

# INTERIM REPORT JANUARY–SEPTEMBER 2023



storskogen



### THIRD QUARTER (1 JULY–30 SEPTEMBER 2023)

- Net sales decreased by 1 percent to SEK 8,333m (8,417).
- Adjusted EBITA decreased by 6 percent to SEK 725m (772), corresponding to an adjusted EBITA margin of 8.7 percent (9.2).
- Operating profit (EBIT) decreased by 27 percent to SEK 489m (671), corresponding to an operating margin of 5.9 percent (8.0).
- Profit for the period decreased by 63 percent to SEK 170m (463).
- Earnings per share before dilution amounted to SEK 0.09 (0.26) and earnings per share after dilution amounted to SEK 0.08 (0.26).
- Cash flow from operating activities increased to SEK 584m (204).
- Two acquisitions were completed, with combined annual sales of SEK 112m.
- Five divestments were completed, with combined sales in the previous 12-month period of SEK 578m.
- Storskogen redeemed the remaining SEK 404m of the outstanding bonds maturing in April 2024, through early redemption.

### THE PERIOD (1 JANUARY–30 SEPTEMBER 2023)

- Net sales increased by 11 percent to SEK 27,009m (24,414). Organic sales growth was -2 percent.
- Adjusted EBITA increased by 14 percent to SEK 2,532m (2,216), corresponding to an adjusted EBITA margin of 9.4 percent (9.1). Organic EBITA growth was -9 percent.
- Operating profit (EBIT) increased by 6 percent to SEK 1,926m (1,821), corresponding to an operating margin of 7.1 percent (7.5).
- Profit for the period decreased by 32 percent to SEK 801m (1,176).
- Earnings per share before/after dilution amounted to SEK 0.40 (0.64).
- Cash flow from operating activities increased to SEK 1,903m (356).
- Nine acquisitions were completed, with combined annual sales of SEK 511m.
- Ten divestments were completed, with combined annual sales of SEK 1,850m.

### SIGNIFICANT EVENTS AFTER THE END OF THE PERIOD

- No significant events have occurred after the end of the period.

Amounts in parentheses are for the corresponding periods in 2022.

### PERFORMANCE MEASURES

SEK m	2023			2022			12 months until 30 Sep 2023	Full-year 2022
	Jul-Sep	Jul-Sep	Change %	Jan-Sep	Jan-Sep	Change %		
Net sales	8,333	8,417	-1	27,009	24,414	11	36,845	34,250
Adjusted EBITA	725	772	-6	2,532	2,216	14	3,459	3,143
Adjusted EBITA margin, %	8.7	9.2		9.4	9.1		9.4	9.2
Operating profit	489	671	-27	1,926	1,821	6	2,718	2,613
Operating margin, %	5.9	8.0		7.1	7.5		7.4	7.6
Profit before tax	192	575	-67	1,077	1,558	-31	1,631	2,111
Profit for the period	170	463	-63	801	1,176	-32	1,217	1,592
Interest-bearing net debt/adjusted RTM EBITDA (12 months), x					2.7		2.6	2.6
Total assets (balance day)					47,193		45,895	47,482
Basic earnings per share, SEK	0.09	0.26	-67	0.40	0.64	-37	0.62	0.86
Diluted earnings per share, SEK	0.08	0.26	-68	0.40	0.64	-38	0.62	0.86
Return on equity, % (12 months)					9.0		6.1	8.8
Return on capital employed, % (12 months)					10.1		8.6	10.1
Equity/assets ratio, %					40		45	41
Cash flow from operating activities	584	204		1,903	356		3,175	1,628
Adjusted cash conversion, %	85	48		90	38		95	59

# Comments from the CEO

The third quarter results developed as expected, with sales of SEK 8.3 billion (8.4) and an adjusted EBITA margin of 8.7 percent (9.2). Our strategic focus on improving our cash flow has yielded strong results, as evidenced by adjusted cash conversion (LTM) of 95 percent and cash flow from operating activities of SEK 1,903 million (356) year-to-date. The leverage ratio was unchanged at 2.6x in this seasonally weaker quarter but we are well positioned to reduce it in the seasonally stronger fourth quarter.

The third quarter developed as expected in a continued challenging economic environment that impacted various areas across the Group. However, cost and efficiency measures have protected profitability levels reasonably well during the year.

Our focus on improving cash flows continued to yield strong results in the third quarter, with adjusted cash conversion of 85 percent (48), and cash flow from operating activities of SEK 584 million (204). Net debt including liabilities for contingent considerations and minority options was reduced by SEK 564 million, with interest-bearing net debt lowered by SEK 190 million, in the quarter.

We have completed several strategic divestments this year such as Dextry Group, Skidstahus and three electrical installation companies, with total annual sales of SEK 1,850 million, while adding a few selective value-accretive acquisitions with total annual sales of SEK 511 million. These transactions were carried-out with a balanced approach to improving leverage, cash flow and our consolidated margin profile.

In Trade, the Health and Beauty vertical developed well with improved sales and margin expansion compared to last year. Demand remained subdued in the verticals Home and Living, and Sports, Clothing and Accessories which were the primary drivers of the negative organic sales and EBITA growth. Encouragingly, last year's supply chain issues, which caused significant inventory buildup, have receded, enabling more effective working capital management.

In Industry, markets have normalised compared to the last 12-18 months. Although increased competition in the Automation vertical pressured margins in the quarter, the Products vertical partially counterbalanced this with strong sales and margin development. There is a clear focus in Industry on further strengthening cash flows. This is exemplified by LNS, one of the larger business units within Industry, which has reduced its working capital to sales ratio significantly.

Services performed as anticipated in the quarter, with solid performance in the Installation vertical. The divestment of Dextry Group impacted sales negatively, but along with the recent acquisition of AC Electrical had a favourable impact on margins in the vertical. Similar to Trade, business units exposed to new construction, primarily in Engineering Services, saw continued soft demand. The HR and Competence vertical had a challenging quarter, which had an adverse effect on organic EBITA growth.

Looking ahead, our strategic priorities remain unchanged: cash flows, leverage and profitability. The ongoing strategic business review will continue to support us in reaching our financial targets. Over the past year, we have reduced net debt by SEK 1,613 million, SEK 964 million of which has been interest-bearing net debt, and we are well positioned to reduce our interest-bearing debt and leverage ratio<sup>1</sup> until we have reached a satisfactory level.

Daniel Kaplan, CEO

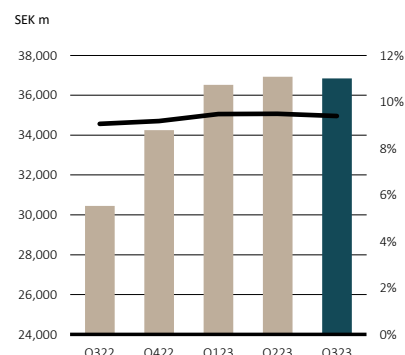
1) Interest-bearing net debt/RTM adjusted EBITDA



“The third quarter developed as expected and our focus on improving cash flow continued to yield strong results.”

**Daniel Kaplan, CEO**

## NET SALES AND ADJUSTED EBITA MARGIN, ROLLING 12 MONTHS



## MEDIUM-TERM FINANCIAL TARGETS

**ORGANIC EBITA GROWTH**  
Real GDP growth plus 1–2 percentage points (existing markets)

**EBITA GROWTH INCLUDING ACQUISITIONS**  
Growth in line with historical levels

**ADJUSTED EBITA MARGIN**  
10 percent over time

**ADJUSTED CASH CONVERSION**  
>70 percent (LTM)

**INTEREST-BEARING NET DEBT/RTM ADJUSTED EBITDA**  
2.0–3.0x

# The Group's performance

## SALES

### Third quarter 2023

Net sales for the third quarter decreased by 1 percent to SEK 8,333 million (8,417). The change was attributable to divestments in the Services business area.

### January–September 2023

Net sales for the first nine months increased by 11 percent to SEK 27,009 million (24,414). Organic sales growth for the period, i.e. growth in companies that were owned by Storskogen for both complete comparable periods, was -2 percent. The negative growth was primarily attributable to the Trade business area, which was affected by weaker consumer demand.

### RTM (rolling 12 months pro forma)

If Storskogen had owned all of its subsidiaries as of 30 September throughout the previous 12-month period (RTM), net sales would have amounted to SEK 35,508 million.

## EARNINGS

### Third quarter 2023

Adjusted EBITA decreased in the third quarter by 6 percent to SEK 725 million (772), corresponding to an adjusted EBITA margin of 8.7 percent (9.2).

Adjusted EBITA has been adjusted for SEK 11 million (-77) in items affecting comparability, specifically the remeasurement of contingent considerations, which had an impact of SEK 14 million (-100), capital gains/losses from divestments of SEK -2 million (0), fair value adjustments of acquired assets (inventory) of SEK 0 million (4) and acquisition related stamp duty of SEK 0 million (1) and central restructuring costs of SEK 0 million (18). Transaction costs, which are not included in items affecting comparability but are distributed per business area, impacted profit for the quarter by SEK 0 million (-11).

Group functions affected adjusted EBITA by SEK -57 million (-75). The combined adjusted EBITA margin for the business areas, excluding Group functions and transaction costs, was 9.4 percent (10.2).

Operating profit (EBIT) decreased by 27 percent to SEK 489 million (671) and was primarily impacted by items affecting comparability amounting to SEK -11 million (77) and lower income. The operating margin came in at 5.9 percent (8.0) for the quarter.

Net financial items amounted to SEK -298 million (-96), consisting of exchange rate effects and other financial items of SEK -19 million (55) and net interest expenses of SEK -279 million (-150), of which SEK -8 million (0) were one-off costs related to the redemption of the outstanding bond maturing in 2024. Interest-bearing debt decreased, but the increase in net interest expenses was explained by higher interest rates. The increase compared to the previous quarter was due to the higher coupon for the bond of SEK 2 billion maturing in 2027, which was issued to redeem the previous bond of SEK 3 billion maturing in 2024.

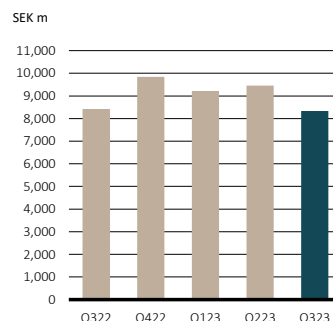
Profit before tax decreased by 67 percent to SEK 192 million (575). Profit for the period decreased by 63 percent to SEK 170 million (463) and is primarily impacted by net financial items, which amounted to SEK -298 million (-96) and lower income. Tax amounted to SEK -21 million (-112) for the quarter and was positively affected by adjustments attributable to the previous year. Earnings per share came to SEK 0.09 (0.26) before dilution and to SEK 0.08 (0.26) after dilution.

The third quarter is usually seasonally weaker as a result of low activity in July. Similarly to the first half of 2023, the third quarter was characterised by continued macroeconomic uncertainty, which together with the weak Swedish currency, primarily affected the Trade business area. Some verticals in Services and Industry, where there is an indirect connection to the end consumer, were also affected by these factors. The fourth quarter is normally seasonally stronger. Storskogen is still committed to its priorities of improving cash flow and profitability and lowering the leverage ratio. For further information on the business areas, see pages 6–8.

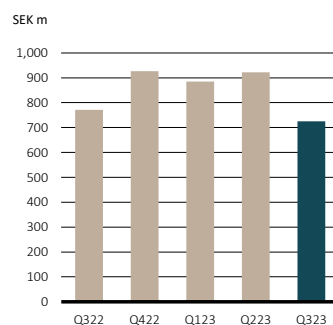
### January–September 2023

Adjusted EBITA for the first nine months increased by 14 percent to SEK 2,532 million (2,216), corresponding to an adjusted EBITA margin of 9.4 percent (9.1). Organic EBITA growth was -9 percent for the period, i.e. growth in companies that were owned by Storskogen for both

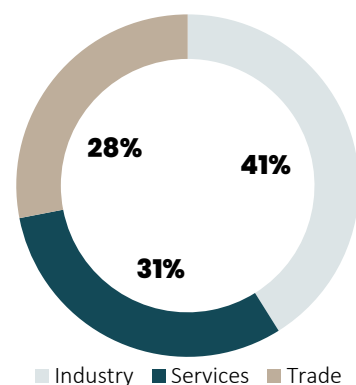
## NET SALES BY QUARTER



## OPERATING PROFIT (ADJUSTED EBITA) BY QUARTER



## BREAKDOWN OF SALES BY BUSINESS AREA, Q3 2023



complete comparable periods. The negative development was primarily attributable to the Trade business area.

