

# INTERIM REPORT – 6 MONTHS

1 April-30 September 2019

## Second quarter (1 July-30 September 2019)

- **Revenue** increased by 5 percent to MSEK 1,432 (1,369).
- **EBITA** increased to MSEK 80 (72), corresponding to an **EBITA margin** of 5.6 percent (5.3).
- **Operating profit** rose by 10 percent to MSEK 75 (68), corresponding to an **operating margin** of 5.2 percent (5.0).
- **Profit after financial items** increased to MSEK 71 (66).
- **Net profit** increased by 8 percent to MSEK 56 (52).
- **Earnings per share** for the most recent 12-month period totalled SEK 8.25, compared with SEK 8.20 for the 2018/19 financial year.
- **Cash flow from operating activities** for the most recent 12-month period amounted to MSEK 424.
- **The return on equity** for the most recent 12-month period was 18 percent (18) and the **return on working capital (P/WC)** was 25 percent (24).
- The **operational net loan liability** amounted to MSEK 349 (419) and the **equity/assets ratio** was 38 percent at the end of the reporting period.
- **Momentum Group's 2019 Annual General Meeting was held on 29 August 2019.** The dividend was set at SEK 3.20 per share.

## Reporting period (1 April-30 September 2019)

- **Revenue** increased by 3 percent to MSEK 3,008 (2,912).
- **EBITA** increased to MSEK 155 (146), corresponding to an **EBITA margin** of 5.2 percent (5.0).
- **Operating profit** rose by 5 percent to MSEK 145 (138), corresponding to an **operating margin** of 4.8 percent (4.7).
- **Profit after financial items** increased to MSEK 137 (135).
- **Net profit** amounted to MSEK 107 (106).

### NEW BUSINESS AREA STRUCTURE AND TRANSITION TO IFRS 16 AS OF 1 APRIL 2019

Momentum Group's business area structure has been adjusted as of 1 April 2019. The adjustment mainly impacted the subsidiary Gigant AB, which was previously part of the Components & Services business area but became part of the Tools & Consumables business area as of 1 April 2019. The comparative figures have been restated for the adjusted business areas as of 1 April 2018.

As of 1 April 2019, the Group applies IFRS 16 *Leases*. The transition was made using the modified retrospective approach, which means that comparative figures have not been restated. The total transition effects on the balance sheet, income statement, cash flow and selected performance measures are reported in Note 5. Refer also to the accounting policies in Note 1.

## PRESIDENT'S STATEMENT

### Positive earnings performance and strong cash flow during the first six months of the year

The sales trend for the first six months of the 2019/20 financial year has been continued stable for most of our major businesses. The second quarter of the year was characterised by relatively low activity among customers during the summer months of July and August, especially in Sweden and Finland, while sales during the end of the quarter displayed more positive trends once again. At the same time, our acquired businesses contributed positively and the Group's total revenue has increased by 3 percent so far during the year.

The combination of stable sales trends and continued improvements in the Group contributed to a 6-percent increase in EBITA for Momentum Group so far during the financial year, and the EBITA margin is at 5.2 percent. The earnings performance during the year has been positively affected by stronger gross margins, primarily within TOOLS Sweden and Momentum Industrial, as well as acquisitions completed. The restructuring of the TOOLS Norway logistics function continues according to plan and has so far entailed extra costs of approximately MSEK 8 in Norway during the year, of which MSEK 2 incurred during the second quarter. During the last quarter, Momentum Industrial continued to report a positive sales and earnings performance in all of its product and service areas, and through the acquisition of ETAB Industriautomation earlier in the year has substantially expanded its offering of products and services within industrial hydraulics.

Thanks to our focused initiatives, the cash flow from operating activities has strengthened during the reporting period, even when adjusted for IFRS 16 effects.

### Decentralised earnings responsibility and coordination are key

We are making concerted, continuous efforts to boosting our efficiency and improving our earnings, while at the same time reducing our funds tied up in working capital. The decentralised earnings responsibility and cost control in all of our units, in combination with increased coordination and shared resources within areas like logistics, offering and purchasing, are key to our success. Together with my many dedicated colleagues, I am confident that we will continue to capitalise on our future improvement opportunities. We also continue to assess interesting acquisition targets that would further strengthen our position in our main markets in Sweden, Norway and Finland.

Stockholm, October 2019

**Ulf Lilius**

President & CEO

## MOMENTUM GROUP IN SUMMARY

	QUARTER 3 MON ENDING 30 SEP			REPORTING PERIOD 6 MON ENDING 30 SEP			FULL-YEAR 12 MON ENDING 30 SEP		
	2019	2018	Δ	2019	2018	Δ	2019	2018	Δ
Revenue, MSEK	1,432	1,369	5%	3,008	2,912	3%	6,120	5,835	5%
EBITA, MSEK	80	72	11%	155	146	6%	327	289	13%
Operating profit, MSEK	75	68	10%	145	138	5%	309	274	13%
Profit after financial items, MSEK	71	66	8%	137	135	1%	298	269	11%
Net profit (after taxes), MSEK	56	52	8%	107	106	1%	232	210	10%
Earnings per share, SEK	2.00	1.85	8%	3.80	3.75	1%	8.25	7.45	11%
EBITA margin	5.6%	5.3%		5.2%	5.0%		5.3%	5.0%	
Operating margin	5.2%	5.0%		4.8%	4.7%		5.0%	4.7%	
Profit margin	5.0%	4.8%		4.6%	4.6%		4.9%	4.6%	
Return on equity							18%	18%	
Return on working capital (EBITA/WC)							27%	25%	
Return on working capital (P/WC)							25%	24%	
Equity per share, SEK				46.80	42.75	9%			
Equity/assets ratio				38%	42%				
Number of employees at the end of the period				1,692	1,668	1%			

## PROFIT AND REVENUE

### Second quarter (1 July-30 September 2019)

Revenue for the second quarter of the financial year increased by 5 percent to MSEK 1,432 (1,369). Exchange-rate translation effects had an impact of MSEK +8 on revenue. Revenue for comparable units, measured in local currency and adjusted for the number of trading days, fell by approximately 1 percent compared with the corresponding quarter in the preceding year. Acquisitions contributed approximately 4 percent to total revenue growth. The quarter included a total of two more trading days than the corresponding quarter in the preceding financial year.

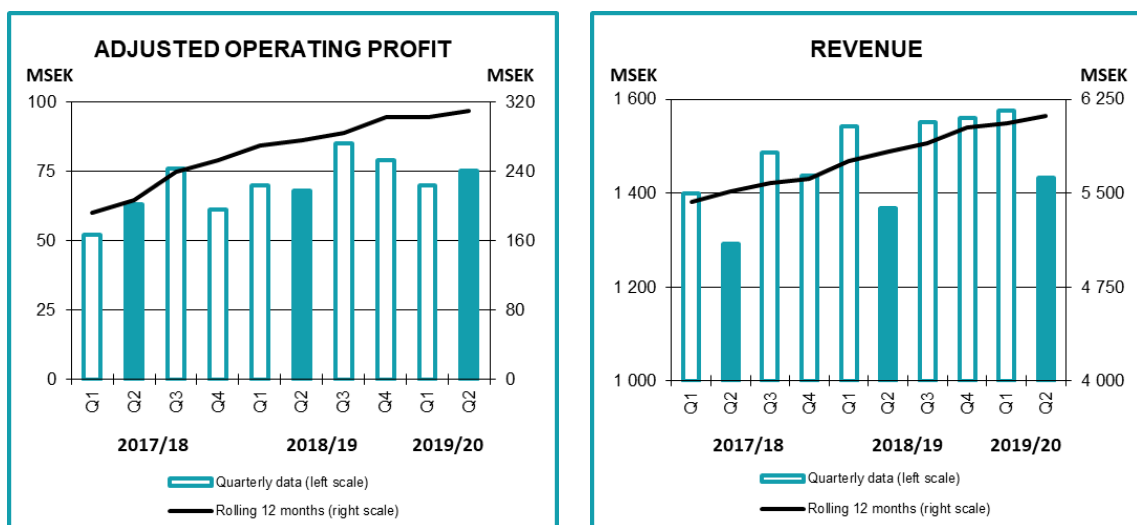
Operating profit for the quarter totalled MSEK 75 (68). EBITA increased by 11 percent to MSEK 80 (72). Exchange-rate translation effects had a net impact of MSEK +1 (+2) on operating profit. The operating margin was 5.2 percent (5.0). Profit after financial items totalled MSEK 71 (66) and net profit amounted to MSEK 56 (52) for the quarter.

