



Inwido's stable profitability, healthy cash flows and strong balance sheet demonstrate the strength of our business model and are enabling continued investments despite a challenging market.

Year-end report January-December 2023

Fourth quarter

- Net sales amounted to SEK 2,273 million (2,613), down 13 percent. Organic growth amounted to negative 21 percent.
- Total order intake was unchanged, while the order backlog increased to SEK 1,937 million (1,583) as of December 31.
- Operating EBITA amounted to SEK 290 million (315) and the operating EBITA margin increased to 12.7 percent (12.1).
- Earnings per share amounted to SEK 3.20 (4.11).
- Net debt amounted to a multiple of 0.9 in relation to operating EBITDA (0.6 excluding IFRS 16).
- Fredrik Meuller was appointed the new President and CEO and will be taking office on April 10, 2024. CFO Peter Welin is the acting President and CEO from the beginning of the year.

January-December 2023

- Net sales amounted to SEK 8,970 million (9,547), down 6 percent. Organic growth amounted to negative 14 percent.
- Operating EBITA amounted to SEK 1,027 million (1,090) and the operating EBITA margin was 11.4 percent, unchanged compared with the preceding year.
- Cash flow from operating activities strengthened to SEK 1,153 million (1,071).
- Return on operating capital amounted to 15.4 percent (18.3).
- Earnings per share amounted to SEK 11.72 (13.74).
- The Board of Directors proposes a dividend of SEK 6.50 (6.50).

<i>SEKm (unless otherwise stated)</i>	Oct-Dec 2023	Oct-Dec 2022	Jan-Dec 2023	Jan-Dec 2022
Net sales	2,273	2,613	8,970	9,547
EBITA	284	319	1,013	1,087
Operating EBITA	290	315	1,027	1,090
Earnings per share before dilution, SEK	3.20	4.11	11.72	13.74
Net sales increase (%)	-13.0	20.1	-6.0	23.6
EBITA margin (%)	12.5	12.2	11.3	11.4
Operating EBITA margin (%)	12.7	12.1	11.4	11.4
Return on operating capital (%)	15.4	18.3	15.4	18.3
Net debt/ Operating EBITDA, multiple	0.9	0.6	0.9	0.6
Net debt/ Operating EBITDA, multiple (excl IFRS 16)	0.6	0.2	0.6	0.2
Net debt	1,260	768	1,260	768
Net debt (excl IFRS 16)	741	294	741	294

A teleconference for analysts, media representatives and investors will be held today, February 8, 2024, at 10.00 a.m. At that time, the report will be presented by Peter Welin, CFO and acting President & CEO. The presentation will be held in English and can also be followed live via a webcast at: <https://www.inwido.com/sv/investerare/finansialla-rapporter-och-presentationer>. 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. If you wish to participate via the webcast, please use the following link: <https://ir.financialhearings.com/inwido-q4-report-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=50047299>

Improved margin in a difficult market

After more than 25 years in the company, I am writing my first CEO's comments, and I can state that the rapid decline in volume witnessed in the market in 2023 is extraordinary and something I have never seen before. The slowdown, which is primarily associated with new build in Sweden and Finland, has impacted both order intake during the year as well as sales during the fourth quarter. The fact that Inwido is not only succeeding in defending its margins under these circumstances, but is also strengthening them, is something I'm proud of. At the same time as we are working on a market that remains challenging, we are also now in the midst of the cold winter months, when consumers are less likely to replace their windows. It is therefore reassuring to note that, in addition to delivering stable profitability, we are also strengthening our cash flow and finishing the year with continued low indebtedness, despite the fact that we completed our largest acquisition to date during 2023.



During the last quarter of the year, net sales were down 13 percent (negative 21 percent organically) to SEK 2,273 million (2,613). Operating EBITA amounted to SEK 290 million (315) and the operating EBITA margin rose to 12.7 percent (12.1). The increase in the gross margin for the fourth consecutive quarter is due to lower production costs in our units and a more favorable mix. The reduced volumes have also been compensated by implemented savings in fixed costs. Total order intake is unchanged compared with the corresponding quarter last year (down 6 percent adjusted for acquisitions).

As regards financial targets, our return on operating capital decreased to 15.4 percent, although it is still above the target of 15 percent. In the key ratios for sustainability work, unit-related figures are being challenged by lower production volumes. The key ratios for health, safety and sick leave improved in the quarter. It is gratifying to note that the 75 percent target for employee satisfaction was achieved in the Group's annual employee survey, Great Place to Work, conducted in November.

Business Area Scandinavia operated in a continued weak market over the quarter, resulting in sales decreasing by 21 percent. The profitability trend was stable with a gradual improvement in the gross margin. The operating EBITA margin was largely unchanged at 15.0 percent (14.8), compared with the corresponding quarter last year.

Business Area Eastern Europe shows significantly increased profitability, resulting in an operating EBITA margin of 14.5 percent (11.0), driven by the full impact of price increases and the continued favorable cost control and adjustment of plant costs. The volumes were under great pressure, however, which is illustrated by a 34 percent decline in sales over the quarter. It is primarily the new build market in Finland that is losing volumes.

Business area e-Commerce operates in a highly competitive market. Sales and order intake were unchanged in the quarter, while the margin decreased to 5.0 percent (8.6). The Danish Chamber of Commerce, recently released its index report for e-commerce in Denmark in 2023. The report describes a challenging market characterized by cautious consumers, increased costs and strong price pressure. In this environment, the Danish brands working within e-commerce are beating the indices for all the parameters, which may be considered a proof of our strength.

Business Area Western Europe was also positively impacted during the fourth quarter by the recently acquired Sidey Group. Over the quarter, the business area's sales increased by 86 percent, operating EBITA increased by an impressive 174 percent and the margin increased to 10.8 percent (7.3). Despite these good figures, we can observe that the consumer market in the UK in particular is under pressure. Two of the five largest players in the field of windows and doors went bankrupt during the second half of the year, which at the same time is creating opportunities for Inwido's business units. The market in Ireland has remained stable, on the other hand, and our business unit there performed well during the quarter.

Outlook

In the short term, we are anticipating a market that will remain challenging with low activity in relation to new build and consumers, and which, in addition to the general market situation, is being affected by the unusually cold and snowy winter. There are positive signs, however, namely that interest rates appear to have peaked and inflation is dropping back. Our task is to maintain good cost control and be flexible in our planning, at the same time as driving the initiatives that will develop the business.

