

# Interim report first quarter

1 January – 31 March 2022



## First quarter 2022

- Order intake increased by 23% to SEK 7,085 million (5,747). For comparable units, it was an increase of 12%.
- Net sales increased by 24% to SEK 6,398 million (5,147). For comparable units, it was an increase of 12%.
- EBITA increased by 35% to SEK 959 million (713), corresponding to an EBITA margin of 15.0% (13.9%).
- Profit for the quarter rose 38% to SEK 638 million (461), and earnings per share amounted to SEK 1.75 (1.27).
- Cash flow from operating activities amounted to SEK 276 million (489).



## Financial Development

SEK million	2022 Jan-Mar	2021 Jan-Mar	Change	2021/22 Moving 12 mos	2021 Jan-Dec
Order intake	7,085	5,747	23%	24,812	23,474
Net sales	6,398	5,147	24%	22,966	21,715
Operating profit	849	623	36%	3,051	2,825
EBITA	959	713	35%	3,448	3,202
EBITA margin, %	15.0	13.9		15.0	14.7
Profit before taxes	814	594	37%	2,945	2,725
Net profit	638	461	38%	2,274	2,097
Earnings per share before dilution, SEK	1.75	1.27	38%	6.24	5.76
Return on capital employed, %	23	20		23	22
Cash flow from operating activities	276	489	-44%	2,640	2,853
Net debt/equity ratio, %	52	56		52	53

# Q1

## CEO's message

*Higher growth and record earnings*

### First quarter

Demand for the first quarter of 2022 was broad and strong, a sequential increase from the fourth quarter 2021. Order intake amounted to SEK 7.1 billion, which is an increase of 23% compared to previous year. Organically, the increase was 12% and all major customer segments developed positively, with the process industry and infrastructure sector being particularly strong. There was a favourable performance from all business areas and by most companies, with the highest organic order growth in the Finland and Flow Technology business areas.

Net sales improved in all business areas and amounted to SEK 6.4 billion, which is an increase of 24% compared to the same period last year. Organically, it was an increase of 12%, with the strongest growth in the Flow Technology, DACH and Fluids & Mechanical Solutions business areas.

As a consequence of Russia's invasion of Ukraine, we have stopped all business with companies in Russia and Belarus. We condemn Russia's actions and our thoughts are with everyone who has been affected. The Group does not have any subsidiaries or employees in Russia, Ukraine or Belarus and the direct business exposure is very limited. Also the indirect exposure is assessed as limited and the total effect on net sales during the first quarter is overall marginal.

EBITA improved by 35% and amounted to SEK 959 million, corresponding to an EBITA margin of 15.0% – the highest ever for a first quarter! The improvement was driven by both improved gross margins in comparable units and good margins in newly acquired companies. The EBITA margin increased in all business areas, with the largest increase in Finland and the UK.

During the quarter, our companies continued to be impacted by the disruptions in delivery chains, with long delivery times and component shortage without indication of any improvement. These disruptions, together with rising inflation, hampered and dampened our performance somewhat during the quarter, causing a rising challenge for our companies. Nevertheless, I am confident that our entrepreneurial, flexible companies will be able to continue managing the situation effectively through, for example, proactive purchasing efforts and successful pricing.

The supply chain disruptions also led to many companies having a higher amount of capital tied up in inventory during the first quarter. That, together with higher accounts receivable led to a decrease in cash flow. Working capital efficiency continued to improve however, and the Group's financial position is still stable and strong with a historically low debt/equity ratio.



### Acquisitions

The activity in our acquisition processes remained high during the first quarter. Thus far in 2022, we have completed four acquisitions corresponding to annual sales of around SEK 340 million. Liechtenstein-based NTi Audio AG is a leading provider of test and measurement equipment for acoustics, audio and vibration applications. The company works in a well-defined market niche with strong growth. The British company, Autoroll, manufactures steel industrial doors and aluminium roller garage doors. It was an add-on acquisition to Ellard Group and together, it gives them a more complete and competitive product offering.

During April, we completed the acquisitions of the German company Stabalux and the Swedish company PMH International. Stabalux manufactures profile systems for curtain wall facades. PMH International is a specialised technical trading company operating in the market segments lifting and material handling equipment as well as industrial/storage halls.

Despite higher uncertainty, our assessment is that the acquisition climate in 2022 remains good. We have a high level of activity in our acquisition processes and are working continuously to strengthen our capacity, which puts the prerequisites in place for being able to continue making value-creating acquisitions.

### Outlook

The geopolitical challenges, continued disruptions in supply chains and rising inflation contribute to a higher business risk ahead. However, the strong first quarter and our high order backlog give us confidence regarding sales and earnings growth in the short term. We continue focusing on organic growth, where, among other things, sustainability is an important business opportunity. Continuous innovation and development of products and solutions that makes customers' operations more efficient and lowers the environmental impact, are key to strengthening competitiveness even further.

Our business model has historically proven itself to be very resilient and our entrepreneurs are skilled at navigating during volatile market conditions. The Group's structure, with quick-to-respond, flexible, customer-oriented companies, together with a strong order backlog, provides us with a stable platform for continued long-term sustainable and profitable growth.

Bo Annvik, President and CEO

## Group performance

### Order intake

The market situation improved further during the quarter and demand was higher than it was in both the fourth quarter, and the corresponding quarter last year. There was a positive trend in all of the major customer segments, although the process industry and infrastructure segments were particularly strong.

Order intake was 11% higher than invoicing and amounted to SEK 7,085 million (5,747), which is an increase of 23% compared to the same period last year. For comparable units, order intake increased by 12% and acquired growth amounted to 7%. Currency movements had a positive impact of 4%.

Order intake increased organically in all business areas, with the strongest growth from the Finland and Flow Technology business areas. The positive trend was broad in both business areas and order intake improved at the majority of companies during the quarter.

### Net sales

During the first quarter, net sales increased by 24% compared to previous year and amounted to SEK 6,398 (5,147) million. Comparable units increased by 12%, acquisitions contributed 8% and currency movements had an effect of 4%.

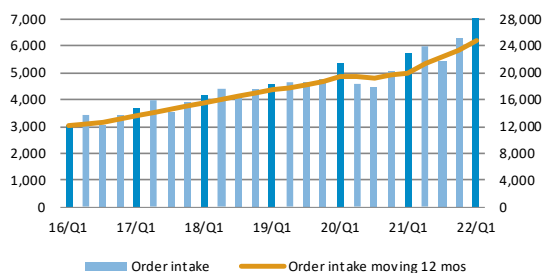
Net sales increased organically in all business areas compared to the same period last year. The strongest performance was in the Flow Technology, DACH and Fluids & Mechanical Solutions business areas, where most companies and customer segments developed positively.

