



Inwido's stable profitability, good cash flows and strong balance sheet attest to the strength of our business model and allow continued initiatives despite a challenging market.

Interim report, January-September 2023

Third quarter

- Net sales amounted to SEK 2,339 million (2,386), down 2 percent. Organic growth amounted to a negative 13 percent.
- Total order intake increased by 3 percent, while the order backlog had increased to SEK 2,428 million (2,420) as of September 30.
- Operating EBITA rose to SEK 308 million (297) and the operating EBITA margin rose to 13.2 percent (12.5).
- Earnings per share amounted to SEK 3.25 (3.88).
- Net debt amounted to a multiple of 1.1 in relation to operating EBITDA (0.8 excluding IFRS 16).
- In July, Sidey Group in Scotland was acquired.
- Fredrik Mueller appointed new President and CEO.

January-September 2023

- Net sales amounted to SEK 6,697 million (6,934), down 3 percent. Organic growth amounted to a negative 12 percent.
- Operating EBITA amounted to SEK 737 million (775) and the operating EBITA margin amounted to 11.0 percent (11.2).
- Earnings per share amounted to SEK 8.52 (9.62).
- Return on operating capital amounted to 16.2 percent (17.9).

SEKm (unless otherwise stated)	Jul-Sep 2023	Jul-Sep 2022	Jan-Sep 2023	Jan-Sep 2022	Last 12 months	Jan-Dec 2022
Net sales	2,339	2,386	6,697	6,934	9,310	9,547
EBITA	301	298	730	768	1,048	1,087
Operating EBITA	308	297	737	775	1,052	1,090
Earnings per share before dilution, SEK	3.25	3.88	8.52	9.62	12.63	13.74
Net sales increase (%)	-2.0	25.8	-3.4	24.9	2.2	23.6
EBITA margin (%)	12.9	12.5	10.9	11.1	11.3	11.4
Operating EBITA margin (%)	13.2	12.5	11.0	11.2	11.3	11.4
Return on operating capital (%)	16.2	17.9	16.2	17.9	16.2	18.3
Net debt/ Operating EBITDA, multiple	1.1	0.8	1.1	0.8	1.1	0.6
Net debt/ Operating EBITDA, multiple (excl IFRS 16)	0.8	0.5	0.8	0.5	0.8	0.2
Net debt	1,534	993	1,534	993	1,534	768
Net debt (excl IFRS 16)	1,018	610	1,018	610	1,018	294

A teleconference for analysts, media representatives and investors will be held at 10:00 a.m. today, October 24, 2023. 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 via the webcast, follow this link: <https://ir.financialhearings.com/inwido-q3-2023>. The webcast provides an opportunity to submit written questions. To participate by conference call, register via the link below. Following registration, you will receive a phone number and a conference ID for logging on to the conference call. The conference call provides an opportunity to ask spoken questions. <https://conference.financialhearings.com/teleconference/?id=200979>

Strengthened profit and stabilized order intake

It is with satisfaction we summarize the third quarter of 2023. We have managed to deliver the best third quarter profit to date, improving margins, stabilizing order intake and continued to generate good cash flow under the prevailing market conditions, which I am satisfied with. Having implemented our largest acquisition to date, I am also pleased with our continued stable balance sheet. On the whole, I believe that these observations show Inwido to be standing firm in a time pervaded by an uncertain external environment. Inwido's good profitability and cash flows, as well as its strong balance sheet, attest to the strength of our business model and enable continued initiatives despite a challenging market.



Investments in new construction have remained restrained, which we have noted mainly in Finland and Sweden. On the consumer side too, we have experienced a more cautious trend over the year. We nonetheless managed to improve order intake in the quarter by 3 percent, including the acquisition of Sidey Group. We have also strengthened the EBITA margin to 13.2 percent (12.5) and delivered a return on operating capital of 16.2 percent, significantly above our 15 percent target. Net sales decreased by 2 percent over the quarter to SEK 2,339 million (2,386) and organic growth was -13 percent. Operating EBITA increased to a record-strong SEK 308 million (297).

As far as our internal sustainability work is concerned, the unit-related KPIs are affected negatively by lower production volumes, while the continued improvement work results in the absolute figures showing a positive trend. A lot of work is also being put into preparing the organization and the business units for the Corporate Sustainability Reporting Directive, CSRD, which we will report for the 2024 financial year.

Clear improvements in three out of four business areas

Business Area Scandinavia operated in a continued weak market over the quarter, resulting in sales declining by 16 percent. The profitability trend is stable with a gradual improvement in the gross margin. We believe that the energy efficiency improvement subsidy which took effect in Sweden in early July and that includes window replacements for houses heated with electricity or gas will, in the long term, have an impact on the willingness to invest, thereby increasing the pace of the green transition.

Business Area Eastern Europe shows greatly increased profitability, resulting in an operating EBITA margin of 12.7 percent (9.0), driven by the full impact of price increases and the continued favorable adjustment of factory costs. The volumes are under pressure, however, which is illustrated by a 15 percent decline in sales over the quarter. It is primarily the new construction market in Finland that is continuing to lose volumes.

Business Area e-Commerce operates in a weak market with consumers currently being cautious and it is therefore particularly pleasing that sales rose by 15 percent and that operating EBITA increased by 38 percent over the quarter. To maintain growth and recover margins, ongoing market investments are being made in both new and existing markets. The newly started operations in the Netherlands, which have come off to a good start, represent one stage of this.

Business Area Western Europe has been positively affected by the acquisition of Sidey Group, which got off to a very good start as part of Inwido. Over the quarter, the business area's sales increased by 89 percent and operating EBITA increased by 118 percent. Despite these great figures, we can affirm that the UK consumer market remains challenged, which is affecting Inwido's business units.

Future prospects

The third quarter was characterized by continued limited investment in new construction and a cautious consumer market. We know from experience, however, that tougher times provide scope for new opportunities. Our stable profitability, good cash flow and low debt allow us to remain focused on finding new opportunities to advance our positions, particularly through value generating acquisitions.

Higher interest rates and inflation in Europe affect new construction as well as consumers' willingness to invest. We welcome the tightening of the objectives linked to energy efficiency within the framework of the Green Deal, implemented by the EU in July. As one approach to stimulating the market, the EU countries are now introducing supportive measures to achieve the challenging targets set for 2030. Given the EU's clear ambitions to enhance energy performance in properties over the upcoming years to mitigate negative environmental impacts, I see good growth opportunities for our energy-efficient windows and doors that also improve our indoor environment.

