inwido

"During the second quarter of 2019, we continued to deliver stable earnings with a strengthened margin and improved cash flow, despite a challenging market for windows in Sweden and Finland."

Interim Report January-June 2019

April – June 2019

- Net sales amounted to SEK 1,710 million (1,729), representing a decrease of 1 percent. Organic growth was a negative 4 percent.
- EBITA amounted to SEK 187 million and the EBITA margin increased to 10.9 percent. EBITA amounted to SEK 184 million (184) and the EBITA margin increased to 10.7 percent (10.6) excluding IFRS 16.
- Operating EBITA rose to SEK 187 million and the operating EBITA margin rose to 10.9 percent. Operating EBITA amounted to SEK 184 million (184) and the operating EBITA margin increased to 10.7 percent (10.6) excluding IFRS 16.
- Earnings per share before dilution amounted to SEK 2.05 (2.31).
- A dividend of SEK 2.50 per share was paid.

January – June 2019

- Net sales rose to SEK 3,153 million (3,120), representing an increase of 1 percent. Organic growth was a negative 4 percent.
- EBITA increased to SEK 232 million and the EBITA margin increased to 7.3 percent. EBITA increased to SEK 226 million (220) and the EBITA margin increased to 7.2 percent (7.1) excluding IFRS 16.
- Operating EBITA amounted to SEK 232 million and the operating EBITA margin was 7.3 percent. Operating EBITA amounted to SEK 226 million (240) and the operating EBITA margin was 7.2 percent (7.7) excluding IFRS 16.
- Earnings per share before dilution amounted to SEK 2.63 (2.85).

SEKm (unless otherwise stated)	Apr-Jun 2019	Apr-Jun* 2019	Apr-Jun 2018	Jan-Jun 2019	Jan-Jun* 2019	Jan-Jun 2018	Last 12 months	Jan-Dec 2018
Net sales	1,710	1,710	1,729	3,153	3,153	3,120	6,700	6,667
EBITA	187	184	184	232	226	220	647	635
Operating EBITA	187	184	184	232	226	240	649	657
Earnings per share before dilution, SEK	2.05	2.06	2.31	2.63	2.63	2.85	7.25	7.47
Earnings per share before dilution, SEK (non-IFRS)*	2.14	2.14	2.38	2.82	2.82	3.24	7.70	8.12
Net sales increase (%)	-1.1	-1.1	3.3	1.1	1.1	2.7	3.8	4.6
EBITA margin (%)	10.9	10.7	10.6	7.3	7.2	7.1	9.7	9.5
Operating EBITA margin (%)	10.9	10.7	10.6	7.3	7.2	7.7	9.7	9.9
Net debt/ Operating EBITDA, multiple	3.0	2.8	3.2	3.0	2.8	3.2	3.1	2.7
Net debt	2,599	2,225	2,386	2,599	2,225	2,386	2,599	2,141

*Excluding the effect of IFRS 16

Important information regarding IFRS 16 Leases

- Effective 1 January 2019, Inwido applies IFRS 16
- To facilitate comparison with figures from 2018, Inwido presents adjusted figures for 2019, excluding the effects of IFRS 16
- The figures for 2019 stated in the CEO's comments include the effects of IFRS 16 unless otherwise stated
- IFRS 16 affects only the consolidated accounts and does not affect the Parent Company or the segment reporting

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. The presentation will be held in English and can also be followed via live web cast at: https://www.inwido.com/investors/financial-reports-and-presentations. You will also find the presentation materials here before the start of the meeting. It will also be possible to view the broadcast later at the same address. To participate in the conference call/webcast, no prior registration is required, but please dial in five minutes before the advertised time to allow the meeting to commence punctually. Dial in on +46 8 – 50 55 83 66 (Sweden) or on +44 33 33 00 90 34 (UK).

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

Robust earnings with strengthened margin

During the second quarter of 2019, we continued to deliver robust earnings with a strengthened margin and improved cash flow, despite a challenging market for windows in Sweden and Finland.

Compared with the corresponding period in the preceding year, net sales decreased by 1 percent over the quarter to SEK 1,710 million (1,729). Despite the lower sales, operating EBITA increased to SEK 187 million (184) over the quarter. This led to an increasing operating EBITA margin to 10.9 percent (10.6), mainly due to our early cost savings initiatives and a generally more favourable mix, with Consumer sales on par with the preceding year and a decline in Industry sales. Our combined assessment is that we are, on the whole, continuing to capture market shares in the Nordic market.

Continued favourable development in South, weaker in North

Business area South continued to develop positively during the quarter, mainly due to favourable development among our units in Denmark and the UK, the latter in a weak UK window market. Business area South's sales increased by 6 percent and its operating EBITA rose to SEK 115 million (99), meaning that the operating EBITA margin rose to 16.7 percent (15.2). The positive trend we have seen in e-Commerce over several quarters continued, with organic sales growth of 7 percent. At the end of the quarter, business area South's order backlog was 19 percent higher than at the same time in the preceding year.

During the period, development in business area North was weaker, due primarily to a negative trend in the Industry markets in Sweden and Finland, which mainly affected our larger units in those markets. In Sweden, the overall market for windows has gradually shrunk since the second half of 2018 and, in our assessment, this weakening continued in the second quarter of 2019, in pace with a continued decline in new construction. However, conditions appear more stable in Inwido's key Consumer segment, and in Norway. Our cost savings initiatives have helped offset the decline in volumes. Overall, this resulted in sales for the quarter decreasing by 6 percent, while operating EBITA decreased to SEK 76 million (99), meaning that the operating EBITA margin landed at 7.8 percent (9.6). Business area North's order backlog was 14 percent lower than at the same time in the preceding year.

Improved cash flow and reduced debt

Our long-term acquisition strategy stands firm and our efforts to further strengthen the balance sheet to be able to make acquisitions continue. During the first half of the year, operating cash flow was positive in the amount of SEK 213 million, compared with a negative development of SEK 6 million in the corresponding period in the preceding year, bringing the net debt/EBITDA ratio at the end of the quarter to 2.8, excluding IFRS 16, compared with 12 months earlier when the ratio was 3.2. This means we are gradually approaching the Group's net debt/EBITDA target of 2.5.

Future prospects

The Industry market in both Sweden and Finland is showing few signs of recovery, with expectations of a continued decline in new construction activity. The Consumer markets appear more stable, but are difficult to assess, partly due to political uncertainty. The conditions in the Danish and Norwegian markets continue to appear favourable, while we are seeing continued growth in the e-commerce segment and there is, on the whole, an underlying need for housing investment in our markets, as well as increased interest in such investment.

We believe we are well positioned to meet the conditions imposed on us by markets and customers, and we look forward with confidence to the second half of 2019.

