

# Interim report

1 January – 30 September 2017

## Third quarter

- Order intake rose 15% to SEK 3,532 million (3,082). For comparable units the increase was 7%.
- Net sales rose 14% to SEK 3,633 million (3,176). For comparable units the increase was 7%.
- Operating profit before amortisation of intangible non-current assets attributable to acquisitions (EBITA) rose 19% to SEK 450 million (377), corresponding to an EBITA margin of 12.4% (11.9%).
- Profit for the quarter rose 23% to SEK 293 million (239), corresponding to earnings per share of SEK 2.43 (1.99).

## 1 January – 30 September 2017

- Order intake rose 17% to SEK 11,156 million (9,570). For comparable units the increase was 7%.
- Net sales rose 15% to SEK 10,915 million (9,456). For comparable units the increase was 6%.
- Operating profit before amortisation of intangible non-current assets attributable to acquisitions (EBITA) rose 20% to SEK 1,314 million (1,093), corresponding to an EBITA margin of 12.0% (11.6%).
- Profit for the quarter rose 25% to SEK 857 million (687), corresponding to earnings per share of SEK 7.12 (5.73).



## Financial Development

SEK million	2017 Jul-Sep	2016 Jul-Sep	Change	2017 Jan-Sep	2016 Jan-Sep	Change	2016/17 Moving 12 mos	2016 Jan-Dec
Order intake	3,532	3,082	15%	11,156	9,570	17%	14,590	13,004
Net sales	3,633	3,176	14%	10,915	9,456	15%	14,414	12,955
Operating profit	390	322	21%	1,141	937	22%	1,476	1,272
EBITA	450	377	19%	1,314	1,093	20%	1,705	1,484
EBITA margin, %	12.4	11.9		12.0	11.6		11.8	11.5
Profit after financial items	371	302	23%	1,088	876	24%	1,406	1,194
Net profit	293	239	23%	857	687	25%	1,106	936
Earnings per share before dilution, SEK	2.43	1.99	22%	7.12	5.73	24%	9.20	7.80
Return on operating capital, %	21	21		21	21		21	20
Cash flow from operating activities	383	309	24%	1,041	751	39%	1,497	1,207
Net debt/equity ratio, %	77	98		77	98		77	82

# Q3

## CEO's message

*Strong organic growth and improved margins.*

### Third quarter

The market situation was stable during the quarter. Demand in Europe is developing well, particularly in all of the Nordic countries as well as in Benelux and Germany. However there is some uncertainty in the UK due to Brexit, but thus far this has not had any major impact on our companies' business situation.

Demand in most sectors and market segments is favourable. The measurement technology area continues to develop favourably, but is facing a challenge in the form of high capacity utilisation among our own companies as well as among customers and suppliers.

Continued strong demand combined with our companies' competitiveness and development work resulted in a 15% rise in order intake and a 14% increase in invoicing during the quarter. I am also happy that we had organic growth of 7% in both order intake and invoicing.

Our companies are working continuously to strengthen their profitability and we improved EBITA by 19%, of which 12% was organic, to SEK 450 million (377), corresponding to an EBITA margin of 12.4% (11.9%).

All of our business areas performed well during the period, and our companies are doing a tremendous job. Flow Technology, which had a relatively low EBITA margin for a period, continues to be negatively affected by companies in the weak marine segment. Excluding these businesses the EBITA margin was close to the level that applies for the Group as a whole, however.

Indutrade has historically been very successful at acquiring well managed and profitable companies, and of the more than 200 companies in the Group, there are only a handful of businesses in which we have profitability problems. We are working actively to remedy these.

### Acquisitions

We carried out ten acquisitions during the first nine months of the year, and in November we intend to complete our second direct investment in Germany with the acquisition of Inovatools. The company develops and manufactures quality metalcutting tools and has annual sales of approximately SEK 320 million, with the potential for continued profitable growth internationally. In addition, Inovatools strengthens our base in Germany and creates conditions for further acquisitions there.



Our acquisition ambitions remain high, and we have a strong platform to work from, based on a solid reputation as an owner. In addition we have a continued good inflow of acquisition candidates.

We will also be strengthening the team that works with acquisitions in order to proactively manage succession and our ability to handle more projects going forward.

### Outlook

Based on a stable business climate and good underlying demand, combined with focused development work out in the Group's companies, we have good prospects for continued profitable growth.

Bo Annvik,  
President and CEO

## Group performance

### Order intake

Order intake during the third quarter totalled SEK 3,532 million (3,082), an increase of 15%. For comparable units, order intake grew 7%, while acquired growth was 8%. Currency movements had a marginal effect on order intake.

The business situation was stable during the quarter in most markets and customer segments. A continued favourable demand situation in the Nordic countries, Benelux and Germany has amply compensated for flatter development in the UK and Switzerland.

Order intake for valves for power generation during the last 18 months has been weak. However, demand is now back to previous levels, with the exception of the large projects that existed in the market through 2015, which are now lacking. During the third quarter, order intake for valves for power generation was at the same level as the third quarter a year ago.

For companies in the marine segment, the challenges remain with weak order intake. Both order intake and invoicing are at historically low levels.

Order intake during the period January–September totalled SEK 11,156 million (9,570), an increase of 17%. The increase for comparable units was 7%, acquisitions contributed 9%, and currency movements had a positive effect on order intake of 1%.

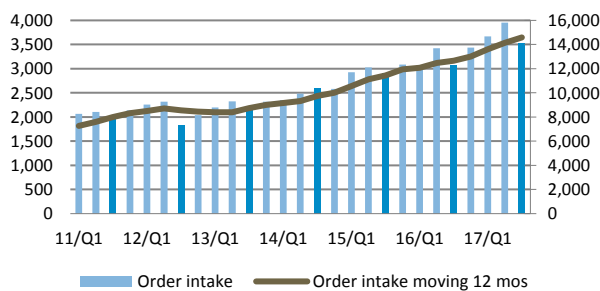
### Net sales

Net sales rose 14% during the third quarter to SEK 3,633 million (3,176). The increase for comparable units was 7%, while acquisitions contributed 8%. Currency movements had a negative effect on net sales of 1%.

During the period January–September net sales rose 15% to SEK 10,915 million (9,456). The increase for comparable units was 6%, acquisitions contributed 9%, and currency movements had a marginal effect on net sales.