Operating profit (EBIT) increased by 6 percent to SEK 1,926 million (1,821) and the operating margin was 7.1 percent (7.5).

Net financial items amounted to SEK -848 million (-263). Exchange rate effects and other financial items represented SEK -71 million (75) of this, and net interest expenses accounted for SEK -777 million (-338), of which SEK -59 million (0) were one-off costs related to the redemption of the outstanding bonds maturing in 2024. Interest-bearing debt decreased, but the increase in net interest expenses was explained by higher interest rates.

Profit before tax decreased by 31 percent to SEK 1,077 million (1,558). Profit for the period decreased by 32 percent to SEK 801 million (1,176). Earnings per share amounted to SEK 0.40 (0.64) before and after dilution.

### RTM (rolling 12 months pro forma)

If Storskogen had owned all of its subsidiaries as of 30 September throughout the previous 12-month period (RTM), the Group would have generated adjusted EBITDA of SEK 4,502 million and adjusted EBITA of SEK 3,466 million, corresponding to an adjusted EBITA margin of 9.8 percent.

### Net sales by business area and for the Group

SEK m	2023			2022			12 months until 30 Sep 2023	Full-year 2022
	Jul-Sep	Jul-Sep	Change %	Jan-Sep	Jan-Sep	Change %		
Services	2,576	2,801	-8	8,428	8,093	4	11,685	11,351
Trade	2,341	2,256	4	7,510	6,730	12	10,417	9,637
Industry	3,429	3,366	2	11,107	9,608	16	14,787	13,288
<b>Operations</b>	<b>8,346</b>	<b>8,424</b>	<b>-1</b>	<b>27,044</b>	<b>24,431</b>	<b>11</b>	<b>36,889</b>	<b>34,276</b>
Group operations	-12	-7		-36	-17		-45	-26
<b>Net sales, Group</b>	<b>8,333</b>	<b>8,417</b>	<b>-1</b>	<b>27,009</b>	<b>24,414</b>	<b>11</b>	<b>36,845</b>	<b>34,250</b>

### Operating profit (EBIT) by business area and for the Group

SEK m	2023			2022			12 months until 30 Sep 2023	Full-year 2022
	Jul-Sep	Jul-Sep	Change %	Jan-Sep	Jan-Sep	Change %		
Services	242	271	-11	800	712	12	1,167	1,079
Trade	188	205	-8	653	696	-6	881	923
Industry	353	371	-5	1,273	1,054	21	1,678	1,460
Group operations	-57	-75		-193	-246		-267	-319
<b>Adjusted EBITA</b>	<b>725</b>	<b>772</b>	<b>-6</b>	<b>2,532</b>	<b>2,216</b>	<b>14</b>	<b>3,459</b>	<b>3,143</b>
Reversal of adjusted items	-11	77		40	75		127	162
<b>EBITA</b>	<b>714</b>	<b>849</b>	<b>-16</b>	<b>2,572</b>	<b>2,291</b>	<b>12</b>	<b>3,586</b>	<b>3,305</b>
Amortisation of intangible non-current assets	-224	-178		-647	-470		-869	-692
<b>Operating profit, EBIT</b>	<b>489</b>	<b>671</b>	<b>-27</b>	<b>1,926</b>	<b>1,821</b>	<b>6</b>	<b>2,718</b>	<b>2,613</b>

### RETURNS

Return on average equity in the past 12-month period was 6.1 percent (9.0). The decrease compared to last year was primarily a consequence of increased average equity and lower profit. Return on capital employed in the past 12-month period was 8.6 percent (10.1). The change compared to last year was primarily a result of higher average capital employed.

### FINANCIAL POSITION

At the end of the quarter, the Group had equity of SEK 20,652 million (end-2022: 19,628) and an equity/assets ratio of 45 percent (end-2022: 41). Cash and cash equivalents amounted to SEK 1,421 million (end-2022: 3,022). The Group also had unutilised credit facilities of SEK 6,788 million at the end of the period. The Group's interest-bearing net debt decreased by SEK 190 million to SEK 11,706 million during the quarter, and by SEK 554 million compared to the end of 2022. The Group's total net debt, including liabilities for contingent considerations and minority shares, decreased by SEK 564 million during the quarter, and by SEK 1,193 million compared to the end of 2022. Interest-bearing net debt/EBITDA, based on RTM adjusted EBITDA for the past 12-month period, was 2.6x (end-2022: 2.6), i.e., unchanged from the end of 2022. This is within our target range of 2-3x, but still above our target of reaching the lower end of the interval in the short term.

## CASH FLOW AND INVESTMENTS

Cash flow from operating activities amounted to SEK 584 million (204) in the third quarter. Cash flow thus improved by SEK 380 million compared to last year, due to a significantly lower level of working capital tied up. Changes in working capital affected cash flow by SEK -6 million (-387), with a positive impact from reduced inventory and increased operating liabilities, and a negative effect from increased operating receivables.

Adjusted cash conversion (adjusted EBITDA after changes in working capital and net investments in tangible assets as a percentage of adjusted EBITDA) was 85 percent (48) for the quarter. For the past 12-month period, adjusted cash conversion was 95 percent (50), which was above the target of a minimum of 70 percent.

The Group's net investments in tangible assets, i.e. capex, amounted to SEK 144 million (135) for the quarter, corresponding to 1.7 percent (1.6) of the quarter's net sales. Cash flow from acquisitions and divestments of shares in subsidiaries, including payments of contingent considerations for acquisitions in previous years, amounted to net SEK 65 million (-489) in the third quarter, positively affected by divestments completed in the quarter.

# Business area Services

## RESULTS

Net sales in the Services business area decreased by 8 percent to SEK 2,576 million (2,801) in the third quarter, but increased by 4 percent to SEK 8,428 million (8,093) in the first nine months of the year. Organic sales growth for the first nine months was -2 percent.

Adjusted EBITA decreased by 11 percent to SEK 242 million (271) in the third quarter, but increased by 12 percent to SEK 800 million (712) in the first nine months. The adjusted EBITA margin was 9.4 percent (9.7) for the quarter and 9.5 percent (8.8) for the first nine months. Organic EBITA growth for the first nine months was -6 percent.

The result includes transaction costs of SEK 0 million (3) for the quarter and SEK 2 million (21) for the first nine months. Adjusted EBITA excluding transaction costs was SEK 242 million (274) for the quarter and SEK 801 million (734) for the first nine months. The adjusted EBITA margin excluding transaction costs was thus 9.4 percent (9.8) in the quarter and 9.5 percent (9.1) in the first nine months.

SEK m	2023			2022			12 months until 30 Sep 2023	Full-year 2022
	Jul-Sep	Jul-Sep	Change %	Jan-Sep	Jan-Sep	Change %		
Net sales	2,576	2,801	-8	8,428	8,093	4	11,685	11,351
Adjusted EBITA excl. transaction costs	242	274	-12	801	734	9	1,169	1,101
Adjusted EBITA margin excl. transaction costs, %	9.4	9.8		9.5	9.1	-	10.0	9.7
Transaction costs	0	-3		-2	-21		-2	-22
Adjusted EBITA	242	271	-11	800	712	12	1,167	1,079
Adjusted EBITA margin, %	9.4	9.7		9.5	8.8		10.0	9.5
Number of employees, end of period				4,328	5,196		4,328	5,140
Number of business units, end of period				57	62		57	62

Due to the summer holidays, the third quarter is seasonally weak for the Services business area. This was also the case in the third quarter this year, and despite a largely solid occupancy rate and good demand, both net sales and profitability decreased compared to the corresponding period 2022. Entities that were divested earlier in the year and whose revenues were thus not included in the quarter affected net sales negatively. In the comparison quarter 2022, these entities had net sales of SEK 194 million. Despite this, the result for the first nine months of the year was better than last year.

The Installation and Infrastructure verticals had solid occupancy rates and good orderbooks in the quarter. In Installation, businesses outside Sweden developed especially well. Many businesses in the vertical experienced high demand, which resulted in sales and profitability growth. The few businesses within Infrastructure that are active in the early phases of new construction, such as demolition services, were impacted by weaker demand.

The somewhat weaker profitability in the third quarter was attributable to the HR and Competence and Engineering Services verticals. HR and Competence was impacted by both continued low unemployment and lower allocation of courses. Within Engineering Services, businesses that build steel halls were affected by the weak construction market.

## OUTLOOK

The fourth quarter is normally seasonally stronger and the orderbooks are overall good. The solid demand and occupancy rates that have characterised parts of the business area so far this year are expected to continue. However, the trend for businesses within HR and Competence and the construction industry is expected to persist.

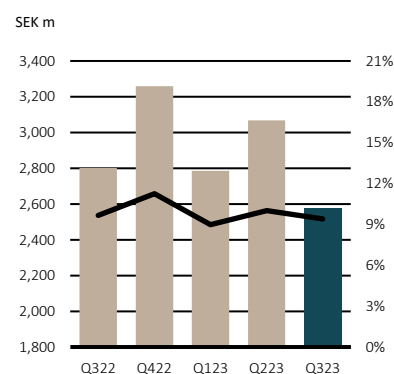
## TRANSACTIONS DURING THE QUARTER

Two add-on acquisitions were completed in the quarter, one to Christ & Wirth Haustechnik GmbH and one to Vokus Personal AG. Five divestments were also completed, of parts of Brunner-Anliker, the electrical installation businesses El & Projektering i Vetlanda AB, Växjö Elmontage AB and EVIAB Gruppen AB, and Svenska Tungdykargruppen AB.

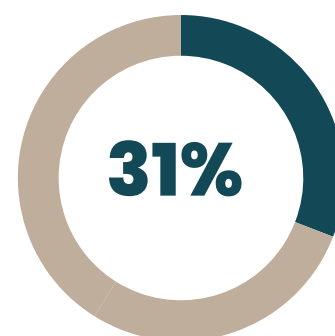


The Services business area comprises service companies with strong positions in specific B2B niche markets. It consists of 57 business units in the following verticals: Contracting Services, Infrastructure, Installation, Logistics, Engineering Services, Digital Services, and HR and Competence.

## SALES, SEK M ADJUSTED EBITA MARGIN, %



## SHARE OF GROUP SALES, Q3 2023



# Business area Trade

## RESULTS

Net sales in the Trade business area increased by 4 percent to SEK 2,341 million (2,256) in the third quarter and by 12 percent to SEK 7,510 million (6,730) in the first nine months. Organic sales growth for the first nine months was -3 percent.

Adjusted EBITA decreased by 8 percent to SEK 188 million (205) in the quarter and by 6 percent to SEK 653 million (696) in the first nine months. The adjusted EBITA margin was 8.0 percent (9.1) for the quarter and 8.7 percent (10.3) for the first nine months. Organic EBITA growth amounted to -21 percent in the first nine months.

The result includes transaction costs of SEK 0 million (9) for the quarter and SEK 1 million (25) for the first nine months. Adjusted EBITA excluding transaction costs was SEK 188 million (214) for the quarter and SEK 654 million (720) for the first nine months. The adjusted EBITA margin excluding transaction costs was thus 8.0 percent (9.5) in the quarter and 8.7 percent (10.7) for the first nine months.

SEK m	2023			2022			12 months until 30 Sep 2023	Full-year 2022
	Jul-Sep	Jul-Sep	Change %	Jan-Sep	Jan-Sep	Change %		
Net sales	2,341	2,256	4	7,510	6,730	12	10,417	9,637
Adjusted EBITA excl. transaction costs	188	214	-12	654	720	-9	883	950
Adjusted EBITA margin excl. transaction costs, %	8.0	9.5	-	8.7	10.7	-	8.5	9.9
Transaction costs	-0	-9	-	-1	-25	-	-3	-26
Adjusted EBITA	188	205	-8	653	696	-6	881	923
Adjusted EBITA margin, %	8.0	9.1	-	8.7	10.3	-	8.5	9.6
Number of employees, end of period				2,464	2,287		2,464	2,417
Number of business units, end of period				32	35		32	35

The third quarter is seasonally weaker for the Trade business area, which was the case this year too. However, both net sales and EBITA improved for businesses outside Sweden compared to last year. Net sales for businesses divested earlier in the year amounted to SEK 64 million in the comparison quarter 2022, which affected the third quarter negatively.

