

The logo for Indutrade, featuring a stylized white 'I' made of three vertical bars of varying heights, followed by the word "Indutrade" in a bold, white, sans-serif font.

An entrepreneurial world
where people make the difference

Q4 Report 2022

Bo Annvik, President and CEO
Patrik Johnson, CFO

2 February 2023

Summary 2022

- The Indutrade model once again demonstrated its strength
- Broad, strong demand with total growth in order intake of 18% and 24% for net sales
- Record high EBITA margin of 15.2%
 - New EBITA margin target $\geq 14\%$ per year over a business cycle
- Lower operational cash flow than last year, mainly due to the supply chain disruptions
- Successful acquisition year – strengthened acquisition capabilities and 16 companies acquired during 2022, with a total annual turnover of 1.9 BSEK
- Sustainability – initiated scope 3 reporting and committed to the Science Based Targets initiative
- Board proposes a dividend of SEK 2.60 per share



Highlights fourth quarter 2022

- Continued stable demand level, significant sales growth and good profit levels!
- Majority of companies had positive order development – increased variations between various companies, segments and countries
- EBITA increased 29% to SEK 1.1 billion and EBITA margin at 15.0% (14.6% excluding one-offs)
- Inventory build up trend leveling off sequentially but cash flow slightly lower than same period last year
- 4 acquisitions completed in Q4 and 3 companies acquired so far in 2023
- Maintained strong financial position

Net Sales

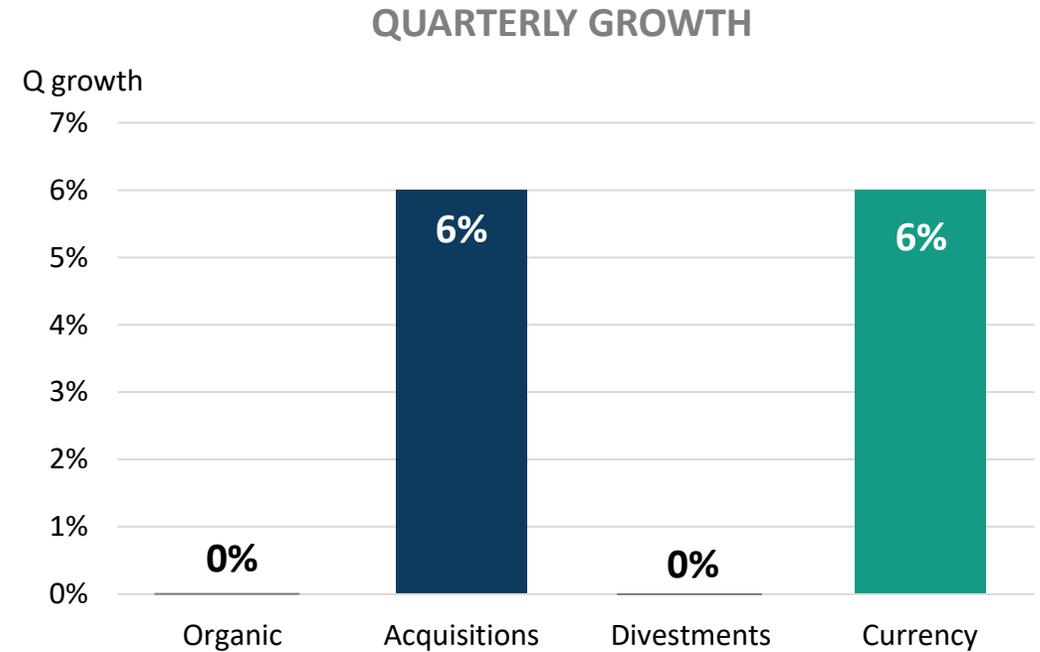
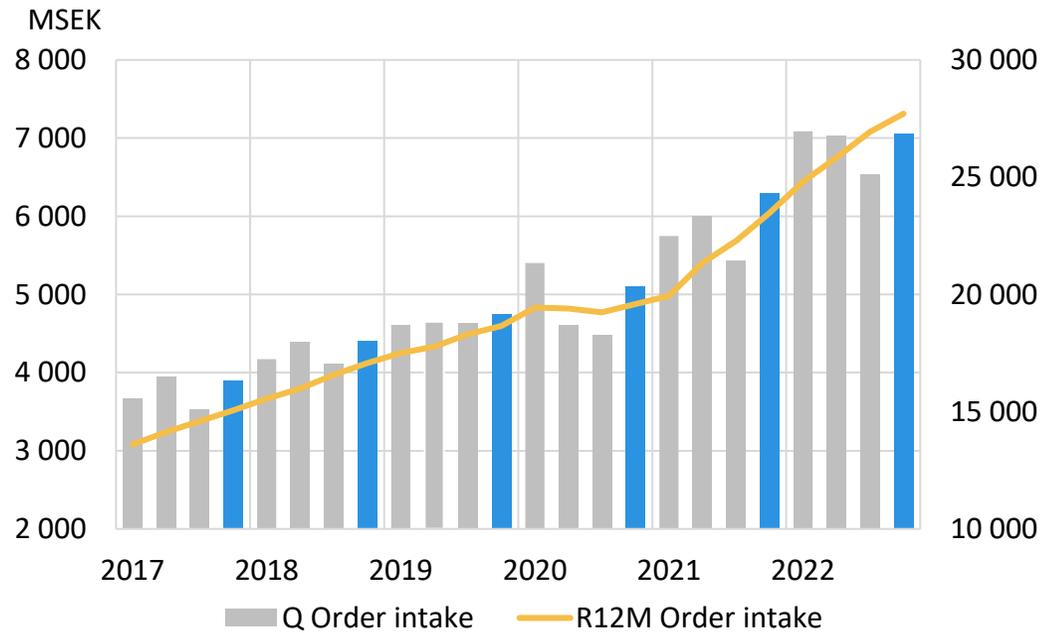
7.2

