

Momentum Group

Interim report | 1 January – 30 September, 2023



Q3 23

Strong earnings and revenue growth in the quarter

The Group's operations delivered favourable sales growth, with organic growth of 8% in the quarter. Acquired businesses contributed to this growth, and the Group's revenue increased by a total of 45% year on year. Revenue growth, combined with effective cost control, led to a 40% increase in EBITA compared with the same quarter last year. Over the year to date, seven companies have been acquired, adding combined annual revenue of approximately SEK 510 million.

Third quarter 2023

- Revenue increased by 45% to SEK 580 million (400), of which 8% was attributable to comparable units.
- Operating profit rose by 32% to SEK 62 million (47), corresponding to an operating margin of 10.7% (11.8).
- EBITA increased by 40% to SEK 70 million (50), corresponding to an EBITA margin of 12.1% (12.5).
- Profit for the quarter increased by 22% to SEK 44 million (36), corresponding to earnings per share of SEK 0.85 (0.70).
- Acquisition of Processkontroll Items, a leading niche player in instrumentation for demanding operating conditions.
- Acquisition of Conclean, a leading niche player in private sewage systems, rainwater recycling and stormwater management.

January–September 2023

- Revenue increased by 31% to SEK 1,631 million (1,245), of which 8% was attributable to comparable units.
- Operating profit rose by 32% to SEK 176 million (133), corresponding to an operating margin of 10.8% (10.7).
- EBITA increased by 32% to SEK 195 million (148), corresponding to an EBITA margin of 12.0% (11.9).
- Profit for the period increased by 28% to SEK 129 million (101), corresponding to earnings per share of SEK 2.60 (1.95).
- The return on working capital (EBITA/WC) was 60% (62).
- The equity/assets ratio was 33% (44) at the end of the period.
- As of 30 September, the number of repurchased Class B shares totalled 1,104,794. The change in the third quarter was attributable to business acquisitions.
- During the first quarter, Hydmos Industriteknik, LocTech and Agera were acquired. During the second quarter, Askalon and Regal were acquired. During the third quarter, Processkontroll Items and Conclean were acquired. In total, the acquisitions generate approximately SEK 510 million in annual revenue.

	Q3			Jan-Sep			R12 Sep		
	2023	2022	Δ	2023	2022	Δ	2023	2022	Δ
Revenue	580	400	45%	1,631	1,245	31%	2,125	1,647	29%
Operating profit	62	47	32%	176	133	32%	228	171	33%
of which: Items affecting comparability	-	-		-	-6		-	-12	
of which: Amortisation of intangible assets in connection with acquisitions	-8	-3		-19	-9		-23	-12	
EBITA	70	50	40%	195	148	32%	251	195	29%
Net profit	44	36	22%	129	101	28%	168	129	30%
Earnings per share before and after dilution, SEK	0.85	0.70	21%	2.60	1.95	33%	3.35	2.50	34%
Operating margin	10.7%	11.8%		10.8%	10.7%		10.7%	10.4%	
EBITA margin	12.1%	12.5%		12.0%	11.9%		11.8%	11.8%	
Return on working capital (EBITA/WC)							60%	62%	
Equity/assets ratio							33%	44%	

Events after the end of the period

- No significant events occurred after the end of the period.



A quarterly presentation is available on the company's website, momentum.group, where CEO Ulf Lilius and CFO Niklas Enmark present the report and provide an update on operations.

Focus on earnings growth and acquisitions to reach target

The market situation remained favourable for most businesses in the third quarter, particularly in industry and aftermarket, which are our main customer segments. The economic turbulence that characterised the market in the wake of inflation, interest rates and the deterioration of certain sectors has started to impact the behaviour of some of our customers with a more cautious approach and a slightly lower level of activity.

However, the scenario is not identical across the board, and demand remains generally stable. The component shortage is less pronounced, although delivery times remain relatively long in certain product areas. Our companies continue to maintain a high delivery capacity. In total, the Group's revenue increased by 45 per cent year on year during the quarter and amounted to SEK 580 million (400). Growth in comparable units was 8 per cent.

Continued focus on earnings growth and acquisitions

As an acquirer without an exit horizon, we grow by continuously acquiring profitable and well-managed companies. Companies that we take good care of, with clear ambitions for earnings growth and activities to achieve these goals. During the quarter, we completed the acquisition of two new, attractive companies: Processkontroll Items and Conclean.

To date this year, we have acquired seven companies with combined annual revenue of approximately SEK 510 million. These acquisitions strengthen our position as a specialist company and made a clear, positive contribution to our EBITA, which grew by 40 per cent to SEK 70 million (50) for the quarter. This corresponds to an EBITA margin of 12.1 per cent (12.5).

For the reporting period, EBITA increased by 32 per cent to SEK 195 million (148), corresponding to an EBITA margin of 12.0 per cent (11.9). The acquisitions also contributed positively to Momentum Group's earnings per share, which for the most recent 12-month period amounted to SEK 3.35, up 34 per cent year on

year. The shares repurchased in the preceding year also contributed to this growth in earnings per share.

The acquisitions were financed with internally generated funds and repurchased shares, with a certain expansion of the balance sheet. The conditions for further acquisitions remain interesting and we are currently assessing a number of attractive candidates. Over the past year, we have built up an organisation and structural capital for acquisitions. Along with a strong balance sheet and cash flow from operating activities, this provides us with favourable conditions for maintaining a high pace of acquisitions going forward. Our financial target is to double our EBITA every five years. Our excellent track record since our listing puts us in a good position to reach this initial target on time – that is, to increase EBITA to 340 SEK million by latest the end of 2026.

» As an acquirer without an exit horizon, we grow by continuously acquiring profitable and well-managed companies. Companies that we take good care of, with clear ambitions for earnings growth and activities to achieve these goals. «

ULF LILIUS



Outlook

Despite the global and economic climate, I am optimistic about the future. Market conditions remain stable for most of the Group's operations, and the major downturn has not been materialised. However, the situation is difficult to assess, and there is considerable uncertainty regarding inflation, currencies, interest rates and future economic trends. Nevertheless, we are confident in our decentralised organisation's ability to rapidly adapt its offerings and costs. The Group's broad exposure to industry, and primarily to aftermarket customers, provides stability and favourable growth opportunities. Should an economic slowdown hit us harder in the future, we are well prepared. We have action plans that can be implemented and customised for each company.

Stockholm, October 2023
Ulf Lilius, President & CEO

Sales performance

Comments on the market

The business climate in our main markets in the Nordic region remained satisfactory, particularly in the industrial sector, which is the Group's primary customer segment. The economic turbulence that characterised the market in the wake of inflation, interest rates and the deterioration of certain sectors has started to impact the behaviour of some of our customers in the form of a more cautious approach and a slightly lower level of activity. However, the scenario is not identical across the board, and demand remains generally stable. The component shortage is less noticeable, although delivery times remain relatively long in certain product areas. Still, our companies maintained a high delivery capacity.

Purchase price and cost increases are continuing, but at a more moderate rate. The weak SEK has had no major impact on sales to date, but is a factor that the operations need to manage in their pricing.

The anticipated economic downturn, a challenging international security situation and the uncertainty this has caused, and continued – although more modest – price and cost increases are expected to result in a more cautious market going forward. The Group is therefore implementing ongoing measures in its operations to adapt them to the prevailing market conditions. As in the past, the Group's decentralised structure, with decisions made close to customers and suppliers, is a major strength in these efforts.

The current situation has not led to any changes in material bases of judgement compared with those applied in the annual report for 2022.

Performance in the third quarter of 2023

The Group noted a continued favourable sales trend and demand for the companies' products and services in most customer segments during the quarter. Certain export-oriented customers are showing signs of lower

activity in their operations, but this has yet to have a significant impact on the Group. Capacity utilisation was generally favourable among the service operations, with the seasonal effect of customary summer maintenance shutdowns at customers. The companies have worked closely with their customers to understand any changes in demand patterns and, in some cases, have made certain adjustments and remain restrictive with their costs.

