

# Interim report second quarter

and first half of 2022



## Second quarter 2022

- Order intake increased by 17% to SEK 7,029 million (6,006). For comparable units, it was an increase of 7%.
- Net sales increased by 20% to SEK 6,683 million (5,552). For comparable units, it was an increase of 10%.
- EBITA increased by 21% to SEK 1,023 million (843), corresponding to an EBITA margin of 15.3% (15.2%).
- Profit for the quarter rose 20% to SEK 675 million (562), and earnings per share amounted to SEK 1.85 (1.54).
- Cash flow from operating activities amounted to SEK 622 million (792).

## 1 January – 30 June 2022

- Order intake increased by 20% to SEK 14,114 million (11,753). For comparable units, it was an increase of 9%.
- Net sales increased by 22% to SEK 13,081 million (10,699). For comparable units, it was an increase of 11%.
- EBITA increased by 27% to SEK 1,982 million (1,556), corresponding to an EBITA margin of 15.2% (14.5%).
- Profit for the period rose 28% to SEK 1,313 million (1,023), and earnings per share amounted to SEK 3.60 (2.81).
- Cash flow from operating activities amounted to SEK 898 million (1,281).



## Financial Development

SEK million	2022	2021	Change	2022	2021	Change	2021/22	2021
	Apr-Jun	Apr-Jun		Jan-Jun	Jan-Jun		Moving 12 mos	Jan-Dec
Order intake	7,029	6,006	17%	14,114	11,753	20%	25,835	23,474
Net sales	6,683	5,552	20%	13,081	10,699	22%	24,097	21,715
Operating profit	908	751	21%	1,757	1,374	28%	3,208	2,825
EBITA	1,023	843	21%	1,982	1,556	27%	3,628	3,202
EBITA margin, %	15.3	15.2		15.2	14.5		15.1	14.7
Profit before taxes	871	722	21%	1,685	1,316	28%	3,094	2,725
Net profit	675	562	20%	1,313	1,023	28%	2,387	2,097
Earnings per share before dilution, SEK	1.85	1.54	20%	3.60	2.81	28%	6.55	5.76
Return on capital employed, %	23	21		23	21		23	22
Cash flow from operating activities	622	792	-21%	898	1,281	-30%	2,470	2,853
Net debt/equity ratio, %	64	59		64	59		64	53

# Q2

## CEO's message

*Continued strong growth and new record earnings.*



### Second quarter

Demand remained strong and broad during the second quarter, with an improved order intake both compared to the corresponding period previous year and sequentially, despite challenging comparison figures. Overall, it resulted in a total order growth of 17%, of which 7% was organic. Demand was good in all of the major customer segments, with the strongest and most stable growth in the process industry. In other customer segments the demand was also good, but with a rising variation between companies and geographic areas, partly attributable to challenging comparison figures. Order backlog continued to grow during the quarter in all business areas and is of good quality.

Despite continued disruptions in supply chains, net sales increased by 20% to SEK 6.7 billion. Organically, growth was 10% driven both by higher volumes and price increases. In all business areas, net sales grew organically with the strongest growth occurring in Flow Technology and Industrial Components.

EBITA increased by 21% compared to the corresponding period previous year and surpassed SEK 1 billion for the first time ever in a single quarter. The EBITA margin for the second quarter improved to a record high 15.3%, primarily due to a favourable performance from new acquisitions and good price management in our companies. The business area Measurement & Sensor Technology had the highest margin, whereas the largest improvement was in the Benelux and Flow Technology business areas.

Disruptions and uncertainties in the supply chains, in combination with higher business volumes and price increases contributed to a further build-up in inventories and higher working capital, which dampened the development of cash flow. Working capital efficiency, measured as working capital in relation to sales, improved compared with the corresponding period previous year. Net debt increased compared to previous year due to a high rate of acquisition and a somewhat weaker operating cash flow. However, the financial position remains strong, with historically low indebtedness.

### Acquisitions

The uncertain external factors have not affected the acquisition activity, which continues at a high level. Thus far this year, we have acquired ten companies, with total annual sales of approximately SEK 780 million. During the second

quarter, we welcomed five new companies – four from the Nordic region and one from Germany. At the beginning of the quarter, the German company, Stabalux was acquired, along with the Swedish company, PMH International. Stabalux is a leading supplier of profile systems for façades and PMH International is a specialised technical trading company for lifting and material handling equipment as well as industrial/storage halls. In May, we acquired the Danish company, acti-Chem, which offers sustainable water treatment solutions. We also further strengthened our cluster of medical technology companies via the acquisition of the Swedish companies, Prodiagnostics – which supplies healthcare providers and companies with drug tests – and Oscar Medtec – a supplier of medical refrigerators and examination furniture.

Subsequent to the end of the quarter, we acquired three more companies. The German company, Beck Sensortechnik, develops, manufactures, and sells pressure switches and pressure transmitters. We also welcomed the Swedish company, Primed, which offers professional physiotherapy equipment. Further, OCI was acquired, a specialist within customised assemblies for energy and water applications. The market situation and inflow of interesting companies remains strong.

### Outlook

The first half of 2022 has been characterized by a strong positive market situation without any clear indication of lower demand. Geopolitical tensions, continued disruptions in supply chains, rising inflation and higher interest rates mean increased uncertainties for the second half of the year. The disruptions in the supply chains are also expected to remain in the coming quarters, in all material respects. Nevertheless, I am convinced that our robust business model, which is based on decentralization and diversification, with decision power close to the customer, is able to cope with any changed conditions in a very good way. Our strong order backlog also gives us confidence regarding sales and earnings growth in the short term.

Overall, Indutrade is able to sum up a successful first half of the year, with very strong performances from our companies and with continued successful acquisition efforts, despite challenging external factors. We are continuously developing our ability to delivering sustainable, profitable growth and we have a stable platform as the starting point for continued value creation!

Bo Annvik, President and CEO

## Group performance

### Order intake

The market situation during the quarter remained strong and demand was higher than it was during the same quarter previous year and in line with the end of the first quarter. A continued positive trend was noted for all major customer segments, but with higher variation between companies and countries. The most favourable improvement in demand was noted in the process industry.

Order intake was 5% higher than invoicing and amounted to SEK 7,029 million (6,006), which is an increase of 17% compared to the same period previous year. Comparable units increased by 7%, acquisitions contributed with 7% and currency movements had a positive impact of 3%.

Order intake increased organically in most business areas, with the strongest growth from Industrial Components and Flow Technology. The positive trend was broad in both business areas and the order intake improved during the quarter in most companies. Weakest was the trend in the Measurement & Sensor Technology business area, primarily due to the high comparison figures previous year for some companies, and a somewhat lower investment activity from some customers.

Order intake during the period January-June amounted to SEK 14,114 million (11,753), an increase of 20%. Comparable units increased by 9%, acquisitions contributed with 7% and currency movements had a positive impact of 4%.

### Net sales

During the second quarter, net sales increased by 20% compared to the corresponding period previous year and amounted to SEK 6,683 million (5,552). Comparable units increased by 10%, acquisitions contributed with 7% and currency movements had a positive impact of 3%.

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

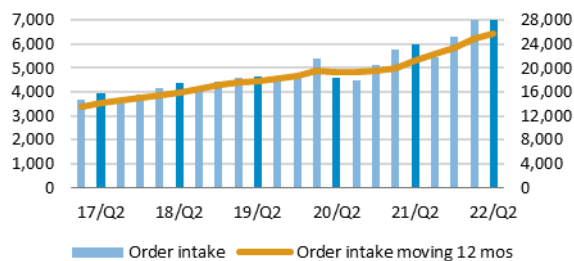
No improvement regarding the disruptions in the supply chains was seen during the quarter. Long delivery times from suppliers, along with shortage of components and certain products continued to hamper delivery and invoicing for many companies.

