



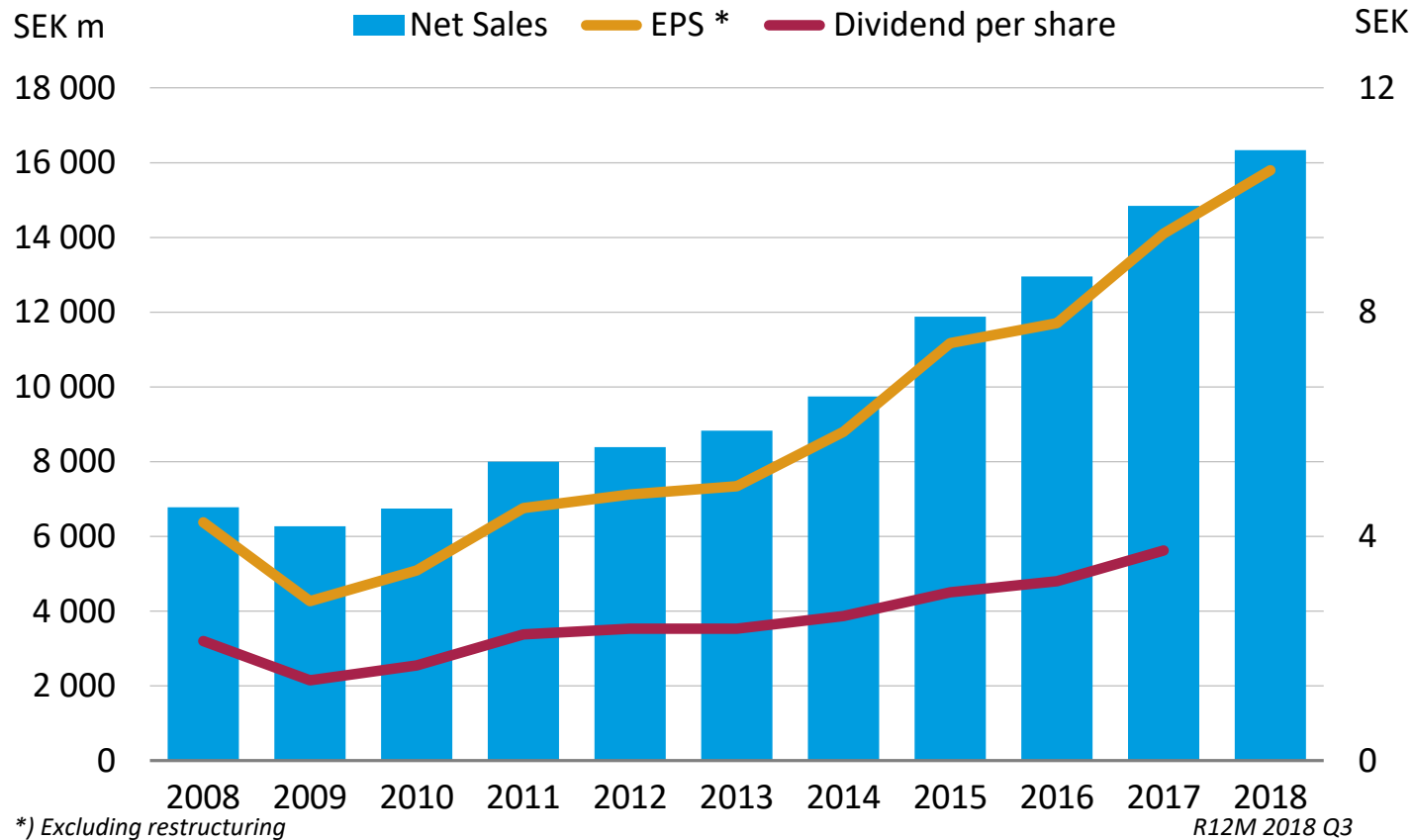
Financial performance and operating model

