inwido

"For the Inwido Group, the fourth quarter was special in many ways. Despite difficult circumstances, we can state that the Group delivered satisfactory results. Earnings improved by 7 percent over the quarter, from SEK 201 million to SEK 215 million."

Year-end report January – December 2018

Fourth quarter of 2018

- Net sales rose to SEK 1,864 million (1,774), representing an increase of 5 percent. Organic growth was a negative 2 percent
- EBITA rose to SEK 215 million (89) after items affecting comparability of SEK 0 million (negative 112) and the EBITA margin rose to 11.5 percent (5.0)
- Operating EBITA rose to SEK 215 million (201) and the operating EBITA margin rose to 11.5 percent (11.3)
- Earnings per share before dilution increased to SEK 2.31 (0.38)
- Implementing Simplify – a more customer-focused, decentralized governance model for the Group
- As previously communicated, CEO Håkan Jeppsson passed away suddenly in December. He was succeeded by Henrik Hjalmarsson in January.

January-December 2018

- Net sales rose to SEK 6,667 million (6,371), representing an increase of 5 percent. Organic growth was a negative 2 percent
- EBITA amounted to SEK 635 million (535) after items affecting comparability of a negative net SEK 22 million (negative 114), and the EBITA margin was 9.5 percent (8.4)
- Operating EBITA amounted to SEK 657 million (649) and the operating EBITA margin was 9.9 percent (10.2)
- Earnings per share before dilution increased to SEK 7.47 (5.02)
- The Board of Directors proposes a dividend of SEK 2.50 (3.50)

SEKm (unless otherwise stated)	**Oct-Dec 2018**	**Oct-Dec 2017**	**Jan-Dec 2018**	**Jan-Dec 2017**
Net sales	1,864	1,774	6,667	6,371
EBITA	215	89	635	535
Operating EBITA	215	201	657	649
Earnings per share before dilution, SEK	2.31	0.38	7.47	5.02
Earnings per share before dilution, SEK (non-IFRS)*	2.43	2.03	8.12	6.88
Net sales increase (%)	5.1	3.8	4.6	12.3
EBITA margin (%)	11.5	5.0	9.5	8.4
Operating EBITA margin (%)	11.5	11.3	9.9	10.2
Net debt/ Operating EBITDA, multiple	2.7	2.1	2.7	2.1
Net debt	2,141	1,669	2,141	1,669

A teleconference for analysts, media representatives and investors will be held today at 10:00 a.m. At that time, the report will be presented by Henrik Hjalmarsson, President and CEO, and Peter Welin, CFO and Deputy CEO. To participate in the conference call/webcast, you may register with your email address. Although no prior registration is required, please dial in five minutes before the advertised time to allow the meeting to commence punctually. Please call in on telephone +46 (0)8 56 61 84 30 (Sweden) or +44 84 48 22 89 02 (U.K.) stating meeting code: 44 89 478#. The presentation can also be followed via live web cast at: inwido.com/investors/financial-reports-and-presentations. It will also be possible to view the broadcast later at the same address.

For further information, please contact:

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Inwido AB (publ),
Corporate identity number:
556633-3828

A good quarter despite difficult circumstances

For the Inwido Group, the fourth quarter was special in many ways. In part, the period was characterized by intensive efforts to prepare for the implementation of the Simplify strategy, and, in part, conditions remained challenging in some of our principal markets. Also, in early December, our CEO Håkan Jeppsson unexpectedly and tragically passed away. Despite these circumstances, we can state that the Group delivered satisfactory results. Net sales for the quarter increased by 5 percent compared with the corresponding period in the preceding year, meaning that sales for the full year were SEK 6,667 million (6,371). Operating EBITA improved by 7 percent during the quarter, from SEK 201 million to SEK 215 million. Earnings for the full year increased to SEK 657 million (649).

Strong growth in e-commerce increased share of consumer market

One important reason for the improvement in earnings in the fourth quarter is that the proportion of consumer sales grew in relation to the proportion of industry sales. One crucial factor behind this was organic growth of more than 30 percent in e-commerce. This had a positive impact on earnings, as the consumer segment has higher margins. At the same time, we also know that consumers are guided strongly by season – few want to replace windows in the winter, and thus we cannot expect to see the same effect in the first quarter of 2019. Overall, order bookings increased by 4 percent during the quarter compared with the corresponding period in the preceding year and, cleared for acquisitions, ended up on par with the preceding year. However, the order backlog was 7 percent lower at the end of the quarter compared with corresponding date in 2017. We also continued our efforts to integrate the acquisitions made earlier in the year and the consolidated net debt in relation to operating EBITDA decreased during the quarter, from 3.0 to 2.7.

Continued challenges in the Swedish market

Effective from the fourth quarter of 2018, Inwido's operations are reported divided into two operating segments, Inwido North and Inwido South. With regard to development in Inwido North, the Norwegian companies continued in the right direction and the companies in Finland achieved a decent quarter despite a headwind on the industry side. The challenges in the Swedish market remain, with a continued weak new build market and fierce competition. We continue to address the trend as planned, with clearer decentralization, increased customer focus and new consumer-oriented initiatives, such as Elitfönster På Plats, and, of course, continuous efficiency enhancements. With regard to Inwido South, the companies in Denmark have had a number of successful years, and the trend continues. E-Commerce also continues to grow strongly, by more than 30 percent in the fourth quarter, excluding acquisitions. The UK operations have undergone major restructuring and turned to profit in 2018. The operations in Ireland are also delivering at a stable level. Combined, the trend confirms that our strategy of broadening our market and also growing outside the Nordic region, while increasing our focus on e-commerce, is the right way to go.

Future prospects

As a market leader, with strong brands and leading industrial expertise, we are confident in terms of our prospects. At the same time we are also seeing signs of a weaker market trend in some geographic areas. The industry market in Sweden and Finland shows few signs of improvement, while prices for raw materials are rising, competition is increasing, and consumer confidence index is declining. We do, nonetheless, see bright spots in the longer term. There is an underlying need for, and increased interest in, investment in housing in large parts of Europe. With our decentralized Simplify model, we are freeing up energy for the companies to respond quickly to opportunities in their local markets with increased customer and consumer-oriented decision-making. In the long term, we are also well-positioned to meet customers' and consumers' shifting behaviours with, for example, faster delivery times, convenient solutions, additional connected products and an increasing proportion of e-commerce. Our long-term acquisition strategy also stands firm and our efforts to further strengthen our balance sheet for this purpose are continuing.

Finally, a few additional words on Håkan Jeppsson's passing. Håkan was a strong and appreciated leader and friend. We who worked closely with him on a daily basis are still deeply affected by our loss. At the same time, as the new CEO, it is encouraging for me to see how everyone has unflinchingly chosen to continue working in Håkan's spirit – fully focused on achieving our targets for 2019.

MALMÖ, 6 FEBRUARY 2019

Henrik Hjalmarsson
President and CEO

Group

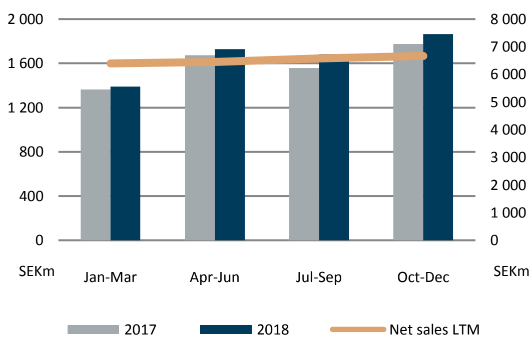
Net sales

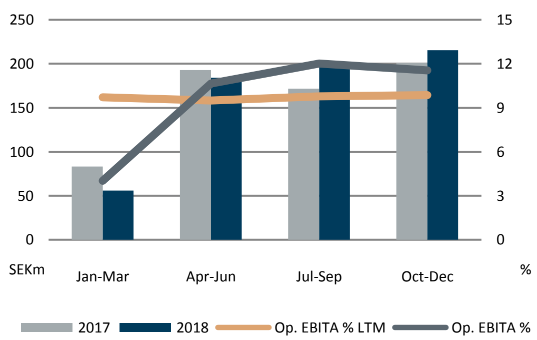
Consolidated net sales in the fourth quarter rose to SEK 1,864 million (1,774). Organic growth was a negative 2 percent.