Disruptions in the supply chains persisted during the quarter for many companies, without any indications of it easing up. Long delivery times from suppliers, along with shortage of components and certain products led to an overall somewhat lower level of net sales and increased order backlog during the quarter.

Because of Russia's invasion of Ukraine, Indutrade stopped all business with companies in Russia and Belarus during the quarter. The Group does not have any subsidiaries or employees in Russia, Ukraine or Belarus and the direct exposure is very limited. During 2021, net sales to these countries accounted for less than 1% of Indutrade's total sales. Also the indirect exposure is assessed as limited and the total effect on net sales during the first quarter is marginal.

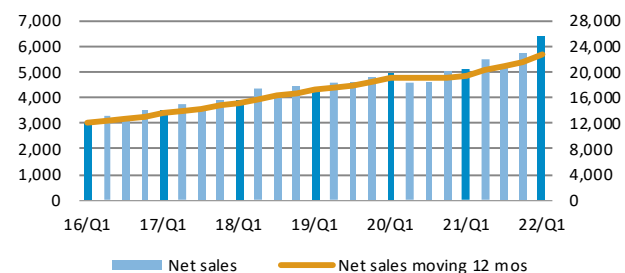
#### Order intake

SEK million

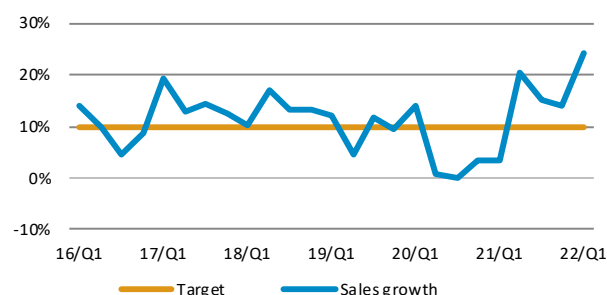


#### Net Sales

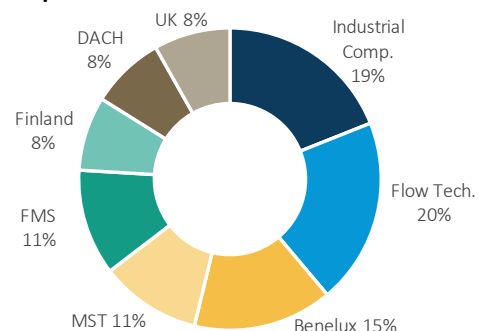
SEK million



#### Sales growth



#### Net Sales per Business Area



# Q1

## Earnings

Operating profit before amortisation of intangible assets attributable to acquisitions (EBITA) amounted to SEK 959 million (713) for the first quarter, which is an improvement of 35%. Comparable units increased by 19%, acquisitions contributed 11% and currency movements had a positive effect of 5%. The EBITA margin increased and amounted to 15.0% (13.9%).

The margin improvement is primarily attributable to strong organic development of the gross margin and good profitability in newly acquired companies.

Thanks to continued successful pricing efforts, the gross margin improved during the first quarter and amounted to 34.6% (34.3%).

All business areas showed improvements in the EBITA margin during the quarter. The largest increases were noted in the Finland and UK business areas. In both business areas, the strong improvement was attributable to organic improvements in most of the companies, although newly acquired units also contributed with good profitability.

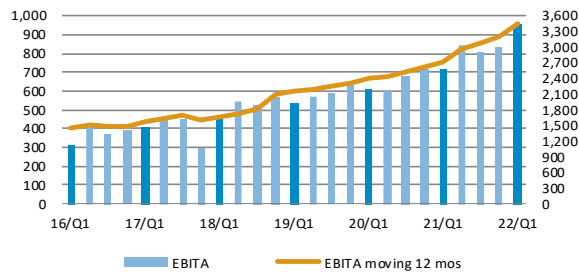
Net financial items for the first quarter amounted to SEK -35 million (-29). Tax on profit for the quarter amounted to SEK -176 million (-133), corresponding to a tax charge of 22% (22%). Profit for the quarter increased by 38% and amounted to SEK 638 million (461). Earnings per share before dilution increased by 38% and amounted to SEK 1.75 (1.27).

## Return

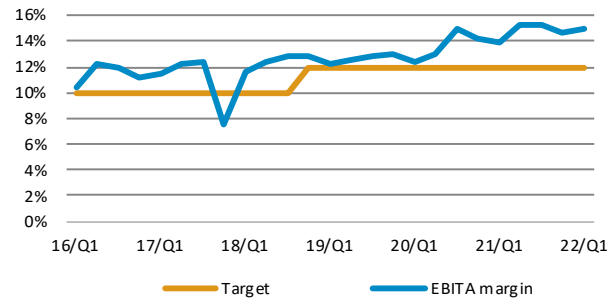
As a result of both improved profitability and capital efficiency, the return on capital employed compared to the prior year improved and amounted to 23% (20%). Return on equity amounted to 23% (21%).

### EBITA

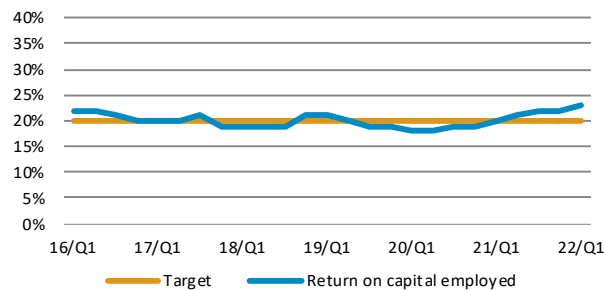
SEK million



### EBITA margin

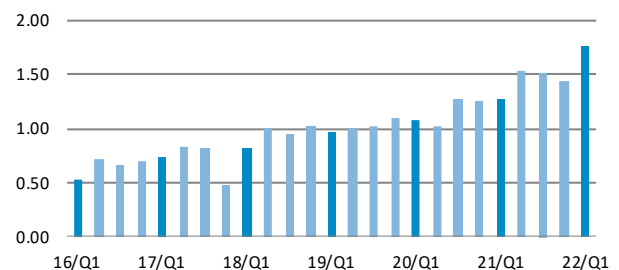


### Return



### Earnings per share

SEK



## 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	2022 Jan-Mar	2021 Jan-Mar	Change	2021/22 Moving 12 mos	2021 Jan-Dec
Net sales	949	801	18%	3,479	3,331
EBITA	138	115	20%	487	464
EBITA margin, %	14.5	14.4		14.0	13.9

Net sales increased by 18% during the first quarter to SEK 949 million (801). Comparable units had a positive effect of 9%, acquisitions contributed 6% and currency movements had an effect of 3%.

Overall, demand during the first quarter was higher than the corresponding period previous year, with improvements in most of the segments. Order intake was 13% higher than invoicing during the first quarter.

