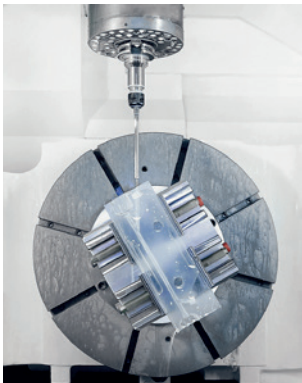


# INTERIM REPORT

1 January – 31 March 2020



## THE FIRST QUARTER

- Net revenue totalled SEK 538 million (564)
- Operating profit amounted to SEK 57 million (71)
- Profit before tax amounted to SEK 52 million (67)
- Profit after tax amounted to SEK 40 million (52)
- Earnings per share were SEK 1.43 (1.87)

## Important events during the period

- Limited impact of the COVID-19 pandemic to date

## Events after the end of the period

- To ensure financial latitude, the Board of Directors is proposing that no dividend be paid
- Annual General Meeting postponed until 25 June

## CEO's comments on the Group's development during the period

### THE GROUP

The year began with the same stable conditions for our business units. During the first quarter, the customer-specific volumes within Industrial Solutions remained at a good level, while activities within project-related operations increased. For Industrial Products, the trend was also positive up until the middle of March, at which point some of the companies in the business unit were affected by the production stoppage in the automotive industry resulting from the COVID-19 pandemic. Within Precision Technology, operations linked primarily to medical technology developed well, while other areas experienced a slightly weaker market climate. On the whole, the financial effects of the ongoing pandemic were limited during the period. Compared to last year's strong opening quarter, sales fell by 4.5 per cent. Operating profit declined by 20 per cent and the

operating margin fell from 12.5 to 10.5 per cent. The profit margin was 9.6 per cent and continued to exceed our long-term goal of at least 8 per cent.

### THE INDUSTRIAL PRODUCTS BUSINESS UNIT

Within the Industrial Products business unit, sales fell by almost 8 per cent, while operating profit declined by 24 per cent in relation to the comparison period. The quarter began strongly, above all in respect of proprietary products targeted at furniture and fittings manufacturers as well as within infrastructure. Around 40 per cent of the business unit's sales are made up of deliveries to the automotive industry. A slight decline in the sector was being noticed as early as the end of last year, and the production stoppages among vehicle manufacturers in March resulted in a further significant loss of volume. Blowtech's two facilities were affected first, with staff immediately being laid off on a temporary basis. Several of the other units have also subsequently lowered their rate of production through reduced working hours and the implementation of other measures.

### THE INDUSTRIAL SOLUTIONS BUSINESS UNIT

Sales within the Industrial Solutions business unit fell by almost 5 per cent, while operating profit declined by 14 per cent compared to last year. Developments during the period varied between the companies. Project-related operations at NPB and Canline continued to generate good profitability, while Fredriksons' Swedish unit demonstrated both growth and stronger earnings. As a result of official decisions, Fredriksons' unit in China was impeded by the week-long closure in connection with the Chinese New Year holiday, but was soon fully operational again. Usual project variations resulted in lower sales, yet incoming orders were high, particularly towards the end of the period. Apart from in China, the companies in the business unit did not experience any particular impact from the COVID-19 pandemic. If the general travel restrictions persist for an extended period, the potential to install automation solutions may be limited in future, however. Technical developments remained a general area of focus. For example, Jorgensen has expanded its offering with new digital solutions for aftersales and service.

### THE PRECISION TECHNOLOGY BUSINESS UNIT

Marginally higher sales were reported within the Precision Technology business unit. Operating profit was 22 per cent below that of the comparison period. Generally speaking, operations related to medical technology enjoyed strong development, whereas most other sectors experienced a weaker market climate, partially as a result of the COVID-19 pandemic. For example, the volume of project orders to the automotive industry was significantly lower than normal. The sector spread and the resulting changing assign-



ment structures within the business unit gave rise to unevenly distributed capacity between the production sites during the quarter. The general decline witnessed during the autumn gave rise to a gradual transition for the majority of our precision companies. They were therefore well prepared for the new conditions that now exist, and the situation generally remains stable.

## REFLECTIONS

Our business model, with decentralised and entrepreneur-governed operations, made it easier to adapt rapidly to the new conditions arising from the COVID-19 pandemic. Thanks to the solid experience possessed by the various company management teams, locally tailored measures were implemented, for example in respect of the introduction of procedures and guidelines for employees. One outcome of this has been that, to date, we have not witnessed any general increase in sickness absence.

