



For the third quarter of 2019, we delivered improved earnings, while strong cash flow brought net debt down to 2.5x EBITDA. This development, with improved earnings despite challenging markets, testifies to the strength of our new governance model, Simplify “

Interim report, January-September 2019

Third quarter of 2019

- Net sales amounted to SEK 1,665 million (1,682), representing a decrease of 1 percent. Organic growth was a negative 2 percent.
- EBITA amounted to SEK 203 million and the EBITA margin increased to 12.2 percent. Excluding IFRS 16, EBITA amounted to SEK 200 million (200) and the EBITA margin rose to 12.0 percent (11.9).
- Operating EBITA rose to SEK 203 million and the operating EBITA margin rose to 12.2 percent. Excluding IFRS 16, operating EBITA amounted to SEK 200 million (202) and the operating EBITA margin unchanged at 12.0 percent.
- Earnings per share rose to SEK 2.56 (2.31).

January-September 2019

- Net sales rose slightly to SEK 4,818 million (4,802), an increase of less than 1 percent. Organic growth was a negative 3 percent.
- EBITA increased to SEK 435 million and the EBITA margin increased to 9.0 percent. Excluding IFRS 16, EBITA increased to SEK 426 million (420) and the EBITA margin rose to 8.8 percent (8.7).
- Operating EBITA amounted to SEK 435 million and the operating EBITA margin was 9.0 percent. Excluding IFRS 16, operating EBITA amounted to SEK 426 million (442) and the operating EBITA margin was 8.8 percent (9.2).
- Earnings per share rose to SEK 5.20 (5.16).

SEKm (unless otherwise stated)	Jul-Sep 2019	Jul-Sep* 2019	Jul-Sep 2018	Jan-Sep 2019	Jan-Sep* 2019	Jan-Sep 2018	Last 12 months	Jan-Dec 2018
Net sales	1,665	1,665	1,682	4,818	4,818	4,802	6,682	6,667
EBITA	203	200	200	435	426	420	650	635
Operating EBITA	203	200	202	435	426	442	650	657
Earnings per share before dilution, SEK	2.56	2.56	2.31	5.20	5.19	5.16	7.51	7.47
Earnings per share before dilution, SEK (non-IFRS)*	2.64	2.64	2.44	5.47	5.46	5.69	7.90	8.12
Net sales increase (%)	-1.0	-1.0	7.9	0.3	0.3	4.5	1.6	4.6
EBITA margin (%)	12.2	12.0	11.9	9.0	8.8	8.7	9.7	9.5
Operating EBITA margin (%)	12.2	12.0	12.0	9.0	8.8	9.2	9.7	9.9
Net debt/ Operating EBITDA, multiple	2.7	2.5	3.0	2.7	2.5	3.0	2.7	2.7
Net debt	2,387	2,010	2,377	2,387	2,010	2,377	2,387	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 at 10:00 a.m. today. 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 – 56 642 703 (Sweden) or on +44 33 33 00 90 31 (UK).

Strong cash flow and continued favourable growth in e-commerce

For the third quarter of 2019, we delivered improved earnings, while strong cash flow brought net debt down to 2.5x EBITDA, excluding IFRS 16. This development, with improved earnings despite challenging markets, testifies to the strength of our new governance model, Simplify. Compared with the corresponding period in the preceding year, net sales decreased by 1 percent in the third quarter to SEK 1,665 million (1,682).

Despite the lower sales, we increased our profitability, mainly thanks to early cost saving initiatives and a more advantageous mix overall, with a higher proportion of consumer sales compared with the preceding year. Our assessment is also that we are, on the whole, continuing to capture market shares in the Nordic market.



Continued positive development in South, stabilization in North

Business area South continued to develop positively during the quarter, with strong development among the companies in the area. Business area South's sales increased by 7 percent and its operating EBITA rose to SEK 135 million (118), meaning that the operating EBITA margin rose to 18.7 percent (17.5). Among our larger Danish operations, development remains strong, confirming that Inwido's leadership, combined with independent local companies, can gradually develop and refine the operations. The positive trend in e-Commerce continued, with organic sales growth of 8 percent and maintained profitability, and today 10 percent of consolidated sales derive from e-Commerce. This is encouraging proof that our efforts in e-Commerce produce results too.

Business area North developed more weakly. In Sweden and Finland, the industry market remains challenging, with decreased new construction, although the trend in the consumer segment, which is of importance to Inwido, appears relatively stable. It is gratifying to note how our new governance model, Simplify, has served the development of the Norwegian operations, which continued to develop strongly during the quarter. While developing our companies, we also have efficiency improvements and cost savings continuously in progress to counteract volume losses. Sales for the third quarter decreased by 7 percent, while operating EBITA decreased to SEK 72 million (91), meaning that the operating EBITA margin landed at 8 percent (9.4).

Strong cash flow and reduced debt

Inwido's guiding principles are to acquire and develop Europe's best companies in windows and doors. Our long-term acquisition strategy stands firm and our efforts are continuing to further strengthen the balance sheet to be able to make acquisitions. The third quarter has encouraged us in these efforts. During the period, operating cash flow was positive in the amount of SEK 319 million, compared with SEK 149 million in the corresponding period in the preceding year, meaning that the net debt/EBITDA ratio at the end of the quarter fell to the Group's target of 2.5, excluding IFRS 16, compared with 3.0 twelve months earlier.

Future prospects

With a strong earnings and cash flow, as well as being backed up by 28 companies, we enter the fourth quarter with both confidence and humility. The Nordic industrial market remains challenging, and assessing the consumer markets is difficult. Every day, we work hard to streamline and develop companies in geographies with more challenging market conditions while, at the same time, refining the companies in the more favourable markets and continuing to invest for growth in e-commerce. We do all of this to be able to satisfy the underlying investment needs of both the new construction and renovation markets.

By demonstrating our resilience in harsher periods, with stable margins and a capacity for developing our companies, we consider ourselves well-positioned to tackle the conditions with which the markets and our customers will present us and our companies in the future.

