



An entrepreneurial world
where people make the difference

Q1 Report 2020

Bo Annvik, CEO
Patrik Johnson, CFO

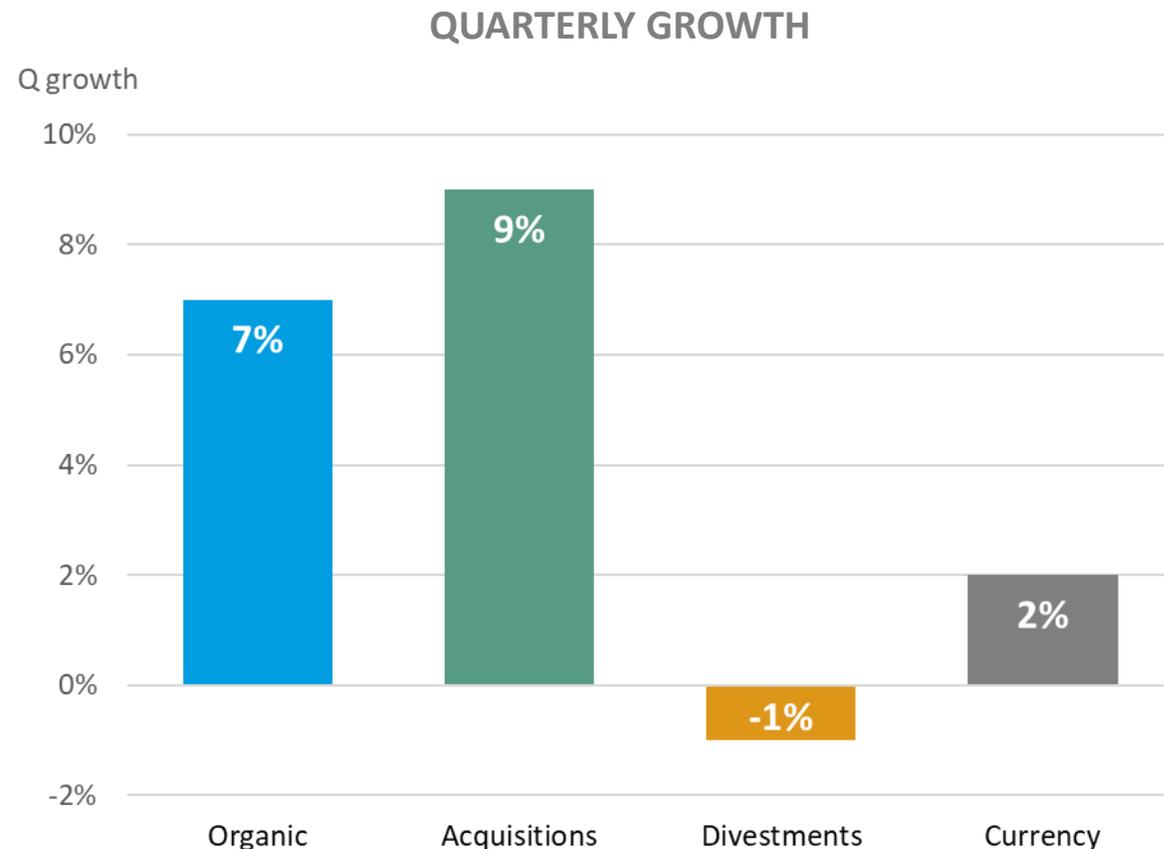
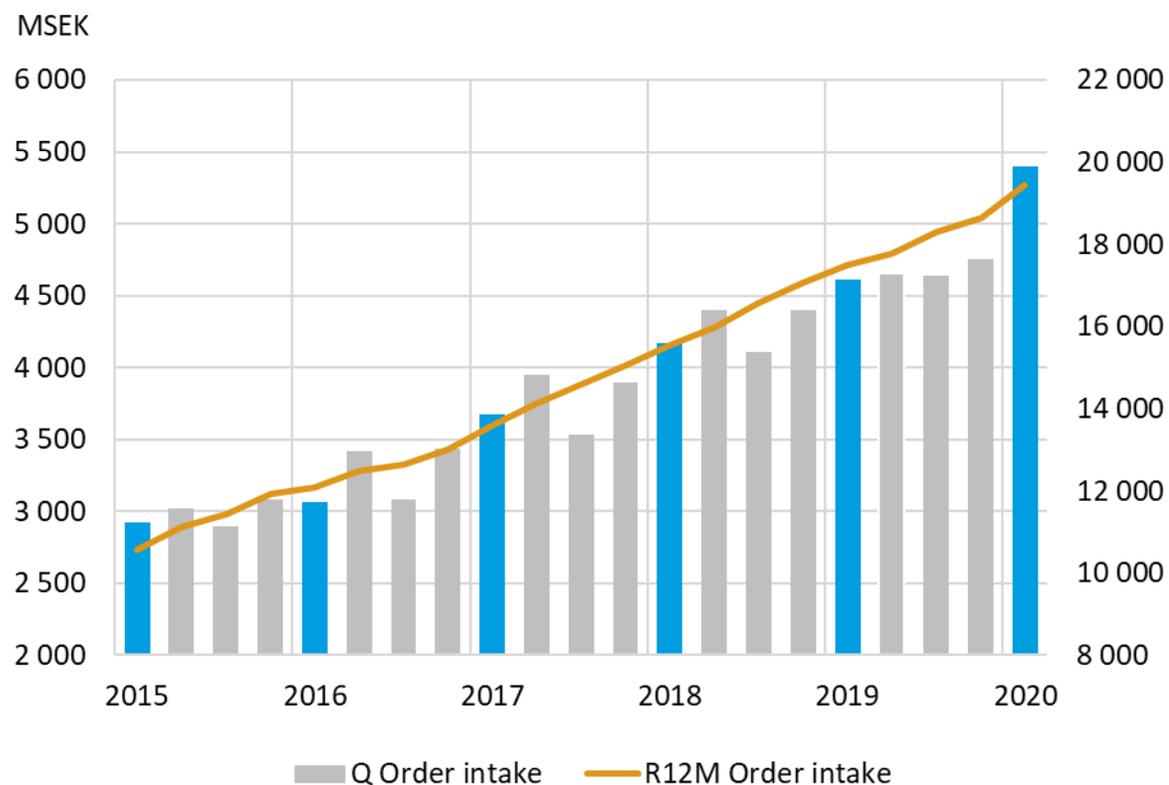
27 April 2020