The decision by the Board of Directors to postpone the Annual General Meeting is mainly intended to protect the health and safety of shareholders and employees. At the same time, it is our hope that, by holding the AGM at a later date, more shareholders can be given the opportunity to take part or otherwise exercise their rights. The postponement of the AGM has also given the Group management the opportunity to focus fully on business-related activities in this challenging situation.

Our operations cover many different areas, with a significant proportion focusing on the packaging and food industry as well as medical technology. These sectors are generally less sensitive to the economic situation, and even now are demonstrating relatively good stability. Within the Industrial Solutions business unit, incoming orders have been stronger in recent times than during the comparison period, and on the whole things are looking good for the current year. The resumption of vehicle manufacturing will gradually increase volumes, although not yet fully to the levels previously forecast for the year. Developments around us are creating new patterns of behaviour, which will also entail new business opportunities in the future. We are strengthening our efforts within sales and innovations. After a number of strong years generating good profits, our financial strength provides us with excellent conditions to adjust and develop our offer.

Lennart Persson  
President and CEO

## GENERAL INFORMATION

All amounts are reported in millions of Swedish kronor and relate to the Group, unless otherwise indicated. Amounts in brackets refer to the corresponding period last year.

## REVENUE AND PROFIT

Net revenue totalled SEK 538 million (564). Operating profit amounted to SEK 57 million (71), corresponding to an operating margin of 10.5 per cent (12.5). Profit before tax was SEK 52 million (67).

## SHARE DATA AND KEY FIGURES

Basic earnings per share were SEK 1.43 (1.87). Equity per share was SEK 30.36 (26.74). The average number of outstanding shares was 27,894,536 during the year. The equity/assets ratio was 39 per cent (35) at year-end. The average number of employees was 1,101 (1,063).

## IMPORTANT EVENTS DURING THE PERIOD

To date, the impact of the COVID-19 pandemic on the Group has been limited. As a result of official decisions, our unit in China was closed for a week in connection with the Chinese New Year holiday, although it has been operational again since 11 February. Deliveries to the automotive industry currently make up roughly 11 per cent of the Group's annual sales. After several vehicle manufacturers decided to shut down their production processes, we implemented adaptations in parts of our operations. In accordance with the regulations regarding reduced working hours, the rate of production has been temporarily lowered in the relevant units within the Industrial Products business area. These measures initially affected approximately 160 individuals, and should be viewed as temporary efforts to minimise the number of redundancies.

## EVENTS AFTER THE END OF THE PERIOD

At the start of April, the Board of Directors decided to withdraw the proposal it had previously communicated to the 2020 Annual General Meeting regarding a dividend of SEK 2.00 per share for the 2019 financial year. XANO enjoys a strong financial position, and this decision does not entail any change to the applied policy of an annual dividend corresponding to at least 30 per cent of profit after tax. However, bearing in mind the prevailing uncertainty linked to the effects of the COVID-19 pandemic, the Board wants to ensure it has as much financial latitude as possible.

The drawn-out progress of the COVID-19 pandemic is affecting our operations to varying degrees. For the Group, it has mainly been deliveries to the automotive industry that have been seriously affected so far. A gradual restart is now anticipated in this sector. Continued travel restrictions may limit our potential to carry out installations of automation equipment. Here, we are continuing to work with preventive measures and alternative solutions. See more under the heading Risks and uncertainty factors.

**INVESTMENTS**

Net investments in non-current assets came to SEK 27 million (27), of which SEK 1 million related to intangible non-current assets, SEK 3 million to real estate, SEK 21 million to machinery and equipment and SEK 2 million to right-of-use assets.

**CASH FLOW AND LIQUIDITY**

Cash flow from operating activities amounted to SEK 24 million (75) during the interim period. The weaker cash flow in relation to the comparison period is a consequence of the year's increase in working capital, principally in respect of contract assets in project-related operations.

Liquid assets, including lines of credit granted but not utilised, totalled SEK 490 million (339) on the closing day.

**RISKS AND UNCERTAINTY FACTORS**

The Group's main risks and uncertainty factors include operational risks associated with customers and suppliers and other external factors such as price risks for input goods. In addition, there are financial risks as a result of changes in exchange rates and interest rate levels.

The Group's operations span many different sectors and customer segments, which generally entails a good spreading of risk. We also enjoy a high level of preparedness to make adjustments at short notice. The ongoing COVID-19 pandemic is a risk and uncertainty factor that could have significant consequences for the Group's operations. The health and safety of our employees is our top priority, and we are complying with the guidelines and recommendations issued by the public authorities in the countries where we operate. This may in itself entail restrictions to our ability to maintain services for our customers. At the same time, the extent of our customers' need for products and services may be significantly reduced. There are also risks associated with e.g. material supplies and the purchase of services. There is consider-

able uncertainty surrounding developments in the outside world in the foreseeable future, and it is not possible to fully assess the financial effects of the pandemic.