Analysis of net sales	Δ	Oct-Dec 2018 (SEKm)	Oct-Dec 2017 (SEKm)	Δ	Jan-Dec 2018 (SEKm)	Jan-Dec 2017 (SEKm)
Net sales	5%	1,864	1,774	5%	6,667	6,371
Organic growth	-2%	-31	58	-2%	-149	249
Structural effects	3%	61	20	3%	186	410
Currency effects	3%	60	-12	4%	259	40

Net sales during the period January to December increased to SEK 6,667 million (6,371), equivalent to organic growth of a negative 2 percent.

Reported order bookings, including acquisitions, were 4 percent higher in the fourth quarter, compared with the corresponding quarter in the preceding year. Excluding acquisitions, order bookings were in line with the preceding year. The Group's order backlog at the end of the period was SEK 793 million (855), which is 7 percent lower than at the corresponding period closing in the preceding year.





RTM = Rolling Twelve Months

EBITA

EBITA in the fourth quarter rose to SEK 215 million (89) while the EBITA margin rose to 11.5 percent (5.0). Items affecting comparability amounted to a net SEK 0 million (negative 112). See "Items affecting comparability" below for additional information. Operating EBITA, that is EBITA before items affecting comparability, rose to SEK 215 million (201) and the operating EBITA margin rose to 11.5 percent (11.3). The higher EBITA margin is explained by positive effects from cost savings programmes, a higher proportion of consumer sales and improved efficiency. At the same time, raw material prices and competition in the market increased, mainly in Sweden and Finland.

Over the period January to December, EBITA increased to SEK 635 million (535) and the EBITA margin rose to 9.5 percent (8.4). Operating EBITA amounted to SEK 657 million (649). The operating EBITA margin amounted to 9.9 percent (10.2).

Net financial items

Financial income and expenses in the fourth quarter amounted to a negative net of SEK 34 million (negative 11), which is explained by increased indebtedness and negative exchange rate effects during the quarter. Financial income and expenses over the period January to December amounted to a net expense of SEK 56 million (expense 60), explained by higher interest expenses as a result of increased indebtedness that was offset by positive currency effects for the full year.

Profit before and after tax

Profit before tax for the fourth quarter increased to SEK 176 million (75). Income taxes amounted to SEK 41 million (40) and profit after tax rose to SEK 135 million (34). Over the period January to December, profit before tax rose to SEK 562 million (461). Income taxes amounted to SEK 124 million (136) and profit after tax rose to SEK 438 million (325).

Earnings per share

In the fourth quarter, earnings per share before dilution increased to SEK 2.31 (0.38). During the period January to December, earnings per share before dilution increased to SEK 7.47 (5.02).

Items affecting comparability

Items affecting comparability relate to income statement items that are non-recurring, have a significant impact on profit and are important for understanding the underlying development of operations. Expenses relate primarily to acquisition-related expenses and restructuring measures during a consolidation phase, in which the company enhances efficiency through, for example, closures or reorganization of production facilities and sales units. These expenses primarily consist of impairment of assets, personnel costs and other external expenses.

In the fourth quarter, items affecting comparability amounted to a net SEK 0 million (negative 112). Structural costs related to Simplify have been offset by positive earnings effects from the recalculation of the expected purchase consideration for the remaining 17 percent of the shares in Värmelux and the expected additional consideration for Profin.

Items affecting comparability for the period January to December amounted to a negative net SEK 22 million (negative 114) related mainly to the closure of the factory in Väröbacka in the first quarter of the year and acquisition expenses, in addition to the items affecting comparability in the fourth quarter as detailed above.

Gross investments, depreciation, amortization and impairment

Gross investments of SEK 51 million (47) were made in tangible assets in the fourth quarter and depreciation/amortization and impairment amounted to SEK 47 million (63). Gross investments in tangible fixed assets for the period January to December amounted to SEK 153 million (160) and depreciation/amortization and impairment amounted to SEK 164 million (181).

Cash flow

Cash flow from operating activities after changes in working capital in the fourth quarter amounted to SEK 291 million (301). For the period January to December, cash flow from operating activities after changes in working capital amounted to SEK 434 million (592). The deviation from the previous year is primarily explained by an increase in the amount of capital tied up.

Cash flow from investing activities amounted to a negative SEK 75 million (negative 73) in the fourth quarter. For the period January to December, cash flow from investing activities was a negative SEK 629 million (negative 244). The deviation from the previous year is mainly explained by a higher level of acquisition activity.

Cash flow from financing activities amounted to a negative SEK 211 million (negative 16) in the fourth quarter. For the period January to December, cash flow from financing activities amounted to a negative SEK 54 million (negative 249). The deviation from the previous year is explained primarily by loans raised in connection with acquisitions.

Financial position and liquidity

Inwido's principal financing consists of bank loans based on credit agreements expiring in the period 2022-2023. The largest credit facility of SEK 2,050 million, maturing in 2023, includes an extension option of up to two years (pending the lenders' approval). The aforementioned agreement includes financial covenants that are followed up on a quarterly basis. Inwido meets the terms of existing credit agreements.

Consolidated net debt was SEK 2,141 million (1,669) at the end of the period. The increased net debt compared with the corresponding period in the preceding year is mainly due to acquisitions and exchange rate effects. Of the reported net debt, the present value of the expected purchase consideration for the remaining 17 percent of the shares in Värmelux, as well as the present value of the expected earn-out consideration for Profin, accounts for approximately SEK 59 million. Changes in the value of the warrants issued with regard to Värmelux are reported against equity and the liability is calculated at its present value on the date on which this balance sheet item arose.

At the end of the period, indebtedness, calculated as interest-bearing net debt/operating EBITDA, was 2.7 (2.1). The net debt /equity ratio was 0.6 (0.5). Consolidated cash and equivalents were SEK 165 million (410) at the end of the period. Available funds, including unutilized credit facilities, amounted to SEK 1,326 million (2,203).

New governance model

With the implementation of its Simplify strategy, Inwido is developing its governance model by transitioning to a structure in which the individual companies within the Group are assigned full responsibility for their business and profitability commencing 1 January 2019. Accordingly, the business area structure that has applied to date will be replaced by some 30 companies operating through more customer-focused business and brand strategies and optimized local supply chains. The companies have been divided into two operating segments, Inwido North and Inwido South, since the fourth quarter of 2018.

Inwido North includes the former operating segments Sweden-Norway and Finland and the component companies that previously belonged to Inwido Supply and that only supply components to the companies within Inwido North. Inwido South includes the former operating segments Denmark and EBE and the component companies that previously belonged to Inwido Supply and that only supply components to the companies within Inwido South. The component companies that previously belonged to Inwido Supply and that supply components to companies within both Inwido North and Inwido South are reported under the item "Other".

Seasonal variations

Inwido's operations are affected by seasonal fluctuations. The weakest period is the first quarter, which normally accounts for about 20 percent of sales. The largest seasonal variations are within the Consumer market, although sales to the Industry market are also dependent on the season and weather.

Employees

The number of employees averaged 4,455 (4,361) in the period January to December 2018.

Parent Company

The Parent Company, Inwido AB (publ), is purely a holding company with no operations of its own. The Parent Company's profit mainly reflects the net of revenues for joint Group services and deductions for wages, other remunerations and interest expenses.

Shares and share capital

Share capital at 31 December 2018 amounted to SEK 231,870,112 and the number of shares totalled 57,967,528. The corresponding number of shares after dilution was 58,071,472. The company has one (1) class of shares. Each share entitles the holder to one vote at general meetings. At the end of the period, the closing price was SEK 55.60 and the company's market capitalization was SEK 3,223 million. The total number of shareholders on 31 December 2018 was 11,400.

Pledged assets and contingent liabilities

No significant changes in pledged assets or contingent liabilities occurred during the period.

