

INTERIM REPORT JANUARY–JUNE 2023



 storskogen

SECOND QUARTER (1 APRIL–30 JUNE 2023)

- Net sales increased by 4 percent to SEK 9,462m (9,059).
- Adjusted EBITA increased by 5 percent to SEK 922m (877), corresponding to an adjusted EBITA margin of 9.7 percent (9.7).
- Operating profit (EBIT) decreased by 11 percent to SEK 605m (681), corresponding to an operating margin of 6.4 percent (7.5).
- Profit for the period decreased by 76 percent to SEK 115m (474).
- Earnings per share before/after dilution amounted to SEK 0.04 (0.25).
- Cash flow from operating activities came in at SEK 852m (335).
- Four acquisitions were completed during the quarter, with combined annual sales of SEK 304m. The acquisition of AC Electrical was financed in half by convertibles that will be converted into B shares in Storskogen Group in April 2024.
- Four divestments were completed with combined sales in the previous 12-month period of SEK 1,222m.
- Storskogen issued bonds of SEK 2,000m maturing in 2027. At the same time, outstanding bonds of SEK 2,596m, maturing in 2024, were repurchased through a conditional offer.
- The Annual General Meeting on 12 May resolved on the proposed dividend of SEK 0.08 per share; the new election of Robert Belkic to the Board of Directors and the re-election of Annette Brodin Rampe (Chair of the Board), Alexander Bjärggård, Louise Hedberg and Johan Thorell; implementation of share-related incentive programmes and authorisation for the Board of Directors to issue shares, warrants or convertibles, and to repurchase treasury shares.

THE PERIOD (1 JANUARY–30 JUNE 2023)

- Net sales increased by 17 percent to SEK 18,675m (15,997). Organic sales growth was -2 percent.
- Adjusted EBITA increased by 25 percent to SEK 1,807m (1,445), corresponding to an adjusted EBITA margin of 9.7 percent (9.0). Organic EBITA growth was -5 percent.
- Operating profit (EBIT) increased by 25 percent to SEK 1,436m (1,150), corresponding to an operating margin of 7.7 percent (7.2).
- Profit for the period decreased by 12 percent to SEK 630m (712).
- Earnings per share before/after dilution amounted to SEK 0.32 (0.38).
- Cash flow from operating activities came in at SEK 1,318m (152).
- Seven acquisitions were completed during the period, with combined annual sales of SEK 399m.
- Five divestments were completed during the period with combined annual sales of SEK 1,272m.

SIGNIFICANT EVENTS AFTER THE END OF THE PERIOD

- Storskogen repurchased the remaining SEK 404m of the outstanding bonds maturing in April 2024, through early redemption.

Amounts in parentheses are for the corresponding periods in 2022.

PERFORMANCE MEASURES

SEK m	2023			2022			12 months until 30 Jun 2023	Full-year 2022
	Apr-Jun	Apr-Jun	Change %	Jan-Jun	Jan-Jun	Change %		
Net sales	9,462	9,059	4	18,675	15,997	17	36,929	34,250
Adjusted EBITA	922	877	5	1,807	1,445	25	3,505	3,143
Adjusted EBITA margin, %	9.7	9.7		9.7	9.0		9.5	9.2
Operating profit	605	681	-11	1,436	1,150	25	2,899	2,613
Operating margin, %	6.4	7.5		7.7	7.2		7.8	7.6
Profit before tax	248	655	-62	886	983	-10	2,014	2,111
Profit for the period	115	474	-76	630	712	-12	1,510	1,592
Interest-bearing net debt/adjusted RTM EBITDA (12 months), x					2.5		2.6	2.6
Total assets (balance day)					47,040		47,309	47,482
Basic and diluted earnings per share, SEK	0.04	0.25	-83	0.32	0.38	-16	0.80	0.86
Return on equity, % (12 months)					9.2		7.7	8.8
Return on capital employed, % (12 months)					9.6		10.2	10.1
Equity/assets ratio, %					38		44	41
Cash flow from operating activities	852	335		1,318	152		2,795	1,628
Adjusted cash conversion, %	105	44		92	32		87	59

Comments from the CEO

We had a solid second quarter with sales of SEK 9.5 billion (9.1) and an adjusted EBITA margin of 9.7 percent (9.7). Market conditions remain challenging but efforts across our business units are yielding results, with strong cash flow from operating activities and a sustained trend towards our 10 percent adjusted EBITA margin target. In addition, we further strengthened our balance sheet as we completed strategic divestments and extended the maturity profile of our debt portfolio.

The second quarter is seasonally strong for our Services business area, where sales and profitability improved. The Infrastructure vertical, which had a slow first quarter, developed well. The Installation vertical also showed solid performance, with strong contributions from non-Scandinavian companies, including the newly acquired AC Electrical. Companies exposed to new construction, primarily within Engineering Services, continued to experience soft demand.

In our Trade business area, the prevailing consumer sentiment is more visible. Negative organic growth, especially in terms of EBITA, is largely attributable to the Home and Living vertical. Sales and EBITA improved sequentially in Sports, Clothing and Accessories but remained below the strong levels seen in 2022. Even though customer inventory levels have started to decrease, there is still significant caution and hesitation regarding restocking. On a positive note, the Health and Beauty vertical continued its streak of strong performance.

Global trends such as industrial automation, reshoring and the green transition are having a positive effect on our Industry business area, offsetting some of the challenges in our Trade business area. This is a testament to the strength of our diversified business model. The positive trend in recent quarters levelled out somewhat in the second quarter due to increased competition within the Automation vertical and softening demand in certain consumer-facing companies within Products. Industrial Technology improved both sales and profitability.

In the second quarter our continuous strategic business review resulted in the divestment of Dextry Group, Skidstahus, Hilpert Electronics and Delikatesskungen. The assessment was that these companies were no longer in line with Storskogen's long-term financial and strategic objectives, and new ownership was considered mutually beneficial. The divestments have reduced debt and are a step forward in our efforts to achieve our long-term targets.

Over the past six months, we have extended the maturity profile of our debt portfolio significantly, first by extending our credit facilities in the first quarter and now in the second quarter by reducing outstanding bonds by SEK 1 billion and extending the maturity. Although the new bonds were issued at a higher coupon, I am pleased that we no longer have any bonds maturing in 2023 or 2024.

I am proud of what we have accomplished in the past year. We have seen progress across all prioritised areas communicated at our Capital Markets Day in September 2022. We have significantly reduced the pace of acquisitions, completed strategic divestments, improved cash flow from operating activities, reduced leverage¹⁾ and central costs as well as protected profitability. We do not expect macroeconomic uncertainty to improve in the short term, and we remain committed to our prioritised areas during the second half of 2023.

Daniel Kaplan, CEO

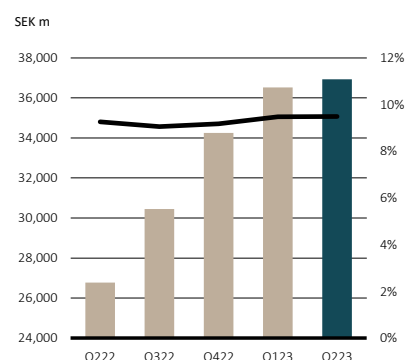
1) Interest-bearing net debt/RTM adjusted EBITDA



“In the past year we have seen progress across all prioritised areas communicated at our Capital Markets Day in September 2022.”

Daniel Kaplan, CEO

NET SALES AND ADJUSTED EBITA MARGIN, ROLLING 12 MONTHS



MEDIUM-TERM FINANCIAL TARGETS

ORGANIC EBITA GROWTH

Real GDP growth plus 1–2 percentage points (existing markets)

EBITA GROWTH INCLUDING ACQUISITIONS

Growth in line with historical levels

ADJUSTED EBITA MARGIN

10 percent over time

ADJUSTED CASH CONVERSION

>70 percent (LTM)

INTEREST-BEARING NET DEBT/RTM ADJUSTED EBITDA

2.0–3.0x

The Group's performance

SALES

Second quarter 2023

Net sales for the second quarter increased by 4 percent to SEK 9,462 million (9,059). The change was primarily attributable to business area Industry.

January–June 2023

Net sales for the first six months increased by 17 percent to SEK 18,675 million (15,997). Organic sales growth for the period, i.e. growth in companies that were owned by Storskogen for both complete comparable periods, was -2 percent. The negative growth was mainly attributable to the Trade business area, which was affected by uncertainty and weaker consumer demand as a result of prevailing high inflation and interest rate hikes.

RTM (rolling 12 months pro forma)

Had Storskogen owned all subsidiaries throughout the previous 12-month period (RTM), excluding divested companies, net sales would have amounted to SEK 36,080 million.

EARNINGS

Second quarter 2023

Adjusted EBITA increased in the second quarter by 5 percent to SEK 922 million (877), corresponding to an adjusted EBITA margin of 9.7 percent (9.7).

