    | -9              | 98              | -157                     | -50             |
| <b>Items that cannot be reversed into income statement</b>   |                 |                 |                          |                 |
| Actuarial gains/losses                                       | -               | -               | -5                       | -5              |
| Tax on actuarial gains/losses                                | -               | -               | 2                        | 2               |
| <b>Other comprehensive income for the period, net of tax</b> | <b>10</b>       | <b>72</b>       | <b>-102</b>              | <b>-40</b>      |
| <b>Total comprehensive income for the period</b>             | <b>199</b>      | <b>237</b>      | <b>816</b>               | <b>854</b>      |
| <i>Total comprehensive income, attributable to:</i>          |                 |                 |                          |                 |
| Equity holders of the parent company                         | 199             | 237             | 815                      | 853             |
| Non-controlling interests                                    | 0               | 0               | 1                        | 1               |



## Indutrade consolidated balance sheet – condensed

| SEK million  | 2016<br>31 Mar | 2015<br>31 Mar | 2015<br>31 Dec |
|--|----------------|----------------|----------------|
| Goodwill   | 2,027          | 1,761          | 1,942          |
| Other intangible assets  | 1,698          | 1,596          | 1,636          |
| Property, plant and equipment                                    | 1,174          | 1,063          | 1,117          |
| Financial assets   | 99             | 100            | 101            |
| Inventories  | 1,997          | 1,849          | 1,931          |
| Accounts receivable, trade                                       | 2,058          | 1,844          | 1,995          |
| Other receivables  | 453            | 433            | 300            |
| Cash and cash equivalents  | 368            | 344            | 339            |
| <b>Total assets</b>  | <b>9,874</b>   | <b>8,990</b>   | <b>9,361</b>   |
| Equity   | 3,911          | 3,399          | 3,707          |
| Non-current interest-bearing liabilities and pension liabilities | 1,739          | 966            | 1,260          |
| Other non-current liabilities and provisions                     | 503            | 451            | 480            |
| Current interest-bearing liabilities                             | 1,780          | 2,243          | 2,028          |
| Accounts payable, trade  | 921            | 905            | 848            |
| Other current liabilities  | 1,020          | 1,026          | 1,038          |
| <b>Total equity and liabilities</b>                              | <b>9,874</b>   | <b>8,990</b>   | <b>9,361</b>   |

## Indutrade consolidated statement of changes in equity – condensed

| Attributable to equity holders of the parent company<br>SEK million | 2016<br>31 Mar  | 2015<br>31 Mar | 2015<br>31 Dec     |
|---|-----------------|----------------|--------------------|
| Opening equity  | 3,703           | 3,160          | 3,160              |
| Total comprehensive income for the period                           | 199             | 237            | 853                |
| Dividend  | - <sup>1)</sup> | -              | -310 <sup>2)</sup> |
| <b>Closing equity</b>   | <b>3,902</b>    | <b>3,397</b>   | <b>3,703</b>       |
| <sup>1)</sup> The proposed dividend per share for 2015 is SEK 9.00  |                 |                |                    |
| <sup>2)</sup> Dividend per share for 2014 was SEK 7.75              |                 |                |                    |
| <i>Equity, attributable to:</i>                                     |                 |                |                    |
| Equity holders of the parent company                                | 3,902           | 3,397          | 3,703              |
| Non-controlling interests   | 9               | 2              | 4                  |
|   | <b>3,911</b>    | <b>3,399</b>   | <b>3,707</b>       |