BSEK

EBITA margin

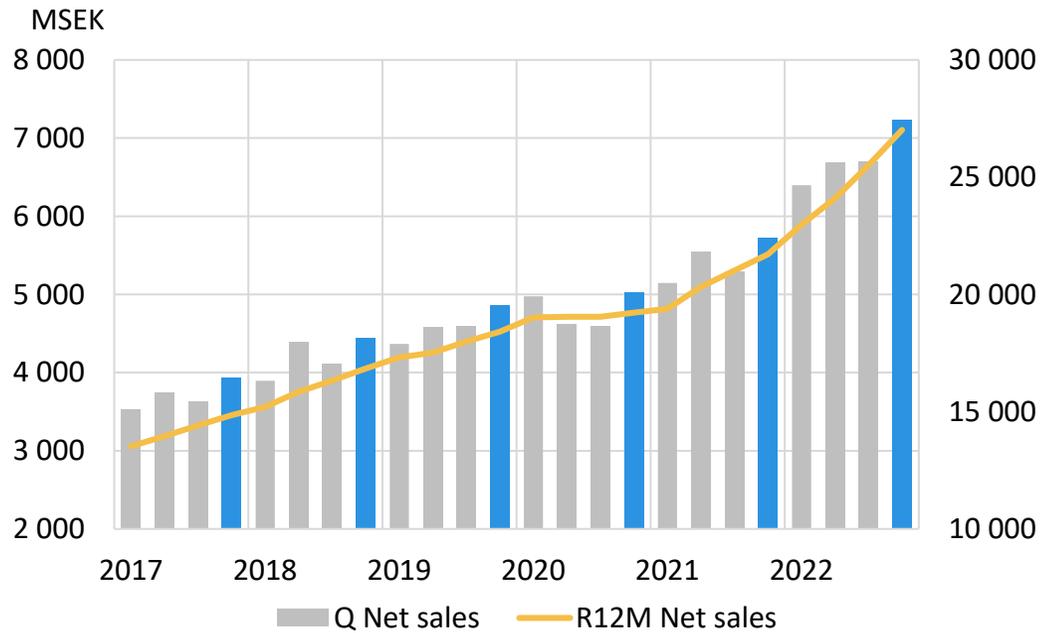
15.0%

Order intake

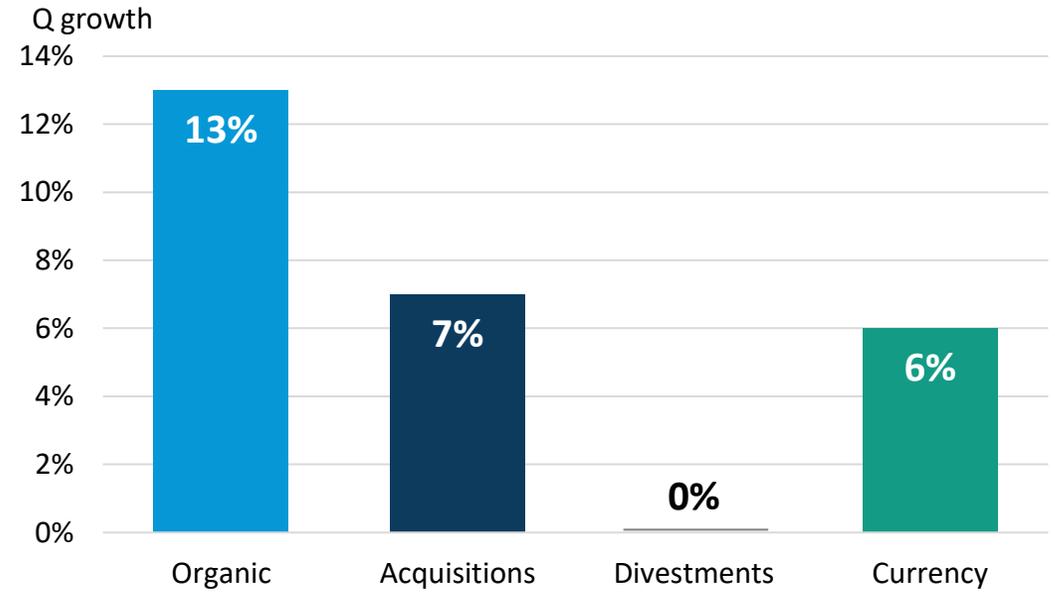


	Q GROWTH	YTD GROWTH	R3Y CAGR
7,052 MSEK	+12%	+18%	+14%

Net sales



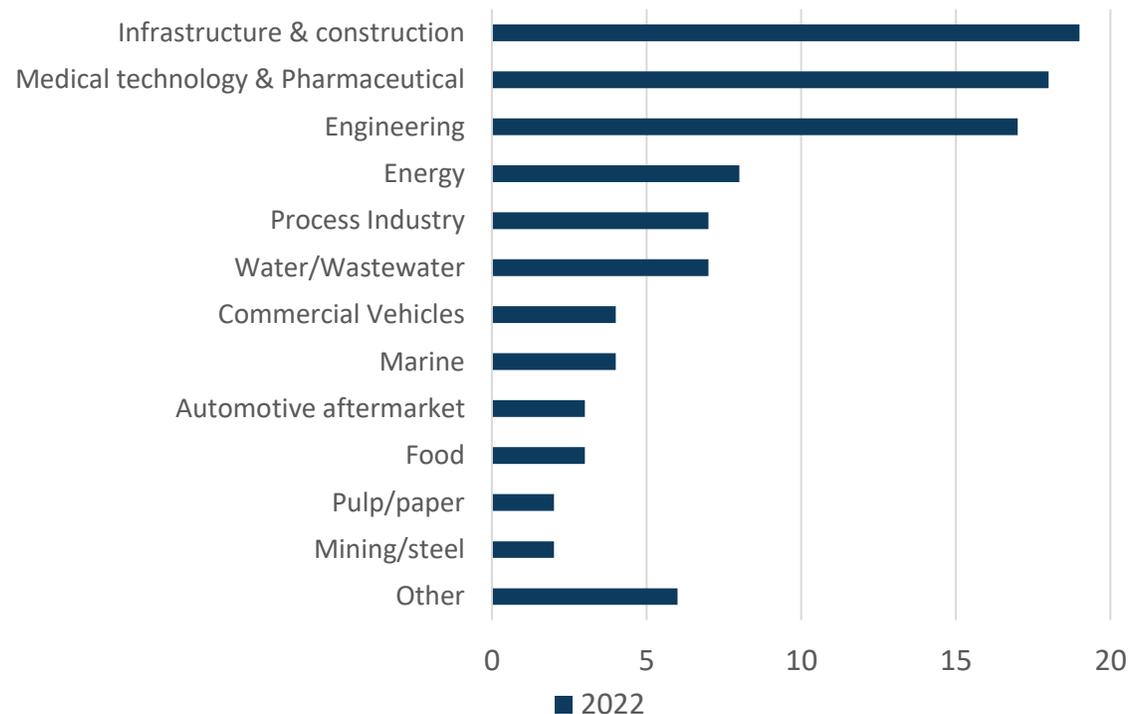
QUARTERLY GROWTH



	Q GROWTH	YTD GROWTH	R3Y CAGR
7,228 MSEK	+26%	+24%	+14%

Net sales per customer segment 2022

Share of total sales, %



- Good development in almost all customer segments
- Strongest growth in Medical technology and Pharmaceutical segment
- Infrastructure & construction down 1 percentage point from 2021
- Strong organic development in the Energy and Food segments
- Automotive aftermarket affected by stopped business activities in Russia and Belarus.