MALMÖ, OCTOBER 24, 2023



Henrik Hjalmarsson,
President and CEO

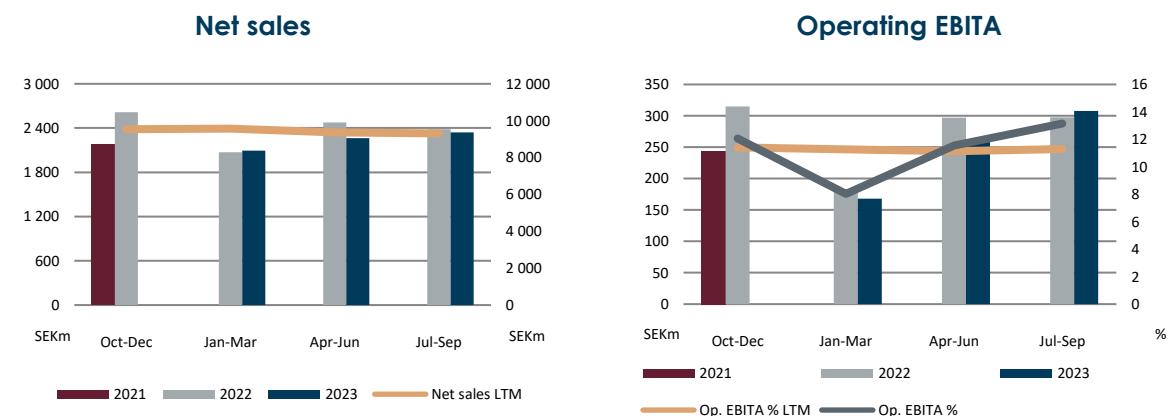
Group

Net sales and order intake

During the third quarter of the year sales decreased by 2 percent (organically -13 percent) to SEK 2,339 million (2,386) as a result of the generally weaker demand. Net sales during the period January-September amounted to SEK 6,697 million (6,934), corresponding to a 3 percent decline (organically, 12 percent).

Analysis of net sales	Jul-Sep		Jul-Sep		Jan-Sep		Jan-Sep	
	2023 (SEKm)		2022 (SEKm)		2023 (SEKm)		2022 (SEKm)	
Net sales	-2%	2,339	26%	2,386	-3%	6,697	25%	6,934
Organic growth	-13%	-348	15%	319	-12%	-922	16%	980
Structural effects	7%	170	6%	117	4%	300	4%	241
Currency effects	5%	131	3%	53	5%	384	3%	163

In the third quarter, total order intake rose by 3 percent compared with the corresponding quarter last year (down 7 percent adjusted for acquisitions). Order intake was down 7 percent in Business Area Scandinavia, down 11 percent in Eastern Europe, 86 percent in Western Europe and up 22 percent in e-Commerce. The order backlog at the end of the period increased to SEK 2,428 million (2,420) as a consequence of the acquisition of the Sidey Group (down 38 percent adjusted for acquisitions).



EBITA

In the third quarter, EBITA increased to SEK 301 million (298), which was the highest third quarter EBITA to date. The EBITA margin rose to 12.9 percent (12.5). Operating EBITA, that is, EBITA before items affecting comparability, increased to SEK 308 million (297). The operating EBITA margin increased to 13.2 percent (12.5). The work to reduce production costs continued in the right direction which, combined with the positive effects of price increases, boosted the gross margin.

Over the period January-September, EBITA amounted to SEK 730 million (768) and the EBITA margin amounted to 10.9 percent (11.1). Operating EBITA amounted to SEK 737 million (775) and the operating EBITA margin amounted to 11.0 percent (11.2).

Net financial items

Net financial items for the third quarter amounted to a negative SEK 49 million (8) as a consequence of higher interest expenses, as well as negative currency effects. During the period January-September, net financial items amounted to a negative SEK 77 million (39), mainly as a result of higher interest expenses of about SEK 30 million.

Profit before and after tax

Profit before tax amounted to SEK 240 million (284) in the third quarter. Income taxes amounted to a negative SEK 41 million (56) and profit after tax amounted to SEK 200 million (228). Over the period January-September, profit before tax amounted to SEK 628 million (711). Income taxes amounted to a negative SEK 120 million (146) and profit after tax amounted to SEK 508 million (565).

Earnings per share

In the third quarter, earnings per share before and after dilution amounted to SEK 3.25 (3.88). Over the period January–September, earnings per share, before and after dilution, amounted to SEK 8.52 (9.62).

Items affecting comparability

Items affecting comparability that are non-recurring and have a significant impact on profit are important in 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.

Items affecting comparability amounted to a negative SEK 7 million (positive 1) during the third quarter and involve restructuring measures and acquisition costs. For the period January–September, items affecting comparability amounted to a net negative SEK 7 million (7).

Gross investments, depreciation, amortization and impairment

Gross investments in tangible non-current assets in the third quarter amounted to SEK 61 million (23). Depreciation and impairment amounted to SEK 96 million (72). For the period January–September, gross investments in tangible non-current assets amounted to SEK 150 million (88). Depreciation and impairment amounted to SEK 253 million (210).

Cash flow

For the third quarter, cash flow from operating activities after changes in working capital increased to SEK 342 million (293). Over the period January–September, cash flow from operating activities after changes in working capital to SEK 667 million (653) as a consequence of less working capital being tied up.

For the third quarter, cash flow from investing activities was a negative SEK 484 million (negative 29). For the period January–September, cash flow from investing activities was a negative SEK 584 million (negative 333). The discrepancy compared with last year is explained by increased investment and corporate acquisitions.

For the third quarter, cash flow from financing activities was a negative SEK 38 million (negative 22). For the period January–September, cash flow from financing activities was a negative SEK 503 million (negative 436). The discrepancy compared with the preceding year is mainly explained by a higher dividend compared with the preceding year.

Return on operating capital

The return on operating capital decreased to 16.2 percent (17.9), primarily as a consequence of the pro forma effect of acquisitions, as well as increased investments.

Financial position and liquidity

Inwido's principal financing consists of bank loans based on bilateral, sustainability-related credit agreements expiring in the period 2025–2028. 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 1,534 million (993) and to SEK 1,018 million (610) excluding IFRS 16.

At the end of the period, indebtedness, calculated as interest-bearing net debt/operating EBITDA, was 1.1 (0.8) and 0.8 (0.5) excluding IFRS 16. At the end of the period, consolidated cash and equivalents were SEK 942 million (993). Available funds, including unutilized credit facilities, amounted to SEK 2,483 million (2,541).

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 fourth 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

Over the period January–September 2023, the number of employees averaged 4,708 (4,935).

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

As per September 30, 2023, share capital amounted to SEK 231,870,112 and the number of shares totaled 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 110 and the company's market capitalization was SEK 6,376 million. The total number of shareholders amounts to 17,378.

Acquisitions

On July 13, 2023, Inwido acquired Scotland's largest window and door company, Sidey Group, the market leader in renovations of public housing and community properties. The company achieved sales of about SEK 800 million with a EBIT margin of about 15 percent over the past 12 month period, making it Inwido's largest acquisition to date. See Note 5 for further information.

Significant events after the balance sheet date

The board of Inwido has appointed Fredrik Meuller as the new President and CEO. He will take office after agreement but no later than 1 May, 2024. Fredrik Meuller succeeds Henrik Hjalmarsson who, after five years as President and CEO at Inwido, takes on a similar role at OptiGroup.

Incentive programs

The Annual General Meetings for the years 2021-2023 resolved to establish long-term incentive programs, comprising warrants issues to Group management. If fully exercised, the maximum dilution effect of the programs is approximately 0.7 percent of the shares and votes in the Company. It should be possible for the subscription of shares supported by warrants to occur during predefined subscription periods from August 1, 2024 to August 31, 2028. For more detailed information, refer to the 2021-2022 Annual Reports and the minutes of the 2023 Meeting.

Pledged assets and contingent liabilities

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

Future prospects

The third quarter was characterized by continued limited investment in new construction and a cautious consumer market. We know from experience, however, that tougher times provide scope for new opportunities. Our stable profitability, good cash flow and low debt allow us to remain focused on finding new opportunities to advance our positions, particularly through value generating acquisitions.

