

INTERIM REPORT

1 January – 30 June 2022



THE INTERIM PERIOD

- Net revenue totalled SEK 1,927 million (1,522)
- Operating profit amounted to SEK 244 million (226)
- Profit before tax amounted to SEK 233 million (221)
- Profit after tax amounted to SEK 182 million (172)
- Earnings per share were SEK 3.14 (2.97)

Important events during the period

- Extended credit facilities
- 2:1 share split implemented

THE SECOND QUARTER

- Net revenue totalled SEK 942 million (824)
- Operating profit amounted to SEK 98 million (123)
- Profit before tax amounted to SEK 95 million (117)
- Profit after tax amounted to SEK 74 million (91)
- Earnings per share were SEK 1.28 (1.57)

SUMMARY OF THE INTERIM PERIOD JANUARY – JUNE 2022

Net revenue, SEK m	1,927	(1,522)
Net profit for the period, SEK m	182	(172)
Earnings per share, SEK	3.14	(2.97)
Profit margin, %	12.1	(14.5)

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

**THE GROUP**

We are able to sum up a strong first half of the year. Despite more acute challenges, the Group is reporting growth and healthy margins. The latter are not quite matching the high levels achieved last year, although the operating profit improved by 8 per cent. Operating margin amounted to 12.7 per cent (14.8) and the profit margin was 12.1 per cent (14.5). Net revenue increased by 27 per cent, of which 12 per cent was organic growth.

During the second quarter, primarily profitability was affected by the increasingly difficult external factors. Compared to the corresponding period last year, net revenue rose by 14 per cent, mainly related to our latest acquisitions, while operating margin fell from 14.9 to 10.5 per cent.

The trend from the previous quarter, with a declining level of activity within several sectors, has been amplified in recent months. There are also areas where we are witnessing continued strong demand, but in the current situation, with significant shortages of materials and components, lead times are growing longer. Our operations are flexible, but the above challenges have nevertheless affected our efficiency to a certain extent. At the same time, we have experienced tangible cost increases as a result of escalating purchase prices and the lingering effects of the Coronavirus pandemic.

THE INDUSTRIAL PRODUCTS BUSINESS UNIT

Compared to last year's first six months, sales rose by 43 per cent, of which 21 per cent related to business combinations. The operating profit improved by 22 per cent.

On the whole, the business unit is reporting a healthy volume of orders, although disruptions in our customers' supply chains have resulted in delays to deliveries and to the start-up of new projects. This trend is most noticeable in the automotive sector, which has become increasingly cautious. During the second quarter, we witnessed reduced margins



as a result of significant cost increases. The impact on profits of the implemented price adjustments will not become apparent until later. One positive factor is the good business opportunities that have been generated in the wake of the increasing commitment to sustainability among a number of customers. In this respect, the business unit's companies, all of which work with polymers, are well prepared when it comes to important factors such as the choice of materials, production methods and circularity.

THE INDUSTRIAL SOLUTIONS BUSINESS UNIT

In relation to last year's first six months, sales rose by 30 per cent, of which 16 per cent related to business combinations. Operating profit improved by 13 per cent compared to corresponding period last year.

Generally speaking, the second quarter was characterised by diminishing contract volumes and delays to a number of major automation projects. In addition, the operations in China were hampered by a period of lockdown linked to the Coronavirus pandemic. The difficulties in terms of compensating fully for increased costs in ongoing assignments had a direct impact on profitability. There have been indications of a lower rate of growth and a declining willingness to invest among major players, primarily within the packaging sector, and this has given rise to more aggressive marketing activities within the business unit. This includes investments in aftersales, with software as part of the expanded offer. The development of new business areas, for example for sustainable energy solutions, as well as the establishment of new geographic markets, are progressing.

THE PRECISION TECHNOLOGY BUSINESS UNIT

Sales decreased by 4 per cent and operating profit fell by 19 per cent compared to the first half of last year.

A generally cautious attitude was observed during the second quarter, above all among major customers as a result of significant disruptions in their supply chains. A number of areas are reporting high activity, although growth is being dampened by the same reasons. Our own operations are also being affected by a shortage of input goods as well as cost increases that cannot be directly

compensated through price adjustments. Last year's extremely high capacity utilisation, in combination with a favourable product mix, resulted in excellent profitability, which has now reverted to a more normal level. In order to maintain this, aggressive sales activities are being conducted through new and more in-depth collaborations between the companies in the business unit.

