



An entrepreneurial world  
where people make the difference

Q2 Report 2023

Bo Annvik, President and CEO  
Patrik Johnson, CFO

20 July 2023

# Highlights second quarter 2023

- Continued stable and high demand levels – order intake up 11% in total of which -1% organically, mainly due to challenging references.
  - Strongest order development in Engineering and Water/wastewater.
- Strong sales, above SEK 8 billion for the second time in a single quarter. Sales growth of 21 percent of which 7% was organic.
- Continued high EBITA margin at 15.0%.
- All-time-high operational cash flow! Inventory reduced.
- 6 acquisitions completed as per end of Q2, with a combined annual sales of around SEK 900 million.

Net Sales

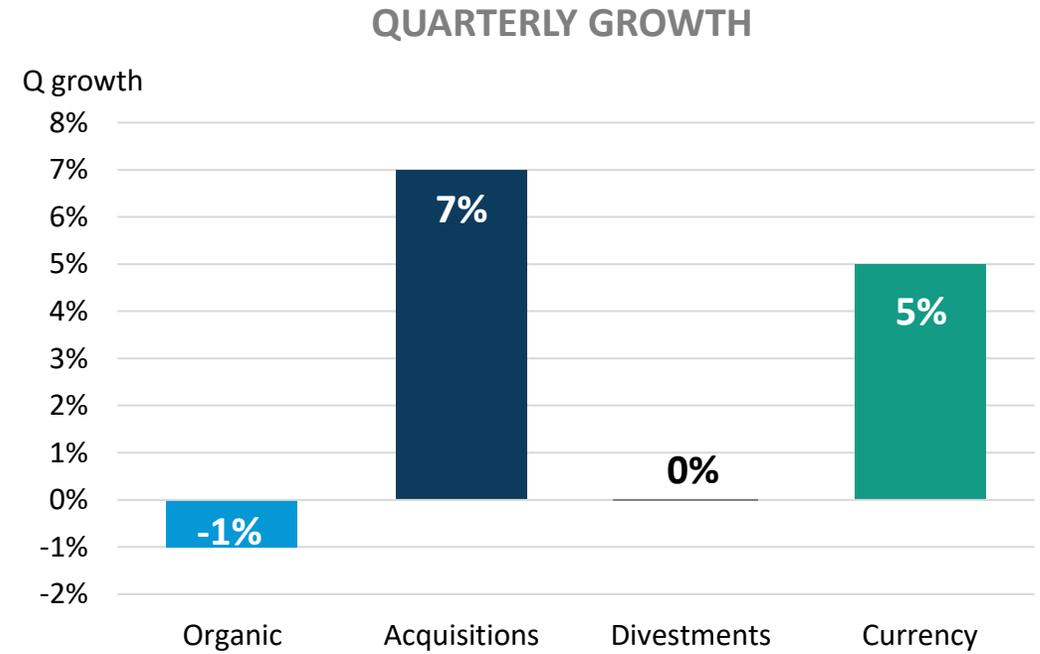
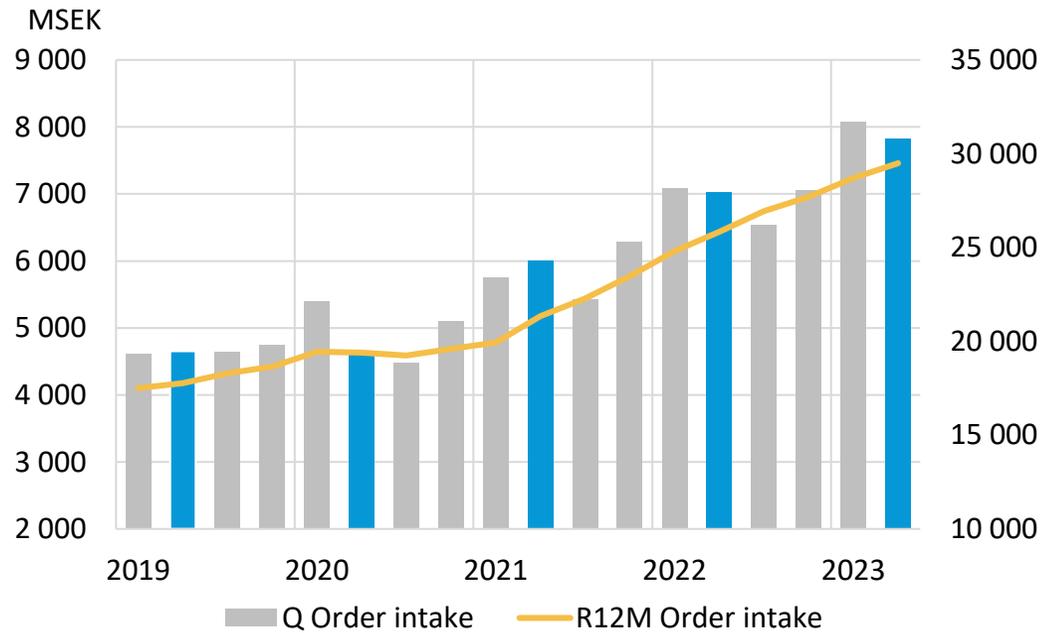
**8.1**

