

Interim report first quarter

1 January – 31 March 2021

First quarter 2021

- Order intake increased by 6% to SEK 5,747 million (5,401). For comparable units, it was an increase of 5%.
- Net sales increased by 3% to SEK 5,147 million (4,976). For comparable units, it was an increase of 3%.
- EBITA increased by 16% to SEK 713 million (616), corresponding to an EBITA margin of 13.9% (12.4%).
- Profit for the quarter increased by 19% to SEK 461 million (388), and earnings per share were SEK 1.27 (1.07).
- Cash flow from operating activities increased by 16% and amounted to SEK 489 million (421).



Financial Development

SEK million	2021 Jan-Mar	2020 Jan-Mar	Change	2020/21 Moving 12 mos	2020 Jan-Dec
Order intake	5,747	5,401	6%	19,941	19,595
Net sales	5,147	4,976	3%	19,388	19,217
Operating profit	623	528	18%	2,361	2,266
EBITA	713	616	16%	2,712	2,615
EBITA margin, %	13.9	12.4		14.0	13.6
Profit before taxes	594	496	20%	2,238	2,140
Net profit	461	388	19%	1,742	1,669
Earnings per share before dilution, SEK	1.27	1.07	19%	4.80	4.60
Return on capital employed, %	20	18		20	19
Cash flow from operating activities	489	421	16%	2,848	2,780
Net debt/equity ratio, %	56	85		56	56

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CEO's message

Improved demand and continued high earnings.

First quarter

Overall, demand during the first quarter was favourable and improved compared to last year's high level. Still, the development varied across companies, segments and countries. Order intake amounted to SEK 5.7 billion, an increase of 5% organically, and was 12% higher than net sales. The strongest growth was still in the medical technology and pharmaceutical segment, but there was also positive development for infrastructure, wind power and the process industry. Many companies with customers in the engineering industry noted an improvement in demand during the quarter compared to last year. Demand remained weak, however, for the aircraft industry and marine sector. The Measurement & Sensor Technology and Fluids & Mechanical Solutions business areas reported the most favourable organic order growth, with positive development in most segments.

Sales increased by 3% organically and amounted to SEK 5.1 billion. The strongest performance came from the Industrial Components and Benelux business areas, which was primarily driven by the medical technology and pharmaceutical segment. Organic growth was weakest for the Finland and Flow Technology business areas. In Finland, the business climate is still being negatively impacted by weaker demand due to the pandemic and for Flow Technology, the comparison figures for the same period last year were high.

The EBITA result increased by 16% to SEK 713 million, corresponding to an EBITA margin of 13.9% (12.4%). It is a record-high result for a first quarter and seven of our eight business areas strengthened their margins, with the strongest development in the Industrial Components and Benelux business areas. The improvement was primarily driven by the continued positive performance of companies in the medical technology and pharmaceutical segment, along with good cost control and performance from newly acquired companies.

During the quarter, many companies were impacted by longer lead times and disruptions in the supply chains, which resulted in somewhat hampered delivery and invoicing opportunities. Several of our companies also noted that there were price increases from suppliers during the end of the quarter. The overall impact on the Group's net sales and earnings has, however, been assessed as being limited.

Since the end of last year, most of the short-term work that had been set up at the start of pandemic has been terminated and during the quarter, there were only a few companies with some of their employees on temporary lay-off.

The inventory for comparable units continued to decrease somewhat, which, in combination with positive earnings, contributed to an improved cash flow. The Group's financial position remains strong, with a relatively low debt/equity ratio. During the quarter, Indutrade was assigned the credit rating BBB-, with stable outlook from S&P Global Ratings, which corresponds to investment grade and is affirmation of our stable business model. The rating strengthens our position and attractiveness even further in the credit markets.



Acquisitions

Five acquisitions were made during the quarter with total annual sales of nearly SEK 500 million. In January, the Finnish company Pistesarjat was acquired, which is focused on advanced cable systems for such things as heating and frost protection. Indutrade also acquired the Dutch company Fire Proof, which is a distributor of passive fire protection products. In February, Indutrade acquired the German company Tecno Plast, which offers single-use tubing sets, PTFE and silicone hoses. The Dutch company Typhoon was also acquired, specialising in stirring and mixing systems for customers in a variety of segments, including the food, chemical and pharmaceutical industries. In March, we welcomed the Dutch company Efcron Water to the Group. It is a highly focused supplier of products and measurement instrumentation for wastewater sampling systems. There is a good inflow of interesting companies and we also assess our opportunities for making future acquisitions as good. Thanks to our local presence, we are able to drive the acquisition processes forward despite the ongoing restrictions on travel and physical meetings.

Outlook

We expect that there will be gradual improvement in overall demand. Our strong segments, such as medical technology and pharmaceutical, are expected to continue performing at a good level, although with a slightly lower rate of growth. However, the business climate remains somewhat uncertain because of the pandemic, with many local restrictions and lock-downs still in place. Disruptions in the supply chains, involving longer lead times, is contributing to the uncertainty. As the level of activity increases in our companies, so too will the cost levels.

Our success is largely based on decentralised decision-making by dedicated MDs who work closely with customers, act on opportunities and respond to the challenges. Going forward, I am convinced that we will continue to manage the changed market conditions in an agile and successful way, thereby creating the prerequisites for continued competitive value creation.

Bo Annvik, President and CEO

Group performance

Order intake

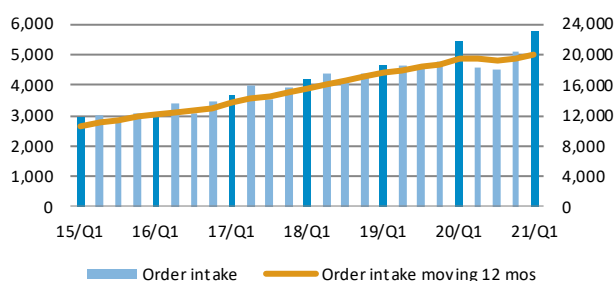
Overall, demand during the first quarter was higher than last year, although there was still variation across companies and markets. Performance remained strong for companies with customers in the medical technology and pharmaceutical industry, with only a small portion of demand driven by Covid-19. The positive trend continued in several other segments as well, such as process industry, infrastructure and wind power. This also applied to the engineering industry, where performance in the first quarter was good. However, the demand from customers in, for example the marine sector and aircraft industry, remained weak.

Order intake was 12% higher than invoicing and amounted to SEK 5,747 million (5,401), which is an increase of 6% compared to the same period last year. For comparable units, order intake increased by 5%. The acquired growth amounted to 6%, divestments to -1% and currency movements had an impact on order intake of -4%.

Order intake for comparable units was most favourable in the Measurement & Sensor Technology and Fluids & Mechanical Solutions business areas. For both, the favourable performance was relatively widespread across customer segments, with increased demand compared to last year. Order intake was weakest for the UK and Flow Technology business areas. For the UK business area, the decline was primarily attributable to weaker demand from customers in the aircraft industry and in the energy sector and for Flow Technology the comparison figures for the same period last year were high.

