



The third quarter was Inwido's strongest quarter to date, in terms of profit. Backed by a positive consumer market and high growth in e-commerce, net sales grew organically by 4 percent. Bolstered by solid profits, we enter the fourth quarter with a record high order backlog, up 18 percent."

Interim report, January-September 2020

Third quarter of 2020

- Net sales rose to SEK 1,716 million (1,665). Organic growth amounted to 4 percent.
- Order intake increased by 7 percent and the order backlog increased by 18 percent to SEK 1,308 million.
- EBITA increased to SEK 240 million (203) and the EBITA margin increased to 14.0 percent (12.2).
- Operating EBITA rose to SEK 247 million (203) and the operating EBITA margin rose to 14.4 percent (12.2).
- Earnings per share rose by 19 percent to SEK 3.05 (2.56).
- Net debt, excluding IFRS 16, in relation to operating EBITDA decreased to a multiple of 1.2 (2.5).

January-September 2020

- Net sales rose to SEK 4,882 million (4,818). Organic growth amounted to 2 percent.
- EBITA increased to SEK 482 million (435) and the EBITA margin increased to 9.9 percent (9.0).
- Operating EBITA rose to SEK 498 million (435) and the operating EBITA margin rose to 10.2 percent (9.0).
- Earnings per share rose to SEK 5.61 (5.20).

<i>SEKm (unless otherwise stated)</i>	Jul-Sep 2020	Jul-Sep 2019	Jan-Sep 2020	Jan-Sep 2019	Last 12 months	Jan-Dec 2019
Net sales	1,716	1,665	4,882	4,818	6,695	6,631
EBITA	240	203	482	435	669	621
Operating EBITA	247	203	498	435	709	646
Earnings per share before dilution, SEK	3.05	2.56	5.61	5.20	7.90	7.48
Net sales increase (%)	3.1	-1.0	1.3	0.3	0.2	-0.5
EBITA margin (%)	14.0	12.2	9.9	9.0	10.0	9.4
Operating EBITA margin (%)	14.4	12.2	10.2	9.0	10.6	9.7
Net debt/ Operating EBITDA, multiple	1.5	2.7	1.5	2.7	1.5	2.4
Net debt/ Operating EBITDA, multiple (excl IFRS 16)	1.2	2.5	1.2	2.5	1.2	2.2
Net debt	1,378	2,387	1,378	2,387	1,378	2,075
Net debt (excl IFRS 16)	1,017	2,010	1,017	2,010	1,017	1,711

A teleconference for analysts, media representatives and investors will be held at 10:00 a.m. today, 21 October 2020. 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 there 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 by phone to SE: +(46) 08-50558353 UK: +44 333 3009274 US: +1 833 5268382

A strong quarter

As Europe's largest windows group, Inwido's business concept is to grow sustainably and profitably, organically and through acquisitions, focusing on the consumer-driven market. In the third quarter, we continued to build on this platform with strong profits, good organic growth and strong cash flows, achieving our sixth consecutive quarter with strengthened margins



The third quarter was Inwido's strongest quarter to date, in terms of profit. Backed by a positive consumer market and a high growth rate in e-Commerce, net sales increased by 4 percent to SEK 1,716 million (1,665). Operating EBITA rose to SEK 247 million (203) and the operating EBITA margin rose to 14.4 percent (12.2). Bolstered by solid profits, we enter the fourth quarter with a record high order backlog of SEK 1,308 million, up 18 percent.

Positive consumer market in both South and North

During the quarter, **Business Area South** continued to develop favourably, with both strong growth and profits. Sales increased organically by 10 percent and operating EBITA increased by 44 percent to SEK 195 million (135), lifting the operating EBITA margin to 24.7 percent (18.7). Order intake rose by 13 percent and the order backlog was 36 percent higher at the end of the quarter. In Denmark, our business units continued to capitalize well on a stable consumer market. e-Commerce grew organically by 42 percent, accounting for 13 percent of the Group's sales in the quarter. In Ireland and the UK, operations have reopened and are gradually working their way back as the market recovers, although uncertainty remains regarding the impacts both of Covid-19 and Brexit.

In **Business Area North**, the Swedish business units addressing the consumer market have advanced their positions and shown positive development. At the same time, the Finnish consumer market and the industrial market were generally more cautious. The business area showed modest organic sales growth during the quarter. Combined with good cost control, operating EBITA rose somewhat to SEK 73 million (72). This meant that the operating EBITA margin rose to 8.2 percent (8.0). Order intake rose by 3 percent compared with the corresponding period last year and the order backlog was 7 percent higher at the end of the quarter.

Improved cash flow and reduced net debt

Operating cash flow for the first nine months of the year rose to SEK 872 million, compared with SEK 532 million for the corresponding period last year, reinforced by reduced working capital. Affected positively by this strong cash flow, net debt decreased to a multiple of 1.2 in relation to operating EBITDA, excluding IFRS 16, compared with a multiple of 2.5 at the corresponding time in 2019.

Covid-19 pandemic

Covid-19 had a relatively limited negative impact on our 28 business units during the quarter. Production efficiency, particularly in Business Area North, was negatively impacted by an increased sick leave. Following previous closures in the UK and Ireland, although operations have now reopened, they are not fully back to pre-pandemic levels yet. At the same time, our e-trade operations, in particular, have probably been impacted positively by the current "DIY trend" and changed buying behaviours. In the short to medium term, demand in the consumer and industrial markets may be affected by outbreaks of contagion. We are monitoring developments closely to be able to respond quickly if the situation so demands.

Future prospects

Bolstered by a very good third quarter, we enter the winter season with lower consumer activity but a strong order backlog. With a stable consumer market but with industrial demand still hesitant, we will, over the remainder of the period, continue persistently to gear up Inwido for expansion. We are investing in our business units, refining our channel and segment positions, driving development in e-commerce and intensifying our efforts to achieve value-generating acquisitions. With our strengthened balance sheet, we have stepped up our acquisition efforts, continuing our discussions with potential target companies.