MALMÖ – 15 JULY 2019

Henrik Hjalmarsson
President and CEO

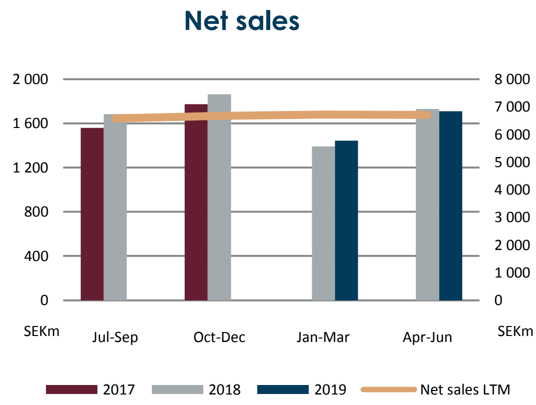
Group

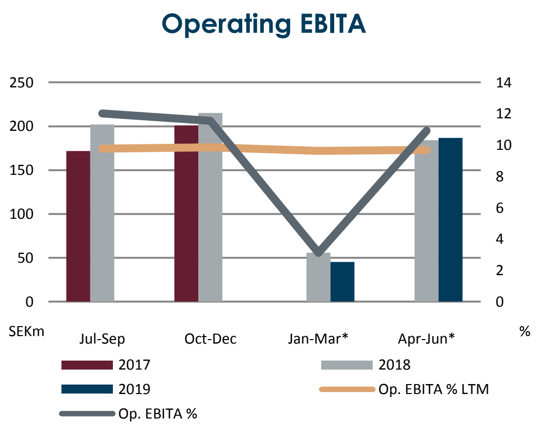
Net sales

Consolidated net sales for the second quarter amounted to SEK 1,710 million (1,729). Organic growth was a negative 4 percent. Net sales during the period January-June increased to SEK 3,153 million (3,120), equivalent to organic growth of a negative 4 percent.

Analysis of net sales		Apr-Jun 2019 (SEKm)	Apr-Jun 2018 (SEKm)		Jan-Jun 2019 (SEKm)	Jan-Jun 2018 (SEKm)
Net sales	-1%	1,710	1,729	1%	3,153	3,120
Organic growth	-4%	-75	-33	-4%	-119	-74
Structural effects	2%	33	41	3%	80	58
Currency effects	1%	22	48	2%	72	99

Reported order bookings, including acquisitions, were 2 percent lower in the second quarter, compared with the corresponding quarter in the preceding year. Excluding acquisitions, order bookings were 4 percent lower. At the end of the period, the Group's order backlog amounted to SEK 1,127 million (1,175). Inwido North's lower order backlog was partly offset by a higher order backlog in Inwido South.





RTM = Rolling Twelve Months
*The graph above shows operating EBITA in accordance with IFRS 16 in the first and second quarters of 2019 and excluding the effect of IFRS 16 in the other quarters

EBITA

In the second quarter, EBITA amounted to SEK 187 million and to SEK 184 million (184) excluding IFRS 16. At the same time, the EBITA-margin increased to 10.9 percent and to 10.7 percent (10.6) excluding IFRS 16. Items affecting comparability amounted to a net SEK 0 million (0). See "Items affecting comparability" below for additional information. Operating EBITA, that is, EBITA before items affecting comparability, amounted to SEK 187 million and to SEK 184 million (184) excluding IFRS 16. The operating EBITA margin increased to 10.9 percent and to 10.7 percent (10.6.) excluding IFRS 16, despite lower consolidated net sales. A more favourable customer mix with a higher proportion of Consumer sales was one of the reasons for the improved profitability. The e-commerce business and the Danish and Irish operations continue to deliver good results, while recent years' cost savings and restructuring among the Norwegian and UK companies continue to generate improved operating profit. In Sweden and Finland, it is primarily Elitfönster and Värmelux that are not meeting expectations and window volumes in these markets have decreased over the first part of 2019.

In the period January-June, EBITA increased to SEK 232 million and to SEK 226 million (220) excluding IFRS 16. The EBITA margin increased to 7.3 percent and to 7.2 percent (7.1.) excluding IFRS 16. Operating EBITA amounted to SEK 232 million and to SEK 226 million (240) excluding IFRS 16. The operating EBITA margin amounted to 7.3 percent and to 7.2 percent (7.7.) excluding IFRS 16

Net financial items

Financial income and expenses during the second quarter amounted to a negative net of SEK 32 million and to a negative of SEK 29 million (14) excluding IFRS 16. Negative translation differences could partly be offset by lower interest expenses as a result of lower indebtedness. Financial income and expenses during the period January-June amounted to a negative net of SEK 27 million and to a negative SEK 21 million (positive 4) excluding IFRS 16, which is mainly explained by higher positive exchange rate effects during the corresponding period in the preceding year.

Profit before and after tax

Profit before tax for the second quarter amounted to SEK 149 million (166). Income taxes amounted to SEK 30 million (31) and profit after tax was SEK 119 million (135). Over the period January-June, profit before tax amounted to SEK 194 million (217). Income taxes amounted to SEK 42 million (49) and profit after tax was SEK 152 million (167).

Earnings per share

In the second quarter, earnings per share before dilution amounted to SEK 2.05 (2.31). During the period January-June, earnings per share before dilution amounted to SEK 2.63 (2.85).

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 second quarter, items affecting comparability amounted to a net SEK 0 million (0). For the period January-June, items affecting comparability amounted to a net SEK 0 million (negative 20).

Gross investments, depreciation, amortization and impairment

Gross investments in tangible non-current assets in the second quarter amounted to SEK 43 million and to SEK 37 million (44) excluding IFRS 16. Depreciation, amortization and impairment amounted to SEK 63 million and to SEK 44 million (38) excluding IFRS 16. For the period January-June, gross investments in tangible non-current assets amounted to SEK 93 million and to SEK 85 million (74) excluding IFRS 16. Depreciation, amortization and impairment amounted to SEK 125 million and to SEK 86 million (80) excluding IFRS 16.

Cash flow

Cash flow from operating activities after changes in working capital in the second quarter amounted to SEK 163 million and to SEK 143 million (126) excluding IFRS 16. During the period January-June, cash flow from operating activities after changes in working capital amounted to SEK 213 million and to SEK 174 million (negative 6) excluding IFRS 16. The deviation from the previous year is primarily explained by more efficient management of working capital.

Cash flow from investing activities in the second quarter was negative in the amount of SEK 49 million and negative in the amount of SEK 42 million (397) excluding IFRS 16. During the period January-June, cash flow from investing activities was negative in the amount of SEK 142 million and negative in the amount of SEK 134 million (435) excluding IFRS 16. The deviation from the preceding year is mainly explained by acquisitions made in the corresponding period in the preceding year.

Cash flow from financing activities in the second quarter was negative in the amount of SEK 58 million and negative in the amount of SEK 45 million (positive 297) excluding IFRS 16. For the period January-June, cash flow from financing activities was negative in the amount of SEK 58 million and negative in the amount of SEK 27 million (positive 180) excluding IFRS 16. The deviation from the previous year is explained primarily by loans raised in connection with company acquisitions made in the corresponding period in the preceding year.

Financial position and liquidity

Inwido's principal financing consists of bank loans based on credit agreements expiring in the period 2022-2024. The largest credit facility of SEK 2,050 million, maturing in 2024, includes an extension option of one year (subject to 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.

The Group's net debt at the end of the period amounted to SEK 2,599 million and to SEK 2,225 million (2,386) excluding IFRS 16. The lower net debt compared with the corresponding period in the preceding year is mainly explained by stronger operating cash flow and work to consolidate the balance sheet is proceeding according to plan.

