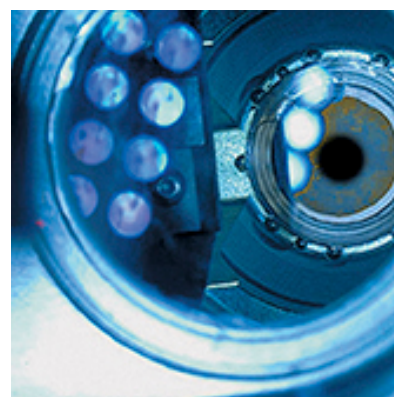


# Interim report first quarter

1 Jan – 31 March 2015

## First quarter 2015 – Continued Growth

- Order intake rose 25% to SEK 2,926 million (2,349). The increase for comparable units was 7%.
- Net sales rose 16% to SEK 2,601 million (2,250). For comparable units, net sales decreased by 1%.
- Operating profit before amortisation of intangible non-current assets attributable to acquisitions (EBITA) rose 25% to SEK 280 million (224), corresponding to an EBITA margin of 10.8% (10.0%).
- Profit after tax rose 31% to SEK 165 million (126).
- Earnings per share grew 31% to SEK 4.13 (3.15).
- Cash flow from operating activities was SEK 100 million (90).



## Financial Development

SEK million	2015 Jan-Mar	2014 Jan-Mar	Change	2014/15 Moving 12 mos	2014 Jan-Dec
Net sales	2,601	2,250	16%	10,097	9,746
EBITA	280	224	25%	1,190	1,134
EBITA margin, %	10.8	10.0		11.8	11.6
Profit after financial items	212	165	28%	942	895
Net profit	165	126	31%	742	703
Earnings per share, SEK	4.13	3.15	31%	18.58	17.60
Return on operating capital, %	21	21		21	21

# Q1

## CEO's message

*Indutrade's model of acquiring and developing stable and profitable companies in selected niches, continues to generate profitable growth.*

Following a somewhat weak start to the year, the first quarter ended on a strong note, and Indutrade can once again report order intake, sales and earnings at new, record high levels for the comparable quarter.

Demand continues to vary between product segments, geographical markets and companies, and during the past year we have also noted major currency movements. The Group's mix of companies along with a long-term, concerted effort to increase the share of proprietary products with an international base has strengthened our ability to deal with changed market conditions and thereby also create greater stability and profitability.

### First quarter

During the quarter, order intake grew by 25%, invoicing by 16%, and earnings per share by 31% compared with the same quarter a year ago. Growth is being driven above all by completed acquisitions, but we also saw positive performance for most comparable units during the quarter.

Our businesses that supply components, systems and services to a range of different segments are generally experiencing increased market activity and improved demand, which is also reflected in order intake for the quarter.

Order intake has strengthened above all in Special Products and in the new Measurement & Sensor Technology business area. Growth is coming primarily from companies with proprietary products and own manufacturing that work in an international market.

Flow Technology, Fluids & Mechanical Solutions and Measurement & Sensor Technology reported higher sales and improved margins compared with a year ago. Engineering & Equipment, which conducts business mainly in Finland, managed to strengthen its profitability despite continued weak domestic demand. Industrial Components includes a number of companies in which the gross margin has been hurt by the past year's currency movements, as higher purchasing costs could not fully be compensated for.

For Special Products, the monthly and quarterly variation in order intake and sales remains large. During the quarter, a temporary dip in invoicing for companies with large project-related business had a negative impact



on sales as well as earnings and margins. This has been countered by continued acquisitions of companies with good profitability.

### Acquisitions

We carried out seven acquisitions during the quarter plus an additional two after the end of the quarter. Together these companies represent annual sales of nearly SEK 840 million. Expansion outside Sweden continues, both in the form of traditional trading companies and of companies with proprietary products and own manufacturing. There is still a good availability of companies for sale, which is why we expect to make additional acquisitions during the year.

### Outlook

Our fundamental principles of decentralisation, entrepreneurship and profitable growth have been instrumental since Indutrade's start. Apart from attracting smaller companies in search of a new, long-term owner that can help them further develop their business, these concepts are central for the company's governance. Decentralisation contributes to responsibility, and through the years Indutrade's companies have also shown an ability to swiftly adapt to prevailing demand. It is my unwavering conviction that our business model – even in the prevailing, volatile market conditions – creates conditions for the companies and the Indutrade Group as a whole to continue to perform well.

Johnny Alvarsson, President and CEO

# Group performance

# Q1

## Order intake

Order intake during the first quarter totalled SEK 2,926 million (2,349), an increase of 25%. For comparable units, order intake increased by 7%, while acquired growth was 12%. Currency movements had a positive effect on order intake, by 6%.

The demand situation improved in general for the Group's companies during the first quarter, with strong order intake as a result. The increase in order intake, which was both organic and attributable to acquisitions, was also positively affected by currency movements.

Despite the uptick in demand, the variation remains great between months, segments and countries, and thus it is hard to deduce any clear trend. On the whole, however, demand in the Nordic countries improved slightly compared with the immediately preceding

quarters. For some of Indutrade's companies in Switzerland, the strong Swiss franc has presented a great challenge. For other countries and markets, the trend remains unchanged.

For most industrial segments, demand improved slightly compared with the preceding quarters, except for certain sub-segments in the oil, gas and mining industries.

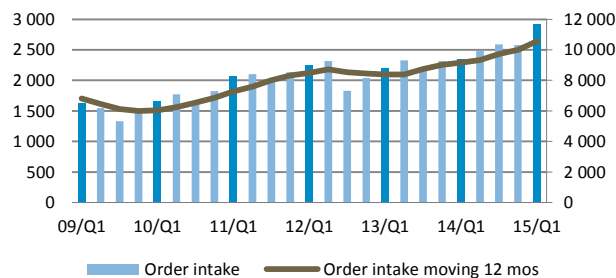
Order intake exceeded net sales by 13% during the quarter.

## Net sales

Net sales during the first quarter rose 16% to SEK 2,601 million (2,250). For comparable units, net sales decreased by 1%, while acquired growth was 11%. Currency movements had a positive effect on net sales, by 6%.