Items affecting comparability, adjusted for in EBITA, amounted to SEK 101 million (27), driven by remeasurement of contingent considerations of SEK 53 million (-3), capital gains/losses from divestments of SEK 46 million (0), fair value adjustments of acquired assets (inventory) of SEK 0 million (23) and acquisition related stamp duty of SEK 2 million (7). Transaction costs, which are not included in items affecting comparability but are distributed per business area, impacted the profit for the quarter by SEK -2 million (-37).

Group functions affected adjusted EBITA by SEK -68 million (-97). The combined adjusted EBITA margin for the business areas, excluding Group functions and transaction costs, was 10.5 percent (11.2).

Operating profit (EBIT) decreased by 11 percent to SEK 605 million (681) and was impacted by items affecting comparability. The operating margin came in at 6.4 percent (7.5) for the quarter.

Net financial items amounted to SEK -357 million (-26), of which exchange rate effects and other financial items represented SEK -84 million (75), and net interest expenses represented SEK -272 million (-101), whereof SEK -51 million (0) were one-off costs related to the redemption of the outstanding bond maturing in 2024.

Profit before tax decreased by 62 percent to SEK 248 million (655). Profit for the period decreased by 76 percent to SEK 115 million (474), where tax was negatively affected primarily by non-deductible items. Earnings per share amounted to SEK 0.04 (0.25).

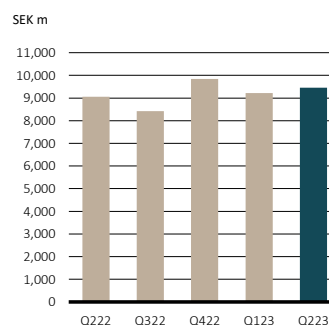
The second quarter is usually seasonally strong, especially for the Services business area, but also for the Trade business area. The second quarter of 2023 was characterised by continued macroeconomic uncertainty, interest rate hikes and high inflation, all of which primarily affected the Trade business area. Some verticals in Services and Industry, where there is an indirect connection to the end consumer, were also affected by these factors. The third quarter is normally seasonally weaker, but although market development is difficult to assess, the Services and Industry business areas are seeing generally stable order intake. Storskogen is continuing to focus on cash flow and profitability in the currently uncertain state of the economy. For further information on the business areas, see pages 5–7.

January–June 2023

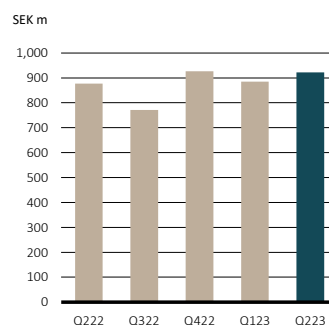
Adjusted EBITA for the first six months increased by 25 percent to SEK 1,807 million (1,445), corresponding to an adjusted EBITA margin of 9.7 percent (9.0). Organic EBITA growth was -5 percent for the period, i.e., growth in companies that were owned by Storskogen for both complete comparable periods. The negative effect is attributable to the Trade business area.

Operating profit (EBIT) increased by 25 percent to SEK 1,436 million (1,150) and operating profit amounted to 7.7 percent (7.2).

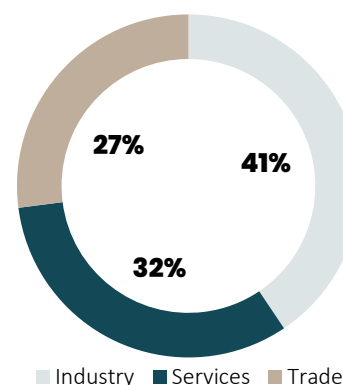
NET SALES BY QUARTER



OPERATING PROFIT (ADJUSTED EBITA) BY QUARTER



BREAKDOWN OF SALES BY BUSINESS AREA, Q2 2023



Net financial items amounted to SEK -551 million (-168), of which exchange rate effects and other financial items represented SEK -52 million (20), and net interest expenses represented SEK -499 million (-188), whereof SEK -51 million (0) were one-off costs related to the redemption of the outstanding bonds maturing in 2024.

Profit before tax decreased by 10 percent to SEK 886 million (983). Profit for the period decreased by 12 percent to SEK 630 million (712). Earnings per share amounted to SEK 0.32 (0.38).

RTM (rolling 12 months pro forma)

Had Storskogen owned all subsidiaries throughout the previous 12-month period (RTM), excluding divested companies, the Group would have generated adjusted EBITDA of SEK 4,600 million and adjusted EBITA of SEK 3,586 million, corresponding to an adjusted EBITA margin of 9.9 percent.

Net sales by business area and for the Group

SEK m	2023			2022			12 months until 30 Jun 2023	Full-year 2022
	Apr-Jun	Apr-Jun	Change %	Jan-Jun	Jan-Jun	Change %		
Services	3,067	2,998	2	5,852	5,292	11	11,911	11,351
Trade	2,561	2,523	2	5,169	4,474	16	10,333	9,637
Industry	3,845	3,543	9	7,678	6,242	23	14,724	13,288
Operations	9,473	9,064	5	18,699	16,007	17	36,967	34,276
Group operations	-12	-6		-23	-11		-39	-26
Net sales, Group	9,462	9,059	4	18,675	15,997	17	36,929	34,250

Operating profit (EBIT) by business area and for the Group

SEK m	2023			2022			12 months until 30 Jun 2023	Full-year 2022
	Apr-Jun	Apr-Jun	Change %	Jan-Jun	Jan-Jun	Change %		
Services	307	261	17	557	441	26	1,195	1,079
Trade	246	301	-18	465	491	-5	898	923
Industry	437	412	6	920	683	35	1,697	1,460
Group operations	-68	-97		-136	-171		-284	-319
Adjusted EBITA	922	877	5	1,807	1,445	25	3,505	3,143
Reversal of adjusted items	-101	-27		52	-2		216	162
EBITA	821	850	-3	1,859	1,442	29	3,721	3,305
Amortisation of intangible non-current assets	-216	-170		-422	-292		-823	-692
Operating profit, EBIT	605	681	-11	1,436	1,150	25	2,899	2,613

RETURNS

Return on average equity was 7.7 percent (9.2). The decrease compared to last year was primarily a consequence of increased average equity and lower net financial items. Return on capital employed was 10.2 percent (9.6). The improvement compared to last year was a result of improved operating profit.

FINANCIAL POSITION

At the end of the quarter, the Group had equity of SEK 20,681 million (17,980) and an equity/assets ratio of 44 percent (38). Cash and cash equivalents amounted to SEK 1,990 million (3,758). The Group also had unutilised credit facilities of SEK 6,959 million at the end of the period. The Group's interest-bearing net debt decreased during the quarter by SEK 229 million to SEK 11,896 million. Interest-bearing net debt/EBITDA, based on RTM adjusted EBITDA for the previous 12-month period, was 2.6x (2.5), i.e., unchanged from the end of 2022.

CASH FLOW AND INVESTMENTS

Cash flow from operating activities amounted to SEK 852 million (335) in the second quarter. Cash flow thus improved by SEK 517 million compared to last year, owing to a significantly lower level of working capital tied up. Changes in working capital affected cash flow by SEK 223 million (-519). Adjusted cash conversion (adjusted EBITDA after changes in working capital and net investments in tangible assets as a percentage of adjusted EBITDA) was 105 percent (44) for the quarter. For the past 12-month period, adjusted cash conversion was 87 percent (32), which is above the target of a minimum of 70 percent.

The Group's net investments in tangible assets, i.e. capex, amounted to SEK 166 million (104) for the quarter, corresponding to 1.8 percent (1.1) of the quarter's net sales. Acquisitions and divestments of shares in subsidiaries, including payments of contingent considerations for acquisitions in previous years, amounted to net SEK 313 million (3,596) in the second quarter.

Business area Services

RESULTS

Net sales in the Services business area increased by 2 percent to SEK 3,067 million (2,998) in the second quarter and by 11 percent to SEK 5,852 million (5,292) in the first six months 2023. Organic sales growth for the first six months was 0 percent.

Adjusted EBITA increased by 17 percent to SEK 307 million (261) in the second quarter and by 26 percent to SEK 557 million (441) in the first six months. The adjusted EBITA margin was 10.0 percent (8.7) for the quarter and 9.5 percent (8.3) for the first six months. Organic EBITA growth for the first six months was 8 percent.

The result includes transaction costs of SEK 2 million (11) for the quarter and SEK 2 million (18) for the first six months. Adjusted EBITA excluding transaction costs was SEK 309 million (273) for the quarter and SEK 559 million (460) for the first six months, corresponding to an EBITA margin of 10.1 percent (9.1) and 9.6 percent (8.7) respectively.

SEK m	2023			2022			12 months until 30 Jun 2023	Full-year 2022
	Apr-Jun	Apr-Jun	Change %	Jan-Jun	Jan-Jun	Change %		
Net sales	3,067	2,998	2	5,852	5,292	11	11,911	11,351
Adjusted EBITA excl. transaction costs	309	273	13	559	460	22	1,200	1,101
Adjusted EBITA margin excl. transaction costs, %	10.1	9.1		9.6	8.7	-	10.1	9.7
Transaction costs	-2	-11		-2	-18		-5	-22
Adjusted EBITA	307	261	17	557	441	26	1,195	1,079
Adjusted EBITA margin, %	10.0	8.7		9.5	8.3		10.0	9.5
Number of employees, end of period				4,559	5,095		4,559	5,140
Number of business units, end of period				61	61		61	62

The second quarter is seasonally strong for companies in the services sector and the Services business area. The outcome in the second quarter this year followed this trend, with both sales and profits improving in relation to the first quarter. Compared to the same period last year, earnings growth was up slightly while profitability improved significantly. Margin development benefitted from high occupancy rates in many areas and from profitability in the second quarter last year being negatively impacted by increased costs and price adjustments that had not yet reached their full effect.

