

# Year-End Report

January 1 – December 31, 2023

- Net asset value on December 31, 2023, was SEK 150.3 billion, or SEK 348 per share. During the year, net asset value increased by 19%, corresponding to SEK 55 per share. On February 1, 2024, net asset value was SEK 341 per share.
- The total return for 2023 was 33% for the Class A shares, as well as for the Class C shares, compared with 19% for the Stockholm Stock Exchange's total return index (SIXRX).
- During the year, shares were purchased for a total of SEK 2.9 billion, of which SEK 1.1 billion in Sandvik, SEK 0.9 billion in Volvo, SEK 0.6 billion in Handelsbanken and SEK 0.2 billion in SCA.
- The Board of Directors proposes a dividend of SEK 7.75 per share (7.25).

|                                   | 2023<br>Dec 31 | 2022<br>Dec 31 |
|-----------------------------------|----------------|----------------|
| Net asset value, SEK M            | 150,252        | 126,477        |
| Net asset value per share, SEK    | 348            | 293            |
| Share price Industrivärden C, SEK | 328.30         | 253.00         |
| Debt-equities ratio               | 5%             | 5%             |

| SEK M                      | 2023<br>Jan – Dec | 2022<br>Jan – Dec |
|----------------------------|-------------------|-------------------|
| Earnings per share, SEK    | 62.15             | -32.34            |
| Dividend income            | 6,418             | 5,479             |
| Dividend paid              | 3,131             | 2,915             |
| <i>Equities portfolio:</i> |                   |                   |
| Purchases                  | 2,854             | 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.

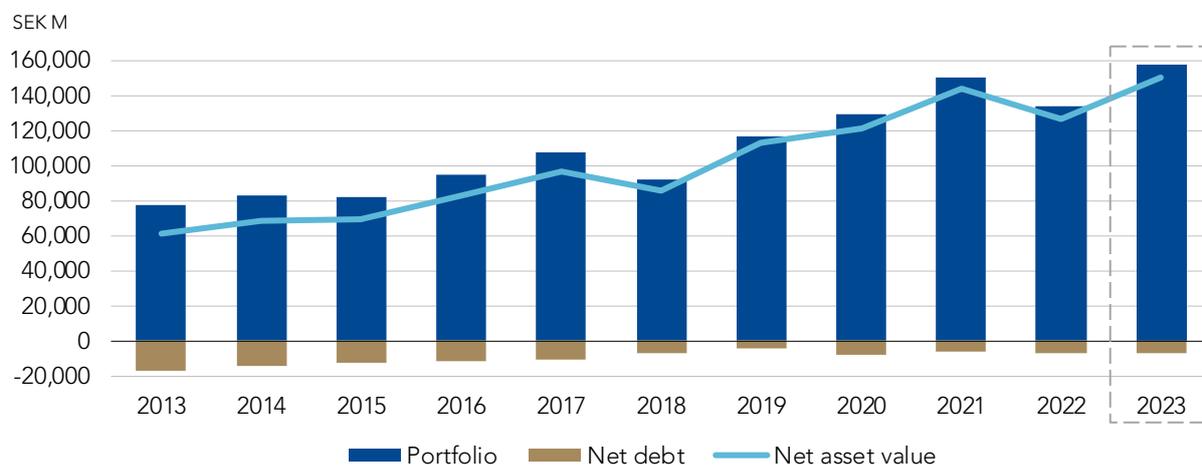
## Net asset value

Net asset value consists of the market value of the equities portfolio less net debt. On December 31, 2023, net asset value was SEK 150.3 billion (126.5) or SEK 348 per share (293), an increase of SEK 55 per share during the year. On February 1, 2024, net asset value was SEK 341 per share.