We are driven by our ambition to lead the development of the window industry in Europe and to strengthen our leadership position while improving people's everyday lives indoors, developing our employees and generating value for shareholders.

MALMÖ, 21 OCTOBER 2020



Henrik Hjalmarsson
President and CEO

Group

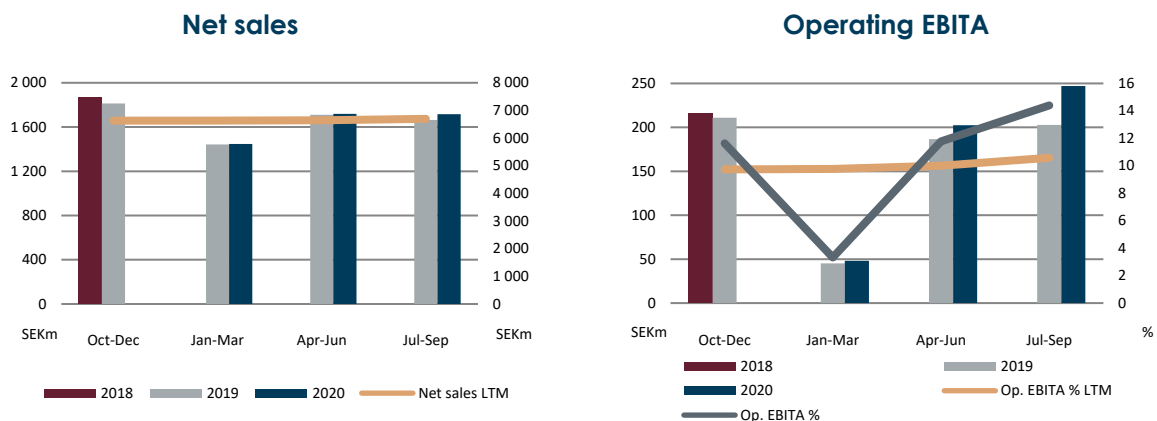
Net sales and order intake

Consolidated net sales in the third quarter rose to SEK 1,716 million (1,665). Organic growth was 4 percent. Net sales during the period January-September increased to SEK 4,882 million (4,818), equivalent to organic growth of 2 percent.

Analysis of net sales	Jul-Sep		Jul-Sep		Jan-Sep	
	2020 (SEKm)	2019 (SEKm)	2020 (SEKm)	2019 (SEKm)	2020 (SEKm)	2019 (SEKm)
Net sales	3%	1,716	1,665	1%	4,882	4,818
Organic growth	4%	70	-37	2%	96	-163
Structural effects	0%	0	1	0%	0	81
Currency effects	-1%	-19	19	-1%	-31	98

Reported order intake was 7 percent higher in the third quarter compared with the corresponding quarter last year. Both business areas contributed to the increased order intake, although the improvement was most evident in Business Area South, where they rose by 13 percent. Order intake in Business Area North rose by 3 percent. At the end of the period, the Group's order backlog had increased by 18 percent to SEK 1,308 million (1,107).

RTM = Rolling Twelve Months



EBITA

During the third quarter, EBITA increased to SEK 240 million (203), our highest profit to date for an individual quarter. The EBITA margin also rose, reaching 14.0 percent (12.2). Items affecting comparability amounted to a negative net of SEK 7 million (0). See "Items affecting comparability" below for additional information.

Operating EBITA, that is EBITA before items affecting comparability, rose to SEK 247 million (203) and the operating EBITA margin rose to 14.4 percent (12.2). Higher volumes, a more advantageous customer mix and good cost control helped improve profitability.

Over the period January-September, EBITA increased to SEK 482 million (435), also bringing a higher EBITA margin of 9.9 percent (9.0). Operating EBITA rose to SEK 498 million (435) and the equivalent EBITA margin rose to 10.2 percent (9.0).

For information on how EBITA has been affected by government subsidies, see the section "Effects of Covid-19 and reporting of government subsidies" below.

Net financial items

In the third quarter, net financial items amounted to a net expense of SEK 18 million (expense 16), while the Group's net interest amounted to an expense of SEK 9 million (15). Financial income and expenses in the period January-September amounted to a negative net of SEK 67 million (negative 43). The discrepancy compared with last year's net financial items is explained by negative exchange rate effects, which could partly be offset by lower interest expenses.

Profit before and after tax

Profit before tax for the third quarter increased to SEK 218 million (182). Income taxes amounted to a negative SEK 41 million (negative 34) and profit after tax rose to SEK 177 million (148). Over the period January-September, profit before tax rose to SEK 402 million (377). Income taxes amounted to a negative SEK 77 million (negative 76) and profit after tax rose to SEK 326 million (301).

Earnings per share

In the third quarter, earnings per share before and after dilution increased to SEK 3.05 (2.56). During the period January-September, earnings per share before and after dilution rose to SEK 5.61 (5.20).

Effects of Covid-19 and reporting of government subsidies

From an operational and financial perspective, the negative impact of the Covid-19 pandemic on the Group's operations has been relatively limited, with certain exceptions. In the current situation, it has become clear that consumers are tending to invest more in their homes, probably because more people are spending more time at home, which would generally benefit traditional sales, but particularly Inwido's e-commerce operations.

In Business Area North, it is primarily consumer sales entailing home visits and installation at the homes of end-customers, particularly in Finland, that have been impacted negatively by the Covid-19 pandemic. In addition, certain Swedish business units have experienced some operational disruptions from delayed deliveries of input goods and greater absence due to illness than normal. In Business Area South, the UK and Irish business units were forced to cut back their activities because of the Covid-19 pandemic, particularly early in the second quarter. Since then, these activities have gradually ramped back up to pre-Covid-19 levels.

Government subsidies related to the Covid-19 pandemic amounted to SEK 2 million in the third quarter and are reported as a cost reduction. The UK business units received most of these subsidies.

