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where people make the difference

**Q1 Report 2024**

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

25 April 2024

# Highlights first quarter 2024

- Stable order intake – growth of 0% in total, whereof -3% organically.
  - Good demand in Medical technology & Pharmaceutical, Energy and Process Industry.
- Net sales -4%, organically -6% due to strong references and fewer working days.
- EBITA margin of 13.3%.
- Inventory stable from Q4 2023.
- Good acquisition pace – 5 acquisitions completed in Q1 and 7 so far in 2024. The inflow of interesting companies to acquire remains strong.

Net Sales

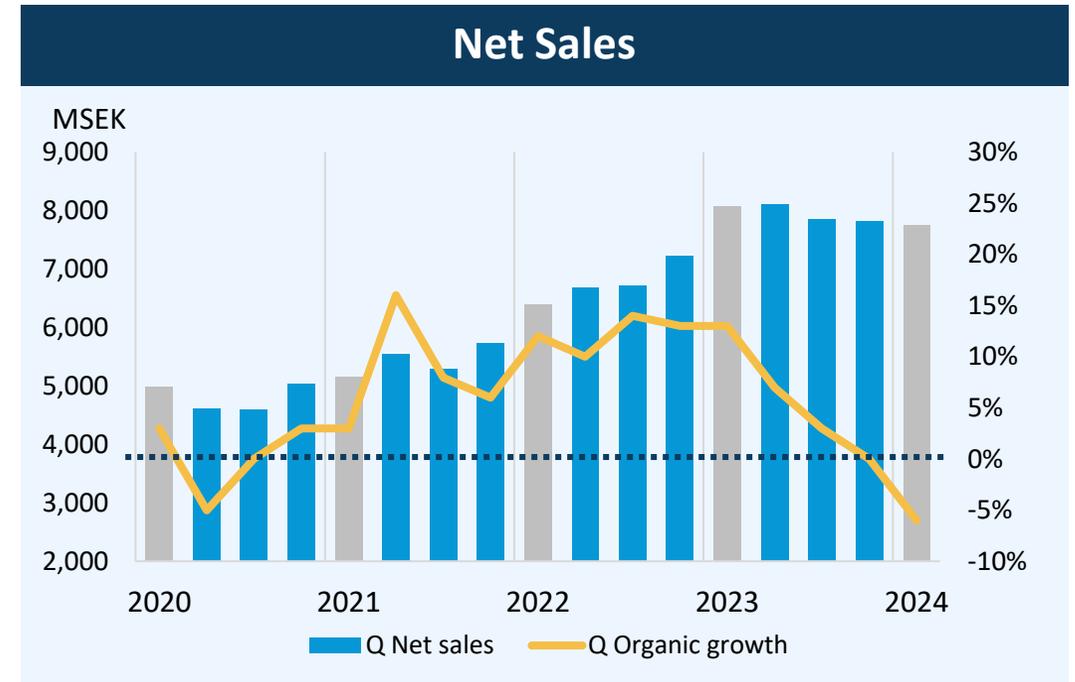
**7.7**

BSEK

EBITA margin

**13.3%**

# Stable demand and order backlog build up



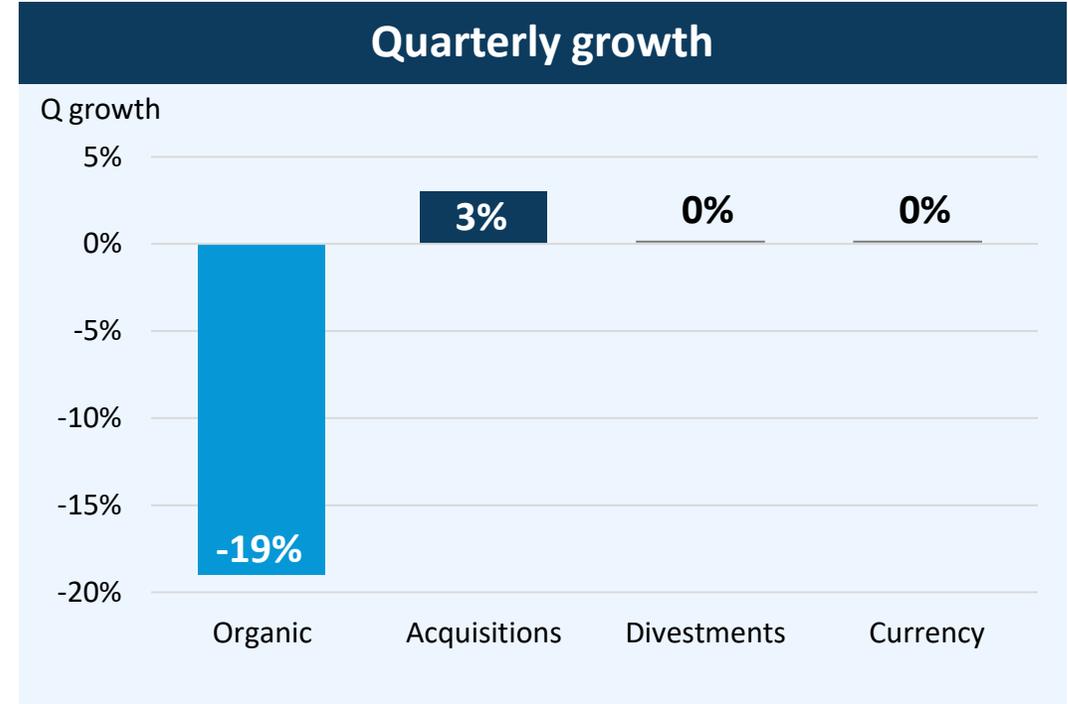
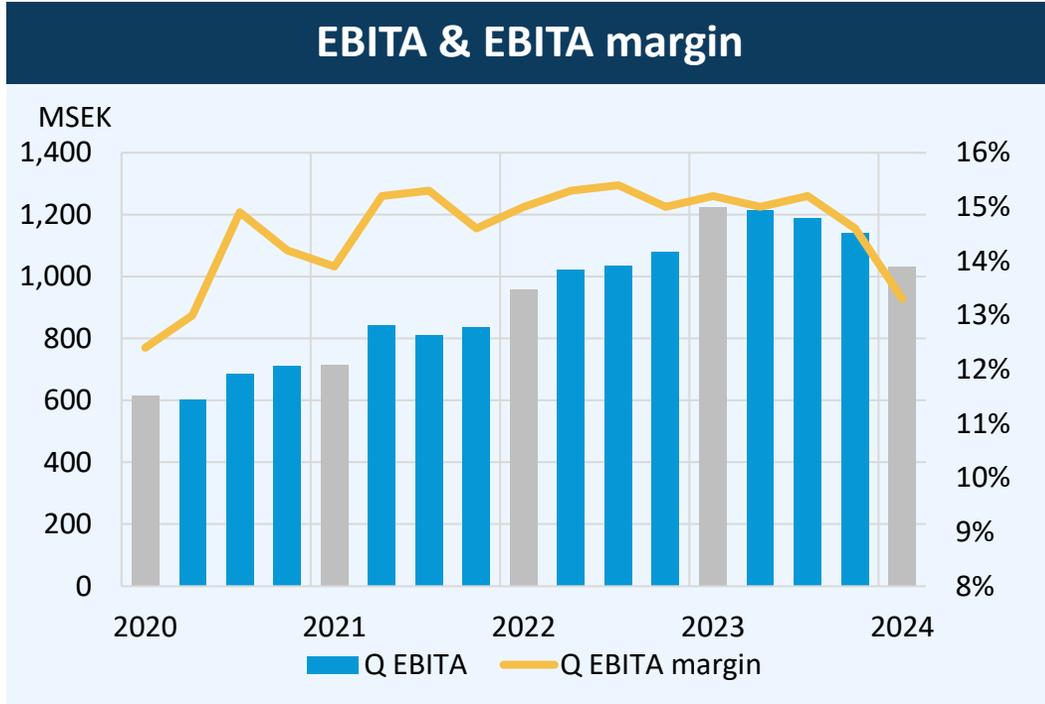
Q1 Growth	TOTAL	ORGANIC	ACQUISITIONS	DIVESTMENTS	CURRENCY
	0%	-3%	3%	-1%	1%

Q1 Growth	TOTAL	ORGANIC	ACQUISITIONS	DIVESTMENTS	CURRENCY
	-4%	-6%	3%	-1%	0%

# YoY organic Sales Growth – major countries

Nordics		Rest of Europe		Rest of the world	
Sweden	→	Benelux	↘	North America	↗
Denmark	→	UK/Ireland	↘	Asia	↘
Finland	→	Germany	↘		
Norway	↗	Switzerland & Austria	↘		
<b>Total Nordics</b>	→	<b>Total Rest of Europe</b>	↘	<b>Total Rest of the world</b>	→