A statement on the Group's other main financial and operational risks can be found on pages 77–78 of the annual report for 2019.

**WITHDRAWAL OF DIVIDEND PROPOSAL**

The Board of Directors originally proposed to the AGM a dividend of SEK 2.00 (2.00) per share, totalling SEK 55.8 million (55.8). As a result of the uncertainty that has arisen in connection with the spread of the COVID-19 pandemic, the Board decided at the start of April to withdraw this proposal.

**ANNUAL GENERAL MEETING 2020**

The 2020 Annual General Meeting had been planned for 7 May. As has previously been stated, the Board has decided to postpone it. The new date for the AGM will be 25 June 2020. The AGM will take place in Jönköping. The time, venue and other conditions will be presented in the convening notice, which will be communicated in the customary manner at the latest four weeks before the date of the AGM.

**NEXT REPORT DATE**

The interim report for the period 1 January to 30 June 2020 will be presented on Friday 10 July 2020.

Jönköping, 7 May 2020

The Board of Directors

*This report has not been reviewed by the company's auditor.*

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (SUMMARY, SEK million)	Note	2020 3 mths Jan-Mar	2019 3 mths Jan-Mar	19/20 12 mths Apr-Mar	2019 12 mths Jan-Dec
Net revenue	2	538	564	2,102	2,128
Cost of goods sold		-421	-432	-1,647	-1,658
<b>Gross profit</b>		<b>117</b>	<b>132</b>	<b>455</b>	<b>470</b>
Selling expenses		-41	-40	-159	-158
Administrative expenses		-22	-21	-86	-85
Other operating income		8	3	19	14
Other operating expenses		-5	-3	-14	-12
Profit from participations in associated companies		0	0	0	0
<b>Operating profit</b>		<b>57</b>	<b>71</b>	<b>215</b>	<b>229</b>
Financial income		4	3	10	9
Financial expenses		-9	-7	-29	-27
<b>Profit before tax</b>	2	<b>52</b>	<b>67</b>	<b>196</b>	<b>211</b>
Tax	3	-12	-15	-45	-48
<b>Net profit for the period</b>	7	<b>40</b>	<b>52</b>	<b>151</b>	<b>163</b>
<i>– of which attributable to shareholders of the Parent Company</i>		40	52	151	163
<b>OTHER COMPREHENSIVE INCOME</b>					
<i>Items that may be reclassified to net profit for the period</i>					
Change in hedging reserve including tax	4	0	-1	2	1
Translation differences	4	7	9	4	6
<b>Other comprehensive income</b>		<b>7</b>	<b>8</b>	<b>6</b>	<b>7</b>
<b>Comprehensive income for the period</b>		<b>47</b>	<b>60</b>	<b>157</b>	<b>170</b>
<i>– of which attributable to shareholders of the Parent Company</i>		47	60	157	170
Basic earnings per share, SEK	5	1.43	1.87	5.41	5.85
Diluted earnings per share, SEK	5	1.39	1.82	5.27	5.70

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (SUMMARY, SEK million)	Note	2020 31 Mar	2019 31 Mar	2019 31 Dec
<b>ASSETS</b>				
Goodwill		575	576	577
Other intangible non-current assets		44	40	44
Property, plant and equipment <sup>1)</sup>		522	464	503
Right-of-use assets <sup>1)</sup>		129	150	136
Other non-current assets		3	2	2
<b>Total non-current assets</b>		<b>1,273</b>	<b>1,232</b>	<b>1,262</b>
Inventories		326	299	318
Current receivables		484	532	419
Cash and cash equivalents		84	74	82
<b>Total current assets</b>		<b>894</b>	<b>905</b>	<b>819</b>
<b>TOTAL ASSETS</b>		<b>2,167</b>	<b>2,137</b>	<b>2,081</b>
<b>EQUITY AND LIABILITIES</b>				
Equity		847	746	800
Non-current liabilities		705	656	690
Current liabilities	6	615	735	591
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>2,167</b>	<b>2,137</b>	<b>2,081</b>

<sup>1)</sup> Right-of-use assets include rights of use in finance and operating leases. The comparative figures have been adjusted in respect of rights of use in finance leases, which in interim reports for 2019 were reported as machinery and equipment.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (SUMMARY, SEK million)	2020 31 Mar	2019 31 Mar	2019 31 Dec
Opening balance	800	686	686
Net profit for the period	40	52	163
Other comprehensive income	7	8	7
<b>Comprehensive income for the period</b>	<b>47</b>	<b>60</b>	<b>170</b>
Dividend paid in cash	–	–	-56
<b>Total transactions with shareholders</b>	<b>–</b>	<b>–</b>	<b>-56</b>
<b>Closing balance</b>	<b>847</b>	<b>746</b>	<b>800</b>
– of which attributable to shareholders of the Parent Company	847	746	800