| Holdings                   | Dec 31, 2023  |                       |       |                |            |                |            |
|----------------------------|---------------|-----------------------|-------|----------------|------------|----------------|------------|
|                            | No. of shares | Share of ownership, % |       | Market value   |            | Share of value |            |
|                            |               | Capital               | Votes | SEK M          | SEK/share  | %              |            |
| Volvo A                    | 166,600,000   |                       |       | 44,482         |            |                |            |
| Volvo B                    | 18,400,000    | 9.1                   | 27.9  | 4,815          | 114        |                | 31         |
| Sandvik                    | 176,900,000   | 14.1                  | 14.1  | 38,582         | 89         |                | 24         |
| Handelsbanken A            | 228,200,000   | 11.5                  | 11.7  | 24,976         | 58         |                | 16         |
| Essity A                   | 33,257,000    |                       |       | 8,264          |            | 41             |            |
| Essity B                   | 38,400,000    | 10.2                  | 29.7  | 9,600          |            |                | 11         |
| SCA A                      | 33,785,290    |                       |       | 5,061          |            | 26             |            |
| SCA B                      | 39,800,000    |                       |       | 6,014          |            |                | 7          |
| Skanska A                  | 12,667,500    |                       |       | 2,310          |            | 14             |            |
| Skanska B                  | 19,500,000    | 7.7                   | 24.5  | 3,556          |            |                | 4          |
| Ericsson A                 | 86,052,615    |                       |       | 5,490          |            | 13             |            |
| Ericsson B                 | 1,000,000     | 2.6                   | 15.1  | 63             |            |                | 4          |
| Alleima                    | 50,300,000    | 20.0                  | 20.0  | 3,854          | 9          |                | 2          |
| Other                      |               |                       |       | 479            | 1          |                | 0          |
| <b>Equities portfolio</b>  |               |                       |       | <b>157,547</b> | <b>365</b> |                | <b>100</b> |
| <b>Net debt</b>            |               |                       |       | <b>-7,295</b>  | <b>-17</b> |                |            |
| <b>Net asset value</b>     |               |                       |       | <b>150,252</b> | <b>348</b> |                |            |
| <b>Debt-equities ratio</b> |               |                       |       | <b>5%</b>      |            |                |            |

During the last ten-year period, net asset value increased from SEK 60.8 billion on December 31, 2013, to SEK 150.3 billion on December 31, 2023. For the last five- and ten-year periods, the average annual growth of net asset value was 12% and 9%, respectively. The chart below illustrates net asset value for the respective year-ends.

## Performance over time



## Performance of the portfolio

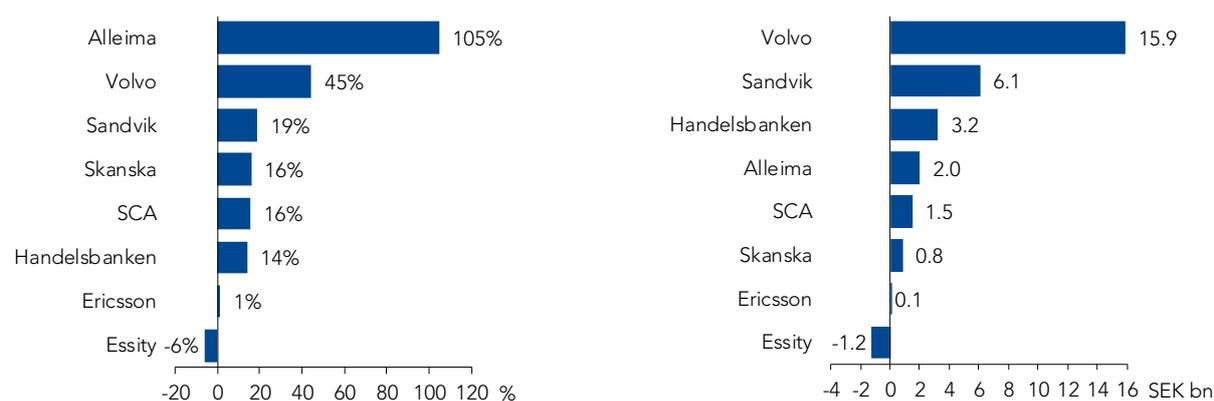
During the year, the value of the portfolio, adjusted for purchases and sales, increased by SEK 20.9 billion, or 16%. On December 31, 2023, the market value of the portfolio was SEK 157.5 billion. Net purchases amounted to SEK 2.9 billion.