EBITA for the quarter increased by 20% to SEK 138 million (115), corresponding to an EBITA margin of 14.5% (14.4%). Comparable units had a positive effect of 9%, acquisitions contributed 7% and currency movements had an effect of 4%.

There was a positive trend in the demand for valves for power generation during the quarter. However, due to delivery delays among others, there was a slight decrease in net sales and earnings, which dampened the business area's performance.

### 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	2022 Jan-Mar	2021 Jan-Mar	Change	2021/22 Moving 12 mos	2021 Jan-Dec
Net sales	504	371	36%	1,794	1,661
EBITA	70	45	56%	261	236
EBITA margin, %	13.9	12.1		14.5	14.2

During the quarter, net sales were 36% higher than the same period previous year and amounted to SEK 504 million (371). Comparable units increased by 17%, acquisitions contributed 11% and currency movements had an effect of 8%.

Overall, demand during the quarter was higher than the corresponding period previous year, with a positive development in most of the companies.

Order intake was 11% higher than invoicing during the quarter.

EBITA for the quarter increased by 56% to SEK 70 million (45), and the EBITA margin amounted to 13.9% (12.1%). For comparable units, EBITA increased by 33%, acquisitions contributed with 13% and currency movements had an effect of 10%.

The improved EBITA margin was primarily attributable to higher net sales for comparable units and good profitability in newly acquired companies.

# Q1

## 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	2022 Jan-Mar	2021 Jan-Mar	Change	2021/22 Moving 12 mos	2021 Jan-Dec
Net sales	505	386	31%	1,945	1,826
EBITA	73	45	62%	311	283
EBITA margin, %	14.5	11.7		16.0	15.5

During the quarter, net sales were 31% higher than the same period previous year and amounted to SEK 505 million (386). Comparable units increased by 14%, acquisitions contributed 12% and currency movements had an effect of 5%.

Demand during the quarter was higher than the corresponding period previous year, with positive development in the majority of the business area's companies. Order intake was 14% higher than invoicing during the quarter.

EBITA for the quarter increased by 62% and amounted to SEK 73 million (45). The EBITA margin improved compared to last year and amounted to 14.5% (11.7%). Comparable units had an effect of 32%, acquisitions contributed 25% and currency movements had an effect of 5%.

The improved EBITA margin was primarily driven by higher net sales for comparable units along with good performance from newly acquired companies.

## 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	2022 Jan-Mar	2021 Jan-Mar	Change	2021/22 Moving 12 mos	2021 Jan-Dec
Net sales	1,265	1,003	26%	4,563	4,301
EBITA	200	140	43%	728	668
EBITA margin, %	15.8	14.0		16.0	15.5

During the quarter, net sales were 26% higher than the corresponding period previous year and amounted to SEK 1,265 million (1,003). Comparable units increased by 18%, acquisitions contributed 3% and currency movements had an effect of 5%.

Demand during the quarter was higher than in the corresponding period previous year. Most of the companies reported a positive trend, although demand was particularly strong from customers in the process industry and the medical technology/pharmaceuticals segment. Order intake was 15% higher than invoicing.

EBITA for the quarter increased by 43% to SEK 200 million (140), and the EBITA margin improved to 15.8% (14.0%). Comparable units increased by 35%, acquisitions contributed 2% and currency movements had an effect of 6%.

The improved EBITA margin is primarily explained by improved net sales and gross margin for comparable units.

## 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	2022 Jan-Mar	2021 Jan-Mar	Change	2021/22 Moving 12 mos	2021 Jan-Dec
Net sales	722	525	38%	2,564	2,367
EBITA	113	73	55%	422	382
EBITA margin, %	15.7	13.9		16.5	16.1

Net sales increased during the quarter by 38% to SEK 722 million (525). Comparable units increased by 17%, acquisitions contributed 19% and currency movements had an effect of 2%.

Demand during the quarter was higher than the corresponding period previous year for most of the segments in the business area, with the strongest trend in the infrastructure segment. Order intake in the vehicle aftermarket segment decreased somewhat due to such things as terminated business with customers in Russia and Belarus. Order intake was overall 3% higher than invoicing.

EBITA for the quarter increased by 55% to SEK 113 million (73), and the EBITA margin increased to 15.7% (13.9%). Comparable units increased by 25%, acquisitions contributed 27% and currency movements had an effect of 3%.

The improved EBITA margin is primarily explained by higher net sales for comparable units along with a good performance from newly acquired companies.

## 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	2022 Jan-Mar	2021 Jan-Mar	Change	2021/22 Moving 12 mos	2021 Jan-Dec
Net sales	1,270	1,153	10%	4,590	4,473
EBITA	218	186	17%	765	733
EBITA margin, %	17.2	16.1		16.7	16.4

Net sales increased during the quarter by 10% to SEK 1,270 million (1,153). Comparable units increased by 6%, acquisitions contributed 2% and currency movements had an effect of 2%.

Demand during the quarter was stronger than during the corresponding period previous year, with growth in all of the business area's segments.

Order intake was 9% higher than invoicing during the quarter.

EBITA for the quarter increased by 17% to SEK 218 million (186), and the EBITA margin amounted to 17.2% (16.1%). EBITA for comparable units increased by 12%, acquisitions contributed 3% and currency movements had an effect of 2%.

The improved EBITA margin is primarily attributable to higher gross margin for comparable units. The development of net sales and earnings was counteracted somewhat by the segment for medical technology, in which, during the corresponding period previous year, there were high deliveries related to the COVID-19 pandemic.

# Q1

## 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	2022 Jan-Mar	2021 Jan-Mar	Change	2021/22 Moving 12 mos	2021 Jan-Dec
Net sales	687	570	21%	2,489	2,372
EBITA	131	99	32%	460	428
EBITA margin, %	19.1	17.4		18.5	18.0

Net sales increased by 21% during the quarter to SEK 687 million (570). Comparable units had an effect of 10%, acquisitions contributed 5% and currency movements had an effect of 6%.

Demand during the quarter was higher than during the corresponding period previous year, with increases in the majority of the business area's segments. Order intake was 15% higher than invoicing during the quarter.

EBITA for the quarter increased by 32% and amounted to SEK 131 million (99). The EBITA margin amounted to 19.1% (17.4%). Comparable units had an effect on EBITA of 22%, acquisitions contributed 5% and currency movements had an effect of 5%.

The improved EBITA margin came primarily from higher net sales for comparable units.

## 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	2022 Jan-Mar	2021 Jan-Mar	Change	2021/22 Moving 12 mos	2021 Jan-Dec
Net sales	520	355	46%	1,632	1,467
EBITA	68	38	79%	188	158
EBITA margin, %	13.1	10.7		11.5	10.8

Net sales increased during the quarter by 46% to SEK 520 million (355). Comparable units increased by 8%, acquisitions contributed 29% and currency movements had a positive effect of 9%.