CONSOLIDATED CASH FLOW STATEMENT (SUMMARY, SEK million)	Note	2020 3 mths Jan-Mar	2019 3 mths Jan-Mar	19/20 12 mths Apr-Mar	2019 12 mths Jan-Dec
Operating profit		57	71	215	229
Interest and income tax paid/received and adjustments for non-cash items		4	-9	14	1
Change in working capital		-37	13	27	77
<b>Cash flow from operating activities</b>		<b>24</b>	<b>75</b>	<b>256</b>	<b>307</b>
Investments					
Acquisitions of subsidiaries	7	–	–	-8	-8
Other		-24	-23	-101	-100
<b>Cash flow after investments</b>		<b>0</b>	<b>52</b>	<b>147</b>	<b>199</b>
Dividend paid		–	–	-56	-56
Cash flow from other financing activities		-2	-51	-83	-132
<b>Cash flow for the period</b>		<b>-2</b>	<b>1</b>	<b>8</b>	<b>11</b>
Cash and cash equivalents at the start of the period		82	70	74	70
Exchange rate differences in cash and cash equivalents		4	3	2	1
<b>Cash and cash equivalents at the end of the period</b>		<b>84</b>	<b>74</b>	<b>84</b>	<b>82</b>

## NOTES, GROUP

### ■ NOTE 1 ACCOUNTING POLICIES

This interim report has been prepared in accordance with IAS 34 Interim Financial Reporting and applicable regulations of the Swedish Annual Accounts Act. The Group and the Parent Company apply the same accounting policies as described in the annual report for 2019 with the exceptions of new or revised standards, interpretations and improvements, which are applied as from 1 January 2020. The critical assessments and the sources of estimates when preparing this interim report are the same as in the most recent annual report.



## ■ NOTE 2

## NET REVENUE AND PROFIT/LOSS BEFORE TAX

Net revenue refers to revenue from contracts with customers. The information on segments is provided from the management's perspective, which means that reporting corresponds to the way in which the information is presented internally. The Group reports on the following segments: Industrial Products, Industrial Solutions and Precision Technology. The operations within each segment are described on page 13. The segments are reported in accordance with the same accounting policies as the Group. Market conditions are applied to transactions between the segments.

NET REVENUE AND BREAKDOWN OF INCOME BY SEGMENT (SEK million)	2020 3 mths Jan-Mar	2019 3 mths Jan-Mar	2019 12 mths Jan-Dec
<b>INDUSTRIAL PRODUCTS</b>	<b>149</b>	<b>162</b>	<b>610</b>
Breakdown by geographic market <sup>1)</sup>			
Sweden	45	48	182
Rest of the Nordic countries	34	40	135
Rest of Europe	69	72	286
Rest of the world	1	2	7
Breakdown by type of product			
Proprietary products	46	47	164
Customer-specific manufacturing	103	115	446
Breakdown by timing of revenue recognition			
Goods and services transferred at a point in time	149	162	610
<b>INDUSTRIAL SOLUTIONS</b>	<b>307</b>	<b>322</b>	<b>1,214</b>
Breakdown by geographic market <sup>1)</sup>			
Sweden	85	108	389
Rest of the Nordic countries	24	7	71
Rest of Europe	152	167	506
Rest of the world	46	40	248
Breakdown by type of product			
Proprietary products	180	202	740
Customer-specific manufacturing	127	120	474
Breakdown by timing of revenue recognition			
Goods and services transferred at a point in time	155	144	584
Services transferred over time	2	1	13
Projects transferred over time	150	177	617
<b>PRECISION TECHNOLOGY</b>	<b>83</b>	<b>82</b>	<b>310</b>
Breakdown by geographic market <sup>1)</sup>			
Sweden	68	68	254
Rest of the Nordic countries	2	2	5
Rest of Europe	5	4	22
Rest of the world	8	8	29
Breakdown by type of product			
Proprietary products	1	1	3
Customer-specific manufacturing	82	81	307
Breakdown by timing of revenue recognition			
Goods and services transferred at a point in time	83	82	310
<b>GROUP TOTAL</b>	<b>538</b>	<b>564</b>	<b>2,128</b>
Breakdown by geographic market <sup>1)</sup>			
Sweden	197	222	819
Rest of the Nordic countries	60	49	211
Rest of Europe	226	243	814
Rest of the world	55	50	284
Breakdown by type of product			
Proprietary products	227	250	907
Customer-specific manufacturing	311	314	1,221
Breakdown by timing of revenue recognition			
Goods and services transferred at a point in time	386	386	1,498
Services transferred over time	2	1	13
Projects transferred over time	150	177	617

<sup>1)</sup> Revenue by geographic market refers to revenue from customers according to where the customers are located.