Highlights first quarter 2020

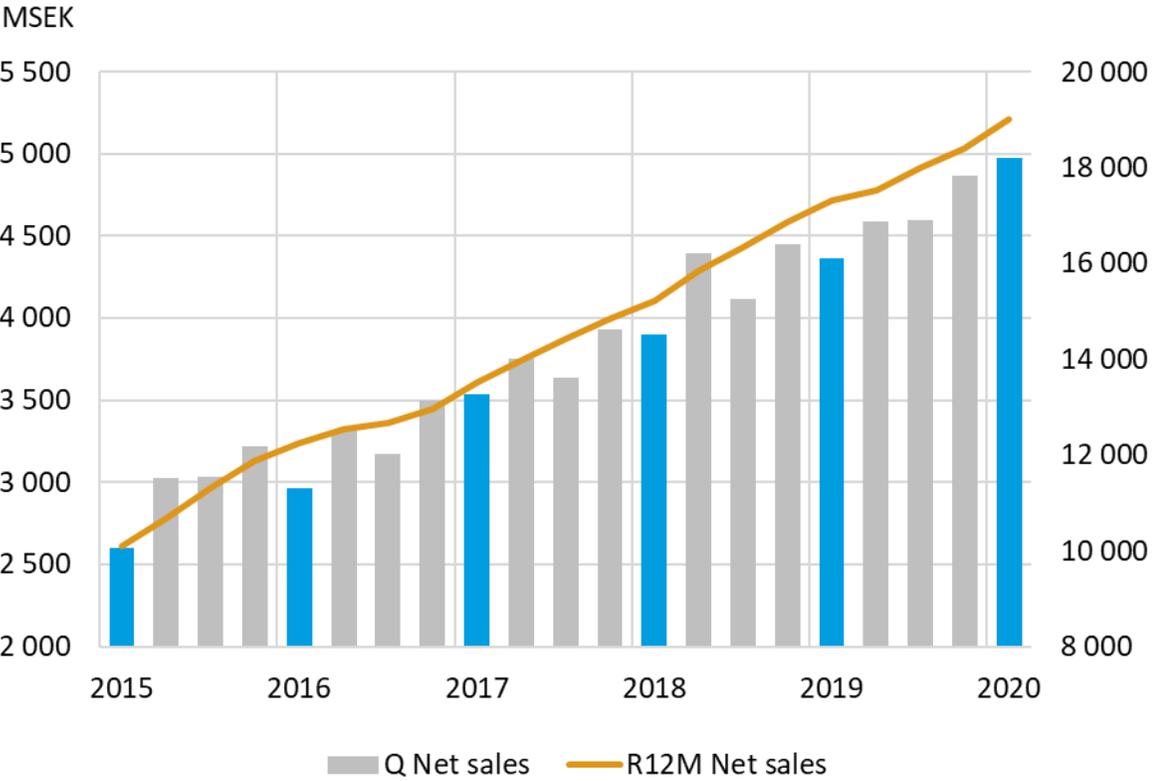
- Strong organic order intake with positive book to bill
- Large variations between companies, segments and markets
- Record high Q1 EBITA-margin 12.4%
- Improved cash flow
- Strengthened financial position
- Continued high acquisition activity – six companies acquired during first quarter
- Limited effect of covid-19 during the quarter

Order intake

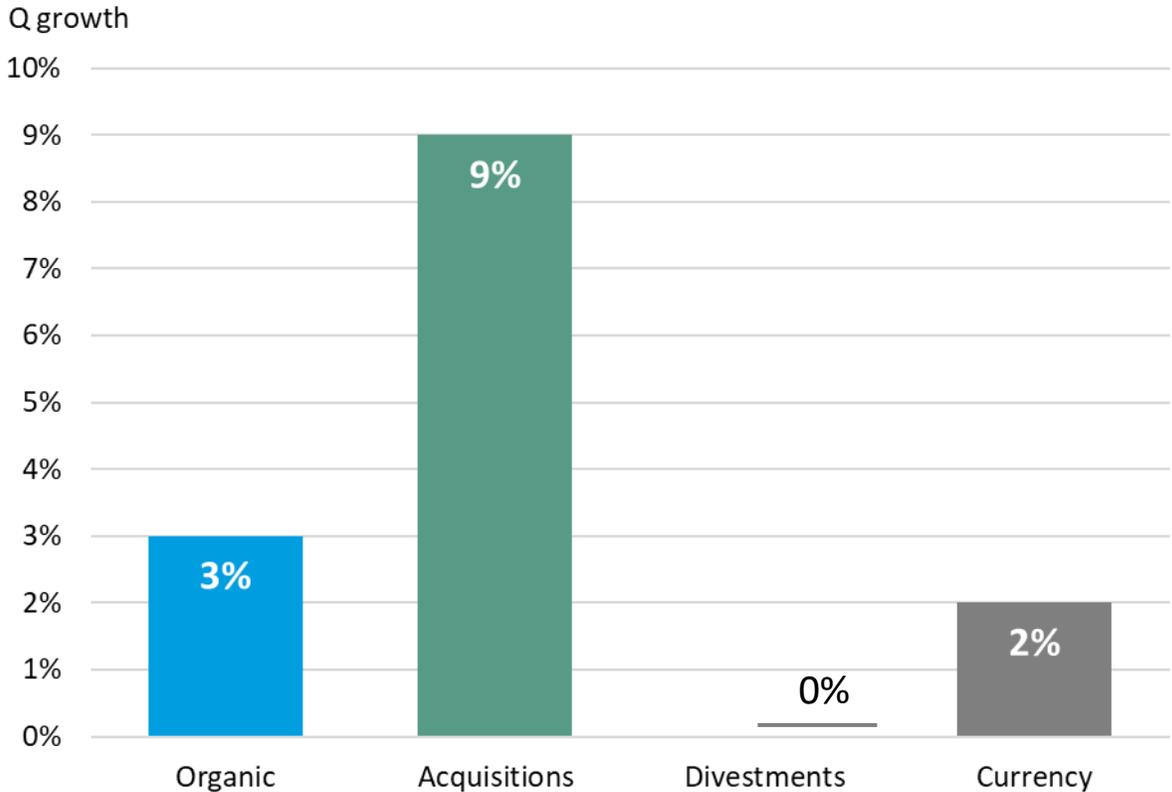


5,401 MSEK	Q GROWTH +17%	FY GROWTH +17%	R3Y CAGR +14%
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Net sales