BSEK

EBITA margin

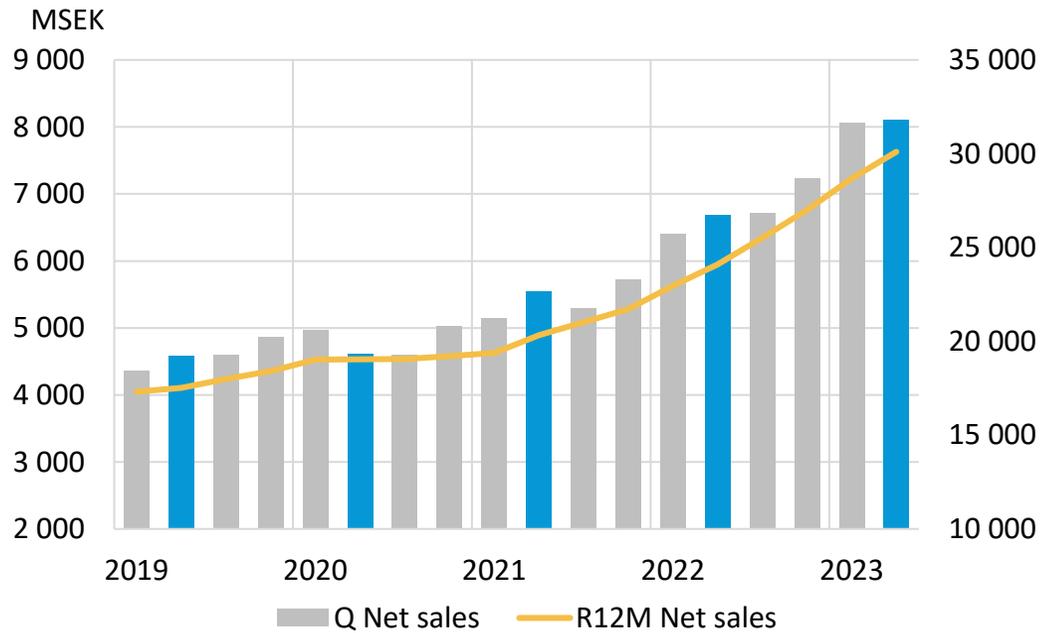
**15.0%**

# Order intake

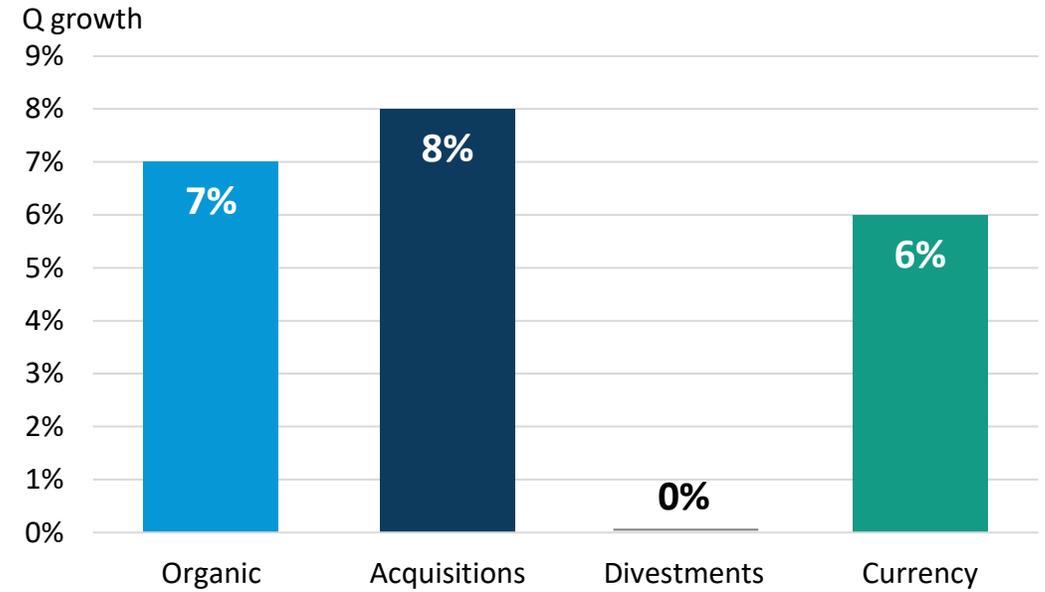


	Q GROWTH	YTD GROWTH	R3Y CAGR
<b>7,829 MSEK</b>	<b>+11%</b>	<b>+13%</b>	<b>+19%</b>

# Net sales



## QUARTERLY GROWTH



	Q GROWTH	YTD GROWTH	R3Y CAGR
<b>8,100 MSEK</b>	<b>+21%</b>	<b>+24%</b>	<b>+21%</b>

