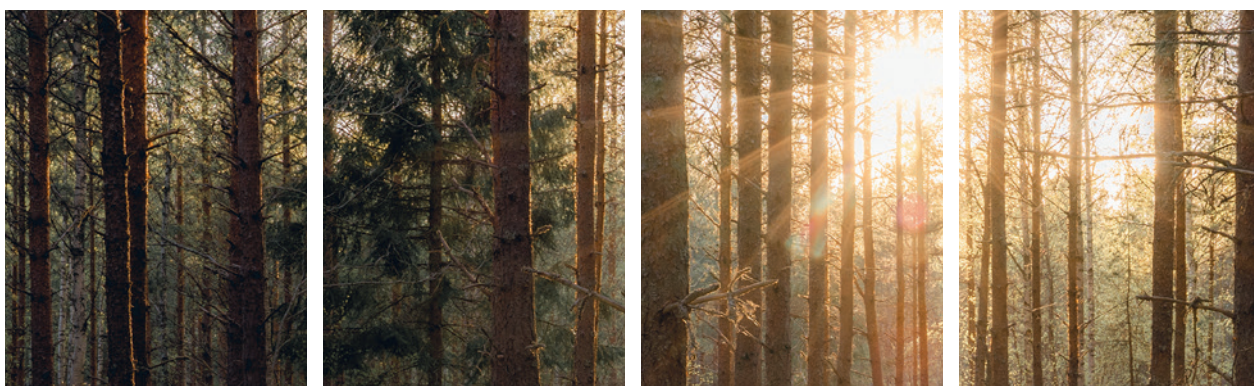


INTERIM REPORT

1 January – 30 September 2024



THE INTERIM PERIOD

- Net revenue totalled SEK 2,458 million (2,595)
- Operating profit amounted to SEK 105 million (247)
- Profit before tax amounted to SEK 51 million (203)
- Profit after tax amounted to SEK 39 million (157)
- Earnings per share were SEK 0.66 (2.71)
- Cash flow from operating activities amounted to SEK 139 million (193)

Important events during the period

- Graniten Engineering was acquired
- Dansk Rotations Plastic was acquired
- Subscription for personnel convertibles 2024/2027 implemented

THE THIRD QUARTER

- Net revenue totalled SEK 737 million (757)
- Operating profit amounted to SEK 13 million (58)
- Profit before tax amounted to SEK -8 million (44)
- Profit after tax amounted to SEK -7 million (33)
- Earnings per share were SEK -0.11 (0.57)
- Cash flow from operating activities amounted to SEK 129 million (141)

Events after the end of the period

- Divestment of a real estate company

SUMMARY OF THE INTERIM PERIOD JANUARY – SEPTEMBER 2024

Net revenue, SEK m	2,458	(2,595)
Net profit for the period, SEK m	39	(157)
Earnings per share, SEK	0.66	(2.71)
Profit margin, %	2.1	(7.8)

CEO'S COMMENTS ON THE GROUP'S DEVELOPMENT DURING THE PERIOD

**THE GROUP**

The challenges we observed in the first half of the year largely persisted and intensified to some extent in the third quarter. In general, market conditions were more subdued than expected and the Group reported weak results in the three-month period. Our established markets continued to show low levels of activity and the appetite for investment from major operators was also limited. The slowdown in the can manufacturing industry had a significant impact on parts of the operations within the Industrial Solutions business unit, and consequently on the consolidated results for the period. The gradual transformation that many of our operations are undergoing alongside our strategic initiatives is generating revenue but will initially reduce margins. Examples of ongoing measures include the closure and relocation of production and the merging of operations to increase efficiency. Costs related to these restructuring programmes amounted to SEK 14 million during the period.

Consolidated revenue amounted to SEK 737 million (757) during the third quarter, which is a fall by 3 per cent in relation to the corresponding period last year. Adjusted operating profit

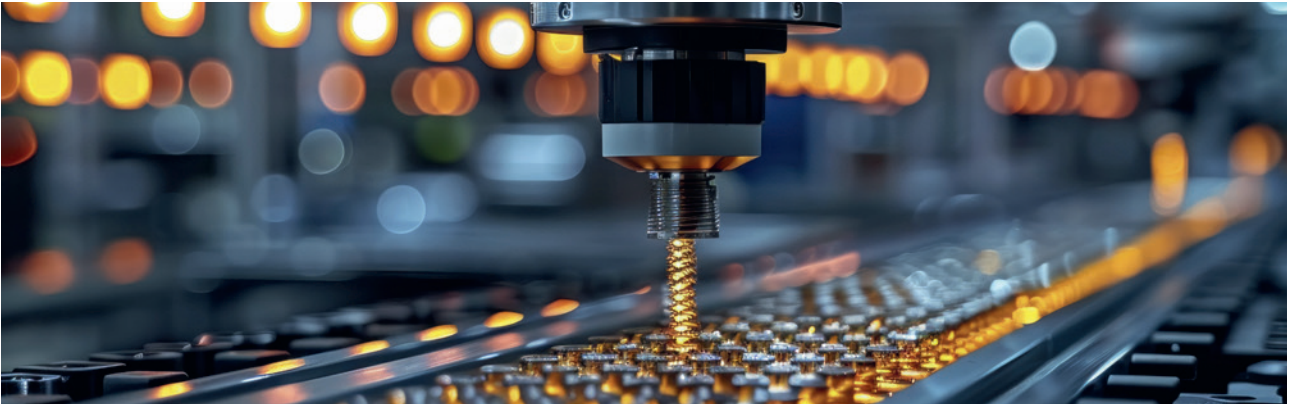
totalled SEK 27 million (61) and adjusted operating margin was 3.6 per cent (8.1). Operating cash flow amounted to SEK 129 million (141).

During the first nine months of the year, Group revenue fell by 5 per cent compared to the previous year, totalling SEK 2,458 million (2,595). Organic growth stood at -11 per cent. Adjusted operating profit amounted to SEK 110 million (240) and adjusted operating margin was 4.5 per cent (9.3). Cash flow from operating activities totalled SEK 139 million (193).

