

# Interim report third quarter

1 January – 30 September 2020

## Third quarter 2020

- Order intake fell 3% to SEK 4,486 million (4,638). For comparable units, it was a decrease of 2%.
- Net sales increased slightly to SEK 4,599 million (4,595). Comparable units were unchanged.
- EBITA increased by 16% to SEK 685 million (588), corresponding to an EBITA margin of 14.9% (12.8%).
- Profit for the quarter rose 24% to SEK 458 million (369), and earnings per share were SEK 3.80 (3.05).
- Cash flow from operating activities increased and amounted to SEK 761 million (534).

## 1 January – 30 September 2020

- Order intake rose 4% to SEK 14,491 million (13,901). Comparable units were unchanged.
- Net sales rose 5% to SEK 14,189 million (13,548). Comparable units were unchanged.
- EBITA increased by 12% to SEK 1,903 million (1,699), corresponding to an EBITA margin of 13.4% (12.5%).
- Profit for the period grew 12% to SEK 1,216 million (1,084), and earnings per share were SEK 10.07 (8.97).
- Cash flow from operating activities increased and amounted to SEK 1,988 million (1,190).

## Financial Development

SEK million	2020	2019	Change	2020	2019	Change	2019/20	2019
	Jul-Sep	Jul-Sep		Jan-Sep	Jan-Sep		Moving 12 mos	Jan-Dec
Order intake	4,486	4,638	-3%	14,491	13,901	4%	19,243	18,653
Net sales	4,599	4,595	0%	14,189	13,548	5%	19,052	18,411
Operating profit	599	505	19%	1,642	1,470	12%	2,188	2,016
EBITA	685	588	16%	1,903	1,699	12%	2,534	2,330
EBITA margin, %	14.9	12.8		13.4	12.5		13.3	12.7
Profit before taxes	573	472	21%	1,549	1,383	12%	2,058	1,892
Net profit	458	369	24%	1,216	1,084	12%	1,615	1,483
Earnings per share before dilution, SEK	3.80	3.05	25%	10.07	8.97	12%	13.36	12.26
Return on capital employed, %	19	19		19	19		19	19
Cash flow from operating activities	761	534	43%	1,988	1,190	67%	2,720	1,922
Net debt/equity ratio, %	61	91		61	91		61	85



# Q3

## CEO's message

*Record high earnings, sequentially improving demand, but challenging market conditions going forward.*

### Third quarter

The market situation gradually improved during the quarter, but with a continued negative impact by the covid-19 situation. Overall, demand was at a slightly lower level than the corresponding period last year, and since the outbreak of the pandemic, the development has varied significantly across the different customers, companies, segments, and geographical markets. Order intake amounted to SEK 4.5 billion, corresponding to a decrease of 3%, of which 2% was organic. The development sequentially improved for the engineering industry but was still weaker than last year. Fewer capital-intensive investments and new projects within a number of customer segments negatively impacted demand. Demand remained strong for companies with customers in the medical technology and pharmaceutical sectors, which was partly attributable to covid-19. Performance was also good in the water/wastewater segment and across much of the process industry. In the energy segment, order intake for valves for power generation levelled off during the quarter but invoicing growth remained strong.

Sales amounted to SEK 4.6 billion and was organically unchanged compared to the same period last year. The strongest performance came from the business areas Benelux and Flow Technology, which was primarily fuelled by the energy segment, along with good development in the medical technology and pharmaceutical segments. The weakest development was in the business areas UK and Measurement & Sensor Technology.

The EBITA result improved by 16% to SEK 685 million, corresponding to a record high EBITA margin of 14.9% (12.8%). The result includes several non-recurring items that are primarily attributable to the pandemic, and in total, they had a positive impact of SEK 21 million. Excluding non-recurring items, EBITA margin was 14.4% (12.8%). The improvement was primarily attributable to the strong performance of companies in the energy, medical technology and pharmaceutical segments, as well as good cost management. Margins were strengthened for seven of our eight business areas, with the strongest development in the Flow Technology and Industrial Components business areas.

Our highest priority continues to be the health and safety of our employees, customers and suppliers. Thanks to the amazing efforts of our employees, we have been able to quickly and efficiently adapt to the prevailing circumstances and act on business opportunities. Although we operate in a global market, many of our companies have a strong local presence, which has so far proven to be a strength during the pandemic. The cost reduction programmes that were initiated have been pursued by companies experiencing a decline in order intake. The number of employees involved in various types of temporary lay-offs and short-term work decreased during the third quarter and amounted to around 600 of our total 7,200 employees at the end of the quarter. Since the end of March, the workforce has been permanently reduced by approximately 260 individuals. Several companies are evaluating additional needs to permanently reduce the number of employees.

Cash flow improved thanks to favourable development of working capital and the strong result. Inventory remained at a rather high level, yet



with a slightly downward trend. During these uncertain market conditions, we have intentionally held back activities to lower inventory levels in order to ensure delivery service and availability to customers. Trade receivables developed in line with sales.

We accelerate our efforts in the areas of sustainability and digitalisation so that we can continue increasing value to customers by enhancing efficiency and offer solutions that reduce environmental impacts. Our long-term sustainability vision, that will be presented in November, includes not only long-term, measurable sustainability goals for the Group as a whole, but also higher climate ambitions.

### Acquisitions

Two acquisitions were made during the quarter. One was the Dutch company HoFa, which offers customised industrial fasteners, and the other was the British company UK Gas Technologies, which offers custom-made solutions for high-purity medical and laboratory gases. Subsequent to the end of the quarter, Indutrade also acquired the Czech company Cheirón. It offers primarily medical technology products, specialising in equipment used for healthcare applications in surgery rooms, intensive care wards, emergency wards, and cardio units.

In total, we have acquired nine companies thus far in 2020 with total annual sales of slightly more than SEK 700 million. The market situation has gradually improved, and we have a good inflow of interesting companies. We have deliberately prolonged the acquisition discussions to ensure that the right conditions exist for profitable growth in our acquisition candidates. 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

The business situation remains uncertain given the prevailing conditions, with a rising number of covid-19 cases at several geographic locations. We expect that demand will gradually improve in most of the segments where performance has been weaker. Demand in the energy segment in particular, as well as the medical technology and pharmaceutical segments is expected to remain high, yet with a slightly lower rate of growth. As the level of activity increases in our companies, so too will the cost levels.

Our focus remains on creating sustainable, profitable growth, both organically and through acquisitions, and I am convinced that with our dedicated employees, diversified structure and strong balance sheet, we have all the prerequisites for continued competitive value-creation.

Bo Annvik, President and CEO

## Group performance

### Order intake

Due to the ongoing pandemic, demand during the third quarter was, overall, somewhat lower than the corresponding period last year. Variation across the different companies remained large. Companies in the medical technology and pharmaceutical sectors delivered strong performances. Earnings were favourable, too, for many of the companies working with water/wastewater, as were those in the process industry. The demand from customers in the engineering industry improved somewhat compared to the second quarter but was still lower than in the corresponding period last year. In many customer segments, the investment level was lower than it has been in the past, which has had a negative impact on demand.

Order intake was 2% lower than invoicing and amounted to SEK 4,486 million (4,638), which is a decrease of 3%. Comparable units had an effect of -2%, acquisitions contributed 3%, divestments had an effect of -1%, and currency movements -3%.

Order intake improved for comparable units in the Flow Technology and Fluids & Mechanical Solutions business areas. For Flow Technology, the improvement was primarily fuelled by companies with customers in the pharmaceutical and medical technology segments and for Fluids & Mechanical Solutions it was fuelled by the automotive aftermarket. Order intake was weakest for the Measurement & Sensor Technology and DACH business areas, which is primarily attributable to the lower level of activity and investment stemming from the pandemic.

Order intake during January – September increased to SEK 14,491 million (13,901), an increase of 4%. Comparable units were unchanged, acquisitions contributed 6%, divestments had an effect of -1% and currency movements -1%.

### Net sales

Net sales increased slightly during the third quarter to SEK 4,599 million (4,595). Comparable units were unchanged, acquisitions contributed 3%, currency movements had an effect of -3% and divestments only had a marginal impact.

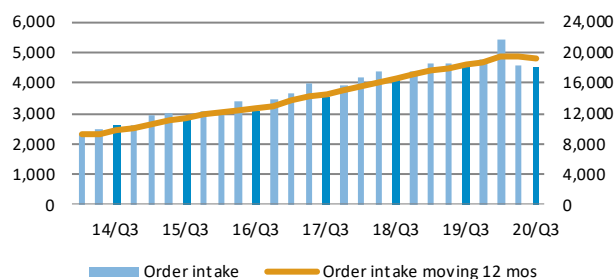
Organic growth was strongest for the Benelux and Flow Technology business areas. The positive development in Benelux primarily stems from a high level of invoicing for valves for power generation. For Flow Technology, the improvement is primarily attributable to companies with customers in the pharmaceutical and medical technology segments.

The weakest organic growth came from the UK and Measurement & Sensor Technology business areas. The decline in those business areas is primarily associated with the low level of activity and investment caused by the ongoing pandemic.