NET REVENUE BY SEGMENT	2020 3 mths Jan-Mar	2019 3 mths Jan-Mar	19/20 12 mths Apr-Mar	2019 12 mths Jan-Dec
(SEK million)				
Industrial Products	149	162	597	610
Industrial Solutions	307	322	1,199	1,214
Precision Technology	83	82	311	310
Eliminations	-1	-2	-5	-6
<b>Group total</b>	<b>538</b>	<b>564</b>	<b>2,102</b>	<b>2,128</b>

PROFIT/LOSS BEFORE TAX BY SEGMENT <sup>1)</sup>	2020 3 mths Jan-Mar	2019 3 mths Jan-Mar	19/20 12 mths Apr-Mar	2019 12 mths Jan-Dec
(SEK million)				
Industrial Products	14	21	62	69
Industrial Solutions	33	38	118	123
Precision Technology	12	15	44	47
Undistributed items	-7	-7	-28	-28
<b>Group total</b>	<b>52</b>	<b>67</b>	<b>196</b>	<b>211</b>

<sup>1)</sup> The segment figures refer to the profit/loss before the distribution of group-wide costs and tax in accordance with internal reporting. Undistributed items mainly refer to the Parent Company.

### ■ NOTE 3

#### TAX

Tax amounts to 23 per cent (22) for the interim period.

### ■ NOTE 4

#### OTHER COMPREHENSIVE INCOME

Change in hedging reserve including tax refers to the effective component of the change in value of derivative instruments used for hedge accounting. Translation differences refer to the effects of changes in exchange rates when net investments in non-Swedish subsidiaries are translated to SEK. The amount is reported net of hedging contracts.



## ■ NOTE 5

### EARNINGS PER SHARE

BASIC EARNINGS PER SHARE	2020 3 mths Jan-Mar	2019 3 mths Jan-Mar	19/20 12 mths Apr-Mar	2019 12 mths Jan-Dec
Net profit for the period, SEK million	39.8	52.2	150.7	163.1
Average number of outstanding shares, thousands	27,895	27,895	27,895	27,895
<b>Basic earnings per share, SEK</b>	<b>1.43</b>	<b>1.87</b>	<b>5.41</b>	<b>5.85</b>

DILUTED EARNINGS PER SHARE	2020 3 mths Jan-Mar	2019 3 mths Jan-Mar	19/20 12 mths Apr-Mar	2019 12 mths Jan-Dec
Net profit for the period, SEK million	39.8	52.2	150.7	163.1
Interest expense on convertible bonds, SEK million <sup>1)</sup>	0.6	0.6	2.3	2.3
Issue expenses for convertible bonds, SEK million	0.0	0.0	0.0	0.0
<b>Adjusted income, SEK million</b>	<b>40.4</b>	<b>52.8</b>	<b>153.0</b>	<b>165.4</b>
Average number of outstanding shares, thousands	27,895	27,895	27,895	27,895
Adjustment for presumed conversion of convertible bonds, thousands	1,140	1,140	1,140	1,140
<b>Average number of outstanding shares after dilution, thousands</b>	<b>29,035</b>	<b>29,035</b>	<b>29,035</b>	<b>29,035</b>
<b>Diluted earnings per share, SEK</b>	<b>1.39</b>	<b>1.82</b>	<b>5.27</b>	<b>5.70</b>

<sup>1)</sup> Constitutes current interest for convertible loan adjusted to market interest rate.

The total number of shares is 28,186,980, of which the company holds 292,444 on the closing day.

A 2:1 share split was carried out in June 2019. After the share split, the total number of shares stands at 28,186,980, divided between 7,288,800 class A shares and 20,898,180 class B shares. After deduction for the company's own holding, 292,444 class B shares, the number of outstanding shares is 27,894,536. The average number of outstanding shares was 27,894,536 during the interim period. The average number of shares in the company's custody was 292,444. Each class A share entitles ten votes and each class B share entitles one vote. The number of votes, following deductions for the company's own holding, was 93,493,736 on the closing day. Due to the share split, all comparison figures have been recalculated.