THE INDUSTRIAL PRODUCTS BUSINESS UNIT

In relation to the comparison period, sales fell by 2 per cent and operating profit decreased by 27 per cent.

Despite a generally subdued business climate, some of Industrial Product's companies have succeeded in increasing their market share through continued strong sales of their own products, primarily in infrastructure. The consolidation of our latest acquisition, DRP, has had a positive impact on profitability, while its integration has generated new joint business opportunities. The main challenges in the business unit are related to produc-



tion for the automotive industry and its unique conditions. The evaluation of our supply contracts with automotive customers continues, and, in some cases, it has resulted in us terminating contracts. We are continuing to shift our activities towards non-automotive sectors, but given the current poor performance of alternative industries, we are progressing at a measured pace to optimise our resource utilisation.

THE INDUSTRIAL SOLUTIONS BUSINESS UNIT

In relation to the comparison period, sales fell by 6 per cent and operating profit decreased by 65 per cent.

Several years of low investment in automation projects in parts of the packaging sector have had a major impact on the business unit's operations. While fluctuations in the industry are normal, current levels are higher than previously, and more projects are being postponed or cancelled altogether. Deliveries to the can manufacturing industry are the hardest hit. This niche is expected to grow steadily in the long term, but following the large investments made during the pandemic, our customers currently have excess capacity. Challenges are also observed in new business areas such as sustainable energy, with customers both pausing and cancelling ongoing projects due to operational disruptions or lost business. We believe that the conditions for growth and stronger margins are favourable as the economy recovers and ongoing organisational adjustments take effect. Our collective offering is strong and constantly evolving through the addition of services and technological expertise. The share of sales linked to the aftermarket is steadily increasing. The business unit's market activities are largely focused on establishing a presence in new geographical regions, primarily through continued investment in the United States.

THE PRECISION TECHNOLOGY BUSINESS UNIT

In relation to the comparison period, sales fell by 6 per cent and operating profit decreased by 30 per cent.

Growth is being hampered by lower production levels among customers in the business unit's dominant sector. Outside this

industry, the market is also considered weak, with no clear signs of recovery in the near future. Performance varies across our companies but generally, they see numerous potential projects and business opportunities. However, assignments in new niches are resource-intensive and initially provide limited contributions. Transformation processes are continuing, including the coordination of production units and the evaluation of business lines. In recent years, we have seen strong growth in deliveries to the defence sector, where all of the business unit's companies are now involved in ongoing projects. Work continues in parallel to increase market shares in traditional industries.

FUTURE DEVELOPMENT

In the near future, we see no significant changes in market conditions. There is still considerable uncertainty about the scope and impact of postponed and cancelled projects. The Group's overall performance in the short term therefore depends to a large extent on our ability to compensate for lost volumes with new assignments that match our available resources.

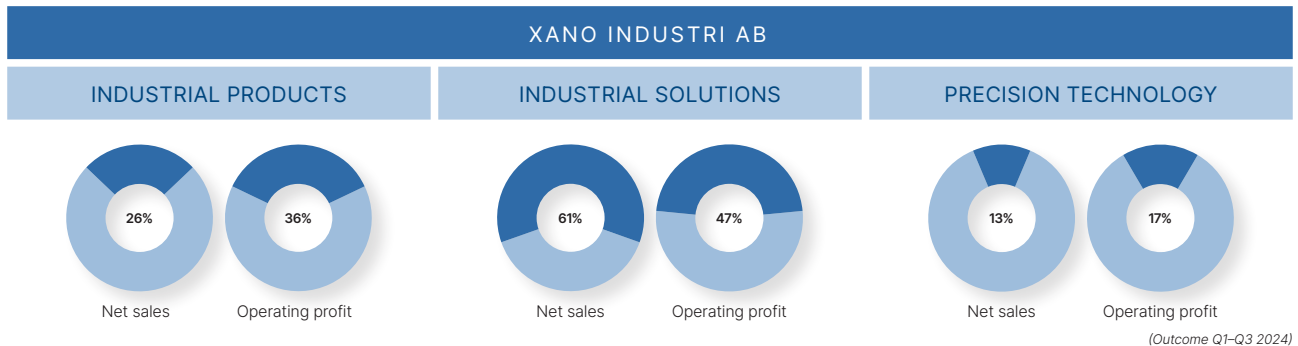
In the slightly longer term, we believe that the business climate will improve as a result of lower inflation and interest rates. The reorganisation currently under way within the Group is also having a gradual impact. We have great confidence in the resilience of our business model and our collective offering. We are constantly exploring new markets and areas of activity, but we are also continually engaged in activities to deepen our relationship with our existing customers.

After the closing day, we divested a property company in Jönköping, Sweden. This sale will generate a healthy surplus and provide additional capital to support our ambitious transition. This means that we will continue to invest in innovation and product development while pursuing our strategic market initiatives.

Lennart Persson
President and CEO

GROUP OVERVIEW

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, the USA and Australia. The operations are divided up into the Industrial Products, Industrial Solutions and Precision Technology business units.



INDUSTRIAL PRODUCTS

Q1–Q3 2024 vs Q1–Q3 2023: Sales fell by 2 per cent and operating profit decreased by 27 per cent.

		2024 Q1–Q3	2023 Q1–Q3	2023 Q1–Q4
Net sales	SEK m	637	650	852
Operating profit	SEK m	48	65	75
Operating margin	%	7.5	10.0	8.8

Dansk Rotations Plastic is included as from 5 April 2024.

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.

INDUSTRIAL SOLUTIONS

Q1–Q3 2024 vs Q1–Q3 2023: Sales fell by 6 per cent and operating profit decreased by 65 per cent.

		2024 Q1–Q3	2023 Q1–Q3	2023 Q1–Q4
Net sales	SEK m	1,501	1,604	2,126
Operating profit	SEK m	62	180	226
Operating margin	%	4.2	11.2	10.6

Lundgren Machinery is included as from 1 June 2023. Integrated Packaging Solutions is included as from 30 September 2023. Graniten Engineering is included as from 22 March 2024.