The outlook in the slightly longer term remains positive, and the green transition is promoting growth. There is a great deal of interest in energy efficiency, both among consumers and politicians. The EU's clear ambition to enhance energy performance in properties over the upcoming years means that there are still favorable growth opportunities for energy-efficient windows and doors.

Inwido is continuing to stand firm in a time of uncertainty. Our stable profitability, healthy cash flows and strong balance sheet demonstrate the strength of our business model and are enabling continued investments despite a challenging market.

MALMÖ, FEBRUARY 8, 2024



Peter Welin, CFO and acting President & CEO

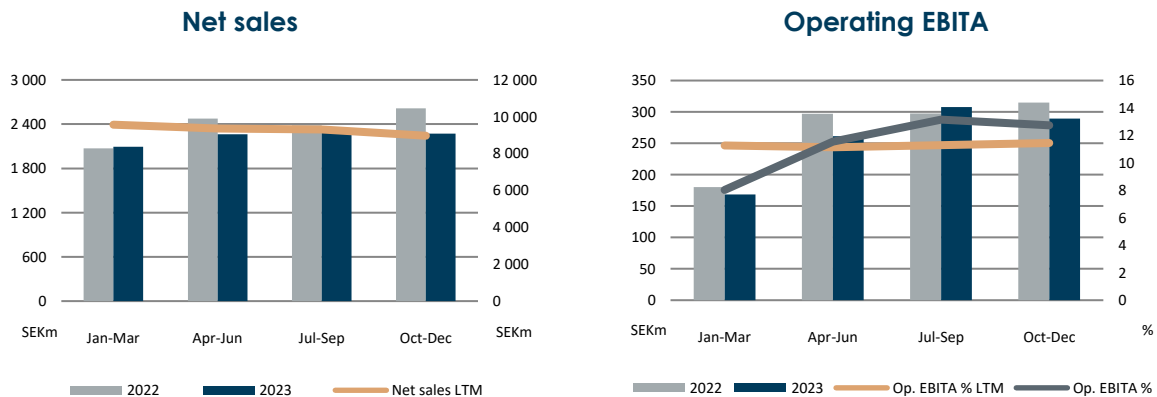
Group

Net sales and order intake

During the fourth quarter of the year, sales were down 13 percent (negative 21 percent organically) to SEK 2,273 million (2,613) as a result of reduced activity, primarily in the industry market but also in the consumer market. Over the whole of 2023, net sales amounted to SEK 8,970 million (9,547), corresponding to a 6 percent decline (negative 14 percent organically).

Analysis of net sales	Oct-Dec		Oct-Dec		Jan-Dec		Jan-Dec	
	2023 (SEKm)		2022 (SEKm)		2023 (SEKm)		2022 (SEKm)	
Net sales	-13%	2,273	20%	2,613	-6%	8,970	24%	9,547
Organic growth	-21%	-599	10%	237	-14%	-1,520	14%	1,184
Structural effects	6%	168	6%	125	5%	467	5%	366
Currency effects	3%	92	3%	75	5%	476	3%	272

During the fourth quarter, the total order intake was unchanged compared with the corresponding quarter last year (down 6 percent adjusted for acquisitions). Order intake was down 7 percent in Business Area Scandinavia, down 10 percent in Eastern Europe, up 61 percent in Western Europe and unchanged in e-Commerce. The order backlog at the end of the period increased to SEK 1,937 million (1,583) as a consequence of the acquisition of Sidey Group (down 32 percent adjusted for acquisitions).



RTM = Rullande Tolv Månader

EBITA

During the fourth quarter, operating EBITA amounted to SEK 290 million (315). The operating EBITA margin increased to 12.7 percent (12.1) as a result of successful efforts to adapt costs to the prevailing market situation.

During the period January–December, operating EBITA amounted to SEK 1,027 million (1,090) and the operating EBITA margin amounted to 11.4 percent (11.4).

Net financial items

Net financial items during the fourth quarter amounted to negative SEK 7 million (negative 11). During the period January–December, net financial items amounted to negative SEK 84 million (negative 50) as a result of higher interest rates.

Profit before and after tax

Profit before tax amounted to SEK 265 million (302) in the fourth quarter. Income taxes amounted to negative SEK 70 million (negative 59) and profit after tax amounted to SEK 195 million (242). During the period January–December, profit before tax amounted to SEK 894 million (1,013). Income taxes amounted to negative SEK 190 million (negative 205) and profit after tax amounted to SEK 703 million (808).

Earnings per share

In the fourth quarter, earnings per share before and after dilution amounted to SEK 3.20 (4.11). Over the period January–December, earnings per share, before and after dilution, amounted to SEK 11.72 (13.74).

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 negative SEK 6 million (positive 4) during the fourth quarter and involve restructuring and acquisition costs. For the period January–December, items affecting comparability amounted to net negative SEK 13 million (negative 3).

Gross investments, depreciation, amortization and impairment

Gross investments in tangible non-current assets during the fourth quarter amounted to SEK 125 million (96). Depreciation and impairment amounted to SEK 91 million (76). For the period January–December, gross investments in tangible non-current assets amounted to SEK 274 million (184). Depreciation and impairment amounted to SEK 344 million (286).

Cash flow

Cash flow from operating activities after changes in working capital increased to SEK 486 million (418) for the fourth quarter. Over the period January–December, cash flow from operating activities after changes in working capital increased to SEK 1,153 million (1,071) as a consequence of less working capital being tied up.

Cash flow from investing activities in the fourth quarter was negative in the amount of SEK 190 million (negative 94). For the period January–December, cash flow from investing activities amounted to negative SEK 774 million (negative 427) as a result of increased investments and acquisitions.

Cash flow from financing activities amounted to negative SEK 273 million (negative 25) in the fourth quarter. During the period January–December, cash flow from financing activities amounted to negative SEK 777 million (negative 461). The discrepancy compared with the preceding year is explained by a higher dividend compared with the preceding year, as well as the repayment of financial liabilities.

Return on operating capital

The return on operating capital decreased to 15.4 percent (18.3), primarily as a result 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 1,260 million (768) and to SEK 741 million (294) excluding IFRS 16.