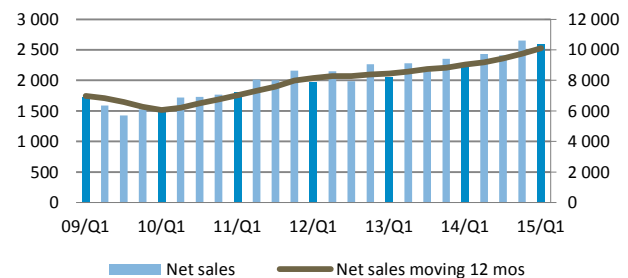
### Order intake

SEK million

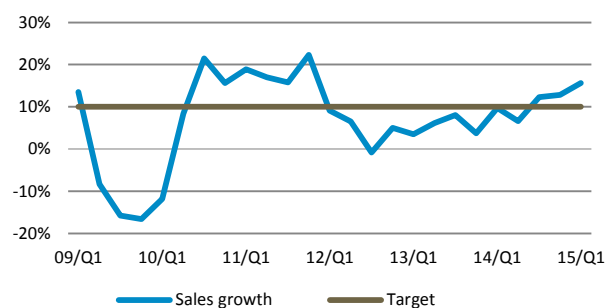


### Net Sales

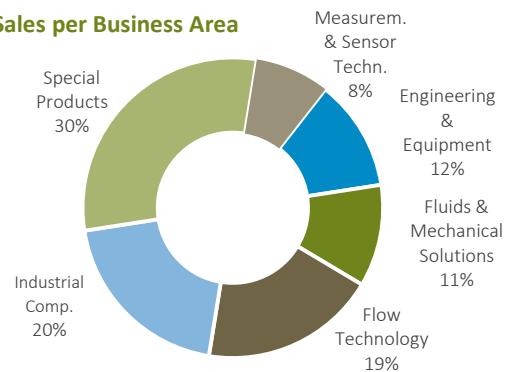
SEK million



### Sales growth



### Net Sales per Business Area



# Q1

## Earnings

Operating profit before amortisation of intangible assets attributable to acquisitions (EBITA) amounted to SEK 280 million (224) for the first quarter, an increase of 25%. The increase for comparable units was 1%. The operating margin before amortisation of intangible assets (the EBITA margin) increased to 10.8% (10.0%).

The gross margin for the Group as a whole increased marginally compared with the corresponding quarter a year ago, to 34.7% (34.0%).

The earnings improvement is mainly attributable, 19%, to the contribution made by acquisitions during the past year.

Earnings performance for the business areas was mixed. Measurement & Sensor Technology reported higher earnings, which together with favourable performance for Flow Technology and Fluids & Mechanical Solutions countered weaker earnings for Industrial Components and a temporarily lower EBITA

margin for Special Products. At the same time, despite a challenging market situation, Engineering & Equipment improved its earnings slightly compared with the same period a year ago.

Currency effects of translation of foreign units had a positive effect on EBITA by SEK 12 million, or 5%.

Net financial items amounted to SEK -23 million (-24), of which net interest expense was SEK -19 million (-20). Net interest expense was favourably affected by a lower average interest rate.

Tax on profit for the period was SEK -47 million (-39), corresponding to a tax charge of 22.2% (23.6%).

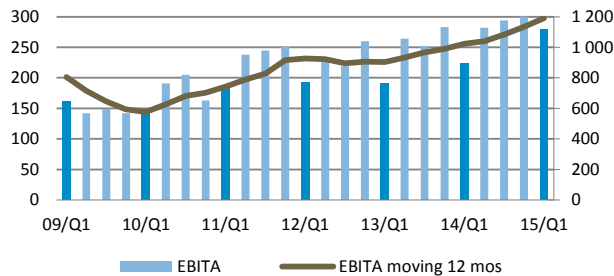
Profit after tax rose 31% to SEK 165 million (126). Earnings per share grew 31% to SEK 4.13 (3.15).

## Return

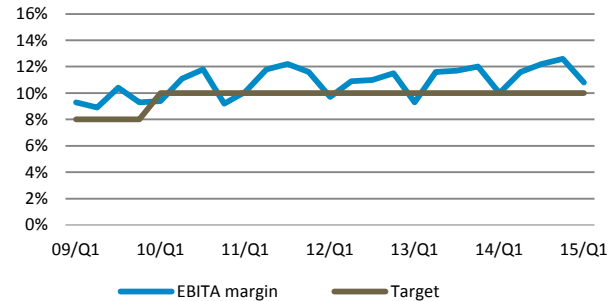
The return on operating capital was 21% (21%), and the return on equity was 25% (25%).

### EBITA

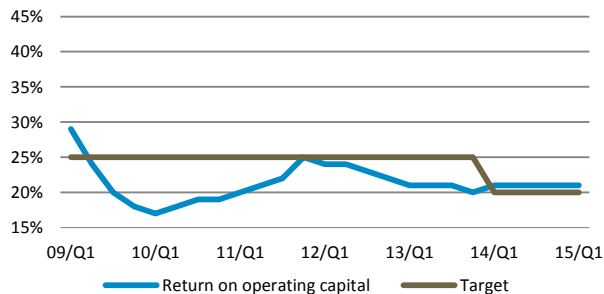
SEK million



### EBITA margin

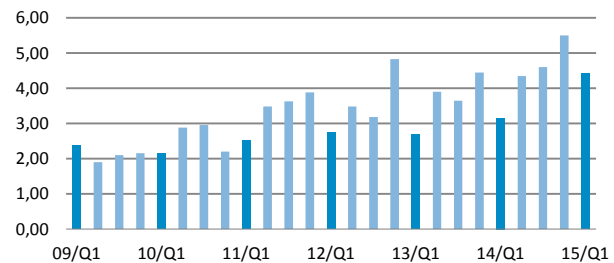


### Return



### Earnings per share

SEK



# Business areas

# Q1

## Engineering & Equipment

Engineering & Equipment's operations involve sales of components as well as customisation, combinations and installations of products from various suppliers. Business is conducted mainly in Finland.

