

Interim report first quarter

1 January – 31 March 2023

First quarter 2023

- Order intake increased by 14% to SEK 8,076 million (7,085). For comparable units, it was an increase of 3%.
- Net sales increased by 26% to SEK 8,063 million (6,398). For comparable units, it was an increase of 13%.
- EBITA increased by 28% to SEK 1,225 million (959), corresponding to an EBITA margin of 15.2% (15.0%).
- Profit for the quarter rose 18% to SEK 752 million (638), and earnings per share amounted to SEK 2.06 (1.75).
- Cash flow from operating activities amounted to SEK 632 million (276).



Financial Development

SEK million	2023 Jan-Mar	2022 Jan-Mar	Change	2022/23 Moving 12 mos	2022 Jan-Dec
Order intake	8,076	7,085	14%	28,692	27,701
Net sales	8,063	6,398	26%	28,681	27,016
Operating profit	1,079	849	27%	3,850	3,620
EBITA	1,225	959	28%	4,364	4,098
EBITA margin, %	15.2	15.0		15.2	15.2
Profit before taxes	981	814	21%	3,607	3,440
Net profit	752	638	18%	2,795	2,681
Earnings per share before dilution, SEK	2.06	1.75	18%	7.67	7.36
Return on capital employed, %	22	23		22	23
Cash flow from operating activities	632	276	129%	2,728	2,372
Net debt/equity ratio, %	69	52		69	67

Q1

CEO's message

New record quarter with continued profitable growth

First quarter

Demand during the first quarter remained high and stable. Order intake was on par with invoicing and increased by 14% compared to the corresponding period previous year, of which 3% was organic. Order intake increased for the majority of companies during the quarter, with the strongest demand in companies with customers in the energy segment, engineering and process industries. Demand was also at a stable and high level in the medical technology and pharmaceutical customer segment. There was still, however, large variation in the demand between various companies, with the overall weakest development in infrastructure and construction.

Net sales increased by 26%, of which 13% organically and was, for the first time ever, above SEK 8 billion for a single quarter. Net sales increased organically in all business areas, with the strongest growth in the Benelux and Flow Technology business areas, where the majority of companies developed positively. Many companies experienced a continued easing of the disruptions in supply chains during the quarter, which had a positive impact on invoicing. Overall, however, delivery times are still long and some of the disruptions remain.

There was a continued positive trend in profitability during the first quarter and EBITA increased by 28% to SEK 1.2 billion, corresponding to an EBITA margin of 15.2% (15.0%), which is a new record for a first quarter. The improvement was driven by the strong organic growth in combination with a high, stable gross margin and positive contributions from newly acquired companies. The best performance came from the Flow Technology and Benelux business areas, which is primarily attributable to the robust growth in sales.

Good order intake, in combination with long lead times and further price increases from suppliers resulted in some additional inventory build-up during the quarter. On the other hand, cash flow improved significantly compared to the corresponding period previous year thanks to the high earnings and a lower increase in working capital. Despite the high acquisition pace, our financial position remains strong, with room for additional, value-creating acquisitions and organic growth initiatives.

We are continuously working on several initiatives and activities that strengthen our strategic platform. This includes investments in leadership and competence development as well as strengthening our resources in the business areas with the purpose of supporting our companies for organic growth. In this context, sustainability is a prioritised area



where we are, for example, working on the development of a climate training for all companies. Intensive work is also ongoing to ensure that our targets meet all the criteria in SBTi.

Acquisitions

Three companies were acquired early in the first quarter. We welcomed Sax Lift in Denmark, which specialises in scissor lift tables, and we continued strengthening our position in Germany via the acquisition of Hobe, a niche manufacturer of micro precision tools for the shaping of interior profiles. Lastly, we acquired the Dutch company, SKS, with annual sales of approximately SEK 390 million. It offers a diversified portfolio of high-quality, innovative and durable flow technology components to the food & beverage and pharmaceutical process industries.

Subsequent to the end of the quarter, we acquired yet another company – the Danish filter specialist, Safematic. Total annual sales for the companies acquired thus far in 2023 amount to SEK 655 million and all of them are stable and profitable, with good prerequisites for generating continued sustainable, profitable growth. Despite uncertainties about the economic situation, the inflow of interesting, well-managed and stable companies remains at a good level. We have discussions underway with several of them and I am looking forward to welcoming additional successful companies to Indutrade during the year.

Outlook

Overall, the market situation and demand were stable and positive throughout the entire first quarter. We did, however, notice some variation between companies and major uncertainties remain about the general economic outlook. Nevertheless, in several segments, the long-term outlook for our companies is favourable, which is linked to major investment programs in green technology, among others. During the second quarter, we will be faced with challenging comparison figures, but we still have a large, high quality order backlog, which gives us confidence for a positive sales and earnings trend in the near future.

Going forward, the Indutrade model will remain a strength and we have a stable platform that we are continuously developing and improving so that we can keep delivering sustainable, profitable growth.

Bo Annvik, President and CEO

Group performance

Order intake

Overall, demand was high and stable during the first quarter, increasing slightly compared to the corresponding period previous year. For the majority of companies, there was a continued increase in order intake compared to previous year. In the major customer segments, the strongest demand was in the energy segment, along with the engineering and process industries. A stable, high demand was also found in companies with customers in the medical technology & pharmaceutical segment. For infrastructure and construction, demand was somewhat lower than the corresponding period previous year.

Order intake was on a par with invoicing and amounted to SEK 8,076 million (7,085), which is an increase of 14% compared to the corresponding period previous year. For comparable units, order intake increased by 3%, acquisitions contributed with 8% and currency movements had a positive impact of 3%.

Order intake increased organically for seven of the eight business areas, with the strongest growth in Fluids & Mechanical Solutions and Flow Technology. There was a somewhat weaker development in the Finland business area compared to the corresponding period previous year, which is primarily attributable to the strong comparison figures previous year.

Net sales

Net sales continued to develop strongly during the first quarter and increased by 26% compared to the corresponding period previous year, amounting to SEK 8,063 million (6,398). Comparable units increased by 13%, acquisitions contributed with 9% and currency movements had a positive impact of 4%.

