

# Interim report second quarter

and first half of 2021

## Second quarter 2021

- Order intake rose by 30% to SEK 6,006 million (4,604). For comparable units, it was an increase of 26%.
- Net sales increased by 20% to SEK 5,552 million (4,614). For comparable units, it was an increase of 16%.
- EBITA increased by 40% to SEK 843 million (602), corresponding to an EBITA margin of 15.2% (13.0%).
- Profit for the quarter increased by 52% to SEK 562 million (370), and earnings per share amounted to SEK 1.54 (1.02).
- Cash flow from operating activities amounted to SEK 792 million (806).

## 1 January – 30 June 2021

- Order intake rose 17% to SEK 11,753 million (10,005). For comparable units, it was an increase of 14%.
- Net sales increased by 12% to SEK 10,699 million (9,590). For comparable units, it was an increase of 9%.
- EBITA increased by 28% to SEK 1,556 million (1,218), corresponding to an EBITA margin of 14.5% (12.7%).
- Profit for the period increased by 35% to SEK 1,023 million (758), and earnings per share amounted to SEK 2.81 (2.09).
- Cash flow from operating activities increased and amounted to SEK 1,281 million (1,227).



## Financial Development

SEK million	2021 Apr-Jun	2020 Apr-Jun	Change	2021 Jan-Jun	2020 Jan-Jun	Change	2020/21 Moving 12 mos	2020 Jan-Dec
Order intake	6,006	4,604	30%	11,753	10,005	17%	21,343	19,595
Net sales	5,552	4,614	20%	10,699	9,590	12%	20,326	19,217
Operating profit	751	515	46%	1,374	1,043	32%	2,597	2,266
EBITA	843	602	40%	1,556	1,218	28%	2,953	2,615
EBITA margin, %	15.2	13.0		14.5	12.7		14.5	13.6
Profit before taxes	722	480	50%	1,316	976	35%	2,480	2,140
Net profit	562	370	52%	1,023	758	35%	1,934	1,669
Earnings per share before dilution, SEK	1.54	1.02	51%	2.81	2.09	34%	5.32	4.60
Return on capital employed, %	21	18		21	18		21	19
Cash flow from operating activities	792	806	-2%	1,281	1,227	4%	2,834	2,780
Net debt/equity ratio, %	59	72		59	72		59	56

# Q2

## CEO's message

*Strong demand and record-high earnings for the second quarter.*

### Second quarter

Demand improved further during the second quarter and was considerably higher than during the same period last year. Growth was broad and most companies and segments developed positively. Order intake, which amounted to SEK 6.0 billion, grew organically by 26% and was 8% higher than the net sales. Customer segments that have been strong in the past, such as medical technology and pharmaceutical, infrastructure and the process industry continued to develop positively. The demand from customers in the engineering industry also increased and demonstrated a strong recovery. The organic order growth was good for all business areas, with the strongest performance from the DACH, UK and Fluid & Mechanical Solutions business areas. The business climate for valves for power generation remained favourable, albeit with lower demand compared to its high level during the corresponding period last year.

Sales improved for all business areas and amounted to SEK 5.5 billion, corresponding to an organic growth rate of 16%. The UK and Industrial Components business areas demonstrated the strongest development, with growth in most companies and segments. For the Finland and Benelux business areas, net sales improved for comparable units to a somewhat lower degree, which was primarily attributable to strong comparison figures from the same period last year.

The EBITA result for the quarter increased by 40% to SEK 843 million and the EBITA margin improved to a record-high 15.2% (13.0%). The margin developed positively for seven of the eight business areas and the improvement was primarily driven by not only organic growth, but also by favourable performance in the newly acquired companies.

During the quarter, many companies continued to be affected by the shortage of components and longer delivery times, which hampered delivery and invoicing opportunities. Several companies were also impacted by higher costs for raw materials, components and freight. Thanks to quick, flexible action in combination with successful pricing efforts by our companies, the overall net impact for the Group was limited during the quarter.

The higher business volumes contributed to a higher working capital during the quarter, which slightly suppressed cash flow. However, working capital efficiency continued to improve during the quarter and the inventory for comparable units was, at the end of the quarter, lower than last year, despite the increased volumes. The Group's financial position remains strong, with a relatively low debt/equity ratio.

### Acquisitions

Three acquisitions were made during the quarter with total annual sales of approximately SEK 200 million. In April, the Danish company CKJ Steel was acquired, which is a leading engineering and manufacturing company offering process equipment as well as



technical advice to the Danish pharmaceutical and biotechnology industries. In May, an add-on acquisition within the sealing segment was made by acquiring the Swedish company, Lamisa. In June, the Danish company Buhl & Bønsøe was acquired. It is a specialised technical trading company offering professional measurement instruments and solutions to customers in the Danish market. At the end of the quarter, the Swedish company Atlas Industrial Print was acquired. It is a niche manufacturer offering different types of product marking to Swedish industrial customers.

In total, we have acquired nine companies thus far in 2021 with total annual sales of slightly more than SEK 700 million. The market situation and inflow of interesting companies remains good. During the pandemic, we have intentionally chosen to lengthen our acquisition discussions somewhat in order to ensure that the right prerequisites exist for sustainable profitable growth with our potential acquisitions. Indutrade acquires companies with the intention of holding and developing them over the long term and we assess the future acquisition opportunities as good.

### Outlook

At the end of the second quarter, the demand situation was positive, stable and overall, at a higher level than it was prior to the outbreak of the pandemic. We enter into the second half of 2021 with a strong backlog of orders and expect that demand will remain at this good level. We assume also that the level of activity and costs among our companies will gradually increase during the autumn. The continued strained situation for many suppliers in combination with the pandemic presents a certain risk.

Our success is based on decentralised decision-making by committed MDs who work closely with customers. I am convinced that we will continue to manage the changed conditions in an agile and successful way, thereby creating the prerequisites for continued competitive value creation.

Bo Annvik, President and CEO

## Group performance

### Order intake

Demand was strong during the quarter, and it improved compared to both the first quarter of the year and the corresponding period last year. Overall, growth remained positive in the segments for medical technology and pharmaceutical, infrastructure and the process industry. A distinct, strong recovery was noted for the engineering industry. The demand for valves for power generation was good, although lower compared to last year's high level.

Order intake was 8% higher than invoicing and amounted to SEK 6,006 million (4,604), which is an increase of 30% compared to the same period last year. For comparable units, order intake increased by 26%. The acquired growth amounted to 7%, divestments had a marginal impact and currency movements had an impact on order intake of -3%.

For comparable units, order intake improved for all business areas. The strongest performance was demonstrated by the DACH, UK and Fluids & Mechanical Solutions business areas, which is attributable to higher demand in most customer segments. Within the DACH business area, the medical technology segment made a significant contribution in particular and for the UK business area, recovery was primarily demonstrated by the infrastructure segment, which, during the same period last year, had been locked down due to the pandemic.

The relatively lower rate of growth for comparable units in the Finland and Benelux business areas was primarily attributable to strong comparison figures during the same period last year.

Order intake during the period January – June amounted to SEK 11,753 million (10,005), an increase of 17%. Comparable units increased by 14%, acquisitions contributed 7%, divestments had a marginal impact and currency movements affected order intake by -4%.

### Net sales

During the quarter, net sales increased by 20% compared to last year and amounted to SEK 5,552 million (4,614). Comparable units increased by 16%, acquisitions contributed 7%, divestments had a marginal impact and currency movements had an effect of -3%.

For all of the business areas, net sales increased for comparable units compared to the same period last year. Strongest was the performance by the UK and Industrial Components business areas, where most companies and segments developed positively. For the UK business area, recovery was particularly strong for construction & infrastructure, which were negatively impacted last year by the COVID-19 lock-down in the UK.

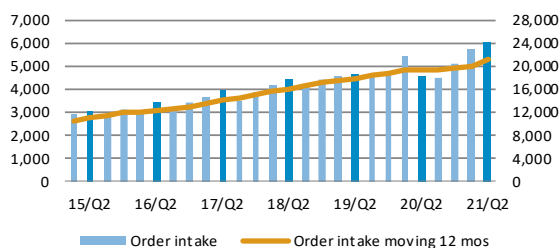
For the Finland and Benelux business areas, net sales improved for comparable units to some degree only, which is primarily attributable to the strong comparison figures during the same period last year.

