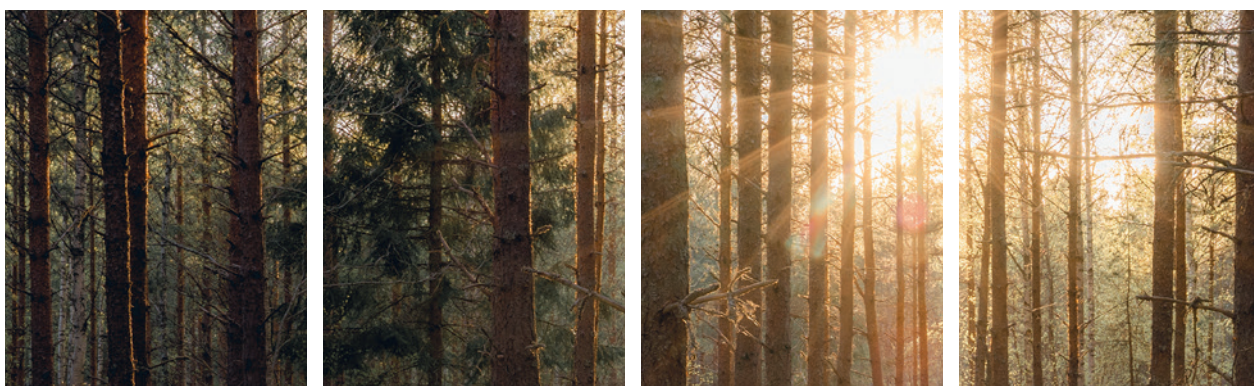


INTERIM REPORT

1 January – 30 June 2024



THE INTERIM PERIOD

- Net revenue totalled SEK 1,721 million (1,838)
- Operating profit amounted to SEK 92 million (189)
- Profit before tax amounted to SEK 59 million (159)
- Profit after tax amounted to SEK 46 million (124)
- Earnings per share were SEK 0.77 (2.14)
- Cash flow from operating activities amounted to SEK 10 million (52)

Important events during the period

- Graniten Engineering was acquired
- Dansk Rotations Plastic was acquired

THE SECOND QUARTER

- Net revenue totalled SEK 896 million (942)
- Operating profit amounted to SEK 61 million (102)
- Profit before tax amounted to SEK 42 million (86)
- Profit after tax amounted to SEK 33 million (67)
- Earnings per share were SEK 0.55 (1.15)
- Cash flow from operating activities amounted to SEK -13 million (13)

SUMMARY OF THE INTERIM PERIOD JANUARY – JUNE 2024

Net revenue, SEK m	1,721	(1,838)
Net profit for the period, SEK m	46	(124)
Earnings per share, SEK	0.77	(2.14)
Profit margin, %	3.5	(8.7)

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

**THE GROUP**

We didn't see any major shifts in the market climate during the second quarter compared to the preceding period. The trend as regards assignments within the defence sector remained strong, alongside stable demand from customers in relation to food and pet food. The same applied in the pharmaceuticals and medical technology segments, although the decision-making processes remained long drawn-out at a few major players. Within the packaging sector, there was a continuing trend of ongoing projects being delayed, while the conclusion of decisions regarding new investments was sluggish. This was most evident in the can industry, which reported an extremely low level of activity. The automotive segment retained its volumes, with the result that the Group's share of automotive-related production has increased. Difficulties in implementing price adjustments in relation to major automotive customers has affected profitability, primarily for the Industrial Products business unit. The promised compensation for previous cost increases has also not been provided in full. An evaluation of customer agreements in the automotive segment has led to us terminating one particular agreement.

Wide-ranging cost adaptations have been implemented and are continuing in several of the Group's companies. At the same time, our aggressive transition has continued via investments in

new business niches and on new markets, as well as through acquisitions. The first half of the year demonstrated overall volumes that were just below those recorded in the comparison period. Profitability was significantly weaker, but strengthened during the second quarter compared to the early part of the year.