At the end of the period, indebtedness, calculated as interest-bearing net debt/operating EBITDA, was 3.0 and 2.8 (3.2) excluding IFRS 16. The net debt/equity ratio amounted to 0.7 and to 0.6 (0.7) excluding IFRS 16. Consolidated cash and equivalents were SEK 182 million (153) at the end of the period. Available funds, including unutilized credit facilities, amounted to SEK 1,200 million (1,097).

New governance model

With the implementation of its Simplify strategy, Inwido has transitioned to a structure in which the individual companies within the Group are assigned full responsibility for their business and profitability. Accordingly, the business area structure that applied until 2019 has been replaced by some 30 companies operating through customer-focused business and brand strategies and optimized local supply chains. The companies are divided into two operating segments, Inwido North and Inwido South.

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 4,508 (4,576) in the period January-June 2019.

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 30 June 2019 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 64.35 and the company’s market capitalization was SEK 3,730 million. At the end of the period, there was a total of 10,915 shareholders.

Pledged assets and contingent liabilities

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

Future prospects

The Industry market in both Sweden and Finland is showing few signs of recovery, with expectations of a continued decline in new construction activity. The Consumer markets appear more stable, but are difficult to assess, partly due to political uncertainty. The conditions in the Danish and Norwegian markets continue to appear favourable, while we are seeing continued growth in the e-commerce segment and there is, on the whole, an underlying need for housing investment in our markets, as well as increased interest in such investment.

We believe we are well positioned to meet the conditions imposed on us by markets and customers, and we look forward with confidence to the second half of 2019.

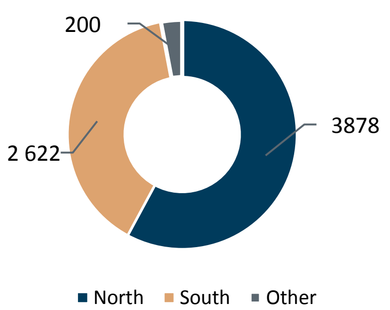
Inwido's operations and segments

Inwido owns and develops companies that improve people's everyday 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, indoor 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 and Germany.

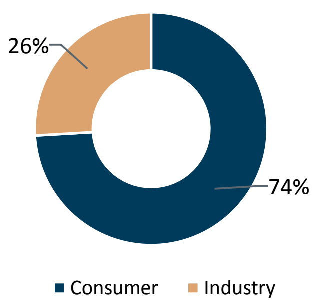
Inwido divides its operations into the North and South operating segments. Within these two operating segments, Inwido conducts operations within two different market segments, the Consumer and Industry markets. Sales are made through direct sales, installers, retailers such as builders' merchants and 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.

External net sales split between operating segments, LTM (SEKm)

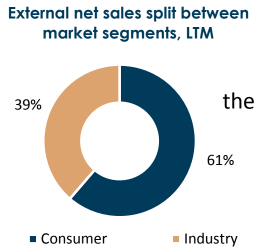


External net sales split between market segments, LTM



Inwido North – lower sales in challenging markets

Net sales for the second quarter amounted to SEK 973 million (1,031), which was 6 percent lower compared with the corresponding period in the preceding year. Organic growth was -9 percent.



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

In the second quarter, the operating EBITA margin decreased to 7.8 percent (9.6), mainly due to lower volumes stemming from decreased sales, primarily to the new construction markets in Sweden and Finland. We are also seeing signs that the consumer confidence index is weakening in Sweden and Finland, compared with the beginning of the year.

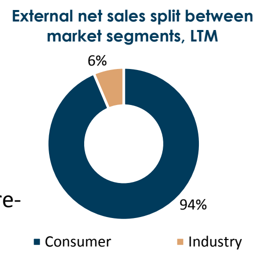
The Norwegian operations continued to develop positively and generated improved profitability.

During the period January-June, net sales amounted to SEK 1,820 million (1,910), which was 5 percent lower than in the corresponding period in the preceding year. The operating EBITA margin for the period January-June was 4.3 percent (7.2)

MSEK	Apr-Jun 2019	Apr-Jun 2018	Change	Jan-Jun 2019	Jan-Jun 2018	Change	Last 12 months	Jan-Dec 2018
Net sales	973	1 031	-6%	1 820	1 910	-5%	3 880	3 970
Gross profit	233	270	-14%	410	437	-6%	885	912
Gross profit margin (%)	24.0	26.2		22.5	22.9		22.8	23.0
Operating EBITA	76	99	-24%	78	138	-44%	259	319
Operating EBITA margin (%)	7.8	9.6		4.3	7.2		6.7	8.0

Inwido South – continued strong growth in sales and earnings

Net sales for the second quarter rose to SEK 690 million (651), which was 6 percent higher compared with the corresponding period in the preceding year. Organic net sales increased by 4 percent.



The e-commerce companies grew organically by 7 percent in the quarter, accounting for approximately 9 percent of consolidated sales. The companies in Denmark, the UK, Ireland and Poland also continue to grow with good profitability.

At the end of the period, Inwido South's order backlog was 19 percent higher compared with the preceding year.

The operating EBITA margin for the second quarter increased to 16.7 percent (15.2), with almost all companies in Inwido South contributing to the positive trend.

During the period January-June, net sales rose to SEK 1,242 million (1,114), which was 12 percent higher than for the corresponding period in the preceding year. The operating EBITA margin for the period January-June was 14.1 percent (11.3).

MSEK	Apr-Jun 2019	Apr-Jun 2018	Change	Jan-Jun 2019	Jan-Jun 2018	Change	Last 12 months	Jan-Dec 2018
Net sales	690	651	6%	1 242	1 114	12%	2 646	2 517
Gross profit	215	197	9%	358	310	15%	790	742
Gross profit margin (%)	31.1	30.2		28.8	27.8		29.8	29.5
Operating EBITA	115	99	16%	175	126	39%	433	383
Operating EBITA margin (%)	16.7	15.2		14.1	11.3		16.4	15.2

The Board of Directors and the President give their assurance that this interim report provides a true and fair view of the Parent Company and the Group's operations, position and earnings, as well as describing significant risks and uncertainties faced by the Parent Company and the other companies forming the Group.