FUTURE DEVELOPMENT

The indications of lower volumes and falling demand that we received from a number of customers towards the end of the previous quarter have largely been realised. The challenges linked to the shortage of materials and components have hampered both our own operations and those of our customers. Overall, the Group still boasts good delivery capacity, but the conditions have conclusively become more difficult. This is seen most clearly in the impact on our major automation projects, where many customers are postponing deliveries of ongoing projects and delaying the start-up of new ones. At the same time, costs are continuing to increase. We are continually adjusting our prices, although with a somewhat delayed effect. One sign of improvement since the end of the previous quarter is that staff absence related to Covid-19 has decreased.

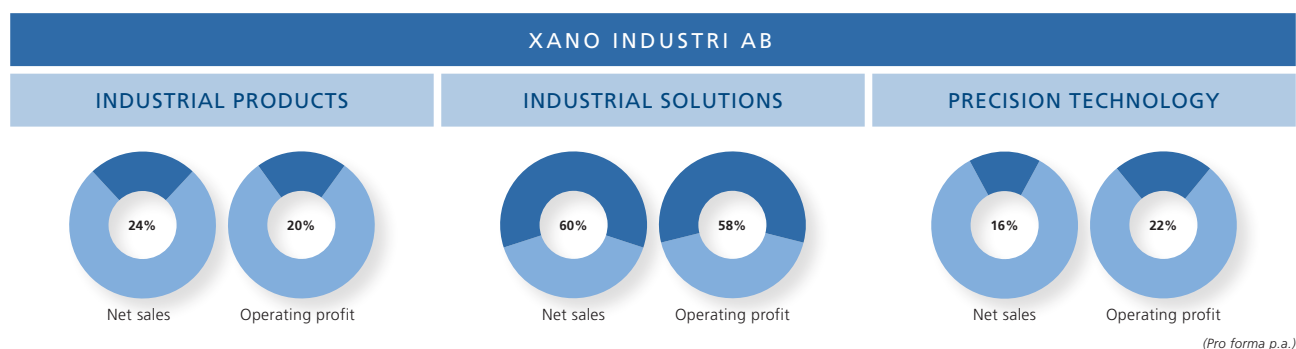
We are definitely in a tough situation, but we have confidence in our business model. It provides the Group with the necessary tools to adapt rapidly in the event of both upturns and downturns. Our committed employees are constantly looking for new ways of making progress. We are therefore shifting up a gear in areas such as sales and innovation. In order to reinforce the impact of this work, the collaboration between our companies is also being extended.

A prolonged period of strong results has provided the Group with a solid financial position. Through recently expanded credit facilities, we have further reinforced our potential to remain aggressive when it comes to investments within marketing activities and technical development, for example. Our financial strength also provides us with good conditions to implement further strategic acquisitions.

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



INDUSTRIAL PRODUCTS

Q1–Q2 2022 vs Q1–Q2 2021: Sales rose by 43 per cent, of which 21 per cent related to business combinations. Operating profit improved by 22 per cent.

		2022	2021	2021
		Q1–Q2	Q1–Q2	Q1–Q4
Net sales	SEK m	514	358	703
Operating profit	SEK m	67	54	95
– of which non-recurring items		–	–	1
Operating margin	%	12.9	15.2	13.6

PRM is included as from 1 November 2021.

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 2022 vs Q1–Q2 2021: Sales rose by 30 per cent, of which 16 per cent related to business combinations. Operating profit improved by 13 per cent.

		2022	2021	2021
		Q1–Q2	Q1–Q2	Q1–Q4
Net sales	SEK m	1,133	872	1,898
Operating profit	SEK m	146	130	282
– of which non-recurring items		–	–	4
Operating margin	%	12.9	14.9	14.8

CPS and CIM are included as from 31 May 2021.

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 2022 vs Q1–Q2 2021: Sales fell by 4 per cent and operating profit deteriorated by 19 per cent.