Companies within the Industrial Solutions business unit supply in-house developed automation solutions, such as packaging machines, accumulators and conveyor systems, to the packaging and food industries. Operations also comprise industrial end-to-end production software solutions as well as contract assignments for advanced industrial products in small and medium-sized production runs.

PRECISION TECHNOLOGY

Q1–Q3 2024 vs Q1–Q3 2023: Sales fell by 6 per cent and operating profit decreased by 30 per cent.

		2024 Q1–Q3	2023 Q1–Q3	2023 Q1–Q4
Net sales	SEK m	321	342	455
Operating profit	SEK m	23	33	37
Operating margin	%	7.2	9.7	8.1

Operations within the Precision Technology business unit cover component and system manufacture using advanced cutting processes, laser welding and 3D printing for the production of parts involving demanding quality and precision requirements.

FINANCIAL DISCLOSURES AND OTHER INFORMATION

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 third quarter

Net revenue totalled SEK 737 million (757). Adjusted operating profit amounted to SEK 27 million (61), corresponding to an adjusted operating margin of 3.6 per cent (8.1). Operating profit amounted to SEK 13 million (58), corresponding to an operating margin of 1.7 per cent (7.7). Profit before tax was SEK -8 million (44).

The interim period

Net revenue totalled SEK 2,458 million (2,595). Adjusted operating profit amounted to SEK 110 million (240), corresponding to an adjusted operating margin of 4.5 per cent (9.3). Operating profit amounted to SEK 105 million (247), corresponding to an operating margin of 4.3 per cent (9.5). Profit before tax was SEK 51 million (203).

ITEMS AFFECTING COMPARABILITY

The third quarter

Items affecting comparability totalled SEK -14 million (-3) and include costs for restructuring activities of SEK -14 million (-) and items related to business combinations of SEK 0 million (-3).

The interim period

Items affecting comparability totalled SEK -5 million (7) and include costs for restructuring activities of SEK -14 million (-), items related to business combinations of SEK 9 million (-3) and other items of SEK – million (10).

SHARE DATA AND KEY FIGURES

The interim period

Basic earnings per share were SEK 0.66 (2.71). Equity per share was SEK 27.80 (27.96). The average number of outstanding shares was 59,248,393 (58,022,865). The equity/assets ratio was 42 per cent (41) at the end of the period. The average number of employees was 1,420 (1,373).

IMPORTANT EVENTS DURING THE PERIOD

On 22 March, XANO acquired the automation company Graniten Engineering AB, based in Uddevalla, Sweden. Graniten devel-

ops and produces high technology solutions for automation processes. Its customers are leading players in pharma, medtech and healthcare, mainly located in Europe. The company has 70 employees and net sales totalled SEK 100 million during the 2022/2023 financial year. Graniten is a part of XANO's Industrial Solutions business unit. Graniten is long known for the manufacture of case packers and the development of automation solutions. Networking in pharma, medtech and other industries offers additional growth opportunities for both Graniten and its new sister companies. Graniten will also continue to work with existing business opportunities in contract manufacturing. Consolidation is effective as of 22 March 2024. The acquisition is initially expected to have a marginal impact on XANO's earnings per share.

On 5 April, XANO acquired the renowned rotational moulding company Dansk Rotations Plastic ApS (DRP). Based in Kalvehave, Denmark, DRP has been developing and manufacturing rotomoulded polymer products for over 50 years. The company's services include everything from design and toolmaking to production and post-processing. Its customers are leading companies involved in cleantech, chemical industry, lighting and furniture manufacturing, mainly located in Denmark. DRP's sales are evenly distributed between customer-specific assignments and in-house developed products in industry, agriculture, cleantech and leisure. The company reported a turnover of DKK 47 million for the 2022/2023 financial year. DRP is a part of XANO's Industrial Products business unit, which includes companies that work in polymer materials and have a strong focus on sustainability. DRP complements operations at Cipax by adding expertise and production capacity, as well as providing access to new markets. Cipax already has a strong position in the Nordic region and Northern Europe. The acquisition creates new business opportunities for the proprietary product ranges in the industry, marine and cleantech segments at both Cipax and DRP. Consolidation will be effective as of 5 April 2024. The acquisition is expected to have a marginal impact on XANO's earnings per share. In connection with the acquisition, 179,442 own Class B shares were transferred. After this transaction, XANO holds 329,690 own class B shares corresponding to 0.6 per cent of total share capital.

On 16 May 2024, the Annual General Meeting of XANO Industri AB resolved to approve the Board of Directors' proposal to issue a maximum of 400,000 convertible bonds corresponding to a maximum nominal value of SEK 35 million, with a maturity from 1 October 2024 to 30 September 2027.

With deviation from the shareholders' preferential rights, the right to subscribe for convertible bonds was only granted persons who are employed or otherwise engaged on a permanent basis by XANO Industri AB (publ) and its subsidiaries. Registration for subscription was made during the period 22–30 August 2024. The convertible bond programme generated great interest and the issue was oversubscribed by approx. 25 per cent. Employees within the XANO Group have been allotted 330,180 convertible bonds at a price of SEK 106, corresponding to a total nominal value of SEK 34,999,080. The interest rate on the convertible bond amounts to STIBOR 3M plus 2.00 percentage points and is paid annually in arrears.

Each convertible bond can be converted into one Class B share in XANO Industri AB during the period 1–12 September 2027. If all convertible bonds are converted into shares, the dilution will be approx. 0.6 per cent of the share capital and approx. 0.2 per cent of the voting rights based on the current total number of shares.

EVENTS AFTER THE END OF THE PERIOD

On 1 October, 330,180 convertible bonds corresponding to a total nominal value of SEK 35 million were issued to employees within the XANO Group. The convertible bond programme runs until 30 September 2027.

In October, all the shares in XANO Fastigheter Ljungarum AB were divested. The company owns an industrial property in Jönköping, Sweden. On an ongoing basis, the divestment will have a small impact on XANO's earnings and financial position. The purchase price, which was paid in cash, amounts to SEK 73 million and brings an estimated capital gain of SEK 65 million during the fourth quarter. The sale entails an increased capital scope and is part of XANO's continued work with aggressive transformation through investments in product development and innovations as well as through acquisitions and establishment in new geographical areas and market niches.