### Change in value, net purchases, dividend income

| SEK M         | Dec 31, 2023   |                 | Jan – Dec 2023           |              |
|---------------|----------------|-----------------|--------------------------|--------------|
|               | Market value   | Change in value | Purchase (+) / sales (-) | Dividend     |
| Volvo         | 49,297         | 12,689          | 853                      | 2,537        |
| Sandvik       | 38,582         | 5,191           | 1,137                    | 861          |
| Handelsbanken | 24,976         | 1,093           | 635                      | 1,770        |
| Essity        | 17,864         | -1,676          | –                        | 520          |
| SCA           | 11,075         | 1,286           | 228                      | 184          |
| Skanska       | 5,866          | 558             | –                        | 241          |
| Ericsson      | 5,553          | -187            | –                        | 235          |
| Alleima       | 3,854          | 1,921           | –                        | 70           |
| Other         | 479            | -14             | –                        | –            |
| <b>Total</b>  | <b>157,547</b> | <b>20,861</b>   | <b>2,854</b>             | <b>6,418</b> |

### Total return, shareholdings

January 1 – December 31



### Investment activities

During 2023, shares were purchased for a total of SEK 2,854 M (3,184), of which SEK 1,137 M in Sandvik, SEK 853 M in Volvo B, SEK 635 M in Handelsbanken A and SEK 228 M in SCA B.

### Dividends received

During the year, dividend income from the holdings amounted to SEK 6,418 M (5,479).

## Board of Directors' dividend proposal 2024

The Board of Directors proposes a dividend of SEK 7.75 per share (7.25) for the 2023 financial year, with April 15, 2024, as the record date. In total, the proposed dividend amounts to SEK 3,347 M (3,131).

## Management cost

During 2023, management cost amounted to SEK 126 M (120), which on a yearly basis corresponds to 0.08% (0.09%) of the equities portfolio on December 31, 2023.

## Financing

Net debt amounted to SEK 7.3 billion (7.4) on December 31, 2023, corresponding to a debt-equities ratio of 5% (5%).

Industrivärden's debt financing consists primarily of MTN loans. The average maturity of the debt portfolio was 25 months (27) on December 31, 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         |
|-----------------------------------|--------------|--------------|
| SEK M                             | Dec 31       | Dec 31       |
| Non-current financial liabilities | 6,509        | 6,500        |
| Current financial liabilities     | 1,691        | 1,682        |
| Provisions for pensions           | 0            | 4            |
| Current financial receivables     | -36          | -36          |
| Cash and cash equivalents         | -869         | -795         |
| <b>Total</b>                      | <b>7,295</b> | <b>7,355</b> |

### 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 year was SEK 149,880 M (126,180), corresponding to an equity ratio of 95% (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 2023, 5,954,031 shares were converted.

### Share structure on December 31, 2023

| Share class   | No. of shares      | No. of votes         | Capital, %   | Votes, %     |
|---------------|--------------------|----------------------|--------------|--------------|
| A (1 vote)    | 254,789,494        | 254,789,494.0        | 59.0         | 93.5         |
| C (1/10 vote) | 177,109,614        | 17,710,961.4         | 41.0         | 6.5          |
| <b>Total</b>  | <b>431,899,108</b> | <b>272,500,455.4</b> | <b>100.0</b> | <b>100.0</b> |

# Industrivärden's stock

## Stock performance

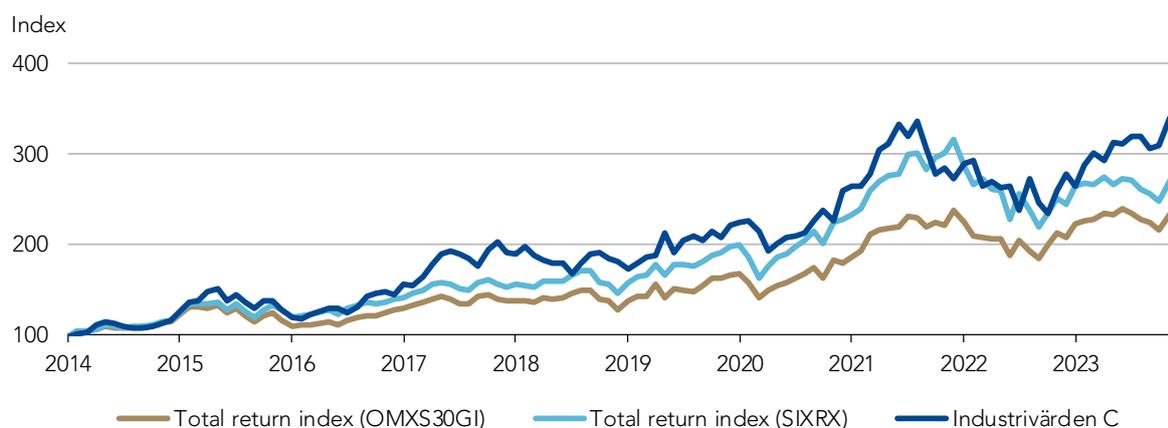
On the last day of trading in 2023, December 29, the price of Industrivärden's Class A and Class C shares was SEK 328.90 and SEK 328.30, respectively. Corresponding share prices on the last day of trading in 2022, December 30, were SEK 253.50 and SEK 253.00, respectively.