On 1 July 2016, convertibles at a nominal value of SEK 62,130,000, corresponding to 1,140,000 Class B shares in the event of full conversion, were issued to employees within the XANO Group. The convertibles accrue interest corresponding to STIBOR 3M plus 2.20% and fall due for payment on 30 June 2020. The conversion rate was originally SEK 218. Due to the share splits in 2017 and 2019, the conversion rate has been recalculated in accordance with section 8B of the terms and conditions. The recalculated conversion rate is SEK 54.50. During the period 1 June to 12 June 2020, each convertible may be converted to one Class B share in XANO Industri AB. If all convertibles are converted to shares, the dilution will be approx. 4 per cent of the share capital and 1.2 per cent of the number of votes based on the total number of shares on the closing day.

## ■ NOTE 6

### CURRENT LIABILITIES

Current liabilities include interest derivatives measured at fair value of SEK 13 million (15) for the interim period and SEK 13 million for the 2019 full year. The derivatives are used for hedging purposes and belong to value level 2 under IFRS 13. The fair value measurement is based on a number of factors, including forward interest rates produced on the basis of observable yield curves.

## ■ NOTE 7

### BUSINESS COMBINATIONS

AB Kuggteknik is included in the consolidated results from 1 July 2019. If the acquired unit had been included in the Group throughout the whole of 2019, revenue would have amounted to approx. SEK 2,142 million, while net profit would have been unchanged at SEK 163 million for the 2019 full year.

SHARE DATA, GROUP	2020 3 mths Jan-Mar	2019 3 mths Jan-Mar	19/20 12 mths Apr-Mar	2019 12 mths Jan-Dec
Average number of outstanding shares, thousands	27,895	27,895	27,895	27,895
Average number of outstanding shares after dilution, thousands	29,035	29,035	29,035	29,035
Basic earnings per share, SEK	1.43	1.87	5.41	5.85
Diluted earnings per share, SEK	1.39	1.82	5.27	5.70
Cash flow from operating activities per share, SEK	0.87	2.71	9.18	11.02
Total number of shares on closing day, thousands	28,187	28,187	28,187	28,187
Number of shares in own custody on closing day, thousands	292	292	292	292
Number of outstanding shares on closing day, thousands	27,895	27,895	27,895	27,895
Equity per share on closing day, SEK	30.36	26.74	30.36	28.68
Share price on closing day, SEK	82.00	103.00	82.00	113.00

The comparison figures have been recalculated due to the 2:1 share split carried out in June 2019. See also Note 5 on page 9.

KEY FIGURES, GROUP	2020 3 mths Jan-Mar	2019 3 mths Jan-Mar	19/20 12 mths Apr-Mar	2019 12 mths Jan-Dec
Operating margin, %	10.5	12.5	10.2	10.8
Profit margin, %	9.6	11.9	9.3	9.9
Interest-bearing liabilities, SEK million	757	831	757	762
Deferred tax liabilities, SEK million	96	91	96	96
Lines of credit granted but not utilised, SEK million	406	265	406	428
Return on equity, %	19.3	29.2	19.3	21.8
Return on capital employed, %	15.4	19.4	14.3	15.4
Return on total capital, %	11.5	14.3	10.6	11.4
Average equity, SEK million	823	716	782	750
Average capital employed, SEK million	1,583	1,524	1,576	1,549
Average total capital, SEK million	2,124	2,065	2,119	2,084
Interest coverage ratio, multiple	6.7	10.7	7.7	8.8
Equity/assets ratio, %	39	35	39	38
Proportion of risk-bearing capital, %	44	39	44	43
Depreciation, SEK million	21	20	85	84
Net investments in non-current assets, SEK million	27	27	123	123
Employees, average number	1,101	1,063	1,094	1,085

QUARTERLY SUMMARY, GROUP	2020 Q1	2019 Q1	2019 Q4	2018 Q4	2019 Q3	2018 Q3	2019 Q2	2018 Q2
Net revenue, SEK m	538	564	520	549	463	450	581	541
Gross profit, SEK m	117	132	109	128	90	96	139	120
Operating profit, SEK m	57	71	45	63	39	51	74	61
Profit before tax, SEK m	52	67	39	57	36	47	69	59
Net profit for the period, SEK m	40	52	30	45	27	36	54	47
Comprehensive income for the period, SEK m	47	60	27	43	29	32	54	50
Operating margin, %	10.5	12.5	8.7	11.6	8.5	11.2	12.8	11.3
Profit margin, %	9.6	11.9	7.6	10.5	7.8	10.3	11.9	10.9
Equity/assets ratio, %	39	35	38	34	37	32	35	31
Basic earnings per share, SEK <sup>1)</sup>	1.43	1.87	1.10	1.61	0.95	1.30	1.93	1.67
Cash flow from operating activities per share, SEK <sup>1)</sup>	0.87	2.71	1.89	2.12	4.60	1.47	1.82	1.21

<sup>1)</sup> The comparative figures have been recalculated due to the 2:1 share split carried out in June 2019.