### Reporting period (1 April-30 September 2019)

Revenue for the full reporting period increased by 3 percent to MSEK 3,008 (2,912). Exchange-rate translation effects had an impact of MSEK +17 on revenue. Revenue for comparable units, measured in local currency and adjusted for the number of trading days, fell by approximately 1 percent compared with the corresponding period in the preceding year. Acquisitions contributed approximately 4 percent to total revenue growth. The reporting period contained the same total number of trading days as the corresponding period in the preceding financial year.

Operating profit for the reporting period increased by 5 percent to MSEK 145 (138). EBITA increased to MSEK 155 (146). Operating profit was charged with depreciation and impairment losses of MSEK –8 (–8) on tangible non-current assets and amortisation and impairment losses of MSEK –18 (–14) on intangible non-current assets. Exchange-rate translation effects had a net impact of MSEK +1 (+4) on operating profit. The operating margin was 4.8 percent (4.7).

Profit after financial items totalled MSEK 137 (135) and net profit amounted to MSEK 107 (106). This corresponds to earnings per share of SEK 3.80 (3.75) for the period.



## OPERATIONS

The Momentum Group comprises two business areas – Tools & Consumables and Components & Services. Group-wide includes the Group's management, finance function, support functions (including internal communications, investor relations and legal affairs) and logistics operations in Sweden.

As a whole, the industrial markets in Sweden and Norway continued to display a stable trend during the second quarter of the financial year, while the development in Finland was slightly weaker. In general, it was noted that customer activity was characterised by a certain restraint and a more cautious attitude than before the summer, while demand in many customer and product groups remained positive.

## The Momentum Group

MSEK	QUARTER		REPORTING PERIOD		FULL-YEAR	
	JUL-SEP 2019	JUL- SEP 2018	APR-SEP 2019	APR-SEP 2018	ROLLING 12 MON	2018/19
Revenue	1,432	1,369	3,008	2,912	6,120	6,024
Operating profit	75	68	145	138	309	302
Operating margin	5.2%	5.0%	4.8%	4.7%	5.0%	5.0%

### Business area Tools & Consumables

This business area comprises TOOLS Sweden, TOOLS Norway, TOOLS Finland, Gigant, Mercus Yrkeskläder, TriffiQ Företagsprofilering, Reklamproffsen and Company Line, which offer products and services related to tools, industrial consumables and workplace equipment as well as workwear and profile clothing for the industrial and construction sectors in the Nordic region.

MSEK	QUARTER		REPORTING PERIOD		FULL-YEAR	
	JUL-SEP 2019	JUL- SEP 2018	APR-SEP 2019	APR-SEP 2018	ROLLING 12 MON	2018/19
Revenue	1,157	1,119	2,444	2,400	4,969	4,925
Operating profit	38	34	78	79	179	180
Operating margin	3.3%	3.0%	3.2%	3.3%	3.6%	3.7%

Acquisitions contributed approximately 4 percent to the total change in revenue, while revenue for comparable units in the business area *Tools & Consumables* decreased by 3 percent<sup>1</sup> during the second quarter of the financial year.

Revenue for *TOOLS Sweden* decreased by 7 percent<sup>1</sup> during the quarter compared with the preceding year, mainly due a weaker start to the quarter than normal in July and August as well as the business's increased focus on selected customer groups and product areas with higher profitability. Order intake in September was favourable compared with the preceding year. The improvement activities intended to increase profitability, including increased cost-efficiency, improved sales promotion and changes in purchases, are proceeding according to plan and continue to contribute to higher gross margins in the operations compared with the preceding year.

Revenue for *TOOLS Norway* increased by 1 percent<sup>1</sup> during the quarter, with a favourable trend primarily in the oil and gas sector as well as increased market shares. Efforts to restructure the logistics function by establishing a regional logistics hub in Region East continued, resulting in slightly higher costs for operations during the quarter.

Revenue for *TOOLS Finland* remained largely unchanged<sup>1</sup> during the quarter compared with the preceding year. The development of the industrial market in Finland remained weak during the quarter and the business is now prioritising customer cultivation in combination with robust cost control. The integration of the personal protective equipment (PPE) business acquired from Lindström Group has contributed to sales and earnings.

The restructuring work in *Gigant* is proceeding according to plan and gradually contributing to a reduction in costs and improved operating profit in the unit. The Group's niche companies within workwear and promotional products (*Mercus Yrkeskläder*, *TriffiQ Företagsprofilering*, *Reklamproffsen* and *Company Line*) together generate revenue of over MSEK 350 and contributed positively to the Group's earnings performance during the quarter.

### Business area Components & Services

This business area comprises Momentum Industrial and its subsidiaries, which offer spare parts, service and repairs for customers in the industrial sector in the Nordic region.

MSEK	QUARTER		REPORTING PERIOD		FULL-YEAR	
	JUL-SEP 2019	JUL- SEP 2018	APR-SEP 2019	APR-SEP 2018	ROLLING 12 MON	2018/19
Revenue	284	263	582	537	1,193	1,148
Operating profit	36	32	68	62	136	130
Operating margin	12.7%	12.2%	11.7%	11.5%	11.4%	11.3%

Revenue in the business area *Components & Services* increased by 3 percent<sup>1</sup> during the second quarter of the financial year. The business area's operating margin for the quarter was 12.7 percent.

The parent company *Momentum Industrial* displayed continued positive revenue growth in all its product areas (bearings, seals, transmission and automation). After a slightly weak start to the quarter, sales to customer groups in, for example, the steel and automotive industry developed positively as a whole, while demand in pulp and paper was somewhat more restrained.

Momentum Industrial's subsidiaries within service and repairs (*Rörick Elektriska Verkstad* and *Carl A Nilssons El Rep Verkstad*) as well as in pneumatics and hydraulics (*ETAB Industriautomation*) also continued to develop positively during the quarter. The subsidiaries generate annual revenue of approximately MSEK 130.

<sup>1</sup> Comparable units, measured in local currency and adjusted for the number of trading days this year compared with the preceding year.

## Group-wide and eliminations

An operating loss of MSEK –1 (–3) was reported for “Group-wide and eliminations” for the reporting period. The Parent Company’s revenue amounted to MSEK 14 (11) and profit after financial items totalled MSEK 4 (6) for the period. The period’s results do not include any Group contributions, intra-Group dividends or other corresponding items.

## EMPLOYEES

At the end of the reporting period, the number of employees in the Group was 1,692, compared with 1,684 at the beginning of the financial year. The change during the year mainly pertained to employees in acquired businesses.

## CORPORATE ACQUISITIONS

To date, Momentum Group has conducted three corporate acquisitions with closing during the 2019/20 financial year.

### Acquisition of Lindström Group’s PPE business in Finland

In March 2019, the subsidiary TOOLS Finland Oy acquired Lindström Group’s PPE (Personal Protective Equipment) business in Finland. The acquisition further strengthens TOOLS’ position as a leading supplier of tools, PPE and related services to Finnish industry. As of the acquisition date, the acquired business generated annual revenue of approximately MEUR 6 with favourable profitability and had five employees. The acquisition was carried out as a conveyance of assets and liabilities. Closing took place in early April 2019.

### Acquisition of ETAB Industriautomation

The subsidiary Momentum Industrial acquired 70 percent of the shares in ETAB Industriautomation AB in early May 2019. ETAB is one of the leading industrial automation companies in Sweden and provides products and services in hydraulics, linear technology and pneumatics to industrial companies in Sweden. The acquisition further strengthens Momentum Industrial’s position as the leading supplier of products and services in industrial components to Swedish industry. As of the acquisition date, ETAB generated annual revenue of approximately MSEK 45 and had nine employees. Closing took place in early June 2019.

### Acquisition of Company Line

Momentum Group acquired 70 percent of the shares in Company Line Förvaltning AB in late June 2019. Company Line is one of the largest resellers of workwear and profile clothing in northern Sweden, with professional stores in Luleå and Kiruna. As of the acquisition date, Company Line generated annual revenue of approximately MSEK 75 and had 25 employees. Closing took place in conjunction with the acquisition.