The total return during the period was 33% 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 15% and 13%, 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.

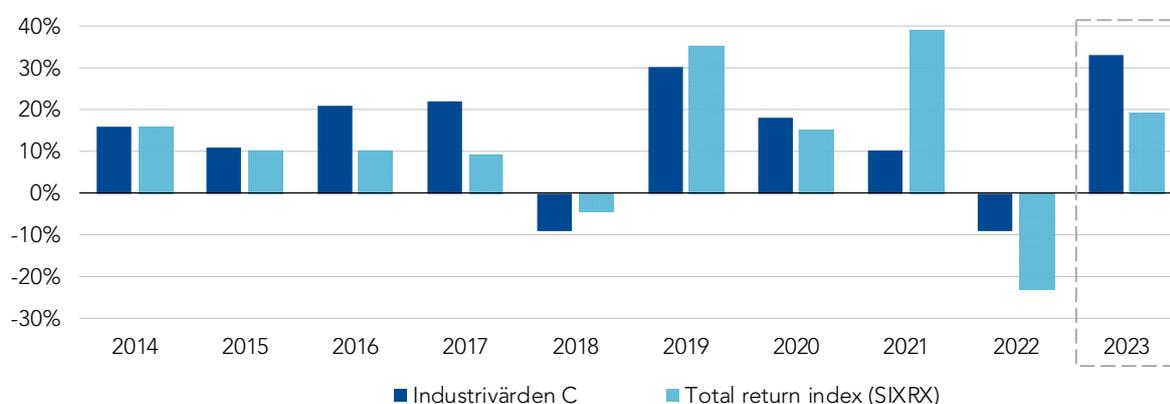
*Average annual growth in value for respective period*

|          | Dec 31, 2023     |               |                  |
|----------|------------------|---------------|------------------|
|          | Total return     |               |                  |
|          | Industrivärden C | Index (SIXRX) | Index (OMXS30GI) |
| 1 year   | 33%              | 19%           | 21%              |
| 3 years  | 10%              | 9%            | 12%              |
| 5 years  | 15%              | 15%           | 14%              |
| 7 years  | 12%              | 11%           | 10%              |
| 10 years | 13%              | 11%           | 10%              |

*Total return over time*



*Total return for the respective year/period*



# Other report information

## **Nominating committee's recommendation for Board of Directors**

The Nominating Committee of AB Industrivärden proposes that the number of Directors is changed from eight to nine Directors and no Deputy Directors. Furthermore, the Nominating Committee proposes re-election of board members Pär Boman, Christian Caspar, Marika Fredriksson, Bengt Kjell, Fredrik Lundberg, Katarina Martinson, Lars Pettersson and Helena Stjernholm as Directors, and that Fredrik Persson is elected new Director. Fredrik Lundberg is proposed for re-election as Chairman of the Board.

The Nominating Committee's other proposals will be made public in the notice of the Annual General Meeting of AB Industrivärden.

## **Events after the balance sheet date**

No significant events have occurred after December 31, 2023.

*This interim report has been subject to review by the Company's auditors.*

Stockholm, February 2, 2024

Helena Stjernholm  
Chief Executive Officer

# Auditor's review report

Auditor's review report of financial information in the year-end report prepared in accordance with IAS 34 and Chapter 9 of the Swedish Annual Accounts Act.