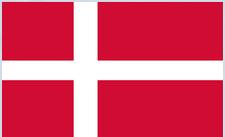
# Sales Growth – major countries



+ +



+ + +



+ + +



- -



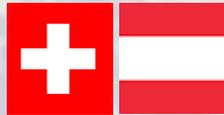
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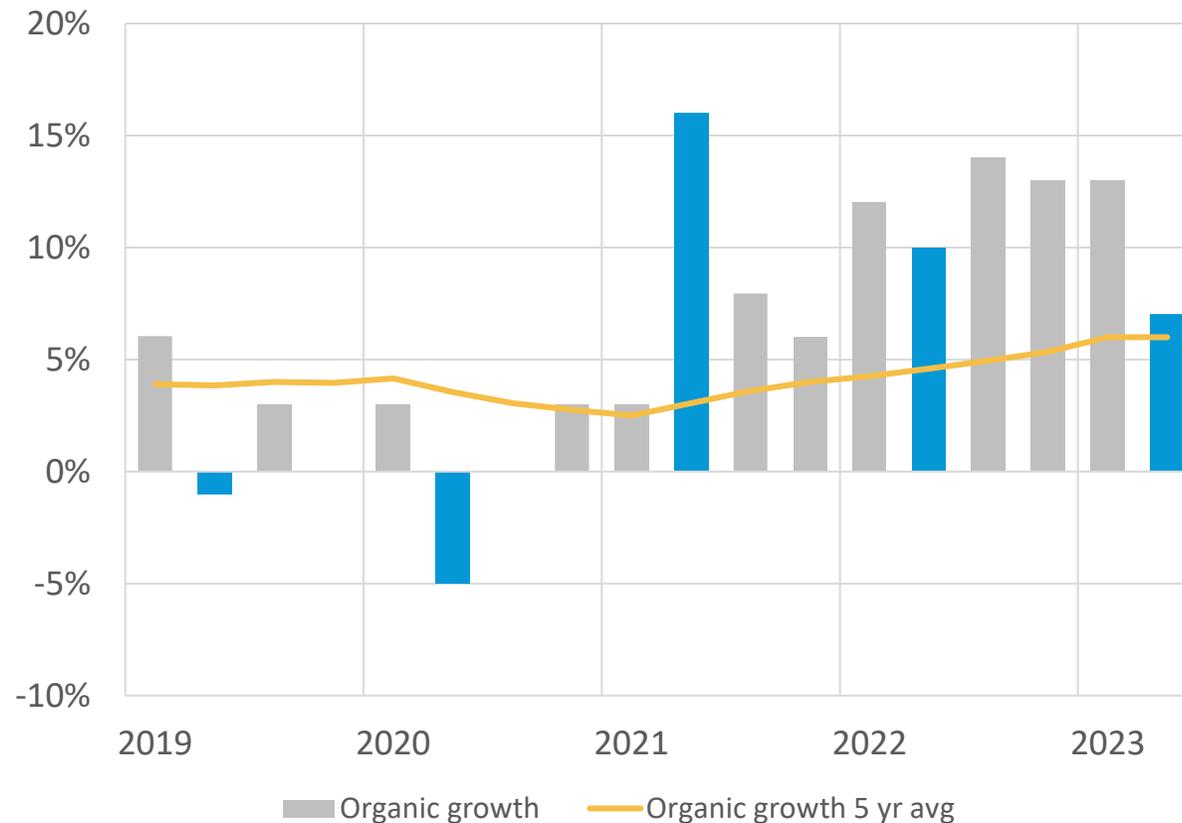
North America

+

Asia

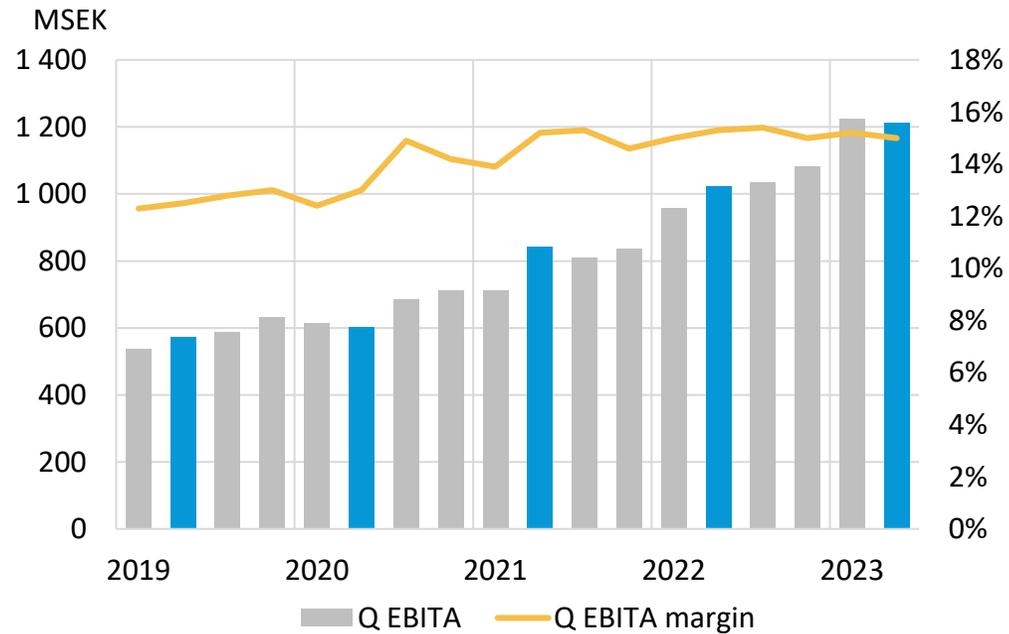
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# Organic Sales Growth trend