		2022	2021	2021
		Q1–Q2	Q1–Q2	Q1–Q4
Net sales	SEK m	281	293	552
Operating profit	SEK m	50	62	115
– of which non-recurring items		–	–	3
Operating margin	%	17.9	21.2	20.9

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 942 million (824). Operating profit amounted to SEK 98 million (123), corresponding to an operating margin of 10.5 per cent (14.9). Profit before tax was SEK 95 million (117).

The interim period

Net revenue totalled SEK 1,927 million (1,522). Operating profit amounted to SEK 244 million (226), corresponding to an operating margin of 12.7 per cent (14.8). Profit before tax was SEK 233 million (221).

SHARE DATA AND KEY FIGURES

The interim period

Basic earnings per share were SEK 3.14 (2.97). Equity per share was SEK 24.99 (19.97). The average number of outstanding shares was 57,985,082 during the period. The equity/assets ratio was 40 per cent (38) at the end of the period. The average number of employees was 1,420 (1,165).

IMPORTANT EVENTS DURING THE PERIOD

The Coronavirus pandemic has continued to have only limited negative consequences for the Group. However, higher levels of sickness absence and disruptions in the supply of materials have affected the delivery capacity to a greater extent than before.

As regards the conflict in Ukraine, XANO does not conduct any operations either there or in Russia. As a consequence of the conflict, however, already difficult external factors such as price increases and the lack of access to input goods are being accentuated, which is affecting the Group's companies to varying degrees.

The Group's total credit facilities have been expanded, through new agreements, by the equivalent of SEK 820 million to a total of around SEK 2,200 million. As a result, the financing of XANO's continued growth and acquisition-related work has been secured. A new agreement was entered into with Nordea Bank on 3 June 2022 regarding a credit facility of SEK 1,700 million, which is an increase of SEK 320 million from the previous level. This agreement will run for three years, with the option of extending for a further one plus one years. A credit agreement was also entered

into with the Swedish Export Credit Corporation in June regarding a new facility of around SEK 500 million with a corresponding duration.

Following a resolution at the Annual General Meeting, a 2:1 split of the Parent Company's shares was implemented in June.

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 36 million (421), of which SEK 1 million related to intangible assets, SEK 12 million to real estate, SEK 20 million to machinery and equipment and SEK 3 million to right-of-use assets.

The interim period

Net investments in non-current assets came to SEK 73 million (434), of which SEK 1 million related to intangible assets, SEK 22 million to real estate, SEK 51 million to machinery and equipment and SEK -1 million to right-of-use assets.

CASH FLOW AND LIQUIDITY

The interim period

Cash flow from operating activities amounted to SEK 53 million (106). Increased operating capital, primarily in the form of inventories, along with higher tax payments contributed to the lower cash flow in relation to the comparison period.

Liquid assets, including lines of credit granted but not utilised, totalled SEK 1,418 million (669) on the closing day.

NUMBER OF SHARES AND VOTES

At the Annual General Meeting on 12 May 2022, it was decided to increase the number of shares by splitting each existing share into two new shares of the same type (2:1 split). The split was carried out and registered in June, with 15 June as the record date.

After the share split, the total number of shares stands at 58,494,214, divided between 14,577,600 class A shares and 43,916,614 class B shares, with a nominal value of SEK 0.625. Each class A share entitles ten votes and each class B share entitles one vote. The total number of votes amounts to 189,692,614. The company holds 509,132 of its own class B shares. The share capital remains unchanged at SEK 36,558,884.

RISKS AND UNCERTAINTY FACTORS

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

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

services may be significantly reduced. There are also risks associated with e.g. material supplies and the purchase of services and transports, which have increased as a result of the ongoing conflict in Ukraine. The sanctions that are being introduced against Russia as a result of the invasion, as well as any countermeasures, may affect parts of our operation, for example in the form of a lack of 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 83–84 of the annual report for 2021.

NEXT REPORT DATE

The interim report for the period 1 January to 30 September 2022 will be presented on Thursday 27 October 2022.