## Introduction

We have reviewed the year-end report for AB Industrivärden (publ) as of 31 December 2023 and for the period then ended. The Board of Directors and the Chief Executive Officer are responsible for the preparation and fair presentation of this year-end report in accordance with IAS 34 and the Swedish Annual Accounts Act. Our responsibility is to express a conclusion on this year-end report based on our review.

## Scope of Review

We conducted our review in accordance with International Standard on Review Engagements ISRE 2410 Review of Interim Financial Information Performed by the Independent Auditor of the Entity. A review of financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (ISA) and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

## Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the year-end report is not prepared, in all material respects, in accordance with IAS 34 and the Swedish Annual Accounts Act for the Group and with the Swedish Annual Accounts Act for the Parent Company.

Stockholm, February 2, 2024

Deloitte AB

Hans Warén

Authorized Public Accountant

# Financial statements

## Group, condensed

### Income statement

| SEK M   | 2023          | 2022          | 2023          | 2022           |
|---|---------------|---------------|---------------|----------------|
|   | Oct – Dec     | Oct – Dec     | Jan – Dec     | Jan – Dec      |
| Dividend income                                     | –             | –             | 6,418         | 5,479          |
| Change in value of shares, etc.                     | 15,709        | 19,045        | 20,851        | -19,246        |
| Management cost                                     | -30           | -24           | -126          | -120           |
| <b>Operating income</b>                             | <b>15,679</b> | <b>19,021</b> | <b>27,143</b> | <b>-13,887</b> |
| Financial items                                     | -44           | -36           | -156          | -90            |
| <b>Income after financial items</b>                 | <b>15,635</b> | <b>18,985</b> | <b>26,987</b> | <b>-13,977</b> |
| Tax   | -64           | -54           | -143          | 10             |
| <b>Net income for the period</b>                    | <b>15,571</b> | <b>18,931</b> | <b>26,844</b> | <b>-13,967</b> |
| Earnings per share (no dilution effect exists), SEK | 36.05         | 43.83         | 62.15         | -32.34         |

### Statement of comprehensive income

| SEK M  | 2023          | 2022          | 2023          | 2022           |
|--|---------------|---------------|---------------|----------------|
|  | Oct – Dec     | Oct – Dec     | Jan – Dec     | Jan – Dec      |
| Net income for the period  | 15,571        | 18,931        | 26,844        | -13,967        |
| Other comprehensive income   |               |               |               |                |
| <i>Items that are not to be reclassified in the income statement</i> |               |               |               |                |
| Actuarial gains and losses on pensions                               | 9             | -22           | -9            | -22            |
| <b>Comprehensive income for the period</b>                           | <b>15,580</b> | <b>18,909</b> | <b>26,835</b> | <b>-13,989</b> |

### Balance sheet

| SEK M   | 2023           | 2022           |
|---|----------------|----------------|
|   | Dec 31         | Dec 31         |
| Tangible fixed assets                             | 25             | 14             |
| Equities  | 157,547        | 133,832        |
| <b>Total non-current assets</b>                   | <b>157,572</b> | <b>133,846</b> |
| Current financial receivables                     | 36             | 36             |
| Other current receivables                         | 49             | 79             |
| Cash and cash equivalents                         | 869            | 795            |
| <b>Total current assets</b>                       | <b>954</b>     | <b>910</b>     |
| <b>Total assets</b>                               | <b>158,526</b> | <b>134,756</b> |
| Shareholders' equity                              | 149,880        | 126,180        |
| Non-current financial liabilities                 | 6,509          | 6,500          |
| Provisions for pensions                           | 0              | 4              |
| Deferred tax liability                            | 228            | 134            |
| Other non-current liabilities                     | 40             | 48             |
| <b>Total non-current liabilities</b>              | <b>6,777</b>   | <b>6,686</b>   |
| Current financial liabilities                     | 1,691          | 1,682          |
| Other current liabilities                         | 178            | 208            |
| <b>Total current liabilities</b>                  | <b>1,869</b>   | <b>1,890</b>   |
| <b>Total shareholders' equity and liabilities</b> | <b>158,526</b> | <b>134,756</b> |

