

INTERIM REPORT

1 January – 30 June 2020



THE INTERIM PERIOD

- Net revenue totalled SEK 1,084 million (1,145)
- Operating profit amounted to SEK 126 million (145)
- Profit before tax amounted to SEK 116 million (136)
- Profit after tax amounted to SEK 89 million (106)
- Earnings per share were SEK 3.20 (3.80)

Important events during the period

- Limited impact of the COVID-19 pandemic to date
- The AGM decided that no dividends should be paid
- Conversion of personnel convertibles implemented

THE SECOND QUARTER

- Net revenue totalled SEK 546 million (581)
- Operating profit amounted to SEK 69 million (74)
- Profit before tax amounted to SEK 64 million (69)
- Profit after tax amounted to SEK 49 million (54)
- Earnings per share were SEK 1.77 (1.93)

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

THE GROUP

During the second quarter, we have been able to successfully maintain our margins in a challenging situation. The stable start to the year and the strong results over the past three-month period generated an enhanced profit margin since the start of the year. The market situation has generally stabilised in recent times, and incoming orders for the first half of the year increased in relation to the comparison period. The level of activity was high above all in the medical technology sector, while sales linked to automation projects have remained strong.

On the whole, the financial effects of the ongoing pandemic were limited during the interim period. There have been considerable variations in the degree of impact, however, both between and within our business units. The production stoppage in the automotive industry and periodic shutdowns in other sectors impeded developments for parts of the Group's operations. However, the

resulting loss of sales was compensated to a large extent by an upturn in other areas. We implemented a rapid adjustment in line with the altered conditions in order to optimise our sales activities and reduce our costs. The government support we received further dampened the negative impact on our profits.

In relation to the record results achieved during the comparison period, sales fell by 5 per cent and operating profit declined by 13 per cent. The operating margin fell from 12.7 to 11.6 per cent. The profit margin was 10.7 per cent (11.9) 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 just over 17 per cent, while operating profit declined by 21 per cent in relation to the comparison period. The operating margin was 13.8 per cent (14.4). Strong growth for the business unit's proprietary products, particularly within infrastructure and marine, has contributed to good margins being retained overall. The production stoppages by automotive manufacturers mainly affected Blowtech's two facilities, resulting in a significant drop in sales. However, rapid adjustments, good cost control and government support measures have minimised lost profits. The automotive manufacturers have opened up again during the second quarter, and volumes have gradually increased, although to a lower level than previously. A number of redundancies have been effected within the business unit, and some of the workforce remain covered by short-term temporary layoffs.

THE INDUSTRIAL SOLUTIONS BUSINESS UNIT

Sales within the Industrial Solutions business unit fell marginally, while operating profit declined by 10 per cent compared to last year. The operating margin was 11.2 per cent (12.3). Sales of the business unit's proprietary automation solutions increased, while an element of general restraint within a number of sectors dampened demand for customer-specific products. A less favourable project mix, combined with reduced profits in those units that have been affected by the pandemic, explain the slightly poorer profitability in relation to the comparison period. Applicable travel restrictions have meant that the scope of service deliveries has been at a low level and the development work relating to new digital aftersales solutions is continuing. In addition, alternative solutions for the installation of automation equipment are being evaluated in those cases where the potential for physical presence remains limited.

THE PRECISION TECHNOLOGY BUSINESS UNIT

Overall, the Precision Technology business unit reported marginally higher sales, while operating profit was just over 4 per cent below that of the comparison period. The operating margin was 18.1 per cent (19.4). The companies that have a high proportion of assignments towards the medical technology sector continued to develop strongly. The conditions were generally more restrained



within other sectors, partially as a result of the pandemic, and there were large variations within the business unit. Temporary layoffs and a few redundancies have been implemented in some of the companies, while others have reinforced their personnel resources in order to respond to increasing demand. A general stabilisation was experienced on several markets at the end of the period, for example with new project enquiries being received from the automotive industry where development activities had been suspended for a period.