Demand during the quarter was higher than during the corresponding period previous year, for the majority of the business area's companies. Order intake was 2% higher than invoicing during the quarter.

EBITA increased during the quarter by 79% and amounted to SEK 68 million (38). The EBITA margin amounted to 13.1% (10.7%). Comparable units had an effect of 25%, acquisitions contributed 44% and currency movements had a positive effect of 10%.

The improved EBITA margin is primarily explained by stronger gross margin for comparable units and contribution from newly acquired companies.



## Other financial information

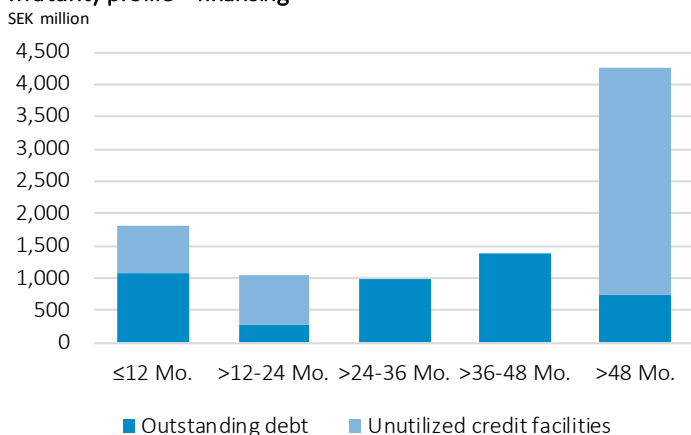
### Financial position

At the end of the quarter, shareholders' equity amounted to SEK 11,038 million (9,275) and the equity ratio was 48% (48%). Cash and cash equivalents amounted to SEK 1,189 million (872) and in addition to that, there were unutilised credit commitments of SEK 4,982 million (4,728). Interest-bearing net debt amounted to SEK 5,766 million (5,157) at the end of the quarter. The increase compared to previous year is primarily attributable to a high rate of acquisition during the last year. The net debt/equity ratio was 52% (56%) at the end of the period.

Indutrade's financing is primarily managed by the Parent Company and it consists of loans from financial institutions, corporate bonds and commercial paper programmes. During the quarter, an unsecured bond loan was issued for SEK 650 million with a tenor of 4 years, primarily for refinancing of existing loans, along with general business purposes, including acquisitions.

At the end of the quarter, the Parent Company's short-term borrowing amounted to SEK 1,090 million and long-term unutilised credit facilities amounted to SEK 4,250 million.

#### Maturity profile - financing <sup>1)</sup>



<sup>1)</sup> 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 decreased during the quarter compared to the corresponding period previous year and amounted to SEK 276 million (489). The decrease was primarily due to higher accounts receivable and inventory. However, working capital efficiency continued to improve during the quarter.

In cash flow from operating activities depreciation of leased assets in the amount of SEK 96 million (86) has been added back in accordance with IFRS 16. Lease amortisation is reported as cash flow from financing activities.

Cash flow after net capital expenditures in intangible non-current assets and in property, plant and equipment (excluding company acquisitions) amounted to SEK 146 million (410). The Group's net capital expenditures, excluding company acquisitions, totalled SEK 130 million (79). Depreciation of property, plant and equipment totalled SEK 174 million (153). Investments in company acquisitions amounted to SEK 101 million (442). In addition, payment for previous years' acquisitions totalled SEK 57 million (7). Divestments amounted to SEK 0 million (0).

### Employees

The number of employees was 8,288 at the end of the period, compared with 8,185 at the start of the year.

### Company acquisitions

During the first quarter, the Group acquired the following companies, which are consolidated for the first time in 2022.

Month acquired	Acquisitions	Business area	Net sales/SEK m*	No. of employees*
January	Autoroll UK Ltd	UK	67	31
February	NTi Audio AG	MST	90	43
<b>Total</b>			<b>157</b>	<b>74</b>

\*) 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.

# Q1

## Events after the end of the reporting period

On 1 April, Stabalux GmbH was acquired. For more information, please see page 20.

On 7 April, PMH International AB was acquired. For more information, please see page 20.

## Annual General Meeting and dividend

The Annual General Meeting was held on 5 April 2022. Due to COVID-19, the AGM was conducted solely via advance (postal) voting in accordance with temporary legislation.

The AGM adopted the Board's proposal for dividends for the 2021 financial year of SEK 2.30 per share.

The AGM resolved to approve the Board's proposal of a change to the Articles of Association such that it would be possible to elect additional directors. Bo Anvik, Susanna Campbell, Anders Jernhall, Bengt Kjell, Ulf Lundahl, Katarina Martinson, Krister Mellvé and Lars Pettersson were re-elected as directors and Kerstin Lindell was newly elected as director for the period through to the end of the next AGM. Katarina Martinson was re-elected as Chair of the Board.

The AGM resolved to approve the Board's proposal on setting up a long-term incentive program (LTIP 2022), along with hedging measures associated with that. LTIP 2022 consists of performance shares and it is offered to members of the Group management including the CEO, business unit managers, the subsidiary MDs and other key employees.

## Parent company

The main functions of Indutrade AB are to take responsibility for business development, talent development, sustainability, 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) for the period January-March. The Parent Company's financial fixed assets consist mainly of shares in subsidiaries. During the period January-March, the Parent Company acquired shares in one company. The Parent Company has not made any major investments in intangible assets or in property, plant and equipment. The number of employees as of 31 March was 21 (19).

## 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 2021, 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 2021 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 have a significant impact on the Group's result of operations and position in 2022.

## Financial Calendar

- 19 July 2022  
Interim report 1 January – 30 June 2022
- 28 October 2022:  
Interim report 1 January – 30 September 2022
- 2 February 2023  
Year-end report 1 January – 31 December 2022

Stockholm 29 April 2022  
Indutrade AB (publ)

Bo Annvik  
President and CEO

The report has not been subject to a review 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 on 29 April 2022 at 7.30 CEST.