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, 12 July 2022

Fredrik Rapp
Chairman of the Board

Anna Benjamin
Vice Chairman of the Board

Petter Fägersten
Board member

Eva-Lotta Kraft
Board member

Per Rodert
Board member

Jennie Hammer Viskari
Board member

Pontus Cornelius
Board member

Lennart Persson
CEO

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

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME		2022	2021	2022	2021	21/22	2021
(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	942	824	1,927	1,522	3,556	3,151
Cost of goods sold		-738	-615	-1,477	-1,137	-2,715	-2,375
Gross profit		204	209	450	385	841	776
Selling expenses		-69	-53	-134	-99	-244	-209
Administrative expenses		-40	-33	-78	-59	-146	-127
Other operating income	2	6	2	15	6	35	26
Other operating expenses		-3	-2	-9	-7	-15	-13
Profit from participations in associated companies		0	0	0	0	0	0
Operating profit		98	123	244	226	471	453
Financial income		9	1	15	7	20	12
Financial expenses		-12	-7	-26	-12	-46	-32
Profit before tax	3	95	117	233	221	445	433
Tax	4	-21	-26	-51	-49	-93	-91
Net profit for the period	9	74	91	182	172	352	342
<i>– of which attributable to shareholders of the Parent Company</i>		<i>74</i>	<i>91</i>	<i>182</i>	<i>172</i>	<i>352</i>	<i>342</i>
OTHER COMPREHENSIVE INCOME							
<i>Items that may be reclassified to net profit for the period</i>							
Change in hedging reserve including tax	5	11	-1	12	-1	14	1
Translation differences	5	6	-5	15	8	26	19
Other comprehensive income		17	-6	27	7	40	20
Comprehensive income for the period		91	85	209	179	392	362
<i>– of which attributable to shareholders of the Parent Company</i>		<i>91</i>	<i>85</i>	<i>209</i>	<i>179</i>	<i>392</i>	<i>362</i>
Basic earnings per share, SEK	6	1.28	1.57	3.14	2.97	6.07	5.90
Diluted earnings per share, SEK	6	1.27	1.55	3.11	2.94	6.01	5.84

CONSOLIDATED STATEMENT OF FINANCIAL POSITION		2022	2021	2021
(SUMMARY, SEK million)		30 Jun	30 Jun	31 Dec
	Note			
ASSETS				
Goodwill		965	945	963
Other intangible non-current assets		70	79	74
Property, plant and equipment		684	580	639
Right-of-use assets		136	107	151
Other non-current assets		5	3	6
Total non-current assets		1,860	1,714	1,833
Inventories		566	391	476
Current receivables	7	967	731	840
Cash and cash equivalents		273	242	346
Total current assets		1,806	1,364	1,662
TOTAL ASSETS		3,666	3,078	3,495
EQUITY AND LIABILITIES				
Equity		1,449	1,158	1,341
Non-current liabilities		1,259	1,132	847
Current liabilities	8	958	788	1,307
TOTAL EQUITY AND LIABILITIES		3,666	3,078	3,495

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (SUMMARY, SEK million)	2022 30 Jun	2021 30 Jun	2021 31 Dec
Opening balance	1,341	1,051	1,051
Net profit for the period	182	172	342
Other comprehensive income	27	7	20
Comprehensive income for the period	209	179	362
Cash dividends paid	-101	-72	-72
Total transactions with shareholders	-101	-72	-72
Closing balance	1,449	1,158	1,341
– of which attributable to shareholders of the Parent Company	1,449	1,158	1,341

CONSOLIDATED CASH FLOW STATEMENT (SUMMARY, SEK million)	Note	2022 6 mths Jan-Jun	2021 6 mths Jan-Jun	21/22 12 mths Jul-Jun	2021 12 mths Jan-Dec
Operating profit		244	226	471	453
Interest and income tax paid/received and adjustments for non-cash items		-29	-4	-6	19
Change in working capital		-162	-116	-165	-119
Cash flow from operating activities		53	106	300	353
Investments					
Acquisitions of subsidiaries	9	–	-434	-33	-467
Other		-73	-28	-136	-91
Cash flow after investments		-20	-356	131	-205
Cash dividends paid		-101	-72	-101	-72
Cash flow from other financing activities		35	301	-14	252
Cash flow for the period		-86	-127	16	-25
Cash and cash equivalents at the start of the period		346	367	242	367
Exchange rate differences in cash and cash equivalents		13	2	15	4
Cash and cash equivalents at the end of the period		273	242	273	346