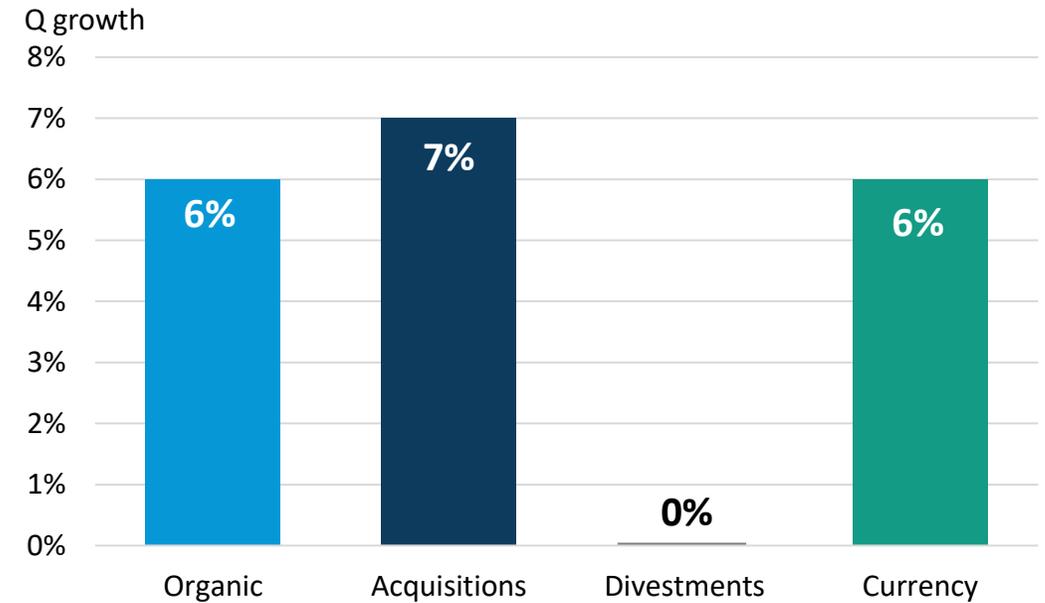


- Organic growth eleven consecutive quarters
- Stable high growth rate
- Combination of volume and price
- Organic growth in 7 out of 8 Business Areas and most companies
- Back-log remains high