MALMÖ, 23 OCTOBER 2019



Henrik Hjalmarsson
President and CEO

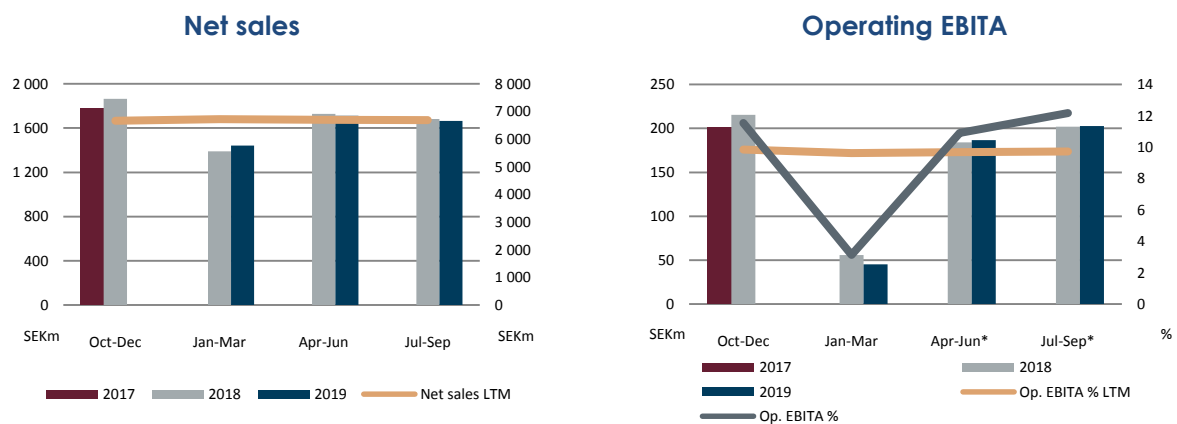
Group

Net sales

Consolidated net sales for the third quarter amounted to SEK 1,665 million (1,682). Organic growth was a negative 2 percent. Net sales during the period January-September increased to SEK 4,818 million (4,802), equivalent to organic growth of a negative 3 percent.

Analysis of net sales	Jul-Sep		Jul-Sep	Jan-Sep		Jan-Sep
	2019 (SEKm)		2018 (SEKm)	2019 (SEKm)		2018 (SEKm)
Net sales	-1%	1,665	1,682	0%	4,818	4,802
Organic growth	-2%	-37	-22	-3%	-163	-113
Structural effects	0%	0	67	2%	81	125
Currency effects	1%	19	79	2%	98	194

Reported order bookings, including acquisitions, were 2 percent lower in the third quarter, compared with the corresponding quarter in the preceding year. Excluding acquisitions, order bookings were unchanged. At the end of the period, the Group's order backlog amounted to SEK 1,107 million (1,171). Inwido North's lower order backlog partly offset 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, second and third quarters of 2019 and excluding the effect of IFRS 16 in the other quarters

EBITA

In the third quarter, EBITA amounted to SEK 203 million and to SEK 200 million (200) excluding IFRS 16. At the same time, the EBITA-margin increased to 12.2 percent and to 12.0 percent (11.9) excluding IFRS 16. Items affecting comparability amounted to a net SEK 0 million (negative 2). See "Items affecting comparability" below for additional information.

Operating EBITA, that is, EBITA before items affecting comparability, amounted to SEK 203 million and to SEK 200 million (202) excluding IFRS 16. The operating EBITA margin amounted to 12.2 percent and was unchanged at 12.0 percent (12.0.) excluding IFRS 16. Lower volumes were offset by a more advantageous mix, with a higher proportion of consumer sales, as well as an on-going adjustment of overheads in relation to the market trend. In e-commerce, profitability continued to increase, and the companies in Denmark, Norway, the UK and Ireland also continued to improve their earnings. In Sweden and Finland, it is primarily Elitfönster and Värmelux that reported lower earnings in markets where volumes were significantly lower than in the preceding year.

In the period January-September, EBITA increased to SEK 435 million and to SEK 426 million (420) excluding IFRS 16. The EBITA margin increased to 9.0 percent and to 8.8 percent (8.7) excluding IFRS 16. Operating EBITA amounted to SEK 435 million and to SEK 426 million (442) excluding IFRS 16. The operating EBITA margin amounted to 9.0 percent and to 8.8 percent (9.2.) excluding IFRS 16.

Net financial items

Financial income and expenses during the third quarter amounted to a negative net of SEK 16 million and to a negative of SEK 13 million (25) excluding IFRS 16. The entire improvement is explained by positive translation differences during the quarter. Financial income and expenses during the period January-September amounted to a negative net of SEK 43 million and to a negative SEK 34 million (22) 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 third quarter amounted to SEK 182 million (169). Income taxes amounted to SEK 34 million (34) and profit after tax was SEK 149 million (135). Over the period January-September, profit before tax amounted to SEK 377 million (386). Income taxes amounted to SEK 76 million (83) and profit after tax was SEK 301 million (303).

Earnings per share

In the third quarter, earnings per share amounted to SEK 2.56 (2.31). For the period January-September, earnings per share amounted to SEK 5.20 (5.16).

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 third quarter, items affecting comparability amounted to a net SEK 0 million (negative 2). For the period January-September, items affecting comparability amounted to a net SEK 0 million (negative 22).

Gross investments, depreciation, amortization and impairment

Gross investments in tangible non-current assets in the third quarter amounted to SEK 18 million and to SEK 26 million (28) excluding IFRS 16. Depreciation, amortization and impairment amounted to SEK 62 million and to SEK 43 million (38) excluding IFRS 16. For the period January-September, gross investments in tangible non-current assets amounted to SEK 112 million and to SEK 112 million (102) excluding IFRS 16. Depreciation, amortization and impairment amounted to SEK 187 million and to SEK 129 million (118) excluding IFRS 16.

Cash flow

Cash flow from operating activities after changes in working capital in the third quarter amounted to SEK 319 million and to SEK 301 million (149) excluding IFRS 16. During the period January-September, cash flow from operating activities after changes in working capital amounted to SEK 532 million and to SEK 475 million (142) excluding IFRS 16. The deviation from the previous year is explained by more efficient management of working capital and lower tax payments.