Nomination Committee

The members of the Nomination Committee shall include one representative apiece for each of the three largest shareholders in terms of voting rights listed in the share register maintained by Euroclear Sweden as per 31 August of the year preceding the year in which the Annual General Meeting is held, plus the Chairman of the Board. The member representing the largest shareholder in terms of voting rights shall be appointed chairman of the Nomination Committee. Based on the ownership structure as of 31 August 2018, the three largest shareholders in Inwido were asked to participate in the nomination process for 2019. Together with the Chairman of the Board, Thomas Wuolikainen, Fourth AP Fund (Chairman of the Nomination Committee), Anna Sundberg, Handelsbanken Fonder and Bo Lundgren, Swedbank Robur Fonder, were appointed.

Annual General Meeting

The Annual General Meeting will be held on 3 May 2019 at 2.00 p.m. in Malmö, Sweden. The Annual Report for 2018 will be available via Inwido's website, www.inwido.com, and at the company's headquarters from the week commencing Monday 8 April 2019. Shareholders wishing to attend the Meeting must be recorded in the share register by 26 April 2019. The share register is maintained by Euroclear Sweden AB. Shareholders whose shares are nominee registered must temporarily register the shares in their own name to be entitled to attend the Meeting. If you are a shareholder and wish to make such re-registration, you need to inform your nominee so that the shares are listed in the share register in good time before 26 April 2019. Notice of attendance shall be submitted to Inwido's headquarters no later than 26 Apr 2019 at 4.00 p.m. CET. The address is Inwido AB (publ), Engelbrektsgatan 15, SE-211 33 Malmö, Sweden, or e-mail address ir@inwido.com

Dividend proposal

In line with the dividend policy, taking the capital structure into account, the Board of Directors proposes that the dividend for the 2018 financial year be set at SEK 2.50 per share (3.50). The proposed record date for entitlement to dividends is 7 May 2019. If the Annual General Meeting approves the proposal, it is anticipated that the dividend will be paid on 10 May 2019.

Future prospects

As a market leader, with strong brands and leading industrial expertise, we are confident in terms of our prospects. At the same time we are also seeing signs of a weaker market trend in some geographic areas. The industry market in Sweden and Finland shows few signs of improvement, while prices for raw materials are rising, competition is increasing, and the consumer confidence index is declining. We do, nonetheless, see bright spots in the longer term. There is an underlying need for, and increased interest in, investment in housing in large parts of Europe. With our decentralized Simplify model, we are now freeing up energy for the companies to respond quickly to opportunities in their local markets with increased customer and consumer-oriented decision-making. In the long term, we are also well-positioned to meet customers´ and consumers´ shifting behaviours with, for example, faster delivery times, convenient solutions, additional connected products and an increasing proportion of e-commerce. Our long-term acquisition strategy also stands firm and our efforts to further strengthen our balance sheet for this purpose are continuing.

Malmö, 6 February 2019

The Board of Directors of Inwido AB (publ)

This year-end report has not been subject to review by the Company’s auditors.

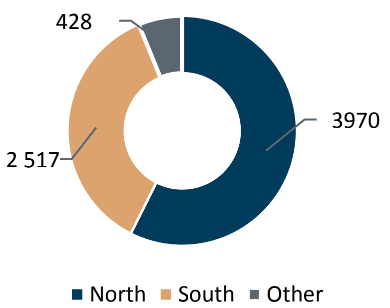
Inwido's operations and segments

Inwido owns and develops companies that improve people's lives indoors with various products and services. Today, Inwido is Europe's largest windows group and a natural home for the region's strongest companies in the areas of comfort, climate and safety. In 2018, Inwido achieved sales of SEK 6,667 million and an operating EBITA margin of 9.9 percent. The Group has some 4,500 employees in total, with operations in Denmark, Estonia, Finland, Ireland, Lithuania, Norway, Poland, Romania, the UK, Sweden, Germany and Austria.

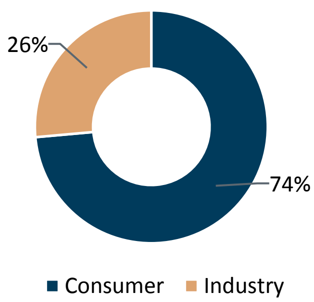
Inwido divides its operations into the North and South operating segments. Within these two operating segments, Inwido conducts operations within two different market segments, the consumer and industry markets. Sales are made through direct sales, installers, retailers such as builders' merchants and DIY chains, building companies and manufacturers of prefabricated homes.

In 2018, sales to the consumer market accounted for 74 percent of total net sales, while sales to the industry market accounted for about 26 percent.

Net sales split between operating segments, LTM (SEKm)

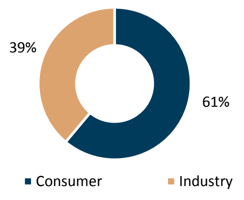


Net sales split between market segments, LTM



Inwido North – increased competition affecting margins

Net sales split between market segments, LTM



Net sales for the fourth quarter amounted to SEK 1,089 million (1,101), down 1 percent compared with the corresponding period in the preceding year. Organic growth was a negative 7 percent.

Inwido estimates that volumes in each market within Inwido North continued to decline by between 5 and 10 percent in the final quarter of the year. The reasons were mainly a reduced new build market, particularly in Sweden and Finland, combined with falling consumer confidence in all sub-markets.

At the end of the period, Inwido North's order backlog was 14 percent lower in local currency than at the end of the equivalent period in the preceding year.

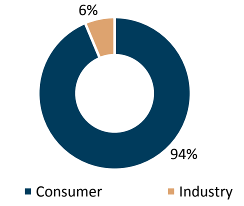
In the fourth quarter, the operating EBITA margin decreased to 8.2 percent (10.8), mainly due to greater competition in the markets and higher prices on raw materials. At the same time, it is gratifying to note that the Norwegian companies turned from loss to profit during the year.

During the period January to December, net sales rose to SEK 3,970 million (3,943), which was 1 percent higher than for the corresponding period in the preceding year. Organic growth was a negative 4 percent. The operating EBITA margin for the full year was 8.0 percent (9.9).

MSEK	Oct-Dec 2018	Oct-Dec 2017		Jan-Dec 2018	Jan-Dec 2017	
Net sales	1,089	1,101	-1%	3,970	3,943	1%
Gross profit	242	274	-12%	929	995	-7%
Gross profit margin (%)	22.2	24.9		23.4	25.2	
Operating EBITA	90	119	-24%	319	390	-18%
Operating EBITA margin (%)	8.2	10.8		8.0	9.9	

Inwido South – continued growth with improved profitability

Net sales split between market segments, LTM



Net sales for the fourth quarter rose to SEK 730 million (630), which was 16 percent higher compared with the corresponding period in the preceding year. Organic net sales increased by 8 percent.

The Danish companies continue to grow and capture additional market shares. The e-commerce companies also contributed organic growth of more than 30 percent for the quarter.

At the end of the period, Inwido South's order backlog was 14 percent higher in local currency compared with the preceding year.

The operating EBITA margin for the fourth quarter rose to 19.1 percent (16.5) and most of the companies within Inwido South delivered higher profitability compared with the corresponding period in the preceding year. Cost savings programmes implemented in the UK have yielded results and, combined, the companies in the UK market have turned from loss to profit.

During the period January to December, net sales rose to SEK 2,517 million (2,272), 11 percent higher compared with the corresponding period in the preceding year. Organic growth was 0 percent. The operating EBITA margin for the full year was 15.2 percent (13.5).