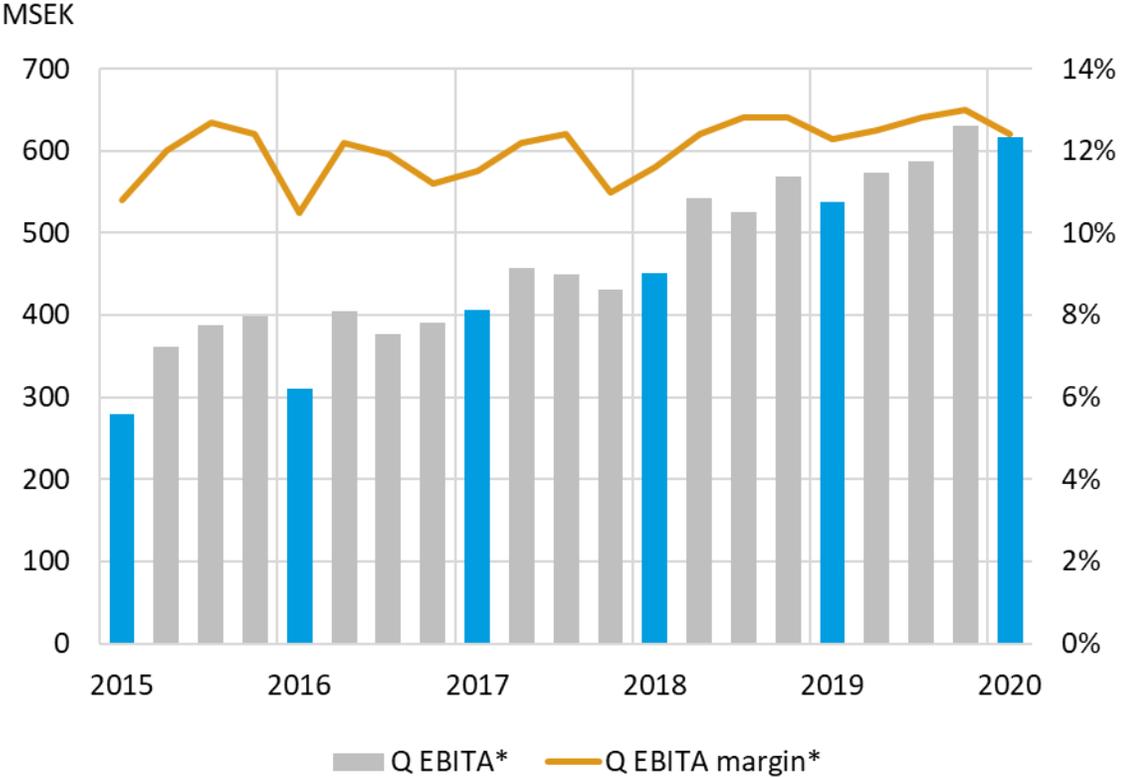


QUARTERLY GROWTH

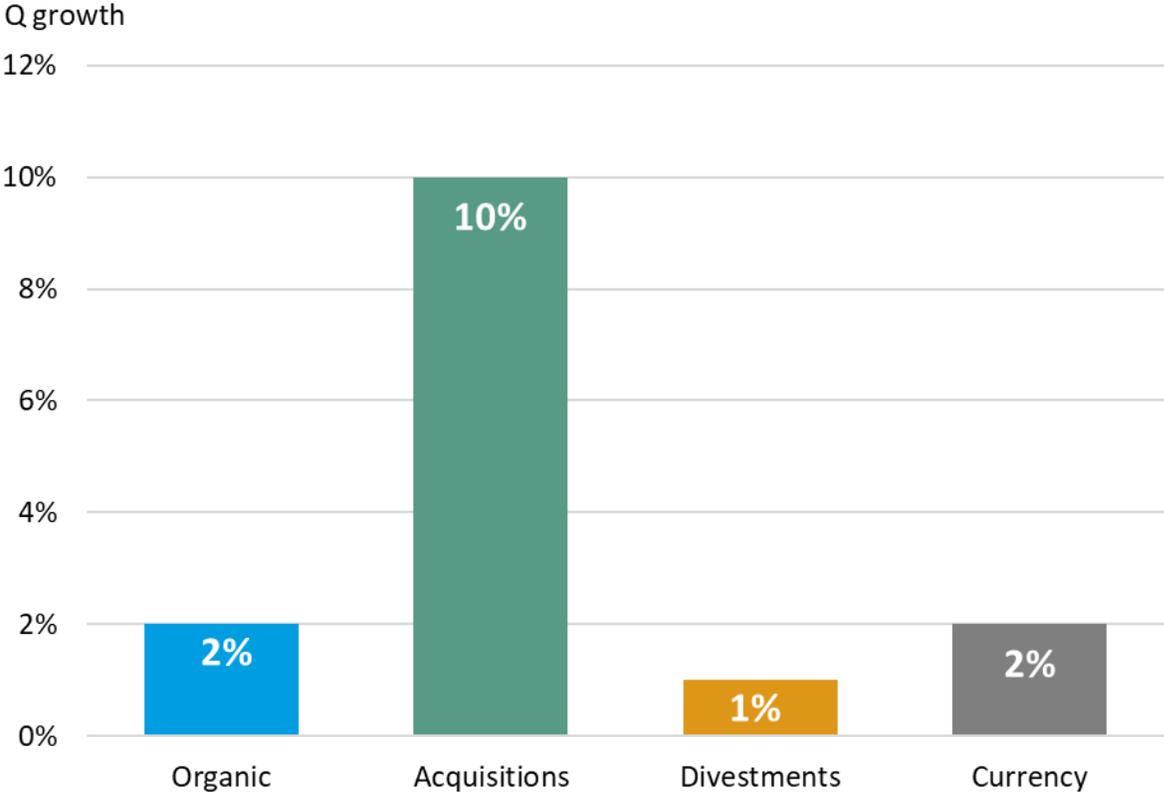


4,976 MSEK	Q GROWTH +14%	FY GROWTH +14%	R3Y CAGR +12%
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EBITA