INVESTMENTS

The third quarter

Net investments in non-current assets came to SEK 19 million (255), of which SEK 3 million related to business combinations, SEK 2 million to intangible assets, SEK 9 million to property, plant and equipment, SEK 7 million to right-of-use assets and SEK -2 million to financial assets

The interim period

Net investments in non-current assets came to SEK 260 million (331), of which SEK 180 million related to business combinations, SEK 14 million to intangible assets, SEK 55 million to property, plant and equipment, SEK 11 million to right-of-use assets and SEK 0 million to financial assets.

CASH FLOW AND LIQUIDITY

The interim period

Cash flow from operating activities amounted to SEK 139 million (193). Higher inflow from trade receivables largely compensates

for weaker earnings and lower advance payments from customers in relation to the comparison period.

Liquid assets, including lines of credit granted but not utilised, totalled SEK 1,287 million (1,193) 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. The conflict in Ukraine and the lingering effects of the coronavirus pandemic still constitute risk and uncertainty factors that could entail significant consequences for the Group's operations. These risk and uncertainty factors relate primarily to a lack of access to components, disruptions in the supply chain, price rises and insufficient access to energy. The willingness to invest on the part of some of the Group's major customers is also closely linked to the development of the global economy.

A statement on the Group's other main financial and operational risks can be found on pages 103–104 of the 2023 annual report.

ANNUAL GENERAL MEETING 2025

The upcoming AGM will take place in Jönköping on Thursday 15 May 2025.

At the AGM on 16 May 2024, a Nomination Committee consisting of Tomas Risbecker (Chair), Stig-Olof Simonsson and Anna Benjamin was appointed. The task of this committee prior to the 2025 AGM is to nominate a Chair of the Board and other Board members, auditors, a Chair for the AGM and to propose fees for the Board and auditors. Shareholders wishing to nominate candidates for XANO's Board of Directors may contact Tomas Risbecker, Chair of the Nomination Committee, via email to tomas.risbecker@svolder.se. In order for proposals to be able to be handled properly, these should be received by the Nomination Committee no later than 31 January 2025.

Shareholders wishing to have an issue dealt with at the AGM must have submitted such a request in writing to the company no later than 27 March 2025 in order for the issue to be included in the notice. The request must be sent to the company at the address: XANO Industri AB, Att. AGM 2025, Industrigatan 14 B, SE-553 02 Jönköping, or by email to ir@xano.se with "AGM 2025" as the subject.

NEXT REPORT DATE

Year-end report for the 2024 financial year will be presented on Thursday 6 February 2025.

Jönköping, 31 October 2024

Lennart Persson
President and CEO

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME		2024	2023	2024	2023	23/24	2023
(SUMMARY, SEK million)		3 mths	3 mths	9 mths	9 mths	12 mths	12 mths
	Note	Jul-Sep	Jul-Sep	Jan-Sep	Jan-Sep	Oct-Sep	Jan-Dec
Net revenue	3	737	757	2,458	2,595	3,294	3,431
Cost of goods sold		-605	-598	-1,982	-2,021	-2,639	-2,678
Gross profit		132	159	476	574	655	753
Selling expenses		-81	-66	-257	-218	-334	-295
Administrative expenses		-38	-42	-129	-127	-176	-174
Other operating income		3	13	25	35	39	49
Other operating expenses		-3	-6	-10	-17	-24	-31
Profit from participations in associated companies		0	0	0	0	-1	-1
Operating profit	2	13	58	105	247	159	301
Financial income	2	0	8	11	19	13	21
Financial expenses	2	-21	-22	-65	-63	-98	-96
Profit before tax	3	-8	44	51	203	74	226
Tax	4	1	-11	-12	-46	-17	-51
Net profit/loss for the period	8	-7	33	39	157	57	175
<i>- of which attributable to shareholders of the Parent Company</i>		-7	33	39	157	57	175
OTHER COMPREHENSIVE INCOME							
<i>Items that may be reclassified to net profit for the period</i>							
Change in hedging reserve including tax	5	-3	0	-3	-4	-9	-10
Translation differences	5	-3	-6	6	2	-8	-12
Other comprehensive income		-6	-6	3	-2	-17	-22
Comprehensive income for the period		-13	27	42	155	40	153
<i>- of which attributable to shareholders of the Parent Company</i>		-13	27	42	155	40	153
Basic earnings per share, SEK	6	-0.11	0.57	0.66	2.71	0.96	3.01
Diluted earnings per share, SEK	6	-0.11	0.57	0.66	2.71	0.96	3.01

CONSOLIDATED STATEMENT OF FINANCIAL POSITION		2024	2023	2023
(SUMMARY, SEK million)		30 Sep	30 Sep	31 Dec
	Note			
ASSETS				
Goodwill		1,188	1,151	1,136
Other intangible non-current assets		188	105	100
Property, plant and equipment		752	732	725
Right-of-use assets		104	123	122
Other non-current assets		9	4	9
Total non-current assets		2,241	2,115	2,092
Inventories		498	558	509
Current receivables	7	859	1,154	851
Cash and cash equivalents	7	290	205	309
Total current assets		1,647	1,917	1,669
TOTAL ASSETS		3,888	4,032	3,761
EQUITY AND LIABILITIES				
Equity		1,649	1,653	1,651
Non-current liabilities	7	1,227	1,311	1,201
Current liabilities	7	1,012	1,068	909
TOTAL EQUITY AND LIABILITIES		3,888	4,032	3,761

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (SUMMARY, SEK million)	2024 30 Sep	2023 30 Sep	2023 31 Dec
Opening balance	1,651	1,530	1,530
Net profit for the period	39	157	175
Other comprehensive income	3	-2	-22
<i>Comprehensive income for the period</i>	42	155	153
Conversion of personnel convertibles	–	70	70
Transfer of treasury shares	15	–	–
Cash dividends paid	-59	-102	-102
<i>Total transactions with shareholders</i>	-44	-32	-32
Closing balance	1,649	1,653	1,651
<i>– of which attributable to shareholders of the Parent Company</i>	<i>1,649</i>	<i>1,653</i>	<i>1,651</i>