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

Net sales for the period January-June increased by 22% to SEK 13,081 million (10,699). Comparable units increased by 11%, acquisitions contributed with 7% and currency movements had a positive impact of 4%.

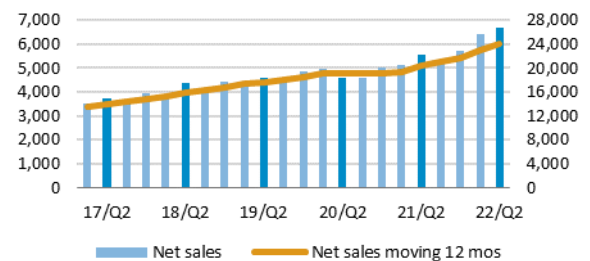
### Order intake

SEK million

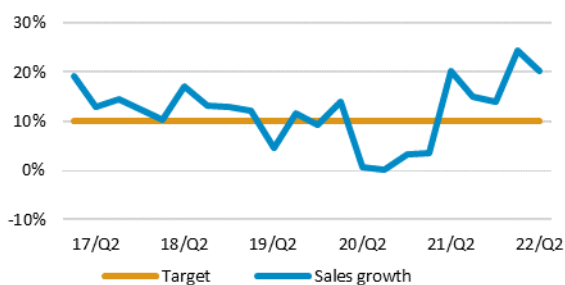


### Net Sales

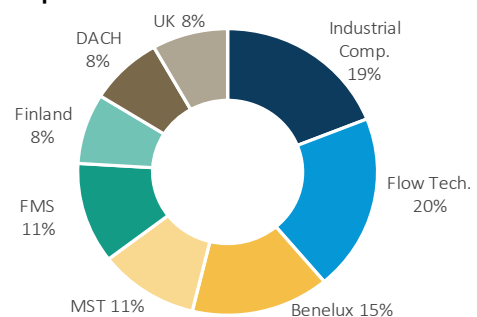
SEK million



### Sales growth



### Net Sales per Business Area



# Q2

## Earnings

Operating profit before amortisation of intangible assets attributable to acquisitions (EBITA) amounted to SEK 1,023 million (843) for the second quarter, which is an improvement of 21%. Comparable units increased by 9%, acquisitions contributed with 8% and currency movements had a positive impact of 4%. The EBITA margin increased and amounted to 15.3% (15.2%).

The margin improvement was primarily attributable to good profitability in newly acquired companies and organically improved gross margin. The organic growth of the EBITA margin was, however, somewhat dampened due to strong comparison figures in many companies, along with higher activity levels and overhead costs.

Many companies were challenged during the quarter by further price increases from suppliers, but thanks to strong pricing efforts, the gross margin improved and amounted to 34.9% (34.8%). Accumulated for the first half of the year, the gross margin was 34.7% (34.6%).

In half of the business areas, the EBITA margin improved during the quarter. The Benelux business area had the strongest increase, which is among other things attributable to a positive trend for valves for power generation.

Net financial items during the second quarter amounted to SEK -37 million (-29). Tax on profit for the quarter amounted to SEK -196 million (-160), corresponding to a tax charge of 23% (22%). Profit for the quarter increased by 20% to SEK 675 million (562). Earnings per share before dilution increased by 20% and amounted to SEK 1.85 (1.54).

Operating profit before amortisation of intangible assets attributable to acquisitions (EBITA) amounted to SEK 1,982 million (1,556) for the period January-June, which is an increase of 27%. Comparable units increased by 14%, acquisitions contributed 9% and currency movements had a positive impact of 4%. The EBITA margin increased and amounted to 15.2% (14.5%).

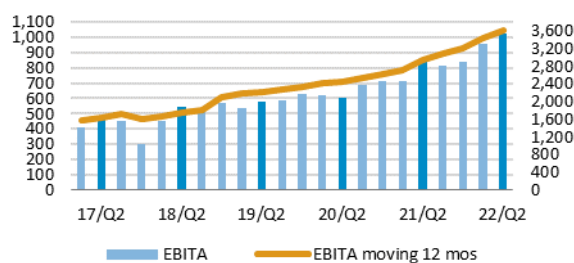
Net financial items for the period January-June amounted to SEK -72 million (-58). Tax on profit for the year amounted to SEK -372 million (-293), corresponding to a tax charge of 22% (22%). Profit for the period increased by 28% and amounted to SEK 1,313 million (1,023). Earnings per share before dilution increased by 28% and amounted to SEK 3.60 (2.81).

## Return

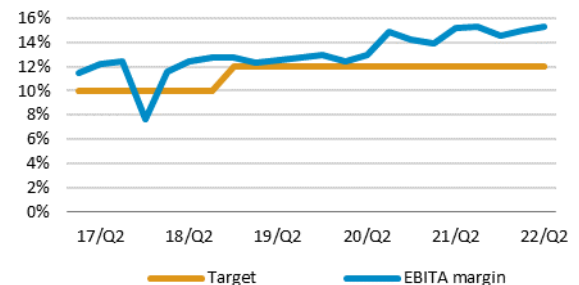
Higher profitability and improved working capital efficiency led to a higher return on capital employed compared to previous year and it amounted to 23% (21%). Return on equity amounted to 23% (23%).

### EBITA

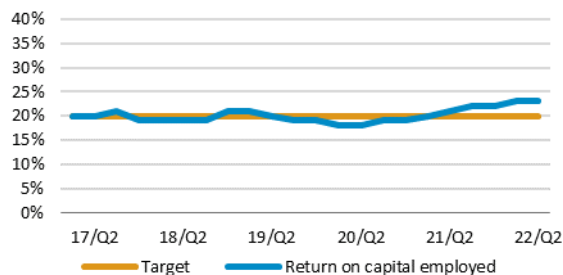
SEK million



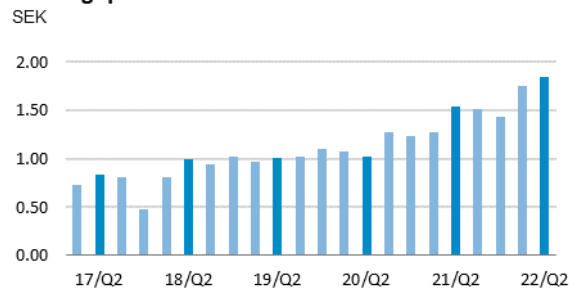
### EBITA margin



### 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	2022 Apr-Jun	2021 Apr-Jun	Change	2022 Jan-Jun	2021 Jan-Jun	Change	2021/22 Moving 12 mos	2021 Jan-Dec
Net sales	970	864	12%	1,919	1,665	15%	3,585	3,331
EBITA	155	122	27%	293	237	24%	520	464
EBITA margin, %	16.0	14.1		15.3	14.2		14.5	13.9

Net sales increased by 12% during the second quarter to SEK 970 million (864). Comparable units increased by 9% and currency movements had a positive impact of 3%.

Demand during the quarter was overall somewhat higher than in the corresponding period previous year. The strongest performance was noted in valves for power generation, while the demand from customers in the medical technology and pharmaceutical segment was somewhat lower than during the corresponding period previous year. Order intake was 10% higher than invoicing.

EBITA increased during the second quarter by 27% to SEK 155 million (122), corresponding to an EBITA margin of 16.0% (14.1%). Comparable units increased by 23% and currency movements had a positive impact of 4%.

The improved EBITA margin was primarily driven by a favourable trend for valves for power generation, along with an improved gross margin in many 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	2022 Apr-Jun	2021 Apr-Jun	Change	2022 Jan-Jun	2021 Jan-Jun	Change	2021/22 Moving 12 mos	2021 Jan-Dec
Net sales	521	409	27%	1,025	780	31%	1,906	1,661
EBITA	78	59	32%	148	104	42%	280	236
EBITA margin, %	15.0	14.4		14.4	13.3		14.7	14.2

Net sales increased during the second quarter by 27% to SEK 521 million (409). Comparable units increased by 9%, acquisitions contributed with 10% and currency movements had a positive impact of 8%.

