

# Interim report third quarter

1 January – 30 September 2023

## Third quarter 2023

- Order intake increased by 11% to SEK 7,262 million (6,535). For comparable units, it was a decrease of 2%.
- Net sales increased by 17% to SEK 7,851 million (6,707). For comparable units, it was an increase of 3%.
- EBITA increased by 15% to SEK 1,190 million (1,035), corresponding to an EBITA margin of 15.2% (15.4%).
- Profit for the quarter decreased by 2% to SEK 680 million (691), and earnings per share amounted to SEK 1.87 (1.90).
- Cash flow from operating activities amounted to SEK 1,227 million (624).

## 1 January – 30 September 2023

- Order intake increased by 12% to SEK 23,167 million (20,649). For comparable units, it was unchanged.
- Net sales increased by 21% to SEK 24,014 million (19,788). For comparable units, it was an increase of 8%.
- EBITA increased by 20% to SEK 3,628 million (3,017), corresponding to an EBITA margin of 15.1% (15.2%).
- Profit for the interim period increased by 8% to SEK 2,156 million (2,004), and earnings per share amounted to SEK 5.92 (5.50).
- Cash flow from operating activities amounted to SEK 2,971 million (1,522).

## Financial Development

SEK million	2023	2022	Change	2023	2022	Change	2022/23	2022
	Jul-Sep	Jul-Sep		Jan-Sep	Jan-Sep		Moving 12 mos	Jan-Dec
Order intake	7,262	6,535	11%	23,167	20,649	12%	30,219	27,701
Net sales	7,851	6,707	17%	24,014	19,788	21%	31,242	27,016
Operating profit	1,031	912	13%	3,171	2,669	19%	4,122	3,620
EBITA	1,190	1,035	15%	3,628	3,017	20%	4,709	4,098
EBITA margin, %	15.2	15.4		15.1	15.2		15.1	15.2
Profit before taxes	897	870	3%	2,817	2,555	10%	3,702	3,440
Net profit for the period	680	691	-2%	2,156	2,004	8%	2,833	2,681
Earnings per share before dilution, SEK	1.87	1.90	-2%	5.92	5.50	8%	7.78	7.36
Return on capital employed, %	21	23		21	23		21	23
Cash flow from operating activities	1,227	624	97%	2,971	1,522	95%	3,821	2,372
Net debt/equity ratio, %	66	61		66	61		66	67



# Q3

## CEO's message

*Continued sales growth and strong earnings*



### Third quarter

Demand remained high during the third quarter and order intake increased by 11% to SEK 7.3 billion (6.5).

Organically, order intake decreased by 2% from a strong level in the corresponding period previous year. Order intake was positively impacted by good demand for companies with customers in, among others, medical technology and pharmaceuticals and water/wastewater. However, the trend varied across companies, customer segments and geographic markets, with stable demand from customers in the process industry and energy segment and a weaker trend in infrastructure and construction and engineering.

Net sales amounted to SEK 7.9 billion (6.7) and increased organically by 3% compared to the corresponding period previous year. Six of the eight business areas grew organically, with the strongest performance in the Industrial Components and Fluids & Mechanical Solutions business areas, where the majority of the companies had a positive trend. Development was weakest in the DACH and Finland business areas due to strong comparison figures and a somewhat weakened development in several segments and companies.

Profitability was strong and EBITA increased during the third quarter to SEK 1,190 million (1,035), which means an improvement of 15%, of which 2% was organic. The EBITA margin remained high and amounted to 15.2%. Thanks to successful pricing efforts, the gross margin remained at a high and stable level, while a somewhat higher cost level dampened the EBITA margin development.

Cash flow improved to a record high SEK 1,227 million (624), which is primarily attributable to a more favourable development of working capital compared to the corresponding period previous year. Inventories decreased sequentially and our companies are continuing to work in a determined way to reduce inventories. Compared to the previous quarter, net debt also decreased, primarily thanks to the strong cash flow. Our net debt/equity ratio is well balanced, and the Group is maintaining its good financial position.

### Acquisitions

Thus far in 2023, we have welcomed nine new companies to the Group, with total annual sales of approximately SEK 1.2 billion. In the third quarter, the Norwegian technical trading company Noby was acquired. Noby offers premium security products and systems, as well as fire alarm systems on the Norwegian B2B market. Subsequent to the end of the period we acquired two additional companies; Powerpoint Engineering in Ireland, which specialises in electrical test, monitoring and safety equipment and TSE Troller in Switzerland, which is a leading manufacturer of high-quality coating dies.

We have stepwise increased our acquisition capacity with the ambition to gradually increase the number of acquisitions. However, due to the uncertain general market situation, we have chosen to prolong some of our acquisition processes in 2023. Our balance sheet is strong and the inflow of interesting companies to acquire remains good.

### Outlook

Overall, demand remained high during the third quarter, although somewhat dampened compared to the corresponding period previous year. The uncertainty around the general state of the economy remains for the coming quarters, but at the same time, structural investments in many industries linked to electrification and the green transition, among other things, continue. Many of our companies are well positioned to take advantage of these trends and they are good at quickly adapting operations to changing customer needs and market conditions.

Our business model has historically demonstrated very good resilience to changes in demand and our strong financial position offers us good conditions for continuing to generate sustainable profitable growth, both organically and through acquisitions.

Bo Annvik, President and CEO

## Group performance

### Order intake

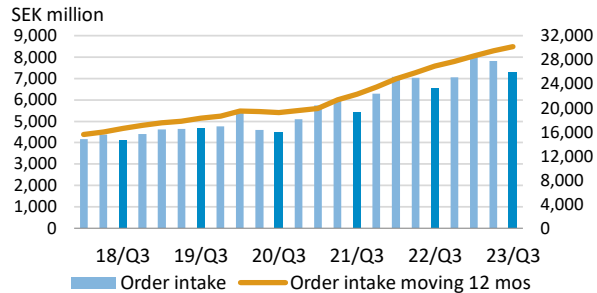
Overall, demand remained high during the third quarter, yet slightly lower than in the corresponding period previous year. Order intake still varied across companies and approximately half reported growth during the quarter. Among the major customer segments, the strongest demand was in the medical technology and pharmaceuticals and water/wastewater segments. Demand from customers in the process industry and energy segment remained high and stable. For companies with customers in infrastructure and construction and engineering, demand was in general somewhat weaker.

Order intake during the quarter was 8% lower than net sales, due partly to the strong invoicing trend and partly to seasonal variation. Order intake amounted to SEK 7,262 billion (6,535), corresponding to an increase of 11% compared to the corresponding period previous year. For comparable units, order intake decreased by 2%, acquisitions contributed with 7% and currency movements had a positive impact of 6%.

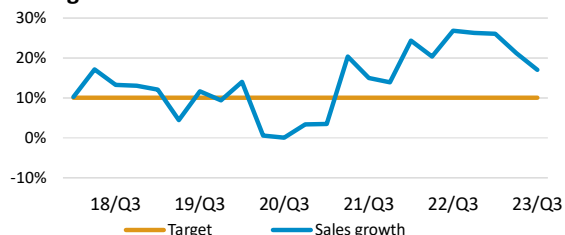
The Fluids & Mechanical Solutions and Industrial Components business areas showed the strongest growth of order intake for comparable units, with a positive performance in most of the companies, particularly those active in the medical technology and pharmaceuticals and automotive aftermarket segments. The Measurement & Sensor Technology, DACH and UK business areas had the weakest development of order intake for comparable units, with a lower demand in the majority of companies.

Order intake during the period January – September amounted to SEK 23,167 million (20,649), which is an increase of 12%. Comparable units had a marginal impact, acquisitions contributed with 7% and currency movements had a positive impact of 5%.

### Order intake



### Sales growth



### Net sales

Net sales continued to develop positively during the third quarter and increased by 17% compared to the corresponding period previous year, amounting to SEK 7,851 million (6,707). Comparable units increased by 3%, acquisitions contributed with 7% and currency movements had a positive impact of 7%.

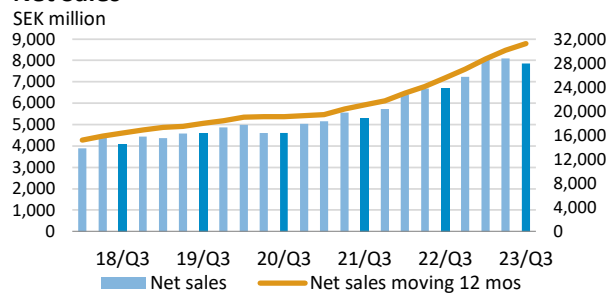
Net sales for comparable units increased in six of the eight business areas, with the strongest growth in Industrial Components and Fluids & Mechanical Solutions, thanks to a positive performance by most of the companies. Net sales for comparable units decreased in the DACH and Finland business areas, which is due partly to the strong comparison figures in the corresponding period previous year and partly to a somewhat weaker demand.