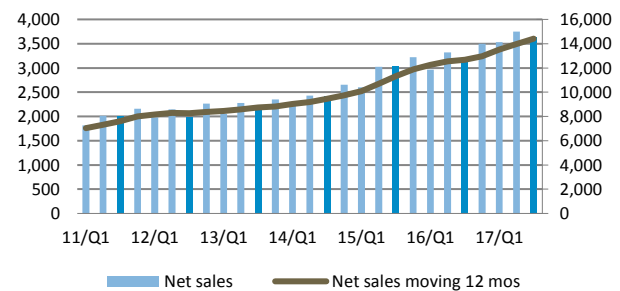
### Order intake

SEK million

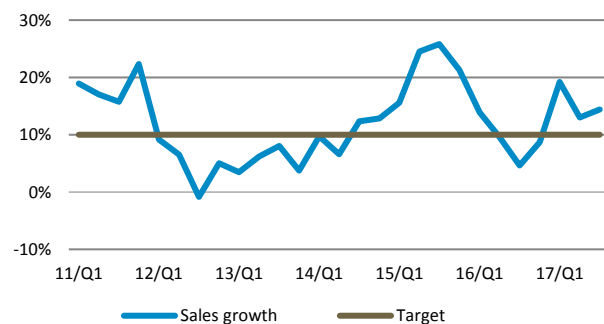


### Net Sales

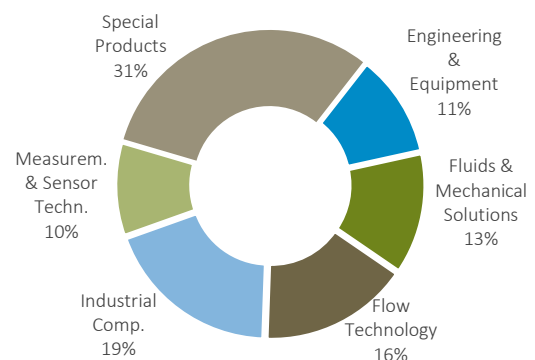
SEK million



### Sales growth



### Net Sales per Business Area



# Q3

## Earnings

Operating profit before amortisation of intangible assets attributable to acquisitions (EBITA) amounted to SEK 450 million (377) for the third quarter, an increase of 19%. The increase for comparable units was 12%, while acquisitions contributed 9% and currency movements had a negative effect of 2%. The EBITA margin increased to 12.4% (11.9%).

The gross margin for the Group as a whole decreased marginally compared with the corresponding quarter a year ago, to 33.1% (33.2%). For the period January–September the gross margin was 33.6% (33.7%).

Most companies in the Group performed well during the quarter, with greater invoicing and higher margins. This, together with the additions from completed acquisitions, countered a continued weak business situation for companies in the marine segment and lower invoicing during the quarter for valves for power generation.

Net financial items for the third quarter amounted to SEK -19 million (-20). Tax on profit for the quarter was SEK -78 million (-63), corresponding to a tax charge of 21% (21%).

Profit for the quarter rose 23% to SEK 293 million (239). Earnings per share before dilution grew 22% to SEK 2.43 (1.99).

For the period January–September, operating profit before amortisation of intangible assets attributable to acquisitions (EBITA) amounted to SEK 1,314 million (1,093), an increase of 20%. The increase for comparable units was 8%, while acquisitions contributed 11% and currency movements had a positive effect of 1%. The EBITA margin increased to 12.0% (11.6%).

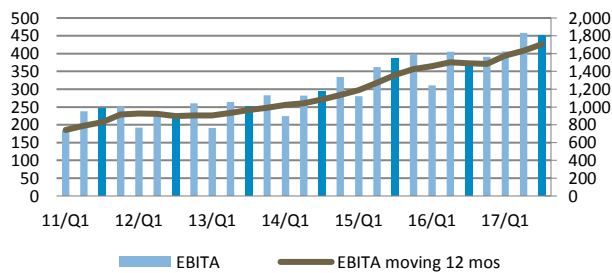
Net financial items for the interim period January–September amounted to SEK -53 million (-61). Tax on profit for the period was SEK -231 million (-189), corresponding to a tax charge of 21% (22%). Profit for the period rose 25% to SEK 857 million (687). Earnings per share before dilution grew 24% to SEK 7.12 (5.73).

## Return

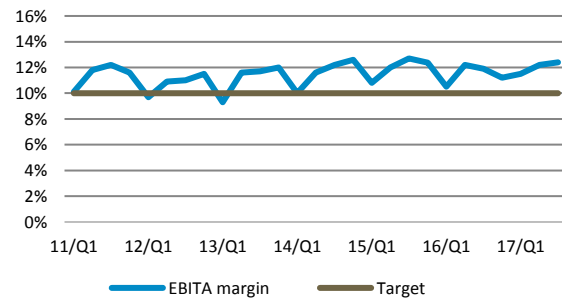
The return on operating capital was 21% (21%), and the return on equity was 24% (25%).

### EBITA

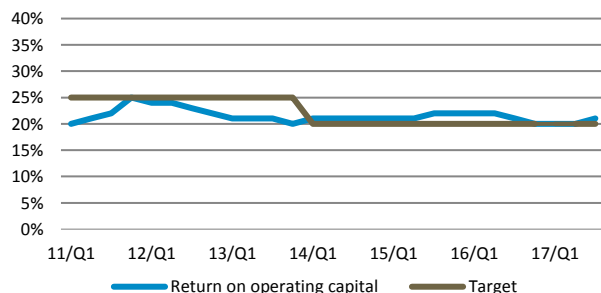
SEK million



### EBITA margin

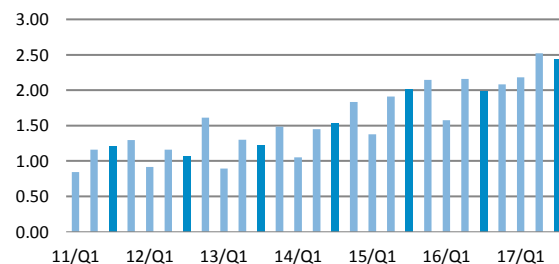


### Return



### Earnings per share

SEK



## Business areas

### 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	2017 Jul-Sep	2016 Jul-Sep	Change	2017 Jan-Sep	2016 Jan-Sep	Change	2016/17 Moving 12 mos	2016 Jan-Dec
Net sales	415	389	7%	1,268	1,122	13%	1,683	1,537
EBITA	53	42	26%	136	95	43%	165	124
EBITA margin, %	12.8	10.8		10.7	8.5		9.8	8.1

Net sales rose 7% during the quarter to SEK 415 million (389). The increase for comparable units was 6%, while currency movements had a positive effect of 1%.

The business area has a continued positive business situation with favourable demand in most customer segments.

Net sales exceeded order intake by 5% during the quarter.

EBITA for the quarter increased by 26% to SEK 53 million (42), corresponding to an EBITA margin of 12.8% (10.8%). For comparable units, EBITA increased by 26%, while currency movements had a marginal effect.

The earnings improvement during the quarter is attributable to higher invoicing and an improved margin.

### 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	2017 Jul-Sep	2016 Jul-Sep	Change	2017 Jan-Sep	2016 Jan-Sep	Change	2016/17 Moving 12 mos	2016 Jan-Dec
Net sales	615	531	16%	1,780	1,651	8%	2,360	2,231
EBITA	60	35	71%	153	130	18%	191	168
EBITA margin, %	9.8	6.6		8.6	7.9		8.1	7.5

Net sales rose 16% during the quarter to SEK 615 million (531). For comparable units, net sales increased by 12%, while acquisitions contributed 4%, and currency movements had a marginal effect.