Net sales rose 5% during the period January – September to SEK 14,189 million (13,548). Comparable units were unchanged, acquisitions contributed 6%, currency movements had an effect of -1% and divestments only had a marginal impact.

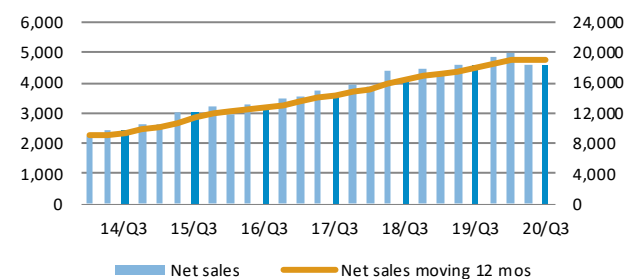
### Order intake

SEK million

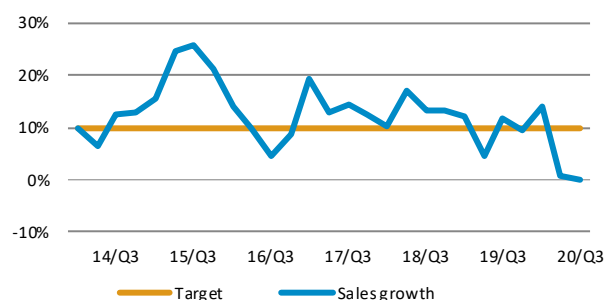


### Net Sales

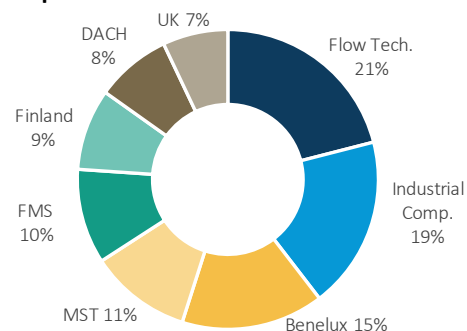
SEK million



### Sales growth



### Net Sales per Business Area



# Q3

## Earnings

Operating profit before amortisation of intangible assets attributable to acquisitions (EBITA) amounted to SEK 685 million (588) for the third quarter, which is an improvement of 16%. Comparable units increased by 16%, acquisitions contributed 3%, currency movements had an effect of -3% and divestments only had a marginal impact. The EBITA margin increased to 14.9% (12.8%). The increase in EBITA margin is primarily attributable to the strong performance of companies with customers in the medical technology and pharmaceutical sectors, along with good cost control in companies negatively impacted by the pandemic.

Non-recurring items had a positive impact on EBITA during the quarter of SEK 21 million. Excluding non-recurring items, the EBITA margin was 14.4% (12.8%). Non-recurring items are primarily associated with the pandemic and they consisted of revaluations of contingent considerations that had a positive impact on EBITA of SEK 197 million, goodwill impairment that had a negative impact of SEK 141 million and other non-recurring items that had a negative impact of SEK 35 million. Other non-recurring items were primarily associated to staff reductions in the UK and Sweden. All non-recurring items are reported on consolidated financial statement level and have as such not affected the business areas.

During the quarter, personnel related support amounted to 0.5% of net sales and was reported as cost reduction. During the second quarter the support amounted to approximately 1.5% of net sales.

Gross margin for the third quarter fell slightly because of a less attractive product mix and write-downs for obsolescence and amounted to 33.6% (33.9%). For the period January – September, gross margin was 33.8% (34.1%).

The Flow Technology and Industrial Components business areas reported the largest improvements in EBITA margin. For both business areas,

the positive development is attributable to the strong performance of companies with customers in the medical technology and pharmaceutical sectors, along with good cost control.

The EBITA margin fell for the UK business area, which is primarily attributable to negative organic growth and uncertain market conditions in general resulting from the ongoing pandemic.

Net financial items during the third quarter amounted to SEK -26 million (-33). The improvement is primarily associated with a lower level of borrowing and reversal of interest on contingent considerations. Tax on profit for the quarter was SEK -115 million (-103), corresponding to a tax charge of 20% (22%). Profit for the quarter rose 24% to SEK 458 million (369). Earnings per share before dilution grew 25% and amounted to SEK 3.80 (3.05).

For the period January – September, operating profit before amortisation of intangible assets attributable to acquisitions (EBITA) amounted to SEK 1,903 million (1,699), an increase of 12%. Comparable units increased by 6%, acquisitions contributed 7%, currency fluctuations had an effect of -1% and divestments only had a marginal impact. The EBITA margin increased to 13.4% (12.5%).

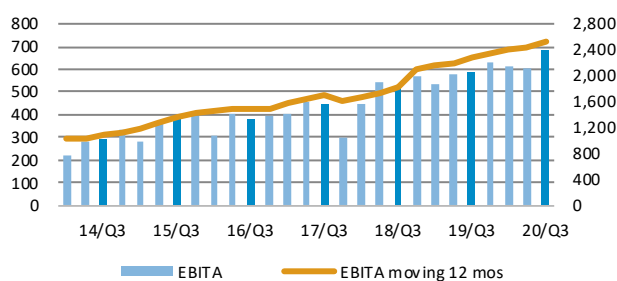
Net financial items for the period January – September amounted to SEK -93 million (-87). Tax on profit for the period was SEK -333 million (-299), corresponding to a tax charge of 21% (22%). Profit for the period grew 12% and amounted to SEK 1,216 million (1,084). Earnings per share before dilution increased by 12% and amounted to SEK 10.07 (8.97).

## Return

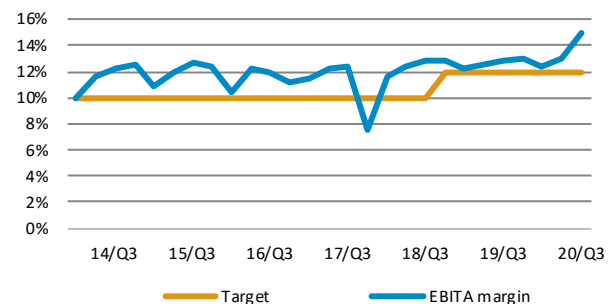
Return on capital employed was on a par with last year and amounted to 19% (19%). Return on equity was 21% (22%).

### EBITA

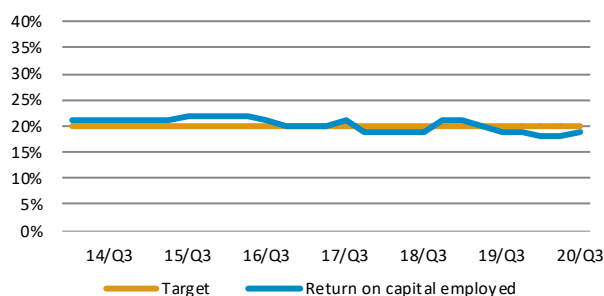
SEK million



### EBITA margin

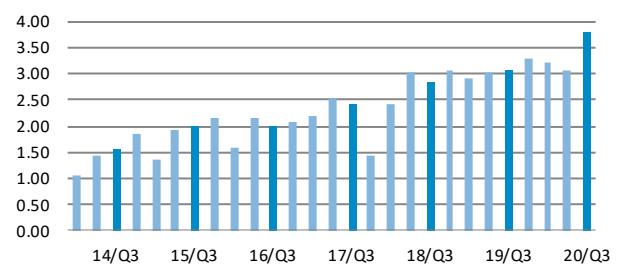


### Return



### 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	2020 Jul-Sep	2019 Jul-Sep	Change	2020 Jan-Sep	2019 Jan-Sep	Change	2019/20 Moving 12 mos	2019 Jan-Dec
Net sales	688	569	21%	2,059	1,584	30%	2,763	2,288
EBITA	89	71	25%	257	199	29%	373	315
EBITA margin, %	12.9	12.5		12.5	12.6		13.5	13.8

Net sales rose 21% during the third quarter to SEK 688 million (569). Comparable units increased by 16%, acquisitions contributed 9% and currency movements had an effect of -4%.

Overall, demand during the quarter was on a par with the same period last year. Order intake was 8% lower than invoicing during the quarter.

EBITA for the quarter increased by 25% to SEK 89 million (71), corresponding to an EBITA margin of 12.9% (12.5%). For comparable units, EBITA increased by 21%, acquisitions contributed with 8% and currency movements had an effect of -4%.

The upward trend for organic net sales and EBITA were primarily attributable to valves for power generation. Temporary lay-offs and related support only had a marginal impact on EBITA.

### 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	2020 Jul-Sep	2019 Jul-Sep	Change	2020 Jan-Sep	2019 Jan-Sep	Change	2019/20 Moving 12 mos	2019 Jan-Dec
Net sales	360	375	-4%	1,167	1,029	13%	1,541	1,403
EBITA	42	36	17%	130	98	33%	166	134
EBITA margin, %	11.7	9.6		11.1	9.5		10.8	9.6

Net sales fell 4% during the quarter to SEK 360 million (375). Comparable units had an effect of -6%, acquisitions contributed 5%, currency movements had an effect of -2% and divestments had an effect of -1%.