Temporary respites with taxes and fees related to the Covid-19 pandemic totalled SEK 54 million as of 30 September 2020 and are booked as non-interest-bearing liabilities.

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.

For the third quarter, the items affecting comparability amounted to a negative net of SEK 7 million (0), comprising impairments of key projects and structural measures as a consequence of the Covid-19 pandemic. For the period January-September, items affecting comparability amounted to a negative net of SEK 15 million (0).

Gross investments, depreciation, amortization and impairment

Gross investments in tangible fixed assets in the third quarter increased to SEK 43 million (18). Amortization, depreciation and impairment totalled SEK 63 million (62). For the period January-September, gross investments in tangible non-current assets amounted to SEK 124 million (112). Amortization, depreciation and impairment totalled SEK 186 million (187).

Cash flow

Cash flow from operating activities after changes in working capital in the third quarter rose to SEK 358 million (319). For the period January-September, cash flow from operating activities after changes in working capital increased to SEK 872 million (532). The deviation from the previous year is primarily explained by stronger operating profit combined with less working capital being tied up. Respites on payments of taxes and fees had a positive effect of SEK 54 million on cash flow from operating activities.

Cash flow from investing activities in the third quarter was negative in the amount of SEK 52 million, (negative 23). For the period January-September, cash flow from investing activities was a negative SEK 134 million (negative 165). 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 amounted to a negative SEK 237 million (negative 193). For the period January-September, cash flow from financing activities amounted to a negative SEK 46 million (negative 250). The discrepancy compared with last year is primarily explained by the resolution of the Annual General Meeting not to implement a dividend because of the Covid-19 pandemic, in line with the Board of Directors' proposal.

Financial position and liquidity

Inwido's principal financing consists of bank loans based on credit agreements expiring in the period 2022-2025. The aforementioned credit 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 1,017 million (2,010) excluding IFRS 16 and to SEK 1,378 million (2,387) including IFRS 16. The lower net debt compared with the corresponding period in the preceding year is mainly explained by continued strong cash flow from the operations combined with reduced working capital.

At the end of the period, indebtedness, calculated as interest-bearing net debt/operating EBITDA, was 1.2 (2.5) excluding IFRS 16, and 1.5 (2.7) including IFRS 16. Consolidated cash and equivalents were SEK 936 million (287) at the end of the period. Credits secured for contingencies in connection with the Covid-19 pandemic were fully repaid during the quarter. Available funds, including unutilized credit facilities, amounted to SEK 2,374 million (1,416).

Temporary respites with taxes and fees related to the Covid-19 pandemic affected cash and cash equivalents positively in the amount of SEK 54 million as of 30 September 2020 and are booked as non-interest-bearing liabilities. Interest-bearing net debt/operating EBITDA amounted to 1.3, excluding IFRS 16 and adjusted for government subsidies and temporary respites.

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 annual sales. The second and third quarters are normally of equal strength and combined account for slightly more than 50 percent of annual sales, while the last quarter of the year is normally the strongest with slightly less than 30 percent of annual 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 4,216 (4,397) in the period January-September 2020.

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

On 30 September 2020, share capital 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 91.30 and the company's market capitalization was SEK 5.292 million. At the end of the period, there was a total of 10,238 shareholders.

Pledged assets and contingent liabilities

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

Future prospects

Bolstered by a very good third quarter, we enter the winter season with lower consumer activity but a strong order backlog. With a stable consumer market but with industrial demand still hesitant, we will, over the remainder of the period, continue persistently to gear up Inwido for expansion. We are investing in our business units, refining our channel and segment positions, driving development in e-commerce and intensifying our efforts to achieve value-generating acquisitions. With our strengthened balance sheet, we have stepped up our acquisition efforts, continuing our discussions with potential target companies.

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Inwido's operations and segments

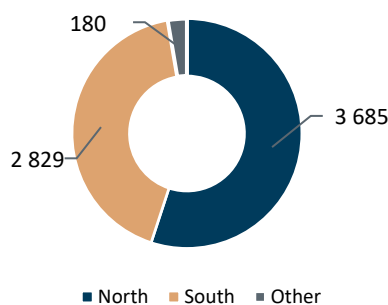


Inwido acquires, owns and develops companies that improve people's everyday lives indoors with various products and services. Today, Inwido is Europe's largest windows group and a natural home for the region's strongest businesses in the areas of comfort, indoor climate and safety. In 2019, Inwido achieved sales of SEK 6,631 million and an operating EBITA margin of 9.7 percent. The Group has some 4,400 employees in total, with operations in Denmark, Estonia, Finland, Ireland, Lithuania, Norway, Poland, Romania, the UK, Sweden and Germany.

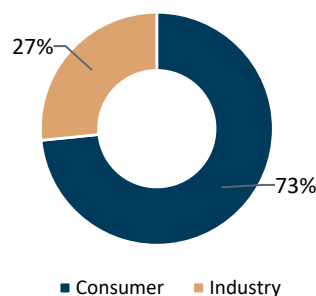
Inwido divides its operations into the North and South operating segments. Within these two operating segments, Inwido conducts operations within two different market segments, the Consumer and Industry markets. Sales are made through direct sales, installers, retailers such as builders' merchants and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

In 2019, 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



Business Area North – recovery in the consumer market with strengthened margin

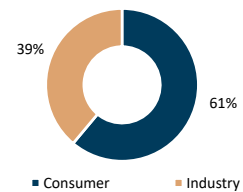
Net sales for the third quarter decreased somewhat to SEK 894 million (902). The business area showed modest organic sales growth during the quarter.

Over the third quarter, the operating EBITA margin rose to 8.2 percent (8.0). In a positive consumer market, the Swedish business units in Business Area North grew, while Finnish and Norwegian consumers were more cautious. During the quarter, the efficiency of some of the Swedish business units were negatively impacted by higher-than-normal sick leave as a consequence of Covid-19 restrictions. This was counteracted by good cost control.