MSEK	Oct-Dec 2018	Oct-Dec 2017		Jan-Dec 2018	Jan-Dec 2017	
Net sales	730	630	16%	2,517	2,272	11%
Gross profit	227	150	51%	745	608	22%
Gross profit margin (%)	31.0	23.9		29.6	26.8	
Operating EBITA	139	104	34%	384	306	25%
Operating EBITA margin (%)	19.1	16.5		15.2	13.5	

Key ratios, Group

SEKm (unless otherwise stated)	**Oct-Dec 2018**	**Oct-Dec 2017**	**Jan-Dec 2018**	**Jan-Dec 2017**
Income measures				
Net sales	1,864	1,774	6,667	6,371
Gross profit	476	435	1,712	1,646
EBITDA	257	169	781	723
Operating EBITDA	252	239	797	794
EBITA	215	89	635	535
Operating EBITA	215	201	657	649
Operating profit (EBIT)	210	85	618	521
Margin measures				
Gross margin (%)	25.5	24.5	25.7	25.8
EBITDA margin (%)	13.8	9.5	11.7	11.3
Operating EBITDA margin (%)	13.5	13.4	12.0	12.5
EBITA margin (%)	11.5	5.0	9.5	8.4
Operating EBITA margin (%)	11.5	11.3	9.9	10.2
Operating margin (EBIT) (%)	11.3	4.8	9.3	8.2
Capital structure				
Net debt	2,141	1,669	2,141	1,669
Net debt/operating EBITDA, multiple	2.7	2.1	2.7	2.1
Net debt/equity ratio, multiple	0.6	0.5	0.6	0.5
Interest coverage ratio, multiple	8.5	7.5	9.2	8.3
Shareholders' equity	3,501	3,167	3,501	3,167
Equity/assets ratio (%)	49	48	49	48
Operating capital	5,642	4,836	5,642	4,836
Return measures				
Return on shareholders' equity (%)	13.2	9.7	13.2	9.7
Return on operating capital (%)	11.8	11.0	11.8	11.0
Share data (number of shares in thousands)				
Earnings per share before dilution, SEK	2.31	0.38	7.47	5.02
Earnings per share after dilution, SEK	2.31	0.38	7.45	5.01
Earnings per share before dilution, SEK*	2.43	2.03	8.12	6.88
Earnings per share after dilution, SEK*	2.43	2.03	8.11	6.87
Shareholders' equity per share before dilution, SEK	60.31	52.92	60.31	52.92
Shareholders' equity per share after dilution, SEK	60.20	52.82	60.20	52.82
Cash flow per share before dilution, SEK	5.03	5.19	7.49	10.20
Cash flow per share after dilution, SEK	5.02	5.18	7.47	10.19
Number of shares before dilution	57,968	57,968	57,968	57,968
Number of shares after dilution	58,071	58,071	58,071	58,071
Average number of shares before dilution	57,968	57,968	57,968	57,968
Average number of shares after dilution	58,071	58,071	58,071	58,071

Quarterly review, Group

Key ratios

SEKm (unless otherwise stated)	Q4 2018	Q3 2018	Q2 2018	Q1 2018	Q4 2017	Q3 2017	Q2 2017	Q1 2017	Q4 2016
Net sales	1,864	1,682	1,729	1,391	1,774	1,559	1,673	1,365	1,709
Operating EBITA	215	202	184	56	201	172	193	83	227
Operating EBITA margin (%)	11.5	12.0	10.6	4.0	11.3	11.0	11.5	6.1	13.3
EBITA	215	200	184	37	89	172	192	82	223
EBITA margin (%)	11.5	11.9	10.6	2.6	5.0	11.0	11.5	6.0	13.0
Return on shareholders' equity (%)	13.2	10.1	9.5	9.1	9.7	14.0	15.3	15.8	14.7
Earnings per share before dilution,SEK	2.31	2.31	2.31	0.54	0.38	1.85	2.10	0.69	2.37
Earnings per share after dilution,SEK	2.31	2.31	2.30	0.54	0.38	1.85	2.10	0.69	2.37
Shareholders' equity per share before dilution, SEK	60.31	58.23	56.36	56.22	52.92	51.57	50.09	51.11	50.44
Shareholders' equity per share after dilution, SEK	60.20	58.12	56.26	56.12	52.82	51.48	50.00	51.02	50.35
Cash flow per share before dilution, SEK	5.03	2.57	2.18	-2.29	5.19	2.56	3.36	-0.90	5.35
Cash flow per share after dilution,SEK	5.02	2.56	2.17	-2.28	5.18	2.56	3.35	-0.90	5.34
Share price, SEK	55.60	66.95	64.10	74.60	83.75	103.75	118.50	108.00	94.50

Net sales per segment

SEKm	Q4 2018	Q3 2018	Q2 2018	Q1 2018	Q4 2017	Q3 2017	Q2 2017	Q1 2017
North	1,089	971	1,031	880	1,101	933	1,039	870
South	730	674	651	462	630	593	592	458
Group-wide and eliminations and other	45	38	47	49	43	33	42	36
Total	**1,864**	**1,682**	**1,729**	**1,391**	**1,774**	**1,559**	**1,673**	**1,365**

Key data for the segments

Amounts in SEKm	North Oct-Dec 2018	North Oct-Dec 2017	South Oct-Dec 2018	South Oct-Dec 2017	Group-wide and eliminations and other Oct-Dec 2018	Group-wide and eliminations and other Oct-Dec 2017	Group Oct-Dec 2018	Group Oct-Dec 2017
Net sales	1,089	1,101	730	630	45	43	1,864	1,774
Gross profit	242	274	227	150	8	11	476	435
Gross profit margin (%)	22.2	24.9	31.0	23.9	16.6	24.7	25.5	24.5
Operating EBITA	90	119	139	104	-14	-22	215	201
Operating EBITA margin (%)	8.2	10.8	19.1	16.5	-30.5	-50.3	11.5	11.3

Amounts in SEKm	North Jan-Dec 2018	North Jan-Dec 2017	South Jan-Dec 2018	South Jan-Dec 2017	Group-wide and eliminations and other Jan-Dec 2018	Group-wide and eliminations and other Jan-Dec 2017	Group Jan-Dec 2018	Group Jan-Dec 2017
Net sales	3,970	3,943	2,517	2,272	179	155	6,667	6,371
Gross profit	929	995	745	608	38	42	1,712	1,646
Gross profit margin (%)	23.4	25.2	29.6	26.8	21.3	27.4	25.7	25.8
Operating EBITA	319	390	384	306	-45	-47	657	649
Operating EBITA margin (%)	8.0	9.9	15.2	13.5	-25.2	-30.4	9.9	10.2

Summary consolidated statement of comprehensive income

Amounts in SEKm	Oct-Dec 2018	Oct-Dec 2017	Jan-Dec 2018	Jan-Dec 2017
Net sales	1,864.2	1,774.4	6,666.6	6,371.0
Cost of goods sold	-1,388.5	-1,339.0	-4,954.4	-4,725.4
Gross profit	**475.8**	**435.4**	**1,712.2**	**1,645.6**
Other operating income	28.7	4.0	52.7	12.3
Selling expenses	-174.6	-176.9	-670.0	-654.5
Administrative expenses	-105.3	-113.1	-415.6	-381.3
Research and development expenses	-10.7	-16.9	-50.5	-51.8
Other operating expenses	-3.7	-47.4	-12.6	-50.5
Share of profit of associated companies	-0.3	0.5	1.5	1.3
Operating profit (EBIT)	**209.9**	**85.4**	**617.6**	**521.2**
Financial income	-10.4	0.8	13.1	3.0
Financial expenses	-23.5	-11.5	-68.9	-63.3
Net financial items	**-33.9**	**-10.7**	**-55.8**	**-60.3**
Profit before tax	**176.0**	**74.7**	**561.9**	**460.9**
Tax expense	-40.6	-40.4	-123.9	-136.1
Profit after tax	**135.4**	**34.3**	**438.0**	**324.8**
Other comprehensive income				
Items reallocated to, or that can be reallocated to profit for the year				
Translation differences, foreign operations	-8.2	59.0	85.6	58.9
Total other comprehensive income after tax	**127.2**	**93.3**	**523.6**	**383.7**
Profit after tax attributable to:				
Parent Company shareholders	133.8	21.7	432.5	290.8
Non-controlling interest	1.6	12.6	5.5	34.0
Other comprehensive income attributable to:				
Parent Company shareholders	127.6	78.1	521.0	347.2
Non-controlling interest	-0.3	15.2	2.6	36.5
Average number of shares before dilution	57,967,528	57,967,528	57,967,528	57,967,528
Average number of shares after dilution	58,071,472	58,071,472	58,071,472	58,071,472
Number of shares before dilution	57,967,528	57,967,528	57,967,528	57,967,528
Number of shares after dilution	58,071,472	58,071,472	58,071,472	58,071,472
Earnings per share before dilution, SEK	2.31	0.38	7.47	5.02
Earnings per share after dilution, SEK	2.31	0.38	7.45	5.01

