

# Interim Report

January 1 – March 31, 2023

- Net asset value on March 31, 2023, was SEK 138.3 billion, or SEK 320 per share. During the first quarter net asset value increased by 9%, corresponding to SEK 27 per share.
- The total return for the period was 10% for the Class A shares, as well as for the Class C shares, compared with 9% for the Stockholm Stock Exchange's total return index (SIXRX).
- During the first quarter of 2023, shares were purchased for a total of SEK 0.4 billion, of which in SCA for SEK 0.2 billion and in Sandvik for SEK 0.2 billion.

	2023 March 31	2022 March 31	2022 Dec 31
Net asset value, SEK M	138,305	123,547	126,477
Net asset value per share, SEK	320	286	293
Share price Industrivärden C, SEK	279.20	263.90	253.00
Debt-equities ratio, %	4%	4%	5%

SEK M	2023 Jan - March	2022 Jan - March	2022 Jan - Dec
Earnings per share, SEK	27.35	-45.88	-32.34
Dividend income	2,832	2,018	5,479
Dividend paid	–	–	2,915
<i>Equities portfolio:</i>			
Purchases	432	1,173	3,184
Sales	–	–	–

# Financial overview

For balance sheet items, the figures in parentheses pertain to the value on December 31, 2022. For income statement and cash flow items, the figures in parentheses pertain to the value for the corresponding period in the preceding year.

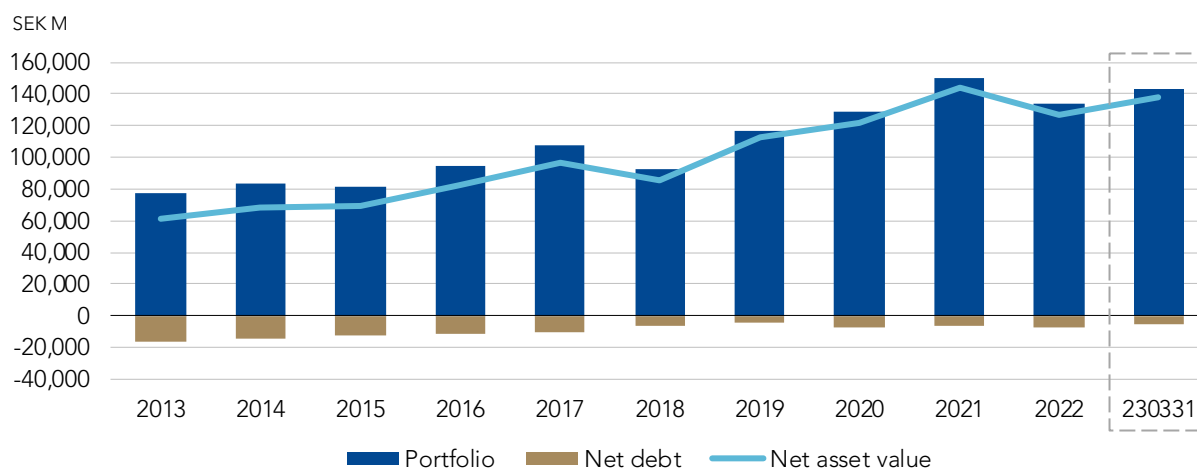
## Net asset value

Net asset value consists of the market value of the equities portfolio less net debt. On March 31, 2023, net asset value was SEK 138.3 billion (126.5), or SEK 320 per share (293), an increase of SEK 27 per share during the first quarter.