### 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 CEST via the following link:

<https://tv.streamfabriken.com/indutrade-q1-2022>

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

SE: +46 8 566 427 03

UK: +44 3333 00 92 64

US: +1 6 467 224 956

# Q1

## Indutrade consolidated income statement – condensed

SEK million	2022 Jan-Mar	2021 Jan-Mar	2021/22 Moving 12 mos	2021 Jan-Dec
Net sales	6,398	5,147	22,966	21,715
Cost of goods sold	-4,186	-3,382	-14,910	-14,106
<b>Gross profit</b>	<b>2,212</b>	<b>1,765</b>	<b>8,056</b>	<b>7,609</b>
Development costs	-76	-60	-274	-258
Selling costs	-937	-771	-3,445	-3,279
Administrative expenses	-377	-303	-1,305	-1,231
Other operating income and expenses	27	-8	19	-16
<b>Operating profit</b>	<b>849</b>	<b>623</b>	<b>3,051</b>	<b>2,825</b>
Net financial items	-35	-29	-106	-100
<b>Profit before taxes</b>	<b>814</b>	<b>594</b>	<b>2,945</b>	<b>2,725</b>
Income Tax	-176	-133	-671	-628
<b>Net profit for the period</b>	<b>638</b>	<b>461</b>	<b>2,274</b>	<b>2,097</b>
<i>Net profit, attributable to:</i>				
Equity holders of the parent company	637	461	2,271	2,095
Non-controlling interests	1	0	3	2
	<b>638</b>	<b>461</b>	<b>2,274</b>	<b>2,097</b>
<b>EBITA</b>	<b>959</b>	<b>713</b>	<b>3,448</b>	<b>3,202</b>
<i>Operating profit includes:</i>				
Amortisation of intangible assets <sup>1)</sup>	-121	-100	-440	-419
<i>of which attributable to acquisitions</i>	<i>-110</i>	<i>-90</i>	<i>-397</i>	<i>-377</i>
Depreciation of property, plant and equipment	-174	-153	-660	-639
Earnings per share before dilution, SEK	1.75	1.27	6.24	5.76
Earnings per share after dilution, SEK	1.75	1.27	6.24	5.75

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

## Indutrade consolidated statement of comprehensive income

SEK million	2022 Jan-Mar	2021 Jan-Mar	2021/22 Moving 12 mos	2021 Jan-Dec
<b>Net profit for the period</b>	<b>638</b>	<b>461</b>	<b>2,274</b>	<b>2,097</b>
<b>Other comprehensive income</b>				
<b>Items that can be reversed into income statement</b>				
Fair value adjustment of hedge instruments	0	-5	6	1
Tax attributable to fair value adjustments	0	1	-1	0
Exchange rate differences	91	184	110	203
<b>Items that cannot be reversed into income statement</b>				
Actuarial gains/losses	-	-	54	54
Tax on actuarial gains/losses	-	-	-11	-11
<b>Other comprehensive income for the period, net of tax</b>	<b>91</b>	<b>180</b>	<b>158</b>	<b>247</b>
<b>Total comprehensive income for the period</b>	<b>729</b>	<b>641</b>	<b>2,432</b>	<b>2,344</b>
<i>Total comprehensive income, attributable to:</i>				
Equity holders of the parent company	728	641	2,429	2,342
Non-controlling interests	1	0	3	2

## Indutrade consolidated balance sheet – condensed

SEK million	2022 31-Mar	2021 31-Mar	2021 31-Dec
Goodwill	5,564	4,648	5,439
Other intangible assets	3,321	2,892	3,331
Property, plant and equipment	3,454	3,265	3,385
Financial assets	208	225	204
Inventories	4,324	3,478	4,010
Trade receivables	4,060	3,340	3,458
Other receivables	962	736	713
Cash and cash equivalents	1,189	872	1,460
<b>Total assets</b>	<b>23,082</b>	<b>19,456</b>	<b>22,000</b>
Equity	11,038	9,275	10,303
Non-current interest-bearing liabilities and pension liabilities	5,143	3,945	5,536
Other non-current liabilities and provisions	972	811	976
Current interest-bearing liabilities	1,812	2,084	1,413
Trade payables	1,900	1,446	1,597
Other current liabilities	2,217	1,895	2,175
<b>Total equity and liabilities</b>	<b>23,082</b>	<b>19,456</b>	<b>22,000</b>

## Indutrade consolidated statement of changes in equity – condensed

Attributable to equity holders of the parent company SEK million	2022 31-Mar	2021 31-Mar	2021 31-Dec
Opening equity	10,292	8,624	8,624
Total comprehensive income for the period	728	641	2,342
New issues	-	-	48
Dividend <sup>1)</sup>	-	-	-655
Hedging of incentive programme	-	-	-80
Share-based payments	6	-	13
<b>Closing equity</b>	<b>11,026</b>	<b>9,265</b>	<b>10,292</b>
<sup>1)</sup> Dividend per share for 2020 was SEK 1,80			
Equity, attributable to:			
Equity holders of the parent company	11,026	9,265	10,292
Non-controlling interests	12	10	11
	<b>11,038</b>	<b>9,275</b>	<b>10,303</b>

# Q1

## Indutrade consolidated cash flow statement – condensed

SEK million	2022 Jan-Mar	2021 Jan-Mar	2021/22 Moving 12 mos	2021 Jan-Dec
Operating profit	849	623	3,051	2,825
Non-cash items	290	251	1,119	1,080
Interests and other financial items, net	-27	-21	-78	-72
Paid tax	-242	-200	-680	-638
Change in working capital	-594	-164	-772	-342
<b>Cash flow from operating activities</b>	<b>276</b>	<b>489</b>	<b>2,640</b>	<b>2,853</b>
Net capital expenditures in non-current assets	-130	-79	-408	-357
Company acquisitions and divestments	-158	-449	-1,369	-1,660
Change in other financial assets	6	10	13	17
<b>Cash flow from investing activities</b>	<b>-282</b>	<b>-518</b>	<b>-1,764</b>	<b>-2,000</b>
Debt/repayment of debt, net	-280	110	17	407
Dividend paid out	-	-	-655	-655
New issues	-	-	48	48
<b>Cash flow from financing activities</b>	<b>-280</b>	<b>110</b>	<b>-590</b>	<b>-200</b>
<b>Cash flow for the period</b>	<b>-286</b>	<b>81</b>	<b>286</b>	<b>653</b>
Cash and cash equivalents at start of period	1,460	758	872	758
Exchange rate differences	15	33	31	49
<b>Cash and cash equivalents at end of period</b>	<b>1,189</b>	<b>872</b>	<b>1,189</b>	<b>1,460</b>