Sales Growth – major countries



+ +

Sweden net sales: 6,178 MSEK



+ + +

UK & Ireland net sales: 3,231 MSEK



+ +

Benelux net sales: 3,013 MSEK



+ +

Finland net sales: 2,734 MSEK



+ + +

Denmark net sales: 2,055 MSEK



+ +

Germany net sales: 1,711 MSEK



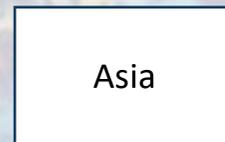
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Norway net sales: 1,638 MSEK



-

Switzerland & Austria net sales: 1,404 MSEK



Asia

+ +

Asia net sales: 1,378 MSEK

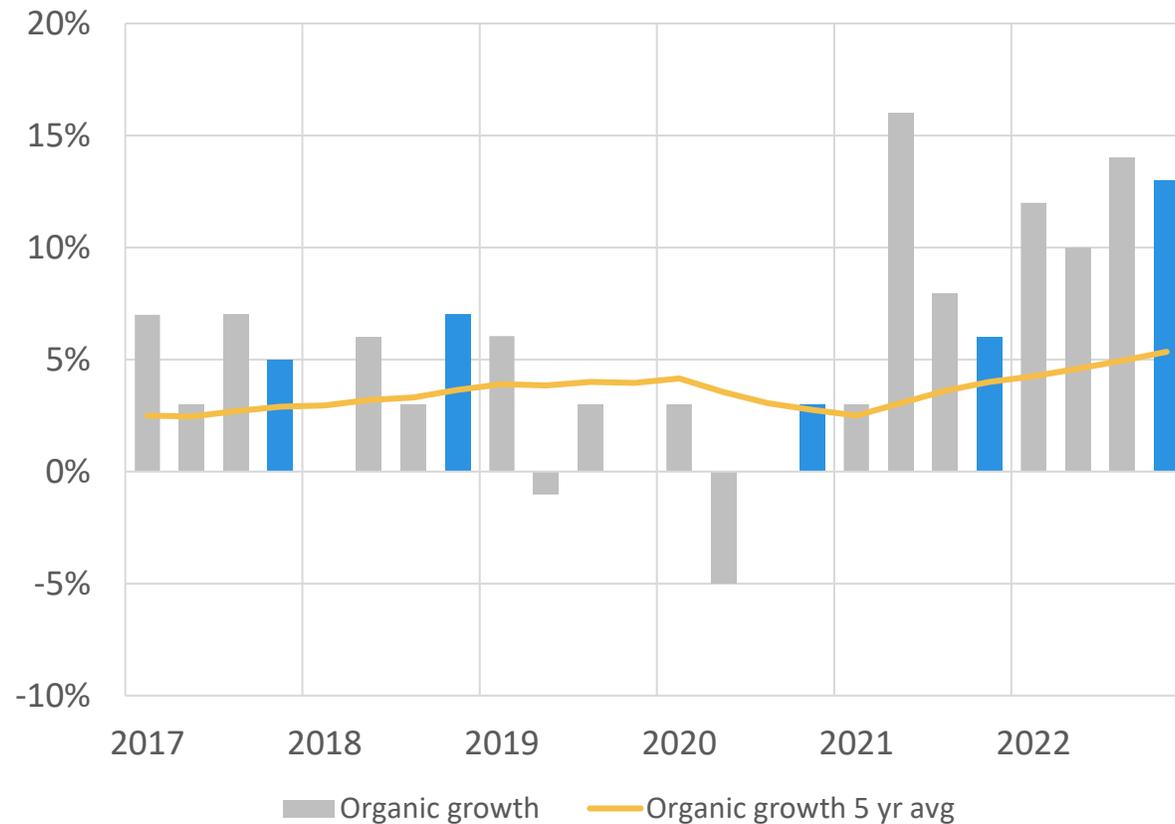


North
America

+ +

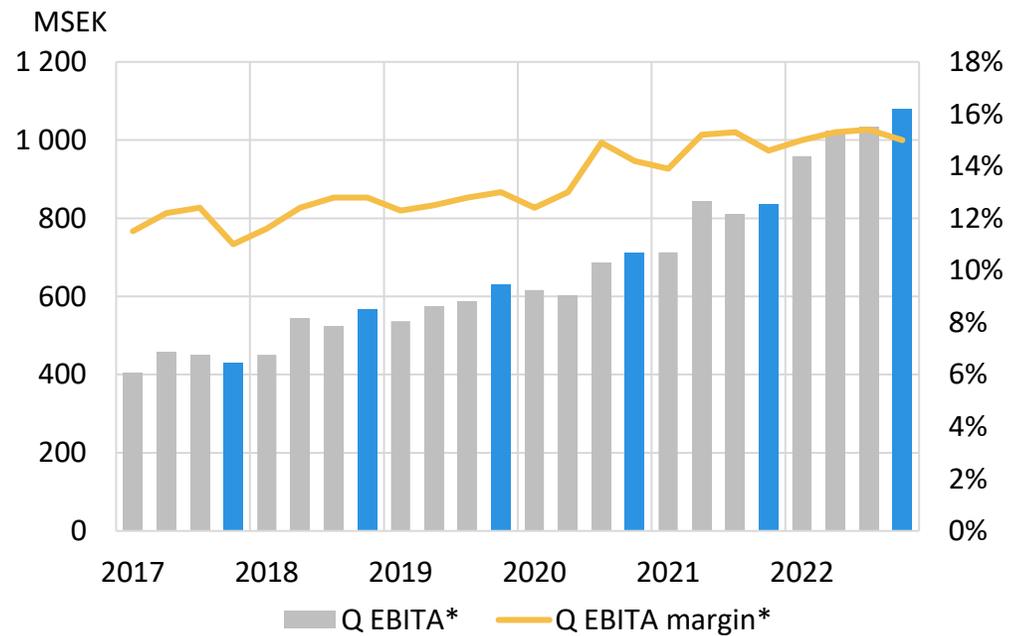
North America net sales: 1,324 MSEK

Organic Sales Growth trend

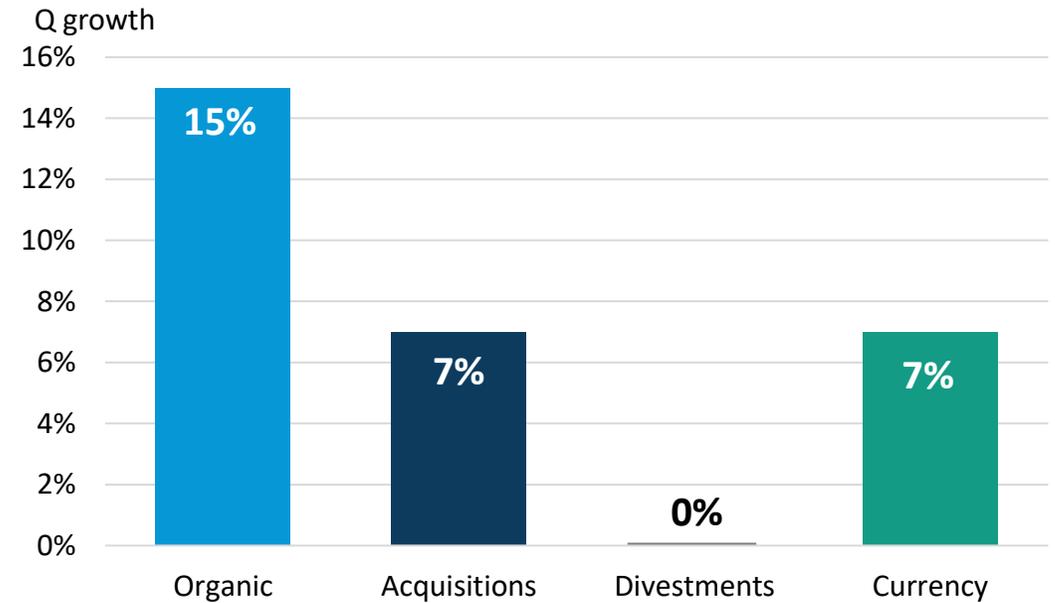


- Organic growth nine consecutive quarters
- Stable high growth rate
- Combination of volume and price
- Organic growth in all Business Areas and most companies
- Strong order back-log