Most verticals improved their profitability compared to last year. Companies within the two largest verticals, Installation and Infrastructure, were the main contributors to the margin improvement compared to last year. This was due to favourable market conditions with high demand and a stable order intake.

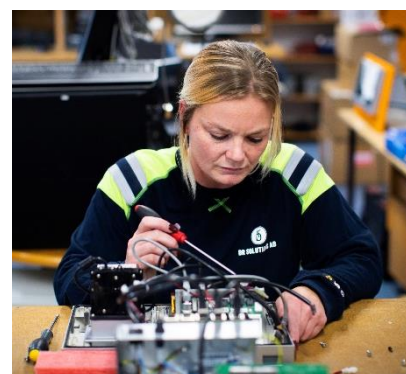
Companies with exposure to new construction, mainly within the Engineering Services vertical, are still impacted by the slowdown of the construction industry and had negative sales growth compared to the same period last year. However, stabilised supply chains and prices of input goods contributed to improved profitability.

OUTLOOK

The beginning of the third quarter is generally weak for companies within Services, due to the holiday season. The strong demand seen in the second quarter and the largely stable order intake indicate somewhat less uncertainty for the second half of the year for the business area as a whole.

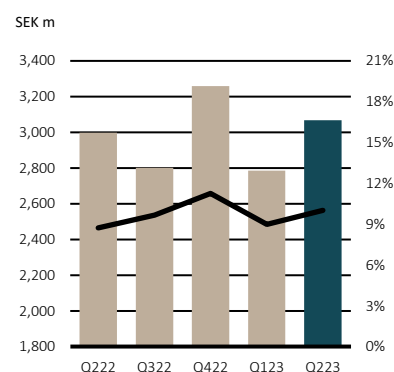
TRANSACTIONS DURING THE QUARTER

One acquisition was completed during the quarter, of AC Electrical, a British supplier of electricity services, and one divestment, of Dextry Group, a constellation of painting companies. The divestment of Dextry Group, which constituted an individual business unit, reduced the number of the Group's business units. The previously independent business unit Allan Eriksson Mark, became part of the business unit Sisab-gruppen during the quarter.

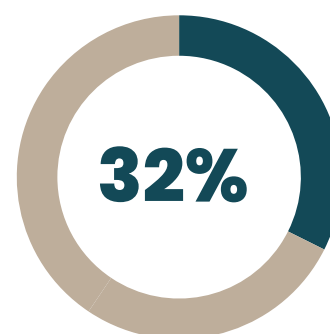


The Services business area comprises service companies with strong positions in specific B2B niche markets. It consists of 61 business units in the following verticals: Contracting Services, Infrastructure, Installation, Logistics, Engineering Services, Digital Services, and HR and Competence.

SALES, SEK M ADJUSTED EBITA MARGIN, %



SHARE OF GROUP SALES, Q2 2023



Business area Trade

RESULTS

Net sales in the Trade business area increased by 2 percent to SEK 2,561 million (2,523) in the second quarter and by 16 percent to SEK 5,169 million (4,474) in the first six months. Organic sales growth for the first six months was -3 percent.

Adjusted EBITA decreased by 18 percent to SEK 246 million (301) in the quarter and by 5 percent to SEK 465 million (491) in the first six months. The adjusted EBITA margin was 9.6 percent (11.9) for the quarter and 9.0 percent (11.0) for the first six months. Organic EBITA growth amounted to -22 percent in the first six months.

The result includes transaction costs of SEK 1 million (11) for the quarter and SEK 1 million (15) for the first six months. Adjusted EBITA excluding transaction costs was SEK 247 million (312) for the quarter and SEK 466 million (506) for the first six months, corresponding to an adjusted EBITA margin of 9.6 percent (12.4) and 9.0 percent (11.3) respectively.

SEK m	2023			2022			12 months until 30 Jun 2023	Full-year 2022
	Apr-Jun	Apr-Jun	Change %	Jan-Jun	Jan-Jun	Change %		
Net sales	2,561	2,523	2	5,169	4,474	16	10,333	9,637
Adjusted EBITA excl. transaction costs	247	312	-21	466	506	-8	909	950
Adjusted EBITA margin excl. transaction costs, %	9.6	12.4		9.0	11.3	-	8.8	9.9
Transaction costs	-1	-11		-1	-15		-11	-26
Adjusted EBITA	246	301	-18	465	491	-5	898	923
Adjusted EBITA margin, %	9.6	11.9		9.0	11.0		8.7	9.6
Number of employees, end of period				2,557	2,064		2,557	2,417
Number of business units, end of period				32	34		32	35

The second quarter is seasonally strong for the Trade business area. Companies within the Health and Beauty vertical developed well, driven by continued strong demand. This was also the case for Niche Businesses which had stable development during the quarter.

The Sports, Clothing and Accessories vertical reported increased sales and margins compared to the first quarter. However, the result in the quarter was lower than the previous year, but profitability remained good owing to implemented efficiency and cost measures. The business area's decreased margin is to a large extent attributable to the Home and Living vertical which had weak development both in relation to the first quarter and the comparison quarter. For the companies in these two verticals, customers' inventory levels decreased in the quarter, but there was significant caution in restocking.

The business area's EBITA margin was noticeably affected by inflation and cost increases related to the weaker Swedish krona. However, efficiency improvement efforts and cost-cutting measures compensated for this to some extent. There was also a focus in the business area on decreasing working capital during the quarter, which yielded good results.

OUTLOOK

The prevailing caution in the market is expected to continue to have a dampening effect on consumer related goods. Health and Beauty and Niche Businesses, which are less sensitive to the business cycle, are expected to see continued stable demand. Long-term initiatives to improve working capital efficiency continue.

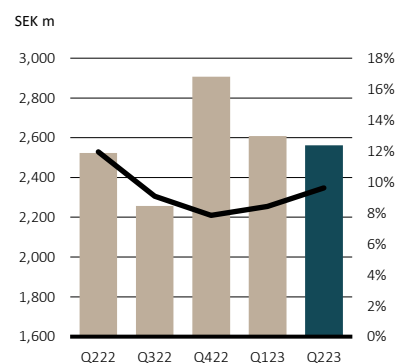
TRANSACTIONS DURING THE QUARTER

Two add-on acquisitions were completed during the quarter: Swedish company Guardio Safety, an add-on acquisition to Bästadsgruppen; and the Norwegian company Modern Design, an add-on acquisition to Vox Hair Concept. In addition, three divestments were completed: Skidstahus and Delikatesskungen in Sweden, and Hilpert Electronics in Switzerland. The divestment of Delikatesskungen, which constituted an individual business unit, reduced the number of the Group's business units.

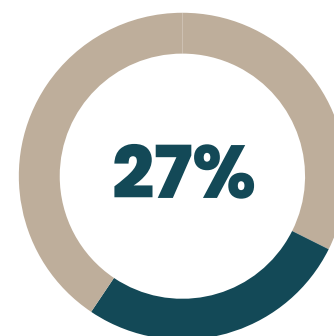


The Trade business area comprises companies selling physical products. The majority are distributors and wholesalers that market both their own and external brands. It consists of 32 business units in the following verticals: Home and Living, Health and Beauty, Sports, Clothing and Accessories, and Niche Businesses.

SALES, SEK M ADJUSTED EBITA MARGIN, %



SHARE OF GROUP SALES, Q2 2023



Business area Industry

RESULTS

Net sales in the Industry business area increased by 9 percent to SEK 3,845 million (3,543) in the second quarter and by 23 percent to SEK 7,678 million (6,242) in the first six months. Organic sales growth amounted to -1 percent for the first six months.

Adjusted EBITA increased by 6 percent to SEK 437 million (412) in the second quarter and by 35 percent to SEK 920 million (683) in the first six months. The adjusted EBITA margin was 11.4 percent (11.6) for the quarter and 12.0 percent (10.9) for the first six months. Organic EBITA growth was 1 percent for the first six months.

The result includes transaction costs of SEK 0 million (14) for the quarter and SEK 1 million (19) for the first six months. Adjusted EBITA excluding transaction costs was SEK 437 million (426) for the quarter and SEK 921 million (703) for the first six months, corresponding to an adjusted EBITA margin of 11.4 percent (12.0) and 12.0 percent (11.3) respectively.