Demand during the quarter was weaker compared to the same period last year, which is primarily attributable to lower demand in Germany. Order intake was 7% higher than invoicing during the quarter.

EBITA for the quarter increased by 17% to SEK 42 million (36), and the EBITA margin was 11.7% (9.6%). For comparable units, EBITA increased by 21%, acquisitions contributed 1%, currency movements had an effect of -2% and divestments -3%.

The higher EBITA margin is primarily explained by cost reductions. Support for temporary lay-offs corresponded to approximately 1% of net sales.

# Q3

## 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	2020 Jul-Sep	2019 Jul-Sep	Change	2020 Jan-Sep	2019 Jan-Sep	Change	2019/20 Moving 12 mos	2019 Jan-Dec
Net sales	394	419	-6%	1,262	1,253	1%	1,698	1,689
EBITA	72	68	6%	186	162	15%	247	223
EBITA margin, %	18.3	16.2		14.7	12.9		14.5	13.2

Net sales fell 6% during the quarter to SEK 394 million (419). Comparable units had an effect of -7%, acquisitions contributed 4% and currency movements had an effect of -3%.

Overall, demand during the quarter was lower than in the same period last year. Order intake was 6% lower than invoicing during the quarter.

EBITA for the quarter grew 6% to SEK 72 million (68). The EBITA margin increased and amounted to 18.3% (16.2%). Comparable units increased by 1%, acquisitions contributed 7% and currency movements had an effect of -2%.

The higher EBITA margin is primarily attributable to good performance by companies with customers in the infrastructure and energy sectors, along with cost reductions. Support for temporary lay-offs was marginal during the quarter.

## 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	2020 Jul-Sep	2019 Jul-Sep	Change	2020 Jan-Sep	2019 Jan-Sep	Change	2019/20 Moving 12 mos	2019 Jan-Dec
Net sales	996	946	5%	3,017	2,801	8%	4,014	3,798
EBITA	162	122	33%	453	357	27%	587	491
EBITA margin, %	16.3	12.9		15.0	12.7		14.6	12.9

Net sales rose 5% during the quarter to SEK 996 million (946). Comparable units increased by 8%, acquisitions contributed 2%, currency movements had an effect of -3% and divestments -2%.

Demand remained positive for many of the companies in this business area, particularly from customers in the medical technology and pharmaceutical segments and the process industry. Order intake was 4% lower than invoicing during the quarter.

EBITA for the quarter increased by 33% to SEK 162 million (122), corresponding to an EBITA margin of 16.3% (12.9%). Comparable units increased by 33%, acquisitions contributed 4%, currency movements had an effect of -3% and divestments -1%.

The higher EBITA margin is primarily explained by the strong performance by companies with customers in the medical technology and pharmaceutical industries, along with good cost control and savings. Acquisitions and divestments also contributed to the improved margin. Support for temporary lay-offs was marginal during the quarter.

## 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	2020 Jul-Sep	2019 Jul-Sep	Change	2020 Jan-Sep	2019 Jan-Sep	Change	2019/20 Moving 12 mos	2019 Jan-Dec
Net sales	479	501	-4%	1,472	1,538	-4%	1,975	2,041
EBITA	66	67	-1%	202	215	-6%	266	279
EBITA margin, %	13.8	13.4		13.7	14.0		13.5	13.7

Net sales fell 4% during the quarter to SEK 479 million (501). Comparable units had an effect of -3% and currency movements -1%.

Overall, demand during the quarter was slightly higher than in the corresponding period last year, primarily driven by favourable developments for companies in the automotive aftermarket. Order intake was 2% higher than invoicing during the quarter.

EBITA fell by 1% during the quarter to SEK 66 million (67), and the EBITA margin increased to 13.8% (13.4%). Comparable units were unchanged and currency movements had an effect of -1%.

The improved EBITA margin is primarily attributable to companies in the automotive aftermarket and good cost control. During the quarter, support for temporary lay-offs and staffing amounted to approximately 1% of net sales.

## 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	2020 Jul-Sep	2019 Jul-Sep	Change	2020 Jan-Sep	2019 Jan-Sep	Change	2019/20 Moving 12 mos	2019 Jan-Dec
Net sales	842	823	2%	2,673	2,596	3%	3,590	3,513
EBITA	122	101	21%	376	317	19%	491	432
EBITA margin, %	14.5	12.3		14.1	12.2		13.7	12.3

Net sales rose 2% during the quarter to SEK 842 million (823). Comparable units increased by 1%, acquisitions contributed 4% and currency movements had an effect of -3%.

Overall, demand during the quarter was somewhat weaker than in the corresponding period last year, but it varied across the different segments in this business area. The most favourable developments were in the medical technology sector and the weakest were in the transmission and automation sectors. Order intake was 4% lower than invoicing during the quarter.

EBITA for the quarter increased by 21% to SEK 122 million (101), and the EBITA margin was 14.5% (12.3%). For comparable units, EBITA increased by 22%, acquisitions contributed 3% and currency movements had an effect of -4%.

The improved EBITA margin is primarily attributable to companies in the medical technology segment, along with cost savings. During the quarter, support for temporary lay-offs and staffing amounted to approximately 0.5% of net sales.

# Q3

## 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	2020 Jul-Sep	2019 Jul-Sep	Change	2020 Jan-Sep	2019 Jan-Sep	Change	2019/20 Moving 12 mos	2019 Jan-Dec
Net sales	523	584	-10%	1,575	1,662	-5%	2,172	2,259
EBITA	96	98	-2%	245	271	-10%	340	366
EBITA margin, %	18.4	16.8		15.6	16.3		15.7	16.2

Net sales fell by 10% during the quarter to SEK 523 million (584). Comparable units had an effect of -9%, acquisitions contributed 2% and currency movements had an effect of -3%.

Overall, demand during the quarter was lower than in the same period last year. The weakest performance came from companies with customers in the automotive industry and in the segment for professional communication. Order intake was 4% lower than invoicing during the quarter.

EBITA for the quarter fell by 2% and amounted to SEK 96 million (98). The EBITA margin amounted to 18.4% (16.8%). Comparable units had an effect of -3% on EBITA, acquisitions contributed 3% and currency movements had an effect of -2%.

The improved EBITA margin is primarily attributable to cost savings. During the quarter, support for temporary lay-offs and staffing amounted to approximately 0.5% of net sales.

## 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	2020 Jul-Sep	2019 Jul-Sep	Change	2020 Jan-Sep	2019 Jan-Sep	Change	2019/20 Moving 12 mos	2019 Jan-Dec
Net sales	329	387	-15%	1,008	1,120	-10%	1,357	1,469
EBITA	41	59	-31%	128	172	-26%	164	208
EBITA margin, %	12.5	15.2		12.7	15.4		12.1	14.2

Net sales fell 15% during the quarter to SEK 329 million (387). Comparable units had an effect of -12% and currency movements -3%.

Demand was weaker for most companies compared to the same period last year, which is primarily attributable to the lower level of economic activity in the country stemming from the pandemic. Order intake was, however, 6% higher than invoicing during the quarter thanks to the favourable performance of some companies in, for example, the marine segment.

EBITA fell by 31% during the quarter to SEK 41 million (59), and the EBITA margin was 12.5% (15.2%). Comparable units had an effect of -28% and currency movements had an effect of -3%.

The deterioration of EBITA margin primarily results from lower net sales. To a certain extent, however, it was counterbalanced by cost savings and lay-offs. Support for temporary lay-offs corresponded to approximately 2% of net sales.



## Other financial information

### Financial position

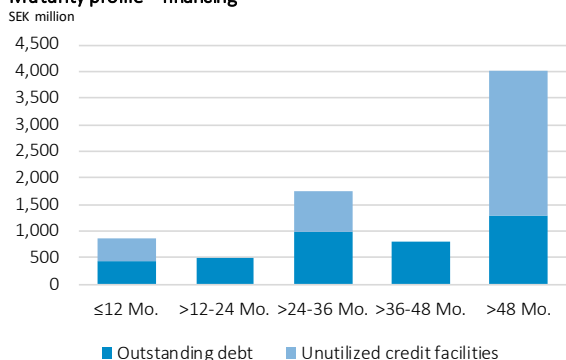
Shareholders' equity amounted to SEK 8,298 million (6,939) and the equity ratio was 46% (39%).

Cash and cash equivalents amounted to SEK 832 million (700). In addition to this, the Group had unutilised credit commitments of SEK 3,907 million (3,246).

Interest-bearing net debt amounted to SEK 5,088 million (6,342) at the end of the quarter. The decline compared to last year was primarily attributable to the strong cash flow, lower rate of acquisition and not having paid dividends for 2019. The net debt/equity ratio was 61% (91%) 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 certificate programmes. In February, the framework amount for the certificate programme was increased from SEK 2 billion to SEK 3 billion. Financing was strengthened during the second quarter in conjunction with having extended a short-term loan of SEK 800 million by more than three years, extending existing long-term credit commitments by an additional year and by obtaining new long-term credit commitments of SEK 750 million. At the end of the third quarter, the Parent Company's short-term borrowing amounted to SEK 438 million and long-term unutilised credit facilities amounted to SEK 3,465 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.