All business areas were still experiencing longer lead times and disturbances in the supply chains, which impacted delivery and invoicing opportunities for the companies. However, the effect on the Group's net sales is assessed as having been relatively limited.

During the period January – June, net sales increased by 12% to SEK 10,699 million (9,590). Comparable units increased by 9%, acquisitions contributed 6%, divestments had a marginal impact and currency movements had an effect on net sales of -3%.

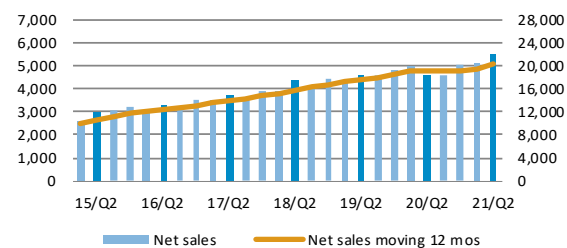
### Order intake

SEK million

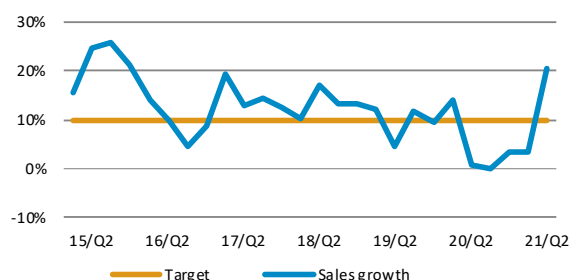


### Net Sales

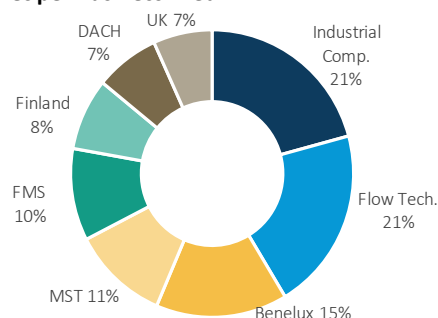
SEK million



### Sales growth



### Net Sales per Business Area



# Q2

## Earnings

Operating profit before amortisation of intangible assets attributable to acquisitions (EBITA) amounted to SEK 843 million (602) for the second quarter, which is an improvement of 40%. Comparable units increased by 32%, acquisitions contributed 12%, divestments had a marginal impact and currency movements had an effect of -4%. The EBITA margin increased and amounted to 15.2% (13.0%).

The margin improvement came primarily from strong organic sales growth, along with the positive contribution from newly acquired companies. During the quarter, personnel related government support was marginal and amounted to just under 0.1% (1.5%) of net sales.

The improved capacity utilisation and favourable product mix contributed to the gross margin increasing somewhat during the second quarter, amounting to 34.8% (33.7%). Many companies were impacted by higher costs for raw materials, components and freight, but thanks to successful pricing efforts however, the overall net effect was limited. For the period January – June, gross margin was 34.6% (33.9%).

The Measurement & Sensor Technology and DACH business areas reported the largest increases in EBITA margin, primarily driven by strong organic sales growth. In the Measurement & Sensor Technology business area, newly acquired companies also made a positive contribution.

The lower EBITA margin for the UK business area was primarily due to slightly unfavourable changes in the product mix and one-off costs.

Net financial items during the second quarter amounted to SEK -29 million (-35). The improvement was primarily attributable to lower borrowing. Tax on profit for the quarter was SEK -160 million (-110), corresponding to a tax charge of 22% (23%).

Profit for the quarter rose by 52% to SEK 562 million (370). Earnings per share before dilution increased by 51% and amounted to SEK 1.54 (1.02).

For the period January – June, operating profit before amortisation of intangible assets attributable to acquisitions (EBITA) amounted to SEK 1,556 million (1,218), an increase of 28%. Comparable units increased by 22%, acquisitions contributed 10% and currency movements had an effect of -4%. The effect of divestments was marginal. The EBITA margin increased and amounted to 14.5% (12.7%).

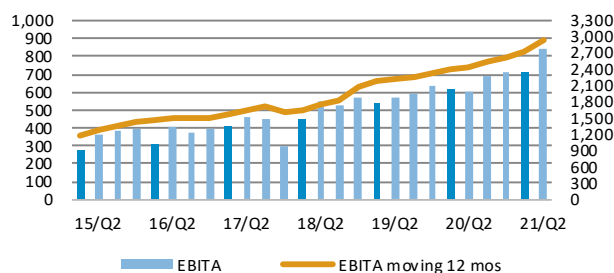
Net financial items for the period January – June amounted to SEK -58 million (-67). Tax on profit for the period was SEK -293 million (-218), corresponding to a tax charge of 22% (22%). Profit for the period grew 35% and amounted to SEK 1,023 million (758). Earnings per share before dilution increased by 34% and amounted to SEK 2.81 (2.09).

## Return

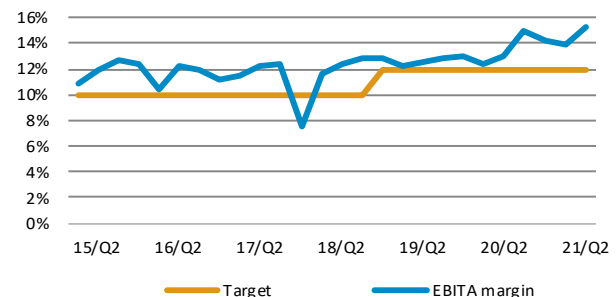
Return on capital employed was higher than last year and amounted to 21% (18%). Return on equity amounted to 23% (21%).

### EBITA

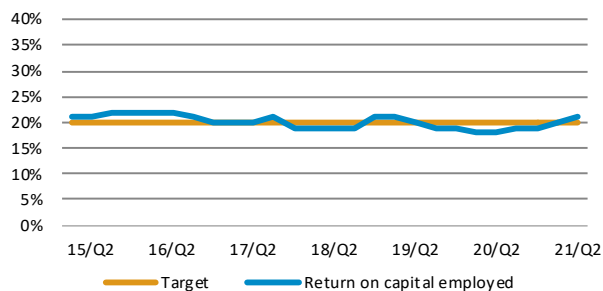
SEK million



### EBITA margin

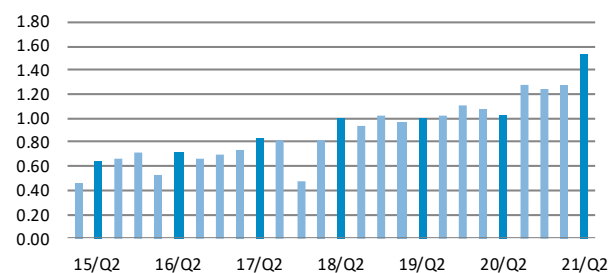


### Return



### Earnings per share

SEK



## Business Areas

### Benelux

The companies in this business area offer custom-manufactured niche products, design solutions, aftermarket service and assembly, and customisation. The business area includes companies with a considerable amount of own manufacturing and proprietary products. Customers are in the energy, construction & infrastructure, and healthcare segments. Product areas include valves, hydraulic and industrial equipment, and measurement technology. The business area has strong market positions in the Benelux area (Belgium, the Netherlands and Luxembourg).

SEK million	2021 Apr-Jun	2020 Apr-Jun	Change	2021 Jan-Jun	2020 Jan-Jun	Change	2020/21 Moving 12 mos	2020 Jan-Dec
Net sales	864	695	24%	1,665	1,371	21%	3,067	2,773
EBITA	122	85	44%	237	168	41%	429	360
EBITA margin, %	14.1	12.2		14.2	12.3		14.0	13.0

Net sales rose during the second quarter by 24% to SEK 864 million (695). Comparable units had an effect of 7%, acquisitions contributed 22% and currency movements had an effect of -5%.

Overall, demand during the quarter was higher than the corresponding period last year, with improvements in most of the segments. Order intake for valves for power generation was, however, lower than the high levels during the corresponding period last year. Order intake was overall 18% higher than invoicing

EBITA for the quarter increased by 44% to SEK 122 million (85), corresponding to an EBITA margin of 14.1% (12.2%). Comparable units impacted EBITA positively by 11%, acquisitions contributed 39% and currency movements had an effect of -6%.

The higher EBITA margin is primarily explained by good margins in newly acquired companies, along with positive sales growth for comparable units.