Cash flow from investing activities in the third quarter was negative in the amount of SEK 23 million and negative in the amount of SEK 31 million (119) excluding IFRS 16. During the period January-September, cash flow from investing activities was negative in the amount of SEK 165 million and negative in the amount of SEK 165 million (554) 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 third quarter was negative in the amount of SEK 193 million and negative in the amount of SEK 166 million (22) excluding IFRS 16. For the period January-September, cash flow from financing activities was negative in the amount of SEK 250 million and negative in the amount of SEK 193 million (positive 158) 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 2,387 million and to SEK 2,010 million (2,377) excluding IFRS 16. The lower net debt compared with the corresponding period in the preceding year is mainly explained by continued strong operating cash flow and the companies' increased focus on reducing their working capital.

At the end of the period, indebtedness, calculated as interest-bearing net debt/operating EBITDA, was 2.7 and 2.5 (3.0) excluding IFRS 16. The net debt/equity ratio amounted to 0.6 and to 0.5 (0.7) excluding IFRS 16. Consolidated cash and equivalents

were SEK 287 million (161) at the end of the period. Available funds, including unutilized credit facilities, amounted to SEK 1,416 million (1,111).

The Simplify model of governance

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 28 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 4,397 (4,455) in the period January-September 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 September 2019 amounted to SEK 231,870,112 and the number of shares totalled 57,967,528. 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 53.00 and the company's market capitalization was SEK 3.072 million. At the end of the period, there was a total of 10,622 shareholders.

The incentive programme launched in 2016 ended on 30 September 2019. The programme comprised two parts: an issue of convertibles with the opportunity for all employees to participate and an issue of subscription warrants to senior executives. Since the conversion price exceeded the current market price during the conversion period, no new shares were issued within the framework of the incentive programme.

Pledged assets and contingent liabilities

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

Future prospects

With a strong earnings and cash flow, as well as being backed up by 28 companies, we enter the fourth quarter with both confidence and humility. The Nordic industrial market remains challenging, and assessing the consumer markets is difficult. Every day, we work hard to streamline and develop companies in geographies with more challenging market conditions while, at the same time, refining the companies in the more favourable markets and continuing to invest for growth in e-commerce. We do all of this to be able to satisfy the underlying investment needs of both the new construction and renovation markets.

By demonstrating our resilience in harsher periods, with stable margins and a capacity for developing our companies, we consider ourselves well-positioned to tackle the conditions with which the markets and our customers will present us and our companies in the future.

Inwido's operations and segments

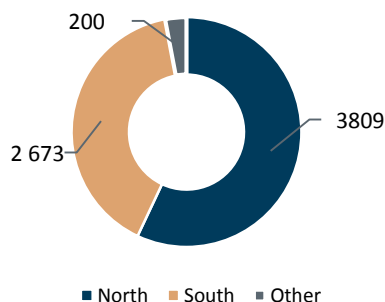


Inwido acquires, owns and develops companies that improve people's everyday lives indoors with various products and services. Today, Inwido is Europe's largest windows group and a natural home for the region's strongest companies in the areas of comfort, indoor climate and safety. In 2018, Inwido achieved 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.

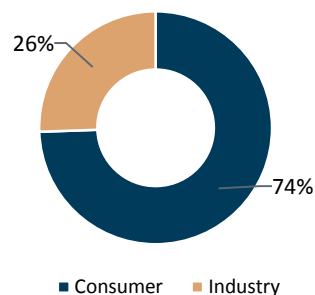
Inwido divides its operations into the North and South operating segments. Within these two operating segments, Inwido conducts operations within two different market segments, the Consumer and Industry markets. Sales are made through direct sales, installers, retailers such as builders' merchants and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

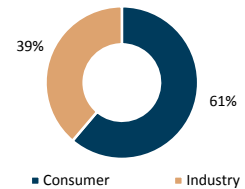
Net sales for the third quarter amounted to SEK 902 million (971), which was 7 percent lower compared with the corresponding period in the preceding year. Organic growth was -8 percent.

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.

The operating EBITA margin for the third quarter was 8.0 percent (9.4). The lower margin was mainly explained by lower volumes stemming from decreased sales to the new construction markets in Sweden and Finland. Lower consumer confidence indexes also reflect weaker markets in these countries. Inwido continuously implements measures to adjust its expenses to changing volumes. As earlier in the year, operations in Norway continued to grow with good profitability.

During the period January-September, net sales amounted to SEK 2,723 million (2,881), which was 5 percent lower than in the corresponding period last year. The operating EBITA margin for the period January-September was 5.5 percent (8.0)

External net sales split between market segments, LTM



MSEK	Jul-Sep 2019	Jul-Sep 2018	Change	Jan-Sep 2019	Jan-Sep 2018	Change	Last 12 months	Jan-Dec 2018
Net sales	902	971	-7%	2,723	2,881	-5%	3,812	3,970
Operating gross profit	207	223	-7%	617	659	-6%	870	912
Operating gross profit margin (%)	23.0	22.9		22.7	22.9		22.8	23.0
Operating EBITA	72	91	-21%	150	229	-34%	240	319
Operating EBITA margin (%)	8.0	9.4		5.5	8.0		6.3	8.0

Inwido South – profitability still growing strongly

Net sales for the third quarter rose to SEK 724 million (674), which was 7 percent higher compared with the corresponding period last year. Organic net sales increased by 6 percent.

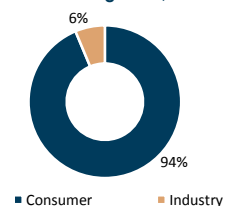
The e-commerce companies grew organically by 8 percent in the quarter, thereby accounting for approximately 10 percent of consolidated sales. The companies in Denmark, Ireland and Poland also continued to grow with good profitability and, overall, the companies in the UK achieved better profits than last year.

At the end of the period, Inwido South's order backlog was 13 percent higher compared with the preceding year.

The operating EBITA margin for the third quarter increased to 18.7 percent (17.5), with all companies in Inwido South contributing to the positive trend.