NOTES, GROUP

■ NOTE 1 ACCOUNTING POLICIES

This interim report has been prepared in accordance with IAS 34 Interim Financial Reporting and applicable regulations of the Swedish Annual Accounts Act. The Group and the Parent Company apply the same accounting policies as described in the annual report for 2021 with the exceptions of new or revised standards, interpretations and improvements, which are applied as from 1 January 2022. 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 OTHER OPERATING INCOME

The amounts reported in the 2021 full year include non-recurring items of SEK 8 million in respect of the payment of funds for collective AGS insurance via Fora. This payment is based on previous repayments of AGS premiums for the period 2004-2008.

■ 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)	2022 3 mths Apr-Jun	2021 3 mths Apr-Jun	2022 6 mths Jan-Jun	2021 6 mths Jan-Jun	2021 12 mths Jan-Dec
INDUSTRIAL PRODUCTS	263	193	514	358	703
Breakdown by geographic market ¹⁾					
Sweden	73	64	140	119	231
Rest of the Nordic countries	61	52	116	91	164
Rest of Europe	127	75	255	145	302
Rest of the world	2	2	3	3	6
Breakdown by type of product					
Proprietary products	78	70	152	126	230
Customer-specific manufacturing	185	123	362	232	473
Breakdown by timing of revenue recognition					
Goods and services transferred at a point in time	263	193	514	358	703
INDUSTRIAL SOLUTIONS	545	485	1,133	872	1,898
Breakdown by geographic market ¹⁾					
Sweden	105	93	208	183	353
Rest of the Nordic countries	27	38	76	57	136
Rest of Europe	275	206	551	340	780
Rest of the world	138	148	298	292	629
Breakdown by type of product					
Proprietary products	348	322	763	563	1,363
Customer-specific manufacturing	197	163	370	309	535
Breakdown by timing of revenue recognition					
Goods and services transferred at a point in time	242	185	425	354	673
Services transferred over time	8	6	33	7	50
Projects transferred over time	295	294	675	511	1,175
PRECISION TECHNOLOGY	134	146	281	293	552
Breakdown by geographic market ¹⁾					
Sweden	112	112	223	225	435
Rest of the Nordic countries	1	1	2	2	4
Rest of Europe	17	19	34	29	50
Rest of the world	4	14	22	37	63
Breakdown by type of product					
Proprietary products	1	1	1	1	4
Customer-specific manufacturing	133	145	280	292	548
Breakdown by timing of revenue recognition					
Goods and services transferred at a point in time	134	146	281	293	552
GROUP TOTAL	942	824	1,927	1,522	3,151
Breakdown by geographic market ¹⁾					
Sweden	290	269	570	526	1,017
Rest of the Nordic countries	89	91	194	150	304
Rest of Europe	419	300	840	514	1,132
Rest of the world	144	164	323	332	698
Breakdown by type of product					
Proprietary products	427	393	916	690	1,597
Customer-specific manufacturing	515	431	1,011	832	1,554
Breakdown by timing of revenue recognition					
Goods and services transferred at a point in time	639	524	1,219	1,004	1,926
Services transferred over time	8	6	33	7	50
Projects transferred over time	295	294	675	511	1,175

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

NET REVENUE BY SEGMENT (SEK million)	2022 3 mths Apr-Jun	2021 3 mths Apr-Jun	2022 6 mths Jan-Jun	2021 6 mths Jan-Jun	21/22 12 mths Jul-Jun	2021 12 mths Jan-Dec
Industrial Products	263	193	514	358	859	703
Industrial Solutions	545	485	1,133	872	2,159	1,898
Precision Technology	134	146	281	293	540	552
Eliminations	0	0	-1	-1	-2	-2
Group total	942	824	1,927	1,522	3,556	3,151

PROFIT/LOSS BEFORE TAX BY SEGMENT ¹⁾ (SEK million)	2022 3 mths Apr-Jun	2021 3 mths Apr-Jun	2022 6 mths Jan-Jun	2021 6 mths Jan-Jun	21/22 12 mths Jul-Jun	2021 12 mths Jan-Dec
Industrial Products	29	29	62	52	100	90
Industrial Solutions	53	73	137	130	281	274
Precision Technology	18	27	48	60	99	111
Undistributed items	-5	-12	-14	-21	-35	-42
Group total	95	117	233	221	445	433