At the end of the period, indebtedness, calculated as interest-bearing net debt/operating EBITDA, was 0.9 (0.6) and 0.6 (0.2) excluding IFRS 16. At the end of the period, consolidated cash and equivalents were SEK 905 million (1,319). Available funds, including unutilized credit facilities, amounted to SEK 2,668 million (2,871).

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

The number of employees averaged 4,708 (4,854) over the period January–December 2023.

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 December 31, 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 135.20 and the company's market capitalization was SEK 7,837 million. The total number of shareholders amounts to 17,200.

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 an 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.

Incentive program

The Annual General Meetings in 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.

Nomination Committee

The members of the Nomination Committee shall include one representative apiece for each of the three largest shareholders in terms of voting rights listed in the share register maintained by Euroclear Sweden as per August 31 of the year preceding the year in which the Annual General Meeting is held, plus the Chairman of the Board. The member representing the largest shareholder in terms of voting rights shall be appointed chairman of the Nomination Committee.

Based on the ownership structure as of August 31, 2023, the largest shareholders in terms of number of votes in Inwido AB (publ) have been asked to participate in the work of the Nomination Committee. The Nomination Committee has been appointed by the Fourth Swedish National Pension Fund, Swedbank Robur Fonder, and Lannebo Fonder. These have each chosen a representative, as indicated below, to form Inwido's Nomination Committee alongside Per Bertland, Chairman of the Board.

- Jan Särilvik, Fourth Swedish National Pension Fund (Chairman of the Nomination Committee)
- Bo Lundgren, Swedbank Robur Fonder
- Charlotta Faxén, Lannebo Fonder

Annual General Meeting

The Annual General Meeting will be held on May 16, 2024, at 3.00 p.m. CET in Malmö, Sweden. Shareholders wishing to attend the Meeting must be recorded in the share register by May 7, 2024. The share register is maintained by Euroclear Sweden AB. Shareholders whose shares are nominee registered must temporarily register the shares in their own name to be entitled to attend the Meeting. If you are a shareholder and wish to perform such re-registration, you need to inform your nominee so that the shares are listed in the share register in good time before May 7, 2024. Notice of attendance shall be submitted to Inwido's headquarters no later than May 7, 2024, at 4.00 p.m. CET. The address is Inwido AB (publ), Engelbrektsgratan 15, SE-211 33 Malmö, Sweden, or e-mail address ir@inwido.com.

Dividend proposal

In line with the dividend policy and taking the capital structure into account, the Board of Directors proposes that the dividend for the 2023 financial year be set at SEK 6.50 per share (6.50). The proposed record date for entitlement to dividends is May 20, 2024. If the Annual General Meeting approves the proposal, it is anticipated that the dividend will be paid on May 23, 2024.

Outlook

In the short term, we are anticipating a market that will remain challenging with low activity in relation to new build and consumers, and which, in addition to the general market situation, is being affected by the unusually cold and snowy winter. There are positive signs, however, namely that interest rates appear to have peaked and inflation is dropping back. Our task is to maintain good cost control and be flexible in our planning, at the same time as driving the initiatives that will develop the business.

The outlook for the slightly longer term remains positive, and the green transition is promoting growth. There is a great deal of interest in energy efficiency, both among consumers and politicians. The EU's clear ambition to enhance energy performance in properties over the upcoming years means that there are still favorable growth opportunities for energy-efficient windows and doors. Inwido is continuing to stand firm in a time of uncertainty. Our stable profitability, healthy cash flows and strong balance sheet demonstrate the strength of our business model and enable continued investments despite a challenging market.

Malmö, February 8, 2024

The Board of Directors of Inwido AB (publ)

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

Inwido's sustainability efforts

The 75 percent target for employee satisfaction was achieved in the annual employee survey, Great Place to Work. This is the result of long-term, continuous work.

Important events during the quarter:

- Energy consumption per produced window wing increased both for the quarter and for 2023 as a whole, mainly due to lower production volumes. However, absolute energy consumption is declining as a result of continued efficiency measures in the production process.
- Through solid and proactive health and safety work in all business units, the KPI's for accidents are continuing to point in the right direction, both for the quarter and for the full year. The same positive trend is also seen in short-term sick leave.
- Of the KPI's that are reported on an annual basis, three are unchanged, while three are developing in a positive direction and three in a negative direction. Above all, it is the environmental KPI's that have developed in the wrong direction, mainly impacted by the lower production volumes. The KPI's regarding health and safety are moving in a positive direction.
- In 2023, 64.2 percent (65.3) of Inwido's sales met the taxonomy's criteria of significantly contributing to climate change mitigation. The decrease can be explained by lower volumes in the Finnish market, and that the acquired companies are contributing with a lower part of aligned products.

Indicators sustainability	Jan-Dec 2023 ¹	Jan-Dec 2022 ¹
Energy usage (kWh/window wing)	59,6	48,6
Hazardous waste (kg/window wing)	0,35	0,35
Waste (kg/window wing)	4,50	3,56
Accidents, lost working days (per million worked hours)	11,3	12,9
Sickleave Short-term (percent)	2,9	3,3
Sickleave Long-term (percent)	3,0	2,9
Carbon dioxide emissions (CO2e/window wing) ³	3,0	2,1
Proportion of wood from sustainable forestry (percent)	98,8	98,7
Equality in management Board of Directors (percent women/men)	40/60	40/60
Equality in management Group Management Board (percent women/men)	29/71	29/71
Number of cases of discrimination and/or harassment (number)	1	2
Code of Conduct for suppliers (percent)	98,2	97,8
Alignment to the EU taxonomy criteria of substantial contribution (percent) ²	64,2	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.