Order intake increased by 3 percent during the quarter. Business Area North's order backlog was 7 percent higher at the end of the period than at the end of the corresponding period last year.

During the period January-September, net sales amounted to SEK 2,665 million (2,723), which was 2 percent lower than in the corresponding period last year. The operating EBITA margin for the period January-September was 5.4 percent (5.5).

External net sales split between market segments, LTM



MSEK	Jul-Sep 2020	Jul-Sep 2019	Change	Jan-Sep 2020	Jan-Sep 2019	Change	Last 12 months	Jan-Dec 2019
Net sales	894	902	-1%	2,665	2,723	-2%	3,692	3,750
Operating gross profit	196	207	-6%	563	617	-9%	795	844
Operating gross profit margin (%)	21.9	23.0		21.1	22.7		21.5	22.5
Operating EBITA	73	72	1%	145	150	-3%	220	226
Operating EBITA margin (%)	8.2	8.0		5.4	5.5		6.0	6.0

Business Area South – strong growth in e-commerce and increased margins

Net sales for the third quarter rose to SEK 790 million (724), which was 9 percent higher compared with the corresponding period in the preceding year. Organic net sales were 10 percent higher.

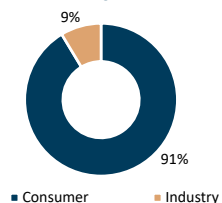
e-Commerce grew organically by 42 percent and ended the quarter with a 13 percent higher order book compared with the corresponding date last year. At the same time, order intake rose by 26 percent. The strong e-commerce trend is continuing and has intensified with more people spending more time at home. The Danish business units capitalized well on the favourable consumer market and the business units in the UK and Ireland are gradually returning to the levels prevailing prior to the Covid-19 pandemic.

The operating EBITA margin rose to 24.7 percent (18.7) in the third quarter. Continued strong growth in e-commerce contributed to the improved profitability. Combined with a generally favourable sales trend among the business area's other business units, the highest EBITA margin to date for an individual quarter was reported.

Order intake increased by 13 percent during the quarter and Business Area South's order backlog at the end of the period was 36 percent higher compared with the preceding year.

During the period January-September, net sales rose to SEK 2,104 million (1,966), which was 7 percent higher than for the corresponding period in the preceding year. The operating EBITA margin for the period January-September rose to 19.0 percent (15.8).

External net sales split between market segments, LTM



MSEK	Jul-Sep 2020	Jul-Sep 2019	Change	Jan-Sep 2020	Jan-Sep 2019	Change	Last 12 months	Jan-Dec 2019
Net sales	790	724	9%	2,104	1,966	7%	2,851	2,713
Operating gross profit	272	224	21%	670	582	15%	913	831
Operating gross profit margin (%)	34.4	31.0		31.8	29.6		32.0	30.6
Operating EBITA	195	135	44%	399	311	28%	546	458
Operating EBITA margin (%)	24.7	18.7		19.0	15.8		19.2	16.9

Key ratios, Group

<i>SEKm (unless otherwise stated)</i>	Jul-Sep 2020	Jul-Sep 2019	Jan-Sep 2020	Jan-Sep 2019	Last 12 months	Jan-Dec 2019
Income measures						
Net sales	1,716	1,665	4,882	4,818	6,695	6,631
Gross profit	474	442	1,254	1,230	1,719	1,694
EBITDA	299	260	654	606	918	870
Operating EBITDA	306	260	670	606	940	876
EBITA	240	203	482	435	669	621
Operating EBITA	247	203	498	435	709	646
Operating profit (EBIT)	236	198	469	419	651	601
Margin measures						
Gross margin (%)	27.6	26.6	25.7	25.5	25.7	25.5
EBITDA margin (%)	17.4	15.6	13.4	12.6	13.7	13.1
Operating EBITDA margin (%)	17.8	15.6	13.7	12.6	14.0	13.2
EBITA margin (%)	14.0	12.2	9.9	9.0	10.0	9.4
Operating EBITA margin (%)	14.4	12.2	10.2	9.0	10.6	9.7
Operating margin (EBIT) (%)	13.8	11.9	9.6	8.7	9.7	9.1
Capital structure						
Net debt	1,378	2,387	1,378	2,387	1,378	2,075
Net debt (excl IFRS 16)	1,017	2,010	1,017	2,010	1,017	1,711
Net debt/operating EBITDA, multiple	1.5	2.7	1.5	2.7	1.5	2.4
Net debt/operating EBITDA, multiple (excl IFRS 16)	1.2	2.5	1.2	2.5	1.2	2.2
Net debt/equity ratio, multiple	0.3	0.6	0.3	0.6	0.3	0.5
Interest coverage ratio, multiple	12.5	10.1	6.5	8.0	8.9	8.9
Shareholders' equity	4,131	3,740	4,131	3,740	4,160	3,776
Equity/assets ratio (%)	50	47	50	47	52	51
Operating capital	5,509	6,127	5,509	6,127	5,177	5,850
Return measures						
Return on shareholders' equity (%)	11.6	12.1	11.6	12.1	11.5	11.9
Return on operating capital (%)	11.2	10.5	11.2	10.5	11.6	9.9
Share data (number of shares in thousands)						
Earnings per share before dilution, SEK	3.05	2.56	5.61	5.20	7.90	7.48
Earnings per share after dilution, SEK	3.05	2.56	5.61	5.20	7.90	7.48
Shareholders' equity per share before dilution, SEK	71.27	64.52	71.27	64.52	71.76	65.13
Shareholders' equity per share after dilution, SEK	71.27	64.52	71.27	64.52	71.76	65.13
Cash flow per share before dilution, SEK	6.17	5.51	15.05	9.18	21.83	15.96
Cash flow per share after dilution, SEK	6.17	5.51	15.05	9.18	21.83	15.96
Number of shares before dilution	57,968	57,968	57,968	57,968	57,968	57,968
Number of shares after dilution	57,968	57,968	57,968	57,968	57,968	57,968
Average number of shares	57,968	57,968	57,968	57,968	57,968	57,968