During the first half of the year, Group revenue fell by 6 per cent in relation to the comparison period. Operating profit decreased by 51 per cent and the operating margin was 5.3 per cent (10.3). The profit margin amounted to 3.5 per cent (8.7). Cash flow from operating activities totalled SEK 10 million (52).

THE INDUSTRIAL PRODUCTS BUSINESS UNIT

In relation to the comparison period, sales fell by 4 per cent and operating profit decreased by 27 per cent.

Reduced volumes in the agricultural sector, primarily from Finnish and German customers, as well as significantly lower volumes in the Norwegian operations, resulted in negative growth during the period. The poorer profitability is related both to lower sales and productivity, as well as to continued challenges in the automotive sector. The operating margin was strengthened during the second quarter, however. The newly acquired company Dansk Rotations Plastic (DRP) contributed to this thanks to its good results. On the whole, the generally cautious market situ-



ation resulted in relatively weak incoming orders, although there were major variations over time and between different customer segments. Several of our companies have conducted successful investments and have succeeded in winning market share, even in cool markets. A number of major deals relate to production in future years. We have generally continued tightening our belts within the business unit, although the pace of product development and market activities linked on our own product range has remained high.

THE INDUSTRIAL SOLUTIONS BUSINESS UNIT

In relation to the comparison period, sales fell by 7 per cent and operating profit decreased by 59 per cent.

The slowdown as regards volumes within established customer segments has largely been able to be compensated by deals within new business areas and through acquisitions. The ongoing transition has greatly affected profitability, however, although we have reported a slight improvement in margins in the second quarter compared to the early part of the year. The market adaptations and organisational changes that are taking place among our customers have resulted in delayed deliveries as well as halting investments in planned production lines. In the field of sustainable energy, the manufacture of vehicle batteries has been impeded by operational disruptions, which have led to projects being paused in both Europe and the USA. We are therefore witnessing a necessary shift in focus towards new customers and niches within our project-related operations. This work includes intensified investments in areas such as after-sales services and productisation of the business unit's service offers.

THE PRECISION TECHNOLOGY BUSINESS UNIT

In relation to the comparison period, sales fell by 7 per cent and operating profit decreased by 22 per cent.

The business unit reported a slight fall in volumes as well as reduced profitability as a result of lower productivity levels combined with a high cost base. The level of performance varied considerably between the companies, however, with KMV and Lasertech in particular really distinguishing themselves. The placing of orders has remained cautious within the business unit's established sectors,

especially from its major players. On the other hand, assignments for the defence sector have increased further. Generally speaking, the operations have had difficulty rapidly dealing with shifts in demand and delays in ongoing projects. Many new customers and projects have also initially entailed poorer earnings. The measures we have implemented to tighten our belts have not yet achieved their full effect. Further cost adaptations and streamlining of processes are taking place in parallel with aggressive marketing activities.

FUTURE DEVELOPMENT

So far, there are no signs to indicate any significant recovery within our established customer segments during the course of this year. There are currently many uncertainty factors, and the conditions for our operations are closely linked to various scenarios in the world around us. New deals that have been won outside of established markets are starting to have an impact, but some of these are affected by the global turbulence as well.