Order intake

SEK million



Net sales

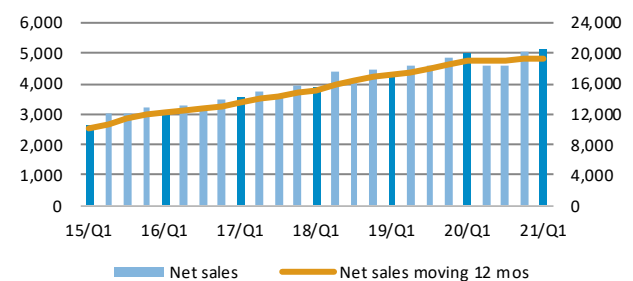
Net sales increased during the quarter by 3% compared to last year and amounted to SEK 5,147 million (4,976). Comparable units increased by 3% and acquisitions contributed with 5%. Currency movements had an effect of -4% and divestments had an effect of -1%.

Performance was strongest for comparable units in the Industrial Components and Benelux business areas. For both of these business areas, the development was driven by companies with customers in the medical technology and pharmaceutical segment, but companies in the engineering industry also contributed. The Benelux business area was also positively impacted by performance in the area of valves for power generation. Growth in net sales for comparable units was weakest for the Finland and Flow Technology business areas. The reason for the decline for Business Area Finland was lower demand attributable to the pandemic and to the cold winter. For Flow Technology business area, the comparison figures for the same period last year were high.

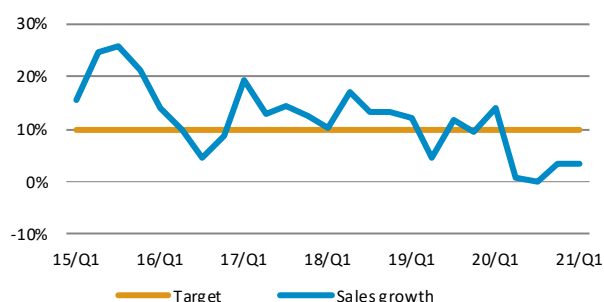
All of the business areas noted that delivery times from a large number of suppliers had lengthened, which had a slight impact on both delivery and invoicing abilities. However, the overall effect on the Group's net sales has been assessed as being relatively limited.

Net Sales

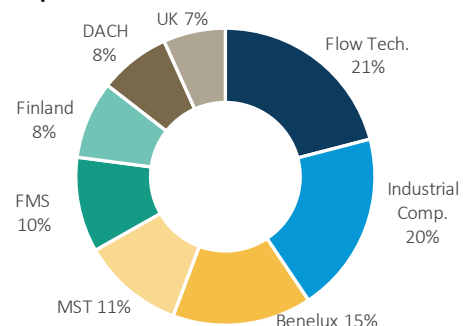
SEK million



Sales growth



Net Sales per Business Area



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Earnings

Operating profit before amortisation of intangible assets attributable to acquisitions (EBITA) amounted to SEK 713 million (616) for the first quarter, an improvement of 16%. Comparable units increased by 12%, acquisitions contributed 9% and currency movements had an effect of -5%. The effect of divestments was marginal. The EBITA margin increased and amounted to 13.9% (12.4%).

The increase in EBITA margin resulted from good organic growth in net sales, low cost levels and the favourable performance of newly acquired companies. Personnel related government support during the quarter was marginal.

Gross margin for the first quarter increased somewhat, partly owing to decreased production overheads and amounted to 34.3 % (34.0%).

The Industrial Components and Benelux business areas reported the largest improvements in EBITA margin. For both of these business areas, the positive development was driven by strong organic growth in net sales from, among others, customers in the medical technology and pharmaceutical segment. Lowered costs also had a positive impact on the Industrial Components business area and in Benelux, a good margin from newly acquired companies contributed.

The UK business area reported a decrease in EBITA margin, primarily due to lower net sales for comparable units and less favourable changes in the product mix.

Net financial items during the first quarter amounted to SEK -29 million (-32). Tax on profit for the quarter amounted to SEK -133 million (-108), corresponding to a tax charge of 22% (22%).

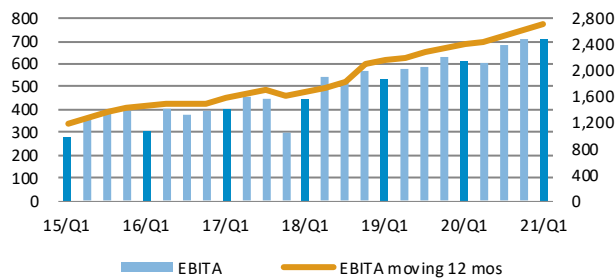
Profit for the quarter rose 19% to SEK 461 million (388). Earnings per share before dilution grew 19% and amounted to 1.27 (1.07).

Return

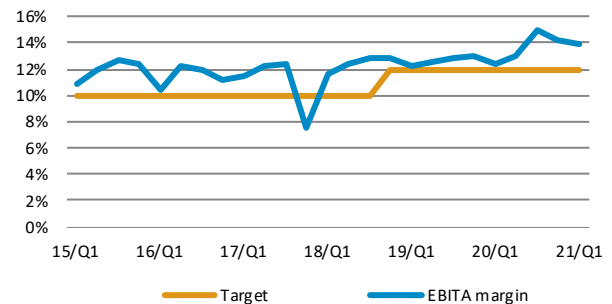
Return on capital employed was higher than last year's first quarter and amounted to 20% (18%). Return on equity was 21% (22%).

EBITA

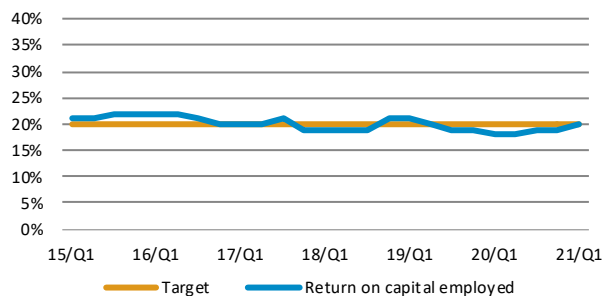
SEK million



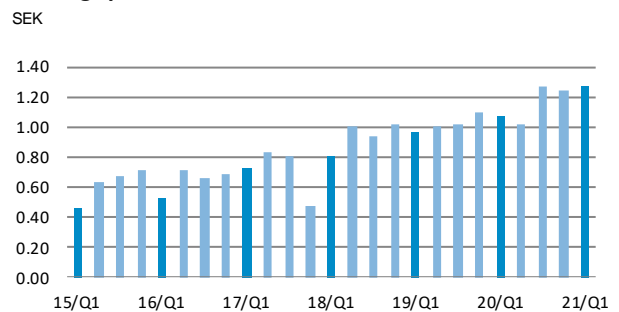
EBITA margin



Return



Earnings per share



Business Areas

Benelux

The companies in this business area offer custom-manufactured niche products, design solutions, aftermarket service and assembly, and customisation. The business area includes companies with a considerable amount of own manufacturing and proprietary products. Customers are in the energy, construction & infrastructure, and healthcare segments. Product areas include valves, hydraulic and industrial equipment, and measurement technology. The business area has strong market positions in the Benelux area (Belgium, the Netherlands and Luxembourg).

SEK million	2021 Jan-Mar	2020 Jan-Mar	Change	2020/21 Moving 12 mos	2020 Jan-Dec
Net sales	801	676	18%	2,898	2,773
EBITA	115	83	39%	392	360
EBITA margin, %	14.4	12.3		13.5	13.0

Net sales rose during the first quarter by 18% to SEK 801 million (676). Comparable units had an effect of 10%, acquisitions contributed 14% and currency movements had an effect of -6%.