REFLECTIONS

Our decentralised, entrepreneur-governed business model comprising three business units has proven to be successful in times of crisis. The mix of industries with a high share of sales within sectors that are less sensitive to the economic situation, such as medical technology as well as the packaging and food industries, is contributing to good stability. Our focus on profitable growth, by adopting a long-term approach when working with strategic customers and assignments, is also playing a role. At the same time, active product development is generating increased sales of proprietary products, where we have the potential to make optimum use of available resources. This also applies to our project operations to a great extent. The Group is still facing challenges, of course. We have not achieved the internal goals we had set for 2020, yet we have still performed strongly under the prevailing circumstances. Healthy staff, high flexibility, active sales and cost control are the cornerstones of our operation.

FUTURE DEVELOPMENT

We are making preparations for the further upturn that is indicated within medical technology, both directly and indirectly linked to COVID-19. For companies with automation projects within Industrial Solutions, extensive deliveries and installations are anticipated. In this respect, we are working with alternative solutions where physical presence is prevented by travel restrictions, although the ongoing existence of restrictions in the long-term will have a negative impact on us. The same applies to after-sales activities, above all service, which have been at a reduced level during the pandemic. Within automotive manufacture and other operations that have been shut down, volumes are gradually increasing, although they are not expected to return to the forecast levels this year. At the same time, we are witnessing growth in other sectors. Our financial strength provides us with good conditions to adapt and further develop our offer. Through innovations, technical development and proactive sales work, we will make use of the new business opportunities being generated by altered behavioural patterns. Furthermore, our aim is to continue to identify complementary acquisitions in accordance with our long-term strategy. Based on developments during the first half of the year, we are positive about our potential to continue to perform well in the near future.

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

The interim period

Net revenue totalled SEK 1,084 million (1,145). Operating profit amounted to SEK 126 million (145), corresponding to an operating margin of 11.6 per cent (12.7). Profit before tax was SEK 116 million (136).

The second quarter

Net revenue totalled SEK 546 million (581). Operating profit amounted to SEK 69 million (74), corresponding to an operating margin of 12.7 per cent (12.8). Profit before tax was SEK 64 million (69).

SHARE DATA AND KEY FIGURES

The interim period

Basic earnings per share were SEK 3.20 (3.80). Equity per share was SEK 32.52 (26.67). The average number of outstanding shares was 27,906,186 during the period. The equity/assets ratio was 44 per cent (35) at the end of the period. The average number of employees was 1,050 (1,070).

IMPORTANT EVENTS DURING THE PERIOD

To date, the negative impact of the COVID-19 pandemic on the Group has been limited. After several vehicle manufacturers decided to shut down their production processes, we implemented adaptations in parts of our operations. These measures initially affected approximately 160 individuals. Following the restart, there has been a gradual increase in automotive production volumes, although not yet to the previously forecast levels.

The Annual General Meeting was originally planned for 7 May, but was held instead on 25 June. The Meeting decided to approve the Board of Directors' proposal that no dividends should be paid for the 2019 financial year. The purpose of this proposal was to ensure as high a level of financial latitude as possible, bearing in mind the prevailing uncertainty linked to the effects of the COVID-19 pandemic.

On 1 July 2016, personnel convertibles were issued with a closing date of 30 June 2020. During the period 1–12 June 2020, a nominal amount of SEK 57,776,921.50 was registered for conversion to Class B shares. The conversion rate was SEK 54.50 and the number of new Class B shares resulting from the conversion amounts to 1,060,127. The registration process was implemented in June 2020.

EVENTS AFTER THE END OF THE PERIOD

There are no individual events of major significance to report after the closing day.

INVESTMENTS*The interim period*

Net investments in non-current assets came to SEK 35 million (44), of which SEK 3 million related to intangible non-current assets, SEK 4 million to real estate, SEK 25 million to machinery and equipment and SEK 3 million to right-of-use assets.