# EBITA

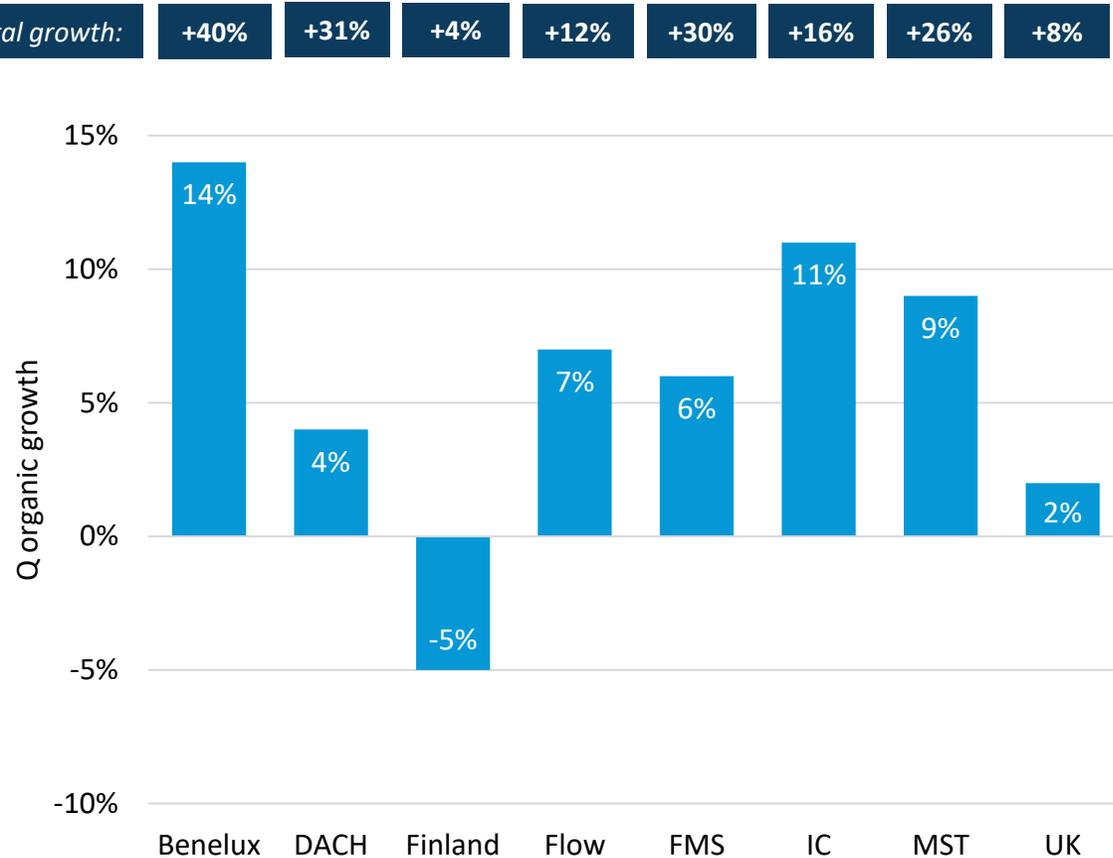


## QUARTERLY GROWTH



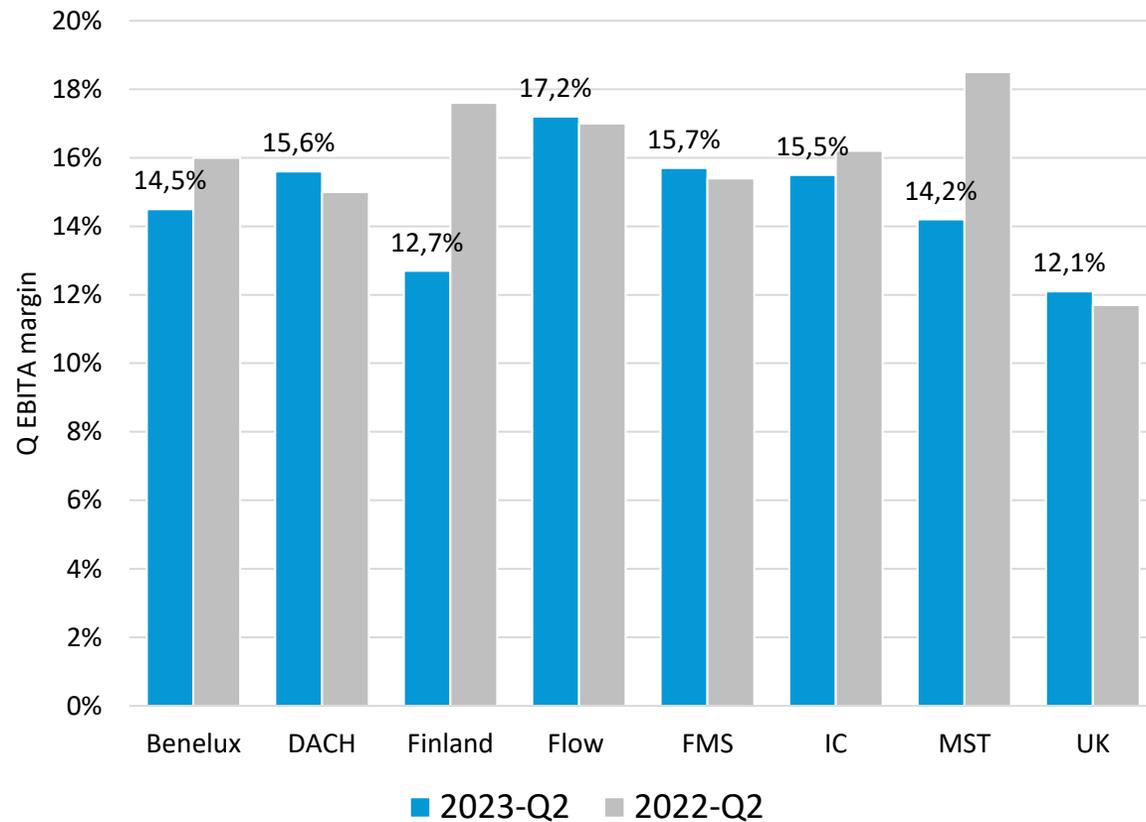
	Q2-23 MARGIN	Q GROWTH	YTD GROWTH
<b>1,213 MSEK</b>	<b>15.0%</b>	<b>+19%</b>	<b>+23%</b>

# Organic sales growth Q2 by Business Area



- Organic sales growth in 7 out of 8 Business Areas and in most companies
- Strongest growth in Business Areas Benelux and Industrial Components
  - Strongest development in Benelux shown in the energy sector and in Med tech for Industrial Components
- Decline in Business Area Finland
  - Weakened demand situation in several companies

# EBITA margin by Business Area



- Improved EBITA margin in 4 Business Areas – largest improvement in DACH
- High and stable gross margins but higher expense levels dampens margin development in many companies
- Significant EBITA margin declines in Business Area Finland and Measurement & Sensor Technology
  - Development in Finland mainly explained by one-offs and the organic sales decline
  - Measurement & Sensor Technology dampened primarily by growth initiatives and slightly lower gross margin

# Acquisitions

## Acquisitions 2023

		Business Area	Annual Sales
Q1	 Sax Lift A/S	FMS	130 MSEK
	 Hobe GmbH	DACH	80 MSEK
	 Siersema Componenten Service B.V.	Benelux	390 MSEK
Q2	 Safematic A/S	FMS	55 MSEK
	 Labema Oy	Finland	70 MSEK
	 I-tronik S.r.l.	DACH	165 MSEK