Summary consolidated statement of financial position

Amounts in SEKm	**Dec 2018**	**Dec 2017**
ASSETS		
Intangible assets	4,617.7	4,046.2
Tangible assets	893.0	814.6
Participations in associated companies	12.6	11.2
Financial assets	2.7	5.3
Deferred tax assets	39.7	49.0
Other non-current assets	38.6	36.7
Total non-current assets	**5,604.3**	**4,963.0**
Inventories	548.8	508.7
Trade receivables	595.5	566.5
Other receivables	239.6	203.9
Cash and equivalents	165.0	410.0
Total current assets	**1,548.9**	**1,689.2**
TOTAL ASSETS	**7,153.2**	**6,652.2**
EQUITY AND LIABILITIES		
Share capital	231.9	231.9
Cther capital provided	946.0	946.0
Other reserves	211.8	123.3
Profit brought forward including profit for the year	2,106.2	1,766.3
Shareholders´equity attributable to Parent Company shareholders	**3,495.9**	**3,067.5**
Non-controlling interest	5.1	99.5
Total equity	**3,501.0**	**3,167.1**
Interest-bearing liabilities	2,199.0	1,702.1
Deferred tax liabilities	120.0	115.3
Non-interest-bearing liabilities	27.7	33.5
Total non-current liabilities	**2,346.6**	**1,850.8**
Interest-bearing liabilities	124.8	394.1
Non-interest-bearing provisions	38.6	43.0
Non-interest-bearing liabilities	1,142.2	1,197.2
Total current liabilities	**1,305.6**	**1,634.3**
TOTAL EQUITY AND LIABILITIES	**7,153.2**	**6,652.2**

Summary consolidated statement of changes in equity

	Shareholders' equity attributable to Parent Company shareholders						
Amounts in SEKm	Share capital	Other capital provided	Trans-lation reserve	Retained earnings	Total	Non-controlling interests	Total equity
Equity, opening balance 2017-01-01	**231.9**	**946.0**	**67.0**	**1,679.3**	**2,924.1**	**88.5**	**3,012.6**
Comprehensive income							
Profit for the year				290.8	290.8	34.0	324.8
Change in translation reserve for the year			56.4		56.4	2.5	58.9
Total comprehensive income for the year			**56.4**	**290.8**	**347.2**	**36.5**	**383.7**
Transactions with the Group's owners							
Paid warrant		0.0			0.0	0.0	0.0
Dividends paid to Parent Company shareholders				-202.9	-202.9	-	-202.9
Dividends paid to Non-controlling interest				-	-	-25.5	-25.5
Other changes in wealth				-0.9	-0.9	0.0	-0.9
Total transactions with the Group's owners	**-**	**-**	**-**	**-203.8**	**-203.8**	**-25.5**	**-229.3**
Equity, closing balance 2017-12-31	**231.9**	**946.0**	**123.3**	**1,766.3**	**3,067.5**	**99.5**	**3,167.1**
Equity, opening balance 2018-01-01	**231.9**	**946.0**	**123.3**	**1,766.3**	**3,067.5**	**99.5**	**3,167.1**
Comprehensive income							
Profit for the year				432.5	432.5	5.5	438.0
Change in translation reserve for the year			88.5		88.5	-2.9	85.6
Total comprehensive income for the year			**88.5**	**432.5**	**521.0**	**2.6**	**523.6**
Transactions with the Group's owners							
Dividends paid to Parent Company shareholders				-202.9	-202.9	-	-202.9
Dividends paid to Non-controlling interests				-	-	-29.6	-29.6
Acquisition/divestment of participation in non-controlling interests				67.5	67.5	-67.5	0.0
Other changes in wealth				42.8	42.8	0.0	42.8
Total transactions with the Group's owners	**-**	**-**	**-**	**-92.7**	**-92.7**	**-97.0**	**-189.7**
Equity, closing balance 2018-12-31	**231.9**	**946.0**	**211.8**	**2,106.2**	**3,495.9**	**5.1**	**3,501.0**

* Changes in the value of the warrants issued with regard to Värmelux are reported in Other changes in wealth and the liability is calculated at its present value on the date on which this balance sheet item arose. This value has been adjusted following the revaluation of the forecast purchase consideration for the remaining shares in Värmelux.

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Summary consolidated cash flow statement

Amounts in SEKm	Oct-Dec 2018	Oct-Dec 2017	Jan-Dec 2018	Jan-Dec 2017
Operating activities				
Profit before tax	176.0	74.7	561.9	460.9
Depreciation/amortisation and impairment of assets	46.5	62.8	164.5	180.9
Adjustment for items not included in cash flow:	1.0	19.2	-26.3	23.3
Income tax paid	-63.2	-89.3	-185.8	-186.6
Cash flow from operating activities before changes in working capital	**160.3**	**67.4**	**514.3**	**478.5**
Changes in working capital				
Increase(-)/decrease(+) in inventories	66.1	29.9	8.1	-48.2
Increase(-)/decrease(+) in operating receivables	182.3	254.4	-1.5	31.3
Increase(+)/decrease(-) in operating liabilities	-117.2	-51.0	-86.9	129.9
Cash flow from operating activities	**291.5**	**300.6**	**434.0**	**591.5**
Investing activities				
Acquisitions of tangible fixed assets	-51.1	-46.8	-153.2	-159.9
Divestments of tangible fixed assets	1.9	0.9	10.7	2.0
Acquisitions of intangible assets	-25.5	-25.3	-65.0	-38.0
Acquisitions of subsidiary, net of cash	-1.0	0.0	-419.8	-43.7
Change in financial assets	0.5	-2.0	-1.7	-4.4
Cash flow from investing activities	**-75.2**	**-73.2**	**-629.0**	**-244.0**
Financing activities				
Dividends to parent company shareholders	0.0	0.0	-202.9	-202.9
Dividends to non-controlling interest	0.0	0.0	-29.6	-25.5
Change in interest-bearing liabilities	-211.5	-15.8	178.9	-20.9
Cash flow from financing activities	**-211.5**	**-15.8**	**-53.5**	**-249.3**
Cash flow for the year	4.8	211.6	-248.6	98.3
Cash and equivalents at the beginning of the year	161.1	194.9	410.0	308.6
Exchange rate difference in cash and equivalents	-0.9	3.5	3.6	3.1
Cash and equivalents at the end of the year	**165.0**	**410.0**	**165.0**	**410.0**

Summary income statement, Parent Company

Amounts in SEKm	Oct-Dec 2018	Oct-Dec 2017	Jan-Dec 2018	Jan-Dec 2017
Net sales	9.6	15.1	59.2	63.9
Gross profit	**9.6**	**15.1**	**59.2**	**63.9**
Administrative expenses	-19.0	-28.4	-70.8	-73.0
Other operating income	0.0	0.0	1.3	0.7
Other operating expenses	0.0	-4.1	0.0	-10.4
Operating profit	**-9.4**	**-17.3**	**-10.3**	**-18.8**
Result from financial items:				
Participations in earnings of Group companies	10.3	10.0	10.3	10.0
Other interest income and similar profit/loss items	0.8	10.7	63.4	44.3
Interest expense and similar profit items	-17.1	-5.6	-53.3	-45.2
Profit after financial items	**-15.5**	**-2.1**	**10.2**	**-9.7**
Group contribution	109.7	218.2	109.7	218.2
Difference between depreciation/ amortisation according to plan and reported depreciation/amortisation	0.1	0.0	0.1	0.0
Profit before tax	**94.4**	**216.1**	**120.0**	**208.5**
Tax expense	-19.7	-45.8	-25.1	-43.6
Profit for the period	**74.6**	**170.2**	**95.0**	**164.9**