During the period January-September, net sales rose to SEK 1,966 million (1,788), which was 10 percent higher than for the corresponding period in the preceding year. The operating EBITA margin for the period January-September rose to 15.8 percent (13.7).

External net sales split between market segments, LTM



MSEK	Jul-Sep 2019	Jul-Sep 2018	Change	Jan-Sep 2019	Jan-Sep 2018	Change	Last 12 months	Jan-Dec 2018
Net sales	724	674	7%	1,966	1,788	10%	2,696	2,517
Operating gross profit	224	215	4%	582	525	11%	799	742
Operating gross profit margin (%)	31.0	31.9		29.6	29.4		29.6	29.5
Operating EBITA	135	118	15%	311	244	27%	450	383
Operating EBITA margin (%)	18.7	17.5		15.8	13.7		16.7	15.2

Key ratios, Group

<i>SEKm (unless otherwise stated)</i>	Jul-Sep 2019	Jul-Sep* 2018	Jul-Sep 2018	Jan-Sep 2019	Jan-Sep* 2019	Jan-Sep 2018	Last 12 months	Jan-Dec 2018
Income measures								
Net sales	1,665	1,665	1,682	4,818	4,818	4,802	6,682	6,667
Gross profit	442	440	449	1,230	1,224	1,236	1,705	1,712
EBITDA	260	238	233	233	540	524	864	781
Operating EBITDA	260	238	238	606	540	546	858	797
EBITA	203	200	200	435	426	420	650	635
Operating EBITA	203	200	202	435	426	442	650	657
Operating profit (EBIT)	198	195	194	419	411	408	629	618
Margin measures								
Gross margin (%)	26.6	26.4	26.7	25.5	25.4	25.7	25.5	25.7
EBITDA margin (%)	15.6	14.3	13.9	4.8	11.2	10.9	12.9	11.7
Operating EBITDA margin (%)	15.6	14.3	14.2	12.6	11.2	11.4	12.8	12.0
EBITA margin (%)	12.2	12.0	11.9	9.0	8.8	8.7	9.7	9.5
Operating EBITA margin (%)	12.2	12.0	12.0	9.0	8.8	9.2	9.7	9.9
Operating margin (EBIT) (%)	11.9	11.7	11.6	8.7	8.5	8.5	9.4	9.3
Capital structure								
Net debt	2,387	2,010	2,377	2,387	2,010	2,377	2,387	2,141
Net debt/operating EBITDA, multiple	2.7	2.5	3.0	2.7	2.5	3.0	2.7	2.7
Net debt/equity ratio, multiple	0.6	0.5	0.7	0.6	0.5	0.7	0.6	0.6
Interest coverage ratio, multiple	10.1	11.7	10.2	8.0	9.4	9.5	7.9	9.2
Shareholders' equity	3,740	3,770	3,378	3,740	3,770	3,378	3,770	3,501
Equity/assets ratio (%)	47	49	45	47	49	45	49	49
Operating capital	6,127	5,780	5,756	6,127	5,780	5,756	5,780	5,642
Return measures								
Return on shareholders' equity (%)	12.1	12.1	10.1	12.1	12.1	10.1	12.1	13.2
Return on operating capital (%)	10.5	10.8	9.3	10.5	10.8	9.3	10.8	11.8
Share data (number of shares in thousands)								
Earnings per share before dilution, SEK	2.56	2.56	2.31	5.20	5.19	5.16	7.51	7.47
Earnings per share after dilution, SEK	2.56	2.56	2.31	5.20	5.19	5.15	7.49	7.45
Earnings per share before dilution, SEK (non-IFRS)	2.64	2.64	2.44	5.47	5.46	5.69	7.90	8.12
Earnings per share after dilution, SEK (non-IFRS)	2.64	2.64	2.44	5.47	5.46	5.68	7.89	8.11
Shareholders' equity per share before dilution, SEK	64.52	65.03	58.23	64.52	65.03	58.23	65.03	60.31
Shareholders' equity per share after dilution, SEK	64.52	65.03	58.12	64.52	65.03	58.12	65.03	60.20
Cash flow per share before dilution, SEK	5.51	5.51	2.57	9.18	9.18	2.46	14.21	7.49
Cash flow per share after dilution, SEK	5.51	5.51	2.56	9.18	9.18	2.45	14.21	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	57,968	57,968	58,071	57,968	57,968	58,071	57,968	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	58,037	58,037	58,071	58,063	58,063	58,071	58,063	58,071

*Excluding the effect of IFRS 16

Quarterly review, Group

Key ratios

	Q3	Q3*	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3
<i>SEKm (unless otherwise stated)</i>	2019	2019	2019	2019	2018	2018	2018	2018	2017	2017
Net sales	1,665	1,665	1,710	1,443	1,864	1,682	1,729	1,391	1,774	1,559
Operating EBITA	203	200	187	45	215	202	184	56	201	172
Operating EBITA margin (%)	12.2	12.0	10.9	3.1	11.5	12.0	10.6	4.0	11.3	11.0
EBITA	203	200	187	45	215	200	184	37	89	172
EBITA margin (%)	12.2	12.0	10.9	3.1	11.5	11.9	10.6	2.6	5.0	11.0
Return on shareholders' equity (%)	12.1	12.1	12.0	12.7	13.2	10.1	9.5	9.1	9.7	14.0
Earnings per share before dilution, SEK	2.56	2.56	2.05	0.58	2.31	2.31	2.31	0.54	0.38	1.85
Earnings per share after dilution, SEK	2.56	2.56	2.05	0.58	2.31	2.31	2.30	0.54	0.38	1.85
Shareholders' equity per share before dilution, SEK	64.52	65.03	61.28	61.01	60.31	58.23	56.36	56.22	52.92	51.57
Shareholders' equity per share after dilution, SEK	64.44	64.95	61.17	60.90	60.20	58.12	56.26	56.12	52.82	51.48
Cash flow per share before dilution, SEK	5.51	5.51	2.81	0.87	5.03	2.57	2.18	-2.29	5.19	2.56
Cash flow per share after dilution, SEK	5.50	5.50	2.80	0.87	5.02	2.56	2.17	-2.28	5.18	2.56
Share price, SEK	53.00	53.00	64.65	55.20	55.60	66.95	64.10	74.60	83.75	103.75