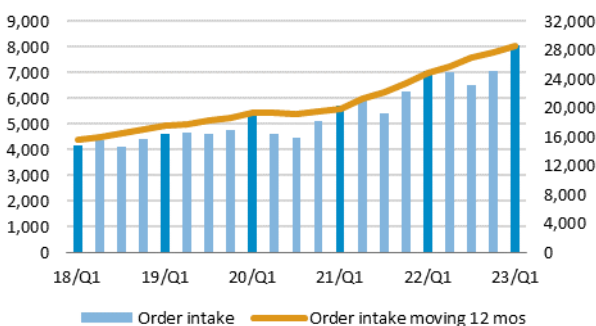
Net sales increased organically in all business areas, with the strongest growth in the Benelux and Flow Technology business areas, where the majority of companies and customer segments developed positively.

Disturbances in delivery chains continued to subside for many companies during the quarter. Overall, however, delivery times are still long and some of the disruptions remain.

All business with companies in Russia and Belarus is still suspended because of Russia's invasion of Ukraine at the beginning of last year. The overall direct and indirect exposure to these countries is very limited and the Group does not have any subsidiaries or employees in Russia, Ukraine or Belarus.

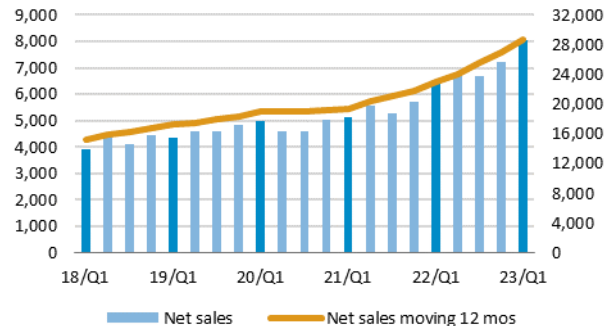
Order intake

SEK million

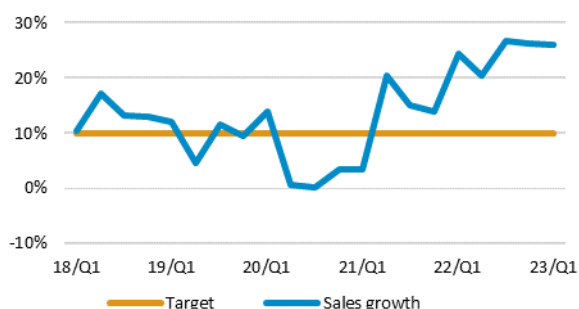


Net Sales

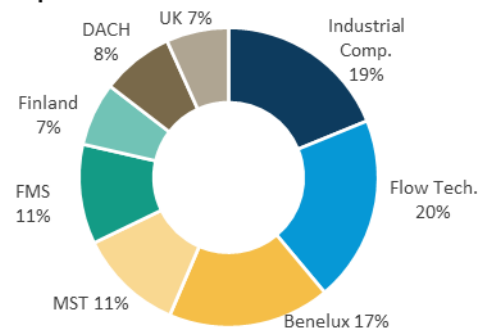
SEK million



Sales growth



Net Sales per Business Area



Q1

Earnings

Operating profit before amortisation of intangible assets attributable to acquisitions (EBITA) amounted to SEK 1,225 million (959) for the first quarter, which is an improvement of 28%. Comparable units increased by 14%, acquisitions contributed with 10% and currency movements had a positive impact of 4%. The EBITA margin increased and amounted to 15.2% (15.0%).

The higher EBITA margin is primarily attributable to the strong organic sales growth, along with good margins in newly acquired companies. Many companies continued raising their prices to customers during the quarter and the gross margin remained at a high level, amounting to 34.6% (34.6%).

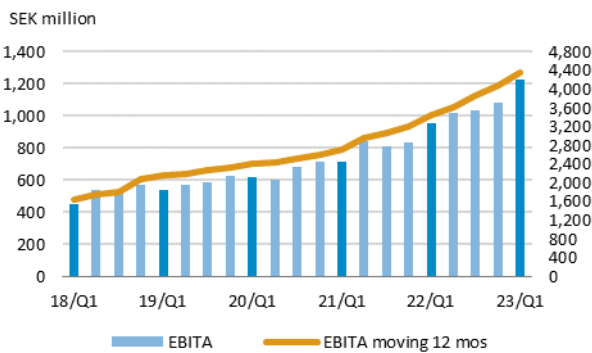
The strongest growth in EBITA margin during the quarter came from the Flow Technology and Benelux business areas, primarily due to the robust organic sales growth.

Net financial items during the first quarter amounted to SEK -98 million (-35). The higher financial costs were due to increased borrowing and higher interest rates. Tax on profit for the quarter amounted to SEK -229 million (-176), corresponding to a tax charge of 23% (22%). Profit for the quarter increased by 18% to SEK 752 million (638). Earnings per share before dilution increased by 18% and amounted to SEK 2.06 (1.75).

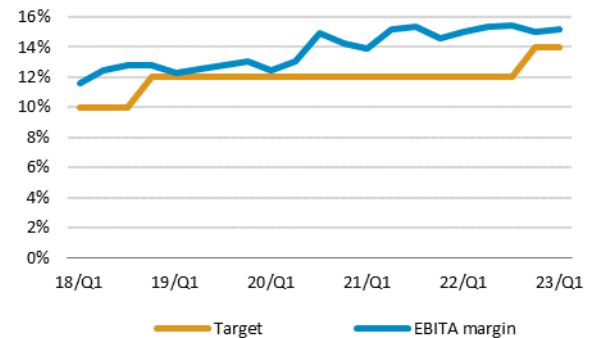
Return

Return on capital employed remained at a high level but decreased somewhat compared to previous year and amounted to 22% (23%), which is primarily attributable to a higher amount of tied-up capital. Return on equity amounted to 24% (23%).