SEK m	2023			2022			12 months until 30 Jun 2023	Full-year 2022
	Apr-Jun	Apr-Jun	Change %	Jan-Jun	Jan-Jun	Change %		
Net sales	3,845	3,543	9	7,678	6,242	23	14,724	13,288
Adjusted EBITA excl. transaction costs	437	426	3	921	703	31	1,703	1,484
Adjusted EBITA margin excl. transaction costs, %	11.4	12.0	-	12.0	11.3	-	11.6	11.2
Transaction costs	-	-14		-1	-19		-6	-24
Adjusted EBITA	437	412	6	920	683	35	1,697	1,460
Adjusted EBITA margin, %	11.4	11.6		12.0	10.9		11.5	11.0
Number of employees, end of period				5,286	4,950		5,286	5,276
Number of business units, end of period				39	37		39	39

The Industry business area continued to develop well in the second quarter, both in terms of sales and results. Although the underlying market was characterised by continued good demand and order intake, there was some slowdown for companies with exposure to the consumer market or some parts of the construction industry. High commodity prices also impacted several industries. However, price increases that were implemented as well as continuous productivity improvements resulted in the EBITA margin being in line with the same quarter last year, albeit somewhat lower than in the first quarter.

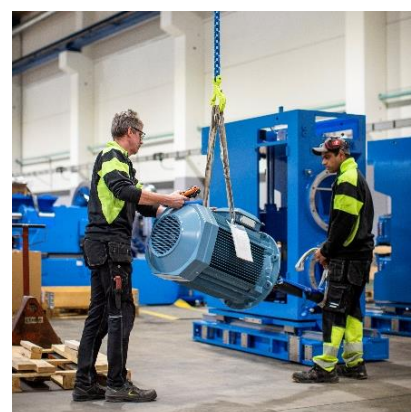
Companies within the Industrial Technology vertical, which generally have slightly lower margins than companies within Automation and Products, developed particularly well during the quarter. Among them are metal processing and metal application companies which had a strong quarter with continued good demand. However, companies targeting the construction industry faced a more strained situation. Companies in the Automation vertical benefitted from continued good demand for automation solutions. The Products vertical also had a stable quarter, though companies exposed to the construction and consumer market experienced lower demand.

OUTLOOK

Market development for industrial companies is currently difficult to assess. Orderbooks are at a high level, if somewhat lower than in the autumn. Although order intake is stable, demand within the consumer market and parts of the construction industry is expected to decline further. The underlying trends of the green transition, high demand for automation solutions and reshoring from low-cost countries to Sweden and Europe, are expected to remain and have a positive impact on many of companies in the business area.

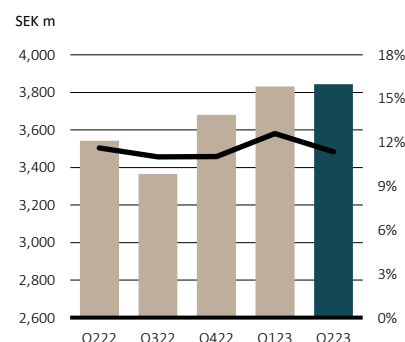
TRANSACTIONS DURING THE QUARTER

During the quarter Wibe completed an add-on acquisition of Align Products. Align Products is based in Malaysia and develops cable system solutions in glass fibre reinforced plastic for challenging environments.

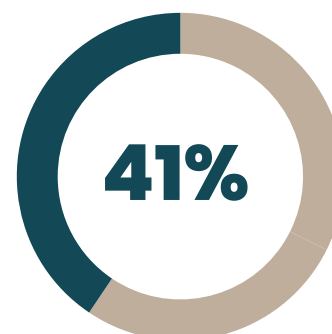


The Industry business area comprises traditional B2B industrial companies in heavy and medium-heavy industry, manufacturing and automation. It consists of 39 business units in the following verticals: Automation, Industrial Technology, and Products.

SALES, SEK M ADJUSTED EBITA MARGIN, %



SHARE OF GROUP SALES, Q2 2023



Transactions

ACQUISITIONS DURING THE PERIOD

Storskogen completed four acquisitions during the second quarter, one of which was a platform acquisition and three were add-on acquisitions. The acquired entities have a total of 315 employees, combined annual sales of SEK 304 million and EBITA of SEK 72 million.

For more information on acquisitions completed during the period 1 January – 30 June 2023, see Note 4 – Business combinations.

Breakdown of acquisitions completed January–June 2023 by Group business area:

Acquisitions	Acquisition date	Annual net sales, SEK m	Number of employees by acquisition	Share of capital/votes, %	Business area
Höga Kusten Teknik Resurs AB	January	61	21	90.1	Industry
Loginor AB	January	22	7	90.0	Industry
HSV Hässleholms Sot & Vent AB, incl. fellow subsidiary	January	12	12	95.7	Services
AC Electrical Services Group Ltd, incl. subsidiary	April	191	63	80.0	Services
Modern Design AS, incl. subsidiaries	April	105	249	80.0	Trade
Guardio Safety AB	May	8	3	91.0	Trade
Align Products Sdn. Bhd	June	-	-	100.0	Industry
Total		399	355		

DIVESTMENTS DURING THE PERIOD

Four divestments were completed during the second quarter. Two divestments consisted of business units and two were parts of business units. The divested companies have contributed sales of SEK 1,222 million and adjusted EBITA of SEK 41 million to the Group in the 12 months up to and including the first quarter of 2023. Capital gains/losses from divestments during the quarter have impacted the Groups operating profit (EBIT) by SEK -46 million. The divestments were a result of Storskogen's continuous strategic business review.

Breakdown of divestments completed January–June 2023 by Group business area:

Divestments	Divestment date	Annual net sales, SEK m	Number of employees by divestment	Share of capital/votes, %	Business area
Medkoh AG	February	50	15	-	Trade
Skidstahus AB, incl. subsidiaries	May	285	69	-	Trade
Hilpert Electronics AG, incl. subsidiary	May	167	19	-	Trade
Delikatesskungen AB	May	27	2	-	Trade
Dextry Group AB, incl. subsidiaries	June	743	612	-	Services
Total		1,272	717		

TRANSACTIONS AFTER THE END OF THE PERIOD

After the end of the quarter and up to the date of this report, Storskogen completed two acquisitions with combined annual sales of SEK 112 million. In addition, agreements regarding two divestments have been signed and are expected to be completed in the third quarter, with annual sales of SEK 86 million. For more information on acquisitions and divestments after the end of the period, see the section Events after the end of the period.

Other financial information

EMPLOYEES

At the end of the period, the Group had 12,505 employees (12,225). Acquisitions carried out during the quarter added 315 new employees to the Group, while divestments reduced the number of employees by 702.

SHARE CAPITAL

On 30 June 2023, the number of shares amounted to 1,669 million, divided into 1,521 million Series B shares and 148 million Series A shares.

Share structure on 30 June 2023

Class of share	Number of shares	Number of votes	Percentage of capital	Percentage of votes
Series A share, 10 votes per share	148,001,374	1,480,013,740	8.9	49.3
Series B share, 1 vote per share	1,521,476,679	1,521,476,679	91.1	50.7
Total number of shares	1,669,478,053	3,001,490,419	100.0	100.0

Ten largest shareholders on 30 June 2023¹

	Series A	Series B	Percentage of capital	Percentage of votes
AMF Pension & Fonder	-	147,111,749	8.8	4.9
Futur Pension	-	83,272,065	5.0	2.8
Daniel Kaplan ²	38,270,140	35,405,122	4.4	13.9
Swedbank Robur Fonder	-	73,204,287	4.4	2.4
Movestic Livförsäkring AB	-	72,273,466	4.3	2.4
Alexander Murad Bjärgård	37,539,070	22,841,998	3.6	13.3
Ronnie Bergström ³	38,270,254	16,013,504	3.3	13.3
Handelsbanken Fonder	-	51,123,012	3.1	1.7
Peter Ahlgren	33,921,910	15,714,607	3.0	11.8
Vanguard	-	49,446,103	3.0	1.6
Total largest shareholders	148,001,374	566,405,913	42.8	68.2
Other	-	955,070,766	57.2	31.8
Total	148,001,374	1,521,476,679	100.0	100.0

¹ Source: Monitor by Modular Finance AB.

² Includes shares held by Firm Factory AB and Wombat Investments AB

³ Includes shares held by Ångsmon AB

PARENT COMPANY

The Parent Company generated net sales of SEK 41 million (32) in the second quarter and SEK 74 million (62) in the first six months. Profit for the period amounted to SEK 307 million (198) for the quarter and SEK 398 million (152) for the first six months. Net sales consist of management services within the Group. Parent Company profit after financial items was positively affected by intra-Group interest income and exchange rate effects.

RELATED-PARTY TRANSACTIONS

No significant changes have taken place for the Group or the Parent Company in terms of transactions or relationships with related parties, compared with what appears in the Annual Report 2022. All related-party transactions have taken place on market terms.

EVENTS AFTER THE END OF THE PERIOD

After the end of the period, the Services business area has completed two add-on acquisitions, one in Switzerland and one in Germany. Vokus Personal has acquired Swiss Medical Jobs GmbH to the HR and Competence vertical. Christ & Wirth has acquired Möller Klima-Kälte GmbH to the Installation vertical. The add-on acquisitions have been carried out as they enable synergies and are expected to strengthen the profitability and service offering of the business units that they will be part of. The acquisitions have combined annual sales of SEK 112 million and EBITA of SEK -10 million.