Overall, demand during the quarter was higher than in the corresponding period previous year, primarily due to a positive trend in the process industry. Demand from customers in the engineering industry was somewhat lower than in the corresponding period previous year. Order intake was 6% higher than invoicing.

EBITA increased during the second quarter by 32% to SEK 78 million (59), corresponding to an EBITA margin of 15.0% (14.4%). Comparable units increased by 11%, acquisitions contributed with 13% and currency movements had a positive impact of 8%.

The improved EBITA margin was primarily attributable to a higher gross margin in several companies along with good profitability in newly acquired companies.

# Q2

## 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 Apr-Jun	2021 Apr-Jun	Change	2022 Jan-Jun	2021 Jan-Jun	Change	2021/22 Moving 12 mos	2021 Jan-Dec
Net sales	545	453	20%	1,050	839	25%	2,037	1,826
EBITA	96	76	26%	169	121	40%	331	283
EBITA margin, %	17.6	16.8		16.1	14.4		16.2	15.5

Net sales increased during the second quarter by 20% to SEK 545 million (453). Comparable units increased by 11%, acquisitions contributed with 6% and currency movements had a positive impact of 3%.

Demand during the quarter was higher than in the corresponding period previous year, with positive development in the majority of the business area's companies. Order intake was 7% higher than invoicing.

EBITA increased during the second quarter by 26% and amounted to SEK 96 million (76), corresponding to an EBITA margin of 17.6% (16.8%). Comparable units increased by 17%, acquisitions contributed with 5% and currency movements had a positive impact of 4%.

The improved EBITA margin was primarily attributable to a positive non-recurring effect from a property sale. Not including the property sale, the margin was somewhat lower than last year, primarily due to a strong second quarter previous year for many 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 Apr-Jun	2021 Apr-Jun	Change	2022 Jan-Jun	2021 Jan-Jun	Change	2021/22 Moving 12 mos	2021 Jan-Dec
Net sales	1,385	1,144	21%	2,650	2,147	23%	4,804	4,301
EBITA	236	185	28%	436	325	34%	779	668
EBITA margin, %	17.0	16.2		16.5	15.1		16.2	15.5

Net sales increased during the second quarter by 21% to SEK 1,385 million (1,144). Comparable units increased by 14%, acquisitions contributed with 4% and currency movements had a positive impact of 3%.

Demand during the quarter was higher than in the corresponding period previous year. Improvements were seen in the majority of companies, with a particularly strong demand from customers in the process industry and the medical technology and pharmaceutical segment. Order intake was 2% higher than invoicing.

EBITA increased during the second quarter by 28% to SEK 236 million (185), corresponding to an EBITA margin of 17.0% (16.2%). Comparable units increased by 22%, acquisitions contributed with 2% and currency movements had a positive impact of 4%.

The improved EBITA margin is primarily explained by higher gross margin for comparable units and a positive non-recurring effect from a property sale.

## 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	2021	Change	2022	2021	Change	2021/22	2021
	Apr-Jun	Apr-Jun		Jan-Jun	Jan-Jun		Moving 12 mos	Jan-Dec
Net sales	753	603	25%	1,475	1,128	31%	2,714	2,367
EBITA	116	96	21%	229	169	36%	442	382
EBITA margin, %	15.4	15.9		15.5	15.0		16.3	16.1

Net sales increased during the second quarter by 25% to SEK 753 million (603). Comparable units increased by 11%, acquisitions contributed with 12% and currency movements had a positive impact of 2%.

Demand during the quarter was higher than in the corresponding period previous year for most of the business area's companies, with, among other things, strong demand from customers in the industrial, medical technology and pharmaceutical segments. In the automotive aftermarket segment, order intake decreased somewhat due to such things as terminated business with Russia and Belarus. Order intake was 6% higher than invoicing.

EBITA increased during the second quarter by 21% to SEK 116 million (96), corresponding to an EBITA margin of 15.4% (15.9%). Comparable units increased by 2%, acquisitions contributed with 18% and currency movements had a positive impact of 1%.

The weakened EBITA margin is primarily explained by a worsened result in the automotive aftermarket segment.

## 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	2021	Change	2022	2021	Change	2021/22	2021
	Apr-Jun	Apr-Jun		Jan-Jun	Jan-Jun		Moving 12 mos	Jan-Dec
Net sales	1,342	1,113	21%	2,612	2,266	15%	4,819	4,473
EBITA	218	196	11%	436	382	14%	787	733
EBITA margin, %	16.2	17.6		16.7	16.9		16.3	16.4

Net sales increased during the second quarter by 21% to SEK 1,342 million (1,113). Comparable units increased by 13%, acquisitions contributed with 6% and currency movements had a positive impact of 2%.

Demand during the quarter was stronger than in the corresponding period previous year. Most segments had a positive development, with the strongest performance in the medical technology, transmission and automation segments. Order intake was 3% higher than invoicing.

EBITA increased during the second quarter by 11% to SEK 218 million (196), corresponding to an EBITA margin of 16.2% (17.6%). Comparable units increased by 2%, acquisitions contributed with 7% and currency movements had a positive impact of 2%.

The weaker EBITA margin was primarily attributable to favourable deliveries associated with the pandemic during the previous year and somewhat lower gross margin for comparable units.

# Q2

## 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 Apr-Jun	2021 Apr-Jun	Change	2022 Jan-Jun	2021 Jan-Jun	Change	2021/22 Moving 12 mos	2021 Jan-Dec
Net sales	692	610	13%	1,379	1,180	17%	2,571	2,372
EBITA	128	113	13%	259	212	22%	475	428
EBITA margin, %	18.5	18.5		18.8	18.0		18.5	18.0

Net sales increased by 13% during the second quarter to SEK 692 million (610). Comparable units increased by 1%, acquisitions contributed with 7% and currency movements had a positive impact of 5%.

Demand during the quarter varied between the business area's companies and was overall somewhat lower than in the corresponding period previous year, in part due to strong comparison figures previous year for many companies and in part due to somewhat lower investment activity from some of the companies' customers. Order intake was, however, 8% higher than invoicing.

EBITA increased during the second quarter by 13% and amounted to SEK 128 million (113), corresponding to an EBITA margin of 18.5% (18.5%). Comparable units decreased by 1%, acquisitions contributed with 9% and currency movements had a positive impact of 5%.

Many of the companies improved the gross margin somewhat during the quarter, but the trend was counteracted by higher activity levels and overhead costs.

## 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 Apr-Jun	2021 Apr-Jun	Change	2022 Jan-Jun	2021 Jan-Jun	Change	2021/22 Moving 12 mos	2021 Jan-Dec
Net sales	504	375	34%	1,024	730	40%	1,761	1,467
EBITA	59	45	31%	127	83	53%	202	158
EBITA margin, %	11.7	12.0		12.4	11.4		11.5	10.8

Net sales increased during the second quarter by 34% to SEK 504 million (375). Comparable units increased by 2%, acquisitions contributed with 27% and currency movements had a positive impact of 5%.

Demand during the quarter varied between the business area's companies and was overall approximately on par with the same period previous year. Order intake was 2% higher than invoicing.

EBITA increased during the second quarter by 31% to SEK 59 million (45), corresponding to an EBITA margin of 11.7% (12.0%). Comparable units decreased by 9%, acquisitions contributed with 36% and currency movements had a positive impact of 4%.

The lower EBITA margin was primarily attributable to increased activity levels and overhead costs in combination with weaker growth for some companies in the marine, infrastructure and construction segments.