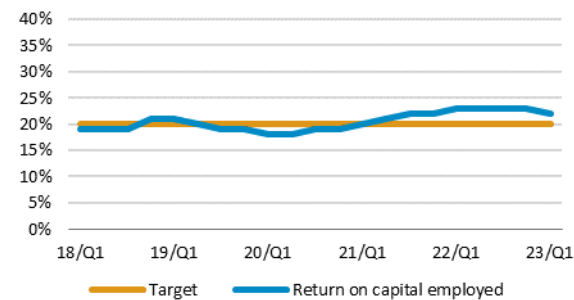
EBITA



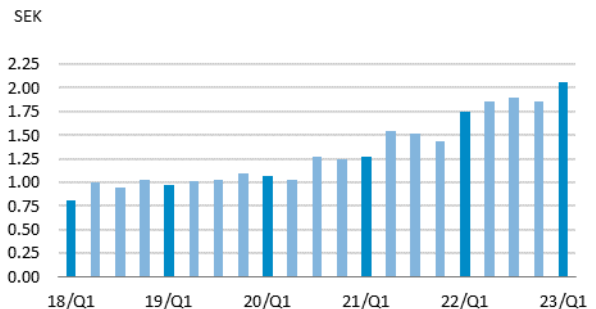
EBITA margin



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	2023 Jan-Mar	2022 Jan-Mar	Change	2022/23 Moving 12 mos	2022 Jan-Dec
Net sales	1,405	949	48%	4,540	4,084
EBITA	229	138	66%	690	599
EBITA margin, %	16.3	14.5		15.2	14.7

Net sales increased by 48% during the first quarter to SEK 1,405 million (949). Comparable units increased by 25%, acquisitions contributed with 15% and currency movements had a positive impact of 8%.

Overall, demand during the quarter was somewhat higher than in the corresponding period previous year and order intake increased in the majority of companies. A strong performance was exhibited by valves for power generation, while a weaker performance from companies with customers in construction counteracted this somewhat. Order intake was 7% lower than invoicing during the quarter.

EBITA increased during the first quarter by 66% to SEK 229 million (138), corresponding to an EBITA margin of 16.3% (14.5%). Comparable units increased by 39%, acquisitions contributed with 18% and currency movements had a positive impact of 9%.

The higher EBITA margin is primarily attributable to the strong performance from valves for power generation.

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	2023 Jan-Mar	2022 Jan-Mar	Change	2022/23 Moving 12 mos	2022 Jan-Dec
Net sales	626	504	24%	2,233	2,111
EBITA	91	70	30%	337	316
EBITA margin, %	14.5	13.9		15.1	15.0

Net sales increased by 24% during the first quarter to SEK 626 million (504). Comparable units increased by 6%, acquisitions contributed with 8% and currency movements had a positive impact of 10%.

Order intake during the quarter increased organically in approximately half of the business area's companies and overall, demand was somewhat higher than in the corresponding period previous year. Demand improved in the engineering sector, among others, but was counteracted by strong comparison figures for companies with customers in the medical technology and pharmaceutical industry. Order intake was 5% higher than invoicing during the quarter.

EBITA increased during the first quarter by 30% to SEK 91 million (70), corresponding to an EBITA margin of 14.5% (13.9%). Comparable units increased by 5%, acquisitions contributed with 15% and currency movements had a positive impact of 10%.

The improved EBITA margin was primarily driven by good margins 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	2023 Jan-Mar	2022 Jan-Mar	Change	2022/23 Moving 12 mos	2022 Jan-Dec
Net sales	550	505	9%	2,265	2,220
EBITA	72	73	-1%	369	370
EBITA margin, %	13.1	14.5		16.3	16.7

Net sales increased by 9% during the first quarter to SEK 550 million (505). Comparable units increased by 2% and currency movements had a positive impact of 7%.

During the quarter, order intake decreased for the majority of the business area's companies and demand was overall lower than in the corresponding period previous year, primarily due to the strong comparison figures. Order intake was 9% higher than invoicing during the quarter.

EBITA decreased during the first quarter by 1% to SEK 72 million (73), corresponding to an EBITA margin of 13.1% (14.5%). Comparable units decreased by 7% and currency movements had a positive impact of 6%.

The lower EBITA margin is primarily attributable to a higher level of activity and overhead costs in 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	2023 Jan-Mar	2022 Jan-Mar	Change	2022/23 Moving 12 mos	2022 Jan-Dec
Net sales	1,607	1,265	27%	5,749	5,407
EBITA	284	200	42%	966	882
EBITA margin, %	17.7	15.8		16.8	16.3

Net sales increased by 27% during the first quarter to SEK 1,607 million (1,265). Comparable units increased by 23%, acquisitions contributed with 1% and currency movements had a positive impact of 3%. Divestments had a marginal impact.

Overall, demand during the quarter was higher than during the corresponding period previous year, with positive order development in the majority of the business area's companies. A good demand was exhibited, among others, from customers in the energy, water & wastewater and marine segments. Order intake was 3% lower than invoicing during the quarter.

EBITA increased during the first quarter by 42% to SEK 284 million (200), corresponding to an EBITA margin of 17.7% (15.8%). Comparable units increased by 37%, acquisitions contributed with 2% and currency movements had a positive impact of 3%. Divestments had a marginal impact.

The higher EBITA margin was primarily attributable to the strong sales trend 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	2023 Jan-Mar	2022 Jan-Mar	Change	2022/23 Moving 12 mos	2022 Jan-Dec
Net sales	942	722	30%	3,190	2,970
EBITA	144	113	27%	484	453
EBITA margin, %	15.3	15.7		15.2	15.3

Net sales increased by 30% during the first quarter to SEK 942 million (722). Comparable units increased by 7%, acquisitions contributed with 21% and currency movements had a positive impact of 2%.

Overall, demand was higher than in the corresponding period previous year and order intake increased in the majority of companies. The strongest demand came from companies with customers in the automotive aftermarket, as well as the medical technology & pharmaceuticals segments. Order intake was 2% higher than invoicing during the quarter.

EBITA increased during the first quarter by 27% to SEK 144 million (113), corresponding to an EBITA margin of 15.3% (15.7%). Comparable units increased by 10%, acquisitions contributed with 15% and currency movements had a positive impact of 2%.

The lower EBITA margin is primarily explained by weak performance from the infrastructure & construction customer 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 region.

SEK million	2023 Jan-Mar	2022 Jan-Mar	Change	2022/23 Moving 12 mos	2022 Jan-Dec
Net sales	1,509	1,270	19%	5,635	5,396
EBITA	243	218	11%	892	867
EBITA margin, %	16.1	17.2		15.8	16.1

Net sales increased by 19% during the first quarter to SEK 1,509 million (1,270). Comparable units increased by 9%, acquisitions contributed with 9% and currency movements had a positive impact of 1%.