The second quarter

Net investments in non-current assets came to SEK 8 million (17), of which SEK 2 million related to intangible non-current assets, SEK 1 million to real estate, SEK 4 million to machinery and equipment and SEK 1 million to right-of-use assets.

CASH FLOW AND LIQUIDITY*The interim period*

Cash flow from operating activities amounted to SEK 129 million (126) during the interim period. Despite the slightly lower profits, the cash flow is on a par with the comparison period, mainly as a result of reduced tax payments.

Liquid assets, including lines of credit granted but not utilised, totalled SEK 584 million (316) on the closing day.

NUMBER OF SHARES AND VOTING RIGHTS

Following the conversion of personnel convertibles in June, the total number of registered shares in the company amounts to 29,247,107, divided between 7,288,800 Class A shares and 21,958,307 Class B shares, with a quotient value of SEK 1.25. Each Class A share entitles ten votes and each Class B share entitles one vote. The total number of votes amounts to 94,846,307. The company holds 292,444 of its own Class B shares.

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 carry out installations and 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. Bearing in mind the Group's overall development over the past quarter, however, the risks are deemed to be limited in the short term.

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.

NEXT REPORT DATE

The interim report for the period 1 January to 30 September 2020 will be presented on Thursday 5 November 2020.

The undersigned declare that this half-yearly interim report provides a true summary of the Parent Company's and the Group's activities, position and results. It also describes significant risks and uncertainty factors facing the Parent Company and the companies that form the Group.

Jönköping, 10 July 2020

Fredrik Rapp
Chairman of the Board

Anna Benjamin
Vice Chairman of the Board

Petter Fägersten
Board member

Eva-Lotta Kraft
Board member

Per Rodert
Board member

Lennart Persson
CEO

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

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (SUMMARY, SEK million)		2020	2019	2020	2019	19/20	2019
	Note	3 mths Apr-Jun	3 mths Apr-Jun	6 mths Jan-Jun	6 mths Jan-Jun	12 mths Jul-Jun	12 mths Jan-Dec
Net revenue	2	546	581	1,084	1,145	2,067	2,128
Cost of goods sold		-412	-442	-833	-874	-1,617	-1,658
Gross profit		134	139	251	271	450	470
Selling expenses		-41	-43	-82	-83	-157	-158
Administrative expenses		-24	-23	-46	-44	-87	-85
Other operating income		1	4	9	7	16	14
Other operating expenses		-1	-3	-6	-6	-12	-12
Profit from participations in associated companies		0	0	0	0	0	0
Operating profit		69	74	126	145	210	229
Financial income		-1	2	3	5	7	9
Financial expenses		-4	-7	-13	-14	-26	-27
Profit before tax	2	64	69	116	136	191	211
Tax	3	-15	-15	-27	-30	-45	-48
Net profit for the period	7	49	54	89	106	146	163
<i>– of which attributable to shareholders of the Parent Company</i>		49	54	89	106	146	163
OTHER COMPREHENSIVE INCOME							
<i>Items that may be reclassified to net profit for the period</i>							
Change in hedging reserve including tax	4	1	-1	1	-2	4	1
Translation differences	4	-13	1	-6	10	-10	6
Other comprehensive income		-12	0	-5	8	-6	7
Comprehensive income for the period		37	54	84	114	140	170
<i>– of which attributable to shareholders of the Parent Company</i>		37	54	84	114	140	170
Basic earnings per share, SEK	5	1.77	1.93	3.20	3.80	5.25	5.85
Diluted earnings per share, SEK	5	1.72	1.87	3.11	3.69	5.12	5.70