Demand during the third quarter was stable for most of the business area's units, which compensated for a continued challenging business situation for companies in the marine segment.

Net sales exceeded order intake by 10% during the quarter.

EBITA for the quarter increased by 71% to SEK 60 million (35), and the EBITA margin was 9.8% (6.6%). For comparable units, EBITA increased by 67%, while acquisitions contributed 8% and currency movements had a negative effect of 4%.

Greater invoicing and higher margins contributed to the positive earnings performance during the quarter. The third quarter of 2016 included costs for structural measures in the marine segment, which affects the year-on-year quarterly comparison.

# Q3

## 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 and wastewater fittings, steel profiles, compressors, product labelling and construction plastics.

SEK million	2017 Jul-Sep	2016 Jul-Sep	Change	2017 Jan-Sep	2016 Jan-Sep	Change	2016/17 Moving 12 mos	2016 Jan-Dec
Net sales	441	385	15%	1,385	1,113	24%	1,830	1,558
EBITA	57	48	19%	181	145	25%	235	199
EBITA margin, %	12.9	12.5		13.1	13.0		12.8	12.8

Net sales rose 15% during the quarter to SEK 441 million (385). The increase for comparable units was 7%, acquisitions contributed 8%, and currency movements had a marginal effect.

Demand was good during the quarter, with strong organic growth in order intake and invoicing. Most of the business area's companies are also reporting stable development of earnings and margins.

Net sales exceeded order intake by 1% during the quarter.

EBITA for the quarter increased by 19% to SEK 57 million (48), and the EBITA margin was 12.9% (12.5%). The increase for comparable units was 7%, acquisitions contributed 11%, and currency movements had a positive effect of 1%.

The improved EBITA margin compared with the third quarter a year ago is attributable to higher invoicing combined with improved margins.

## 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	2017 Jul-Sep	2016 Jul-Sep	Change	2017 Jan-Sep	2016 Jan-Sep	Change	2016/17 Moving 12 mos	2016 Jan-Dec
Net sales	719	596	21%	2,093	1,811	16%	2,783	2,501
EBITA	81	67	21%	228	189	21%	304	265
EBITA margin, %	11.3	11.2		10.9	10.4		10.9	10.6

Net sales rose 21% during the quarter to SEK 719 million (596). The increase for comparable units was 9%, while acquisitions contributed 12%. Currency movements had a marginal effect.

The business situation was stable during the quarter. Industrial demand was strong in Sweden and Norway, and the companies in these countries contributed with good organic growth in order intake and invoicing.

Net sales exceeded order intake by 5% during the quarter.

EBITA for the quarter increased by 21% to SEK 81 million (67), corresponding to an EBITA margin of 11.3% (11.2%). For comparable units, EBITA increased by 12%, acquisitions contributed 10%, and currency movements had a negative effect of 1%. The earnings improvement is mainly attributable to higher volumes, which countered the slightly negative effects of a changed mix.

## 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	2017	2016	Change	2017	2016	Change	2016/17	2016
	Jul-Sep	Jul-Sep		Jan-Sep	Jan-Sep		Moving 12 mos	Jan-Dec
Net sales	340	295	15%	1,069	833	28%	1,407	1,171
EBITA	58	51	14%	189	126	50%	240	177
EBITA margin, %	17.1	17.3		17.7	15.1		17.1	15.1

Net sales rose 15% during the quarter to SEK 340 million (295). The increase for comparable units was 14%, acquisitions contributed 3%, and currency movements had a negative effect of 2%.

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.

Demand during the quarter was stable in most segments and geographic markets.

Net sales exceeded order intake by 2% during the quarter.

EBITA increased by 14% during the quarter to SEK 58 million (51), and the EBITA margin was 17.1% (17.3%).

For comparable units, EBITA increased by 15%, acquisitions contributed 1%, and currency movements had a negative effect of 2%.

The earnings improvement during the quarter is attributable to higher invoicing and stable, good margins for the business area's units.

## 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	2017	2016	Change	2017	2016	Change	2016/17	2016
	Jul-Sep	Jul-Sep		Jan-Sep	Jan-Sep		Moving 12 mos	Jan-Dec
Net sales	1,116	990	13%	3,359	2,957	14%	4,399	3,997
EBITA	158	142	11%	485	453	7%	629	597
EBITA margin, %	14.2	14.3		14.4	15.3		14.3	14.9

Net sales rose 13% during the quarter to SEK 1,116 million (990). For comparable units, net sales increased by 1%, while acquisitions contributed 13%. Currency movements had a negative effect of 1%.

The monthly and quarterly variations in order intake and invoicing remain large for the companies in the business area.

The business situation was stable during the quarter for most of the business area's companies. Order intake for valves for power generation was at the same level as in the same quarter a year ago, while invoicing was lower, which explains the slightly weaker organic growth for the business area as a whole.

Order intake exceeded net sales by 1% during the quarter.

EBITA increased by 11% during the quarter to SEK 158 million (142), and the EBITA margin was 14.2% (14.3%).

EBITA for comparable units increased by 2%, while acquisitions contributed 12%. Currency movements had a negative effect of 3%.

The business area's companies, which have most of their sales outside of the Nordic countries, had stable development on the whole during the quarter, which together with acquisitions generated improved earnings. This was partly offset by lower outgoing deliveries of valves for power generation, which also explains the slightly lower EBITA margin for the quarter.

# Q3

## Other financial information

### Financial position

Shareholders' equity amounted to SEK 4,900 million (4,065), and the equity ratio was 40% (37%).

Cash and cash equivalents amounted to SEK 375 million (318). In addition to this, the Group had unutilised credit promises of SEK 2,852 million (2,351). Interest-bearing net debt amounted to SEK 3,775 million (3,992) at the end of the period.

The net debt/equity ratio was 77% at end of the period (98%).

### Cash flow, Capital expenditures and Depreciation

Cash flow from operating activities was SEK 1,041 million (751) for the period January–September. Cash flow after net capital expenditures in intangible non-current assets and in property, plant and equipment (excluding company acquisitions) was SEK 891 million (487).

The Group's net capital expenditures, excluding company acquisitions, totalled SEK 150 million (264). Depreciation of property, plant and equipment totalled SEK 152 million (128). Investments in company acquisitions amounted to SEK 634 million (885). In addition, earn-out payments for previous years' acquisitions totalled SEK 47 million (160).

### Employees

The number of employees was 6,333 at the end of the period, compared with 5,705 at the start of the year. A total of 269 employees have been added during the year to date through acquisitions.

### Company acquisitions

The Group has acquired the following companies, which are consolidated for the first time in 2017.

Month acquired	Acquisitions	Business area	Net Sales/SEK m*	No. of employees*
January	RS Technics BV	Measurement & Sensor Technology	20	12
January	Sunflower Medical Ltd	Special Products	50	45
February	Ellard Ltd	Special Products	100	39
March	Türenfabrik Safenwil AG	Special Products	70	23
April	Pro-Flex AS	Flow Technology	100	28
April	MaxxVision GmbH	Industrial Components	80	10
July	Wennerström Ljuskontroll AB	Industrial Components	110	23
July	Elma Instruments A/S	Industrial Components	180	40
July	Young Black Ltd	Special Products	110	29
July	Tubeworkx B.V.	Special Products	50	20
<b>Total</b>			<b>870</b>	<b>269</b>

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

Further information about completed company acquisitions can be found on page 18 of this interim report.