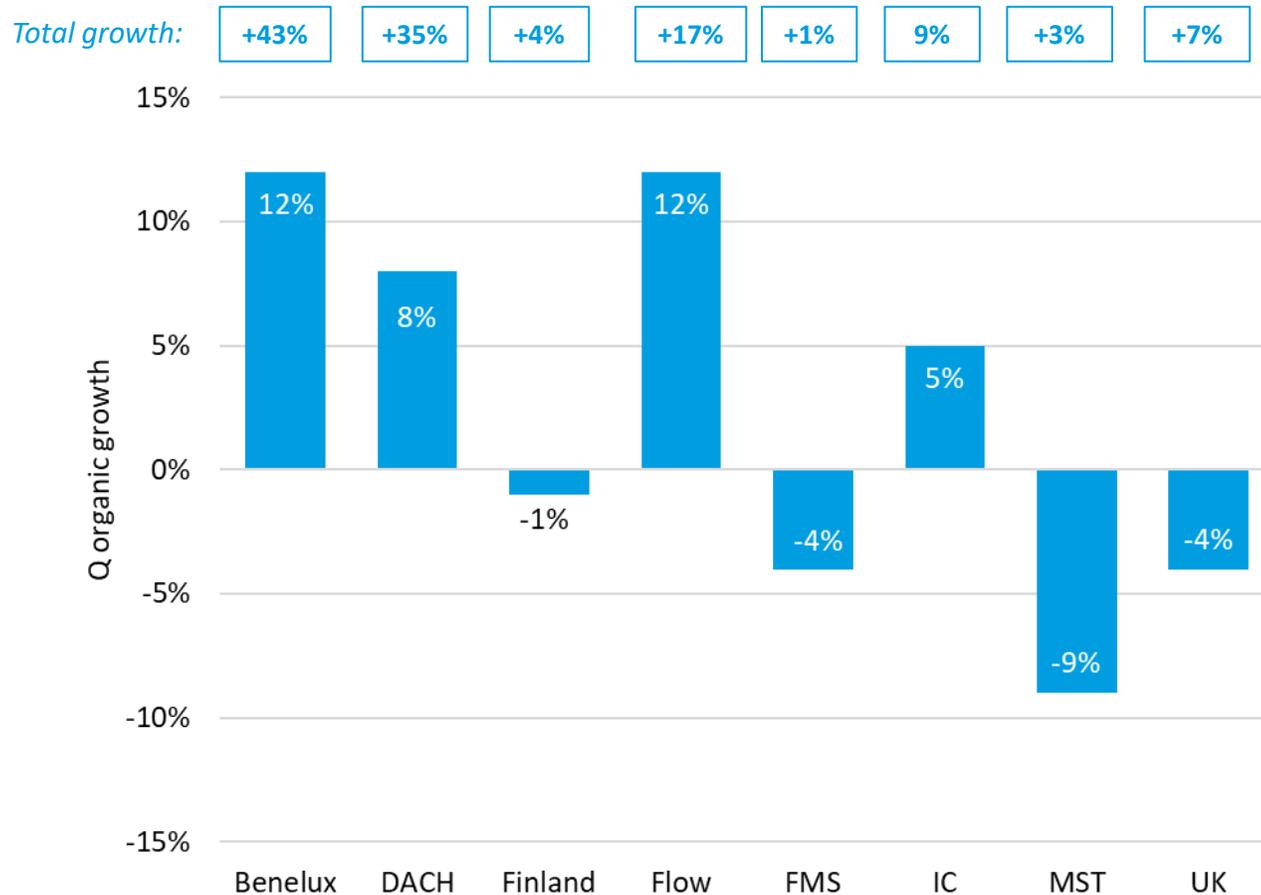
QUARTERLY GROWTH



*) Excluding restructuring costs 2017-Q4

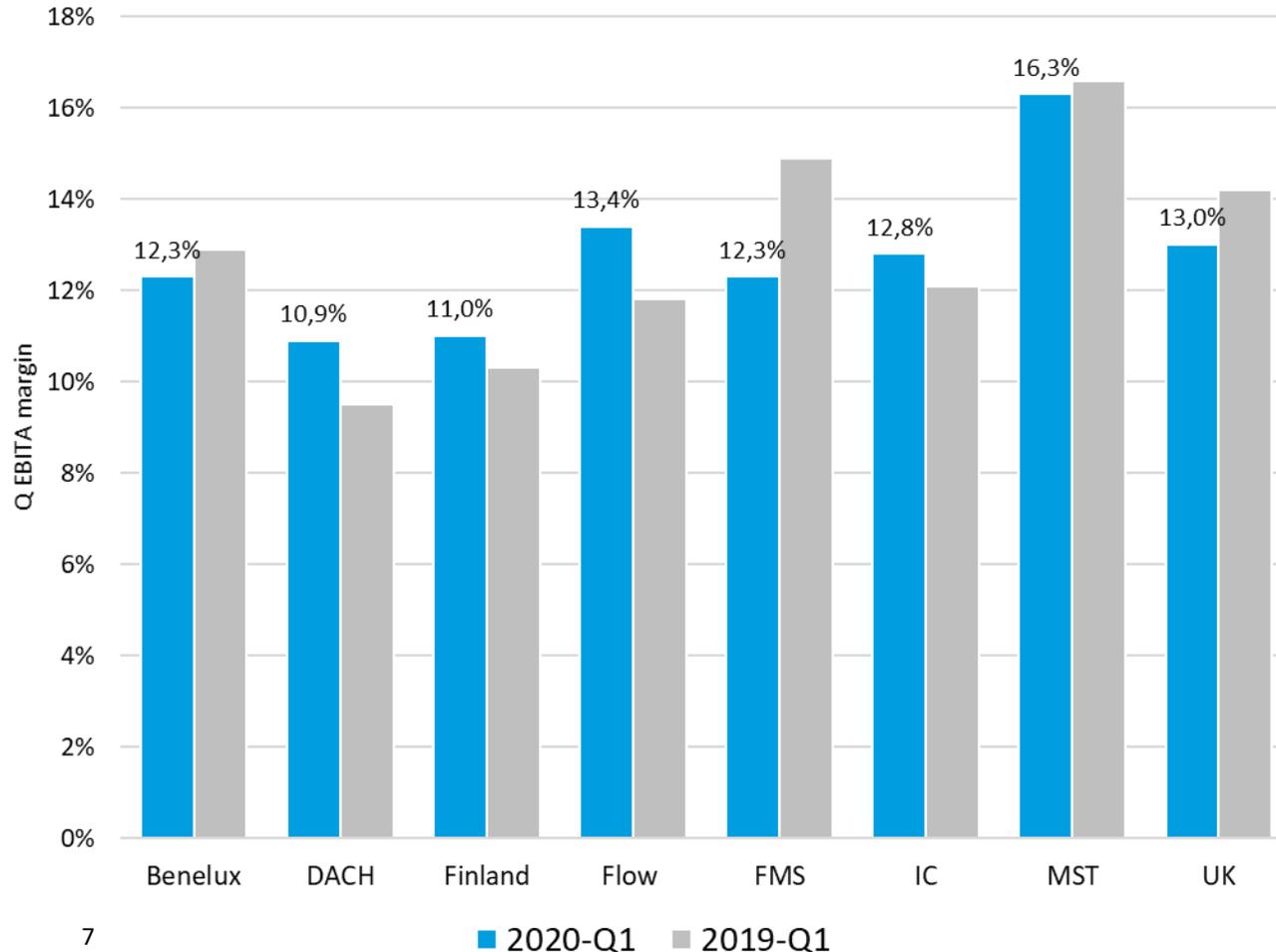
616 MSEK | **Q GROWTH +15%** | **FY GROWTH +15%** | **R3Y CAGR +15%**

Organic sales growth by Business Area



- Large variation between companies, segments and markets
- Strong comparable numbers
- Good demand from companies in the MedTech- and Pharma segments positively effected Business Areas Flow Technology, Benelux and Industrial Components
- Higher sales of valves for power generation drove the growth in Business Area Benelux
- Negative impact from the slowdown in general engineering, automotive and construction

EBITA margin by Business Area



- Improvements in Business Areas Flow Technology, DACH and Industrial Components driven mainly by strong MedTech- and Pharma segments
- Good cost control and positive acquisition effect in Business Area Finland
- Improvement in valves for power generation in Benelux, but offset by decline in other sectors
- Weaker organic sales developments impacting margins in Business Areas Fluids & Mechanical Solutions, Measurement & Sensor Technology and UK

Acquisitions & divestments 2020

	Acquisitions	Business Area	Annual Sales
Q1	 STEIN Automation GmbH	DACH	110 MSEK
	 VarioDrive BV	Benelux	60 MSEK
	 AVA Monitoring AB	Measurement & Sensor Technology	45 MSEK
	 Sverre Hellum & Sønn AS	Industrial Components	60 MSEK
	 Jouka OY	Finland	70 MSEK
	 Nortronic AS	Industrial Components	60 MSEK
	Divestments	Business Area	Annual Sales
Q1	 Meson FT Rus LCC	Flow Technology	80 MSEK