During the third quarter, revenue increased by 45 per cent compared with the year-earlier period and amounted to SEK 580 million (400). Growth in comparable units was 8 per cent. The acquisitions of Processkontroll Items and Conclean were completed during the quarter. The quarter included one trading day fewer than the corresponding quarter in the preceding year.

Growth in comparable units

compared with Q3 2022

+8%

Sales performance

	Q3	Jan-Sep
%	2023	2023
Comparable units in local currency	7.8%	8.3%
Currency effects	1.0%	0.6%
Number of trading days	-2.3%	-0.7%
Acquisitions	38.5%	22.8%
Total change	45.0%	31.0%



Earnings performance

Third quarter 2023

Operating profit rose by 32 per cent to SEK 62 million (47), corresponding to an operating margin of 10.7 per cent (11.8).

Operating profit was charged with amortisation of intangible non-current assets of SEK –8 million (–3) arising in conjunction with acquisitions and with depreciation of right-of-use assets and tangible non-current assets of SEK –20 million (–15). Exchange-rate translation effects had a positive impact of SEK 1 million (0) on operating profit.

EBITA increased by 40 per cent to SEK 70 million (50), corresponding to an EBITA margin of 12.1 per cent (12.5).

Profit after financial items totalled SEK 56 million (46) and profit after tax amounted to SEK 44 million (36), which corresponds to earnings per share of SEK 0.85 (0.70) for the quarter.

January–September 2023 period

Operating profit rose by 32 per cent to SEK 176 million (133), corresponding to an operating margin of 10.8 per cent (10.7).

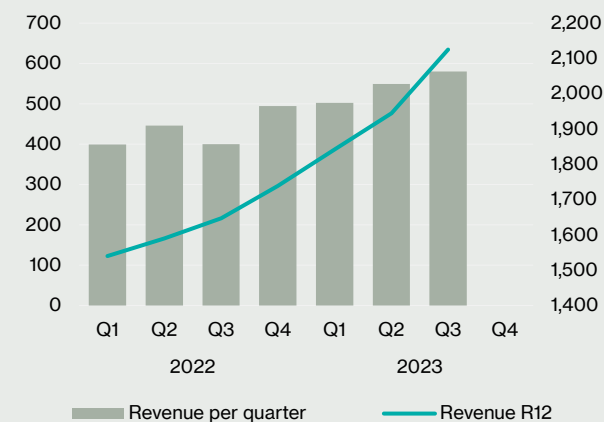
Operating profit was charged with amortisation of intangible non-current assets of SEK –19 million (–9) arising in conjunction with acquisitions and with depreciation of right-of-use assets and tangible non-current assets of SEK –51 million (–40). Exchange-rate translation effects had a positive impact of SEK 1 million (0) on operating profit. Acquisition-related expenses had an impact of SEK 3 million (2) in the period.

EBITA increased by 32 per cent to SEK 195 million (148), corresponding to an EBITA margin of 12.0 per cent (11.9).

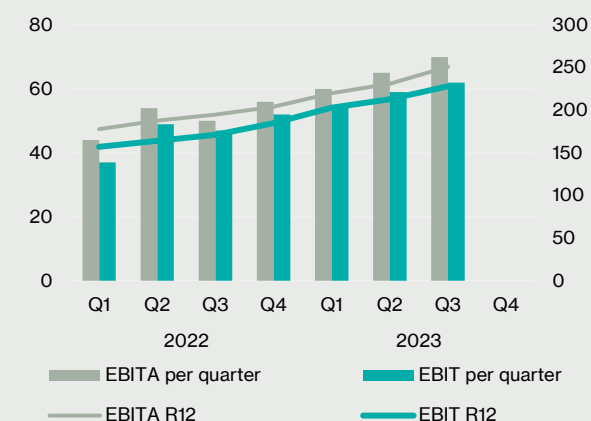
Profit after financial items totalled SEK 164 million (128) and profit after tax amounted to SEK 129 million (101), which corresponds to earnings per share of SEK 2.60 (1.95) for the reporting period.

MSEK	Q3			Jan-Sep			R12 Sep		
	2023	2022	Δ	2023	2022	Δ	2023	2022	Δ
Revenue	580	400	45%	1,631	1,245	31%	2,125	1,647	29%
of which: Components	496	315	57%	1,367	995	37%	1,767	1,307	35%
of which: Services	87	89	-2%	275	264	4%	374	357	5%
of which: Group-wide and eliminations	-3	-4		-11	-14		-16	-17	
Operating profit	62	47	32%	176	133	32%	228	171	33%
EBITA	70	50	40%	195	148	32%	251	195	29%
of which: Components	64	46	39%	186	138	35%	235	179	31%
of which: Services	10	10	-	27	26	4%	41	37	11%
of which: Group-wide and eliminations	-4	-6		-18	-16		-25	-21	
Operating margin	10.7%	11.8%		10.8%	10.7%		10.7%	10.4%	
EBITA margin	12.1%	12.5%		12.0%	11.9%		11.8%	11.8%	

Revenue, SEK million



EBITA and operating profit, SEK million



Components business area

Group of companies in industrial components, services and solutions for industry, with expertise in industrial improvement as well as companies with leading specialist positions in their respective market niches.

Operations

The subsidiary Momentum Industrial continued to display a positive sales performance during the quarter, with volume growth primarily in the automotive, paper and pulp, and mining segments. In addition, sales were boosted by a number of project transactions, while the weak SEK had a negative impact on earnings, which nevertheless remained stable compared with the preceding year.

The specialist companies generally performed well during the quarter, with stable demand and growth in sales and earnings. Acquired businesses also contributed significantly to earnings growth. Etab established a local presence in Luleå during the quarter. The operations in Denmark noted positive revenue and earnings growth. Askalon, which was acquired in the second quarter, reported a healthy order intake from both process and energy customers and carried out a number of planned maintenance shutdowns during the quarter. The acquisitions of Processkontroll Items and Conclean were completed during the quarter.



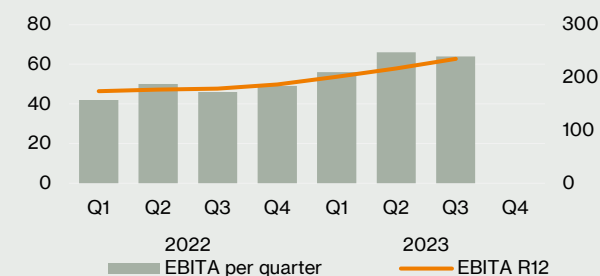
Revenue Q3 2023, SEK million

496

Revenue R12



EBITA, SEK million



Financial performance in the third quarter of 2023

Revenue rose by 57 per cent to SEK 496 million (315) compared with the same quarter last year. Revenue for comparable units, measured in local currency and adjusted for the number of trading days, increased by 10 per cent.

EBITA amounted to SEK 64 million (46), corresponding to an EBITA margin of 12.9 per cent (14.6). EBITA increased by 39 per cent, due both to acquisitions and to the growth in earnings in existing operations. The business area's profitability, measured as the return on working capital (EBITA/WC), amounted to 68 per cent (71).