# Indutrade consolidated cash flow statement

## – condensed

# Q1

| SEK million                                       | 2016<br>Jan-Mar | 2015<br>Jan-Mar | 2015/16<br>Moving 12 mos | 2015<br>Jan-Dec |
|---|-----------------|-----------------|--------------------------|-----------------|
| Operating profit                                  | 262             | 235             | 1,262                    | 1,235           |
| Non-cash items                                    | 91              | 87              | 387                      | 383             |
| Interests and other financial items, net          | -10             | -22             | -76                      | -88             |
| Paid tax  | -86             | -78             | -223                     | -215            |
| Change in working capital                         | -150            | -122            | -267                     | -239            |
| <b>Cash flow from operating activities</b>        | <b>107</b>      | <b>100</b>      | <b>1,083</b>             | <b>1,076</b>    |
| Net capital expenditures in non-current assets    | -74             | -51             | -244                     | -221            |
| Company acquisitions and divestments              | -282            | -384            | -776                     | -878            |
| Change in other financial assets                  | 0               | 0               | -1                       | -1              |
| <b>Cash flow from investing activities</b>        | <b>-356</b>     | <b>-435</b>     | <b>-1,021</b>            | <b>-1,100</b>   |
| Net borrowings                                    | 279             | 305             | 277                      | 303             |
| Dividend paid out                                 | -               | -               | -310                     | -310            |
| <b>Cash flow from financial activities</b>        | <b>279</b>      | <b>305</b>      | <b>-33</b>               | <b>-7</b>       |
| <b>Cash flow for the period</b>                   | <b>30</b>       | <b>-30</b>      | <b>29</b>                | <b>-31</b>      |
| Cash and cash equivalents at start of period      | 339             | 357             | 344                      | 357             |
| Exchange rate differences                         | -1              | 17              | -5                       | 13              |
| <b>Cash and cash equivalents at end of period</b> | <b>368</b>      | <b>344</b>      | <b>368</b>               | <b>339</b>      |

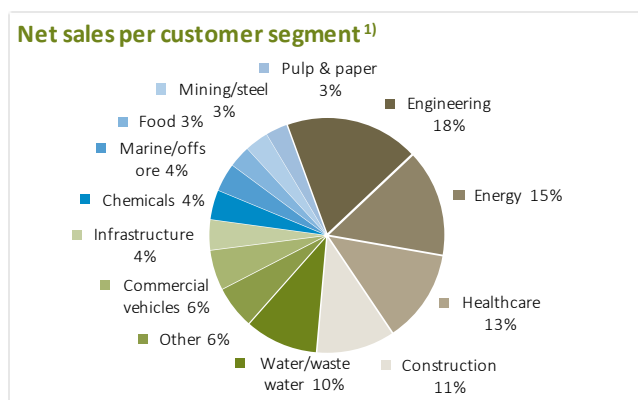
# Q1

## Key data

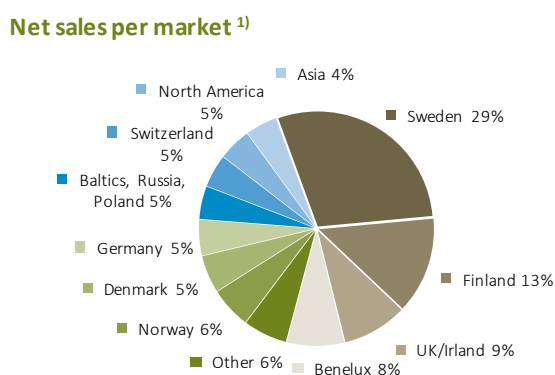
| Moving 12 mos   | 2016<br>31 Mar | 2015<br>31 Dec | 2015<br>31 Mar | 2014<br>31 Dec | 2013<br>31 Dec |
|---|----------------|----------------|----------------|----------------|----------------|
| Net sales, SEK million                                      | 12,243         | 11,881         | 10,097         | 9,746          | 8,831          |
| Sales growth, %   | 21             | 22             | 12             | 10             | 5              |
| EBITA, SEK million  | 1,458          | 1,427          | 1,190          | 1,134          | 990            |
| EBITA margin, %   | 11.9           | 12.0           | 11.8           | 11.6           | 11.2           |
| Operating capital, SEK million                              | 7,062          | 6,656          | 6,264          | 5,656          | 4,947          |
| Return on operating capital, %                              | 22             | 22             | 21             | 21             | 20             |
| Return on equity, %   | 26             | 26             | 25             | 25             | 25             |
| Interest-bearing net debt, SEK million                      | 3,151          | 2,949          | 2,865          | 2,494          | 2,321          |
| Net debt/equity ratio, %                                    | 81             | 80             | 84             | 79             | 88             |
| Net debt/EBITDA, times                                      | 1.9            | 1.8            | 2.1            | 1.9            | 2.1            |
| Equity ratio, %   | 40             | 40             | 38             | 39             | 38             |
| Average number of employees                                 | 5,088          | 4,978          | 4,544          | 4,418          | 4,151          |
| Number of employees at end of the period                    | 5,267          | 5,107          | 4,817          | 4,578          | 4,218          |
| <i>Attributable to equity holders of the parent company</i> |                |                |                |                |                |
| <i>Key ratios per share</i>                                 |                |                |                |                |                |
| Earnings per share before dilution, SEK <sup>1)</sup>       | 22.93          | 22.33          | 18.58          | 17.60          | 14.68          |
| Earnings per share after dilution, SEK <sup>2)</sup>        | 22.90          | 22.31          | 18.58          | 17.60          | 14.68          |
| Equity per share, SEK                                       | 97.55          | 92.58          | 84.93          | 79.00          | 65.58          |
| Cash flow from operating activities per share, SEK          | 27.08          | 26.90          | 22.85          | 22.60          | 21.48          |