Health and Beauty saw continued good demand, resulting in a strong development in sales and profitability in the vertical. However, the prevailing caution in the market in combination with the weak Swedish currency, continued to have a dampening effect on the Sports, Clothing and Accessories and Home and Living verticals.

Initiatives to reduce working capital and improve cash flow have continued with good results and significantly improved adjusted cash conversion compared to the corresponding quarter last year.

## OUTLOOK

The Health and Beauty vertical, which is less sensitive to the business cycle, is expected to see a continued solid demand. The Sports, Clothing and Accessories and Home and Living verticals are expected to have a seasonally stronger fourth quarter, and while the underlying market is uncertain, there are a number of ongoing initiatives aimed at strengthening margins.

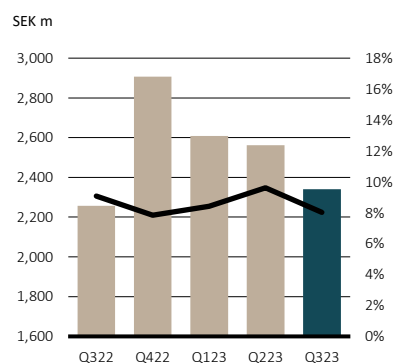
## TRANSACTIONS DURING THE QUARTER

No acquisitions or divestments were completed in the Trade business area in the quarter.

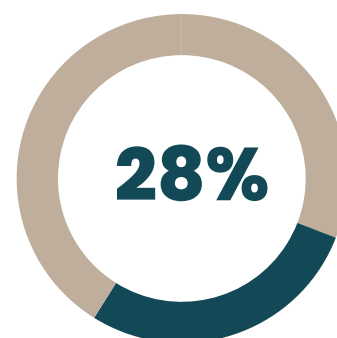


The Trade business area comprises companies selling physical products. The majority are distributors and wholesalers that market both their own and external brands. It consists of 32 business units in the following verticals: Home and Living, Health and Beauty, Sports, Clothing and Accessories, and Niche Businesses.

## SALES, SEK M ADJUSTED EBITA MARGIN, %



## SHARE OF GROUP SALES, Q3 2023





# Business area Industry

## RESULTS

Net sales in the Industry business area increased by 2 percent to SEK 3,429 million (3,366) in the third quarter and by 16 percent to SEK 11,107 million (9,608) in the first nine months. Organic sales growth amounted to 0 percent for the first nine months.

Adjusted EBITA decreased by 5 percent to SEK 353 million (371) in the third quarter but increased by 21 percent to SEK 1,273 million (1,054) in the first nine months. The adjusted EBITA margin was 10.3 percent (11.0) for the quarter and 11.5 percent (11.0) for the first nine months. Organic EBITA growth was -1 percent for the first nine months.

The result includes transaction costs of SEK 0 million (1) for the quarter and SEK 1 million (20) for the first nine months. Adjusted EBITA excluding transaction costs was SEK 353 million (372) for the quarter and SEK 1,274 million (1,074) for the first nine months. The adjusted EBITA margin excluding transaction costs was thus 10.3 percent (11.0) in the quarter and 11.5 percent (11.2) in the first nine months.

SEK m	2023			2022			12 months until 30 Sep 2023	Full-year 2022
	Jul-Sep	Jul-Sep	Change %	Jan-Sep	Jan-Sep	Change %		
Net sales	3,429	3,366	2	11,107	9,608	16	14,787	13,288
Adjusted EBITA excl. transaction costs	353	372	-5	1,274	1,074	19	1,684	1,484
Adjusted EBITA margin excl. transaction costs, %	10.3	11.0	-	11.5	11.2	-	11.4	11.2
Transaction costs	0	-1	-	-1	-20	-	-5	-24
Adjusted EBITA	353	371	-5	1,273	1,054	21	1,678	1,460
Adjusted EBITA margin, %	10.3	11.0	-	11.5	11.0	-	11.4	11.0
Number of employees, end of period				5,240	4,924		5,240	5,276
Number of business units, end of period				39	38		39	39

The Industry business area continued to show solid development and strong net sales in the third quarter. The underlying market was generally good with solid order intake in several sectors. Cost inflation was largely compensated for by price increases and continuous productivity improvements, but nevertheless resulted in a somewhat lower EBITA margin than in the corresponding quarter last year.

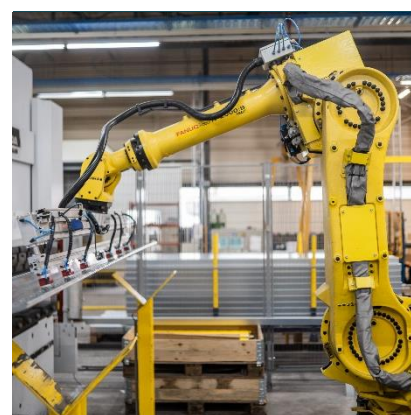
The Industrial Technology and Products verticals experienced generally strong markets and continued good demand, with the exception of companies exposed to the construction industry. Within the Automation vertical, demand for automation solutions was still solid, while some businesses exposed to the manufacturing industry and some businesses within electronics experienced a certain slowdown and increased competition.

## OUTLOOK

The orderbooks are still at a good but declining level. Market developments for the industrial businesses are hard to assess, and there are large variations between sectors. Measures to address market changes are continuously being taken, with a constant focus on customers and profitability. Requests for quotations are still high for many businesses, though the conversion of these to order placement is taking longer.

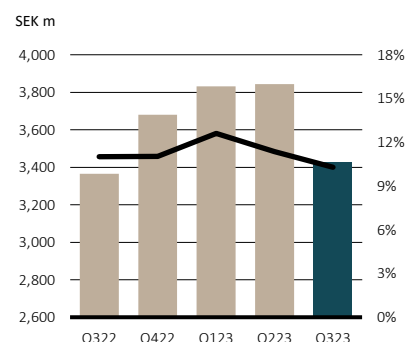
## TRANSACTIONS DURING THE QUARTER

No acquisitions or divestments were completed in the Industry business area in the quarter.

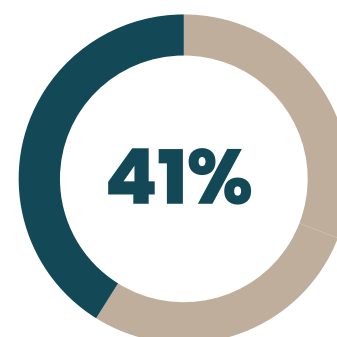


The Industry business area comprises traditional B2B industrial companies in heavy and medium-heavy industry, manufacturing and automation. It consists of 39 business units in the following verticals: Automation, Industrial Technology, and Products.

## SALES, SEK M ADJUSTED EBITA MARGIN, %



## SHARE OF GROUP SALES, Q3 2023



# Transactions

## ACQUISITIONS DURING THE PERIOD

Storskogen completed two acquisitions during the third quarter, both add-on acquisitions. The acquired entities have a total of 32 employees, combined annual sales of SEK 112 million and EBITA of SEK -10 million.

For more information on acquisitions completed during the period 1 January – 30 September 2023, see Note 4 – Business combinations.

### Breakdown of acquisitions completed January–September 2023 by Group business area:

Acquisitions	Acquisition date	Annual net sales, SEK m	Number of employees by acquisition	Share of capital/votes, %	Business area
Höga Kusten Teknik Resurs AB	January	61	21	90.1	Industry
Loginor AB	January	22	7	90.0	Industry
HSV Hässleholms Sot & Vent AB, incl. fellow subsidiary	January	12	12	95.7	Services
AC Electrical Services Group Ltd, incl. subsidiary	April	191	63	80.0	Services
Modern Design AS, incl. subsidiaries	April	105	249	80.0	Trade
Guardio Safety AB	May	8	3	91.0	Trade
Align Products Sdn. Bhd	June	-	-	100.0	Industry
Swiss Medical Jobs GmbH	July	30	5	85.7	Services
Möller Klima-Kälte GmbH	July	82	27	80.0	Services
<b>Total</b>		<b>511</b>	<b>387</b>		

## DIVESTMENTS DURING THE PERIOD

Five divestments were completed during the third quarter. Four divestments consisted of business units and one concerned parts of a business units. The divested companies contributed sales of SEK 578 million and adjusted EBITA of SEK 34 million to the Group in the 12 months up to and including the third quarter of 2023. Capital gains/losses from divestments during the quarter impacted the Group's operating profit (EBIT) by SEK 2 million. The divestments were in line with Storskogen's continuous strategic business review.

### Breakdown of divestments completed January–September 2023 by Group business area:

Divestments	Divestment date	Annual net sales, SEK m	Number of employees by divestment	Share of capital/votes, %	Business area
Medkoh AG	February	50	15	-	Trade
Skidstahus AB, incl. subsidiaries	May	285	69	-	Trade
Hilpert Electronics AG, incl. subsidiary	May	167	19	-	Trade
Delikatesskungen AB	May	27	2	-	Trade
Dextry Group AB, incl. subsidiaries	June	743	612	-	Services
Operation within the subsidiary Brunner Anliker	August	87	32	-	Services
EVIAB Gruppen AB, incl. subsidiaries	September	216	81	-	Services
EI & Projektering Vetlanda AB	September	102	54	-	Services
Växjö Elmontage AB, incl. subsidiaries	September	128	59	-	Services
Svenska Tungdykargruppen AB	September	44	16	-	Services
<b>Total</b>		<b>1,850</b>	<b>959</b>		

## TRANSACTIONS AFTER THE END OF THE PERIOD

After the end of the quarter and up to the date of this report, Storskogen completed two acquisitions with combined annual sales of SEK 72 million. For more information on acquisitions and divestments after the end of the third quarter, see the section Events after the end of the period.

# Other financial information

## EMPLOYEES

At the end of the period, the Group had 12,134 employees (12,532). Acquisitions carried out during the quarter added 32 new employees to the Group, while divestments reduced the number of employees by 242. In the first nine months, the number of employees has increased by 360 through acquisitions and decreased by 959 through divestments.

## SHARE CAPITAL

On 30 September 2023, the number of shares amounted to 1,669 million, divided into 1,521 million Series B shares and 148 million Series A shares.

### Share structure on 30 September 2023

Class of share	Number of shares	Number of votes	Percentage of capital	Percentage of votes
Series A share, 10 votes per share	148,001,374	1,480,013,740	8.9	49.3
Series B share, 1 vote per share	1,521,476,679	1,521,476,679	91.1	50.7
<b>Total number of shares</b>	<b>1,669,478,053</b>	<b>3,001,490,419</b>	<b>100.0</b>	<b>100.0</b>

### Ten largest shareholders on 30 September 2023<sup>1</sup>

	Series A	Series B	Percentage of capital	Percentage of votes
AMF Pension & Fonder	-	149,611,749	9.0	5.0
Futur Pension	-	81,973,686	4.9	2.7
Daniel Kaplan <sup>2</sup>	38,270,140	35,500,380	4.4	13.9
Movestic Livförsäkring AB	-	72,116,466	4.3	2.4
Swedbank Robur Fonder	-	69,266,387	4.1	2.3
Alexander Murad Bjärgård	37,539,070	22,841,998	3.6	13.3
Ronnie Bergström <sup>3</sup>	38,270,254	16,013,504	3.3	13.3
Peter Ahlgren	33,921,910	15,714,607	3.0	11.8
Vanguard	-	49,604,590	3.0	1.7
Handelsbanken Fonder	-	48,570,027	2.9	1.6
<b>Total largest shareholders</b>	<b>148,001,374</b>	<b>561,213,394</b>	<b>42.5</b>	<b>68.0</b>
Other	-	960,263,285	57.5	32.0
<b>Total</b>	<b>148,001,374</b>	<b>1,521,476,679</b>	<b>100.0</b>	<b>100.0</b>

<sup>1</sup> Source: Monitor by Modular Finance AB.