### 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	2021 Apr-Jun	2020 Apr-Jun	Change	2021 Jan-Jun	2020 Jan-Jun	Change	2020/21 Moving 12 mos	2020 Jan-Dec
Net sales	409	394	4%	780	807	-3%	1,502	1,529
EBITA	59	43	37%	104	88	18%	185	169
EBITA margin, %	14.4	10.9		13.3	10.9		12.3	11.1

Net sales increased during the quarter by 4% to SEK 409 million (394). Comparable units had an effect of 12% and currency movements had an effect of -8%.

Demand during the quarter was significantly higher than during the same period last year. Positive development was noted for most companies, with a particularly strong contribution from companies in the medical technology and German engineering industry. Order intake was 6% higher than invoicing.

EBITA increased during the quarter by 37% and amounted to SEK 59 million (43). The EBITA margin increased and amounted to 14.4% (10.9%). For comparable units, EBITA increased by 47% and currency movements had an effect of -10%.

The improved EBITA margin is primarily explained by increased net sales for comparable units, higher production volume and a positive one-off item associated with pensions.

# Q2

## Finland

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

SEK million	2021 Apr-Jun	2020 Apr-Jun	Change	2021 Jan-Jun	2020 Jan-Jun	Change	2020/21 Moving 12 mos	2020 Jan-Dec
Net sales	453	432	5%	839	868	-3%	1,650	1,679
EBITA	76	66	15%	121	114	6%	254	247
EBITA margin, %	16.8	15.3		14.4	13.1		15.4	14.7

Net sales increased during the quarter by 5% and amounted to SEK 453 million (432). Comparable units had an effect of 5%, acquisitions contributed 5% and currency movements had an effect of -5%.

During the quarter, demand improved for most of the business area's companies and order intake was 9% higher than invoicing.

EBITA for the quarter increased by 15% and amounted to SEK 76 million (66). The EBITA margin increased and amounted to 16.8% (15.3%). Comparable units had an effect of 13%, acquisitions contributed 8% and currency movements had an effect of -6%.

The improved EBITA margin is primarily attributable to improved net sales for comparable units, positive product mix changes and the contribution from newly acquired companies.

## Flow Technology

Companies in this business area offer components and systems for controlling, measuring, monitoring and regulating flows. The business area includes companies that specialise in various areas of industrial flow technology. Customers are in the process industry, food and pharmaceutical industries, water/wastewater, energy and marine industries. Product areas include valves, pipes and pipe systems, measurement technology, pumps, hydraulics and industrial equipment. The business area has a strong market position especially in Sweden, but also in the Northern Europe.

SEK million	2021 Apr-Jun	2020 Apr-Jun	Change	2021 Jan-Jun	2020 Jan-Jun	Change	2020/21 Moving 12 mos	2020 Jan-Dec
Net sales	1,144	976	17%	2,147	2,021	6%	4,197	4,071
EBITA	185	151	23%	325	291	12%	641	607
EBITA margin, %	16.2	15.5		15.1	14.4		15.3	14.9

Net sales increased during the quarter by 17% to SEK 1,144 million (976). Comparable units had an effect of 11%, acquisitions contributed 8% and currency movements had an effect of -2%.

Overall, demand during the quarter was higher than the corresponding period last year, with improvements in most of the segments and companies. Order intake was 5% higher than invoicing.

EBITA for the quarter increased by 23% and amounted to SEK 185 million (151), corresponding to an EBITA margin of 16.2% (15.5%). Comparable units had an effect of 14%, acquisitions contributed 11% and currency movements had an effect of -2%.

The improved EBITA margin is explained by the higher net sales for comparable units along with positive effects from newly acquired companies.

## 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	2021	2020	Change	2021	2020	Change	2020/21	2020
	Apr-Jun	Apr-Jun		Jan-Jun	Jan-Jun		Moving 12 mos	Jan-Dec
Net sales	603	481	25%	1,128	993	14%	2,114	1,979
EBITA	96	73	32%	169	136	24%	301	268
EBITA margin, %	15.9	15.2		15.0	13.7		14.2	13.5

Net sales rose 25% during the quarter to SEK 603 million (481). Comparable units increased by 23%, acquisitions contributed 4% and currency movements had an effect of -2%.

Demand during the quarter was higher than the corresponding period last year for all segments in the business area and order intake was 10% higher than invoicing.

EBITA increased by 32% during the quarter to SEK 96 million (73), and the EBITA margin increased to 15.9% (15.2%). Comparable units increased by 31%, acquisitions contributed 3% and currency movements had an effect of -2%.

The improved EBITA margin came primarily from the positive organic growth development.

## Industrial Components

Companies in this business area are mainly technical trading companies and offer a wide range of technically advanced components and systems for industrial production and maintenance, as well as medical technology equipment. The products consist mainly of consumables. Its customers exist in the following segments: engineering, healthcare, construction and infrastructure. The product areas include hydraulics and industrial equipment, chemical technology and fasteners. The business area has a strong market position in the Nordic countries.

SEK million	2021	2020	Change	2021	2020	Change	2020/21	2020
	Apr-Jun	Apr-Jun		Jan-Jun	Jan-Jun		Moving 12 mos	Jan-Dec
Net sales	1,113	862	29%	2,266	1,831	24%	4,238	3,803
EBITA	196	130	51%	382	254	50%	697	569
EBITA margin, %	17.6	15.1		16.9	13.9		16.4	15.0

Net sales rose 29% during the quarter to SEK 1,113 million (862). Comparable units increased by 25%, acquisitions contributed 4% and currency movements had a marginal impact.

Demand during the quarter was stronger than the corresponding period last year and order intake for most of the business area's companies developed positively. Order intake was 3% higher than invoicing.

EBITA for the quarter increased by 51% to SEK 196 million (130), and the EBITA margin amounted to 17.6% (15.1%). For comparable units, EBITA increased by 48%, acquisitions contributed by 3% and currency movements had a marginal impact.

The EBITA margin improved for most of the business area's segments, with the highest increase occurring in the medical technology segment.

# Q2

## Measurement & Sensor Technology

Companies in this business area sell measurement instruments, measurement systems, sensors, control and regulating technology, and monitoring equipment for various industries. All of the business area's companies have proprietary products based on advanced technological solutions and own development, design and manufacturing. Its customers exist in a variety of areas, such as various types of manufacturing industries like electronics, vehicles and energy. Companies in this business area work globally and have the entire world as the market for their products, with established production and sales companies on six continents.

SEK million	2021 Apr-Jun	2020 Apr-Jun	Change	2021 Jan-Jun	2020 Jan-Jun	Change	2020/21 Moving 12 mos	2020 Jan-Dec
Net sales	610	495	23%	1,180	1,052	12%	2,248	2,120
EBITA	113	58	95%	212	149	42%	397	334
EBITA margin, %	18.5	11.7		18.0	14.2		17.7	15.8

Net sales increased by 23% during the quarter to SEK 610 million (495). Comparable units increased by 23%, acquisitions contributed 6%, divestments had a marginal impact and currency movements had an effect of -6%.

Demand during the quarter was higher than during the corresponding period last year, with increases in the majority of the business area's segments and companies. Order intake was 13% higher than invoicing.

EBITA for the quarter increased by 95% and amounted to SEK 113 million (58). The EBITA margin amounted to 18.5% (11.7%). Comparable units affected EBITA by 89%, acquisitions contributed 19%, divestments had a marginal impact and currency movements had an effect of -13%.

The improvement of EBITA margin was primarily due to the organic sales growth, but the good margins of newly acquired companies also contributed.

## 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	2021 Apr-Jun	2020 Apr-Jun	Change	2021 Jan-Jun	2020 Jan-Jun	Change	2020/21 Moving 12 mos	2020 Jan-Dec
Net sales	375	294	28%	730	679	8%	1,373	1,322
EBITA	45	37	22%	83	87	-5%	155	159
EBITA margin, %	12.0	12.6		11.4	12.8		11.3	12.0

Net sales rose 28% during the quarter to SEK 375 million (294). Comparable units had an effect of 31% and currency movements -3%.

Demand was higher during the quarter compared to the same period last year. Improvements were noted for the majority of the business area's companies, with strong recovery in the infrastructure sector which, during the same period last year, was negatively impacted by the COVID-19 lock-down in the UK. Order intake was 5% higher than invoicing during the quarter.

EBITA for the quarter increased by 22% to SEK 45 million (37) and the EBITA margin amounted to 12.0% (12.6%). Comparable units had an effect of 25% and currency movements -3%.