<sup>1)</sup> Based on 40,000,000 shares during all periods in the table.

<sup>2)</sup> Based on 40,031,342 shares for 2015 and 40,047,672 shares for 2016, Other periods 40,000,000 shares.



<sup>1)</sup> Financial year 2015



# Business area performance

# Q1

|                                 | 2016<br>Jan-Mar | 2015<br>Jan-Mar | 2015/16<br>Moving 12 mos | 2015<br>Jan-Dec |
|---------------------------------|-----------------|-----------------|--------------------------|-----------------|
| <b>Net sales, SEK million</b>   |                 |                 |                          |                 |
| Engineering & Equipment         | 336             | 346             | 1,456                    | 1,466           |
| Flow Technology                 | 529             | 484             | 2,279                    | 2,234           |
| Fluids & Mechanical Solutions   | 324             | 287             | 1,286                    | 1,249           |
| Industrial Components           | 566             | 489             | 2,340                    | 2,263           |
| Measurement & Sensor Technology | 241             | 219             | 960                      | 938             |
| Special Products                | 976             | 785             | 3,963                    | 3,772           |
| Parent company and Group items  | -9              | -9              | -41                      | -41             |
|                                 | <b>2,963</b>    | <b>2,601</b>    | <b>12,243</b>            | <b>11,881</b>   |
| <b>EBITA, SEK million</b>       |                 |                 |                          |                 |
| Engineering & Equipment         | 15              | 23              | 117                      | 125             |
| Flow Technology                 | 40              | 43              | 214                      | 217             |
| Fluids & Mechanical Solutions   | 41              | 39              | 165                      | 163             |
| Industrial Components           | 50              | 45              | 254                      | 249             |
| Measurement & Sensor Technology | 30              | 41              | 153                      | 164             |
| Special Products                | 152             | 104             | 612                      | 564             |
| Parent company and Group items  | -17             | -15             | -57                      | -55             |
|                                 | <b>311</b>      | <b>280</b>      | <b>1,458</b>             | <b>1,427</b>    |
| <b>EBITA margin, %</b>          |                 |                 |                          |                 |
| Engineering & Equipment         | 4.5             | 6.6             | 8.0                      | 8.5             |
| Flow Technology                 | 7.6             | 8.9             | 9.4                      | 9.7             |
| Fluids & Mechanical Solutions   | 12.7            | 13.6            | 12.8                     | 13.1            |
| Industrial Components           | 8.8             | 9.2             | 10.9                     | 11.0            |
| Measurement & Sensor Technology | 12.4            | 18.7            | 15.9                     | 17.5            |
| Special Products                | 15.6            | 13.2            | 15.4                     | 15.0            |
|                                 | <b>10.5</b>     | <b>10.8</b>     | <b>11.9</b>              | <b>12.0</b>     |