Refer to Note 4 for a preliminary acquisition analysis regarding the acquisitions during the financial year and a summary of acquisitions completed since the 2015/16 financial year.

## PROFITABILITY, CASH FLOW AND FINANCIAL POSITION

The Group’s profitability, measured as the return on equity, amounted to 18 percent (18) and the return on working capital (P/WC) to 25 percent (24) for the most recent 12-month period. The return on capital employed for the same period was 16 percent (18).

Cash flow from operating activities before changes in working capital for the reporting period totalled MSEK 244 (100). During the period, inventories decreased by MSEK 4 and operating receivables by MSEK 93. Operating liabilities decreased by MSEK 139. Accordingly, cash flow from operating activities for the period amounted to MSEK 202 (8). The transition to IFRS 16 affected cash flow from operating activities in an amount of MSEK 122 for the period. Refer also to Note 5.

Cash flow for the reporting period was also impacted in a net amount of MSEK –10 (–13) pertaining to investments in and divestments of non-current assets, a net amount of MSEK –58 (–43) pertaining to the acquisition of subsidiaries and other business units, and a net amount of MSEK –122 in financing activities pertaining to the transition to IFRS 16.

At the end of the reporting period, the Group’s operational net loan liability amounted to MSEK 349 (419). Dividends totalling MSEK 89 were paid out during the period. Cash and cash equivalents, including unutilised granted credit facilities, totalled MSEK 452. The equity/assets ratio at the end of the reporting period was 38 percent, compared with 45 percent at the beginning of the financial year. Refer also to Note 5.

Equity per share, both before and after dilution, totalled SEK 46.80 at the end of the reporting period, compared with SEK 46.70 at the beginning of the financial year.

## SHARE STRUCTURE AND REPURCHASE OF OWN SHARES

At the end of the reporting period, share capital totalled MSEK 57. The distribution by class of share was as follows:

CLASS OF SHARE	AS OF 30 SEPTEMBER 2019
Class A shares	1,062,436
Class B shares	27,202,980
<b>Total number of shares before repurchasing</b>	<b>28,265,416</b>
Less: Repurchased Class B shares	-500,000
<b>Total number of shares after repurchasing</b>	<b>27,765,416</b>

As of 31 March 2019, Momentum Group's holding of Class B treasury shares totalled 500,000. There were no changes to the holding of treasury shares during the reporting period. Accordingly, the number of Class B shares held in treasury as of 30 September 2019 amounted to 500,000, corresponding to 1.8 percent of the total number of shares and 1.3 percent of the total number of votes.

The shares held in treasury cover the Company's obligations in the call option programmes issued to senior management in December 2017 and September 2018, respectively. The redemption price for the 250,000 call options issued in connection with the 2017 share-based incentive programme is SEK 121.60 per share. Each call option in this programme entitles the holder to acquire one repurchased Class B share during the redemption periods of 12-25 February and 12-25 May 2021, respectively. The redemption price for the 250,000 call options issued in connection with the 2018 share-based incentive programme is SEK 137.30 per share. Each call option in this programme entitles the holder to acquire one repurchased Class B share during the redemption periods of 14-28 February and 16-30 May 2022, respectively.

The share price on 30 September 2019 was SEK 99.40 and the issued call options thus did not result in any dilution effect during the reporting period.

There have been no changes in the holding of treasury shares after the end of the reporting period.

## TRANSACTIONS WITH RELATED PARTIES

No transactions having a material impact on the Group's position or earnings occurred between Momentum Group and its related parties during the reporting period.

## RISKS AND UNCERTAINTIES

Momentum Group's earnings, financial position and strategic position are impacted by a number of internal factors that are within the control of Momentum Group as well as a number of external factors where the Group's ability to influence the course of events is limited. The most important external risk factors for Momentum Group are the economic and market situation as well as the development in the number of employees in the industrial and construction sectors combined with structural changes and the competitive situation. The risks and uncertainties impacting the Group are the same as in earlier periods. For more information about the Group's risks and uncertainties, refer to page 34 of Momentum Group's Annual Report for 2018/19. The Parent Company is impacted indirectly by the above risks and uncertainties through its function in the Group.

## EVENTS AFTER THE END OF THE REPORTING PERIOD

No significant events affecting the Group have occurred since the end of the reporting period.

## AFFIRMATION

The Board of Directors and the President & CEO affirm that this Interim Report provides a true and fair overview of the operations, position and earnings of the Parent Company and the Group, and that it describes the material risks and uncertainties to which the Parent Company and the companies within the Group are exposed.

Stockholm, 25 October 2019

**Johan Sjö**  
Chairman

**Charlotte Hansson**  
Director

**Stefan Hedelius**  
Director

**Göran Näsholm**  
Director

**Gunilla Spongh**  
Director

**Ulf Lilius**  
President & CEO

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

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## Contact information

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## Dates for forthcoming financial information

**Presentation of Interim Report (6 months)** – Conference call today, Friday, 25 October 2019, at 11:00 a.m. CET. Refer to [www.momentum.group](http://www.momentum.group) for information about telephone numbers and the link to the webcast.

**Interim Report (9 months) – 1 April-31 December 2019** will be published on 12 February 2020.

**Financial Report 2019/20 – 1 April 2019-31 March 2020** will be published on 13 May 2020.

Visit [www.momentum.group](http://www.momentum.group) to subscribe for reports and press releases.

*The information in this report is such that Momentum Group AB (publ) is obliged to make public pursuant to the EU Market Abuse Regulation and the Securities Markets Act. The information was submitted for publication, through the agency of the contact persons set out above, at 8:00 a.m. CET on 25 October 2019.*

*This document is in all respects a translation of the Swedish original Interim Report. In the event of any differences between this translation and the Swedish original, the latter shall prevail.*

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## BUSINESS AREAS

### REVENUE BY BUSINESS AREA

MSEK	QUARTER		REPORTING PERIOD		FULL-YEAR	
	JUL-SEP 2019	JUL-SEP 2018	APR-SEP 2019	APR-SEP 2018	ROLLING 12 MON	2018/19
Tools & Consumables	1,157	1,119	2,444	2,400	4,969	4,925
Components & Services	284	263	582	537	1,193	1,148
Group-wide	32	31	64	62	128	126
Eliminations	-41	-44	-82	-87	-170	-175
<b>Momentum Group</b>	<b>1,432</b>	<b>1,369</b>	<b>3,008</b>	<b>2,912</b>	<b>6,120</b>	<b>6,024</b>

### REVENUE BY QUARTER

MSEK	2019/20				2018/19			
	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1
Tools & Consumables			1,157	1,287	1,268	1,257	1,119	1,281
Components & Services			284	298	303	308	263	274
Group-wide			32	32	33	31	31	31
Eliminations			-41	-41	-44	-44	-44	-43
<b>Momentum Group</b>			<b>1,432</b>	<b>1,576</b>	<b>1,560</b>	<b>1,552</b>	<b>1,369</b>	<b>1,543</b>

### OPERATING PROFIT/LOSS BY BUSINESS AREA

MSEK	QUARTER		REPORTING PERIOD		FULL-YEAR	
	JUL-SEP 2019	JUL-SEP 2018	APR-SEP 2019	APR-SEP 2018	ROLLING 12 MON	2018/19
Tools & Consumables	38	34	78	79	179	180
Components & Services	36	32	68	62	136	130
Group-wide	1	2	-1	-3	-6	-8
Eliminations	0	0	0	0	0	0
<b>Momentum Group</b>	<b>75</b>	<b>68</b>	<b>145</b>	<b>138</b>	<b>309</b>	<b>302</b>

### OPERATING PROFIT/LOSS BY QUARTER

MSEK	2019/20				2018/19			
	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1
Tools & Consumables			38	40	46	55	34	45
Components & Services			36	32	35	33	32	30
Group-wide			1	-2	-2	-3	2	-5
Eliminations			0	0	0	0	0	0
<b>Momentum Group</b>			<b>75</b>	<b>70</b>	<b>79</b>	<b>85</b>	<b>68</b>	<b>70</b>