Higher interest rates and inflation in Europe affect new construction as well as consumers' willingness to invest. We welcome the tightening of the objectives linked to energy efficiency within the framework of the Green Deal, implemented by the EU in July. As one approach to stimulating the market, the EU countries are now introducing supportive measures to achieve the challenging targets set for 2030. Given the EU's clear ambitions to enhance energy performance in properties over the upcoming years to mitigate negative environmental impacts, I see good growth opportunities for our energy-efficient windows and doors that also improve our indoor environment.

Inwido's sustainability efforts

We welcome the tightening of the objectives linked to energy efficiency enhancements in buildings within the framework of the Green Deal, implemented by the EU in July. To stimulate the market, the EU countries are now introducing supportive measures to achieve the challenging targets set for 2030.

Important events during the quarter:

- The unit-related KPIs on sustainability work are negatively affected by lower production volumes, meaning that most KPIs increase per unit while the absolute figures reflect a positive trend.
- In the sustainability statistics, the acquisitions made in 2022 are included in the 2023 figures. These business units now work in accordance with Inwido's sustainability compass to systematically reduce their impact.
- In July, the EU tightened the energy efficiency objectives for buildings within the framework of the Green Deal, leading to supportive measures being introduced by the EU countries to achieve the challenging targets set for 2030.
- Inwido is working actively to prepare the organization and the business units for the Corporate Sustainability Reporting Directive, CSRD, in accordance with which the Group will report the 2024 financial year.

Indicators sustainability

	Sep 2023 LTM	Sep 2022 LTM ¹	Jan-Dec 2022 ¹
Energy usage (kWh/window wing)	56.4	48.8	48.6
Hazardous waste (kg/window wing)	0.40	0.30	0.35
Waste (kg/window wing)	4.26	3.51	3.56
Accidents, lost working days (per million worked hours)	12.6	12.4	12.9
Sickleave Short-term (percent)	3.0	3.4	3.3
Sickleave Long-term (percent)	3.2	2.7	2.9
Carbon dioxide emissions (CO ₂ e/window wing) ³	-	-	2.1
Proportion of wood from sustainable forestry (percent)	-	-	98.7
Equality in management Board of Directors (percent women/men)	-	-	40/60
Equality in management Group Management Board (percent women/men)	-	-	29/71
Number of cases of discrimination and/or harassment (number)	-	-	2
Code of Conduct for suppliers (percent)	-	-	97.8
Alignment to the EU taxonomy criteria of substantial contribution (percent) ²	-	-	65.3

1) Excl. Acquisition LTM, 2) Met the EU Taxonomy criteria on substantial contribution to climate mitigation. Incl acquisition,

3) Scope 1 and 2.

Sustainability compass shows the way

By offering energy efficient and responsibly produced products we enable people to live a sustainable lifestyle, at home and at work. In accordance with the Group's sustainability compass, Inwido follows three strategic guidelines.



Inwido's operations and segments

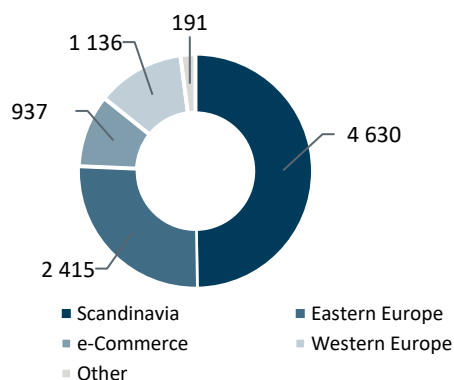


Inwido improves people's lives indoors with windows and doors. As Europe's leading window group, Inwido's business concept is to develop and sell the market's best customized window and door solutions through a decentralized structure and with focus on the consumer-driven market, in order to create long-term sustainable growth, organically and through acquisitions.

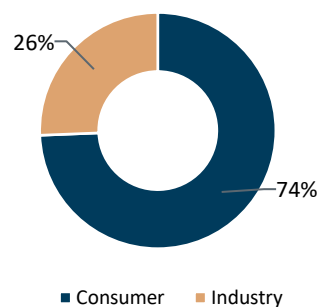
Inwido consists of 33 business units with approximately 4,800 employees in 11 countries. In 2022 the Group achieved sales of SEK 9.5 billion with an operating EBITA margin of 11.4 percent.

In 2022, sales to the Consumer market accounted for 75 percent of total net sales, while sales to the Industry market accounted for about 25 percent.

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



External net sales split between market segments, LTM



Scandinavia – strengthened gross margins bring stable profitability

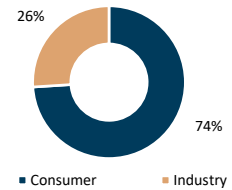
During the third quarter of the year, net sales fell by 16 percent to SEK 1,060 million (1,265), corresponding to an organic decrease of 19 percent.

Order intake decreased by 7 percent. At the end of the period, the order backlog was 41 percent lower than at the end of the corresponding period last year.

In the third quarter, operating EBITA amounted to SEK 170 million (206) and the operating EBITA margin amounted to 16.0 percent (16.2). The stable profitability in a weaker market was supported by a significant reinforcement of the gross margin as a result of efficiency improvements and price increases.

Over the period January–September, net sales amounted to SEK 3,330 million (3,800), which was 12 percent lower than in the corresponding period last year. The operating EBITA margin amounted to 13.7 percent (14.7).

External net sales split between market segments, LTM



MSEK	Jul-Sep 2023	Jul-Sep 2022	Change	Jan-Sep 2023	Jan-Sep 2022	Change	Last 12 months	Jan-Dec 2022
Net sales	1,060	1,265	-16%	3,330	3,800	-12%	4,760	5,230
Operating gross profit	295	326	-10%	865	944	-8%	1,228	1,306
Operating gross profit margin (%)	27.8	25.8		26.0	24.8		25.8	25.0
Operating EBITA	170	206	-17%	457	560	-18%	668	771
Operating EBITA margin (%)	16.0	16.2		13.7	14.7		14.0	14.7

Eastern Europe – substantially improved profit

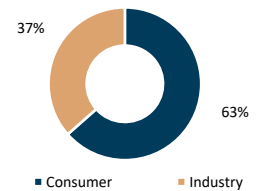
Net sales for the third quarter amounted to SEK 559 million (656), corresponding to an organic decrease of 21 percent.

Order intake fell 11 percent, driven mainly by a continued weak Industry market. At the end of the period, the order backlog was 50 percent lower than at the end of the corresponding period last year.

In the third quarter, operating EBITA rose to SEK 71 million (59) and the operating EBITA margin rose to 12.7 percent (9.0). Previously implemented price increases have achieved their full impact on profitability, while successful efforts to adapt production costs have been implemented.

Over the period January–September, net sales amounted to SEK 1,693 million (1,752), which was 3 percent lower than in the corresponding period last year. For the period January–September, the operating EBITA margin rose to 10.8 percent (7.9).