The serious disturbances in supply chains last year have essentially been resolved, although some companies were still slightly impacted.

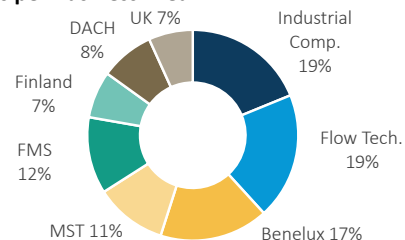
All business with companies in Russia and Belarus is still suspended because of Russia's invasion of Ukraine at the beginning of last year. The overall direct and indirect exposure to these countries is very limited and the Group does not have any subsidiaries or employees in Russia, Ukraine or Belarus.

During the period January – September, net sales increased by 21% to SEK 24,014 million (19,788). Comparable units increased by 8%, acquisitions contributed with 8% and currency movements had a positive impact of 5%.

### Net Sales



### Net Sales per Business Area



# Q3

## Earnings

Operating profit before amortisation of intangible assets attributable to acquisitions (EBITA) amounted to SEK 1,190 million (1,035) for the third quarter, which is an improvement of 15%. Comparable units increased by 2%, acquisitions contributed with 6% and currency movements had a positive impact of 7%. The EBITA margin decreased and amounted to 15.2% (15.4%). The deterioration is explained by positive nonrecurring items in the corresponding quarter previous year and excluding those, the EBITA margin amounted to 15.2%.

Many companies continued raising their prices to customers during the quarter and the gross margin increased slightly, amounting to 34.8% (34.2%). Gross margin for the period January – September was 34.7% (34.6%). EBITA was however dampened by a slightly higher expense level in many companies.

The Fluids & Mechanical Solutions and Flow Technology business areas reported the strongest growth in EBITA margin during the quarter, which is mainly attributable to significant improvement in the gross margin for many companies. The Finland and Benelux business areas had the weakest EBITA margin development. In Finland, it was primarily due to weaker demand, while in Benelux, it was attributable to, among other things, weak development in a couple of companies in infrastructure and construction.

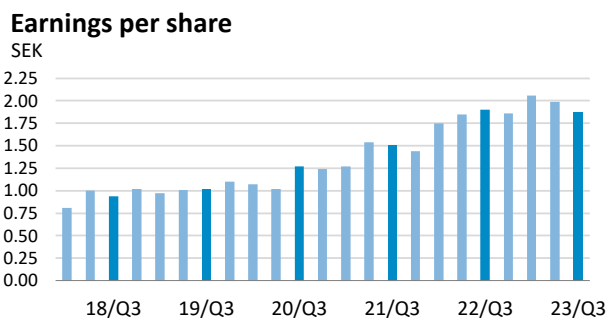
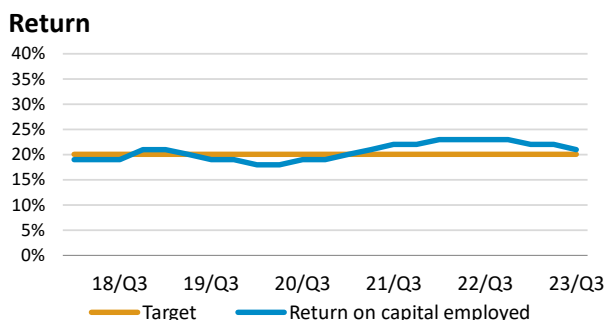
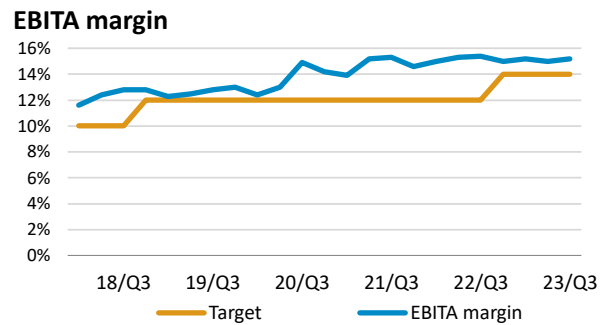
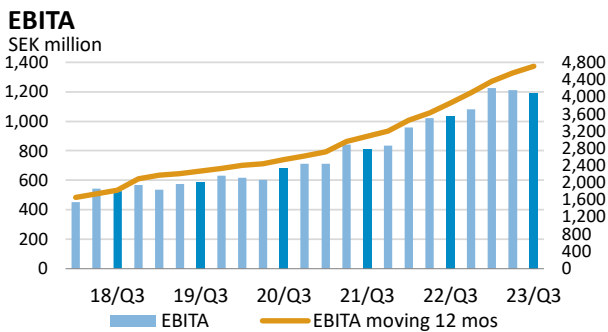
Net financial items during the third quarter amounted to SEK -134 million (-42). The higher financial costs were due to both increased borrowing and higher interest rate levels. Tax on profit for the quarter amounted to SEK -217 million (-179), corresponding to a tax rate of 24% (21%). Profit for the quarter decreased by 2% to SEK 680 million (691). Earnings per share before dilution decreased by 2% and amounted to SEK 1.87 (1.90).

Operating profit before amortisation of intangible assets attributable to acquisitions (EBITA) during the period January – September amounted to SEK 3,628 million (3,017), which is an increase of 20%. Comparable units increased by 7%, acquisitions contributed with 7% and currency movements had a positive impact of 6%. The EBITA margin amounted to 15.1% (15.2%).

Net financial items for the period January – September amounted to SEK -354 million (-114). Tax on profit for the period amounted to SEK -661 million (-551), corresponding to a tax rate of 23% (22%). Profit for the period increased by 8% and amounted to SEK 2,156 million (2,004). Earnings per share before dilution increased by 8% and amounted to SEK 5.92 (5.50).

## Return

Return on capital employed remained at a high level but decreased somewhat compared to the previous year and amounted to 21% (23%), which is primarily due to a higher amount of tied-up capital. Return on equity amounted to 22% (24%).



## 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 Jul-Sep	2022 Jul-Sep	Change	2023 Jan-Sep	2022 Jan-Sep	Change	2022/23 Moving 12 mos	2022 Jan-Dec
Net sales	1,256	1,012	24%	4,023	2,931	37%	5,176	4,084
EBITA	155	139	12%	581	432	34%	748	599
EBITA margin, %	12.3	13.7		14.4	14.7		14.5	14.7

Net sales increased by 24% during the third quarter to SEK 1,256 million (1,012). Comparable units increased by 2%, acquisitions contributed with 11% and currency movements had a positive impact of 11%.

Overall, demand during the quarter was lower than in the corresponding period previous year, with a lower order intake in most of the companies. Order intake was 7% lower than invoicing.

EBITA increased during the third quarter by 12% to SEK 155 million (139), corresponding to an EBITA margin of 12.3% (13.7%). Comparable units decreased by 8%, acquisitions contributed with 9% and currency movements had a positive impact of 11%.

The lower EBITA margin was primarily attributable to a weak development from a couple of companies in infrastructure and construction, as well as a somewhat dampened demand for companies with customers in the medical technology and pharmaceuticals segment.

### 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 Jul-Sep	2022 Jul-Sep	Change	2023 Jan-Sep	2022 Jan-Sep	Change	2022/23 Moving 12 mos	2022 Jan-Dec
Net sales	683	552	24%	1,993	1,577	26%	2,527	2,111
EBITA	110	88	25%	308	236	31%	388	316
EBITA margin, %	16.1	15.9		15.5	15.0		15.4	15.0

Net sales increased by 24% during the third quarter to SEK 683 million (552). Comparable units decreased by 5%, acquisitions contributed with 18% and currency movements had a positive impact of 11%.

Overall, demand was lower than in the corresponding period previous year and order intake decreased in just over half of the companies. Order intake was 9% lower than invoicing.

EBITA increased during the third quarter by 25% to SEK 110 million (88), corresponding to an EBITA margin of 16.1% (15.9%). Comparable units decreased by 10%, acquisitions contributed with 23% and currency movements had a positive impact of 12%.

The dampened net sales for comparable units had a negative impact on the EBITA margin. However, this was counteracted by the strong performance from newly acquired companies.