Overall, demand during the quarter was higher than the corresponding period last year, primarily driven by higher demand within medical technology. Order intake was 14% higher than invoicing during the quarter.

EBITA increased by 39% in the quarter to SEK 115 million (83), corresponding to an EBITA margin of 14.4% (12.3%). Comparable units impacted EBITA positively by 18%, acquisitions contributed 27% and currency movements had an effect of -6%.

The higher EBITA margin is in part explained by the strong growth in net sales for comparable units and in part by the good margins contributed by newly acquired companies.

DACH

This business area includes companies that offer custom manufactured niche products, design solutions, aftermarket service and assembly, and customisation. The business area includes companies with a considerable amount of own manufacturing and proprietary products. Customers are in the construction & infrastructure, engineering, healthcare and chemical industries. Product areas include construction material, hydraulic and industrial equipment and valves. Each of the individual companies has a strong market position in the DACH area (Germany, Austria and Switzerland), and most companies are market leaders in their fields.

SEK million	2021 Jan-Mar	2020 Jan-Mar	Change	2020/21 Moving 12 mos	2020 Jan-Dec
Net sales	371	413	-10%	1,487	1,529
EBITA	45	45	0%	169	169
EBITA margin, %	12.1	10.9		11.4	11.1

Net sales decreased during the quarter by 10% to SEK 371 million (413). Comparable units had an effect of -4%, acquisitions contributed 1% and currency movements had an effect of -6%. Divestments had an effect of -1%.

Overall, demand was relatively unchanged during the quarter compared to the corresponding period last year. The trend among customers in the German engineering industry was positive, but that was counteracted by a somewhat lower level of project activity in the Swiss process industry. Order intake was 12% higher than invoicing.

EBITA was unchanged for the quarter and amounted to SEK 45 million (45). The EBITA margin increased and amounted to 12.1% (10.9%). For comparable units, EBITA increased by 9%. Acquisitions had an effect of -1% and currency movements -7%. Divestments had an effect of -1%.

The improved EBITA margin is primarily explained by lowered costs, but also positively impacted by a one-off item associated with pensions. Support for temporary lay-offs corresponded to 0.7% of net sales.

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Finland

The Finland business area includes companies that offer sales of components as well as customisation, combinations and installations of products from various suppliers. Customers are in the construction & infrastructure, engineering, water/wastewater, energy and chemical industries. Products range from hydraulics and industrial equipment to measurement technology, valves, service, filters and process technology. The business area has a strong market position in Finland.

SEK million	2021 Jan-Mar	2020 Jan-Mar	Change	2020/21 Moving 12 mos	2020 Jan-Dec
Net sales	386	436	-11%	1,629	1,679
EBITA	45	48	-6%	244	247
EBITA margin, %	11.7	11.0		15.0	14.7

Net sales were 11% lower during the quarter than the same period last year and amounted to SEK 386 million (436). Comparable units had an effect of -13%, acquisitions contributed 6% and currency movements had an effect of -4%.

Demand during the quarter was somewhat weaker than the corresponding period last year due to a lower level of overall demand because of the pandemic, along with the cold winter having suppressed demand in the infrastructure segment. However, order intake was 14% higher than invoicing during the quarter.

EBITA for the quarter decreased by 6% and amounted to SEK 45 million (48). The EBITA margin increased and amounted to 11.7% (11.0%). Comparable units had an effect of -8%, acquisitions contributed 7% and currency movements had an effect of -5%.

The improved EBITA margin was primarily attributable to favourable changes in the product mix. Support for temporary lay-offs was marginal during the quarter.

Flow Technology

Companies in this business area offer components and systems for controlling, measuring, monitoring and regulating flows. The business area includes companies that specialise in various areas of industrial flow technology. Customers are in the process industry, food and pharmaceutical industries, water/wastewater, energy and marine industries. Product areas include valves, pipes and pipe systems, measurement technology, pumps, hydraulics and industrial equipment. The business area has a strong market position especially in Sweden, but also in the Northern Europe.

SEK million	2021 Jan-Mar	2020 Jan-Mar	Change	2020/21 Moving 12 mos	2020 Jan-Dec
Net sales	1,003	1,045	-4%	4,029	4,071
EBITA	140	140	0%	607	607
EBITA margin, %	14.0	13.4		15.1	14.9

Net sales decreased during the quarter by 4% to SEK 1,003 million (1,045). Comparable units had an effect of -4%, acquisitions contributed 5% and currency movements had an effect of -3%. Divestments impacted net sales by -2%.

Overall, demand during the quarter was lower than in the corresponding period last year. The comparison figures from last year were strong, with good order intake from customers in the marine and medical technology sectors and the process industry. Order intake was, however, 18% higher than invoicing during the quarter.

EBITA was unchanged for the quarter and amounted to SEK 140 million (140), corresponding to an EBITA margin of 14.0% (13.4%). Comparable units had an effect of -2%, acquisitions contributed 6% and currency movements had an effect of -4%. The effect of divestments was marginal.

Good cost control and positive effects from both new acquisitions and divestments contributed to the improved EBITA margin. Government support was marginal during the quarter.

Fluids & Mechanical Solutions

Companies in this business area offer technological components (both hydraulic and mechanic), as well as solutions that have a high technological content to the industry in, primarily Scandinavia and Europe, but also USA and Asia. The companies have a considerable amount of own manufacturing and proprietary products, as well as technical trading companies. Important product areas include filters, hydraulics, auto repair, tools & transmission, industrial springs, water & wastewater and lighting. The business area has a strong market position in the Nordic region.

SEK million	2021 Jan-Mar	2020 Jan-Mar	Change	2020/21 Moving 12 mos	2020 Jan-Dec
Net sales	525	512	3%	1,992	1,979
EBITA	73	63	16%	278	268
EBITA margin, %	13.9	12.3		14.0	13.5

Net sales increased during the quarter by 3% to SEK 525 million (512). Comparable units increased by 5% and currency movements had an effect of -2%.

For most companies, demand was higher during the quarter compared to the same period last year, with the strongest performance among companies in the industry and automotive aftermarket segments. Order intake was 12% higher than invoicing.

EBITA increased by 16% during the quarter to SEK 73 million (63) and the EBITA margin increased to 13.9% (12.3%). Comparable units increased by 18% and currency movements had an effect of -2%.

The improved EBITA margin was primarily attributable to positive organic development in net sales along with good price management by companies. Government support was marginal during the quarter.

Industrial Components

Companies in this business area are mainly technical trading companies and offer a wide range of technically advanced components and systems for industrial production and maintenance, as well as medical technology equipment. The products consist mainly of consumables. Its customers exist in the following segments: engineering, healthcare, construction and infrastructure. The product areas include hydraulics and industrial equipment, chemical technology and fasteners. The business area has a strong market position in the Nordic countries.

SEK million	2021 Jan-Mar	2020 Jan-Mar	Change	2020/21 Moving 12 mos	2020 Jan-Dec
Net sales	1,153	969	19%	3,987	3,803
EBITA	186	124	50%	631	569
EBITA margin, %	16.1	12.8		15.8	15.0

Net sales rose 19% during the quarter to SEK 1,153 million (969). Comparable units increased by 17%, acquisitions contributed 5% and currency movements had an effect of -3%.