Quarterly review, Group

Key ratios

	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3
<i>SEKm (unless otherwise stated)</i>	2020	2020	2020	2019	2019	2019	2019	2018	2018
Net sales	1,716	1,719	1,448	1,813	1,665	1,710	1,443	1,864	1,682
Operating EBITA	247	202	48	211	203	187	45	215	202
Operating EBITA margin (%)	14.4	11.8	3.3	11.6	12.2	10.9	3.1	11.5	12.0
EBITA	240	193	48	186	203	187	45	215	200
EBITA margin (%)	14.0	11.2	3.3	10.3	12.2	10.9	3.1	11.5	11.9
Return on shareholders' equity (%)	11.6	11.1	10.8	11.9	12.1	12.0	12.7	13.2	10.1
Earnings per share before dilution, SEK	3.05	2.46	0.10	2.28	2.56	2.05	0.58	2.31	2.31
Earnings per share after dilution, SEK	3.05	2.46	0.10	2.28	2.56	2.05	0.58	2.31	2.31
Shareholders' equity per share before dilution, SEK	71.27	67.94	68.37	65.13	64.52	61.28	61.01	60.31	58.23
Shareholders' equity per share after dilution, SEK	71.27	67.94	68.37	65.13	64.44	61.17	60.90	60.20	58.12
Cash flow per share before dilution, SEK	6.17	8.32	0.56	6.78	5.51	2.81	0.88	5.03	2.57
Cash flow per share after dilution, SEK	6.17	8.32	0.56	6.78	5.50	2.80	0.88	5.02	2.56
Share price, SEK	91.30	64.40	57.20	72.10	53.00	64.65	55.20	55.60	66.95

Net sales per segment

	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3
<i>SEKm</i>	2020	2020	2020	2019	2019	2019	2019	2018	2018
North	894	970	801	1,027	902	973	848	1,089	971
South	790	711	603	747	724	690	552	730	674
Group-wide, eliminations and other	32	39	43	39	39	47	43	45	38
Total	1,716	1,719	1,448	1,813	1,665	1,710	1,443	1,864	1,682

Key data for the segments

<i>Amounts in SEKm</i>	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
	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019
Net sales	894	902	790	724	32	39	0	0	1,716	1,665
Operating gross profit	196	207	272	224	5	9	2	2	475	442
Operating gross profit margin (%)	21.9	23.0	34.4	31.0	-	-	-	-	27.7	26.6
Operating EBITA	73	72	195	135	-25	-8	3	3	247	203
Operating EBITA margin (%)	8.2	8.0	24.7	18.7	-	-	-	-	14.4	12.2

<i>Amounts in SEKm</i>	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
	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019
Net sales	2,665	2,723	2,104	1,966	114	129	0	0	4,882	4,818
Operating gross profit	563	617	670	582	16	26	6	6	1,255	1,229
Operating gross profit margin (%)	21.1	22.7	31.8	29.6	-	-	-	-	25.7	25.5
Operating EBITA	145	150	399	311	-56	-35	9	9	498	435
Operating EBITA margin (%)	5.4	5.5	19.0	15.8	-	-	-	-	10.2	9.0

Summary consolidated statement of comprehensive income

<i>Amounts in SEKm</i>	Jul-Sep 2020	Jul-Sep 2019	Jan-Sep 2020	Jan-Sep 2019	Last 12 months	Jan-Dec 2019
Net sales	1,715.6	1,664.7	4,882.4	4,817.9	6,695.1	6,630.6
Cost of goods sold	-1,241.4	-1,222.4	-3,628.1	-3,588.2	-4,976.5	-4,936.6
Gross profit	474.2	442.3	1,254.4	1,229.7	1,718.6	1,693.9
Other operating income	4.0	3.2	15.0	15.8	21.3	22.0
Selling expenses	-127.5	-138.9	-454.1	-473.3	-621.7	-640.9
Administrative expenses	-104.5	-97.2	-313.0	-315.4	-414.3	-416.7
Research and development expenses	-7.3	-9.4	-29.7	-36.1	-47.4	-53.7
Other operating expenses	-3.3	-1.8	-5.2	-2.4	-7.8	-4.9
Share of profit of associated companies	0.5	0.0	1.5	1.0	2.1	1.7
Operating profit (EBIT)	236.1	198.3	468.8	419.4	650.8	601.4
Financial income	1.1	3.8	5.9	10.9	6.9	27.4
Financial expenses	-18.9	-19.9	-72.6	-53.7	-73.8	-70.4
Net financial items	-17.9	-16.1	-66.7	-42.8	-66.9	-43.0
Profit before tax	218.3	182.2	402.1	376.6	583.8	558.4
Tax expense	-41.2	-33.7	-76.6	-75.7	-126.0	-125.2
Profit after tax	177.1	148.5	325.5	300.9	457.8	433.2
Other comprehensive income						
Items reallocated to, or that can be reallocated to profit for the year						
Translation differences, foreign operations	16.1	39.9	30.2	112.6	-66.7	15.6
Total other comprehensive income after tax	193.2	188.4	355.7	413.5	391.2	448.8
Profit after tax attributable to:						
Parent Company shareholders	177.1	148.5	325.5	300.9	457.8	433.2
Non-controlling interest	0.0	0.0	0.1	0.0	0.1	0.0
Other comprehensive income attributable to:						
Parent Company shareholders	193.2	186.0	355.7	413.3	391.1	448.5
Non-controlling interest	0.0	2.5	0.0	0.2	0.1	0.3
Average number of shares before dilution	57,967,528	57,967,528	57,967,528	57,967,528	57,967,528	57,967,528
Average number of shares after dilution	57,967,528	58,036,824	57,967,528	58,062,810	57,967,528	58,036,824
Number of shares before dilution	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	57,967,528	57,967,528	57,967,528	57,967,528
Earnings per share before dilution, SEK	3.05	2.56	5.61	5.20	7.90	7.48
Earnings per share after dilution, SEK	3.05	2.56	5.61	5.20	7.90	7.48