Holdings	March 31, 2023					
	No. of shares	Share of ownership, %		Market value		Share of value
		Capital	Votes	SEK M	SEK/share	%
Volvo A	166,600,000	8.9	27.8	37,152	93	28
Volvo B	14,600,000			3,122		
Sandvik	172,200,000	13.7	13.7	37,850	88	26
Essity A	33,257,000	10.2	29.6	9,960	49	15
Essity B	38,400,000			11,382		
Handelsbanken A	221,200,000	11.2	11.4	19,873	46	14
SCA A	33,785,290	10.5	29.4	4,662	23	7
SCA B	39,800,000			5,431		
Ericsson A	86,052,615	2.6	15.1	5,705	13	4
Ericsson B	1,000,000			61		
Skanska A	12,667,500	7.7	24.5	2,008	12	4
Skanska B	19,500,000			3,092		
Alleima	50,300,000	20.0	20.0	2,576	6	2
Other				507	1	0
<b>Equities portfolio</b>				<b>143,381</b>	<b>332</b>	<b>100</b>
<b>Net debt</b>				<b>-5,076</b>	<b>-12</b>	
<b>Net asset value</b>				<b>138,305</b>	<b>320</b>	
<b>Debt-equities ratio</b>				<b>4%</b>		

During the last ten-year period, the net asset value has increased from SEK 58.1 billion on March 31, 2013, to SEK 138.3 billion on March 31, 2023. For the last five- and ten-year period, the average annual growth for the net asset value was 7% and 9%, respectively.

## Performance over time



## Performance of equities portfolio

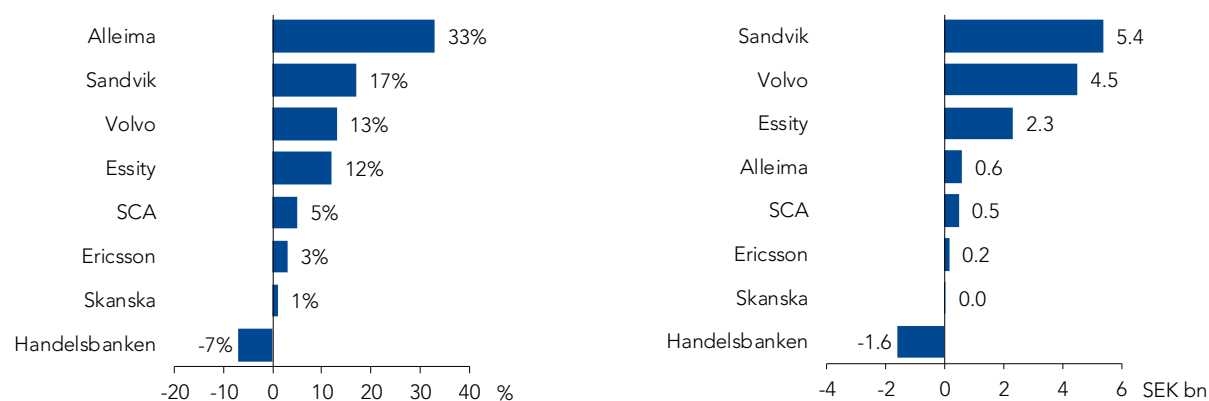
During the period, the value of the equities portfolio, adjusted for purchases and sales, increased by SEK 9.1 billion, or 7%. On March 31, 2023, the market value of the equities portfolio was SEK 143.4 billion. Net purchases amounted to SEK 0.4 billion.

### Change in value, investments, dividend income

SEK M	March 31, 2023		Jan - March 2023	
	Market value	Change in value	Purchase (+) / sales (-)	Dividend
Volvo	40,274	4,519	-	-
Sandvik	37,850	5,391	204	-
Essity	21,342	1,802	-	520
Handelsbanken	19,873	-3,376	-	1,770
SCA	10,093	304	228	184
Ericsson	5,766	26	-	118
Skanska	5,100	-207	-	241
Alleima	2,576	644	-	-
Other	507	14	-	-
<b>Total</b>	<b>143,381</b>	<b>9,117</b>	<b>432</b>	<b>2,832</b>

### Total return, holdings

January 1 – March 31



### Investment activities

During the first three months, shares were purchased for a total of SEK 432 M (1,173), of which in SCA B for SEK 228 M and in Sandvik for SEK 204 M.

### Dividends received

During the quarter, dividend income from Essity, Handelsbanken, SCA, Ericsson and Skanska amounted to SEK 2,832 M (2,018). Dividend payments received during the first quarter amounted to SEK 1,770 M (1,598) and pertains to the dividend from Handelsbanken. Dividends decided on for which payment has not yet been received are recognized as receivables on the balance sheet when the right to receive dividend has been determined.