Malmö, 15 July 2019

Georg Brunstam Chairman of the Board	Henrik Hjalmarsson President & CEO
Anders Wassberg	Henriette Schütze
Benny Ernstson	
Tony Johansson Employee representative	Robert Wernersson Employee representative

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

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

Key ratios, Group

SEKm (unless otherwise stated)	Apr-Jun 2019	Apr-Jun* 2018	Apr-Jun 2018	Jan-Jun 2019	Jan-Jun* 2019	Jan-Jun 2018	Last 12 months	Jan-Dec 2018
Income measures								
Net sales	1,710	1,710	1,729	3,153	3,153	3,120	6,700	6,667
Gross profit	466	464	480	787	784	787	1,712	1,712
EBITDA	244	222	214	214	302	290	837	781
Operating EBITDA	244	222	219	346	302	307	836	797
EBITA	187	184	184	232	226	220	647	635
Operating EBITA	187	184	184	232	226	240	649	657
Operating profit (EBIT)	181	178	180	221	215	213	625	618
Margin measures								
Gross margin (%)	27.2	27.1	27.8	25.0	24.9	25.2	25.6	25.7
EBITDA margin (%)	14.3	13.0	12.4	6.8	9.6	9.3	12.5	11.7
Operating EBITDA margin (%)	14.3	13.0	12.6	11.0	9.6	9.9	12.5	12.0
EBITA margin (%)	10.9	10.7	10.6	7.3	7.2	7.1	9.7	9.5
Operating EBITA margin (%)	10.9	10.7	10.6	7.3	7.2	7.7	9.7	9.9
Operating margin (EBIT) (%)	10.6	10.4	10.4	7.0	6.8	6.8	9.3	9.3
Capital structure								
Net debt	2,599	2,225	2,386	2,599	2,225	2,386	2,599	2,141
Net debt/operating EBITDA, multiple	3.0	2.8	3.2	3.0	2.8	3.2	3.1	2.7
Net debt/equity ratio, multiple	0.7	0.6	0.7	0.7	0.6	0.7	0.7	0.6
Interest coverage ratio, multiple	5.6	6.0	10.8	6.8	7.9	9.0	7.0	9.2
Shareholders' equity	3,552	3,582	3,269	3,552	3,582	3,269	3,582	3,501
Equity/assets ratio (%)	45	48	45	45	48	45	48	49
Operating capital	6,151	5,807	5,655	6,151	5,807	5,655	5,807	5,642
Return measures								
Return on shareholders' equity (%)	12.0	12.0	9.5	12.0	12.0	9.5	12.0	13.2
Return on operating capital (%)	10.5	10.8	8.8	10.5	10.8	8.8	10.8	11.8
Share data (number of shares in thousands)								
Earnings per share before dilution, SEK	2.05	2.06	2.31	2.63	2.63	2.85	7.25	7.47
Earnings per share after dilution, SEK	2.05	2.05	2.30	2.63	2.63	2.84	7.24	7.45
Earnings per share before dilution, SEK (non-IFRS)	2.14	2.14	2.38	2.82	2.82	3.24	7.70	8.12
Earnings per share after dilution, SEK (non-IFRS)	2.14	2.14	2.38	2.82	2.82	3.24	7.69	8.11
Shareholders’ equity per share before dilution, SEK	61.28	61.79	56.36	61.28	61.79	56.36	61.79	60.31
Shareholders’ equity per share after dilution, SEK	61.17	61.68	56.26	61.17	61.68	56.26	61.68	60.20
Cash flow per share before dilution, SEK	2.81	2.81	2.18	3.68	3.68	-0.11	11.27	7.49
Cash flow per share after dilution, SEK	2.80	2.80	2.17	3.67	3.67	-0.11	11.25	7.47
Number of shares before dilution	57,968	57,968	57,968	57,968	57,968	57,968	57,968	57,968
Number of shares after dilution	58,071	58,071	58,071	58,071	58,071	58,071	58,071	58,071
Average number of shares before dilution	57,968	57,968	57,968	57,968	57,968	57,968	57,968	57,968
Average number of shares after dilution	58,071	58,071	58,071	58,071	58,071	58,071	58,071	58,071

*Excluding the effect of IFRS 16

Quarterly review, Group

Key ratios

SEKm (unless otherwise stated)	Q2 2019	Q2* 2019	Q1 2019	Q4 2018	Q3 2018	Q2 2018	Q1 2018	Q4 2017	Q3 2017	Q2 2017
Net sales	1,710	1,710	1,443	1,864	1,682	1,729	1,391	1,774	1,559	1,673
Operating EBITDA	244	222	102	252	238	219	89	239	208	229
Operating EBITDA margin (%)	14.3	13.0	7.0	13.5	14.2	12.6	6.4	13.4	13.3	13.7
Operating EBITA	187	184	45	215	202	184	56	201	172	193
Operating EBITA margin (%)	10.9	10.7	3.1	11.5	12.0	10.6	4.0	11.3	11.0	11.5
EBITA	187	184	45	215	200	184	37	89	172	192
EBITA margin (%)	10.9	10.7	3.1	11.5	11.9	10.6	2.6	5.0	11.0	11.5
Return on shareholders' equity (%)	12.0	12.0	12.7	13.2	10.1	9.5	9.1	9.7	14.0	15.3
Earnings per share before dilution,SEK	2.05	2.06	0.58	2.31	2.31	2.31	0.54	0.38	1.85	2.10
Earnings per share after dilution,SEK	2.05	2.05	0.58	2.31	2.31	2.30	0.54	0.38	1.85	2.10
Shareholders' equity per share before dilution, SEK	61.28	61.79	61.01	60.31	58.23	56.36	56.22	52.92	51.57	50.09
Shareholders' equity per share after dilution, SEK	61.17	61.68	60.90	60.20	58.12	56.26	56.12	52.82	51.48	50.00
Cash flow per share before dilution, SEK	2.81	2.81	0.87	5.03	2.57	2.18	-2.29	5.19	2.56	3.36
Cash flow per share after dilution,SEK	2.80	2.80	0.87	5.02	2.56	2.17	-2.28	5.18	2.56	3.35
Share price, SEK	64.65	64.65	55.20	55.60	66.95	64.10	74.60	83.75	103.75	118.50

*Excluding the effect of IFRS 16

Net sales per segment

SEKm	Q2 2019	Q1 2019	Q4 2018	Q3 2018	Q2 2018	Q1 2018	Q4 2017	Q3 2017	Q2 2017
North	973	848	1,089	971	1,031	880	1,101	933	1,039
South	690	552	730	674	651	462	630	593	592
Group-wide and eliminations and other	47	43	45	38	47	49	43	33	42
Total	**1,710**	**1,443**	**1,864**	**1,682**	**1,729**	**1,391**	**1,774**	**1,559**	**1,673**

Key data for the segments

Amounts in SEKm	North		South		Group-wide, eliminations and other		IFRS 16 effect		Group	
	Apr-Jun 2019	Apr-Jun 2018	Apr-Jun 2019	Apr-Jun 2018	Apr-Jun 2019	Apr-Jun 2018	Apr-Jun 2019	Apr-Jun 2018	Apr-Jun 2019	Apr-Jun 2018
Net sales	973	1,031	690	651	47	47	0	0	1,710	1,729
Gross profit	233	270	215	197	15	12	2	0	466	480
Gross profit margin (%)	24.0	26.2	31.1	30.2	-	-	-	-	27.2	27.8
Operating EBITA	76	99	115	99	-7	-14	3	0	187	184
Operating EBITA margin (%)	7.8	9.6	16.7	15.2	-	-	-	-	10.9	10.6

Amounts in SEKm	North		South		Group-wide, eliminations and other		IFRS 16 effect		Group	
	Jan-Jun 2019	Jan-Jun 2018	Jan-Jun 2019	Jan-Jun 2018	Jan-Jun 2019	Jan-Jun 2018	Jan-Jun 2019	Jan-Jun 2018	Jan-Jun 2019	Jan-Jun 2018
Net sales	1,820	1,910	1,242	1,114	90	96	0	0	3,153	3,120
Gross profit	410	437	358	310	17	22	4	0	787	768
Gross profit margin (%)	22.5	22.9	28.8	27.8	-	-	-	-	25.0	24.6
Operating EBITA	78	138	175	126	-27	-24	6	0	232	240
Operating EBITA margin (%)	4.3	7.2	14.1	11.3	-	-	-	-	7.3	7.7