Patrik Johnson
CFO



Financial performance

Track record of profitable growth



5 YEAR SALES DEVELOPMENT

+12% p.a

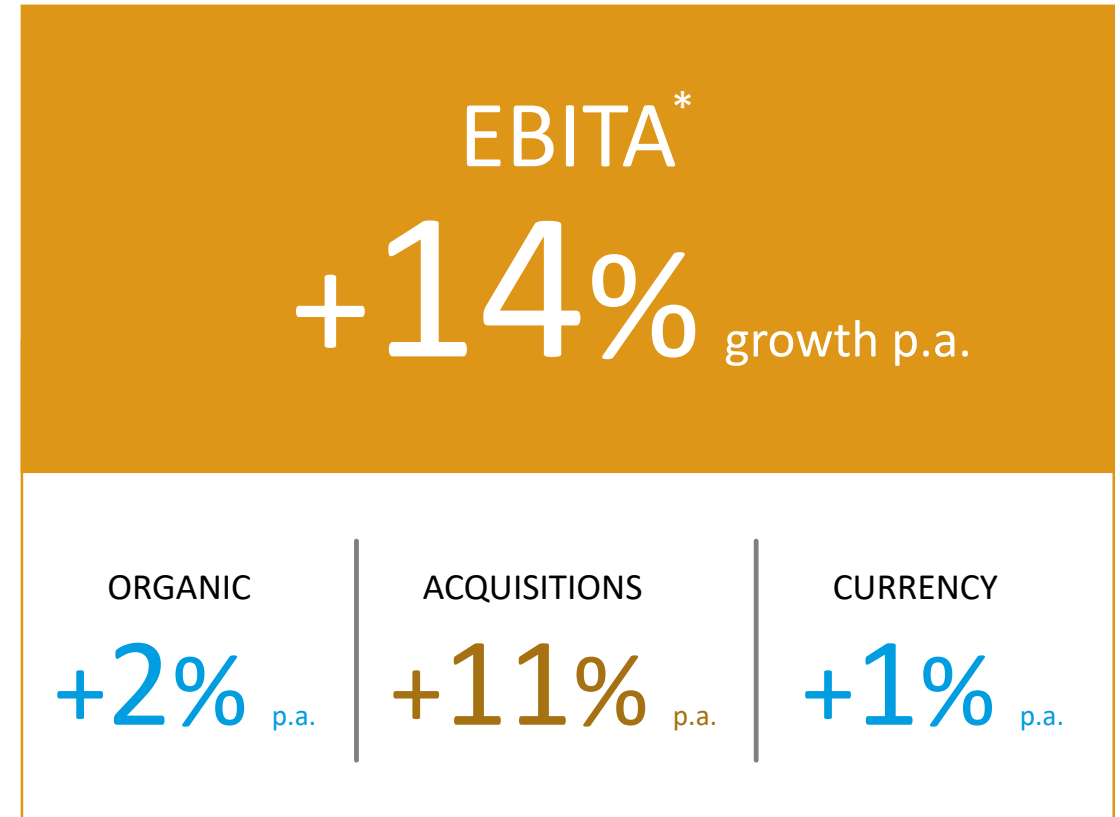
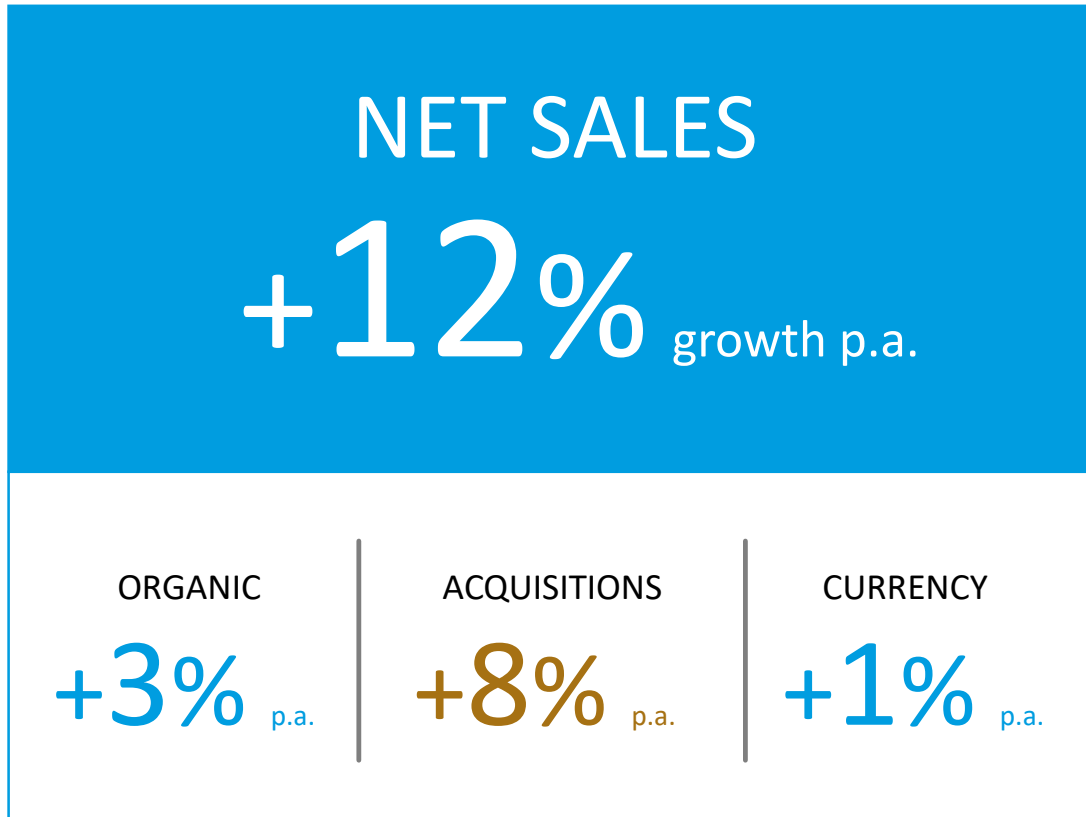
5 YEAR EPS* DEVELOPMENT