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (SUMMARY, SEK million)		2020	2019	2019
	Note	30 Jun	30 Jun	31 Dec
ASSETS				
Goodwill		575	577	577
Other intangible non-current assets		44	41	44
Property, plant and equipment ¹⁾		506	468	503
Right-of-use assets ¹⁾		120	143	136
Other non-current assets		2	2	2
Total non-current assets		1,247	1,231	1,262
Inventories		318	309	318
Current receivables	6	469	526	419
Cash and cash equivalents		112	67	82
Total current assets		899	902	819
TOTAL ASSETS		2,146	2,133	2,081
EQUITY AND LIABILITIES				
Equity		942	744	800
Non-current liabilities		686	648	690
Current liabilities	7	518	741	591
TOTAL EQUITY AND LIABILITIES		2,146	2,133	2,081

¹⁾ 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 30 Jun	2019 30 Jun	2019 31 Dec
Opening balance	800	686	686
Net profit for the period	89	106	163
Other comprehensive income	-5	8	7
Comprehensive income for the period	84	114	170
Conversion of personnel convertibles	58	–	–
Dividend paid in cash	–	-56	-56
Total transactions with shareholders	58	-56	-56
Closing balance	942	744	800
– of which attributable to shareholders of the Parent Company	942	744	800

CONSOLIDATED CASH FLOW STATEMENT (SUMMARY, SEK million)	Note	2020 6 mths Jan-Jun	2019 6 mths Jan-Jun	19/20 12 mths Jul-Jun	2019 12 mths Jan-Dec
Operating profit		126	145	210	229
Interest and income tax paid/received and adjustments for non-cash items		22	0	23	1
Change in working capital		-19	-19	77	77
Cash flow from operating activities		129	126	310	307
Investments					
Acquisitions of subsidiaries	8	–	–	-8	-8
Other		-31	-40	-91	-100
Cash flow after investments		98	86	211	199
Dividend paid		–	-56	–	-56
Cash flow from other financing activities		-67	-36	-163	-132
Cash flow for the period		31	-6	48	11
Cash and cash equivalents at the start of the period		82	70	67	70
Exchange rate differences in cash and cash equivalents		-1	3	-3	1
Cash and cash equivalents at the end of the period		112	67	112	82

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.

The Group has received government support to cover e.g. temporary layoff costs, sick pay, social security contributions and pension costs, in order to reduce the financial effects of the pandemic. When it is reasonably certain that this support is being received, this is recognised as a reduction in costs under each function during the period in which the costs arise. Received and anticipated support amounts to approx. SEK 15 million for the interim period.

■ 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 Apr-Jun	2019 3 mths Apr-Jun	2020 6 mths Jan-Jun	2019 6 mths Jan-Jun	2019 12 mths Jan-Dec
INDUSTRIAL PRODUCTS	134	180	283	342	610
Breakdown by geographic market ¹⁾					
Sweden	46	53	91	101	182
Rest of the Nordic countries	44	38	78	78	135
Rest of Europe	43	89	112	161	286
Rest of the world	1	0	2	2	7
Breakdown by type of product					
Proprietary products	58	53	104	100	164
Customer-specific manufacturing	76	127	179	242	446
Breakdown by timing of revenue recognition					
Goods and services transferred at a point in time	134	180	283	342	610
INDUSTRIAL SOLUTIONS	327	320	634	642	1,214
Breakdown by geographic market ¹⁾					
Sweden	86	93	171	201	389
Rest of the Nordic countries	14	16	38	23	71
Rest of Europe	140	111	292	278	506
Rest of the world	87	100	133	140	248
Breakdown by type of product					
Proprietary products	182	195	362	397	740
Customer-specific manufacturing	145	125	272	245	474
Breakdown by timing of revenue recognition					
Goods and services transferred at a point in time	159	151	314	295	584
Services transferred over time	1	5	3	6	13
Projects transferred over time	167	164	317	341	617
PRECISION TECHNOLOGY	85	83	168	165	310
Breakdown by geographic market ¹⁾					
Sweden	68	69	136	137	254
Rest of the Nordic countries	2	1	4	3	5
Rest of Europe	6	6	11	10	22
Rest of the world	9	7	17	15	29
Breakdown by type of product					
Proprietary products	0	1	1	2	3
Customer-specific manufacturing	85	82	167	163	307
Breakdown by timing of revenue recognition					
Goods and services transferred at a point in time	85	83	168	165	310
GROUP TOTAL	546	581	1,084	1,145	2,128
Breakdown by geographic market ¹⁾					
Sweden	200	213	397	435	819
Rest of the Nordic countries	60	55	120	104	211
Rest of Europe	189	206	415	449	814
Rest of the world	97	107	152	157	284
Breakdown by type of product					
Proprietary products	240	249	467	499	907
Customer-specific manufacturing	306	332	617	646	1,221
Breakdown by timing of revenue recognition					
Goods and services transferred at a point in time	378	412	764	798	1,498
Services transferred over time	1	5	3	6	13
Projects transferred over time	167	164	317	341	617