Summary balance sheet, Parent Company

Amounts in SEKm	Dec 2018	Dec 2017
ASSETS		
Intangible non-current assets	21.6	3.6
Tangible non-current assets	3.3	3.8
Participations in Group companies	2,183.3	2,044.7
Participations in associated companies	1.0	1.1
Receivables from Group companies	2,289.9	1,866.5
Deferred tax asset	7.1	6.5
Other non-current assets	0.0	2.6
Total non-current assets	**4,506.1**	**3,928.9**
Receivables from Group companies	74.6	79.7
Prepaid expenses and accrued income	3.0	5.1
Other receivables	15.8	0.0
Cash and equivalents	27.7	250.0
Total current assets	**121.1**	**334.8**
TOTAL ASSETS	**4,627.2**	**4,263.7**
EQUITY AND LIABILITIES		
Equity	1,559.8	1,674.2
Total equity	**1,559.8**	**1,674.2**
Accumulated depreciation/amortisation in addition to plan	0.3	0.4
Untaxed reserves	**0.3**	**0.4**
Liabilities to Group companies	839.0	910.0
Interest-bearing liabilities	2,156.5	1,582.9
Deferred tax liabilities	0.0	0.1
Other liabilities	25.1	24.9
Total non-current liabilities	**3,020.6**	**2,517.9**
Liabilities to Group companies	5.5	0.7
Interest-bearing liabilities	0.0	0.0
Non-interest-bearing liabilities	41.0	70.5
Total current liabilities	**46.5**	**71.2**
TOTAL EQUITY AND LIABILITIES	**4,627.2**	**4,263.7**

Notes

Note 1 – Accounting principles

This summary consolidated interim report has been prepared in accordance with IAS 34 Interim Financial Reporting and applicable provisions in the Annual Accounts Act. The interim report for the Parent Company has been prepared in accordance with the Annual Accounts Act, Chapter 9, Interim Financial Reporting. The Group applies International Financial Reporting Standards (IFRS) as adopted by the EU. For the Group and the Parent Company, the same accounting policies and bases of calculation have been applied as in the most recent annual report (see Note 1 in the 2017 Annual Report) with the exception of the amended accounting principles described below, which the Group has applied since 1 January 2018.

IFRS 9 and IFRS 15 came into effect as of 1 January 2018. IFRS 9 replaced IAS 39 Financial Instruments: Recognition and Measurement as the standard for reporting financial instruments under IFRS. Compared with IAS 39, IFRS 9 entails changes regarding, in particular, the classification and valuation of financial assets and financial liabilities, impairment of financial assets and hedge accounting. IFRS 15 replaced previous IFRS income accounting standards including IAS 18 Revenue and IAS 11 Construction Contracts. For a description of the effects of IFRS 9 and IFRS 15 on Inwido, please refer to Note 1 of the 2017 Annual Report.

IFRS 16 Leases replace IAS 17 Leases effective from 1 January 2019. IFRS 16 will primarily affect Inwido through rental agreements for warehouse and factory premises being required to be reported in the balance sheet as a liability for future lease payments and as an asset for the right to use the warehouse or factory facilities. Under current accounting principles, these agreements are reported as operating leases. For Inwido, total assets will increase through the capitalization of agreements currently classified as operating leases, operating profit will improve while financial expenses will increase. Inwido is currently conducting a project to prepare for the transition to IFRS 16. As part of this work, Inwido has decided to apply the transitional method in IFRS 16, which allows comparative figures for periods prior to 1 January 2019 to not be recalculated (the "modified retrospective approach"). The total of all minimum lease payments on the leases outstanding as per 31 December 2018 amounted to SEK 253 million (undiscounted). Of these, SEK 228 million was attributable to leases that will be reported in the balance sheet as rights of use assets and lease liabilities in accordance with IFRS 16. However, this amount does not include lease payments during periods in which Inwido may extend the leases and where it is reasonably certain that the Group will elect to do so. The scale of the lease liability as per 1 January 2019 will therefore be affected by the assessment of the opportunity to extend existing leases and the effect of discounting the future lease payments. The Group does not expect the introduction of IFRS 16 to affect its capacity to meet the financial covenants included in the Group's loan terms.

In addition to the financial statements, disclosures in accordance with IAS 34.16A are also presented in other parts of the interim report.

The financial reports are presented in SEK, rounded off to the nearest hundred thousand, unless otherwise stated. This process of rounding off can result in the total of the sub-items in one or more rows or columns not corresponding to the sum total for the row or column.

Note 2 – Risks and uncertainties

Inwido's operations are subject to various risks. These risks can be divided into operational, financial and external risks. Operational risks involve, among other things, risks related to losses on account receivable, warranty and product liability, key personnel, interruptions in production, IT systems, intellectual property rights, product development, restructuring, acquisitions and integration, insurance and corporate governance. The financial risks primarily involve changes in exchange rates and interest rates, liquidity risk, capacity to raise capital, financial credit risks and risks associated with goodwill. External risks involve, among other things, risks related to market trends, competition, commodity prices, political decisions, legal disputes, tax and environmental risks.

Risk management in Inwido is based on a structured process for the continuous identification and assessment of risks, their probabilities and potential impacts on the Group. The focus is on identifying controllable risks and managing them to thereby mitigate the overall level of risk in the operations. The Group's risks are described in the 2017 Annual Report. Beyond these, no significant additional risks or uncertainties have arisen.

Inwido conducts operations in the UK and is monitoring developments surrounding Brexit carefully. Inwido's operations in the UK are largely not dependent on imports and exports of goods and services. Combined with the fact that Inwido's sales in the UK account for only about 6 percent of the Group's total sales, Inwido estimates that an exit from the EU, in one form or another, will not have a significant direct impact on the Group's earnings.

Note 3 – Acquisitions of businesses

On 1 February 2018, Inwido acquired the remaining 75 percent of the shares in Outrup Vinduer & Døre A/S, meaning that Inwido owns 100 percent of the company. The acquisition was financed through existing credit facilities.

On 1 April 2018, the acquisition of the Bedst & Billigst Group was implemented, as announced on 9 October 2017. Inwido acquired 100 percent of the shares. The acquisition was financed through existing credit facilities.

On 2 July 2018, the acquisition of Profin was implemented, a family-owned Finnish group focusing on the production of exclusive sliding doors and windows. Inwido acquired 100 percent of the shares. The acquisition was financed through existing credit facilities.

Note 4 – Financial instruments

Financial instruments are valued at fair value in the Consolidated statement of comprehensive income. The balance sheet item 'Financial investments' contains the Group's holdings of unlisted securities. The cost for these has been deemed to be a reasonable approximation of their value.

Amounts in SEKm	Dec 2018		Dec 2017	
	Level 2	**Level 3**	**Level 2**	**Level 3**
Assets				
Non-current receivable – derivative	-	-	-	-
Current receivable – derivative	2.1	-	1.4	-
	2.1	-	1.4	-
Liabilies and provisions				
Non-current liability – derivative	6.1	-	6.9	-
Current liability – derivative	1.0	-	-	-
Current liability – acqusition related	-	23.9	-	-
Non-current liability – acqusition related	-	-	-	22.3
	7.1	23.9	6.9	22.3

Level 1	According to prices noted in an active market for the same instrument.
Level 2	Based on directly or indirectly observable market data not included in Level 1.
Level 3	Based on input data not observable in the market

Amounts in SEKm	
Acquisition-related liabilities	
Fair value 2018-01-01	22.3
Acquisition-related liabilities	43.7
Translation differences	1.4
Settled earn-out	-7.9
Total recognized gains and losses:	
- Reported in equity	-
- Reported in profit for the period*	-35.7
Fair value 2018-12-31	**23.9**
Fair value 2017-01-01	6.7
Acquisition-related liabilities	18.9
Translation differences	0.3
Settled earn-out	-
Total recognized gains and losses:	
- Reported in equity	-
- Reported in profit for the period*	-3.6
Fair value 2017-12-31	**22.3**

*The acquisition-related liability is reported in other operating income and the interest is reported in financial items for the period

For a description of the measurement techniques and input data in the measurement of financial instruments at fair value, see Note 2 in the 2017 Annual Report. For other financial assets and liabilities in the Group, the carrying amounts represent a reasonable approximation of their fair values. For a specification of such financial assets and liabilities, please see Note 2 in the 2017 Annual Report.