### Cash flow, capital expenditures and depreciation

Cash flow from operating activities increased during the third quarter to SEK 761 million (534). The improvement is primarily attributable to a more favourable development of working capital compared to the same period last year and a higher operating profit.

Cash flow from operating activities amounted to SEK 1,988 million (1,190) for the period January – September. Cash flow after net capital expenditures in intangible non-current assets and in property, plant and equipment (excluding company acquisitions) was SEK 1,662 million (930).

Inventory remained at a rather high level in order to ensure delivery service and availability.

The Group's net capital expenditures, excluding company acquisitions, totalled SEK 326 million (260). Depreciation of property, plant and equipment totalled SEK 445 million (405). Investments in company acquisitions amounted to SEK 569 million (1,303). In addition, earn-out payments for previous years' acquisitions totalled SEK 115 million (85). Divestments amounted to SEK 45 million (25).

### Employees

The number of employees was 7,246 at the end of the period, compared with 7,357 at the start of the year.

During the quarter approximately 1,000 of our employees were involved in various types of temporary lay-offs and short-term work. That number gradually fell and as of 30 September 2020, the total was approximately 600 employees, which corresponds to 8% of the total number of employees for the Group.

In total, permanent staff reductions amount to approximately 260 since 31 March 2020. Several companies are evaluating additional needs to permanently reduce the number of staff.

### Company acquisitions

The Group acquired the following companies, which are consolidated for the first time in 2020.

Month acquired	Acquisitions	Business area	Net sales/SEK m*	No. of employees*
January	Stein Automation GmbH Co. KG	DACH	110	45
January	VarioDrive B.V.	Benelux	60	6
January	AVA Monitoring AB	Measurement & Sensor Technology	45	10
February	Sverre Hellum & Sønn AS	Industrial Components	60	13
February	Jouka Oy	Finland	70	31
March	Nortronic AS	Industrial Components	60	16
July	Holland Fasteners B.V.	Benelux	50	9
September	UK Gas Technologies Ltd	Flow Technology	130	32
<b>Total</b>			<b>585</b>	<b>162</b>

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

Further information about completed company acquisitions can be found on page 21 of this interim report.

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## Events after the end of the reporting period

Cheirón A.S. was acquired on 1 October 2020. For more information, see page 22.

## 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 – September. The Parent Company's financial assets consist mainly of shares in subsidiaries. During the period January – September, the Parent Company acquired shares in three companies. The Parent Company has not made any major investments in intangible assets or in property, plant and equipment. The number of employees on 30 September was 19 (18).

## 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 described in the Indutrade Annual Report for 2019, Indutrade has assessed that pandemics, such as the covid-19 pandemic, could significantly impact the Group's companies in the form of health risk for employees, customers and suppliers, operational disruption and a deterioration of financial position. The Group's structure, with its diversified, wide-ranging operations, limits the aggregated business and financial risks also when risks such as a pandemic arise.

Furthermore, with its decentralised governance model comprised of more than 200 independent companies, it is possible to quickly make decisions adapted to the local conditions, which is important as regards being able to limit the effects of a pandemic outbreak. In the event of a major crisis, Indutrade engages in more dialogue with its subsidiaries to ensure that there is a correct and rapid dissemination of information and the proper support for making good decisions.

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 2019 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 for the Group and Parent Company in this report as those used in the most recent annual report, with the addition of IAS 20 Accounting for Government Grants and Disclosure of Government Assistance. More information about this is provided below. There are no new IFRSs or IFRIC pronouncements endorsed by the EU that are applicable for Indutrade or that had a significant impact on the Group's result of operations and position in 2020.

Indutrade does not normally receive government assistance. However, due to the extraordinary circumstances associated with the covid-19 pandemic, companies belonging to the Group have obtained this type of support and it has primarily been employee-related. Such support is reported in the financial statements as a cost reduction for the items the support relates to. Recognition occurs when it is reasonably certain that the support will be received and any stated terms and conditions have been met.

## Nomination Committee

Indutrade's Annual General Meeting on 6 May 2013, adopted an instruction for the Nomination Committee of Indutrade AB (publ) that applies until further notice. According to this instruction, the Nomination Committee shall be composed of representatives of four of the largest shareholders in terms of votes (owner-grouped), plus the Chairman of the Board. The member representing the largest shareholder shall serve as committee chair. In the event a member resigns from the Nomination Committee prior to the completion of its work, if the Nomination Committee finds it suitable a replacement shall be appointed from the same shareholder or, if such shareholder is no longer one of the largest shareholders, from the shareholder that is next in turn in terms of size. If the ownership conditions otherwise change significantly before the Nomination Committee's assignment has been completed, if the Nomination Committee so decides, it shall be possible to make a change in the composition of the committee in a manner deemed suitable by the Nomination Committee.

The composition of the Nomination Committee ahead of the Annual General Meeting shall be based on shareholder information from Euroclear Sweden AB's register as per the last trading day in August, and shall be announced as soon as the members are appointed, but not later than six months prior to the Annual General Meeting. No fees shall be paid to the members of the Nomination Committee. Any costs incurred for the Nomination Committee's work shall be borne by the company. The Nomination Committee's mandate period continues until the composition of the subsequent Nomination Committee has been made public.

Accordingly, the following persons have been appointed as members of the Nomination Committee: Claes Boustedt (L E Lundbergföretagen, committee chair), Katarina Martinson (Chairman of the Board of Indutrade), Dick Bergqvist (AMF Insurance and AMF Fonder), Camilla Wirth (Alecta Pensionsförsäkring) and Henrik Didner (Didner & Gerge Fonder).

Indutrade's Annual General Meeting will be held on 13 April 2021, in Stockholm. Shareholders who wish to submit nominations to the Nomination Committee can do so via e-mail at [valberedning@indutrade.com](mailto:valberedning@indutrade.com), or by sending them by post to Indutrade at the address provided below. In order for the Nomination Committee to be able to consider submitted nominations in a constructive manner, these should be in the committee's possession by 31 December 2020 at the latest.

## Financial Calendar

- 2 February 2021:  
Year-end report 1 January–31 December 2020
- 13 April 2021:  
Annual General Meeting will be held in Stockholm
- 29 April 2021:  
Interim report 1 January–31 March 2021
- 19 July 2021:  
Interim report 1 January–30 June 2021
- 28 October 2021:  
Interim report 1 January–30 September 2021

Stockholm, 20 October 2020  
Indutrade AB (publ)

Bo Annvik  
President and CEO

### 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 Securities Market Act. The information was submitted for publication by the agency of the following contact persons at 12.00 CEST on 20 October 2020.

### 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, or Frida Adrian, VP  
Communications, Sustainability & IR, tel.: +46 70 930 93 24.

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

A webcast of the report will be presented on 20 October at 2.30 p.m. (CEST) via the following link:

<https://tv.streamfabriken.com/indutrade-q3-2020>

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

SE: +46 8 566 427 03  
UK: +44 333 300 9273  
USA: +1 8 335 268 383

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## Auditor's review report

Auditor's review report on interim financial information in summary (interim report), prepared in accordance with IAS 34 and Ch. 9 of the Swedish Annual Accounts Act.

### Introduction

We have reviewed the condensed interim financial information (interim report) of Indutrade AB (publ.), corporate identity number 556017-9367, as per 30 September 2020, and the nine-month period then ended. The board of directors and the President are responsible for the preparation and presentation of this interim financial information in accordance with IAS 34 and the Swedish Annual Accounts Act. Our responsibility is to express a conclusion on this interim report based on our review.

### Scope of review

We conducted our review in accordance with the International Standard on Review Engagements, ISRE 2410, Review of Interim Report Performed by the Independent Auditor of the Entity. A review consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures.

A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (ISA) and other generally accepted auditing standards in Sweden. The procedures performed in a review do not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

### Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the interim report is not prepared, in all material respects, in accordance with IAS 34 and the Annual Accounts Act for the Group, and in accordance with the Annual Accounts Act for the Parent Company.