## Other financial information

### Financial position

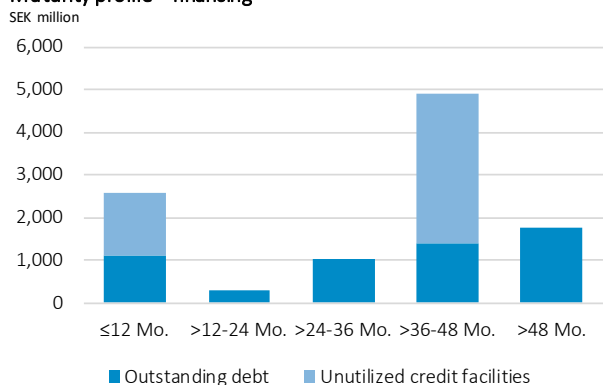
Shareholders' equity amounted to SEK 11,005 million (9,072) and the equity ratio to 44% (45%). Cash and cash equivalents amounted to SEK 1,265 million (1,433). In addition to that, there were unutilised credit commitments of SEK 4,957 million (4,981). Interest-bearing net debt amounted to SEK 6,998 million (5,389) 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 and a somewhat lower operating cash flow.

The net debt/equity ratio was 64% (59%) 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 1,000 million with a tenor of 5 years, primarily intended for general business purposes, including acquisitions.

At the end of the quarter, the Parent Company's short-term borrowing amounted to SEK 1,131 million and long-term unutilised credit facilities amounted to SEK 3,500 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 second quarter and amounted to SEK 622 million (792). The deterioration is primarily attributable to a higher amount of capital tied up in inventory, driven by disruptions in the supply chains and higher purchase prices. Working capital efficiency, measured as working capital in relation to sales moving 12 months for comparable units, was, however, better than during the same period previous year.

Cash flow from operating activities amounted to SEK 898 million (1,281) for the interim period January-June. Cash flow after net capital expenditures in intangible non-current assets and in property, plant and equipment (excluding company acquisitions) amounted to SEK 664 million (1,132).

The Group's net capital expenditures, excluding company acquisitions, totalled SEK 234 million (149). Depreciation of property, plant and equipment totalled SEK 350 million (319). Investments in company acquisitions amounted to SEK 608 million (567). In addition, earn-out payments pertaining to previous years' acquisitions totalled SEK 107 million (15). Divestments amounted to SEK 0 million (2).

In cash flow from operating activities, depreciation of leased assets in the amount of SEK 194 million (175) has been added back during the interim period January-June in accordance with IFRS 16. Lease amortisation is reported as cash flow from financing activities.

### Employees

The number of employees was 8,397 at the end of the period, compared with 8,185 at the start of the year.

### Company acquisitions

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	Measurement & Sensor Technology	90	43
April	Stabalux GmbH	Fluids & Mechanical Solutions	40	16
April	PMH International AB	Industrial Components	140	26
May	acti-Chem A/S	Flow Technology	50	15
May	Pro Diagnostics Scandinavia AB	Industrial Components	50	11
June	Oscar Medtec AB	Industrial Components	70	29
<b>Total</b>			<b>507</b>	<b>171</b>

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

Further information about completed company acquisitions can be found on page 20 of this interim report.

# Q2

## Events after the end of the reporting period

On 6 July, Beck Sensortechnik GmbH was acquired. For more information, please see page 21.

On 7 July, Primed Fysio och Rehab AB was acquired. For more information, please see page 21.

On 13 July, OCI B.V. was acquired. For more information, please see page 21.

## 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-June. The Parent Company's financial fixed assets consist mainly of shares in subsidiaries. During the period January-June, the Parent Company acquired shares in six companies. The Parent Company has not made any major investments in intangible assets or in property, plant and equipment. The number of employees as of 30 June was 20 (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.

As a consequence of Russia's invasion of Ukraine, Indutrade has stopped all business activities with companies in Russia and Belarus. The direct exposure to these countries is very limited and the Group does not have any subsidiaries or employees in Russia, Ukraine or Belarus. 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.

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

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

## Save the date: Capital Markets Day on 8 November 2022

Indutrade will hold a capital markets day on 8 November 2022. Members of the Group management team will be presenting Indutrade's strategy and priorities for continued sustainable profitable growth. The capital markets day will be held as a physical event in central Stockholm. An invitation that will include the agenda and registration details will be published through a press release, as the date approaches.

## The Board's assurance

The Board of Directors and President certify that the half-year interim report gives a true and fair view of the Company's and Group's operations, position and result of operations, and describes material risks and uncertainties facing the Company and companies included in the Group.

Stockholm 19 July 2022  
Indutrade AB (publ)

Katarina Martinson  
Chairman

Bengt Kjell  
Vice Chairman

Susanna Campbell  
Director

Anders Jernhall  
Director

Ulf Lundahl  
Director

Krister Mellvé  
Director

Lars Petterson  
Director

Kerstin Lindell  
Director

Bo Annvik  
Director, 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 and the Swedish Securities Market Act. The information was submitted for publication by the agency of the following contact persons on 19 July 2022 at 9.30 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 19 July at 11.00 CEST via the following link:

<https://tv.streamfabriken.com/indutrade-q2-2022>

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

SE: +46 8 505 163 86  
UK: +44 20 319 84884  
US: +1 412 317 6300

Pin code: 5655851#

# Q2

## Indutrade consolidated income statement – condensed

SEK million	2022 Apr-Jun	2021 Apr-Jun	2022 Jan-Jun	2021 Jan-Jun	2021/22 Moving 12 mos	2021 Jan-Dec
Net sales	6,683	5,552	13,081	10,699	24,097	21,715
Cost of goods sold	-4,350	-3,618	-8,536	-7,000	-15,642	-14,106
<b>Gross profit</b>	<b>2,333</b>	<b>1,934</b>	<b>4,545</b>	<b>3,699</b>	<b>8,455</b>	<b>7,609</b>
Development costs	-83	-64	-159	-124	-293	-258
Selling costs	-994	-813	-1,931	-1,584	-3,626	-3,279
Administrative expenses	-380	-304	-757	-607	-1,381	-1,231
Other operating income and expenses	32	-2	59	-10	53	-16
<b>Operating profit</b>	<b>908</b>	<b>751</b>	<b>1,757</b>	<b>1,374</b>	<b>3,208</b>	<b>2,825</b>
Net financial items	-37	-29	-72	-58	-114	-100
<b>Profit before taxes</b>	<b>871</b>	<b>722</b>	<b>1,685</b>	<b>1,316</b>	<b>3,094</b>	<b>2,725</b>
Income Tax	-196	-160	-372	-293	-707	-628
<b>Net profit for the period</b>	<b>675</b>	<b>562</b>	<b>1,313</b>	<b>1,023</b>	<b>2,387</b>	<b>2,097</b>
<i>Net profit, attributable to:</i>						
Equity holders of the parent company	675	562	1,312	1,023	2,384	2,095
Non-controlling interests	0	0	1	0	3	2
	<b>675</b>	<b>562</b>	<b>1,313</b>	<b>1,023</b>	<b>2,387</b>	<b>2,097</b>
<b>EBITA</b>	<b>1,023</b>	<b>843</b>	<b>1,982</b>	<b>1,556</b>	<b>3,628</b>	<b>3,202</b>
<i>Operating profit includes:</i>						
Amortisation of intangible assets <sup>1)</sup>	-126	-102	-247	-202	-464	-419
<i>of which attributable to acquisitions</i>	-115	-92	-225	-182	-420	-377
Depreciation of property, plant and equipment	-176	-166	-350	-319	-670	-639
Earnings per share before dilution, SEK	1.85	1.54	3.60	2.81	6.55	5.76
Earnings per share after dilution, SEK	1.85	1.54	3.60	2.81	6.54	5.75