*Excluding the effect of IFRS 16

Net sales per segment

	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3
<i>SEKm</i>	2019	2019	2019	2018	2018	2018	2018	2017	2017
North	902	973	848	1,089	971	1,031	880	1,101	933
South	724	690	552	730	674	651	462	630	593
Group-wide and eliminations and other	39	47	43	45	38	47	49	43	33
Total	1,665	1,710	1,443	1,864	1,682	1,729	1,391	1,774	1,559

Key data for the segments

Amounts in SEKm	North		South		Group-wide, eliminations and other		IFRS 16 effect		Group	
	Jul-Sep	Jul-Sep	Jul-Sep	Jul-Sep	Jul-Sep	Jul-Sep	Jul-Sep	Jul-Sep	Jul-Sep	Jul-Sep
	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018
Net sales	902	971	724	674	39	38	0	0	1,665	1,682
Operating gross profit	207	223	224	215	9	9	2	0	442	446
Operating gross profit margin (%)	23.0	22.9	31.0	31.9	-	-	-	-	26.6	26.5
Operating EBITA	72	91	135	118	-8	-7	3	0	203	202
Operating EBITA margin (%)	8.0	9.4	18.7	17.5	-	-	-	-	12.2	12.0

Amounts in SEKm	North		South		Group-wide, eliminations and other		IFRS 16 effect		Group	
	Jan-Sep	Jan-Sep	Jan-Sep	Jan-Sep	Jan-Sep	Jan-Sep	Jan-Sep	Jan-Sep	Jan-Sep	Jan-Sep
	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018
Net sales	2,723	2,881	1,966	1,788	129	134	0	0	4,818	4,802
Operating gross profit	617	659	582	525	26	31	6	0	1,230	1,214
Operating gross profit margin (%)	22.7	22.9	29.6	29.4	-	-	-	-	25.5	25.3
Operating EBITA	150	229	311	244	-35	-31	9	0	435	442
Operating EBITA margin (%)	5.5	8.0	15.8	13.7	-	-	-	-	9.0	9.2

Summary consolidated statement of comprehensive income

<i>Amounts in SEKm</i>	Jul-Sep 2019	Jul-Sep* 2019	Jul-Sep 2018	Jan-Sep 2019	Jan-Sep* 2019	Jan-Sep 2018	Last 12 months	Jan-Dec 2018
Net sales	1,664.7	1,664.7	1,682.2	4,817.9	4,817.9	4,802.3	6,682.2	6,666.6
Cost of goods sold	-1,222.4	-1,224.5	-1,233.1	-3,588.2	-3,594.0	-3,566.0	-4,976.7	-4,954.4
Gross profit	442.3	440.2	449.1	1,229.7	1,223.9	1,236.4	1,705.5	1,712.2
Other operating income	3.2	3.2	13.4	15.8	15.8	24.3	43.9	52.7
Selling expenses	-138.9	-139.4	-154.3	-473.3	-474.8	-495.4	-647.9	-670.0
Administrative expenses	-97.2	-97.5	-102.1	-315.4	-316.9	-310.3	-420.6	-415.6
Research and development expenses	-9.4	-9.4	-9.4	-36.1	-36.1	-39.8	-46.7	-50.5
Other operating expenses	-1.8	-1.8	-3.5	-2.4	-2.4	-9.2	-5.5	-12.6
Share of profit of associated companies	0.0	0.0	1.2	1.0	1.0	1.8	0.7	1.5
Operating profit (EBIT)	198.3	195.3	194.4	419.4	410.6	407.7	629.4	617.6
Financial income	3.8	3.8	-7.0	10.9	10.9	23.6	3.5	13.1
Financial expenses	-19.9	-17.0	-18.3	-53.7	-45.0	-45.4	-80.2	-68.9
Net financial items	-16.1	-13.2	-25.3	-42.8	-34.1	-21.8	-76.7	-55.8
Profit before tax	182.2	182.2	169.1	376.6	376.5	385.9	552.6	561.9
Tax expense	-33.7	-33.7	-33.9	-75.7	-75.7	-83.3	-116.3	-123.9
Profit after tax	148.5	148.4	135.2	300.9	300.8	302.6	436.3	438.0
Other comprehensive income								
Items reallocated to, or that can be reallocated to profit for the year								
Translation differences, foreign operations	39.9	40.5	-25.8	112.6	112.6	94.4	105.2	85.6
Total other comprehensive income after tax	188.4	188.9	109.4	413.5	413.4	397.0	541.6	523.6
Profit after tax attributable to:								
Parent Company shareholders	148.5	148.4	133.9	300.9	300.8	298.7	434.8	432.5
Non-controlling interest	0.0	0.0	1.3	0.0	0.0	3.9	1.6	5.5
Other comprehensive income attributable to:								
Parent Company shareholders	186.0	186.4	108.1	413.3	413.2	394.0	542.2	521.0
Non-controlling interest	2.5	2.5	1.3	0.2	0.2	2.9	-0.6	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	58,036,824	58,036,824	58,071,472	58,062,810	58,062,810	58,071,472	58,062,810	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	57,967,528	57,967,528	58,071,472	57,967,528	57,967,528	58,071,472	57,967,528	58,071,472
Earnings per share before dilution, SEK	2.56	2.56	2.31	5.20	5.19	5.16	7.51	7.47
Earnings per share after dilution, SEK	2.56	2.56	2.31	5.20	5.19	5.15	7.49	7.45