<sup>2</sup> Includes shares held by Firm Factory AB and Wombat Investments AB

<sup>3</sup> Includes shares held by Ångsmon AB

## PARENT COMPANY

The Parent Company generated net sales of SEK 42 million (32) in the third quarter and SEK 115 million (94) in the first nine months. Net sales consist of intra-Group management services. Profit for the period amounted to SEK -26 million (227) for the quarter and SEK 372 million (379) for the first nine months. Parent Company profit after financial items was positively affected by intra-Group interest income and currency effects in the first nine months.

## RELATED-PARTY TRANSACTIONS

No significant changes have taken place for the Group or the Parent Company in terms of transactions or relationships with related parties, compared with what appears in the Annual Report 2022. All related-party transactions have taken place on market terms.

#### EVENTS AFTER THE END OF THE PERIOD

Since the end of the period, the Services business area has completed two acquisitions, one platform acquisition and one add-on acquisition. The platform acquisition The Physics Café Pte. Ltd. (PMC) is a business that offers tutoring services in Singapore and educates teenagers between the ages of 13 and 18 in the subjects Physics, Mathematics, Chemistry and English. The business will be part of the HR and Competence vertical. The Contracting Services vertical has acquired Go Tele AS in Norway to Nimbus Gruppen, to expand the business' geographical presence and strengthen the service offering to key customers. The acquisitions have combined annual sales of SEK 72 million and EBITA of SEK 39 million.

The Chief Executive Officer hereby provides an assurance that this interim report presents a true and fair view of developments in the Group's and the Parent Company's operations, position and results, and describes material risks and uncertainties faced by the Parent Company and the companies in the Group.

Stockholm, 7 November 2023

Storskogen Group AB

Daniel Kaplan  
*CEO*

THIS IS A TRANSLATION FROM THE SWEDISH ORIGINAL

## REVIEW REPORT

Storskogen Group AB (publ), corporate identity number 559223-8694

### INTRODUCTION

We have reviewed the condensed interim report for Storskogen Group AB (publ) as at September 30, 2023 and for the nine months 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 Statements 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 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. Accordingly, we do not express an audit opinion.

### 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 in accordance with the Swedish Annual Accounts Act regarding the Parent Company.

Stockholm, November 7, 2023

Ernst & Young AB

Åsa Lundvall

Authorised Public Accountant

# Quarterly data

SEK m	Q3 2023	Q2 2023	Q1 2023	Q4 2022	Q3 2022	Q2 2022
<b>Net Sales</b>						
Services	2,576	3,067	2,784	3,258	2,801	2,998
Trade	2,341	2,561	2,608	2,908	2,256	2,523
Industry	3,429	3,845	3,833	3,680	3,366	3,543
Group operations	-12	-12	-12	-9	-7	-6
<b>Group total</b>	<b>8,333</b>	<b>9,462</b>	<b>9,213</b>	<b>9,836</b>	<b>8,417</b>	<b>9,059</b>
<b>Adjusted EBITA</b>						
Services	242	307	250	367	271	261
Trade	188	246	219	228	205	301
Industry	353	437	483	406	371	412
Group operations	-57	-68	-68	-74	-75	-97
<b>Group total</b>	<b>725</b>	<b>922</b>	<b>885</b>	<b>927</b>	<b>772</b>	<b>877</b>
<b>Adjusted EBITA margin, %</b>						
Services	9.4	10.0	9.0	11.3	9.7	8.7
Trade	8.0	9.6	8.4	7.8	9.1	11.9
Industry	10.3	11.4	12.6	11.0	11.0	11.6
Group operations	-	-	-	-	-	-
<b>Group total</b>	<b>8.7</b>	<b>9.7</b>	<b>9.6</b>	<b>9.4</b>	<b>9.2</b>	<b>9.7</b>
<b>Number of employees, end of period</b>						
Services	4,328	4,559	5,152	5,140	5,196	5,095
Trade	2,464	2,557	2,372	2,417	2,287	2,064
Industry	5,240	5,286	5,310	5,276	4,924	4,950
Group operations	102	103	106	112	125	116
<b>Group total</b>	<b>12,134</b>	<b>12,505</b>	<b>12,940</b>	<b>12,945</b>	<b>12,532</b>	<b>12,225</b>
<b>Number of business units, end of period</b>						
Services	57	61	62	62	62	61
Trade	32	32	33	35	35	34
Industry	39	39	39	39	38	37
<b>Group total</b>	<b>128</b>	<b>132</b>	<b>134</b>	<b>136</b>	<b>135</b>	<b>132</b>

# Financial statements

## CONSOLIDATED INCOME STATEMENT, CONDENSED

SEK m	2023 Jul-Sep	2022 Jul-Sep	2023 Jan-Sep	2022 Jan-Sep	12 months until 30 Sep 2023	Full-year 2022
Net sales	8,333	8,417	27,009	24,414	36,845	34,250
Cost of goods and services sold	-6,726	-6,783	-21,544	-19,573	-29,446	-27,475
<b>Gross profit</b>	<b>1,607</b>	<b>1,634</b>	<b>5,464</b>	<b>4,841</b>	<b>7,399</b>	<b>6,775</b>
Selling expenses	-751	-719	-2,401	-2,038	-3,253	-2,890
Administrative expenses	-462	-516	-1,502	-1,519	-2,015	-2,032
Other operating income	281	387	827	896	1,324	1,393
Other operating expenses	-186	-115	-461	-357	-738	-634
<b>Operating profit</b>	<b>489</b>	<b>671</b>	<b>1,926</b>	<b>1,821</b>	<b>2,718</b>	<b>2,613</b>
Net financial items	-298	-96	-848	-263	-1,087	-502
<b>Profit before tax</b>	<b>192</b>	<b>575</b>	<b>1,077</b>	<b>1,558</b>	<b>1,631</b>	<b>2,111</b>
Income tax	-21	-112	-277	-382	-414	-519
<b>Profit for the period</b>	<b>170</b>	<b>463</b>	<b>801</b>	<b>1,176</b>	<b>1,217</b>	<b>1,592</b>
<b>Profit for the year attributable to:</b>						
Owners of the parent company	143	437	674	1,068	1,042	1,436
Non-controlling interests	27	26	126	107	175	157
Basic earnings per share, SEK	0.09	0.26	0.40	0.64	0.62	0.86
Diluted earnings per share, SEK	0.08	0.26	0.40	0.64	0.62	0.86

## CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME, CONDENSED

SEK m	2023 Jul-Sep	2022 Jul-Sep	2023 Jan-Sep	2022 Jan-Sep	12 months until 30 Sep 2023	Full-year 2022
<b>Profit for the period</b>	<b>170</b>	<b>463</b>	<b>801</b>	<b>1,176</b>	<b>1,217</b>	<b>1,592</b>
<b>Other comprehensive income</b>						
<b>Items that will not be reclassified to the income statement</b>						
Remeasurements of defined benefit pension plans	13	55	16	76	91	150
<b>Total items that will not be transferred to the income statement</b>	<b>13</b>	<b>55</b>	<b>16</b>	<b>76</b>	<b>91</b>	<b>150</b>
<b>Items that have been or may be transferred to the income statement</b>						
Exchange differences, foreign operations	-192	261	330	523	372	566
Gains/losses on holding of derivatives for cash flow hedging	4	-2	7	-16	7	-16
<b>Total items that have been or may be transferred to the income statement</b>	<b>-188</b>	<b>259</b>	<b>336</b>	<b>507</b>	<b>379</b>	<b>549</b>
<b>Other comprehensive income for the period, net of tax</b>	<b>-175</b>	<b>314</b>	<b>353</b>	<b>582</b>	<b>470</b>	<b>700</b>
<b>Comprehensive income for the period</b>	<b>-5</b>	<b>777</b>	<b>1,153</b>	<b>1,758</b>	<b>1,687</b>	<b>2,292</b>
<b>Comprehensive income for the period attributable to:</b>						
Owners of the parent company	12	729	962	1,604	1,424	2,066
Non-controlling interests	-17	49	192	154	264	226

## CONSOLIDATED BALANCE SHEET, CONDENSED

SEK m	30 Sep 2023	30 Sep 2022	31 Dec 2022
<b>Assets</b>			
Intangible assets	25,236	25,089	25,566
Property, plant and equipment	5,399	5,094	5,305
Financial non-current assets	107	82	80
Pension obligation assets	10	-	9
Deferred tax assets	126	105	133
<b>Total non-current assets</b>	<b>30,878</b>	<b>30,369</b>	<b>31,093</b>
Inventories	5,031	5,253	5,203
Trade receivables	5,023	5,097	4,940
Current receivables	3,541	3,315	3,223
Current investments	1	1	1
Cash and cash equivalents	1,421	3,159	3,022
<b>Total current assets</b>	<b>15,017</b>	<b>16,824</b>	<b>16,389</b>
<b>Total assets</b>	<b>45,895</b>	<b>47,193</b>	<b>47,482</b>
<b>Equity and liabilities</b>			
<b>Total equity</b>	<b>20,652</b>	<b>18,975</b>	<b>19,628</b>
Interest-bearing non-current liabilities	12,593	14,948	14,453
Provisions for pensions	185	303	205
Non-interest-bearing non-current liabilities	1,666	2,461	2,343
Provisions	100	99	87
Deferred tax liabilities	1,831	1,659	1,865
<b>Total non-current liabilities</b>	<b>16,376</b>	<b>19,470</b>	<b>18,954</b>
Interest-bearing current liabilities	570	579	625
Trade payables	2,538	2,747	2,563
Non-interest-bearing current liabilities	5,759	5,423	5,713
<b>Total current liabilities</b>	<b>8,867</b>	<b>8,749</b>	<b>8,901</b>
<b>Total equity and liabilities</b>	<b>45,895</b>	<b>47,193</b>	<b>47,482</b>



## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY, CONDENSED

SEK m	30 Sep 2023	30 Sep 2022	31 Dec 2022
<b>Opening equity attributable to owners of the parent company</b>	<b>19,595</b>	<b>16,564</b>	<b>16,564</b>
<b>Comprehensive income</b>			
Profit for the period	674	1,068	1,436
Remeasurements of defined benefit pension plans	16	75	148
Other comprehensive income for the period	271	461	482
<b>Comprehensive income for the period</b>	<b>962</b>	<b>1,604</b>	<b>2,066</b>
<b>Transactions with the Group's owners</b>			
<b>Contributions from and value transfers to owners</b>			
Dividends paid	-133	-116	-116
Share issue, non-cash	71	168	168
Transaction costs on issue of shares, after tax	0	0	0
Contributed capital from issued share options	4	-	-
Share-based payment transactions	29	20	30
Put options attributable to non-controlling interests	113	859	1,050
<b>Total contributions from and value transfers to owners</b>	<b>84</b>	<b>930</b>	<b>1,131</b>
<b>Changes in ownership of subsidiaries</b>			
Acquisition/divestment of non-controlling interests	8	-151	-168
<b>Total changes in ownership of subsidiaries</b>	<b>8</b>	<b>-151</b>	<b>-168</b>
<b>Total transactions with the Group's owners</b>	<b>92</b>	<b>779</b>	<b>964</b>
<b>Closing equity attributable to owners of the parent company</b>	<b>20,648</b>	<b>18,947</b>	<b>19,595</b>
<b>Opening equity in non-controlling interests</b>	<b>34</b>	<b>24</b>	<b>24</b>
Profit for the period	126	107	157
Other comprehensive income for the period	66	47	69
<b>Comprehensive income for the period</b>	<b>192</b>	<b>154</b>	<b>226</b>
Dividends to non-controlling interests	-102	-97	-123
Acquisition/divestment of non-controlling interests	-80	-30	24
Acquisition of business with non-controlling interest, no controlling interest from before	129	1,495	1,622
Divestment of business with non-controlling interests, controlling interest ends	-34	-	-
Put options attributable to non-controlling interests	-135	-1,518	-1,739
<b>Closing equity in non-controlling interests</b>	<b>4</b>	<b>28</b>	<b>34</b>
<b>Total equity</b>	<b>20,652</b>	<b>18,975</b>	<b>19,628</b>