The Installation vertical within the Services business area, has signed agreements regarding two small divestments in Switzerland, through Brunner-Anliker. The divestments have combined annual sales of SEK 86 million and EBITA of SEK 2 million and are expected to be completed in the third quarter.

ANNUAL GENERAL MEETING 2023

The Annual General Meeting on 12 May resolved on, among other things, the proposed dividend of SEK 0.08 per share; the new election of Robert Belkic to the Board of Directors and the re-election of Annette Brodin Rampe (Chair of the Board), Alexander Bjärgård, Louise Hedberg and Johan Thorell; implementation of share-related incentive programmes and authorisation for the Board of Directors to issue shares, warrants or convertibles, and to repurchase treasury shares.

The Chief Executive Officer and Board of Directors hereby provide an assurance that this interim report presents a true and fair view of developments in the Group's and the Parent Company's operations, position and results, and describes material risks and uncertainties faced by the Parent Company and the companies in the Group.

Stockholm, 16 August 2023

Storskogen Group AB

Annette Brodin Rampe
Chair of the Board

Alexander Bjärgård
Board member

Robert Belkic
Board member

Louise Hedberg
Board member

Johan Thorell
Board member

Daniel Kaplan
CEO

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

Quarterly data

SEK m	Q2 2023	Q1 2023	Q4 2022	Q3 2022	Q2 2022	Q1 2022
Net Sales						
Services	3,067	2,784	3,258	2,801	2,998	2,294
Trade	2,561	2,608	2,908	2,256	2,523	1,950
Industry	3,845	3,833	3,680	3,366	3,543	2,699
Group operations	-12	-12	-9	-7	-6	-5
Group total	9,462	9,213	9,836	8,417	9,059	6,938
Adjusted EBITA						
Services	307	250	367	271	261	180
Trade	246	219	228	205	301	190
Industry	437	483	406	371	412	272
Group operations	-68	-68	-74	-75	-97	-74
Group total	922	885	927	772	877	568
Adjusted EBITA margin, %						
Services	10.0	9.0	11.3	9.7	8.7	7.8
Trade	9.6	8.4	7.8	9.1	11.9	9.7
Industry	11.4	12.6	11.0	11.0	11.6	10.1
Group operations	-	-	-	-	-	-
Group total	9.7	9.6	9.4	9.2	9.7	8.2
Number of employees, end of period						
Services	4,559	5,152	5,140	5,196	5,095	4,957
Trade	2,557	2,372	2,417	2,287	2,064	1,673
Industry	5,286	5,310	5,276	4,924	4,950	4,329
Group operations	103	106	112	125	116	102
Group total	12,505	12,940	12,945	12,532	12,225	11,061
Number of business units, end of period						
Services	61	62	62	62	61	58
Trade	32	33	35	35	34	29
Industry	39	39	39	38	37	35
Group total	132	134	136	135	132	122

Financial statements

CONSOLIDATED INCOME STATEMENT, CONDENSED

SEK m	2023 Apr-Jun	2022 Apr-Jun	2023 Jan-Jun	2022 Jan-Jun	12 months until 30 Jun 2023	Full-year 2022
Net sales	9,462	9,059	18,675	15,997	36,929	34,250
Cost of goods and services sold	-7,497	-7,182	-14,818	-12,790	-29,503	-27,475
Gross profit	1,965	1,877	3,857	3,207	7,425	6,775
Selling expenses	-842	-741	-1,651	-1,319	-3,221	-2,890
Administrative expenses	-530	-550	-1,040	-1,003	-2,069	-2,032
Other operating income	202	254	545	508	1,430	1,393
Other operating expenses	-190	-158	-275	-242	-667	-634
Operating profit	605	681	1,436	1,150	2,899	2,613
Net financial items	-357	-26	-551	-168	-885	-502
Profit before tax	248	655	886	983	2,014	2,111
Tax	-133	-181	-255	-270	-504	-519
Profit for the period	115	474	630	712	1,510	1,592
Profit for the year attributable to:						
Owners of the parent company	72	421	531	631	1,336	1,436
Non-controlling interests	44	53	99	81	174	157
Basic and diluted earnings per share, SEK	0.04	0.25	0.32	0.38	0.80	0.86

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME, CONDENSED

SEK m	2023 Apr-Jun	2022 Apr-Jun	2023 Jan-Jun	2022 Jan-Jun	12 months until 30 Jun 2023	Full-year 2022
Profit for the period	115	474	630	712	1,510	1,592
Other comprehensive income						
Items that will not be reclassified to the income statement						
Remeasurements of defined benefit pension plans	3	20	3	20	133	150
Total items that will not be transferred to the income statement	3	20	3	20	133	150
Items that have been or may be transferred to the income statement						
Exchange differences, foreign operations	525	247	522	262	825	566
Gains/losses on holding of derivatives for cash flow hedging	-1	-12	3	-14	0	-16
Total items that have been or may be transferred to the income statement	524	235	525	248	826	549
Other comprehensive income for the period, net of tax	527	256	528	268	959	700
Comprehensive income for the period	642	730	1,158	981	2,469	2,292
Comprehensive income for the period attributable to:						
Owners of the parent company	496	647	950	875	2,141	2,066
Non-controlling interests	146	82	209	105	329	226

CONSOLIDATED BALANCE SHEET, CONDENSED

SEK m	30 Jun 2023	30 Jun 2022	31 Dec 2022
Assets			
Intangible assets	25,826	24,662	25,566
Property, plant and equipment	5,420	5,091	5,305
Financial non-current assets	105	47	80
Pension obligation assets	10	-	9
Deferred tax assets	132	107	133
Total non-current assets	31,493	29,907	31,093
Inventories	5,176	4,985	5,203
Trade receivables	4,812	5,134	4,940
Current receivables	3,838	3,249	3,223
Current investments	1	7	1
Cash and cash equivalents	1,990	3,758	3,022
Total current assets	15,817	17,132	16,389
Total assets	47,309	47,040	47,482
Equity and liabilities			
Total equity	20,681	17,980	19,628
Interest-bearing non-current liabilities	13,001	14,990	14,453
Provisions for pensions	202	356	205
Non-interest-bearing non-current liabilities	1,945	3,073	2,343
Provisions	99	89	87
Deferred tax liabilities	1,885	1,656	1,865
Total non-current liabilities	17,132	20,164	18,954
Interest-bearing current liabilities	1,032	515	625
Trade payables	2,547	2,798	2,563
Non-interest-bearing current liabilities	5,917	5,583	5,713
Total current liabilities	9,496	8,896	8,901
Total equity and liabilities	47,309	47,040	47,482

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY, CONDENSED

SEK m	30 Jun 2023	30 Jun 2022	31 Dec 2022
Opening equity attributable to owners of the parent company	19,595	16,564	16,564
Comprehensive income			
Profit for the period	531	631	1,436
Remeasurements of defined benefit pension plans	3	20	148
Other comprehensive income for the period	415	225	482
Comprehensive income for the period	950	875	2,066
Transactions with the Group's owners			
Contributions from and value transfers to owners			
Dividends paid	-133	-116	-116
Share issue, non-cash	71	168	168
Transaction costs on issue of shares, after tax	0	-0	0
Contributed capital from issued share options	4	-	-
Share-based payment transactions	17	11	30
Put options attributable to non-controlling interests	168	475	1,050
Total contributions from and value transfers to owners	128	537	1,131
Changes in ownership of subsidiaries			
Acquisition/divestment of non-controlling interests	-13	-18	-168
Total changes in ownership of subsidiaries	-13	-18	-168
Total transactions with the Group's owners	115	519	964
Closing equity attributable to owners of the parent company	20,659	17,959	19,595
Opening equity in non-controlling interests			
Profit for the period	99	81	157
Other comprehensive income for the period	110	24	69
Comprehensive income for the period	209	105	226
Dividends to non-controlling interests	-96	-70	-123
Acquisition/divestment of non-controlling interests	-26	-3	24
Acquisition of business with non-controlling interest, no controlling interest from before	128	1,433	1,622
Divestment of business with non-controlling interests, controlling interest ends	-7	-	-
Put options attributable to non-controlling interests	-220	-1,468	-1,739
Closing equity in non-controlling interests	22	21	34
Total equity	20,681	17,980	19,628