Summary consolidated statement of financial position

<i>Amounts in SEKm</i>	Sep 2020	Sep 2019	Dec 2019
ASSETS			
Intangible assets	4,652.6	4,759.6	4,650.4
Tangible assets	1,248.2	1,280.2	1,272.8
Participations in associated companies	15.8	13.7	14.4
Financial assets	2.3	2.8	2.7
Deferred tax assets	44.9	49.9	47.2
Other non-current assets	39.0	41.3	37.0
Total non-current assets	6,002.8	6,147.4	6,024.6
Inventories	487.0	558.9	494.5
Trade receivables	621.7	764.7	511.9
Other receivables	246.4	254.6	196.8
Cash and equivalents	936.1	286.8	242.8
Total current assets	2,291.2	1,865.0	1,446.0
TOTAL ASSETS	8,294.0	8,012.5	7,470.5
EQUITY AND LIABILITIES			
Share capital	231.9	231.9	231.9
Other capital provided	946.0	946.0	946.0
Other reserves	257.4	324.2	227.2
Profit brought forward including profit for the year	2,695.9	2,237.7	2,370.5
Shareholders' equity attributable to Parent Company shareholders	4,131.2	3,739.7	3,775.6
Non-controlling interest	0.0	0.0	0.0
Total equity	4,131.3	3,739.7	3,775.5
Interest-bearing liabilities	1,940.2	2,266.7	1,926.8
Leasing liabilities	288.5	297.7	285.3
Deferred tax liabilities	117.0	121.0	119.2
Non-interest-bearing liabilities	13.7	18.2	12.5
Total non-current liabilities	2,359.5	2,703.6	2,343.8
Interest-bearing liabilities	28.1	45.1	41.7
Leasing liabilities	75.5	82.9	81.6
Non-interest-bearing provisions	33.3	30.0	31.3
Non-interest-bearing liabilities	1,666.3	1,411.3	1,196.6
Total current liabilities	1,803.3	1,569.3	1,351.2
TOTAL EQUITY AND LIABILITIES	8,294.0	8,012.5	7,470.5

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 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			112.3		112.3	0.2	112.5
Total comprehensive income for the period			112.3	300.9	413.2	0.2	413.4
<i>Transactions with the Group's owners</i>							
Dividends paid to Parent Company shareholders				-144.9	-144.9	0.0	-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	-	-0.8
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	324.1	2,237.7	3,739.7	0.0	3,739.7
Equity, opening balance 2020-01-01	231.9	946.0	227.2	2,370.5	3,775.6	0.0	3,775.5
<i>Comprehensive income</i>							
Profit for the period				325.5	325.5	0.1	325.5
Change in translation reserve for the period			30.2		30.2	0.0	30.2
Total comprehensive income for the period			30.2	325.5	355.7	0.1	355.7
<i>Transactions with the Group's owners</i>							
Total transactions with the Group's owners	-	-	-	-	-	-	-
Equity, closing balance 2020-09-30	231.9	946.0	257.4	2,695.9	4,131.2	0.0	4,131.3

Summary consolidated cash flow statement

<i>Amounts in SEKm</i>	Jul-Sep 2020	Jul-Sep 2019	Jan-Sep 2020	Jan-Sep 2019	Last 12 months	Jan-dec 2019
Operating activities						
Profit before tax	218.3	182.1	402.1	376.6	583.7	558.4
Depreciation/amortisation and impairment of assets	63.1	62.0	185.5	186.8	267.3	268.5
Adjustment for items not included in cash flow:	18.9	31.8	47.5	-6.7	64.2	10.0
Income tax paid	-9.5	1.0	-38.6	-68.1	-93.8	-123.2
Cash flow from operating activities before changes in working capital	290.7	276.9	596.5	488.7	821.4	713.7
Changes in working capital						
Increase(-)/decrease(+) in inventories	25.7	29.0	4.8	-0.2	56.6	51.6
Increase(-)/decrease(+) in operating receivables	-51.4	-26.7	-122.2	-101.3	123.1	144.1
Increase(+)/decrease(-) in operating liabilities	92.6	40.1	393.3	145.2	264.3	16.2
Cash flow from operating activities	357.6	319.3	872.4	532.4	1,265.5	925.6
Investing activities						
Acquisitions of tangible fixed assets	-43.1	-18.5	-123.8	-111.7	-222.3	-210.2
Divestments of tangible fixed assets	0.0	1.1	3.4	3.6	5.2	5.3
Acquisitions of intangible assets	-8.3	-3.9	-12.7	-19.1	-23.4	-29.9
Acquisitions of subsidiary, net of cash	0.0	-0.6	0.0	-37.0	0.0	-37.0
Change in financial assets	-0.3	-0.9	-1.1	-0.9	-2.1	-1.9
Cash flow from investing activities	-51.7	-22.8	-134.2	-165.1	-242.7	-273.7
Financing activities						
Dividends to parent company shareholders	0.0	0.0	0.0	-144.9	0.0	-144.9
Change in interest-bearing liabilities	-237.1	-192.8	-45.7	-105.4	-369.6	-429.3
Cash flow from financing activities	-237.1	-192.8	-45.7	-250.4	-369.5	-574.1
Cash flow for the year	68.8	103.7	692.5	116.9	653.3	77.8
Cash and equivalents at the beginning of the year	867.2	182.3	242.8	165.0	286.8	165.0
Exchange rate difference in cash and equivalents	0.1	0.7	0.9	4.9	-4.0	0.0
Cash and equivalents at the end of the year	936.1	286.8	936.1	286.8	936.1	242.8