Summary consolidated statement of comprehensive income

Amounts in SEKm	**Apr-Jun 2019**	**Apr-Jun* 2019**	**Apr-Jun 2018**	**Jan-Jun 2019**	**Jan-Jun* 2019**	**Jan-Jun 2018**	**Last 12 months**	**Jan-Dec 2018**
Net sales	1,710.4	1,710.4	1,729.1	3,153.3	3,153.3	3,120.2	6,699.7	6,666.6
Cost of goods sold	-1,244.4	-1,246.4	-1,249.2	-2,365.8	-2,369.6	-2,332.9	-4,987.4	-4,954.4
Gross profit	**466.0**	**464.0**	**480.0**	**787.4**	**783.7**	**787.3**	**1,712.3**	**1,712.2**
Other operating income	3.9	3.9	7.2	12.9	12.9	11.0	54.4	52.7
Selling expenses	-165.2	-165.6	-179.0	-334.4	-335.4	-341.1	-663.3	-670.0
Administrative expenses	-107.4	-107.9	-106.8	-218.3	-219.3	-208.3	-425.6	-415.6
Research and development expenses	-15.6	-15.6	-16.7	-26.7	-26.7	-30.4	-46.8	-50.5
Other operating expenses	-0.8	-0.8	-4.5	-0.9	-0.9	-5.8	-7.5	-12.6
Share of profit of associated companies	0.3	0.3	0.3	1.1	1.1	0.6	1.9	1.5
Operating profit (EBIT)	**181.3**	**178.3**	**180.3**	**221.1**	**215.3**	**213.3**	**625.4**	**617.6**
Financial income	0.5	0.5	2.7	7.1	7.1	30.5	3.9	13.1
Financial expenses	-32.6	-29.8	-16.9	-33.8	-28.1	-27.1	-89.8	-68.9
Net financial items	**-32.1**	**-29.3**	**-14.2**	**-26.7**	**-21.0**	**3.5**	**-85.9**	**-55.8**
Profit before tax	**149.1**	**149.0**	**166.1**	**194.4**	**194.4**	**216.8**	**539.5**	**561.9**
Tax expense	-30.1	-30.0	-31.4	-42.0	-42.0	-49.4	-116.5	-123.9
Profit after tax	**119.0**	**119.1**	**134.7**	**152.4**	**152.4**	**167.4**	**423.0**	**438.0**
Other comprehensive income								
Items reallocated to, or that can be reallocated to profit for the year								
Translation differences, foreign operations	41.9	42.0	30.0	73.8	73.8	120.2	41.7	85.6
Total other comprehensive income after tax	**160.9**	**161.1**	**164.7**	**226.2**	**226.2**	**287.6**	**464.8**	**523.6**
Profit after tax attributable to:								
Parent Company shareholders	119.0	119.0	133.6	152.4	152.4	164.8	420.1	432.5
Non-controlling interest	0.0	0.0	1.1	0.0	0.0	2.6	2.9	5.5
Other comprehensive income attributable to:								
Parent Company shareholders	158.1	158.3	163.7	222.9	222.9	285.9	461.4	521.0
Non-controlling interest	2.8	2.8	1.1	3.3	3.3	1.7	3.3	2.6
Average number of shares before dilution	57,967,528	57,967,528	57,967,528	57,967,528	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	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	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	58,071,472	58,071,472	58,071,472	58,071,472
Earnings per share before dilution, SEK	2.05	2.06	2.31	2.63	2.63	2.85	7.25	7.47
Earnings per share after dilution, SEK	2.05	2.05	2.30	2.63	2.63	2.84	7.24	7.45

*Excluding the effect of IFRS 16

Summary consolidated statement of financial position

Amounts in SEKm	Jun 2019	Jun* 2019	Jun 2018	Dec 2018
ASSETS				
Intangible assets	4,711.1	4,711.1	4,532.6	4,617.7
Tangible assets	1,277.8	929.7	882.1	893.0
Participations in associated companies	13.7	13.7	11.8	12.6
Financial assets	2.7	2.7	5.3	2.7
Deferred tax assets	49.7	41.8	53.6	39.7
Other non-current assets	39.6	39.6	40.4	38.6
Total non-current assets	**6,094.6**	**5,738.6**	**5,525.8**	**5,604.3**
Inventories	585.2	585.2	632.2	548.8
Trade receivables	713.1	713.1	742.9	595.5
Other receivables	273.3	285.2	269.9	239.6
Cash and equivalents	182.3	182.3	153.3	165.0
Total current assets	**1,753.9**	**1,765.8**	**1,798.4**	**1,548.9**
TOTAL ASSETS	**7,848.6**	**7,504.4**	**7,324.1**	**7,153.2**
EQUITY AND LIABILITIES				
Share capital	231.9	231.9	231.9	231.9
Cther capital provided	946.0	946.0	946.0	946.0
Other reserves	282.3	282.4	246.8	211.8
Profit brought forward including profit for the year	2,091.9	2,121.5	1,842.4	2,106.2
Shareholders´equity attributable to Parent Company shareholders	**3,552.2**	**3,581.8**	**3,267.1**	**3,495.9**
Non-controlling interest	-0.1	-0.1	2.0	5.1
Total equity	**3,552.1**	**3,581.7**	**3,269.1**	**3,501.0**
Interest-bearing liabilities	2,540.6	2,245.5	2,147.8	2,199.0
Deferred tax liabilities	120.3	120.3	118.6	120.0
Non-interest-bearing liabilities	31.9	31.9	29.7	27.7
Total non-current liabilities	**2,692.8**	**2,397.6**	**2,296.1**	**2,346.6**
Interest-bearing liabilities	259.4	180.7	410.1	124.8
Non-interest-bearing provisions	31.6	31.6	36.6	38.6
Non-interest-bearing liabilities	1,312.8	1,312.8	1,312.1	1,142.2
Total current liabilities	**1,603.7**	**1,525.0**	**1,758.9**	**1,305.6**
TOTAL EQUITY AND LIABILITIES	**7,848.6**	**7,504.4**	**7,324.1**	**7,153.2**