External net sales split between market segments, LTM



MSEK	Jul-Sep 2023	Jul-Sep 2022	Change	Jan-Sep 2023	Jan-Sep 2022	Change	Last 12 months	Jan-Dec 2022
Net sales	559	656	-15%	1,693	1,752	-3%	2,416	2,476
Operating gross profit	156	138	13%	445	385	16%	627	566
Operating gross profit margin (%)	27.9	21.1		26.3	22.0		26.0	22.9
Operating EBITA	71	59	19%	183	139	32%	263	218
Operating EBITA margin (%)	12.7	9.0		10.8	7.9		10.9	8.8

e-Commerce – growth and improved profitability in a difficult market

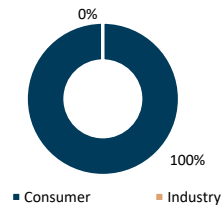
Over the third quarter, net sales rose to SEK 267 million (232), which was 15 percent higher compared with the corresponding period in the preceding year. Organically, net sales were 9 percent higher.

Order intake increased by 22 percent over the quarter while the order backlog at the end of the period was 2 percent lower than at the corresponding time last year.

Despite a continued challenging market, both sales and profitability increased. At the same time, market investments were increased to further strengthen competitiveness. Operating EBITA rose to SEK 20 million (15) in the third quarter and the operating EBITA margin rose to 7.5 percent (6.3).

During the period January–September, net sales rose to SEK 774 million (683), which was 13 percent higher than for the corresponding period last year. For the period January–September, the operating EBITA margin rose to 4.4 percent (4.0).

External net sales split between market segments, LTM



MSEK	Jul-Sep 2023	Jul-Sep 2022	Change	Jan-Sep 2023	Jan-Sep 2022	Change	Last 12 months	Jan-Dec 2022
Net sales	267	232	15%	774	683	13%	1,020	929
Operating gross profit	67	55	23%	188	157	20%	257	226
Operating gross profit margin (%)	25.1	23.6		24.2	23.0		25.2	24.3
Operating EBITA	20	15	38%	34	27	26%	55	48
Operating EBITA margin (%)	7.5	6.3		4.4	4.0		5.4	5.2

Western Europe – Sidey Group delivers in its first quarter within Inwido

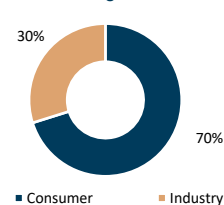
Over the third quarter, net sales rose to SEK 456 million (241), which was 89 percent higher compared with the corresponding period in the preceding year. Organic net sales were 4 percent higher.

Total order intake increased by 86 percent over the quarter. At the end of the period, the business area's order backlog increased by SEK 933 million from SEK 244 million at the corresponding point in time last year, as a result of the acquisition of the Sidey Group.

Over the third quarter, operating EBITA rose to SEK 52 million (24) and the operating EBITA margin amounted to 11.4 percent (9.9). The UK consumer market remains challenging, while the recently acquired the Sidey Group, which sells to public housing and public properties, contributed significantly to the profit trend.

During the period January–September, net sales rose to SEK 906 million (679), which was 33 percent higher than for the corresponding period last year. For the period January–September, the operating EBITA margin rose to 9.6 percent (9.4).

External net sales split between market segments, LTM



MSEK	Jul-Sep 2023	Jul-Sep 2022	Change	Jan-Sep 2023	Jan-Sep 2022	Change	Last 12 months	Jan-Dec 2022
Net sales	456	241	89%	906	679	33%	1,136	910
Operating gross profit	94	50	88%	184	138	33%	228	182
Operating gross profit margin (%)	20.6	20.8		20.3	20.3		20.1	20.0
Operating EBITA	52	24	118%	87	64	36%	104	81
Operating EBITA margin (%)	11.4	9.9		9.6	9.4		9.1	8.9

Key ratios, Group

<i>SEKm (unless otherwise stated)</i>	Jul-Sep 2023	Jul-Sep 2022	Jan-Sep 2023	Jan-Sep 2022	Last 12 months	Jan-Dec 2022
Income measures						
Net sales	2,339	2,386	6,697	6,934	9,310	9,547
Gross profit	625	585	1,721	1,674	2,386	2,339
EBITDA	381	364	954	961	1,342	1,349
Operating EBITDA	388	363	962	967	1,346	1,352
EBITA	301	298	730	768	1,048	1,087
Operating EBITA	308	297	737	775	1,052	1,090
Operating profit (EBIT)	289	292	705	751	1,018	1,063
Margin measures						
Gross margin (%)	26.7	24.5	25.7	24.1	25.6	24.5
EBITDA margin (%)	16.3	15.3	14.2	13.9	14.4	14.1
Operating EBITDA margin (%)	16.6	15.2	14.4	14.0	14.5	14.2
EBITA margin (%)	12.9	12.5	10.9	11.1	11.3	11.4
Operating EBITA margin (%)	13.2	12.5	11.0	11.2	11.3	11.4
Operating margin (EBIT) (%)	12.4	12.3	10.5	10.8	10.9	11.1
Capital structure						
Net debt	1,534	993	1,534	993	1,534	768
Net debt (excl IFRS 16)	1,018	610	1,018	610	1,018	294
Net debt/operating EBITDA, multiple	1.1	0.8	1.1	0.8	1.1	0.6
Net debt/operating EBITDA, multiple (excl IFRS 16)	0.8	0.5	0.8	0.5	0.8	0.2
Net debt/equity ratio, multiple	0.3	0.2	0.3	0.2	0.3	0.1
Interest coverage ratio, multiple	5.5	24.0	6.7	17.0	8.0	17.2
Shareholders' equity	5,318	4,993	5,318	4,993	5,318	5,319
Equity/assets ratio (%)	51	52	51	52	51	54
Operating capital	6,852	5,986	6,852	5,986	6,852	6,087
Return measures						
Return on shareholders' equity (%)	13.7	16.3	13.7	16.3	13.7	16.2
Return on operating capital (%)	16.2	17.9	16.2	17.9	16.2	18.3
Share data (number of shares in thousands)						
Earnings per share before dilution, SEK	3.25	3.88	8.52	9.62	12.63	13.74
Earnings per share after dilution, SEK	3.25	3.88	8.52	9.62	12.63	13.74
Shareholders' equity per share before dilution, SEK	90.25	85.71	90.25	85.71	90.25	91.25
Shareholders' equity per share after dilution, SEK	90.25	85.71	90.25	85.71	90.25	91.25
Cash flow per share before dilution, SEK	5.89	5.05	11.51	11.27	18.71	18.47
Cash flow per share after dilution, SEK	5.89	5.05	11.51	11.27	18.71	18.47
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>	2023	2023	2023	2022	2022	2022	2022	2021	2021
Net sales	2,339	2,263	2,095	2,613	2,386	2,475	2,073	2,175	1,897
Operating EBITA	308	261	168	315	297	297	180	244	275
Operating EBITA margin (%)	13.2	11.6	8.0	12.1	12.5	12.0	8.7	11.2	14.5
EBITA	301	262	167	319	298	293	177	262	275
EBITA margin (%)	12.9	11.6	8.0	12.2	12.5	11.8	8.5	12.1	14.5
Return on operating capital (%)	16.2	16.8	17.6	18.3	17.9	17.9	17.8	16.9	16.4
Earnings per share before dilution, SEK	3.25	3.36	1.90	4.11	3.88	3.66	2.08	3.72	3.57
Earnings per share after dilution, SEK	3.25	3.36	1.90	4.11	3.88	3.66	2.08	3.72	3.57
Shareholders' equity per share before dilution, SEK	90.25	93.82	93.69	91.25	85.71	80.42	81.21	80.08	76.17
Shareholders' equity per share after dilution, SEK	90.25	93.82	93.69	91.25	85.71	80.42	81.21	80.08	76.17
Cash flow per share before dilution, SEK	5.89	7.43	-1.81	7.20	5.05	6.04	0.27	8.22	4.49
Cash flow per share after dilution, SEK	5.89	7.43	-1.81	7.20	5.05	6.04	0.27	8.22	4.49
Share price, SEK	110.00	98.15	110.20	110.70	88.00	112.80	149.00	187.20	146.40