64%

of sales fulfil the criteria of significantly contributing to climate change mitigation

17%

of sales are fully aligned with the EU taxonomy criteria

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

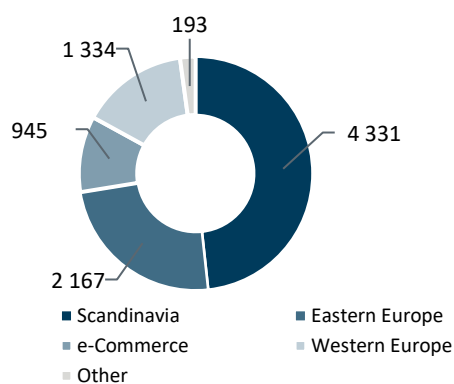


Inwido improves people's lives indoors with windows and doors. As Europe's leading window group, Inwido's business concept is to develop and sell the market's best customized window and door solutions through a decentralized structure and with focus on the consumer-driven market, in order to create long-term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

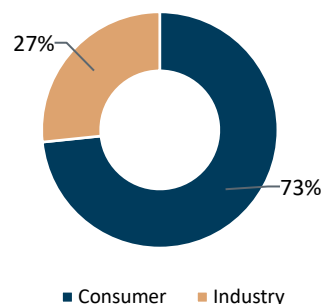
Inwido comprises 34 business units with approximately 4,700 employees in 12 countries. In 2023, the Group achieved sales of SEK 9 billion with an operating EBITA margin of 11.4 percent.

In 2023, sales to the Consumer market accounted for 73 percent of total net sales, while sales to the Industry market accounted for the remaining 27 percent.

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



External net sales split between market segments, LTM



Scandinavia – defended margins in a weaker market

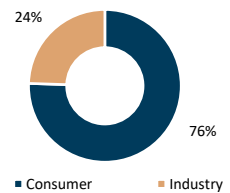
During the last quarter of the year, net sales were down 21 percent to 1,133 (1,430), corresponding to an organic decrease of 23 percent.

Order intake decreased by 7 percent. At the end of the period, the order backlog was 33 percent lower than at the end of the corresponding period last year. Some business units in the Scandinavian segment have a relatively high level of exposure to the cyclical new build market, and it is primarily these business units that are reporting a lower order intake.

In the fourth quarter, operating EBITA amounted to SEK 169 million (211) and the operating EBITA margin rose to 15.0 percent (14.8). Despite weaker demand, margins were defended primarily through efficiencies and cost savings.

Over the period January–December, net sales amounted to SEK 4,463 million (5,230), which was 15 percent lower than in the corresponding period in the preceding year. The operating EBITA margin amounted to 14.0 percent (14.7).

External net sales split between market segments, LTM



MSEK	Oct-Dec 2023	Oct-Dec 2022	Change	Jan-Dec 2023	Jan-Dec 2022	Change
Net sales	1,133	1,430	-21%	4,463	5,230	-15%
Operating gross profit	296	363	-18%	1,161	1,306	-11%
Operating gross profit margin (%)	26.1	25.4		26.0	25.0	
Operating EBITA	169	211	-20%	626	771	-19%
Operating EBITA margin (%)	15.0	14.8		14.0	14.7	

Eastern Europe – profitability improvement in declining market

Net sales fell by 34 percent during the quarter, to SEK 475 million (724), corresponding to an organic decrease of 38 percent.

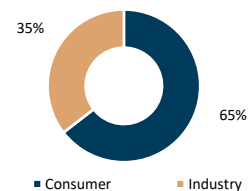
The weak industry market in Finland was reflected in a 10 percent decline in order intake. At the end of the period, the order backlog was 44 percent lower than at the end of the corresponding period last year.

During the fourth quarter, operating EBITA amounted to SEK 69 million (80). At the same time, the operating EBITA margin rose to 14.5 percent (11.0) as a result of adjustments to production and administration costs.

Over the period January–December, net sales amounted to SEK 2,167 million (2,476), which was 12 percent lower than in the corresponding period in the preceding year.

The operating EBITA margin for the period January–December rose to 11.6 percent (8.8).

External net sales split between market segments, LTM



MSEK	Oct-Dec 2023	Oct-Dec 2022	Change	Jan-Dec 2023	Jan-Dec 2022	Change
Net sales	475	724	-34%	2,167	2,476	-12%
Operating gross profit	144	182	-21%	590	566	4%
Operating gross profit margin (%)	30.3	25.1		27.2	22.9	
Operating EBITA	69	80	-14%	252	218	15%
Operating EBITA margin (%)	14.5	11.0		11.6	8.8	

e-Commerce – positive indexes in a challenging market

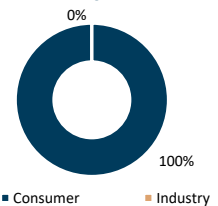
Net sales for the fourth quarter amounted to SEK 246 million, unchanged compared with the corresponding period in the preceding year. Organically, net sales were 3 percent lower.

Order intake was unchanged during the quarter compared with the corresponding period in the preceding year, while the order backlog at the end of the period was 12 percent lower than at the corresponding time last year.

Operating EBITA amounted to SEK 12 million (21) and the operating EBITA margin amounted to 5.0 percent (8.6) for the fourth quarter. In January, the Danish Chamber of Commerce released its index report for e-trade in Denmark in 2023. The report describes a challenging market. At the same time, it is observed that the Danish brands working within e-Commerce are beating the indexes for all parameters.

During the period January–December, net sales rose to SEK 1,020 million (929), which was 10 percent higher than for the corresponding period in the preceding year. For the period January–December, the operating EBITA margin amounted to 4.6 percent (5.2).

External net sales split between market segments, LTM



	Oct-Dec 2023	Oct-Dec 2022	Change	Jan-Dec 2023	Jan-Dec 2022	Change
<i>MSEK</i>						
Net sales	246	246	0%	1,020	929	10%
Operating gross profit	60	69	-13%	248	226	10%
Operating gross profit margin (%)	24.4	28.0		24.3	24.3	
Operating EBITA	12	21	-42%	46	48	-4%
Operating EBITA margin (%)	5.0	8.6		4.6	5.2	

Western Europe – acquisition of Sidey reducing cyclical sensitivity

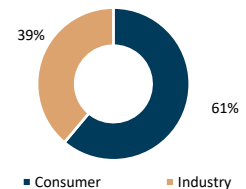
Net sales for the fourth quarter rose to SEK 428 million (230), which was 86 percent higher compared with the corresponding period in the preceding year. Organic net sales were 3 percent higher.

Total order intake increased by 61 percent over the quarter. At the end of the period, the business area's order backlog increased to SEK 1,058 million from SEK 205 million at the corresponding point in time last year, as a result of the Sidey Group acquisition.