*Excluding the effect of IFRS 16

Summary consolidated statement of changes in equity

	Shareholders' equity attributable to Parent Company shareholders						
Amounts in SEKm	Share capital	Other capital provided	Translation reserve	Retained earnings	Total	Non-controlling interests	Total equity
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 period				164.8	164.8	2.6	167.4
Change in translation reserve for the period			123.4		123.4	-3.1	120.3
Total comprehensive income for the period			**123.4**	**164.8**	**288.2**	**-0.5**	**287.7**
Transactions with the Group's owners							
Dividends paid to Parent Company shareholders				-202.9	-202.9	0.0	-202.9
Dividends paid to Non-controlling interest				-	-	-29.6	-29.6
Acquisition/divestment of participation in non-controlling interests				67.5	67.5	-67.5	0.0
Other changes in wealth				46.7	46.7	0.0	46.7
Total transactions with the Group's owners	**-**	**-**	**-**	**-88.7**	**-88.7**	**-97.0**	**-185.7**
Equity, closing balance 2018-06-30	**231.9**	**946.0**	**246.8**	**1,842.4**	**3,267.1**	**2.0**	**3,269.1**
Equity, opening balance 2019-01-01	**231.9**	**946.0**	**211.8**	**2,105.6**	**3,495.3**	**5.1**	**3,500.4**
Adjustment in accordance with IFRS16				**-29.0**	**-29.0**	**0.0**	**-29.0**
Comprehensive income							
Profit for the period				152.4	152.4	0.0	152.4
Change in translation reserve for the period			70.5		70.5	3.3	73.8
Total comprehensive income for the period			**70.5**	**152.4**	**222.9**	**3.3**	**226.2**
Transactions with the Group's owners							
Dividends paid to Parent Company shareholders				-144.9	-144.9	-	-144.9
Acquisition/divestment of participation in non-controlling interests				8.5	8.5	-8.5	0.0
Other changes in wealth				-0.6	-0.6	0.0	-0.6
Total transactions with the Group's owners	**-**	**-**	**-**	**-137.0**	**-137.0**	**-8.5**	**-145.5**
Equity, closing balance 2019-06-30	**231.9**	**946.0**	**282.3**	**2,091.9**	**3,552.2**	**-0.1**	**3,552.1**

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Summary consolidated cash flow statement

Amounts in SEKm	Apr-Jun 2019	Apr-Jun* 2019	Apr-Jun 2018	Jan-Jun 2019	Jan-Jun* 2019	Jan-Jun 2018	Last 12 months	Jan-dec 2018
Operating activities								
Profit before tax	149.1	149.0	166.1	194.4	194.4	216.8	539.4	561.9
Depreciation/amortisation and impairment of assets	62.9	43.5	38.3	124.7	86.5	80.2	209.1	164.5
Adjustment for items not included in cash flow:	-9.5	-10.3	-58.6	-38.4	-39.0	-4.7	-59.9	-26.3
Income tax paid	-22.6	-22.6	-16.9	-69.0	-69.0	-91.6	-163.2	-185.8
Cash flow from operating activities before changes in working capital	**179.9**	**159.6**	**129.0**	**211.8**	**172.8**	**200.7**	**525.3**	**514.3**
Changes in working capital								
Increase(-)/decrease(+) in inventories	2.3	2.3	-20.8	-29.2	-29.2	-91.6	70.4	8.1
Increase(-)/decrease(+) in operating receivables	-75.4	-75.1	-86.8	-74.6	-74.3	-144.7	68.6	-1.5
Increase(+)/decrease(-) in operating liabilities	55.8	55.8	104.8	105.1	105.1	29.1	-10.9	-86.9
Cash flow from operating activities	**162.7**	**142.7**	**126.2**	**213.1**	**174.4**	**-6.4**	**653.5**	**434.0**
Investing activities								
Acquisitions of tangible fixed assets	-43.3	-36.6	-44.1	-93.2	-85.4	-74.0	-172.5	-153.2
Divestments of tangible fixed assets	0.6	0.6	0.4	2.5	2.5	4.1	9.1	10.7
Acquisitions of intangible assets	-5.6	-5.6	-13.5	-15.3	-15.3	-24.4	-55.9	-65.0
Acquisitions of subsidiary, net of cash	-0.4	-0.4	-339.0	-36.4	-36.4	-339.0	-117.2	-419.8
Change in financial assets	-0.2	-0.2	-1.0	0.1	0.0	-1.7	0.0	-1.7
Cash flow from investing activities	**-48.9**	**-42.3**	**-397.3**	**-142.4**	**-134.5**	**-434.9**	**-336.5**	**-629.0**
Financing activities								
Dividends to parent company shareholders	-144.9	-144.9	-202.9	-144.9	-144.9	-202.9	-144.9	-202.9
Dividends to non-controlling interest	0.0	0.0	0.0	0.0	0.0	-29.6	0.0	-29.6
Change in interest-bearing liabilities	86.7	100.0	500.1	87.3	118.2	412.0	-145.7	178.9
Cash flow from financing activities	**-58.2**	**-44.9**	**297.2**	**-57.6**	**-26.7**	**179.5**	**-290.6**	**-53.5**
Cash flow for the year	55.5	55.5	26.0	13.2	13.2	-261.8	26.4	-248.6
Cash and equivalents at the beginning of the year	125.0	125.0	125.7	165.0	165.0	410.0	153.3	410.0
Exchange rate difference in cash and equivalents	1.8	1.8	1.6	4.1	4.1	5.1	2.6	3.6
Cash and equivalents at the end of the year	**182.3**	**182.3**	**153.3**	**182.3**	**182.3**	**153.3**	**182.3**	**165.0**

*Excluding the effect of IFRS 16

Summary income statement, Parent Company

Amounts in SEKm	Apr-Jun 2019	Apr-Jun 2018	Jan-Jun 2019	Jan-Jun 2018	Last 12 months	Jan-Dec 2018
Net sales	12.9	22.0	32.7	35.6	56.3	59.2
Gross profit	**12.9**	**22.0**	**32.7**	**35.6**	**56.3**	**59.2**
Administrative expenses	-20.0	-22.3	-40.1	-38.8	-72.0	-70.8
Other operating income	0.1	0.0	1.9	1.4	1.8	1.3
Other operating expenses	0.0	0.0	0.0	0.0	0.0	0.0
Operating profit	**-7.1**	**-0.2**	**-5.5**	**-1.9**	**-13.9**	**-10.3**
Result from financial items:						
Participations in earnings of Group companies	10.6	0.0	10.6	0.0	20.8	10.3
Other interest income and similar profit/loss items	-0.2	17.6	41.3	56.1	61.1	63.4
Interest expense and similar profit items	-10.2	-14.5	-25.7	-24.2	-67.3	-53.3
Profit after financial items	**-7.0**	**2.9**	**20.6**	**30.0**	**0.8**	**10.2**
Group contribution	0.0	0.0	0.0	0.0	109.7	109.7
Difference between depreciation/ amortisation according to plan and reported depreciation/amortisation	0.0	0.0	0.0	0.0	0.1	0.1
Profit before tax	**-7.0**	**2.9**	**20.6**	**30.0**	**110.6**	**120.0**
Tax expense	1.8	-0.2	-4.1	-6.0	-23.2	-25.1
Profit for the period	**-5.2**	**2.7**	**16.5**	**24.0**	**87.5**	**95.0**

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Summary balance sheet, Parent Company