Demand during the quarter was stronger than in the corresponding period previous year, with an order growth in approximately half of the companies. The medical technology segment had the strongest demand compared to the corresponding period previous year, but there was a positive trend from companies with customers in the engineering industry as well. Order intake was 2% higher than invoicing during the quarter.

EBITA increased during the first quarter by 11% to SEK 243 million (218), corresponding to an EBITA margin of 16.1% (17.2%). Comparable units increased by 1%, acquisitions contributed with 10% and currency movements had a marginal effect.

The lower EBITA margin was primarily attributable to a somewhat lower gross margin for comparable units.

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	2023 Jan-Mar	2022 Jan-Mar	Change	2022/23 Moving 12 mos	2022 Jan-Dec
Net sales	911	687	33%	3,173	2,949
EBITA	157	131	20%	561	535
EBITA margin, %	17.2	19.1		17.7	18.1

Net sales increased by 33% during the first quarter to SEK 911 million (687). Comparable units increased by 13%, acquisitions contributed with 14% and currency movements had a positive impact of 6%.

Overall, demand during the quarter was somewhat higher than in the corresponding period previous year, with order growth in approximately half of the companies. There was a strong performance from, among others, companies with customers in the engineering and electronics industries. Order intake was 1% higher than invoicing during the quarter.

EBITA increased during the first quarter by 20% to SEK 157 million (131), corresponding to an EBITA margin of 17.2% (19.1%). Comparable units increased by 6%, acquisitions contributed with 11% and currency movements had a positive impact of 3%.

The lower EBITA margin was partly attributable to a lower gross margin for comparable units and partly to a slightly weak start to the new year for a couple of the newly acquired companies.

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	2023 Jan-Mar	2022 Jan-Mar	Change	2022/23 Moving 12 mos	2022 Jan-Dec
Net sales	541	520	4%	2,015	1,994
EBITA	65	68	-4%	228	231
EBITA margin, %	12.0	13.1		11.3	11.6

Net sales increased by 4% during the first quarter to SEK 541 million (520). Comparable units increased by 1%, acquisitions contributed with 2% and currency movements had a positive impact of 1%.

Overall, demand during the quarter was higher than in the corresponding period previous year and order intake increased in approximately half of the companies. Companies with customers in, for example, the energy segment, defence sector and aerospace experienced a good demand. Order intake was 4% higher than invoicing during the quarter.

EBITA decreased during the first quarter by 4% to SEK 65 million (68), corresponding to an EBITA margin of 12.0% (13.1%). Comparable units decreased by 8%, acquisitions contributed with 3% and currency movements had a positive impact of 1%.

The lower EBITA margin is primarily explained by higher overhead costs, in turn driven by a higher activity level and higher energy prices. There was also a negative impact on earnings from nonrecurring items in a couple of companies.

Other financial information

Financial position

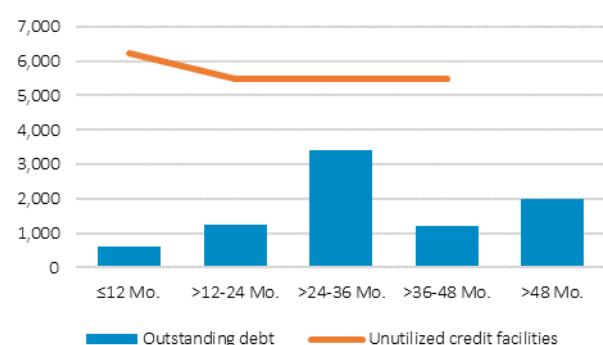
Shareholders' equity amounted to SEK 13,600 million (11,038) and the equity ratio to 43% (48%). Cash and cash equivalents amounted to SEK 2,102 million (1,189). In addition to that, there were unutilised credit commitments of SEK 6,236 million (4,982). Interest-bearing net debt amounted to SEK 9,390 million (5,766) at the end of the quarter. The increase compared to the corresponding period previous year is primarily attributable to a high rate of acquisition and a somewhat lower operating cash flow during the last year. The net debt/equity ratio was 69% (52%) at the end of the period. Net debt in relation to EBITDA was 1.8x (1.4x).

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, unsecured bond loans totalling SEK 1,000 million with a duration of 5 years were issued and an agreement was also signed for a new bank loan of EUR 100 million with a duration of 2.5 years, primarily to fund bond repayments and general business purposes. An agreement was also signed during the quarter for an increase in the long-term unutilised bank facilities.

At the end of the quarter, the Parent Company's short-term borrowing amounted to SEK 600 million and long-term unutilised credit facilities amounted to SEK 5,500 million.

Maturity profile - financing ¹⁾

SEK million



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

Month acquired	Acquisitions	Business area	Net sales/SEK m*	No. of employees*
January	Sax Lift A/S	Fluids & Mechanical Solutions	130	34
January	Hobe GmbH	DACH	80	32
January	Siersema Componenten Service B.V.	Benelux	390	50
Total			600	116

*) 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.

Cash flow, capital expenditures and depreciation

Cash flow from operating activities increased during the quarter compared to the corresponding period previous year and amounted to SEK 632 million (276). The improvement was partly attributable to higher earnings and partly to a lower increase in working capital compared to the corresponding period previous year. Inventories continued to increase somewhat during the quarter for comparable units, primarily driven by good order intake, long delivery times from suppliers and price increases. The rate of increase was, however, lower than the corresponding period previous year. Working capital efficiency, measured as working capital in relation to net sales on a moving 12-month basis for comparable units, was, due to the higher inventory levels, lower than the corresponding period previous year.

The Group's net capital expenditures, excluding company acquisitions, totalled SEK 140 million (130).

Cash flow after net capital expenditures in intangible non-current assets and in property, plant and equipment (excluding company acquisitions) amounted to SEK 492 million (146).

Depreciation of property, plant and equipment totalled SEK 210 million (174). Investments in company acquisitions amounted to SEK 760 million (101). In addition, payments pertaining to previous years' acquisitions totalled SEK 122 million (57). Divestments amounted to SEK 0 million (0).

In cash flow from operating activities, depreciation of leased assets in the amount of SEK 117 million (96) was added back during the period January – March in accordance with IFRS 16. Lease amortisation is reported as cash flow from financing activities.

Employees

The number of employees was 9,224 at the end of the period, compared with 9,128 at the start of the year.