Note 5 – Distribution of income

Net sales by country

Amounts in SEKm	Oct-Dec 2018	Oct-Dec 2017	Jan-Dec 2018	Jan-Dec 2017
Sweden	570	590	2,147	2,237
Denmark	505	271	1,649	1,294
Norway	102	77	364	338
Finland	492	466	1,754	1,607
Poland	29	49	106	93
UK	110	114	431	445
Ireland	38	33	147	137
Germany	11	44	35	64
Other	8	131	35	155
Total	**1,864**	**1,774**	**6,667**	**6,371**

Distribution of net sales between market segments by operating segment

	North		South		Other		Group	
Amounts in SEKm	Oct-Dec 2018	Oct-Dec 2017	Oct-Dec 2018	Oct-Dec 2017	Oct-Dec 2018	Oct-Dec 2017	Oct-Dec 2018	Oct-Dec 2017
Net Sales	**1,089**	**1,101**	**730**	**630**	**103**	**118**	**1,864**	**1,774**
Consumer	673	681	668	575	0	0	1,341	1,256
Industry	407	405	40	36	0	0	447	441
Other	9	14	15	12	52	51	76	77
Internal sales	0	1	7	7	51	66	0	0

	North		South		Other		Group	
Amounts in SEKm	Jan-Dec 2018	Jan-Dec 2017	Jan-Dec 2018	Jan-Dec 2017	Jan-Dec 2018	Jan-Dec 2017	Jan-Dec 2018	Jan-Dec 2017
Net Sales	**3,970**	**3,943**	**2,517**	**2,272**	**428**	**445**	**6,667**	**6,371**
Consumer	2,397	2,407	2,287	2,059	0	0	4,684	4,466
Industry	1,528	1,485	154	137	0	0	1,682	1,622
Other	44	49	49	46	208	188	301	283
Internal sales	1	2	28	31	220	257	0	0

Note 6 – Change in segments

With the implementation of its Simplify strategy, implemented towards the end of 2018, Inwido is developing its governance model by transitioning to a structure in which the individual companies within the Group are assigned full responsibility for their business and profitability. As part of this strategy, Inwido's operations are divided into two business areas from the fourth quarter of 2018. The division is based on the parts of the operations monitored by the company's highest executive decision makers. Since decisions are made regarding the allocation of resources on the basis of the business areas, these constitute the Group's segments. Consequently, the Group's internal reporting is structured so that Group management can monitor the business areas' performance and earnings. The following two operating segments have been identified: Inwido North and Inwido South. Group management reflects the new operating segments.

Inwido North includes the former operating segments Sweden-Norway and Finland and the component companies that previously belonged to Inwido Supply (part of Other in the table above) and that only supply components to the companies within Inwido North. Inwido South includes the former operating segments Denmark and EBE and the component companies that previously belonged to Inwido Supply and that only supply components to the companies within Inwido South. The component companies that were previously part of Inwido Supply, and that supply components to companies in both Inwido North and Inwido South, are reported under "Group-wide, eliminations and other" in the Group's segment reporting from the fourth quarter of 2018.

The tables below show how the change to the operating structure has affected the historic values.

	North		South		Group-wide and eliminations and other		Group	
Amounts in SEKm	Oct-Dec 2017	Jan-Dec 2017	Oct-Dec 2017	Jan-Dec 2017	Oct-Dec 2017	Jan-Dec 2017	Oct-Dec 2017	Jan-Dec 2017
Net sales	**1,101**	**3,943**	**630**	**2,272**	**43**	**155**	**1,774**	**6,371**
Previous segment:								
Sweden - Norway	635	2,337	-	-	-	-	635	2,337
Finland	466	1,608	-	-	-	-	466	1,608
Denmark	-	-	397	1,330	-	-	397	1,330
EBE	-	-	242	979	-	-	242	979
Other	38	135	46	179	118	447	194	730
Group-wide and eliminations	-38	-136	-55	-216	-75	-292	-160	-613
Net Sales	**1,101**	**3,943**	**630**	**2,272**	**43**	**155**	**1,774**	**6,371**

	North	South	Group-wide and eliminations and other	Group
Amounts in SEKm	Jan-Dec 2017	Jan-Dec 2017	Jan-Dec 2017	Jan-Dec 2017
Operating EBITA	**390**	**306**	**-47**	**649**
Previous segment:				
Sweden - Norway	211	-	-	211
Finland	175	-	-	175
Denmark	-	285	-	285
EBE	-	20	-	20
Other	6	1	31	29
Group-wide and eliminations	-2	0	-78	-71
Operating EBITA	**390**	**306**	**-47**	**649**

Definitions of alternative key ratios not defined by IFRS

Inwido presents certain alternative financial key ratios beyond the conventional financial key ratios established by IFRS, in order to better understand the development of the operations and the financial status of the Inwido Group. Such key ratios should not, however, be considered a substitute for the key ratios required under IFRS. The alternative key ratios presented in this report are described below.

Income measures	Calculation	Purpose
Organic growth	Net sales including acquired growth for the current period divided by net sales including pro forma acquired growth during the corresponding period in the preceding year. The change is adjusted for exchange rate fluctuations by applying the current period's exchange rates to pro forma net sales during the corresponding period in the preceding year.	Organic growth excludes the effects of changes in the Group's structure and exchange rates, enabling a comparison of net sales over time.
Operating EBITDA	EBITDA before items affecting comparability.	This key ratio is used to measure cash flow from operating activities, regardless of the effects of financing and depreciation rates on non-current assets. The key ratio is also adjusted for the impact of items affecting comparability to increase comparability over time. The key ratio is a central component in the bank covenant Net debt/operating EBITDA.
EBITA	Operating profit after depreciation, amortization and impairment but before deduction for impairment of goodwill as well as amortization and impairment of other intangible assets that arose in conjunction with company acquisitions (Earnings Before Interest, Tax and Amortization).	This key ratio enables comparisons of profitability over time regardless of amortization and impairment of acquisition-related intangible assets, and regardless of the corporate tax rate and the company's financing structure. Depreciation of tangible assets is, however, included, this being a measure of resource consumption necessary to generate earnings.
Operating EBITA	EBITA before items affecting comparability.	This key ratio increases the comparability of EBITA over time, since it is adjusted for the impact of items affecting comparability. The key ratio is also used in internal review and constitutes a central financial target for the operations.
Items affecting comparability	Income statement items that are non-recurring, have a significant impact on profit and are important for understanding the underlying development of operations.	A separate account of items affecting comparability elucidates development in the underlying operations.

Margin measures	Calculation	Purpose
Operating EBITDA margin	Operating EBITDA as a percentage of net sales.	This key ratio serves as a complement to operating margin, since it shows the underlying surplus cash flow in relation to net sales. The key ratio also enables comparison with other companies, regardless of each company's depreciation/amortization principles and the age structure of non-current assets.
EBITA margin	EBITA as a percentage of net sales.	This key ratio reflects the operating profitability of the operations before amortization and impairment of acquisition-related intangible assets. The key ratio is an important component, alongside with sales growth and capital turnover rate, in tracking the company's value creation.
Operating EBITA margin	Operating EBITA as a percentage of net sales.	This key ratio increases the comparability of EBITA margin over time, since it is adjusted for the impact of items affecting comparability.
Operating margin (EBIT margin)	Operating profit as a percentage of net sales.	This key ratio reflects the operating profitability of the operations. The key ratio is an important component, alongside with sales growth and capital turnover rate, in tracking the company's value creation.

Capital structure	Calculation	Purpose
Net debt	Interest-bearing liabilities and interest-bearing provisions less interest-bearing assets, including cash and equivalents.	The net debt measure is used to track the development of debt and to see the scope of the refinancing requirement. Since liquid funds can be used to pay off debt at short notice, net debt is used instead of gross debt as a measure of total loan financing.
Net debt/operating EBITDA	Net debt in relation to operating rolling 12-month EBITDA.	This key ratio is a debt ratio showing how many years it would take to pay off the company's liabilities, provided that its net debt and EBITDA are constant and without taking cash flows relating to interest, taxes and investments into account.
Net debt/equity ratio	Net debt in relation to shareholders' equity.	This key ratio is a measure of the relationship between the Group's two forms of financing. The measure shows loan capital as a share of shareholders' invested capital. The measure reflects financial strength but also the leverage effect of borrowings. A higher debt ratio entails higher financial risk and higher financial leverage.
Interest coverage ratio	Profit after net financial items plus financial expenses in relation to financial expenses.	This key ratio indicates the company's capacity to cover its interest expenses.
Equity/assets ratio	Shareholders' equity including non-controlling interests as a percentage of total assets.	This key ratio reflects the company's financial position. A favourable equity/assets ratio provides a preparedness to manage periods of recession and financial preparedness for growth. At the same time, a higher equity/assets ratio provides lower financial leverage.
Operating capital	Total assets less cash and equivalents, other interest-bearing assets and non-interest-bearing provisions and liabilities.	Operating capital shows the amount of capital that the business requires to conduct its core operations. It is primarily used for the calculation of return on operating capital.