Amounts in SEKm	Jun 2019	Jun 2018	Dec 2018
ASSETS			
Intangible non-current assets	26.4	10.2	21.6
Tangible non-current assets	3.2	3.8	3.3
Participations in Group companies	2,251.1	2,044.7	2,183.3
Participations in associated companies	1.0	1.0	1.0
Receivables from Group companies	2,128.8	2,279.8	2,289.9
Deferred tax asset	7.6	7.1	7.1
Other non-current assets	0.0	2.6	0.0
Total non-current assets	**4,418.1**	**4,349.1**	**4,506.1**
Receivables from Group companies	0.2	1.0	74.6
Prepaid expenses and accrued income	0.0	0.5	3.0
Other receivables	63.7	64.1	15.8
Cash and equivalents	0.0	0.0	27.7
Total current assets	**63.9**	**65.5**	**121.1**
TOTAL ASSETS	**4,481.9**	**4,414.7**	**4,627.2**
EQUITY AND LIABILITIES			
Equity	1,431.4	1,488.9	1,559.8
Total equity	**1,431.4**	**1,488.9**	**1,559.8**
Accumulated depreciation/amortisation in addition to plan	0.3	0.4	0.3
Untaxed reserves	**0.3**	**0.4**	**0.3**
Liabilities to Group companies	643.0	429.5	839.0
Interest-bearing liabilities	2,205.2	2,119.1	2,156.5
Deferred tax liabilities	0.0	0.1	0.0
Other liabilities	28.8	26.5	25.1
Total non-current liabilities	**2,877.0**	**2,575.1**	**3,020.6**
Liabilities to Group companies	0.3	0.9	5.5
Interest-bearing liabilities	128.4	297.6	0.0
Non-interest-bearing liabilities	44.7	51.8	41.0
Total current liabilities	**173.3**	**350.3**	**46.5**
TOTAL EQUITY AND LIABILITIES	**4,481.9**	**4,414.7**	**4,627.2**

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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 2018 Annual Report) with the exception of the amended accounting principles described below, which the Group has applied since 1 January 2019.

Effective 1 January 2019, IFRS 16 Leases has replaced IAS 17 Leases. IFRS 16 introduces a uniform lease accounting model for lessees. A lessee reports a right of use, representing the entitlement to use the underlying asset, and a lease liability, representing an obligation to pay leasing fees. There are exemptions for short-term leases and leases of low-value assets. For further information on how the new standard affects Inwido, see Note 3.

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. Operational 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 2018 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 – impact of IFRS 16 on the consolidated accounts

Effective 1 January 2019, Inwido has begun to apply IFRS 16 Leases, applying the modified retroactive model in connection with the transition. This means that the cumulative effect of IFRS 16 has been reported in the opening balance of accumulated profit per 1 January 2019 without translation of comparison figures. The rights of use assets attributable to earlier operational leases have been reported in the balance sheet as per 31 December 2018 at their amortized value, calculated from the commencement of the lease with an addition for advance payments. The Group applies the relief rule to "inherit" the earlier definition of leasing in connection with the transition. This means that IFRS 16 has been applied to all contracts entered before 1 January 2019 and identified as leases in accordance with IAS 17 and IFRIC 4. Low-value leases (assets valued in new condition at less than approximately SEK 50,000) – predominantly computers, printers/copiers and coffee machines – have not been included in the leasing debt but have continued to be expensed on a straight-line basis over the lease term.

The consolidated accounts earlier in the report include the outcome for the period, reported both applying IFRS 16 and as if IAS 17 still applied. In the segment reporting, IAS 17 is still applied for leases rather than IFRS 16, which is a difference between the accounting principles applied in the consolidated accounts and those applied for the segments.

The foremost effect in connection with the change is that the Group reports new assets and liabilities for operational leases relating to inventories, factory facilities and vehicles. The reporting of expenses for these leases has changed, since the Group reports amortization for rights of use assets and interest expenses for leasing liabilities. The Group previously reported operating leasing expenses on a straight-line basis over the lease term and reported assets (prepaid leasing fees) and liabilities (accrued leasing fees) only to the extent that there was a difference between the actual leasing fees and the recognized expenses.

As per 1 January 2019, the Group has reported additional leasing liabilities of SEK 386 million, rights in use assets of SEK 361 million and deferred tax assets of SEK 8 million, while prepaid leasing expenses were reduced by SEK 12 million, which reduced shareholders' equity by SEK 29 million net as of 1 January 2019. The rights of use assets per 30 June are reported in their entirety as tangible non-current assets, with SEK 298 million classified as buildings and SEK 50 million as machinery and equipment.

Note 4 – Acquisitions of businesses

On 12 March 2019, Inwido acquired the remaining 17 percent of the shares in Värmelux OY, meaning that Inwido owns 100 percent of the company. The acquisition was financed through existing credit facilities.

Note 5 – 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	Jun 2019		Jun 2018	
	Level 2	**Level 3**	**Level 2**	**Level 3**
Assets				
Non-current receivable – derivative	-	-	-	-
Current receivable – derivative	1.1	-	3.0	-
	1.1	-	3.0	-
Liabilies and provisions				
Non-current liability – derivative	9.6	-	8.0	-
Current liability – derivative	0.7	-	3.1	-
Current liability – acqusition related	-	-	-	-
Non-current liability – acqusition related	-	-	-	19.9
	10.2	0.0	11.1	19.9

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

	Shares and participations	Acquisition-related liabilities
Fair value 2019-01-01	2.7	23.9
Acquisition-related liabilities	-	-
Translation differences	0.0	0.0
Settled earn-out	-	-20.2
Total recognized gains and losses:		
- Reported in equity	-	-
- Reported in profit for the period*	-	-3.7
Fair value 2019-06-30	**2.7**	**0.0**
Fair value 2018-01-01	5.3	22.3
Acquisition-related liabilities	-	-
Translation differences	0.0	1.1
Settled earn-out	-	-
Total recognized gains and losses:		
- Reported in equity	-	-
- Reported in profit for the period*	-	-3.5
Fair value 2018-06-30	**5.3**	**19.9**

*The change in the acquisition-related liability is reported in other operating income.

For a description of the measurement techniques and input data in the measurement of financial instruments at fair value, see Note 2 in the 2018 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 2018 Annual Report.

Note 6 – Distribution of income

Net sales by country

Amounts in SEKm	Apr-Jun 2019	Apr-Jun 2018	Jan-Jun 2019	Jan-Jun 2018	Last 12 months	Jan-Dec 2018
Sweden	495	550	960	1,059	2,048	2,147
Denmark	456	420	816	698	1,767	1,649
Norway	110	103	193	165	392	364
Finland	416	422	779	789	1,744	1,754
Poland	27	30	50	51	106	106
UK	109	108	198	209	419	431
Ireland	42	36	75	73	148	147
Germany	12	8	22	15	42	35
Other	43	51	60	61	34	35
Total	**1,710**	**1,729**	**3,153**	**3,120**	**6,700**	**6,667**

Net sales distribution between market segments by operating segment

	North		South		Other		Group-wide, eliminations and other		Group	
Amounts in SEKm	Apr-Jun 2019	Apr-Jun 2018	Apr-Jun 2019	Apr-Jun 2018	Apr-Jun 2019	Apr-Jun 2018	Apr-Jun 2019	Apr-Jun 2018	Apr-Jun 2019	Apr-Jun 2018
Net Sales	**973**	**1,031**	**690**	**651**	**101**	**107**	**-53**	**-60**	**1,710**	**1,729**
Consumer	594	636	630	598	0	0	-	-	1,224	1,234
Industry	370	383	43	35	0	0	-	-	413	418
Other	8	12	12	10	54	55	-	-	73	78
Internal sales	1	0	6	8	47	53	-	-	0	0