CONSOLIDATED CASH FLOW STATEMENT (SUMMARY, SEK million)		2024 3 mths Jul-Sep	2023 3 mths Jul-Sep	2024 9 mths Jan-Sep	2023 9 mths Jan-Sep	23/24 12 mths Oct-Sep	2023 12 mths Jan-Dec
Operating profit		13	58	105	247	159	301
Interest and income tax paid/received and adjustments for non-cash items		16	-13	-17	-30	32	19
Change in working capital		100	96	51	-24	274	199
Cash flow from operating activities		129	141	139	193	465	519
Investments							
Acquisitions of subsidiaries	8	-4	-195	-97	-211	-99	-213
Other		-9	-28	-67	-72	-95	-100
Cash flow after investments		116	-82	-25	-90	271	206
Cash dividends paid		–	–	-30	-58	-74	-102
Cash flow from other financing activities		-80	79	26	173	-115	32
Cash flow for the period		36	-3	-29	25	82	136
Cash and cash equivalents at the start of the period		254	205	309	178	205	178
Exchange rate differences in cash and cash equivalents		0	3	10	2	3	-5
Cash and cash equivalents at the end of the period		290	205	290	205	290	309

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 2023 annual report with the exceptions of new or revised standards, interpretations and improvements, which are applied as from 1 January 2024. 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 COMMENTS ON ITEMS REPORTED IN THE CONSOLIDATED INCOME STATEMENT

In this interim report, the Group presents certain financial indicators that are not defined in IFRS. These indicators aim to provide supplementary information as they contribute to the understanding of the Group's financial development.

Items affecting comparability are non-recurring items that have a material financial impact. These may include transactions related to restructuring activities and business combinations. The table below shows a break-down of items affecting comparability by period.

ITEMS AFFECTING COMPARABILITY	2024	2023	2024	2023	23/24	2023
(SEK million)	3 mths Jul-Sep	3 mths Jul-Sep	9 mths Jan-Sep	9 mths Jan-Sep	12 mths Oct-Sep	12 mths Jan-Dec
Restructuring costs ¹⁾	-14	–	-14	–	-14	–
Items related to business combinations ²⁾	0	-3	9	-3	9	-3
Other items ³⁾	–	–	–	10	–	10
Total	-14	-3	-5	7	-5	7

¹⁾ Includes, inter alia, redundancy costs for personnel and relocation costs when transferring production between units.

²⁾ Includes adjusted conditional purchase price for Integrated Packaging Solutions, LLC amounting to SEK 10.5 million for the interim period.

³⁾ Refers to electricity support to Swedish companies.

Financial items include exchange differences amounting to SEK -2.2 million (-4,6) for the interim period and SEK -18.9 million for the 2023 full year.

NOTE 3
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 4. 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	2024	2023	2024	2023	2023
(SEK million)	3 mths Jul-Sep	3 mths Jul-Sep	9 mths Jan-Sep	9 mths Jan-Sep	12 mths Jan-Dec
INDUSTRIAL PRODUCTS	183	178	637	650	852
Breakdown by geographic market ¹⁾					
Sweden	64	71	244	253	338
Rest of the Nordic countries	48	30	137	124	153
Rest of Europe	70	75	250	267	354
Rest of the world	1	2	6	6	7
Breakdown by type of product					
Proprietary products	54	45	175	164	207
Customer-specific manufacturing	129	133	462	486	645
Breakdown by timing of revenue recognition					
Goods and services transferred at a point in time	183	178	637	650	852
INDUSTRIAL SOLUTIONS	463	485	1,501	1,604	2,126
Breakdown by geographic market ¹⁾					
Sweden	134	134	392	384	501
Rest of the Nordic countries	32	31	93	92	121
Rest of Europe	188	189	662	712	929
Rest of the world	109	131	354	416	575
Breakdown by type of product					
Proprietary products	352	372	1,143	1,232	1,660
Customer-specific manufacturing	111	113	358	372	466
Breakdown by timing of revenue recognition					
Goods and services transferred at a point in time	157	148	508	480	653
Services transferred over time	27	23	88	56	86
Projects transferred over time	279	314	905	1,068	1,387
PRECISION TECHNOLOGY	91	94	321	342	455
Breakdown by geographic market ¹⁾					
Sweden	75	83	263	294	389
Rest of the Nordic countries	1	1	5	5	11
Rest of Europe	8	7	34	33	40
Rest of the world	7	3	19	10	15
Breakdown by type of product					
Proprietary products	0	0	1	1	2
Customer-specific manufacturing	91	94	320	341	453
Breakdown by timing of revenue recognition					
Goods and services transferred at a point in time	91	94	321	342	455
GROUP TOTAL	737	757	2,458	2,595	3,431
Breakdown by geographic market ¹⁾					
Sweden	274	288	899	930	1,226
Rest of the Nordic countries	81	62	235	221	285
Rest of Europe	265	271	945	1,012	1,323
Rest of the world	117	136	379	432	597
Breakdown by type of product					
Proprietary products	407	417	1,319	1,397	1,869
Customer-specific manufacturing	330	340	1,139	1,198	1,562
Breakdown by timing of revenue recognition					
Goods and services transferred at a point in time	430	420	1,465	1,471	1,958
Services transferred over time	27	23	88	56	86
Projects transferred over time	280	314	905	1,068	1,387

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

NET REVENUE BY SEGMENT	2024	2023	2024	2023	23/24	2023
(SEK million)	3 mths Jul-Sep	3 mths Jul-Sep	9 mths Jan-Sep	9 mths Jan-Sep	12 mths Oct-Sep	12 mths Jan-Dec
Industrial Products	183	178	637	650	839	852
Industrial Solutions	463	485	1,501	1,604	2,023	2,126
Precision Technology	91	94	321	342	434	455
Eliminations	0	0	-1	-1	-2	-2
Group total	737	757	2,458	2,595	3,294	3,431

PROFIT/LOSS BEFORE TAX BY SEGMENT ¹⁾	2024	2023	2024	2023	23/24	2023
(SEK million)	3 mths Jul-Sep	3 mths Jul-Sep	9 mths Jan-Sep	9 mths Jan-Sep	12 mths Oct-Sep	12 mths Jan-Dec
Industrial Products	4	10	31	54	36	59
Industrial Solutions	-10	37	15	145	33	163
Precision Technology	0	0	12	23	12	23
Undistributed items	-2	-3	-7	-19	-7	-19
Group total	-8	44	51	203	74	226

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 4 TAX

Tax amounts to 23 per cent (22) of profit before tax for the interim period.