## GROUP SUMMARY<sup>2</sup>

### INCOME STATEMENT

MSEK	QUARTER		REPORTING PERIOD		FULL-YEAR	
	JUL-SEP 2019	JUL-SEP 2018	APR-SEP 2019	APR-SEP 2018	ROLLING 12 MON	2018/19
Revenue	1,432	1,369	3,008	2,912	6,120	6,024
Other operating income	1	1	2	2	4	4
<b>Total operating income</b>	<b>1,433</b>	<b>1,370</b>	<b>3,010</b>	<b>2,914</b>	<b>6,124</b>	<b>6,028</b>
Cost of goods sold	-899	-867	-1,894	-1,842	-3,856	-3,804
Personnel costs	-270	-265	-583	-573	-1,198	-1,188
Depreciation, amortisation, impairment losses and reversal of impairment losses	-65	-11	-133	-22	-158	-47
Other operating expenses	-124	-159	-255	-339	-603	-687
<b>Total operating expenses</b>	<b>-1,358</b>	<b>-1,302</b>	<b>-2,865</b>	<b>-2,776</b>	<b>-5,815</b>	<b>-5,726</b>
<b>Operating profit</b>	<b>75</b>	<b>68</b>	<b>145</b>	<b>138</b>	<b>309</b>	<b>302</b>
Financial income	0	0	0	0	1	1
Financial expenses	-4	-2	-8	-3	-12	-7
<b>Net financial items</b>	<b>-4</b>	<b>-2</b>	<b>-8</b>	<b>-3</b>	<b>-11</b>	<b>-6</b>
<b>Profit after financial items</b>	<b>71</b>	<b>66</b>	<b>137</b>	<b>135</b>	<b>298</b>	<b>296</b>
Taxes	-15	-14	-30	-29	-66	-65
<b>Net profit</b>	<b>56</b>	<b>52</b>	<b>107</b>	<b>106</b>	<b>232</b>	<b>231</b>
Of which, attributable to:						
Parent Company shareholders	55	52	105	105	229	229
Non-controlling interest	1	0	2	1	3	2
Earnings per share, SEK						
- before dilution	2.00	1.85	3.80	3.75	8.25	8.20
- after dilution	2.00	1.85	3.80	3.75	8.25	8.20

### STATEMENT OF COMPREHENSIVE INCOME

MSEK	QUARTER		REPORTING PERIOD		FULL-YEAR	
	JUL-SEP 2019	JUL-SEP 2018	APR-SEP 2019	APR-SEP 2018	ROLLING 12 MON	2018/19
Net profit	56	52	107	106	232	231
<b>OTHER COMPREHENSIVE INCOME FOR THE PERIOD</b>						
<b>Components that will not be reclassified to net profit</b>						
Remeasurement of defined-benefit pension plans	-4	1	-5	0	-5	0
Tax attributable to components that will not be reclassified	1	0	1	0	1	0
	-3	1	-4	0	-4	0
<b>Components that will be reclassified to net profit</b>						
Translation differences	2	-8	11	8	11	8
Fair value changes for the year in cash-flow hedges	0	1	0	0	0	0
Tax attributable to components that will be reclassified	0	0	0	0	0	0
	2	-7	11	8	11	8
<b>Other comprehensive income for the period</b>	<b>-1</b>	<b>-6</b>	<b>7</b>	<b>8</b>	<b>7</b>	<b>8</b>
<b>Total comprehensive income for the period</b>	<b>55</b>	<b>46</b>	<b>114</b>	<b>114</b>	<b>239</b>	<b>239</b>
Of which, attributable to:						
Parent Company shareholders	54	46	112	113	236	237
Non-controlling interest	1	0	2	1	3	2

<sup>2</sup> As of 1 April 2019, the Group applies IFRS 16 *Leases*. The transition was made using the modified retrospective approach, which means that comparative figures have not been restated. The total transition effects on the balance sheet, income statement, cash flow and selected performance measures are reported in Note 5. Refer also to the accounting policies in Note 1.

**BALANCE SHEET**

MSEK	30 SEP 2019	30 SEP 2018	31 MAR 2019
<b>ASSETS</b>			
<b>Non-current assets</b>			
Intangible non-current assets	678	648	649
Tangible non-current assets	65	58	63
Right-of-use assets	548	-	-
Financial investments	2	2	2
Deferred tax assets	23	24	20
<b>Total non-current assets</b>	<b>1,316</b>	<b>732</b>	<b>734</b>
<b>Current assets</b>			
Inventories	1,026	975	986
Accounts receivable	976	1,016	1,044
Other current receivables	114	109	142
Cash and cash equivalents	27	6	8
<b>Total current assets</b>	<b>2,143</b>	<b>2,106</b>	<b>2,180</b>
<b>TOTAL ASSETS</b>	<b>3,459</b>	<b>2,838</b>	<b>2,914</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity attributable to Parent Company shareholders	1,300	1,200	1,303
Non-controlling interest	22	13	14
<b>Total equity</b>	<b>1,322</b>	<b>1,213</b>	<b>1,317</b>
<b>Non-current liabilities</b>			
Non-current interest-bearing liabilities	183	203	137
Non-current lease liabilities	345	-	-
Provisions for pensions	33	28	27
Other non-current liabilities and provisions	79	71	76
<b>Total non-current liabilities</b>	<b>640</b>	<b>302</b>	<b>240</b>
<b>Current liabilities</b>			
Current interest-bearing liabilities	193	222	137
Current lease liabilities	208	-	-
Accounts payable	746	760	822
Other current liabilities	350	341	398
<b>Total current liabilities</b>	<b>1,497</b>	<b>1,323</b>	<b>1,357</b>
<b>TOTAL LIABILITIES</b>	<b>2,137</b>	<b>1,625</b>	<b>1,597</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>3,459</b>	<b>2,838</b>	<b>2,914</b>
Financial net loan liability	935	447	293
Operational net loan liability	349	419	266

**STATEMENT OF CHANGES IN EQUITY**

MSEK	Equity attributable to Parent Company shareholders				Non-controlling interest	Total equity
	Share capital	Reserves	Retained earnings, including net profit	Total		
<b>Closing equity, 31 March 2018</b>	<b>57</b>	<b>2</b>	<b>1,096</b>	<b>1,155</b>	<b>15</b>	<b>1,170</b>
Net profit			229	229	2	231
Other comprehensive income		8	0	8		8
Dividend			-73	-73		-73
Premium received for issued share options			2	2		2
Repurchase of own shares			-22	-22		-22
Changes in share of partly owned subsidiaries			2	2	-2	0
Dividends paid in partly owned subsidiaries				-	-1	-1
Change in value of option liability <sup>1)</sup>			2	2		2
<b>Closing equity, 31 March 2019</b>	<b>57</b>	<b>10</b>	<b>1,236</b>	<b>1,303</b>	<b>14</b>	<b>1,317</b>
Change in accounting policy <sup>2)</sup>			-8	-8		-8
Net profit			105	105	2	107
Other comprehensive income		11	-4	7		7
Dividend			-89	-89		-89
Acquisitions of partly owned subsidiaries				-	8	8
Dividends paid in partly owned subsidiaries				-	-2	-2
Option liability, acquisitions <sup>3)</sup>			-16	-16		-16
Change in value of option liability <sup>1)</sup>			-2	-2		-2
<b>Closing equity, 30 September 2019</b>	<b>57</b>	<b>21</b>	<b>1,222</b>	<b>1,300</b>	<b>22</b>	<b>1,322</b>

- 1) Pertains to a change in the value of the call/put options in relation to non-controlling interests carried out in conjunction with the acquisitions of partly owned subsidiaries.
- 2) Transition to IFRS 16. Refer to accounting policies in Note 1 and the total transition effects on the balance sheet, income statement, cash flow and selected performance measures in Note 5.
- 3) Refers to the value of call/put options in relation to the non-controlling interests in the acquired subsidiaries ETAB Industriautomation AB and Company Line Förvaltning AB, which entail that: a) Momentum Group is entitled to purchase the remaining shares from the shareholders (call option), and b) the shareholders are entitled to sell their shares to Momentum Group (put option). The call options expire during the 2021/22 financial year and can thereafter be extended for a period of one year at a time. The put options can be exercised until the 2020/21 financial year. The price of the options is dependent on certain results being achieved in the respective company.