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Return measures	Calculation	Purpose
Return on shareholders' equity	Profit after tax, on a rolling 12-month basis, attributable to the Parent Company's shareholders as a percentage of average shareholders' equity (opening balance plus closing balance for the relevant 12-month period divided by two), excluding non-controlling interests.	Return on shareholders' equity shows the total return, in accounting terms, on shareholders' capital and reflects the effects of both the profitability of the operations and of financial leverage. The measure is primarily used to analyze profitability for shareholders over time.
Return on operating capital	Operating profit, on a rolling 12-month basis as a percentage of average operating capital (opening balance plus closing balance for the relevant 12-month period divided by two).	Return on operating capital shows how well the operations use the net capital tied up in the operations. This reflects the combined effect of the operating margin and the turnover rate for operating capital. The key ratio is mainly used to track the Group's value creation over time.

Share data	Calculation	Purpose
Earnings per share (non-IFRS)	Earnings for the period after tax attributable to Parent Company shareholders divided by the weighted average number of shares outstanding for the period before/after dilution adjusted for items affecting comparability and for impairment of goodwill as well as amortization and impairment of other intangible assets that arose in conjunction with company acquisitions.	This key ratio measures the earnings per share that the operations generate adjusted for the impact of items affecting comparability and for amortization and impairment of intangible assets.
Cash flow per share before/ after dilution	Cash flow from operating activities for the period divided by the weighted average number of shares outstanding for the period before/after dilution.	This key ratio measures the cash flow per share generated by the operations before capital investments and cash flows attributable to the company's financing.
Shareholders' equity per share before/ after dilution	Shareholders' equity attributable to Parent Company shareholders divided by the number of shares outstanding at the end of the period before/after dilution.	This key ratio serves to describe the scale of the company's net worth per share.

Market segments	Description
Consumer	Sales to the consumer market are conducted through the following channels: direct sales, retailers, middlemen, manufacturers of prefabricated homes, small building companies.
Industry	Sales to the industry market are conducted through the following channels: large building companies, retailers, manufacturers of prefabricated homes.

Income measures

SEKm (unless otherwise stated)	Oct-Dec 2018	Oct-Dec 2017	Oct-Dec 2018	Oct-Dec 2017	Last 12 months	Jan-Dec 2017
Operating profit (EBIT)	210	85	618	521	618	521
Depreciation/amortization and impairment	47	83	163	201	163	201
Items affecting comparability (other items)	-6	70	16	72	16	72
Operating EBITDA	**252**	**239**	**797**	**794**	**797**	**794**
Operating profit (EBIT)	210	85	618	521	618	521
Depreciation/amortization of acquisition-related intangible assets	5	3	18	13	18	13
EBITA	**215**	**89**	**635**	**535**	**635**	**535**
Items affecting comparability (depreciation/amortization and other items)	0	112	22	114	22	114
Operating EBITA	**215**	**201**	**657**	**649**	**657**	**649**
Items affecting comparability	**0**	**-112**	**-22**	**-114**	**-22**	**-114**
Depreciation	-6	-42	-6	-42	-6	-42
Other	6	-70	-16	-72	-16	-72

Capital structure

SEKm (unless otherwise stated)	Oct-Dec 2018	Oct-Dec 2017	Oct-Dec 2018	Oct-Dec 2017	Last 12 months	Jan-Dec 2017
Cash and equivalents	-165	-410	-165	-410	-165	-410
Other interest-bearing assets	-18	-18	-18	-18	-18	-18
Interest-bearing liabilities, non-current	2,199	1,702	2,199	1,702	2,199	1,702
Interest-bearing liabilities, current	125	394	125	394	125	394
Net debt	**2,141**	**1,669**	**2,141**	**1,669**	**2,141**	**1,669**
Total assets	7,153	6,652	7,153	6,652	7,153	6,652
Cash and equivalents	-165	-410	-165	-410	-165	-410
Interest-bearing assets	-18	-18	-18	-18	-18	-18
Non-interest-bearing provisions and liabilities	-1,328	-1,389	-1,328	-1,389	-1,328	-1,389
Operating capital	**5,642**	**4,836**	**5,642**	**4,836**	**5,642**	**4,836**

Share data

SEKm (unless otherwise stated)	Oct-Dec 2018	Oct-Dec 2017	Oct-Dec 2018	Oct-Dec 2017	Last 12 months	Jan-Dec 2017
Profit after tax attributable to parent company shareholders	134	22	433	291	433	291
Items affecting comparability after tax	2	93	20	94	20	94
Impairment of goodwill, amortization and impairment of other intangible assets from company acquisitions	5	3	18	13	18	13
Adjustment	0	0	0	0	0	0
Total	141	118	471	399	471	399
Number of shares before dilution	57,967,528	57,967,528	57,967,528	57,967,528	57,967,528	57,967,528
Earnings per share non IFRS, SEK	**2.43**	**2.03**	**8.12**	**6.88**	**8.12**	**6.88**

About Inwido

Inwido owns and develops companies that improve people's lives indoors with various products and services. Today, Inwido is Europe's largest windows group and a natural home for the region's strongest companies in the areas of comfort, climate and safety. In 2018, Inwido achieved sales of approximately SEK 6.7 billion and an operating EBITA margin of 9.9 percent. The Group has some 4,500 employees in total, with operations in Denmark, Estonia, Finland, Ireland, Lithuania, Norway, Poland, Romania, the UK, Sweden, Germany and Austria.

Shares in Inwido AB (publ) are listed on the Nasdaq Stockholm exchange under the ticker "INWI".

Financial targets

Inwido's operations are governed by four financial targets aimed at providing shareholders with good returns and long-term growth in value.

Profitability

Inwido's profitability target is an operating EBITA margin of 12 percent. Inwido may not achieve the profitability target during years when the market trend is weaker. In such cases, we will undertake measures to further enhance profitability, which Inwido has been successful with in the past.

Sales growth

Inwido's objective is to exceed growth in our current markets through organic growth, as well as selective acquisitions and initiatives in Europe.

Capital structure

Inwido's net debt in relation to operating EBITDA shall, excluding temporary deviations, not exceed a multiple of 2.5.

Dividend policy

Inwido aims to pay its shareholders an annual dividend that corresponds to approximately 50 percent of net profit. However, Inwido's financial status in relation to the target, cash flow and future prospects shall be taken into consideration.

Four reasons to invest in Inwido

A passion for improving indoor life

Inwido and its companies are passionate about improving indoor life, at home and at work. With deep roots in the window and door industry, we lead and develop Europe´s strongest companies within comfort, climate and safety. Together, we continuously provide society with new, energy-efficient solutions, which in turn enable people to live more sustainably.

A unique home to local market leaders

In our business, customer focus and local understanding is everything. With this as base, Inwido acts as a home to local market leaders. The companies develop independently, but Inwido enables sustainable growth and profitability through purchasing, digitalization, financing, leadership skills and other large-scale synergy advantages.

Committed to creating long-term shareholder value

As the industry leader, we are committed to delivering shareholder value with robust dividends and sustainable, profitable growth, both organic and via acquisitions. We have a strong financial track record, stable cash flow and a history of profitability also in economic downturns, bringing long-term advantages to investors, companies and society.

Well positioned for future growth

We believe in continuous demand for good indoor life. Our businesses are well positioned to act on major forces such as digitalization and climate change, as well as new growth opportunities, like e-commerce and connected products. We are confident that we can keep attracting future market leaders to the Inwido home, and have over 50 acquisitions to prove it.

Information for shareholders

Financial calendar

Annual Report 2018	April 2019
Interim report, January-March 2019	25 April 2019
Annual General Meeting 2019	3 May 2019
Interim report, January-June 2019	15 July 2019
Interim report, January-September 2019	23 October 2019

This information is such that Inwido AB (publ) is obliged to publish in accordance with the EU market abuse regulation and the Swedish Securities Market Act. The information was submitted by the below contact persons for publication on 6 February 2019 at 7:45 a.m. CET.

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