## CONSOLIDATED CASH FLOW STATEMENT, CONDENSED

SEK m	2023 Jul-Sep	2022 Jul-Sep	2023 Jan-Sep	2022 Jan-Sep	12 months until 30 Sep 2023	Full-year 2022
Profit before tax	192	575	1,077	1,558	1,631	2,111
Adjustment for non-cash items	552	259	1,553	932	1,971	1,351
Income tax paid	-153	-242	-834	-684	-840	-690
Change in working capital	-6	-387	106	-1,449	412	-1,143
<b>Cash flow from operating activities</b>	<b>584</b>	<b>204</b>	<b>1,903</b>	<b>356</b>	<b>3,175</b>	<b>1,628</b>
Net investments in non-current assets	-131	-169	-404	-400	-614	-609
Business combinations and divestments	65	-489	-332	-8,822	-703	-9,193
<b>Cash flow from investing activities</b>	<b>-66</b>	<b>-658</b>	<b>-736</b>	<b>-9,222</b>	<b>-1,317</b>	<b>-9,802</b>
Dividend to owners of the parent company	-	-	-133	-116	-133	-116
Dividends to minority owners	-5	-27	-100	-97	-126	-123
Proceeds from issues of shares	-	0	4	0	4	0
Change in loans	-950	-50	-2,180	6,345	-2,814	5,712
Repayment of lease liability and other financing activities	-136	-133	-405	-382	-557	-533
<b>Cash flow from financing activities</b>	<b>-1,091</b>	<b>-210</b>	<b>-2,815</b>	<b>5,749</b>	<b>-3,625</b>	<b>4,939</b>
<b>Cash flow for the period</b>	<b>-573</b>	<b>-664</b>	<b>-1,649</b>	<b>-3,116</b>	<b>-1,767</b>	<b>-3,235</b>
Cash and cash equivalents at beginning of period	1,990	3,758	3,022	6,167	3,159	6,167
Exchange rate differences in cash and cash equivalents	4	65	48	108	30	91
<b>Cash and cash equivalents at end of period</b>	<b>1,421</b>	<b>3,159</b>	<b>1,421</b>	<b>3,159</b>	<b>1,421</b>	<b>3,022</b>

# Notes

## NOTE 1 – ACCOUNTING POLICIES, ESTIMATES AND ASSUMPTIONS

### Accounting policies

Storskogen applies International Financial Reporting Standards (IFRS), as admitted by EU. The Group's interim report has been prepared in accordance with the relevant sections of the Annual Accounts Act and IAS 34 Interim Financial Reporting. The Parent Company's interim report has been prepared in accordance with the Annual Accounts Act, Chapter 9: Interim Reporting. The Parent Company applies RFR 2. The same accounting policies and assumptions have been applied for the Group and the Parent Company as in the most recent Annual Report. No new or amended standards have had or are expected to have any material effect on the Group. All amounts in this report are expressed in millions of Swedish kronor (SEK m) unless otherwise indicated. Rounding differences may occur.

### Risks and uncertainties

Storskogen Group's diversified business model, with 128 business units that are active in a variety of industries and geographies and have a large number of customers and suppliers, limits the Group's business and financial risks. In line with the risks described in Storskogen's Annual Report 2022, the Group assesses that the ongoing conflict in Ukraine and associated sanctions against Russia and Belarus may have a certain impact on business units, disruptions in operations and an impaired financial position. Macroeconomic factors such as inflation, interest rate hikes and rising commodity prices as well as disruptions in distribution chains may also have an impact on the Group's profits. The ongoing conflict between Israel and Hamas is not assessed to have any direct impact on the Group's business units, but a general macroeconomic uncertainty may in the long run affect Storskogen's results and financial position. The risks are deemed to be limited due to the Group's diversified operations and are managed through the Group's finance function and operational activities.

### Estimates and assessments

The preparation of the interim report has required management to make assessments, estimates and assumptions that affect the application of the accounting policies and the carrying amounts of assets, liabilities, revenue and expenses. Actual outcomes may differ from these estimates and assessments. The critical assessments and sources of uncertainty in estimates are the same as in the most recent Annual Report.

## NOTE 2 – ITEMS BY SEGMENT AND BREAKDOWN OF REVENUE

2023

Jan-Sep, SEK m	Services	Trade	Industry	Group operations and eliminations	Total
Net sales	8,428	7,510	11,107	-36	27,009
Cost of goods and services sold	-6,658	-6,025	-8,693	-168	-21,544
<b>Gross profit</b>	<b>1,769</b>	<b>1,485</b>	<b>2,414</b>	<b>-204</b>	<b>5,464</b>
Selling expenses	-737	-802	-808	-54	-2,401
Administrative expenses	-552	-335	-678	63	-1,502
Other operating income	245	258	314	10	827
Other operating expenses	-118	-150	-193	0	-461
<b>Operating profit</b>	<b>607</b>	<b>456</b>	<b>1,048</b>	<b>-185</b>	<b>1,926</b>
Net financial items	-47	-71	-63	-668	-848
<b>Profit before tax</b>	<b>560</b>	<b>385</b>	<b>985</b>	<b>-853</b>	<b>1,077</b>
Reversal of net financial items	47	71	63	668	848
Reversal of amortisation and impairment of intangible assets	229	177	240	0	647
<b>EBITA</b>	<b>836</b>	<b>633</b>	<b>1,288</b>	<b>-185</b>	<b>2,572</b>
Items affecting comparability	-36	20	-16	-8	-40
<b>Adjusted EBITA</b>	<b>800</b>	<b>653</b>	<b>1,273</b>	<b>-193</b>	<b>2,532</b>

## Net sales, geographical distribution

2023

Jan-Sep, SEK m	Services	Trade	Industry	Group operations and eliminations	Total
Sweden	6,222	3,820	2,991	-36	12,997
Denmark	347	230	293	-	871
Finland	58	172	205	-	436
Germany	290	347	1,524	-	2,161
Other countries within the EU	60	519	1,289	-	1,868
Norway	627	1,141	525	-	2,293
Switzerland	533	435	413	-	1,381
UK	193	825	1,605	-	2,623
USA	13	0	1,370	-	1,383
Other countries outside the EU	84	19	893	-	996
<b>Total net sales</b>	<b>8,428</b>	<b>7,510</b>	<b>11,107</b>	<b>-36</b>	<b>27,009</b>

## ITEMS BY SEGMENT AND BREAKDOWN OF REVENUE

2022

Jan-Sep, SEK m	Services	Trade	Industry	Group operations and eliminations	Total
Net sales	8,093	6,730	9,608	-17	24,414
Cost of goods and services sold	-6,426	-5,425	-7,545	-177	-19,573
<b>Gross profit</b>	<b>1,668</b>	<b>1,305</b>	<b>2,063</b>	<b>-194</b>	<b>4,841</b>
Selling expenses	-666	-611	-709	-53	-2,038
Administrative expenses	-532	-299	-665	-24	-1,519
Other operating income	179	325	387	5	896
Other operating expenses	-47	-153	-158	1	-357
<b>Operating profit</b>	<b>602</b>	<b>566</b>	<b>918</b>	<b>-265</b>	<b>1,821</b>
Net financial items	-45	-40	-39	-140	-263
<b>Profit before tax</b>	<b>557</b>	<b>527</b>	<b>879</b>	<b>-405</b>	<b>1,558</b>
Reversal of net financial items	45	40	39	140	263
Reversal of amortisation and impairment of intangible assets	163	128	178	1	470
<b>EBITA</b>	<b>765</b>	<b>695</b>	<b>1,096</b>	<b>-264</b>	<b>2,291</b>
Items affecting comparability	-52	1	-42	19	-75
<b>Adjusted EBITA</b>	<b>712</b>	<b>696</b>	<b>1,054</b>	<b>-246</b>	<b>2,216</b>

## Net sales, geographical distribution

2022

Jan-Sep, SEK m	Services	Trade	Industry	Group operations and eliminations	Total
Sweden	6,582	3,729	2,856	-17	13,150
Denmark	165	314	327	-	806
Finland	51	185	241	-	477
Germany	187	268	1,353	-	1,808
Other countries within the EU	65	449	1,229	-	1,743
Norway	552	528	492	-	1,571
Switzerland	380	397	284	-	1,061
UK	53	851	974	-	1,878
USA	12	1	1,198	-	1,211
Other countries outside the EU	47	8	653	-	708
<b>Total net sales</b>	<b>8,093</b>	<b>6,730</b>	<b>9,608</b>	<b>-17</b>	<b>24,414</b>

## NOTE 3 – REVENUE FROM CUSTOMER CONTRACTS

### Net sales by vertical

SEK m	2023 Jul-Sep	2022 Jul-Sep	2023 Jan-Sep	2022 Jan-Sep	12 months until 30 Sep 2023	Full-year 2022
Contracting Services	245	225	699	644	968	913
Infrastructure	561	548	1,719	1,625	2,367	2,273
Installation	731	848	2,702	2,561	3,776	3,635
Logistics	286	328	886	933	1,210	1,257
Engineering Services	374	472	1,192	1,255	1,708	1,772
Digital Services	157	146	527	454	716	643
HR and Competence	226	239	722	632	969	879
Intragroup sales within the business area	-6	-4	-19	-12	-28	-20
<b>Total, Services segment</b>	<b>2,576</b>	<b>2,801</b>	<b>8,428</b>	<b>8,093</b>	<b>11,685</b>	<b>11,351</b>
Home and Living	633	740	2,238	2,474	3,143	3,378
Niche Businesses	670	640	2,171	2,114	3,078	3,021
Health and Beauty	710	549	2,029	1,145	2,749	1,866
Sports, Clothing and Accessories	332	336	1,082	1,013	1,464	1,395
Intragroup sales within the business area	-4	-8	-10	-16	-17	-22
<b>Total, Trade segment</b>	<b>2,341</b>	<b>2,256</b>	<b>7,510</b>	<b>6,730</b>	<b>10,417</b>	<b>9,637</b>
Automation	1,052	1,013	3,556	2,884	4,806	4,133
Industrial Technology	1,278	1,318	4,078	3,393	5,467	4,782
Products	1,105	1,046	3,496	3,366	4,561	4,432
Intragroup sales within the business area	-5	-11	-23	-36	-47	-59
<b>Total, Industry segment</b>	<b>3,429</b>	<b>3,366</b>	<b>11,107</b>	<b>9,608</b>	<b>14,787</b>	<b>13,288</b>
Intragroup sales eliminations	-12	-7	-36	-17	-45	-26
<b>Total</b>	<b>8,333</b>	<b>8,417</b>	<b>27,009</b>	<b>24,414</b>	<b>36,845</b>	<b>34,250</b>

### Timing of revenue recognition

SEK m	2023 Jan-Sep	2022 Jan-Sep
Goods and services transferred at a point in time	21,347	18,703
Goods and services transferred over time	5,662	5,710
<b>Total</b>	<b>27,009</b>	<b>24,414</b>

## NOTE 4 – BUSINESS COMBINATIONS

### Preliminary purchase price allocation for the year

Refers to acquisitions completed during the period January to September 2023:

SEK m	Services	Trade	Industry	Total
Intangible assets	259	23	56	338
Other non-current assets	8	8	7	23
Inventories	1	11	21	33
Other current assets	189	6	21	216
Cash and cash equivalents	165	17	25	207
Deferred tax assets/tax liabilities	-62	-4	-14	-80
Liabilities to credit institutions	-6	-3	-	-9
Other liabilities	-51	-30	-43	-123
<b>Acquired net assets</b>	<b>503</b>	<b>28</b>	<b>72</b>	<b>603</b>
Goodwill	74	48	69	192
Non-controlling interests	-111	-4	-14	-129
<b>Purchase price including contingent consideration</b>	<b>467</b>	<b>71</b>	<b>128</b>	<b>667</b>
Less cash and cash equivalents in acquired operations	-165	-17	-25	-207
Less unpaid purchase consideration	-2	-30	-17	-48
Less paid through convertible loan	-133	-	-	-133
<b>Effect on consolidated cash and cash equivalents</b>	<b>168</b>	<b>25</b>	<b>86</b>	<b>279</b>