CONSOLIDATED CASH FLOW STATEMENT, CONDENSED

SEK m	2023 Apr-Jun	2022 Apr-Jun	2023 Jan-Jun	2022 Jan-Jun	12 months until 30 Jun 2023	Full-year 2022
Profit before tax	248	655	886	983	2,014	2,111
Adjustment for non-cash items	631	361	1,001	673	1,678	1,351
Income tax paid	-250	-160	-681	-442	-929	-690
Change in working capital	223	-519	113	-1,062	31	-1,143
Cash flow from operating activities	852	335	1,318	152	2,795	1,628
Net investments in non-current assets	-120	-116	-273	-230	-653	-609
Subsidiary/business acquisitions and divestments	-313	-3,596	-397	-8,333	-1,257	-9,193
Cash flow from investing activities	-433	-3,712	-671	-8,564	-1,909	-9,802
Dividend to owners of the parent company	-133	-116	-133	-116	-133	-116
Dividends to minority owners	-91	-68	-96	-70	-149	-123
Proceeds from issues of shares	4	-	4	-	4	0
Change in loans	-721	4,466	-1,230	6,395	-1,914	5,712
Repayment of lease liability and other financing activities	-146	-126	-269	-249	-553	-533
Cash flow from financing activities	-1,086	4,155	-1,724	5,960	-2,744	4,939
Cash flow for the period	-668	778	-1,076	-2,452	-1,859	-3,235
Cash and cash equivalents at beginning of period	2,613	2,937	3,022	6,167	3,758	6,167
Exchange rate differences in cash and cash equivalents	45	43	44	43	91	91
Cash and cash equivalents at end of period	1,990	3,758	1,990	3,758	1,990	3,022

Notes

NOTE 1 – ACCOUNTING POLICIES, ESTIMATES AND ASSUMPTIONS

Accounting policies

Storskogen applies International Financial Reporting Standards (IFRS), as admitted by EU. The Group's interim report has been prepared in accordance with the relevant sections of the Annual Accounts Act and IAS 34 Interim Financial Reporting. The Parent Company's interim report has been prepared in accordance with the Annual Accounts Act, Chapter 9: Interim Reporting. The Parent Company applies RFR 2. The same accounting policies and assumptions have been applied for the Group and the Parent Company as in the most recent Annual Report. No new or amended standards have had or are expected to have any material effect on the Group. All amounts in this report are expressed in millions of Swedish kronor (SEK m) unless otherwise indicated. Rounding differences may occur.

Risks and uncertainties

Storskogen Group's diversified business model, with 132 business units that are active in a variety of industries and geographies and have a large number of customers and suppliers, limits the Group's business and financial risks. In addition to the risks described in Storskogen's Annual Report 2022, the Group assesses that the ongoing conflict in Ukraine and associated sanctions against Russia and Belarus may have a certain impact on business units, disruptions in operations and an impaired financial position. Macroeconomic factors such as inflation, interest rate hikes and rising commodity prices as well as disruptions in distribution chains may also have an impact on the Group's profits. The risks are deemed to be limited due to the Group's diversified operations and are managed through the Group's finance function and operational activities.

Estimates and assessments

The preparation of the interim report has required management to make assessments, estimates and assumptions that affect the application of the accounting policies and the carrying amounts of assets, liabilities, revenue and expenses. Actual outcomes may differ from these estimates and assessments. The critical assessments and sources of uncertainty in estimates are the same as in the most recent Annual Report.

NOTE 2 – ITEMS BY SEGMENT AND BREAKDOWN OF REVENUE

2023

Jan-Jun, SEK m	Services	Trade	Industry	Group operations	Total
Net sales	5,852	5,169	7,678	-23	18,675
Cost of goods and services sold	-4,588	-4,143	-5,969	-118	-14,818
Gross profit	1,263	1,026	1,709	-141	3,857
Selling expenses	-517	-549	-547	-37	-1,651
Administrative expenses	-387	-228	-466	41	-1,040
Other operating income	64	205	222	55	545
Other operating expenses	-23	-98	-124	-31	-275
Operating profit	400	356	794	-113	1,436
Net financial items	-32	-34	-40	-446	-551
Profit before tax	368	322	754	-558	886
Reversal of net financial items	32	34	40	446	551
Reversal of amortisation and impairment of intangible assets	147	118	157	0	422
EBITA	547	474	950	-112	1,859
Items affecting comparability	11	-9	-30	-23	-52
Adjusted EBITA	557	465	920	-136	1,807

Net sales, geographical distribution

2023

Jan-Jun, SEK m	Services	Trade	Industry	Group operations	Total
Sweden	4,449	2,681	2,079	-23	9,186
Denmark	236	145	204	-	585
Finland	39	118	193	-	350
Germany	188	229	969	-	1,386
Other countries within the EU	35	346	959	-	1,340
Norway	386	764	352	-	1,502
Switzerland	344	329	246	-	919
UK	109	548	1,117	-	1,775
USA	7	0	973	-	980
Other countries outside the EU	59	8	586	-	653
Total net sales	5,852	5,169	7,678	-23	18,675

ITEMS BY SEGMENT AND BREAKDOWN OF REVENUE

2022

Jan-Jun, SEK m	Services	Trade	Industry	Group operations	Total
Net sales	5,292	4,474	6,242	-11	15,997
Cost of goods and services sold	-4,194	-3,570	-4,911	-115	-12,790
Gross profit	1,098	904	1,331	-126	3,207
Selling expenses	-446	-378	-462	-34	-1,319
Administrative expenses	-362	-182	-444	-15	-1,003
Other operating income	65	169	270	5	508
Other operating expenses	-35	-119	-86	-2	-242
Operating profit	320	394	608	-172	1,150
Net financial items	-28	-19	-13	-107	-168
Profit before tax	292	375	595	-279	983
Reversal of net financial items	28	19	13	107	168
Reversal of amortisation and impairment of intangible assets	98	76	117	1	292
EBITA	418	470	725	-171	1,442
Items affecting comparability	23	21	-42	-	2
Adjusted EBITA	441	491	683	-171	1,445

Net sales, geographical distribution

2022

Jan-Jun, SEK m	Services	Trade	Industry	Group operations	Total
Sweden	4,426	2,505	2,022	-11	8,942
Denmark	115	96	208	-	419
Finland	35	127	172	-	333
Germany	112	195	859	-	1,166
Other countries within the EU	41	300	885	-	1,227
Norway	288	406	337	-	1,031
Switzerland	211	94	185	-	489
UK	29	571	415	-	1,016
USA	6	1	741	-	748
Other countries outside the EU	28	179	419	-	626
Total net sales	5,292	4,474	6,242	-11	15,997

NOTE 3 – REVENUE FROM CUSTOMER CONTRACTS

Net sales by vertical

SEK m	2023 Apr-Jun	2022 Apr-Jun	2023 Jan-Jun	2022 Jan-Jun	12 months until 30 Jun 2023	Full-year 2022
Contracting Services	253	238	454	419	947	913
Infrastructure	664	604	1,157	1,078	2,353	2,273
Installation	1,027	925	1,971	1,713	3,893	3,635
Logistics	289	325	600	605	1,251	1,257
Engineering Services	414	509	818	783	1,806	1,772
Digital Services	174	163	370	308	705	643
HR and Competence	255	239	495	393	981	879
Intragroup sales within the business area	-9	-5	-14	-7	-26	-20
Total, Services segment	3,067	2,998	5,852	5,292	11,911	11,351
Home and Living	728	886	1,605	1,733	3,250	3,378
Niche Businesses	758	783	1,501	1,474	3,048	3,021
Health and Beauty	669	381	1,319	596	2,588	1,866
Sports, Clothing and Accessories	409	479	750	677	1,468	1,395
Intragroup sales within the business area	-2	-5	-6	-8	-21	-22
Total, Trade segment	2,561	2,523	5,169	4,474	10,333	9,637
Automation	1,225	1,055	2,504	1,870	4,767	4,133
Industrial Technology	1,411	1,177	2,801	2,076	5,507	4,782
Products	1,216	1,322	2,391	2,320	4,503	4,432
Intragroup sales within the business area	-7	-11	-18	-24	-53	-59
Total, Industry segment	3,845	3,543	7,678	6,242	14,724	13,288
Intragroup sales eliminations	-12	-6	-23	-11	-39	-26
Total	9,462	9,059	18,675	15,997	36,929	34,250

Timing of revenue recognition

SEK m	2023 Jan-Jun	2022 Jan-Jun
Goods and services transferred at a point in time	14,967	12,137
Goods and services transferred over time	3,708	3,860
Total	18,675	15,997

NOTE 4 – BUSINESS COMBINATIONS

Preliminary acquisition analyses for the period

Refers to acquisitions completed during the period January to June 2023:

SEK m	Services	Trade	Industry	Total
Intangible assets	138	20	56	214
Other non-current assets	5	8	7	20
Inventories	1	11	21	33
Other current assets	174	5	21	201
Cash and cash equivalents	151	18	25	194
Deferred tax assets/tax liabilities	-32	-4	-14	-50
Liabilities to credit institutions	-	-3	-	-3
Other liabilities	-25	-24	-43	-92
Acquired net assets	413	32	72	517
Goodwill	150	44	69	263
Non-controlling interests	-111	-3	-14	-128
Purchase price including contingent consideration	452	72	128	652
Less cash and cash equivalents in acquired operations	-151	-18	-25	-194
Less unpaid purchase consideration	-2	-30	-17	-48
Less paid through convertible loan	-133	-	-	-133
Effect on consolidated cash and cash equivalents	167	24	86	278