## Management cost

During the first three months of 2023, management cost amounted to SEK 32 M (33), which on a yearly basis corresponds to 0.09% (0.10%) of the equities portfolio on March 31, 2023.

## Financing

Net debt amounted to SEK 5.1 billion (7.4) on March 31, 2023, corresponding to a debt-equities ratio of 4% (5%).

Industrivärden's debt financing consists primarily of MTN loans and commercial paper. The average tenor of the debt portfolio was 35 months on March 31, 2023. During the first quarter of 2023 a new bond of SEK 0.5 billion with a tenor of three and a half years, and two bonds of SEK 0.5 billion each with tenors of five years, were issued. The loans pertain to refinancing and were issued within the framework of the existing MTN program. Framework amounts and terms of the loans are available on Industrivärden's website.

No part of Industrivärden's financing is conditional upon any covenants.

### Net debt

SEK M	2023 March 31	2022 March 31	2022 Dec 31
Non-current financial liabilities	7,001	5,503	6,500
Current financial liabilities	1,182	2,153	1,682
Provisions for pensions	–	7	4
Current financial receivables	-1,098	-460	-36
Cash and cash equivalents	-2,009	-1,498	-795
<b>Total</b>	<b>5,076</b>	<b>5,705</b>	<b>7,355</b>

### Credit rating

S&P Global Ratings has assigned Industrivärden a credit rating of A+/Stable/A-1. The rating was confirmed on March 27, 2023.

## Shareholders' equity

The Group's shareholders' equity at the end of the period was SEK 137,991 M (126,180), corresponding to an equity ratio of 94% (94%).

### Share structure

At the 2011 Annual General Meeting a share conversion clause was added to the Articles of Association. Shareholders have the right at any time to request conversion of Class A shares to Class C shares. During the quarter 400,022 shares were converted.

### Share structure on March 31, 2023

Share class	No. of shares	No. of votes	Capital, %	Votes, %
A (1 vote)	260,343,503	260,343,503	60.3	93.8
C (1/10 vote)	171,555,605	17,155,560	39.7	6.2
<b>Total</b>	<b>431,899,108</b>	<b>277,499,063</b>	<b>100.0</b>	<b>100.0</b>

# Industrivärden's stock

## Stock performance

The price of Industrivärden's Class A and Class C shares on March 31, 2023, was SEK 279.70 and SEK 279.20, respectively. On the last day of trading in 2022, December 30, the corresponding share prices were SEK 253.50 and SEK 253.00, respectively.

The total return during the period was 10% for the Class A shares, as well as for the Class C shares. During the last five- and ten-year period the average annual total return for the Class C shares was 10% and 12%, respectively. The stock's total return compared with the total return for the Stockholm Stock Exchange (SIXRX) and the total return for OMXS30 (OMXS30GI), is shown in the table and charts below.

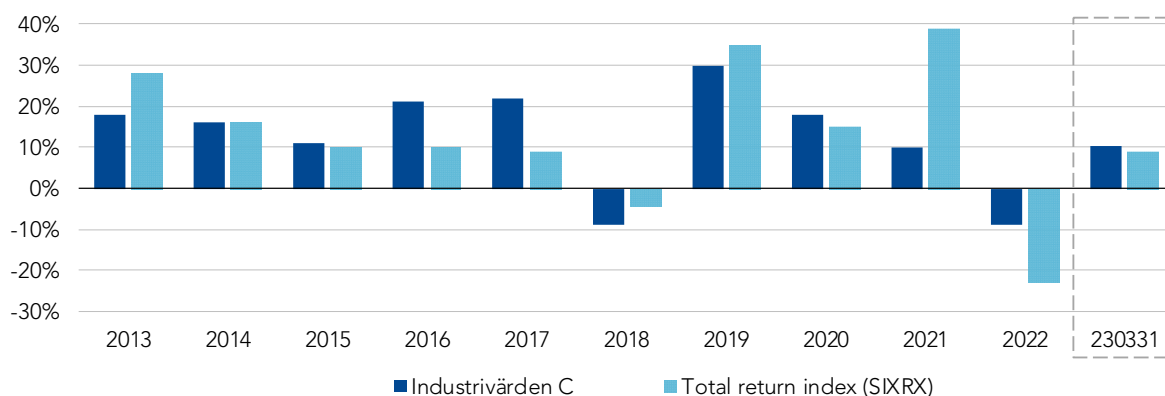
*Average annual growth in value for respective periods*