EBITA



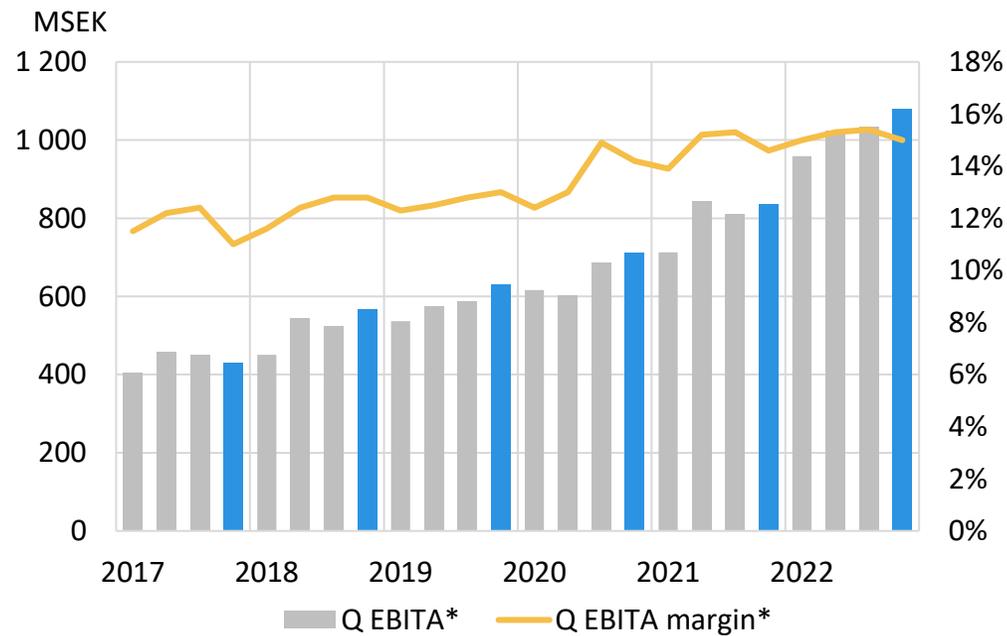
QUARTERLY GROWTH



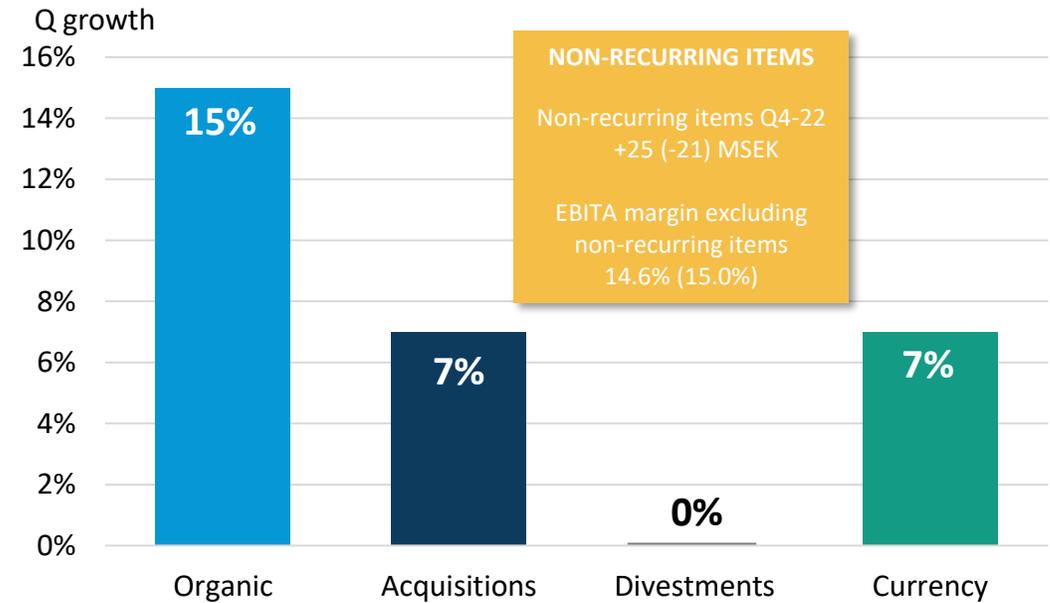
*) Excluding restructuring costs 2017-Q4