Stockholm, 20 October 2020  
PricewaterhouseCoopers AB

Anna Rosendal  
Authorised Public Accountant  
Auditor in Charge

## Indutrade consolidated income statement – condensed

SEK million	2020 Jul-Sep	2019 Jul-Sep	2020 Jan-Sep	2019 Jan-Sep	2019/20 Moving 12 mos	2019 Jan-Dec
Net sales	4,599	4,595	14,189	13,548	19,052	18,411
Cost of goods sold	-3,055	-3,039	-9,397	-8,924	-12,599	-12,126
<b>Gross profit</b>	<b>1,544</b>	<b>1,556</b>	<b>4,792</b>	<b>4,624</b>	<b>6,453</b>	<b>6,285</b>
Development costs	-47	-52	-170	-162	-225	-217
Selling costs	-707	-721	-2,219	-2,183	-3,026	-2,990
Administrative expenses	-271	-281	-850	-824	-1,129	-1,103
Other operating income and expenses	80	3	89	15	115	41
<b>Operating profit</b>	<b>599</b>	<b>505</b>	<b>1,642</b>	<b>1,470</b>	<b>2,188</b>	<b>2,016</b>
Net financial items	-26	-33	-93	-87	-130	-124
<b>Profit before taxes</b>	<b>573</b>	<b>472</b>	<b>1,549</b>	<b>1,383</b>	<b>2,058</b>	<b>1,892</b>
Income Tax	-115	-103	-333	-299	-443	-409
<b>Net profit for the period</b>	<b>458</b>	<b>369</b>	<b>1,216</b>	<b>1,084</b>	<b>1,615</b>	<b>1,483</b>
<i>Net profit, attributable to:</i>						
Equity holders of the parent company	459	369	1,217	1,084	1,615	1,482
Non-controlling interests	-1	0	-1	0	0	1
	<b>458</b>	<b>369</b>	<b>1,216</b>	<b>1,084</b>	<b>1,615</b>	<b>1,483</b>
<b>EBITA</b>	<b>685</b>	<b>588</b>	<b>1,903</b>	<b>1,699</b>	<b>2,534</b>	<b>2,330</b>
<i>Operating profit includes:</i>						
Amortisation of intangible assets	-97 <sup>1)</sup>	-91	-294 <sup>1)</sup>	-253	-390 <sup>1)</sup>	-349
<i>of which attributable to acquisitions</i>	-86	-83	-261	-229	-346	-314
Depreciation of property, plant and equipment	-146	-143	-445	-405	-590	-550
Earnings per share before dilution, SEK	3.80	3.05	10.07	8.97	13.36	12.26
Earnings per share after dilution, SEK	3.79	3.05	10.05	8.97	13.34	12.26

<sup>1)</sup> Excluding impairment losses SEK 141 million

## Indutrade consolidated statement of comprehensive income

SEK million	2020 Jul-Sep	2019 Jul-Sep	2020 Jan-Sep	2019 Jan-Sep	2019/20 Moving 12 mos	2019 Jan-Dec
<b>Net profit for the period</b>	<b>458</b>	<b>369</b>	<b>1,216</b>	<b>1,084</b>	<b>1,615</b>	<b>1,483</b>
<b>Other comprehensive income</b>						
<b>Items that can be reversed into income statement</b>						
Fair value adjustment of hedge instruments	-1	1	2	-6	6	-2
Tax attributable to fair value adjustments	1	0	0	1	-1	0
Exchange rate differences	-1	77	-92	217	-200	109
<b>Items that cannot be reversed into income statement</b>						
Actuarial gains/losses	-	-	-	-	-79	-79
Tax on actuarial gains/losses	-	-	-	-	16	16
<b>Other comprehensive income for the period, net of tax</b>	<b>-1</b>	<b>78</b>	<b>-90</b>	<b>212</b>	<b>-258</b>	<b>44</b>
<b>Total comprehensive income for the period</b>	<b>457</b>	<b>447</b>	<b>1,126</b>	<b>1,296</b>	<b>1,357</b>	<b>1,527</b>
<i>Total comprehensive income, attributable to:</i>						
Equity holders of the parent company	458	447	1,127	1,296	1,357	1,526
Non-controlling interests	-1	0	-1	0	0	1

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## Indutrade consolidated balance sheet – condensed

SEK million	2020 30-Sep	2019 30-Sep	2019 31-Dec
Goodwill	4,155	3,984	4,031
Other intangible assets	2,710	2,702	2,672
Property, plant and equipment	3,101	2,963	3,002
Financial assets	239	168	182
Inventories	3,381	3,394	3,400
Trade receivables	3,093	3,165	3,025
Other receivables	655	670	513
Cash and cash equivalents	832	700	719
<b>Total assets</b>	<b>18,166</b>	<b>17,746</b>	<b>17,544</b>
Equity	8,298	6,939	7,170
Non-current interest-bearing liabilities and pension liabilities	5,041	4,603	4,707
Other non-current liabilities and provisions	754	737	720
Current interest-bearing liabilities	879	2,439	2,142
Trade payables	1,256	1,295	1,237
Other current liabilities	1,938	1,733	1,568
<b>Total equity and liabilities</b>	<b>18,166</b>	<b>17,746</b>	<b>17,544</b>

## Indutrade consolidated statement of changes in equity – condensed

Attributable to equity holders of the parent company SEK million	2020 30-Sep	2019 30-Sep	2019 31-Dec
Opening equity	7,157	6,205	6,205
Total comprehensive income for the period	1,126	1,296	1,526
New issues	5	-	-
Dividend <sup>1)</sup>	-	-544	-544
Change in accounting method	-	-28	-28
Acquisition of non-controlling interests	-	-2	-2
<b>Closing equity</b>	<b>8,288</b>	<b>6,927</b>	<b>7,157</b>

<sup>1)</sup> Dividend per share for 2018 was SEK 4,50

Equity, attributable to:

Equity holders of the parent company	8,288	6,927	7,157
Non-controlling interests	10	12	13
	<b>8,298</b>	<b>6,939</b>	<b>7,170</b>

## Indutrade consolidated cash flow statement – condensed

SEK million	2020 Jul-Sep	2019 Jul-Sep	2020 Jan-Sep	2019 Jan-Sep	2019/20 Moving 12 mos	2019 Jan-Dec
Operating profit	599	505	1,642	1,470	2,188	2,016
Non-cash items	165	231	664	650	909	895
Interests and other financial items, net	-19	-29	-76	-92	-112	-128
Paid tax	-94	-109	-395	-383	-524	-512
Change in working capital	110	-64	153	-455	259	-349
<b>Cash flow from operating activities</b>	<b>761</b>	<b>534</b>	<b>1,988</b>	<b>1,190</b>	<b>2,720</b>	<b>1,922</b>
Net capital expenditures in non-current assets	-108	-76	-326	-260	-469	-403
Company acquisitions and divestments	-229	-237	-639	-1,363	-760	-1,484
Change in other financial assets	0	1	7	0	10	3
<b>Cash flow from investing activities</b>	<b>-337</b>	<b>-312</b>	<b>-958</b>	<b>-1,623</b>	<b>-1,219</b>	<b>-1,884</b>
Debt/repayment of debt, net	-312	-176	-900	990	-1,349	541
Dividend paid out	-	-	-	-544	-	-544
New issues	-	-	5	-	5	-
<b>Cash flow from financing activities</b>	<b>-312</b>	<b>-176</b>	<b>-895</b>	<b>446</b>	<b>-1,344</b>	<b>-3</b>
<b>Cash flow for the period</b>	<b>112</b>	<b>46</b>	<b>135</b>	<b>13</b>	<b>157</b>	<b>35</b>
Cash and cash equivalents at start of period	722	679	719	708	700	708
Exchange rate differences	-2	-25	-22	-21	-25	-24
<b>Cash and cash equivalents at end of period</b>	<b>832</b>	<b>700</b>	<b>832</b>	<b>700</b>	<b>832</b>	<b>719</b>

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## Key data

	2020 30-Sep	2019 31-Dec	2019 30-Sep	2018 31-Dec	2017 31-Dec
<b>Moving 12 mos</b>					
Net sales, SEK million	19,052	18,411	17,994	16,848	14,847
Sales growth, %	6	9	10	13	15
EBITA, SEK million	2,534	2,330	2,267	2,087	1,613
EBITA margin, %	13.3	12.7	12.6	12.4	10.9
Capital employed at end of period, SEK million	13,386	13,300	13,281	10,127	8,997
Capital employed, average, SEK million	13,516	12,416	11,711	9,839	8,444
Return on capital employed, % <sup>1)</sup>	19	19	19	21	19
Equity, average, SEK million	7,556	6,715	6,469	5,715	4,746
Return on equity, % <sup>1)</sup>	21	22	22	24	22
Interest-bearing net debt at end of period, SEK million	5,088	6,130	6,342	3,909	3,829
Net debt/equity ratio, %	61	85	91	63	74
Net debt/EBITDA, times	1.6	2.1	2.3	1.7	2.1
Equity ratio, %	46	41	39	44	41
Average number of employees	7,371	7,167	7,019	6,710	6,156
Number of employees at end of period	7,246	7,357	7,388	6,778	6,545
<i>Attributable to equity holders of the parent company</i>					
<i>Key ratios per share</i>					
Earnings per share before dilution, SEK	13.36	12.26	12.02	11.31	8.54
Earnings per share after dilution, SEK	13.34	12.26	12.02	11.31	8.53
Equity per share, SEK	68.57	59.22	57.53	51.34	42.64
Cash flow from operating activities per share, SEK	22.50	15.90	14.76	11.26	12.90
Average number of shares before dilution, '000	120,863	120,855	120,855	120,832	120,457
Average number of shares after dilution, '000	121,032	120,918	120,882	120,843	120,617
Number of shares at the end of the period, '000	120,876	120,855	120,855	120,855	120,799

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.