	March 31, 2023		
	Industrivärden C	Index (SIXRX)	Index (OMXS30GI)
2023, 3 months	10%	9%	10%
1 year	9%	-2%	9%
3 years	15%	18%	17%
5 years	10%	12%	11%
7 years	13%	12%	11%
10 years	12%	12%	10%

*Total return over time*



*Total return for the respective year/period*



# Other report information

## **Annual General Meeting and dividend**

The 2023 Annual General Meeting (AGM) will be held on April 17, at Grand Hôtel, Vinterträdgården hall, in Stockholm. Shareholders also have the opportunity to exercise their voting rights through postal voting before the AGM. Notification for participation and postal voting shall be conducted as specified in the Notice of AGM.

The Board of Directors proposes a dividend of SEK 7.25 per share for the 2022 financial year, with April 19, 2023, as the record date. In total the proposed dividend amounts to SEK 3,131 M.

Further disclosures and information about the AGM, including the Board's and Nominating Committee's complete proposals, are available on Industrivärden's website.

## **Events after the balance sheet date**

No significant events have occurred after March 31, 2023.

*This interim report has not been subject to review by the Company's auditors.*

Stockholm, April 5, 2023

Helena Stjernholm  
Chief Executive Officer

# Financial statements

## Group, condensed

### Income statement

SEK M	2023	2022	2022
	Jan - March	Jan - March	Jan - Dec
Dividend income	2,832	2,018	5,479
Change in value of shares, etc.	9,096	-21,836	-19,246
Management cost	-32	-33	-120
<b>Operating income</b>	<b>11,896</b>	<b>-19,851</b>	<b>-13,887</b>
Financial items	-43	-15	-90
<b>Income after financial items</b>	<b>11,853</b>	<b>-19,866</b>	<b>-13,977</b>
Tax	-39	51	10
<b>Net income for the period</b>	<b>11,814</b>	<b>-19,815</b>	<b>-13,967</b>
Earnings per share (no dilution exists), SEK	27.35	-45.88	-32.34

### Statement of comprehensive income

SEK M	2023	2022	2022
	Jan - March	Jan - March	Jan - Dec
Net income for the period	11,814	-19,815	-13,967
<i>Items that are not to be reclassified in the inc. statement:</i>			
Actuarial gains and losses on pensions	-4	-	-22
<b>Comprehensive income for the period</b>	<b>11,810</b>	<b>-19,815</b>	<b>-13,989</b>

### Balance sheet

SEK M	2023	2022	2022
	March 31	March 31	Dec 31
Tangible fixed assets	13	17	14
Equities	143,381	129,252	133,832
<b>Total non-current assets</b>	<b>143,394</b>	<b>129,269</b>	<b>133,846</b>
Current financial receivables	1,098	460	36
Other current receivables	37	30	79
Cash and cash equivalents	2,009	1,498	795
<b>Total current assets</b>	<b>3,144</b>	<b>1,988</b>	<b>910</b>
<b>Total assets</b>	<b>146,538</b>	<b>131,257</b>	<b>134,756</b>
Shareholders' equity	137,991	123,265	126,180
Non-current financial liabilities	7,001	5,503	6,500
Provisions for pensions	-	7	4
Deferred tax liability	172	113	134
Other non-current liabilities	71	63	48
<b>Total non-current liabilities</b>	<b>7,244</b>	<b>5,686</b>	<b>6,686</b>
Current financial liabilities	1,182	2,153	1,682
Other current liabilities	121	153	208
<b>Total current liabilities</b>	<b>1,303</b>	<b>2,306</b>	<b>1,890</b>
<b>Total shareholders' equity and liabilities</b>	<b>146,538</b>	<b>131,257</b>	<b>134,756</b>