Summary income statement, Parent Company

<i>Amounts in SEKm</i>	Jul-Sep 2020	Jul-Sep 2019	Jan-Sep 2020	Jan-Sep 2019	Last 12 months	Jan-Dec 2019
Net sales	21.2	16.4	52.7	49.1	69.2	65.5
Gross profit	21.2	16.4	52.7	49.1	69.2	65.5
Administrative expenses	-27.7	-12.8	-61.5	-52.8	-102.1	-93.5
Other operating income	0.0	0.0	0.7	1.8	0.2	1.4
Other operating expenses	0.0	0.0	0.0	0.0	0.0	0.0
Operating profit	-6.5	3.6	-8.1	-1.9	-32.8	-26.6
<i>Result from financial items:</i>						
Participations in earnings of Group companies	0.0	0.0	0.0	10.6	10.8	21.4
Other interest income and similar profit/loss items	7.8	18.4	32.4	59.7	47.7	91.3
Interest expense and similar profit items	-12.5	-11.0	-50.8	-36.7	-40.9	-43.1
Profit after financial items	-11.3	11.1	-26.5	31.6	-15.1	43.0
Group contribution	0.0	0.0	0.0	0.0	91.7	91.7
Difference between depreciation/amortisation according to plan and reported depreciation/amortisation	0.0	0.0	0.0	0.0	0.0	0.0
Profit before tax	-11.3	11.1	-26.5	31.6	76.6	134.7
Tax expense	2.4	-2.2	6.0	-6.2	-12.0	-24.3
Profit for the period	-8.9	8.9	-20.5	25.4	64.5	110.4

Summary balance sheet, Parent Company

<i>Amounts in SEKm</i>	Sep 2020	Sep 2019	Dec 2019
ASSETS			
Intangible non-current assets	0.1	28.0	11.1
Tangible non-current assets	1.8	3.2	2.0
Participations in Group companies	2,338.9	2,251.1	2,251.1
Participations in associated companies	1.0	1.0	1.0
Receivables from Group companies	1,512.1	2,097.8	1,812.6
Deferred tax asset	7.4	7.8	6.8
Other non-current assets	0.0	0.0	0.0
Total non-current assets	3,861.3	4,388.9	4,084.6
Receivables from Group companies	0.4	0.6	72.5
Prepaid expenses and accrued income	49.5	39.5	4.2
Other receivables	19.4	42.3	0.0
Cash and equivalents	799.0	155.1	159.1
Total current assets	868.2	237.6	235.8
TOTAL ASSETS	4,729.6	4,626.5	4,320.4
EQUITY AND LIABILITIES			
Equity	1,504.8	1,440.3	1,525.3
Total equity	1,504.8	1,440.3	1,525.3
Accumulated depreciation/amortisation in addition to plan	0.3	0.3	0.3
Untaxed reserves	0.3	0.3	0.3
Liabilities to Group companies	1,264.4	908.5	853.0
Interest-bearing liabilities	1,910.5	2,230.3	1,893.1
Deferred tax liabilities	0.0	0.0	0.0
Other liabilities	11.3	14.9	9.3
Total non-current liabilities	3,186.1	3,153.8	2,755.4
Liabilities to Group companies	0.1	0.2	0.4
Interest-bearing liabilities	0.0	0.0	0.0
Non-interest-bearing liabilities	38.2	31.9	39.1
Total current liabilities	38.4	32.1	39.5
TOTAL EQUITY AND LIABILITIES	4,729.6	4,626.5	4,320.4

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. The Group and the Parent Company have applied the same accounting principles and calculation methods as in the 2019 Annual Report.

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.

In the accounts, government subsidies related to the Covid-19 pandemic are treated as a reduction pertaining to personnel costs. Temporary respites on paying taxes and fees are booked as a non-interest-bearing liability when a decision on deferral has been obtained.

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 2019 Annual Report. Beyond these, no significant additional risks or uncertainties have arisen. See below for comments on Covid-19.

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 the exit from the EU will not have a significant direct impact on the Group's earnings.

The continued developments with regard to the Covid-19 pandemic are a major focus within Inwido and the company is doing its utmost to safeguard the health of our employees, our impact on the communities in which we operate, particularly in terms of limiting the spread of infection, and minimizing any adverse effects on our operations. From an operational and financial perspective, the negative impact of the Covid-19 pandemic on the Group's operations has been relatively limited, with certain exceptions. In the current situation, it has become clear that consumers are tending to invest more in their homes, probably because more people are spending more time at home, which has generally benefited traditional sales, but particularly Inwido's e-commerce operations.

In Business Area North, it is primarily consumer sales entailing home visits and installation at the homes of end-customers, particularly in Finland, that have been impacted negatively by the Covid-19 pandemic. In addition, certain Swedish business units have experienced some operational disruptions from delayed deliveries of input goods and greater absence due to illness than normal. In Business Area South, the UK and Irish business units were forced to cut back their activities because of the Covid-19 pandemic, particularly early in the second quarter. Since then, these activities have gradually ramped back up to pre-Covid-19 levels.

Note 3 – 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.

<i>Amounts in SEKm</i>	Sep 2020		Sep 2019		
	Level 2	Level 3	Level 2	Level 3	
Assets					
Shares and participations	-	2.3	-	2.8	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	2.0	-	-	-	Level 3 Based on input data not observable in the market
	2.0	2.3	0.0	2.8	
Liabilities and provisions					
Non-current liability – derivative	6.3	-	9.3	-	
Current liability – derivative	-	-	0.7	-	
Current liability – acquisition related	-	-	-	-	
Non-current liability – acquisition related	-	-	-	-	
	6.3	0.0	10.0	0.0	

<i>Amounts in SEKm</i>	Shares and participations	Acquisition-related liabilities
Fair value 2020-01-01	2.8	-
Acquisition-related liabilities	-	-
Translation differences	0.1	-
Settled earn-out	-	-
Total recognized gains and losses:		
- Reported in equity	-	-
- Reported in profit for the period*	0.4	-
Fair value 2020-09-30	2.3	0.0
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

*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 2019 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 2019 Annual Report.