## Business area performance

	2020	2019	2020	2019	2019/20	2019
<b>Net sales, SEK million</b>	<b>Jul-Sep</b>	<b>Jul-Sep</b>	<b>Jan-Sep</b>	<b>Jan-Sep</b>	<b>Moving 12 mos</b>	<b>Jan-Dec</b>
Benelux	688	569	2,059	1,584	2,763	2,288
DACH	360	375	1,167	1,029	1,541	1,403
Finland	394	419	1,262	1,253	1,698	1,689
Flow Technology	996	946	3,017	2,801	4,014	3,798
Fluids & Mechanical Solutions	479	501	1,472	1,538	1,975	2,041
Industrial Components	842	823	2,673	2,596	3,590	3,513
Measurement & Sensor Technology	523	584	1,575	1,662	2,172	2,259
UK	329	387	1,008	1,120	1,357	1,469
Parent company and Group items	-12	-9	-44	-35	-58	-49
<b>Total</b>	<b>4,599</b>	<b>4,595</b>	<b>14,189</b>	<b>13,548</b>	<b>19,052</b>	<b>18,411</b>
	2020	2019	2020	2019	2019/20	2019
<b>EBITA, SEK million</b>	<b>Jul-Sep</b>	<b>Jul-Sep</b>	<b>Jan-Sep</b>	<b>Jan-Sep</b>	<b>Moving 12 mos</b>	<b>Jan-Dec</b>
Benelux	89	71	257	199	373	315
DACH	42	36	130	98	166	134
Finland	72	68	186	162	247	223
Flow Technology	162	122	453	357	587	491
Fluids & Mechanical Solutions	66	67	202	215	266	279
Industrial Components	122	101	376	317	491	432
Measurement & Sensor Technology	96	98	245	271	340	366
UK	41	59	128	172	164	208
Parent company and Group items	-5	-34	-74	-92	-100	-118
<b>Total</b>	<b>685</b>	<b>588</b>	<b>1,903</b>	<b>1,699</b>	<b>2,534</b>	<b>2,330</b>
	2020	2019	2020	2019	2019/20	2019
<b>EBITA margin, %</b>	<b>Jul-Sep</b>	<b>Jul-Sep</b>	<b>Jan-Sep</b>	<b>Jan-Sep</b>	<b>Moving 12 mos</b>	<b>Jan-Dec</b>
Benelux	12.9	12.5	12.5	12.6	13.5	13.8
DACH	11.7	9.6	11.1	9.5	10.8	9.6
Finland	18.3	16.2	14.7	12.9	14.5	13.2
Flow Technology	16.3	12.9	15.0	12.7	14.6	12.9
Fluids & Mechanical Solutions	13.8	13.4	13.7	14.0	13.5	13.7
Industrial Components	14.5	12.3	14.1	12.2	13.7	12.3
Measurement & Sensor Technology	18.4	16.8	15.6	16.3	15.7	16.2
UK	12.5	15.2	12.7	15.4	12.1	14.2
<b>Total</b>	<b>14.9</b>	<b>12.8</b>	<b>13.4</b>	<b>12.5</b>	<b>13.3</b>	<b>12.7</b>

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## Business area performance per quarter

Net sales, SEK million	2020			2019			
	Jul-Sep	Apr-Jun	Jan-Mar	Oct-Dec	Jul-Sep	Apr-Jun	Jan-Mar
Benelux	688	695	676	704	569	543	472
DACH	360	394	413	374	375	349	305
Finland	394	432	436	436	419	416	418
Flow Technology	996	976	1,045	997	946	965	890
Fluids & Mechanical Solutions	479	481	512	503	501	532	505
Industrial Components	842	862	969	917	823	883	890
Measurement & Sensor Technology	523	495	557	597	584	536	542
UK	329	294	385	349	387	374	359
Parent company and Group items	-12	-15	-17	-14	-9	-11	-15
<b>Total</b>	<b>4,599</b>	<b>4,614</b>	<b>4,976</b>	<b>4,863</b>	<b>4,595</b>	<b>4,587</b>	<b>4,366</b>

EBITA, SEK million	2020			2019			
	Jul-Sep	Apr-Jun	Jan-Mar	Oct-Dec	Jul-Sep	Apr-Jun	Jan-Mar
Benelux	89	85	83	116	71	67	61
DACH	42	43	45	36	36	33	29
Finland	72	66	48	61	68	51	43
Flow Technology	162	151	140	134	122	130	105
Fluids & Mechanical Solutions	66	73	63	64	67	73	75
Industrial Components	122	130	124	115	101	108	108
Measurement & Sensor Technology	96	58	91	95	98	83	90
UK	41	37	50	36	59	62	51
Parent company and Group items	-5	-41	-28	-26	-34	-33	-25
<b>Total</b>	<b>685</b>	<b>602</b>	<b>616</b>	<b>631</b>	<b>588</b>	<b>574</b>	<b>537</b>

EBITA margin, %	2020			2019			
	Jul-Sep	Apr-Jun	Jan-Mar	Oct-Dec	Jul-Sep	Apr-Jun	Jan-Mar
Benelux	12.9	12.2	12.3	16.5	12.5	12.3	12.9
DACH	11.7	10.9	10.9	9.6	9.6	9.5	9.5
Finland	18.3	15.3	11.0	14.0	16.2	12.3	10.3
Flow Technology	16.3	15.5	13.4	13.4	12.9	13.5	11.8
Fluids & Mechanical Solutions	13.8	15.2	12.3	12.7	13.4	13.7	14.9
Industrial Components	14.5	15.1	12.8	12.5	12.3	12.2	12.1
Measurement & Sensor Technology	18.4	11.7	16.3	15.9	16.8	15.5	16.6
UK	12.5	12.6	13.0	10.3	15.2	16.6	14.2
<b>Total</b>	<b>14.9</b>	<b>13.0</b>	<b>12.4</b>	<b>13.0</b>	<b>12.8</b>	<b>12.5</b>	<b>12.3</b>

## Disaggregation of revenue

### Net sales per geographic market

<b>2020</b>										
<b>Jul-Sep, SEK million</b>	<b>Benelux</b>	<b>DACH</b>	<b>Finland</b>	<b>FT</b>	<b>FM</b>	<b>IC</b>	<b>MST</b>	<b>UK</b>	<b>Elim.<sup>1)</sup></b>	<b>Total</b>
Nordic countries	12	2	366	565	329	739	117	21	-5	2,146
Other Europe	526	343	25	357	122	91	169	273	-5	1,901
Americas	83	8	1	1	23	9	164	16	-1	304
Asia	65	5	2	37	4	3	59	16	0	191
Other	2	2	0	36	1	0	14	3	-1	57
	<b>688</b>	<b>360</b>	<b>394</b>	<b>996</b>	<b>479</b>	<b>842</b>	<b>523</b>	<b>329</b>	<b>-12</b>	<b>4,599</b>

<b>Timing of revenue recognition</b>	<b>Benelux</b>	<b>DACH</b>	<b>Finland</b>	<b>FT</b>	<b>FM</b>	<b>IC</b>	<b>MST</b>	<b>UK</b>	<b>Elim.<sup>1)</sup></b>	<b>Total</b>
Over time	0	60	0	0	0	12	56	0	0	128
Point in time	688	300	394	996	479	830	467	329	-12	4,471
	<b>688</b>	<b>360</b>	<b>394</b>	<b>996</b>	<b>479</b>	<b>842</b>	<b>523</b>	<b>329</b>	<b>-12</b>	<b>4,599</b>

<b>2019</b>										
<b>Jul-Sep, SEK million</b>	<b>Benelux</b>	<b>DACH</b>	<b>Finland</b>	<b>FT</b>	<b>FM</b>	<b>IC</b>	<b>MST</b>	<b>UK</b>	<b>Elim.<sup>1)</sup></b>	<b>Total</b>
Nordic countries	4	2	388	560	348	726	118	29	-3	2,172
Other Europe	475	362	26	315	127	85	236	310	-3	1,933
Americas	51	6	4	12	18	6	165	25	-1	286
Asia	36	1	1	49	8	5	52	18	-1	169
Other	3	4	0	10	0	1	13	5	-1	35
	<b>569</b>	<b>375</b>	<b>419</b>	<b>946</b>	<b>501</b>	<b>823</b>	<b>584</b>	<b>387</b>	<b>-9</b>	<b>4,595</b>

<b>Timing of revenue recognition</b>	<b>Benelux</b>	<b>DACH</b>	<b>Finland</b>	<b>FT</b>	<b>FM</b>	<b>IC</b>	<b>MST</b>	<b>UK</b>	<b>Elim.<sup>1)</sup></b>	<b>Total</b>
Over time	25	69	0	48	0	66	36	6	0	250
Point in time	544	306	419	898	501	757	548	381	-9	4,345
	<b>569</b>	<b>375</b>	<b>419</b>	<b>946</b>	<b>501</b>	<b>823</b>	<b>584</b>	<b>387</b>	<b>-9</b>	<b>4,595</b>

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

FT - Flow Technology

FM - Fluids & Mechanical Solutions

IC - Industrial Components

MST - Measurement & Sensor Technology

# Q3

## Disaggregation of revenue – continued

### Net sales per geographic market

2020										
Jan-Sep, SEK million	Benelux	DACH	Finland	FT	FM	IC	MST	UK	Elim. <sup>1)</sup>	Total
Nordic countries	60	8	1,165	1,759	1,051	2,345	381	71	-20	6,820
Other Europe	1,546	1,106	77	1,077	336	291	538	814	-19	5,766
Americas	235	28	14	21	62	27	464	60	-3	908
Asia	202	19	5	94	19	8	154	53	-1	553
Other	16	6	1	66	4	2	38	10	-1	142
	<b>2,059</b>	<b>1,167</b>	<b>1,262</b>	<b>3,017</b>	<b>1,472</b>	<b>2,673</b>	<b>1,575</b>	<b>1,008</b>	<b>-44</b>	<b>14,189</b>