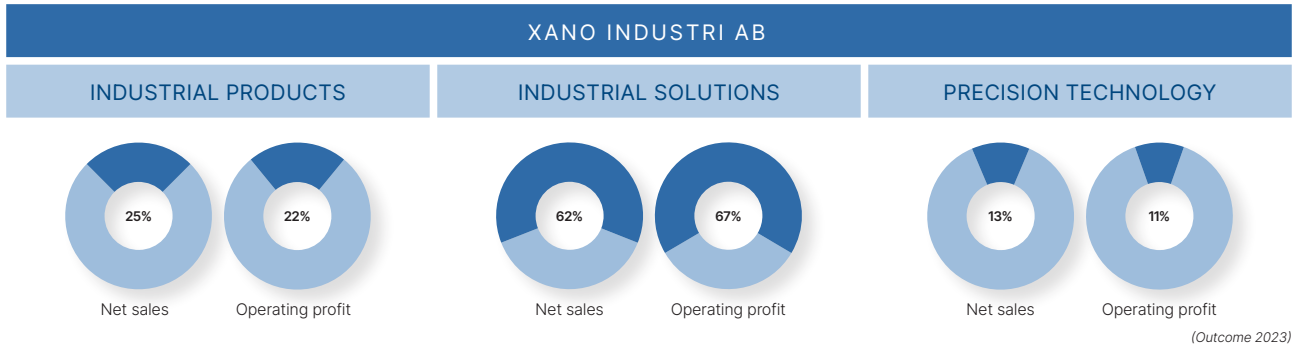
Some stabilisation in earnings was demonstrated during the past quarter, but the tightening measures that have been implemented and that are still ongoing in our companies have not yet had any clear effect. This is linked to the fact that we are simultaneously continuing our aggressive transition through investments in product development and innovations, as well as through acquisitions and the establishment of operations both in new countries and within new market niches. We are also working to develop circular business models and to further develop collaborations in the value chain, with the aim of future-proofing our businesses and ensuring that we achieve our sustainability goals.

The Group's overall performance has not generated the desired financial earnings during the first half of the year. Converting challenges into opportunities is part of our heritage, but in the current circumstances it is a process that requires both time and resources. We are patient and believe that the changes we are currently implementing will generate long-term sustainable operations from all perspectives.

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–Q2 2024 vs Q1–Q2 2023: Sales fell by 4 per cent and operating profit decreased by 27 per cent.

		2024 Q1–Q2	2023 Q1–Q2	2023 Q1–Q4
Net sales	SEK m	454	472	852
Operating profit	SEK m	37	51	75
Operating margin	%	8.2	10.9	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–Q2 2024 vs Q1–Q2 2023: Sales fell by 7 per cent and operating profit decreased by 59 per cent.

		2024 Q1–Q2	2023 Q1–Q2	2023 Q1–Q4
Net sales	SEK m	1,038	1,119	2,126
Operating profit	SEK m	55	131	226
Operating margin	%	5.3	11.7	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–Q2 2024 vs Q1–Q2 2023: Sales fell by 7 per cent and operating profit decreased by 22 per cent.

		2024 Q1–Q2	2023 Q1–Q2	2023 Q1–Q4
Net sales	SEK m	230	248	455
Operating profit	SEK m	20	29	37
Operating margin	%	8.6	11.6	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 second quarter

Net revenue totalled SEK 896 million (942). Operating profit amounted to SEK 61 million (102), corresponding to an operating margin of 6.8 per cent (10.7). Profit before tax was SEK 42 million (86).

The interim period

Net revenue totalled SEK 1,721 million (1,838). Operating profit amounted to SEK 92 million (189), corresponding to an operating margin of 5.3 per cent (10.3). Profit before tax was SEK 59 million (159).

SHARE DATA AND KEY FIGURES

The interim period

Basic earnings per share were SEK 0.77 (2.14). Equity per share was SEK 28.03 (26.86). The average number of outstanding shares was 59,216,943. The equity/assets ratio was 42 per cent (40) at the end of the period. The average number of employees was 1,424 (1,371).

IMPORTANT EVENTS DURING THE PERIOD

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

EVENTS AFTER THE END OF THE PERIOD

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

INVESTMENTS

The second quarter

Net investments in non-current assets came to SEK 145 million (41), of which SEK 96 million related to business combinations, SEK 8 million to intangible assets, SEK 37 million to property, plant and equipment, SEK 2 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 241 million (76), of which SEK 177 million related to business combinations, SEK 12 million to intangible assets, SEK 46 million to property, plant and equipment, SEK 4 million to right-of-use assets and SEK 2 million to financial assets.

CASH FLOW AND LIQUIDITY*The interim period*

Cash flow from operating activities amounted to SEK 10 million (52). 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 1,195 million (1,264) 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.