MSEK	Q3			Jan-Sep			R12 Sep		
	2023	2022	Δ	2023	2022	Δ	2023	2022	Δ
Revenue	496	315	57%	1,367	995	37%	1,767	1,307	35%
EBITA	64	46	39%	186	138	35%	235	179	31%
EBITA margin	12.9%	14.6%		13.6%	13.9%		13.3%	13.7%	
Return on working capital (EBITA/WC)							68%	71%	

Services business area

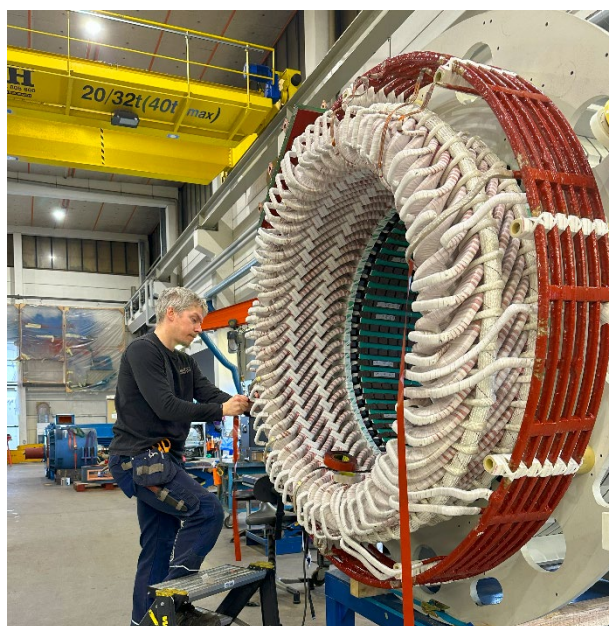
Group of companies in industrial services in Sweden that, through its services, offers longer life and efficiency of installed machines and carries out new installations. In addition, solutions are offered for digitalised maintenance.

Operations

The companies in the business area reported slightly more varied demand, with weaker volumes at certain workshops and greater restraint among customers during the quarter. Workshop capacity utilisation and the scope of planned maintenance shutdowns at customer sites were generally favourable. However, volumes and profitability were impacted by the product mix, with a lower share of component sales in the quarter. Within parts of the business, an adaptation of the workforce was carried out as a consequence of a few customer agreements with low hourly rates not being extended.

The business area's operations specialising in digitalised maintenance, Intertekna and Mytolerans, posted volume growth during the quarter, driven by increased customer activity and an improvement in demand.

Preparations for the merger of Carl A and Mekano's operations in Helsingborg are proceeding according to plan, with the merger scheduled to take place at year-end.



Financial performance in the third quarter of 2023

Revenue declined by 2 per cent to SEK 87 million (89) compared with the same quarter last year. Revenue for comparable units, measured in local currency and adjusted for the number of trading days decreased by 1 per cent.

EBITA amounted to SEK 10 million (10), corresponding to an EBITA margin of 11.5 per cent (11.2).

The business area's profitability, measured as the return on working capital (EBITA/WC), increased to 59 per cent (58).

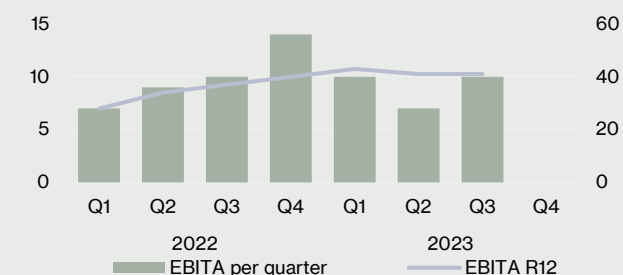
Revenue Q2 2023, SEK million

87

Revenue R12



EBITA, SEK million



MSEK	Q3			Jan-Sep			R12 Sep		
	2023	2022	Δ	2023	2022	Δ	2023	2022	Δ
Revenue	87	89	-2%	275	264	4%	374	357	5%
EBITA	10	10	-	27	26	4%	41	37	11%
EBITA margin	11.5%	11.2%		9.8%	9.8%		11.0%	10.4%	
Return on working capital (EBITA/WC)							59%	58%	

Profitability, cash flow and financial position

Profitability

The Group's profitability, measured as the return on working capital (EBITA/WC), amounted to 60 per cent (62) for the most recent 12-month period. The return on equity for the same period was 32 per cent (28).

Cash flow in the January–September 2023 period

Cash flow from operating activities before changes in working capital for the reporting period totalled SEK 194 million (121). Cash flow was impacted by paid tax of SEK –41 million (–56). During the reporting period, inventories increased by SEK 18 million. Operating receivables and operating liabilities declined by SEK 18 million and SEK 35 million, respectively. Accordingly, cash flow from operating activities for the reporting period amounted to SEK 159 million (65). Cash flow from investing activities for the reporting period

amounted to SEK –348 million (–43). Cash flow includes business combinations of SEK –339 million (–40) and net investments in non-current assets of SEK –9 million (–3).

Cash flow from financing activities for the reporting period, which amounted to SEK 204 million (–81), was mainly attributable to a net change in interest-bearing liabilities of SEK 240 million (–22) and the dividend paid of SEK –50 million (–), of which SEK –1 million pertained to the dividend to non-controlling interests in subsidiaries. Cash flow for the reporting period was also impacted in an amount of SEK 14 million (–) by sales of own shares in connection with acquisitions. The comparative period also included a repurchase of own shares of SEK –87 million and changes in holdings in partly owned subsidiaries amounting to SEK –16 million in conjunction with the exercise of call options.

Financial position

The Group's financial net loan liability at the end of the reporting period amounted to SEK 500 million, compared with SEK 181 million at the beginning of the year. At the end of the period, the Group's operational net loan liability amounted to SEK 323 million, compared with SEK 48 million at the beginning of the financial year. The difference was largely attributable to cash flow from operating activities and acquisitions carried out during the reporting period as well as the dividend paid during the quarter.

Cash and cash equivalents, including unutilised granted credit facilities, totalled SEK 694 million. Granted credit facilities comprise the company's revolving facility of SEK 800 million with a remaining maturity until 31 December 2025 and an extension option of an additional year, and a committed credit facility totalling SEK 200 million with a maturity of one year (maturity date in March 2024) and the option to extend following a customary credit check. Of the company's revolving facility and committed credit facility, SEK 528 million and SEK 134 million, respectively, were unutilised at the end of the reporting period. At the end of the reporting period, the Group had met all financial obligations to lenders.

The equity/assets ratio at the end of the reporting period was 33 per cent (44).

Equity per share totalled SEK 11.75 at the end of the reporting period, compared with SEK 10.10 at the beginning of the year.

The balance-sheet total at the end of the reporting period was SEK 1,754 million, compared with SEK 1,173 million at the beginning of the year. The change during the year was largely attributable to acquisitions, and acquired assets and liabilities are presented in Note 4.

Equity/assets ratio

33%

Available cash and cash equivalents, SEK million

694

EBITA/WC (R12 per quarter)



Business combinations

Acquisitions is an important part of Momentum Group's growth strategy and the company has a well-established model for evaluating, completing, integrating and welcoming new companies to the Group. During the reporting period, Momentum Group acquired seven companies, with combined annual revenue of approximately SEK 510 million. The acquisitions will further strengthen Momentum Group's position as a specialist company in industrial components and related services for Nordic industry. The acquisitions contributed positively to Momentum Group's earnings per share during the period.

Acquisition of Hydmos Industriteknik

In February, Hydmos Industriteknik AB was acquired, which has a leading position in advanced hydraulic and gas systems for use in high-pressure applications. The acquisition strengthened the offering in automation.

Acquisition of LocTech

In March, the subsidiary Momentum Industrial AB acquired LocTech AB, a comprehensive supplier of seals for rotating and static applications. The acquisition strengthened Momentum Industrial's position in the area.

Acquisition of Agera Industritillbehör

In February, Agera Industritillbehör AB, a supplier-independent reseller of components and services to industrial customers, was acquired. The company represents world-leading manufacturers in ball bearings, transmission, engines and filters, and seals.

Acquisition of Askalon

In June, Askalon AB was acquired, which is a leading player in advanced valve solutions primarily for the power, refinery and process industries in Sweden, Denmark, Finland and Iceland.