### Preliminary purchase price allocation for significant acquisitions during the year

SEK m	AC Electrical Services Group Ltd - included in Services	Total significant acquisitions
Intangible assets	212	212
Other non-current assets	4	4
Inventories	1	1
Other current assets	172	172
Cash and cash equivalents	149	149
Deferred tax assets/tax liabilities	-53	-53
Liabilities to credit institutions	-	-
Other liabilities	-23	-23
<b>Acquired net assets</b>	<b>463</b>	<b>463</b>
Goodwill	90	90
Non-controlling interests	-111	-111
<b>Purchase price including contingent consideration</b>	<b>442</b>	<b>442</b>
Less cash and cash equivalents in acquired operations	-149	-149
Less paid through convertible loan	-133	-133
<b>Effect on consolidated cash and cash equivalents</b>	<b>161</b>	<b>161</b>

### Purchase considerations and assessments

Purchase considerations for acquisitions in the period totalled SEK 667 million, of which SEK 192 million has been recognised as goodwill (including adjustments of preliminary purchase price allocation from previous years). The impact of business combinations on the Group's cash and cash equivalents is SEK 279 million. Cash flow from business combinations and divestments, which amounts to SEK 332 million, are apart from abovementioned business combinations also impacted by: acquisitions of minority shares during the period with payments of purchase considerations amounting to SEK 82 million, divestment of minority shares with a received purchase consideration of SEK 10 million, payments of contingent considerations for acquisitions from previous years amounts to SEK 633 million and divestment of operations increases cash and cash equivalents by SEK 652 million. Had the period's acquisitions been made with effect from 1 January 2023, they would have contributed SEK 447 million to the Group's net sales and the impact on the Group's profit after tax would have been SEK 66 million. No material changes were made during the quarter to the Group's purchase price allocation for previous years' acquisitions. The purchase price allocation for acquisitions from the fourth quarter 2022 to the third quarter 2023 are preliminary, as the Group has not received final audited information from the acquired companies. All acquisitions have been reported using the acquisition method.

### Goodwill

At the time of acquisition, where transferred compensation exceeds the fair value of acquired assets and gained liabilities reported separately, the difference is recognised as goodwill. The goodwill is primarily justified by the companies' future earnings potential. On 30 September 2023, the Group recognised total goodwill of SEK 18,797 million (19,185). The Group's goodwill is tested for impairment as required, and at least annually, by cash-generating unit.

Change in the Group's goodwill, SEK m	Opening balance	Acquisitions	Impairment	Divestments	Currency effects	Closing balance
Goodwill	18,989	192	-	-597	213	18,797

### Other identified surplus values

The amounts recognised for intangible non-current assets, such as customer relationships and brands, have been measured at the discounted value of future cash flows. Customer relationships are generally written down over a period between three to ten years. The amortisation period is based on historical customer attrition, competition in the market, degree of integration with the customer's business, and importance of the aftermarket (such as servicing and warranties). Trademarks are not amortised except from when they have a determinable useful life.

Trademarks that are not amortised are tested annually for impairment in accordance with IAS 36. Other step-ups identified in acquisitions, during the year or earlier, relate to buildings, technology, licenses and inventory. Buildings are generally depreciated over 25 years, technology is generally depreciated over three to ten years, while inventories are depreciated on the basis of the inventory turnover rate.

### Acquisition-related expenses

Acquisition-related expenses consist of fees to advisers in connection with due diligence. These expenses are recognised as administrative expenses in the income statement and the statement of comprehensive income. Acquisition-related expenses for acquisitions during the period totalled SEK 4 million (66).

### Contingent considerations

A contingent consideration, or earn-out, is a conditional additional purchase payment that is normally based on the acquired company's results during the first few years, either as a binary outcome if a certain level of earnings is achieved, or on a scale where the amount rises with the earnings of the acquired company in a predetermined future accounting period. If the criteria are met, the contingent consideration generally crystallises one to three years from the date of acquisition. At the time of the transaction, a contingent consideration is measured at fair value by calculating the present value of the likely outcome using a discount rate of 11.2 percent (9.6). The likely outcome is based on the Group's projections for the respective entity and dependent on future earnings generated by the entity, with a set maximum. The discounted value of unpaid contingent considerations for the period's acquisitions is SEK 48 million (648), while the total liability recognised for discounted contingent considerations on 30 September 2023 was SEK 326 million (1,036).

### Non-controlling interests

The Group measures holdings where it does not have a controlling interest at fair value based on full goodwill using the latest known market value, which is defined as the purchase price in respective acquisition.

### Acquisition-related disclosures

All acquisitions during the period have been carried out through purchase of shares.

### EFFECT OF ACQUISITIONS ON THE CONSOLIDATED STATEMENT OF PROFIT OR LOSS FOR JANUARY–SEPTEMBER 2023

SEK m	Services	Trade	Industry	Total
<b>Effect after the acquisition date included in consolidated income statement</b>				
Sales	149	55	87	291
Profit for the period	30	-5	11	35
<b>Effect if the acquisitions had been completed on 1 January</b>				
Sales	276	83	87	447
Profit for the period	62	-7	11	66

Acquisitions completed during the period January to September 2023 increased the Group's net sales by SEK 291 million, EBITA by SEK 47 million and profit for the period by SEK 35 million. Transaction costs for these acquisitions came to SEK 4 million and are included in administrative expenses in the consolidated income statement.

## NOTE 5 - THE GROUP'S MEASUREMENT OF FINANCIAL ASSETS AND LIABILITIES

	30 Sep 2023				31 Dec 2022			
	Financial assets measured at amortised cost	Financial assets measured at fair value through profit or loss	Financial assets measured at fair value through OCI	Total carrying amount	Financial assets measured at amortised cost	Financial assets measured at fair value through profit or loss	Financial assets measured at fair value through OCI	Total carrying amount
Financial assets, SEK m								
Financial non-current assets	48	9	50	107	33	8	39	80
Trade receivables	5,023	-	-	5,023	4,940	-	-	4,940
Current receivables	1,132	-	29	1,161	1,056	-	40	1,096
Current investments	-	1	-	1	-	1	-	1
Cash and cash equivalents	1,421	-	-	1,421	3,022	-	-	3,022
<b>Total</b>	<b>7,624</b>	<b>10</b>	<b>79</b>	<b>7,712</b>	<b>9,051</b>	<b>9</b>	<b>79</b>	<b>9,139</b>

	30 Sep 2023				31 Dec 2022			
	Financial liabilities measured at amortised cost	Financial liabilities measured at fair value through profit or loss	Financial liabilities measured at fair value through OCI	Total carrying amount	Financial liabilities measured at amortised cost	Financial liabilities measured at fair value through profit or loss	Financial liabilities measured at fair value through OCI	Total carrying amount
Financial liabilities, SEK m								
Interest-bearing non-current liabilities	11,337	-	0	11,337	13,219	-	2	13,221
Non-interest-bearing non-current liabilities	23	43	-	66	26	381	-	407
Interest-bearing current liabilities	139	-	8	147	138	-	62	200
Trade payables	2,538	-	-	2,538	2,563	-	-	2,563
Non-interest-bearing current liabilities	2,917	283	-	3,200	2,836	659	-	3,494
<b>Total</b>	<b>16,954</b>	<b>326</b>	<b>8</b>	<b>17,289</b>	<b>18,782</b>	<b>1,040</b>	<b>64</b>	<b>19,886</b>

### Fair value measurement

Fair value is the price that would be received to sell an asset, or paid to transfer a liability, in an orderly transaction between market participants at the measurement date. The table below shows how financial instruments are measured at fair value in accordance with the fair value hierarchy. The various levels in the hierarchy are defined as follows:

Level 1 – Quoted prices (unadjusted) in active markets for identical assets or liabilities

Level 2 – Input data other than quoted prices included in level 1 that are observable for the asset or liability, either directly (i.e. as price quotations) or indirectly (i.e. originating from price quotations)

Level 3 – Input data for the asset or liability that are not based on observable market data (i.e. unobservable input data)

### Fair value for informational purposes

The carrying amounts of assets and liabilities measured at amortised cost are considered an accurate approximation of their fair values. Given the short fixed interest-rate periods and the maturity of the items, calculations indicate that the difference between amortised cost and fair value is not significant.

	30 Sep 2023						31 Dec 2022					
	Level 1	Level 2	Level 3	Other <sup>1</sup>	Difference in fair value and book value, related to market quoted bonds	Total carrying amount	Level 1	Level 2	Level 3	Other <sup>1</sup>	Difference in fair value and book value, related to market quoted bonds	Total carrying amount
Financial assets, SEK m												
Financial non-current assets	-	50	-	57	-	107	-	39	-	41	-	80
Trade receivables	-	-	-	5,023	-	5,023	-	-	-	4,940	-	4,940
Current receivables	-	29	-	1,132	-	1,161	-	40	-	1,056	-	1,096
Current investments	1	-	-	-	-	1	1	-	-	-	-	1
Cash and cash equivalents	1,421	-	-	-	-	1,421	3,022	-	-	-	-	3,022
<b>Total</b>	<b>1,422</b>	<b>79</b>	<b>-</b>	<b>6,212</b>	<b>-</b>	<b>7,712</b>	<b>3,023</b>	<b>79</b>	<b>-</b>	<b>6,037</b>	<b>-</b>	<b>9,139</b>



Financial liabilities, SEK m	30 Sep 2023						31 Dec 2022					
	Level 1	Level 2	Level 3	Other <sup>1</sup>	Difference in fair value and book value, related to market quoted bonds	Total carrying amount	Level 1	Level 2	Level 3	Other <sup>1</sup>	Difference in fair value and book value, related to market quoted bonds	Total carrying amount
Interest-bearing non-current liabilities	-	5,007	-	6,368	-37	11,337	-	4,755	-	7,258	1,208	13,221
Non-interest-bearing non-current liabilities	-	-	43	23	-	66	-	-	381	26	-	407
Interest-bearing current liabilities	-	8	-	139	-	147	-	62	-	138	-	200
Trade payables	-	-	-	2,538	-	2,538	-	-	-	2,563	-	2,563
Non-interest-bearing current liabilities	-	-	283	2,917	-	3,200	-	43	616	2,836	-	3,494
<b>Total</b>	<b>-</b>	<b>5,015</b>	<b>326</b>	<b>11,985</b>	<b>-37</b>	<b>17,289</b>	<b>-</b>	<b>4,859</b>	<b>997</b>	<b>12,822</b>	<b>1,208</b>	<b>19,886</b>

<sup>1</sup> To be able to reconcile the financial instruments with the balance sheet items, financial instruments not measured at fair value together with other assets and liabilities are presented in the Other column.

Level 2 derivatives have been measured at fair value based on data from counterparty.

Bonds and convertibles in level 2 have been valued at fair value via derivation from price quotations.

Change in financial liabilities Level 3, SEK m	OB	Aquisition	Paid	Remeasured / present value	Exchange difference	CB
Contingent considerations	997	49	-633	-90	4	326

The fair value of contingent considerations has been calculated on the basis of expected outcome against the targets set out in the contracts, using a discount rate of 11.2 percent (9.6).

## NOTE 6 – EARNINGS PER SHARE

Basic earnings per share is calculated by dividing the net profit for the period attributable to the owners of the Parent Company by the weighted average number of shares outstanding during the period.

When calculating earnings per share after dilution, the dilution effect of potential shares and the weighted average of the additional shares that would have been outstanding in a conversion of all potential shares are taken into account.

In accordance with the Company's Articles of Association, each share of Series A and Series B carry equal rights to the Company's assets and profits.