# Q1

| Net sales, SEK million          | 2016         | 2015         |              |              |              |
|---------------------------------|--------------|--------------|--------------|--------------|--------------|
|                                 | Jan-Mar      | Oct-Dec      | Jul-Sep      | Apr-Jun      | Jan-Mar      |
| Engineering & Equipment         | 336          | 376          | 373          | 371          | 346          |
| Flow Technology                 | 529          | 612          | 545          | 593          | 484          |
| Fluids & Mechanical Solutions   | 324          | 339          | 316          | 307          | 287          |
| Industrial Components           | 566          | 628          | 557          | 589          | 489          |
| Measurement & Sensor Technology | 241          | 246          | 227          | 246          | 219          |
| Special Products                | 976          | 1,029        | 1,030        | 928          | 785          |
| Parent company and Group items  | -9           | -11          | -12          | -9           | -9           |
|                                 | <b>2,963</b> | <b>3,219</b> | <b>3,036</b> | <b>3,025</b> | <b>2,601</b> |

| EBITA, SEK million              | 2016       | 2015       |            |            |            |
|---------------------------------|------------|------------|------------|------------|------------|
|                                 | Jan-Mar    | Oct-Dec    | Jul-Sep    | Apr-Jun    | Jan-Mar    |
| Engineering & Equipment         | 15         | 29         | 41         | 32         | 23         |
| Flow Technology                 | 40         | 59         | 52         | 63         | 43         |
| Fluids & Mechanical Solutions   | 41         | 41         | 43         | 40         | 39         |
| Industrial Components           | 50         | 64         | 72         | 68         | 45         |
| Measurement & Sensor Technology | 30         | 43         | 42         | 38         | 41         |
| Special Products                | 152        | 166        | 154        | 140        | 104        |
| Parent company and Group items  | -17        | -4         | -17        | -19        | -15        |
|                                 | <b>311</b> | <b>398</b> | <b>387</b> | <b>362</b> | <b>280</b> |

| EBITA margin, %                 | 2016        | 2015        |             |             |             |
|---------------------------------|-------------|-------------|-------------|-------------|-------------|
|                                 | Jan-Mar     | Oct-Dec     | Jul-Sep     | Apr-Jun     | Jan-Mar     |
| Engineering & Equipment         | 4.5         | 7.7         | 11.0        | 8.6         | 6.6         |
| Flow Technology                 | 7.6         | 9.6         | 9.5         | 10.6        | 8.9         |
| Fluids & Mechanical Solutions   | 12.7        | 12.1        | 13.6        | 13.0        | 13.6        |
| Industrial Components           | 8.8         | 10.2        | 12.9        | 11.5        | 9.2         |
| Measurement & Sensor Technology | 12.4        | 17.5        | 18.5        | 15.4        | 18.7        |
| Special Products                | 15.6        | 16.1        | 15.0        | 15.1        | 13.2        |
|                                 | <b>10.5</b> | <b>12.4</b> | <b>12.7</b> | <b>12.0</b> | <b>10.8</b> |

# Acquisitions

## Acquisitions 2016

All of the shares were acquired in PECO Select Fasteners BV (Netherlands), Industri Verktøy AS (Norway), and Senmatic A/S (Denmark).

## Industrial Components

On 16 March Industri Verktøy AS (Norway) was acquired, with annual sales of SEK 40 million. Industri Verktøy supplies equipment for building in stone and concrete.

## Measurement & Sensor Technology

On 18 March Senmatic A/S (Denmark) was acquired, with annual sales of SEK 150 million. Senmatic manufactures a wide range of standard and customised sensors for measurement of temperature and relative humidity.

## Special Products

On 8 January PECO Select Fasteners BV (Netherlands) was acquired, with annual sales of SEK 30 million. PECO Select Fasteners supplies special and customised fasteners to manufacturers of steel constructions within wind power, cranes, vessels and buildings.