SEK million	2015 Jan-Mar	2014 Jan-Mar	Change	2014/15 Moving 12 mos	2014 Jan-Dec
Net sales	304	294	3%	1,284	1,274
EBITA	21	15	40%	99	93
EBITA margin, %	6.9	5.1		7.7	7.3

Net sales rose 3% during the first quarter, to SEK 304 million (294). For comparable units, sales decreased by 2%. Currency movements had a positive effect on net sales, by 5%.

Although the challenging demand situation remains, there are signs of greater activity, mainly for export-oriented industries. As previously, a number of the business area's companies are showing growth and improved profitability, which is compensating to some extent for weak performance by other units.

Order intake exceeded net sales by 6% during the quarter.

EBITA for the quarter rose 40% to SEK 21 million (15), corresponding to an EBITA margin of 6.9% (5.1%). For comparable units, earnings rose 33%, while exchange rate differences had a favourable effect on earnings, by 7%.

The earnings improvement during the quarter is attributable to higher sales, effected price increases, and continued cost adaptation.

## Flow Technology

Flow Technology offers components and systems for controlling, measuring, monitoring and regulating flows. The business area includes companies that specialise in various areas of industrial flow technology.

SEK million	2015 Jan-Mar	2014 Jan-Mar	Change	2014/15 Moving 12 mos	2014 Jan-Dec
Net sales	484	452	7%	2,105	2,073
EBITA	43	27	59%	192	176
EBITA margin, %	8.9	6.0		9.1	8.5

Net sales rose 7% during the first quarter, to SEK 484 million (452). The increase for comparable units was 5%, while currency movements had a positive effect, by 2%.

Most companies in the business area, regardless of sector or product segment, have noted an improved and more positive demand situation. In addition, the weaker Swedish krona is benefiting Indutrade's customers in the Swedish export industry.

Order intake exceeded net sales by 20% during the quarter.

EBITA for the quarter increased by 59% to SEK 43 million (27), and the EBITA margin reached 8.9% (6.0%). The increase for comparable units was 52%, with exchange rate differences accounting for 7%.

The main reason for the earnings improvement compared with the same period a year ago is higher sales combined with a stronger gross margin and improved product mix during the quarter.

# Q1

## Fluids & Mechanical Solutions

Fluids & Mechanical Solutions offers hydraulic and mechanical components to industries in the Nordic and Baltic countries. Key product areas are filters, hydraulics, tools & transmission, industrial springs, valves, compressors, product labelling and construction plastics.

SEK million	2015 Jan-Mar	2014 Jan-Mar	Change	2014/15 Moving 12 mos	2014 Jan-Dec
Net sales	287	251	14%	1,094	1,058
EBITA	39	31	26%	135	127
EBITA margin, %	13.6	12.4		12.3	12.0

Net sales rose 14% during the fourth quarter, to SEK 287 million (251). The increase for comparable units was 5%. Acquisitions contributed 7%, while currency movements had a positive effect on net sales, by 2%.

Demand continues to develop favourably. It can be noted that a previously pent-up investment need in the municipal sector in Sweden is now beginning to generate business.

Order intake exceeded net sales by 5% during the quarter.

EBITA for the quarter increased by 26% to SEK 39 million (31), and the EBITA margin reached 13.6% (12.4%). The increase for comparable units was 14%, acquired growth was 11%, and exchange rate differences were 1%.

The earnings improvement can be credited primarily to higher net sales.

## Industrial Components

Industrial Components offers a wide range of technically advanced components and systems for production and maintenance, and medical technology equipment. The products consist mainly of consumables.

SEK million	2015 Jan-Mar	2014 Jan-Mar	Change	2014/15 Moving 12 mos	2014 Jan-Dec
Net sales	531	447	19%	2,009	1,925
EBITA	47	49	-4%	224	226
EBITA margin, %	8.9	11.0		11.1	11.7

Net sales rose 19% during the first quarter, to SEK 531 million (447). The increase for comparable units was 8%. Acquisitions contributed 10%, while currency movements affected sales by 1%.

The business area noted an improved demand situation during the period, with some variation between companies and segments. In addition, sales for most companies in the business area developed in a positive direction compared with the same quarter a year ago.

Order intake and net sales were level with each other during the quarter.

EBITA for the quarter decreased by 4% to SEK 47 million (49), corresponding to an EBITA margin of 8.9%

(11.0%). For comparable units, earnings decreased by 13%, which was countered in part by an 8% contribution from completed acquisitions and a positive effect of currency movements by 1%.

For some of the business area's companies, the stronger US dollar and euro led to higher purchasing costs that could not fully be compensated, which affected the gross margin negatively during the early part of the first quarter. This, together with a changed mix, is the main reason for the earnings decrease compared with the same quarter a year ago.

## Measurement & Sensor Technology

Measurement & Sensor Technology offers design solutions, measurement instruments, measurement systems and sensors for various industries. All of the business area's companies have proprietary products based on advanced technological solutions and own development, design and manufacturing.

SEK million	2015 Jan-Mar	2014 Jan-Mar	Change	2014/15 Moving 12 mos	2014 Jan-Dec
Net sales	219	163	34%	809	753
EBITA	41	20	105%	156	135
EBITA margin, %	18.7	12.3		19.3	17.9

Net sales rose 34% during the first quarter, to SEK 219 million (163). The increase for comparable units was 16%. Acquired growth was 10%, while currency movements had a positive effect on net sales, by 8%.

The business area's units all noted a high level of activity and strong demand.

Order intake and sales also developed in a positive direction for most companies. Since the business area includes companies with own manufacturing and proprietary products, and with a relatively high share of project-related business, order intake and net sales will vary between months and quarters.

Order intake exceeded net sales during the quarter by 16%.

EBITA increased by 105% during the quarter, to SEK 41 million (20), and the EBITA margin was 18.7% (12.3%). The increase for comparable units was 86%, while completed acquisitions contributed 6% and currency movements 13%.

Significantly higher sales combined with improved gross margins in most of the business area's companies contributed to the strong earnings improvement compared with a relatively weak outcome a year ago.

## Special Products

Special Products offers specially manufactured niche products, design solutions, aftermarket service and assembly, and special processing. The business area includes companies with a considerable amount of own manufacturing and proprietary products.

