

Interim Report

January 1 – September 30, 2023

- Net asset value on September 30, 2023, was SEK 134.7 billion, or SEK 312 per share. During the first nine months, net asset value increased by 6%, corresponding to SEK 19 per share.
- The total return for the period was 17% for the Class A shares, as well as for the Class C shares, compared with 5% for the Stockholm Stock Exchange's total return index (SIXRX).
- During the first nine months of 2023, shares were purchased for a total of SEK 2.0 billion, of which SEK 0.8 billion in Sandvik, SEK 0.6 billion in Volvo, SEK 0.4 billion in Handelsbanken and SEK 0.2 billion in SCA.

	2023 Sept 30	2022 Sept 30	2022 Dec 31
Net asset value, SEK M	134,663	107,466	126,477
Net asset value per share, SEK	312	249	293
Share price Industrivärden C, SEK	288.60	223.30	253.00
Debt-equities ratio	5%	6%	5%

SEK M	2023 Jan – Sept	2022 Jan – Sept	2022 Jan – Dec
Earnings per share, SEK	26.10	-76.17	-32.34
Dividend income	6,418	5,479	5,479
Dividend paid	3,131	2,915	2,915
<i>Equities portfolio:</i>			
Purchases	2,049	2,915	3,184
Sales	–	–	–

Financial overview

For balance sheet items, figures in parentheses pertain to the value on December 31, 2022. For income statement and cash flow items, figures in parentheses pertain to the value for the corresponding period in the preceding year.

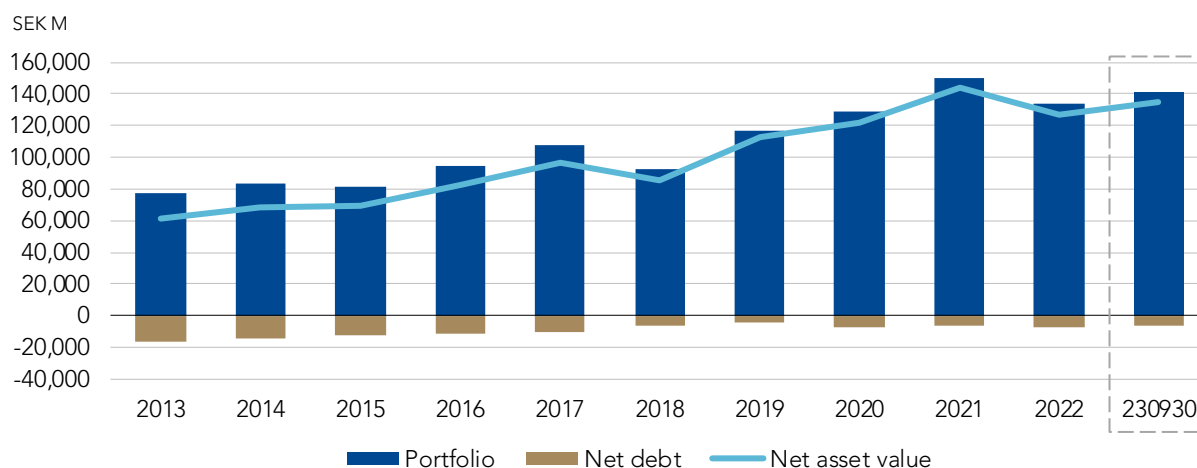
Net asset value

Net asset value consists of the market value of the equities portfolio less net debt. On September 30, 2023, net asset value was SEK 134.7 billion (126.5) or SEK 312 per share (293), an increase of SEK 19 per share during the first nine months.