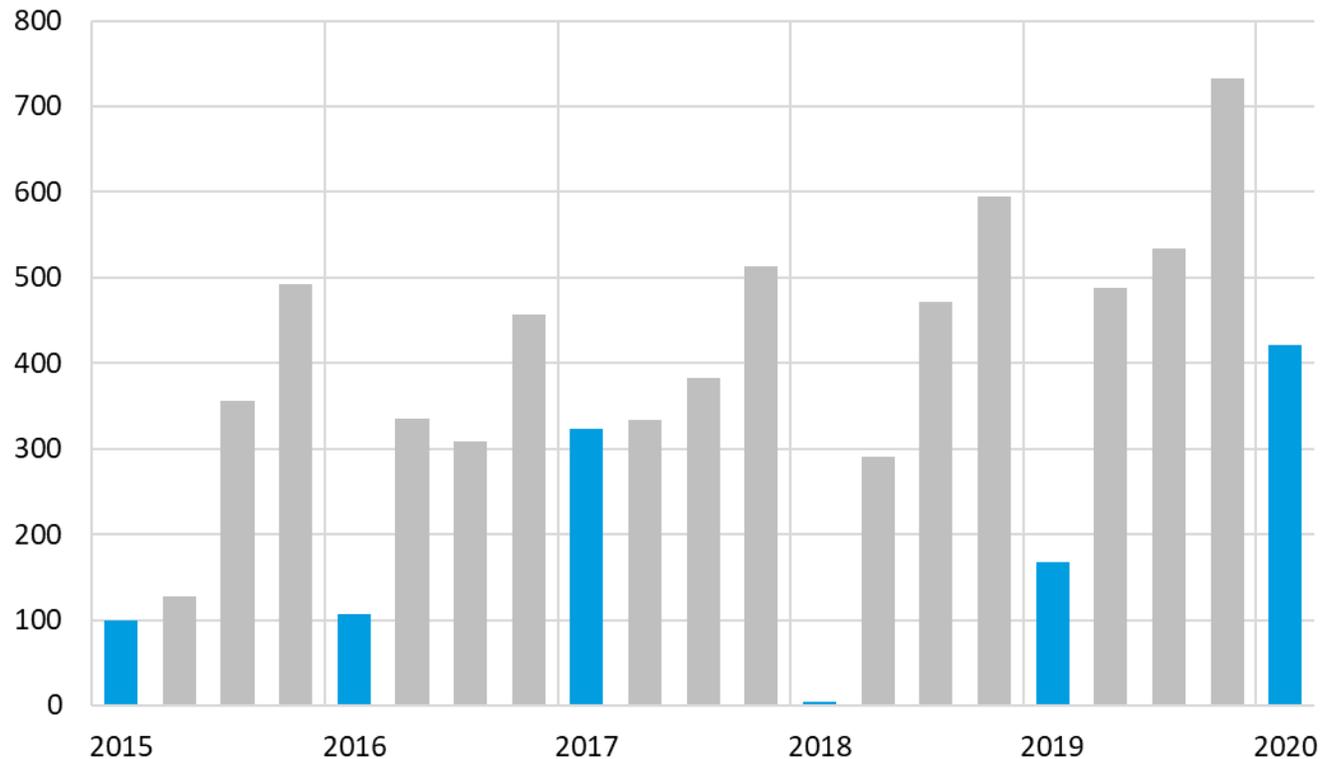


Key data summary

MSEK	2020-Q1	2019-Q1	Change
Order Intake	5,401	4,410	17%
Net Sales	4,976	4,366	14%
Gross margin, %	34.0	34.1	
EBITA	616	537	15%
EBITA-margin, %	12.4	12.3	
Net financial items	-32	-27	19%
Tax	-108	-92	17%
Earnings per share (before dilution), SEK	3.22	2.90	11%
Return On Capital Employed, %	18	21	
Cash Flow from operating activities	421	168	151%
Net debt / EBITDA, times	2.2	2.0	