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

NET REVENUE BY SEGMENT	2020	2019	2020	2019	19/20	2019
(SEK million)	3 mths Apr-Jun	3 mths Apr-Jun	6 mths Jan-Jun	6 mths Jan-Jun	12 mths Jul-Jun	12 mths Jan-Dec
Industrial Products	134	180	283	342	551	610
Industrial Solutions	327	320	634	642	1,206	1,214
Precision Technology	85	83	168	165	313	310
Eliminations	0	-2	-1	-4	-3	-6
Group total	546	581	1,084	1,145	2,067	2,128

PROFIT/LOSS BEFORE TAX BY SEGMENT ¹⁾	2020	2019	2020	2019	19/20	2019
(SEK million)	3 mths Apr-Jun	3 mths Apr-Jun	6 mths Jan-Jun	6 mths Jan-Jun	12 mths Jul-Jun	12 mths Jan-Dec
Industrial Products	21	26	35	47	57	69
Industrial Solutions	35	37	68	75	116	123
Precision Technology	17	16	29	31	45	47
Undistributed items	-9	-10	-16	-17	-27	-28
Group total	64	69	116	136	191	211

¹⁾ 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 Apr-Jun	2019 3 mths Apr-Jun	2020 6 mths Jan-Jun	2019 6 mths Jan-Jun	19/20 12 mths Jul-Jun	2019 12 mths Jan-Dec
Net profit for the period, SEK million	49.5	53.9	89.3	106.1	146.3	163.1
Average number of outstanding shares, thousands	27,918	27,895	27,906	27,895	27,900	27,895
Basic earnings per share, SEK	1.77	1.93	3.20	3.80	5.25	5.85

DILUTED EARNINGS PER SHARE	2020 3 mths Apr-Jun	2019 3 mths Apr-Jun	2020 6 mths Jan-Jun	2019 6 mths Jan-Jun	19/20 12 mths Jul-Jun	2019 12 mths Jan-Dec
Net profit for the period, SEK million	49.5	53.9	89.3	106.1	146.3	163.1
Interest expense on convertible bonds, SEK million ¹⁾	0.5	0.5	1.1	1.1	2.3	2.3
Issue expenses for convertible bonds, SEK million	0.0	0.0	0.0	0.0	0.0	0.0
Adjusted income, SEK million	50.0	54.4	90.4	107.2	148.6	165.4
Average number of outstanding shares, thousands	27,918	27,895	27,906	27,895	27,900	27,895
Adjustment for presumed conversion of convertible bonds, thousands	1,117	1,140	1,129	1,140	1,135	1,140
Average number of outstanding shares after dilution, thousands	29,035	29,035	29,035	29,035	29,035	29,035
Diluted earnings per share, SEK	1.72	1.87	3.11	3.69	5.12	5.70

¹⁾ Constitutes current interest for convertible loan adjusted to market interest rate.

Due to the share split carried out in June 2019, 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. During the interim period, holders of a nominal SEK 57,776,921.50 requested conversion of their claims to shares. Through the conversion, 1 060 127 new Class B shares were issued.