SEK million	2015 Jan-Mar	2014 Jan-Mar	Change	2014/15 Moving 12 mos	2014 Jan-Dec
Net sales	785	651	21%	2,844	2,710
EBITA	104	97	7%	425	418
EBITA margin, %	13.2	14.9		14.9	15.4

Net sales rose 21% during the first quarter, to SEK 785 million (651). For comparable units, net sales decreased by 16%. Acquired growth was 27%, while currency movements had a positive effect on net sales, by 10%.

The monthly and quarterly variation in order intake and sales remains large in the business area. During the first quarter, higher order intake in the energy segment together with acquisitions contributed to overall higher order intake compared with the same quarter a year ago. At the same time, invoicing for companies with a large share of project-related business was considerably lower compared with a year ago, which explains the business

area's weak sales for comparable units and the lower EBITA margin.

Continued acquisition of companies with high, stable profitability resulted in continued profitable growth for the business area during the first quarter.

Order intake exceeded net sales by 21% during the quarter.

EBITA increased by 7% during the quarter, to SEK 104 million (97), and the EBITA margin was 13.2% (14.9%).

Earnings for comparable units decreased by 34%, while acquisitions contributed 35% to earnings. Currency movements had a positive effect on earnings, by 6%.

# Q1

## Other financial information

### Financial position

Shareholders' equity amounted to SEK 3,399 million (2,757), and the equity ratio was 38% (39%).

Cash and cash equivalents amounted to SEK 344 million (214). In addition to this, the Group had unutilised credit promises of SEK 1,868 million (1,723). Interest-bearing net debt amounted to SEK 2,865 million (2,325).

The net debt/equity ratio was 84% at end of the period (84%).

### Cash flow, Capital expenditures and Depreciation

Cash flow from operating activities was SEK 100 million (90) during the period. Cash flow after net capital expenditures in intangible non-current assets and in property, plant and equipment (excluding company acquisitions) was SEK 49 million (52).

The Group's net capital expenditures, excluding company acquisitions, totalled SEK 51 million (38). Depreciation of property, plant and equipment amounted to SEK 37 million (30). Investments in company acquisitions amounted to SEK 332 million (41). In addition, earn-out payments for previous years' acquisitions totalled SEK 52 million (29).

### Employees

The number of employees was 4,817 at the end of the period, compared with 4,578 at the start of the year. A total of 210 employees were added through acquisitions.

### Company acquisitions

The Group has acquired the following companies, which are consolidated for the first time in 2015.

Month acquired	Acquisitions	Business area	Net Sales/SEK m*	No. of employees*
January	Flowtec Industrieteknik GmbH	Special Products	80	23
January	Adaero Precision Components Ltd	Special Products	50	59
January	Cepro International BV	Special Products	70	28
January	Sepab Fordonsprodukter AB	Measurement & Sensor Technology	50	23
March	Filtration Ltd	Special Products	30	12
March	Combilent A/S	Measurement & Sensor Technology	100	24
March	Milltech Precision Engineering Ltd	Special Products	45	41
<b>Total</b>			<b>425</b>	<b>210</b>

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

Further information about completed company acquisitions can be found on page 17 of this interim report.



## Events after the end of the reporting period

In April two company acquisitions were carried out. For further information about these acquisitions, see the section "Acquisitions" on page 17.

In other respects, no significant events for the Group have occurred after the end of the reporting period.

## Incentive programme

The Annual General Meeting of Indutrade AB resolved in April 2014 to introduce a long-term incentive programme, LTI 2014, comprising a combined maximum of 460,000 warrants in two series for senior executives and other key persons in the Indutrade Group.

Within the framework of Series I, which was directed at 135 individuals, the participants subscribed for a total of 257,500 warrants for a combined total of SEK 3,914,000. The price per warrant was SEK 15.20, which corresponds to the market price. The subscription price for buying Indutrade shares under the warrants has been set at SEK 356.30 per share.

Within the framework of Series II, which was directed at 13 individuals, a total of 27,500 warrants were subscribed for a combined total of SEK 319,000. The price per warrant was SEK 11.60, which corresponds to the market price. The subscription price for buying Indutrade shares under the warrants has been set at SEK 350.00 per share.

Shares can be purchased during specially stipulated subscription periods through Friday, 18 May 2018. Upon full exercise, the number of shares outstanding will increase by 285,000, corresponding to 0.7% of the total number of shares and votes.

The dilutive effect during the reporting period was 0%.

## Parent company

The main functions of Indutrade AB are to take responsibility for business development, acquisitions, financing, business control and analysis. The Parent Company's sales, which consist exclusively of intercompany invoicing of services, amounted to SEK 0 million (0) during the period January–March. The Parent Company's financial assets consist mainly of shares in

subsidiaries. During the period, the Parent Company acquired shares in two new companies. The Parent Company did not make any major investments in intangible non-current assets or in property, plant and equipment. The number of employees on 31 March was 10 (10).

## Risks and uncertainties

The Indutrade Group conducts business in 27 countries on four continents, through some 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. Apart from the risks and uncertainties described in Indutrade's 2014 Annual Report, no significant risks or uncertainties are judged to have emerged or been eliminated. 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 2014 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 are used in this report as those used in Indutrade's 2014 Annual Report.

No new IFRSs or IFRIC interpretations that have been endorsed by the EU are applicable for Indutrade or have had any material impact on the Group's result of operations or financial position in 2015.

# Q1

## Financial calendar

- The interim report for the period 1 January–30 June 2015 will be published on 23 July 2015.
- The interim report for the period 1 January–30 September 2015 will be published on 29 October 2015.

Stockholm, 29 April 2015  
Indutrade AB (publ)

Johnny Alvarsson  
President & CEO

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

### Note

The information provided in this report is published in accordance with the Securities Market Act, the Financial Instruments Trading Act, and/or the Issuers Rules and Regulations for NASDAQ Stockholm. Submitted for publication at 2 p.m on 29 April 2015.

### Further information

For further information, please contact:  
Johnny Alvarsson, President and CEO,  
Tel: +46 70 589 17 95.