Note 4 – Distribution of income

Net sales by country

<i>Amounts in SEKm</i>	Jul-Sep	Jul-Sep	Jan-Sep	Jan-Sep	Last 12	Jan-Dec
	2020	2019	2020	2019	months	2019
Sweden	481	457	1,520	1,458	2,074	2,012
Denmark	527	469	1,436	1,285	1,937	1,786
Norway	117	116	305	309	406	410
Finland	399	416	1,131	1,195	1,582	1,646
Poland	22	30	60	80	85	106
UK	79	116	215	314	323	422
Ireland	33	45	102	120	152	170
Germany	17	11	50	32	62	45
Other	41	5	64	25	74	35
Total	1,716	1,665	4,882	4,818	6,695	6,631

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	Jul-Sep	Jul-Sep	Jul-Sep	Jul-Sep	Jul-Sep	Jul-Sep	Jul-Sep	Jul-Sep	Jul-Sep
	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019
Net Sales	894	902	790	724	83	89	-51	-50	1,716	1,665
Consumer	544	555	706	662	0	0	-	-	1,250	1,217
Industry	340	343	65	45	0	0	-	-	405	388
Other	8	3	14	12	39	45	-	-	61	59
Internal sales	2	1	5	5	44	44	-	-	0	0

<i>Amounts in SEKm</i>	North		South		Other		Group-wide, eliminations and other		Group	
	Jan-Sep	Jan-Sep	Jan-Sep	Jan-Sep	Jan-Sep	Jan-Sep	Jan-Sep	Jan-Sep	Jan-Sep	Jan-Sep
	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019
Net Sales	2,665	2,723	2,104	1,966	275	280	-162	-151	4,882	4,818
Consumer	1,560	1,637	1,859	1,793	0	0	-	-	3,419	3,429
Industry	1,074	1,064	194	125	0	0	-	-	1,269	1,189
Other	24	20	35	32	136	148	-	-	194	200
Internal sales	6	3	16	16	140	132	-	-	0	0

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 2020 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, 21 October 2020

Linda Bengtsson
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.	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
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 2020	Jul-Sep 2019	Jul-Sep 2020	Jul-Sep 2019	Last 12 months	Jan-Dec 2019
Operating profit (EBIT)	236	198	469	419	651	601
Depreciation/amortization and impairment	63	62	186	187	267	268
Items affecting comparability (other items)	7	0	15	0	22	7
Operating EBITDA	306	260	670	606	940	876
Gross profit	474	442	1,254	1,230	1,719	1,694
Items affecting comparability (depreciation/amortization and other items)	0	0	0	0	22	25
Operating gross profit	475	442	1,255	1,230	1,741	1,719
Operating profit (EBIT)	236	198	469	419	651	601
Depreciation/amortization of acquisition-related intangible assets	4	4	13	15	18	20
EBITA	240	203	482	435	669	621
Items affecting comparability (depreciation/amortization and other items)	7	0	15	0	40	25
Operating EBITA	247	203	498	435	709	646
Items affecting comparability	-7	0	-15	0	-40	-25
Depreciation	0	0	0	0	-18	-18
Other	-7	0	-15	0	-22	-7

Capital structure

<i>SEKm (unless otherwise stated)</i>	Jul-Sep 2020	Jul-Sep 2019	Jul-Sep 2020	Jul-Sep 2019	Last 12 months	Jan-Dec 2019
Cash and equivalents	-936	-287	-936	-287	-936	-243
Other interest-bearing assets	-18	-19	-18	-19	-18	-18
Interest-bearing liabilities, non-current	2,229	2,564	2,229	2,564	2,229	2,212
Interest-bearing liabilities, current	104	128	104	128	104	123
Net debt	1,378	2,387	1,378	2,387	1,378	2,075
Total assets	8,294	8,012	8,294	8,012	8,294	7,471
Cash and equivalents	-936	-287	-936	-287	-936	-243
Interest-bearing assets	-18	-19	-18	-19	-18	-18
Non-interest-bearing provisions and liabilities	-1,830	-1,580	-1,830	-1,580	-1,830	-1,360
Operating capital	5,509	6,127	5,509	6,127	5,509	5,850

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 businesses in the areas of comfort, indoor climate and safety. In 2019, Inwido achieved sales of approximately SEK 6.6 billion and an operating EBITA margin of 9.7 percent. The Group has some 4,400 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.

Inwido's sustainability compass

We give more than we take – because sustainable business generates long-term value. This means that what our business units consume to produce windows and doors will eventually lead to greater, lasting benefits for our business units, as well as for people, the environment, shareholders and society.

Our sustainability work is guided by our sustainability compass, which embodies three strategic guidelines:

- Be an environmental friend
- Be a good place to work
- Be a responsible business

The results of our sustainability work

We present our targets and report on our performance on our website and in the 2019 Annual Report.

Information for shareholders

Financial calendar

Virtual Capital Markets Day	5 November 2020
Year-end report, January-December 2020	10 February 2021
2020 Annual Report	April 2021
Interim report, January-March 2021	27 April 2021
Annual General Meeting 2021	6 May 2021
Interim report, January-June 2021	16 July 2021
Interim report, January-September 2021	26 October 2021

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 21 October 2020 at 7:45 a.m. CET.

For further information, please contact

Henrik Hjalmarsson,
President and CEO
Tel: +46 (0)76 846 20 46
e-mail: henrik.hjalmarsson@inwido.com

Peter Welin,
CFO and Deputy CEO
Tel: +46 (0)70 324 31 90
e-mail: peter.welin@inwido.com

Olof Engvall,
Investor & Public Relations Manager
Tel: +46 (0)73 541 45 73
e-mail: olof.engvall@inwido.com

Contact details Inwido

Inwido AB (publ)
Engelbretsgatan 15
SE-211 33 Malmö

www.inwido.com

Tel: +46 (0)10 451 45 50
e-mail: info@inwido.com

Corporate identity number: 556633-3828

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