



An entrepreneurial world  
where people make the difference

**Q1 Report 2021**

**Bo Annvik, President and CEO**  
**Patrik Johnson, CFO**

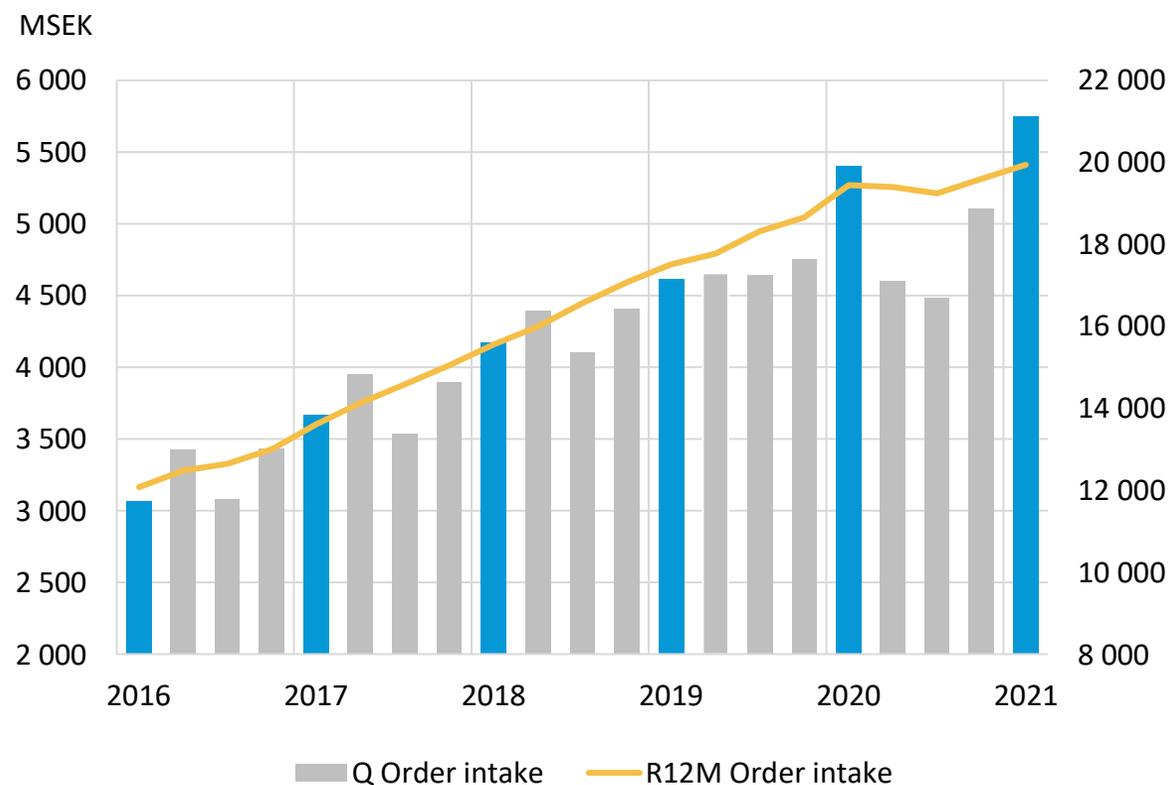
29 April 2021

A background image showing various pieces of laboratory glassware, including Erlenmeyer flasks, a beaker, and a small vial, arranged on a white surface. The glassware is partially filled with clear liquid. The background is softly blurred, showing more laboratory equipment.

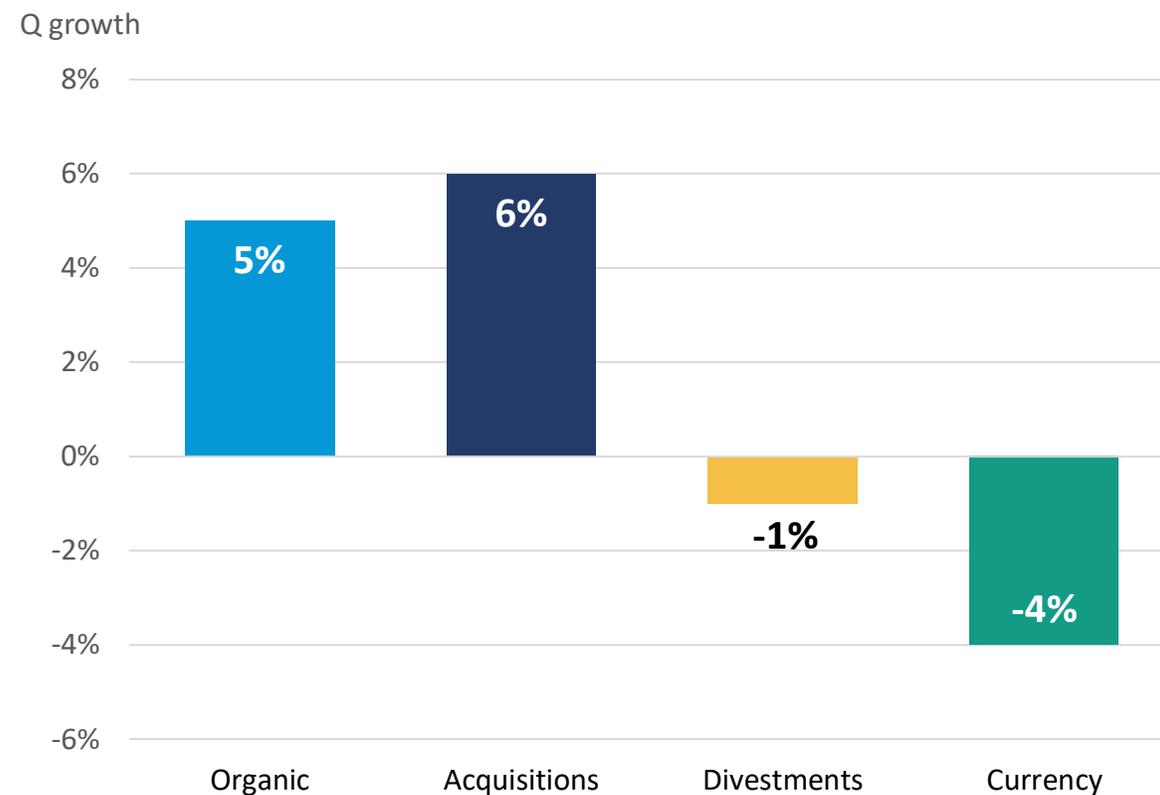
# Highlights first quarter 2021

- Improved general demand
- Organic order intake +5% and net sales +3%
- Continued variations between companies, segments and countries
- Record high EBITA margin
- Strong cashflow and improved working capital efficiency
- Five acquisitions in Q1 – acquisition pipeline good