# EBITA impacted by weaker sales



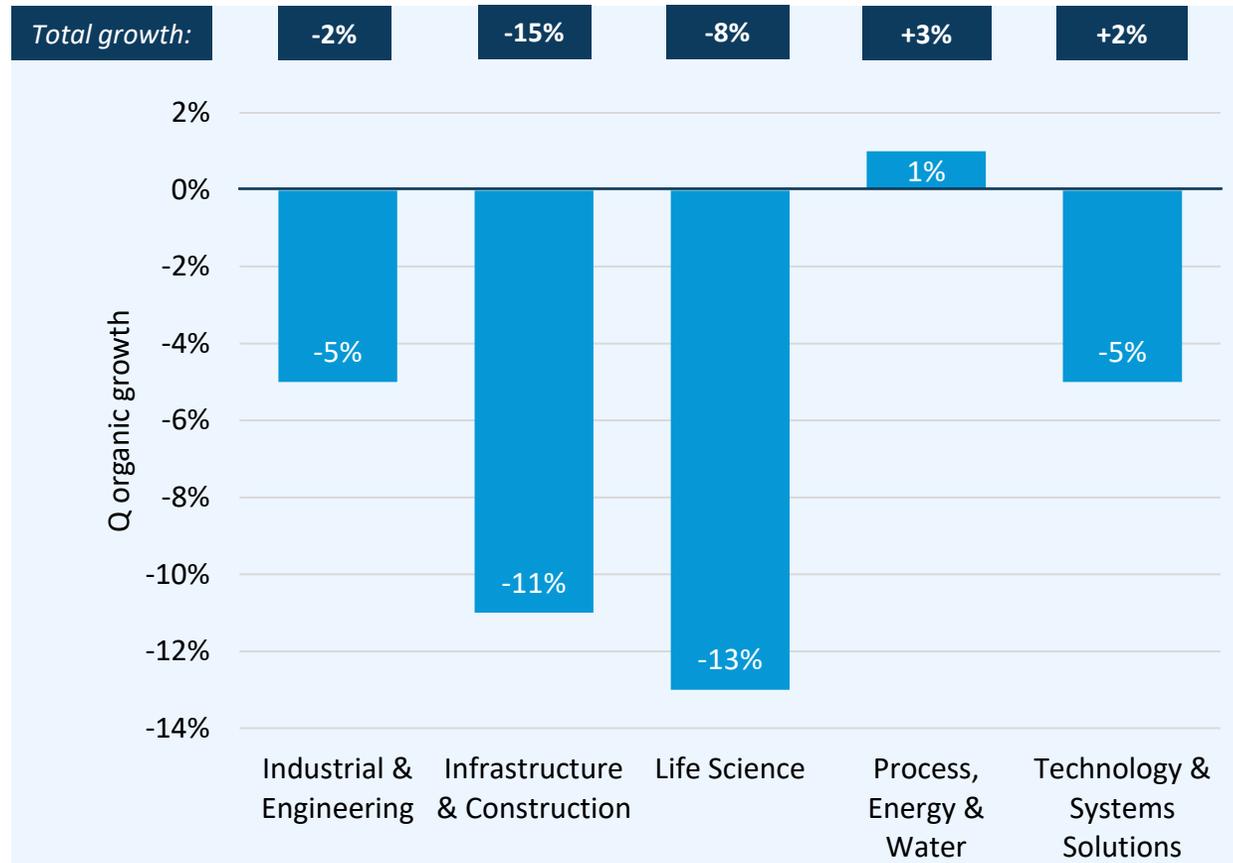
	Q1-24 MARGIN	Q GROWTH	YTD GROWTH
<b>1,033 MSEK</b>	<b>13.3%</b>	<b>-16%</b>	<b>-16%</b>

# New Group structure for future growth

*Moving from a geographic and product-based structure to a market and customer-based structure*