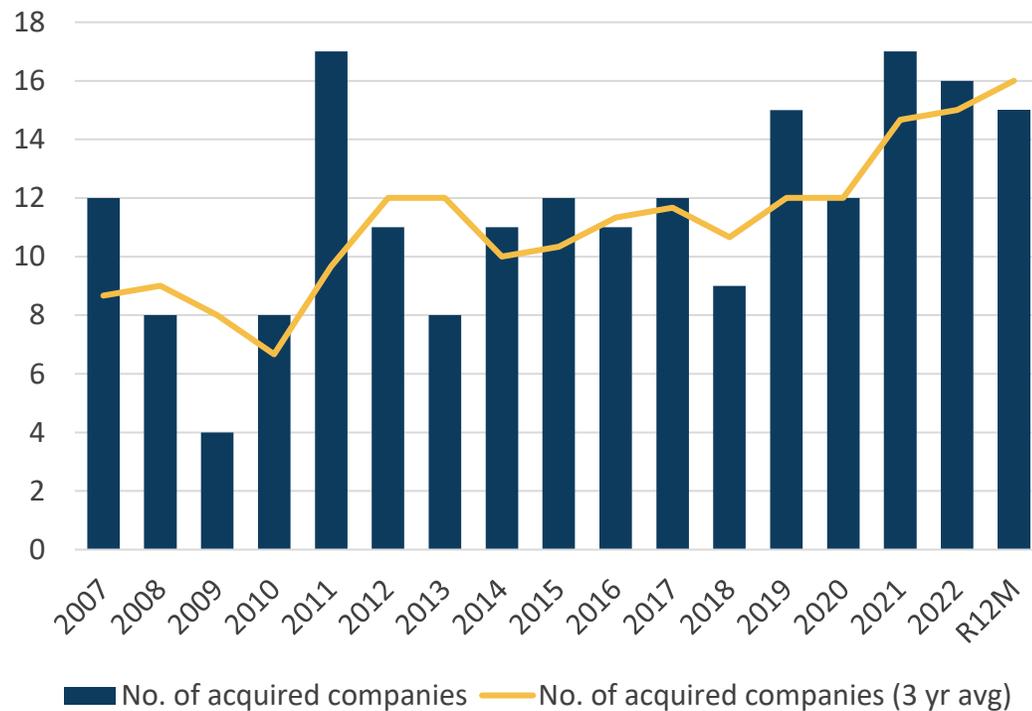
Total

890 MSEK

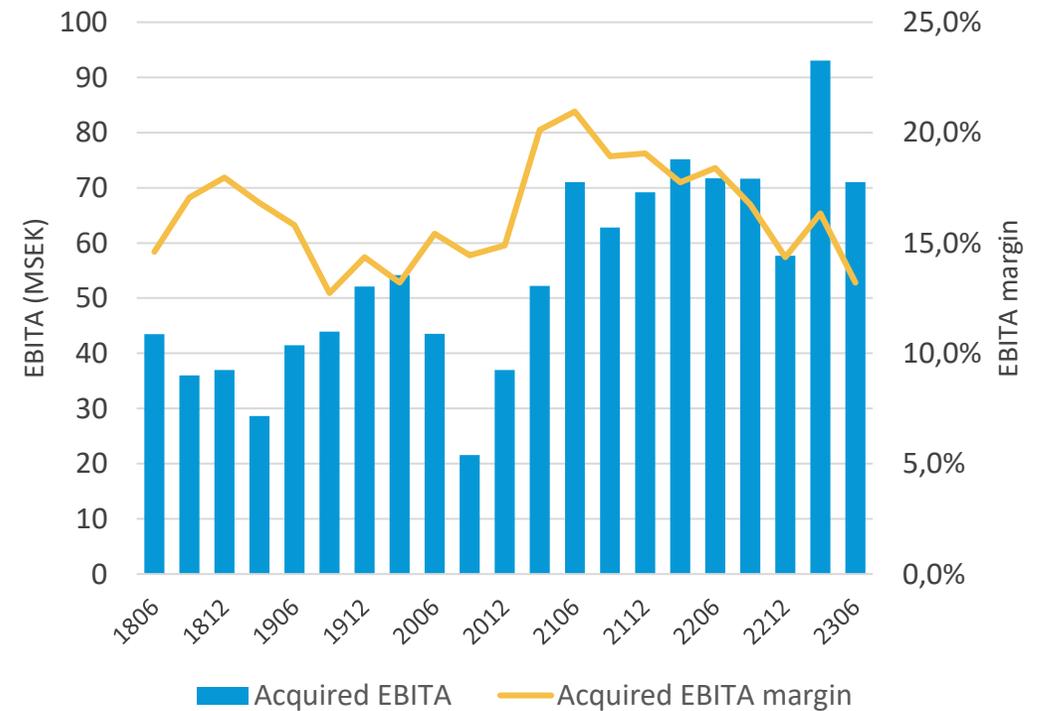


# Successful acquisition track record

No. of acquired companies per year



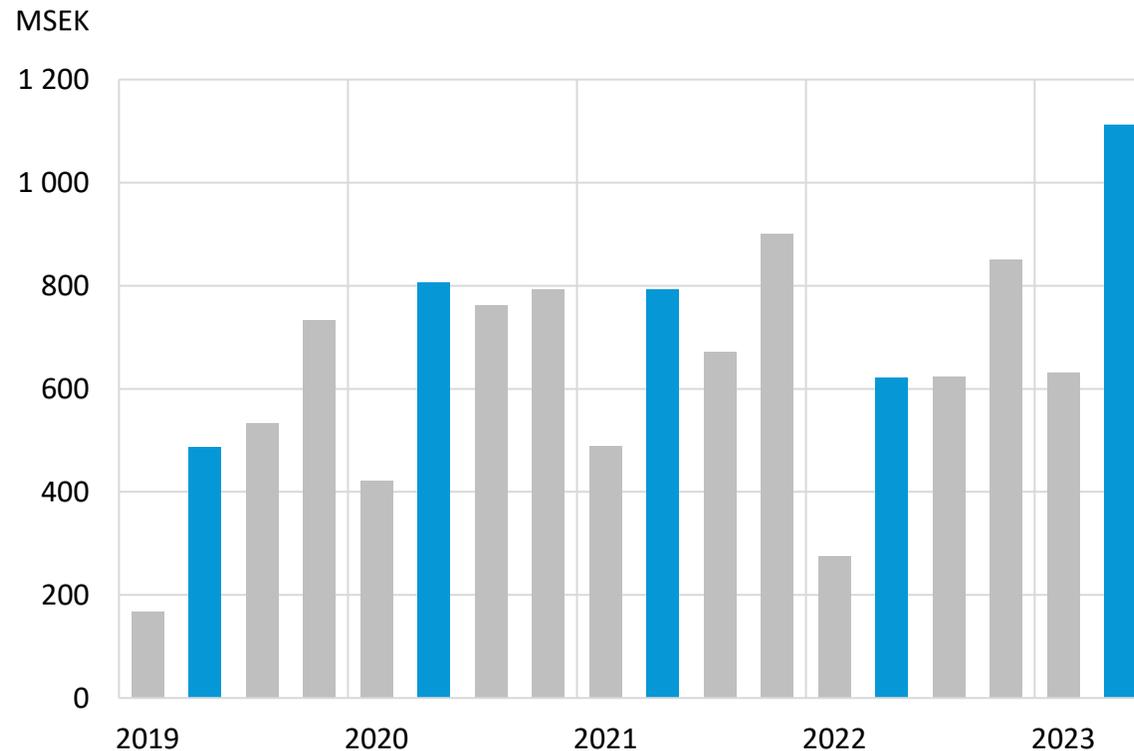
Quarterly financial effects acquisitions\*