Company acquisitions

The Group acquired the following companies, which are consolidated for the first time in 2023.

Q1

Events after the end of the reporting period

Safematic A/S was acquired on 13 April. For more information, please see page 20.

AGM and dividend

Indutrade's Annual General Meeting was held on 29 March 2023. The shareholders were also able to exercise their voting rights at the Annual General Meeting by postal voting in accordance with the provisions of Indutrade's Articles of Association.

The AGM adopted the Board of Directors' proposal that a dividend of SEK 2.60 per share be paid for the 2022 financial year.

Bo Annvik, Susanna Campbell, Anders Jernhall, Kerstin Lindell, Ulf Lundahl, Katarina Martinson, Krister Mellvé and Lars Pettersson were re-elected as directors for the period until the end of the next AGM. Katarina Martinson was re-elected as Chair of the Board.

The AGM resolved to approve the Board of Directors' proposal regarding the implementation of a long-term incentive programme (LTIP 2023) and hedging arrangements (equity swap agreement) in respect thereof. LTIP 2023 consists of performance shares and compromises members of the group management, including the CEO, business unit leaders, as well as subsidiary MDs and other key employees.

Change in Group management

Morgan O'Brien, SVP Business Development & President UltraPure International, has decided to leave Indutrade and his employment will end on 31 July this year. Coordination responsibility for the UltraPure International activities will be taken over by the business areas where those operations exist.

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 net sales, which consist entirely of internal invoicing of services, amounted to SEK 0 million (0) during 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 20 (21).

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 2022, 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 2022 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 2023.

Financial Calendar

- 20 July 2023:
Interim report 1 January – 30 June 2023
- 27 October 2023:
Interim report 1 January – 30 September 2023
- 1 February 2024:
Year-end report 1 January – 31 December 2023

Stockholm, 27 April 2023
Indutrade AB (publ)

Bo Annvik
President and CEO

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

Note

The information in this report is such that Indutrade AB is obligated to make public in accordance with the EU Market Abuse Regulation. The information was submitted for publication by the agency of the following contact persons on 27 April 2023 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 27 April at 9.30 CEST via the following link:
<https://ir.financialhearings.com/indutrade-q1-2023/register>

To participate in the conference call and ask questions, please register yourself via the link below. Once you have registered, you will be given the telephone number and a conference ID to login to the conference call.

<https://conference.financialhearings.com/teleconference/?id=5007983>

Q1

Indutrade consolidated income statement – condensed

SEK million	2023 Jan-Mar	2022 Jan-Mar	2022/23 Moving 12 mos	2022 Jan-Dec
Net sales	8,063	6,398	28,681	27,016
Cost of goods sold	-5,271	-4,186	-18,739	-17,654
Gross profit	2,792	2,212	9,942	9,362
Development costs	-95	-76	-353	-334
Selling costs	-1,134	-937	-4,172	-3,975
Administrative expenses	-483	-377	-1,666	-1,560
Other operating income and expenses	-1	27	99	127
Operating profit	1,079	849	3,850	3,620
Net financial items	-98	-35	-243	-180
Profit before taxes	981	814	3,607	3,440
Income Tax	-229	-176	-812	-759
Net profit for the period	752	638	2,795	2,681
<i>Net profit, attributable to:</i>				
Equity holders of the parent company	751	637	2,796	2,682
Non-controlling interests	1	1	-1	-1
	752	638	2,795	2,681
EBITA	1,225	959	4,364	4,098
<i>Operating profit includes:</i>				
Amortisation of intangible assets ¹⁾	-158	-121	-561	-524
<i>of which attributable to acquisitions</i>	-146	-110	-514	-478
Depreciation of property, plant and equipment	-210	-174	-770	-734
Earnings per share before dilution, SEK	2.06	1.75	7.67	7.36
Earnings per share after dilution, SEK	2.06	1.75	7.67	7.36

¹⁾ Excluding impairment losses

Indutrade consolidated statement of comprehensive income

SEK million	2023 Jan-Mar	2022 Jan-Mar	2022/23 Moving 12 mos	2022 Jan-Dec
Net profit for the period	752	638	2,795	2,681
Other comprehensive income				
Items that can be reversed into income statement				
Fair value adjustment of hedge instruments	3	0	7	4
Tax attributable to fair value adjustments	-1	0	-2	-1
Exchange rate differences	64	91	489	516
Items that cannot be reversed into income statement				
Actuarial gains/losses	-	-	137	137
Tax on actuarial gains/losses	-	-	-29	-29
Other comprehensive income for the period, net of tax	66	91	602	627
Total comprehensive income for the period	818	729	3,397	3,308
<i>Total comprehensive income, attributable to:</i>				
Equity holders of the parent company	817	728	3,398	3,309
Non-controlling interests	1	1	-1	-1

Indutrade consolidated balance sheet – condensed

SEK million	2023 31-Mar	2022 31-Mar	2022 31-Dec
Goodwill	8,283	5,564	7,649
Other intangible assets	4,598	3,321	4,408
Property, plant and equipment	4,245	3,454	4,045
Financial assets	175	208	160
Inventories	5,820	4,324	5,605
Trade receivables	5,094	4,060	4,452
Other receivables	1,285	962	954
Cash and cash equivalents	2,102	1,189	1,589
Total assets	31,602	23,082	28,862
Equity	13,600	11,038	12,773
Non-current interest-bearing liabilities and pension liabilities	9,712	5,143	7,903
Other non-current liabilities and provisions	1,368	972	1,300
Current interest-bearing liabilities	1,780	1,812	2,266
Trade payables	2,215	1,900	1,870
Other current liabilities	2,927	2,217	2,750
Total equity and liabilities	31,602	23,082	28,862

Indutrade consolidated statement of changes in equity – condensed

Attributable to equity holders of the parent company SEK million	2023 31-Mar	2022 31-Mar	2022 31-Dec
Opening equity	12,759	10,292	10,292
Total comprehensive income for the period	817	728	3,309
New issues	-	-	11
Dividend ¹⁾	-	-	-837
Hedging of incentive programme	-	-	-44
Share-based payments	9	6	32
Acquisition of non-controlling interests	-	-	-4
Closing equity	13,585	11,026	12,759
¹⁾ Dividend per share for 2021 was SEK 2.30			
<i>Equity, attributable to:</i>			
Equity holders of the parent company	13,585	11,026	12,759
Non-controlling interests	15	12	14
	13,600	11,038	12,773