Acquisition of Regal

In June, Regal A/S was acquired, which is a leading niche player in transmission, electrical automation and control for both OEM and end customers in the food, toy and pharmaceutical industries in Denmark.

Acquisition of Processkontroll Items

In July, Processkontroll Items AB was acquired, which has a leading niche position in instrumentation for demanding operating conditions for customers in the process, gas, biogas, pharmaceutical and manufacturing industries.

Acquisition of Conclean

In September, Conclean AB was acquired, which is a leading niche player in private sewage, rainwater recycling and stormwater management, primarily for infrastructure companies but also directly to municipalities. Part of the purchase price was paid through the transfer of own Class B shares.

For acquisition analyses and other disclosures about the acquisitions closed during the reporting period, refer to Note 4. Closing dates and acquired holdings are presented in the table to the left.

¹ Refers to information for the full year on the date of acquisition.

² Momentum Group initially acquired 70/80 per cent of the shares in each company. For the remaining 30/20 per cent, the sellers have a put option and Momentum Group has a call option. The price of the options is dependent on certain results being achieved in the companies.

Acquisitions during 2022	Closing	Share	Revenue ¹	Employees ¹	Business Area
HNC Group ² , DK	1 June 2022	70%	60 MSEK	30	Components
Mytolerans AB ² , SE	7 September 2022	70%	35 MSEK	10	Services
Börjesson Pipe Systems AB, SE	12 October 2022	100%	50 MSEK	7	Components
JOKRAB Automatikbyggnad AB, SE ²	20 December 2022	70%	30 MSEK	6	Components
Acquisitions during 2023					
Hydmos Industriteknik AB, SE ²	2 February 2023	70%	17 MSEK	4	Components
LocTech AB, SE	1 March 2023	100%	13 MSEK	6	Components
Agera Industritillbehör AB, SE	16 February 2023	100%	15 MSEK	5	Components
Askalon AB, SE	5 June 2023	94%	317 MSEK	115	Components
Regal A/S, DK	30 June 2023	100%	34 MDKK	6	Components
Processkontroll Items AB, SE	3 July 2023	100%	50 MSEK	12	Components
Conclean AB, SE ²	1 September 2023	80%	47 MSEK	11	Components

Other

Parent Company in the Jan–Sep 2023 period

The Parent Company's revenue for the reporting period amounted to SEK 12 million (9) and the loss after financial items totalled SEK –20 million (15). The comparative period included dividends received of SEK 40 million. The loss after tax for the reporting period amounted to SEK –16 million (–20).

Employees

At the end of the reporting period, the number of employees in the Group amounted to 727, compared with 558 at the beginning of the year, an increase mainly attributable to acquisitions.

The share

Momentum Group's Class B share (ticker MMGR B) has been listed on Nasdaq Stockholm since 31 March 2022. The share price as of 30 September 2023 was SEK 99.00 (62.00).

On 9 May 2023, the Board decided, with the authorisation of the Annual General Meeting, to establish a repurchase programme to adapt the capital structure and to enable future acquisitions of businesses and operations to be paid for using treasury shares. The decision applies to repurchases of a maximum of 10 per cent of the number of Class B shares outstanding until the 2024 Annual General Meeting.

During the third quarter, the Group acquired Conclean AB, which was partly financed through the transfer of 154,830 own Class B shares to the seller at a price of SEK 93.80 per share (corresponding to the volume-weighted average price for the company's Class B share on Nasdaq Stockholm during the ten trading days immediately preceding the closing date).

As of 30 September 2023, the holding of Class B treasury shares totalled 1,104,794, corresponding to

approximately 2 per cent of the total number of shares. At the end of the period, the share capital amounted to SEK 25.2 million. The distribution by class of share was as follows:

Class of share	
Class A shares (10 votes/share)	564,073
Class B shares (1 vote/share)	49,916,816
Total number of shares before repurchasing	50,480,889
Less: Repurchased Class B shares	–1,104,794
Total number of shares after repurchasing	49,376,095

Election Committee and 2024 AGM

The Election Committee ahead of the 2024 Annual General Meeting consists of Pontus Boman (nominated by Nordstjernan), Stefan Hedelius (nominated by Tom Hedelius) and Jens Joller (nominated by Ampfield Management), with Pontus Boman serving as the Election Committee's Chairman.

Momentum Group's Annual General Meeting will be held at 4:00 p.m. on 7 May 2024 in Stockholm. All documentation for the Meeting will be available from the company's head office and on momentum.group no later than three weeks prior to the Meeting. The 2023 Annual Report will be published around 31 March 2024.

Shareholders who wish to submit proposals to the Election Committee or to have a matter addressed at the Annual General Meeting may do so by email to ir@momentum.group or by post to:

Momentum Group AB
Östermalmsgatan 87 E
SE-114 59 Stockholm

To ensure that any proposals received can be addressed in a constructive manner, all proposals must be received by the Election Committee or Board of Directors at least seven weeks prior to the Meeting.



Other, cont.

Transactions with related parties

No transactions having a material impact on the Group's position or earnings occurred between Momentum Group and its related parties during the reporting period. The remuneration of senior executives follows the guidelines established by the General Meeting.

Risks and uncertainties

Momentum Group's earnings, financial position and strategic position are impacted by a number of factors that are within the control of Momentum Group as well as a number of external factors. The most important external risk factors for Momentum Group are the economic and market situation for the industrial sector. Other risks include the competitive situation in the Group's markets and the significance of efficient logistics with high accessibility, in which the accessibility of the Group's logistics centers are important for certain flows of goods, as well as a dependence on identifying and developing relationships with qualified suppliers. The Group's opportunities and risks also include the completion of acquisitions and related capital requirements and the intangible surplus value that this can result in. Cyber-related risks are also considered important.

The future trend in the market and in demand may be impacted by the challenging security situation. Delivery times and the availability of components as well as rising prices, interest rates and inflation could also impact market conditions. The Parent Company is impacted indirectly by the above risks and uncertainties through its function in the Group.

Events after the end of the period

No significant events occurred after the end of the period.

Stockholm, 27 October 2023

Ulf Lilius
President & CEO

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

Dates for forthcoming financial information

15 February 2024

Year-end report 2023

26 April 2024

Interim Report for the first quarter of 2024

7 May 2024

Annual General Meeting 2024

17 July 2024

Interim Report for the second quarter of 2024

24 October 2024

Interim Report for the third quarter of 2024

14 February 2025

Year-end report 2024

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Group

Condensed income statement

MSEK	Q3		Jan-Sep		Full year	
	2023	2022	2023	2022	R12 Sep	2022
Revenue	580	400	1,631	1,245	2,125	1,739
Other operating income	2	1	4	3	5	4
Total operating income	582	401	1,635	1,248	2,130	1,743
Cost of goods sold	-306	-210	-854	-654	-1,115	-915
Personnel costs	-136	-90	-390	-298	-504	-412
Depreciation, amortisation, impairment losses and reversal of impairment losses	-28	-18	-70	-49	-89	-68
Other operating expenses	-50	-36	-145	-114	-194	-163
Total operating expenses	-520	-354	-1,459	-1,115	-1,902	-1,558
Operating profit	62	47	176	133	228	185
Financial income	1	0	2	0	3	1
Financial expenses	-7	-1	-14	-5	-18	-9
Net financial items	-6	-1	-12	-5	-15	-8
Profit after financial items	56	46	164	128	213	177
Taxes	-12	-10	-35	-27	-45	-37
Net profit	44	36	129	101	168	140
Of which attributable to:						
Parent Company shareholders	42	35	127	99	165	137
Non-controlling interests	2	1	2	2	3	3
Earnings per share (SEK)						
Before dilution	0.85	0.70	2.60	1.95	3.35	2.70
After dilution	0.85	0.70	2.60	1.95	3.35	2.70