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

## Indutrade consolidated statement of comprehensive income

SEK million	2022 Apr-Jun	2021 Apr-Jun	2022 Jan-Jun	2021 Jan-Jun	2021/22 Moving 12 mos	2021 Jan-Dec
<b>Net profit for the period</b>	<b>675</b>	<b>562</b>	<b>1,313</b>	<b>1,023</b>	<b>2,387</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	9	6	9	1	9	1
Tax attributable to fair value adjustments	-2	-1	-2	0	-2	0
Exchange rate differences	147	-78	238	106	335	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>154</b>	<b>-73</b>	<b>245</b>	<b>107</b>	<b>385</b>	<b>247</b>
<b>Total comprehensive income for the period</b>	<b>829</b>	<b>489</b>	<b>1,558</b>	<b>1,130</b>	<b>2,772</b>	<b>2,344</b>
<i>Total comprehensive income, attributable to:</i>						
Equity holders of the parent company	829	489	1,557	1,130	2,769	2,342
Non-controlling interests	0	0	1	0	3	2

## Indutrade consolidated balance sheet – condensed

SEK million	2022 30-Jun	2021 30-Jun	2021 31-Dec
Goodwill	6,018	4,708	5,439
Other intangible assets	3,613	2,872	3,331
Property, plant and equipment	3,620	3,280	3,385
Financial assets	215	218	204
Inventories	4,835	3,507	4,010
Trade receivables	4,274	3,501	3,458
Other receivables	1,028	788	713
Cash and cash equivalents	1,265	1,433	1,460
<b>Total assets</b>	<b>24,868</b>	<b>20,307</b>	<b>22,000</b>
Equity	11,005	9,072	10,303
Non-current interest-bearing liabilities and pension liabilities	6,286	4,672	5,536
Other non-current liabilities and provisions	1,035	812	976
Current interest-bearing liabilities	1,977	2,150	1,413
Trade payables	1,954	1,510	1,597
Other current liabilities	2,611	2,091	2,175
<b>Total equity and liabilities</b>	<b>24,868</b>	<b>20,307</b>	<b>22,000</b>

## Indutrade consolidated statement of changes in equity – condensed

Attributable to equity holders of the parent company SEK million	2022 30-Jun	2021 30-Jun	2021 31-Dec
Opening equity	10,292	8,624	8,624
Total comprehensive income for the period	1,557	1,130	2,342
New issues	11	40	48
Dividend <sup>1)</sup>	-837	-655	-655
Hedging of incentive programme	-44	-77	-80
Share-based payments	14	1	13
<b>Closing equity</b>	<b>10,993</b>	<b>9,063</b>	<b>10,292</b>
Equity, attributable to:			
Equity holders of the parent company	10,993	9,063	10,292
Non-controlling interests	12	9	11
	<b>11,005</b>	<b>9,072</b>	<b>10,303</b>

<sup>1)</sup> Dividend per share for 2021 (2020) was SEK 2.30 (1.80)

# Q2

## Indutrade consolidated cash flow statement – condensed

SEK million	2022 Apr-Jun	2021 Apr-Jun	2022 Jan-Jun	2021 Jan-Jun	2021/22 Moving 12 mos	2021 Jan-Dec
Operating profit	908	751	1,757	1,374	3,208	2,825
Non-cash items	316	270	606	521	1,165	1,080
Interests and other financial items, net	-23	-21	-50	-42	-80	-72
Paid tax	-168	-111	-410	-311	-737	-638
Change in working capital	-411	-97	-1,005	-261	-1,086	-342
<b>Cash flow from operating activities</b>	<b>622</b>	<b>792</b>	<b>898</b>	<b>1,281</b>	<b>2,470</b>	<b>2,853</b>
Net capital expenditures in non-current assets	-104	-70	-234	-149	-442	-357
Company acquisitions and divestments	-557	-131	-715	-580	-1,795	-1,660
Change in other financial assets	0	9	6	19	4	17
<b>Cash flow from investing activities</b>	<b>-661</b>	<b>-192</b>	<b>-943</b>	<b>-710</b>	<b>-2,233</b>	<b>-2,000</b>
Debt/repayment of debt, net	911	585	631	695	343	407
Dividend paid out	-837	-655	-837	-655	-837	-655
New issues	11	40	11	40	19	48
<b>Cash flow from financing activities</b>	<b>85</b>	<b>-30</b>	<b>-195</b>	<b>80</b>	<b>-475</b>	<b>-200</b>
<b>Cash flow for the period</b>	<b>46</b>	<b>570</b>	<b>-240</b>	<b>651</b>	<b>-238</b>	<b>653</b>
Cash and cash equivalents at start of period	1,189	872	1,460	758	1,433	758
Exchange rate differences	30	-9	45	24	70	49
<b>Cash and cash equivalents at end of period</b>	<b>1,265</b>	<b>1,433</b>	<b>1,265</b>	<b>1,433</b>	<b>1,265</b>	<b>1,460</b>

## Key data

	2022 30-Jun	2021 31-Dec	2021 30-Jun	2020 31-Dec	2019 31-Dec
<b>Moving 12 mos</b>					
Net sales, SEK million	24,097	21,715	20,326	19,217	18,411
Sales growth, %	19	13	7	4	9
EBITA, SEK million	3,628	3,202	2,953	2,615	2,330
EBITA margin, %	15.1	14.7	14.5	13.6	12.7
Capital employed at end of period, SEK million	18,003	15,792	14,461	13,512	13,300
Capital employed, average, SEK million	15,878	14,516	13,792	13,541	12,416
Return on capital employed, % <sup>1)</sup>	23	22	21	19	19
Equity, average, SEK million	10,172	9,297	8,566	7,899	6,715
Return on equity, % <sup>1)</sup>	23	23	23	21	22
Interest-bearing net debt at end of period, SEK million	6,998	5,489	5,389	4,878	6,130
Net debt/equity ratio, %	64	53	59	56	85
Net debt/EBITDA, times	1.6	1.4	1.5	1.5	2.1
Equity ratio, %	44	47	45	48	41
Average number of employees	8,109	7,715	7,393	7,349	7,167
Number of employees at end of period	8,397	8,185	7,694	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	6.55	5.76	5.32	4.60	4.09
Earnings per share after dilution, SEK	6.54	5.75	5.32	4.59	4.09
Equity per share, SEK	30.17	28.26	24.89	23.72	19.74
Cash flow from operating activities per share, SEK	6.78	7.84	7.80	7.66	5.30
Average number of shares before dilution, '000	364,166	363,921	363,274	362,721	362,565
Average number of shares after dilution, '000	364,270	364,180	363,836	363,320	362,754
Number of shares at the end of the period, '000	364,323	364,188	364,102	363,615	362,565