NEXT REPORT DATE

The interim report for the period 1 January to 30 September 2024 will be presented on Thursday 31 October 2024.

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, 9 July 2024

Fredrik Rapp
Chair of the Board

Anna Benjamin
Vice Chair of the Board

Petter Fägersten
Board member

Per Rodert
Board member

Jennie Hammer Viskari
Board member

Pontus Cornelius
Board member

Vibeke Gyllenram
Board member

Lennart Persson
CEO

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

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME		2024	2023	2024	2023	23/24	2023
(SUMMARY, SEK million)		3 mths	3 mths	6 mths	6 mths	12 mths	12 mths
Note		Apr-Jun	Apr-Jun	Jan-Jun	Jan-Jun	Jul-Jun	Jan-Dec
	Net revenue	3	896	942	1,721	1,838	3,431
	Cost of goods sold		-710	-728	-1,377	-1,423	-2,678
	Gross profit		186	214	344	415	753
	Selling expenses		-91	-80	-176	-152	-295
	Administrative expenses		-46	-43	-91	-85	-174
	Other operating income	2	15	17	22	22	49
	Other operating expenses		-3	-6	-7	-11	-31
	Profit from participations in associated companies		0	0	0	0	-1
	Operating profit		61	102	92	189	301
	Financial income	2	5	7	11	11	21
	Financial expenses	2	-24	-23	-44	-41	-99
	Profit before tax	3	42	86	59	159	226
	Tax	4	-9	-19	-13	-35	-51
	Net profit for the period	8	33	67	46	124	175
	<i>– of which attributable to shareholders of the Parent Company</i>		33	67	46	124	175
OTHER COMPREHENSIVE INCOME							
<i>Items that may be reclassified to net profit for the period</i>							
	Change in hedging reserve including tax	5	-1	-2	0	-4	-10
	Translation differences	5	-3	10	9	8	-12
	Other comprehensive income		-4	8	9	4	-22
	Comprehensive income for the period		29	75	55	128	153
	<i>– of which attributable to shareholders of the Parent Company</i>		29	75	55	128	153
	Basic earnings per share, SEK	6	0.55	1.15	0.77	2.14	3.01
	Diluted earnings per share, SEK	6	0.55	1.15	0.77	2.14	3.01

CONSOLIDATED STATEMENT OF FINANCIAL POSITION			2024	2023	2023
(SUMMARY, SEK million)		Note	30 Jun	30 Jun	31 Dec
ASSETS					
	Goodwill		1,205	973	1,136
	Other intangible non-current assets		175	74	100
	Property, plant and equipment		776	725	725
	Right-of-use assets		113	127	122
	Other non-current assets		11	5	9
	Total non-current assets		2,280	1,904	2,092
	Inventories		512	580	509
	Current receivables	7	935	1,209	851
	Cash and cash equivalents	7	254	205	309
	Total current assets		1,701	1,994	1,669
	TOTAL ASSETS		3,981	3,898	3,761
EQUITY AND LIABILITIES					
	Equity		1,662	1,557	1,651
	Non-current liabilities	7	1,244	1,152	1,201
	Current liabilities	7	1,075	1,189	909
	TOTAL EQUITY AND LIABILITIES		3,981	3,898	3,761

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (SUMMARY, SEK million)	2024 30 Jun	2023 30 Jun	2023 31 Dec
Opening balance	1,651	1,530	1,530
Net profit for the period	46	124	175
Other comprehensive income	9	4	-22
Comprehensive income for the period	55	128	153
Conversion of personnel convertibles	–	–	70
Disposal of treasury shares	15	–	–
Cash dividends paid	-59	-101	-102
Total transactions with shareholders	-44	-101	-32
Closing balance	1,662	1,557	1,651
– of which attributable to shareholders of the Parent Company	1,662	1,557	1,651