Q1

Indutrade consolidated cash flow statement – condensed

SEK million	2023 Jan-Mar	2022 Jan-Mar	2022/23 Moving 12 mos	2022 Jan-Dec
Operating profit	1,079	849	3,850	3,620
Non-cash items	383	290	1,313	1,220
Interests and other financial items, net	-47	-27	-166	-146
Paid tax	-325	-242	-847	-764
Change in working capital	-458	-594	-1,422	-1,558
Cash flow from operating activities	632	276	2,728	2,372
Net capital expenditures in non-current assets	-140	-130	-508	-498
Company acquisitions and divestments	-882	-158	-3,550	-2,826
Change in other financial assets	-11	6	-10	7
Cash flow from investing activities	-1,033	-282	-4,068	-3,317
Debt/repayment of debt, net	905	-280	3,002	1,817
Dividend paid out	-	-	-837	-837
New issues	-	-	11	11
Cash flow from financing activities	905	-280	2,176	991
Cash flow for the period	504	-286	836	46
Cash and cash equivalents at start of period	1,589	1,460	1,189	1,460
Exchange rate differences	9	15	77	83
Cash and cash equivalents at end of period	2,102	1,189	2,102	1,589

Key data

	2023 31-Mar	2022 31-Dec	2022 31-Mar	2021 31-Dec	2020 31-Dec
Moving 12 mos					
Net sales, SEK million	28,681	27,016	22,966	21,715	19,217
Sales growth, %	25	24	18	13	4
EBITA, SEK million	4,364	4,098	3,448	3,202	2,615
EBITA margin, %	15.2	15.2	15.0	14.7	13.6
Capital employed at end of period, SEK million	22,990	21,353	16,804	15,792	13,512
Capital employed, average, SEK million	19,607	18,111	15,141	14,516	13,541
Return on capital employed, % ¹⁾	22	23	23	22	19
Equity, average, SEK million	11,883	11,272	9,773	9,297	7,899
Return on equity, % ¹⁾	24	24	23	23	21
Interest-bearing net debt at end of period, SEK million	9,390	8,580	5,766	5,489	4,878
Net debt/equity ratio, %	69	67	52	53	56
Net debt/EBITDA, times	1.8	1.8	1.4	1.4	1.5
Equity ratio, %	43	44	48	47	48
Average number of employees	8,726	8,483	7,923	7,715	7,349
Number of employees at end of period	9,224	9,128	8,288	8,185	7,270
<i>Attributable to equity holders of the parent company</i>					
<i>Key ratios per share</i>					
Earnings per share before dilution, SEK	7.67	7.36	6.24	5.76	4.60
Earnings per share after dilution, SEK	7.67	7.36	6.24	5.75	4.59
Equity per share, SEK	37.29	35.02	30.28	28.26	23.72
Cash flow from operating activities per share, SEK	7.49	6.51	7.25	7.84	7.66
Average number of shares before dilution, '000	364,304	364,270	364,062	363,921	362,721
Average number of shares after dilution, '000	364,316	364,303	364,234	364,180	363,320
Number of shares at the end of the period, '000	364,323	364,323	364,188	364,188	363,615

¹⁾ Calculated on average capital and equity.

Q1

Business area performance

	2023	2022	2022/23	2022
	Jan-Mar	Jan-Mar	Moving 12 mos	Jan-Dec
Net sales, SEK million				
Benelux	1,405	949	4,540	4,084
DACH	626	504	2,233	2,111
Finland	550	505	2,265	2,220
Flow Technology	1,607	1,265	5,749	5,407
Fluids & Mechanical Solutions	942	722	3,190	2,970
Industrial Components	1,509	1,270	5,635	5,396
Measurement & Sensor Technology	911	687	3,173	2,949
UK	541	520	2,015	1,994
Parent company and Group items	-28	-24	-119	-115
Total	8,063	6,398	28,681	27,016
EBITA, SEK million				
Benelux	229	138	690	599
DACH	91	70	337	316
Finland	72	73	369	370
Flow Technology	284	200	966	882
Fluids & Mechanical Solutions	144	113	484	453
Industrial Components	243	218	892	867
Measurement & Sensor Technology	157	131	561	535
UK	65	68	228	231
Parent company and Group items	-60	-52	-163	-155
Total	1,225	959	4,364	4,098
EBITA margin, %				
Benelux	16.3	14.5	15.2	14.7
DACH	14.5	13.9	15.1	15.0
Finland	13.1	14.5	16.3	16.7
Flow Technology	17.7	15.8	16.8	16.3
Fluids & Mechanical Solutions	15.3	15.7	15.2	15.3
Industrial Components	16.1	17.2	15.8	16.1
Measurement & Sensor Technology	17.2	19.1	17.7	18.1
UK	12.0	13.1	11.3	11.6
	15.2	15.0	15.2	15.2

Business area performance per quarter

Net sales, SEK million	2023	2022			
	Jan-Mar	Oct-Dec	Jul-Sep	Apr-Jun	Jan-Mar
Benelux	1,405	1,153	1,012	970	949
DACH	626	534	552	521	504
Finland	550	605	565	545	505
Flow Technology	1,607	1,370	1,387	1,385	1,265
Fluids & Mechanical Solutions	942	781	714	753	722
Industrial Components	1,509	1,514	1,270	1,342	1,270
Measurement & Sensor Technology	911	821	749	692	687
UK	541	480	490	504	520
Parent company and Group items	-28	-30	-32	-29	-24
Total	8,063	7,228	6,707	6,683	6,398

EBITA, SEK million	Jan-Mar	2022			
		Oct-Dec	Jul-Sep	Apr-Jun	Jan-Mar
Benelux	229	167	139	155	138
DACH	91	80	88	78	70
Finland	72	96	105	96	73
Flow Technology	284	222	224	236	200
Fluids & Mechanical Solutions	144	116	108	116	113
Industrial Components	243	227	204	218	218
Measurement & Sensor Technology	157	142	134	128	131
UK	65	51	53	59	68
Parent company and Group items	-60	-20	-20	-63	-52
Total	1,225	1,081	1,035	1,023	959