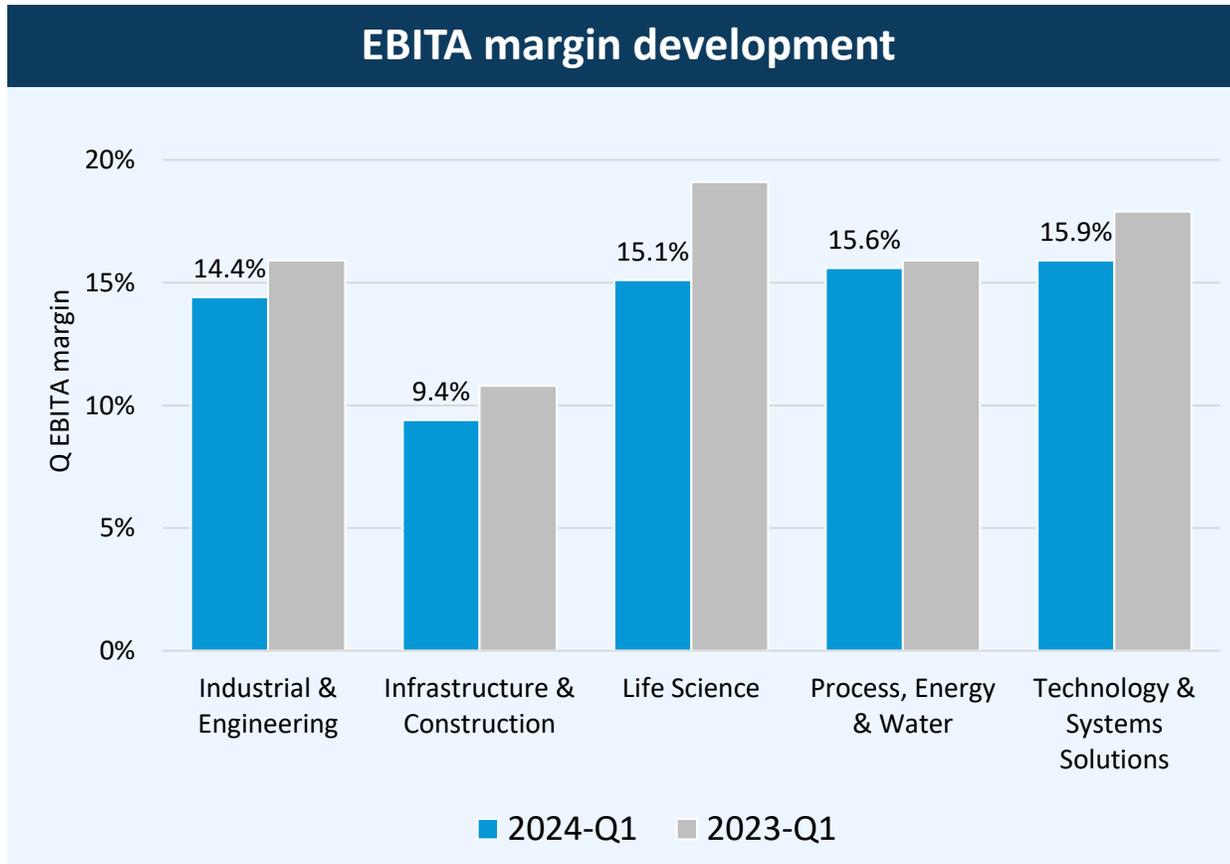


# Net Sales by Business Area



- Fewer working days and strong references impact all Business Areas
- Continued positive market supports organic development for Business Area Process, Energy and Water
- A weaker general engineering and construction market impacts Business Areas Industrial & Engineering, Infrastructure & Construction and Technology & System Solutions
- Very challenging references last year for Business Area Life Science
  - Strong sales to pharma producers in Q1 and Q2 last year

# EBITA margin by Business Area



- All Business Areas impacted by the weak organic sales development
  - Business Area Life Science had the most challenging references
- Somewhat higher gross margins but slightly higher expenses in many companies
- The organic decline in Business Area Infrastructure & Construction partly offset by positive acquisition and divestment effects

# Good acquisition pace!

## Acquisitions 2024

		Business Area	Annual Sales
Q1	 pure! GmbH	Industrial & Engineering	110 MSEK
	 SDT Scandinavian Drive Technologies AB	Industrial & Engineering	55 MSEK
	 MeHow Medical Ireland Ltd.	Life Science	160 MSEK
	 Atline ApS	Life Science	60 MSEK
	 Hemomatik AB	Technology & Systems Solutions	65 MSEK
Q2	 Matriks AS*	Life Science	205 MSEK
	 Geosense Ltd.	Infrastructure & Construction	120 MSEK
Total			775 MSEK