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 22 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	2022 3 mths Apr-Jun	2021 3 mths Apr-Jun	2022 6 mths Jan-Jun	2021 6 mths Jan-Jun	21/22 12 mths Jul-Jun	2021 12 mths Jan-Dec
Net profit for the period, SEK million	74.3	90.9	182.2	172.0	352.3	342.1
Average number of outstanding shares, thousands ¹⁾	57,985	57,985	57,985	57,985	57,985	57,985
Basic earnings per share, SEK ¹⁾	1.28	1.57	3.14	2.97	6.07	5.90

DILUTED EARNINGS PER SHARE	2022 3 mths Apr-Jun	2021 3 mths Apr-Jun	2022 6 mths Jan-Jun	2021 6 mths Jan-Jun	21/22 12 mths Jul-Jun	2021 12 mths Jan-Dec
Net profit for the period, SEK million	74.3	90.9	182.2	172.0	352.3	342.1
Interest expense on convertible bonds, SEK million ²⁾	0.8	0.8	1.7	1.7	3.3	3.3
Issue expenses for convertible bonds, SEK million	0.1	0.1	0.1	0.1	0.2	0.2
Adjusted income, SEK million	75.2	91.8	184.0	173.8	355.8	345.6
Average number of outstanding shares, thousands ¹⁾	57,985	57,985	57,985	57,985	57,985	57,985
Adjustment for presumed conversion of convertible bonds, thousands ¹⁾	1,148	1,148	1,148	1,148	1,148	1,148
Average number of outstanding shares after dilution, thousands ¹⁾	59,133	59,133	59,133	59,133	59,133	59,133
Diluted earnings per share, SEK ¹⁾	1.27	1.55	3.11	2.94	6.01	5.84

¹⁾ All comparison figures have been recalculated due to the 2:1 share split carried out in June 2022.

²⁾ Constitutes current interest for convertible loan adjusted to market interest rate.

A 2:1 share split was carried out in June 2022. After the share split, the total number of shares stands at 58,494,214, divided between 14,577,600 Class A shares and 43,916,614 Class B shares. After deduction for the company's own holding, 509,132 Class B shares, the number of outstanding shares is 57,985,082. The average number of outstanding shares was 57,985,082 during the interim period. The average number of shares in the company's custody was 509,132 during the interim period. Each Class A share entitles ten votes and each Class B share entitles one vote. The number of votes, following deductions for the company's own holding, was 189,692,614 on the closing day.

On 1 October 2020, convertibles at a nominal value of SEK 69,998,232 were issued to employees within the XANO Group. The convertibles accrue interest corresponding to STIBOR 3M plus 1.75 percentage points and fall due for payment on 30 September 2023. The conversion rate was originally SEK 122.00. Due to the share split in June 2022, the conversion rate has been recalculated in accordance with section 8B of the terms and conditions. The recalculated conversion rate is SEK 61. During the period 1 September to 12 September 2023, each convertible may be converted to one Class B share in XANO Industri AB. The nominal value corresponds to 1,147,512 Class B shares. If all convertibles are converted to shares, the dilution will be approx. 1.9 per cent of the share capital and 0.6 per cent of the number of votes based on the total number of shares on the closing day.

■ NOTE 7 CURRENT RECEIVABLES

Current receivables include interest derivatives measured at fair value of SEK 13 million (–) for the interim period and SEK – million for the 2021 full year. The derivatives are used for hedging purposes and belong to value level 2 under IFRS 13. The fair value measurement is based on a number of factors, including forward interest rates produced on the basis of observable yield curves.

■ NOTE 8 CURRENT LIABILITIES

Current liabilities include interest derivatives measured at fair value of SEK – million (9) for the interim period and SEK 6 million for the 2021 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.

Current liabilities include currency derivatives measured at fair value of SEK 3 million (–) for the interim period and SEK – million for the 2021 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 9 BUSINESS COMBINATIONS

No business combinations have been performed in 2022.