EBITA margin, %	Jan-Mar	2022			
		Oct-Dec	Jul-Sep	Apr-Jun	Jan-Mar
Benelux	16.3	14.5	13.7	16.0	14.5
DACH	14.5	15.0	15.9	15.0	13.9
Finland	13.1	15.9	18.6	17.6	14.5
Flow Technology	17.7	16.2	16.1	17.0	15.8
Fluids & Mechanical Solutions	15.3	14.9	15.1	15.4	15.7
Industrial Components	16.1	15.0	16.1	16.2	17.2
Measurement & Sensor Technology	17.2	17.3	17.9	18.5	19.1
UK	12.0	10.6	10.8	11.7	13.1
Total	15.2	15.0	15.4	15.3	15.0

Q1

Disaggregation of revenue

Net sales per geographic market

2023

Jan-Mar, SEK million	Benelux	DACH	Finland	FT	FMS	IC	MST	UK	Elim. ¹⁾	Total
Nordic countries	31	4	478	858	677	1,329	168	25	-10	3,560
Other Europe	1,193	598	50	633	229	152	338	461	-11	3,643
Americas	93	14	12	10	24	18	256	28	-3	452
Asia	67	9	9	82	8	8	127	24	-3	331
Other	21	1	1	24	4	2	22	3	-1	77
	1,405	626	550	1,607	942	1,509	911	541	-28	8,063

Timing of revenue recognition	Benelux	DACH	Finland	FT	FMS	IC	MST	UK	Elim. ¹⁾	Total
Over time	16	80	0	0	72	3	71	0	0	242
Point in time	1,389	546	550	1,607	870	1,506	840	541	-28	7,821
	1,405	626	550	1,607	942	1,509	911	541	-28	8,063

2022

Jan-Mar, SEK million	Benelux	DACH	Finland	FT	FMS	IC	MST	UK	Elim. ¹⁾	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
	949	504	505	1,265	722	1,270	687	520	-24	6,398

Timing of revenue recognition	Benelux	DACH	Finland	FT	FMS	IC	MST	UK	Elim. ¹⁾	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
	949	504	505	1,265	722	1,270	687	520	-24	6,398

¹⁾ Parent company & Group items

FT - Flow Technology

FMS - Fluids & Mechanical Solutions

IC - Industrial Components

MST - Measurement & Sensor Technology

Acquisitions

Acquisitions during the interim period

All of the shares were acquired in Sax Lift A/S (Denmark), Hobe GmbH (Germany) and Siersema Komponenten Service B.V. (Netherlands).

Benelux

On 19 January, Siersema Komponenten Service B.V. (Netherlands) was acquired, with annual sales of SEK 390 million. SKS is a specialised technical trading company offering flow technology components to the food and pharmaceutical industries.

DACH

On 10 January, Hobe GmbH (Germany) was acquired, with annual sales of SEK 80 million. Hobe manufactures micro precision tools for the shaping of interior profiles in very small bores.

Fluids & Mechanical Solutions

On 3 January, Sax Lift A/S (Denmark) was acquired, with annual sales of SEK 130 million. Sax Lift manufactures standard and custom-made scissor lift tables.

Acquired assets and liabilities in 2023

Preliminary purchase price allocations

SEK million

Purchase price, incl. contingent earn-out payment totalling SEK 36 million			831
	Book value	Fair value adjustment	Fair value
Acquired assets and liabilities			
Goodwill	47	524	571
Agencies, trademarks, customer relations, licenses, etc.	0	301	301
Property, plant and equipment	37	-	37
Financial assets	1	-	1
Inventories	121	-	121
Other current assets ¹⁾	60	-	60
Cash and cash equivalents	35	-	35
Deferred tax liability	0	-74	-74
Other operating liabilities	-222	1	-221
	79	752	831

¹⁾ 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 8 million (0).

Indutrade typically uses an acquisition structure entailing a base level of consideration plus a contingent earn-out payment. Initially, the contingent earn-out payment is valued at the present value of the likely outcome, which for the acquisitions made during the year amounts to SEK 36 (59) million. The contingent earn-out payments fall due for payment within three years and can amount to a maximum of SEK 65 million (63). If the conditions are not met, the outcome can be in the range of SEK 0-65 million.

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

The acquisition calculations for Autoroll UK Ltd och NTi Audio AG, which were acquired during the first quarter of 2022 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	831
Purchase price not paid out	-36
Cash and cash equivalents in acquired companies	-35
Payments pertaining to previous years' acquisitions	122
Total cash flow impact	882

Effects of acquisitions carried out in 2022 and 2023

SEK million	Net sales	EBITA
Business area	Jan-Mar	Jan-Mar
Benelux	145	25
DACH	42	11
Finland	-	-
Flow Technology	13	3
Fluids & Mechanical Solutions	152	17
Industrial Components	113	21
Measurement & Sensor Technology	96	14
UK	8	2
Effect on Group	569	93
Acquisitions carried out in 2022	451	70
Acquisitions carried out in 2023	118	23
Effect on Group	569	93

If all of the acquired units had been consolidated as of 1 January 2023, net sales would have amounted to SEK 8,093 million and EBITA to SEK 1,227 million.

Acquisitions after the end of the reporting period

On 13 April, Safematic A/S was acquired, with annual sales of approximately SEK 55 million. Safematic specialises in process and ventilation filtration, offering filter solutions to the food, energy and pharmaceutical industries, among others.

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	364,323,000
Number of newly subscribed shares	0
Total number of shares outstanding after new issues	364,323,000

LTIP 2021 and 2022

The 2021 and 2022 AGMs resolved on new incentive programmes. LTIP 2021 covers around 235 employees and is aimed at senior executives and other key employees. It 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.

LTIP 2022 covers around 265 employees and is aimed at senior executives and other key employees. 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.

For both programmes, 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. Performance targets are based on the development of earnings per share during the performance period.