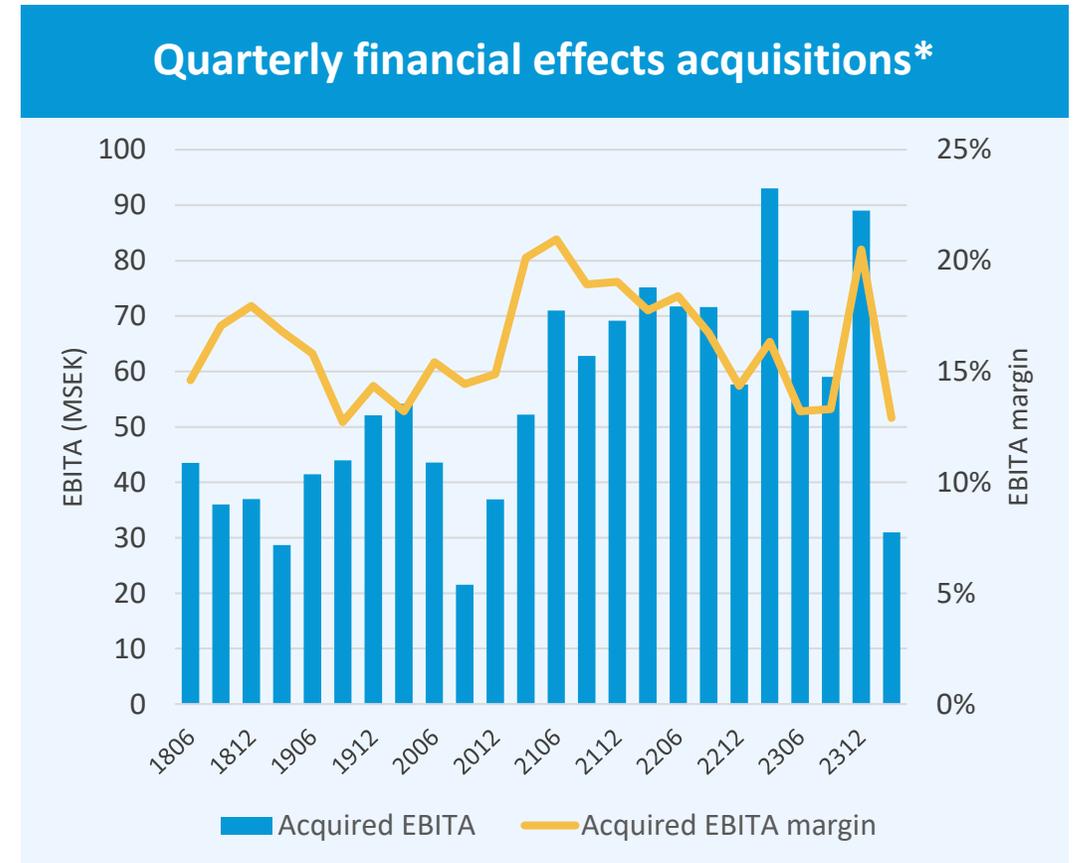
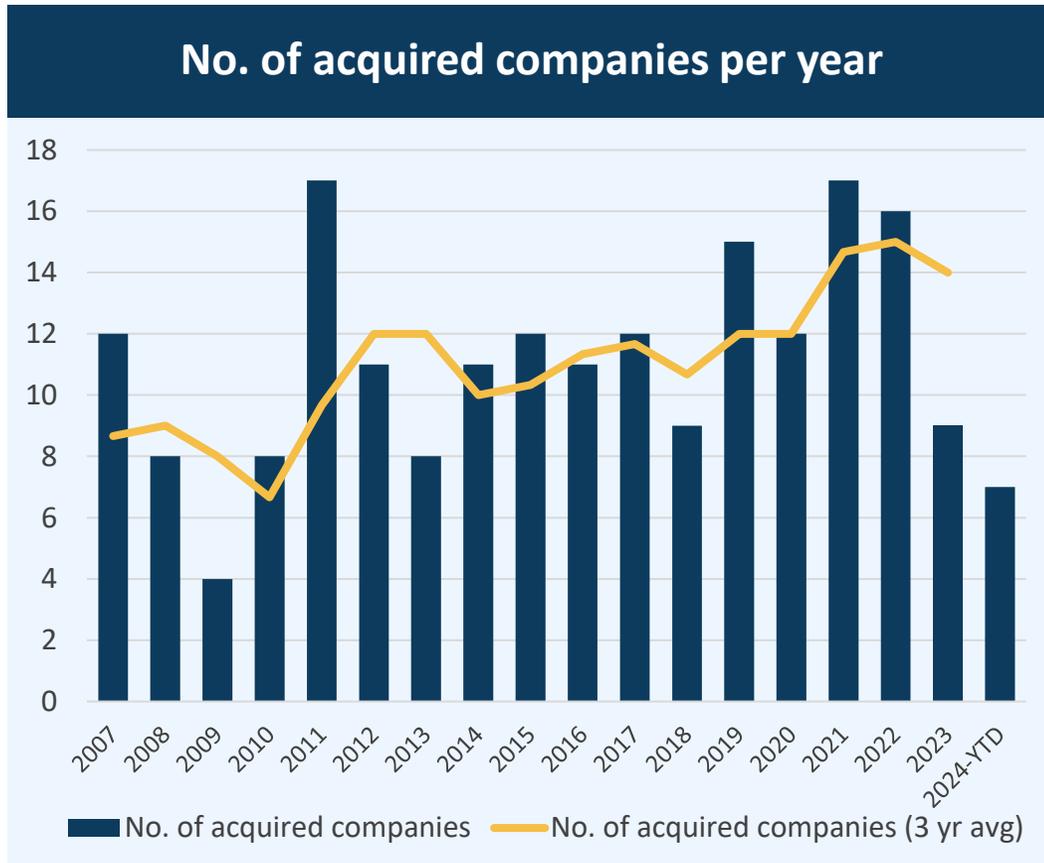