The total number of shares stands at 29,247,107, divided between 7,288,800 Class A shares and 21,958,307 Class B shares. After deduction for the company's own holding, 292,444 Class B shares, the number of outstanding shares is 28,954,663. The average number of outstanding shares was 27,906,186 during the interim period. The average number of shares in the company's custody was 292,444 during the interim period. 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 94,553,863 on the closing day.

■ NOTE 6 CURRENT RECEIVABLES

Current liabilities include interest derivatives measured at fair value of SEK 1 million (–) for the interim period. The derivatives are used for hedging purposes and belong to value level 2 under IFRS 13. The fair value measurement is based on several factors, including observable data such as fixing rates and swap rates for the currency in question.

■ NOTE 7 CURRENT LIABILITIES

Current liabilities include interest derivatives measured at fair value of SEK 13 million (17) 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 8 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 Apr-Jun	2019 3 mths Apr-Jun	2020 6 mths Jan-Jun	2019 6 mths Jan-Jun	19/20 12 mths Jul-Jun	2019 12 mths Jan-Dec
Average number of outstanding shares, thousands	27,918	27,895	27,906	27,895	27,900	27,895
Average number of outstanding shares after dilution, thousands	29,035	29,035	29,035	29,035	29,035	29,035
Basic earnings per share, SEK	1.77	1.93	3.20	3.80	5.25	5.85
Diluted earnings per share, SEK	1.72	1.87	3.11	3.69	5.12	5.70
Cash flow from operating activities per share, SEK	3.76	1.82	4.63	4.53	11.12	11.02
Total number of shares on closing day, thousands			29,247	28,187	29,247	28,187
Number of shares in own custody on closing day, thousands			292	292	292	292
Number of outstanding shares on closing day, thousands			28,955	27,895	28,955	27,895
Equity per share on closing day, SEK			32.52	26.67	32.52	28.68
Share price on closing day, SEK			96.20	129.00	96.20	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 Apr-Jun	2019 3 mths Apr-Jun	2020 6 mths Jan-Jun	2019 6 mths Jan-Jun	19/20 12 mths Jul-Jun	2019 12 mths Jan-Dec
Operating margin, %	12.7	12.8	11.6	12.7	10.2	10.8
Profit margin, %	11.8	11.9	10.7	11.9	9.3	9.9
Interest-bearing liabilities, SEK million			626	847	626	762
Deferred tax liabilities, SEK million			94	88	94	96
Lines of credit granted but not utilised, SEK million			472	249	472	428
Return on equity p.a., %			20.7	29.3	17.8	21.8
Return on capital employed p.a., %			16.4	19.4	13.9	15.4
Return on total capital p.a., %			12.1	14.3	10.3	11.4
Average equity, SEK million			863	725	821	750
Average capital employed, SEK million			1,578	1,546	1,574	1,549
Average total capital, SEK million			2,131	2,088	2,120	2,084
Interest coverage ratio, multiple			9.8	10.9	8.2	8.8
Equity/assets ratio, %			44	35	44	38
Proportion of risk-bearing capital, %			48	39	48	43
Depreciation, SEK million	21	21	42	41	85	84
Net investments in non-current assets, SEK million	8	17	35	44	114	123
Employees, average number	999	1,077	1,050	1,070	1,075	1,085

QUARTERLY SUMMARY, GROUP	2020 Q2	2019 Q2	2020 Q1	2019 Q1	2019 Q4	2018 Q4	2019 Q3	2018 Q3
Net revenue, SEK m	546	581	538	564	520	549	463	450
Gross profit, SEK m	134	139	117	132	109	128	90	96
Operating profit, SEK m	69	74	57	71	45	63	39	51
Profit before tax, SEK m	64	69	52	67	39	57	36	47
Net profit for the period, SEK m	49	54	40	52	30	45	27	36
Comprehensive income for the period, SEK m	37	54	47	60	27	43	29	32
Operating margin, %	12.7	12.8	10.5	12.5	8.7	11.6	8.5	11.2
Profit margin, %	11.8	11.9	9.6	11.9	7.6	10.5	7.8	10.3
Equity/assets ratio, %	44	35	39	35	38	34	37	32
Basic earnings per share, SEK ¹⁾	1.77	1.93	1.43	1.87	1.10	1.61	0.95	1.30
Cash flow from operating activities per share, SEK ¹⁾	3.76	1.82	0.87	2.71	1.89	2.12	4.60	1.47