Overall, demand during the quarter was stronger than the corresponding period last year, with a positive development in most of the business area's segments. The strongest growth in demand occurred in the medical technology segment. Order intake was in line with invoicing during the quarter.

EBITA for the quarter increased by 50% to SEK 186 million (124) and the EBITA margin amounted to 16.1% (12.8%). For comparable units, EBITA increased by 46%, acquisitions contributed 9% and currency movements had an effect of -5%.

The EBITA margin improved for most of the business area's segments, with the strongest performance occurring within medical technology. Government support was marginal during the quarter.

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Measurement & Sensor Technology

Companies in this business area sell measurement instruments, measurement systems, sensors, control and regulating technology, and monitoring equipment for various industries. All of the business area's companies have proprietary products based on advanced technological solutions and own development, design and manufacturing. Its customers exist in a variety of areas, such as various types of manufacturing industries like electronics, vehicles and energy. Companies in this business area work globally and have the entire world as the market for their products, with established production and sales companies on six continents.

SEK million	2021 Jan-Mar	2020 Jan-Mar	Change	2020/21 Moving 12 mos	2020 Jan-Dec
Net sales	570	557	2%	2,133	2,120
EBITA	99	91	9%	342	334
EBITA margin, %	17.4	16.3		16.0	15.8

Net sales increased by 2% during the quarter to SEK 570 million (557). Comparable units increased by 3%, acquisitions contributed 5% and currency movements had an effect of -6%.

Demand during the quarter was higher than the corresponding period last year, with increases in most of the business area's segments and companies. Order intake was strong and 23% higher than invoicing during the quarter.

EBITA for the quarter increased by 9% and amounted to SEK 99 million (91). The EBITA margin amounted to 17.4% (16.3%). Comparable units had an effect of 6%, acquisitions contributed 7% and currency movements had an effect of -4%.

The improved EBITA margin was primarily driven by growth in organic net sales together with low costs but also good margins in newly acquired companies. Support for temporary lay-offs was marginal during the quarter.

UK

The companies in this business area offer custom-manufactured niche products, design solutions, aftermarket service and assembly, and customisation. They have a considerable amount of own manufacturing and proprietary products. Customer segments include construction and infrastructure, engineering and commercial vehicles. Examples of product areas are springs, piston rings, press work, valve channels, pipes and pipe systems. The individual companies all have strong market positions in the UK, and most are market leaders in their respective niches.

SEK million	2021 Jan-Mar	2020 Jan-Mar	Change	2020/21 Moving 12 mos	2020 Jan-Dec
Net sales	355	385	-8%	1,292	1,322
EBITA	38	50	-24%	147	159
EBITA margin, %	10.7	13.0		11.4	12.0

Net sales decreased during the quarter by 8% to SEK 355 million (385). Comparable units had an effect of -2% and currency movements -6%.

Overall, demand during the quarter was somewhat weaker compared to the same period last year. However, most companies noted an improvement in order intake, particularly towards the end of the quarter. Order intake was 7% higher than invoicing during the quarter.

EBITA decreased by 24% during the quarter to SEK 38 million (50) and the EBITA margin amounted to 10.7% (13.0%).

Comparable units had an effect of -19% and currency movements -5%.

The weaker EBITA margin primarily results from lower net sales and a somewhat unfavourable product mix. To some extent, however, it was offset by cost savings. Support for temporary lay-offs corresponded to 0.3% of net sales.

Other financial information

Financial position

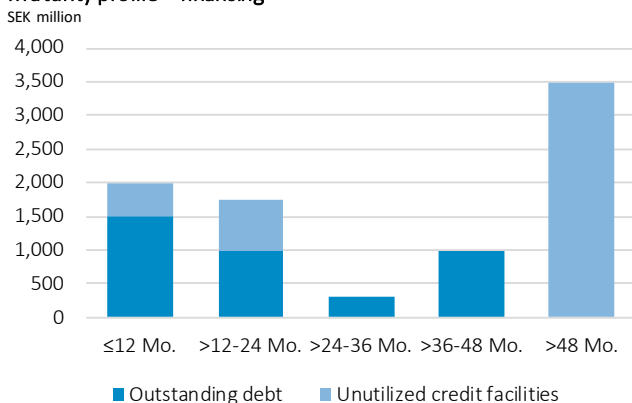
Shareholders' equity amounted to SEK 9,275 million (7,711) and the equity ratio was 48% (40%). Cash and cash equivalents amounted to SEK 872 million (897). In addition to this, the Group had unutilised credit commitments of SEK 4,728 million (2,913). Interest-bearing net debt amounted to SEK 5,157 million (6,528) at the end of the quarter. The decline compared to last year was primarily attributable to the strong cash flow and not having paid dividends for 2020. The net debt/equity ratio was 56% (85%) at the end of the period.

Indutrade's financing, nearly all of which is managed by the Parent Company, consists of loans from financial institutions, corporate bonds and commercial paper programmes.

During the quarter, Indutrade AB was assigned the long-term credit rating BBB- with stable outlook from S&P Global Ratings.

At the end of the quarter, the Parent Company's short-term borrowing amounted to SEK 1,502 million and long-term unutilised credit facilities amounted to SEK 4,250 million.

Maturity profile - financing ¹⁾



¹⁾ Pertains to the Parent Company, which is responsible for most of the Group's financing. Excluding leasing according to IFRS 16.

Cash flow, capital expenditures and depreciation

Cash flow from operating activities increased during the first quarter and amounted to SEK 489 million (421). The improvement is primarily attributable to a higher operating profit. Despite higher sales, inventory declined somewhat for comparable units during the first quarter.

Cash flow after net capital expenditures in intangible non-current assets and in property, plant and equipment (excluding company acquisitions) amounted to SEK 410 million (301).

The Group's net capital expenditures, excluding company acquisitions, totalled SEK 79 million (120). Depreciation of property, plant and equipment totalled SEK 153 million (149). Investments in company acquisitions amounted to SEK 442 million (357). In addition, contingent earn-out payments for previous years' acquisitions totalled SEK 7 million (32). Divestments amounted to SEK 0 million (28).

Employees

The number of employees was 7,488 at the end of the period, compared with 7,270 at the start of the year.

Company acquisitions

The Group acquired the following companies, which are consolidated for the first time in 2021.

Month acquired	Acquisitions	Business area	Net sales/SEK m*	No. of employees*
January	Pistesarjat Oy	Finland	100	25
January	Fire Proof B.V.	Benelux	70	10
February	Tecno Plast Industrietechnik GmbH	Benelux	230	80
February	Typhoon Group	Benelux	40	22
March	Efcon Water B.V.	Benelux	20	9
Total			460	146

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

Further information about completed company acquisitions can be found on page 19 of this interim report.

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Events after the end of the reporting period

There are no significant events to report that occurred after the end of the reporting period.

Annual General Meeting and dividend

The Annual General Meeting was held on 13 April 2021. Due to the Corona virus and recommendations of the authorities, the AGM was conducted solely via advance (postal) voting in accordance with temporary legislation.

The AGM resolved to adopt the Board's proposal on dividends for the 2020 financial year of SEK 1.80 per share.

The AGM resolved to approve the Board's proposal of establishing a long-term incentive programme (LTIP 2021), along with hedging measures associated with that. LTIP 2021 consists of performance shares and it is offered to members of the Group management team including the CEO, business area managers, the heads of subsidiaries and other key persons.