## Acquired assets in 2016

### Preliminary purchase price allocation

#### SEK million

|  |                   |                              |                   |
|--|-------------------|------------------------------|-------------------|
| Purchase price, incl. contingent earn-out payment totalling SEK 22 million |                   |                              | 234               |
|  | <b>Book Value</b> | <b>Fair value adjustment</b> | <b>Fair value</b> |
| <b>Acquired assets</b>   |                   |                              |                   |
| Goodwill   | -                 | 91                           | 91                |
| Agencies, customer relations, licences, etc.                               | 21                | 94                           | 115               |
| Property, plant and equipment  | 24                | -                            | 24                |
| Financial assets   | 1                 | -                            | 1                 |
| Inventories  | 41                | -                            | 41                |
| Other current assets <sup>1)</sup>   | 38                | -                            | 38                |
| Cash and cash equivalents  | 15                | -                            | 15                |
| Deferred tax liability   | -5                | -21                          | -26               |
| Provisions including pension liabilities                                   | -1                | -                            | -1                |
| Other operating liabilities  | -60               | -                            | -60               |
| Non-controlling interests  | -4                | -                            | -4                |
|  | <b>70</b>         | <b>164</b>                   | <b>234</b>        |

<sup>1)</sup> Mainly trade accounts receivable

Agencies, customer relationships, licences, etc. will be amortised over a period of 10 years.

Indutrade normally uses an acquisition structure entailing a base level of consideration plus a contingent earn-out payment. Initially, the contingent earn-out payment is valued at the present value of the likely outcome, which for the acquisitions made during the year to date amount to SEK 22 million. These contingent earn-out payments fall due for payment within four years and can amount to a maximum of SEK 22 million. If the conditions are not met, the outcome can be in the range of SEK 0–22 million.

Transaction costs for the acquisitions carried out during the period totalled SEK 2 million (2) and are included in Other income and expenses in the income statement. Contingent earn-out payments have been restated in the amount of SEK 11 million (2). Income recognised as a result of this restatement is reported under Other income and expenses in the amount of SEK 11 million (2) and Net financial items in the amount of SEK 0 million (-).

The purchase price allocation calculations for Flowtech Industrietechnik GmbH, Adaero Precision Components Ltd, Cepro International BV, Sepab Fordonsprodukter AB, Filtration Ltd, Combilent A/S and Milltech Precision Engineering Ltd, which were acquired in January and March 2015, have now been finalised. No significant adjustments have been made to the calculations. For other acquisitions, the purchase price allocation calculations are preliminary. Indutrade regards the calculations as preliminary during the time that uncertainty exists with respect to, for example, the outcome of guarantees in the acquisition agreements concerning inventories and trade accounts receivable.

## Cash flow impact

### SEK million

|   |            |
|---|------------|
| Purchase price, incl. contingent earn-out payment   | 234        |
| Purchase price not paid out                         | -21        |
| Cash and cash equivalents in acquired companies     | -15        |
| Payments pertaining to previous years' acquisitions | 84         |
| <b>Total cash flow impact</b>                       | <b>282</b> |

# Q1

## Effects of acquisitions carried out in 2015 and 2016

| SEK million<br>Business area       | Net sales<br>Jan-Mar | EBITA<br>Jan-Mar |
|------------------------------------|----------------------|------------------|
| Engineering & Equipment            | -                    | -                |
| Flow Technology                    | -                    | -                |
| Fluids & Mechanical Solutions      | 37                   | 4                |
| Industrial Components              | 85                   | 9                |
| Measurement & Sensor<br>Technology | 27                   | 3                |
| Special Products                   | 56                   | 9                |
| <b>Effect on Group</b>             | <b>205</b>           | <b>25</b>        |
| Acquisitions carried out in 2015   | 179                  | 21               |
| Acquisitions carried out in 2016   | 26                   | 4                |
| <b>Effect on Group</b>             | <b>205</b>           | <b>25</b>        |

If all acquired units had been consolidated as from 1 January 2016, net sales for the quarter would have amounted to SEK 2,994 million, and EBITA would have totalled SEK 314 million.

## Acquisitions after the end of the reporting period

On 1 April Indutrade acquired Beldam Crossley Ltd (UK), with annual sales of SEK 80 million. The company manufactures packings, advanced plastic components and bearings, and is included in the Special Products business area.