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## Finland

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

SEK million	2023 Jul-Sep	2022 Jul-Sep	Change	2023 Jan-Sep	2022 Jan-Sep	Change	2022/23 Moving 12 mos	2022 Jan-Dec
Net sales	614	565	9%	1,733	1,615	7%	2,338	2,220
EBITA	100	105	-5%	244	274	-11%	340	370
EBITA margin, %	16.3	18.6		14.1	17.0		14.5	16.7

Net sales increased by 9% during the third quarter to SEK 614 million (565). Comparable units decreased by 5%, acquisitions contributed with 3% and currency movements had a positive impact of 11%.

Order intake decreased during the quarter for most of the business area's companies and demand was overall lower than in the corresponding period previous year. Order intake was 8% lower than invoicing.

EBITA decreased during the third quarter by 5% to SEK 100 million (105), corresponding to an EBITA margin of 16.3% (18.6%). Comparable units decreased by 14%, acquisitions contributed with 1% and currency movements had a positive impact of 8%.

Deterioration of the EBITA margin is primarily explained by the lower net sales for comparable units, combined with higher expenses 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 Jul-Sep	2022 Jul-Sep	Change	2023 Jan-Sep	2022 Jan-Sep	Change	2022/23 Moving 12 mos	2022 Jan-Dec
Net sales	1,514	1,387	9%	4,678	4,037	16%	6,048	5,407
EBITA	264	224	18%	816	660	24%	1,038	882
EBITA margin, %	17.4	16.1		17.4	16.3		17.2	16.3

Net sales increased by 9% during the third quarter to SEK 1,514 million (1,387). Comparable units increased by 3% and currency movements had a positive impact of 6%.

Order intake increased in most of the companies during the quarter, but due to the strong comparison figures for some companies, overall demand was unchanged compared to the corresponding period previous year. Order intake was 12% lower than invoicing.

EBITA increased during the third quarter by 18% to SEK 264 million (224), corresponding to an EBITA margin of 17.4% (16.1%). Comparable units increased by 10% and currency movements had a positive impact of 8%.

The improved EBITA margin is primarily explained by a strong performance from companies with customers in the medical technology and pharmaceuticals segment.

## 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	2022	Change	2023	2022	Change	2022/23	2022
	Jul-Sep	Jul-Sep		Jan-Sep	Jan-Sep		Moving 12 mos	Jan-Dec
Net sales	916	714	28%	2,838	2,189	30%	3,619	2,970
EBITA	151	108	40%	449	337	33%	565	453
EBITA margin, %	16.5	15.1		15.8	15.4		15.6	15.3

Net sales increased by 28% during the third quarter to SEK 916 million (714). Comparable units increased by 5%, acquisitions contributed with 19% and currency movements had a positive impact of 4%.

Overall, demand during the quarter was higher than in the corresponding period previous year and order intake increased in most of the business area's companies. Order intake was 1% lower than invoicing.

EBITA increased during the third quarter by 40% to SEK 151 million (108), corresponding to an EBITA margin of 16.5% (15.1%). Comparable units increased by 25%, acquisitions contributed with 9% and currency movements had a positive impact of 6%.

The improved EBITA margin is primarily explained by a strong performance from companies with customers in the medical technology and pharmaceuticals and automotive aftermarket segments.

## 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	2022	Change	2023	2022	Change	2022/23	2022
	Jul-Sep	Jul-Sep		Jan-Sep	Jan-Sep		Moving 12 mos	Jan-Dec
Net sales	1,472	1,270	16%	4,533	3,882	17%	6,047	5,396
EBITA	250	204	23%	734	640	15%	961	867
EBITA margin, %	17.0	16.1		16.2	16.5		15.9	16.1

Net sales increased by 16% during the third quarter to SEK 1,472 million (1,270). Comparable units increased by 12%, acquisitions contributed with 2% and currency movements had a positive impact of 2%.

Demand during the quarter was stronger than in the corresponding period previous year, with order growth in the majority of the companies in the business area. Order intake was 3% lower than invoicing.

EBITA increased during the third quarter by 23% to SEK 250 million (204), corresponding to an EBITA margin of 17.0% (16.1%). Comparable units increased by 19%, acquisitions contributed with 1% and currency movements had a positive impact of 3%.

The improved EBITA margin is primarily attributable to a positive performance from companies with customers in the medical technology and pharmaceuticals segment.

# Q3

## 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 Jul-Sep	2022 Jul-Sep	Change	2023 Jan-Sep	2022 Jan-Sep	Change	2022/23 Moving 12 mos	2022 Jan-Dec
Net sales	876	749	17%	2,658	2,128	25%	3,479	2,949
EBITA	150	134	12%	431	393	10%	573	535
EBITA margin, %	17.1	17.9		16.2	18.5		16.5	18.1

Net sales increased by 17% during the third quarter to SEK 876 million (749). Comparable units increased by 3%, acquisitions contributed with 7% and currency movements had a positive impact of 7%.

Overall, demand during the quarter was lower than in the corresponding period previous year, with a lower order intake in most of the companies. Order intake was 11% lower than invoicing.

EBITA increased during the third quarter by 12% to SEK 150 million (134), corresponding to an EBITA margin of 17.1% (17.9%). Comparable units decreased by 6%, acquisitions contributed with 10% and currency movements had a positive impact of 8%.

The lower EBITA margin was both attributable to higher expenses and a somewhat lower gross margin for comparable units.

## UK

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

SEK million	2023 Jul-Sep	2022 Jul-Sep	Change	2023 Jan-Sep	2022 Jan-Sep	Change	2022/23 Moving 12 mos	2022 Jan-Dec
Net sales	546	490	11%	1,633	1,514	8%	2,113	1,994
EBITA	55	53	4%	186	180	3%	237	231
EBITA margin, %	10.1	10.8		11.4	11.9		11.2	11.6

Net sales increased by 11% during the third quarter to SEK 546 million (490). Comparable units increased by 1% and currency movements had a positive impact of 10%.

Overall, demand during the quarter was lower than in the corresponding period previous year and order intake decreased in most of the companies. Order intake was 11% lower than invoicing.

EBITA increased during the third quarter by 4% to SEK 55 million (53), corresponding to an EBITA margin of 10.1% (10.8%). Comparable units decreased by 7% and currency movements had a positive impact of 11%.

The lower EBITA margin is mainly explained by the weaker growth in net sales for comparable units combined with higher expenses in many companies.



## Other financial information

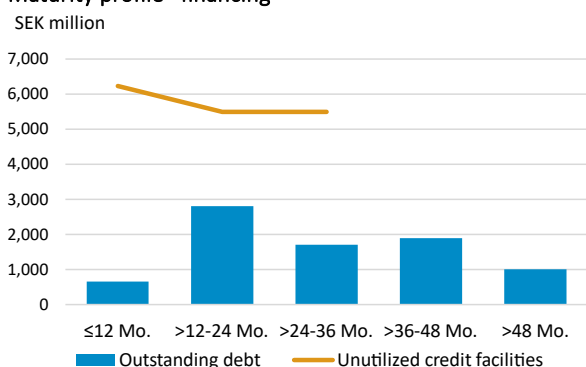
### Financial position

Shareholders' equity amounted to SEK 14,223 million (11,883) and the equity ratio to 44% (45%). Cash and cash equivalents amounted to SEK 1,788 million (1,024). In addition to that, there were unutilised credit commitments of SEK 6,237 million (4,985). Interest-bearing net debt decreased sequentially and amounted to SEK 9,403 million (7,267) at the end of the quarter. The increase compared to previous year is primarily attributable to a high rate of acquisition and a somewhat lower operating cash flow in the previous year. The net debt/equity ratio was 66% (61%) at the end of the period. Net debt in relation to EBITDA was 1.7x (1.6x).

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

At the end of the quarter, the Parent Company's short-term borrowing amounted to SEK 653 million and long-term unutilised credit facilities amounted to SEK 5,500 million.

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



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

### Cash flow, capital expenditures and depreciation

Cash flow from operating activities increased during the quarter compared to the corresponding period previous year and amounted to SEK 1,227 million (624). The improvement was primarily due to a more favourable development of working capital compared to the corresponding period previous year. During the quarter, inventories continued to decrease somewhat for comparable units, primarily thanks to high invoicing and fewer disturbances in the supply chains. Working capital efficiency, measured as working capital in relation to net sales on a moving 12-month basis for comparable units, was however lower than in the corresponding period previous year.

Cash flow from operating activities during the period January – September amounted to SEK 2,971 million (1,522).

The Group's net capital expenditures, excluding company acquisitions, totalled SEK 367 million (337).

Cash flow after net capital expenditures in intangible non-current assets and in property, plant and equipment (excluding company acquisitions) amounted to SEK 2,604 million (1,185).