Condensed statement of comprehensive income

MSEK	Q3		Jan-Sep		Full year	
	2023	2022	2023	2022	R12 Sep	2022
Net profit	44	36	129	101	168	140
Other comprehensive income for the period						
<i>Components that will not be reclassified to net profit</i>						
Total components that will not be reclassified to net profit	-	-	-	-	-	-
<i>Components that will be reclassified to net profit</i>						
Translation differences	-3	2	0	2	1	3
Fair value changes for the year in cash-flow hedges	0	0	0	0	0	0
Tax attributable to components that were or can be reclassified to net profit	0	0	0	0	0	0
Total components that will be reclassified to net profit	-3	2	0	2	1	3
Other comprehensive income for the period	-3	2	0	2	1	3
Comprehensive income for the period	41	38	129	103	169	143
Of which attributable to:						
Parent Company shareholders	39	37	127	101	166	140
Non-controlling interests	2	1	2	2	3	3

Condensed balance sheet

MSEK	30 Sep 2023	30 Sep 2022	31 Dec 2022
ASSETS			
Non-current assets			
Intangible non-current assets	722	317	383
Tangible non-current assets	26	17	19
Right-of-use assets	184	139	138
Financial non-current assets	2	1	1
Deferred tax assets	2	2	2
Total non-current assets	936	476	543
Current assets			
Inventories	350	260	285
Accounts receivable	381	251	300
Other current receivables	55	27	28
Cash and cash equivalents	32	11	17
Total current assets	818	549	630
TOTAL ASSETS	1,754	1,025	1,173

MSEK	30 Sep 2023	30 Sep 2022	31 Dec 2022
EQUITY AND LIABILITIES			
Equity			
Equity attributable to Parent Company shareholders	581	449	498
Non-controlling interests	35	22	27
Total equity	616	471	525
Non-current liabilities			
Non-current interest-bearing liabilities	280	9	59
Non-current lease liabilities	109	86	84
Other non-current liabilities and provisions	182	73	102
Total non-current liabilities	571	168	245
Current liabilities			
Current interest-bearing liabilities	75	59	6
Current lease liabilities	68	48	49
Accounts payable	215	147	188
Other current liabilities	209	132	160
Total current liabilities	567	386	403
TOTAL LIABILITIES	1,138	554	648
TOTAL EQUITY AND LIABILITIES	1,754	1,025	1,173

Statement of changes in equity

MSEK	Equity attributable to Parent Company shareholders				Non-controlling interests	Total equity
	Share capital	Reserves	Retained earnings incl. profit/loss for the year	Total		
Closing equity, 31 Dec 2021	0	1	457	458	17	475
Net profit			99	99	2	101
Other comprehensive income		2	0	2		2
Bonus issue	25		-25	0		0
Repurchase of own shares			-87	-87		-87
Changes in ownership share in partly owned subsidiaries			1	1	-7	-6
Acquisitions of partly owned subsidiaries				0	10	10
Option liability, acquisitions ¹			-24	-24		-24
Closing equity, 30 Sep 2022	25	3	421	449	22	471
Net profit			38	38	1	39
Other comprehensive income		1	0	1		1
Sales of own shares ²			15	15		15
Acquisitions of partly owned subsidiaries				0	4	4
Option liability, acquisitions ¹			-5	-5		-5
Change in value of option liability ³			0	0		0
Closing equity, 31 Dec 2022	25	4	469	498	27	525
Net profit			127	127	2	129
Other comprehensive income		0	0	0		0
Dividend			-49	-49		-49
Sales of own shares ⁴			14	14		14
Acquisitions of partly owned subsidiaries				0	7	7
Dividends paid in partly owned subsidiaries				0	-1	-1
Option liability, acquisitions ⁵			-11	-11		-11
Change in value of option liability ³			2	2		2
Closing equity, 30 Sep 2023	25	4	552	581	35	616

Condensed cash-flow statement

MSEK	Q3		Jan-Sep		Full year	
	2023	2022	2023	2022	R12 Sep	2022
Operating activities						
Cash flow from operating activities before changes in working capital	71	55	194	121	258	185
Changes in working capital	-24	-36	-35	-56	-29	-50
Cash flow from operating activities	47	19	159	65	229	135
Investing activities						
Purchase of intangible and tangible non-current assets	-4	-2	-9	-3	-11	-5
Acquisition of subsidiaries and other business units	-55	-8	-339	-40	-399	-100
Cash flow from investing activities	-59	-10	-348	-43	-410	-105
Cash flow before financing	-12	9	-189	22	-181	30
Financing activities						
Financing activities	8	-1	204	-81	202	-83
Cash flow for the period	-4	8	15	-59	21	-53
Cash and cash equivalents at the beginning of the period	37	3	17	70	11	70
Exchange-rate differences in cash and cash equivalents	-1	0	0	0	0	0
Cash and cash equivalents at period-end⁶	32	11	32	11	32	17

¹ Pertains to the value of put options in relation to non-controlling interests in the acquired subsidiaries HNC Group A/S, Mytolerans AB and Jokrab Automatikbyggnad, which entail that the shareholders are entitled to sell their shares to Momentum Group. The price of the options is dependent on certain results being achieved in the companies and may be extended by one year at a time from 2025 and 2026 (Jokrab).

² Pertains to the transfer of 240,376 own Class B shares in conjunction with the acquisition of Börjesson Pipe Systems AB.

³ Pertains to a change in the value of the put options in relation to non-controlling interests issued in conjunction with the acquisitions of partly owned subsidiaries.

⁴ Pertains to the transfer of 154,830 own Class B shares in conjunction with the acquisitions of Conclean AB.

⁵ Pertains to the value of put options in relation to non-controlling interests in the acquired subsidiaries Hydros Industriteknik AB and Conclean AB, which entail that the shareholders are entitled to sell their shares to Momentum Group. The price of the options is dependent on certain results being achieved in the companies and may be extended from 2026 and 2027, respectively, by one year at a time.

⁶ The definition of cash and cash equivalents also includes current investments.

Parent Company

Condensed income statement

MSEK	Q3		Jan-Sep		Full year	
	2023	2022	2023	2022	R12 Sep	2022
Revenue	5	3	12	9	16	13
Other operating income	6	1	12	3	13	4
Total operating income	11	4	24	12	29	17
Operating expenses	-15	-10	-45	-34	-58	-47
Operating loss	-4	-6	-21	-22	-29	-30
Financial income and expenses	0	-1	1	37	0	36
Profit/loss after financial items	-4	-7	-20	15	-29	6
Appropriations	-	-	-	-	121	121
Profit/loss before tax	-4	-7	-20	15	92	127
Taxes	1	2	4	5	-19	-18
Net profit/loss	-3	-5	-16	20	73	109

In December 2022, the Parent Company received a Group contribution of SEK 150 million (80) that is recognised in the line item appropriations. In June 2022, the Parent Company received a dividend of SEK 40 million, which was resolved on at an EGM of the subsidiary Momentum Group Holding AB. The dividend is recognised in the line item financial income and expenses.

Condensed balance sheet

MSEK	30 Sep 2023	30 Sep 2022	31 Dec 2022
ASSETS			
Intangible non-current assets	-	-	-
Tangible non-current assets	-	-	-
Financial non-current assets	235	51	43
Current receivables	391	177	383
Cash and cash equivalents	-	-	-
TOTAL ASSETS	626	228	426
EQUITY, PROVISIONS AND LIABILITIES			
Restricted equity	25	25	25
Non-restricted equity	45	-8	96
Total equity	70	17	121
Untaxed reserves	46	17	46
Provisions	-	-	-
Non-current liabilities	272	-	50
Current liabilities	238	194	209
TOTAL EQUITY, PROVISIONS AND LIABILITIES	626	228	426

The Parent Company has its own internal bank function tasked with coordinating the Group's financial activities and ensuring that systems are available for efficient cash management. To support this, the Parent Company is the holder of the Group's cash pool and the Parent Company's current receivables and liabilities essentially comprise the subsidiaries' utilisation of credit facilities and the subsidiaries' surplus in the cash pool. At the beginning of the year, current receivables included a Group contribution received of SEK 150 million, which was settled during the first quarter.