On 6 April Fluid Controls Ltd (UK) was acquired, with annual sales of SEK 40 million. The company is a leading supplier of control and instrumentation solutions comprising valves, fittings and pressure regulators from leading suppliers. Fluid Controls is included in the Special Products business area.

Preliminary purchase price allocation calculations will be presented in the second quarter interim report for 2016.

## Fair value

The table below shows financial instruments at fair value, based on the classification of the fair value hierarchy. The various levels are defined as follows:

1. Quoted prices (unadjusted) in active markets for identical assets and liabilities [level 1]
2. Other observable data for assets and liabilities than quoted prices included in level 1, either directly (i.e., through price listings) or indirectly (i.e., stemming from price listings) [level 2]
3. Data for the assets or liabilities that is not based on observable market data (i.e., non-observable market data) [level 3]

## The Group's assets and liabilities measured at fair value

| SEK million                                      | 31 Mar 2016 |         |         |            |
|--|-------------|---------|---------|------------|
|  | Level 1     | Level 2 | Level 3 | Total      |
| <b>Assets</b>                                    |             |         |         |            |
| Available-for-sale financial assets              | -           | -       | 6       | <b>6</b>   |
| Derivative instruments held for hedging purposes | -           | 11      | -       | <b>11</b>  |
| <b>Liabilities</b>                               |             |         |         |            |
| Derivative instruments held for hedging purposes | -           | 41      | -       | <b>41</b>  |
| Contingent consideration                         | -           | -       | 184     | <b>184</b> |

| SEK million                                      | 31 Dec 2015 |         |         |            |
|--|-------------|---------|---------|------------|
|  | Level 1     | Level 2 | Level 3 | Total      |
| <b>Assets</b>                                    |             |         |         |            |
| Available-for-sale financial assets              | -           | -       | 5       | <b>5</b>   |
| Derivative instruments held for hedging purposes | -           | 3       | -       | <b>3</b>   |
| <b>Liabilities</b>                               |             |         |         |            |
| Derivative instruments held for hedging purposes | -           | 38      | -       | <b>38</b>  |
| Contingent consideration                         | -           | -       | 259     | <b>259</b> |

Derivative instruments consist of currency forward contracts and interest rate swaps. No transfers were made between levels 2 and 3 during the period. Assets in level 3 consist essentially of holdings of shares and participations in unlisted companies. Fair value is considered to be equal to cost. Contingent earn-out payments have been discounted to present value using an interest rate that is judged to be in line with the market rate at the time of acquisition. Adjustments are not made on a regular basis for changes in the market interest rate, since the effects of these are judged to be negligible. Essentially all long- and short-term loans carry variable interest rates, which is why fair value is equal to the carrying amount. For the Group's other financial assets and liabilities, such as trade accounts receivable, cash and cash equivalents, and trade accounts payable, fair value is estimated to be equal to the carrying amount.

| Contingent earn-out payments<br>SEK million | 2016       | 2015       |
|---|------------|------------|
|   | 31 Mar     | 31 Dec     |
| Opening book value                          | 259        | 241        |
| Acquisitions during the year                | 22         | 120        |
| Consideration paid                          | -85        | -106       |
| Reclassified via income statement           | -11        | -7         |
| Interest expenses                           | 1          | 10         |
| Exchange rate differences                   | -2         | 1          |
| <b>Closing book value</b>                   | <b>184</b> | <b>259</b> |

# Q1

## Parent company income statement – condensed

| SEK million  | 2016<br>Jan-Mar | 2015<br>Jan-Mar | 2015/16<br>Moving 12 mos | 2015<br>Jan-Dec |
|--|-----------------|-----------------|--------------------------|-----------------|
| Net sales  | 0               | 0               | 4                        | 4               |
| <b>Gross profit</b>  | <b>0</b>        | <b>0</b>        | <b>4</b>                 | <b>4</b>        |
| Administrative expenses  | -20             | -14             | -61                      | -55             |
| Other income and expenses  | -               | -               | -                        | -               |
| <b>Operating profit</b>  | <b>-20</b>      | <b>-14</b>      | <b>-57</b>               | <b>-51</b>      |
| Financial income/expenses  | -1              | -16             | -29                      | -44             |
| Profit from participation in Group companies                                     | -               | -               | 573                      | 573             |
| <b>Profit after financial items</b>  | <b>-21</b>      | <b>-30</b>      | <b>487</b>               | <b>478</b>      |
| Appropriations   | -               | -               | 419                      | 419             |
| Income tax   | 4               | 6               | -75                      | -73             |
| <b>Net profit for the period</b>   | <b>-17</b>      | <b>-24</b>      | <b>831</b>               | <b>824</b>      |
| Amortisation/depreciation of intangible assets and property, plant and equipment | 0               | 0               | 0                        | 0               |