Depreciation of property, plant and equipment totalled SEK 663 million (537). Investments in company acquisitions amounted to SEK 1,085 million (1,109). In addition, payments pertaining to previous years' acquisitions totalled SEK 206 million (211). Divestments amounted to SEK 0 million (0).

In cash flow from operating activities, depreciation of leased assets in the amount of SEK 368 million (298) was added back during the period January – September in accordance with IFRS 16. Lease amortisation is reported as cash flow from financing activities.

### Employees

The number of employees was 9,298 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.

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
April	Safematic A/S	Fluids & Mechanical Solutions	55	7
June	Labema Oy	Finland	70	20
June	I-tronik S.r.l.	DACH	165	24
September	Noby A/S	Industrial Components	60	14
<b>Total</b>			<b>950</b>	<b>181</b>

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

Further information about completed company acquisitions can be found on page 21 of this interim report.

# Q3

## Events after the end of the reporting period

On 6 October, Powerpoint Engineering Ltd was acquired and on 9 October, TSE Troller AG was acquired. More information is available on page 22.

## 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 – September. The Parent Company's financial fixed assets consist mainly of shares in subsidiaries. During the period January – September, the Parent Company acquired shares in four companies. The Parent Company has not made any major investments in intangible assets or in property, plant and equipment. The number of employees as of 30 September was 23 (20).

## Risks and uncertainties

The Indutrade Group conducts business in some 30 countries, on six continents, via more than 200 companies. This diversification, together with a large number of customers in various industries and a large number of suppliers, mitigates the business and financial risks. Besides the risks and uncertainties described in the Indutrade Annual Report for 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.

## Nomination committee

Indutrade's Annual General Meeting on 6 May 2013 adopted an instruction for the Nomination Committee of Indutrade AB that applies until further notice. According to this instruction, the Nomination Committee shall be composed of representatives of four of the largest shareholders in terms of votes (owner-grouped), plus the Chair of the Board. The member representing the largest shareholder shall serve as committee chair. In the event a member resigns from the Nomination Committee prior to the completion of its work, if the Nomination Committee finds it suitable a replacement shall be appointed from the same shareholder or, if such shareholder is no longer one of the largest shareholders, from the shareholder that is next in turn in terms of size. If the ownership conditions otherwise change significantly before the Nomination Committee's assignment has been completed, if the Nomination Committee so decides, it shall be possible to make a change in the composition of the committee in a manner deemed suitable by the Nomination Committee.

The composition of the Nomination Committee ahead of the Annual General Meeting shall be based on shareholder information from Euroclear Sweden AB's register as per the last trading day in August, and shall be announced as soon as the members are appointed, but not later than six months prior to the Annual General Meeting. No fees shall be paid to the members of the Nomination Committee. Any costs incurred for the Nomination Committee's work shall be borne by the company. The Nomination Committee's mandate period continues until the composition of the subsequent Nomination Committee has been made public.

Accordingly, the following persons have been appointed as members of the Nomination Committee: Claes Boustedt, L E Lundbergföretagen AB and Committee Chair, Katarina Martinson, Chair of the Board, Indutrade AB, Dick Bergqvist, AMF Tjänstepension & AMF Fonder, Camilla Wirth, Alecta Tjänstepension Ömsesidigt and Karin Eliasson, Handelsbanken Funds.

Indutrade's Annual General Meeting will be held on 9 April 2024 in Stockholm.

Shareholders who wish to submit nominations to the Nomination Committee can do so via e-mail at [valberedning@indutrade.com](mailto:valberedning@indutrade.com) or by sending them to Indutrade by post at the company's address. In order for the Nomination Committee to be able to consider submitted nominations in a constructive manner, these should be in the committee's possession by 31 December 2023 at the latest.

## Financial Calendar

- 1 February 2024:  
Year-end report 1 January – 31 December 2023
- 9 April 2024:  
AGM will be held in Stockholm
- 25 April 2024:  
Interim report 1 January – 31 March 2024
- 18 July 2024:  
Interim report 1 January – 30 June 2024
- 25 October 2024:  
Interim report 1 January – 30 September 2024

Stockholm, 27 October 2023  
Indutrade AB (publ)

Bo Annvik  
President and CEO

### 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 October 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 October at 9.30 CEST via the following link:

<https://ir.financialhearings.com/indutrade-q3-report-2023/register>

To participate in the conference call and to ask questions, please register via the link below. After registering, you will receive a telephone number and conference ID to login to the conference call.

<https://conference.financialhearings.com/teleconference/?id=5001349>

# Q3

## Auditor's review report

Auditor's review report on interim financial information in summary (interim report), prepared in accordance with IAS 34 and Ch. 9 of the Swedish Annual Accounts Act.

### Introduction

We have reviewed the condensed interim financial information (interim report) of Indutrade AB (publ.), corporate identity number 556017-9367, as per 30 September 2023, and the nine-month period then ended. The Board of Directors and the President are responsible for the preparation and presentation of this interim financial information in accordance with IAS 34 and the Swedish Annual Accounts Act. Our responsibility is to express a conclusion on this interim report based on our review.

### Scope of review

We conducted our review in accordance with the International Standard on Review Engagements, ISRE 2410, Review of Interim Report Performed by the Independent Auditor of the Entity. A review consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance

with International Standards on Auditing (ISA) and other generally accepted auditing standards in Sweden. The procedures performed in a review do not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

### Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the interim report is not prepared, in all material respects, in accordance with IAS 34 and the Annual Accounts Act for the Group, and in accordance with the Annual Accounts Act for the Parent Company.

Stockholm, 27 October 2023  
PricewaterhouseCoopers AB

Anna Rosendal  
Authorized Public Accountant  
Auditor in Charge

## Indutrade consolidated income statement – condensed

SEK million	2023 Jul-Sep	2022 Jul-Sep	2023 Jan-Sep	2022 Jan-Sep	2022/23 Moving 12 mos	2022 Jan-Dec
Net sales	7,851	6,707	24,014	19,788	31,242	27,016
Cost of goods sold	-5,118	-4,410	-15,690	-12,946	-20,398	-17,654
<b>Gross profit</b>	<b>2,733</b>	<b>2,297</b>	<b>8,324</b>	<b>6,842</b>	<b>10,844</b>	<b>9,362</b>
Development costs	-97	-77	-290	-236	-388	-334
Selling costs	-1,144	-957	-3,487	-2,888	-4,574	-3,975
Administrative expenses	-475	-380	-1,449	-1,137	-1,872	-1,560
Other operating income and expenses	14	29	73	88	112	127
<b>Operating profit</b>	<b>1,031</b>	<b>912</b>	<b>3,171</b>	<b>2,669</b>	<b>4,122</b>	<b>3,620</b>
Net financial items	-134	-42	-354	-114	-420	-180
<b>Profit before taxes</b>	<b>897</b>	<b>870</b>	<b>2,817</b>	<b>2,555</b>	<b>3,702</b>	<b>3,440</b>
Income Tax	-217	-179	-661	-551	-869	-759
<b>Net profit for the period</b>	<b>680</b>	<b>691</b>	<b>2,156</b>	<b>2,004</b>	<b>2,833</b>	<b>2,681</b>
<i>Net profit, attributable to:</i>						
Equity holders of the parent company	681	691	2,156	2,003	2,835	2,682
Non-controlling interests	-1	0	0	1	-2	-1
	<b>680</b>	<b>691</b>	<b>2,156</b>	<b>2,004</b>	<b>2,833</b>	<b>2,681</b>
<b>EBITA</b>	<b>1,190</b>	<b>1,035</b>	<b>3,628</b>	<b>3,017</b>	<b>4,709</b>	<b>4,098</b>
<i>Operating profit includes:</i>						
Amortisation of intangible assets <sup>1)</sup>	-172	-134	-493	-381	-636	-524
<i>of which attributable to acquisitions</i>	<i>-159</i>	<i>-123</i>	<i>-457</i>	<i>-348</i>	<i>-587</i>	<i>-478</i>
Depreciation of property, plant and equipment	-230	-187	-663	-537	-860	-734
Earnings per share before dilution, SEK	1.87	1.90	5.92	5.50	7.78	7.36
Earnings per share after dilution, SEK	1.87	1.90	5.92	5.50	7.78	7.36