Holdings	Sept 30, 2023						
	No. of shares	Share of ownership, %		Market value		Share of value	
		Capital	Votes	SEK M	SEK/share	%	
Volvo A	166,600,000			37,885			
Volvo B	17,400,000	9.0	27.9	3,925	97		30
Sandvik	174,900,000	13.9	13.9	35,260	82		25
Handelsbanken A	226,200,000	11.4	11.6	22,068	51		16
Essity A	33,257,000	10.2	29.6	7,865	39		12
Essity B	38,400,000			9,059			
SCA A	33,785,290			5,068			
SCA B	39,800,000	10.5	29.4	5,968	26		8
Skanska A	12,667,500			2,280			
Skanska B	19,500,000	7.7	24.5	3,510	13		4
Ericsson A	86,052,615			4,716			
Ericsson B	1,000,000	2.6	15.1	53	11		3
Alleima	50,300,000	20.0	20.0	2,885	7		2
Other				487	1		0
Equities portfolio				141,029	327		100
Net debt				-6,366	-15		
Net asset value				134,663	312		
Debt-equities ratio				5%			

During the last ten-year period, net asset value increased from SEK 56.8 billion on September 30, 2013, to SEK 134.7 billion on September 30, 2023. For the last five- and ten-year periods, the average annual growth of net asset value was 6% and 9%, respectively. The chart below illustrates net asset value for the respective year-ends as well as for the period ended on September 30, 2023.

Performance over time



Performance of equities portfolio

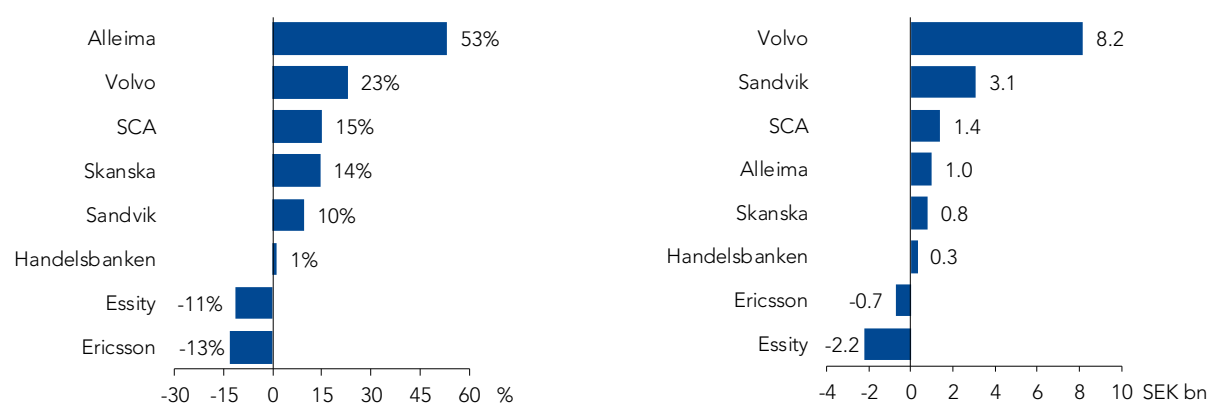
During the period, the value of the equities portfolio, adjusted for purchases and sales, increased by SEK 5.1 billion, or 4%. On September 30, 2023, the market value of the equities portfolio was SEK 141.0 billion. Net purchases amounted to SEK 2.0 billion.

Change in value, investments, dividend income

SEK M	Sept 30, 2023		Jan – Sept 2023	
	Market value	Change in value	Purchase (+) / sales (-)	Dividend
Volvo	41,810	5,443	612	2,537
Sandvik	35,260	2,239	767	861
Handelsbanken	22,068	-1,622	442	1,770
Essity	16,924	-2,617	–	520
SCA	11,036	1,247	228	184
Skanska	5,790	483	–	241
Ericsson	4,769	-971	–	235
Alleima	2,885	953	–	70
Other	487	-6	–	–
Total	141,029	5,148	2,049	6,418

Total return, holdings

January 1 – September 30



Investment activities

During the first nine months of the year, shares were purchased for a total of SEK 2,049 M (2,915), of which SEK 767 M in Sandvik, SEK 612 M in Volvo B, SEK 442 M in Handelsbanken A and SEK 228 M in SCA B.

Dividends received

During the first nine months, dividend income from the holdings amounted to SEK 6,418 M (5,479), of which dividend payments received amounted to SEK 6,300 M (5,370). Dividends decided on for which payment has not yet been received are recognized as receivables in the balance sheet when the right to receive dividend has been determined.