	North		South		Other		Group-wide, eliminations and other		Group	
Amounts in SEKm	Jan-Jun 2019	Jan-Jun 2018	Jan-Jun 2019	Jan-Jun 2018	Jan-Jun 2019	Jan-Jun 2018	Jan-Jun 2019	Jan-Jun 2018	Jan-Jun 2019	Jan-Jun 2018
Net Sales	**1,820**	**1,910**	**1,242**	**1,114**	**191**	**231**	**-101**	**-135**	**3,153**	**3,120**
Consumer	1,082	1,136	1,130	1,009	0	0	-	-	2,212	2,145
Industry	720	749	81	70	0	0	-	-	801	819
Other	17	25	21	20	103	111	-	-	140	156
Internal sales	1	0	11	14	88	120	-	-	0	0

Note 7 – Change in segments

With the implementation of its Simplify strategy, conducted 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, eliminations and other**	**Group**
Amounts in SEKm	**Apr-Jun 2018**	**Apr-Jun 2018**	**Apr-Jun 2018**	**Apr-Jun 2018**
Net sales	**1,031**	**651**	**47**	**1,729**
Previous segment:				
Sweden - Norway	610	-	-	610
Finland	421	-	-	421
Denmark	-	348	-	348
EBE	-	310	-	310
Other	8	48	108	155
Group-wide and eliminations	-9	-54	-61	-115
Net Sales	**1,031**	**651**	**47**	**1,729**

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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 gross profit	Gross profit before items affecting comparability.	Key ratio used to measure how much of net sales is left to cover other expenses. The key ratio is also adjusted for the impact of items affecting comparability to increase comparability 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 gross margin	Operating gross profit as a percentage of net sales.	This key ratio is a complement to operating margin since it shows the underlying surplus from net sales left to cover other expenses in relation to net sales.

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. When net debt is calculated in accordance with IFRS 16, operating EBITDA RTM is adjusted in the relevant quarters in 2018 to make the included parameters comparable.	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.

Return measures	Calculation	Purpose
Return on shareholders' equity	Profit after tax, rolling 12-month (RTM), attributable to the Parent Company's shareholders as a percentage of average shareholders' equity, excluding non-controlling interest (average calculated based on the past four quarters).	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, rolling 12-month (RTM), as a percentage of average operating capital (average calculated based on the past four quarters).	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 segment	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.

Calculation of alternative key ratios

SEKm (unless otherwise stated)	**Apr-Jun 2019**	**Apr-Jun 2018**	**Apr-Jun 2019**	**Apr-Jun 2018**	**Last 12 months**	**Jan-Dec 2018**
Operating profit (EBIT)	181	180	221	213	625	618
Depreciation/amortization and impairment	63	34	125	77	211	163
Items affecting comparability (other items)	0	4	0	17	-1	16
Operating EBITDA	**244**	**219**	**346**	**307**	**836**	**797**
Gross profit	466	480	787	787	1,712	1,712
Items affecting comparability (depreciation/amortization and other items)	0	0	0	-20	-2	-22
Operating gross profit	**466**	**480**	**787**	**768**	**1,710**	**1,690**
Operating profit (EBIT)	181	180	221	213	625	618
Depreciation/amortization of acquisition-related intangible assets	5	4	11	7	21	18
EBITA	**187**	**184**	**232**	**220**	**647**	**635**
Items affecting comparability (depreciation/amortization and other items)	0	0	0	20	2	22
Operating EBITA	**187**	**184**	**232**	**240**	**649**	**657**
Items affecting comparability	**0**	**0**	**0**	**-20**	**-2**	**-22**
Depreciation	0	4	0	-2	-3	-6
Other	0	-4	0	-17	1	-16

Capital structure

SEKm (unless otherwise stated)	**Apr-Jun 2019**	**Apr-Jun 2018**	**Apr-Jun 2019**	**Apr-Jun 2018**	**Last 12 months**	**Jan-Dec 2018**
Cash and equivalents	-182	-153	-182	-153	-182	-165
Other interest-bearing assets	-18	-19	-18	-19	-18	-18
Interest-bearing liabilities, non-current	2,541	2,148	2,541	2,148	2,541	2,199
Interest-bearing liabilities, current	259	410	259	410	259	125
Net debt	**2,599**	**2,386**	**2,599**	**2,386**	**2,599**	**2,141**
Total assets	7,849	7,324	7,849	7,324	7,849	7,153
Cash and equivalents	-182	-153	-182	-153	-182	-165
Interest-bearing assets	-18	-19	-18	-19	-18	-18
Non-interest-bearing provisions and liabilities	-1,496	-1,497	-1,496	-1,497	-1,496	-1,328
Operating capital	**6,151**	**5,655**	**6,151**	**5,655**	**6,151**	**5,642**

Share data

SEKm (unless otherwise stated)	**Apr-Jun 2019**	**Apr-Jun 2018**	**Apr-Jun 2019**	**Apr-Jun 2018**	**Last 12 months**	**Jan-Dec 2018**
Profit after tax attributable to parent company shareholders	119	134	152	165	420	433
Items affecting comparability after tax	0	1	0	16	5	20
Impairment of goodwill, amortization and impairment of other intangible assets from company acquisitions	5	4	11	7	21	18
Adjustment	0	0	0	0	0	0
Total	124	138	164	188	446	471
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	**2.14**	**2.38**	**2.82**	**3.24**	**7.70**	**8.12**

About Inwido

Inwido owns and develops companies that improve people's everyday 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, indoor 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 and Germany.

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, the company 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

We improve life indoors

Inwido and its companies are passionate about improving life indoors, both at home and at work. With deep roots in the window and door industry, we lead and develop Europe's strongest companies in the areas of comfort, indoor climate and security. Together, we provide society with new, energy-efficient everyday solutions, in turn enabling people to live more sustainably.

A unique home for local market leaders

In our industry, consumer focus and local insights are everything. Based on this insight, Inwido has become a home for local market leaders. Although the companies develop independently, Inwido enables sustainable growth and profitability through purchasing, digitization, financing, leadership skills and other economies of scale.

Long-term values for shareholders

As an industry leader, we are driven to generate shareholder value through reliable dividends and sustainable, profitable growth, by means of both organic growth and acquisitions. We have a strong financial history, with stable cash flows and profitability even under tough economic conditions, bringing long-term benefit to investors, companies and society alike.

Positioned for future growth

We envisage continued demand for products and services that improve life indoors. Our companies are well-positioned to act on major external trends such as digitalization and climate change, but also on new growth opportunities, including e-commerce and connected products. We are certain that we can continue to attract future market leaders to the Inwido Group – with more than 50 acquisitions already having been completed testifying to the success of our model.

Information for shareholders

Financial calendar

Interim report, January-September 2019	23 October 2019
Year-end report, January-December 2019	5 February 2020
Annual Report 2019	April 2020
Interim report, January-March 2020	23 April 2020
Annual General Meeting 2020	5 May 2020
Interim report, January-June 2020	15 July 2020
Interim report, January-September 2020	21 October 2020

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 15 July 2019 at 7:45 a.m. CET.

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