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

## Indutrade consolidated statement of comprehensive income

SEK million	2023 Jul-Sep	2022 Jul-Sep	2023 Jan-Sep	2022 Jan-Sep	2022/23 Moving 12 mos	2022 Jan-Dec
<b>Net profit for the period</b>	<b>680</b>	<b>691</b>	<b>2,156</b>	<b>2,004</b>	<b>2,833</b>	<b>2,681</b>
<b>Other comprehensive income</b>						
<b>Items that can be reversed into income statement</b>						
Fair value adjustment of hedge instruments	-25	-13	-10	-4	-2	4
Tax attributable to fair value adjustments	5	3	2	1	0	-1
Exchange rate differences	-281	144	267	382	401	516
<b>Items that cannot be reversed into income statement</b>						
Actuarial gains/losses	-	55	-	55	82	137
Tax on actuarial gains/losses	-	-11	-	-11	-18	-29
<b>Other comprehensive income for the period, net of tax</b>	<b>-301</b>	<b>178</b>	<b>259</b>	<b>423</b>	<b>463</b>	<b>627</b>
<b>Total comprehensive income for the period</b>	<b>379</b>	<b>869</b>	<b>2,415</b>	<b>2,427</b>	<b>3,296</b>	<b>3,308</b>
<i>Total comprehensive income, attributable to:</i>						
Equity holders of the parent company	380	869	2,415	2,426	3,298	3,309
Non-controlling interests	-1	0	0	1	-2	-1

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## Indutrade consolidated balance sheet – condensed

SEK million	2023 30-Sep	2022 30-Sep	2022 31-Dec
Goodwill	8,638	6,408	7,649
Other intangible assets	4,624	3,849	4,408
Property, plant and equipment	4,428	3,776	4,045
Financial assets	173	210	160
Inventories	5,774	5,286	5,605
Trade receivables	5,091	4,501	4,452
Other receivables	1,516	1,069	954
Cash and cash equivalents	1,788	1,024	1,589
<b>Total assets</b>	<b>32,032</b>	<b>26,123</b>	<b>28,862</b>
Equity	14,223	11,883	12,773
Non-current interest-bearing liabilities and pension liabilities	9,390	6,084	7,903
Other non-current liabilities and provisions	1,383	1,096	1,300
Current interest-bearing liabilities	1,801	2,207	2,266
Trade payables	2,019	1,982	1,870
Other current liabilities	3,216	2,871	2,750
<b>Total equity and liabilities</b>	<b>32,032</b>	<b>26,123</b>	<b>28,862</b>

## Indutrade consolidated statement of changes in equity – condensed

Attributable to equity holders of the parent company SEK million	2023 30-Sep	2022 30-Sep	2022 31-Dec
Opening equity	12,759	10,292	10,292
Total comprehensive income for the period	2,415	2,426	3,309
New issues	-	11	11
Dividend <sup>1)</sup>	-946	-837	-837
Hedging of incentive programme	-51	-44	-44
Share-based payments	32	23	32
Acquisition of non-controlling interests	-	-	-4
<b>Closing equity</b>	<b>14,209</b>	<b>11,871</b>	<b>12,759</b>

<sup>1)</sup> Dividend per share for 2022 (2021) was SEK 2.60 (2.30)

Equity, attributable to:	2023 30-Sep	2022 30-Sep	2022 31-Dec
Equity holders of the parent company	14,209	11,871	12,759
Non-controlling interests	14	12	14
	<b>14,223</b>	<b>11,883</b>	<b>12,773</b>

## Indutrade consolidated cash flow statement – condensed

SEK million	2023 Jul-Sep	2022 Jul-Sep	2023 Jan-Sep	2022 Jan-Sep	2022/23 Moving 12 mos	2022 Jan-Dec
Operating profit	1,031	912	3,171	2,669	4,122	3,620
Non-cash items	423	301	1,164	907	1,477	1,220
Interests and other financial items, net	-141	-29	-279	-79	-346	-146
Paid tax	-219	-161	-748	-571	-941	-764
Change in working capital	133	-399	-337	-1,404	-491	-1,558
<b>Cash flow from operating activities</b>	<b>1,227</b>	<b>624</b>	<b>2,971</b>	<b>1,522</b>	<b>3,821</b>	<b>2,372</b>
Net capital expenditures in non-current assets	-109	-103	-367	-337	-528	-498
Company acquisitions and divestments	-90	-605	-1,291	-1,320	-2,797	-2,826
Change in other financial assets	-2	0	-8	6	-7	7
<b>Cash flow from investing activities</b>	<b>-201</b>	<b>-708</b>	<b>-1,666</b>	<b>-1,651</b>	<b>-3,332</b>	<b>-3,317</b>
Debt/repayment of debt, net	-665	-184	-193	447	1,177	1,817
Dividend paid out	-	-	-946	-837	-946	-837
New issues	-	-	-	11	-	11
<b>Cash flow from financing activities</b>	<b>-665</b>	<b>-184</b>	<b>-1,139</b>	<b>-379</b>	<b>231</b>	<b>991</b>
<b>Cash flow for the period</b>	<b>361</b>	<b>-268</b>	<b>166</b>	<b>-508</b>	<b>720</b>	<b>46</b>
Cash and cash equivalents at start of period	1,446	1,265	1,589	1,460	1,024	1,460
Exchange rate differences	-19	27	33	72	44	83
<b>Cash and cash equivalents at end of period</b>	<b>1,788</b>	<b>1,024</b>	<b>1,788</b>	<b>1,024</b>	<b>1,788</b>	<b>1,589</b>

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## Key data

	2023 30-Sep	2022 31-Dec	2022 30-Sep	2021 31-Dec	2020 31-Dec
<b>Moving 12 mos</b>					
Net sales, SEK million	31,242	27,016	25,514	21,715	19,217
Sales growth, %	22	24	21	13	4
EBITA, SEK million	4,709	4,098	3,853	3,202	2,615
EBITA margin, %	15.1	15.2	15.1	14.7	13.6
Capital employed at end of period, SEK million	23,626	21,353	19,150	15,792	13,512
Capital employed, average, SEK million	22,299	18,111	16,845	14,516	13,541
Return on capital employed, % <sup>1)</sup>	21	23	23	22	19
Equity, average, SEK million	13,180	11,272	10,681	9,297	7,899
Return on equity, % <sup>1)</sup>	22	24	24	23	21
Interest-bearing net debt at end of period, SEK million	9,403	8,580	7,267	5,489	4,878
Net debt/equity ratio, %	66	67	61	53	56
Net debt/EBITDA, times	1.7	1.8	1.6	1.4	1.5
Equity ratio, %	44	44	45	47	48
Average number of employees	9,130	8,483	8,298	7,715	7,349
Number of employees at end of period	9,298	9,128	8,605	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	7.78	7.36	6.94	5.76	4.60
Earnings per share after dilution, SEK	7.78	7.36	6.93	5.75	4.59
Equity per share, SEK	39.00	35.02	32.58	28.26	23.72
Cash flow from operating activities per share, SEK	10.49	6.51	6.65	7.84	7.66
Average number of shares before dilution, '000	364,323	364,270	364,224	363,921	362,721
Average number of shares after dilution, '000	364,323	364,303	364,287	364,180	363,320
Number of shares at the end of the period, '000	364,323	364,323	364,323	364,188	363,615

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



## Business area performance

	2023	2022	2023	2022	2022/23	2022
<b>Net sales, SEK million</b>	<b>Jul-Sep</b>	<b>Jul-Sep</b>	<b>Jan-Sep</b>	<b>Jan-Sep</b>	<b>Moving 12 mos</b>	<b>Jan-Dec</b>
Benelux	1,256	1,012	4,023	2,931	5,176	4,084
DACH	683	552	1,993	1,577	2,527	2,111
Finland	614	565	1,733	1,615	2,338	2,220
Flow Technology	1,514	1,387	4,678	4,037	6,048	5,407
Fluids & Mechanical Solutions	916	714	2,838	2,189	3,619	2,970
Industrial Components	1,472	1,270	4,533	3,882	6,047	5,396
Measurement & Sensor Technology	876	749	2,658	2,128	3,479	2,949
UK	546	490	1,633	1,514	2,113	1,994
Parent company and Group items	-26	-32	-75	-85	-105	-115
<b>Total</b>	<b>7,851</b>	<b>6,707</b>	<b>24,014</b>	<b>19,788</b>	<b>31,242</b>	<b>27,016</b>
	2023	2022	2023	2022	2022/23	2022
<b>EBITA, SEK million</b>	<b>Jul-Sep</b>	<b>Jul-Sep</b>	<b>Jan-Sep</b>	<b>Jan-Sep</b>	<b>Moving 12 mos</b>	<b>Jan-Dec</b>
Benelux	155	139	581	432	748	599
DACH	110	88	308	236	388	316
Finland	100	105	244	274	340	370
Flow Technology	264	224	816	660	1,038	882
Fluids & Mechanical Solutions	151	108	449	337	565	453
Industrial Components	250	204	734	640	961	867
Measurement & Sensor Technology	150	134	431	393	573	535
UK	55	53	186	180	237	231
Parent company and Group items	-45	-20	-121	-135	-141	-155
<b>Total</b>	<b>1,190</b>	<b>1,035</b>	<b>3,628</b>	<b>3,017</b>	<b>4,709</b>	<b>4,098</b>
	2023	2022	2023	2022	2022/23	2022
<b>EBITA margin, %</b>	<b>Jul-Sep</b>	<b>Jul-Sep</b>	<b>Jan-Sep</b>	<b>Jan-Sep</b>	<b>Moving 12 mos</b>	<b>Jan-Dec</b>
Benelux	12.3	13.7	14.4	14.7	14.5	14.7
DACH	16.1	15.9	15.5	15.0	15.4	15.0
Finland	16.3	18.6	14.1	17.0	14.5	16.7
Flow Technology	17.4	16.1	17.4	16.3	17.2	16.3
Fluids & Mechanical Solutions	16.5	15.1	15.8	15.4	15.6	15.3
Industrial Components	17.0	16.1	16.2	16.5	15.9	16.1
Measurement & Sensor Technology	17.1	17.9	16.2	18.5	16.5	18.1
UK	10.1	10.8	11.4	11.9	11.2	11.6
<b>Total</b>	<b>15.2</b>	<b>15.4</b>	<b>15.1</b>	<b>15.2</b>	<b>15.1</b>	<b>15.2</b>