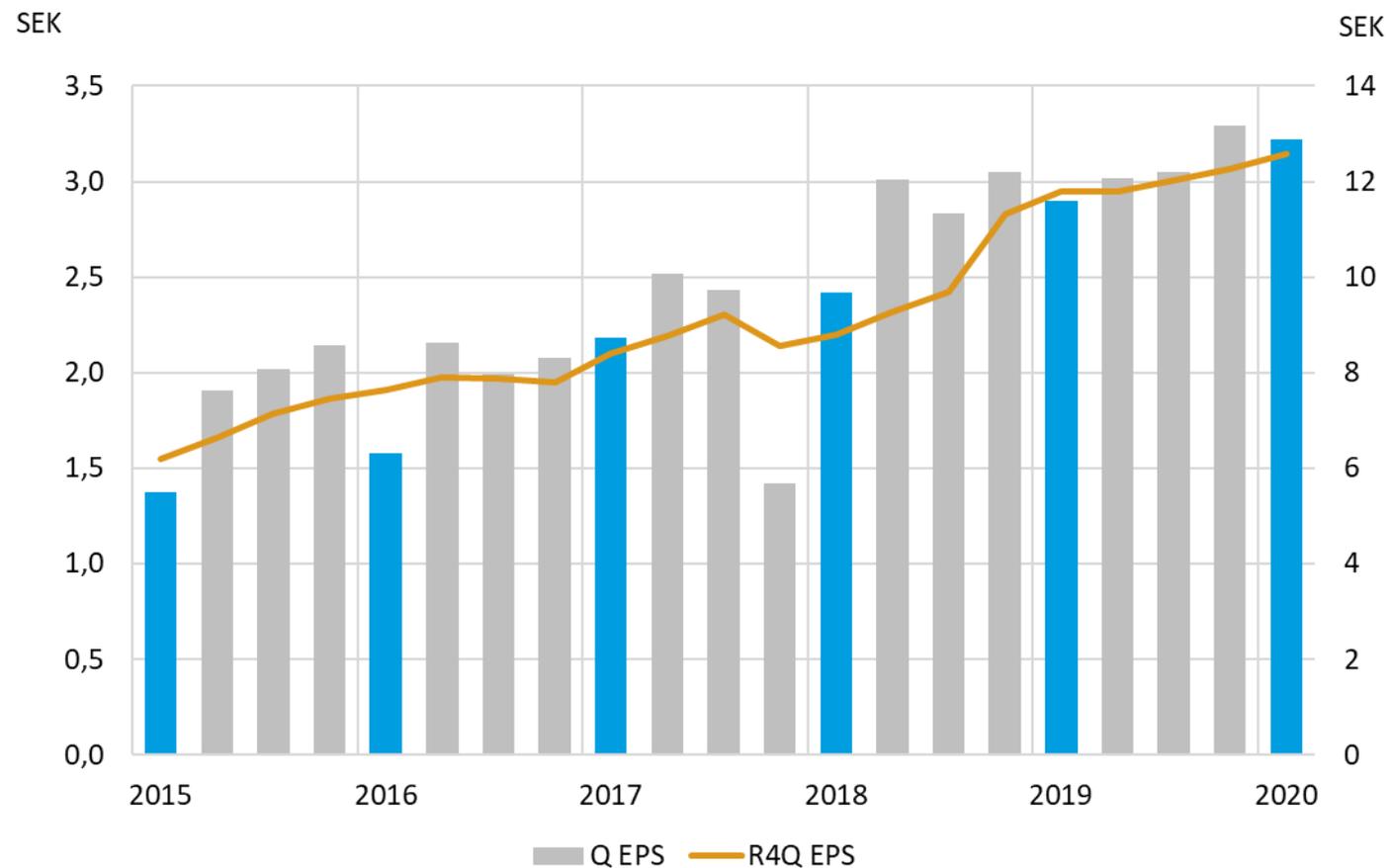
Cash Flow from operating activities

MSEK



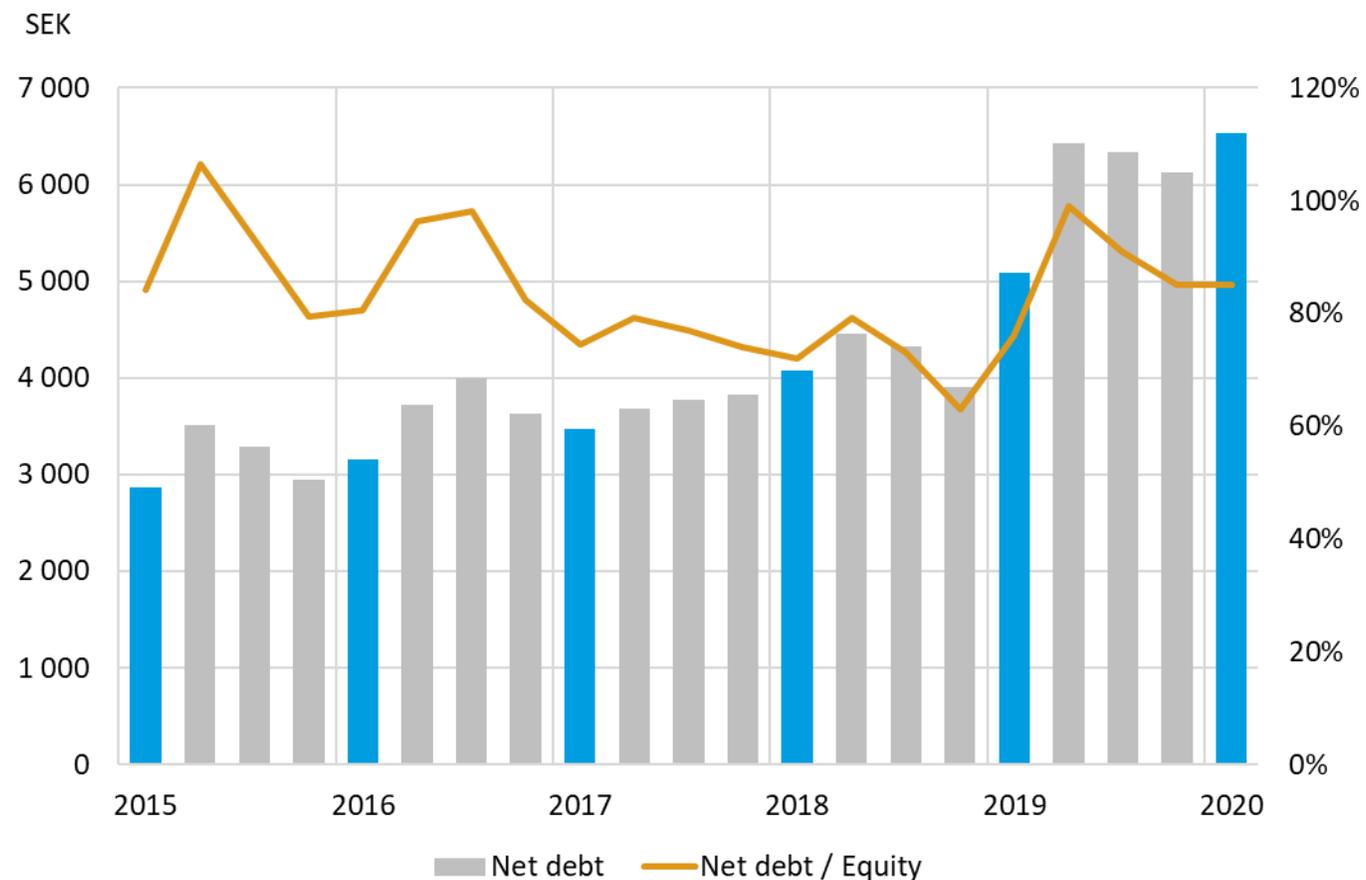
- Cash flow from operating activities grew 151% from 168 MSEK to 421 MSEK
- Growth versus last year mainly driven by an improved working capital development and a higher result
- Working capital was still on slightly high level, mainly due to earlier inventory build-up to ensure delivery service and availability

Earnings per share



- Q1 earnings per share grew 11% to SEK 3.22 (2.90)
- Improvement driven by higher EBITA, but partly offset by increased amortizations of intangibles and financing costs
- 3- and 5-year quarterly earnings per share CAGR, were 14% and 19%