Management cost

During the first nine months of 2023, management cost amounted to SEK 96 M (96), which on a yearly basis corresponds to 0.09% (0.11%) of the equities portfolio on September 30, 2023.

Financing

Net debt amounted to SEK 6.4 billion (7.4) on September 30, 2023, corresponding to a debt-equities ratio of 5% (5%).

Industrivärden's debt financing consists primarily of MTN loans. The average tenor of the debt portfolio was 28 months (27) on September 30, 2023. During the first quarter of 2023, a new bond of SEK 0.5 billion with a tenor of three and a half years, and two bonds of SEK 0.5 billion each with tenors of five years, were issued. The loans pertain to refinancing and were issued within the framework of the existing MTN program. Framework amounts and terms of the loans are available on Industrivärden's website.

No part of Industrivärden's financing is conditional upon any covenants.

Net debt

	2023	2022	2022
SEK M	Sept 30	Sept 30	Dec 31
Non-current financial liabilities	6,500	6,500	6,500
Current financial liabilities	1,684	1,634	1,682
Provisions for pensions	0	0	4
Current financial receivables	-152	-146	-36
Cash and cash equivalents	-1,666	-955	-795
Total	6,366	7,033	7,355

Credit rating

S&P Global Ratings has assigned Industrivärden a credit rating of A+/Stable/A-1. This rating was confirmed on March 27, 2023.

Shareholders' equity

The Group's shareholders' equity at the end of the period was SEK 134,308 M (126,180), corresponding to an equity ratio of 94% (94%).

Share structure

At the 2011 Annual General Meeting, a share conversion clause was added to the Articles of Association. Shareholders have the right at any time to request conversion of Class A shares to Class C shares. During the first nine months of the year, 802,848 shares were converted.

Share structure on September 30, 2023

Share class	No. of shares	No. of votes	Capital, %	Votes, %
A (1 vote)	259,940,677	259,940,677.0	60.2	93.8
C (1/10 vote)	171,958,431	17,195,843.1	39.8	6.2
Total	431,899,108	277,136,520.1	100.0	100.0

Industrivärden's stock

Stock performance

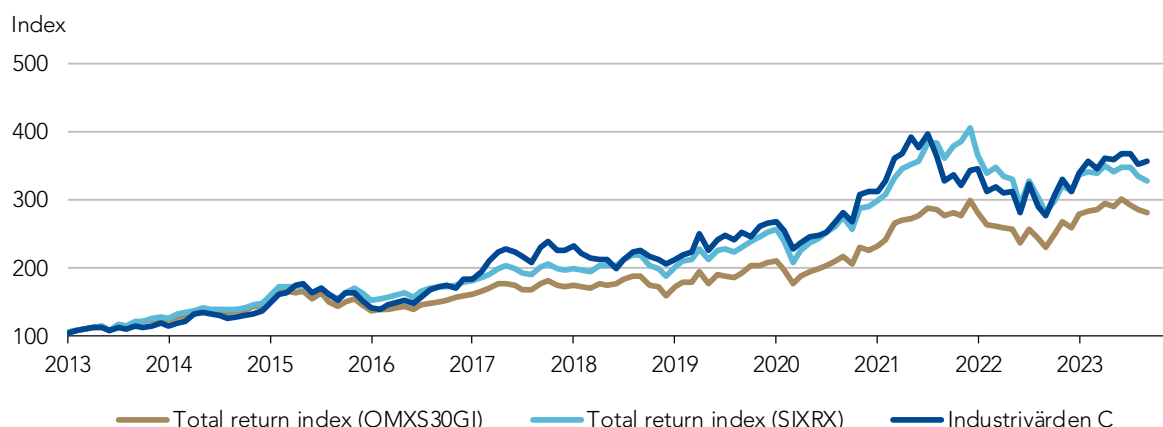
On the last day of trading in the period, September 29, the price of Industrivärden's Class A and Class C shares was SEK 288.80 and SEK 288.60, respectively. On the last day of trading in 2022, December 30, the corresponding share prices were SEK 253.50 and SEK 253.00, respectively.