During the interim period, SEK 9 million (6) (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

Q1

Financial assets and liabilities

31 Mar 2023, 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						
Valuation classification								
Other shares and participations	-	-		12	-	-	12	12
Trade receivables	-	5,094		-	-	-	5,094	5,094
Other receivables	10	50		-	-	-	60	60
Cash and cash equivalents	-	2,102		-	-	-	2,102	2,102
Total	10	7,246		12	-	-	7,268	7,268
Non-current interest-bearing liabilities	-	-		-	526	8,940	9,466	9,461
Current interest-bearing liabilities	-	-		-	626	1,154	1,780	1,781
Trade payables	-	-		-	-	2,215	2,215	2,215
Other liabilities	5	-		-	-	-	5	5
Total	5	-		-	1,152	12,309	13,466	13,462

31 Dec 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						
Valuation classification								
Other shares and participations	-	-		13	-	-	13	13
Trade receivables	-	4,452		-	-	-	4,452	4,452
Other receivables	5	24		-	-	-	29	29
Cash and cash equivalents	-	1,589		-	-	-	1,589	1,589
Total	5	6,065		13	-	-	6,083	6,083
Non-current interest-bearing liabilities	-	-		-	979	6,681	7,660	7,626
Current interest-bearing liabilities	-	-		-	241	2,025	2,266	2,266
Trade payables	-	-		-	-	1,870	1,870	1,870
Other liabilities	2	-		-	-	-	2	2
Total	2	-		-	1,220	10,576	11,798	11,764

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	2023	2022
	31-Mar	31-Dec
SEK million		
Opening book value	1,220	861
Acquisitions during the year	36	659
Consideration paid	-119	-235
Reclassified via income statement	-5	-139
Interest expenses	8	14
Exchange rate differences	12	60
Closing book value	1,152	1,220

Parent company income statement – condensed

SEK million	2023 Jan-Mar	2022 Jan-Mar	2022/23 Moving 12 mos	2022 Jan-Dec
Net sales	0	0	11	11
Gross profit	0	0	11	11
Administrative expenses	-38	-35	-149	-146
Operating profit	-38	-35	-138	-135
Financial income/expenses	14	23	82	91
Profit from participation in Group companies	1	-	1,928	1,927
Profit after financial items	-23	-12	1,872	1,883
Appropriations	-	-	850	850
Income Tax	5	2	-165	-168
Net profit for the period	-18	-10	2,557	2,565
Amortisation/depreciation of intangible assets and property, plant and equipment	0	0	-1	-1

Parent company balance sheet – condensed

SEK million	2023 31-Mar	2022 31-Mar	2022 31-Dec
Intangible assets	1	0	1
Property, plant and equipment	1	1	2
Financial assets	11,247	7,102	9,785
Current receivables	9,421	8,057	10,939
Cash and cash equivalents	1,073	275	592
Total assets	21,743	15,435	21,319
Equity	9,938	8,246	9,956
Untaxed reserves	867	755	867
Non-current interest-bearing liabilities and pension liabilities	8,248	3,635	6,386
Other non-current liabilities and provisions	4	0	4
Current interest-bearing liabilities	2,570	2,720	3,710
Current non-interest-bearing liabilities	116	79	396
Total equity and liabilities	21,743	15,435	21,319

Q1

Definitions

Alternative Performance Measures

In this interim and Year-End 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 approximately 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 14% per year over a business cycle.

Return on capital employed

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

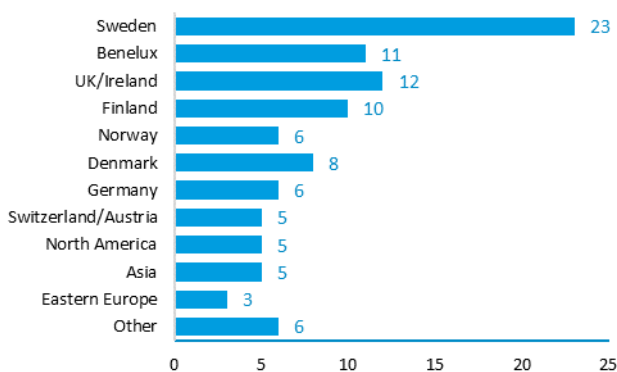
Net debt/equity ratio

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

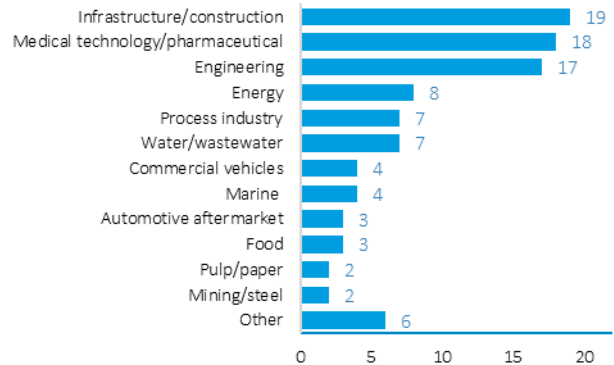
Dividend payout ratio

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

Net sales per market, % ¹⁾



Net sales per customer segment, % ¹⁾



¹⁾Financial year 2022

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

Q1

Welcome Safematic!

In April, Indutrade acquired the Danish company, Safematic A/S, with annual sales of SEK 55 million. Safematic is specialised in process and ventilation filtration, offering high-quality filter solutions to the food, energy and pharmaceutical industries, among others.

Based on its technical expertise in customer application areas, the company has a high degree of consultative sales and long-lasting relations with its customers and partners. Safematic has good prospects for sustainable, profitable growth and the acquisition strengthens Indutrade's cluster of filter companies in Denmark.



CEO's speech from the 2023 AGM

Indutrade's Annual General Meeting was held on 29 March 2023 at IVA Conference Center in Stockholm. Shareholders were also able to exercise their voting rights at the AGM via postal voting.

At the AGM, Indutrade's President and CEO, Bo Annvik, gave a speech, reflecting on the past year and commenting on both the current market situation and path forward for the group.

The speech was recorded and is available for viewing at the following link: <https://creo-live.creomediamanager.com/483dcb3e-def2-4b7e-a3d9-9deddbec13e>



Annual report and sustainability report 2022

In March, Indutrade published its annual report and sustainability report for 2022. The report, which is available on our website, contains more information about Indutrade's strategy for sustainable, profitable growth, along with our sustainability work and progress in 2022.

We are convinced that systematic sustainability efforts, integrated into the business strategy, is a prerequisite for long-term value creation. The starting point for Indutrade's sustainability efforts is the principles stated in the UN Global Compact and it is founded on all companies working in a structured way with their own material sustainability areas and goals, together with the Group-wide focus areas and goals.