Net sales per segment

	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3
<i>SEKm</i>	2023	2023	2023	2022	2022	2022	2022	2021	2021
Scandinavia	1,060	1,197	1,073	1,430	1,265	1,360	1,175	1,235	994
Eastern Europe	559	569	565	724	656	589	507	561	482
e-Commerce	267	271	236	246	232	268	183	218	254
Western Europe	456	227	223	230	241	247	190	159	166
Group-wide, eliminations and other	-4	-1	-1	-17	-9	11	19	2	1
Total	2,339	2,263	2,095	2,613	2,386	2,475	2,073	2,175	1,897

Key data for the segments

SEKm Group	Jul-Sep 2023	Jul-Sep 2022	Change	Jan-Sep 2023	Jan-Sep 2022	Change	Last 12 months	Jan-Dec 2022
Net sales	2,339	2,386	-2%	6,697	6,934	-3%	9,310	9,547
Operating gross profit	623	584	7%	1,718	1,672	3%	2,386	2,340
Operating gross profit margin (%)	26.6	24.5		25.7	24.1		25.6	24.5
Operating EBITA	308	297	3%	737	775	-5%	1,052	1,090
Operating EBITA margin (%)	13.2	12.5		11.0	11.2		11.3	11.4

Scandinavia

Net sales	1,060	1,265	-16%	3,330	3,800	-12%	4,760	5,230
Operating gross profit	295	326	-10%	865	944	-8%	1,228	1,306
Operating gross profit margin (%)	27.8	25.8		26.0	24.8		25.8	25.0
Operating EBITA	170	206	-17%	457	560	-18%	668	771
Operating EBITA margin (%)	16.0	16.2		13.7	14.7		14.0	14.7

Eastern Europe

Net sales	559	656	-15%	1,693	1,752	-3%	2,416	2,476
Operating gross profit	156	138	13%	445	385	16%	627	566
Operating gross profit margin (%)	27.9	21.1		26.3	22.0		26.0	22.9
Operating EBITA	71	59	19%	183	139	32%	263	218
Operating EBITA margin (%)	12.7	9.0		10.8	7.9		10.9	8.8

e-Commerce

Net sales	267	232	15%	774	683	13%	1,020	929
Operating gross profit	67	55	23%	188	157	20%	257	226
Operating gross profit margin (%)	25.1	23.6		24.2	23.0		25.2	24.3
Operating EBITA	20	15	38%	34	27	26%	55	48
Operating EBITA margin (%)	7.5	6.3		4.4	4.0		5.4	5.2

Western Europe

Net sales	456	241	89%	906	679	33%	1,136	910
Operating gross profit	94	50	88%	184	138	33%	228	182
Operating gross profit margin (%)	20.6	20.8		20.3	20.3		20.1	20.0
Operating EBITA	52	24	118%	87	64	36%	104	81
Operating EBITA margin (%)	11.4	9.9		9.6	9.4		9.1	8.9

Group-wide, eliminations and other

Net sales	-4	-9	-59%	-6	20	-129%	-23	3
Operating gross profit	8	12	-32%	27	41	-34%	35	49
Operating gross profit margin (%)	na	na		na	na		na	na
Operating EBITA	-9	-9	-4%	-35	-25	-41%	-53	-42
Operating EBITA margin (%)	na	na		na	na		na	na

IFRS 16 effect

Net sales	-	-	-	-	-	-	-	-
Operating gross profit	3	3	21%	9	8	15%	12	10
Operating gross profit margin (%)	na	na		na	na		na	na
Operating EBITA	4	3	25%	12	10	21%	16	14
Operating EBITA margin (%)	na	na		na	na		na	na

Summary consolidated statement of comprehensive income

<i>Amounts in SEKm</i>	Jul-Sep 2023	Jul-Sep 2022	Jan-Sep 2023	Jan-Sep 2022	Last 12 months	Jan-Dec 2022
Net sales	2,339.2	2,386.0	6,697.2	6,934.1	9,309.9	9,546.8
Cost of goods sold	-1,714.2	-1,801.2	-4,976.6	-5,260.3	-6,924.4	-7,208.1
Gross profit	625.0	584.8	1,720.6	1,673.7	2,385.5	2,338.7
Other operating income	8.9	4.1	25.1	17.5	35.9	35.4
Selling expenses	-176.0	-162.0	-556.9	-516.9	-760.1	-720.2
Administrative expenses	-146.8	-126.5	-437.7	-390.1	-584.4	-536.8
Research and development expenses	-9.0	-8.1	-28.6	-26.2	-39.0	-36.6
Other operating expenses	-12.9	-0.2	-17.2	-9.3	-20.2	-19.4
Share of profit of associated companies	0.0	0.1	0.2	1.8	0.6	2.1
Operating profit (EBIT)	289.1	292.3	705.5	750.6	1,018.3	1,063.3
Financial income	4.4	4.2	32.3	5.2	45.5	12.2
Financial expenses	-53.1	-12.3	-109.5	-44.5	-133.7	-62.5
Net financial items	-48.7	-8.2	-77.2	-39.3	-88.2	-50.3
Profit before tax	240.4	284.1	628.3	711.3	930.1	1,013.1
Tax expense	-40.9	-55.9	-120.2	-146.2	-179.5	-205.4
Profit after tax	199.5	228.2	508.1	565.1	750.6	807.6
Other comprehensive income						
Items reallocated to, or that can be reallocated to profit for the year						
Translation differences, foreign operations	-112.5	80.0	113.5	239.6	194.7	320.8
Total other comprehensive income after tax	87.0	308.2	621.6	804.8	945.2	1,128.4
Profit after tax attributable to:						
Parent Company shareholders	188.7	225.0	493.6	557.8	732.1	796.4
Non-controlling interest	10.8	3.2	14.5	7.3	18.5	11.3
Other comprehensive income attributable to:						
Parent Company shareholders	78.6	304.7	607.1	797.0	926.3	1,116.2
Non-controlling interest	8.4	3.4	14.5	7.8	19.0	12.2
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	57,967,528	57,967,528	57,967,528	57,967,528	57,967,528
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	3.25	3.88	8.52	9.62	12.63	13.74
Earnings per share after dilution, SEK	3.25	3.88	8.52	9.62	12.63	13.74