# Order intake



## QUARTERLY GROWTH



**5,747 MSEK**

Q GROWTH

**+6%**

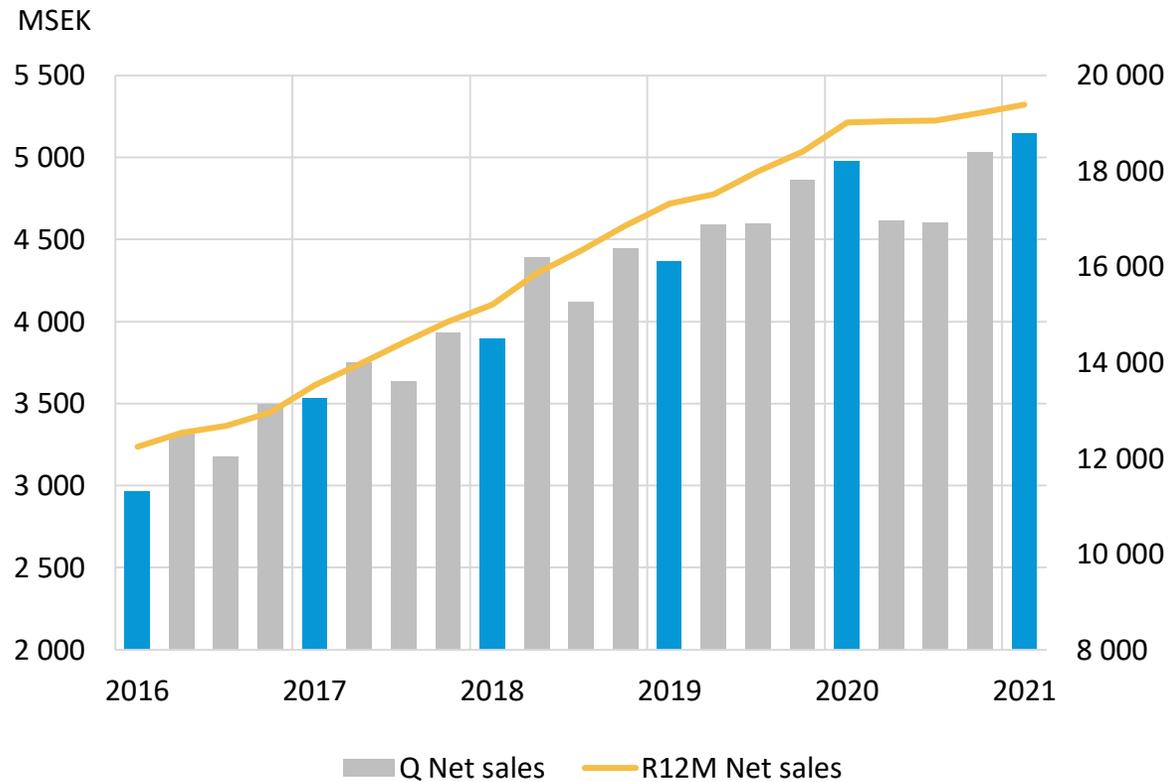
YTD GROWTH

**+6%**

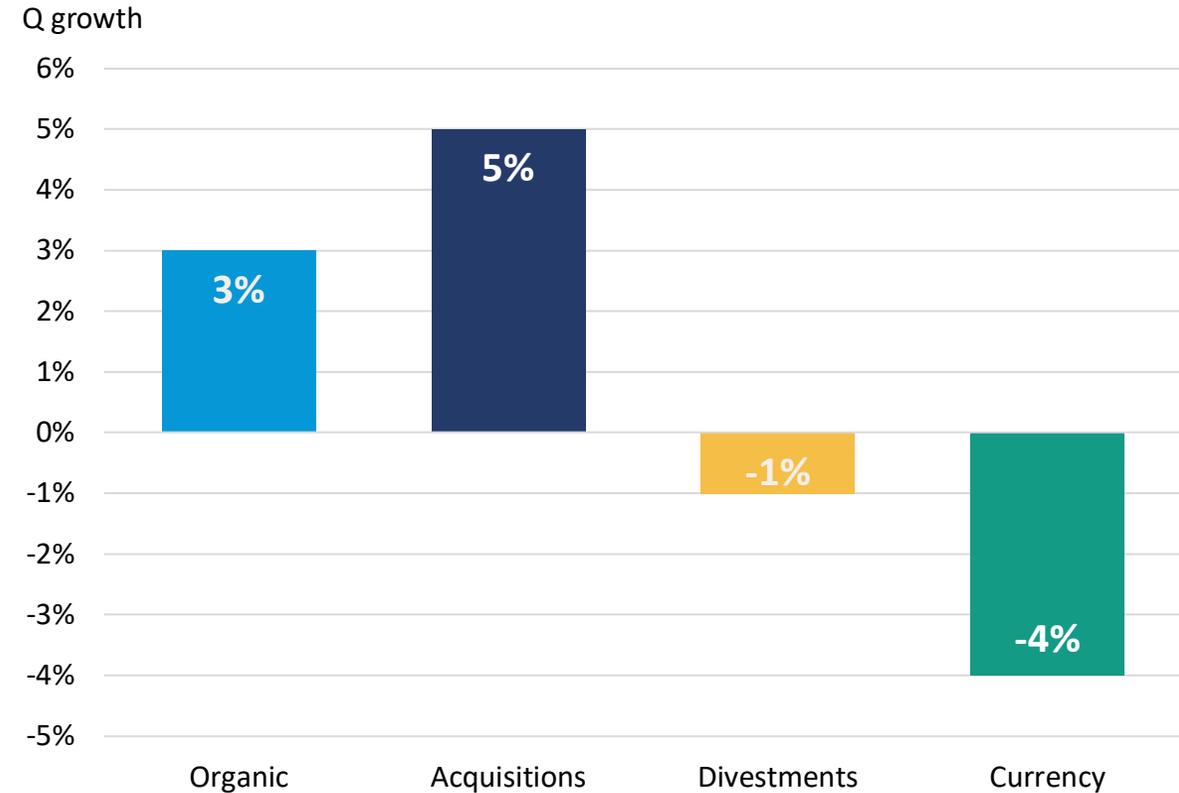
R3Y CAGR

**+11%**

# Net sales

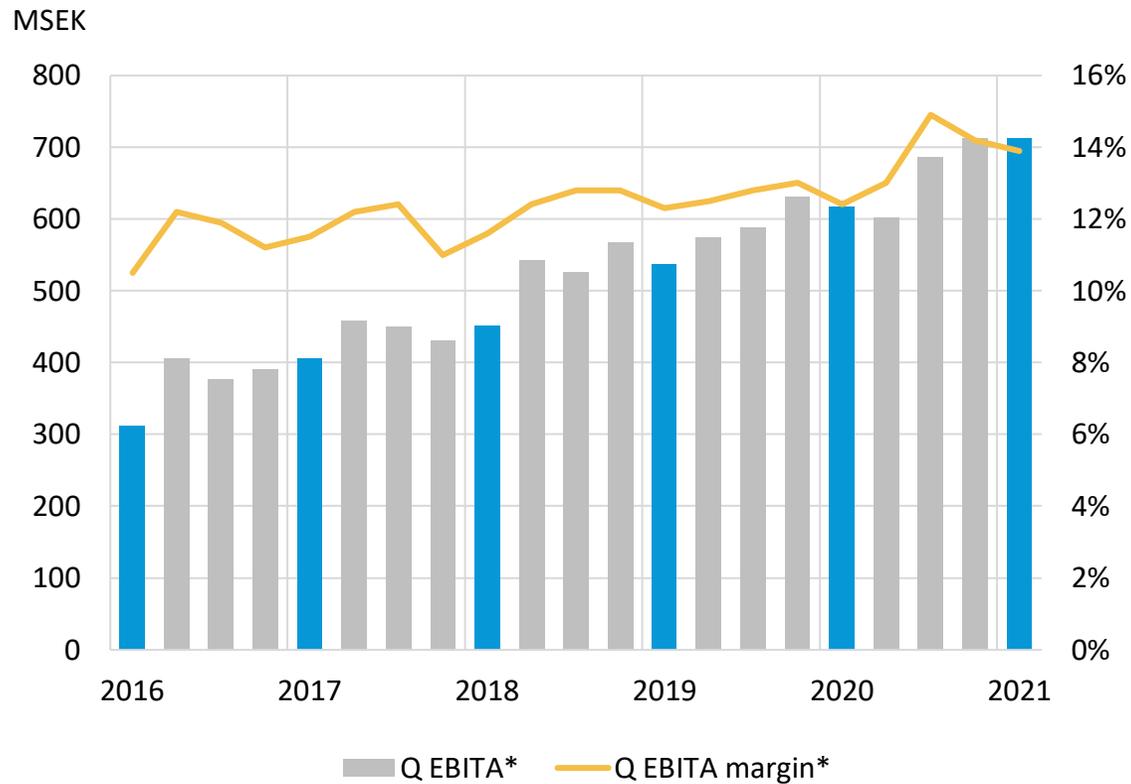


## QUARTERLY GROWTH

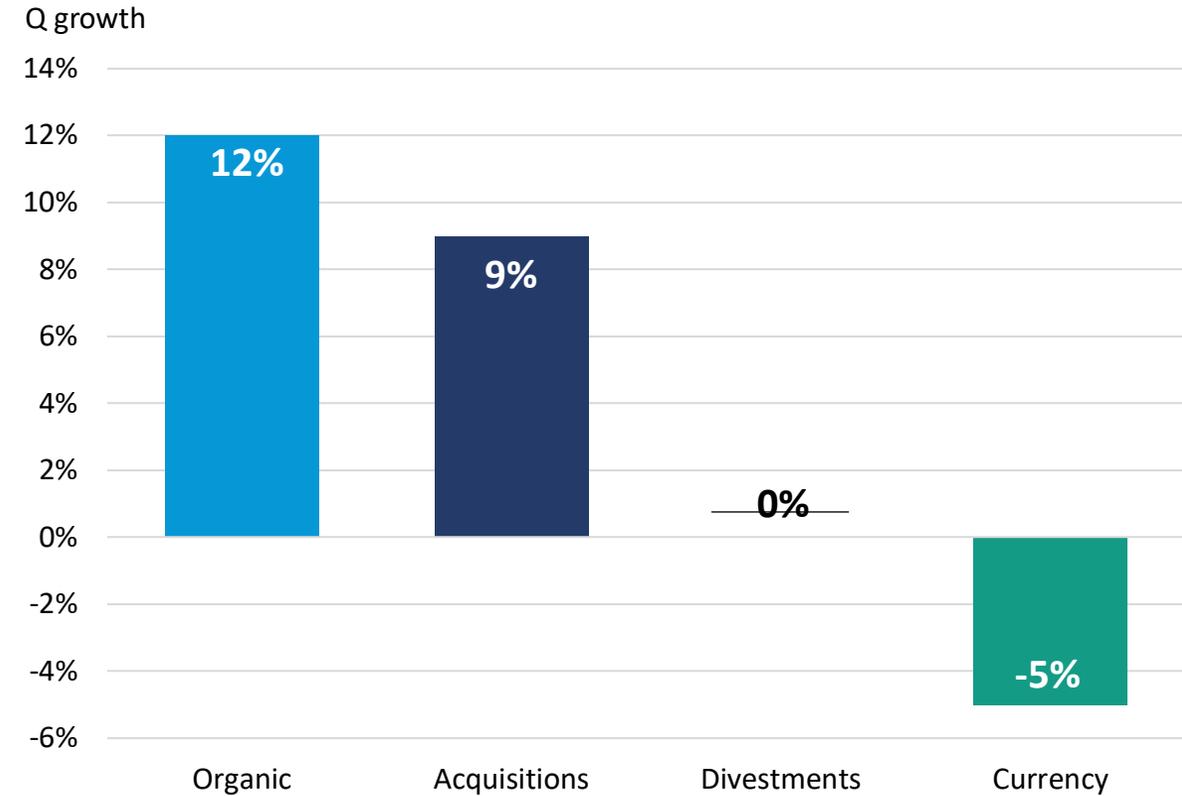


	Q GROWTH	YTD GROWTH	R3Y CAGR
<b>5,147 MSEK</b>	<b>+3%</b>	<b>+3%</b>	<b>+10%</b>

# EBITA



## QUARTERLY GROWTH



\*) Excluding restructuring costs 2017-Q4