Timing of revenue recognition	Benelux	DACH	Finland	FT	FM	IC	MST	UK	Elim. <sup>1)</sup>	Total
Over time	0	226	0	0	0	20	130	0	-1	375
Point in time	2,059	941	1,262	3,017	1,472	2,653	1,445	1,008	-43	13,814
	<b>2,059</b>	<b>1,167</b>	<b>1,262</b>	<b>3,017</b>	<b>1,472</b>	<b>2,673</b>	<b>1,575</b>	<b>1,008</b>	<b>-44</b>	<b>14,189</b>

2019										
Jan-Sep, SEK million	Benelux	DACH	Finland	FT	FM	IC	MST	UK	Elim. <sup>1)</sup>	Total
Nordic countries	14	7	1,158	1,677	1,080	2,305	364	77	-15	6,667
Other Europe	1,339	985	79	936	372	250	654	915	-12	5,518
Americas	103	21	9	25	59	21	457	67	-3	759
Asia	112	10	5	146	23	17	156	49	-3	515
Other	16	6	2	17	4	3	31	12	-2	89
	<b>1,584</b>	<b>1,029</b>	<b>1,253</b>	<b>2,801</b>	<b>1,538</b>	<b>2,596</b>	<b>1,662</b>	<b>1,120</b>	<b>-35</b>	<b>13,548</b>

Timing of revenue recognition	Benelux	DACH	Finland	FT	FM	IC	MST	UK	Elim. <sup>1)</sup>	Total
Over time	47	186	0	144	0	123	137	7	-2	642
Point in time	1,537	843	1,253	2,657	1,538	2,473	1,525	1,113	-33	12,906
	<b>1,584</b>	<b>1,029</b>	<b>1,253</b>	<b>2,801</b>	<b>1,538</b>	<b>2,596</b>	<b>1,662</b>	<b>1,120</b>	<b>-35</b>	<b>13,548</b>

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

FT - Flow Technology

FM - Fluids & Mechanical Solutions

IC - Industrial Components

MST - Measurement & Sensor Technology

## Acquisitions

### Acquisitions 2020

All of the shares were acquired in the following companies: Stein Automation GmbH (Germany), VarioDrive B.V. (Netherlands), AVA Monitoring AB (Sweden), Sverre Hellum & Sønn AS (Norway), Jouka OY (Finland), Nortronic AS (Norway), Holland Fasteners B.V. (Netherlands) and UK Gas Technologies Ltd. (UK).

### Benelux

On 27 January, VarioDrive B.V. (Netherlands) was acquired, with annual sales of SEK 60 million. The company offers motion control solutions to OEM customers.

On 20 July, Holland Fasteners B.V. (Netherlands) was acquired, with annual sales of SEK 50 million. The company offers customised, high-quality items such as bolts, screws, nuts and rivets. Its customers are primarily located in the Netherlands.

### DACH

On 10 January, STEIN Automation GmbH & Co. KG, (Germany) was acquired with annual sales of SEK 110 million. The company is a supplier of pallet transfer systems for assembly lines. Its customers are companies primarily based in Germany within the automotive, medical and consumer goods industries.

### Flow Technology

On 17 September, UK Gas Technologies Ltd. (UK) was acquired, with annual sales of SEK 130 million. It manufactures solutions for high purity medical and laboratory gases, purified water and steam systems, as well as other process installations and specialist systems. The company serves customers worldwide.

### Finland

On 6 February, Jouka Oy (Finland) was acquired, with annual sales of SEK 70 million. The company designs and manufactures ball valves and integrated ball valve solutions for customers primarily in the Finnish market.

### Industrial Components

On 4 February, Sverre Hellum & Sønn AS (Norway) was acquired, with annual sales of SEK 60 million. The company is a supplier of diamond tools in the Norwegian market.

On 3 March, Nortronic AS (Norway) was acquired, with annual sales of approximately SEK 60 million. The company is a technology sales company in the lighting market, which represents manufacturers of various LED solutions, system solutions for control and drives.

### Measurement & Sensor Technology

On 31 January, AVA Monitoring AB (Sweden) was acquired, with annual sales of SEK 45 million. The company develops, manufactures and sells equipment for measuring ground vibration and noise in connection with infrastructure and construction projects.

### Acquired assets and liabilities in 2020

*Preliminary purchase price allocations*

#### SEK million

Acquired assets and liabilities	Book value	Fair value	
		adjustment	Fair value
Purchase price, incl. contingent earn-out payment totalling SEK 168 million			821
Goodwill	-	339	339
Agencies, trademarks, customer relations, licences, etc.	9	339	348
Property, plant and equipment	43	-	43
Financial assets	0	-	0
Inventories	120	-	120
Other current assets <sup>1)</sup>	207	-	207
Cash and cash equivalents	75	-	75
Deferred tax liability	-5	-80	-85
Other operating liabilities	-226	-	-226
	<b>223</b>	<b>598</b>	<b>821</b>

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

# Q3

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 0 million.

Indutrade typically uses an acquisition structure entailing a base level of consideration plus a contingent earn-out payment. Initially, the contingent earn-out payment is valued at the present value of the likely outcome, which for the acquisitions made during the year amount to SEK 168 million. The contingent earn-out payments fall due for payment within three years and can amount to a maximum of SEK 192 million. If the conditions are not met, the outcome can be in the range of SEK 0–192 million.

Transaction costs for the acquisitions carried out during the period totalled SEK 7 million (12) and are included in Other income and expenses in the income statement. Contingent earn-out payments were restated during the period in the amount of SEK 214 million (15). The effect is reported under Other income and expenses in the amount of SEK 208 million (15) and under Net financial items in the amount of SEK 6 million (0). In conjunction with a new assessment of contingent earn-out payments during the third quarter due to a lower earnings level in relation to the assumptions underlying the prior recorded amount of contingent earn-out payments, impairment testing of goodwill was done in the companies concerned. The impairment testing of goodwill resulted in a write-down of SEK 141 million.

The acquisition analyses for Finisterra AS, Natgraph Ltd, Sensor Groep BV and Finkova Oy, which were acquired during the third quarter of 2019 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 receivables.

## Cash flow impact

SEK million	
Purchase price, incl. contingent earn-out payments	821
Purchase price not paid out	-177
Cash and cash equivalents in acquired companies	-75
Payments pertaining to previous years' acquisitions	115
<b>Total cash flow impact</b>	<b>684</b>

## Effects of acquisitions carried out in 2019 and 2020

SEK million Business area	Net sales		EBITA	
	Jul-Sep	Jan-Sep	Jul-Sep	Jan-Sep
Benelux	49	272	5	27
DACH	19	143	0	22
Finland	15	44	5	11
Flow Technology	23	91	5	20
Fluids & Mechanical Solutions	-	28	-	2
Industrial Components	32	125	4	21
Measurement & Sensor Technology	11	88	3	15
UK	-	51	-	2
<b>Effect on Group</b>	<b>149</b>	<b>842</b>	<b>22</b>	<b>120</b>
Acquisitions carried out in 2019	48	581	4	74
Acquisitions carried out in 2020	101	261	18	46
<b>Effect on Group</b>	<b>149</b>	<b>842</b>	<b>22</b>	<b>120</b>

If all acquired units had been consolidated as from 1 January 2020, net sales for the year would have amounted to SEK 14,390 million, and EBITA would have totalled SEK 1,943 million.

## Divestments 2020

On 24 March, Meson FT Rus LLC was divested, with annual sales of approximately SEK 80 million. The capital gain amounted to SEK 0 million.

## Acquisitions after the end of the reporting period

On 1 October, Cheirón A.S. (Czech Republic) was acquired, with annual sales of SEK 120 million. The company offers medical technology products, used in surgery rooms, intensive care wards, emergency wards, and cardio units.

## Share data

**At the end of the interim period the share capital amounted to SEK 242 million**

Number of shares at the beginning of the year	120,855,000
Number of newly subscribed shares	21,200
<b>Total number of shares outstanding after new issues</b>	<b>120,876,200</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.