*Excluding the effect of IFRS 16

Summary consolidated statement of financial position

<i>Amounts in SEKm</i>	Sep 2019	Sep* 2019	Sep 2018	Dec 2018
ASSETS				
Intangible assets	4,759.6	4,759.6	4,621.2	4,617.7
Tangible assets	1,280.2	929.3	884.2	893.0
Participations in associated companies	13.7	13.7	13.0	12.6
Financial assets	2.8	2.8	5.3	2.7
Deferred tax assets	49.9	41.8	52.7	39.7
Other non-current assets	41.3	41.3	40.5	38.6
Total non-current assets	6,147.4	5,788.5	5,616.7	5,604.3
Inventories	558.9	558.9	609.4	548.8
Trade receivables	764.7	764.7	807.1	595.5
Other receivables	254.6	266.5	290.1	239.6
Cash and equivalents	286.8	286.8	161.1	165.0
Total current assets	1,865.0	1,876.9	1,867.8	1,548.9
TOTAL ASSETS	8,012.5	7,665.4	7,484.5	7,153.2
EQUITY AND LIABILITIES				
Share capital	231.9	231.9	231.9	231.9
Other capital provided	946.0	946.0	946.0	946.0
Other reserves	324.2	324.5	221.1	211.8
Profit brought forward including profit for the year	2,237.7	2,267.3	1,976.2	2,106.2
Shareholders' equity attributable to Parent Company shareholders	3,739.8	3,769.7	3,375.2	3,495.9
Non-controlling interest	0.0	0.0	3.3	5.1
Total equity	3,739.8	3,769.6	3,378.5	3,501.0
Interest-bearing liabilities	2,564.3	2,269.5	2,199.5	2,199.0
Deferred tax liabilities	121.0	121.0	122.4	120.0
Non-interest-bearing liabilities	18.2	18.2	28.4	27.7
Total non-current liabilities	2,703.6	2,408.8	2,350.3	2,346.6
Interest-bearing liabilities	128.0	45.9	357.0	124.8
Non-interest-bearing provisions	30.0	30.0	32.8	38.6
Non-interest-bearing liabilities	1,411.2	1,411.2	1,366.0	1,142.2
Total current liabilities	1,569.1	1,487.0	1,755.7	1,305.6
TOTAL EQUITY AND LIABILITIES	8,012.5	7,665.4	7,484.5	7,153.2

*Excluding the effect of IFRS 16

Summary consolidated statement of changes in equity

Shareholders' equity attributable to Parent Company shareholders							
<i>Amounts in SEKm</i>	Share capital	Other capital provided	Trans-lation 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
<i>Comprehensive income</i>							
Profit for the period				298.7	298.7	3.9	302.6
Change in translation reserve for the period			97.7		97.7	-3.1	94.6
Total comprehensive income for the period			97.7	298.7	396.4	0.8	397.2
<i>Transactions with the Group's owners</i>							
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				67.3	67.3	-67.3	0.0
Other changes in wealth				46.9	46.9	-0.2	46.7
Total transactions with the Group's owners	-	-	-	-88.7	-88.7	-97.0	-185.7
Equity, closing balance 2018-09-30	231.9	946.0	221.1	1,976.2	3,375.2	3.3	3,378.5
Equity, opening balance 2019-01-01	231.9	946.0	211.8	2,106.2	3,495.9	5.1	3,501.0
Adjustment in accordance with IFRS16				-29.0	-29.0	0.0	-29.0
<i>Comprehensive income</i>							
Profit for the period				300.9	300.9	0.0	300.9
Change in translation reserve for the period			112.4		112.4	0.2	112.6
Total comprehensive income for the period			112.4	300.9	413.3	0.2	413.5
<i>Transactions with the Group's owners</i>							
Dividends paid to Parent Company shareholders				-144.9	-144.9	-	-144.9
Acquisition/divestment of participation in non-controlling interests				5.4	5.4	-5.4	0.0
Other changes in wealth				-0.8	-0.8	0.0	-0.8
Total transactions with the Group's owners	-	-	-	-140.3	-140.3	-5.4	-145.7
Equity, closing balance 2019-09-30	231.9	946.0	324.2	2,237.7	3,739.8	0.0	3,739.8

Summary consolidated cash flow statement

<i>Amounts in SEKm</i>	Jul-Sep 2019	Jul-Sep* 2019	Jul-Sep 2018	Jan-Sep 2019	Jan-Sep* 2019	Jan-Sep 2018	Last 12 months	Jan-dec 2018
Operating activities								
Profit before tax	182.1	182.0	169.1	376.6	376.5	385.9	552.6	561.9
Depreciation/amortisation and impairment of assets	62.0	42.7	37.8	186.8	129.2	118.0	233.3	164.5
Adjustment for items not included in cash flow:	31.8	32.6	-22.6	-6.7	-6.6	-27.3	-5.6	-26.3
Income tax paid	1.0	1.0	-31.0	-68.1	-68.1	-122.6	-131.3	-185.8
Cash flow from operating activities before changes in working capital	276.9	258.2	153.2	488.7	431.0	354.0	649.0	514.3
Changes in working capital								
Increase(-)/decrease(+) in inventories	29.0	29.0	33.5	-0.2	-0.2	-58.0	65.9	8.1
Increase(-)/decrease(+) in operating receivables	-26.7	-26.6	-39.1	-101.3	-100.8	-183.8	81.1	-1.5
Increase(+)/decrease(-) in operating liabilities	40.1	40.1	1.2	145.2	145.2	30.4	27.9	-86.9
Cash flow from operating activities	319.3	300.7	148.9	532.4	475.1	142.5	823.9	434.0
Investing activities								
Acquisitions of tangible fixed assets	-18.5	-26.3	-28.2	-111.7	-111.7	-102.2	-162.8	-153.2
Divestments of tangible fixed assets	1.1	1.1	4.7	3.6	3.6	8.8	5.6	10.7
Acquisitions of intangible assets	-3.9	-3.9	-15.1	-19.1	-19.1	-39.5	-44.6	-65.0
Acquisitions of subsidiary, net of cash	-0.6	-0.6	-79.8	-37.0	-37.0	-418.8	-38.0	-419.8
Change in financial assets	-0.9	-0.9	-0.5	-0.9	-0.9	-2.2	-0.4	-1.7
Cash flow from investing activities	-22.8	-30.6	-119.0	-165.1	-165.1	-553.8	-240.3	-629.0
Financing activities								
Dividends to parent company shareholders	0.0	0.0	0.0	-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	-29.5	0.0	-29.6
Change in interest-bearing liabilities	-192.8	-166.3	-21.5	-105.4	-48.2	390.4	-316.9	178.9
Cash flow from financing activities	-192.8	-166.3	-21.5	-250.4	-193.1	158.0	-461.9	-53.5
Cash flow for the year	103.7	103.7	8.4	116.9	116.9	-253.4	121.7	-248.6
Cash and equivalents at the beginning of the year	182.3	182.3	153.3	165.0	165.0	410.0	161.1	410.0
Exchange rate difference in cash and equivalents	0.7	0.7	-0.6	4.9	4.9	4.5	3.9	3.6
Cash and equivalents at the end of the year	286.8	286.8	161.1	286.8	286.8	161.1	286.8	165.0