For definitions, see page 11.

## DEFINITIONS

### AVERAGE NUMBER OF EMPLOYEES

Average number of employees during the period based on working hours.

### BASIC EARNINGS PER SHARE

Net profit in relation to the average number of outstanding shares.

### CAPITAL EMPLOYED

Balance sheet total less non-interest-bearing liabilities.

### CASH FLOW FROM OPERATING ACTIVITIES PER SHARE

Cash flow from operating activities in relation to the average number of outstanding shares.

### DILUTED EARNINGS PER SHARE

Net profit plus costs relating to convertible loan in relation to the average number of outstanding shares plus the average number of shares added at conversion of outstanding convertibles.

### EQUITY PER SHARE

Equity in relation to the number of outstanding shares on the closing day.

### EQUITY/ASSETS RATIO

Equity in relation to total capital.

### INTEREST COVERAGE RATIO

Profit before tax plus financial expenses in relation to financial expenses.

### NET INVESTMENTS

Closing balance less opening balance plus amortisation/depreciation, impairment costs and translation differences relating to non-current assets.

### OPERATING MARGIN

Operating profit in relation to net revenue.

### ORGANIC GROWTH

Growth in net revenue generated by the Group's own efforts and in existing structure. The amount has not been adjusted for exchange rate fluctuations.

### PROFIT MARGIN

Profit before tax in relation to net revenue.

### PROPORTION OF RISK-BEARING CAPITAL

Equity plus provisions for taxes in relation to total capital.

### RETURN ON CAPITAL EMPLOYED

Profit before tax plus financial expenses in relation to average capital employed.

### RETURN ON EQUITY

Net profit in relation to average equity.

### RETURN ON TOTAL CAPITAL

Profit before tax plus financial expenses in relation to average total capital.

### REVENUE GROWTH

Net revenue for the period in relation to net revenue for a comparative period.

### TOTAL CAPITAL

Total equity and liabilities (balance sheet total).

## KEY FIGURES

Key figures included in this report derive primarily from the disclosure requirements according to IFRS. Other performance indicators, known as alternative key figures, describe e.g. the profit trend, financial strength and how the Group has invested its capital.

Presented key figures take the nature of the business into account, and are deemed to provide relevant information to shareholders and other stakeholders for assessing the Group's potential to carry out strategic investments, fulfil financial commitments and provide yield for shareholders at the same time as achieving comparability with other companies. The margin measures are also presented internally for each segment.

For reconciliation of key figures, see page 80 in the 2019 annual report.

INCOME STATEMENT, PARENT COMPANY		2020	2019	2019
(SUMMARY, SEK million)	Note	3 mths Jan-Mar	3 mths Jan-Mar	12 mths Jan-Dec
Net revenue	1	5.0	4.5	22.5
Selling and administrative expenses		-6.5	-6.7	-27.1
<b>Operating profit/loss</b>		<b>-1.5</b>	<b>-2.2</b>	<b>-4.6</b>
Profit from participations in Group companies		–	–	128.3
Other financial items		-1.4	-2.5	-4.3
<b>Profit/loss after financial items</b>		<b>-2.9</b>	<b>-4.7</b>	<b>119.4</b>
Appropriations		–	–	-13.0
Tax	2	0.6	1.0	-18.4
<b>Net profit for the period</b>		<b>-2.3</b>	<b>-3.7</b>	<b>88.0</b>
<i>Statement of comprehensive income</i>				
Net profit for the period		-2.3	-3.7	88.0
Other comprehensive income		–	–	–
<b>Comprehensive income for the period</b>		<b>-2.3</b>	<b>-3.7</b>	<b>88.0</b>

BALANCE SHEET, PARENT COMPANY		2020	2019	2019
(SUMMARY, SEK million)		31 Mar	31 Mar	31 Dec
<b>ASSETS</b>				
Non-current assets		225.5	228.7	235.6
Current assets		647.4	695.1	620.9
<b>EQUITY AND LIABILITIES</b>				
Equity		234.7	201.1	237.0
Untaxed reserves		107.0	94.0	107.0
Non-current liabilities		120.0	168.9	120.0
Current liabilities		411.2	459.8	392.5
<b>BALANCE SHEET TOTAL</b>		<b>872.9</b>	<b>923.8</b>	<b>856.5</b>