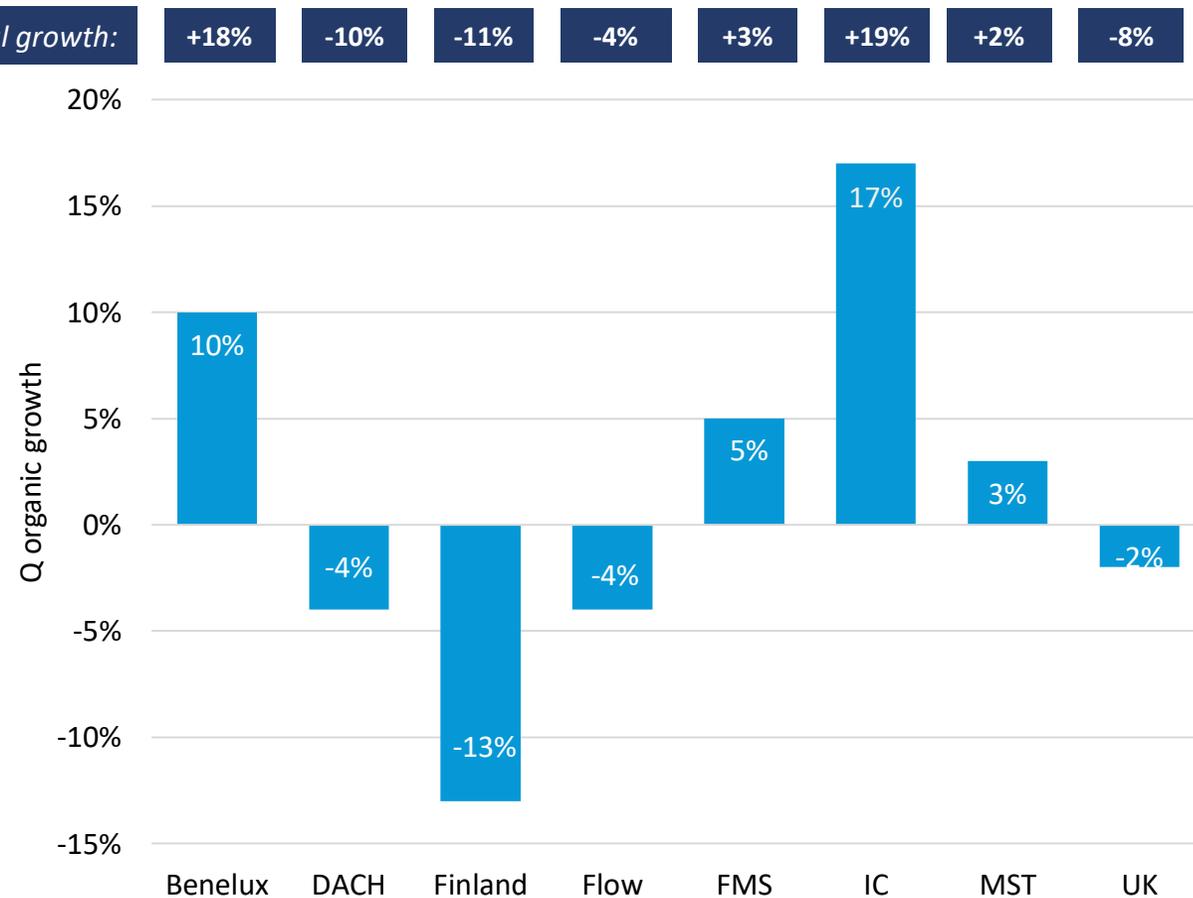
**713 MSEK**

Q1-21 MARGIN  
**13.9%**

Q GROWTH  
**+16%**

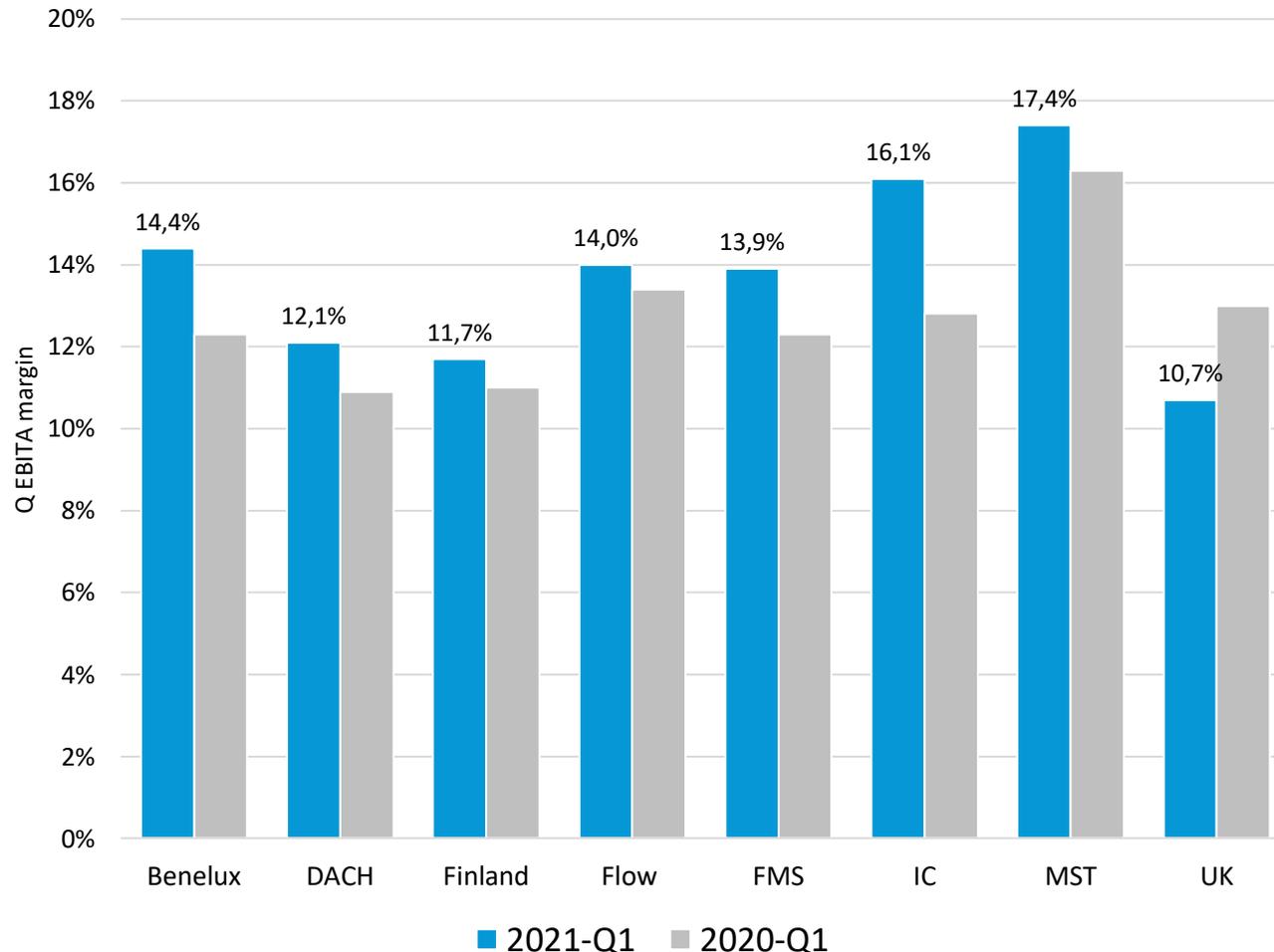
YTD GROWTH  
**+16%**

# Organic sales growth Q1 by Business Area



- Continued variations between companies, segments and countries
- Stronger development at the end of the quarter
- MedTech/Pharma sectors driving growth in Business Area Industrial Components and Benelux, but also general engineering