The total return during the period was 17% for the Class A shares, as well as for the Class C shares. During the last five- and ten-year periods, the average annual total return for the Class C shares was 10% and 12%, respectively. The stock's total return, compared with the total return for the Stockholm Stock Exchange (SIXRX) and the total return for the OMXS30 (OMXS30GI), is shown in the table and charts below.

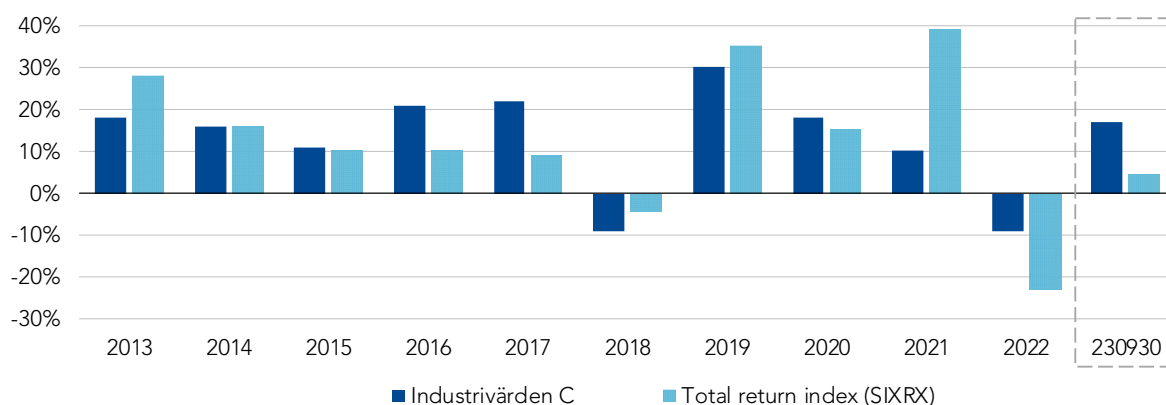
Average annual growth in value for respective period

	Sept 30, 2023		
	Total return		
	Industrivärden C	Index (SIXRX)	Index (OMXS30GI)
2023, 9 months	17%	5%	8%
1 year	32%	16%	22%
3 years	9%	6%	9%
5 years	10%	8%	8%
7 years	11%	10%	9%
10 years	12%	11%	9%

Total return over time



Total return for the respective year/period



Other report information

Events after the balance sheet date

No significant events have occurred after September 30, 2023.

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

Financial statements

Group, condensed

Income statement

	2023	2022	2023	2022	2022
SEK M	July – Sept	July – Sept	Jan – Sept	Jan – Sept	Jan – Dec
Dividend income	118	109	6,418	5,479	5,479
Change in value of shares, etc.	-2,153	-6,225	5,142	-38,291	-19,246
Management cost	-32	-26	-96	-96	-120
Operating income	-2,067	-6,142	11,464	-32,908	-13,887
Financial items	-37	-24	-112	-54	-90
Income after financial items	-2,104	-6,166	11,352	-32,962	-13,977
Tax	-5	1	-79	64	10
Net income for the period	-2,109	-6,165	11,273	-32,898	-13,967
Earnings per share (no dilution exists), SEK	-4.88	-14.27	26.10	-76.17	-32.34

Statement of comprehensive income

	2023	2022	2023	2022	2022
SEK M	July – Sept	July – Sept	Jan – Sept	Jan – Sept	Jan – Dec
Net income for the period	-2,109	-6,165	11,273	-32,898	-13,967
<i>Items that are not to be reclassified in the inc. statement:</i>					
Actuarial gains and losses on pensions	-6	-	-18	-	-22
Comprehensive income for the period	-2,115	-6,165	11,255	-32,898	-13,989