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## Business area performance per quarter

Net sales, SEK million	2023			2022			
	Jul-Sep	Apr-Jun	Jan-Mar	Oct-Dec	Jul-Sep	Apr-Jun	Jan-Mar
Benelux	1,256	1,362	1,405	1,153	1,012	970	949
DACH	683	684	626	534	552	521	504
Finland	614	569	550	605	565	545	505
Flow Technology	1,514	1,557	1,607	1,370	1,387	1,385	1,265
Fluids & Mechanical Solutions	916	980	942	781	714	753	722
Industrial Components	1,472	1,552	1,509	1,514	1,270	1,342	1,270
Measurement & Sensor Technology	876	871	911	821	749	692	687
UK	546	546	541	480	490	504	520
Parent company and Group items	-26	-21	-28	-30	-32	-29	-24
<b>Total</b>	<b>7,851</b>	<b>8,100</b>	<b>8,063</b>	<b>7,228</b>	<b>6,707</b>	<b>6,683</b>	<b>6,398</b>

EBITA, SEK million	2023			2022			
	Jul-Sep	Apr-Jun	Jan-Mar	Oct-Dec	Jul-Sep	Apr-Jun	Jan-Mar
Benelux	155	197	229	167	139	155	138
DACH	110	107	91	80	88	78	70
Finland	100	72	72	96	105	96	73
Flow Technology	264	268	284	222	224	236	200
Fluids & Mechanical Solutions	151	154	144	116	108	116	113
Industrial Components	250	241	243	227	204	218	218
Measurement & Sensor Technology	150	124	157	142	134	128	131
UK	55	66	65	51	53	59	68
Parent company and Group items	-45	-16	-60	-20	-20	-63	-52
<b>Total</b>	<b>1,190</b>	<b>1,213</b>	<b>1,225</b>	<b>1,081</b>	<b>1,035</b>	<b>1,023</b>	<b>959</b>

EBITA margin, %	2023			2022			
	Jul-Sep	Apr-Jun	Jan-Mar	Oct-Dec	Jul-Sep	Apr-Jun	Jan-Mar
Benelux	12.3	14.5	16.3	14.5	13.7	16.0	14.5
DACH	16.1	15.6	14.5	15.0	15.9	15.0	13.9
Finland	16.3	12.7	13.1	15.9	18.6	17.6	14.5
Flow Technology	17.4	17.2	17.7	16.2	16.1	17.0	15.8
Fluids & Mechanical Solutions	16.5	15.7	15.3	14.9	15.1	15.4	15.7
Industrial Components	17.0	15.5	16.1	15.0	16.1	16.2	17.2
Measurement & Sensor Technology	17.1	14.2	17.2	17.3	17.9	18.5	19.1
UK	10.1	12.1	12.0	10.6	10.8	11.7	13.1
<b>Total</b>	<b>15.2</b>	<b>15.0</b>	<b>15.2</b>	<b>15.0</b>	<b>15.4</b>	<b>15.3</b>	<b>15.0</b>

## Disaggregation of revenue

### Net sales per geographic market

#### 2023

Jul-Sep, SEK million	Benelux	DACH	Finland	FT	FMS	IC	MST	UK	Elim. <sup>1)</sup>	Total
Nordic countries	27	7	518	835	653	1,249	122	15	-10	3,416
Other Europe	1,090	642	52	571	228	204	335	476	-10	3,588
Americas	73	16	25	12	25	14	246	33	-3	441
Asia	51	11	19	89	7	3	144	16	-2	338
Other	15	7	0	7	3	2	29	6	-1	68
	<b>1,256</b>	<b>683</b>	<b>614</b>	<b>1,514</b>	<b>916</b>	<b>1,472</b>	<b>876</b>	<b>546</b>	<b>-26</b>	<b>7,851</b>

Timing of revenue recognition	Benelux	DACH	Finland	FT	FMS	IC	MST	UK	Elim. <sup>1)</sup>	Total
Over time	15	76	0	0	88	2	96	0	-1	276
Point in time	1,241	607	614	1,514	828	1,470	780	546	-25	7,575
	<b>1,256</b>	<b>683</b>	<b>614</b>	<b>1,514</b>	<b>916</b>	<b>1,472</b>	<b>876</b>	<b>546</b>	<b>-26</b>	<b>7,851</b>

#### 2022

Jul-Sep, SEK million	Benelux	DACH	Finland	FT	FMS	IC	MST	UK	Elim. <sup>1)</sup>	Total
Nordic countries	20	4	502	739	534	1,105	134	30	-11	3,057
Other Europe	852	527	33	526	148	143	270	406	-10	2,895
Americas	34	10	4	25	25	14	203	21	-6	330
Asia	94	10	19	87	6	8	110	30	-3	361
Other	12	1	7	10	1	0	32	3	-2	64
	<b>1,012</b>	<b>552</b>	<b>565</b>	<b>1,387</b>	<b>714</b>	<b>1,270</b>	<b>749</b>	<b>490</b>	<b>-32</b>	<b>6,707</b>

Timing of revenue recognition	Benelux	DACH	Finland	FT	FMS	IC	MST	UK	Elim. <sup>1)</sup>	Total
Over time	16	67	0	0	64	19	34	0	-1	199
Point in time	996	485	565	1,387	650	1,251	715	490	-31	6,508
	<b>1,012</b>	<b>552</b>	<b>565</b>	<b>1,387</b>	<b>714</b>	<b>1,270</b>	<b>749</b>	<b>490</b>	<b>-32</b>	<b>6,707</b>

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

FT - Flow Technology

FMS - Fluids & Mechanical Solutions

IC - Industrial Components

MST - Measurement & Sensor Technology

# Q3

## Disaggregation of revenue – continued

### Net sales per geographic market

#### 2023

Jan-Sep, SEK million	Benelux	DACH	Finland	FT	FMS	IC	MST	UK	Elim. <sup>1)</sup>	Total
Nordic countries	121	16	1,498	2,569	2,022	3,930	454	64	-28	10,646
Other Europe	3,432	1,893	144	1,773	707	535	990	1,400	-28	10,846
Americas	233	46	38	28	77	45	736	90	-9	1,284
Asia	189	28	45	257	26	18	401	65	-7	1,022
Other	48	10	8	51	6	5	77	14	-3	216
	<b>4,023</b>	<b>1,993</b>	<b>1,733</b>	<b>4,678</b>	<b>2,838</b>	<b>4,533</b>	<b>2,658</b>	<b>1,633</b>	<b>-75</b>	<b>24,014</b>

Timing of revenue recognition	Benelux	DACH	Finland	FT	FMS	IC	MST	UK	Elim. <sup>1)</sup>	Total
Over time	48	227	0	0	254	9	252	0	-2	788
Point in time	3,975	1,766	1,733	4,678	2,584	4,524	2,406	1,633	-73	23,226
	<b>4,023</b>	<b>1,993</b>	<b>1,733</b>	<b>4,678</b>	<b>2,838</b>	<b>4,533</b>	<b>2,658</b>	<b>1,633</b>	<b>-75</b>	<b>24,014</b>