Parent company

The main functions of Indutrade AB are to take responsibility for business development, acquisitions, financing, business control, analysis and communication. 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 period January – March, the Parent Company did not acquire any shares in companies. The Parent Company has not made any major investments in intangible assets or in property, plant and equipment. The number of employees on 31 March was 19 (20).

Risks and uncertainties

The Indutrade Group conducts business in some 30 countries, on six continents, via more than 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. Besides the risks and uncertainties described in the Indutrade Annual Report for 2020, Indutrade has assessed that no additional significant risks or uncertainties have arisen or dissipated. 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 2020 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 have been used for the Group and Parent Company in this report as those in the most recent annual report. There are no new IFRSs or IFRIC pronouncements endorsed by the EU that are applicable for Indutrade or that had a significant impact on the Group's result of operations and position in 2021.

Financial Calendar

- 19 July 2021:
Interim report 1 January – 30 June 2021
- 28 October 2021:
Interim report 1 January – 30 September 2021

Stockholm, 29 April 2021
Indutrade AB (publ.)

Bo Annvik
President and CEO

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

Note

The information in this report is such that Indutrade AB is obligated to make public in accordance with the EU Market Abuse Act. The information was submitted for publication by the agency of the following contact persons at 08.00 CEST on 29 April 2021.

Further information

For further information, please contact:
Bo Annvik, President and CEO, tel.: +46 8 703 03 00,
Patrik Johnson, CFO, tel.: +46 70 397 50 30.

This report will be commented upon as follows:

A webcast of the report will be presented on 29 April at 9.30 a.m. (CEST) via the following link:

<https://tv.streamfabriken.com/indutrade-q1-2021>

To participate in the conference call and to ask questions, please call:

SE: +46 8 505 58 375

UK: +44 333 300 90 31

USA: +1 8 335 26 83 96

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Indutrade consolidated income statement – condensed

SEK million	2021 Jan-Mar	2020 Jan-Mar	2020/21 Moving 12 mos	2020 Jan-Dec
Net sales	5,147	4,976	19,388	19,217
Cost of goods sold	-3,382	-3,282	-12,781	-12,681
Gross profit	1,765	1,694	6,607	6,536
Development costs	-60	-63	-224	-227
Selling costs	-771	-813	-2,967	-3,009
Administrative expenses	-303	-303	-1,123	-1,123
Other operating income and expenses	-8	13	68	89
Operating profit	623	528	2,361	2,266
Net financial items	-29	-32	-123	-126
Profit before taxes	594	496	2,238	2,140
Income Tax	-133	-108	-496	-471
Net profit for the period	461	388	1,742	1,669
<i>Net profit, attributable to:</i>				
Equity holders of the parent company	461	389	1,741	1,669
Non-controlling interests	0	-1	1	0
	461	388	1,742	1,669
EBITA	713	616	2,712	2,615
<i>Operating profit includes:</i>				
Amortisation of intangible assets ¹⁾	-100	-98	-398	-396
<i>of which attributable to acquisitions</i>	<i>-90</i>	<i>-88</i>	<i>-351</i>	<i>-349</i>
Depreciation of property, plant and equipment	-153	-149	-604	-600
Earnings per share before dilution, SEK	1.27	1.07	4.80	4.60
Earnings per share after dilution, SEK	1.27	1.07	4.79	4.59

¹⁾ Excluding impairment losses

Indutrade consolidated statement of comprehensive income

SEK million	2021 Jan-Mar	2020 Jan-Mar	2020/21 Moving 12 mos	2020 Jan-Dec
Net profit for the period	461	388	1,742	1,669
Other comprehensive income				
Items that can be reversed into income statement				
Fair value adjustment of hedge instruments	-5	2	-3	4
Tax attributable to fair value adjustments	1	0	0	-1
Exchange rate differences	184	150	-245	-279
Items that cannot be reversed into income statement				
Actuarial gains/losses	-	-	-16	-16
Tax on actuarial gains/losses	-	-	3	3
Other comprehensive income for the period, net of tax	180	152	-261	-289
Total comprehensive income for the period	641	540	1,481	1,380
<i>Total comprehensive income, attributable to:</i>				
Equity holders of the parent company	641	541	1,480	1,380
Non-controlling interests	0	-1	1	0

Indutrade consolidated balance sheet – condensed

SEK million	2021 31-Mar	2020 31-Mar	2020 31-Dec
Goodwill	4,648	4,363	4,306
Other intangible assets	2,892	2,904	2,693
Property, plant and equipment	3,265	3,183	3,106
Financial assets	225	246	228
Inventories	3,478	3,537	3,307
Trade receivables	3,340	3,406	2,925
Other receivables	736	721	639
Cash and cash equivalents	872	897	758
Total assets	19,456	19,257	17,962
Equity	9,275	7,711	8,634
Non-current interest-bearing liabilities and pension liabilities	3,945	4,597	4,450
Other non-current liabilities and provisions	811	792	770
Current interest-bearing liabilities	2,084	2,828	1,186
Trade payables	1,446	1,501	1,136
Other current liabilities	1,895	1,828	1,786
Total equity and liabilities	19,456	19,257	17,962

Indutrade consolidated statement of changes in equity – condensed

Attributable to equity holders of the parent company SEK million	2021 31-Mar	2020 31-Mar	2020 31-Dec
Opening equity	8,624	7,157	7,157
Total comprehensive income for the period	641	541	1,380
New issues	-	-	87
Dividend ¹⁾	-	-	-
Closing equity	9,265	7,698	8,624
¹⁾ Dividend per share for 2019 was SEK -			
<i>Equity, attributable to:</i>			
Equity holders of the parent company	9,265	7,698	8,624
Non-controlling interests	10	13	10
	9,275	7,711	8,634

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Indutrade consolidated cash flow statement – condensed

SEK million	2021 Jan-Mar	2020 Jan-Mar	2020/21 Moving 12 mos	2020 Jan-Dec
Operating profit	623	528	2,361	2,266
Non-cash items	251	239	939	927
Interests and other financial items, net	-21	-20	-104	-103
Paid tax	-200	-188	-520	-508
Change in working capital	-164	-138	172	198
Cash flow from operating activities	489	421	2,848	2,780
Net capital expenditures in non-current assets	-79	-120	-358	-399
Company acquisitions and divestments	-449	-361	-1,066	-978
Change in other financial assets	10	5	16	11
Cash flow from investing activities	-518	-476	-1,408	-1,366
Debt/repayment of debt, net	110	260	-1,557	-1,407
New issues	-	-	87	87
Cash flow from financing activities	110	260	-1,470	-1,320
Cash flow for the period	81	205	-30	94
Cash and cash equivalents at start of period	758	719	897	719
Exchange rate differences	33	-27	5	-55
Cash and cash equivalents at end of period	872	897	872	758