Summary consolidated statement of financial position

<i>Amounts in SEKm</i>	Sep 2023	Sep 2022	Dec 2022
ASSETS			
Intangible assets	5,697.6	5,029.4	5,088.1
Tangible assets	1,691.3	1,409.6	1,575.8
Participations in associated companies	16.9	16.3	16.6
Financial assets	2.3	4.9	4.9
Deferred tax assets	67.1	56.1	60.8
Other non-current assets	59.5	56.8	56.2
Total non-current assets	7,534.5	6,573.1	6,802.6
Inventories	719.9	837.8	783.4
Trade receivables	788.0	787.9	613.6
Other receivables	406.7	365.3	267.3
Cash and equivalents	941.6	992.6	1,319.0
Total current assets	2,856.2	2,983.6	2,983.3
TOTAL ASSETS	10,390.7	9,556.7	9,785.8
EQUITY AND LIABILITIES			
Share capital	231.9	231.9	231.9
Other capital provided	948.8	948.8	948.8
Other reserves	603.1	408.9	489.6
Profit brought forward including profit for the year	3,448.1	3,379.0	3,619.4
Shareholders' equity attributable to Parent Company shareholders	5,231.8	4,968.6	5,289.6
Non-controlling interest	86.0	24.8	29.3
Total equity	5,317.8	4,993.4	5,319.0
Interest-bearing liabilities	1,895.3	1,557.6	1,576.0
Leasing liabilities	405.2	297.0	377.7
Deferred tax liabilities	224.5	133.6	142.4
Non-interest-bearing liabilities	10.5	15.3	16.4
Total non-current liabilities	2,535.4	2,003.6	2,112.5
Interest-bearing liabilities	80.3	62.0	54.1
Leasing liabilities	115.8	87.4	98.7
Non-interest-bearing provisions	46.5	37.5	42.5
Non-interest-bearing liabilities	2,295.0	2,372.8	2,159.1
Total current liabilities	2,537.5	2,559.6	2,354.4
TOTAL EQUITY AND LIABILITIES	10,390.7	9,556.7	9,785.8

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 Jan. 1, 2022	231.9	947.3	169.8	3,293.1	4,642.1	5.9	4,648.0
<i>Comprehensive income</i>							
Profit for the period			-	557.8	557.8	7.3	565.1
Change in translation reserve for the period			239.1	-	239.1	0.5	239.6
Total comprehensive income for the period			239.1	557.8	797.0	7.8	804.8
<i>Transactions with the Group's owners</i>							
Option premium		1.5		-	1.5	-	1.5
Dividends paid to Parent Company shareholders				-356.5	-356.5	-	-356.5
Acquisition/divestment of participation in non-controlling interests				-	-	11.1	11.1
Issued Put option/ forward				-115.4	-115.4	-	-115.4
Total transactions with the Group's owners	-	1.5	-	-471.9	-470.5	11.1	-459.3
Equity, closing balance Sep. 30, 2022	231.9	948.8	408.9	3,379.0	4,968.6	24.8	4,993.4
Equity, opening balance Jan. 1, 2023	231.9	948.8	489.6	3,619.4	5,289.6	29.3	5,319.0
<i>Comprehensive income</i>							
Profit for the period			-	493.6	493.6	14.5	508.1
Change in translation reserve for the period			113.5	-	113.5	0.0	113.5
Total comprehensive income for the period			113.5	493.6	607.1	14.5	621.6
<i>Transactions with the Group's owners</i>							
Dividends paid to Parent Company shareholders				-376.8	-376.8	-	-376.8
Acquisition/divestment of participation in non-controlling interests				-	-	42.1	42.1
Issued Put option/ forward				-288.1	-288.1	-	-288.1
Total transactions with the Group's owners	-	-	-	-664.9	-664.9	42.1	-622.8
Equity, closing balance Sep. 30, 2023	231.9	948.8	603.1	3,448.1	5,231.8	86.0	5,317.8

Summary consolidated cash flow statement

<i>Amounts in SEKm</i>	Jul-Sep 2023	Jul-Sep 2022	Jan-Sep 2023	Jan-Sep 2022	Last 12 months	Jan-dec 2022
Operating activities						
Profit before tax	240.3	284.1	628.2	711.3	930.0	1,013.1
Depreciation/amortisation and impairment of assets	95.9	71.7	252.9	210.2	329.0	286.2
Adjustment for items not included in cash flow:	30.3	-10.7	2.3	-10.9	-7.4	-20.5
Income tax paid	-36.5	-23.7	-120.6	-80.7	-224.7	-184.7
Cash flow from operating activities before changes in working capital	330.0	321.4	762.8	829.9	1,027.0	1,094.0
Changes in working capital						
Increase(-)/decrease(+) in inventories	70.3	11.6	129.7	-184.8	200.9	-113.6
Increase(-)/decrease(+) in operating receivables	-12.5	-39.4	-74.5	-261.5	137.0	-50.1
Increase(+)/decrease(-) in operating liabilities	-46.2	-1.1	-150.8	269.9	-280.1	140.6
Cash flow from operating activities	341.6	292.6	667.3	653.4	1,084.8	1,070.9
Investing activities						
Acquisitions of tangible fixed assets	-60.7	-22.7	-149.5	-88.0	-245.3	-183.7
Divestments of tangible fixed assets	0.7	0.5	1.4	1.0	1.6	1.2
Change in intangible assets	-2.1	-3.2	-13.9	-7.8	-13.5	-7.4
Acquisitions of subsidiary, net of cash	-422.6	-	-422.6	-234.7	-422.6	-234.7
Change in financial assets	0.5	-3.2	0.6	-3.4	1.8	-2.3
Cash flow from investing activities	-484.3	-28.7	-584.1	-333.0	-678.0	-426.8
Financing activities						
Option premium	-	-	-	1.5	-	1.5
Dividends to parent company shareholders	-	-	-376.8	-356.5	-376.8	-356.5
Change in interest-bearing liabilities	-38.0	-21.6	-126.6	-80.8	-151.9	-106.1
Cash flow from financing activities	-38.0	-21.6	-503.4	-435.8	-528.7	-461.2
Cash flow for the year	-180.7	242.3	-420.2	-115.4	-121.8	182.9
Cash and equivalents at the beginning of the year	1,139.4	732.8	1,319.0	1,073.4	992.6	1,073.4
Exchange rate difference in cash and equivalents	-17.2	17.5	42.8	34.6	70.8	62.6
Cash and equivalents at the end of the year	941.6	992.6	941.6	992.6	941.6	1,319.0

Summary income statement, Parent Company

<i>Amounts in SEKm</i>	Jul-Sep 2023	Jul-Sep 2022	Jan-Sep 2023	Jan-Sep 2022	Last 12 months	Jan-Dec 2022
Net sales	15.2	12.9	49.7	49.2	67.8	67.2
Gross profit	15.2	12.9	49.7	49.2	67.8	67.2
Administrative expenses	-14.6	-13.1	-48.2	-49.8	-68.4	-69.9
Other operating income	0.1	0.0	0.5	0.6	2.3	2.3
Other operating expenses	-4.6	-0.6	-7.4	-3.5	-7.4	-3.5
Operating profit	-3.9	-0.8	-5.4	-3.5	-5.7	-3.9
<i>Result from financial items:</i>						
Participations in earnings of Group companies	-	120.0	453.3	787.9	464.4	799.0
Other interest income and similar profit/loss items	31.8	9.8	71.5	28.3	85.0	41.8
Interest expense and similar profit items	-55.1	-4.4	-87.6	-24.6	-97.5	-34.4
Profit after financial items	-27.2	124.6	431.8	788.1	446.2	802.5
Group contribution	-	-	-	-	130.8	130.8
Difference between depreciation/ amortisation according to plan and reported depreciation/amortisation	-	-	-	-	-0.2	-0.2
Profit before tax	-27.2	124.6	431.8	788.1	576.8	933.1
Tax expense	6.1	-1.9	4.8	-2.5	-21.8	-29.1
Profit for the period	-21.1	122.7	436.6	785.6	555.0	904.0