## Key data

	2022 31-Mar	2021 31-Dec	2021 31-Mar	2020 31-Dec	2019 31-Dec
<b>Moving 12 mos</b>					
Net sales, SEK million	22,966	21,715	19,388	19,217	18,411
Sales growth, %	18	13	2	4	9
EBITA, SEK million	3,448	3,202	2,712	2,615	2,330
EBITA margin, %	15.0	14.7	14.0	13.6	12.7
Capital employed at end of period, SEK million	16,804	15,792	14,432	13,512	13,300
Capital employed, average, SEK million	15,141	14,516	13,675	13,541	12,416
Return on capital employed, % <sup>1)</sup>	23	22	20	19	19
Equity, average, SEK million	9,773	9,297	8,288	7,899	6,715
Return on equity, % <sup>1)</sup>	23	23	21	21	22
Interest-bearing net debt at end of period, SEK million	5,766	5,489	5,157	4,878	6,130
Net debt/equity ratio, %	52	53	56	56	85
Net debt/EBITDA, times	1.4	1.4	1.5	1.5	2.1
Equity ratio, %	48	47	48	48	41
Average number of employees	7,923	7,715	7,338	7,349	7,167
Number of employees at end of period	8,288	8,185	7,488	7,270	7,357
<i>Attributable to equity holders of the parent company</i>					
<i>Key ratios per share</i>					
Earnings per share before dilution, SEK	6.24	5.76	4.80	4.60	4.09
Earnings per share after dilution, SEK	6.24	5.75	4.79	4.59	4.09
Equity per share, SEK	30.28	28.26	25.48	23.72	19.74
Cash flow from operating activities per share, SEK	7.25	7.84	7.85	7.66	5.30
Average number of shares before dilution, '000	364,062	363,921	362,981	362,721	362,565
Average number of shares after dilution, '000	364,234	364,180	363,597	363,320	362,754
Number of shares at the end of the period, '000	364,188	364,188	363,615	363,615	362,565

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

# Q1

## Business area performance

	2022 Jan-Mar	2021 Jan-Mar	2021/22 Moving 12 mos	2021 Jan-Dec
<b>Net sales, SEK million</b>				
Benelux	949	801	3,479	3,331
DACH	504	371	1,794	1,661
Finland	505	386	1,945	1,826
Flow Technology	1,265	1,003	4,563	4,301
Fluids & Mechanical Solutions	722	525	2,564	2,367
Industrial Components	1,270	1,153	4,590	4,473
Measurement & Sensor Technology	687	570	2,489	2,372
UK	520	355	1,632	1,467
Parent company and Group items	-24	-17	-90	-83
<b>Total</b>	<b>6,398</b>	<b>5,147</b>	<b>22,966</b>	<b>21,715</b>
<b>EBITA, SEK million</b>				
Benelux	138	115	487	464
DACH	70	45	261	236
Finland	73	45	311	283
Flow Technology	200	140	728	668
Fluids & Mechanical Solutions	113	73	422	382
Industrial Components	218	186	765	733
Measurement & Sensor Technology	131	99	460	428
UK	68	38	188	158
Parent company and Group items	-52	-28	-174	-150
<b>Total</b>	<b>959</b>	<b>713</b>	<b>3,448</b>	<b>3,202</b>
<b>EBITA margin, %</b>				
Benelux	14.5	14.4	14.0	13.9
DACH	13.9	12.1	14.5	14.2
Finland	14.5	11.7	16.0	15.5
Flow Technology	15.8	14.0	16.0	15.5
Fluids & Mechanical Solutions	15.7	13.9	16.5	16.1
Industrial Components	17.2	16.1	16.7	16.4
Measurement & Sensor Technology	19.1	17.4	18.5	18.0
UK	13.1	10.7	11.5	10.8
<b>Total</b>	<b>15.0</b>	<b>13.9</b>	<b>15.0</b>	<b>14.7</b>



## Business area performance per quarter

Net sales, SEK million	2022	2021			
	Jan-Mar	Oct-Dec	Jul-Sep	Apr-Jun	Jan-Mar
Benelux	949	843	823	864	801
DACH	504	457	424	409	371
Finland	505	525	462	453	386
Flow Technology	1,265	1,109	1,045	1,144	1,003
Fluids & Mechanical Solutions	722	643	596	603	525
Industrial Components	1,270	1,192	1,015	1,113	1,153
Measurement & Sensor Technology	687	622	570	610	570
UK	520	360	377	375	355
Parent company and Group items	-24	-25	-22	-19	-17
<b>Total</b>	<b>6,398</b>	<b>5,726</b>	<b>5,290</b>	<b>5,552</b>	<b>5,147</b>

BITA, SEK million	Jan-Mar	2021			
	Jan-Mar	Oct-Dec	Jul-Sep	Apr-Jun	Jan-Mar
Benelux	138	127	100	122	115
DACH	70	69	63	59	45
Finland	73	81	81	76	45
Flow Technology	200	168	175	185	140
Fluids & Mechanical Solutions	113	108	105	96	73
Industrial Components	218	184	167	196	186
Measurement & Sensor Technology	131	112	104	113	99
UK	68	32	43	45	38
Parent company and Group items	-52	-45	-28	-49	-28
<b>Total</b>	<b>959</b>	<b>836</b>	<b>810</b>	<b>843</b>	<b>713</b>

EBITA margin, %	Jan-Mar	2021			
	Jan-Mar	Oct-Dec	Jul-Sep	Apr-Jun	Jan-Mar
Benelux	14.5	15.1	12.2	14.1	14.4
DACH	13.9	15.1	14.9	14.4	12.1
Finland	14.5	15.4	17.5	16.8	11.7
Flow Technology	15.8	15.1	16.7	16.2	14.0
Fluids & Mechanical Solutions	15.7	16.8	17.6	15.9	13.9
Industrial Components	17.2	15.4	16.5	17.6	16.1
Measurement & Sensor Technology	19.1	18.0	18.2	18.5	17.4
UK	13.1	8.9	11.4	12.0	10.7
<b>Total</b>	<b>15.0</b>	<b>14.6</b>	<b>15.3</b>	<b>15.2</b>	<b>13.9</b>

# Q1

## Disaggregation of revenue

### Net sales per geographic market

<b>2022</b>										
Jan-Mar, SEK million	Benelux	DACH	Finland	FT	FM	IC	MST	UK	Elim. <sup>1)</sup>	Total
Nordic countries	16	5	412	674	545	1,110	133	32	-10	2,917
Other Europe	814	478	41	439	143	142	249	429	-9	2,726
Americas	55	12	7	5	24	14	205	26	-3	345
Asia	46	8	12	138	8	4	78	27	-1	320
Other	18	1	33	9	2	0	22	6	-1	90
	<b>949</b>	<b>504</b>	<b>505</b>	<b>1,265</b>	<b>722</b>	<b>1,270</b>	<b>687</b>	<b>520</b>	<b>-24</b>	<b>6,398</b>

Timing of revenue recognition	Benelux	DACH	Finland	FT	FM	IC	MST	UK	Elim. <sup>1)</sup>	Total
Over time	12	76	0	0	48	3	60	0	0	199
Point in time	937	428	505	1,265	674	1,267	627	520	-24	6,199
	<b>949</b>	<b>504</b>	<b>505</b>	<b>1,265</b>	<b>722</b>	<b>1,270</b>	<b>687</b>	<b>520</b>	<b>-24</b>	<b>6,398</b>

<b>2021</b>										
Jan-Mar, SEK million	Benelux	DACH	Finland	FT	FM	IC	MST	UK	Elim. <sup>1)</sup>	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
	<b>801</b>	<b>371</b>	<b>386</b>	<b>1,003</b>	<b>525</b>	<b>1,153</b>	<b>570</b>	<b>355</b>	<b>-17</b>	<b>5,147</b>

Timing of revenue recognition	Benelux	DACH	Finland	FT	FM	IC	MST	UK	Elim. <sup>1)</sup>	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
	<b>801</b>	<b>371</b>	<b>386</b>	<b>1,003</b>	<b>525</b>	<b>1,153</b>	<b>570</b>	<b>355</b>	<b>-17</b>	<b>5,147</b>

<sup>1)</sup> Parent company & Group items

FT - Flow Technology

FM - Fluids & Mechanical Solutions

IC - Industrial Components

MST - Measurement & Sensor Technology

## Acquisitions

### Acquisitions during the interim period

All of the shares in Autoroll UK Ltd (UK) and NTi Audio AG (Liechtenstein) were acquired.