## CASH-FLOW STATEMENT

MSEK	QUARTER		REPORTING PERIOD		FULL-YEAR	
	JUL-SEP 2019	JUL-SEP 2018	APR-SEP 2019	APR-SEP 2018	ROLLING 12 MON	2018/19
<b>Operating activities</b>						
Operating activities before changes in working capital	118	50	244	100	379	235
Changes in working capital	10	-66	-42	-92	45	-5
<b>Cash flow from operating activities</b>	<b>128</b>	<b>-16</b>	<b>202</b>	<b>8</b>	<b>424</b>	<b>230</b>
<b>Investing activities</b>						
Acquisition of intangible & tangible non-current assets	-4	-7	-10	-13	-25	-28
Sale of intangible & tangible non-current assets	0	0	0	0	0	0
Acquisition of subsidiaries & other business units	-	-	-58	-43	-88	-73
<b>Cash flow from investing activities</b>	<b>-4</b>	<b>-7</b>	<b>-68</b>	<b>-56</b>	<b>-113</b>	<b>-101</b>
<b>Cash flow before financing</b>	<b>124</b>	<b>-23</b>	<b>134</b>	<b>-48</b>	<b>311</b>	<b>129</b>
<b>Financing activities</b>						
Financing activities	-113	23	-115	44	-290	-131
<b>Cash flow for the period</b>	<b>11</b>	<b>0</b>	<b>19</b>	<b>-4</b>	<b>21</b>	<b>-2</b>
Cash and cash equivalents at the beginning of the period	16	6	8	10	6	10
Exchange-rate differences in cash and cash equivalents	0	0	0	0	0	0
<b>Cash and cash equivalents at the end of the period</b>	<b>27</b>	<b>6</b>	<b>27</b>	<b>6</b>	<b>27</b>	<b>8</b>

## KEY PER-SHARE DATA

SEK	QUARTER		REPORTING PERIOD		FULL-YEAR	
	JUL-SEP 2019	JUL-SEP 2018	APR-SEP 2019	APR-SEP 2018	ROLLING 12 MON	2018/19
Earnings before dilution	2.00	1.85	3.80	3.75	8.25	8.20
Earnings after dilution	2.00	1.85	3.80	3.75	8.25	8.20
Equity, at the end of the period			46.80	42.75		46.70
Equity after dilution, at the end of the period			46.80	42.75		46.70
<b>NUMBER OF SHARES OUTSTANDING IN THOUSANDS</b>						
Number of shares outstanding before dilution	27,765	28,015	27,765	28,015	27,765	27,765
Weighted number of shares outstanding before dilution	27,765	28,015	27,765	28,015	27,786	27,911
Weighted number of shares outstanding after dilution	27,765	28,015	27,765	28,015	27,786	27,911

### Weighted number of shares and dilution

Average number of shares outstanding before or after dilution. Shares held by Momentum Group at any given time are not included in the number of shares outstanding. Dilution effects arise due to any call options issued by the Company that can be settled using shares in share-based incentive programmes. In such cases, the call options have a dilution effect when the average share price during the period is higher than the redemption price of the call options.

Momentum Group held 500,000 Class B shares as of 30 September 2019 and has issued 500,000 call options for repurchased treasury shares. Since the average share price is lower than the redemption prices of SEK 121.60 per call option ("2017 share-based incentive programme") and SEK 137.30 per call option ("2018 share-based incentive programme"), respectively no dilution effect existed as of 30 September 2019. Refer also to page 6.

## PARENT COMPANY IN SUMMARY

### INCOME STATEMENT

MSEK	QUARTER		REPORTING PERIOD		FULL-YEAR ROLLING 12 MON	2018/19
	JUL-SEP 2019	JUL-SEP 2018	APR-SEP 2019	APR-SEP 2018		
Revenue	7	5	14	11	27	24
Other operating income	0	0	2	0	4	2
<b>Total operating income</b>	<b>7</b>	<b>5</b>	<b>16</b>	<b>11</b>	<b>31</b>	<b>26</b>
Operating expenses	-9	-6	-22	-15	-43	-36
<b>Operating profit/loss</b>	<b>-2</b>	<b>-1</b>	<b>-6</b>	<b>-4</b>	<b>-12</b>	<b>-10</b>
Financial income and expenses	5	5	10	10	20	20
<b>Profit/loss after financial items</b>	<b>3</b>	<b>4</b>	<b>4</b>	<b>6</b>	<b>8</b>	<b>10</b>
Appropriations	-	-	-	-	93	93
<b>Profit before taxes</b>	<b>3</b>	<b>4</b>	<b>4</b>	<b>6</b>	<b>101</b>	<b>103</b>
Taxes	-1	-1	-1	-1	-23	-23
<b>Net profit</b>	<b>2</b>	<b>3</b>	<b>3</b>	<b>5</b>	<b>78</b>	<b>80</b>

### STATEMENT OF COMPREHENSIVE INCOME

MSEK	QUARTER		REPORTING PERIOD		FULL-YEAR ROLLING 12 MON	2018/19
	JUL-SEP 2019	JUL-SEP 2018	APR-SEP 2019	APR-SEP 2018		
Net profit for the period	2	3	3	5	78	80
<b>OTHER COMPREHENSIVE INCOME FOR THE PERIOD</b>						
<b>Components that will not be reclassified to net profit</b>						
	-	-	-	-	-	-
<b>Components that will be reclassified to net profit</b>						
	-	-	-	-	-	-
<b>Other comprehensive income for the period</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total comprehensive income for the period</b>	<b>2</b>	<b>3</b>	<b>3</b>	<b>5</b>	<b>78</b>	<b>80</b>

### BALANCE SHEET

MSEK	30 SEP 2019	30 SEP 2018	31 MAR 2019
<b>ASSETS</b>			
Intangible non-current assets	0	0	0
Tangible non-current assets	0	-	-
Financial non-current assets	848	844	877
Current receivables	340	364	363
Cash and cash equivalents	0	-	-
<b>Total assets</b>	<b>1,188</b>	<b>1,208</b>	<b>1,240</b>
<b>EQUITY, PROVISIONS AND LIABILITIES</b>			
Equity	581	614	667
Untaxed reserves	63	29	63
Provisions	-	-	-
Non-current liabilities	182	203	137
Current liabilities	362	362	373
<b>Total equity, provisions and liabilities</b>	<b>1,188</b>	<b>1,208</b>	<b>1,240</b>

## NOTES

### NOTE 1 ACCOUNTING POLICIES

The Interim Report for the Group was prepared in accordance with IFRS and by applying IAS 34 *Interim Financial Reporting*, the Swedish Annual Accounts Act and the Swedish Securities Market Act. In addition to the financial statements and associated notes, disclosures in accordance with IAS 34.16A are also presented in other sections of the report. The Interim Report for the Parent Company was prepared in accordance with the Swedish Annual Accounts Act and the Swedish Securities Market Act, which conforms to the provisions detailed in RFR 2 *Accounting for Legal Entities*. The same accounting policies and bases of judgement as in Momentum Group's Annual Report for 2018/19 have been applied, with the exception of the new standard IFRS 16 *Leases* which applies as of 1 April 2019.

#### IFRS 16 Leases

IFRS 16 *Leases* applies as of 1 April 2019 and replaces IAS 17 *Leases* and IFRIC 4 *Determining Whether an Arrangement Contains a Lease*. The standard primarily entails changes for the lessee, since the distinction between operating and financial leases has been removed. Lessees are to recognise a right-of-use asset representing the right to use the underlying asset and a lease liability representing the obligation to make lease payments for each lease. In the income statement, interest and depreciation are recognised instead of lease expenses.

Upon transition to the new standard, Momentum Group has chosen to apply the modified retrospective approach, which does not require restating of comparative periods. Comparative information will continue to be recognised in accordance with IAS 17 *Leases* and IFRIC 4 *Determining Whether an Arrangement Contains a Lease*.

The Group will recognise new assets and liabilities for operating leases primarily for warehouses and store facilities. The expenses for these leases will change since the Group will recognise depreciation for right-of-use assets and interest expense for lease liabilities. In addition, the Group will no longer recognise provisions for operating leases deemed to be onerous. The Group has chosen to apply the practical expedient permitted in the standard, which entails adjusting the right-of-use asset by the amount recognised as a provision for expected credit losses in connection with the transition.