### Outstanding incentive programmes

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	526,000	0.4%	15.0	244.9	-	18,200	18,200	27 April 2020 – 20 May 2022
2017/2022, Series II	60,000	60,000	0.0%	13.4	276.8	-	3,000	3,000	27 April 2020 – 20 May 2022

### Dilutive effects

	2020 Jul-Sep	2019 Jul-Sep	2020 Jan-Sep	2019 Jan-Sep	2019/20 Moving 12 mos	2019 Jan-Dec
Average number of shares before dilution, '000	120,876	120,855	120,865	120,855	120,863	120,855
Number of shares that incur a dilutive effect due to incentive programme, '000	251	67	187	51	169	63
<b>Average number of shares after dilution, '000</b>	<b>121,127</b>	<b>120,922</b>	<b>121,052</b>	<b>120,906</b>	<b>121,032</b>	<b>120,918</b>
Dilutive effect, %	0.21	0.06	0.15	0.04	0.14	0.05
<b>Number of shares at end of the period, '000</b>	<b>120,876</b>	<b>120,855</b>	<b>120,876</b>	<b>120,855</b>	<b>120,876</b>	<b>120,855</b>

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## Financial assets and liabilities

30 Sep 2020 SEK million	Interest rate swaps and currency forward contracts in hedge accounting		Amortised cost	Holdings of shares and participation in unlisted companies	Contingent earn-out payments	Financial liabilities measured at amortised cost	Total carrying amount	Fair value
	Level 2	Level 3						
<b>Valuation classification</b>								
Other shares and participations	-	-	-	14	-	-	14	14
Trade receivables	-	3,093	-	-	-	-	3,093	3,093
Other receivables	0	48	-	-	-	-	48	48
Cash and cash equivalents	-	832	-	-	-	-	832	832
<b>Total</b>	<b>0</b>	<b>3,973</b>	<b>14</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3,987</b>	<b>3,987</b>
Non-current interest-bearing liabilities	-	-	-	-	326	4,323	4,649	4,656
Current interest-bearing liabilities	-	-	-	-	77	802	879	879
Trade payables	-	-	-	-	-	1,256	1,256	1,256
Other liabilities	5	-	-	-	-	-	5	5
<b>Total</b>	<b>5</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>403</b>	<b>6,381</b>	<b>6,789</b>	<b>6,796</b>

31 Dec 2019 SEK million	Interest rate swaps and currency forward contracts in hedge accounting		Amortised cost	Holdings of shares and participation in unlisted companies	Contingent earn-out payments	Financial liabilities measured at amortised cost	Total carrying amount	Fair value
	Level 2	Level 3						
<b>Valuation classification</b>								
Other shares and participations	-	-	-	14	-	-	14	14
Trade receivables	-	3,025	-	-	-	-	3,025	3,025
Other receivables	3	5	-	-	-	-	8	8
Cash and cash equivalents	-	719	-	-	-	-	719	719
<b>Total</b>	<b>3</b>	<b>3,749</b>	<b>14</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3,766</b>	<b>3,766</b>
Non-current interest-bearing liabilities	-	-	-	-	411	3,919	4,330	4,339
Current interest-bearing liabilities	-	-	-	-	154	1,988	2,142	2,143
Trade payables	-	-	-	-	-	1,237	1,237	1,237
Other liabilities	8	-	-	-	-	-	8	8
<b>Total</b>	<b>8</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>565</b>	<b>7,144</b>	<b>7,717</b>	<b>7,727</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	2020	2019
	30-Sep	31-Dec
Opening book value	565	215
Acquisitions during the year	168	465
Consideration paid	-108	-93
Reclassified via income statement	-212	-32
Interest expenses	3	7
Exchange rate differences	-13	3
<b>Closing book value</b>	<b>403</b>	<b>565</b>



## Parent company income statement

### – condensed

SEK million	2020 Jul-Sep	2019 Jul-Sep	2020 Jan-Sep	2019 Jan-Sep	2019/20 Moving 12 mos	2019 Jan-Dec
Net sales	0	0	0	0	7	7
<b>Gross profit</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>7</b>	<b>7</b>
Administrative expenses	-25	-25	-84	-86	-118	-120
Other operating income and expenses	0	0	0	0	0	0
<b>Operating profit</b>	<b>-25</b>	<b>-25</b>	<b>-84</b>	<b>-86</b>	<b>-111</b>	<b>-113</b>
Financial income/expenses	15	-2	8	-30	21	-17
Profit from participation in Group companies	79	10	888	981	888	981
<b>Profit after financial items</b>	<b>69</b>	<b>-17</b>	<b>812</b>	<b>865</b>	<b>798</b>	<b>851</b>
Appropriations	-	-	-	-	628	628
Income Tax	2	5	15	22	-115	-108
<b>Net profit for the period</b>	<b>71</b>	<b>-12</b>	<b>827</b>	<b>887</b>	<b>1,311</b>	<b>1,371</b>
Amortisation/depreciation of intangible assets and property, plant and equipment	-1	0	-1	0	-2	-1

## Parent company balance sheet

### – condensed

SEK million	2020 30-Sep	2019 30-Sep	2019 31-Dec
Intangible assets	0	0	0
Property, plant and equipment	1	1	2
Financial assets	6,143	5,802	5,936
Current receivables	6,582	6,273	6,860
Cash and cash equivalents	82	0	0
<b>Total assets</b>	<b>12,808</b>	<b>12,076</b>	<b>12,798</b>
Equity	6,695	5,379	5,864
Untaxed reserves	673	647	673
Non-current interest-bearing liabilities and pension liabilities	3,689	3,291	3,274
Other non-current liabilities and provisions	5	5	5
Current interest-bearing liabilities	1,635	2,675	2,768
Current non-interest-bearing liabilities	111	79	214
<b>Total equity and liabilities</b>	<b>12,808</b>	<b>12,076</b>	<b>12,798</b>

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## 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.

## 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 aim 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, engineering, healthcare, energy, water/wastewater, transport 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.

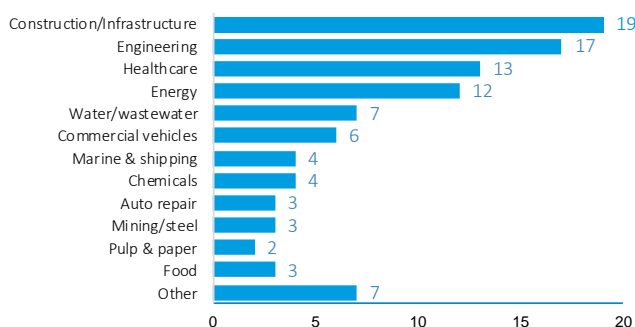
### Net debt/equity ratio

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

### Dividend payout ratio

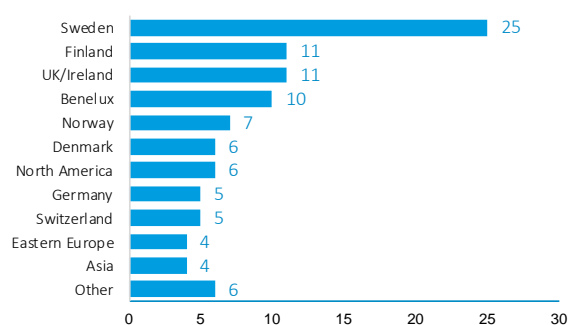
- The dividend payout ratio shall range from 30% to 50% of net profit.

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



<sup>1)</sup>Financial year 2019

Net sales per market, % <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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## Cheirón – Indutrade’s latest acquisition

On 1 October, Cheirón was acquired, a Czech technical trading company of medical technology products, specialising primarily in equipment used for healthcare applications in surgery rooms, intensive care wards, emergency wards, and cardio units.

Providing value added solutions and service to their hospital customers' specific needs, the product offering includes monitoring equipment, respirators, defibrillators, anaesthesiology equipment, as well as a wide range of single-use items. The offering is complemented by service and training and customers are mainly Czech hospitals. Cheirón also produces its own product line of suction devices which they sell through a broad network of international distributors.

Cheirón is a part of Indutrade's Business Area Industrial Components and annual sales amount to approximately CZK 300 million (SEK 120 million).



## Trusted by entrepreneurs – Indutrade as owner

Indutrade was established in 1978 and since then, it has evolved into a group of over 200 companies. During these years we have gained great experience in working with company acquisitions and talented entrepreneurs.

There are many different types of companies working with corporate acquisitions. We do not consider ourselves being one in the crowd, but what sets us apart is the fact that we focus on understanding the people and culture of each company we acquire. To us, every acquisition is unique and the beginning of a long-term relationship.

We want the owners to remain in the company after the acquisition. We care a great deal about the company culture, and we keep the company name. We have a clear focus on management by objectives, working with a few carefully selected financial targets. Responsibility for performance is delegated to the company's MD, which creates the right type of commitment. Furthermore, customers, suppliers and employees tend to all appreciate having responsibilities and authority delegated in this way.



## Acquisition of UK Gas Technologies

On 17 September the British company UK Gas Technologies Ltd was acquired, with annual sales of approximately GBP 11 million.

UK Gas Technologies is a manufacturing group offering custom-made solutions for high purity medical and laboratory gases, purified water and steam systems, as well as other process installations and specialist systems. Their worldwide customers can be found within segments such as healthcare and hospitals, pharmaceutical manufacturing, research laboratories, and solar cell and semiconductor manufacturers.

Founded in 1983, the group today consists of the three companies Medical Gases Ltd, Microgas Systems Ltd, and Puretec Process Systems Ltd. UK Gas Technologies has 32 employees and is based in Gatwick, Surrey, United Kingdom. UK Gas Technologies is a part of Indutrade's Business Area Flow Technology.



U.K Gas Technologies Group