PiWi Beheer B.V. with subsidiary Case Packing Systems B.V. (CPS) and AV Holding 2018 ApS with subsidiary CIM Industrial Systems A/S are included in the consolidated results from 31 May 2021. Tussenholding Lankamp B.V. with subsidiary PRM Kunststoffen B.V. are included in the consolidated results from 1 November 2021. If the acquired units had been included in the Group throughout the whole of 2021, revenue would have amounted to SEK 3,407 million, while net profit would have been approx. SEK 369 million for the 2021 full year.

SHARE DATA, GROUP	2022 3 mths Apr-Jun	2021 3 mths Apr-Jun	2022 6 mths Jan-Jun	2021 6 mths Jan-Jun	21/22 12 mths Jul-Jun	2021 12 mths Jan-Dec
Average number of outstanding shares, thousands	57,985	57,985	57,985	57,985	57,985	57,985
Average number of outstanding shares after dilution, thousands	59,133	59,133	59,133	59,133	59,133	59,133
Basic earnings per share, SEK	1.28	1.57	3.14	2.97	6.07	5.90
Diluted earnings per share, SEK	1.27	1.55	3.11	2.94	6.01	5.84
Cash flow from operating activities per share, SEK	0.98	3.18	0.92	1.83	5.18	6.09
Total number of shares on closing day, thousands			58,494	58,494	58,494	58,494
Number of shares in own custody on closing day, thousands			509	509	509	509
Number of outstanding shares on closing day, thousands			57,985	57,985	57,985	57,985
Equity per share on closing day, SEK			24.99	19.97	24.99	23.13
Share price on closing day, SEK			127.40	122.00	127.40	162.50

All comparison figures have been recalculated due to the 2:1 share split carried out in June 2022.

KEY FIGURES, GROUP	2022 3 mths Apr-Jun	2021 3 mths Apr-Jun	2022 6 mths Jan-Jun	2021 6 mths Jan-Jun	21/22 12 mths Jul-Jun	2021 12 mths Jan-Dec
Operating margin, %	10.5	14.9	12.7	14.8	13.3	14.4
Profit margin, %	10.1	14.1	12.1	14.5	12.6	13.8
Interest-bearing liabilities, SEK million			1,180	1,071	1,180	1,116
Deferred tax liabilities, SEK million			107	98	107	102
Lines of credit granted but not utilised, SEK million			1,145	427	1,145	394
Return on equity p.a., %			25.7	30.8	26.5	28.8
Return on capital employed p.a., %			20.3	23.6	20.1	21.8
Return on total capital p.a., %			14.4	17.1	14.4	15.6
Average equity, SEK million			1,416	1,118	1,331	1,188
Average capital employed, SEK million			2,556	1,970	2,445	2,139
Average total capital, SEK million			3,605	2,718	3,428	2,980
Interest coverage ratio, multiple			10.0	19.4	10.7	14.6
Equity/assets ratio, %			40	38	40	38
Proportion of risk-bearing capital, %			42	41	42	41
Depreciation, SEK million	32	27	62	50	116	104
Net investments in non-current assets, SEK million	36	421	73	434	237	598
Employees, average number	1,425	1,205	1,420	1,165	1,373	1,245

QUARTERLY SUMMARY, GROUP	2022 Q2	2021 Q2	2022 Q1	2021 Q1	2021 Q4	2020 Q4	2021 Q3	2020 Q3
Net revenue, SEK m	942	824	985	698	883	630	746	525
Gross profit, SEK m	204	209	246	176	210	156	181	123
Operating profit, SEK m	98	123	146	103	114	83	113	65
Profit before tax, SEK m	95	117	138	104	107	76	105	59
Net profit for the period, SEK m	74	91	108	81	88	60	82	46
Comprehensive income for the period, SEK m	91	85	118	94	95	53	88	44
Operating margin, %	10.5	14.9	14.8	14.8	12.9	13.2	15.2	12.3
Profit margin, %	10.1	14.1	14.0	14.9	12.1	12.1	14.2	11.2
Equity/assets ratio, %	40	38	40	44	38	42	38	44
Basic earnings per share, SEK ¹⁾	1.28	1.57	1.86	1.40	1.51	1.05	1.42	0.78
Cash flow from operating activities per share, SEK ¹⁾	0.98	3.18	-0.06	-1.35	1.75	4.20	2.51	0.55

¹⁾ The comparison figures have been recalculated due to the 2:1 share split carried out in June 2022.