#### 2022

Jan-Sep, SEK million	Benelux	DACH	Finland	FT	FMS	IC	MST	UK	Elim. <sup>1)</sup>	Total
Nordic countries	70	13	1,405	2,172	1,646	3,406	415	89	-34	9,182
Other Europe	2,471	1,504	113	1,445	444	415	736	1,250	-27	8,351
Americas	138	36	16	36	72	43	607	77	-13	1,012
Asia	211	22	39	355	22	16	302	85	-8	1,044
Other	41	2	42	29	5	2	68	13	-3	199
	<b>2,931</b>	<b>1,577</b>	<b>1,615</b>	<b>4,037</b>	<b>2,189</b>	<b>3,882</b>	<b>2,128</b>	<b>1,514</b>	<b>-85</b>	<b>19,788</b>

Timing of revenue recognition	Benelux	DACH	Finland	FT	FMS	IC	MST	UK	Elim. <sup>1)</sup>	Total
Over time	39	205	0	0	166	23	157	0	-3	587
Point in time	2,892	1,372	1,615	4,037	2,023	3,859	1,971	1,514	-82	19,201
	<b>2,931</b>	<b>1,577</b>	<b>1,615</b>	<b>4,037</b>	<b>2,189</b>	<b>3,882</b>	<b>2,128</b>	<b>1,514</b>	<b>-85</b>	<b>19,788</b>

<sup>1)</sup> 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), Siersema Komponente Service B.V. (Netherlands), Safematic A/S (Denmark), Labema Oy (Finland), I-tronik S.r.l. (Italy) and Noby A/S (Norway).

### Benelux

On 19 January, Siersema Komponente 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.

On 22 June, I-tronik S.r.l. (Italy) was acquired, with annual sales of SEK 165 million. I-tronik is specialised in machinery, consumables, spare parts, and services for assembly and manufacturing of Printed Circuit Boards (PCBs).

### Finland

On 14 June, Labema Oy (Finland), was acquired, with annual sales of SEK 70 million. Labema is a technical trading company operating within the life science and biotechnology field, offering diagnostic equipment and supplies primarily to public healthcare, the food industry and research laboratories.

### 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.

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

### Industrial Components

On 1 September, Noby A/S (Norway) was acquired, with annual sales of SEK 60 million. Noby is a technical trading company offering premium security products and systems, as well as fire alarm systems on the Norwegian B2B market.

### Acquired assets and liabilities in 2023

*Preliminary purchase price allocations*

**SEK million**

Purchase price, incl. contingent earn-out payment totalling SEK 144 million	1,347
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Acquired assets and liabilities	Book value	Fair value adjustment	Fair value
Goodwill	47	735	782
Agencies, trademarks, customer relations, licenses, etc.	30	524	554
Property, plant and equipment	48		48
Financial assets	2		2
Inventories	172		172
Other current assets <sup>1)</sup>	120		120
Cash and cash equivalents	110		110
Deferred tax liability	-1	-123	-124
Other operating liabilities	-317		-317
	<b>211</b>	<b>1,136</b>	<b>1,347</b>

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

# Q3

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 27 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 144 (298) million. The contingent earn-out payments fall due for payment within three years and can amount to a maximum of SEK 182 million (335). If the conditions are not met, the outcome can be in the range of SEK 0-182 million.

Transaction costs during the interim period totalled SEK 10 million (8) and are included in Other income and expenses in the income statement. Contingent earn-out payments were restated in the amount of SEK 88 million (50). The effect is reported under Other income and expenses in the amount of SEK 84 million (48) and under Net financial items in the amount of SEK 4 million (2).

The acquisition calculations for Beck Sensortechnik GmbH, Primed Fysio och Rehab AB, OCI B.V., Tebra Messen Industrie B.V. and CaTec B.V., which were acquired during the third 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	1,347
Purchase price not paid out	-152
Cash and cash equivalents in acquired companies	-110
Payments pertaining to previous years' acquisitions	206
<b>Total cash flow impact</b>	<b>1,291</b>

## Effects of acquisitions carried out in 2022 and 2023

SEK million Business area	Net sales		EBITA	
	Jul-Sep	Jan-Sep	Jul-Sep	Jan-Sep
Benelux	111	416	12	63
DACH	97	215	20	45
Finland	18	23	1	-2
Flow Technology	-	21	-	4
Fluids & Mechanical Solutions	135	445	10	47
Industrial Components	26	195	2	31
Measurement & Sensor Technology	55	225	14	33
UK	-	8	-	2
<b>Effect on Group</b>	<b>442</b>	<b>1,548</b>	<b>59</b>	<b>223</b>
Acquisitions carried out in 2022	233	1037	30	142
Acquisitions carried out in 2023	209	511	29	81
<b>Effect on Group</b>	<b>442</b>	<b>1,548</b>	<b>59</b>	<b>223</b>

If all of the acquired units had been consolidated as of 1 January 2023, net sales would have amounted to SEK 24,210 million and EBITA to SEK 3,655 million.

## Acquisitions after the end of the reporting period

On 6 October, Powerpoint Engineering Ltd. was acquired, with annual sales of SEK 150 million. Powerpoint Engineering is a technology trading company specialising in electrical safety, measurement and test equipment for high and medium voltage applications, with the aim of ensuring a safe working environment.

On 9 October, TSE Troller AG was acquired, with annual sales of SEK 90 million. TSE Troller develops, manufactures, and distributes high-quality coating dies made of stainless steel for high-precision coating layers in various industries.

## 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
<b>Total number of shares outstanding after new issues</b>	<b>364,323,000</b>

### LTIP 2021, 2022 and 2023

The 2021, 2022 and 2023 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.

LTIP 2023 covers around 285 employees and is aimed at senior executives and other key employees. LTIP 2023 requires own investment and it consists of performance shares. The scope of the programme is, at most, 435,000 shares in Indutrade, which corresponds to approximately 0.12% of all shares and votes.

For all of the 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 32 million (23) (excluding social security contributions) were expensed as a result of the programmes.

### 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
LTIP 2023	60,745	194,513	0.1%	Programme launch May 2023 – interim report publication first quarter 2026

# Q3

## Financial assets and liabilities

30 Sep 2023, SEK million	Interest rate swaps and currency forward contracts in hedge accounting		Holdings of shares and participation in unlisted companies	Contingent earn-out payments	Financial liabilities measured at amortised cost	Total carrying amount	Fair value
	Level 2	Amortised cost	Level 3	Level 3			
<b>Valuation classification</b>	<b>Level 2</b>		<b>Level 3</b>	<b>Level 3</b>			
Other shares and participations	-	-	13	-	-	13	13
Trade receivables	-	5,091	-	-	-	5,091	5,091
Other receivables	3	34	-	-	-	37	37
Cash and cash equivalents	-	1,788	-	-	-	1,788	1,788
<b>Total</b>	<b>3</b>	<b>6,913</b>	<b>13</b>	<b>-</b>	<b>-</b>	<b>6,929</b>	<b>6,929</b>
Non-current interest-bearing liabilities	-	-	-	567	8,570	9,137	9,152
Current interest-bearing liabilities	-	-	-	564	1,237	1,801	1,791
Trade payables	-	-	-	-	2,019	2,019	2,019
Other liabilities	12	-	-	-	-	12	12
<b>Total</b>	<b>12</b>	<b>-</b>	<b>-</b>	<b>1,131</b>	<b>11,826</b>	<b>12,969</b>	<b>12,974</b>

31 Dec 2022, SEK million	Interest rate swaps and currency forward contracts in hedge accounting		Holdings of shares and participation in unlisted companies	Contingent earn-out payments	Financial liabilities measured at amortised cost	Total carrying amount	Fair value
	Level 2	Amortised cost	Level 3	Level 3			
<b>Valuation classification</b>	<b>Level 2</b>		<b>Level 3</b>	<b>Level 3</b>			
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
<b>Total</b>	<b>5</b>	<b>6,065</b>	<b>13</b>	<b>-</b>	<b>-</b>	<b>6,083</b>	<b>6,083</b>
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
<b>Total</b>	<b>2</b>	<b>-</b>	<b>-</b>	<b>1,220</b>	<b>10,576</b>	<b>11,798</b>	<b>11,764</b>

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

No transfers were made between levels 2 and 3 during the period. Contingent earn-out payments have been discounted to present value using an interest rate that is judged to be in line with the market rate at the time of acquisition. Adjustments are not made on a regular basis for changes in the market interest rate, since the effects of these are judged to be negligible.