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

# Q2

## Business area performance

	2022	2021	2022	2021	2021/22	2021
Net sales, SEK million	Apr-Jun	Apr-Jun	Jan-Jun	Jan-Jun	Moving 12 mos	Jan-Dec
Benelux	970	864	1,919	1,665	3,585	3,331
DACH	521	409	1,025	780	1,906	1,661
Finland	545	453	1,050	839	2,037	1,826
Flow Technology	1,385	1,144	2,650	2,147	4,804	4,301
Fluids & Mechanical Solutions	753	603	1,475	1,128	2,714	2,367
Industrial Components	1,342	1,113	2,612	2,266	4,819	4,473
Measurement & Sensor Technology	692	610	1,379	1,180	2,571	2,372
UK	504	375	1,024	730	1,761	1,467
Parent company and Group items	-29	-19	-53	-36	-100	-83
<b>Total</b>	<b>6,683</b>	<b>5,552</b>	<b>13,081</b>	<b>10,699</b>	<b>24,097</b>	<b>21,715</b>
EBITA, SEK million	2022	2021	2022	2021	2021/22	2021
	Apr-Jun	Apr-Jun	Jan-Jun	Jan-Jun	Moving 12 mos	Jan-Dec
Benelux	155	122	293	237	520	464
DACH	78	59	148	104	280	236
Finland	96	76	169	121	331	283
Flow Technology	236	185	436	325	779	668
Fluids & Mechanical Solutions	116	96	229	169	442	382
Industrial Components	218	196	436	382	787	733
Measurement & Sensor Technology	128	113	259	212	475	428
UK	59	45	127	83	202	158
Parent company and Group items	-63	-49	-115	-77	-188	-150
<b>Total</b>	<b>1,023</b>	<b>843</b>	<b>1,982</b>	<b>1,556</b>	<b>3,628</b>	<b>3,202</b>
EBITA margin, %	2022	2021	2022	2021	2021/22	2021
	Apr-Jun	Apr-Jun	Jan-Jun	Jan-Jun	Moving 12 mos	Jan-Dec
Benelux	16.0	14.1	15.3	14.2	14.5	13.9
DACH	15.0	14.4	14.4	13.3	14.7	14.2
Finland	17.6	16.8	16.1	14.4	16.2	15.5
Flow Technology	17.0	16.2	16.5	15.1	16.2	15.5
Fluids & Mechanical Solutions	15.4	15.9	15.5	15.0	16.3	16.1
Industrial Components	16.2	17.6	16.7	16.9	16.3	16.4
Measurement & Sensor Technology	18.5	18.5	18.8	18.0	18.5	18.0
UK	11.7	12.0	12.4	11.4	11.5	10.8
<b>Total</b>	<b>15.3</b>	<b>15.2</b>	<b>15.2</b>	<b>14.5</b>	<b>15.1</b>	<b>14.7</b>



## Business area performance per quarter

Net sales, SEK million	2022	
	Apr-Jun	Jan-Mar
Benelux	970	949
DACH	521	504
Finland	545	505
Flow Technology	1,385	1,265
Fluids & Mechanical Solutions	753	722
Industrial Components	1,342	1,270
Measurement & Sensor Technology	692	687
UK	504	520
Parent company and Group items	-29	-24
<b>Total</b>	<b>6,683</b>	<b>6,398</b>

2021			
Oct-Dec	Jul-Sep	Apr-Jun	Jan-Mar
843	823	864	801
457	424	409	371
525	462	453	386
1,109	1,045	1,144	1,003
643	596	603	525
1,192	1,015	1,113	1,153
622	570	610	570
360	377	375	355
-25	-22	-19	-17
<b>5,726</b>	<b>5,290</b>	<b>5,552</b>	<b>5,147</b>

EBITA, SEK million	2022	
	Apr-Jun	Jan-Mar
Benelux	155	138
DACH	78	70
Finland	96	73
Flow Technology	236	200
Fluids & Mechanical Solutions	116	113
Industrial Components	218	218
Measurement & Sensor Technology	128	131
UK	59	68
Parent company and Group items	-63	-52
<b>Total</b>	<b>1,023</b>	<b>959</b>

2021			
Oct-Dec	Jul-Sep	Apr-Jun	Jan-Mar
127	100	122	115
69	63	59	45
81	81	76	45
168	175	185	140
108	105	96	73
184	167	196	186
112	104	113	99
32	43	45	38
-45	-28	-49	-28
<b>836</b>	<b>810</b>	<b>843</b>	<b>713</b>

EBITA margin, %	2022	
	Apr-Jun	Jan-Mar
Benelux	16.0	14.5
DACH	15.0	13.9
Finland	17.6	14.5
Flow Technology	17.0	15.8
Fluids & Mechanical Solutions	15.4	15.7
Industrial Components	16.2	17.2
Measurement & Sensor Technology	18.5	19.1
UK	11.7	13.1
<b>Total</b>	<b>15.3</b>	<b>15.0</b>

2021			
Oct-Dec	Jul-Sep	Apr-Jun	Jan-Mar
15.1	12.2	14.1	14.4
15.1	14.9	14.4	12.1
15.4	17.5	16.8	11.7
15.1	16.7	16.2	14.0
16.8	17.6	15.9	13.9
15.4	16.5	17.6	16.1
18.0	18.2	18.5	17.4
8.9	11.4	12.0	10.7
<b>14.6</b>	<b>15.3</b>	<b>15.2</b>	<b>13.9</b>

# Q2

## Disaggregation of revenue

### Net sales per geographic market

<b>2022</b>										
<b>Apr-Jun, SEK million</b>	<b>Benelux</b>	<b>DACH</b>	<b>Finland</b>	<b>FT</b>	<b>FM</b>	<b>IC</b>	<b>MST</b>	<b>UK</b>	<b>Elim.<sup>1)</sup></b>	<b>Total</b>
Nordic countries	34	4	491	759	567	1,191	148	27	-13	3,208
Other Europe	805	499	39	480	153	130	217	415	-8	2,730
Americas	49	14	5	6	23	15	199	30	-4	337
Asia	71	4	8	130	8	4	114	28	-4	363
Other	11	0	2	10	2	2	14	4	0	45
	<b>970</b>	<b>521</b>	<b>545</b>	<b>1,385</b>	<b>753</b>	<b>1,342</b>	<b>692</b>	<b>504</b>	<b>-29</b>	<b>6,683</b>

<b>Timing of revenue recognition</b>	<b>Benelux</b>	<b>DACH</b>	<b>Finland</b>	<b>FT</b>	<b>FM</b>	<b>IC</b>	<b>MST</b>	<b>UK</b>	<b>Elim.<sup>1)</sup></b>	<b>Total</b>
Over time	11	62	0	0	54	1	63	0	-2	189
Point in time	959	459	545	1,385	699	1,341	629	504	-27	6,494
	<b>970</b>	<b>521</b>	<b>545</b>	<b>1,385</b>	<b>753</b>	<b>1,342</b>	<b>692</b>	<b>504</b>	<b>-29</b>	<b>6,683</b>

<b>2021</b>										
<b>Apr-Jun, SEK million</b>	<b>Benelux</b>	<b>DACH</b>	<b>Finland</b>	<b>FT</b>	<b>FM</b>	<b>IC</b>	<b>MST</b>	<b>UK</b>	<b>Elim.<sup>1)</sup></b>	<b>Total</b>
Nordic countries	30	3	411	641	430	970	138	30	-10	2,643
Other Europe	732	388	33	422	139	125	177	305	-8	2,313
Americas	42	10	5	8	25	7	210	13	-1	319
Asia	55	7	4	67	8	8	73	23	0	245
Other	5	1	0	6	1	3	12	4	0	32
	<b>864</b>	<b>409</b>	<b>453</b>	<b>1,144</b>	<b>603</b>	<b>1,113</b>	<b>610</b>	<b>375</b>	<b>-19</b>	<b>5,552</b>

<b>Timing of revenue recognition</b>	<b>Benelux</b>	<b>DACH</b>	<b>Finland</b>	<b>FT</b>	<b>FM</b>	<b>IC</b>	<b>MST</b>	<b>UK</b>	<b>Elim.<sup>1)</sup></b>	<b>Total</b>
Over time	10	66	0	0	12	4	37	0	0	129
Point in time	854	343	453	1,144	591	1,109	573	375	-19	5,423
	<b>864</b>	<b>409</b>	<b>453</b>	<b>1,144</b>	<b>603</b>	<b>1,113</b>	<b>610</b>	<b>375</b>	<b>-19</b>	<b>5,552</b>

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

FT - Flow Technology

FM - Fluids & Mechanical Solutions

IC - Industrial Components

MST - Measurement & Sensor Technology

## Disaggregation of revenue – continued

### Net sales per geographic market

2022										
Jan-Jun, SEK million	Benelux	DACH	Finland	FT	FM	IC	MST	UK	Elim. <sup>1)</sup>	Total
Nordic countries	50	9	903	1,433	1,112	2,301	281	59	-23	6,125
Other Europe	1,619	977	80	919	296	272	466	844	-17	5,456
Americas	104	26	12	11	47	29	404	56	-7	682
Asia	117	12	20	268	16	8	192	55	-5	683
Other	29	1	35	19	4	2	36	10	-1	135
	<b>1,919</b>	<b>1,025</b>	<b>1,050</b>	<b>2,650</b>	<b>1,475</b>	<b>2,612</b>	<b>1,379</b>	<b>1,024</b>	<b>-53</b>	<b>13,081</b>