¹⁾ 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)		6 mths Jan-Jun	6 mths Jan-Jun	12 mths Jan-Dec
	Note			
Net revenue	1	9.9	9.9	22.5
Selling and administrative expenses		-14.3	-14.9	-27.1
Operating profit/loss		-4.4	-5.0	-4.6
Profit from participations in Group companies		20.0	25.0	128.3
Other financial items		-1.7	-5.5	-4.3
Profit/loss after financial items		13.9	14.5	119.4
Appropriations		–	–	-13.0
Tax	2	1.3	2.2	-18.4
Net profit for the period		15.2	16.7	88.0
<i>Statement of comprehensive income</i>				
Net profit for the period		15.2	16.7	88.0
Other comprehensive income		–	–	–
Comprehensive income for the period		15.2	16.7	88.0

BALANCE SHEET, PARENT COMPANY		2020	2019	2019
(SUMMARY, SEK million)		30 Jun	30 Jun	31 Dec
ASSETS				
Non-current assets		225.5	228.7	235.6
Current assets		620.2	631.4	620.9
EQUITY AND LIABILITIES				
Equity		310.0	165.7	237.0
Untaxed reserves		107.0	94.0	107.0
Non-current liabilities		120.0	165.6	120.0
Current liabilities		308.7	434.8	392.5
BALANCE SHEET TOTAL		845.7	860.1	856.5

STATEMENT OF CHANGES IN EQUITY, PARENT COMPANY		2020	2019	2019
(SUMMARY, SEK million)		30 Jun	30 Jun	31 Dec
Opening balance		237.0	204.8	204.8
Comprehensive income for the period		15.2	16.7	88.0
Conversion of personnel convertibles		57.8	–	–
Dividend paid in cash		–	-55.8	-55.8
Closing balance		310.0	165.7	237.0

CASH FLOW STATEMENT, PARENT COMPANY		2020	2019	2019
(SUMMARY, SEK million)		6 mths Jan-Jun	6 mths Jan-Jun	12 mths Jan-Dec
Operating profit/loss		-4.4	-5.0	-4.6
Interest and income tax paid/received and adjustments for non-cash items		14.1	8.3	102.9
Change in working capital		50.8	88.2	117.2
Cash flow from operating activities		60.5	91.5	215.5
Investments		0.0	0.0	-0.0
Cash flow after investments		60.5	91.5	215.5
Financing		-46.1	-87.1	-214.4
Cash flow for the period		14.4	4.4	1.1
Cash and cash equivalents at the start of the period		6.3	5.2	5.2
Exchange rate differences in cash and cash equivalents		0.0	0.0	0.0
Cash and cash equivalents at the end of the period		20.7	9.6	6.3

■ 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 -9 per cent (-16). Income tax-exempt dividends contribute to the deviating tax rate.

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–Q2	2019 Q1–Q2	2019 Q1–Q4
Net sales	SEK m	283	342	610
Operating profit	SEK m	39	49	75
Operating margin	%	13.8	14.4	12.4

Companies

Akkurat
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–Q2	2019 Q1–Q2	2019 Q1–Q4
Net sales	SEK m	634	642	1,214
Operating profit	SEK m	71	79	129
Operating margin	%	11.2	12.3	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–Q2	2019 Q1–Q2	2019 Q1–Q4
Net sales	SEK m	168	165	310
Operating profit	SEK m	31	32	50
Operating margin	%	18.1	19.4	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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