*Excluding the effect of IFRS 16

Summary income statement, Parent Company

<i>Amounts in SEKm</i>	Jul-Sep 2019	Jul-Sep 2018	Jan-Sep 2019	Jan-Sep 2018	Last 12 months	Jan-Dec 2018
Net sales	16.4	14.0	49.1	49.6	58.7	59.2
Gross profit	16.4	14.0	49.1	49.6	58.7	59.2
Administrative expenses	-12.8	-12.9	-52.8	-51.7	-71.9	-70.8
Other operating income	0.0	0.0	1.8	1.4	1.8	1.3
Other operating expenses	0.0	0.0	0.0	0.0	0.0	0.0
Operating profit	3.6	1.1	-1.9	-0.8	-11.4	-10.3
<i>Result from financial items:</i>						
Participations in earnings of Group companies	0.0	0.0	10.6	0.0	20.8	10.3
Other interest income and similar profit/loss items	18.4	6.5	59.7	62.6	62.1	63.4
Interest expense and similar profit items	-11.0	-12.0	-36.7	-36.2	-55.4	-53.3
Profit after financial items	11.1	-4.3	31.6	25.6	16.2	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	11.1	-4.3	31.6	25.6	126.0	120.0
Tax expense	-2.2	0.6	-6.2	-5.3	-26.0	-25.1
Profit for the period	8.9	-3.7	25.4	20.3	100.0	95.0

Summary balance sheet, Parent Company

<i>Amounts in SEKm</i>	Sep 2019	Sep 2018	Dec 2018
ASSETS			
Intangible non-current assets	28.0	14.2	21.6
Tangible non-current assets	3.2	3.6	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	2,097.8	2,250.8	2,289.9
Deferred tax asset	7.8	6.8	7.1
Other non-current assets	0.0	2.6	0.0
Total non-current assets	4,388.9	4,323.7	4,506.1
Receivables from Group companies	0.6	0.0	74.6
Prepaid expenses and accrued income	39.5	40.7	3.0
Other receivables	42.3	48.6	15.7
Cash and equivalents	155.1	0.0	27.7
Total current assets	237.6	89.3	121.1
TOTAL ASSETS	4,626.5	4,413.0	4,627.2
EQUITY AND LIABILITIES			
Equity	1,440.3	1,485.2	1,559.8
Total equity	1,440.3	1,485.2	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	908.5	501.9	839.0
Interest-bearing liabilities	2,230.3	2,157.3	2,156.5
Deferred tax liabilities	0.0	0.1	0.0
Other liabilities	14.9	24.7	25.1
Total non-current liabilities	3,153.8	2,683.9	3,020.6
Liabilities to Group companies	0.2	0.8	5.5
Interest-bearing liabilities	0.0	203.8	0.0
Non-interest-bearing liabilities	31.9	39.0	41.0
Total current liabilities	32.1	243.5	46.5
TOTAL EQUITY AND LIABILITIES	4,626.5	4,413.0	4,627.2

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 September are reported in their entirety as tangible non-current assets, with SEK 298 million classified as buildings and SEK 53 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	Sep 2019		Sep 2018			
	Level 2	Level 3	Level 2	Level 3		
Assets					Level 1	According to prices noted in an active market for the same instrument.
Non-current receivable – derivative	0.0	-	-	-	Level 2	Based on directly or indirectly observable market data not included in Level 1.
Current receivable – derivative	-	-	0.8	-	Level 3	Based on input data not observable in the market
	0.0	-	0.8	-		
Liabilities and provisions						
Non-current liability – derivative	9.3	-	6.0	-		
Current liability – derivative	0.7	-	1.4	-		
Current liability – acquisition related	-	-	-	46.2		
Non-current liability – acquisition related	-	-	-	-		
	10.0	0.0	7.4	46.2		

Amounts in SEKm	Shares and participations	Acquisition-related liabilities
Fair value 2019-01-01	2.7	23.9
Acquisition-related liabilities	-	-
Translation differences	-0.1	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 2019-09-30	2.8	0.0
Fair value 2018-01-01	5.3	22.3
Acquisition-related liabilities	-	43.7
Translation differences	0.0	0.7
Settled earn-out	-	-7.9
Total recognized gains and losses:		
- Reported in equity	-	-
- Reported in profit for the period*	-	-12.6
Fair value 2018-09-30	5.3	46.2

*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

<i>Amounts in SEKm</i>	Jul-Sep 2019	Jul-Sep 2018	Jan-Sep 2019	Jan-Sep 2018	Last 12 months	Jan-Dec 2018
Sweden	457	473	1,458	1,577	2,028	2,147
Denmark	469	446	1,285	1,144	1,790	1,649
Norway	116	97	309	262	411	364
Finland	416	473	1,195	1,262	1,687	1,754
Poland	30	27	80	77	109	106
UK	116	111	314	320	424	431
Ireland	45	35	120	109	158	147
Germany	11	9	32	24	44	35
Other	5	11	25	27	32	35
Total	1,665	1,682	4,818	4,802	6,682	6,667