Over the fourth quarter, operating EBITA rose to SEK 46 million (17) and the operating EBITA margin increased to 10.8 percent (7.3). Sidey Group, which was acquired in July and which mainly sells to public housing and public properties, is less cyclical than other business units in the business area and continued to perform well during the fourth quarter.

During the period January–December, net sales rose to SEK 1,334 million (910), which was 47 percent higher than for the corresponding period in the preceding year. The operating EBITA margin for the period January–December rose to 10.0 percent (8.9).

External net sales split between market segments, LTM



	Oct-Dec 2023	Oct-Dec 2022	Change	Jan-Dec 2023	Jan-Dec 2022	Change
<i>MSEK</i>						
Net sales	428	230	86%	1,334	910	47%
Operating gross profit	88	44	99%	272	182	49%
Operating gross profit margin (%)	20.5	19.1		20.4	20.0	
Operating EBITA	46	17	174%	133	81	65%
Operating EBITA margin (%)	10.8	7.3		10.0	8.9	

Key ratios, Group

	Oct-Dec 2023	Oct-Dec 2022	Jan-Dec 2023	Jan-Dec 2022
<i>SEKm (unless otherwise stated)</i>				
Income measures				
Net sales	2,273	2,613	8,970	9,547
Gross profit	596	665	2,298	2,339
EBITDA	363	388	1,318	1,349
Operating EBITDA	369	384	1,331	1,352
EBITA	284	319	1,013	1,087
Operating EBITA	290	315	1,027	1,090
Operating profit (EBIT)	272	313	978	1,063
Margin measures				
Gross margin (%)	26.2	25.5	25.6	24.5
EBITDA margin (%)	16.0	14.9	14.7	14.1
Operating EBITDA margin (%)	16.2	14.7	14.8	14.2
EBITA margin (%)	12.5	12.2	11.3	11.4
Operating EBITA margin (%)	12.7	12.1	11.4	11.4
Operating margin (EBIT) (%)	12.0	12.0	10.9	11.1
Capital structure				
Net debt	1,260	768	1,260	768
Net debt (excl IFRS 16)	741	294	741	294
Net debt/operating EBITDA, multiple	0.9	0.6	0.9	0.6
Net debt/operating EBITDA, multiple (excl IFRS 16)	0.6	0.2	0.6	0.2
Net debt/equity ratio, multiple	0.2	0.1	0.2	0.1
Interest coverage ratio, multiple	7.0	13.4	6.8	17.2
Shareholders' equity	5,346	5,319	5,346	5,319
Equity/assets ratio (%)	55	54	55	54
Operating capital	6,606	6,087	6,606	6,087
Return measures				
Return on shareholders' equity (%)	12.7	16.2	12.7	16.2
Return on operating capital (%)	15.4	18.3	15.4	18.3
Share data (number of shares in thousands)				
Earnings per share before dilution, SEK	3.20	4.11	11.72	13.74
Earnings per share after dilution, SEK	3.20	4.11	11.72	13.74
Shareholders' equity per share before dilution, SEK	90.63	91.25	90.63	91.25
Shareholders' equity per share after dilution, SEK	90.63	91.25	90.63	91.25
Cash flow per share before dilution, SEK	8.38	7.20	19.89	18.47
Cash flow per share after dilution, SEK	8.38	7.20	19.89	18.47
Number of shares before dilution	57,968	57,968	57,968	57,968
Number of shares after dilution	57,968	57,968	57,968	57,968
Average number of shares	57,968	57,968	57,968	57,968

Quarterly review, Group

Nyckeltal

	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4
SEKm (unless otherwise stated)	2023	2023	2023	2023	2022	2022	2022	2022	2021
Net sales	2,273	2,339	2,263	2,095	2,613	2,386	2,475	2,073	2,175
Operating EBITA	290	308	261	168	315	297	297	180	244
Operating EBITA margin (%)	12.7	13.2	11.6	8.0	12.1	12.5	12.0	8.7	11.2
EBITA	284	301	262	167	319	298	293	177	262
EBITA margin (%)	12.5	12.9	11.6	8.0	12.2	12.5	11.8	8.5	12.1
Return on operating capital (%)	15.4	16.2	16.8	17.6	18.3	17.9	17.9	17.8	16.9
Earnings per share before dilution, SEK	3.20	3.25	3.36	1.90	4.11	3.88	3.66	2.08	3.72
Earnings per share after dilution, SEK	3.20	3.25	3.36	1.90	4.11	3.88	3.66	2.08	3.72
Shareholders' equity per share before dilution, SEK	90.63	90.25	93.82	93.69	91.25	85.71	80.42	81.21	80.08
Shareholders' equity per share after dilution, SEK	90.63	90.25	93.82	93.69	91.25	85.71	80.42	81.21	80.08
Cash flow per share before dilution, SEK	8.38	5.89	7.43	-1.81	7.20	5.05	6.04	0.27	8.22
Cash flow per share after dilution, SEK	8.38	5.89	7.43	-1.81	7.20	5.05	6.04	0.27	8.22
Share price, SEK	135.20	110.00	98.15	110.20	110.70	88.00	112.80	149.00	187.20

Nettoomsättning per segment

	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4
SEKm	2023	2023	2023	2023	2022	2022	2022	2022	2021
Scandinavia	1,133	1,060	1,197	1,073	1,430	1,265	1,360	1,175	1,235
Eastern Europe	475	559	569	565	724	656	589	507	561
e-Commerce	246	267	271	236	246	232	268	183	218
Western Europe	428	456	227	223	230	241	247	190	159
Group-wide, eliminations and other	-8	-4	-1	-1	-17	-9	11	19	2
Total	2,273	2,339	2,263	2,095	2,613	2,386	2,475	2,073	2,175

Key data for the segments

SEKm Group	Oct-Dec 2023	Oct-Dec 2022	Change	Jan-Dec 2023	Jan-Dec 2022	Change
Net sales	2 273	2 613	-13%	8 970	9 547	-6%
Operating gross profit	599	667	-10%	2 318	2 340	-1%
Operating gross profit margin (%)	26,4	25,5		25,8	24,5	
Operating EBITA	290	315	-8%	1 027	1 090	-6%
Operating EBITA margin (%)	12,7	12,1		11,4	11,4	