Key data

	2021 31-Mar	2020 31-Dec	2020 31-Mar	2019 31-Dec	2018 31-Dec
Moving 12 mos					
Net sales, SEK million	19,388	19,217	19,021	18,411	16,848
Sales growth, %	2	4	10	9	13
EBITA, SEK million	2,712	2,615	2,409	2,330	2,087
EBITA margin, %	14.0	13.6	12.7	12.7	12.4
Capital employed at end of period, SEK million	14,432	13,512	14,239	13,300	10,127
Capital employed, average, SEK million	13,675	13,541	13,133	12,416	9,839
Return on capital employed, % ¹⁾	20	19	18	19	21
Equity, average, SEK million	8,288	7,899	6,972	6,715	5,715
Return on equity, % ¹⁾	21	21	22	22	24
Interest-bearing net debt at end of period, SEK million	5,157	4,878	6,528	6,130	3,909
Net debt/equity ratio, %	56	56	85	85	63
Net debt/EBITDA, times	1.5	1.5	2.2	2.1	1.7
Equity ratio, %	48	48	40	41	44
Average number of employees	7,338	7,349	7,316	7,167	6,710
Number of employees at end of period	7,488	7,270	7,488	7,357	6,778
<i>Attributable to equity holders of the parent company</i>					
<i>Key ratios per share</i>					
Earnings per share before dilution, SEK	4.80	4.60	4.20	4.09	3.77
Earnings per share after dilution, SEK	4.79	4.59	4.19	4.09	3.77
Equity per share, SEK	25.48	23.72	21.23	19.74	17.11
Cash flow from operating activities per share, SEK	7.85	7.66	6.00	5.30	3.75
Average number of shares before dilution, '000	362,981	362,721	362,565	362,565	362,496
Average number of shares after dilution, '000	363,597	363,320	362,853	362,754	362,529
Number of shares at the end of the period, '000	363,615	363,615	362,565	362,565	362,565

Lease liabilities and right-of-use assets according to IFRS 16 are included in the key data as of 2019. The comparative financial information has not been restated.

¹⁾ Calculated on average capital and equity.

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Business area performance

	2021 Jan-Mar	2020 Jan-Mar	2020/21 Moving 12 mos	2020 Jan-Dec
Net sales, SEK million				
Benelux	801	676	2,898	2,773
DACH	371	413	1,487	1,529
Finland	386	436	1,629	1,679
Flow Technology	1,003	1,045	4,029	4,071
Fluids & Mechanical Solutions	525	512	1,992	1,979
Industrial Components	1,153	969	3,987	3,803
Measurement & Sensor Technology	570	557	2,133	2,120
UK	355	385	1,292	1,322
Parent company and Group items	-17	-17	-59	-59
Total	5,147	4,976	19,388	19,217
EBITA, SEK million				
Benelux	115	83	392	360
DACH	45	45	169	169
Finland	45	48	244	247
Flow Technology	140	140	607	607
Fluids & Mechanical Solutions	73	63	278	268
Industrial Components	186	124	631	569
Measurement & Sensor Technology	99	91	342	334
UK	38	50	147	159
Parent company and Group items	-28	-28	-98	-98
Total	713	616	2,712	2,615
EBITA margin, %				
Benelux	14.4	12.3	13.5	13.0
DACH	12.1	10.9	11.4	11.1
Finland	11.7	11.0	15.0	14.7
Flow Technology	14.0	13.4	15.1	14.9
Fluids & Mechanical Solutions	13.9	12.3	14.0	13.5
Industrial Components	16.1	12.8	15.8	15.0
Measurement & Sensor Technology	17.4	16.3	16.0	15.8
UK	10.7	13.0	11.4	12.0
Total	13.9	12.4	14.0	13.6

Business area performance per quarter

Net sales, SEK million	2021	2020			
	Jan-Mar	Oct-Dec	Jul-Sep	Apr-Jun	Jan-Mar
Benelux	801	714	688	695	676
DACH	371	362	360	394	413
Finland	386	417	394	432	436
Flow Technology	1,003	1,054	996	976	1,045
Fluids & Mechanical Solutions	525	507	479	481	512
Industrial Components	1,153	1,130	842	862	969
Measurement & Sensor Technology	570	545	523	495	557
UK	355	314	329	294	385
Parent company and Group items	-17	-15	-12	-15	-17
Total	5,147	5,028	4,599	4,614	4,976

EBITA, SEK million	2021	2020			
	Jan-Mar	Oct-Dec	Jul-Sep	Apr-Jun	Jan-Mar
Benelux	115	103	89	85	83
DACH	45	39	42	43	45
Finland	45	61	72	66	48
Flow Technology	140	154	162	151	140
Fluids & Mechanical Solutions	73	66	66	73	63
Industrial Components	186	193	122	130	124
Measurement & Sensor Technology	99	89	96	58	91
UK	38	31	41	37	50
Parent company and Group items	-28	-24	-5	-41	-28
Total	713	712	685	602	616

EBITA margin, %	2021	2020			
	Jan-Mar	Oct-Dec	Jul-Sep	Apr-Jun	Jan-Mar
Benelux	14.4	14.4	12.9	12.2	12.3
DACH	12.1	10.8	11.7	10.9	10.9
Finland	11.7	14.6	18.3	15.3	11.0
Flow Technology	14.0	14.6	16.3	15.5	13.4
Fluids & Mechanical Solutions	13.9	13.0	13.8	15.2	12.3
Industrial Components	16.1	17.1	14.5	15.1	12.8
Measurement & Sensor Technology	17.4	16.3	18.4	11.7	16.3
UK	10.7	9.9	12.5	12.6	13.0
Total	13.9	14.2	14.9	13.0	12.4

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Disaggregation of revenue

Net sales per geographic market

2021										
Jan-Mar, SEK million	Benelux	DACH	Finland	FT	FM	IC	MST	UK	Elim. ¹⁾	Total
Nordic countries	13	2	350	541	373	892	144	34	-7	2,342
Other Europe	656	347	32	398	123	244	188	284	-7	2,265
Americas	60	10	1	7	19	9	157	17	-2	278
Asia	60	11	2	42	8	6	67	16	-1	211
Other	12	1	1	15	2	2	14	4	0	51
	801	371	386	1,003	525	1,153	570	355	-17	5,147

Timing of revenue recognition	Benelux	DACH	Finland	FT	FM	IC	MST	UK	Elim. ¹⁾	Total
Over time	3	66	0	0	0	8	44	0	-1	120
Point in time	798	305	386	1,003	525	1,145	526	355	-16	5,027
	801	371	386	1,003	525	1,153	570	355	-17	5,147

2020										
Jan-Mar, SEK million	Benelux	DACH	Finland	FT	FM	IC	MST	UK	Elim. ¹⁾	Total
Nordic countries	33	2	402	602	373	849	132	22	-7	2,408
Other Europe	533	392	25	381	108	106	199	314	-8	2,050
Americas	36	12	6	13	22	11	165	26	-2	289
Asia	63	5	2	23	7	3	46	20	0	169
Other	11	2	1	26	2	0	15	3	0	60
	676	413	436	1,045	512	969	557	385	-17	4,976

Timing of revenue recognition	Benelux	DACH	Finland	FT	FM	IC	MST	UK	Elim. ¹⁾	Total
Over time	0	84	0	0	0	8	38	0	-1	129
Point in time	676	329	436	1,045	512	961	519	385	-16	4,847
	676	413	436	1,045	512	969	557	385	-17	4,976

¹⁾ Parent company & Group items

FT - Flow Technology

FM - Fluids & Mechanical Solutions

IC - Industrial Components

MST - Measurement & Sensor Technology

Acquisitions

Acquisitions 2021

All of the shares were acquired in the following companies: Pistesarjat Oy (Finland), Fire Proof B. V. (Netherlands), Tecno Plast Industrieteknik GmbH (Germany), Typhoon Group (Netherlands) and Efcon Water B. V. (Netherlands).