Preliminary acquisition analyses for significant acquisitions during the period

SEK m	AC Electrical Services Group Ltd - included in Services	Total significant acquisitions
Intangible assets	92	92
Other non-current assets	4	4
Inventories	1	1
Other current assets	172	172
Cash and cash equivalents	149	149
Deferred tax assets/tax liabilities	-23	-23
Liabilities to credit institutions	-	-
Other liabilities	-23	-23
Acquired net assets	373	373
Goodwill	180	180
Non-controlling interests	-111	-111
Purchase price including contingent consideration	442	442
Less cash and cash equivalents in acquired operations	-149	-149
Less paid through convertible loan	-133	-133
Effect on consolidated cash and cash equivalents	161	161

Purchase considerations and assessments

Purchase considerations for acquisitions for the year totalled SEK 652 million, of which SEK 263 million has been recognised as goodwill (including adjustments of preliminary acquisition analyses from previous years). The impact of business combinations on the Group's cash and cash equivalents is SEK 278 million. Cash flow from subsidiary/business acquisitions and divestments, which amounts to SEK 397 million, are apart from abovementioned business combinations also impacted by: acquisitions of minority shares during the period with payments of purchase considerations amounting to SEK 44 million, divestment of minority shares with a received purchase consideration of SEK 5 million, payments of contingent considerations for acquisitions from previous years amounts to SEK 277 million and divestment of operations increases cash and cash equivalents by SEK 198 million. Had the period's acquisitions been made with effect from 1 January 2023, they would have contributed SEK 243 million to the Group's net sales and the impact on the Group's profit after tax would have been SEK 46 million. No material changes were made during the quarter to the Group's acquisition analyses for previous years' acquisitions. The acquisition analyses for acquisitions from the third quarter 2022 to the second quarter 2023 are preliminary, as the Group has not received final audited information from the acquired companies. All acquisitions have been reported using the acquisition method.

Goodwill

At the time of acquisition, where transferred compensation exceeds the fair value of acquired assets and gained liabilities reported separately, the difference is recognised as goodwill. The goodwill is primarily justified by the companies' future earnings potential. On 30 June 2023, the

Group recognised total goodwill of SEK 19,222 million (18,837). The Group's goodwill is tested for impairment as required, and at least annually, by cash-generating unit.

Change in the Group's goodwill, SEK m	Opening balance	Acquisitions	Impairment	Divestments	Currency effects	Closing balance
Goodwill	18,989	263	-	-381	352	19,222

Other identified surplus values

The amounts recognised for intangible non-current assets, such as customer relationships and brands, have been measured at the discounted value of future cash flows. Customer relationships are generally written down over a period between three to ten years. The amortisation period is based on historical customer attrition, competition in the market, degree of integration with the customer's business, and importance of the aftermarket (such as servicing and warranties). Trademarks are not amortised except from when they have a determinable useful life.

Trademarks that are not amortised are tested annually for impairment in accordance with IAS 36. Other step-ups identified in acquisitions, during the year or earlier, relate to buildings, technology, licenses and inventory. Buildings are generally depreciated over 25 years, technology is generally depreciated over three to ten years, while inventories are depreciated on the basis of the inventory turnover rate.

Acquisition-related expenses

Acquisition-related expenses consist of fees to advisers in connection with due diligence. These expenses are recognised as administrative expenses in the income statement and the statement of comprehensive income. Acquisition-related expenses for acquisitions during the period totalled SEK 4 million (55).

Contingent considerations

A contingent consideration, or earn-out, is a conditional additional purchase payment that is normally based on the acquired company's results during the first few years, either as a binary outcome if a certain level of earnings is achieved, or on a scale where the amount rises with the earnings of the acquired company in a predetermined future accounting period. If the criteria are met, the contingent consideration generally crystallises one to three years from the date of acquisition. At the time of the transaction, a contingent consideration is measured at fair value by calculating the present value of the likely outcome using a discount rate of 10.6 percent (9.6). The likely outcome is based on the Group's projections for the respective entity and dependent on future earnings generated by the entity, with a set maximum. The discounted value of unpaid contingent considerations for the period's acquisitions is SEK 48 million (1,073), while the total liability recognised for discounted contingent considerations on 30 June 2023 was SEK 670 million (1,425).

Non-controlling interests

The Group measures holdings where it does not have a controlling interest at fair value based on full goodwill using the latest known market value, which is defined as the purchase price in respective acquisition.

Acquisition-related disclosures

All acquisitions during the period have been carried out through purchase of shares.

EFFECT OF ACQUISITIONS ON THE CONSOLIDATED STATEMENT OF PROFIT OR LOSS FOR JANUARY-JUNE 2023

SEK m	Services	Trade	Industry	Total
Effect after the acquisition date included in consolidated income statement				
Sales	66	29	67	161
Profit for the period	13	2	9	24
Effect if the acquisitions had been completed on 1 January				
Sales	119	57	67	243
Profit for the period	37	-1	9	46

Acquisitions completed during the period January to June 2023 increased the Group's net sales by SEK 161 million, EBITA by SEK 30 million and profit for the period by SEK 24 million. Transaction costs for these acquisitions came to SEK 4 million and are included in administrative expenses in the consolidated income statement.

NOTE 5 – THE GROUP'S MEASUREMENT OF FINANCIAL ASSETS AND LIABILITIES

	30 Jun 2023				30 Jun 2022			
	Financial assets measured at amortised cost	Financial assets measured at fair value through profit or loss	Financial assets measured at fair value through OCI	Total carrying amount	Financial assets measured at amortised cost	Financial assets measured at fair value through profit or loss	Financial assets measured at fair value through OCI	Total carrying amount
Financial assets, SEK m								
Financial non-current assets	49	10	46	105	39	8	-	47
Trade receivables	4,812	-	-	4,812	5,134	-	-	5,134
Current receivables	1,316	-	28	1,345	1,100	-	3	1,103
Current investments	-	1	-	1	-	7	-	7
Cash and cash equivalents	1,990	-	-	1,990	3,758	-	-	3,758
Total	7,918	259	75	8,252	10,031	15	3	10,049

	30 Jun 2023				30 Jun 2022			
	Financial liabilities measured at amortised cost	Financial liabilities measured at fair value through profit or loss	Financial liabilities measured at fair value through OCI	Total carrying amount	Financial liabilities measured at amortised cost	Financial liabilities measured at fair value through profit or loss	Financial liabilities measured at fair value through OCI	Total carrying amount
Financial liabilities, SEK m								
Interest-bearing non-current liabilities	11,851	-	1	11,853	13,784	-	3	13,788
Non-interest-bearing non-current liabilities	27	153	-	180	21	845	-	866
Interest-bearing current liabilities	546	-	64	610	78	-	47	125
Trade payables	2,547	-	-	2,547	2,798	-	-	2,798
Non-interest-bearing current liabilities	2,810	659	-	3,469	3,061	580	-	3,641
Total	17,782	812	65	18,658	19,742	1,425	50	21,217

Fair value measurement

Fair value is the price that would be received to sell an asset, or paid to transfer a liability, in an orderly transaction between market participants at the measurement date. The table below shows how financial instruments are measured at fair value in accordance with the fair value hierarchy. The various levels in the hierarchy are defined as follows:

Level 1 – Quoted prices (unadjusted) in active markets for identical assets or liabilities

Level 2 – Input data other than quoted prices included in level 1 that are observable for the asset or liability, either directly (i.e. as price quotations) or indirectly (i.e. originating from price quotations)

Level 3 – Input data for the asset or liability that are not based on observable market data (i.e. unobservable input data)

Fair value for informational purposes

The carrying amounts of assets and liabilities measured at amortised cost are considered an accurate approximation of their fair values. Given the short fixed interest-rate periods and the maturity of the items, calculations indicate that the difference between amortised cost and fair value is not significant.

	30 Jun 2023					Total carrying amount	30 Jun 2022					Total carrying amount
	Level 1	Level 2	Level 3	Other ¹	Difference in fair value and book value, related to market quoted bonds		Level 1	Level 2	Level 3	Other ¹	Difference in fair value and book value, related to market quoted bonds	
Financial assets, SEK m												
Financial non-current assets	-	46	-	58	-	105	-	-	-	47	-	47
Trade receivables	-	-	-	4,812	-	4,812	-	-	-	5,134	-	5,134
Current receivables	-	28	-	1,316	-	1,345	-	3	-	1,100	-	1,103
Current investments	1	-	-	-	-	1	7	-	-	-	-	7
Cash and cash equivalents	1,990	-	-	-	-	1,990	3,758	-	-	-	-	3,758
Total	1,991	75	-	6,186	-	8,252	3,765	3	-	6,281	-	10,049

Financial liabilities, SEK m	30 Jun 2023						30 Jun 2022					
	Level 1	Level 2	Level 3	Other ¹	Difference in fair value and book value, related to market quoted bonds	Total carrying amount	Level 1	Level 2	Level 3	Other ¹	Difference in fair value and book value, related to market quoted bonds	Total carrying amount
Interest-bearing non-current liabilities	-	4,913	-	6,886	53	11,853	-	5,615	-	7,784	388	13,788
Non-interest-bearing non-current liabilities	-	-	153	27	-	180	-	-	845	21	-	866
Interest-bearing current liabilities	-	472	-	143	-5	610	-	47	-	78	-	125
Trade payables	-	-	-	2,547	-	2,547	-	-	-	2,798	-	2,798
Non-interest-bearing current liabilities	-	-	516	2,952	-	3,469	-	-	580	3,061	-	3,641
Total	-	5,385	670	12,555	49	18,658	-	5,662	1,425	13,742	388	21,217

¹ To be able to reconcile the financial instruments with the balance sheet items, financial instruments not measured at fair value together with other assets and liabilities are presented in the Other column.