	Q4-22 MARGIN	Q GROWTH	YTD GROWTH
1,081 MSEK	15.0%	+29%	+28%

EBITA



QUARTERLY GROWTH

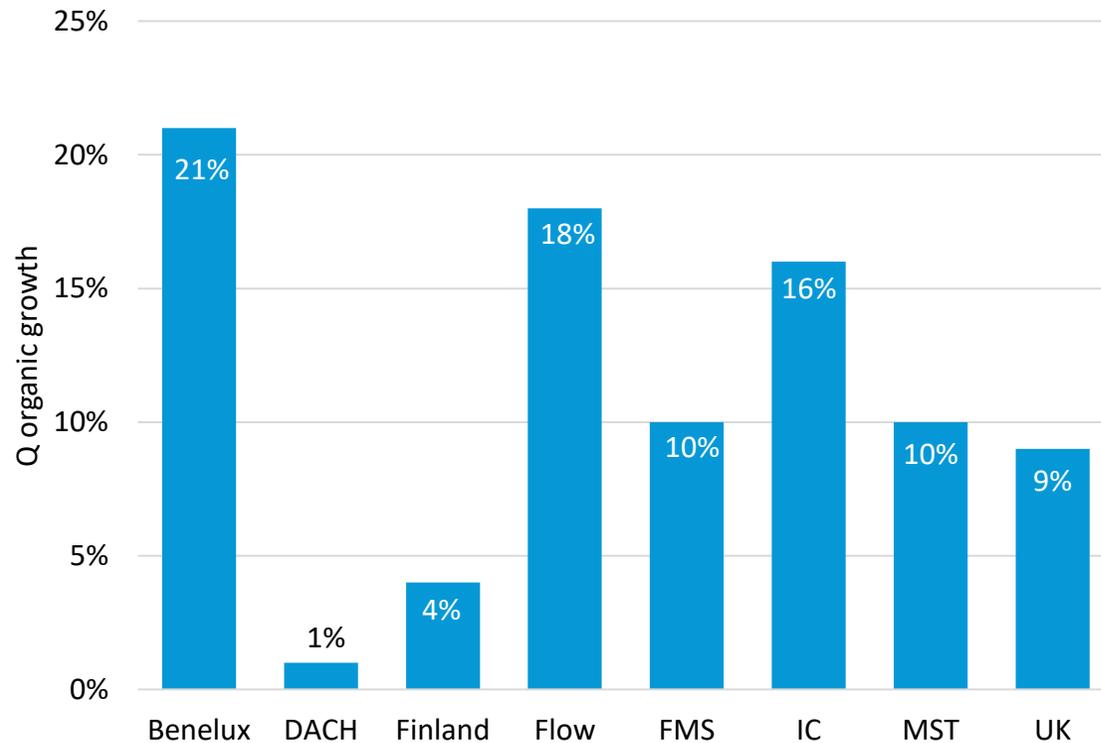


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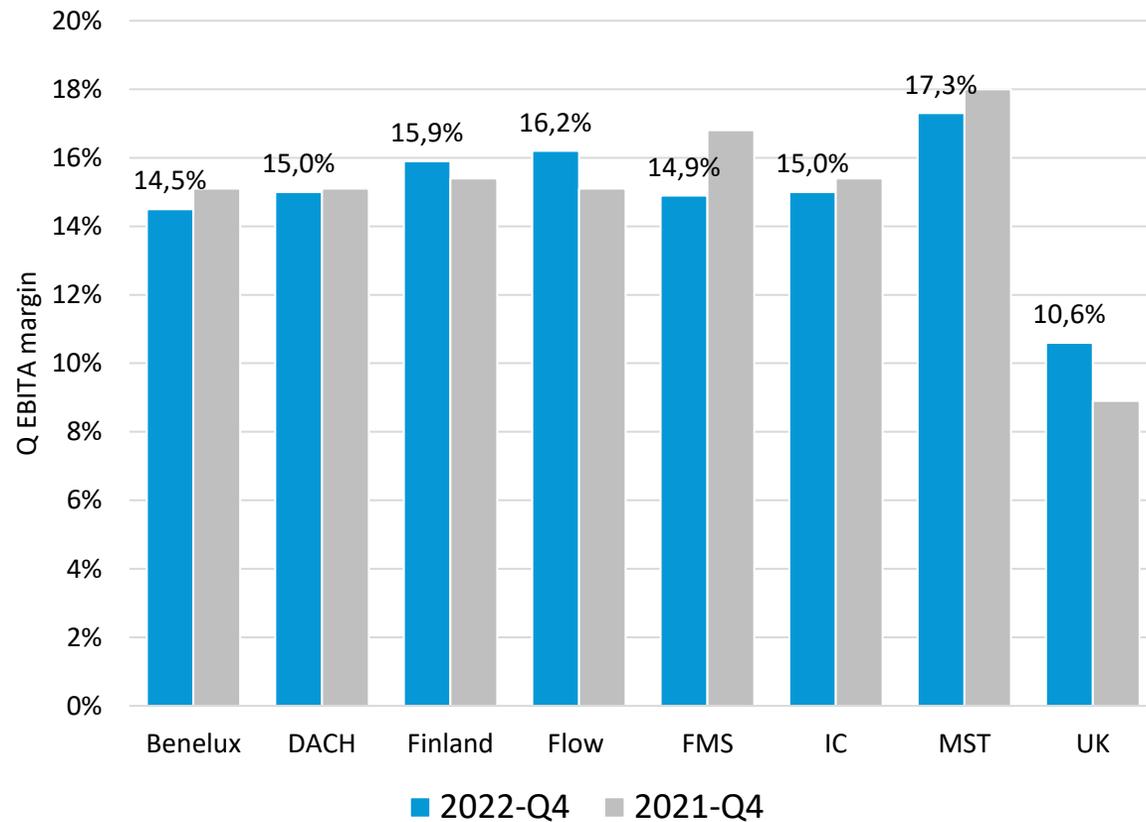
Organic sales growth Q4 by Business Area

Total growth: +37% +17% +15% +24% +21% +27% +32% +33%



- Organic sales growth in all Business Areas
- Strongest growth in Business Areas Benelux, Flow Technology and Industrial Components
 - Positive development in most companies
 - The Energy and Medtech & Pharma customer segments stand out positively
- Dampened growth in Business Areas DACH and Finland
 - Majority of companies developed positively
 - The growth was held back because of strong references from last year in a few companies, mainly connected to deliveries to the Swiss and Finnish process industries

EBITA margin by Business Area



- Majority of the companies increased their EBITA-margin versus last year
- Margin improvements in Business Areas Flow Technology, Finland and UK
 - Strong organic growth main driver in Business Area Flow Technology and improved gross margins in Finland and UK
- Dampened margin development in many companies because of slightly weaker gross margins and higher activity and expense levels

Acquisitions

Acquisitions 2022

		Business Area	Annual Sales
Q1	 Autoroll UK Ltd	UK	67 MSEK
	 NTi Audio AG	MST	90 MSEK
Q2	 Stabalux GmbH	FMS	40 MSEK
	 PMH International AB	IC	140 MSEK
	 acti-Chem A/S	Flow	50 MSEK
	 Prodia AB	IC	50 MSEK
	 Oscar Medtec AB	IC	70 MSEK
Q3	 Beck Sensortechnik GmbH	MST	130 MSEK
	 Primed Fysio och Rehab AB	IC	30 MSEK
	 OCI B.V.	Benelux	110 MSEK
	 Tebra Messen Industrie B.V.	Benelux	52 MSEK
	 CaTec B.V.	Benelux	100 MSEK
Q4	 Ingenjörfirman Geotech AB	IC	100 MSEK
	 Bramming Plast-Industri A/S	FMS	500 MSEK
	 Palas GmbH	MST	270 MSEK
	 Armaturen Aichhorn GmbH	DACH	65 MSEK