Scandinavia

Net sales	1 133	1 430	-21%	4 463	5 230	-15%
Operating gross profit	296	363	-18%	1 161	1 306	-11%
Operating gross profit margin (%)	26,1	25,4		26,0	25,0	
Operating EBITA	169	211	-20%	626	771	-19%
Operating EBITA margin (%)	15,0	14,8		14,0	14,7	

Eastern Europe

Net sales	475	724	-34%	2 167	2 476	-12%
Operating gross profit	144	182	-21%	590	566	4%
Operating gross profit margin (%)	30,3	25,1		27,2	22,9	
Operating EBITA	69	80	-14%	252	218	15%
Operating EBITA margin (%)	14,5	11,0		11,6	8,8	

e-Commerce

Net sales	246	246	0%	1 020	929	10%
Operating gross profit	60	69	-13%	248	226	10%
Operating gross profit margin (%)	24,4	28,0		24,3	24,3	
Operating EBITA	12	21	-42%	46	48	-4%
Operating EBITA margin (%)	5,0	8,6		4,6	5,2	

Western Europe

Net sales	428	230	86%	1 334	910	47%
Operating gross profit	88	44	99%	272	182	49%
Operating gross profit margin (%)	20,5	19,1		20,4	20,0	
Operating EBITA	46	17	174%	133	81	65%
Operating EBITA margin (%)	10,8	7,3		10,0	8,9	

Group-wide, eliminations and other

Net sales	-8	-17	50%	-14	3	-539%
Operating gross profit	8	8	0%	35	49	-29%
Operating gross profit margin (%)	na	na		na	na	
Operating EBITA	-12	-18	31%	-47	-42	-11%
Operating EBITA margin (%)	na	na		na	na	

IFRS 16 effect

Net sales	-	-	-	-	-	-
Operating gross profit	4	3	38%	13	10	21%
Operating gross profit margin (%)	na	na		na	na	
Operating EBITA	5	4	23%	17	14	21%
Operating EBITA margin (%)	na	na		na	na	

Summary consolidated statement of comprehensive income

<i>Amounts in SEKm</i>	Oct-Dec 2023	Oct-Dec 2022	Jan-Dec 2023	Jan-Dec 2022
Net sales	2,273.3	2,612.7	8,970.4	9,546.8
Cost of goods sold	-1,677.5	-1,947.8	-6,672.8	-7,208.1
Gross profit	595.8	665.0	2,297.6	2,338.7
Other operating income	9.8	11.7	49.7	35.4
Selling expenses	-177.7	-203.3	-734.6	-720.2
Administrative expenses	-143.7	-146.7	-581.4	-536.8
Research and development expenses	-9.4	-10.4	-37.9	-36.6
Other operating expenses	-2.4	-3.8	-15.7	-19.4
Share of profit of associated companies	-0.1	0.3	0.1	2.1
Operating profit (EBIT)	272.3	312.8	977.8	1,063.3
Financial income	37.1	13.3	69.4	12.2
Financial expenses	-44.2	-24.2	-153.7	-62.5
Net financial items	-7.1	-11.0	-84.3	-50.3
Profit before tax	265.3	301.8	893.5	1,013.1
Tax expense	-70.2	-59.3	-190.4	-205.4
Profit after tax	195.1	242.5	703.2	807.6
Other comprehensive income				
Items reallocated to, or that can be reallocated to profit for the year				
Translation differences, foreign operations	-162.8	81.2	-49.3	320.8
Total other comprehensive income after tax	32.3	323.6	653.9	1,128.4
Profit after tax attributable to:				
Parent Company shareholders	185.5	238.5	679.1	796.4
Non-controlling interest	9.5	4.0	24.0	11.3
Other comprehensive income attributable to:				
Parent Company shareholders	26.3	319.2	633.4	1,116.2
Non-controlling interest	6.0	4.4	20.5	12.2
Average number of shares before dilution	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
Number of shares before dilution	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
Earnings per share before dilution, SEK	3.20	4.11	11.72	13.74
Earnings per share after dilution, SEK	3.20	4.11	11.72	13.74

Summary consolidated statement of financial position

<i>Amounts in SEKm</i>	Dec 2023	Dec 2022
ASSETS		
Intangible assets	5,546.5	5,088.1
Tangible assets	1,746.8	1,575.8
Participations in associated companies	16.8	16.6
Financial assets	2.2	4.9
Deferred tax assets	59.5	60.8
Other non-current assets	49.2	56.2
Total non-current assets	7,421.0	6,802.6
Inventories	615.4	783.4
Trade receivables	489.3	613.6
Other receivables	246.1	267.3
Cash and equivalents	905.4	1,319.0
Total current assets	2,256.2	2,983.3
TOTAL ASSETS	9,677.2	9,785.8
EQUITY AND LIABILITIES		
Share capital	231.9	231.9
Other capital provided	948.8	948.8
Other reserves	443.9	489.6
Profit brought forward including profit for the year	3,628.9	3,619.4
Shareholders' equity attributable to Parent Company shareholders	5,253.4	5,289.6
Non-controlling interest	92.4	29.3
Total equity	5,345.8	5,319.0
Interest-bearing liabilities	1,619.8	1,576.0
Leasing liabilities	405.2	377.7
Deferred tax liabilities	216.4	142.4
Non-interest-bearing liabilities	8.4	16.4
Total non-current liabilities	2,249.7	2,112.5
Interest-bearing liabilities	42.8	54.1
Leasing liabilities	117.9	98.7
Non-interest-bearing provisions	45.1	42.5
Non-interest-bearing liabilities	1,876.0	2,159.1
Total current liabilities	2,081.7	2,354.4
TOTAL EQUITY AND LIABILITIES	9,677.2	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			-	796.4	796.4	11.3	807.6
Change in translation reserve for the period			319.8	-	319.8	0.9	320.8
Total comprehensive income for the period			319.8	796.4	1,116.2	12.2	1,128.4
<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				-	-	11.2	11.2
Issued Put option/ forward				-113.6	-113.6	-	-113.6
Total transactions with the Group's owners	-	1.5	-	-470.1	-468.7	11.2	-457.5
Equity, closing balance Dec. 31, 2022	231.9	948.8	489.6	3,619.4	5,289.6	29.3	5,318.9
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			-	679.1	679.1	24.0	703.2
Change in translation reserve for the period			-45.8	-	-45.8	-3.5	-49.3
Total comprehensive income for the period			-45.8	679.1	633.4	20.5	653.9
<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				-	-	42.6	42.6
Issued Put option/ forward				-292.8	-292.8	-	-292.8
Total transactions with the Group's owners	-	-	-	-669.6	-669.6	42.6	-627.0
Equity, closing balance Dec. 31, 2023	231.9	948.8	443.9	3,628.9	5,253.4	92.4	5,345.8