For definitions, see page 13.

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.

EQUITY PER SHARE

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

EQUITY/ASSETS RATIO

Equity in relation to total capital.

INTEREST COVERAGE RATIO

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

NET INVESTMENTS

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

OPERATING MARGIN

Operating profit in relation to net revenue.

ORGANIC GROWTH

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

PROFIT MARGIN

Profit before tax in relation to net revenue.

PROPORTION OF RISK-BEARING CAPITAL

Equity plus provisions for taxes in relation to total capital.

RETURN ON CAPITAL EMPLOYED

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

RETURN ON EQUITY

Net profit in relation to average equity.

RETURN ON TOTAL CAPITAL

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

REVENUE GROWTH

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

TOTAL CAPITAL

Total equity and liabilities (balance sheet total).

KEY FIGURES

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

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

For reconciliation of key figures, see page 86 in the 2021 annual report.

INCOME STATEMENT, PARENT COMPANY		2022	2021	2021
(SUMMARY, SEK million)		6 mths Jan-Jun	6 mths Jan-Jun	12 mths Jan-Dec
	Note			
Net revenue	1	14.7	11.3	45.8
Selling and administrative expenses		-21.2	-17.8	-37.0
Operating profit/loss		-6.5	-6.5	8.8
Profit from participations in Group companies		–	5.0	222.4
Other financial items		20.8	-3.3	-2.6
Profit/loss after financial items		14.3	-4.8	228.6
Appropriations		–	–	0.0
Tax	2	-2.9	0.0	-46.9
Net profit for the period		11.4	-4.8	181.7
<i>Statement of comprehensive income</i>				
Net profit for the period		11.4	-4.8	181.7
Other comprehensive income		–	–	–
Comprehensive income for the period		11.4	-4.8	181.7

BALANCE SHEET, PARENT COMPANY		2022	2021	2021
(SUMMARY, SEK million)		30 Jun	30 Jun	31 Dec
ASSETS				
Non-current assets		223.1	224.5	223.1
Current assets		919.1	747.2	1,099.9
EQUITY AND LIABILITIES				
Equity		385.1	288.7	475.2
Untaxed reserves		98.0	98.0	98.0
Non-current liabilities		317.0	184.7	185.9
Current liabilities		342.1	400.3	563.9
BALANCE SHEET TOTAL		1,142.2	971.7	1,323.0

STATEMENT OF CHANGES IN EQUITY, PARENT COMPANY		2022	2021	2021
(SUMMARY, SEK million)		30 Jun	30 Jun	31 Dec
Opening balance		475.2	366.0	366.0
Comprehensive income for the period		11.4	-4.8	181.7
Cash dividends paid		-101.5	-72.5	-72.5
Closing balance		385.1	288.7	475.2

CASH FLOW STATEMENT, PARENT COMPANY		2022	2021	2021
(SUMMARY, SEK million)		6 mths Jan-Jun	6 mths Jan-Jun	12 mths Jan-Dec
Operating profit/loss		-6.5	-6.5	8.8
Interest and income tax paid/received and adjustments for non-cash items		-38.0	-9.2	204.7
Change in working capital		-60.1	-47.5	-235.2
Cash flow from operating activities		-104.6	-63.2	-21.7
Investments		–	0.0	-0.0
Cash flow after investments		-104.6	-63.2	-21.7
Financing		28.5	-72.5	-72.5
Cash flow for the period		-76.1	-135.7	-94.2
Cash and cash equivalents at the start of the year		155.0	249.1	249.1
Exchange rate differences in cash and cash equivalents		7.4	0.1	0.1
Cash and cash equivalents at the end of the period		86.3	113.5	155.0

■ **NOTE 1**

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

■ **NOTE 2**

Income tax amounts to 21 per cent (-1) for the interim period. Income tax-exempt dividends contributed to the deviating tax rate in 2021.

*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.*



XANO Industri AB (publ) | Industrigatan 14 B | SE-553 02 Jönköping | Sweden
Phone: +46 (0)36 31 22 00 | info@xano.se | www.xano.se