Net sales distribution between market segments by operating segment

<i>Amounts in SEKm</i>	North		South		Other		Group-wide, eliminations and other		Group	
	Jul-Sep 2019	Jul-Sep 2018	Jul-Sep 2019	Jul-Sep 2018	Jul-Sep 2019	Jul-Sep 2018	Jul-Sep 2019	Jul-Sep 2018	Jul-Sep 2019	Jul-Sep 2018
Net Sales	902	971	724	674	89	94	-50	-56	1,665	1,682
Consumer	555	588	662	610	0	0	-	-	1,217	1,198
Industry	343	372	45	44	0	0	-	-	388	416
Other	3	10	12	14	45	45	-	-	59	69
Internal sales	1	1	5	6	44	49	-	-	0	0

<i>Amounts in SEKm</i>	North		South		Other		Group-wide, eliminations and other		Group	
	Jan-Sep 2019	Jan-Sep 2018	Jan-Sep 2019	Jan-Sep 2018	Jan-Sep 2019	Jan-Sep 2018	Jan-Sep 2019	Jan-Sep 2018	Jan-Sep 2019	Jan-Sep 2018
Net Sales	2,723	2,881	1,966	1,788	280	325	-151	-191	4,818	4,802
Consumer	1,637	1,724	1,793	1,618	0	0	-	-	3,429	3,343
Industry	1,064	1,121	125	114	0	0	-	-	1,189	1,235
Other	20	35	32	34	148	156	-	-	200	225
Internal sales	3	1	16	21	132	169	-	-	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
	Jul-Sep	Jul-Sep	Jul-Sep	Jul-Sep
<i>Amounts in SEKm</i>	2018	2018	2018	2018
Net sales	971	674	38	1,682
Previous segment:				
Sweden - Norway	495	-	-	495
Finland	477	-	-	477
Denmark	-	373	-	373
EBE	-	307	-	307
Other	7	45	95	138
Group-wide and eliminations	-8	-52	-57	-108
Net Sales	971	674	38	1,682

Review report

To the Board of Directors of Inwido AB (publ)

Corporate identity number 556633-3828

Introduction

We have reviewed the summary interim financial information (the interim report) of Inwido AB (publ) as of 30 September 2019 and the nine-month period then ended. The Board of Directors and the CEO are responsible for the preparation and fair presentation of this interim report in accordance with IAS 34 and the Annual Accounts Act. Our responsibility is to express a conclusion on this interim report based on our review.

Orientation and scope of the review

We have performed this review in accordance with the International Standard on Review Engagements ISRE 2410 Review of Interim Financial Information Performed by the Independent Auditor of the Entity. A review consists in making enquiries, primarily among persons responsible for financial matters and accounting issues, and performing analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (ISA) and generally accepted auditing standards. The procedures performed consequently do not enable us to obtain an assurance that would make us aware of all significant matters that might be identified in an audit. The stated conclusion based on a review therefore does not have the certainty that an expressed opinion based on an audit has.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the interim report is not prepared, in all material respects, in accordance with IAS 34 and the Annual Accounts Act for the Group and in accordance with the Swedish Annual Accounts Act for the Parent Company.

Malmö, 23 October 2019

Thomas Forslund
Authorized Public Accountant

KPMG AB

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

<i>SEKm (unless otherwise stated)</i>	Jul-Sep 2019	Jul-Sep 2018	Jul-Sep 2019	Jul-Sep 2018	Last 12 months	Jan-Dec 2018
Operating profit (EBIT)	198	194	419	408	629	618
Depreciation/amortization and impairment	62	39	187	116	234	163
Items affecting comparability (other items)	0	5	0	22	-6	16
Operating EBITDA	260	238	606	546	858	797
Gross profit	442	449	1,230	1,236	1,705	1,712
Items affecting comparability (depreciation/amortization and other items)	0	-2	0	-22	0	-22
Operating gross profit	442	447	1,230	1,214	1,705	1,690
Operating profit (EBIT)	198	194	419	408	629	618
Depreciation/amortization of acquisition-related intangible assets	4	5	15	12	21	18
EBITA	203	200	435	420	650	635
Items affecting comparability (depreciation/amortization and other items)	0	2	0	22	0	22
Operating EBITA	203	202	435	442	650	657
Items affecting comparability	0	-2	0	-22	0	-22
Depreciation	0	2	0	0	-6	-6
Other	0	-5	0	-22	6	-16

Capital structure

<i>SEKm (unless otherwise stated)</i>	Jul-Sep 2019	Jul-Sep 2018	Jul-Sep 2019	Jul-Sep 2018	Last 12 months	Jan-Dec 2018
Cash and equivalents	-287	-161	-287	-161	-287	-165
Other interest-bearing assets	-19	-18	-19	-18	-19	-18
Interest-bearing liabilities, non-current	2,564	2,199	2,564	2,199	2,564	2,199
Interest-bearing liabilities, current	128	357	128	357	128	125
Net debt	2,387	2,377	2,387	2,377	2,387	2,141
Total assets	8,012	7,484	8,012	7,484	8,012	7,153
Cash and equivalents	-287	-161	-287	-161	-287	-165
Interest-bearing assets	-19	-18	-19	-18	-19	-18
Non-interest-bearing provisions and liabilities	-1,580	-1,550	-1,580	-1,550	-1,580	-1,328
Operating capital	6,127	5,756	6,127	5,756	6,127	5,642

Share data

<i>SEKm (unless otherwise stated)</i>	Jul-Sep 2019	Jul-Sep 2018	Jul-Sep 2019	Jul-Sep 2018	Last 12 months	Jan-Dec 2018
Profit after tax attributable to parent company shareholders	148	134	301	299	435	433
Items affecting comparability after tax	0	2	0	18	2	20
Impairment of goodwill, amortization and impairment of other intangible assets from company acquisitions	4	5	15	12	21	18
Adjustment	0	0	0	0	0	0
Total	153	142	317	330	458	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	2.64	2.44	5.47	5.69	7.90	8.12

About Inwido

Inwido acquires, 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

Year-end report, January-December 2019
Annual Report 2019
Interim report, January-March 2020
Annual General Meeting 2020
Interim report, January-June 2020
Interim report, January-September 2020

5 February 2020
April 2020
23 April 2020
5 May 2020
15 July 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 23 October 2019 at 7:45 a.m. CET.

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