Many companies improved their EBITA margin, but with product mix changes and one-off costs, the overall effect was a slightly negative impact on the EBITA margin during the quarter.



## Other financial information

### Financial position

Shareholders' equity amounted to SEK 9,072 million (7,844) and the equity ratio was 45% (44%).

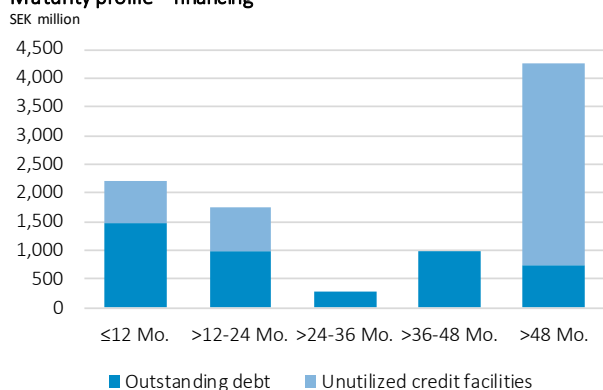
Cash and cash equivalents amounted to SEK 1,433 million (722). In addition to this, the Group had unutilised credit commitments of SEK 4,981 million (3,640). Interest-bearing net debt amounted to SEK 5,389 million (5,657) at the end of the quarter. The decrease compared to last year is primarily attributable to a strong cash flow. The net debt/equity ratio was 59% (72%) at the end of the period.

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

During the first quarter, Indutrade AB obtained the long-term credit rating of BBB- with stable outlook from S&P Global Ratings. During the second quarter, an unsecured bond loan of SEK 750 million with a tenor of 5.5 years was issued. Existing long-term credit commitments of SEK 3,500 million were extended by an additional year.

At the end of the quarter, the Parent Company's short-term borrowing amounted to SEK 1,477 million and long-term unutilised credit facilities amounted to SEK 4,250 million.

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



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

Month acquired	Acquisitions	Business area	Net sales/SEK m*	No. of employees*
January	Pistesarjat Oy	Finland	100	25
January	Fire Proof B.V.	Benelux	70	10
February	Tecno Plast Industrietechnik GmbH	Benelux	230	80
February	Typhoon Group	Benelux	40	22
March	Efcon Water B.V.	Benelux	20	9
April	CKJ Steel A/S	Fluids & Mechanical Solutions	140	75
May	Lamisa Teknik AB	Industrial Components	23	10
June	Buhl & Bønsøe A/S	Industrial Components	40	17
<b>Total</b>			<b>663</b>	<b>248</b>

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

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

### Cash flow, capital expenditures and depreciation

Cash flow from operating activities amounted to SEK 792 million (806). The somewhat lower cash flow was primarily due to a volume-related build-up of working capital. Working capital efficiency continued to improve and the inventory for comparable units was, at the end of the quarter, lower than last year, despite the increased business volumes.

Cash flow from operating activities amounted to SEK 1,281 million (1,227) for the period January – June. Cash flow after net capital expenditures in intangible non-current assets and in property, plant and equipment (excluding company acquisitions) amounted to SEK 1,132 million (1,009).

The Group's net capital expenditures, excluding company acquisitions, totalled SEK 149 million (218). Depreciation of property, plant and equipment totalled SEK 319 million (299). Investments in company acquisitions amounted to SEK 567 million (351). In addition, earn-out payments for previous years' acquisitions totalled SEK 15 million (104). Divestments amounted to SEK 2 million (45).

### Employees

The number of employees was 7,694 at the end of the period, compared with 7,270 at the start of the year.

### Company acquisitions

The Group acquired the following companies, which are consolidated for the first time in 2021.

# Q2

## Events after the end of the reporting period

On 1 July, Atlas Industrial Print AB was acquired. For more information, see page 21.

On 1 July, Morgan O'Brien, previously Senior Vice President for the Flow Technology business area, took on a new role as Senior Vice President Business Development & President UltraPure International. This is a newly established position, and it is part of Indutrade's Group Management. With increased focus on developing the companies within the medical technology sector, particularly in the niche for single-use technology, Indutrade strengthens its potential for continued sustainable profitable growth.

Per-Olow Jansson has been appointed successor to Morgan O'Brien as Senior Vice President of Flow Technology business area and joined Indutrade's Group Management as of 1 July. Per-Olow Jansson most recently held the position of MD for the Indutrade company, GPA Flowsystem AB, with approximately 120 employees in Sweden, Denmark and Norway. He has also been in charge of a business unit with responsibility as Chairman of the Board for a cluster group of companies in Scandinavia and Great Britain.

## Parent company

The main functions of Indutrade AB are to take responsibility for business development, acquisitions, financing, business control, analysis and communication. The Parent Company's sales, which consist exclusively of intercompany invoicing of services, amounted to SEK 0 million (0) during the period January – June. The Parent Company's financial assets consist mainly of shares in subsidiaries. During the period January – June, the Parent Company acquired shares in two companies. The Parent Company has not made any major investments in intangible assets or in property, plant and equipment. The number of employees as of 30 June was 19 (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 2020, 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 2020 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 2021.

The AGM resolved in April 2021 to approve the Board's proposal of establishing a new long-term incentive programme (LTIP 2021), along with hedging measures associated with that. LTIP 2021 consists of performance shares, and it is offered to members of the Group management team including the CEO, business area managers, the heads of subsidiaries and other key persons. In order to participate in the programme, participants must make an own investment in shares.

The performance shares are reported as personnel costs (excluding social security contributions) over the vesting period, in accordance with IFRS 2 Share-based Payment, and are reported directly in equity. The reported cost is continuously revised during the vesting period depending on how many performance shares are expected to be earned by the participants in the programme. It is based on an assessment of whether all performance targets will be met, i.e. the programme's profitability targets, that the participants remain in employment and that they retain the investment shares. The social security contributions for the programme are expensed on an ongoing basis during the vesting period.

To hedge the financial exposure, Indutrade has entered into a share swap agreement with a financial institution, through which it undertakes to deliver shares to the participants. The amount for the share acquisition according to the share swap agreement is reported as a financial liability, with a corresponding reduction in equity in accordance with IAS 32. For subsequent reporting, the liability is measured at amortised cost.

## Financial Calendar

- 28 October 2021:  
Interim report 1 January – 30 September 2021
- 2 February 2022:  
Year-End report 1 January–31 December 2021

## The Board's assurance

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

Stockholm 19 July 2021  
Indutrade AB (publ)

Katarina Martinson  
Chairman

Bengt Kjell  
Vice Chairman

Susanna Campbell  
Director

Anders Jernhall  
Director

Ulf Lundahl  
Director

Krister Mellvé  
Director

Lars Petterson  
Director

Bo Annvik  
Director, President and CEO

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

### Note

The information in this report is such that Indutrade AB is obligated to make public in accordance with the EU Market Abuse Act and the Swedish Securities Market Act. The information was submitted for publication by the agency of the following contact persons at 9.30 a.m. CEST on 19 July 2021.

### Further information

For further information, please contact:  
Bo Annvik, President and CEO, tel.: +46 8 703 03 00,  
Patrik Johnson, CFO, tel.: +46 70 397 50 30

### This report will be commented upon as follows:

A webcast of the report will be presented on 19 July at 11.00 a.m. CEST via the following link:

<https://tv.streamfabriken.com/indutrade-q2-2021>

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

SE: +46 8 505 583 52  
UK: +44 333 300 92 66  
USA: +1 6 467 224 957

# Q2

## Indutrade consolidated income statement – condensed

SEK million	2021 Apr-Jun	2020 Apr-Jun	2021 Jan-Jun	2020 Jan-Jun	2020/21 Moving 12 mos	2020 Jan-Dec
Net sales	5,552	4,614	10,699	9,590	20,326	19,217
Cost of goods sold	-3,618	-3,060	-7,000	-6,342	-13,339	-12,681
<b>Gross profit</b>	<b>1,934</b>	<b>1,554</b>	<b>3,699</b>	<b>3,248</b>	<b>6,987</b>	<b>6,536</b>
Development costs	-64	-60	-124	-123	-228	-227
Selling costs	-813	-699	-1,584	-1,512	-3,081	-3,009
Administrative expenses	-304	-276	-607	-579	-1,151	-1,123
Other operating income and expenses	-2	-4	-10	9	70	89
<b>Operating profit</b>	<b>751</b>	<b>515</b>	<b>1,374</b>	<b>1,043</b>	<b>2,597</b>	<b>2,266</b>
Net financial items	-29	-35	-58	-67	-117	-126
<b>Profit before taxes</b>	<b>722</b>	<b>480</b>	<b>1,316</b>	<b>976</b>	<b>2,480</b>	<b>2,140</b>
Income Tax	-160	-110	-293	-218	-546	-471
<b>Net profit for the period</b>	<b>562</b>	<b>370</b>	<b>1,023</b>	<b>758</b>	<b>1,934</b>	<b>1,669</b>
<i>Net profit, attributable to:</i>						
Equity holders of the parent company	562	369	1,023	758	1,934	1,669
Non-controlling interests	0	1	0	0	0	0
	<b>562</b>	<b>370</b>	<b>1,023</b>	<b>758</b>	<b>1,934</b>	<b>1,669</b>
<b>EBITA</b>	<b>843</b>	<b>602</b>	<b>1,556</b>	<b>1,218</b>	<b>2,953</b>	<b>2,615</b>
<i>Operating profit includes:</i>						
Amortisation of intangible assets <sup>1)</sup>	-102	-99	-202	-197	-401	-396
<i>of which attributable to acquisitions</i>	-92	-87	-182	-175	-356	-349
Depreciation of property, plant and equipment	-166	-150	-319	-299	-620	-600
Earnings per share before dilution, SEK	1.54	1.02	2.81	2.09	5.32	4.60
Earnings per share after dilution, SEK	1.54	1.02	2.81	2.09	5.32	4.59

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

## Indutrade consolidated statement of comprehensive income

SEK million	2021 Apr-Jun	2020 Apr-Jun	2021 Jan-Jun	2020 Jan-Jun	2020/21 Moving 12 mos	2020 Jan-Dec
<b>Net profit for the period</b>	<b>562</b>	<b>370</b>	<b>1,023</b>	<b>758</b>	<b>1,934</b>	<b>1,669</b>
<b>Other comprehensive income</b>						
<b>Items that can be reversed into income statement</b>						
Fair value adjustment of hedge instruments	6	1	1	3	2	4
Tax attributable to fair value adjustments	-1	-1	0	-1	0	-1
Exchange rate differences	-78	-241	106	-91	-82	-279
<b>Items that cannot be reversed into income statement</b>						
Actuarial gains/losses	-	-	-	-	-16	-16
Tax on actuarial gains/losses	-	-	-	-	3	3
<b>Other comprehensive income for the period, net of tax</b>	<b>-73</b>	<b>-241</b>	<b>107</b>	<b>-89</b>	<b>-93</b>	<b>-289</b>
<b>Total comprehensive income for the period</b>	<b>489</b>	<b>129</b>	<b>1,130</b>	<b>669</b>	<b>1,841</b>	<b>1,380</b>
<i>Total comprehensive income, attributable to:</i>						
Equity holders of the parent company	489	128	1,130	669	1,841	1,380
Non-controlling interests	0	1	0	0	0	0

## Indutrade consolidated balance sheet – condensed

SEK million	2021 30-Jun	2020 30-Jun	2020 31-Dec
Goodwill	4,708	4,181	4,306
Other intangible assets	2,872	2,689	2,693
Property, plant and equipment	3,280	3,015	3,106
Financial assets	218	236	228
Inventories	3,507	3,449	3,307
Trade receivables	3,501	2,951	2,925
Other receivables	788	752	639
Cash and cash equivalents	1,433	722	758
<b>Total assets</b>	<b>20,307</b>	<b>17,995</b>	<b>17,962</b>
Equity	9,072	7,844	8,634
Non-current interest-bearing liabilities and pension liabilities	4,672	5,421	4,450
Other non-current liabilities and provisions	812	744	770
Current interest-bearing liabilities	2,150	958	1,186
Trade payables	1,510	1,212	1,136
Other current liabilities	2,091	1,816	1,786
<b>Total equity and liabilities</b>	<b>20,307</b>	<b>17,995</b>	<b>17,962</b>

## Indutrade consolidated statement of changes in equity – condensed

Attributable to equity holders of the parent company SEK million	2021 30-Jun	2020 30-Jun	2020 31-Dec
Opening equity	8,624	7,157	7,157
Total comprehensive income for the period	1,130	669	1,380
New issues	40	5	87
Dividend <sup>1)</sup>	-655	-	-
Hedging of incentive programme	-77	-	-
Share-based payments	1	-	-
<b>Closing equity</b>	<b>9,063</b>	<b>7,831</b>	<b>8,624</b>
Equity, attributable to:			
Equity holders of the parent company	9,063	7,831	8,624
Non-controlling interests	9	13	10
	<b>9,072</b>	<b>7,844</b>	<b>8,634</b>

<sup>1)</sup> Dividend per share for 2020 (2019) was SEK 1.80 (-)

# Q2

## Indutrade consolidated cash flow statement – condensed

SEK million	2021 Apr-Jun	2020 Apr-Jun	2021 Jan-Jun	2020 Jan-Jun	2020/21 Moving 12 mos	2020 Jan-Dec
Operating profit	751	515	1,374	1,043	2,597	2,266
Non-cash items	270	260	521	499	949	927
Interests and other financial items, net	-21	-37	-42	-57	-88	-103
Paid tax	-111	-113	-311	-301	-518	-508
Change in working capital	-97	181	-261	43	-106	198
<b>Cash flow from operating activities</b>	<b>792</b>	<b>806</b>	<b>1,281</b>	<b>1,227</b>	<b>2,834</b>	<b>2,780</b>
Net capital expenditures in non-current assets	-70	-98	-149	-218	-330	-399
Company acquisitions and divestments	-131	-49	-580	-410	-1,148	-978
Change in other financial assets	9	2	19	7	23	11
<b>Cash flow from investing activities</b>	<b>-192</b>	<b>-145</b>	<b>-710</b>	<b>-621</b>	<b>-1,455</b>	<b>-1,366</b>
Debt/repayment of debt, net	585	-848	695	-588	-124	-1,407
Dividend paid out	-655	-	-655	-	-655	-
New issues	40	5	40	5	122	87
<b>Cash flow from financing activities</b>	<b>-30</b>	<b>-843</b>	<b>80</b>	<b>-583</b>	<b>-657</b>	<b>-1,320</b>
<b>Cash flow for the period</b>	<b>570</b>	<b>-182</b>	<b>651</b>	<b>23</b>	<b>722</b>	<b>94</b>
Cash and cash equivalents at start of period	872	897	758	719	722	719
Exchange rate differences	-9	7	24	-20	-11	-55
<b>Cash and cash equivalents at end of period</b>	<b>1,433</b>	<b>722</b>	<b>1,433</b>	<b>722</b>	<b>1,433</b>	<b>758</b>

## Key data

	2021 30-Jun	2020 31-Dec	2020 30-Jun	2019 31-Dec	2018 31-Dec
<b>Moving 12 mos</b>					
Net sales, SEK million	20,326	19,217	19,048	18,411	16,848
Sales growth, %	7	4	9	9	13
EBITA, SEK million	2,953	2,615	2,437	2,330	2,087
EBITA margin, %	14.5	13.6	12.8	12.7	12.4
Capital employed at end of period, SEK million	14,461	13,512	13,501	13,300	10,127
Capital employed, average, SEK million	13,792	13,541	13,450	12,416	9,839
Return on capital employed, % <sup>1)</sup>	21	19	18	19	21
Equity, average, SEK million	8,566	7,899	7,228	6,715	5,715
Return on equity, % <sup>1)</sup>	23	21	21	22	24
Interest-bearing net debt at end of period, SEK million	5,389	4,878	5,657	6,130	3,909
Net debt/equity ratio, %	59	56	72	85	63
Net debt/EBITDA, times	1.5	1.5	1.8	2.1	1.7
Equity ratio, %	45	48	44	41	44
Average number of employees	7,393	7,349	7,394	7,167	6,710
Number of employees at end of period	7,694	7,270	7,343	7,357	6,778
<i>Attributable to equity holders of the parent company</i>					
<i>Key ratios per share</i>					
Earnings per share before dilution, SEK	5.32	4.60	4.21	4.09	3.77
Earnings per share after dilution, SEK	5.32	4.59	4.20	4.09	3.77
Equity per share, SEK	24.89	23.72	21.60	19.74	17.11
Cash flow from operating activities per share, SEK	7.80	7.66	6.88	5.30	3.75
Average number of shares before dilution, '000	363,274	362,721	362,571	362,565	362,496
Average number of shares after dilution, '000	363,836	363,320	362,910	362,754	362,529
Number of shares at the end of the period, '000	364,102	363,615	362,628	362,565	362,565

Lease liabilities and right-of-use assets according to IFRS 16 are included in the key data as of 2019. The comparative financial information has not been restated.