SEK	2023 Jul-Sep	2022 Jul-Sep	2023 Jan-Sep	2022 Jan-Sep	12 months until 30 Sep 2023	Full-year 2022
<b>Earnings per share</b>						
Basic earnings per share, SEK	0.09	0.26	0.40	0.64	0.62	0.86
Diluted earnings per share, SEK	0.08	0.26	0.40	0.64	0.62	0.86
<b>SEK k</b>						
<b>Net profit for the period attributable to owners of the parent</b>						
Net profit for the year attributable to owners of the parent	142,739	437,322	674,212	1,068,315	1,041,606	1,435,708
<b>Number</b>						
<b>Weighted average number of shares used in calculating earnings per share after dilution</b>						
Weighted average number of shares, Series A shares	148,001,374	148,001,374	148,001,374	148,001,374	148,001,374	148,001,374
Weighted average number of shares, Series B shares	1,539,715,829	1,522,763,994	1,534,030,547	1,515,813,409	1,531,253,066	1,517,612,878
<b>Total weighted average number of shares</b>	<b>1,687,717,203</b>	<b>1,670,765,368</b>	<b>1,682,031,921</b>	<b>1,663,814,783</b>	<b>1,679,254,440</b>	<b>1,665,614,252</b>

## PERFORMANCE MEASURES

SEK m	2023 Jul-Sep	2022 Jul-Sep	2023 Jan-Sep	2022 Jan-Sep	12 months until 30 Sep 2023	Full-year 2022
Net sales	8,333	8,417	27,009	24,414	36,845	34,250
Adjusted EBITDA	999	1,012	3,315	2,888	4,507	4,079
Adjusted EBITA	725	772	2,532	2,216	3,459	3,143
Adjusted EBITA margin, %	8.7	9.2	9.4	9.1	9.4	9.2
Operating profit	489	671	1,926	1,821	2,718	2,613
Operating margin, %	5.9	8.0	7.1	7.5	7.4	7.6
Profit before tax	192	575	1,077	1,558	1,631	2,111
Profit for the period	170	463	801	1,176	1,217	1,592
Working capital (12 months)				4,405	6,077	5,102
Return on working capital, % (12 months)				62.6	56.9	61.6
Return on equity, % (12 months)				9.0	6.1	8.8
Return on capital employed, % (12 months)				10.1	8.6	10.1
Equity/assets ratio, %				40.2	45.0	41.3
Interest-bearing net debt				12,670	11,706	12,260
Net debt				15,668	14,055	15,249
Debt/equity ratio, x				0.8	0.7	0.8
Interest-bearing net debt/adjusted RTM EBITDA (12 months), x				2.7	2.6	2.6
Interest coverage ratio, x	1.7	5.0	2.4	5.9	2.5	4.5
Average number of employees			11,834	10,927		11,263
Number of employees at end of period			12,134	12,532		12,945
Cash flow from operating activities	584	204	1,903	356	3,175	1,628
Adjusted cash conversion, %	85.0	48.4	89.8	37.9	95.0	58.8
Basic earnings per share, SEK	0.09	0.26	0.40	0.64	0.62	0.86
Diluted earnings per share, SEK	0.08	0.26	0.40	0.64	0.62	0.86

## PARENT COMPANY STATEMENT OF PROFIT OR LOSS, CONDENSED

SEK m	2023	2022	2023	2022	12 months until	Full-year
	Jul-Sep	Jul-Sep	Jan-Sep	Jan-Sep	30 Sep 2023	2022
Net sales	42	32	115	94	178	156
Administrative expenses	-64	-69	-213	-217	-319	-323
Other operating income	0	0	0	0	0	0
Other operating expenses	0	0	0	0	0	0
<b>Operating profit</b>	<b>-23</b>	<b>-37</b>	<b>-98</b>	<b>-123</b>	<b>-142</b>	<b>-166</b>
Financial income and expenses	0	324	584	597	681	694
<b>Profit after financial items</b>	<b>-23</b>	<b>287</b>	<b>486</b>	<b>474</b>	<b>539</b>	<b>527</b>
Appropriations	-11	-	-11	-	-11	-
Tax	7	-60	-103	-96	-51	-43
<b>Profit for the period</b>	<b>-26</b>	<b>227</b>	<b>372</b>	<b>379</b>	<b>478</b>	<b>485</b>

## PARENT COMPANY BALANCE SHEET, CONDENSED

SEK m	30 Sep 2023	30 Sep 2022	31 Dec 2022
<b>Assets</b>			
Intangible assets	0	0	0
Property, plant and equipment	1	1	1
Financial assets	28,928	27,249	28,343
<b>Total non-current assets</b>	<b>28,930</b>	<b>27,251</b>	<b>28,344</b>
Current receivables	709	2,567	3,956
Cash and cash equivalents	457	1,161	1,168
<b>Total current assets</b>	<b>1,166</b>	<b>3,729</b>	<b>5,124</b>
<b>Total assets</b>	<b>30,096</b>	<b>30,980</b>	<b>33,469</b>
<b>Equity and liabilities</b>			
Restricted equity	1	1	1
Unrestricted equity	17,566	17,102	17,238
<b>Total equity</b>	<b>17,566</b>	<b>17,103</b>	<b>17,239</b>
Non-current liabilities	11,060	13,556	12,942
Current liabilities	1,469	321	3,288
<b>Total equity and liabilities</b>	<b>30,096</b>	<b>30,980</b>	<b>33,469</b>

# Definitions and calculations

## PERFORMANCE MEASURES

Storskogen presents a number of performance measures that are not defined in accordance with IFRS. The Company considers these measures to provide valuable supplementary information for investors and the Company's management, as they allow an evaluation of trends and the Company's performance. As not all companies calculate these measures in the same way, they are not always comparable with those used by other companies. These financial measures should therefore not be seen as a replacement for measures defined according to IFRS. Definitions of the measures, several of which are alternative performance measures, are presented below.

### RETURN ON EQUITY<sup>1</sup>

Profit for the period/year (including profit attributable to non-controlling interests) as a percentage of total equity (including equity attributable to non-controlling interests). Profit is calculated accumulated for the previous 12-month period, and equity as the average for the previous 12-month period. The purpose is to analyse profitability in relation to equity attributable to the shareholders of the Parent Company.

SEK m	12 months until 30 Sep 2023	12 months until 30 Sep 2022	Full-year 2022
Profit for the period	1,217	1,427	1,592
Equity	20,030	15,930	17,999
<b>Return on equity, %</b>	<b>6.1</b>	<b>9.0</b>	<b>8.8</b>

### RETURN ON WORKING CAPITAL<sup>1</sup>

Adjusted EBITA as a percentage of working capital. Working capital is calculated as the average for the previous 12-month period. The purpose is to analyse profitability in relation to working capital.

SEK m	12 months until 30 Sep 2023	12 months until 30 Sep 2022	Full-year 2022
Adjusted EBITA	3,459	2,759	3,143
Working capital	6,077	4,405	5,102
<b>Return on working capital, %</b>	<b>56.9</b>	<b>62.6</b>	<b>61.6</b>

### RETURN ON CAPITAL EMPLOYED<sup>1</sup>

Operating profit (EBIT) plus financial income as a percentage of capital employed. EBIT and financial income are calculated accumulated for the previous 12-month period, and capital employed as the average for the previous 12-month period. The purpose is to analyse profitability in relation to capital employed.

SEK m	12 months until 30 Sep 2023	12 months until 30 Sep 2022	Full-year 2022
Operating profit	2,718	2,247	2,613
Financial income	263	574	479
<b>Operating profit including financial income</b>	<b>2,980</b>	<b>2,822</b>	<b>3,091</b>
Capital employed	34,499	27,814	30,753
<b>Return on capital employed, %</b>	<b>8.6</b>	<b>10.1</b>	<b>10.1</b>

### EBITA<sup>1</sup>

Operating profit (EBIT) before amortisation and impairment of intangible assets. The purpose is to assess the Group's operating activities.

SEK m	2023 Jul-Sep	2022 Jul-Sep	2023 Jan-Sep	2022 Jan-Sep	12 months until 30 Sep 2023	Full-year 2022
Operating profit	489	671	1,926	1,821	2,718	2,613
Amortisation of intangible assets	224	178	647	470	868	692
Impairment of intangible assets	0	0	0	0	0	0
<b>EBITA</b>	<b>714</b>	<b>849</b>	<b>2,572</b>	<b>2,291</b>	<b>3,586</b>	<b>3,305</b>

### EBITDA<sup>1</sup>

Operating profit (EBIT) before depreciation, amortisation and impairment. The purpose is to assess the Group's operating activities. EBITDA serves as a complement to operating profit (EBIT).

SEK m	2023 Jul-Sep	2022 Jul-Sep	2023 Jan-Sep	2022 Jan-Sep	12 months until 30 Sep 2023	Full-year 2022
Operating profit	489	671	1,926	1,821	2,718	2,613
Amortisations and depreciations	498	419	1,430	1,142	1,916	1,628
Impairment	0	0	0	0	0	0
<b>EBITDA</b>	<b>988</b>	<b>1,089</b>	<b>3,355</b>	<b>2,963</b>	<b>4,633</b>	<b>4,241</b>

### NET FINANCIAL ITEMS<sup>1</sup>

Financial income less financial expenses. The purpose is to present developments in the Group's financing activities.

SEK m	2023 Jul-Sep	2022 Jul-Sep	2023 Jan-Sep	2022 Jan-Sep	12 months until 30 Sep 2023	Full-year 2022
Financial income*	-104	239	242	458	263	479
Financial expenses	-194	-334	-1,090	-721	-1,350	-980
<b>Net financial items</b>	<b>-298</b>	<b>-96</b>	<b>-848</b>	<b>-263</b>	<b>-1,087</b>	<b>-502</b>

\*The negative financial income in the third quarter is explained by a decrease of accumulated currency gains in the quarter.

### ADJUSTED EBITA<sup>1</sup>

Operating profit (EBIT) before amortisation and impairment of intangible assets, excluding items affecting comparability. The purpose is to assess the Group's operating activities. Adjusted EBITA facilitates comparison of EBITA between periods.

SEK m	2023 Jul-Sep	2022 Jul-Sep	2023 Jan-Sep	2022 Jan-Sep	12 months until 30 Sep 2023	Full-year 2022
Operating profit	489	671	1,926	1,821	2,718	2,613
Items affecting comparability	11	-77	-40	-75	-127	-162
Amortisations of intangible assets	224	178	647	470	868	692
Impairment of intangible assets	0	0	0	0	0	0
<b>Adjusted EBITA</b>	<b>725</b>	<b>772</b>	<b>2,532</b>	<b>2,216</b>	<b>3,459</b>	<b>3,143</b>

### ADJUSTED EBITA MARGIN<sup>1</sup>

Adjusted EBITA as a percentage of net sales. The purpose is to give an indication of profitability in relation to sales.

SEK m	2023 Jul-Sep	2022 Jul-Sep	2023 Jan-Sep	2022 Jan-Sep	12 months until 30 Sep 2023	Full-year 2022
Adjusted EBITA	725	772	2,532	2,216	3,459	3,143
Net sales	8,333	8,417	27,009	24,414	36,845	34,250
<b>Adjusted EBITA margin, %</b>	<b>8.7</b>	<b>9.2</b>	<b>9.4</b>	<b>9.1</b>	<b>9.4</b>	<b>9.2</b>

### ADJUSTED EBITDA<sup>1</sup>

Operating profit (EBIT) before depreciation, amortisation and impairment, excluding items affecting comparability. The purpose is to assess the Group's operating activities. EBITDA serves as a complement to operating profit (EBIT). Adjusted EBITDA facilitates comparison of EBITDA between periods.

SEK m	2023 Jul-Sep	2022 Jul-Sep	2023 Jan-Sep	2022 Jan-Sep	12 months until 30 Sep 2023	Full-year 2022
Operating profit	489	671	1,926	1,821	2,718	2,613
Items affecting comparability	11	-77	-40	-75	-127	-162
Amortisations and depreciations	498	419	1,430	1,142	1,916	1,628
Impairment	0	0	0	0	0	0
<b>Adjusted EBITDA</b>	<b>999</b>	<b>1,012</b>	<b>3,315</b>	<b>2,888</b>	<b>4,507</b>	<b>4,079</b>

## ADJUSTED CASH CONVERSION<sup>1</sup>

Operating cash flow as a percentage of adjusted EBITDA. The purpose is to analyse cash conversion.