The right-of-use assets attributable to earlier operating leases are primarily recognised at their depreciated value as of the lease commencement date and to a lesser extent at the value of the liability as of 1 April 2019 plus advance payments recognised in the balance sheet as of 31 March 2019. Lease commitments in connection with the transition have been discounted by the Group's incremental borrowing rate. The incremental borrowing rate is established per country based on a risk-free interest rate with a duration equivalent to the average tenor for leases plus expenses for the Group and its subsidiaries' estimated credit risk and type of asset.

Low-value leases (right-of-use leases with a replacement value less than approximately SEK 50 thousand) are not included in lease liability but continue to be expensed on a straight-line basis over the lease term. Short-term leases (leases with a term of 12 months or less) are not deemed to be material in the Group.

The total effects on the balance sheet, income statement, cash flow and selected performance measures in connection with the transition to IFRS 16 are presented in Note 5.

### NOTE 2 OPERATING SEGMENTS

The Group's operating segments comprise the Tools & Consumables and Components & Services business areas. The operating segments are consolidations of the operational organisation, as used by Group management and the Board of Directors to monitor operations. Group management, comprising the CEO and CFO, are the Group's chief operating decision makers.

**Tools & Consumables** comprises TOOLS Sweden, TOOLS Norway, TOOLS Finland, Gigant, Mercus Yrkeskläder, TriffiQ Företagsprofilering, Reklamproffsen Skandinavien and Company Line, which offer products and services related to tools, industrial consumables and workplace equipment as well as workwear and profile clothing for the industrial, construction and public sectors in the Nordic region. **Components & Services** comprises Momentum Industrial and its subsidiaries, which offer spare parts, service and repairs for customers in the industrial sector in the Nordic region. **Group-wide** includes the Group's management, finance function, support functions and logistics operations in Sweden. The support functions include internal communications, investor relations and legal affairs. Financial income and expenses are not distributed by operating segment but rather are recognised in their entirety in Group-wide.

Intra-Group pricing between the operating segments occurs on market terms. The accounting policies are the same as those applied in the consolidated financial statements. Revenue presented for the geographic markets is based on the domicile of the customers.

MSEK	APR-SEP 2019 (6 MON)				
	Tools & Consumables	Components & Services	Group-wide	Eliminations	Group total
<b>Revenue</b>					
From external customers by geographic area					
Sweden	924	549	0	-	<b>1,473</b>
Norway	931	13	-	-	<b>944</b>
Finland	508	1	-	-	<b>509</b>
Other countries	78	4	-	-	<b>82</b>
From other segments	3	15	64	-82	-
<b>Total</b>	<b>2,444</b>	<b>582</b>	<b>64</b>	<b>-82</b>	<b>3,008</b>

MSEK	APR-SEP 2018 (6 MON)				
	Tools & Consumables	Components & Services	Group-wide	Eliminations	Group total
<b>Revenue</b>					
From external customers by geographic area					
Sweden	958	499	1	-	<b>1,458</b>
Norway	871	11	-	-	<b>882</b>
Finland	496	1	-	-	<b>497</b>
Other countries	71	4	-	-	<b>75</b>
From other segments	4	22	61	-87	-
<b>Total</b>	<b>2,400</b>	<b>537</b>	<b>62</b>	<b>-87</b>	<b>2,912</b>

### NOTE 3 FINANCIAL INSTRUMENTS

Momentum Group measures financial instruments at fair value or cost in the balance sheet depending on their classification. In addition to items in the financial net debt, financial instruments also include accounts receivable and accounts payable. The fair value of all of the Group's financial assets is estimated to correspond with their carrying amount. Liabilities measured at fair value comprise options issued in connection with the acquisition of equity instruments in partly owned subsidiaries, which are measured using discounted cash flow and are thus included in level 3 according to IFRS 13.

MSEK	30 SEP 2019	31 MAR 2019
<b>Financial assets measured at fair value</b>		
Financial investments	1	1
<b>Financial assets measured at amortised cost</b>		
Long-term receivables	1	1
Accounts receivable	976	1,044
Cash and cash equivalents	27	8
<b>Total financial assets</b>	<b>1,005</b>	<b>1,054</b>
<b>Financial liabilities measured at fair value</b>		
Option liability	49	31
<b>Financial liabilities measured at amortised cost</b>		
Interest-bearing liabilities	929	274
Accounts payable	746	822
<b>Total financial liabilities</b>	<b>1,724</b>	<b>1,127</b>

### NOTE 4 ACQUISITIONS

According to the preliminary acquisition analysis, the assets and liabilities included in the acquisitions during the financial year amounted to the following:

MSEK	Carrying amount on acquisition date	Adjustment to fair value	Fair value recognised in the Group
<b>Acquired assets:</b>			
Intangible non-current assets	-	19	19
Other non-current assets	0	-	0
Inventories	36	-	36
Other current assets	25	-	25
<b>Total assets</b>	<b>61</b>	<b>19</b>	<b>80</b>
<b>Acquired provisions and liabilities:</b>			
Deferred tax liability	-	-3	-3
Current operating liabilities	-24	-	-24
<b>Total provisions and liabilities</b>	<b>-24</b>	<b>-3</b>	<b>-27</b>
<b>Net of identified assets and liabilities</b>	<b>37</b>	<b>16</b>	<b>53</b>
Goodwill			21
Non-controlling interest <sup>1)</sup>			-8
<b>Purchase consideration</b>			<b>66</b>
Less/Additional: Net cash in acquired business <sup>2)</sup>			-4
Less: Additional purchase consideration			-4
<b>Effect on consolidated cash and cash equivalents</b>			<b>58</b>

1) Non-controlling interest is calculated as the proportional share of the identified net assets.

2) Net of cash and cash equivalents and interest-bearing liabilities in the acquired businesses.

Corporate acquisitions carried out since the 2015/16 financial year are distributed between the Momentum Group's business areas as follows:

ACQUISITION	TIME (possession taken)	REVENUE <sup>1)</sup>	NO. OF EMPLOYEES <sup>1)</sup>	BUSINESS AREA
AB Carl A. Nilssons El. Rep.verkstad, SE	September 2015	MSEK 20	13	Components & Services
Tønsberg Maskinforretning AS, NO	April 2016	MNOK 20	10	Tools & Consumables
Astrup Industrivarer AS, NO	November 2016	MNOK 240	50	Tools & Consumables
Arboga Machine Tool AB, SE	March 2017	MSEK 10	5	Components & Services
TriffiQ Företagsprofilering AB <sup>2)</sup> , SE	September 2017	MSEK 70	18	Tools & Consumables
AB Knut Sehlins Industrivaruhus, SE	October 2017	MSEK 40	14	Tools & Consumables
Elka Produkter AB <sup>2)</sup> , SE	October 2017	- <sup>3)</sup>	10	Tools & Consumables
Reklamproffsen Skandinavien AB <sup>2)</sup> , SE	March 2018	MSEK 35	12	Tools & Consumables
Profilmakama i Södertälje AB, SE	April 2018	MSEK 25	8	Tools & Consumables
MRO business from Brammer <sup>4)</sup> , SE	May 2018	MSEK 140	33	Components & Services
MFG Components Oy <sup>4)</sup> , FI	October 2018	MEUR 1	3	Tools & Consumables
TOOLS Løvold AS, NO	January 2019	MNOK 95	28	Tools & Consumables
PPE business from Lindström Group <sup>4)</sup> , FI	April 2019	MEUR 6	5	Tools & Consumables
ETAB Industriautomation AB <sup>2)</sup> , SE	June 2019	MSEK 45	9	Components & Services
Company Line Förvaltning AB <sup>2)</sup> , SE	June 2019	MSEK 75	25	Tools & Consumables

1) Refers to information for the full year on the date of acquisition.

2) Momentum Group acquired 70 percent of the shares in each company.

3) The current operations of Elka Produkter AB were established in autumn 2017. Accordingly, there is no full-year information available regarding comparable revenue.

4) The acquisition was carried out as a conveyance of assets and liabilities.