## Group, condensed (continuation)

### Change in shareholders' equity

SEK M	2023	2022	2022
	Jan - March	Jan - March	Jan - Dec
Opening shareholders' equity as per balance sheet	126,180	143,079	143,079
Net income for the period	11,814	-19,815	-13,967
Other comprehensive income	-4	-	-22
Dividend to shareholders	-	-	-2,915
Share savings program	1	1	5
<b>Closing shareholders' equity as per balance sheet</b>	<b>137,991</b>	<b>123,265</b>	<b>126,180</b>

### Cash flow

SEK M	2023	2022	2022
	Jan - March	Jan - March	Jan - Dec
Dividend received	1,770	1,598	5,479
Management cost paid	-43	-30	-132
Other	-80	-24	-111
<b>Cash flow from operating activities</b>	<b>1,647</b>	<b>1,544</b>	<b>5,237</b>
Purchases of shares	-432	-1,173	-3,184
Sales of shares	-	-	-
<b>Cash flow from investing activities</b>	<b>-432</b>	<b>-1,173</b>	<b>-3,184</b>
Loans raised	1,499	1,999	2,498
Amortization of debt	-1,499	-1,568	-1,538
Change in financial investments	-	-	1
Dividend paid	-	-	-2,915
<b>Cash flow from financing activities</b>	<b>0</b>	<b>431</b>	<b>-1,955</b>
Cash flow for the period	1,215	801	98
<b>Cash and cash equivalents at end of period</b>	<b>2,009</b>	<b>1,498</b>	<b>795</b>

## Parent Company, condensed

### Income statement

SEK M	2023	2022	2022
	Jan - March	Jan - March	Jan - Dec
Operating income	10,489	-15,183	-13,633
Income after financial items	10,429	-15,197	-13,739
<b>Income for the period</b>	<b>10,429</b>	<b>-15,197</b>	<b>-13,739</b>
<b>Comprehensive income for the period</b>	<b>10,425</b>	<b>-15,197</b>	<b>-13,761</b>

### Balance sheet

SEK M	2023	2022	2022
	March 31	March 31	Dec 31
Non-current assets	91,705	81,014	81,319
Current assets	586	449	221
<b>Total assets</b>	<b>92,291</b>	<b>81,463</b>	<b>81,540</b>
Shareholders' equity	81,725	72,774	71,299
Non-current liabilities	7,072	5,573	6,552
Current liabilities	3,494	3,116	3,689
<b>Total shareholders' equity and liabilities</b>	<b>92,291</b>	<b>81,463</b>	<b>81,540</b>



# Notes

## Note 1 Accounting policies

This interim report has been prepared in accordance with IAS 34 – Interim Financial Reporting. Disclosures in accordance with IAS 34.16A are provided – in addition to the financial statements and their accompanying notes – also in other parts of the interim report. The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as endorsed by the EU and the Swedish Annual Accounts Act. The Parent Company financial statements have been prepared in accordance with RFR 2 – Accounting for Legal Entities, and the Annual Accounts Act. New or revised IFRSs and interpretations from the IFRS Interpretations Committee (IFRIC) have not had any material effect on the Group's or Parent Company's result of operations or position.

Received shares in Alleima during 2022 have been accounted for in the income statement under *Change in value of shares, etc.* as revenue and a corresponding cost relating to the negative change in value of Sandvik has been accounted for in on the same line item.

## Note 2 Financial instruments

In accordance with IFRS 13, financial instruments are carried at fair value based on a 3-level hierarchy. The classification is based on the input data used in the valuation of the instruments. Instruments in Level 1 are valued at quoted prices for identical instruments in an active market. Instruments in Level 2 are valued in a valuation model which uses input data that is directly or indirectly observable in the market. Input data used in the valuation model in Level 2 includes interest rates, volatility, and dividend estimates. Instruments in Level 3 are valued using a valuation technique based on input data that is not observable in a market. The valuation technique that is used for the financial instruments in Level 3 is based on net assets in the respective subsidiaries measured at fair value. No changes between the levels have taken place compared with the preceding year.