Benelux

On 29 January, Fire Proof B.V. (Netherlands) was acquired, with annual sales of SEK 70 million. The company is specialised in passive fire protection for buildings.

On 12 February, Tecno Plast Industrieteknik GmbH (Germany) was acquired, with annual sales of SEK 230 million. Tecno Plast offers single-use tubing sets, PTFE and silicone hoses.

On 15 February, Typhoon Group (Netherlands) was acquired, with annual sales of SEK 40 million. The company is a highly focused supplier in stirring and mixing systems.

On 4 March, Efcon Water B. V. (Netherlands) was acquired, with annual sales of SEK 20 million. Efcon Water is specialised in products and measurement instrumentation for wastewater sampling systems.

Finland

On 4 January, Pistesarjat Oy (Finland) was acquired, with annual sales of SEK 100 million. It is a technical trading company offering heating & frost protection cable systems, fire-resistant cables and data cable systems.

Acquired assets and liabilities in 2021

Preliminary purchase price allocations

SEK million

Purchase price, incl. contingent earn-out payment totalling SEK 52 million	563
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Acquired assets and liabilities	Book value	Fair value adjustment	Fair value
Goodwill	0	216	216
Agencies, trademarks, customer relations, licences, etc.	5	191	196
Property, plant and equipment	56	-	56
Financial assets	2	-	2
Inventories	93	-	93
Other current assets ¹⁾	53	-	53
Cash and cash equivalents	62	-	62
Deferred tax liability	0	-42	-42
Provisions including pension liabilities	-23	-	-23
Other operating liabilities	-50	-	-50
	198	365	563

¹⁾ Mainly trade receivables

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Agencies, customer relationships, licences, etc. will be amortised over a period of 5–20 years, while trademarks are assumed to have indefinite useful life. Trademarks are included at a value of SEK 3 million (0).

Indutrade typically 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 52 million (120). The contingent earn-out payments fall due for payment within three years and can amount to a maximum of SEK 57 million (135). If the conditions are not met, the outcome can be in the range of SEK 0-57 million.

Transaction costs during the period totalled SEK 5 million (5) and are included in Other income and expenses in the income statement. Contingent earn-out payments have been restated in the amount of SEK 4 million (15). The effect is reported under Other income and expenses in the amount of SEK 4 million (15) and under Net financial items in the amount of SEK 0 million (0).

The acquisition analyses for Stein Automation GmbH, VarioDrive B. V., AVA Monitoring AB, Sverre Hellum & Sønn AS, Jouka OY and Nortronic AS, which were acquired during the first quarter of 2020, 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 receivables.

Cash flow impact

SEK million	
Purchase price, incl. contingent earn-out payments	563
Purchase price not paid out	-59
Cash and cash equivalents in acquired companies	-62
Payments pertaining to previous years' acquisitions	7
Total cash flow impact	449

Effects of acquisitions carried out in 2020 and 2021

SEK million	Net sales	EBITA
Business area	Jan-Mar	Jan-Mar
Benelux	98	23
DACH	4	0
Finland	27	3
Flow Technology	51	9
Fluids & Mechanical Solutions	-	-
Industrial Components	53	11
Measurement & Sensor Technology	27	7
UK	-	-
Effect on Group	260	53
Acquisitions carried out in 2020	172	36
Acquisitions carried out in 2021	88	17
Effect on Group	260	53

If all acquired units had been consolidated as from 1 January 2021, net sales for the year would have amounted to SEK 5,180 million, and EBITA would have totalled SEK 719 million.

Divestments 2021

No divestments have been made in 2021.

Acquisitions after the end of the reporting period

No acquisitions have been made after the end of the reporting period.

Share data

At the end of the interim period the share capital amounted to SEK 727 million

Number of shares at the beginning of the year	363,615,000
Number of newly subscribed shares	-
Total number of shares outstanding after new issues	363,615,000

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. Shares can be subscribed during specially stipulated subscription periods through Friday, 20 May 2022.

After the bonus issue in December 2020, each warrant entitles the holder to subscribe for three shares. The exercise price for series I has been recalculated to SEK 81.60 per share and for series II to SEK 92.30 per share.

LTIP 2021

At the AGM in April 2021, it was resolved to establish a new incentive programme, LTIP 2021. The programme covers approximately 235 employees and is directed at senior executives and other key persons. LTIP 2021 requires own investment and it consists of performance shares. The scope of the programme is, at most, 650,000 shares in Indutrade, which corresponds to approximately 0.18% of all shares and votes.

Outstanding incentive programmes

Outstanding programme	Number of options	Corresponding number of shares	Proportion of total shares	Price per warrant, SEK	Initial exercise price, SEK	Adjusted exercise price, SEK	Number of exercised warrants	Corresponding number of shares	Expiration period
2017/2022, Series I	526,000	1,578,000	0.4%	15.0	244.9	81.6	317,000	951,000	27 April 2020 – 20 May 2022
2017/2022, Series II	60,000	180,000	0.0%	13.4	276.8	92.3	33,000	99,000	27 April 2020 – 20 May 2022

Dilutive effects

	2021 Jan-Mar	2020 Jan-Mar	2020/21 Moving 12 mos	2020 Jan-Dec
Average number of shares before dilution, '000	363,615	362,565	362,981	362,721
Number of shares that incur a dilutive effect due to incentive programme, '000	400	393	616	599
Average number of shares after dilution, '000	364,015	362,958	363,597	363,320
Dilutive effect, %	0.11	0.11	0.17	0.17
Number of shares at end of the period, '000	363,615	362,565	363,615	363,615

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Financial assets and liabilities

31 Mar 2021, SEK million	Interest rate swaps and currency forward contracts in hedge accounting	Amortised cost	Holdings of shares and participation in unlisted companies	Contingent earn-out payments	Financial liabilities measured at amortised cost	Total carrying amount	Fair value
	Level 2		Level 3	Level 3			
Valuation classification							
Other shares and participations	-	-	14	-	-	14	14
Trade receivables	-	3,340	-	-	-	3,340	3,340
Other receivables	-	33	-	-	-	33	33
Cash and cash equivalents	-	872	-	-	-	872	872
Total	-	4,245	14	-	-	4,259	4,259
Non-current interest-bearing liabilities	-	-	-	422	3,099	3,521	3,533
Current interest-bearing liabilities	-	-	-	198	1,886	2,084	2,084
Trade payables	-	-	-	-	1,446	1,446	1,446
Other liabilities	7	-	-	-	-	7	7
Total	7	-	-	620	6,431	7,058	7,070

31 Dec 2020, SEK million	Interest rate swaps and currency forward contracts in hedge accounting	Amortised cost	Holdings of shares and participation in unlisted companies	Contingent earn-out payments	Financial liabilities measured at amortised cost	Total carrying amount	Fair value
	Level 2		Level 3	Level 3			
Valuation classification							
Other shares and participations	-	-	12	-	-	12	12
Trade receivables	-	2,925	-	-	-	2,925	2,925
Other receivables	7	49	-	-	-	56	56
Cash and cash equivalents	-	758	-	-	-	758	758
Total	7	3,732	12	-	-	3,751	3,751
Non-current interest-bearing liabilities	-	-	-	462	3,588	4,050	4,057
Current interest-bearing liabilities	-	-	-	87	1,099	1,186	1,186
Trade payables	-	-	-	-	1,136	1,136	1,136
Other liabilities	10	-	-	-	-	10	10
Total	10	-	-	549	5,823	6,382	6,389

Financial instruments are measured at fair value, based on the classification of the fair value hierarchy: other observable data for assets and liabilities than quoted prices [level 2], non-observable market data [level 3].