### Events after the end of the reporting period

On 22 September Indutrade signed an agreement with the intent to acquire all of the shares in the German Group Inovatools, with annual sales of SEK 320 million. The acquisition is contingent upon approval by the German Competition Authority, and possession is expected to be transferred in November 2017.

Jonas Halvord (B.Sc. Econ.) will take office as Senior Vice President Business Development and M&A in January 2018 and will be a member of Indutrade's Executive Management. Jonas Halvord is currently Director, Mergers & Acquisitions, for the SKF Group.

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

### 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–September. The Parent Company's financial assets consist mainly of shares in subsidiaries. During the period January–September the Parent Company acquired shares in seven new companies. The Parent Company has not made any major investments in intangible non-current assets or in property, plant and equipment. The number of employees on 30 September was 11 (11).

### Risks and uncertainties

The Indutrade Group conducts business in 28 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 2016 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 2016 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 2016 Annual Report.

No new IFRSs or IFRIC interpretations that have been endorsed by the EU are applicable for Indutrade or had any material impact on the Group's result of operations or financial position in 2017.

Work with the new standards that take effect in 2018, IFRS 9 Financial Instruments and IFRS 15 Revenue from Contracts with Customers, is continuing according to plan. Thus far no significant effects that affect the balance sheet and income statement have come to light. See also information in the 2016 Annual Report, note 1.

# Q3

## Nomination Committee

Indutrade's Annual General Meeting on 6 May 2013 adopted an instruction for the Nomination Committee of Indutrade AB (publ) that applies until further notice. According to this instruction, the Nomination Committee shall be composed of representatives of four of the largest shareholders in terms of votes (owner-grouped), plus the Chairman of the Board. The member representing the largest shareholder shall serve as committee chair. In the event a member resigns from the Nomination Committee prior to the completion of its work, if the Nomination Committee finds it suitable a replacement shall be appointed from the same shareholder or, if such shareholder is no longer one of the largest shareholders, from the shareholder that is next in turn in terms of size. If the ownership conditions otherwise change significantly before the Nomination Committee's assignment has been completed, if the Nomination Committee so decides, it shall be possible to make a change in the composition of the committee in a manner deemed suitable by the Nomination Committee.

The composition of the Nomination Committee ahead of the 2018 Annual General Meeting shall be based on shareholder information from Euroclear Sweden AB's register as per the last trading day in August, and shall be announced as soon as the members are appointed, but not later than six months prior to the Annual General Meeting. No fees shall be paid to the members of the Nomination Committee. Any costs incurred for the Nomination Committee's work shall be borne by the company.

The Nomination Committee's mandate period continues until the composition of the subsequent Nomination Committee has been made public.

Accordingly, the following persons have been appointed as members of the Nomination Committee: Claes Boustedt (L E Lundbergföretagen, committee chair), Fredrik Lundberg (L E Lundbergföretagen, Chairman of the Board of Indutrade), Henrik Didner (Didner & Gerge Fonder), Dick Bergqvist (AMF and AMF Fonder), and Jonathan Schönback (Handelsbanken Fonder).

Information on how to submit nominations to the Nomination Committee is provided on Indutrade's website: [www.indutrade.com](http://www.indutrade.com).

## Financial calendar

- The year-end report for the period 1 January–31 December 2017 will be published on 13 February 2018.
- The 2017 Annual Report will be published in early April 2018.
- The interim report for the period 1 January–31 March 2018 will be published on 26 April 2018.
- The Annual General Meeting will be held in Stockholm on 26 April 2018.

Stockholm, 25 October 2017  
Indutrade AB (publ)

Bo Annvik  
President and CEO

### Note

The information in this report is such that Indutrade AB is obligated to make public in accordance with the EU Market Abuse Act and the Swedish Securities Market Act. The information was submitted for publication by the agency of the following contact persons at 1 p.m. (CET) on 25 October 2017.

### Further information

For further information, please contact:  
Bo Annvik, President and CEO, tel.: +46 8 703 03 00, 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=1516545&s=1&k=8FD64E5D28EF3322981DC86F87D39D3C>

To participate, call:

SE: +46 8 566 426 65

UK: +44 203 008 98 10

US: +1 855 831 59 45

## Auditor's review report

### Auditor's review report on interim financial information in summary (interim report), prepared in accordance with IAS 34 and Ch. 9 of the Swedish Annual Accounts Act

#### Introduction

We have reviewed the condensed interim financial information (interim report) of Indutrade AB (publ.), corporate identity number 556017-9367, as per 30 September 2017, and the nine-month period then ended. The board of directors and the President are responsible for the preparation and presentation of this interim financial information in accordance with IAS 34 and the Swedish Annual Accounts Act. Our responsibility is to express a conclusion on this interim report based on our review.

#### Scope of review

We conducted our review in accordance with the International Standard on Review Engagements, ISRE 2410, *Review of Interim Report Performed by the Independent Auditor of the Entity*. A review consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with

International Standards on Auditing (ISA) and other generally accepted auditing standards in Sweden. The procedures performed in a review do not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

#### Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the interim report is not prepared, in all material respects, in accordance with IAS 34 and the Annual Accounts Act for the Group, and in accordance with the Annual Accounts Act for the Parent Company.

Stockholm, 25 October 2017  
PricewaterhouseCoopers AB

Michael Bengtsson  
Authorised Public Accountant  
Auditor in Charge

# Q3

## Indutrade consolidated income statement – condensed

SEK million	2017 Jul-Sep	2016 Jul-Sep	2017 Jan-Sep	2016 Jan-Sep	2016/17 Moving 12 mos	2016 Jan-Dec
Net sales	3,633	3,176	10,915	9,456	14,414	12,955
Cost of goods sold	-2,431	-2,122	-7,248	-6,267	-9,588	-8,607
<b>Gross profit</b>	<b>1,202</b>	<b>1,054</b>	<b>3,667</b>	<b>3,189</b>	<b>4,826</b>	<b>4,348</b>
Development costs	-40	-38	-130	-111	-175	-156
Selling costs	-564	-497	-1,742	-1,594	-2,327	-2,179
Administrative expenses	-212	-202	-658	-570	-879	-791
Other operating income and expenses	4	5	4	23	31	50
<b>Operating profit</b>	<b>390</b>	<b>322</b>	<b>1,141</b>	<b>937</b>	<b>1,476</b>	<b>1,272</b>
Net financial items	-19	-20	-53	-61	-70	-78
<b>Profit after financial items</b>	<b>371</b>	<b>302</b>	<b>1,088</b>	<b>876</b>	<b>1,406</b>	<b>1,194</b>
Income Tax	-78	-63	-231	-189	-300	-258
<b>Net profit for the period</b>	<b>293</b>	<b>239</b>	<b>857</b>	<b>687</b>	<b>1,106</b>	<b>936</b>
<i>Net profit, attributable to:</i>						
Equity holders of the parent company	293	239	857	687	1,106	936
Non-controlling interests	0	0	0	0	0	0
	<b>293</b>	<b>239</b>	<b>857</b>	<b>687</b>	<b>1,106</b>	<b>936</b>
<b>EBITA</b>	<b>450</b>	<b>377</b>	<b>1,314</b>	<b>1,093</b>	<b>1,705</b>	<b>1,484</b>
<i>Operating profit includes:</i>						
Amortisation of intangible assets <sup>1)</sup>	-67	-59	-192	-171	-254	-233
<i>of which attributable to acquisitions</i>	-60	-55	-173	-156	-229	-212
Depreciation of property, plant and equipment	-52	-45	-152	-128	-202	-178
Earnings per share before dilution, SEK	2.43	1.99	7.12	5.73	9.20	7.80
Earnings per share after dilution, SEK	2.43	1.99	7.11	5.71	9.18	7.78