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

- Through a conference call/webcast today at 3 p.m. (CET) under the following link:  
<http://event.onlineseminarsolutions.com/r.htm?e=981670&s=1&k=4125A8DFE70DEDAEF9A66A3F9822E4A6>  
To participate, call SE: +46 8566 426 61, UK: +44 203 428 1413 or US: +1 855 753 2236
- Through a video under the following link:  
[www.indutrade.se](http://www.indutrade.se)

# Indutrade consolidated income statement – condensed

# Q1

SEK million	2015 Jan-Mar	2014 Jan-Mar	2014/15 Moving 12 mos	2014 Jan-Dec
Net sales	2,601	2,250	10,097	9,746
Cost of goods sold	-1,698	-1,486	-6,676	-6,464
<b>Gross profit</b>	<b>903</b>	<b>764</b>	<b>3,421</b>	<b>3,282</b>
Development costs	-33	-27	-113	-107
Selling costs	-481	-424	-1,765	-1,708
Administrative expenses	-154	-124	-565	-535
Other operating income and expenses	0	0	49	49
<b>Operating profit</b>	<b>235</b>	<b>189</b>	<b>1,027</b>	<b>981</b>
Net financial items	-23	-24	-85	-86
<b>Profit after financial items</b>	<b>212</b>	<b>165</b>	<b>942</b>	<b>895</b>
Income Tax	-47	-39	-200	-192
<b>Net profit for the period</b>	<b>165</b>	<b>126</b>	<b>742</b>	<b>703</b>
<i>Net profit, attributable to:</i>				
Equity holders of the parent company	165	126	743	704
Non-controlling interests	0	0	-1	-1
	<b>165</b>	<b>126</b>	<b>742</b>	<b>703</b>
Earnings per share for the period, attributable to equity holders of the parent company <sup>1)</sup>	4.13	3.15	18.58	17.60
<b>EBITA</b>	<b>280</b>	<b>224</b>	<b>1,190</b>	<b>1,134</b>
<i>Operating profit includes:</i>				
Amortisation of intangible assets <sup>2)</sup>	-50	-39	-182	-171
<i>of which attributable to acquisitions</i>	<i>-45</i>	<i>-35</i>	<i>-163</i>	<i>-153</i>
Depreciation of property, plant and equipment	-37	-30	-134	-127

<sup>1)</sup> Earnings for the period divided by 40,000,000 shares. There is no dilutive effect.

<sup>2)</sup> Excluding write-downs

# Indutrade consolidated statement of comprehensive income

SEK million	2015 Jan-Mar	2014 Jan-Mar	2014/15 Moving 12 mos	2014 Jan-Dec
<b>Net profit for the period</b>	<b>165</b>	<b>126</b>	<b>742</b>	<b>703</b>
<b>Other comprehensive income</b>				
<b>Items that can be reversed into income statement</b>				
Fair value adjustment of hedge instruments	-34	-2	-59	-27
Tax attributable to fair value adjustments	8	1	14	7
Exchange rate differences	98	6	264	172
<b>Items that cannot be reversed into income statement</b>				
Actuarial gains/losses	-	-	-51	-51
Tax on actuarial gains/losses	-	-	11	11
<b>Other comprehensive income for the period, net of tax</b>	<b>72</b>	<b>5</b>	<b>179</b>	<b>112</b>
<b>Total comprehensive income for the period</b>	<b>237</b>	<b>131</b>	<b>921</b>	<b>815</b>
<i>Total comprehensive income, attributable to:</i>				
Equity holders of the parent company	237	131	922	816
Non-controlling interests	0	0	-1	-1
	<b>237</b>	<b>131</b>	<b>921</b>	<b>815</b>

# Q1 Business area performance

	2015	2014	2014/15	2014
<b>Net sales, SEK million</b>	<b>Jan-Mar</b>	<b>Jan-Mar</b>	<b>Moving 12 mos</b>	<b>Jan-Dec</b>
Engineering & Equipment	304	294	1,284	1,274
Flow Technology	484	452	2,105	2,073
Fluids & Mechanical Solutions	287	251	1,094	1,058
Industrial Components	531	447	2,009	1,925
Measurement & Sensor Technology	219	163	809	753
Special Products	785	651	2,844	2,710
Parent company and Group items	-9	-8	-48	-47
	<b>2,601</b>	<b>2,250</b>	<b>10,097</b>	<b>9,746</b>
<b>EBITA, SEK million</b>	<b>2015</b>	<b>2014</b>	<b>2014/2015</b>	<b>2014</b>
	<b>Jan-Mar</b>	<b>Jan-Mar</b>	<b>Moving 12 mos</b>	<b>Jan-Dec</b>
Engineering & Equipment	21	15	99	93
Flow Technology	43	27	192	176
Fluids & Mechanical Solutions	39	31	135	127
Industrial Components	47	49	224	226
Measurement & Sensor Technology	41	20	156	135
Special Products	104	97	425	418
Parent company and Group items	-15	-15	-41	-41
	<b>280</b>	<b>224</b>	<b>1,190</b>	<b>1,134</b>
<b>EBITA margin, %</b>	<b>2015</b>	<b>2014</b>	<b>2014/2015</b>	<b>2014</b>
	<b>Jan-Mar</b>	<b>Jan-Mar</b>	<b>Moving 12 mos</b>	<b>Jan-Dec</b>
Engineering & Equipment	6.9	5.1	7.7	7.3
Flow Technology	8.9	6.0	9.1	8.5
Fluids & Mechanical Solutions	13.6	12.4	12.3	12.0
Industrial Components	8.9	11.0	11.1	11.7
Measurement & Sensor Technology	18.7	12.3	19.3	17.9
Special Products	13.2	14.9	14.9	15.4
	<b>10.8</b>	<b>10.0</b>	<b>11.8</b>	<b>11.6</b>