Total

1 864 MSEK

Acquisitions 2023

Sax Lift A/S

Business area: FMS
Annual sales: 130 MSEK

Hobe GmbH

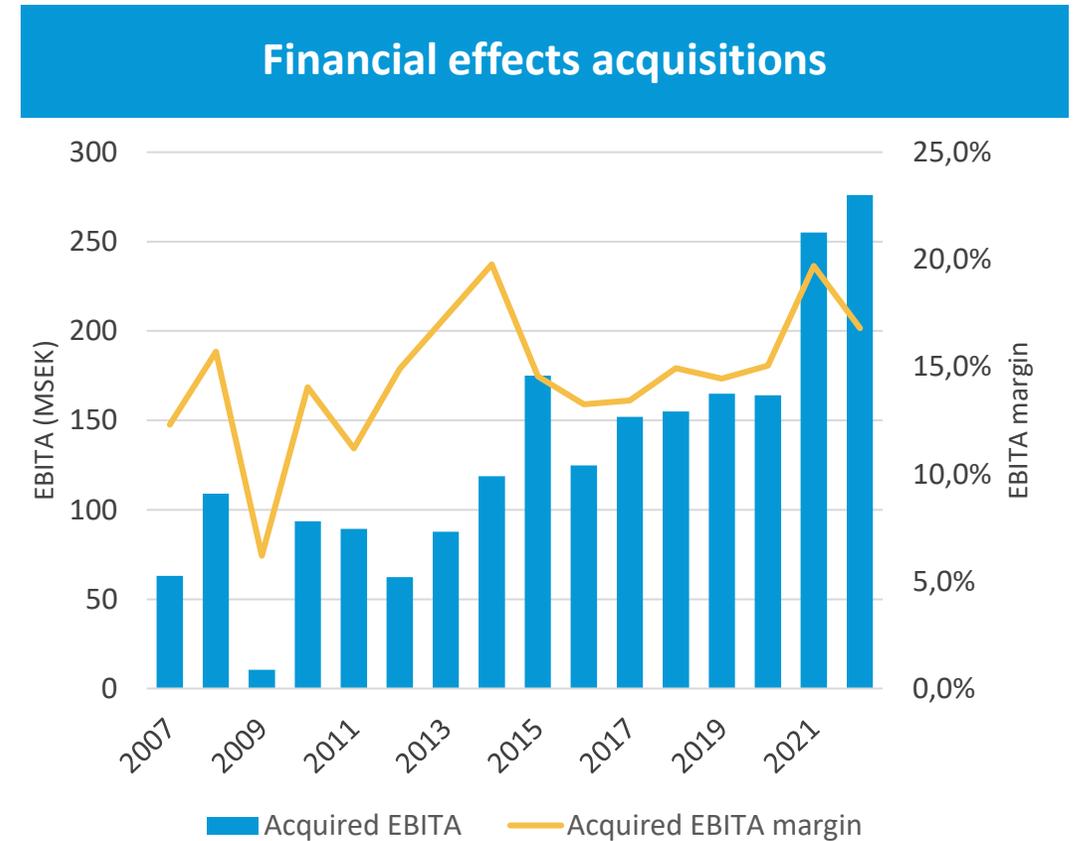
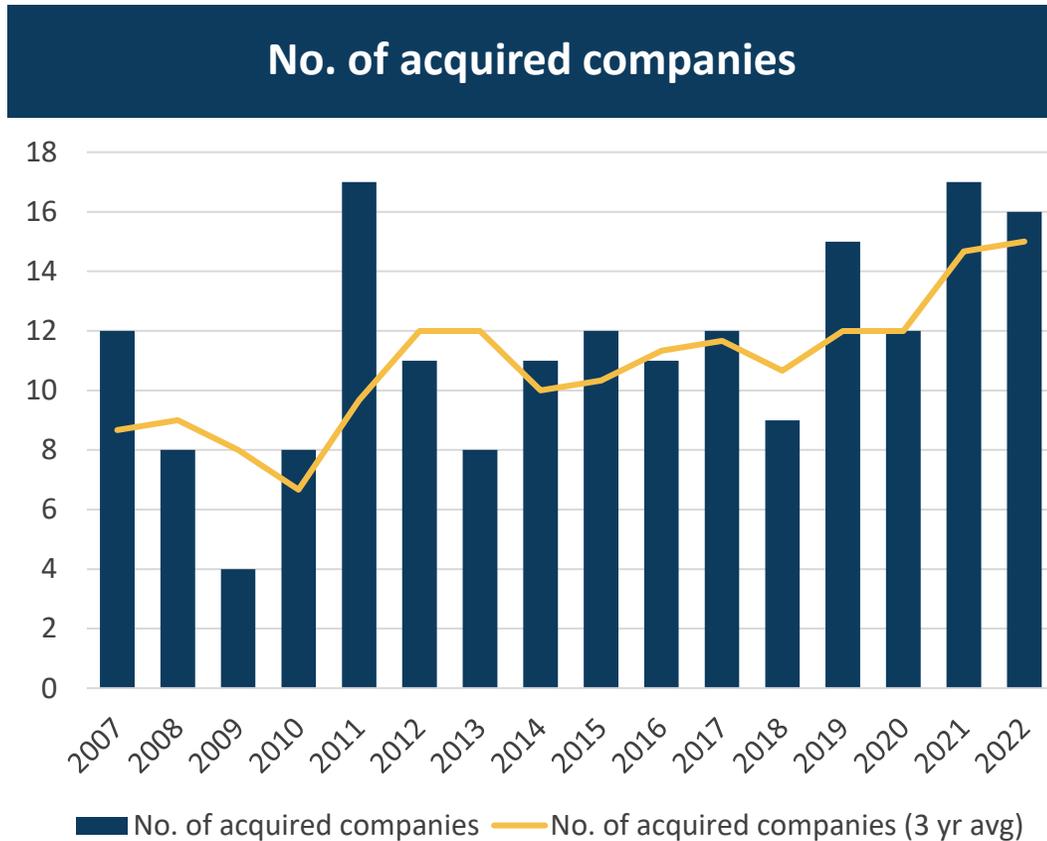
Business area: DACH
Annual sales: 80 MSEK