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

# Q2

## Business area performance

	2021	2020	2021	2020	2020/21	2020
Net sales, SEK million	Apr-Jun	Apr-Jun	Jan-Jun	Jan-Jun	Moving 12 mos	Jan-Dec
Benelux	864	695	1,665	1,371	3,067	2,773
DACH	409	394	780	807	1,502	1,529
Finland	453	432	839	868	1,650	1,679
Flow Technology	1,144	976	2,147	2,021	4,197	4,071
Fluids & Mechanical Solutions	603	481	1,128	993	2,114	1,979
Industrial Components	1,113	862	2,266	1,831	4,238	3,803
Measurement & Sensor Technology	610	495	1,180	1,052	2,248	2,120
UK	375	294	730	679	1,373	1,322
Parent company and Group items	-19	-15	-36	-32	-63	-59
<b>Total</b>	<b>5,552</b>	<b>4,614</b>	<b>10,699</b>	<b>9,590</b>	<b>20,326</b>	<b>19,217</b>
EBITA, SEK million	2021	2020	2021	2020	2020/21	2020
	Apr-Jun	Apr-Jun	Jan-Jun	Jan-Jun	Moving 12 mos	Jan-Dec
Benelux	122	85	237	168	429	360
DACH	59	43	104	88	185	169
Finland	76	66	121	114	254	247
Flow Technology	185	151	325	291	641	607
Fluids & Mechanical Solutions	96	73	169	136	301	268
Industrial Components	196	130	382	254	697	569
Measurement & Sensor Technology	113	58	212	149	397	334
UK	45	37	83	87	155	159
Parent company and Group items	-49	-41	-77	-69	-106	-98
<b>Total</b>	<b>843</b>	<b>602</b>	<b>1,556</b>	<b>1,218</b>	<b>2,953</b>	<b>2,615</b>
EBITA margin, %	2021	2020	2021	2020	2020/21	2020
	Apr-Jun	Apr-Jun	Jan-Jun	Jan-Jun	Moving 12 mos	Jan-Dec
Benelux	14.1	12.2	14.2	12.3	14.0	13.0
DACH	14.4	10.9	13.3	10.9	12.3	11.1
Finland	16.8	15.3	14.4	13.1	15.4	14.7
Flow Technology	16.2	15.5	15.1	14.4	15.3	14.9
Fluids & Mechanical Solutions	15.9	15.2	15.0	13.7	14.2	13.5
Industrial Components	17.6	15.1	16.9	13.9	16.4	15.0
Measurement & Sensor Technology	18.5	11.7	18.0	14.2	17.7	15.8
UK	12.0	12.6	11.4	12.8	11.3	12.0
<b>Total</b>	<b>15.2</b>	<b>13.0</b>	<b>14.5</b>	<b>12.7</b>	<b>14.5</b>	<b>13.6</b>



## Business area performance per quarter

Net sales, SEK million	2021	
	Apr-Jun	Jan-Mar
Benelux	864	801
DACH	409	371
Finland	453	386
Flow Technology	1,144	1,003
Fluids & Mechanical Solutions	603	525
Industrial Components	1,113	1,153
Measurement & Sensor Technology	610	570
UK	375	355
Parent company and Group items	-19	-17
<b>Total</b>	<b>5,552</b>	<b>5,147</b>

2020			
Oct-Dec	Jul-Sep	Apr-Jun	Jan-Mar
714	688	695	676
362	360	394	413
417	394	432	436
1,054	996	976	1,045
507	479	481	512
1,130	842	862	969
545	523	495	557
314	329	294	385
-15	-12	-15	-17
<b>5,028</b>	<b>4,599</b>	<b>4,614</b>	<b>4,976</b>

EBITA, SEK million	2021	
	Apr-Jun	Jan-Mar
Benelux	122	115
DACH	59	45
Finland	76	45
Flow Technology	185	140
Fluids & Mechanical Solutions	96	73
Industrial Components	196	186
Measurement & Sensor Technology	113	99
UK	45	38
Parent company and Group items	-49	-28
<b>Total</b>	<b>843</b>	<b>713</b>

2020			
Oct-Dec	Jul-Sep	Apr-Jun	Jan-Mar
103	89	85	83
39	42	43	45
61	72	66	48
154	162	151	140
66	66	73	63
193	122	130	124
89	96	58	91
31	41	37	50
-24	-5	-41	-28
<b>712</b>	<b>685</b>	<b>602</b>	<b>616</b>

EBITA margin, %	2021	
	Apr-Jun	Jan-Mar
Benelux	14.1	14.4
DACH	14.4	12.1
Finland	16.8	11.7
Flow Technology	16.2	14.0
Fluids & Mechanical Solutions	15.9	13.9
Industrial Components	17.6	16.1
Measurement & Sensor Technology	18.5	17.4
UK	12.0	10.7
<b>Total</b>	<b>15.2</b>	<b>13.9</b>

2020			
Oct-Dec	Jul-Sep	Apr-Jun	Jan-Mar
14.4	12.9	12.2	12.3
10.8	11.7	10.9	10.9
14.6	18.3	15.3	11.0
14.6	16.3	15.5	13.4
13.0	13.8	15.2	12.3
17.1	14.5	15.1	12.8
16.3	18.4	11.7	16.3
9.9	12.5	12.6	13.0
<b>14.2</b>	<b>14.9</b>	<b>13.0</b>	<b>12.4</b>

# Q2

## Disaggregation of revenue

### Net sales per geographic market

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

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

2020										
Apr-Jun, SEK million	Benelux	DACH	Finland	FT	FM	IC	MST	UK	Elim. <sup>1)</sup>	Total
Nordic countries	15	4	397	592	349	757	132	28	-8	2,266
Other Europe	487	371	27	339	106	94	170	227	-6	1,815
Americas	116	8	7	7	17	7	135	18	0	315
Asia	74	9	1	34	8	2	49	17	-1	193
Other	3	2	0	4	1	2	9	4	0	25
	<b>695</b>	<b>394</b>	<b>432</b>	<b>976</b>	<b>481</b>	<b>862</b>	<b>495</b>	<b>294</b>	<b>-15</b>	<b>4,614</b>

Timing of revenue recognition	Benelux	DACH	Finland	FT	FM	IC	MST	UK	Elim. <sup>1)</sup>	Total
Over time	0	82	0	0	0	0	36	0	0	118
Point in time	695	312	432	976	481	862	459	294	-15	4,496
	<b>695</b>	<b>394</b>	<b>432</b>	<b>976</b>	<b>481</b>	<b>862</b>	<b>495</b>	<b>294</b>	<b>-15</b>	<b>4,614</b>

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

FT - Flow Technology

FM - Fluids & Mechanical Solutions

IC - Industrial Components

MST - Measurement & Sensor Technology

## Disaggregation of revenue – continued

### Net sales per geographic market

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

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

<b>2020</b>										
Jan-Jun, SEK million	Benelux	DACH	Finland	FT	FM	IC	MST	UK	Elim. <sup>1)</sup>	Total
Nordic countries	48	6	799	1,194	722	1,606	264	50	-15	4,674
Other Europe	1,020	763	52	720	214	200	369	541	-14	3,865
Americas	152	20	13	20	39	18	300	44	-2	604
Asia	137	14	3	57	15	5	95	37	-1	362
Other	14	4	1	30	3	2	24	7	0	85
	<b>1,371</b>	<b>807</b>	<b>868</b>	<b>2,021</b>	<b>993</b>	<b>1,831</b>	<b>1,052</b>	<b>679</b>	<b>-32</b>	<b>9,590</b>

Timing of revenue recognition	Benelux	DACH	Finland	FT	FM	IC	MST	UK	Elim. <sup>1)</sup>	Total
Over time	0	166	0	0	0	8	74	0	-1	247
Point in time	1,371	641	868	2,021	993	1,823	978	679	-31	9,343
	<b>1,371</b>	<b>807</b>	<b>868</b>	<b>2,021</b>	<b>993</b>	<b>1,831</b>	<b>1,052</b>	<b>679</b>	<b>-32</b>	<b>9,590</b>

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

FT - Flow Technology

FM - Fluids & Mechanical Solutions

IC - Industrial Components

MST - Measurement & Sensor Technology

# Q2

## Acquisitions

### Acquisitions 2021

All of the shares were acquired in the following companies: Pistesarjat Oy (Finland), Fire Proof B.V. (Netherlands), Tecno Plast Industrietechnik GmbH (Germany), Typhoon Group (Netherlands), Efcon Water B.V. (Netherlands), CKJ Steel A/S (Denmark), Lamisa Teknik AB (Sweden) and Buhl & Bønsøe A/S (Denmark).