Summary balance sheet, Parent Company

<i>Amounts in SEKm</i>	Sep 2023	Sep 2022	Dec 2022
ASSETS			
Intangible non-current assets	0.0	0.1	0.1
Tangible non-current assets	0.9	1.1	1.0
Participations in Group companies	2,525.7	2,324.4	2,525.7
Participations in associated companies	1.0	1.0	1.0
Receivables from Group companies	1,424.5	1,280.5	1,243.5
Deferred tax asset	7.2	5.8	7.2
Other non-current assets	14.2	13.2	15.9
Total non-current assets	3,973.6	3,626.1	3,794.4
Receivables from Group companies	-0.4	0.1	75.7
Prepaid expenses and accrued income	6.4	38.6	2.6
Other receivables	73.0	29.3	0.5
Cash and equivalents	675.1	816.2	1,150.6
Total current assets	754.2	884.3	1,229.4
TOTAL ASSETS	4,727.8	4,510.4	5,023.8
EQUITY AND LIABILITIES			
Equity	2,151.3	1,973.2	2,091.5
Total equity	2,151.3	1,973.2	2,091.5
Accumulated depreciation/amortisation in addition to plan	0.3	0.1	0.3
Untaxed reserves	0.3	0.1	0.3
Liabilities to Group companies	1,057.6	1,091.9	1,449.2
Interest-bearing liabilities	1,469.7	1,411.3	1,429.6
Deferred tax liabilities	2.9	-	3.3
Other liabilities	6.8	8.1	6.8
Total non-current liabilities	2,537.1	2,511.3	2,888.9
Liabilities to Group companies	0.3	0.3	0.3
Non-interest-bearing liabilities	38.7	25.5	42.7
Total current liabilities	39.0	25.8	43.1
TOTAL EQUITY AND LIABILITIES	4,727.8	4,510.4	5,023.8

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 2022 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.

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 2022 Annual Report. Beyond these, no significant additional risks or uncertainties have arisen.

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.

Amounts in SEKm	Sep 2023		Sep 2022			
	Level 2	Level 3	Level 2	Level 3		
Assets						
Shares and participations	-	2.3	-	4.9	Level 1	According to prices noted in an active market for the same instrument.
Non-current receivable – derivative	14.2	-	17.9	-	Level 2	Based on directly or indirectly observable market data not included in Level 1.
Current receivable – derivative	-	-	2.8	-	Level 3	Based on input data not observable in the market
	14.2	2.3	20.7	4.9		
Liabilities and provisions						
Non-current liability – derivative	0.5	-	-	-		
Current liability – derivative	0.2	-	0.1	-		
Current liability – acquisition related	-	-	-	34.0		
Non-current liability – acquisition related	-	16.8	-	-		
	0.7	16.8	0.1	34.0		

Amounts in SEKm	Shares and participations	Acquisition-related liabilities
Fair value 2023-01-01	4.9	27.1
Business combinations	-	17.4
Acquisitions, cost	-	-
Translation differences	-0.4	-0.1
Settled earn-out	-	-18.7
Total recognized gains and losses:		
- Reported in equity	-	-
- Reported in profit for the period*	-2.3	-8.9
Fair value 2023-09-30	2.3	16.8
Fair value 2022-01-01	4.2	-
Business combinations	-	34.9
Acquisitions, cost	0.6	-
Translation differences	0.1	-0.9
Settled earn-out	-	-
Total recognized gains and losses:		
- Reported in equity	-	-
- Reported in profit for the period*	-	-
Fair value 2022-09-30	4.9	34.0

*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 2022 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 2022 Annual Report.

Note 4 – Distribution of income

Net sales by country

	Jul-Sep 2023	Jul-Sep 2022	Jan-Sep 2023	Jan-Sep 2022	Last 12 months	Jan-Dec 2022
<i>Amounts in SEKm</i>						
Sweden	498	644	1,730	2,026	2,478	2,774
Denmark	642	650	1,827	1,885	2,530	2,588
Norway	124	136	374	417	509	552
Finland	525	622	1,600	1,668	2,295	2,363
Poland	30	25	72	86	97	111
UK	402	194	752	535	953	736
Ireland	70	75	208	189	266	247
Germany	33	30	87	81	118	112
Other	16	11	48	48	64	63
Total	2,339	2,386	6,697	6,934	9,310	9,547

Net sales distribution between market segments by operating segment

	Consumer		Industry		Other		Internal sales		Group	
	Jul-Sep 2023	Jul-Sep 2022	Jul-Sep 2023	Jul-Sep 2022	Jul-Sep 2023	Jul-Sep 2022	Jul-Sep 2023	Jul-Sep 2022	Jul-Sep 2023	Jul-Sep 2022
<i>Amounts in SEKm</i>										
Net Sales	1,601	1,700	656	594	83	93	-	-	2,339	2,386
Scandinavia	768	884	245	322	20	29	27	30	1,060	1,265
Eastern Europe	360	400	182	240	16	16	0	0	559	656
e-Commerce	244	206	-	-	1	2	22	23	267	232
Western Europe	228	210	228	32	-	-	0	-	456	241
Group-wide, elimi- nations and other	-	-	-	-	46	45	-49	-54	-4	-9

	Consumer		Industry		Other		Internal sales		Group	
	Jan-Sep 2023	Jan-Sep 2022	Jan-Sep 2023	Jan-Sep 2022	Jan-Sep 2023	Jan-Sep 2022	Jan-Sep 2023	Jan-Sep 2022	Jan-Sep 2023	Jan-Sep 2022
<i>Amounts in SEKm</i>										
Net Sales	4,727	4,976	1,707	1,721	263	237	-	-	6,697	6,934
Scandinavia	2,366	2,744	807	950	64	18	94	88	3,330	3,800
Eastern Europe	1,051	1,040	594	677	47	34	0	1	1,693	1,752
e-Commerce	710	607	-	-	4	6	60	70	774	683
Western Europe	600	586	306	94	-	-	0	-	906	679
Group-wide, elimi- nations and other	-	-	-	-	149	179	-155	-159	-6	20

Note 5 – Acquisitions

On July 13, 2023, Inwido acquired 70 percent of the shares and votes in Scotland's largest window and door company, Sidey Group, the market leader in renovations of public housing and community properties. The company has annual sales of about SEK 800 million with an EBIT margin of about 15 percent over the past 12 month period and is thus Inwido's largest acquisition to date.

Sidey was founded as early as in 1932 in Perth, Scotland, where most of the operations remain to this day. Most of the company's sales are made in renovations of public housing and public properties, where it is also the market leader. Sidey Group has a broad product portfolio in windows and doors and also offers products for carports and roofing replacements. In addition to the social housing, the company also sells to professional installers and private homeowners, among others.

Sidey Group is currently in a strong phase of growth and its prospects for continued future growth are good as demand is judged to be strong due, for example, to increased legal requirements for energy efficiency improvements to Scottish homes. Sidey Group has also strengthened its presence in the west of Scotland through its acquisition of Walker Profiles in 2017.