Balance sheet

	2023	2022	2022
SEK M	Sept 30	Sept 30	Dec 31
Tangible fixed assets	10	15	14
Equities	141,029	114,499	133,832
Total non-current assets	141,039	114,514	133,846
Current financial receivables	152	146	36
Other current receivables	31	88	79
Cash and cash equivalents	1,666	955	795
Total current assets	1,849	1,189	910
Total assets	142,888	115,703	134,756
Shareholders' equity	134,308	107,269	126,180
Non-current financial liabilities	6,500	6,500	6,500
Provisions for pensions	0	0	4
Deferred tax liability	174	84	134
Other non-current liabilities	59	22	48
Total non-current liabilities	6,733	6,606	6,686
Current financial liabilities	1,684	1,634	1,682
Other current liabilities	163	194	208
Total current liabilities	1,847	1,828	1,890
Total shareholders' equity and liabilities	142,888	115,703	134,756

Group, condensed (continuation)

Change in shareholders' equity

SEK M	2023	2022	2022
	Jan – Sept	Jan – Sept	Jan – Dec
Opening shareholders' equity as per balance sheet	126,180	143,079	143,079
Net income for the period	11,273	-32,898	-13,967
Other comprehensive income	-18	–	-22
Total comprehensive income	11,255	-32,898	-13,989
Dividend to shareholders	-3,131	-2,915	-2,915
Share savings program	4	3	5
Closing shareholders' equity as per balance sheet	134,308	107,269	126,180

Cash flow

SEK M	2023	2022	2022
	Jan – Sept	Jan – Sept	Jan – Dec
Dividend received	6,300	5,370	5,479
Management cost paid	-117	-103	-132
Other	-136	-91	-111
Cash flow from operating activities	6,047	5,176	5,237
Purchases of shares	-2,049	-2,915	-3,184
Sales of shares	–	–	–
Cash flow from investing activities	-2,049	-2,915	-3,184
Loans raised	1,499	2,498	2,498
Amortization of debt	-1,495	-1,586	-1,538
Change in financial investments	–	–	1
Dividend paid	-3,131	-2,915	-2,915
Cash flow from financing activities	-3,127	-2,003	-1,955
Cash flow for the period	871	258	98
Cash and cash equivalents at end of period	1,666	955	795

Parent Company, condensed

Income statement

SEK M	2023	2022	2022
	Jan – Sept	Jan – Sept	Jan – Dec
Operating income	11,700	-26,356	-13,633
Income after financial items	11,493	-26,415	-13,739
Income for the period	11,493	-26,415	-13,739
Comprehensive income for the period	11,475	-26,415	-13,761

Balance sheet

SEK M	2023	2022	2022
	Sept 30	Sept 30	Dec 31
Non-current assets	90,642	68,284	81,319
Current assets	1,301	338	221
Total assets	91,943	68,622	81,540
Shareholders' equity	79,646	58,643	71,299
Non-current liabilities	6,559	6,522	6,552
Current liabilities	5,738	3,457	3,689
Total shareholders' equity and liabilities	91,943	68,622	81,540

Notes

Note 1 Accounting policies

This interim report has been prepared in accordance with IAS 34 – Interim Financial Reporting. Disclosures in accordance with IAS 34.16A are provided – in addition to the financial statements and their accompanying notes – also in other parts of the interim report. The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as endorsed by the EU and the Swedish Annual Accounts Act. The Parent Company financial statements have been prepared in accordance with RFR 2 – Accounting for Legal Entities, and the Annual Accounts Act. New or revised IFRSs and interpretations from the IFRS Interpretations Committee (IFRIC) have not had any material effect on the Group's or Parent Company's result of operations or financial position.

Received shares in Alleima during 2022 have been accounted for in the income statement under *Change in value of shares, etc.* as revenue and a corresponding cost relating to the negative change in value of Sandvik has been accounted for in the same line item.