■ NOTE 5 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 6**
EARNINGS PER SHARE

BASIC EARNINGS PER SHARE	2024	2023	2024	2023	23/24	2023
	3 mths Jul-Sep	3 mths Jul-Sep	9 mths Jan-Sep	9 mths Jan-Sep	12 mths Oct-Sep	12 mths Jan-Dec
Net profit for the period, SEK million	-6.8	32.9	38.9	157.1	57.2	175.4
Average number of outstanding shares, thousands ^{1, 2)}	59,311	58,097	59,248	58,023	59,219	58,302
Basic earnings per share, SEK ^{1, 2)}	-0.11	0.57	0.66	2.71	0.96	3.01

DILUTED EARNINGS PER SHARE	2024	2023	2024	2023	23/24	2023
	3 mths Jul-Sep	3 mths Jul-Sep	9 mths Jan-Sep	9 mths Jan-Sep	12 mths Oct-Sep	12 mths Jan-Dec
Net profit for the period, SEK million	-6.8	32.9	38.9	157.1	57.2	175.4
Interest expense on convertible bonds, SEK million ³⁾	-	1.1	-	3.6	-	3.6
Issue expenses for convertible bonds, SEK million	-	0.0	-	0.1	-	0.1
Adjusted income, SEK million	-6.8	34.0	38.9	160.8	57.2	179.1
Average number of outstanding shares, thousands ^{1, 2)}	59,311	58,097	59,248	58,023	59,219	58,302
Adjustment for presumed conversion of convertible bonds, thousands ¹⁾	-	1,036	-	1,110	-	830
Average number of outstanding shares after dilution, thousands ^{1, 2)}	59,311	59,133	59,248	59,133	59,219	59,132
Diluted earnings per share, SEK ^{1, 2)}	-0.11	0.57	0.66	2.71	0.96	3.01

¹⁾ Due to conversion, 1,146,084 shares were issued in September 2023.

²⁾ 179,442 own shares were transferred in connection with business combinations in April 2024.

³⁾ Constitutes current interest for convertible loan adjusted to market interest rate.

On the closing day, the total number of shares stands at 59,640,298, divided between 14,577,600 Class A shares and 45,062,698 Class B shares. After deduction for the company's own holding, 329,690 Class B shares, the number of outstanding shares is 59,310,608. The average number of outstanding shares was 59,248,393 during the interim period. The average number of shares in the company's custody was 391,905 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, is 190,509,008 on the closing day.

■ **NOTE 7**
FINANCIAL ASSETS AND LIABILITIES

Financial assets and liabilities comprise cash and cash equivalents, accounts receivable, loan claims, loan liabilities, accounts payable and any derivatives. The financial assets and liabilities are distributed by category as stated below.

DISTRIBUTION BY CATEGORY 2024-09-30 (2023-09-30) (SEK m)	Financial assets measured at fair value through other comprehensive income		Loan and accounts receivable valued at accrued acquisition value		Financial liabilities measured at fair value through profit and loss statement		Financial assets/ liabilities measured at fair value through other comprehensive income		Other financial liabilities		Total carrying amount		Fair value ¹⁾	
Accounts receivable	-	(-)	524	(739)	-	(-)	-	(-)	524	(739)	524	(739)	524	(739)
Derivative instruments ^{2, 3)}	-	(-)	-	-	-	(-)	5	(16)	5	(16)	5	(16)	5	(16)
Cash and cash equivalents	-	(-)	290	(205)	-	(-)	-	(-)	290	(205)	290	(205)	290	(205)
Total financial assets	-	(-)	814	(944)	-	(-)	5	(16)	819	(960)	819	(960)	819	(960)
Loan liabilities	-	(-)	-	(-)	-	(-)	1,033	(1,060)	1,033	(1,060)	1,033	(1,060)	1,033	(1,060)
Lease liabilities	-	(-)	-	(-)	-	(-)	109	(130)	109	(130)	109	(130)	109	(130)
Convertible loan	-	(-)	-	(-)	-	(-)	-	(-)	-	(-)	-	(-)	-	(-)
Bank overdraft facilities	-	(-)	-	(-)	-	(-)	48	(70)	48	(70)	48	(70)	48	(70)
Total interest-bearing liabilities	-	(-)	-	(-)	-	(-)	1,190	(1,260)	1,190	(1,260)	1,190	(1,260)	1,190	(1,260)
Accounts payable	-	(-)	-	(-)	-	(-)	258	(271)	258	(271)	258	(271)	258	(271)
Total financial liabilities	-	(-)	-	(-)	-	(-)	1,448	(1,531)	1,448	(1,531)	1,448	(1,531)	1,448	(1,531)

¹⁾ The fair value of financial assets and liabilities, with the exception of the convertible loan and lease liabilities, is estimated to be the same as their carrying amount in all material respects.

²⁾ Current receivables presented in the consolidated statement of financial position include interest derivatives measured at fair value of SEK 5 million (16) for the interim period and SEK 8 million for the 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.

³⁾ Current liabilities presented in the consolidated statement of financial position include currency derivatives measured at fair value of SEK – million (0) for the interim period and SEK – million for the 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 several factors, including observable data such as fixing rates and swap rates for the currency in question.

NOTE 8 BUSINESS COMBINATIONS

Graniten Engineering AB is included in the consolidated results from 22 March 2024. Dansk Rotations Plastic ApS is included in the consolidated results from 5 april 2024.