Siersema Komponenten Service B.V

Business area: Benelux
Annual sales: 390 MSEK



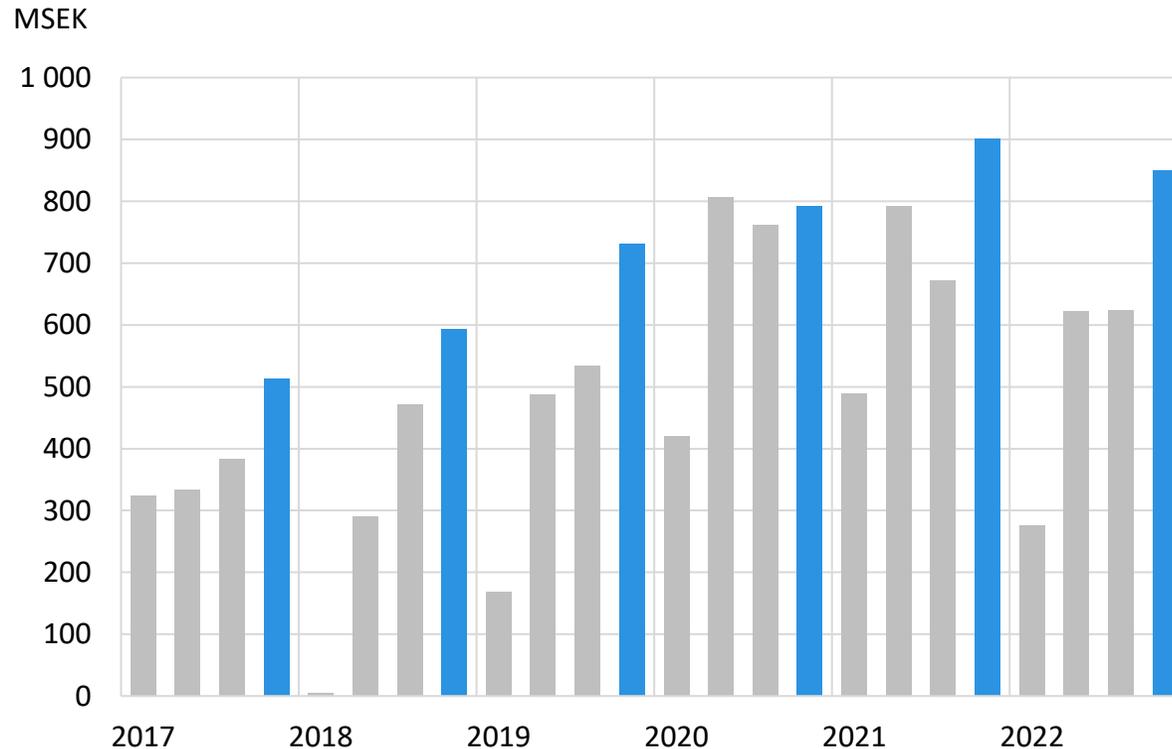
Successful acquisition track record



Key data summary

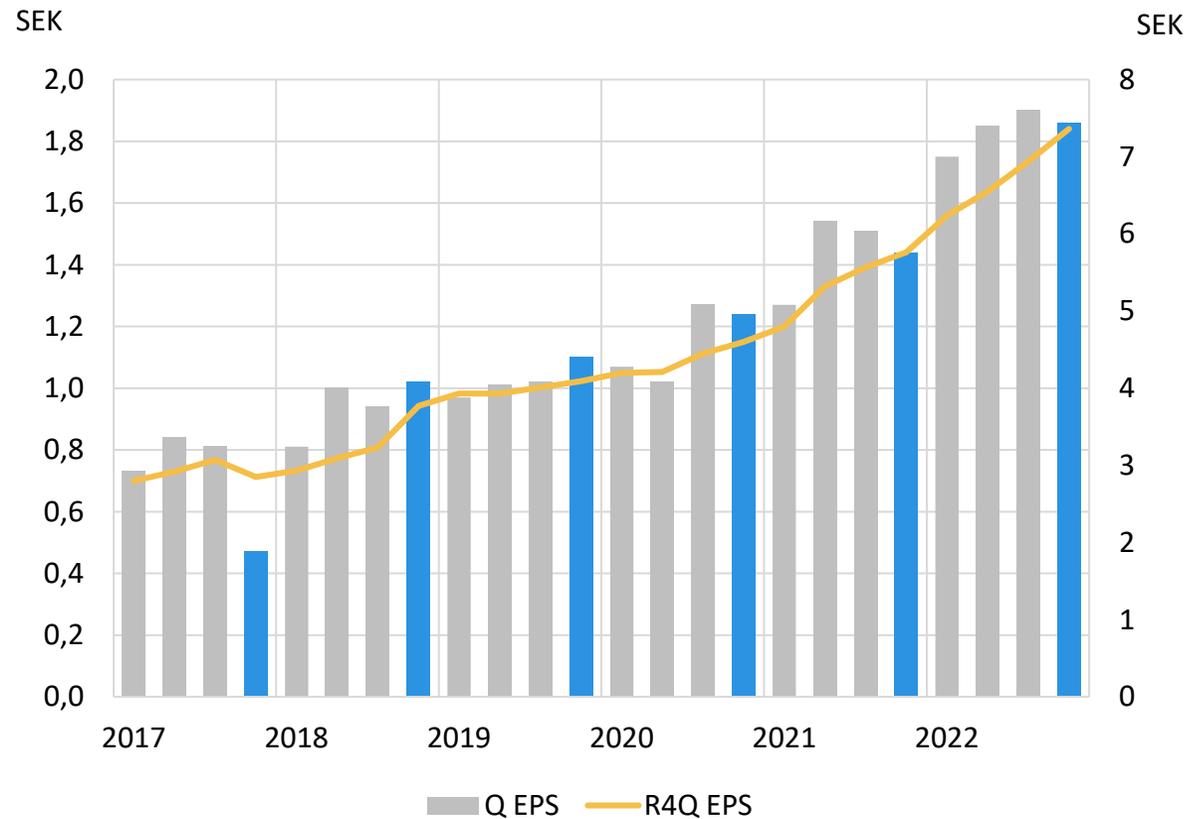
MSEK	2022-Q4	2021-Q4	Change	2022	2021	Change
Order Intake	7,052	6,293	12%	27,701	23,474	18%
Net Sales	7,228	5,726	26%	27,016	21,715	24%
Gross margin, %	34.9	35.9		34.7	35.0	
EBITA	1,081	836	29%	4,098	3,202	28%
EBITA-margin, %	15.0	14.6		15.2	14.7	
Net financial items	-66	-22	200%	-180	-100	80%
Tax	-208	-189	10%	-759	-628	21%
Earnings per share (before dilution), SEK	1.86	1.44	29%	7.36	5.76	28%
Return On Capital Employed, %	23	22		23	22	
Cash Flow from operating activities	850	901	-6%	2,372	2,853	-17%
Net debt / EBITDA, times	1.8	1.4		1.8	1.4	

Cash Flow from operating activities



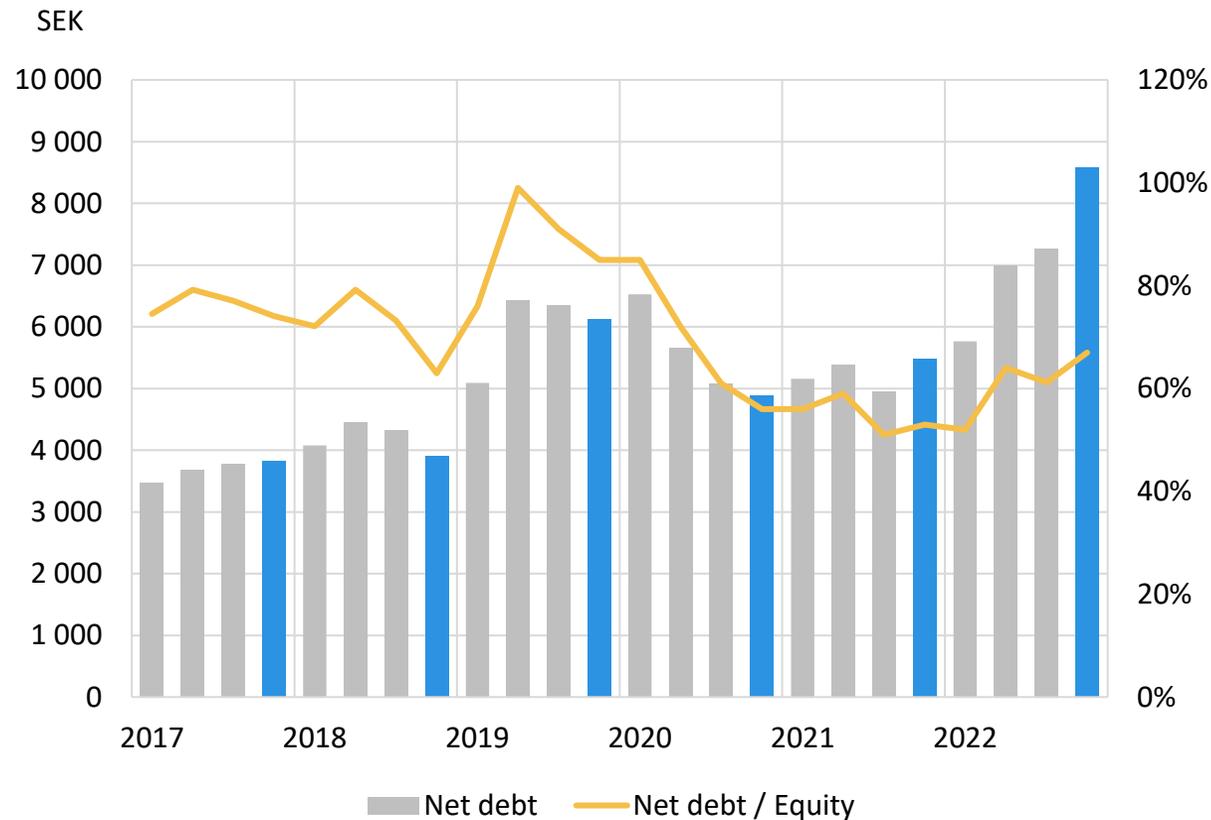
- Operating cash flow during the quarter was 850 (901) MSEK
- The decline versus last year was mainly related to working capital changes, driven by supply chain disturbances
- Inventory increasing trend leveling off
- The working capital efficiency was lower than last year