# Successful acquisition track record

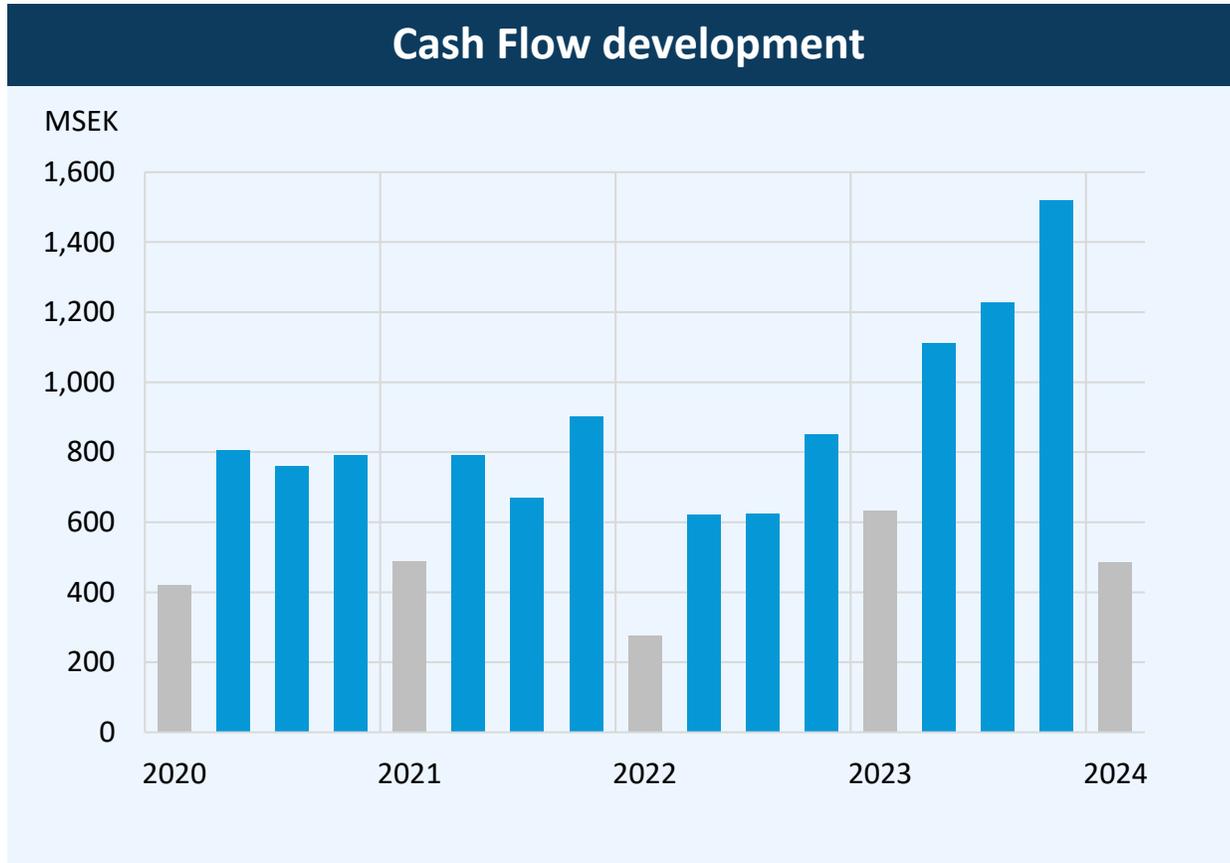


\* "bridge effects" from acquisitions last 12 months from date of closing, in respective quarter