According to preliminary acquisition calculation, the total value of acquired assets and liabilities, purchase price and the effect on the Group's liquid assets are as follows:

BUSINESS COMBINATIONS (SEK million)	Reported value in subsidiary	Fair value adjustment	Consolidated fair value
Intangible non-current assets	61	76	137
Property, plant and equipment	22	14	36
Financial assets	2	–	2
Right-of-use assets	–	7	7
Current assets	49	–	49
Non-current liabilities	-12	-12	-24
Current liabilities	-87	-4	-91
Net assets/purchase price	35	81	116
Transfer of treasury shares with no cash-flow effect ¹⁾			-15
Liquid assets in acquired businesses			-6
Transaction costs			2
Total cash flow attributable to acquired business			97

¹⁾ Recorded as cash flow in the interim report Q1-Q2 2024.

The purchase price for Graniten Engineering AB amounted to SEK 13 million and was paid in cash. The total purchase price for Dansk Rotations Plastic ApS amounted to DKK 67 million. Within the framework of the acquisition, treasury shares corresponding to an amount of DKK 10 million were transferred. The remaining amount, DKK 57 million was paid in cash. The acquisitions preliminary bring surplus values totalling SEK 90 million distributed between goodwill (SEK 50 million), customer relations (SEK 26 million) and property, plant and equipment (SEK 14 million). The transaction costs are estimated at SEK 2.0 million. Goodwill relates to synergy effects. The expectation is that synergies will mainly be achieved by means of the acquisition adding adjacent technical skills and introducing new market niches to existing operations. The utilisation of common resources will also entail coordination advantages.

The acquired units contributed SEK 84 million in net revenue and approx. SEK -10 million in net profit after the deduction of acquisition costs, write-offs from surplus values and financial expenses attributable to the acquisitions. If the acquired units had been included in the Group throughout the whole period, revenue would have amounted to SEK 2,497 million, while net profit would have been approx. SEK 41 million.

In 2023, Lundgren Machinery AB and Integrated Packaging Solutions, LLC were acquired.

OTHER DATA

SHARE DATA, GROUP	2024	2023	2024	2023	23/24	2023
	3 mths Jul-Sep	3 mths Jul-Sep	9 mths Jan-Sep	9 mths Jan-Sep	12 mths Oct-Sep	12 mths Jan-Dec
Average number of outstanding shares, thousands	59,311	58,097	59,248	58,023	59,219	58,302
Average number of outstanding shares after dilution, thousands	59,311	59,133	59,248	59,133	59,219	59,132
Basic earnings per share, SEK	-0.11	0.57	0.66	2.71	0.96	3.01
Diluted earnings per share, SEK	-0.11	0.57	0.66	2.71	0.96	3.01
Cash flow from operating activities per share, SEK	2.18	2.45	2.35	3.33	7.93	8.91
Total number of shares on closing day, thousands			59,640	59,640	59,640	59,640
Number of shares in own custody on closing day, thousands			330	509	330	509
Number of outstanding shares on closing day, thousands			59,310	59,131	59,310	59,131
Equity per share on closing day, SEK			27.80	27.96	27.80	27.91
Share price on closing day, SEK			73.80	80.00	73.80	76.40

Due to conversion, 1,146,084 shares were issued in September 2023. 179,442 own shares were transferred in connection with business combinations in April 2024.

KEY FIGURES, GROUP	2024	2023	2024	2023	23/24	2023
	3 mths Jul-Sep	3 mths Jul-Sep	9 mths Jan-Sep	9 mths Jan-Sep	12 mths Oct-Sep	12 mths Jan-Dec
Operating margin, %	1.7	7.7	4.3	9.5	4.8	8.8
Adjusted operating margin, %	3.6	8.1	4.5	9.3	5.0	8.6
Profit margin, %	-1.2	5.7	2.1	7.8	2.3	6.6
Adjusted profit margin, %	0.6	6.1	2.3	7.6	2.4	6.4
Interest-bearing liabilities, SEK million			1,190	1,260	1,190	1,115
Deferred tax liabilities, SEK million			117	132	117	104
Lines of credit granted but not utilised, SEK million			997	1,193	997	1,108
Return on equity p.a., %			3.1	13.3	3.4	11.0
Return on capital employed p.a., %			5.4	12.8	6.0	11.6
Return on total capital p.a., %			4.0	9.3	4.4	8.5
Average equity, SEK million			1,660	1,581	1,658	1,595
Average capital employed, SEK million			2,845	2,774	2,858	2,772
Average total capital, SEK million			3,874	3,823	3,905	3,810
Interest coverage ratio, multiple			1.8	4.2	1.8	3.4
Equity/assets ratio, %			42	41	42	44
Depreciation, SEK million	41	36	115	103	152	140
EBITDA, SEK million	54	94	220	350	311	441
Adjusted EBITDA, SEK million	68	97	225	343	316	434
Net investments in non-current assets, SEK million	19	255	260	331	307	378
Employees, average number	1,412	1,377	1,420	1,373	1,416	1,381

QUARTERLY SUMMARY, GROUP	2024	2023	2024	2023	2024	2023	2023	2022
	Q3	Q3	Q2	Q2	Q1	Q1	Q4	Q4
Net revenue, SEK m	737	757	896	942	825	896	836	806
Gross profit, SEK m	132	159	186	214	158	201	179	139
Operating profit, SEK m	13	58	61	102	31	87	54	34
Adjusted operating profit, SEK m	27	61	52	92	31	87	54	34
Profit before tax, SEK m	-8	44	42	86	17	73	23	19
Net profit for the period, SEK m	-7	33	33	67	13	57	18	23
Operating margin, %	1.7	7.7	6.8	10.7	3.8	9.8	6.5	4.2
Adjusted operating margin, %	3.6	8.1	5.8	9.8	3.8	9.8	6.5	4.2
Profit margin, %	-1.2	5.7	4.7	9.1	2.1	8.2	2.9	2.4
Adjusted profit margin, %	0.6	6.1	3.8	8.1	2.1	8.2	2.9	2.4
Equity/assets ratio, %	42	41	42	40	43	42	44	42
Basic earnings per share, SEK	-0.11	0.57	0.55	1.15	0.22	0.99	0.30	0.40
Cash flow from operating activities per share, SEK	2.18	2.45	-0.22	0.20	0.39	0.68	5.58	1.63

For definitions, see page 15.