# Q1

Net sales, SEK million	2015		2014		
	Jan-Mar	Oct-Dec	Jul-Sep	Apr-Jun	Jan-Mar
Engineering & Equipment	304	329	319	332	294
Flow Technology	484	541	533	547	452
Fluids & Mechanical Solutions	287	289	252	266	251
Industrial Components	531	546	437	495	447
Measurement & Sensor Technology	219	207	190	193	163
Special Products	785	753	697	609	651
Parent company and Group items	-9	-11	-16	-12	-8
	<b>2,601</b>	<b>2,654</b>	<b>2,412</b>	<b>2,430</b>	<b>2,250</b>

EBITA, SEK million	2015		2014		
	Jan-Mar	Oct-Dec	Jul-Sep	Apr-Jun	Jan-Mar
Engineering & Equipment	21	22	31	25	15
Flow Technology	43	50	47	52	27
Fluids & Mechanical Solutions	39	33	29	34	31
Industrial Components	47	56	52	69	49
Measurement & Sensor Technology	41	40	43	32	20
Special Products	104	133	107	81	97
Parent company and Group items	-15	0	-15	-11	-15
	<b>280</b>	<b>334</b>	<b>294</b>	<b>282</b>	<b>224</b>

EBITA margin, %	2015		2014		
	Jan-Mar	Oct-Dec	Jul-Sep	Apr-Jun	Jan-Mar
Engineering & Equipment	6.9	6.7	9.7	7.5	5.1
Flow Technology	8.9	9.2	8.8	9.5	6.0
Fluids & Mechanical Solutions	13.6	11.4	11.5	12.8	12.4
Industrial Components	8.9	10.3	11.9	13.9	11.0
Measurement & Sensor Technology	18.7	19.3	22.6	16.6	12.3
Special Products	13.2	17.7	15.4	13.3	14.9
	<b>10.8</b>	<b>12.6</b>	<b>12.2</b>	<b>11.6</b>	<b>10.0</b>

# Q1

## Indutrade consolidated balance sheet – condensed

SEK million	2015 31 Mar	2014 31 Mar	2014 31 Dec
Goodwill	1,761	1,328	1,572
Other intangible assets	1,596	1,271	1,445
Property, plant and equipment	1,063	877	971
Financial assets	100	61	87
Inventories	1,849	1,481	1,617
Accounts receivable, trade	1,844	1,559	1,702
Other receivables	433	353	336
Cash and cash equivalents	344	214	357
<b>Total assets</b>	<b>8,990</b>	<b>7,144</b>	<b>8,087</b>
Equity	3,399	2,757	3,162
Non-current interest-bearing liabilities and pension liabilities	966	1,389	1,216
Other non-current liabilities and provisions	451	354	412
Current interest-bearing liabilities	2,243	1,150	1,635
Accounts payable, trade	905	673	763
Other current liabilities	1,026	821	899
<b>Total equity and liabilities</b>	<b>8,990</b>	<b>7,144</b>	<b>8,087</b>

## Indutrade consolidated statement of changes in equity – condensed

Attributable to equity holders of the parent company SEK million	2015 31 Mar	2014 31 Mar	2014 31 Dec
Opening equity	3,160	2,623	2,623
Total comprehensive income for the period	237	131	816
Payment for issued warrants	-	-	4
Dividend	- <sup>1)</sup>	-	-282 <sup>2)</sup>
Acquisition of non-controlling interests	-	-	-1
<b>Closing equity</b>	<b>3,397</b>	<b>2,754</b>	<b>3,160</b>

<sup>1)</sup> The proposed dividend per share for 2014 is SEK 7.75

<sup>2)</sup> Dividend per share 2013 was SEK 7.05

### Equity, attributable to:

Equity holders of the parent company	3,397	2,754	3,160
Non-controlling interests	2	3	2
	<b>3,399</b>	<b>2,757</b>	<b>3,162</b>

# Indutrade consolidated cash flow statement

## – condensed

# Q1

SEK million	2015 Jan-Mar	2014 Jan-Mar	2014/15 Moving 12 mos	2014 Jan-Dec
Operating profit	235	189	1,027	981
Non-cash items	87	73	307	293
Interests and other financial items, net	-22	-20	-78	-76
Paid tax	-78	-73	-233	-228
Change in working capital	-122	-79	-109	-66
<b>Cash flow from operating activities</b>	<b>100</b>	<b>90</b>	<b>914</b>	<b>904</b>
Net capital expenditures in non-current assets	-51	-38	-137	-124
Company acquisitions and divestments	-384	-70	-899	-585
Change in other financial assets	0	0	3	3
<b>Cash flow from investing activities</b>	<b>-435</b>	<b>-108</b>	<b>-1 033</b>	<b>-706</b>
Net borrowings	305	-28	498	165
Dividend paid out	-	-	-282	-282
<b>Cash flow from financial activities</b>	<b>305</b>	<b>-28</b>	<b>216</b>	<b>-117</b>
<b>Cash flow for the period</b>	<b>-30</b>	<b>-46</b>	<b>97</b>	<b>81</b>
Cash and cash equivalents at start of period	357	261	214	261
Exchange rate differences	17	-1	33	15
<b>Cash and cash equivalents at end of period</b>	<b>344</b>	<b>214</b>	<b>344</b>	<b>357</b>

## Indutrade changes in interest-bearing net debt

SEK million	2015 Jan-Mar	2014 Jan-Dec
<b>Beginning of period</b>	<b>-2,494</b>	<b>-2,321</b>
Cash flow from operating activities	100	904
Net capital expenditures in non-current assets	-51	-124
Company acquisitions and divestments	-393	-627
Dividend paid out	-	-282
Other changes *)	-27	-44
<b>Total changes</b>	<b>-371</b>	<b>-173</b>
<b>End of period</b>	<b>2,865</b>	<b>-2,494</b>

\*) Other changes relate to adjustment of earn-outs from acquisitions, revaluation of pension liability and currency effects among others.