<sup>1)</sup> Excluding impairment losses

## Indutrade consolidated statement of comprehensive income

SEK million	2017 Jul-Sep	2016 Jul-Sep	2017 Jan-Sep	2016 Jan-Sep	2016/17 Moving 12 mos	2016 Jan-Dec
<b>Net profit for the period</b>	<b>293</b>	<b>239</b>	<b>857</b>	<b>687</b>	<b>1,106</b>	<b>936</b>
<b>Other comprehensive income</b>						
<b>Items that can be reversed into income statement</b>						
Fair value adjustment of hedge instruments	4	3	13	23	15	25
Tax attributable to fair value adjustments	-1	-1	-3	-6	-2	-5
Exchange rate differences	-47	71	-76	117	-90	103
<b>Items that cannot be reversed into income statement</b>						
Actuarial gains/losses	-	-140	-	-140	125	-15
Tax on actuarial gains/losses	-	32	-	32	-29	3
<b>Other comprehensive income for the period, net of tax</b>	<b>-44</b>	<b>-35</b>	<b>-66</b>	<b>26</b>	<b>19</b>	<b>111</b>
<b>Total comprehensive income for the period</b>	<b>249</b>	<b>204</b>	<b>791</b>	<b>713</b>	<b>1,125</b>	<b>1,047</b>
<i>Total comprehensive income, attributable to:</i>						
Equity holders of the parent company	249	204	791	713	1,125	1,047
Non-controlling interests	0	0	0	0	0	0

## Indutrade consolidated balance sheet – condensed

SEK million	2017 30 Sep	2016 30 Sep	2016 31 Dec
Goodwill	2,667	2,365	2,388
Other intangible assets	2,019	1,901	1,879
Property, plant and equipment	1,494	1,433	1,451
Financial assets	123	141	117
Inventories	2,466	2,238	2,249
Accounts receivable, trade	2,620	2,335	2,292
Other receivables	393	358	345
Cash and cash equivalents	375	318	332
<b>Total assets</b>	<b>12,157</b>	<b>11,089</b>	<b>11,053</b>
Equity	4,900	4,065	4,399
Non-current interest-bearing liabilities and pension liabilities	1,511	2,425	2,274
Other non-current liabilities and provisions	593	562	563
Current interest-bearing liabilities	2,639	1,885	1,686
Accounts payable, trade	1,077	973	968
Other current liabilities	1,437	1,179	1,163
<b>Total equity and liabilities</b>	<b>12,157</b>	<b>11,089</b>	<b>11,053</b>

## Indutrade consolidated statement of changes in equity – condensed

Attributable to equity holders of the parent company SEK million	2017 30 Sep	2016 30 Sep	2016 31 Dec
Opening equity	4,389	3,703	3,703
Total comprehensive income for the period	791	713	1,047
Payment for issued warrants	8	-	-
New issues	89	-	-
Dividend	-384 <sup>1)</sup>	-360 <sup>2)</sup>	-360 <sup>2)</sup>
Acquisition of non-controlling interests	-2	-1	-1
<b>Closing equity</b>	<b>4,891</b>	<b>4,055</b>	<b>4,389</b>
<sup>1)</sup> Dividend per share for 2016 was SEK 3.20			
<sup>2)</sup> Dividend per share for 2015 was SEK 3.00			
<i>Equity, attributable to:</i>			
Equity holders of the parent company	4,891	4,055	4,389
Non-controlling interests	9	10	10
	<b>4,900</b>	<b>4,065</b>	<b>4,399</b>

# Q3

## Indutrade consolidated cash flow statement – condensed

SEK million	2017 Jul-Sep	2016 Jul-Sep	2017 Jan-Sep	2016 Jan-Sep	2016/17 Moving 12 mos	2016 Jan-Dec
Operating profit	390	322	1,141	937	1,476	1,272
Non-cash items	131	106	375	305	477	407
Interests and other financial items, net	-16	-19	-47	-47	-62	-62
Paid tax	-79	-56	-246	-240	-305	-299
Change in working capital	-43	-44	-182	-204	-89	-111
<b>Cash flow from operating activities</b>	<b>383</b>	<b>309</b>	<b>1,041</b>	<b>751</b>	<b>1,497</b>	<b>1,207</b>
Net capital expenditures in non-current assets	-46	-99	-150	-264	-206	-320
Company acquisitions and divestments	-370	-333	-681	-1,045	-800	-1,164
Change in other financial assets	-2	8	-4	9	-5	8
<b>Cash flow from investing activities</b>	<b>-418</b>	<b>-424</b>	<b>-835</b>	<b>-1,300</b>	<b>-1,011</b>	<b>-1,476</b>
Net borrowings	61	135	129	890	-141	620
Dividend paid out	-	-	-384	-360	-384	-360
Payment for issued warrants	-	-	8	-	8	-
New issues	-	-	89	-	89	-
<b>Cash flow from financial activities</b>	<b>61</b>	<b>135</b>	<b>-158</b>	<b>530</b>	<b>-428</b>	<b>260</b>
<b>Cash flow for the period</b>	<b>26</b>	<b>20</b>	<b>48</b>	<b>-19</b>	<b>58</b>	<b>-9</b>
Cash and cash equivalents at start of period	351	302	332	339	318	339
Exchange rate differences	-2	-4	-5	-2	-1	2
<b>Cash and cash equivalents at end of period</b>	<b>375</b>	<b>318</b>	<b>375</b>	<b>318</b>	<b>375</b>	<b>332</b>