+15% p.a

5 YEAR DIVIDEND DEVELOPMENT

+10% p.a

5 year bridge

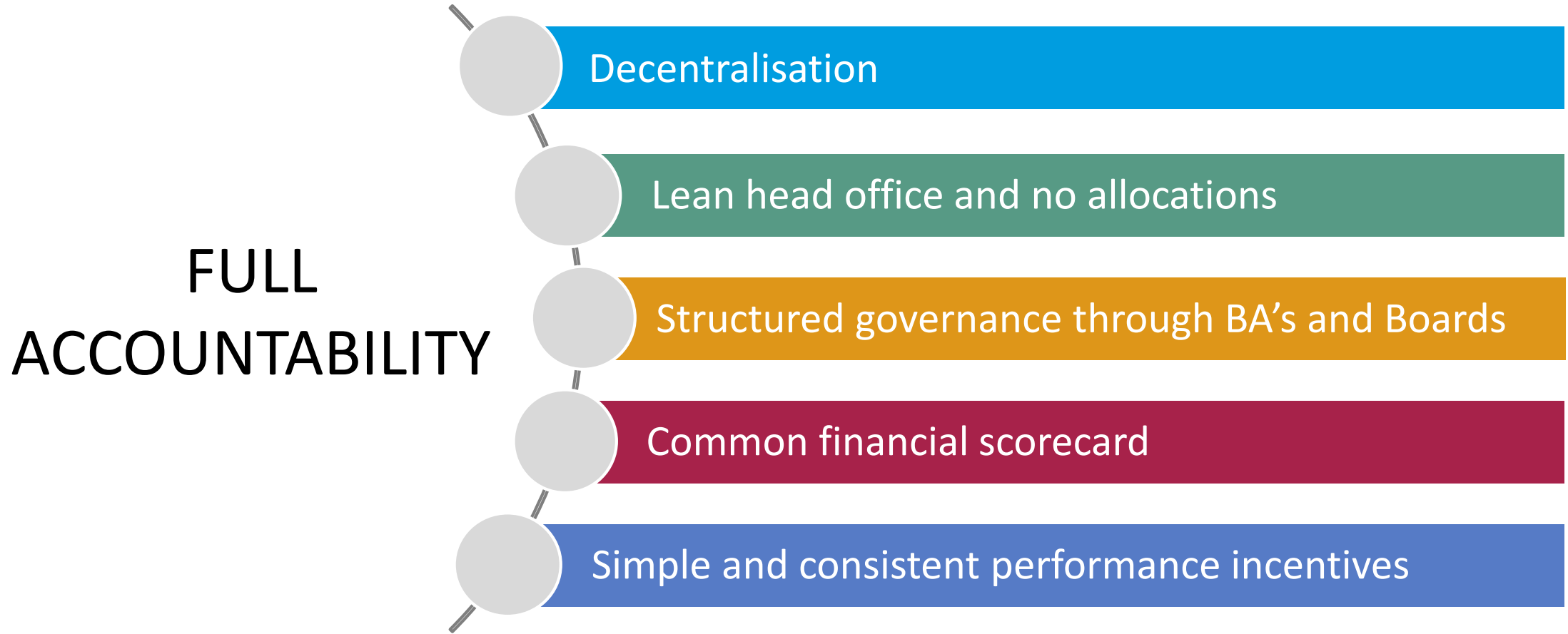


*) Excluding restructuring



Operating model

Operating model – principles



Decentralisation – how it works

Independent
companies

Trust, mandate
and obligation to act

Sharing and
learning encouraged

Indutrade governance
through Board

Monthly
financial reporting

Bank and
treasury integration

Lean headoffice

GROUP

~ 15 FTE

- Business development
- Acquisitions
- People Management
- Financing
- Business control
- Sustainability
- Communication

BUSINESS AREAS

- Business development
- Acquisitions
- Business control

Structured governance through company boards

- Company Boards the formal governance fora
- Monthly Business Reviews with all BA's
- Board composition adopted to company needs
- Business Area manager supported by network of senior and experienced MDs
- Standard agenda
- Tools and best practice available in various areas
- Capital allocation based on Business case

Formal Board meeting
3 times per year



Common financial scorecard to support performance management

- Common Group reporting system
- Full P/L and B/S monthly
- Scorecard with standard KPI set
- Annual target / budget
- Forecasts reported three times per year
- Year over year improvements most important

2018XX	Current Year
Order intake	1 400
Growth %, total	4,2%
Growth %, organic	-4,6%
Book to bill	96,7%
Net Sales	1 450
Growth %, total	10,1%
Growth %, organic	0,6%
Gross margin	41,0%
Expenses	42%
Expenses, % of net sales	29,4%
EBITA	17%
EBITA margin	12,1%
Number of employees at the end of period	
Productivity (excluding currency and structure)	
Operating working capital	
Operating working capital, % of net sales	

Main performance incentives

- Full “ownership” and accountability
- Earn-outs (1-3 year)
- Annual bonus scheme based on year over year profit improvement
- Long term warrant program
- Quarterly financial benchmarking and ranking including annual and 5 year awards

Indutrade internal benchmarking

Compares all companies within the Indutrade Group based on four parameters:

- Return/OWC
- Growth
- EBITA Group contribution
- EBITA Margin





Summary

Summary and key message

- Strong historical financial performance
- Potential to improve organic performance
- Simple and powerful governance and operating model
- Decentralisation and full accountability fundamental
- Harmonisation in Finance



The logo for Indutrade features a stylized icon on the left consisting of three parallel, slanted vertical bars of varying heights, followed by the word "Indutrade" in a bold, white, sans-serif typeface.

Indutrade