- Good development in several segments such as infrastructure, wind power and process industry
- Weak demand due to the pandemic impacted Business Area Finland, and high comparable numbers vs Q1-20 in Flow Technology

# EBITA margin by Business Area



- Seven out of eight Business Areas increased the EBITA margin
- MedTech/Pharma customer segment and good cost management main drivers for improvement
- Positive development among newly acquired companies
- Record high margin in Business Areas Industrial Components and Fluid & Mechanical Solutions, with strong development in majority of the companies
- Business Area UK decline attributed to lower net sales and unfavourable product mix

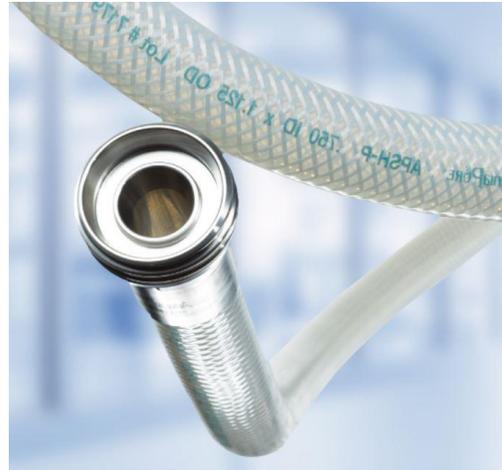
# Acquisitions 2021

## Acquisitions

## Business Area

## Annual Sales

Q1	 Pistesarjat Oy	Finland	100 MSEK
	 Tecno Plast Industrietechnik GmbH	Benelux	230 MSEK
	 Fire Proof B.V.	Benelux	70 MSEK
	 Typhoon Group	Benelux	40 MSEK
	 Efcon Water B.V.	Benelux	20 MSEK
		<b>Total</b>	