DEFINITIONS

ADJUSTED EBITDA

Operating profit less items affecting comparability plus depreciation and amortisation of tangible and intangible non-current assets.

ADJUSTED OPERATING MARGIN

Operating profit less items affecting comparability in relation to net revenue.

ADJUSTED PROFIT MARGIN

Profit before tax less items affecting comparability in relation to net revenue.

AVERAGE NUMBER OF EMPLOYEES

Average number of employees during the period based on working hours. Employees who are covered by short-term work/ temporary layoffs are only included to the extent that relates to actually worked time.

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.

EBITDA

Operating profit plus depreciation and amortisation of tangible and intangible non-current assets.

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.

ITEMS AFFECTING COMPARABILITY

Events or transactions that have a material financial impact and whose effects on earnings are important to note when comparing the financial results for the period with results for previous periods.

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.

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. The Group is of the opinion that these indicators provide valuable complementary information as they contribute to the understanding of the Group's financial development. Performance indicators are calculated in accordance with the definitions presented in this interim report.

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 106 in the 2023 annual report.

INCOME STATEMENT, PARENT COMPANY		2024	2023	2024	2023	2023
(SUMMARY, SEK million)		3 mths	3 mths	9 mths	9 mths	12 mths
	Note	Jul-Sep	Jul-Sep	Jan-Sep	Jan-Sep	Jan-Dec
Net revenue	1	8.0	7.2	23.8	21.7	29.7
Selling and administrative expenses		-9.8	-11.3	-30.6	-33.0	-40.3
Operating profit/loss		-1.8	-4.1	-6.8	-11.3	-10.6
Profit from participations in Group companies		100.0	30.0	125.0	130.0	115.3
Other financial items		2.8	3.2	14.8	2.9	0.1
Profit/loss after financial items		101.0	29.1	133.0	121.6	104.8
Appropriations		-	-	-	-	55.7
Tax	2	-0.2	0.2	-1.6	1.7	-10.5
Net profit for the period		100.8	29.3	131.4	123.3	150.0
<i>Statement of comprehensive income</i>						
Net profit for the period		100.8	29.3	131.4	123.3	150.0
Other comprehensive income		-	-	-	-	-
Comprehensive income for the period		100.8	29.3	131.4	123.3	150.0

BALANCE SHEET, PARENT COMPANY		2024	2023	2023
(SUMMARY, SEK million)		30 Sep	30 Sep	31 Dec
ASSETS				
Non-current assets		206.9	221.6	206.9
Current assets		1,249.0	1,142.2	1,108.5
EQUITY AND LIABILITIES				
Equity		705.0	590.8	617.5
Untaxed reserves		59.0	88.0	59.0
Non-current liabilities		250.0	250.0	250.0
Current liabilities		441.9	435.0	388.9
BALANCE SHEET TOTAL		1,455.9	1,363.8	1,315.4

STATEMENT OF CHANGES IN EQUITY, PARENT COMPANY		2024	2023	2023
(SUMMARY, SEK million)		30 Sep	30 Sep	31 Dec
Opening balance		617.5	499.9	499.9
Comprehensive income for the period		131.4	123.3	150.0
Conversion of personnel convertibles		-	69.9	69.9
Disposal of treasury shares		15.4	-	-
Cash dividends paid		-59.3	-102.3	-102.3
Closing balance		705.0	590.8	617.5

CASH FLOW STATEMENT, PARENT COMPANY		2024	2023	2024	2023	2023
(SUMMARY, SEK million)		3 mths	3 mths	9 mths	9 mths	12 mths
		Jul-Sep	Jul-Sep	Jan-Sep	Jan-Sep	Jan-Dec
Operating profit/loss		-1.8	-4.1	-6.8	-11.3	-10.6
Interest and income tax paid/received and adjustments for non-cash items		110.8	-11.1	126.3	63.8	150.3
Change in working capital		-4.6	80.2	-122.1	-78.8	-49.9
Cash flow from operating activities		104.4	65.0	-2.6	-26.3	89.8
Investments		-	-	-	-0.1	-0.1
Cash flow after investments		104.4	65.0	-2.6	-26.4	89.7
Financing		-66.3	-64.1	29.0	8.4	-102.4
Cash flow for the period		38.1	0.9	26.4	-18.0	-12.7
Cash and cash equivalents at the start of the year		0.0	0.0	8.7	21.7	21.7
Exchange rate differences in cash and cash equivalents		-3.1	-0.9	-0.1	-3.7	-0.3
Cash and cash equivalents at the end of the period		35.0	0.0	35.0	0.0	8.7

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 1 per cent (-1). Income tax-exempt dividends contribute to the lower tax rate.

Review report

XANO Industri AB (publ), corp. ID no. 556076-2055

Introduction

We have reviewed the condensed interim financial information (interim report) of XANO Industri AB (publ) as of 30 September 2024 and for the nine-month period then ended. The Board of Directors and the Managing Director are responsible for the preparation and presentation of this interim report in accordance with IAS 34 and the Swedish Annual Accounts Act. Our responsibility is to express a conclusion on this interim report based on our review.

Scope of review

We conducted our review in accordance with the International Standard on Review Engagements, ISRE 2410 Review of Interim Financial Information Performed by the Independent Auditor of the Entity. A review consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing, ISA, and other generally accepted auditing standards in Sweden. The procedures performed in a review do not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Therefore, the conclusion expressed on the basis of a review does not provide the same level of assurance as a conclusion expressed on the basis of an audit.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the interim report is not prepared, in all material respects, in accordance with IAS 34 and the Swedish Annual Accounts Act regarding the Group, and with the Swedish Annual Accounts Act regarding the Parent Company.

Jönköping, 31 October 2024

KPMG AB

Olle Nilsson

Authorised Public Accountant

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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