STATEMENT OF CHANGES IN EQUITY, PARENT COMPANY		2020	2019	2019
(SUMMARY, SEK million)		31 Mar	31 Mar	31 Dec
Opening balance		237.0	204.8	204.8
Comprehensive income for the period		-2.3	-3.7	88.0
Transfer of own shares		–	–	–
Dividend paid in cash		–	–	-55.8
<b>Closing balance</b>		<b>234.7</b>	<b>201.1</b>	<b>237.0</b>

CASH FLOW STATEMENT, PARENT COMPANY		2020	2019	2019
(SUMMARY, SEK million)		3 mths Jan-Mar	3 mths Jan-Mar	12 mths Jan-Dec
Operating profit/loss		-1.5	-2.2	-4.6
Interest and income tax paid/received and adjustments for non-cash items		-5.2	-8.0	102.9
Change in working capital		3.3	52.7	117.2
<b>Cash flow from operating activities</b>		<b>-3.4</b>	<b>42.5</b>	<b>215.5</b>
Investments		–	–	-0.0
<b>Cash flow after investments</b>		<b>-3.4</b>	<b>42.5</b>	<b>215.5</b>
Financing		1.2	-41.0	-214.4
<b>Cash flow for the period</b>		<b>-2.2</b>	<b>1.5</b>	<b>1.1</b>
Cash and cash equivalents at the start of the year		6.3	5.2	5.2
Exchange rate differences in cash and cash equivalents		0.0	0.1	0.0
<b>Cash and cash equivalents at the end of the period</b>		<b>4.1</b>	<b>6.8</b>	<b>6.3</b>

#### ■ NOTE 1

Net revenue refers to revenue from contracts with customers. 100 per cent (100) of the Parent Company's net revenue comes from invoicing to subsidiaries.

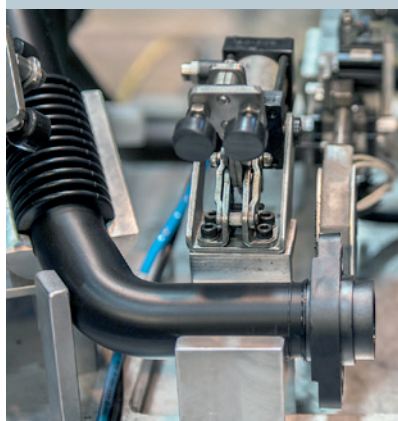
#### ■ NOTE 2

Income tax amounts to 21 per cent (21).

## THIS IS XANO

The XANO Group is made up of engineering companies that offer manufacturing and development services for industrial products and automation equipment. The Group is represented in the Nordic region, Estonia, the Netherlands, Poland, China and the USA. The operations are divided up into the Industrial Products, Industrial Solutions and Precision Technology business units.

### INDUSTRIAL PRODUCTS



Operations within the Industrial Products business unit comprise the design, manufacture and sale of plastic components and systems produced by means of rotational moulding, injection moulding and blow moulding. Deliverables include both customer-specific and proprietary products.

		2020 Q1	2019 Q1	2019 Q1–Q4
Net sales	SEK m	149	162	610
Operating profit	SEK m	16	22	75
Operating margin	%	11.0	13.3	12.4

#### Companies

**Ackurat**  
Sweden  
Finland  
Poland

**Blowtech**  
Sweden  
Norway

**Cipax**  
Sweden  
Estonia  
Norway  
Finland

### INDUSTRIAL SOLUTIONS



Companies within the Industrial Solutions business unit supply automation solutions developed in-house, such as packaging machines, accumulators and conveyor systems, to the packaging industry. Contract assignments for advanced industrial products in small and medium-sized production runs are also performed.

		2020 Q1	2019 Q1	2019 Q1–Q4
Net sales	SEK m	307	322	1,214
Operating profit	SEK m	34	39	129
Operating margin	%	10.9	12.2	10.6

#### Companies

**Canline**  
Netherlands  
USA

**Fredriksons**  
Sweden  
China

**Jorgensen**  
Denmark

**NPB**  
Sweden

**Polyketting**  
Netherlands

### PRECISION TECHNOLOGY



Operations within the Precision Technology business unit cover component and system manufacture through advanced cutting machining of metal and plastic, used for the production of components with stringent requirements for quality and precision.

		2020 Q1	2019 Q1	2019 Q1–Q4
Net sales	SEK m	83	82	310
Operating profit	SEK m	13	16	50
Operating margin	%	15.4	19.9	16.2

#### Companies

**Kuggteknik**  
Sweden

**KMV**  
Sweden

**LK Precision**  
Sweden

**Mikroverktyg**  
Sweden

**Resinit**  
Sweden

*Kuggteknik is included from 1 July 2019.*

*The Parent Company, XANO Industri AB (publ) with corporate identity number 556076-2055,  
is a public limited liability company with its registered office in Jönköping, Sweden.*



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