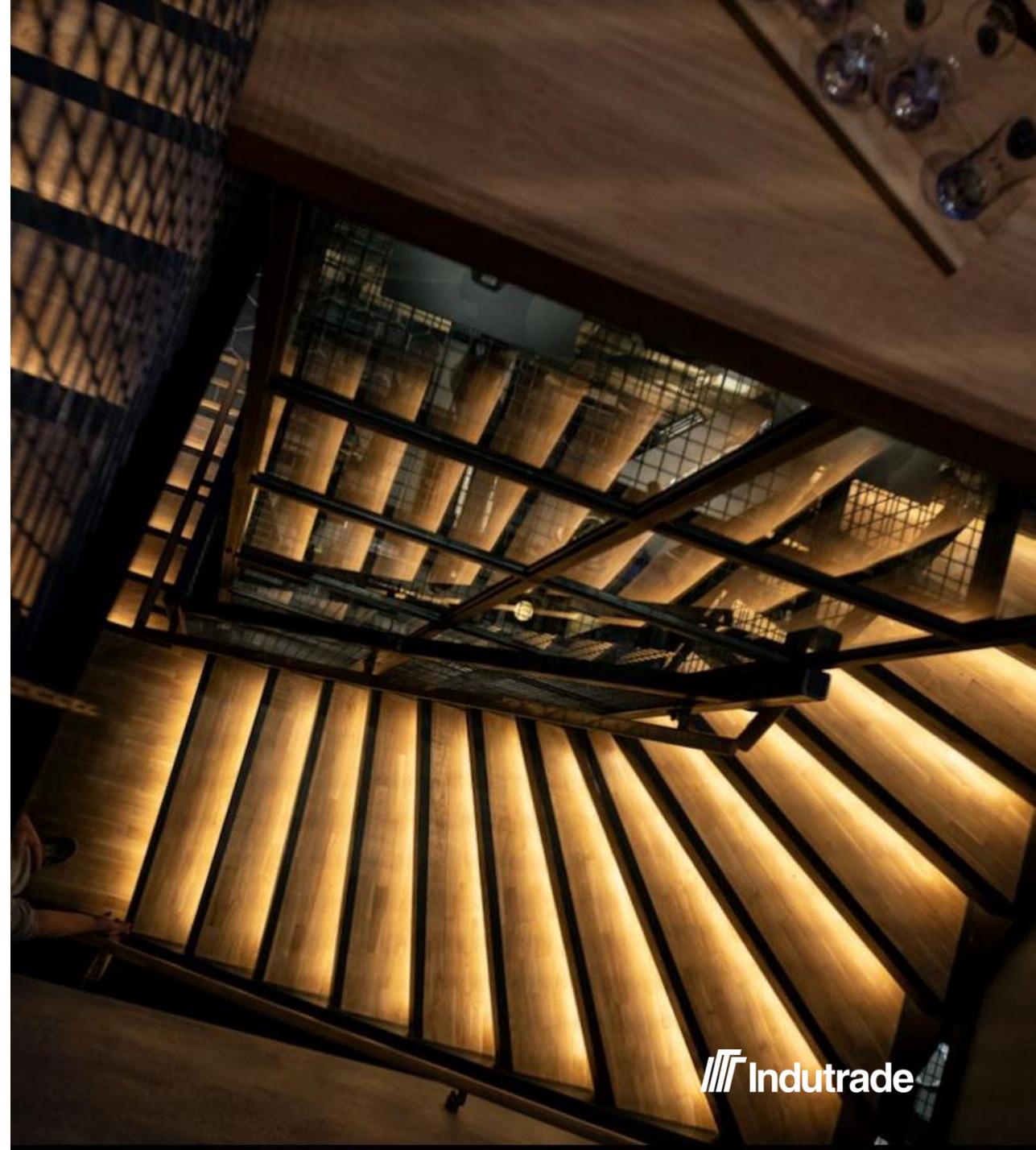
Net debt



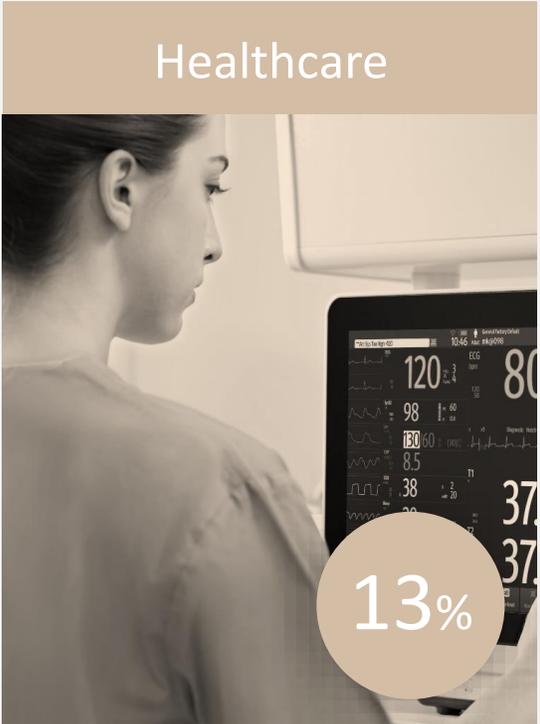
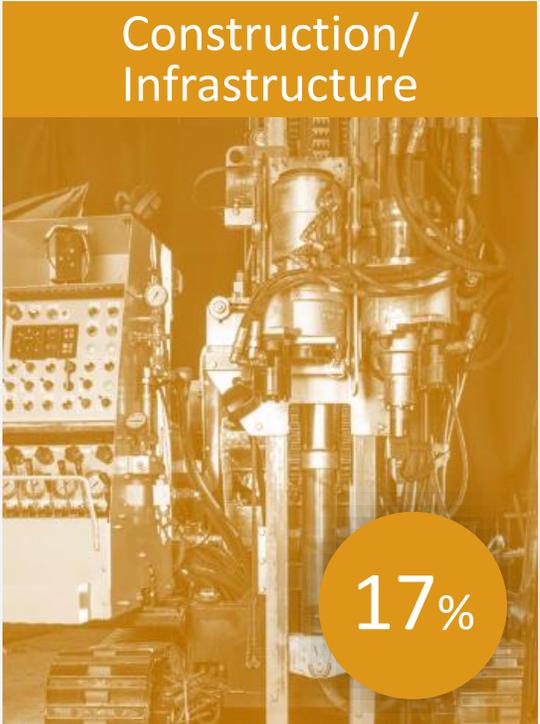
- The interest-bearing net debt end of Q1 increased to 6,528 (5,089) MSEK
- Driven by the high acquisition pace
- Net debt/equity ratio increased to 85% (76%)
- The long term financing strengthened further in April

Limited impact of covid-19 in Q1

- Minor disruptions in the supply chains
- Some production disturbances among manufacturing companies
- Strong development with increasing volumes in some of the MedTech companies and some industrial customers building stocks
- Country and customer lockdowns in late March effected demand negatively
- Temporary layoffs widely used among the companies
- Decentralised business model with agile companies adapting to changing conditions



Stability based on diverse segments



Net sales per customer segment %, financial year 2019

No/low segment dependency
Business cycle “hedging”

AGM 2020 and the Board proposes no dividend

The AGM
will take place on
2 June

at 15.00 p.m. CEST
in Stockholm

The Board proposes to the
Annual General Meeting to resolve
that no dividend should be paid

Key takeaways

- Strong growth and record margin, but variation in demand
- Limited covid-19 effects in Q1
- Large uncertainty ahead
- Diversified business group with agile and flexible companies, working closely with their customers
- Continued high pace of acquisitions – discussions continue but processes are prolonged



Thank you!

Q&A



Trusted by
entrepreneurs

Financial Calendar & contact details

2 June 2020

Annual General Meeting

17 July 2020

Interim report 1 January – 30 June 2020

20 October 2020

Interim report 1 January – 30 September 2020

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