### Measurement & Sensor Technology

On 17 February, NTi Audio AG (Liechtenstein) was acquired, with annual sales of SEK 90 million. The company manufactures test and measurement equipment for acoustics, audio and vibration applications.

### UK

On 4 January, Autoroll UK Ltd (UK) was acquired, with annual sales of SEK 67 million. The company manufactures and supplies steel industrial doors and aluminium roller garage doors.

### Acquired assets and liabilities in 2022

#### Preliminary purchase price allocations

#### SEK million

Purchase price, incl. contingent earn-out payment totalling SEK	59 million	197
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Acquired assets and liabilities	Book value	Fair value adjustment	Fair value
Goodwill	6	76	82
Agencies, trademarks, customer relations, licences, etc.	-	74	74
Property, plant and equipment	5	-	5
Inventories	20	-	20
Other current assets <sup>1)</sup>	13	-	13
Cash and cash equivalents	26	-	26
Deferred tax liability	-	-10	-10
Other operating liabilities	-13	-	-13
	<b>57</b>	<b>140</b>	<b>197</b>

<sup>1)</sup> Mainly trade receivables

# Q1

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 0 million (3).

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 amounts to SEK 59 (52) million. The contingent earn-out payments fall due for payment within three years and can amount to a maximum of SEK 63 million (57). If the conditions are not met, the outcome can be in the range of SEK 0–63 million.

Transaction costs during the period totalled SEK 2 million (5) and are included in Other income and expenses in the income statement. Contingent earn-out payments were restated in the amount of SEK 22 million (4). The effect is reported under Other income and expenses in the amount of SEK 21 million (4) and under Net financial items in the amount of SEK 1 million (0).

The acquisition calculations for Pistesarjat Oy, Fire Proof B.V., Tecno Plast Industrietechnik GmbH, Typhoon Group and Efcon Water B.V., which were acquired during the first quarter of 2021, have now been finalised. No significant adjustments have been made to the calculations. For other acquisitions, the acquisition 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	197
Purchase price not paid out	-70
Cash and cash equivalents in acquired companies	-26
Payments pertaining to previous years' acquisitions	57
<b>Total cash flow impact</b>	<b>158</b>

## Effects of acquisitions carried out in 2021 and 2022

SEK million Business area	Net sales Jan-Mar	EBITA Jan-Mar
Benelux	47	8
DACH	39	6
Finland	47	11
Flow Technology	31	2
Fluids & Mechanical Solutions	99	20
Industrial Components	25	6
Measurement & Sensor Technology	31	5
UK	104	17
<b>Effect on Group</b>	<b>423</b>	<b>75</b>
Acquisitions carried out in 2021	395	75
Acquisitions carried out in 2022	28	0
<b>Effect on Group</b>	<b>423</b>	<b>75</b>

If all acquired units had been consolidated as from 1 January 2022, net sales for the year would have amounted to SEK 6,406 million, and EBITA would have totalled SEK 960 million.

## Acquisitions after the end of the reporting period

On 1 April, Stabalux GmbH was acquired, with annual sales of SEK 40 million. Stabalux is a manufacturer of profile systems for curtain wall facades.

On 7 April, PMH International AB was acquired, with annual sales of SEK 140 million. PMH is a specialised technical trading company operating in the market segments lifting and material handling equipment as well as industrial/storage halls.

## Share data

**At the end of the interim period the share capital amounted to SEK 728 million**

Number of shares at the beginning of the year	364,188,000
Number of newly subscribed shares	-
<b>Total number of shares outstanding after new issues</b>	<b>364,188,000</b>

### 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 a maximum of 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.

The participant shall receive performance shares provided that the employment is not terminated, the investment shares have been retained and the performance targets have been fulfilled. This is based on the accumulated average annual growth rate (CAGR) of earnings per share during the performance period.

During the interim period, SEK 6 million (-) (excluding social security contributions) were expensed as a result of the program.

## Outstanding incentive programmes

Outstanding programme	Number of investment shares	Corresponding maximum number of performance shares	Proportion of total shares	Vesting period
LTIP 2021	116,735	373,234	0.1%	Programme launch June 2021 – interim report publication first quarter 2024

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	484,000	1,452,000	27 April 2020 – 20 May 2022
2017/2022, Series II	60,000	180,000	0.0%	13.4	276.8	92.3	57,000	171,000	27 April 2020 – 20 May 2022

## Dilutive effects

	2022 Jan-Mar	2021 Jan-Mar	2021/22 Moving 12 mos	2021 Jan-Dec
Average number of shares before dilution, '000	364,188	363,615	364,062	363,921
Number of shares that incur a dilutive effect due to incentive programme, '000	86	400	172	259
<b>Average number of shares after dilution, '000</b>	<b>364,274</b>	<b>364,015</b>	<b>364,234</b>	<b>364,180</b>
Dilutive effect, %	0.02	0.11	0.05	0.07
<b>Number of shares at end of the period, '000</b>	<b>364,188</b>	<b>363,615</b>	<b>364,188</b>	<b>364,188</b>

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## Financial assets and liabilities

31 Mar 2022 SEK million	Interest rate swaps and currency forward contracts in hedge accounting		Holdings of shares and participation in unlisted companies	Contingent earn-out payments	Financial liabilities measured at amortised cost	Total carrying amount	Fair value
	Amortised cost						
Valuation classification	Level 2		Level 3	Level 3			
Other shares and participations	-	-	14	-	-	14	14
Trade receivables	-	4,060	-	-	-	4,060	4,060
Other receivables	2	26	-	-	-	28	28
Cash and cash equivalents	-	1,189	-	-	-	1,189	1,189
<b>Total</b>	<b>2</b>	<b>5,275</b>	<b>14</b>	<b>-</b>	<b>-</b>	<b>5,291</b>	<b>5,291</b>
Non-current interest-bearing liabilities	-	-	-	544	4,243	4,787	4,795
Current interest-bearing liabilities	-	-	-	317	1,495	1,812	1,812
Trade payables	-	-	-	-	1,900	1,900	1,900
Other liabilities	3	-	-	-	-	3	3
<b>Total</b>	<b>3</b>	<b>-</b>	<b>-</b>	<b>861</b>	<b>7,638</b>	<b>8,502</b>	<b>8,510</b>