## Parent company balance sheet – condensed

| SEK million  | 2016<br>31 Mar | 2015<br>31 Mar | 2015<br>31 Dec |
|--|----------------|----------------|----------------|
| Intangible assets  | 0              | 0              | 0              |
| Property, plant and equipment                                    | 2              | 1              | 1              |
| Financial assets   | 4,054          | 3,677          | 4,133          |
| Current receivables  | 3,328          | 2,592          | 2,928          |
| Cash and cash equivalent   | 0              | 0              | 29             |
| <b>Total assets</b>  | <b>7,384</b>   | <b>6,270</b>   | <b>7,091</b>   |
| Equity   | 2,866          | 2,332          | 2,882          |
| Untaxed reserves   | 498            | 388            | 498            |
| Non-current interest-bearing liabilities and pension liabilities | 1,334          | 548            | 846            |
| Other non-current liabilities and provisions                     | 3              | 2              | 3              |
| Current interest-bearing liabilities                             | 2,516          | 2,822          | 2,679          |
| Current noninterest-bearing liabilities                          | 167            | 178            | 183            |
| <b>Total equity and liabilities</b>                              | <b>7,384</b>   | <b>6,270</b>   | <b>7,091</b>   |

# Definitions

# Q1

## Earnings per share before dilution

Net profit for the period attributable to equity holders of the parent company divided by the average number of shares outstanding.

## Earnings per share after dilution

Net profit for the period attributable to equity holders of the parent company divided by the average number of shares outstanding after dilution.

## EBITA

Operating profit before amortisation of intangible assets arising in connection with company acquisitions (Earnings Before Interest, Tax and Amortisation).

## EBITA margin

EBITA divided by net sales.

## EBITDA

Operating profit before depreciation and amortisation (Earnings Before Interest, Tax, Depreciation and Amortisation).

## Equity per share

Equity divided by the number of shares outstanding.

## Equity ratio

Shareholders' equity divided by total assets.

## Gross margin

Gross profit divided by net sales.

## Interest-bearing net debt

Interest-bearing liabilities including pension liability and estimated earn-outs from acquisitions, less cash and cash equivalents.

## Net capital expenditures

Purchases less sales of intangible assets, and of property, plant and equipment, excluding those included in acquisitions and divestments of subsidiaries and operations.

## Net debt/equity ratio

Interest-bearing net debt divided by shareholders' equity.

## Operating capital

Shareholder's equity and Interest-bearing net debt.

## Return on equity

Net profit for the period divided by average equity per month.

## Return on operating capital

EBITA divided by average operating capital per month.

## Indutrade in brief

Indutrade markets and sells components, systems and services with a high-tech content to industrial customers in selected niches. The Group creates value for its customers by structuring the value chain and increasing the efficiency of its customers' use of technological components and systems. For the Group's suppliers, value is created through the offering of an efficient sales organisation with high technical expertise and well developed customer relations.

Indutrade's business is distinguished by the following factors, among others:

- High-tech products for recurring needs
- Growth through a structured and tried-and-tested acquisition strategy
- A decentralised organisation characterised by an entrepreneurial spirit

The Group is structured into six business areas: Engineering & Equipment, Flow Technology, Fluids & Mechanical Solutions, Industrial Components, Measurement & Sensor Technology and Special Products.

The Group's financial targets (per year across a business cycle) are to grow by a minimum of 10%, to attain a minimum EBITA margin of 10% and a minimum return on operating capital of 20%.

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