Notes

1. Accounting policies

The Interim Report for the Group was prepared in accordance with IFRS and by applying IAS 34 Interim Financial Reporting, the Swedish Annual Accounts Act and the Swedish Securities Market Act. In addition to the financial statements and associated notes, other disclosures in accordance with IAS 34.16A are also presented in other sections of the report. The Interim Report for the Parent Company was prepared in accordance with the Swedish Annual Accounts Act and the Swedish Securities Market Act, which conforms to the provisions detailed in RFR 2 Accounting for Legal Entities. The same accounting policies and bases of judgement as in the annual report for 2022 have been applied. IASB has issued additions and amendments to standards that will take effect for the Group on or after 1 January 2023. These additions and amendments are deemed not to be material for the consolidated financial statement.

Parent Company accounting policies

The Parent Company applies the Swedish Annual Accounts Act (1995:1554) and recommendation RFR 2 Accounting for Legal Entities issued by the Swedish Financial Reporting Board. RFR 2 stipulates that the Parent Company, in the annual accounts for the legal entity, is to apply all IFRS and statements adopted by the EU to the greatest extent possible within the framework of the Swedish Annual Accounts Act and with due consideration given to the relationship between accounting and taxation. The recommendation states which exceptions/additions should be made from/to IFRS. Combined, this results in differences between the Group's and the Parent Company's accounting policies in the primary areas of subsidiaries, leased assets, taxes, Group contributions and shareholder contributions.

2. Financial instruments

Momentum Group measures financial instruments at fair value or amortised cost in the balance sheet depending on their classification. In addition to items in financial net debt, financial instruments also include accounts receivable and accounts payable. The carrying amount of all of the Group's financial assets is deemed to be a reasonable approximation of their fair value. Assets and liabilities measured at fair value comprise hedging instruments for which fair value is based on observable market data and which are therefore included in level 2 according to IFRS 13 and liabilities for contingent purchase considerations that are measured using discounted cash flow and which are thus included in level 3.



The accounting policies for the Group and the Parent Company are published in full in the [annual report for 2022](#).

MSEK	30 Sep 2023	30 Sep 2022	31 Dec 2022
Financial assets measured at fair value			
Financial investments	0	0	0
Derivative hedging instruments	0	1	1
Financial assets measured at amortised cost			
Long-term receivables	2	1	1
Accounts receivable	381	251	300
Other current receivables	1	-	1
Cash and cash equivalents	32	11	17
Total financial assets	416	264	320
Financial liabilities measured at fair value			
Derivative hedging instruments	0	0	0
Contingent purchase considerations	24	-	11
Financial liabilities measured at amortised cost			
Option liability	49	36	40
Deferred payment acquired business, non-interest bearing	25	-	10
Interest-bearing liabilities	532	202	198
Accounts payable	215	147	188
Total financial liabilities	845	385	447

	Jan-Sep 2023	Jan-Sep 2022	Full year 2022
Contingent purchase considerations			
Opening balance	11	-	-
Acquisitions during the period	17	-	11
Change in value	0	-	-
Change in value related to discounting factor	1	-	-
Confirmed or settled during the period	-5	-	-
Closing balance	24	-	11

3. Operating segments and information on income

The Group's operating segments comprise the business areas Components and Services. The operating segments are consolidations of the operational organisation, as used by Group management and the Board of Directors to monitor operations. Group management, comprising the CEO and CFO, are the Group's chief operating decision makers. **Components** comprises operations in industrial components, services and solutions for industry, with expertise in industrial improvement as well as companies with leading

specialist positions in their respective market niches. **Services** comprises operations in industrial services in Sweden that, through its services, offers longer life and efficiency of installed machines and carries out new installations. In addition, solutions are offered for digitalised maintenance. **Group-wide** includes the Group's management, finance and support functions. The support functions include internal communications, investor relations, M&A and legal affairs.

Financial items and taxes are not distributed by operating segment but recognised in their entirety in Group-wide. Intra-Group pricing between the operating segments occurs on market terms. The accounting policies are the same as those applied in the consolidated financial statements. Revenue presented for the geographic markets below is based on the domicile of the customers.

MSEK	Jan-Sep 2023				
	Compon- ents	Services	Group-wide	Elimin- ations	Group total
Revenue					
From external customers per country					
Sweden	1,145	260	-	-	1,405
Norway	39	3	-	-	42
Denmark	131	2	-	-	133
Other countries	49	2	-	-	51
From other segments	3	8	9	-20	-
Total	1,367	275	9	-20	1,631
Revenue					
From external customers by class of revenue					
Sale of goods	1,249	150	-	-	1,399
Service assignments	112	114	-	-	226
Other income	3	3	-	-	6
From other segments	3	8	9	-20	-
Total	1,367	275	9	-20	1,631
EBITA	186	27	-18	-	195
Items affecting comparability	-	-	-	-	-
Amortisation of intangible assets in connection with corporate acquisitions	-14	-5	-	-	-19
Operating profit/loss	172	22	-18	0	176

MSEK	Jan-Sep 2022				
	Compon- ents	Services	Group-wide	Elimin- ations	Group total
Revenue					
From external customers per country					
Sweden	874	247	-	-	1,121
Norway	31	4	-	-	35
Denmark	68	0	-	-	68
Other countries	19	2	-	-	21
From other segments	3	11	6	-20	-
Total	995	264	6	-20	1,245
Revenue					
From external customers by class of revenue					
Sale of goods	908	139	-	-	1,047
Service assignments	82	111	-	-	193
Other income	2	3	-	-	5
From other segments	3	11	6	-20	-
Total	995	264	6	-20	1,245
EBITA	138	26	-16	-	148
Items affecting comparability	-	-	-6	-	-6
Amortisation of intangible assets in connection with corporate acquisitions	-5	-4	-	-	-9
Operating profit/loss	133	22	-22	0	133

4. Business combinations

Acquisition of Askalon AB

On 22 May 2023, 93.7 per cent of the shares in Askalon AB were acquired and closing took place on 5 June. Askalon is a leading player in advanced valve solutions primarily for the power, refinery and process industries in Sweden, Denmark and Iceland. The remaining 6.3 per cent of the shares in the company will be acquired by Momentum Group in 2025. Accordingly, the acquisition was consolidated on a 100 per cent basis and the agreement concerning the remaining shares in the company is being treated as a deferred payment.

The total purchase consideration for the acquisition was SEK 265 million excluding acquisition costs. Acquisition costs totalling SEK 1 million were recognised in the item other operating expenses during the reporting period.

In accordance with the preliminary acquisition analysis below, SEK 93 million of the purchase consideration was allocated to goodwill, SEK 115 million to supplier relations and SEK 24 million to customer relations. The allocation to supplier and customer relations was based on the discounted value of future cash flows attributable to each class of assets. The amortisation period for the values identified, such as supplier relations, is 15 years and a period of ten years for customer relations. The value of goodwill is based on the expectation that the Momentum Group's position in the markets in question will strengthen and on the future sales performance, profitability and other synergies that the Group expects to realise through the acquisition.

If the acquisition had been completed on 1 January 2023, a preliminary consolidated income statement for Momentum Group, including Askalon, at 30 September 2023 indicates total net revenue of SEK 1,787 million and profit after tax of SEK 132 million for the reporting period. These amounts have been calculated based on Askalon's earnings, adjusted for additional depreciation and amortisation that would have arisen if the adjustment to the fair value of tangible and intangible non-current assets had been applied from 1 January 2023, together with attributable tax effects. There are no material differences in accounting policies between Momentum Group and the acquired business, with the exception of IFRS 16, which has no material impact on profit after tax for the period in question.