## NOTE 5 TRANSITION EFFECTS OF IFRS 16

As of 1 April 2019, the Group applies IFRS 16 *Leases*. Due to the implementation of IFRS 16, the Group has reclassified operating leases as right-of-use assets or lease liabilities recognised in the balance sheet. Upon transition to IFRS 16, Momentum Group recognised MSEK 543 for right-of-use assets and MSEK 563 for lease liabilities. The aggregate average incremental borrowing rate for all contracts, by which the Group's lease commitments were discounted in connection with the transition, amounted to approximately 2 percent.

As shown in the tables below, the recognition of depreciation of right-of-use assets instead of lease payments had a net impact of MSEK +5 on operating profit during the first six months of 2019/20. Depreciation of right-of-use assets totalled MSEK 107. Interest on lease liabilities had a negative impact of MSEK 5 on net financial items.

The effects on the balance sheet, income statement, cash flow and selected performance measures are reported in the tables below. *All other things being equal*, the effects of IFRS 16 are expected to be approximately the same for the remainder of the 2019/20 financial year.

### EFFECTS OF IFRS 16 ON THE CONSOLIDATED BALANCE SHEET IN CONNECTION WITH THE TRANSITION AS OF 1 APRIL 2019

MSEK	Closing balance 31 Mar 2019, before transition to IFRS 16	Adjustment due to transition to IFRS 16	Adjusted opening balance 1 Apr 2019
<b>ASSETS</b>			
Right-of-use assets	-	543	<b>543</b>
<i>of which, buildings and premises</i>	-	472	<b>472</b>
<i>of which, vehicles</i>	-	61	<b>61</b>
<i>of which, other assets</i>	-	10	<b>10</b>
Deferred tax assets	20	2	<b>22</b>
<b>Total non-current assets</b>	<b>734</b>	<b>545</b>	<b>1,279</b>
Other current receivables	142	-22	<b>120</b>
<b>Total current assets</b>	<b>2,180</b>	<b>-22</b>	<b>2,158</b>
<b>TOTAL ASSETS</b>	<b>2,914</b>	<b>523</b>	<b>3,437</b>
<b>EQUITY AND LIABILITIES</b>			
Equity attributable to Parent Company shareholders	1,303	-8	<b>1,295</b>
<b>Total equity</b>	<b>1,317</b>	<b>-8</b>	<b>1,309</b>
Non-current lease liabilities	-	362	<b>362</b>
Other non-current liabilities and provisions	76	-16	<b>60</b>
<b>Total non-current liabilities</b>	<b>240</b>	<b>346</b>	<b>586</b>
Current lease liabilities	-	201	<b>201</b>
Accounts payable	822	-14	<b>808</b>
Other current liabilities	398	-2	<b>396</b>
<b>Total current liabilities</b>	<b>1,357</b>	<b>185</b>	<b>1,542</b>
<b>TOTAL LIABILITIES</b>	<b>1,597</b>	<b>531</b>	<b>2,128</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>2,914</b>	<b>523</b>	<b>3,437</b>

### EFFECTS OF IFRS 16 ON THE CONSOLIDATED INCOME STATEMENT IN THE FIRST SIX MONTHS OF 2019/20

MSEK	APR-SEP 2019 [IFRS 16]	Effect of IFRS 16	APR-SEP 2019 [IAS 17]
<b>Total operating income</b>	<b>3,010</b>	-	<b>3,010</b>
Cost of goods sold	-1,894	-	-1,894
Personnel costs	-583	-	-583
Depreciation, amortisation, impairment and reversal of impairment losses	-133	-107	-26
Other operating expenses	-255	112	-367
<b>Total operating expenses</b>	<b>-2,865</b>	<b>5</b>	<b>-2,870</b>
<b>Operating profit</b>	<b>145</b>	<b>5</b>	<b>140</b>
Financial income	0	-	0
Financial expenses	-8	-5	-3
<b>Net financial items</b>	<b>-8</b>	<b>-5</b>	<b>-3</b>
<b>Profit after financial items</b>	<b>137</b>	<b>0</b>	<b>137</b>
Taxes	-30	0	-30
<b>Net profit</b>	<b>107</b>	<b>0</b>	<b>107</b>

### EFFECTS OF IFRS 16 ON THE GROUP'S PERFORMANCE MEASURES (SELECTED)

	12 MON ENDING 30 SEP 2019 [IFRS 16]	Effect of IFRS 16	12 MON ENDING 30 SEP 2019 [IAS 17]
EBITA, MSEK	<b>327</b>	5	322
Operating profit, MSEK	<b>309</b>	5	304
EBITA margin, %	<b>5.3%</b>	0.0%	5.3%
Operating margin, %	<b>5.0%</b>	0.0%	5.0%
Profit margin, %	<b>4.9%</b>	0.0%	4.9%
Earnings per share, SEK	<b>8.25</b>	0.00	8.25
Cash flow from operating activities, MSEK	<b>424</b>	122	302
Cash flow for the period*, MSEK	<b>21</b>	0	21
Return on working capital (EBITA/WC), %	<b>27%</b>	1%	26%
Return on working capital (P/WC), %	<b>25%</b>	0%	25%
Return on capital employed, %	<b>16%</b>	-2%	18%
Return on equity, %	<b>18%</b>	0%	18%
Financial net loan liability (closing balance), MSEK	<b>935</b>	553	382
Operational net loan liability (closing balance), MSEK	<b>349</b>	-	349
Equity/assets ratio, %	<b>38%</b>	-7%	45%

#### \*EFFECTS OF IFRS 16 ON CASH FLOW FOR THE PERIOD

Since most of the lease payment is recognised as financing activities, cash flow from financing activities has declined, with a corresponding increase in cash flow from operating activities. The interest portion of the lease payment remains as cash flow from operating activities and is included in net financial items, paid.

## PERFORMANCE MEASURES – DEFINITIONS & CALCULATIONS

Momentum Group uses certain financial performance measures in its analysis of the operations and their performance that are not defined in accordance with IFRS. Momentum Group believes that these alternative performance measures provide valuable information for the Company's Board of Directors, owners and investors, since they enable a more accurate assessment of current trends and the Company's performance when combined with other performance measures calculated in accordance with IFRS. Since not all listed companies calculate these financial performance measures in the same way, there is no guarantee that the information is comparable with other companies' performance measures of the same name. Hence, these financial performance measures must not be viewed as a replacement for those measures calculated in accordance with IFRS. Insofar as the performance measures are used and commented on by business area (operating segment), the derivation of the performance measures is also presented at this level.

	12 MONTHS ENDING			
	30 SEP 2019	31 MAR 2019	31 MAR 2018	31 MAR 2017
<b>IFRS PERFORMANCE MEASURES</b>				
Net profit, MSEK	232	231	182	42
Earnings per share, SEK	8.25	8.20	6.45	1.50
<b>ALTERNATIVE PERFORMANCE MEASURES</b>				
<i>Performance measures related to the income statement</i>				
Revenue, MSEK	6,120	6,024	5,616	5,411
Operating profit, MSEK	309	302	240	65
Adjusted operating profit, MSEK	309	302	252	193
EBITA, MSEK	327	318	262	195
Profit after financial items, MSEK	298	296	235	54
Operating margin, %	5.0%	5.0%	4.3%	1.2%
Adjusted operating margin, %	5.0%	5.0%	4.5%	3.6%
EBITA margin, %	5.3%	5.3%	4.7%	3.6%
Profit margin, %	4.9%	4.9%	4.2%	1.0%
<i>Performance measures related to profitability</i>				
Return on working capital (P/WC), %	25%	25%	24%	21%
Return on working capital (EBITA/WC), %	27%	27%	25%	21%
Return on capital employed, %	16%	19%	17%	4%
Return on equity, %	18%	19%	17%	4%
<i>Performance measures related to financial position</i>				
Financial net loan liability (closing balance), MSEK	935	293	322	287
Operational net loan liability (closing balance), MSEK	349	266	295	263
Equity (closing balance)*, MSEK	1,300	1,303	1,155	1,007
Equity/assets ratio, %	38%	45%	42%	39%
<i>Other performance measures</i>				
Number of employees at the end of the period	1,692	1,684	1,647	1,660
Share price at the end of the period, SEK	99.40	93.40	100.00	-

\* Refers to equity attributable to Parent Company shareholders.

### DEFINITIONS OF PERFORMANCE MEASURES

#### Revenue

Own invoicing, commission-based revenue from commission sales and side revenue.

#### Operating profit

Profit before financial items and tax.