No transfers were made between levels 2 and 3 during the period. 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.

Contingent earn-out payments	2021	2020
SEK million	31-Mar	31-Dec
Opening book value	549	565
Acquisitions during the year	65	319
Consideration paid	-7	-104
Reclassified via income statement	-3	-213
Interest expenses	2	5
Exchange rate differences	14	-23
Closing book value	620	549

Parent company income statement – condensed

SEK million	2021 Jan-Mar	2020 Jan-Mar	2020/21 Moving 12 mos	2020 Jan-Dec
Net sales	0	0	8	8
Gross profit	0	0	8	8
Administrative expenses	-34	-30	-121	-117
Operating profit	-34	-30	-113	-109
Financial income/expenses	16	-20	57	21
Profit from participation in Group companies	-	-	894	894
Profit after financial items	-18	-50	838	806
Appropriations	-	-	403	403
Income Tax	4	11	-78	-71
Net profit for the period	-14	-39	1,163	1,138
Amortisation/depreciation of intangible assets and property, plant and equipment	0	0	0	0

Parent company balance sheet – condensed

SEK million	2021 31-Mar	2020 31-Mar	2020 31-Dec
Intangible assets	0	0	0
Property, plant and equipment	1	1	1
Financial assets	6,233	6,164	6,253
Current receivables	6,846	6,735	6,861
Cash and cash equivalents	0	0	0
Total assets	13,080	12,900	13,115
Equity	7,074	5,824	7,088
Untaxed reserves	675	673	675
Non-current interest-bearing liabilities and pension liabilities	2,329	3,063	2,913
Other non-current liabilities and provisions	0	5	0
Current interest-bearing liabilities	2,911	3,098	2,286
Current non-interest-bearing liabilities	91	237	153
Total equity and liabilities	13,080	12,900	13,115

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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 stakeholders, 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 debt

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.

Capital employed

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 capital employed

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

Indutrade in brief

Indutrade is an international technology and industrial business group that today consists of more than 200 companies in some 30 countries, mainly in Europe. In a decentralised way, we work to provide sustainable profitable growth by developing and acquiring successful companies managed by passionate entrepreneurs. Our companies develop, manufacture, and sell components, systems and services with significant technical content in selected niches. Our value-based culture, where people make the difference, has been the foundation of our success since the start in 1978.

Customers can be found in a wide range of industries, including infrastructure, medical technology/pharmaceuticals, engineering, energy, water/wastewater and food.

The Group is structured into eight business areas: Benelux, DACH, Finland, Flow Technology, Fluids & Mechanical Solutions, Industrial Components, Measurement & Sensor Technology and UK.

The Group's financial targets are that:

Sales growth

- Average sales growth shall amount to a minimum of 10% per year over a business cycle. Growth is to be achieved organically as well as through acquisitions.

EBITA-margin

- The EBITA margin shall amount to a minimum of 12% per year over a business cycle.

Return on capital employed

- The return on capital employed shall be a minimum of 20% per year on average over a business cycle.

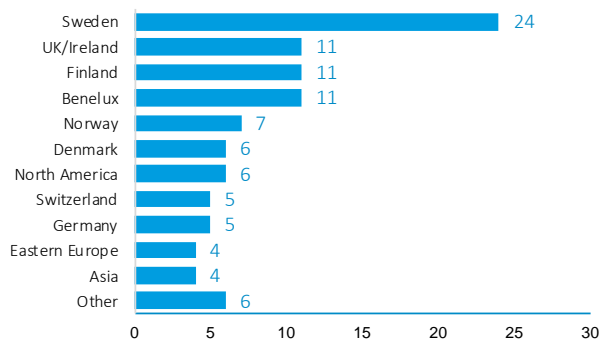
Net debt/equity ratio

- The net debt/equity ratio should normally not exceed 100%.

Dividend payout ratio

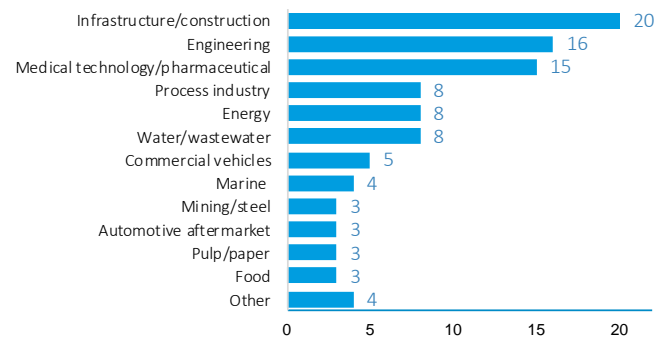
- The dividend payout ratio shall range from 30% to 50% of net profit.

Net sales per market, % ¹⁾



¹⁾Financial year 2020

Net sales per customer segment, % ¹⁾



This is an unofficial translation of the original Swedish text. In the event of any discrepancy between the English translation and the Swedish original, the Swedish version shall govern.

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Sustainability Report published!

Indutrade is a proud signatory of the UN Global Compact and in March, we published our Sustainability Report for 2020. The Sustainability Report, which is available on our website, describes our systematic sustainability efforts in the areas that are most significant to the Indutrade Group, along with summarising the year's activities.

Please read more about the long-term 2030 objectives and measurable key figures that we have identified in our three focus areas: people, environment and profitable growth. The report also contains information about how we work with environmental impact, implementation of the Code of Conduct and our new sustainability platform for collecting the Group's sustainability data. We regard business opportunities linked to sustainability as a driving force for developing our companies and continuing to generate sustainable profitable growth. [Read more here.](#)



Indutrade assigned credit rating BBB-

Indutrade was assigned the credit rating BBB-, with stable outlook from S&P Global Ratings.

For several years, Indutrade has been active in the Swedish capital market as an issuer of commercial paper and bonds. Many investors have rules that only allow investments in companies with a public rating. It is therefore natural for Indutrade to apply for a credit rating as a means of further expanding the investor base.

"An investment grade credit rating confirms Indutrade's stable business model and strong financial position. The rating further improves our position on the capital market and it will support Indutrade in the continued growth strategy," says Patrik Johnson, CFO at Indutrade.



Acquisition of Typhoon Group (Netherlands)

Typhoon Group is a highly focused supplier in stirring and mixing systems. The systems, which range from less complex agitators to advanced installations, mix raw materials and products for a wide range of industries, for example food and beverage, chemical, pharmaceutical, cosmetics, wastewater, rubber and plastics industry. Typhoon's offering includes customised solutions to OEM customers and industrial end users in primarily the Netherlands, Belgium and Germany, and is complemented by service and maintenance.

Founded in 1946, the Group currently has 22 employees and is based in Raamsdonksveer, the Netherlands, with branch offices in Brasschaat, Belgium and in Pennigsehl, Germany.

The closing took place on 15 February, and Typhoon Group is included in Indutrade's Business Area Benelux.