# Key data summary

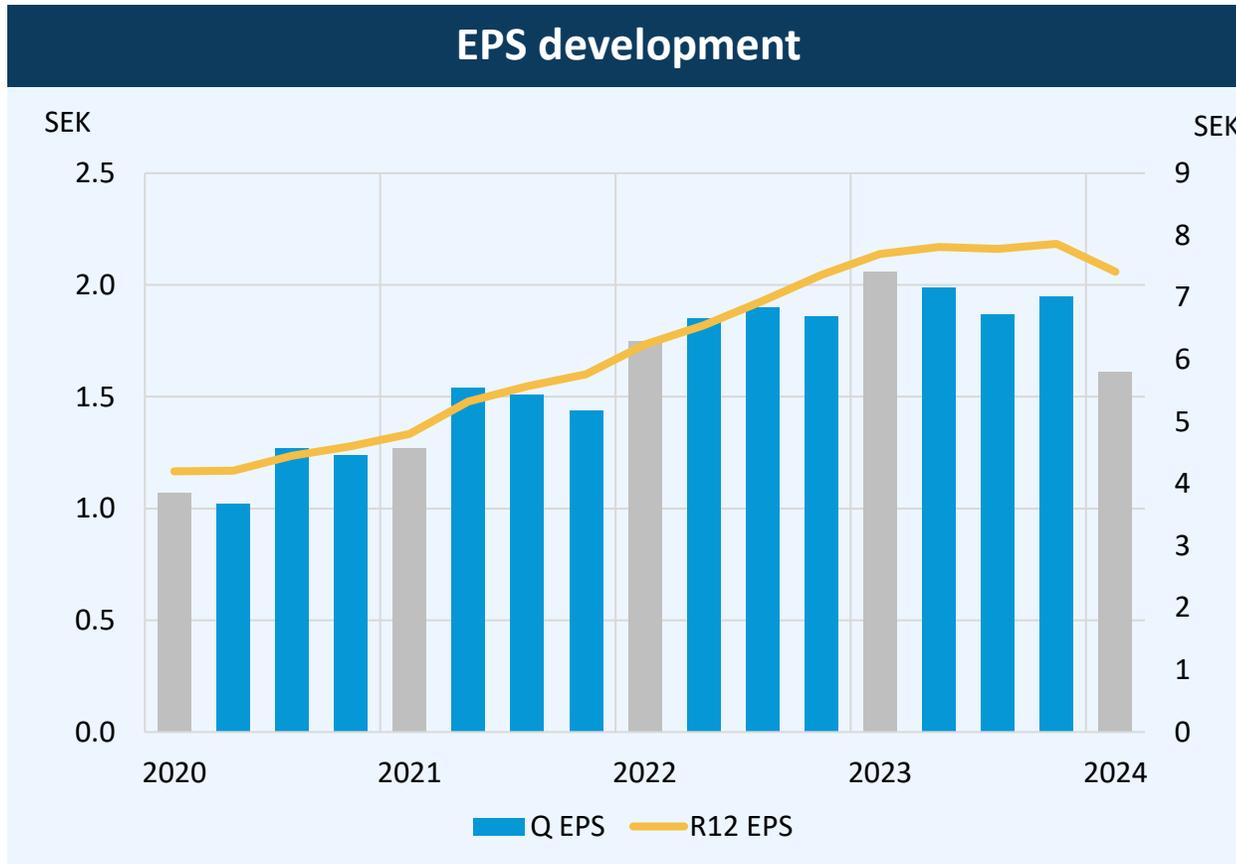
MSEK	2024-Q1	2023-Q1	Change
Order Intake	8,037	8,076	0%
Net Sales	7,744	8,063	-4%
Gross margin, %	35.0	34.6	
EBITA	1,033	1,225	-16%
EBITA-margin, %	13.3	15.2	
Net financial items	-115	-98	17%
Tax	-177	-229	-23%
Earnings per share (before dilution), SEK	1.61	2.06	-22%
Return On Capital Employed, %	20	22	
Cash Flow from operating activities	487	632	-23%
Net debt / EBITDA, times	1.5	1.8	