#### Adjusted operating profit

Operating profit adjusted for items affecting comparability.

#### EBITA

Adjusted operating profit before any impairment of goodwill and amortisation and impairment of other intangible assets incurred in connection with corporate acquisitions and equivalent transactions.

#### Operating margin, %

Operating profit relative to revenue.

#### Adjusted operating margin, %

Adjusted operating profit as a percentage of revenue.

#### EBITA margin, %

EBITA as a percentage of revenue.

#### Profit margin, %

Profit after financial items as a percentage of revenue.

#### Return on working capital (P/WC), %

Adjusted operating profit for the most recent 12-month period divided by average working capital measured as total working capital (accounts receivable and inventories less accounts payable) at the end of each month for the most recent 12-month period and the opening balance at the start of the period divided by 13.



**Return on working capital (EBITA/WC), %**

EBITA for the most recent 12-month period divided by average working capital measured as total working capital (accounts receivable and inventories less accounts payable) at the end of each month for the most recent 12-month period and the opening balance at the start of the period divided by 13.

**Return on capital employed, %**

Operating profit plus financial income for the most recent 12-month period divided by average capital employed measured as the balance-sheet total less non-interest-bearing liabilities and provisions at the end of the most recent four quarters and the opening balance at the start of the period divided by five.

**Return on equity, %**

Net profit for the most recent 12-month period divided by average equity measured as total equity attributable to Parent Company shareholders at the end of the most recent four quarters and the opening balance at the start of the period divided by five.

**Financial net loan liability (closing balance)**

Financial net loan liability measured as non-current interest-bearing liabilities and current interest-bearing liabilities, less cash and cash equivalents at the end of the period.

**Operational net loan liability (closing balance)**

Operational net loan liability measured as non-current interest-bearing liabilities and current interest-bearing liabilities, excluding financial lease liabilities and net provisions for pensions, less cash and cash equivalents at the end of the period.

**Equity/assets ratio, %**

Equity attributable to Parent Company shareholders as a percentage of the balance-sheet total at the end of the period.

**Earnings per share, SEK**

Net profit attributable to the Parent Company shareholders divided by the weighted number of shares. IFRS performance measure.

**DERIVATION OF ALTERNATIVE PERFORMANCE MEASURES**

MSEK	12 MONTHS ENDING			
	30 SEP 2019	31 MAR 2019	31 MAR 2018	31 MAR 2017
<b>ADJUSTED OPERATING PROFIT</b>				
Operating profit	309	302	240	65
<i>Items affecting comparability</i>				
Restructuring expenses	-	-	-	94
Split and listing expenses	-	-	12	34
<b>Adjusted operating profit</b>	<b>309</b>	<b>302</b>	<b>252</b>	<b>193</b>

MSEK	12 MONTHS ENDING			
	30 SEP 2019	31 MAR 2019	31 MAR 2018	31 MAR 2017
<b>WORKING CAPITAL</b>				
<i>Average operating assets</i>				
Average inventories	1,004	975	884	823
Average accounts receivable	971	956	895	821
<b>Total average operating assets</b>	<b>1,975</b>	<b>1,931</b>	<b>1,779</b>	<b>1,644</b>
<i>Average operating liabilities</i>				
Average accounts payable	-751	-736	-732	-709
<b>Total average operating liabilities</b>	<b>-751</b>	<b>-736</b>	<b>-732</b>	<b>-709</b>
<b>Average working capital</b>	<b>1,224</b>	<b>1,195</b>	<b>1,047</b>	<b>935</b>
Adjusted operating profit	309	302	252	193
<b>Return on working capital (P/WC), %</b>	<b>25%</b>	<b>25%</b>	<b>24%</b>	<b>21%</b>

MSEK	12 MONTHS ENDING			
	30 SEP 2019	31 MAR 2019	31 MAR 2018	31 MAR 2017
<b>EBITA</b>				
Adjusted operating profit	309	302	252	193
Amortisation of intangible non-current assets incurred in connection with acquisitions	18	16	10	2
<b>EBITA</b>	<b>327</b>	<b>318</b>	<b>262</b>	<b>195</b>
Average working capital	1,224	1,195	1,047	935
<b>Return on working capital (EBITA/WC), %</b>	<b>27%</b>	<b>27%</b>	<b>25%</b>	<b>21%</b>

MSEK	12 MONTHS ENDING			
	30 SEP 2019	31 MAR 2019	31 MAR 2018	31 MAR 2017
<b>CAPITAL EMPLOYED</b>				
Average balance-sheet total	3,095	2,813	2,619	2,719
Average non-interest-bearing liabilities and provisions				
Average non-interest-bearing non-current liabilities	-75	-74	-57	-14
Average non-interest-bearing current liabilities	-1,134	-1,150	-1,149	-1,073
<b>Total average non-interest-bearing liabilities and provisions</b>	<b>-1,209</b>	<b>-1,224</b>	<b>-1,206</b>	<b>-1,087</b>
<b>Average capital employed</b>	<b>1,886</b>	<b>1,589</b>	<b>1,413</b>	<b>1,632</b>
Operating profit	309	302	240	65
Financial income	1	1	2	2
<b>Total operating profit + financial income</b>	<b>310</b>	<b>303</b>	<b>242</b>	<b>67</b>
<b>Return on capital employed, %</b>	<b>16%</b>	<b>19%</b>	<b>17%</b>	<b>4%</b>

MSEK	12 MONTHS ENDING			
	30 SEP 2019	31 MAR 2019	31 MAR 2018	31 MAR 2017
<b>RETURN ON EQUITY</b>				
Average equity*	1,272	1,220	1,070	1,008
Net profit*	229	229	181	42
<b>Return on equity, %</b>	<b>18%</b>	<b>19%</b>	<b>17%</b>	<b>4%</b>

\* Refers to equity and earnings attributable to Parent Company shareholders.

MSEK	12 MONTHS ENDING			
	30 SEP 2019	31 MAR 2019	31 MAR 2018	31 MAR 2017
<b>FINANCIAL NET LOAN LIABILITY (CLOSING BALANCE)</b>				
Non-current interest-bearing liabilities	561	164	130	174
Current interest-bearing liabilities	401	137	202	182
Cash and cash equivalents	-27	-8	-10	-69
<b>Financial net loan liability (closing balance)</b>	<b>935</b>	<b>293</b>	<b>322</b>	<b>287</b>

MSEK	12 MONTHS ENDING			
	30 SEP 2019	31 MAR 2019	31 MAR 2018	31 MAR 2017
<b>OPERATIONAL NET LOAN LIABILITY (CLOSING BALANCE)</b>				
Financial net loan liability	935	293	322	287
Financial lease liabilities	-553	-	-	-
Net provisions for pensions	-33	-27	-27	-24
<b>Operational net loan liability (closing balance)</b>	<b>349</b>	<b>266</b>	<b>295</b>	<b>263</b>

MSEK	12 MONTHS ENDING			
	30 SEP 2019	31 MAR 2019	31 MAR 2018	31 MAR 2017
<b>BALANCE-SHEET TOTAL</b>				
Balance-sheet total (closing balance)	3,459	2,914	2,734	2,551
Equity (closing balance)*	1,300	1,303	1,155	1,007
<b>Equity/assets ratio, %</b>	<b>38%</b>	<b>45%</b>	<b>42%</b>	<b>39%</b>

\* Refers to equity attributable to Parent Company shareholders.

### Change in revenue

Comparable units refer to sales in local currency from units that were part of the Group during the current period and the entire corresponding period in the preceding year. Trading days refer to the effect on sales in local currency depending on the difference in the number of trading days compared with the comparative period. Other units refer to acquired or divested units during the corresponding period.

	QUARTER		REPORTING PERIOD	
	JUL-SEP 2019	JUL-SEP 2018	APR-SEP 2019	APR-SEP 2018
<b>Change in revenue for:</b>				
Comparable units in local currency	-1.4%	1.1%	-0.8%	1.6%
Currency effects	0.5%	3.5%	0.6%	3.2%
Number of trading days	1.5%	0.0%	-0.2%	1.1%
Other units	3.9%	1.2%	3.8%	2.2%
<b>Total change</b>	<b>4.5%</b>	<b>5.8%</b>	<b>3.4%</b>	<b>8.1%</b>