# Key data summary

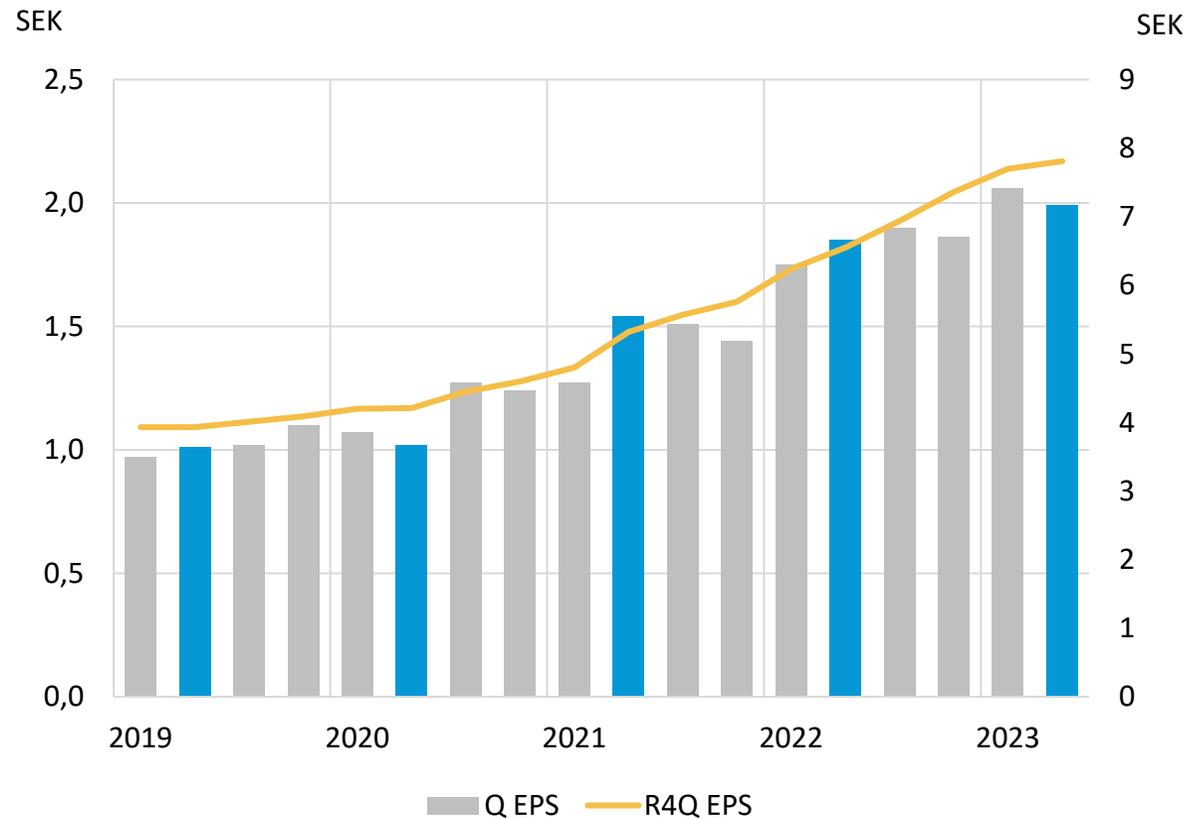
MSEK	2023-Q2	2022-Q2	Change	2023-YTD	2022-YTD	Change
Order Intake	7,829	7,029	11%	15,905	14,114	13%
Net Sales	8,100	6,683	21%	16,163	13,081	24%
Gross margin, %	34.6	34.9		34.6	34.7	
EBITA	1,213	1,023	19%	2,438	1,982	23%
EBITA-margin, %	15.0	15.3		15.1	15.2	
Net financial items	-122	-37	230%	-220	-72	206%
Tax	-215	-196	10%	-444	-372	19%
Earnings per share (before dilution), SEK	1.99	1.85	8%	4.05	3.60	13%
Return On Capital Employed, %	22	23		22	23	
Cash Flow from operating activities	1,112	622	79%	1,744	898	94%
Net debt / EBITDA, times	1.9	1.6		1.9	1.6	