Inwido has issued a put option regarding the remaining 30 percent of shares, which are held by the company's founders and management. The put option entitles, but does not oblige, minority shareholders to sell their shares to Inwido during the period March 1–April 30, 2027. Inwido also has a call option entitling, but not obliging the company, to acquire any outstanding shares during the period May 1–June 30, 2027. The purchase consideration for the remaining 30 percent of the shares will be based on Sidey Group's future financial development.

Sidey Group is part of Business Area Western Europe alongside the operations of Allan Brothers (UK), Carlson (Ireland), CWG Choices (UK), Dekko (UK) and Jack Brunsdon (UK), which, with this acquisition, becomes Inwido's third-largest Business Area. Sidey Group continues to be operated as an independent company within Business Area Western Europe, while benefiting from synergies with Inwido's central purchasing organization, as well as with other local business units in the UK.

The combined purchase consideration was equivalent to a multiple of slightly less than 6 times operating EBIT. Put/call options have been reported in equity and as other non-current liabilities in the amount of approximately SEK 340 million and are calculated at their value at the point in time at which the balance sheet item was established. Goodwill includes the value of market knowledge and future purchasing synergies. No part of goodwill is expected to be tax deductible.

In accordance with the acquisition agreement, the parties have agreed that part of the purchase consideration, corresponding to SEK 21 million, will be contingent and not paid immediately at the time of acquisition. The contingent purchase consideration will instead be paid in the first quarter of 2027 on the condition that certain terms linked to the profit trend are met. The amount reported at the time of acquisition corresponds to SEK 17 million, which is the discounted value of SEK 21 million.

The goodwill value includes values corresponding to market awareness and future purchasing synergies. No goodwill component is expected to be tax deductible. A holding without a deciding influence has been reported at its proportionate share of the net assets.

During the period that Sidey Group was owned up until September 30, 2023, the company contributed SEK 213 million to the Group's external income and affected external profit by SEK 15 million. If the acquisitions had occurred as of January 1, 2023, management estimates that the external income of the acquired company would have been SEK 607 million and that its profit would have been SEK 36 million. Acquisition-related costs amounted to SEK 7 million in the form of consulting costs in connection with the acquisition process. These consulting costs have been reported as other operating expenses in the statement of comprehensive income and are excluded from consolidated operating EBITA. The acquisitions were funded through available cash and equivalents and had a positive impact on Inwido's earnings per share in the third quarter of 2023.

The acquired companies' net assets at the time of acquisition:

	sep 2023	sep 2022
<i>Amounts in SEKm</i>		
Intangible assets	332.6	1.5
Tangible non-current assets	32.2	22.9
Inventories	30.0	46.2
Trade and other receivables	162.0	104.1
Cash and equivalents	65.1	22.0
Interest-bearing liabilities	-3.7	-4.6
Non-interest bearing liabilities	-140.7	-144.5
Deferred tax liabilities	-88.1	-2.5
Fair value of acquired net assets	389.5	45.1
Non-controlling interests	-42.1	-11.4
Goodwill, Group	204.3	256.2
Transferred consideration	551.6	289.9
Transferred consideration consists of		
Cash paid for acquisitions	487.7	244.5
Holdbacks and contingent consideration	63.9	45.4
	551.6	289.9

*Acquisition calculation is preliminary

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 September 30, 2023 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, October 24, 2023

Linda Bengtsson
Authorized Public Accountant

KPMG AB

Definitions of alternative key ratios not defined by IFRS

Inwido presents certain alternative financial ratios in addition to the conventional financial ratios set by IFRS, in order to better understand the development of the business 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 last 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 last 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 profit.
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 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 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 favorable 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	EBITA, proforma, 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

Income measures

<i>SEKm (unless otherwise stated)</i>	Jul-Sep 2023	Jul-Sep 2022	Jul-Sep 2023	Jul-Sep 2022	Last 12 months	Jan-Dec 2022
Operating profit (EBIT)	289	292	706	751	1,018	1,063
Depreciation/amortization and impairment	92	72	249	210	324	285
Items affecting comparability (other items)	7	-1	8	7	4	3
Operating EBITDA	388	363	962	967	1,346	1,352
Gross profit	625	585	1,721	1,674	2,386	2,339
Items affecting comparability (depreciation/amortization and other items)	-2	-1	-2	-2	0	1
Operating gross profit	623	584	1,718	1,672	2,386	2,340
Operating profit (EBIT)	289	292	706	751	1,018	1,063
Depreciation/amortization of acquisition-related intangible assets	12	6	24	17	30	23
EBITA	301	298	730	768	1,048	1,087
Items affecting comparability (depreciation/amortization and other items)	7	-1	8	7	4	3
Operating EBITA	308	297	737	775	1,052	1,090
Items affecting comparability	-7	1	-8	-7	-4	-3
Depreciation	-	-	-	-	-	-
Other	-7	1	-8	-7	-4	-3

Capital structure

<i>SEKm (unless otherwise stated)</i>	Jul-Sep 2,023	Jul-Sep 2,022	Jul-Sep 2,023	Jul-Sep 2,022	Last 12 months	Jan-Dec 2,022
Cash and equivalents	-942	-993	-942	-993	-942	-1,319
Other interest-bearing assets	-21	-19	-21	-19	-21	-19
Interest-bearing liabilities, non-current	2,300	1,855	2,300	1,855	2,300	1,954
Interest-bearing liabilities, current	196	149	196	149	196	153
Net debt	1,534	993	1,534	993	1,534	768
Total assets	10,391	9,557	10,391	9,557	10,391	9,786
Cash and equivalents	-942	-993	-942	-993	-942	-1,319
Interest-bearing assets	-21	-19	-21	-19	-21	-19
Non-interest-bearing provisions and liabilities	-2,576	-2,559	-2,576	-2,559	-2,576	-2,360
Operating capital	6,852	5,986	6,852	5,986	6,852	6,087

About Inwido

Inwido improves people's lives indoors with windows and doors. As Europe's leading window group, Inwido's business concept is to develop and sell the market's best customized window and door solutions through a decentralized structure and with focus on the consumer-driven market, in order to create long-term sustainable growth, organically and through acquisitions.

Inwido comprises 34 business units with approximately 4,700 employees in 11 countries. In 2022 the Group achieved sales of SEK 9.5 billion with an operating EBITA margin of 11.4 percent.

Shares in Inwido AB (publ) have been listed on Nasdaq Stockholm since 2014 under the ticker "INWI".

Long-term targets

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

Profitability

Inwido's profitability target is a return on operating capital of >15 percent.

Sales growth

Inwido's target is to achieve annual sales of SEK 20 billion by 2030 through both organic and acquired growth.

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.

Science Based Targets

Inwido's affiliation with the Science Based Targets Initiative corroborates the company's long-term objective to cut emissions and contribute to the 1.5 degree target.

EU Taxonomy

By 2030, 75 percent of sales of windows and doors are to be aligned with the EU Taxonomy

Watch Inwido's sustainability video, "Inwido – Our promise" [here](#) and follow Inwido's journey on LinkedIn [in](#)



Information for shareholders

Financial calendar

Capital markets day	December 7, 2023
Year-end report, January–December 2023	February 8, 2024
2023 Annual Report	April 2024
Interim report, January–March 2024	April 23, 2024
Annual General Meeting 2024	May 16, 2024
Interim report, January–June 2024	July 12, 2024

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 October 24, 2023 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

Contact details Inwido

Inwido AB (publ)
Engelbrektsgratan 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