# Q1

## Key data

<b>Moving 12 mos</b>	<b>2015 31 Mar</b>	<b>2014 31 Dec</b>	<b>2014 31 Mar</b>	<b>2013 31 Dec</b>	<b>2012 31 Dec</b>
Net sales, SEK million	10,097	9,746	9,030	8,831	8,384
Sales growth, %	12	10	7	5	5
EBITA, SEK million	1,190	1,134	1,023	990	905
EBITA margin, %	11.8	11.6	11.3	11.2	10.8
Operating capital, SEK million	6,264	5,656	5,082	4,947	4,629
Return on operating capital, %	21	21	21	20	22
Return on equity, %	25	25	25	25	27
Interest-bearing net debt, SEK million	2,865	2,494	2,325	2,321	2,339
Net debt/equity ratio, %	84	79	84	88	102
Net debt/EBITDA, times	2.1	1.9	2.0	2.1	2.3
Equity ratio, %	38	39	39	38	35
Average number of employees	4,544	4,418	4,182	4,151	3,939
Number of employees at end of the period	4,817	4,578	4,245	4,218	4,086
<i>Attributable to equity holders of the parent company</i>					
<i>Key ratios per share <sup>1)</sup></i>					
Earnings per share, SEK	18.58	17.60	15.15	14.68	14.23
Equity per share, SEK	84.93	79.00	68.85	65.58	57.20
Cash flow from operating activities per share, SEK	22.85	22.60	22.95	21.48	12.98

<sup>1)</sup> Based on 40,000,000 shares which corresponds to the number of shares outstanding during all periods in the table. There is no dilutive effect.



# Acquisitions

# Q1

## Acquisitions 2015

All of the shares have been acquired in Flowtec Industrietechnik GmbH (Austria), Adaero Precision Components Ltd (UK), Cepro International BV (Netherlands), Sepab Fordonsprodukter AB (Sweden), Filtration Ltd (UK), Combilent A/S (Denmark), and Milltech Precision Engineering Ltd (UK).

## Measurement & Sensor Technology

On 22 January Sepab Fordonsprodukter AB (Sweden) was acquired, with annual sales of SEK 50 million. With focus on commercial vehicles, Sepab develops unique products for safety, national adaptation, efficiency and comfort.

On 12 March Combilent A/S (Denmark) was acquired, with annual sales of SEK 100 million. Combilent is a leading manufacturer of combiners and filters for communication systems.

## Special Products

In early January the acquisition of Flowtec Industrietechnik GmbH (Austria) was completed, with annual sales of SEK 80 million. Flowtec is a technology sales company that sells industrial components to companies in Austria and Eastern Europe.

On 9 January Adaero Precision Components Ltd (UK) was acquired, with annual sales of SEK 50 million. Adaero manufactures customised, high precision industrial components.

Also on 9 January, Cepro International BV (Netherlands) was acquired, with annual sales of SEK 70 million. Cepro manufactures work station products for welding and grinding workshops.

On 6 March Filtration Ltd (UK) was acquired, with annual sales of SEK 30 million. Filtration sells high quality filters from leading manufacturers.

On 18 March Milltech Precision Engineering Ltd (UK) was acquired, with annual sales of SEK 45 million. Milltech conducts manufacturing and assembly of high precision components.

Acquired assets in Flowtec Industrietechnik GmbH (Austria), Adaero Precision Components Ltd (UK), Cepro International BV (Netherlands), Sepab Fordonsprodukter AB (Sweden), Filtration Ltd (UK), Combilent A/S (Denmark), and Milltech Precision Engineering Ltd (UK)

### Preliminary purchase price allocation

#### SEK million

Purchase price, incl. contingent earn-out payment totalling SEK 56 million	438
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Acquired assets	Book Value	Fair value adjustment	Fair value
Goodwill	-	167	167
Agencies, customer relations, licences, etc.	5	167	172
Property, plant and equipment	58	3	61
Financial assets	0	-	0
Inventories	72	-	72
Other current assets <sup>1)</sup>	107	-	107
Cash and cash equivalents	45	-	45
Deferred tax liability	-3	-40	-43
Provisions including pension liabilities	0	-	0
Other operating liabilities	-141	-	-141
Non-controlling interests	-2	-	-2
	<b>141</b>	<b>297</b>	<b>438</b>

<sup>1)</sup> Mainly trade accounts receivable

# Q1

Agencies, customer relationships, licences, etc. will be amortised over a period of 10 years.

Indutrade normally uses an acquisition structure entailing a base level of consideration plus a contingent earn-out payment. Initially, the contingent earn-out payments are valued at the present value of the likely outcome, which for the acquisitions made during the year amount to SEK 56 million. These contingent earn-out payments fall due for payment within three years and can amount to a maximum of SEK 59 million. If the conditions are not met, the outcome can be in the range of SEK 0–59 million.

Transaction costs for the acquisitions carried out during the period totalled SEK 2 million (4) and are included in Other income and expenses in the income statement. Contingent earn-out payments have been restated in the amount of SEK 2 million (3). The resulting income is reported under Other income and expenses.

The purchase price allocation calculations for AP Tobler AG and Svenska Geotech AB, which were acquired in January and March 2014, respectively, have now been finalised. No significant adjustments have been made to the calculations. For other acquisitions, the purchase price allocation 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 accounts receivable.

## Cash flow impact

### SEK million

Purchase price, incl. contingent earn-out payment	438
Purchase price not paid out	-61
Cash and cash equivalents in acquired companies	-45
Payments pertaining to previous years' acquisitions	52
<b>Total cash flow impact</b>	<b>384</b>

## Effects of acquisitions carried out in 2014 and 2015

### Effects of Acquisitions carried out in 2014 and 2015

SEK million	Net sales	EBITA
Business area	Jan-Mar	Jan-Mar
Engineering & Equipment	-	-
Flow Technology	-	-
Fluids & Mechanical Solutions	19	3
Industrial Components	42	4
Measurement & Sensor Technology	16	1
Special Products	175	35
<b>Effect on Group</b>	<b>252</b>	<b>43</b>
Acquisitions carried out in 2014	177	32
Acquisitions carried out in 2015	75	11
<b>Effect on Group</b>	<b>252</b>	<b>43</b>

If all acquired units had been consolidated as from 1 January 2015, net sales for the period would have amounted to SEK 2,631 million, and EBITA would have totalled SEK 287 million.

## Acquisitions after the end of the reporting period

On 14 April 2015 the company Geomek Stockholms Geomekaniska AB was acquired. Geomek markets and sells solutions for geotechnical surveying and the foundation drilling industry, with annual sales of SEK 140 million. The company is included in the Industrial Components business area.