CONSOLIDATED CASH FLOW STATEMENT (SUMMARY, SEK million)	Note	2024 3 mths Apr-Jun	2023 3 mths Apr-Jun	2024 6 mths Jan-Jun	2023 6 mths Jan-Jun	23/24 12 mths Jul-Jun	2023 12 mths Jan-Dec
Operating profit		61	102	92	189	204	301
Interest and income tax paid/received and adjustments for non-cash items		-27	-21	-33	-17	3	19
Change in working capital		-47	-68	-49	-120	270	199
Cash flow from operating activities		-13	13	10	52	477	519
Investments							
Acquisitions of subsidiaries	8	-93	-16	-108	-16	-305	-213
Other		-47	-27	-58	-44	-114	-100
Cash flow after investments		-153	-30	-156	-8	58	206
Cash dividends paid		-30	-58	-30	-58	-74	-102
Cash flow from other financing activities		134	87	121	94	59	32
Cash flow for the period		-49	-1	-65	28	43	136
Cash and cash equivalents at the start of the period		311	208	309	178	205	178
Exchange rate differences in cash and cash equivalents		-8	-2	10	-1	6	-5
Cash and cash equivalents at the end of the period		254	205	254	205	254	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

Other operating income for the 2024 interim period includes non-recurring items of SEK 10.5 million in respect of adjusted conditional additional purchase price for Integrated Packaging Solutions, LLC. The amount reported for the 2023 interim period and full year includes non-recurring items of SEK 9.7 million in respect of electricity support to Swedish companies.

Financial items include exchange rate losses amounting to SEK 0.9 million (-4.3) 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 (SEK million)	2024	2023	2024	2023	2023
	3 mths Apr-Jun	3 mths Apr-Jun	6 mths Jan-Jun	6 mths Jan-Jun	12 mths Jan-Dec
INDUSTRIAL PRODUCTS	244	238	454	472	852
Breakdown by geographic market ¹⁾					
Sweden	92	93	180	182	338
Rest of the Nordic countries	60	53	89	94	153
Rest of Europe	88	90	180	192	354
Rest of the world	4	2	5	4	7
Breakdown by type of product					
Proprietary products	77	61	121	119	207
Customer-specific manufacturing	167	177	333	353	645
Breakdown by timing of revenue recognition					
Goods and services transferred at a point in time	244	238	454	472	852
INDUSTRIAL SOLUTIONS	536	575	1,038	1,119	2,126
Breakdown by geographic market ¹⁾					
Sweden	141	131	258	250	501
Rest of the Nordic countries	35	34	61	61	121
Rest of Europe	233	237	474	523	929
Rest of the world	127	173	245	285	575
Breakdown by type of product					
Proprietary products	411	474	791	860	1,660
Customer-specific manufacturing	125	101	247	259	466
Breakdown by timing of revenue recognition					
Goods and services transferred at a point in time	177	163	351	332	653
Services transferred over time	33	16	61	33	86
Projects transferred over time	326	396	626	754	1,387
PRECISION TECHNOLOGY	117	129	230	248	455
Breakdown by geographic market ¹⁾					
Sweden	95	107	188	211	389
Rest of the Nordic countries	1	2	4	4	11
Rest of Europe	13	16	26	26	40
Rest of the world	8	4	12	7	15
Breakdown by type of product					
Proprietary products	1	0	1	1	2
Customer-specific manufacturing	116	129	229	247	453
Breakdown by timing of revenue recognition					
Goods and services transferred at a point in time	117	129	230	248	455
GROUP TOTAL	896	942	1,721	1,838	3,431
Breakdown by geographic market ¹⁾					
Sweden	327	331	625	642	1,226
Rest of the Nordic countries	96	89	154	159	285
Rest of Europe	334	343	680	741	1,323
Rest of the world	139	179	262	296	597
Breakdown by type of product					
Proprietary products	488	535	912	980	1,869
Customer-specific manufacturing	408	407	809	858	1,562
Breakdown by timing of revenue recognition					
Goods and services transferred at a point in time	538	530	1,035	1,051	1,958
Services transferred over time	33	16	61	33	86
Projects transferred over time	325	396	625	754	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 Apr-Jun	3 mths Apr-Jun	6 mths Jan-Jun	6 mths Jan-Jun	12 mths Jul-Jun	12 mths Jan-Dec
Industrial Products	244	238	454	472	834	852
Industrial Solutions	536	575	1,038	1,119	2,045	2,126
Precision Technology	117	129	230	248	438	455
Eliminations	-1	0	-1	-1	-3	-2
Group total	896	942	1,721	1,838	3,314	3,431