Note 2 Financial instruments

In accordance with IFRS 13, financial instruments are carried at fair value based on a 3-level hierarchy. The classification is based on the input data used in the valuation of the instruments. Instruments in Level 1 are valued at quoted prices for identical instruments in an active market. Instruments in Level 2 are valued in a valuation model which uses input data that is directly or indirectly observable in the market. Input data used in the valuation model in Level 2 includes interest rates, volatility, and dividend estimates. Instruments in Level 3 are valued using a valuation technique based on input data that is not observable in a market. The valuation technique that is used for the financial instruments in Level 3 is based on net assets in the respective subsidiaries measured at fair value. No changes between the levels occurred compared with the preceding year.

Financial instruments measured at fair value

SEK M	Sept 30, 2023				Dec 31, 2022			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
<i>Assets</i>								
Equities	140,542	–	487	141,029	133,339	–	493	133,832
Derivatives, etc.	–	0	–	0	–	–	–	–
Total assets	140,542	0	487	141,029	133,339	–	493	133,832
<i>Liabilities</i>								
Derivatives, etc.	–	59	–	59	–	49	–	49
Total liabilities	–	59	–	59	–	49	–	49

Note 3 Risks and uncertainties

The most significant risk in Industrivärden's operations is share price risk, i.e., the risk of a change in value due to changes in share prices. A change of 1% in the prices of the holdings in the equities portfolio on September 30, 2023, would have affected the portfolio's market value by approximately +/- SEK 1,400 M. Further information on risks and uncertainties is provided in the 2022 Annual Report.

Note 4 Related-party transactions

No significant transactions with related parties were made during the period.

Definitions and alternative performance measures

This report includes financial key ratios that are based on IFRS, such as earnings per share. In addition, other Alternative Performance Measures (APMs) are used by the Company and other interests to describe the Group's operations and which cannot be discerned or derived from the financial statements. These APMs are to be regarded as a complement to the financial reporting presented in accordance with IFRS. It should be noted that the APMs defined below may differ somewhat from other companies' definitions of the same terms. Reconciliation of APMs is provided on Industrivärden's website.

Market value of equities portfolio

The value of the equities portfolio based on the companies' share prices on the balance sheet date.

Net debt

Financial liabilities and provisions for pensions less financial receivables and cash and cash equivalents.

Earnings per share

Net income for the period divided by the weighted average number of shares outstanding.

Debt–equities ratio

Net debt in relation to the market value of the equities portfolio.

Equity ratio

Shareholders' equity as a share of total assets.

Net asset value

The market value of the equities portfolio less net debt.

Total return, shares

Change in the share price taking into account reinvested dividends. The total return is compared with the total return for the Stockholm Stock Exchange (SIXRX) and the total return for the OMXS30 (OMXS30GI).

Total return, holdings

Change in value of a shareholding including calculated reinvested dividend. Reported only for the current reporting period.

Change in value of shares

For shares held at both the start and end of the period, the change in market value consists of the difference in value between these two points in time. For shares sold during the period, the change in market value consists of the difference between the payment received for the shares and their value at the start of the period. For shares acquired during the period, the change in market value consists of the difference between the cost of the shares and their value at the end of the period.

Information

Financial calendar

Year-End Report 2023: February 2, 2024
Annual Report 2023: February 23, 2024
Interim Report Jan – March: April 8, 2024
Annual General Meeting: April 11, 2024
Interim Report Jan – June: July 8, 2024
Interim Report Jan – Sept: October 17, 2024

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Ticker codes, Class C shares

INDUC:SS in Bloomberg
INDUc.ST in Reuters
INDU C in Nasdaq Stockholm

Additional information

Additional information, including interim reports, annual reports and press releases, is available on Industrivärden's website: www.industrivarden.net.

This report is a translation of the Swedish original. In the event of any difference between the two versions, the Swedish version shall take precedence.

Publication

This information is such that AB Industrivärden is required to make public pursuant to the EU Market Abuse Regulation. The information was submitted for publication, through the agency of the named Head of Corporate Communications and Sustainability, at 11:00 a.m. CEST on October 6, 2023.

Value creating active ownership

Industrivärden is a listed holding company that invests in and works long-term to develop and create value in its portfolio companies. Active ownership is exercised through sizable ownership stakes in a selection of listed companies with strong market positions, good cash flows, financial strength and clear development capacity.