On 24 April 2015 Relekta Group (Relekta AS, Norsk Industrijelje AS and Relekta Service AS) was acquired. Relekta is a Norwegian technology sales company that supplies products for construction, repair and maintenance for the construction industry, automotive workshops and general industry in Norway. The company has annual sales of SEK 270 million and is included in the Industrial Components business area.

Preliminary purchase price allocation calculations will be presented in the second quarter interim report for 2015.

## Fair value

The table below shows financial instruments at fair value, based on the classification of the fair value hierarchy. The various levels are defined as follows:

1. Quoted prices (unadjusted) in active markets for identical assets and liabilities [level 1]
2. Other observable data for assets and liabilities than quoted prices included in level 1, either directly (i.e., through price listings) or indirectly (i.e., stemming from price listings) [level 2]
3. Data for the assets or liabilities that is not based on observable market data (i.e., non-observable market data) [level 3]

### The Group's assets and liabilities at fair value

SEK million	31 Mar 2015			Total
	Level 1	Level 2	Level 3	
<b>Assets</b>				
Available-for-sale financial assets	-	-	5	5
Derivative instruments held for hedging purposes	-	23	-	23
<b>Liabilities</b>				
Derivative instruments held for hedging purposes	-	104	-	104
Contingent consideration	-	-	254	254

SEK million	31 Mar 2014			Total
	Level 1	Level 2	Level 3	
<b>Assets</b>				
Available-for-sale financial assets	-	-	7	7
Derivative instruments held for hedging purposes	-	1	-	1
<b>Liabilities</b>				
Derivative instruments held for hedging purposes	-	27	-	27
Contingent consideration	-	-	251	251

Derivative instruments consist of currency forward contracts and interest rate swaps. No transfers were made between levels 2 and 3 during the period. Assets in level 3 consist essentially of holdings of shares and participations in unlisted companies. Fair value is considered to be equal to cost. 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. Essentially all long- and short-term loans carry variable interest rates, which is why fair value is equal to the carrying amount. For the Group's other financial assets and liabilities, such as trade accounts receivable, cash and cash equivalents, and trade accounts payable, fair value is estimated to be equal to the carrying amount.

Contingent earn-out payments SEK million	2015	2014
	31 Mar	31 Dec
Opening book value	241	268
Acquisitions during the year	56	115
Consideration paid	-52	-68
Reclassified via income statement	-2	-94
Interest expenses	3	4
Exchange rate differences	8	16
<b>Closing book value</b>	<b>254</b>	<b>241</b>

# Q1

## Parent company income statement – condensed

SEK million	2015 Jan-Mar	2014 Jan-Mar	2014/2015 Moving 12 mos	2014 Jan-Dec
Net sales	0	0	4	4
<b>Gross profit</b>	<b>0</b>	<b>0</b>	<b>4</b>	<b>4</b>
Administrative expenses	-14	-16	-60	-62
Other income and expenses	0	0	5	5
<b>Operating profit</b>	<b>-14</b>	<b>-16</b>	<b>-51</b>	<b>-53</b>
Financial income/expenses	-16	-13	-50	-47
Profit from participation in Group companies	-	-	624	624
<b>Profit after financial items</b>	<b>-30</b>	<b>-29</b>	<b>523</b>	<b>524</b>
Appropriations	-	-	324	324
Income tax	6	6	-49	-49
<b>Net profit for the period</b>	<b>-24</b>	<b>-23</b>	<b>798</b>	<b>799</b>
Amortisation/depreciation of intangible assets and property, plant and equipment	0	0	-1	-1

## Parent company balance sheet – condensed

SEK million	2015 31 Mar	2014 31 Mar	2014 31 Dec
Intangible assets	0	0	0
Property, plant and equipment	1	1	1
Financial assets	3,677	3,000	3,521
Current receivables	2,592	2,010	2,480
Cash and cash equivalent	0	0	0
<b>Total assets</b>	<b>6,270</b>	<b>5,011</b>	<b>6,002</b>
Equity	2,332	1,825	2,356
Untaxed reserves	388	315	388
Non-current interest-bearing liabilities and pension liabilities	548	1,060	818
Other non-current liabilities and provisions	2	0	2
Current interest-bearing liabilities	2,822	1,688	2,267
Current noninterest-bearing liabilities	178	123	171
<b>Total equity and liabilities</b>	<b>6,270</b>	<b>5,011</b>	<b>6,002</b>
Pledged assets	8	6	8
Contingent liabilities	114	112	114

# Definitions

# Q1

## Earnings per share

Net profit for the period divided by the average number of shares outstanding.

## EBITA

Operating profit before amortisation of intangible assets arising in connection with company acquisitions (Earnings Before Interest, Tax and Amortisation).

## EBITA margin

EBITA divided by net sales.

## EBITDA

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

## Equity per share

Equity 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 from acquisitions, less cash and cash equivalents.

## Net capital expenditure

Purchases less sales of intangible 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.

## Operating capital

Interest-bearing net debt and shareholders' equity.

## Return on equity

Net profit for the period divided by average equity per month.

## Return on operating capital

EBITA divided by average operating capital per month.

## Indutrade in brief

Indutrade markets and sells components, systems and services with a high-tech content to industrial customers in selected niches. The Group creates value for its customers by structuring the value chain and increasing the efficiency of its customers' use of technological components and systems. For the Group's suppliers, value is created through the offering of an efficient sales organisation with high technical expertise and well developed customer relations.

Indutrade's business is distinguished by the following factors, among others:

- High-tech products for recurring needs
- Growth through a structured and tried-and-tested acquisition strategy
- A decentralised organisation characterised by an entrepreneurial spirit

## Indutrade AB (publ.)

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The Group is structured into six business areas: Engineering & Equipment, Flow Technology, Fluids & Mechanical Solutions, Industrial Components, Measurement & Sensor Technology and Special Products.

The Group's financial targets (per year across a business cycle) are to grow by a minimum of 10%, to attain a minimum EBITA margin of 10% and a minimum return on operating capital of 20%.