Timing of revenue recognition	Benelux	DACH	Finland	FT	FM	IC	MST	UK	Elim. <sup>1)</sup>	Total
Over time	23	138	0	0	102	4	123	0	-2	388
Point in time	1,896	887	1,050	2,650	1,373	2,608	1,256	1,024	-51	12,693
	<b>1,919</b>	<b>1,025</b>	<b>1,050</b>	<b>2,650</b>	<b>1,475</b>	<b>2,612</b>	<b>1,379</b>	<b>1,024</b>	<b>-53</b>	<b>13,081</b>

2021										
Jan-Jun, SEK million	Benelux	DACH	Finland	FT	FM	IC	MST	UK	Elim. <sup>1)</sup>	Total
Nordic countries	43	5	761	1,182	803	1,862	282	64	-17	4,985
Other Europe	1,388	735	65	820	262	369	365	589	-15	4,578
Americas	102	20	6	15	44	16	367	30	-3	597
Asia	115	18	6	109	16	14	140	39	-1	456
Other	17	2	1	21	3	5	26	8	0	83
	<b>1,665</b>	<b>780</b>	<b>839</b>	<b>2,147</b>	<b>1,128</b>	<b>2,266</b>	<b>1,180</b>	<b>730</b>	<b>-36</b>	<b>10,699</b>

Timing of revenue recognition	Benelux	DACH	Finland	FT	FM	IC	MST	UK	Elim. <sup>1)</sup>	Total
Over time	13	132	0	0	12	12	81	0	-1	249
Point in time	1,652	648	839	2,147	1,116	2,254	1,099	730	-35	10,450
	<b>1,665</b>	<b>780</b>	<b>839</b>	<b>2,147</b>	<b>1,128</b>	<b>2,266</b>	<b>1,180</b>	<b>730</b>	<b>-36</b>	<b>10,699</b>

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

FT - Flow Technology

FM - Fluids & Mechanical Solutions

IC - Industrial Components

MST - Measurement & Sensor Technology

# Q2

## Acquisitions

### Acquisitions during the interim period

All of the shares were acquired in Autoroll UK Ltd (UK), NTi Audio AG (Liechtenstein), Stabalux GmbH (Germany), PMH International AB (Sweden), acti-Chem A/S (Denmark), Pro Diagnostics Scandinavia AB (Sweden) and Oscar Medtec AB (Sweden).

### Flow Technology

On 24 May, acti-Chem A/S (Denmark) was acquired, with annual sales of SEK 50 million. The company delivers sustainable water treatment solutions, managing and optimising quality of complex industrial process water.

### Fluids & Mechanical Solutions

On 1 April, Stabalux GmbH (Germany) was acquired, with annual sales of SEK 40 million. Stabalux is a manufacturer of profile systems for curtain wall facades. The customer offering includes modular systems with profiles made of steel, aluminium, timber, or bamboo.

### Industrial Components

On 7 April, PMH International AB (Sweden) 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.

On 31 May, Pro Diagnostics Scandinavia AB (Sweden) was acquired, with annual sales of SEK 50 million. Prodiagnostics is a provider of drug tests and offers a wide range of rapid tests and laboratory analyses.

On 13 June, Oscar Medtec AB (Sweden) was acquired, with annual sales of SEK 70 million. Oscar Medtec is a supplier of medical refrigerators and examination furniture, such as examination tables, testing chairs and storage solutions.

### 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	207	million	909
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Acquired assets and liabilities	Book value	Fair value adjustment	Fair value
Goodwill	6	408	414
Agencies, trademarks, customer relations, licences, etc.	0	405	405
Property, plant and equipment	11		11
Financial assets	0		0
Inventories	78		78
Other current assets <sup>1)</sup>	96		96
Cash and cash equivalents	90		90
Deferred tax liability	-1	-82	-83
Other operating liabilities	-102		-102
	<b>178</b>	<b>731</b>	<b>909</b>

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

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 207 (112) million. The contingent earn-out payments fall due for payment within three years and can amount to a maximum of SEK 215 million (124). If the conditions are not met, the outcome can be in the range of SEK 0-215 million.

Transaction costs during the first half of the year totalled SEK 5 million (9) 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 (6). The effect is reported under Other income and expenses in the amount of SEK 21 million (6) and under Net financial items in the amount of SEK 1 million (0).

The acquisition calculations for CKJ Steel A/S, Lamisa Teknik AB and Buhl & Bønsøe A/S, which were acquired during the second 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	909
Purchase price not paid out	-211
Cash and cash equivalents in acquired companies	-90
Payments pertaining to previous years' acquisitions	107
<b>Total cash flow impact</b>	<b>715</b>

## Effects of acquisitions carried out in 2021 and 2022

SEK million Business area	Net sales		EBITA	
	Apr-Jun	Jan-Jun	Apr-Jun	Jan-Jun
Benelux	0	47	0	8
DACH	40	79	8	14
Finland	26	73	4	15
Flow Technology	43	74	3	5
Fluids & Mechanical Solutions	74	173	17	37
Industrial Components	67	92	14	20
Measurement & Sensor Technology	40	71	9	14
UK	100	204	17	34
<b>Effect on Group</b>	<b>390</b>	<b>813</b>	<b>72</b>	<b>147</b>
Acquisitions carried out in 2021	279	674	50	125
Acquisitions carried out in 2022	111	139	22	22
<b>Effect on Group</b>	<b>390</b>	<b>813</b>	<b>72</b>	<b>147</b>

If all acquired units had been consolidated as from 1 January 2022, net sales for the year would have amounted to SEK 13,222 million, and EBITA would have totalled SEK 2,016 million.

## Acquisitions after the end of the reporting period

On 6 July, Beck Sensortechnik GmbH was acquired, with annual sales of SEK 130 million. The company develops, manufactures and sells pressure switches and pressure transmitters.

On 7 July, Primed Fysio och Rehab AB was acquired, with annual sales of SEK 30 million. Primed is a Swedish supplier of professional physiotherapy equipment.

On July 13, OCI B.V. was acquired, with annual sales of SEK 110 million. The company offers smart solutions for connecting energy and water grids from the main network to domestic homes, office buildings and industrial sites.

# Q2

## Share data

### At the end of the interim period the share capital amounted to SEK 729 million

Number of shares at the beginning of the year	364,188,000
Number of newly subscribed shares	135,000
<b>Total number of shares outstanding after new issues</b>	<b>364,323,000</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 could be subscribed during specially stipulated subscription periods through Friday, 20 May 2022.

The programme has ended.

### LTIP 2021 and 2022

At the AGM in April 2021, it was resolved to establish a new incentive programme, LTIP 2021. The programme covers a maximum of 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.

At the AGM in April 2022, it was resolved to establish a new incentive programme, LTIP 2022. The programme covers a maximum of approximately 265 employees and is directed at senior executives and other key persons. LTIP 2022 requires own investment and it consists of performance shares. The scope of the programme is, at most, 425,000 shares in Indutrade, which corresponds to approximately 0.12% 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 14 million (1) (excluding social security contributions) were expensed as a result of the programme.