During the reporting period, the acquisition of Askalon contributed SEK 120 million to the Group's revenue and SEK 9 million to the Group's EBITA.

According to the preliminary acquisition analysis, the total assets and liabilities included in the acquisition of Askalon amounted to the following: The acquisition analysis is considered preliminary largely because the acquisition was closed only recently.

MSEK	Fair value recognised in the Group
Acquired assets:	
Intangible non-current assets	140
Right-of-use assets	22
Other non-current assets	3
Inventories	22
Other current assets incl. cash and cash equivalents	106
Total assets	293
Acquired provisions and liabilities:	
Interest-bearing liabilities	-
Lease liabilities	22
Deferred tax liability	29
Current operating liabilities	70
Total provisions and liabilities	121
Net of identified assets and liabilities	172
Goodwill ¹	93
Purchase consideration	265
Less: Cash in acquired business	-18
Less : Additional purchase consideration ²	-15
Effect on the Group's cash and cash equivalents	232

¹ Of recognised goodwill, SEK 93 million is expected to be tax deductible.

² Deferred payment corresponds to the value of acquisition of the remaining 6.3 per cent of the shares in the company and is not subject to interest payment. The undiscounted amount to be paid in 2025 amounts to SEK 17 million.

Other corporate acquisitions during the reporting period

In addition to Askalon, Momentum Group conducted a further six business combinations with closing during the reporting period. The acquisitions are presented on page 9.

Acquisition analysis – other business combinations closing during the reporting period

The total purchase consideration for the acquisitions was SEK 145 million excluding acquisition costs. Acquisition costs totalling approximately SEK 2 million were recognised in the item other operating expenses. In accordance with the preliminary acquisition analysis presented below, SEK 62 million of the purchase consideration was allocated to goodwill and SEK 64 million to customer relations.

The allocation to customer relationships was based on the discounted value of future cash flows attributable to each class of assets, where an assessment was conducted that included margin, tied-up capital and turnover rate of the customer base. Goodwill on the acquisition date refers to the amount by which the cost of the acquired net assets exceeds their fair value. Goodwill is motivated by the anticipated future sales performance and profitability as well as the fact that the subsidiaries' position in their current markets is expected to be strengthened.

The acquisition analysis is considered preliminary largely because the acquisitions were closed only recently.

MSEK	Fair value recognised in the Group
Acquired assets:	
Intangible non-current assets	64
Right-of-use assets	19
Other non-current assets	3
Inventories	22
Other current assets incl. cash and cash equivalents	54
Total assets	162
Acquired provisions and liabilities:	
Interest-bearing liabilities	3
Lease liabilities	19
Deferred tax liability	16
Current operating liabilities	34
Total provisions and liabilities	72
Net of identified assets and liabilities	90
Goodwill ¹	62
Non-controlling interests ²	-7
Purchase consideration	145
Less: Net cash in acquired business	-21
Less : Contingent purchase consideration ³	-17
Effect on the Group's cash and cash equivalents	107

¹ Of recognised goodwill, SEK 62 million is expected to be tax deductible.

² Non-controlling interest is calculated as the proportional share of the identified net assets.

³ Contingent purchase consideration is recognised at a value corresponding to some 89 per cent of a maximum outcome. The outcome of the contingent purchase consideration will be determined in the second half of 2026 and is dependent on the earnings of the acquired subsidiary. The potential undiscounted amount to be paid amounts to approximately SEK 21 million.

Performance measures

Momentum Group uses certain financial performance measures in its analysis of the operations and their performance that are not defined in accordance with IFRS. Momentum Group believes that these alternative performance measures provide valuable information for the company's Board of Directors, owners and investors, since they enable a more accurate assessment of current trends and the company's performance when combined with other performance measures calculated in accordance with IFRS.

MSEK	Q3		Jan-Sep		R12 Sep	
	2023	2022	2023	2022	2023	2022
IFRS performance measures						
Revenue	580	400	1,631	1,245	2,125	1,647
Profit for the period	44	36	129	101	168	129
IFRS performance measures per share (SEK)						
Earnings per share before dilution	0.85	0.70	2.60	1.95	3.35	2.50
Earnings per share after dilution	0.85	0.70	2.60	1.95	3.35	2.50
Other performance measures per share						
Equity per share before dilution, at the end of the period					11.75	9.15
Equity per share after dilution, at the end of the period					11.75	9.15
Number of shares (thousands of shares)						
Number of shares before dilution	49,376	48,981	49,376	48,981	49,376	48,981
Weighted number of shares before dilution	49,376	49,314	49,273	49,981	49,343	50,106
Weighted number of shares after dilution	49,376	49,314	49,273	49,981	49,343	50,106
Other performance measure						
No. of employees at the end of the period					727	534
Share price, SEK					99.00	62.00

Since not all listed companies calculate these financial performance measures in the same way, there is no guarantee that the information is comparable with other companies' performance measures of the same name. Hence, these financial performance measures must not be viewed as a replacement for those measures calculated in accordance with IFRS.

MSEK	Q3		Jan-Sep		R12 Sep	
	2023	2022	2023	2022	2023	2022
ALTERNATIVE PERFORMANCE MEASURES						
Income statement-based performance measures						
Operating profit	62	47	176	133	228	171
of which: Items affecting comparability	-	-	-	-6	-	-12
of which: Amortisation of intangible non-current assets in connection with acquisitions	-8	-3	-19	-9	-23	-12
EBITA	70	50	195	148	251	195
Profit after financial items	56	46	164	128	213	164
Operating margin	10.7%	11.8%	10.8%	10.7%	10.7%	10.4%
EBITA margin	12.1%	12.5%	12.0%	11.9%	11.8%	11.8%
Profit margin	9.7%	11.5%	10.1%	10.3%	10.0%	10.0%
Profitability performance measures						
Return on working capital (EBITA/WC)					60%	62%
Return on capital employed					26%	26%
Return on equity					32%	28%
Performance measures on financial position						
Financial net loan liability					500	191
Operational net loan liability/receivable +/-					323	57
Equity attributable to Parent Company shareholders					581	449
Equity/assets ratio					33%	44%

Definitions of alternative performance measures and their purpose

Operating profit

Profit before financial items and tax.

Used to present the Group's earnings before interest and tax.

Items affecting comparability

Items affecting comparability include revenue and expenses that do not arise regularly in the operating activities. Items affecting comparability for the period pertain to costs for preparations ahead of the separate listing and mainly pertain to advisory costs, review costs and separation costs.

The separate disclosure of items affecting comparability clarifies the development of operational activities.

EBITA

Operating profit adjusted for items affecting comparability and before any impairment of goodwill and amortisation and impairment of other intangible assets arising in connection with acquisitions and equivalent transactions.

Used to present the Group's earnings generated from operating activities.

Operating margin, %

Operating profit relative to revenue.

Used to measure the Group's earnings generated before interest and tax and provides an understanding of the earnings performance over time. Specifies the percentage of revenue remaining to cover interest payments and tax and to provide profit after the Group's expenses have been paid.

EBITA margin, %

EBITA as a percentage of revenue.

Used to measure the Group's earnings generated before interest and tax and provides an understanding of the earnings performance over time. The EBITA margin based on revenue from both external and internal customers is presented per business area (operating segment).

Profit margin, %

Profit after financial items as a percentage of revenue.

Used to assess the Group's earnings generated before tax and presents the share of revenue that the Group may retain in earnings before tax.

Return on working capital (EBITA/WC), %

EBITA for the most recent 12-month period divided by average working capital measured as total working capital (accounts receivable and inventories less accounts payable) at the end of each month for the most recent 12-month period and the opening balance at the start of the period divided by 13.

The Group's internal profitability target, which encourages high EBITA and low tied-up capital. Used to analyse profitability in the Group and its various operations.