SEK m	2023	2022	2023	2022	12 months until	Full-year
	Jul-Sep	Jul-Sep	Jan-Sep	Jan-Sep	30 Sep 2023	2022
Adjusted EBITDA	999	1,012	3,315	2,888	4,506	4,079
Change in working capital	-6	-388	106	-1,449	412	-1,143
Cash flow from net investments in tangible assets defined as CapEx	-144	-135	-443	-345	-637	-539
<b>Operating Cash Flow</b>	<b>849</b>	<b>490</b>	<b>2,978</b>	<b>1,094</b>	<b>4,281</b>	<b>2,397</b>
Adjusted EBITDA	999	1,012	3,315	2,888	4,506	4,079
<b>Adjusted cash conversion, %</b>	<b>85.0</b>	<b>48.4</b>	<b>89.8</b>	<b>37.9</b>	<b>95.0</b>	<b>58.8</b>

## ITEMS AFFECTING COMPARABILITY<sup>1</sup>

Items affecting comparability such as remeasurement of contingent considerations, fair value adjustments of acquired assets (for example Inventory Step-up), central restructuring costs, stamp duty at some foreign business combinations, and capital gain/loss from divestment of business. Items affecting comparability are excluded to facilitate comparisons between periods.

SEK m	2023	2022	2023	2022	12 months until	Full-year
	Jul-Sep	Jul-Sep	Jan-Sep	Jan-Sep	30 Sep 2023	2022
Remeasurement of contingent considerations	-14	100	90	162	184	255
Fair value adjustments of acquired assets	-	-4	-	-55	-1	-56
Stamp tax on foreign business combinations	0	-1	-2	-14	-2	-14
Central restructuring costs	-	-18	-	-18	-0	-18
Capital gain/loss from divestment of business	2	-	-48	-	-53	-5
<b>Items affecting comparability</b>	<b>-11</b>	<b>77</b>	<b>40</b>	<b>75</b>	<b>127</b>	<b>162</b>

## INTEREST-BEARING NET DEBT<sup>1</sup>

Net interest-bearing liabilities (i.e. non-current interest-bearing liabilities, non-current lease liabilities, current interest-bearing liabilities, current lease liabilities and interest-bearing provisions for pensions) less financial assets, short-term investments and cash and cash equivalents. The purpose is to provide an alternative measure of the Group's debt/equity ratio. The performance measure gives an indication of the Group's financial target with regard to net debt in relation to RTM adjusted EBITDA.

SEK m	30 Sep 2023	30 Sep 2022	31 Dec 2022
Interest-bearing liabilities	13,164	15,527	15,078
Provisions for pensions, net	175	303	205
Financial assets	-210	-	-
Current investments	-1	-1	-1
Cash and cash equivalents	-1,421	-3,159	-3,022
<b>Interest-bearing net debt</b>	<b>11,706</b>	<b>12,670</b>	<b>12,260</b>

## INTEREST-BEARING NET DEBT/RTM ADJUSTED EBITDA (12 MONTH)<sup>1</sup>

Interest-bearing net debt in relation to RTM adjusted EBITDA provides a liquidity measure for net debt in relation to cash-generating operating results. Net debt is at the balance sheet date, and RTM adjusted EBITDA is calculated as adjusted EBITDA recorded for the previous 12-month period adjusted for the contribution of the businesses contractually acquired by the Group during that 12-month period. The purpose is to provide an indication of the Group's ability to pay its debts. The performance measure gives an indication of the Group's financial target with regard to net debt in relation to RTM adjusted EBITDA.

SEK m	30 Sep 2023	30 Sep 2022	31 Dec 2022
Interest-bearing net debt	11,706	12,670	12,260
RTM adjusted EBITDA	4,502	4,640	4,658
<b>Interest-bearing net debt/RTM adjusted EBITDA, x</b>	<b>2.6</b>	<b>2.7</b>	<b>2.6</b>

## NET DEBT<sup>1</sup>

Net interest-bearing liabilities (i.e. non-current interest-bearing liabilities, non-current lease liabilities, current interest-bearing liabilities, current lease liabilities and interest-bearing provisions for pensions) including minority options and contingent consideration liabilities, less financial assets, current investments, and cash and cash equivalents. The purpose is to provide an alternative measure of the Group's debt/equity ratio.

SEK m	30 Sep 2023	30 Sep 2022	31 Dec 2022
Interest-bearing liabilities	13,164	15,527	15,078
Provisions for pensions, net	175	303	205
Contingent consideration liabilities	326	1,036	997
Minority options	2,023	1,961	1,991
Financial assets	-210	-	-
Current investments	-1	-1	-1
Cash and cash equivalents	-1,421	-3,159	-3,022
<b>Net debt</b>	<b>14,055</b>	<b>15,668</b>	<b>15,249</b>

## ORGANIC EBITA GROWTH<sup>1</sup>

Change in EBITA, excluding exchange rate, acquisition and divestment effects and adjusted for Group functions, relative to the same period the previous year. Acquired entities are included in organic EBITA growth once they have been part of the Group for the full comparison period, divested companies are excluded from both periods once they have been divested. The purpose is to analyse underlying growth in operating profit.

## ORGANIC NET SALES GROWTH (ORGANIC GROWTH)<sup>1</sup>

Change in net sales, excluding exchange rate, acquisition and divestment effects, relative to the same period the previous year. Acquired entities are included in organic growth once they have been part of the Group for the full comparison period, divested companies are excluded from both periods once they have been divested. The purpose is to analyse underlying growth in net sales.

## INTEREST COVERAGE RATIO<sup>1</sup>

Operating profit plus interest income divided by interest expenses. The purpose is to present earnings in relation to interest expenses, which is a measure of the Group's capacity to cover its interest expenses.

SEK m	2023 Jul-Sep	2022 Jul-Sep	2023 Jan-Sep	2022 Jan-Sep	12 months until 30 Sep 2023	Full-year 2022
Operating profit	489	671	1,926	1,821	2,718	2,613
Interest income	14	4	54	12	65	23
<b>Operating profit including interest income</b>	<b>503</b>	<b>675</b>	<b>1,980</b>	<b>1,833</b>	<b>2,783</b>	<b>2,636</b>
Interest expenses	-293	-134	-831	-310	-1,111	-590
<b>Interest coverage ratio, x</b>	<b>1.7</b>	<b>5.0</b>	<b>2.4</b>	<b>5.9</b>	<b>2.5</b>	<b>4.5</b>

## WORKING CAPITAL<sup>1</sup>

Working capital is calculated as current operating receivables (inventories, accounts receivable and other non-interest-bearing current receivables) less current operating liabilities (accounts payable and other non-interest-bearing current liabilities excluding contingent consideration liabilities). The components are calculated as the average for the previous 12-month period. The purpose is to analyse the capital tied up in the balance sheet by the Group's operating activities.

SEK m	12 months until 30 Sep 2023	12 months until 30 Sep 2022	Full-year 2022
Inventories	5,166	3,919	4,476
Trade receivables	4,969	3,986	4,461
Other current receivables	2,860	1,926	2,299
Trade payables	-2,768	-2,335	-2,571
Other current liabilities	-4,148	-3,091	-3,563
<b>Working capital</b>	<b>6,077</b>	<b>4,405</b>	<b>5,102</b>

## OPERATING MARGIN<sup>1</sup>

Operating profit (EBIT) as a percentage of net sales. The purpose is to provide a guide to profitability in relation to sales.

SEK m	2023 Jul-Sep	2022 Jul-Sep	2023 Jan-Sep	2022 Jan-Sep	12 months until 30 Sep 2023	Full-year 2022
Operating profit	489	671	1,926	1,821	2,718	2,613
Net sales	8,333	8,417	27,009	24,414	36,845	34,250
<b>Operating margin, %</b>	<b>5.9</b>	<b>8.0</b>	<b>7.1</b>	<b>7.5</b>	<b>7.4</b>	<b>7.6</b>

## OPERATING PROFIT (EBIT)

Net sales less cost of goods sold, selling expenses and administrative expenses, plus other operating income less other operating expenses. The purpose is to assess the Group's operating activities.

## DEBT/EQUITY RATIO<sup>1</sup>

Net debt divided by total equity including equity attributable to non-controlling interests. The purpose is to show the size of debt in relation to equity, i.e. a measure of capital strength and financial risk. A high debt/equity ratio will correspond to a low equity/assets ratio, while a low debt/equity ratio will correspond to a high equity/assets ratio.

SEK m	30 Sep 2023	30 Sep 2022	31 Dec 2022
Net debt	14,055	15,668	15,249
Equity	20,652	18,975	19,628
<b>Debt/equity ratio, x</b>	<b>0.7</b>	<b>0.8</b>	<b>0.8</b>

## EQUITY/ASSETS RATIO<sup>1</sup>

Total equity including equity attributable to non-controlling interests as a percentage of total assets. The purpose is to show the proportion of assets that are financed with equity.

SEK m	30 Sep 2023	30 Sep 2022	31 Dec 2022
Equity	20,652	18,975	19,628
Total assets	45,895	47,193	47,482
<b>Equity/assets ratio, %</b>	<b>45.0</b>	<b>40.2</b>	<b>41.3</b>

## CAPITAL EMPLOYED<sup>1</sup>

Total assets less non-interest-bearing liabilities and provisions. The components are calculated as the average for the previous 12-month period. The purpose of this measure is to track the amount of capital that is employed in operations and financed by shareholders and lenders.

SEK m	12 months until 30 Sep 2023	12 months until 30 Sep 2022	Full-year 2022
Total assets	47,017	38,125	42,400
Non-interest-bearing liabilities	-10,384	-8,654	-9,772
Provisions	-2,134	-1,658	-1,876
<b>Capital employed</b>	<b>34,499</b>	<b>27,814</b>	<b>30,753</b>

## NUMBER OF SHARES OUTSTANDING<sup>1</sup>

Total number of shares outstanding. Defined as total number of shares outstanding less Storskogen's own shares. This number is primarily used to calculate performance measures.

	30 Sep 2023	30 Sep 2022	31 Dec 2022
Serie A shares	148,001,374	148,001,374	148,001,374
Serie B shares	1,521,476,679	1,515,762,394	1,515,762,394
<b>Number of outstanding shares</b>	<b>1,669,478,053</b>	<b>1,663,763,768</b>	<b>1,663,763,768</b>

<sup>1</sup> Classified as an alternative performance measure under ESMA's guidelines.

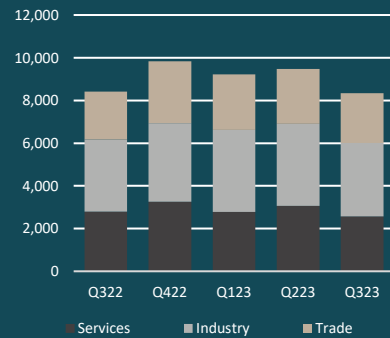


# About Storskogen

Storskogen is an international group of businesses across Trade, Industry, and Services. We are uniquely positioned to identify, acquire, and develop market leaders with sustainable business models over an infinite ownership horizon. Storskogen creates value by providing access to capital and strategic direction combined with active governance and a decentralised operational model. Storskogen has over 12,100 employees, net sales of SEK 36.8 billion (LTM) across a diversified group of businesses and is listed on Nasdaq Stockholm.

## NET SALES

SEK m

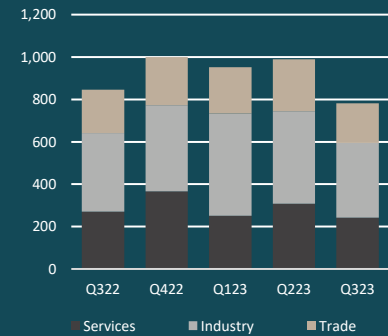


# 128

business units  
in the Services,  
Industry and  
Trade business  
areas

## ADJUSTED EBITA

SEK m



## MISSION

Our mission is to empower businesses to realise their full potential.

## VISION

Our vision is to be the leading international owner of small and medium-sized businesses.



## FINANCIAL CALENDAR

Year-end Report 2023 – 15 February 2024  
Annual Report 2023 – week 14, 2024  
Interim Report Q1 2024 – 7 May 2024  
Annual General Meeting – 8 May 2024, Stockholm  
Interim Report Q2 2024 – 15 August 2024  
Interim Report Q3 2024 – 7 November 2024

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