 **Indutrade**

 **PISTESARJAT**

 **TECNO PLAST**

 **FIREPROOF**  
Dé groothandel in passieve brandpreventie



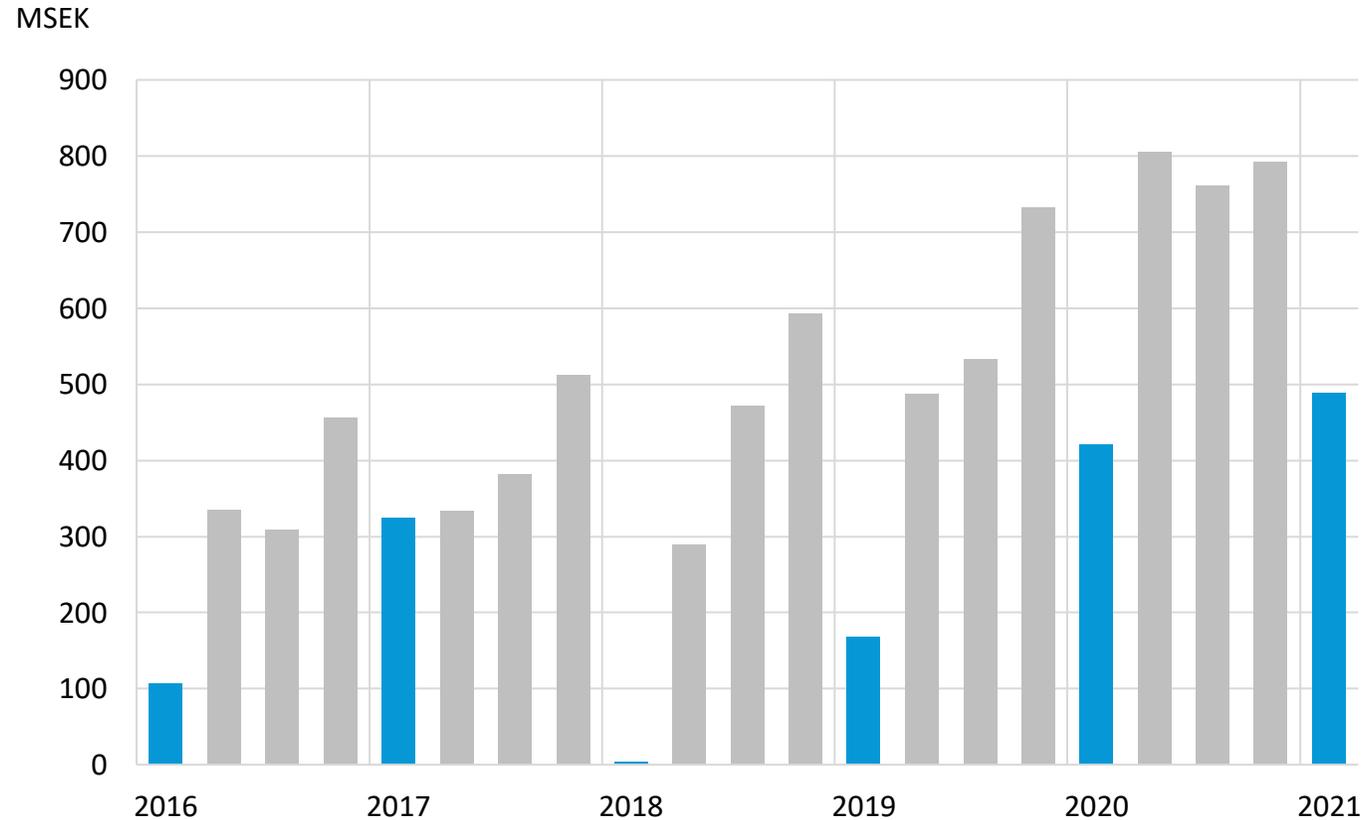
**TYPHOON**

**EFCON**  
water  
EFFLUENT CONTROL SYSTEMS

# Key data summary

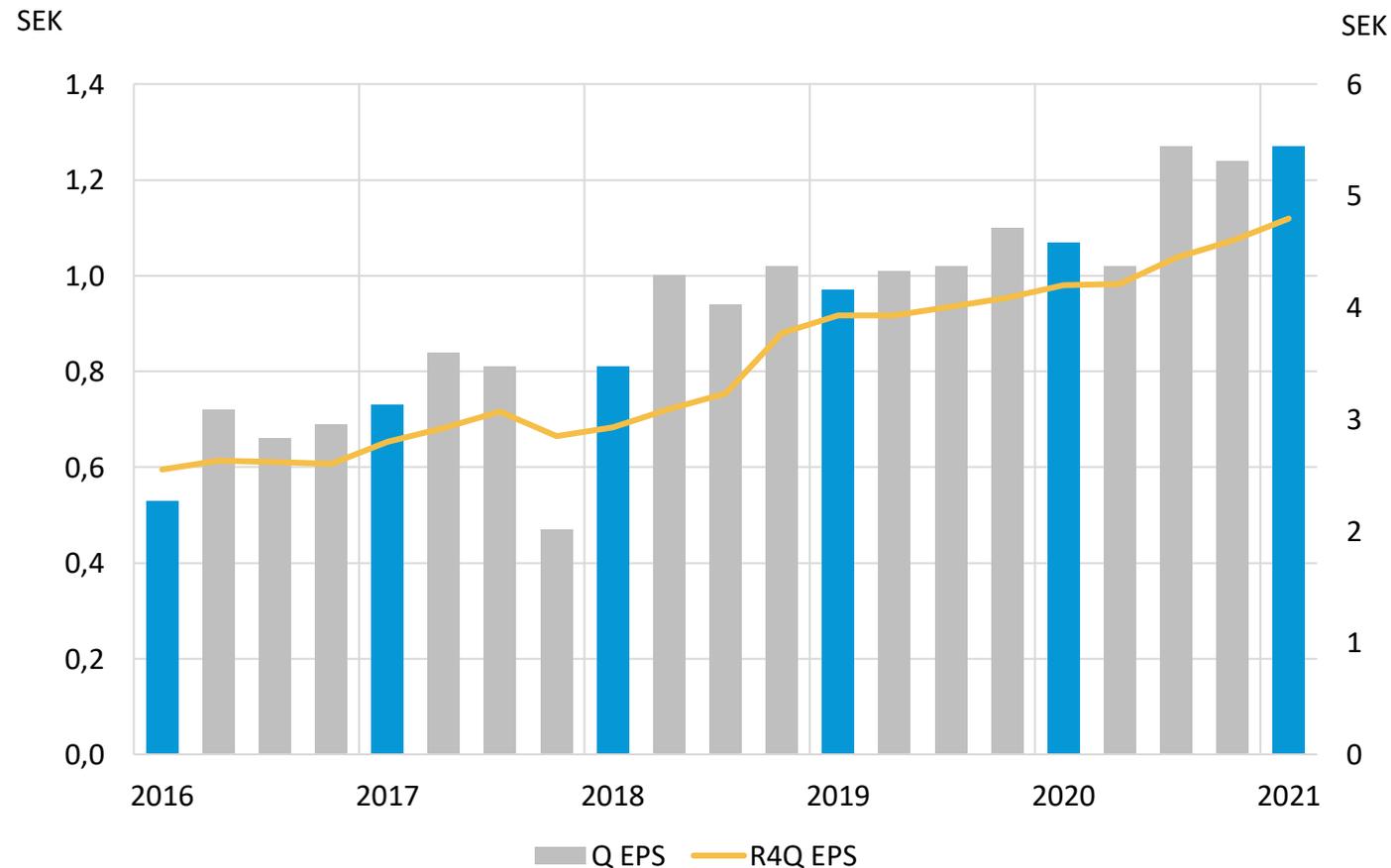
MSEK	2021-Q1	2020-Q1	Change
Order Intake	5,747	5,401	6%
Net Sales	5,147	4,976	3%
Gross margin, %	34.3	34.0	
EBITA	713	616	16%
EBITA-margin, %	13.9	12.4	
Net financial items	-29	-32	-9%
Tax	-133	-108	23%
Earnings per share (before dilution), SEK	1.27	1.07	19%
Return On Capital Employed, %	20	18	
Cash Flow from operating activities	489	421	16%
Net debt / EBITDA, times	1.5	2.2	