### Financial instruments measured at fair value

SEK M	March 31, 2023				December 31, 2022			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
<i>Assets</i>								
Equities	142,874	–	507	143,381	133,339	–	493	133,832
<b>Total assets</b>	<b>142,874</b>	<b>–</b>	<b>507</b>	<b>143,381</b>	<b>133,339</b>	<b>–</b>	<b>493</b>	<b>133,832</b>
<i>Liabilities</i>								
Derivatives, etc.	–	72	–	72	–	49	–	49
<b>Total liabilities</b>	<b>–</b>	<b>72</b>	<b>–</b>	<b>72</b>	<b>–</b>	<b>49</b>	<b>–</b>	<b>49</b>

## Note 3 Risks and uncertainties

The most significant risk in Industrivärden's operations is share price risk, i.e., the risk of a change in value due to changes in share prices. A change of 1% in the prices of the holdings in the equities portfolio on March 31, 2023, would have affected the portfolio's market value by approximately +/- SEK 1,400. Further information on risks and uncertainties is provided in the 2022 Annual Report.

## Note 4 Related-party transactions

No significant transactions with related parties were made during the period.

# Definitions and alternative performance measures

This report includes financial key ratios that are based on IFRS, such as earnings per share. In addition, other Alternative Performance Measures (APMs) are used by the Company and other interests to describe the Group's operations and which cannot be discerned or derived from the financial statements. These APMs are to be regarded as a complement to the financial reporting presented in accordance with IFRS. It should be noted that the APMs defined below may differ somewhat from other companies' definitions of the same terms. Reconciliation of APMs is provided on Industrivärden's website.

## **Market value of equities portfolio**

The value of the equities portfolio based on the companies' share prices on the balance sheet date.

## **Net debt**

Financial liabilities and provisions for pensions less financial receivables and cash and cash equivalents.

## **Earnings per share**

Net income for the period divided by the weighted average number of shares outstanding.

## **Debt–equities ratio**

Net debt in relation to the market value of the equities portfolio.

## **Equity ratio**

Shareholders' equity as a share of total assets.

## **Net asset value**

The market value of the equities portfolio less net debt.

## **Total return, shares**

Change in the share price taking into account reinvested dividends. The total return is compared with the total return for the Stockholm Stock Exchange (SIXRX) and the total return for OMXS30 (OMXS30GI).

## **Total return, holdings**

Change in value of a shareholding including calculated reinvested dividends. Reported only for the current reporting period.

## **Change in value of shares**

For shares held at both the start and end of the period, the change in market value consists of the difference in value between these two points in time. For shares sold during the period, the change in market value consists of the difference between the payment received for the shares and their value at the start of the period. For shares acquired during the period, the change in market value consists of the difference between the cost of the shares and their value at the end of the period.

# Information

## Financial calendar

Annual General Meeting: April 17, 2023  
Interim report Jan – June: July 6, 2023  
Interim report Jan – Sept: October 6, 2023

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## Ticker codes, Class C shares

INDUC:SS in Bloomberg  
INDUc.ST in Reuters  
INDU C in Nasdaq Stockholm

## Additional information

Additional information, including interim reports, annual reports and press releases, is available on Industrivärden's website: [www.industrivarden.net](http://www.industrivarden.net).

*This report is a translation of the Swedish original.*

## Publication

This information is such that AB Industrivärden is required to make public pursuant to the EU Market Abuse Regulation. The information was submitted for publication, through the agency of the named Head of Corporate Communications and Sustainability, at 11:00 a.m. CEST on April 5, 2023.

## Value creating active ownership

Industrivärden is a listed holding company that invests in and works long-term to develop and create value in its portfolio companies. Active ownership is exercised through sizable ownership stakes in a selection of listed companies with strong market positions, good cash flows, financial strength and clear development capacity.