Summary consolidated cash flow statement

<i>Amounts in SEKm</i>	Oct-Dec 2023	Oct-Dec 2022	Jan-Dec 2023	Jan-dec 2022
Operating activities				
Profit before tax	265.3	301.8	893.5	1,013.1
Depreciation/amortisation and impairment of assets	91.5	76.1	344.4	286.2
Adjustment for items not included in cash flow:	-12.1	-9.7	-9.9	-20.5
Income tax paid	-97.8	-104.1	-218.4	-184.7
Cash flow from operating activities before changes in working capital	246.9	264.1	1,009.7	1,094.0
Changes in working capital				
Increase(-)/decrease(+) in inventories	89.2	71.2	218.9	-113.6
Increase(-)/decrease(+) in operating receivables	395.8	211.5	321.4	-50.1
Increase(+)/decrease(-) in operating liabilities	-246.0	-129.3	-396.8	140.6
Cash flow from operating activities	485.9	417.5	1,153.2	1,070.9
Investing activities				
Acquisitions of tangible fixed assets	-124.5	-95.8	-274.1	-183.7
Divestments of tangible fixed assets	0.3	0.2	1.7	1.2
Change in intangible assets	-20.4	0.4	-34.3	-7.4
Acquisitions of subsidiary, net of cash	-46.5	-	-469.1	-234.7
Change in financial assets	1.6	1.3	2.2	-2.3
Cash flow from investing activities	-189.5	-93.8	-773.6	-426.8
Financing activities				
Option premium	-	-	-	1.5
Dividends to parent company shareholders	-0.0	-0.0	-376.8	-356.5
Change in interest-bearing liabilities	-273.2	-25.3	-399.7	-106.1
Cash flow from financing activities	-273.2	-25.3	-776.5	-461.2
Cash flow for the year	23.2	298.3	-396.9	182.9
Cash and equivalents at the beginning of the year	941.6	992.6	1,319.0	1,073.4
Exchange rate difference in cash and equivalents	-59.4	28.0	-16.6	62.6
Cash and equivalents at the end of the year	905.4	1,319.0	905.4	1,319.0

Summary income statement, Parent Company

<i>Amounts in SEKm</i>	Oct-Dec 2023	Oct-Dec 2022	Jan-Dec 2023	Jan-Dec 2022
Net sales	8.3	18.1	58.0	67.2
Gross profit	8.3	18.1	58.0	67.2
Administrative expenses	-13.7	-20.1	-62.0	-69.9
Other operating income	-	1.7	0.0	2.3
Other operating expenses	-1.3	-	-8.1	-3.5
Operating profit	-6.7	-0.3	-12.1	-3.9
<i>Result from financial items:</i>				
Participations in earnings of Group companies	402.4	11.1	855.8	799.0
Other interest income and similar profit/loss items	32.3	13.5	99.1	41.8
Interest expense and similar profit items	-34.1	-9.9	-117.0	-34.4
Profit after financial items	393.9	14.4	825.7	802.5
Group contribution	95.0	130.8	95.0	130.8
Difference between depreciation/ amortisation according to plan and reported depreciation/amortisation	0.3	-0.2	0.3	-0.2
Profit before tax	489.3	145.0	921.1	933.1
Tax expense	-23.2	-26.6	-18.4	-29.1
Profit for the period	466.1	118.4	902.7	904.0

Summary balance sheet, Parent Company

<i>Amounts in SEKm</i>	Dec 2023	Dec 2022
ASSETS		
Intangible non-current assets	-	0.1
Tangible non-current assets	1.0	1.0
Participations in Group companies	3,134.5	2,525.7
Participations in associated companies	1.0	1.0
Receivables from Group companies	1,409.2	1,243.5
Deferred tax asset	7.3	7.2
Other non-current assets	8.9	15.9
Total non-current assets	4,562.0	3,794.4
Receivables from Group companies	62.0	75.7
Prepaid expenses and accrued income	2.8	2.6
Other receivables	2.0	0.5
Cash and equivalents	602.5	1,150.6
Total current assets	669.3	1,229.4
TOTAL ASSETS	5,231.3	5,023.8
EQUITY AND LIABILITIES		
Equity	2,617.4	2,091.5
Total equity	2,617.4	2,091.5
Accumulated depreciation/amortisation in addition to plan	-	0.3
Untaxed reserves	-	0.3
Liabilities to Group companies	1,363.8	1,449.2
Interest-bearing liabilities	1,214.8	1,429.6
Deferred tax liabilities	1.8	3.3
Other liabilities	7.0	6.8
Total non-current liabilities	2,587.3	2,888.9
Liabilities to Group companies	0.3	0.3
Non-interest-bearing liabilities	26.2	42.7
Total current liabilities	26.5	43.1
TOTAL EQUITY AND LIABILITIES	5,231.3	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	Dec 2023		Dec 2022			
	Level 2	Level 3	Level 2	Level 3		
Assets						
Shares and participations	-	2.2	-	4.9	Level 1	According to prices noted in an active market for the same instrument.
Non-current receivable – derivative	8.9	-	15.9	-	Level 2	Based on directly or indirectly observable market data not included in Level 1.
Current receivable – derivative	2.8	-	3.8	-		
	11.8	2.2	19.7	4.9	Level 3	Based on input data not observable in the market
Liabilities and provisions						
Non-current liability – derivative	-	-	-	-		
Current liability – derivative	0.3	-	0.5	-		
Current liability – acquisition related	-	-	-	27.1		
Non-current liability – acquisition related	-	16.6	-	-		
	0.3	16.6	0.5	27.1		