# Cash Flow from operating activities



- Cash flow from operating activities in Q1 grew 16% from 421 MSEK to 489 MSEK
- The cash flow improvement mainly driven by the higher result
- Lower inventories contributing slightly

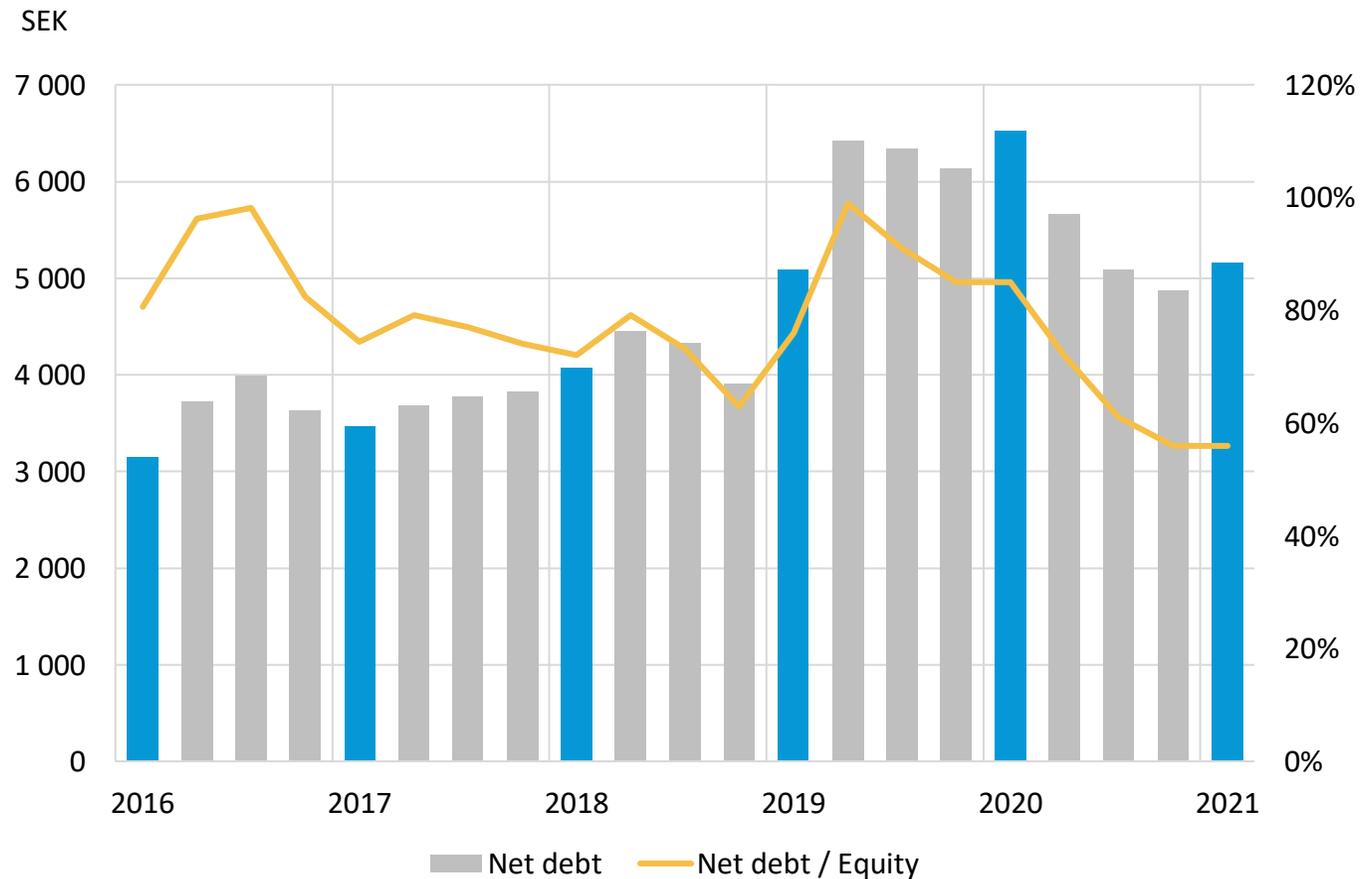
# Earnings per share



- Q1 EPS grew 19% to SEK 1.27 (1.07)
- Improvement mainly driven by higher EBITA
- 3- and 5-year R4Q\* EPS growth, were 14% and 13%

\* Adjusted with the Meson restructuring in 2017-Q4

# Net debt



- The interest-bearing net debt decreased versus last year to 5,157 (6,528) MSEK
- The decline was mainly related to the strong cash flow and no dividend pay-out in 2020
- Net debt/equity ratio was 56% (85%)

# Credit rating

- Natural step to broaden investor base and increase attractiveness
- BBB- with stable outlook

*“Indutrade's decentralised business model, alongside its solid product and end-market diversification, gives it resilient profitability and free cash flow generation over the cycle”*

– S&P Global Ratings

**S&P Global**  
Ratings

RatingsDirect®

Research Update:

**Sweden-Based Capital Goods Company Indutrade  
Assigned 'BBB-' Rating; Outlook Stable**

March 29, 2021

**Rating Action Overview**

- Indutrade AB is a Swedish industrial and technology group that acquires and develops niche companies within the capital goods industry. The group currently consists of more than 200 companies, and it generated revenue of about Swedish krona (SEK) 19.2 billion (€1.9 billion) in 2020 with an S&P Global Ratings-adjusted EBITDA margin of 16.3%.
- Indutrade's decentralized business model, alongside its solid product and end-market diversification, gives it resilient profitability and free cash flow generation over the cycle.
- We expect Indutrade to continue growing inorganically, utilizing its free cash flow primarily for acquisitions and to a lesser extent for shareholder distributions.
- We are assigning Indutrade our 'BBB-' rating.
- The stable outlook reflects our expectation that Indutrade will sustain its profitability, with EBITDA margin at about 16%, while generating free operating cash flow (FOCF) of about SEK2 billion annually, and adjusted funds from operations (FFO) to debt comfortably above 30% over time.