Contingent earn-out payments	2023	2022
SEK million	30-Sep	31-Dec
Opening book value	1,220	861
Acquisitions during the year	144	659
Consideration paid	-203	-235
Reclassified via income statement	-85	-139
Interest expenses	19	14
Exchange rate differences	36	60
<b>Closing book value</b>	<b>1,131</b>	<b>1,220</b>



## Parent company income statement – condensed

SEK million	2023 Jul- Sep	2022 Jul- Sep	2023 Jan- Sep	2022 Jan- Sep	2022/23 Moving 12 mos	2022 Jan- Dec
Net sales	0	0	0	0	11	11
<b>Gross profit</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>11</b>	<b>11</b>
Administrative expenses	-38	-32	-124	-103	-167	-146
<b>Operating profit</b>	<b>-38</b>	<b>-32</b>	<b>-124</b>	<b>-103</b>	<b>-156</b>	<b>-135</b>
Financial income/expenses	36	23	80	66	105	91
Profit from participation in Group companies	5	-	1,450	1,888	1,489	1,927
<b>Profit after financial items</b>	<b>3</b>	<b>-9</b>	<b>1,406</b>	<b>1,851</b>	<b>1,438</b>	<b>1,883</b>
Appropriations	-	-	-	-	850	850
Income Tax	0	2	7	7	-168	-168
<b>Net profit for the period</b>	<b>3</b>	<b>-7</b>	<b>1,413</b>	<b>1,858</b>	<b>2,120</b>	<b>2,565</b>
Amortisation/depreciation of intangible assets and property, plant and equipment	0	-1	0	-1	0	-1

## Parent company balance sheet – condensed

SEK million	2023 30-Sep	2022 30-Sep	2022 31-Dec
Intangible assets	1	1	1
Property, plant and equipment	3	2	2
Financial assets	11,595	7,983	9,785
Current receivables	9,833	9,629	10,939
Cash and cash equivalents	633	116	592
<b>Total assets</b>	<b>22,065</b>	<b>17,731</b>	<b>21,319</b>
Equity	10,376	9,248	9,956
Untaxed reserves	867	755	867
Non-current interest-bearing liabilities and pension liabilities	7,778	4,481	6,386
Other non-current liabilities and provisions	4	0	4
Current interest-bearing liabilities	2,929	3,057	3,710
Current non-interest-bearing liabilities	111	190	396
<b>Total equity and liabilities</b>	<b>22,065</b>	<b>17,731</b>	<b>21,319</b>

# Q3

## Definitions

### Alternative Performance Measures

In this interim report Indutrade presents Alternative Performance Measures (APMs) that complement the key financial ratios defined in IFRS. The company believes that these APMs provide valuable information to stakeholders, as they contribute to assessment of the company's performance, trends, ability to repay debt and invest in new business opportunities, and they reflect the Group's acquisition-intensive business model.

Since not all companies calculate their financial key ratios in the same way, they are not always comparable. They should therefore not be regarded as a substitute for the key ratios defined in IFRS. Following are definitions of Indutrade's key ratios, of which most are APMs.

#### Capital employed

Shareholders' equity plus interest-bearing net debt.

#### Earnings per share before dilution

Net profit for the period attributable to owners of the parent divided by the average number of shares outstanding. Definition according to IFRS.

#### Earnings per share after dilution

Net profit for the period attributable to owners of the parent divided by the average number of shares outstanding after dilution.

#### EBITA

Operating profit before amortisation of intangible non-current assets arising in connection with company acquisitions (Earnings Before Interest, Tax and Amortisation). EBITA is the principal measure of the Group's earnings.

#### EBITA-margin

EBITA divided by net sales.

#### EBITDA

Operating profit before depreciation and amortisation (Earnings Before Interest, Tax, Depreciation and Amortisation).

#### Equity per share

Shareholders' equity attributable to owners of the parent divided by the number of shares outstanding.

#### Equity ratio

Shareholders' equity divided by total assets.

#### Gross margin

Gross profit divided by net sales.

#### Interest-bearing net debt

Interest-bearing liabilities including pension liability and estimated earn-outs for acquisitions, less cash and cash equivalents.

#### Net capital expenditures

Purchases less sales of intangible non-current assets and of property, plant and equipment, excluding those included in acquisitions and divestments of subsidiaries and operations.

#### Net debt/equity ratio

Interest-bearing net debt divided by shareholders' equity.

#### Net debt/EBITDA

Interest-bearing net debt at the end of the period divided by EBITDA on a moving 12-month basis.

#### Return on equity

Net profit for the period on a moving 12-month basis divided by average shareholders' equity per month.

#### Return on capital employed

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

## Indutrade in brief

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

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

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

The Group's financial targets are that:

### Sales growth

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

### EBITA-margin

- The EBITA margin shall amount to a minimum of 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.

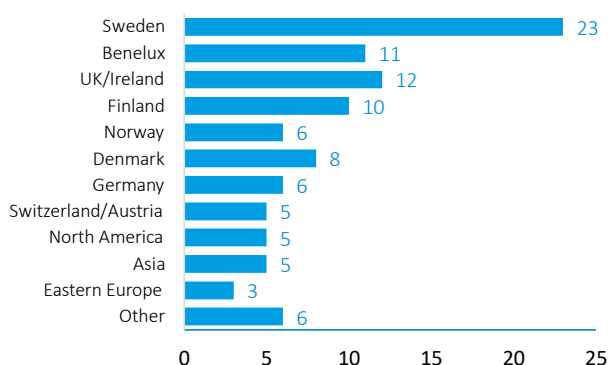
### Net debt/equity ratio

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

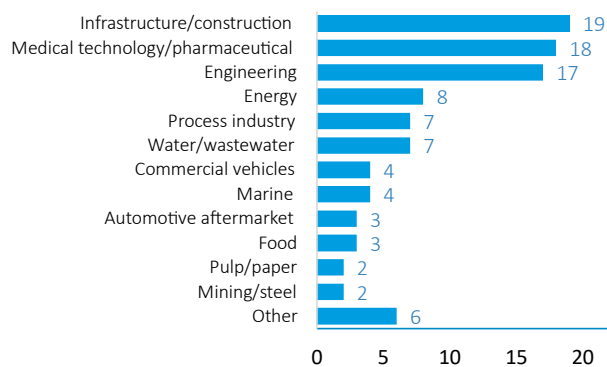
### Dividend payout ratio

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

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



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



<sup>1)</sup>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.

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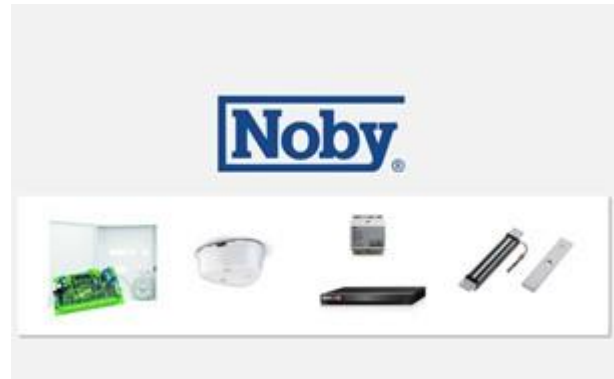
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# Q3

## Indutrade acquires Noby A/S

During the quarter, Indutrade acquired the Norwegian company, Noby A/S, with annual sales of SEK 60 million. Noby is a technical trading company offering premium security products and systems, as well as fire alarm systems on the Norwegian B2B market. The customer base mainly consists of electrical installers, but also electrical wholesalers and retailers of security products. Noby's suppliers are well established manufacturers of security hardware and software mainly from Europe.

The company has a strong history of profitable growth, a positive culture with a focus on long-term value creation and good conditions for continued organic growth.



## Welcome Powerpoint Engineering!

In October, the Irish company Powerpoint Engineering Ltd. was acquired, with annual sales of SEK 150 million. Powerpoint Engineering is a technology trading company specialising in electrical safety, measurement and test equipment for high and medium voltage applications, with the aim of ensuring a safe working environment.

Bo Annvik, President and CEO of Indutrade comments: "Powerpoint Engineering is a purpose-driven company with clear growth potential, supported by the continuously increasing focus on worker safety. The company is well managed, has extensive expertise in its niche and strong relationships with its customers and partners. We are pleased to welcome them to the Indutrade family."



## TSE Troller – leading manufacturer in Switzerland

In October, Indutrade acquired the Swiss company TSE Troller AG, with annual sales of SEK 90 million. TSE Troller develops, manufactures, and distributes high-quality coating dies made of stainless steel for high-precision coating layers in various industries. The company supplies customers worldwide in many different industrial market segments, including electronics and battery production, packaging, paper and board, photovoltaics, fuel cells, food and life science.

With over six decades of expertise in the development and production of pre-metered coating dies, TSE Troller has emerged as one of the leading manufacturers within its field and has good prospects for continued sustainable, profitable growth.