## Key data

	2017	2016	2016	2015	2014
<b>Moving 12 mos</b>	<b>30 Sep</b>	<b>31 Dec</b>	<b>30 Sep</b>	<b>31 Dec</b>	<b>31 Dec</b>
Net sales, SEK million	14,414	12,955	12,675	11,881	9,746
Sales growth, %	14	9	12	22	10
EBITA, SEK million	1,705	1,484	1,491	1,427	1,134
EBITA margin, %	11.8	11.5	11.8	12.0	11.6
Operating capital at end of period, SEK million	8,675	8,027	8,057	6,656	5,656
Operating capital, average, SEK million	8,270	7,491	7,207	6,537	5,324
Return on operating capital, % <sup>1)</sup>	21	20	21	22	21
Equity, average, SEK million	4,529	3,976	3,823	3,440	2,818
Return on equity, % <sup>1)</sup>	24	24	25	26	25
Interest-bearing net debt at end of period, SEK million	3,775	3,628	3,992	2,949	2,494
Net debt/equity ratio, %	77	82	98	80	79
Net debt/EBITDA, times	2.0	2.2	2.4	1.8	1.9
Equity ratio, %	40	40	37	40	39
Average number of employees	5,964	5,495	5,344	4,978	4,418
Number of employees at end of period	6,333	5,705	5,697	5,107	4,578
<i>Attributable to equity holders of the parent company</i>					
<i>Key ratios per share</i>					
Earnings per share before dilution, SEK	9.20	7.80	7.87	7.44	5.87
Earnings per share after dilution, SEK	9.18	7.78	7.85	7.44	5.87
Equity per share, SEK	40.51	36.58	33.79	30.86	26.33
Cash flow from operating activities per share, SEK	12.45	10.06	10.37	8.97	7.53
Average number of shares before dilution, '000	120,261	120,000	120,000	120,000	120,000
Average number of shares after dilution, '000	120,517	120,251	120,224	120,094	120,000
Number of shares at the end of the period, '000	120,747	120,000	120,000	120,000	120,000

<sup>1)</sup> Calculated on average capital and equity.

# Q3

## Business area performance

	2017 Jul-Sep	2016 Jul-Sep	2017 Jan-Sep	2016 Jan-Sep	2016/17 Moving 12 mos	2016 Jan-Dec
<b>Net sales, SEK million</b>						
Engineering & Equipment	415	389	1,268	1,122	1,683	1,537
Flow Technology	615	531	1,780	1,651	2,360	2,231
Fluids & Mechanical Solutions	441	385	1,385	1,113	1,830	1,558
Industrial Components	719	596	2,093	1,811	2,783	2,501
Measurement & Sensor Technology	340	295	1,069	833	1,407	1,171
Special Products	1,116	990	3,359	2,957	4,399	3,997
Parent company and Group items	-13	-10	-39	-31	-48	-40
	<b>3,633</b>	<b>3,176</b>	<b>10,915</b>	<b>9,456</b>	<b>14,414</b>	<b>12,955</b>
<b>EBITA, SEK million</b>						
Engineering & Equipment	53	42	136	95	165	124
Flow Technology	60	35	153	130	191	168
Fluids & Mechanical Solutions	57	48	181	145	235	199
Industrial Components	81	67	228	189	304	265
Measurement & Sensor Technology	58	51	189	126	240	177
Special Products	158	142	485	453	629	597
Parent company and Group items	-17	-8	-58	-45	-59	-46
	<b>450</b>	<b>377</b>	<b>1,314</b>	<b>1,093</b>	<b>1,705</b>	<b>1,484</b>
<b>EBITA margin, %</b>						
Engineering & Equipment	12.8	10.8	10.7	8.5	9.8	8.1
Flow Technology	9.8	6.6	8.6	7.9	8.1	7.5
Fluids & Mechanical Solutions	12.9	12.5	13.1	13.0	12.8	12.8
Industrial Components	11.3	11.2	10.9	10.4	10.9	10.6
Measurement & Sensor Technology	17.1	17.3	17.7	15.1	17.1	15.1
Special Products	14.2	14.3	14.4	15.3	14.3	14.9
	<b>12.4</b>	<b>11.9</b>	<b>12.0</b>	<b>11.6</b>	<b>11.8</b>	<b>11.5</b>



## Business area performance per quarter

Net sales, SEK million	2017			2016			
	Jul-Sep	Apr-Jun	Jan-Mar	Oct-Dec	Jul-Sep	Apr-Jun	Jan-Mar
Engineering & Equipment	415	452	401	415	389	397	336
Flow Technology	615	617	548	580	531	591	529
Fluids & Mechanical Solutions	441	487	457	445	385	404	324
Industrial Components	719	706	668	690	596	649	566
Measurement & Sensor Technology	340	385	344	338	295	297	241
Special Products	1,116	1,115	1,128	1,040	990	991	976
Parent company and Group items	-13	-13	-13	-9	-10	-12	-9
	<b>3,633</b>	<b>3,749</b>	<b>3,533</b>	<b>3,499</b>	<b>3,176</b>	<b>3,317</b>	<b>2,963</b>

EBITA, SEK million	2017			2016			
	Jul-Sep	Apr-Jun	Jan-Mar	Oct-Dec	Jul-Sep	Apr-Jun	Jan-Mar
Engineering & Equipment	53	51	32	29	42	38	15
Flow Technology	60	57	36	38	35	55	40
Fluids & Mechanical Solutions	57	64	60	54	48	56	41
Industrial Components	81	79	68	76	67	72	50
Measurement & Sensor Technology	58	74	57	51	51	45	30
Special Products	158	153	174	144	142	159	152
Parent company and Group items	-17	-20	-21	-1	-8	-20	-17
	<b>450</b>	<b>458</b>	<b>406</b>	<b>391</b>	<b>377</b>	<b>405</b>	<b>311</b>

EBITA margin, %	2017			2016			
	Jul-Sep	Apr-Jun	Jan-Mar	Oct-Dec	Jul-Sep	Apr-Jun	Jan-Mar
Engineering & Equipment	12.8	11.3	8.0	7.0	10.8	9.6	4.5
Flow Technology	9.8	9.2	6.6	6.6	6.6	9.3	7.6
Fluids & Mechanical Solutions	12.9	13.1	13.1	12.1	12.5	13.9	12.7
Industrial Components	11.3	11.2	10.2	11.0	11.2	11.1	8.8
Measurement & Sensor Technology	17.1	19.2	16.6	15.1	17.3	15.2	12.4
Special Products	14.2	13.7	15.4	13.8	14.3	16.0	15.6
	<b>12.4</b>	<b>12.2</b>	<b>11.5</b>	<b>11.2</b>	<b>11.9</b>	<b>12.2</b>	<b>10.5</b>

# Q3

## Acquisitions

### Acquisitions 2017

All of the shares have been acquired in RS Technics BV (Netherlands), Sunflower Medical Ltd (UK), Ellard Ltd (UK), Türenfabrik Safenwil AG (Switzerland), Pro-Flex AS (Norway), MaxxVision GmbH (Germany), Wennerström Ljuskontroll AB (Sweden), Elma Instruments A/S (Denmark), Young Black Ltd (UK) and Tubeworkx B.V. (Netherlands).

### Flow Technology

On 10 April Pro-Flex AS (Norway) was acquired, with annual sales of SEK 100 million. The company supplies hoses and couplings to Norwegian industry.