# Cash Flow from operating activities



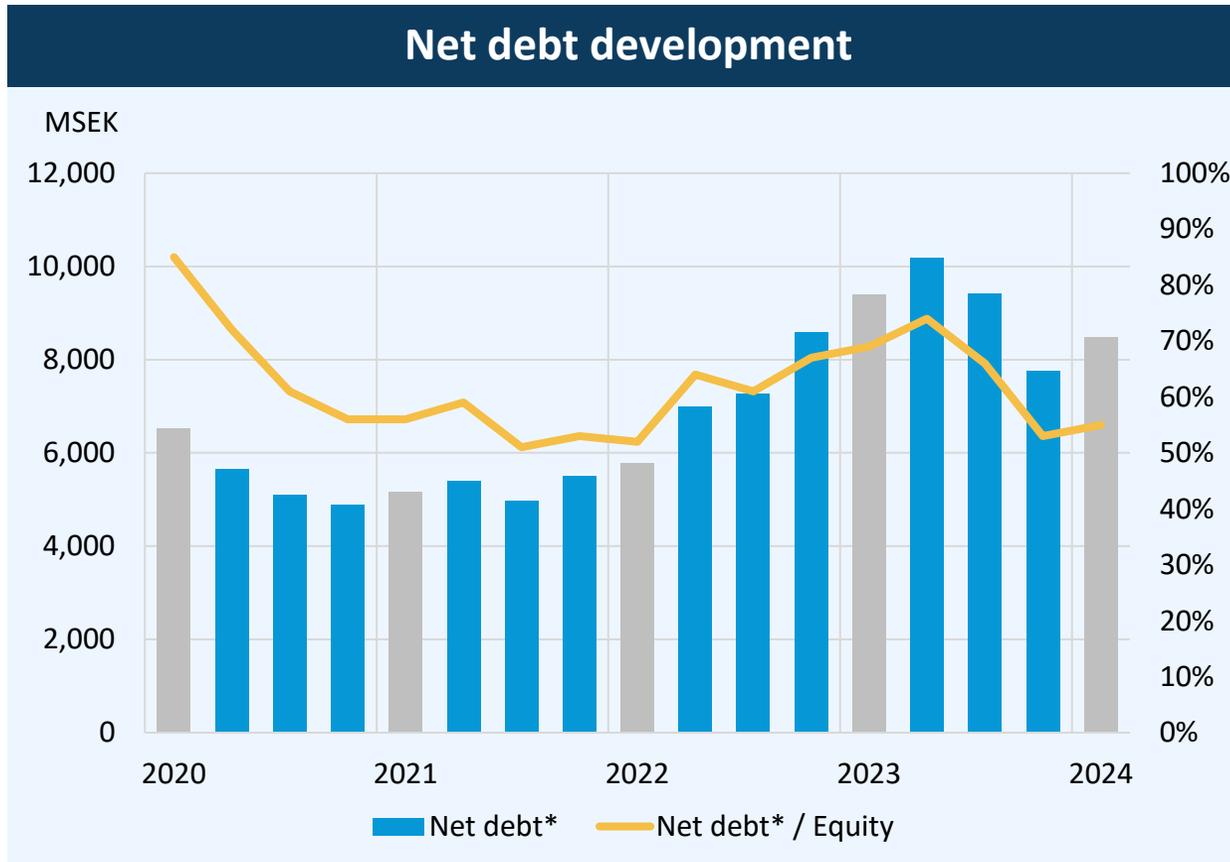
- Operating cash flow during the quarter decreased to 487 (632) MSEK, driven by the lower result
- Cash Flow seasonally low in Q1
- Inventories (organic) basically unchanged since year end
- The working capital efficiency\* declined compared to last quarter and year due to the lower sales

# Earnings per share



- EPS decreased 22% in the quarter to SEK 1.61 (2.06) per share
- The decline was mainly driven the lower operational result
- 3- and 5-year rolling 4Q earnings per share CAGR, were 16% and 14%

# Strong financial position



- The interest-bearing net debt decreased versus last year to 8,474 (9,390) MSEK, driven by strong cash flow last year
- Seasonally low cash flow in Q1 in combination with good acquisition pace increased net debt versus year end
- Net debt/equity ratio was 55% (69%)
- Net debt/EBITDA was 1.5x (1.8).  
Excluding earn-out liabilities 1.4x (1.6)

# Key takeaways

- Stable demand in a challenging quarter – positive Book-to-Bill two quarters in a row
- Companies in better market situations continue to pursue growth initiatives, while companies with declining order intake are actively working on cost reductions.
- The uncertainty around the general state of the economy remains for the coming quarter and we face strong references.
- The slightly improved order backlog and good acquisition pace contribute to some optimism about the earnings trend in the coming quarters.
- 7 acquisitions in 2024, with combined annual sales of SEK 775 million.
- New Group structure for future growth!



**Thank you!**

**Q&A**



**Indutrade**

# Financial calendar & contact details

**18 JULY 2024**

Interim Report Q2 2024

**25 OCTOBER 2024**

Interim Report Q3 2024

**30 JANUARY 2025**

Year-end Report 2024

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