## Group, condensed (continuation)

### Change in shareholders' equity

| SEK M  | 2023           | 2022           |
|--|----------------|----------------|
|  | Jan – Dec      | Jan – Dec      |
| Opening shareholders' equity as per balance sheet        | 126,180        | 143,079        |
| Net income for the period                                | 26,844         | -13,967        |
| Other comprehensive income                               | -9             | -22            |
| <b>Comprehensive income for the period</b>               | <b>26,835</b>  | <b>-13,989</b> |
| Dividend to shareholders                                 | -3,131         | -2,915         |
| Share savings program                                    | -4             | 5              |
| <b>Closing shareholders' equity as per balance sheet</b> | <b>149,880</b> | <b>126,180</b> |

### Cash flow

| SEK M   | 2023          | 2022          |
|---|---------------|---------------|
|   | Jan – Dec     | Jan – Dec     |
| Dividend received                                 | 6,418         | 5,479         |
| Management cost paid                              | -159          | -132          |
| Other   | -202          | -111          |
| <b>Cash flow from operating activities</b>        | <b>6,057</b>  | <b>5,237</b>  |
| Purchases of shares                               | -2,854        | -3,184        |
| Sales of shares                                   | -             | -             |
| <b>Cash flow from investing activities</b>        | <b>-2,854</b> | <b>-3,184</b> |
| Loans raised                                      | 1,499         | 2,498         |
| Amortization of debt                              | -1,497        | -1,538        |
| Change in financial investments                   | -             | 1             |
| Dividend paid                                     | -3,131        | -2,915        |
| <b>Cash flow from financing activities</b>        | <b>-3,129</b> | <b>-1,955</b> |
| Cash flow for the period                          | 74            | 98            |
| <b>Cash and cash equivalents at end of period</b> | <b>869</b>    | <b>795</b>    |

## Parent Company, condensed

### Income statement

| SEK M                                      | 2023          | 2022           |
|--|---------------|----------------|
|  | Jan – Dec     | Jan – Dec      |
| Operating income                           | 23,429        | -13,633        |
| Income after financial items               | 23,133        | -13,739        |
| <b>Income for the period</b>               | <b>23,133</b> | <b>-13,739</b> |
| <b>Comprehensive income for the period</b> | <b>23,124</b> | <b>-13,761</b> |

### Balance sheet

| SEK M   | 2023           | 2022          |
|---|----------------|---------------|
|   | Dec 31         | Dec 31        |
| Non-current assets                                | 103,032        | 81,319        |
| Current assets                                    | 764            | 221           |
| <b>Total assets</b>                               | <b>103,796</b> | <b>81,540</b> |
| Shareholders' equity                              | 91,288         | 71,299        |
| Non-current liabilities                           | 6,549          | 6,552         |
| Current liabilities                               | 5,959          | 3,689         |
| <b>Total shareholders' equity and liabilities</b> | <b>103,796</b> | <b>81,540</b> |

# 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 Swedish 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                    | Dec 31, 2023   |           |            |                | Dec 31, 2022   |           |            |                |
|--------------------------|----------------|-----------|------------|----------------|----------------|-----------|------------|----------------|
|                          | Level 1        | Level 2   | Level 3    | Total          | Level 1        | Level 2   | Level 3    | Total          |
| <i>Assets</i>            |                |           |            |                |                |           |            |                |
| Equities                 | 157,068        | –         | 479        | 157,547        | 133,339        | –         | 493        | 133,832        |
| Derivatives, etc.        | –              | 2         | –          | 2              | –              | –         | –          | –              |
| <b>Total assets</b>      | <b>157,068</b> | <b>2</b>  | <b>479</b> | <b>157,549</b> | <b>133,339</b> | <b>–</b>  | <b>493</b> | <b>133,832</b> |
| <i>Liabilities</i>       |                |           |            |                |                |           |            |                |
| Derivatives, etc.        | –              | 21        | –          | 21             | –              | 49        | –          | 49             |
| <b>Total liabilities</b> | <b>–</b>       | <b>21</b> | <b>–</b>   | <b>21</b>      | <b>–</b>       | <b>49</b> | <b>–</b>   | <b>49</b>      |

## 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 December 31, 2023, would have affected the portfolio's market value by approximately +/- SEK 1,600 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 stakeholders 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 under the menu *Investors – Industrivärden in figures*.

## **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 shareholdings**

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

## **Change in value of shareholdings**

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

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](http://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 3:40 p.m. CET on February 2, 2024.

## 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.