PROFIT/LOSS BEFORE TAX BY SEGMENT ¹⁾	2024	2023	2024	2023	23/24	2023
(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	18	27	27	44	42	59
Industrial Solutions	21	54	25	108	80	163
Precision Technology	4	13	12	23	12	23
Undistributed items	-1	-8	-5	-16	-8	-19
Group total	42	86	59	159	126	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) 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 Apr-Jun	3 mths Apr-Jun	6 mths Jan-Jun	6 mths Jan-Jun	12 mths Jul-Jun	12 mths Jan-Dec
Net profit for the period, SEK million	32.5	671	45.7	124.2	96.9	175.4
Average number of outstanding shares, thousands ^{1, 2)}	59,303	57,985	59,217	57,985	58,914	58,302
Basic earnings per share, SEK ^{1, 2)}	0.55	1.15	0.77	2.14	1.64	3.01

DILUTED EARNINGS PER SHARE	2024	2023	2024	2023	23/24	2023
	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 profit for the period, SEK million	32.5	67.1	45.7	124.2	96.9	175.4
Interest expense on convertible bonds, SEK million ³⁾	–	1.3	–	2.5	1.1	3.6
Issue expenses for convertible bonds, SEK million	–	0.1	–	0.1	0.0	0.1
Adjusted income, SEK million	32.5	68.5	45.7	126.8	98.0	179.1
Average number of outstanding shares, thousands ^{1, 2)}	59,303	57,985	59,217	57,985	58,914	58,302
Adjustment for presumed conversion of convertible bonds, thousands ¹⁾	–	1,148	–	1,148	260	830
Average number of outstanding shares after dilution, thousands ^{1, 2)}	59,303	59,133	59,217	59,133	59,174	59,132
Diluted earnings per share, SEK ^{1, 2)}	0.55	1.15	0.77	2.14	1.64	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 59,216,943 during the interim period. The average number of shares in the company's custody was 423,355 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 2024-06-30 (2023-06-30) (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	–	(–)	562	(710)	–	(–)	–	(–)	–	–	562	(710)	562	(710)
Derivative instruments ^{2, 3)}	–	(–)	–	–	–	–	8	(16)	–	–	8	(16)	8	(16)
Cash and cash equivalents	–	(–)	254	(205)	–	(–)	–	(–)	–	–	254	(205)	254	(205)
Total financial assets	–	(–)	816	(915)	–	(–)	8	(16)	–	–	824	(931)		
Loan liabilities	–	–	–	–	–	(–)	–	(–)	1,049	(936)	1,049	(936)	1,049	(936)
Lease liabilities	–	–	–	–	–	(–)	–	(–)	115	(126)	115	(126)	–	–
Convertible loan	–	–	–	–	–	(–)	–	(–)	–	(69)	–	(69)	–	(70)
Bank overdraft facilities	–	–	–	–	–	(–)	–	(–)	113	(133)	113	(133)	113	(133)
Total interest-bearing liabilities	–	(–)	–	(–)	–	(–)	–	(–)	1,277	(1,264)	1,277	(1,264)		
Accounts payable	–	–	–	–	–	(–)	–	(–)	276	(292)	276	(292)	276	(292)
Total financial liabilities	–	(–)	–	(–)	–	(–)	–	(–)	1,553	(1,556)	1,553	(1,556)		