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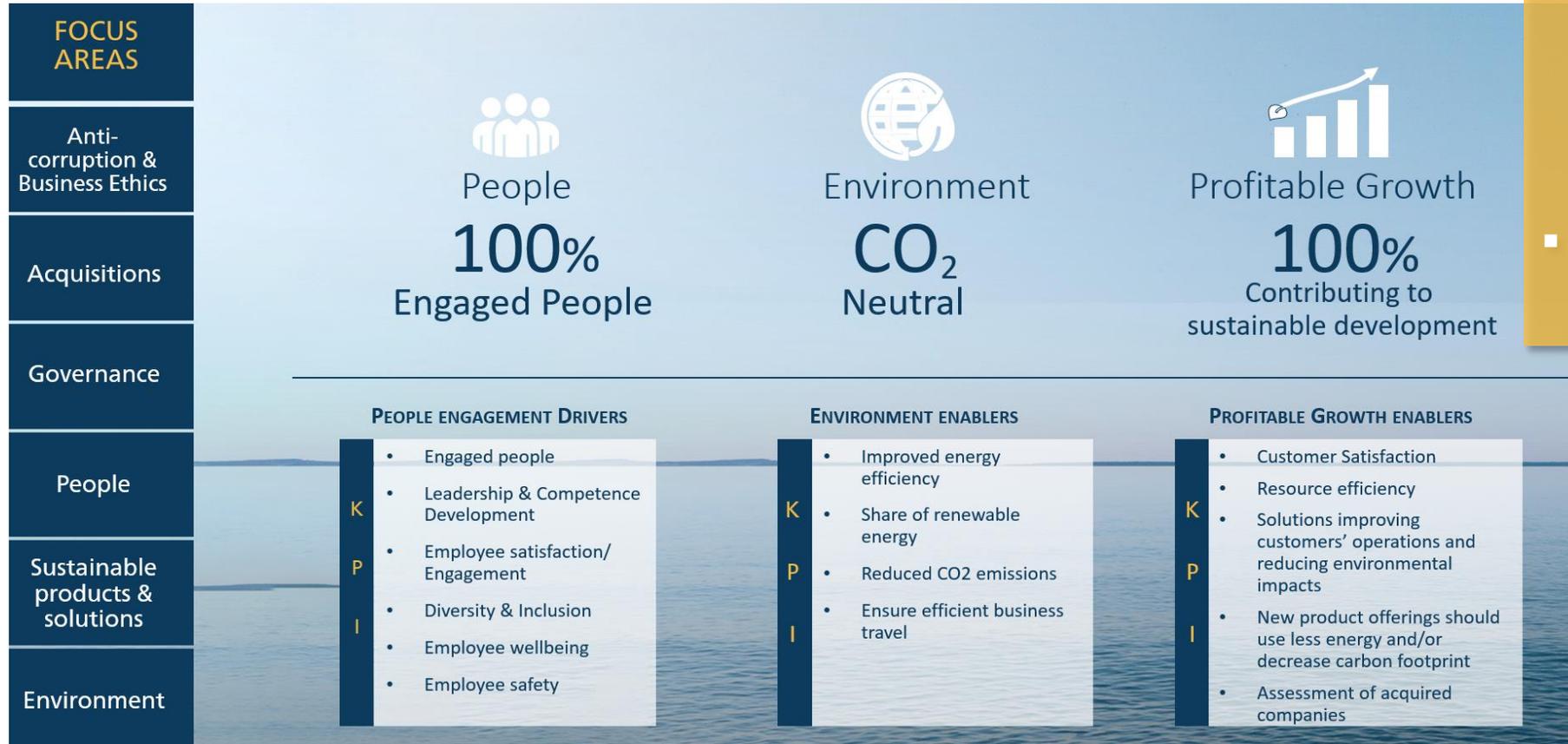
**Rating Action Rationale**

**Indutrade's track record of stable earnings, good cash generation profile, and sound financial flexibility underpin the group's credit quality.** The group has a track record of resilient profitability. It reported an EBITDA-margin of 14.0%-15.0% in 2014-2017, improving to above 15.4% over the past three years. As a result, its FOCF exceeded SEK1 billion a year, on average, over the past five years. The resilience of Indutrade's business model stems from its wide range of products and end-market diversity, supported by its large portfolio of niche companies. Although

# Limited impact of covid-19 in Q1

- Some disturbances and disruptions in the supply chains
- Short-time work declined further – limited use among the companies, and majority of furloughs were in Business Area UK
- Governmental support only marginal during the quarter
- Local restrictions and lockdowns – continued uncertainty
- Good development with increasing volumes in some of the MedTech companies, mainly **not** related to covid-19

# Ensuring sustainability progress



- To reach the long-term 2030 objectives, a number of key ratios have been defined for each area
- Measured and evaluated yearly

# Key takeaways

- Improved demand situation in several segments
- Continued variations between companies, segments and countries
- Record Q1 EBITA margin
- Gradual demand improvement expected, but Covid-19 restrictions and supply chain constraints create some uncertainty
- Good acquisition pipeline
- Diversified business group with agile and flexible companies, working closely with their customers



Thank you!

Q&A

# Financial Calendar & contact details

**19 JULY 2021**

Interim Report 1 January – 30 June 2021

**28 OCTOBER 2021**

Interim Report 1 January – 30 September 2021

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