Return on capital employed, %

Operating profit plus financial income for the most recent 12-month period divided by average capital employed measured as the balance-sheet total less non-interest-bearing liabilities and provisions at the end of the most recent four quarters and the opening balance at the start of the period divided by five.

Presented to show the Group's return on its externally financed capital and equity, meaning independent of its financing.

Return on equity, %

Net profit for the most recent 12-month period divided by average equity measured as total equity attributable to Parent Company shareholders at the end of the most recent four quarters and the opening balance at the start of the period divided by five.

Used to measure the return generated on the capital invested by the Parent Company's shareholders.

Financial net loan liability

Financial net loan liability measured as non-current interest-bearing liabilities and current interest-bearing liabilities, less cash and cash equivalents at the end of the period.

Used to monitor the debt trend and analyse the Group's total indebtedness including lease liabilities.

Operational net loan liability / Net loan receivable

Operational net loan liability measured as non-current interest-bearing liabilities and current interest-bearing liabilities excluding lease liabilities less cash and cash equivalents at the end of the period.

Used to monitor the debt trend and analyse the Group's total indebtedness excluding lease liabilities.

Equity/assets ratio, %

Equity attributable to Parent Company shareholders as a percentage of the balance-sheet total at the end of the period.

Used to analyse the financial risk in the Group and show how much of the Group's assets are financed by equity.

Change in revenue for comparable units

Comparable units refer to sales in local currency from units that were part of the Group during the current period and the entire corresponding period in the preceding year. Trading days refer to the effect on sales in local currency depending on the difference in the number of trading days compared with the comparative period. Other units refer to the acquisition or divestment of units during the corresponding period.

Used to analyse the underlying sales growth driven by changes in volume, the product and service offering, and the price for similar products and services across different periods. Refer to the reconciliation table on page 4.

Derivation of alternative performance measures¹

	Q3		Jan-Sep		R12 Sep	
	2023	2022	2023	2022	2023	2022
EBITA						
Operating profit	62	47	176	133	228	171
Items affecting comparability	-	-	-	6	-	12
Amortisation of intangible non-current assets in connection with corporate acquisitions	8	3	19	9	23	12
EBITA	70	50	195	148	251	195
Items affecting comparability						
Listing and separation costs	-	-	-	-6	-	-12
Total items affecting comparability	-	-	-	-6	-	-12
Operating margin						
Operating profit	62	47	176	133	228	171
Revenue	580	400	1,631	1,245	2,125	1,647
Operating margin	10.7%	11.8%	10.8%	10.7%	10.7%	10.4%
EBITA margin						
EBITA	70	50	195	148	251	195
Revenue	580	400	1,631	1,245	2,125	1,647
EBITA margin	12.1%	12.5%	12.0%	11.9%	11.8%	11.8%
Profit margin						
Profit after financial items	56	46	164	128	213	164
Revenue	580	400	1,631	1,245	2,125	1,647
Profit margin	9.7%	11.5%	10.1%	10.3%	10.0%	10.0%
EBITA/WC						
Average inventories					304	232
Average accounts receivable					309	242
Total average operating assets					613	474
Average accounts payable					-197	-158
Average working capital (WC)					416	316
EBITA					251	195
EBITA/WC					60%	62%

	R12 Sep	
	2023	2022
Return on capital employed		
Average balance sheet total	1,373	1,023
Average non-interest-bearing non-current liabilities	-127	-60
Average non-interest-bearing current liabilities	-368	-300
Average capital employed	878	663
Operating profit	228	171
Financial income	3	0
Total operating profit + financial income	231	171
Return on capital employed	26%	26%
Return on equity		
Average equity attributable to parent company shareholders	519	454
Profit for the period attributable to the Parent Company shareholders	165	127
Return on equity	32%	28%
Financial net loan liability		
Non-current interest-bearing liabilities	389	95
Current interest-bearing liabilities	143	107
Current investments	-	-
Cash and cash equivalents	-32	-11
Financial net loan liability	500	191
Operational net loan liability/receivable +/-		
Financial net loan liability	500	191
Lease liability	-177	-134
Operational net loan liability/receivable +/-	323	57
Equity/assets ratio		
Balance-sheet total	1,754	1,025
Equity attributable to the Parent Company shareholders	581	449
Equity/assets ratio	33%	44%

¹ Pertains to balance-sheet items, and performance measures related to financial position pertain to the closing balance for each year.

Historical financial information¹

MSEK	R12					
	30 Sep 2023	31 Dec 2022	31 Dec 2021	31 Dec 2020	31 Mar 2020	31 Mar 2019
Revenue	2,125	1,739	1,491	1,163	1,254	1,196
Operating profit	228	185	155	130	130	111
EBITA	251	204	171	134	134	114
Net profit	168	140	117	99	99	84
Intangible non-current assets	722	383	284	175	177	165
Right-of-use assets	184	138	127	51	60	-
Other non-current assets	30	22	19	12	8	7
Inventories	350	285	213	176	193	191
Current receivables	436	328	271	175	227	220
Cash and cash equivalents and current investments	32	17	70	145	31	29
Total assets	1,754	1,173	984	734	696	612
Equity attributable to Parent Company shareholders	581	498	458	337	259	143
Non-controlling interests	35	27	17	6	5	-
Interest-bearing liabilities and provisions	532	198	132	147	193	141
Non-interest-bearing liabilities and provisions	606	450	377	244	239	328
Total equity and liabilities	1,754	1,173	984	734	696	612
Operating margin	10.7%	10.6%	10.4%	11.2%	10.4%	9.3%
EBITA margin	11.8%	11.7%	11.5%	11.5%	10.7%	9.5%
Return on working capital (EBITA/WC)	60%	61%	61%	54%	52%	46%
Return on equity	32%	29%	30%	35%	49%	51%
Financial net loan liability	500	181	62	2	162	112
Operational net loan liability/receivable +/-	323	48	-61	-45	107	112
Equity/assets ratio	33%	42%	47%	46%	37%	23%
Earnings per share before and after dilution, SEK	3.35	2.70	2.30	1.90	1.95	1.65
Equity per share, SEK	11.75	10.10	9.05	6.70	5.15	2.85
Share price, SEK	99.00	58.51	-	-	-	-
No. of employees at the end of the period	727	558	484	329	339	335

¹ Pertains to balance-sheet items, and performance measures related to financial position pertain to the closing balance for each year.

Developing and acquiring successful sustainable companies in the Nordic region

Momentum Group is a leading company offering sustainable products and services and related value-creating services to the industrial sector. Momentum Group is an active owner that focuses on developing and acquiring companies in the product and service categories where we possess knowledge, expertise and experience.

Momentum Group AB

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Board of Directors' registered office:
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Mission

Together for a sustainable industry

The Group's businesses, together with their customers, partners and other stakeholders, will contribute to creating a sustainable industry from a social, environmental and economic perspective.

Vision

The customer's best sustainable choice

Our various companies focus on understanding customer needs in order to offer the best solution for the customer, based on their situation and needs.

Our focus areas

Business development through active ownership.

Business development through decentralised responsibility and employee development.

Growth through acquisitions of sustainable companies.

Business concept

We will make the everyday lives of our customers easier, safer and more profitable – by offering sustainable products and services

For the Group's customers, it is important to maintain good profitability in their operations. Our companies sell quality products and related services that create value for the customer throughout the life of the product or service.

Our financial targets

EBITA growth: **>15%**

Profitability EBITA/WC: **>45%**

Dividend: **>30%**

Revenue SEK million¹

2,125

EBITA growth¹

29%

Profitability, EBITA/WC¹

60%

Employees²

727

¹ Refers to R12 until 30 September 2023. EBITA growth is measured against the corresponding R12 period of the preceding year.

² Number of employees as of 30 September 2023.