### Benelux

On 29 January, Fire Proof B.V. (Netherlands) was acquired, with annual sales of SEK 70 million. The company is specialised in passive fire protection for buildings.

On 12 February, Tecno Plast Industrietechnik GmbH (Germany) was acquired, with annual sales of SEK 230 million. Tecno Plast offers single-use tubing sets, PTFE and silicone hoses.

On 15 February, Typhoon Group (Netherlands) was acquired, with annual sales of SEK 40 million. The company is a highly focused supplier in stirring and mixing systems.

On 4 March, Efcon Water B.V. (Netherlands) was acquired, with annual sales of SEK 20 million. Efcon Water is specialised in products and measurement instrumentation for wastewater sampling systems.

### Finland

On 4 January, Pistesarjat Oy (Finland) was acquired, with annual sales of SEK 100 million. It is a technical trading company offering heating & frost protection cable systems, fire-resistant cables and data cable systems.

### Fluids & Mechanical Solutions

On 29 April, CKJ Steel A/S (Denmark) was acquired, with annual sales of SEK 140 million. The company is an engineering and manufacturing company offering process equipment and technical advice to the Danish pharmaceutical and biotechnology industries.

### Industrial Components

On 7 May, Lamisa Teknik AB (Sweden) was acquired, with annual sales of SEK 23 million. The company offers various types of seals to Swedish industry.

On 9 June, Buhl & Bønsøe A/S (Denmark) was acquired, with annual sales of SEK 40 million. It is a specialised technical trading company offering measurement instruments and solutions for professional use.

### Acquired assets and liabilities in 2021

*Preliminary purchase price allocations*

**SEK million**

Purchase price, incl. contingent earn-out payment totalling SEK 112 million			796
<b>Acquired assets and liabilities</b>	<b>Book value</b>	<b>Fair value adjustment</b>	<b>Fair value</b>
Goodwill	-	325	325
Agencies, trademarks, customer relations, licences, etc.	5	296	301
Property, plant and equipment	63	-	63
Financial assets	2	-	2
Inventories	99	-	99
Other current assets <sup>1)</sup>	101	-	101
Cash and cash equivalents	105	-	105
Deferred tax liability	-6	-64	-70
Provisions including pension liabilities	-23	-	-23
Other operating liabilities	-107	-	-107
	<b>239</b>	<b>557</b>	<b>796</b>

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

Agencies, customer relationships, licences, etc. will be amortised over a period of 5–20 years, while trademarks are assumed to have indefinite useful life. Trademarks are included at a value of SEK 3 million (0).

Indutrade typically uses an acquisition structure entailing a base level of consideration plus a contingent earn-out payment. Initially, the contingent consideration is measured at the present value of the likely outcome, which for the acquisitions made during the year amounts to SEK 112 million (118). The contingent earn-out payments fall due for payment within three years and can amount to a maximum of SEK 124 million (141). If the conditions are not met, the outcome can be in the range of SEK 0-124 million.

Transaction costs during the first half of the year totalled SEK 9 million (6) and are included in Other income and expenses in the income statement. Contingent earn-out payments have been restated in the amount of SEK 6 million (12). The effect is reported under Other income and expenses in the amount of SEK 6 million (12) and under Net financial items in the amount of SEK 0 million (0).

Last year, no acquisitions were made during the second quarter. For acquisitions made after the second quarter of 2020, 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	796
Purchase price not paid out	-124
Cash and cash equivalents in acquired companies	-105
Payments pertaining to previous years' acquisitions	15
<b>Total cash flow impact</b>	<b>582</b>

## Effects of acquisitions carried out in 2020 and 2021

SEK million Business area	Net sales		EBITA	
	Apr-Jun	Jan-Jun	Apr-Jun	Jan-Jun
Benelux	156	254	32	55
DACH	-	4	-	0
Finland	22	49	5	8
Flow Technology	78	129	17	26
Fluids & Mechanical Solutions	18	18	2	2
Industrial Components Measurement & Sensor Technology	33	86	4	15
UK	-	-	-	-
<b>Effect on Group</b>	<b>338</b>	<b>598</b>	<b>70</b>	<b>123</b>
Acquisitions carried out in 2020	164	336	41	77
Acquisitions carried out in 2021	174	262	29	46
<b>Effect on Group</b>	<b>338</b>	<b>598</b>	<b>70</b>	<b>123</b>

If all acquired units had been consolidated as from 1 January 2021, net sales for the year would have amounted to SEK 10,812 million, and EBITA would have totalled SEK 1,576 million.

## Divestments 2021

On 15 June, the partly-owned subsidiary, Bomac Elektronik AB, with annual sales of SEK 7 million, was divested. The capital gain amounted to SEK 0 million.

## Acquisitions after the end of the reporting period

On 1 July, Atlas Industrial Print AB (Sweden) was acquired, with annual sales of SEK 50 million. The company offers various types of product marking to Swedish industry.

# Q2

## Share data

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

Number of shares at the beginning of the year	363,615,000
Number of newly subscribed shares	486,600
<b>Total number of shares outstanding after new issues</b>	<b>364,101,600</b>

### LTI 2017

In April 2017 the Annual General Meeting of Indutrade AB resolved to introduce a long-term incentive programme (LTI 2017) comprising a combined maximum of 704,000 warrants in two series for senior executives and other key persons in the Indutrade Group. Shares can be subscribed during specially stipulated subscription periods through Friday, 20 May 2022.

After the bonus issue in December 2020, each warrant entitles the holder to subscribe for three shares. The exercise price for series I has been recalculated to SEK 81.60 per share and for series II to SEK 92.30 per share.

### LTIP 2021

At the AGM in April 2021, it was resolved to establish a new incentive programme, LTIP 2021. The programme covers approximately 235 employees and is directed at senior executives and other key persons. LTIP 2021 requires own investment and it consists of performance shares. The scope of the programme is, at most, 650,000 shares in Indutrade, which corresponds to approximately 0.18% of all shares and votes.

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

## Outstanding incentive programmes

Outstanding programme	Number of investment shares	Corresponding maximum number of performance shares	Proportion of total shares	Vesting period
LTIP 2021	112,249	359,776	0.1%	Programme launch June 2021 – interim report publication first quarter 2024

Outstanding programme	Number of options	Corresponding number of shares	Proportion of total shares	Price per warrant, SEK	Initial exercise price, SEK	Adjusted exercise price, SEK	Number of exercised warrants	Corresponding number of shares	Expiration period
2017/2022, Series I	526,000	1,578,000	0.4%	15.0	244.9	81.6	455,200	1,365,600	27 April 2020 – 20 May 2022
2017/2022, Series II	60,000	180,000	0.0%	13.4	276.8	92.3	57,000	171,000	27 April 2020 – 20 May 2022

## Dilutive effects

	2021 Apr-Jun	2020 Apr-Jun	2021 Jan-Jun	2020 Jan-Jun	2020/21 Moving 12 mos	2020 Jan-Dec
Average number of shares before dilution, '000	363,806	362,589	363,710	362,577	363,274	362,721
Number of shares that incur a dilutive effect due to incentive programme, '000	319	435	363	414	562	599
<b>Average number of shares after dilution, '000</b>	<b>364,125</b>	<b>363,024</b>	<b>364,073</b>	<b>362,991</b>	<b>363,836</b>	<b>363,320</b>
Dilutive effect, %	0.09	0.12	0.10	0.11	0.15	0.17
<b>Number of shares at end of the period, '000</b>	<b>364,102</b>	<b>362,628</b>	<b>364,102</b>	<b>362,628</b>	<b>364,102</b>	<b>363,615</b>