Amounts in SEKm	Shares and participations	Acquisition-related liabilities
Fair value 2023-01-01	4.9	27.1
Business combinations	-	17.4
Translation differences	0.0	-0.8
Settled earn-out	-	-18.6
Total recognized gains and losses:		
- Reported in profit for the period*	-2.7	-8.4
Fair value 2023-12-31	2.2	16.6
Fair value 2022-01-01	4.2	-
Business combinations	0.6	34.9
Translation differences	0.1	-0.5
Total recognized gains and losses:		
- Reported in profit for the period*	-	-7.3
Fair value 2022-12-31	4.9	27.1

*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

	Oct-Dec	Oct-Dec	Jan-Dec	Jan-Dec
<i>Amounts in SEKm</i>	2023	2022	2023	2022
Sweden	536	749	2,265	2,774
Denmark	678	703	2,505	2,588
Norway	113	135	487	552
Finland	448	695	2,048	2,363
Poland	22	25	94	111
UK	366	201	1,118	736
Ireland	70	58	277	247
Germany	29	31	116	112
Other	12	15	61	63
Total	2,273	2,613	8,970	9,547

Net sales distribution between market segments by operating segment

	Consumer		Industry		Other		Internal sales		Group	
<i>Amounts in SEKm</i>	Oct-Dec	Oct-Dec	Oct-Dec	Oct-Dec	Oct-Dec	Oct-Dec	Oct-Dec	Oct-Dec	Oct-Dec	Oct-Dec
	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
Net Sales	1,608	1,895	593	575	72	143	-	-	2,273	2,613
Scandinavia	853	1,032	226	275	16	88	38	36	1,133	1,430
Eastern Europe	310	445	154	267	11	11	0	1	475	724
e-Commerce	231	221	-	-	1	2	14	23	246	246
Western Europe	215	197	213	33	-	-	0	0	428	230
Group-wide, eliminations and other	-	-	-	-	44	43	-53	-59	-8	-17

	Consumer		Industry		Other		Internal sales		Group	
<i>Amounts in SEKm</i>	Jan-Dec	Jan-Dec	Jan-Dec	Jan-Dec	Jan-Dec	Jan-Dec	Jan-Dec	Jan-Dec	Jan-Dec	Jan-Dec
	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
Net Sales	6,335	6,870	2,301	2,296	335	381	-	-	8,970	9,547
Scandinavia	3,218	3,775	1,033	1,225	80	106	132	124	4,463	5,230
Eastern Europe	1,361	1,485	748	944	57	45	1	2	2,167	2,476
e-Commerce	940	828	-	-	5	9	75	92	1,020	929
Western Europe	815	783	519	127	-	-	0	0	1,334	910
Group-wide, eliminations and other	-	-	-	-	193	222	-207	-218	-14	3

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 months, and 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 business unit 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 recognized 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. In accordance with the acquisition agreement, the parties have agreed that part of the purchase consideration, corresponding to a maximum of SEK 21 million, will be conditional and will not be paid immediately at the time of the acquisition. Instead, the contingent consideration will be paid during the first quarter of 2027, provided certain conditions linked to the earnings trend have been satisfied. The book amount at the time of acquisition corresponds to SEK 17 million, which is the discounted value of SEK 21 million. Goodwill includes the value of market knowledge and future purchasing synergies. No part of goodwill is expected to be tax deductible. Non-controlling interests have been recognized at their proportional share of net assets.

During the period that Sidey Group was owned up until December 31, 2023, the company contributed SEK 407 million to the Group's external income and affected profit by SEK 27 million. If the acquisition had occurred as of January 1, 2023, management estimates that the external income of the acquired company would have been SEK 801 million and that its profit would have been SEK 48 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 during 2023.

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

	dec 2023	dec 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	165.3	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	-89.9	-2.5
Fair value of acquired net assets	390.9	45.1
Non-controlling interests	-42.6	-11.4
Goodwill, Group	203.3	256.2
Transferred consideration	551.6	289.9
Transferred consideration consists of		
Cash paid for acquisitions	534.3	255
Holdbacks and contingent consideration	17.4	34.9
	551.6	289.9

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 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

	Oct-Dec 2023	Oct-Dec 2022	Oct-Dec 2023	Jan-Dec 2022
<i>SEKm (unless otherwise stated)</i>				
Operating profit (EBIT)	272	313	978	1,063
Depreciation/amortization and impairment	91	75	340	285
Items affecting comparability (other items)	6	-4	13	3
Operating EBITDA	369	384	1,331	1,352
Gross profit	596	665	2,298	2,339
Items affecting comparability (depreciation/amortization and other items)	4	3	20	1
Operating gross profit	599	667	2,318	2,340
Operating profit (EBIT)	272	313	978	1,063
Depreciation/amortization of acquisition-related intangible assets	12	6	36	23
EBITA	284	319	1,013	1,087
Items affecting comparability (depreciation/amortization and other items)	6	-4	13	3
Operating EBITA	290	315	1,027	1,090
Items affecting comparability	-6	4	-13	-3
Depreciation	-	-	-	-
Other	-6	4	-13	-3

Capital structure

	Oct-Dec 2,023	Oct-Dec 2,022	Oct-Dec 2,023	Jan-Dec 2,022
<i>SEKm (unless otherwise stated)</i>				
Cash and equivalents	-903	-1,319	-903	-1,319
Other interest-bearing assets	-23	-19	-23	-19
Interest-bearing liabilities, non-current	2,025	1,954	2,025	1,954
Interest-bearing liabilities, current	161	153	161	153
Net debt	1,260	768	1,260	768
Total assets	9,677	9,786	9,677	9,786
Cash and equivalents	-903	-1,319	-903	-1,319
Interest-bearing assets	-23	-19	-23	-19
Non-interest-bearing provisions and liabilities	-2,146	-2,360	-2,146	-2,360
Operating capital	6,606	6,087	6,606	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 12 countries. In 2023, the Group achieved sales of SEK 9 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

Inwido's ambition for 2030 is for at least 75 percent of its sales of windows and doors to be compatible with the taxonomy's criteria to significantly contribute to climate change mitigation.

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Information for shareholders

Financial calendar

2023 Annual Report	April 2024
Interim report, January-March 2024	23 April 2024
Annual General Meeting 2024	16 May 2024
Interim report, January-June 2024	12 July 2024
Interim report, January-September 2024	22 October 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 for publication, through the agency of the contact persons set out below, for publication on 8 February 2024 at 7.45 a.m. CET.

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