### Industrial Components

On 18 April MaxxVision GmbH (Germany) was acquired, with annual sales of SEK 80 million. The company offers image handling technology for industries and visual communication.

On 5 July Wennerström Ljuskontroll AB (Sweden) was acquired, with annual sales of SEK 110 million. The company is a technology sales company specialising in lighting components and light control.

On 6 July Elma Instruments A/S (Denmark) was acquired, with annual sales of SEK 180 million. The company offers testing and measurement instruments for thermal imaging, monitoring and ventilation, among other things.

### Measurement & Sensor Technology

On 10 January RS Technics BV (Netherlands) was acquired, with annual sales of SEK 20 million. The company develops and manufactures customer-specific sensors for measuring temperature, pressure and humidity.

### Special Products

On 19 January Sunflower Medical Ltd (UK) was acquired, with annual sales of SEK 50 million. The company is a leading UK manufacturer of healthcare equipment. Their product portfolio ranges from medicine dispense cabinets to specialty equipment for examination rooms.

On 13 February Ellard Ltd (UK) was acquired, with annual sales of SEK 100 million. The company manufactures and markets drives, motors and controls for industrial and commercial doors, complemented with a wide range of accessories.

On 13 March Türenfabrik Safenwil AG (Switzerland) was acquired, with annual sales of SEK 70 million. The company manufactures various kinds of doors, such as interior and exterior doors, fire protection doors and security doors. Customers are primarily construction contractors in the Swiss market.

On 14 July Young Black Ltd (UK) was acquired, with annual sales of SEK 110 million. The company sells a wide range of fastening products, pneumatic tools, compressors, hoses and couplings to British industry and construction companies.

On 17 July Tubeworkx B.V. (Netherlands) was acquired, with annual sales of SEK 50 million. The company processes straight tubing into advanced components through bending, welding and cold forming.

### Acquired assets 2017

#### Preliminary purchase price allocation

#### SEK million

Purchase price, incl. contingent earn-out payment totalling SEK 104 million	786
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Acquired assets	Book value	Fair value adjustment	Fair value
Goodwill	-	313	313
Agencies, trademarks, customer relations, licences, etc.	15	311	326
Property, plant and equipment	62	-	62
Inventories	152	-	152
Other current assets <sup>1)</sup>	158	-	158
Cash and cash equivalents	48	-	48
Deferred tax liability	-3	-71	-74
Provisions including pension liabilities	0	-	0
Other operating liabilities	-199	-	-199
	<b>233</b>	<b>553</b>	<b>786</b>

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

Agencies, customer relationships, licences, etc. will be amortised over a period of 10–20 years, while trademarks are assumed to have indefinite useful life. Trademarks are included at a value of SEK 3 million.

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 amount to SEK 104 million. The contingent earn-out payments fall due for payment within three years and can amount to a maximum of SEK 107 million. If the conditions are not met, the outcome can be in the range of SEK 0–107 million.

Transaction costs for the acquisitions carried out during the period totalled SEK 5 million (6) and are included in Other income and expenses in the income statement. Contingent earn-out payments have been restated in the amount of SEK 3 million (21). Income recognised as a result of this restatement is reported under Other income and expenses in the amount of SEK 3 million (20) and under Net financial items in the amount of SEK 0 million (1).

The purchase price allocation calculations for KA Olsson & Gems AB, Vacuum Engineering Services Ltd, Crysberg A/S and Alphr Technology Ltd, which were acquired in July, August and September 2016, have now been finalised. No significant adjustments have been made in 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 receivables.

## Cash flow impact

### SEK million

Purchase price, incl. contingent earn-out payments	786
Purchase price not paid out	-104
Cash and cash equivalents in acquired companies	-48
Payments pertaining to previous years' acquisitions	47
<b>Total cash flow impact</b>	<b>681</b>

## Effects of acquisitions carried out in 2016 and 2017

SEK million	Net sales		EBITA	
	Jul-Sep	Jan-Sep	Jul-Sep	Jan-Sep
<b>Business area</b>				
Engineering & Equipment	-	-	-	-
Flow Technology	20	42	3	6
Fluids & Mechanical Solutions	30	188	5	24
Industrial Components	71	143	7	13
Measurement & Sensor Technology	8	97	1	25
Special Products	134	380	17	56
<b>Effect on Group</b>	<b>263</b>	<b>850</b>	<b>33</b>	<b>124</b>
Acquisitions carried out in 2016	55	490	10	80
Acquisitions carried out in 2017	208	360	23	44
<b>Effect on Group</b>	<b>263</b>	<b>850</b>	<b>33</b>	<b>124</b>

If all acquired units had been consolidated as from 1 January 2017, net sales for the year to date would have amounted to SEK 11,229 million, and EBITA would have totalled SEK 1,339 million.

# Q3

## Share data

### The share capital amounted to SEK 241 million at the end of the interim period

Number of shares outstanding before exercise of warrants	120,000,000
Number of newly subscribed shares	747,300
<b>Total number of shares outstanding after new issues</b>	<b>120,747,300</b>

### LTI 2014

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. Shares can be subscribed during specially stipulated subscription periods through Friday, 18 May 2018.

### LTI 2017

In April 2017 the Annual General Meeting of Indutrade AB resolved to introduce a long-term incentive programme (LTI 2017) comprising a combined maximum of 704,000 warrants in two series for senior executives and other key persons in the Indutrade Group. Upon full exercise the number of shares outstanding will increase by 704,000, corresponding to 0.6% of the total number of shares and votes. Shares can be subscribed during specially stipulated subscription periods through Friday, 20 May 2022.

## Outstanding incentive programme

Outstanding programmes	Number of subscribed warrants	Corresponding no. shares	% of total shares	Price per warrant, SEK	Original subscription price, SEK	Recalculated subscription price, SEK	Number of exercised warrants	Number of newly subscribed shares	Subscription period
2017/2022, Series I	526,000	526,000	0.4%	15.00	244.90	-	-	-	11 May 2020 – 20 May 2022
2017/2022, Series II <sup>1)</sup>	-	-	-	-	-	-	-	-	11 May 2020 – 20 May 2022
2014/2018, Series I	257,500	772,500	0.6%	15.20	356.30	118.80	225,100	675,300	11 May 2017 – 18 May 2018
2014/2018, Series II	27,500	82,500	0.1%	11.60	350.00	116.70	24,000	72,000	11 May 2017 – 18 May 2018

<sup>1)</sup> Subscription period has not expired.