## 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
LTIP 2022	57,500	186,915	0.1%	Programme launch May 2022 – interim report publication first quarter 2025

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	526,000	1,578,000	27 April 2020 – 20 May 2022
2017/2022, Series II	60,000	180,000	0.0%	13.4	276.8	92.3	60,000	180,000	27 April 2020 – 20 May 2022

## Dilutive effects

	2022 Apr-Jun	2021 Apr-Jun	2022 Jan-Jun	2021 Jan-Jun	2021/22 Moving 12 mos	2021 Jan-Dec
Average number of shares before dilution, '000	364,242	363,806	364,214	363,710	364,166	363,921
Number of shares that incur a dilutive effect due to incentive programme, '000	51	319	69	363	104	259
<b>Average number of shares after dilution, '000</b>	<b>364,293</b>	<b>364,125</b>	<b>364,283</b>	<b>364,073</b>	<b>364,270</b>	<b>364,180</b>
Dilutive effect, %	0.01	0.09	0.02	0.10	0.03	0.07
<b>Number of shares at end of the period, '000</b>	<b>364,323</b>	<b>364,102</b>	<b>364,323</b>	<b>364,102</b>	<b>364,323</b>	<b>364,188</b>

## Financial assets and liabilities

30 Jun 2022, 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	-	-	15	-	-	15	15
Trade receivables	-	4,274	-	-	-	4,274	4,274
Other receivables	12	23	-	-	-	35	35
Cash and cash equivalents	-	1,265	-	-	-	1,265	1,265
<b>Total</b>	<b>12</b>	<b>5,562</b>	<b>15</b>	<b>-</b>	<b>-</b>	<b>5,589</b>	<b>5,589</b>
Non-current interest-bearing liabilities	-	-	-	615	5,303	5,918	5,918
Current interest-bearing liabilities	-	-	-	410	1,567	1,977	1,977
Trade payables	-	-	-	-	1,954	1,954	1,954
Other liabilities	4	-	-	-	-	4	4
<b>Total</b>	<b>4</b>	<b>-</b>	<b>-</b>	<b>1,025</b>	<b>8,824</b>	<b>9,853</b>	<b>9,853</b>

31 Dec 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	-	3,458	-	-	-	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	30-Jun	31-Dec
Opening book value	861	549
Acquisitions during the year	207	418
Consideration paid	-58	-73
Reclassified via income statement	-21	-62
Interest expenses	7	9
Exchange rate differences	29	20
<b>Closing book value</b>	<b>1,025</b>	<b>861</b>

# Q2

## Parent company income statement – condensed

SEK million	2022 Apr-Jun	2021 Apr-Jun	2022 Jan-Jun	2021 Jan-Jun	2021/22 Moving 12 mos	2021 Jan-Dec
Net sales	0	0	0	0	9	9
<b>Gross profit</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>9</b>	<b>9</b>
Administrative expenses	-36	-31	-71	-65	-138	-132
<b>Operating profit</b>	<b>-36</b>	<b>-31</b>	<b>-71</b>	<b>-65</b>	<b>-129</b>	<b>-123</b>
Financial income/expenses	20	19	43	35	82	74
Profit from participation in Group companies	1,888	1,288	1,888	1,288	1,888	1,288
<b>Profit after financial items</b>	<b>1,872</b>	<b>1,276</b>	<b>1,860</b>	<b>1,258</b>	<b>1,841</b>	<b>1,239</b>
Appropriations	-	-	-	-	761	761
Income Tax	3	2	5	6	-150	-149
<b>Net profit for the period</b>	<b>1,875</b>	<b>1,278</b>	<b>1,865</b>	<b>1,264</b>	<b>2,452</b>	<b>1,851</b>
Amortisation/depreciation of intangible assets and property, plant and equipment	0	0	0	0	0	0

## Parent company balance sheet – condensed

SEK million	2022 30-Jun	2021 30-Jun	2021 31-Dec
Intangible assets	0	0	0
Property, plant and equipment	1	2	1
Financial assets	7,794	6,441	6,971
Current receivables	9,059	7,338	8,746
Cash and cash equivalents	500	626	489
<b>Total assets</b>	<b>17,354</b>	<b>14,407</b>	<b>16,207</b>
Equity	9,254	7,662	8,254
Untaxed reserves	755	675	755
Non-current interest-bearing liabilities and pension liabilities	4,759	3,117	3,925
Other non-current liabilities and provisions	0	0	0
Current interest-bearing liabilities	2,449	2,887	3,037
Current non-interest-bearing liabilities	137	66	236
<b>Total equity and liabilities</b>	<b>17,354</b>	<b>14,407</b>	<b>16,207</b>



## Definitions

### Alternative Performance Measures

In this interim report Indutrade presents Alternative Performance Measures (APMs) that complement the key financial ratios defined in IFRS. The company believes that these APMs provide valuable information to 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.

# Q2

## 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.

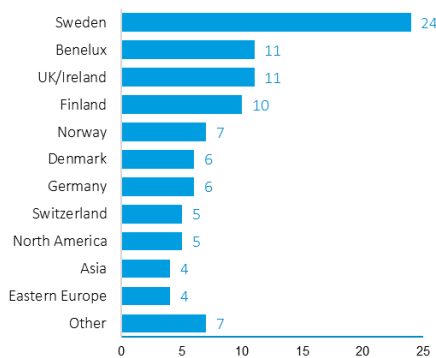
### Net debt/equity ratio

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

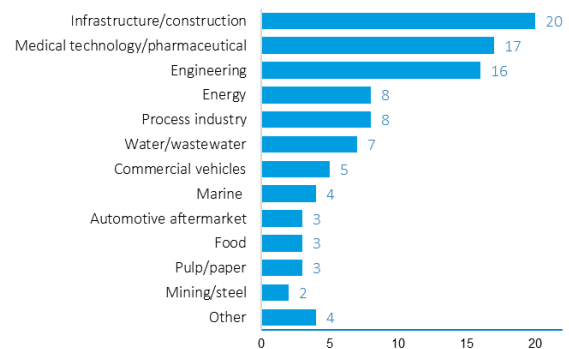
### Dividend payout ratio

- 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.

### Indutrade AB (publ.)

Reg.no. 556017-9367. Box 6044, SE-164 06 Kista. Visiting address: Raseborgsgatan 9. Tel: +46 8 703 03 00

[www.indutrade.com](http://www.indutrade.com)

## Acquisition of German Beck Sensortechnik

In July, the German company, Beck Sensortechnik GmbH was acquired, with annual sales of SEK 130 million. Beck Sensortechnik develops, manufactures, and sells high precision pressure switches and pressure transmitters. The products are sold through an international distributor network and directly to OEM customers, operating in the fields of HVAC, water and wastewater, medical technology and other industrial applications.

President and CEO Bo Annvik comments: “We are happy to welcome Beck Sensortechnik to Indutrade – a stable and profitable manufacturer with a strong offering. The company has expertise in solving customer specific application challenges and we see interesting organic growth opportunities, including increasing demand for energy efficiency and “green” buildings. It is also satisfying that we continue to strengthen our presence in Germany.”



## Welcome Primed!

In July, Indutrade acquired the Swedish-based company, Primed Fysio och Rehab AB, with annual sales of SEK 30 million. Primed is a Swedish supplier of professional physiotherapy equipment. The products are used for advanced physiotherapy aimed at patients with a comprehensive rehabilitation need.

The acquisition strengthens Indutrade’s cluster of medical technology companies and complements the newly acquired Indutrade company Oscar Medtec – a leading supplier of medical refrigerators and examination furniture.



## OCI – our latest acquisition

In July, the Dutch company, OCI B.V. was acquired, with annual sales of SEK 110 million. OCI offers smart solutions for connecting energy and water grids from the main network to domestic homes, office buildings and industrial sites. The product offering consists of customised assemblies that ensure high product quality, simplified on-site installation and tailored logistics, enabling reduction in labour hours, improved efficiency, and reduced risk for failures.

The acquisition strengthens Indutrades position in attractive market segments and OCI, with its extensive technical know-how and short time-to-market for new products, has good prerequisites in place for continued sustainable profitable growth.