31 Dec 2021 SEK million	Interest rate swaps and currency forward contracts in hedge accounting		Holdings of shares and participation in unlisted companies	Contingent earn-out payments	Financial liabilities measured at amortised cost	Total carrying amount	Fair value
	Amortised cost						
Valuation classification	Level 2		Level 3	Level 3			
Other shares and participations	-	-	14	-	-	14	14
Trade receivables	-	3,458	-	-	-	3,458	3,458
Other receivables	3	26	-	-	-	29	29
Cash and cash equivalents	-	1,460	-	-	-	1,460	1,460
<b>Total</b>	<b>3</b>	<b>4,944</b>	<b>14</b>	<b>-</b>	<b>-</b>	<b>4,961</b>	<b>4,961</b>
Non-current interest-bearing liabilities	-	-	-	600	4,586	5,186	5,199
Current interest-bearing liabilities	-	-	-	261	1,152	1,413	1,413
Trade payables	-	-	-	-	1,597	1,597	1,597
Other liabilities	5	-	-	-	-	5	5
<b>Total</b>	<b>5</b>	<b>-</b>	<b>-</b>	<b>861</b>	<b>7,335</b>	<b>8,201</b>	<b>8,214</b>

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	2022	2021
SEK million	31-Mar	31-Dec
Opening book value	861	549
Acquisitions during the year	59	418
Consideration paid	-47	-73
Reclassified via income statement	-21	-62
Interest expenses	3	9
Exchange rate differences	6	20
<b>Closing book value</b>	<b>861</b>	<b>861</b>

## Parent company income statement – condensed

SEK million	2022 Jan-Mar	2021 Jan-Mar	2021/22 Moving 12 mos	2021 Jan-Dec
Net sales	0	0	9	9
<b>Gross profit</b>	<b>0</b>	<b>0</b>	<b>9</b>	<b>9</b>
Administrative expenses	-35	-34	-133	-132
<b>Operating profit</b>	<b>-35</b>	<b>-34</b>	<b>-124</b>	<b>-123</b>
Financial income/expenses	23	16	81	74
Profit from participation in Group companies	-	-	1,288	1,288
<b>Profit after financial items</b>	<b>-12</b>	<b>-18</b>	<b>1,245</b>	<b>1,239</b>
Appropriations	-	-	761	761
Income Tax	2	4	-151	-149
<b>Net profit for the period</b>	<b>-10</b>	<b>-14</b>	<b>1,855</b>	<b>1,851</b>
Amortisation/depreciation of intangible assets and property, plant and equipment	0	0	0	0

## Parent company balance sheet – condensed

SEK million	2022 31-Mar	2021 31-Mar	2021 31-Dec
Intangible assets	0	0	0
Property, plant and equipment	1	1	1
Financial assets	7,102	6,233	6,971
Current receivables	8,057	6,846	8,746
Cash and cash equivalents	275	0	489
<b>Total assets</b>	<b>15,435</b>	<b>13,080</b>	<b>16,207</b>
Equity	8,246	7,074	8,254
Untaxed reserves	755	675	755
Non-current interest-bearing liabilities and pension liabilities	3,635	2,329	3,925
Other non-current liabilities and provisions	0	0	0
Current interest-bearing liabilities	2,720	2,911	3,037
Current non-interest-bearing liabilities	79	91	236
<b>Total equity and liabilities</b>	<b>15,435</b>	<b>13,080</b>	<b>16,207</b>

# Q1

## 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.

#### Capital employed

Shareholders' equity plus interest-bearing net debt.

#### 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.

#### 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.

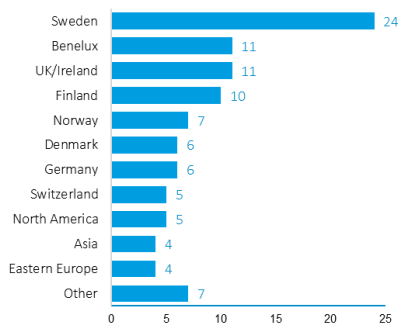
### Net debt/equity ratio

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

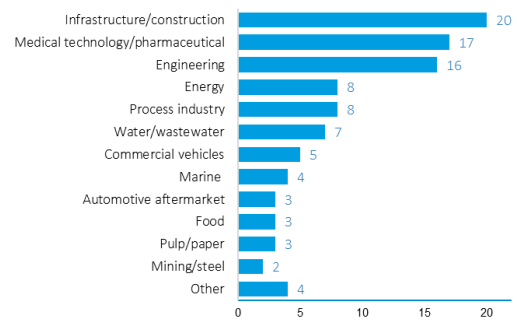
### Dividend payout ratio

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

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



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



<sup>1)</sup>Financial year 2021

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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# Q1

## Welcome NTi Audio!

In February, Indutrade acquired the Liechtenstein-based company, NTi Audio AG, with annual sales of approximately SEK 90 million. NTi Audio AG is a leading manufacturer of test and measurement equipment for acoustics, audio and vibration applications. The offering consists of a portfolio of handheld devices and modular audio analyzer systems along with accessories and software modules to meet specific customer and application requirements.

“NTi Audio has a strong product portfolio and is working in a well-defined market niche that fits perfectly in the Indutrade portfolio. With quality, innovation and engineering expertise at the core, along with strong underlying market drivers, NTi Audio is well positioned for continued growth”, says Bo Annvik, President and CEO of Indutrade.



## Autoroll – add-on acquisition to Ellard Group

In January, the British company, Autoroll UK Ltd was acquired, with annual sales of approximately SEK 67 million. Autoroll manufactures and supplies steel industrial doors and aluminium roller garage doors. Since the establishment in 1998, Autoroll has delivered the bespoke products to British customers within segments such as trade, garage door specialists, and fencing and electrical contractors. The company has 31 employees and is based in Washington, Tyne and Wear in the UK.

As an add-on to the Ellard Group, the companies' combined product offerings will provide strong growth opportunities as they complement and strengthen each other.



## Sustainability Report for 2021 published

In March, Indutrade published the Sustainability Report for 2021. The Sustainability Report, which is available on the website, describes our systematic sustainability efforts in the areas that are most important for the Indutrade Group and the year's activities are summarised in the report. We are convinced that systematic sustainability work integrated into the business strategy is a prerequisite for long-term value-creation.

The starting point for Indutrade's sustainability efforts is the principles of the UN Global Compact and it is based on all companies working in a structured way with their own important sustainability areas and goals, along with the Group-wide focus areas and goals.