## Dilutive effects

	2017 Jul-Sep	2016 Jul-Sep	2017 Jan-Sep	2016 Jan-Sep	2016/17 Moving 12 mos	2016 Jan-Dec
Average number of shares before dilution, '000	120,747	120,000	120,350	120,000	120,261	120,000
Number of shares that give rise to dilutive effect as a result of incentive programme, '000	44	292	189	242	256	251
<b>Average number of shares after dilution, '000</b>	<b>120,791</b>	<b>120,292</b>	<b>120,539</b>	<b>120,242</b>	<b>120,517</b>	<b>120,251</b>
Dilutive effect, %	0.04	0.24	0.16	0.20	0.21	0.21
<b>Number of shares at end of period, '000</b>	<b>120,747</b>	<b>120,000</b>	<b>120,747</b>	<b>120,000</b>	<b>120,747</b>	<b>120,000</b>

## 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	30 Sep 2017			
	Level 1	Level 2	Level 3	Total
<b>Assets</b>				
Available-for-sale financial assets	-	-	15	15
Derivative instruments held for hedging purposes	-	4	-	4
<b>Liabilities</b>				
Derivative instruments held for hedging purposes	-	9	-	9
Contingent consideration	-	-	185	185

SEK million	31 Dec 2016			
	Level 1	Level 2	Level 3	Total
<b>Assets</b>				
Available-for-sale financial assets	-	-	15	15
Derivative instruments held for hedging purposes	-	0	-	0
<b>Liabilities</b>				
Derivative instruments held for hedging purposes	-	18	-	18
Contingent consideration	-	-	129	129

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 for the most part 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	2017	2016
SEK million	30-Sep	31-Dec
Opening book value	129	259
Acquisitions during the year	104	72
Consideration paid	-44	-174
Reclassified via income statement	-3	-32
Interest expenses	2	3
Exchange rate differences	-3	1
<b>Closing book value</b>	<b>185</b>	<b>129</b>

# Q3

## Parent company income statement – condensed

SEK million	2017 Jul-Sep	2016 Jul-Sep	2017 Jan-Sep	2016 Jan-Sep	2016/17 Moving 12 mos	2016 Jan-Dec
Net sales	0	0	0	0	4	4
<b>Gross profit</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>4</b>	<b>4</b>
Administrative expenses	-18	-13	-61	-50	-75	-64
<b>Operating profit</b>	<b>-18</b>	<b>-13</b>	<b>-61</b>	<b>-50</b>	<b>-71</b>	<b>-60</b>
Financial income/expenses	-4	-5	-12	-11	-11	-10
Profit from participation in Group companies	0	0	753	667	750	664
<b>Profit after financial items</b>	<b>-22</b>	<b>-18</b>	<b>680</b>	<b>606</b>	<b>668</b>	<b>594</b>
Appropriations	-	-	-	-	484	484
Income Tax	5	4	14	13	-91	-92
<b>Net profit for the period</b>	<b>-17</b>	<b>-14</b>	<b>694</b>	<b>619</b>	<b>1,061</b>	<b>986</b>
Amortisation/depreciation of intangible assets and property, plant and equipment	0	0	0	0	0	0

## Parent company balance sheet – condensed

SEK million	2017 30 Sep	2016 30 Sep	2016 31 Dec
Intangible assets	0	0	0
Property, plant and equipment	1	1	1
Financial assets	5,020	4,534	4,584
Current receivables	3,791	3,352	3,894
Cash and cash equivalents	0	0	0
<b>Total assets</b>	<b>8,812</b>	<b>7,887</b>	<b>8,479</b>
Equity	3,930	3,148	3,517
Untaxed reserves	553	498	553
Non-current interest-bearing liabilities and pension liabilities	1,057	1,822	1,822
Other non-current liabilities and provisions	11	3	13
Current interest-bearing liabilities	3,196	2,367	2,391
Current noninterest-bearing liabilities	65	49	183
<b>Total equity and liabilities</b>	<b>8,812</b>	<b>7,887</b>	<b>8,479</b>

## Definitions

### Alternative Performance Measures

In this interim report Indutrade presents Alternative Performance Measures (APMs) that complement the key financial ratios defined in IFRS. The company believes that these APMs provide valuable information to investors and the company's management, as they contribute to assessment of the company's performance, trends, ability to repay debt and invest in new business opportunities, and they reflect the Group's acquisition-intensive business model.

Since not all companies calculate their financial key ratios in the same way, they are not always comparable. They should therefore not be regarded as a substitute for the key ratios defined in IFRS. Following are definitions of Indutrade's key ratios, of which most are APMs.

#### Earnings per share before dilution

Net profit for the period attributable to owners of the parent divided by the average number of shares outstanding. Definition according to IFRS.

#### Earnings per share after dilution

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

#### EBITA

Operating profit before amortisation of intangible non-current assets arising in connection with company acquisitions (Earnings Before Interest, Tax and Amortisation). EBITA is the principal measure of the Group's earnings.

#### EBITA-margin

EBITA divided by net sales.

#### EBITDA

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

#### Equity per share

Shareholders' equity attributable to owners of the parent 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 deb

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

#### Net capital expenditures

Purchases less sales of intangible non-current 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.

#### Net debt/EBITDA

Interest-bearing net debt at the end of the period divided by EBITDA on a moving 12-month basis.

#### Operating capital

Shareholders' equity plus interest-bearing net debt.

#### Return on equity

Net profit for the period on a moving 12-month basis divided by average shareholders' equity per month.

#### Return on operating capital

EBITA calculated on a moving 12-month basis divided by average operating capital per month.

# Q3

## 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.

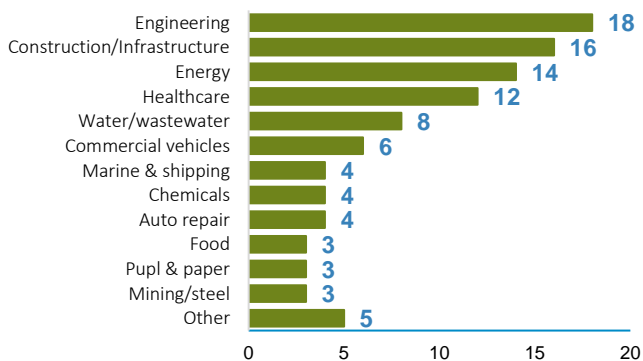
Indutrade's business is distinguished by the following factors, among others:

- 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.

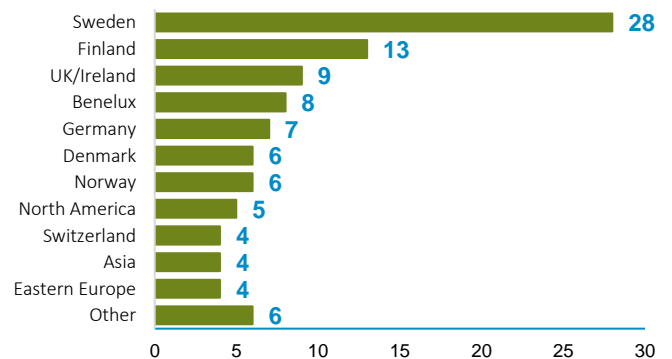
The Group's financial targets (per year across a business cycle) are to grow by a minimum of 10%, to attain a minimum EBITA margin of 10% and a minimum return on operating capital of 20%, at the same time that the net debt/equity ratio is kept below 100%.

Net sales per customer segment, % <sup>1)</sup>



<sup>1)</sup>Financial year 2016

Net sales per market, % <sup>1)</sup>



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