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 include interest derivatives measured at fair value of SEK 8 million (15) 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 include currency derivatives measured at fair value of SEK – million (1) 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	9	70
Property, plant and equipment	4	–	4
Financial assets	2	–	2
Right-of-use assets	–	7	7
Current assets	24	–	24
Non-current liabilities	-11	-4	-15
Current liabilities	-73	-4	-77
Net assets/purchase price	7	8	15
Liquid assets in acquired businesses			0
Transaction costs			0
Total cash flow attributable to acquired business			15

The total purchase price for Graniten Engineering AB amounted to SEK 13 million and was paid in cash. Preliminary purchase price for Dansk Rotations Plastic ApS amounts to DKK 66 million. Within the framework of the acquisition, treasury shares corresponding to an amount of DKK 10 million were transferred. The remaining amount, DKK 56 million was paid in cash. The acquisitions preliminary bring surplus values totalling SEK 86 million distributed between goodwill (SEK 58 million), customer relations (SEK 9 million) and property, plant and equipment (SEK 19 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 55 million in net revenue and approx. SEK -2 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 1,760 million, while net profit would have been approx. SEK 48 million.

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

SHARE DATA, GROUP	2024	2023	2024	2023	23/24	2023
	3 mths Apr-Jun	3 mths Apr-Jun	6 mths Jan-Jun	6 mths Jan-Jun	12 mths Jul-Jun	12 mths Jan-Dec
Average number of outstanding shares, thousands	59,303	57,985	59,217	57,985	58,914	58,302
Average number of outstanding shares after dilution, thousands	59,303	59,133	59,217	59,133	59,174	59,132
Basic earnings per share, SEK	0.55	1.15	0.77	2.14	1.64	3.01
Diluted earnings per share, SEK	0.55	1.15	0.77	2.14	1.64	3.01
Cash flow from operating activities per share, SEK	-0.22	0.20	0.17	0.88	8.20	8.91
Total number of shares on closing day, thousands			59,640	58,494	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	57,985	59,310	59,131
Equity per share on closing day, SEK			28.03	26.86	28.03	27.91
Share price on closing day, SEK			86.90	113.00	86.90	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 Apr-Jun	3 mths Apr-Jun	6 mths Jan-Jun	6 mths Jan-Jun	12 mths Jul-Jun	12 mths Jan-Dec
Operating margin, %	6.8	10.7	5.3	10.3	6.2	8.8
Profit margin, %	4.7	9.1	3.5	8.7	3.8	6.6
Interest-bearing liabilities, SEK million			1,277	1,264	1,277	1,115
Deferred tax liabilities, SEK million			111	122	111	104
Lines of credit granted but not utilised, SEK million			941	1,059	941	1,108
Return on equity p.a., %			5.5	16.0	5.9	11.0
Return on capital employed p.a., %			7.3	14.7	7.9	11.6
Return on total capital p.a., %			5.3	10.7	5.8	8.5
Average equity, SEK million			1,663	1,557	1,640	1,595
Average capital employed, SEK million			2,847	2,727	2,855	2,772
Average total capital, SEK million			3,869	3,753	3,908	3,810
Interest coverage ratio, multiple			2.4	4.9	2.3	3.4
Equity/assets ratio, %			42	40	42	44
Depreciation, SEK million	39	34	74	67	147	140
EBITDA, SEK million	100	136	166	256	351	441
Net investments in non-current assets, SEK million	145	41	241	76	543	378
Employees, average number	1,457	1,362	1,424	1,371	1,408	1,381

QUARTERLY SUMMARY, GROUP	2024	2023	2024	2023	2023	2022	2023	2022
	Q2	Q2	Q1	Q1	Q4	Q4	Q3	Q3
Net revenue, SEK m	896	942	825	896	836	806	757	776
Gross profit, SEK m	186	214	158	201	179	139	159	156
Operating profit, SEK m	61	102	31	87	54	34	58	63
Profit before tax, SEK m	42	86	17	73	23	19	44	57
Net profit for the period, SEK m	33	67	13	57	18	23	33	44
Comprehensive income for the period, SEK m	-4	75	26	53	-2	28	27	53
Operating margin, %	6.8	10.7	3.8	9.8	6.5	4.2	7.7	8.1
Profit margin, %	4.7	9.1	2.1	8.2	2.9	2.4	5.7	7.2
Equity/assets ratio, %	42	40	43	42	44	42	41	41
Basic earnings per share, SEK	0.55	1.15	0.22	0.99	0.30	0.40	0.57	0.76
Cash flow from operating activities per share, SEK	-0.22	0.20	0.39	0.68	5.58	1.63	2.45	-0.34

For definitions, see page 14.