# Cash Flow from operating activities



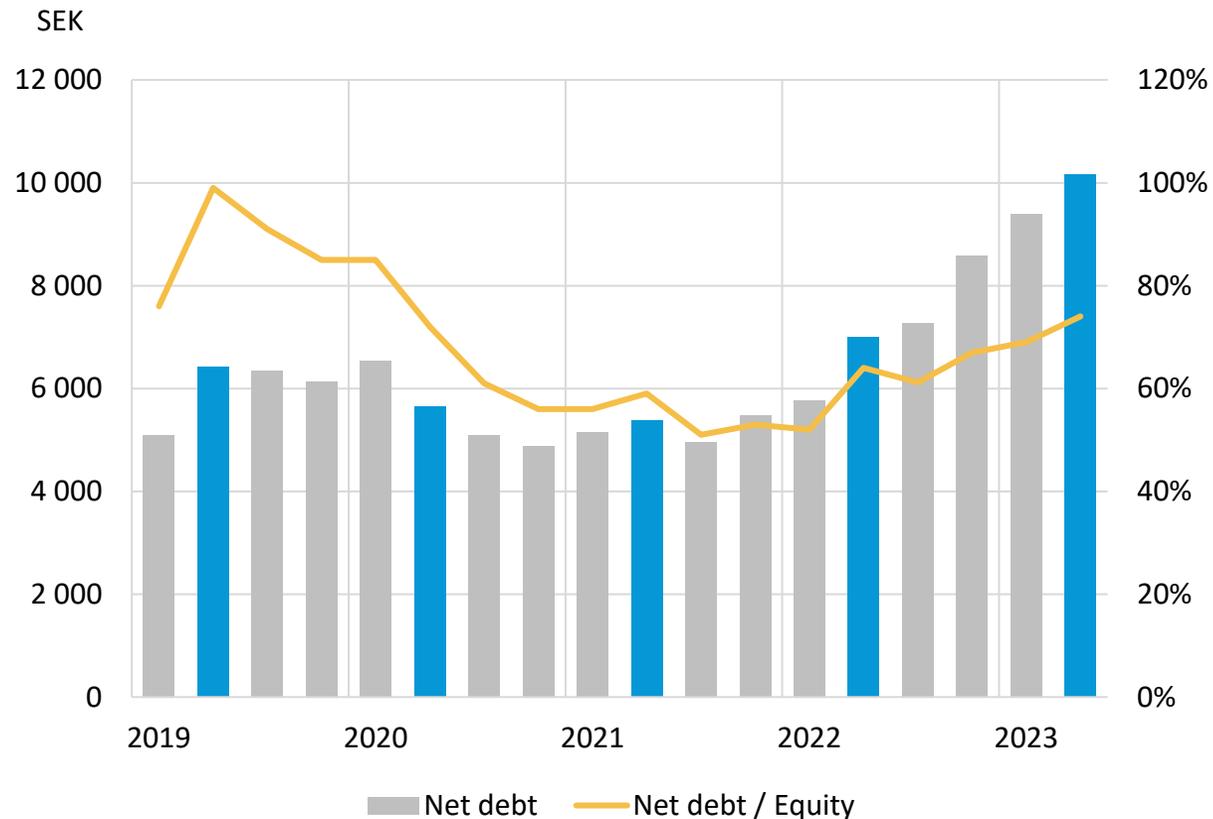
- All-time-high operating cash flow during the quarter, 1,112 (622) MSEK
- The increase versus last year was mainly related to a more favorable working capital development
- Inventory reduced slightly during the quarter
- The working capital efficiency remains lower than last year

# Earnings per share



- EPS during the quarter grew 8% to SEK 1.99 (1.85) per share
- The improvements driven by higher EBITA but dampened by higher interest costs and amortisations
- 3- and 5-year rolling 4Q earnings per share CAGR, were 23% and 20%

# Net debt



- The interest-bearing net debt increased to 10,166 (6,998) MSEK
- The increase compared to last year is mainly due to a high acquisition pace and a dampened operational cash flow during last year
- Net debt/equity ratio was 74% (64%)
- Net debt/EBITDA was 1.9x (1.6).  
Excluding earn-out liabilities 1.7x (1.3)

# Infrastructure and construction – segment details

## Equipment and products for ground and infrastructure applications

Share of net sales



### Example of product areas:

- ✓ Hydraulic grippers
- ✓ Geospatial solutions
- ✓ Foundation drilling systems
- ✓ Valves and pipes



## Input material and products for mainly commercial buildings

Share of net sales



### Example of product areas:

- ✓ Glass partition walls
- ✓ Steel profiles
- ✓ Ventilation ducting
- ✓ Fire resistant materials



## Equipment, tools and consumables for building and construction companies

Share of net sales



### Example of product areas:

- ✓ Fixings, fasteners, sealants
- ✓ Measurement instruments
- ✓ Tools
- ✓ Floor grinders



## Lighting and building automation

Share of net sales



### Example of product areas:

- ✓ Light-poles / high-mast lighting
- ✓ LED light systems
- ✓ Energy optimisation systems
- ✓ Sensors



*Diversified product mix with low exposure to residential new build*

# INDUTRADE SUSTAINABILITY AWARDS 2023



*Purpose to acknowledge the great sustainability work going on around the Group, and to inspire further sustainable change*

# Key takeaways

- Stable, high order intake and strong sales growth!
- Solid EBITA-margin and record high operational cash flow
- The development of the general market situation for the remainder of 2023 is difficult to assess
- Large, high quality order backlog. Several of our companies are well positioned in structurally growing market areas with good opportunities for continued growth
- 6 acquisitions so far in 2023, with combined annual sales of SEK 890 million. Several ongoing projects in different phases
- Strong platform for long-term sustainable, profitable growth!



**Thank you!**

**Q&A**



**Indutrade**

# Financial calendar & contact details

**27 OCTOBER 2023**

Interim Report 1 January – 30 September 2023

**1 FEBRUARY 2024**

Year-end report 2023

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