## Financial assets and liabilities

30 Jun 2021 SEK million	Interest rate swaps and currency forward contracts in hedge accounting		Holdings of shares and participation in unlisted companies	Contingent earn-out payments	Financial liabilities measured at amortised cost	Total carrying amount	Fair value
	Amortised cost	Level 2					
<b>Valuation classification</b>							
Other shares and participations	-	-	12	-	-	12	12
Trade receivables	-	3,501	-	-	-	3,501	3,501
Other receivables	2	27	-	-	-	29	29
Cash and cash equivalents	-	1,433	-	-	-	1,433	1,433
<b>Total</b>	<b>2</b>	<b>4,961</b>	<b>12</b>	<b>-</b>	<b>-</b>	<b>4,975</b>	<b>4,975</b>
Non-current interest-bearing liabilities	-	-	-	388	3,863	4,251	4,268
Current interest-bearing liabilities	-	-	-	278	1,872	2,150	2,150
Trade payables	-	-	-	-	1,510	1,510	1,510
Other liabilities	3	-	-	-	-	3	3
<b>Total</b>	<b>3</b>	<b>-</b>	<b>-</b>	<b>666</b>	<b>7,245</b>	<b>7,914</b>	<b>7,931</b>

31 Dec 2020 SEK million	Interest rate swaps and currency forward contracts in hedge accounting		Holdings of shares and participation in unlisted companies	Contingent earn-out payments	Financial liabilities measured at amortised cost	Total carrying amount	Fair value
	Amortised cost	Level 2					
<b>Valuation classification</b>							
Other shares and participations	-	-	12	-	-	12	12
Trade receivables	-	2,925	-	-	-	2,925	2,925
Other receivables	7	49	-	-	-	56	56
Cash and cash equivalents	-	758	-	-	-	758	758
<b>Total</b>	<b>7</b>	<b>3,732</b>	<b>12</b>	<b>-</b>	<b>-</b>	<b>3,751</b>	<b>3,751</b>
Non-current interest-bearing liabilities	-	-	-	462	3,588	4,050	4,057
Current interest-bearing liabilities	-	-	-	87	1,099	1,186	1,186
Trade payables	-	-	-	-	1,136	1,136	1,136
Other liabilities	10	-	-	-	-	10	10
<b>Total</b>	<b>10</b>	<b>-</b>	<b>-</b>	<b>549</b>	<b>5,823</b>	<b>6,382</b>	<b>6,389</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 SEK million	2021 30-Jun	2020 31-Dec
Opening book value	549	565
Acquisitions during the year	121	319
Consideration paid	-12	-104
Reclassified via income statement	-5	-213
Interest expenses	5	5
Exchange rate differences	8	-23
<b>Closing book value</b>	<b>666</b>	<b>549</b>

# Q2

## Parent company income statement – condensed

SEK million	2021 Apr-Jun	2020 Apr-Jun	2021 Jan-Jun	2020 Jan-Jun	2020/21 Moving 12 mos	2020 Jan-Dec
Net sales	0	0	0	0	8	8
<b>Gross profit</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>8</b>	<b>8</b>
Administrative expenses	-31	-29	-65	-59	-123	-117
<b>Operating profit</b>	<b>-31</b>	<b>-29</b>	<b>-65</b>	<b>-59</b>	<b>-115</b>	<b>-109</b>
Financial income/expenses	19	13	35	-7	63	21
Profit from participation in Group companies	1,288	809	1,288	809	1,373	894
<b>Profit after financial items</b>	<b>1,276</b>	<b>793</b>	<b>1,258</b>	<b>743</b>	<b>1,321</b>	<b>806</b>
Appropriations	-	-	-	-	403	403
Income Tax	2	2	6	13	-78	-71
<b>Net profit for the period</b>	<b>1,278</b>	<b>795</b>	<b>1,264</b>	<b>756</b>	<b>1,646</b>	<b>1,138</b>
Amortisation/depreciation of intangible assets and property, plant and equipment	0	0	0	0	1	1

## Parent company balance sheet – condensed

SEK million	2021 30-Jun	2020 30-Jun	2020 31-Dec
Intangible assets	0	0	0
Property, plant and equipment	2	1	1
Financial assets	6,441	6,177	6,253
Current receivables	7,338	6,548	6,861
Cash and cash equivalents	626	0	0
<b>Total assets</b>	<b>14,407</b>	<b>12,726</b>	<b>13,115</b>
Equity	7,662	6,624	7,088
Untaxed reserves	675	673	675
Non-current interest-bearing liabilities and pension liabilities	3,117	4,083	2,913
Other non-current liabilities and provisions	0	5	0
Current interest-bearing liabilities	2,887	1,287	2,286
Current non-interest-bearing liabilities	66	54	153
<b>Total equity and liabilities</b>	<b>14,407</b>	<b>12,726</b>	<b>13,115</b>



## Definitions

### Alternative Performance Measures

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

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

#### 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.

#### Capital employed

Shareholders' equity plus interest-bearing net debt.

#### Return on equity

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

#### Return on capital employed

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

# Q2

## Indutrade in brief

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

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

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

The Group's financial targets are that:

### Sales growth

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

### EBITA margin

- The EBITA margin shall amount to a minimum of 12% per year over a business cycle.

### Return on capital employed

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

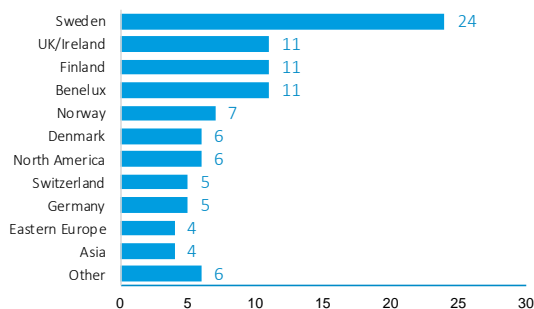
### Net debt/equity ratio

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

### Dividend payout ratio

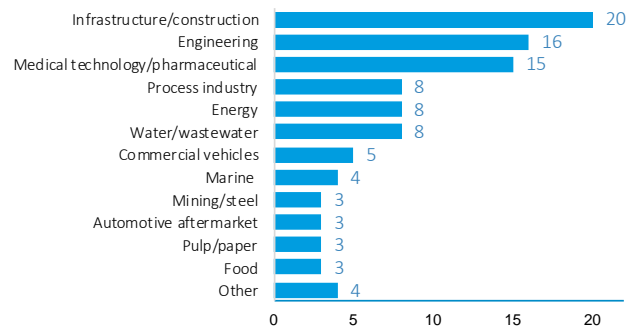
- The dividend payout ratio shall range from 30% to 50% of net profit.

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



<sup>1)</sup>Financial year 2020

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



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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### Atlas Industrial Print – our latest acquisition

Atlas Industrial Print AB is a company that offers various types of product marking to Swedish industrial companies. The company's wide product range includes, for example, self-adhesive labels, decals, overlayers, membrane panels, and metal plates. Customers are found in different industries such as MedTech, energy, electronics and general engineering.

Since its inception in 1995, Atlas has focused on quality and customers often have high demands on durability. The products are mainly manufactured using screen- and digital print at the production sites in Finspång and Motala, Sweden. The company has 34 employees and annual sales of approximately SEK 50 million.

The closing took place on 1 July and the company is included in Indutrade's Fluids & Mechanical Solutions business area. The acquisition of Atlas complements Indutrade's subsidiary Topflight AB.



### Strengthened Group Management for continued sustainable profitable growth

As a part of Indutrade's strategy for continued sustainable profitable growth, and to intensify the development of the MedTech/Pharma businesses, Morgan O'Brien has been appointed Senior Vice President Business Development & President UltraPure International (UPI). This is a newly established position and is part of Indutrade's Group Management.

Under the independent brand UltraPure International, a number of Indutrade companies have established a cluster network to drive the opportunity to offer cleanroom assemblies of single-use systems, technical components and integrated solutions to the global MedTech and Biopharma industries.

"With a stronger focus on UltraPure International and the single-use technology, there is great potential to enhance the successful profitable growth, both organically and by acquisitions", says Bo Annvik, President and CEO of Indutrade.



### New bond loan issued

On 5 May, Indutrade issued a senior unsecured bond loan of SEK 750 million with a tenor of 5.5 years. The bond loan carries a floating interest rate of three months STIBOR +0.93%.

The proceeds from the bond issue will be used for refinancing of existing loans and for general business purposes. The transaction generated strong investor demand and the transaction was oversubscribed.

The new bond loan is listed on Nasdaq Stockholm's Corporate Bond List.