Earnings per share



- EPS during the quarter grew 29% to SEK 1.86 (1.44) per share
- Improvements mainly driven by higher EBITA
- 3- and 5-year rolling 4Q earnings per share CAGR*, were 22% and 19%

Net debt



- The interest-bearing net debt increased to 8,580 (5,489) MSEK
- The increase compared to last year is mainly due to a continued high acquisition pace and a slightly dampened operational cash flow
- Net debt/equity ratio was 67% (53%)
- Net debt/EBITDA was 1.8x (1.4).
Excluding earn-out liabilities 1.5x (1.2)

Ambitious financial targets

Growth

$\geq 10\%$

Return On Capital
Employed

$\geq 20\%$

Net debt/Equity

$< 100\%$

Dividend payout
ratio

30%-50%

New EBITA-margin target

$\geq 14\%$

- **13.7%** (5-year average, 2018-2022)
- *Balance between profitability ambitions and ability to invest in growth initiatives*
- *Target to be achieved through continued organic improvements and profitable acquisitions*

Targets measured over a business cycle

Significant progress within sustainability

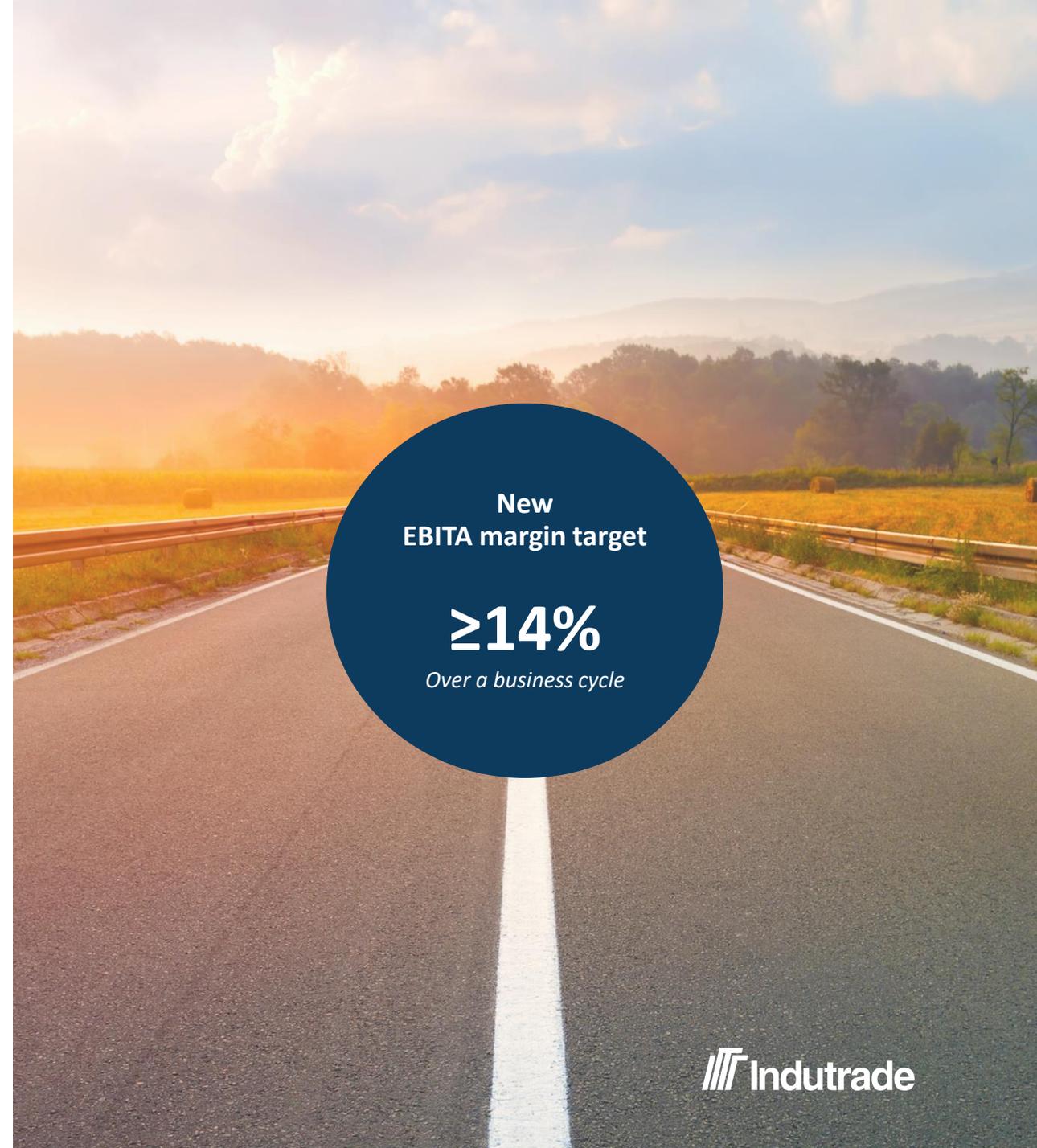
Science Based Targets initiative

Climate and carbon emission reductions are highly prioritised for Indutrade. By joining the SBTi, Indutrade has now formally committed to developing targets and reducing emission in line with climate science.



Key takeaways

- The Indutrade model, based on decentralisation and balanced diversification, shows its strength
- Stable demand situation in general – lower demand in some customer segments and increased variations
- Continued sales increase and good profit levels
- Strong order backlog supports good invoicing and profit development in the coming quarters although the references will be challenging
- 3 acquisitions so far in 2023 – pipeline remains good
- Strong platform for long-term sustainable, profitable growth!



New
EBITA margin target

≥14%

Over a business cycle

Thank you!

Q&A

A pair of tortoiseshell glasses is resting on a black folder. The folder has the Indutrade logo, which consists of three vertical bars of increasing height, followed by the word "Indutrade" in a white sans-serif font. The folder is placed on a light-colored wooden desk. In the background, a person's hand is visible holding a pen over a notebook, and a white shirt cuff is visible on the right side of the frame.

Indutrade

Financial calendar & contact details

8 MARCH 2023

Annual Report 2022

29 MARCH 2023

Annual General Meeting

27 APRIL 2023

Interim Report 1 January – 31 March 2023

20 JULY 2023

Interim Report 1 January – 30 June 2023

27 OCTOBER 2023

Interim Report 1 January – 30 September 2023

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