DEFINITIONS

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.

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.

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	6 mths	6 mths	12 mths
	Note	Apr-Jun	Apr-Jun	Jan-Jun	Jan-Jun	Jan-Dec
Net revenue	1	7.9	7.3	15.8	14.5	29.7
Selling and administrative expenses		-9.7	-11.3	-20.8	-21.7	-40.3
Operating profit/loss		-1.8	-4.0	-5.0	-7.2	-10.6
Profit from participations in Group companies		25.0	100.0	25.0	100.0	115.3
Other financial items		4.8	1.4	12.0	-0.3	0.1
Profit/loss after financial items		28.0	97.4	32.0	92.5	104.8
Appropriations		-	-	-	-	55.7
Tax	2	-0.6	0.5	-1.4	-1.5	-10.5
Net profit for the period		27.4	97.9	30.6	94.0	150.0
<i>Statement of comprehensive income</i>						
Net profit for the period		27.4	97.9	30.6	94.0	150.0
Other comprehensive income		-	-	-	-	-
Comprehensive income for the period		27.4	97.9	30.6	94.0	150.0

BALANCE SHEET, PARENT COMPANY		2024	2023	2023
(SUMMARY, SEK million)		30 Jun	30 Jun	31 Dec
ASSETS				
Non-current assets		206.9	221.6	206.9
Current assets		1,164.2	1,112.6	1,108.5
EQUITY AND LIABILITIES				
Equity		604.2	492.4	617.5
Untaxed reserves		59.0	88.0	59.0
Non-current liabilities		250.0	250.0	250.0
Current liabilities		457.9	503.8	388.9
BALANCE SHEET TOTAL		1,371.1	1,334.2	1,315.4

STATEMENT OF CHANGES IN EQUITY, PARENT COMPANY		2024	2023	2023
(SUMMARY, SEK million)		30 Jun	30 Jun	31 Dec
Opening balance		617.5	499.9	499.9
Comprehensive income for the period		30.6	94.0	150.0
Conversion of personnel convertibles		-	-	69.9
Disposal of treasury shares		15.4	-	-
Cash dividends paid		-59.3	-101.5	-102.3
Closing balance		604.2	492.4	617.5

CASH FLOW STATEMENT, PARENT COMPANY		2024	2023	2024	2023	2023
(SUMMARY, SEK million)		3 mths	3 mths	6 mths	6 mths	12 mths
		Apr-Jun	Apr-Jun	Jan-Jun	Jan-Jun	Jan-Dec
Operating profit/loss		-1.8	-4.0	-5.0	-7.2	-10.6
Interest and income tax paid/received and adjustments for non-cash items		18.3	92.2	15.5	74.9	150.3
Change in working capital		-122.5	-129.7	-117.5	-159.0	-49.9
Cash flow from operating activities		-106.0	-41.5	-107.0	-91.3	89.8
Investments		-	-	-	-0.1	-0.1
Cash flow after investments		-106.0	-41.5	-107.0	-91.4	89.7
Financing		95.3	44.2	95.3	72.5	-102.4
Cash flow for the period		-10.7	2.7	-11.7	-18.9	-12.7
Cash and cash equivalents at the start of the year		8.2	0.0	8.7	21.7	21.7
Exchange rate differences in cash and cash equivalents		2.5	-2.7	3.0	-2.8	-0.3
Cash and cash equivalents at the end of the period		0.0	0.0	0.0	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 4 per cent (-2). Income tax-exempt dividends contribute to the lower tax rate.

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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