Level 2 derivatives have been measured at fair value based on data from counterparty.

Bonds and convertibles in level 2 have been valued at fair value via derivation from price quotations.

Change in financial liabilities Level 3, SEK m	OB	Aquisition	Paid	Remeasured / present value	Exchange difference	CB
Contingent considerations	997	48	-277	-103	6	670

The fair value of contingent considerations has been calculated on the basis of expected outcome against the targets set out in the contracts, using a discount rate of 10.6 percent (9.6).

NOTE 6 – EARNINGS PER SHARE

Basic earnings per share is calculated by dividing the net profit for the period attributable to the owners of the Parent Company by the weighted average number of shares outstanding during the period.

When calculating earnings per share after dilution, the dilution effect of potential shares and the weighted average of the additional shares that would have been outstanding in a conversion of all potential shares are taken into account.

In accordance with the Company's Articles of Association, each share of Series A and Series B carry equal rights to the Company's assets and profits.

In October 2021, 51,335,798 Series A shares were redeemed without payment so that the remaining Series A shares had a value corresponding to 20 percent of the Company's value immediately before the initial public offering. The redemption of these shares has been adjusted retroactively when calculating the number of ordinary shares outstanding, in the comparison periods.

	2023	2022	2023	2022	12 months until	Full-year
SEK	Apr-Jun	Apr-Jun	Jan-Jun	Jan-Jun	30 Jun 2023	2022
Earnings per share						
Basic earnings per share, SEK	0.04	0.25	0.32	0.38	0.80	0.86
Diluted earnings per share, SEK	0.04	0.25	0.32	0.38	0.80	0.86
SEK k						
Net profit for the period attributable to owners of the parent						
Net profit for the year attributable to owners of the parent	71,612	420,580	531,473	630,975	1,336,206	1,435,708
Number						
Weighted average number of shares used in calculating earnings per share after dilution						
Weighted average number of shares, Series A shares	148,001,374	148,001,374	148,001,374	148,001,374	148,001,374	148,001,374
Weighted average number of shares, Series B shares	1,523,201,811	1,515,597,820	1,523,183,335	1,512,338,117	1,523,012,821	1,517,612,878
Total weighted average number of shares	1,671,203,185	1,663,599,194	1,671,184,709	1,660,339,491	1,671,014,195	1,665,614,252

PERFORMANCE MEASURES

	2023	2022	2023	2022	12 months until	Full-year
SEK m	Apr-Jun	Apr-Jun	Jan-Jun	Jan-Jun	30 Jun 2023	2022
Net sales	9,462	9,059	18,675	15,997	36,929	34,250
Adjusted EBITDA	1,183	1,108	2,316	1,876	4,519	4,079
Adjusted EBITA	922	877	1,807	1,445	3,505	3,143
Adjusted EBITA margin, %	9.7	9.7	9.7	9.0	9.5	9.2
Operating profit	605	681	1,436	1,150	2,899	2,613
Operating margin, %	6.4	7.5	7.7	7.2	7.8	7.6
Profit before tax	248	655	886	983	2,014	2,111
Profit for the period	115	474	630	712	1,510	1,592
Working capital				3,410	6,079	5,102
Return on working capital, % (12 months)				72.7	57.7	61.6
Return on equity, % (12 months)				9.2	7.7	8.8
Return on capital employed, % (12 months)				9.6	10.2	10.1
Equity/assets ratio, %				38.2	43.7	41.3
Interest-bearing net debt				12,096	11,896	12,260
Net debt				15,815	14,619	15,249
Debt/equity ratio, x				0.9	0.7	0.8
Interest-bearing net debt/adjusted RTM EBITDA (12 months), x				2.5	2.6	2.6
Interest coverage ratio, x	2.0	6.2	2.7	5.8	3.2	4.5
Average number of employees			12,305	10,327		11,263
Number of employees at end of period			12,505	12,225		12,945
Cash flow from operating activities	852	335	1,318	152	2,795	1,628
Adjusted cash conversion, %	104.7	43.7	91.9	31.8	86.9	58.8
Basic and diluted earnings per share, SEK	0.04	0.25	0.32	0.38	0.80	0.86

PARENT COMPANY STATEMENT OF PROFIT OR LOSS, CONDENSED

SEK m	2023	2022	2023	2022	12 months until	Full-year
	Apr-Jun	Apr-Jun	Jan-Jun	Jan-Jun	30 Jun 2023	2022
Net sales	41	32	74	62	168	156
Administrative expenses	-80	-81	-149	-147	-324	-323
Other operating income	0	0	0	0	0	0
Other operating expenses	0	0	0	0	0	0
Operating profit	-39	-49	-75	-86	-155	-166
Financial income and expenses	436	290	584	273	1,004	694
Profit after financial items	398	242	509	188	849	527
Tax	-91	-43	-111	-36	-118	-43
Profit for the period	307	198	398	152	731	485

PARENT COMPANY BALANCE SHEET, CONDENSED

SEK m	30 Jun 2023	30 Jun 2022	31 Dec 2022
Assets			
Intangible assets	0	0	0
Property, plant and equipment	1	2	1
Financial assets	29,246	26,781	28,343
Total non-current assets	29,247	26,783	28,344
Current receivables	1,031	1,867	3,956
Cash and cash equivalents	1,107	2,048	1,168
Total current assets	2,138	3,915	5,124
Total assets	31,385	30,698	33,469
Equity and liabilities			
Restricted equity	1	1	1
Unrestricted equity	17,586	16,875	17,238
Total equity	17,587	16,875	17,239
Non-current liabilities	11,612	13,571	12,942
Current liabilities	2,186	252	3,288
Total equity and liabilities	31,385	30,698	33,469

Definitions and calculations

PERFORMANCE MEASURES

Storskogen presents a number of performance measures that are not defined in accordance with IFRS. The Company considers these measures to provide valuable supplementary information for investors and the Company's management, as they allow an evaluation of trends and the Company's performance. As not all companies calculate these measures in the same way, they are not always comparable with those used by other companies. These financial measures should therefore not be seen as a replacement for measures defined according to IFRS. Definitions of the measures, several of which are alternative performance measures, are presented below.

RETURN ON EQUITY¹

Profit for the period/year (including profit attributable to non-controlling interests) as a percentage of total equity (including equity attributable to non-controlling interests). Profit is calculated accumulated for the previous 12-month period, and equity as the average for the previous 12-month period. The purpose is to analyse profitability in relation to equity attributable to the shareholders of the Parent Company.

SEK m	12 months until 30 Jun 2023	12 months until 30 Jun 2022	Full-year 2022
Profit for the period	1,510	1,278	1,592
Equity	19,496	13,889	17,999
Return on equity, %	7.7	9.2	8.8

RETURN ON WORKING CAPITAL¹

Adjusted EBITA as a percentage of working capital. Working capital is calculated as the average for the previous 12-month period. The purpose is to analyse profitability in relation to working capital.

SEK m	12 months until 30 Jun 2023	12 months until 30 Jun 2022	Full-year 2022
Adjusted EBITA	3,505	2,479	3,143
Working capital	6,079	3,410	5,102
Return on working capital, %	57.7	72.7	61.6

RETURN ON CAPITAL EMPLOYED¹

Operating profit (EBIT) plus financial income as a percentage of capital employed. EBIT and financial income are calculated accumulated for the previous 12-month period, and capital employed as the average for the previous 12-month period. The purpose is to analyse profitability in relation to capital employed.

SEK m	12 months until 30 Jun 2023	12 months until 30 Jun 2022	Full-year 2022
Operating profit	2,899	2,027	2,613
Financial income	605	366	479
Operating profit including financial income	3,504	2,393	3,091
Capital employed	34,431	24,994	30,753
Return on capital employed, %	10.2	9.6	10.1

EBITA¹

Operating profit (EBIT) before amortisation and impairment of intangible assets. The purpose is to assess the Group's operating activities.

SEK m	2023 Apr-Jun	2022 Apr-Jun	2023 Jan-Jun	2022 Jan-Jun	12 months until 30 Jun 2023	Full-year 2022
Operating profit	605	681	1,436	1,150	2,899	2,613
Amortisation of intangible assets	216	170	422	292	822	692
Impairment of intangible assets	-0	0	-0	0	0	0
EBITA	821	850	1,859	1,442	3,721	3,305

EBITDA¹

Operating profit (EBIT) before depreciation, amortisation and impairment. The purpose is to assess the Group's operating activities. EBITDA serves as a complement to operating profit (EBIT).

SEK m	2023 Apr-Jun	2022 Apr-Jun	2023 Jan-Jun	2022 Jan-Jun	12 months until 30 Jun 2023	Full-year 2022
Operating profit	605	681	1,436	1,150	2,899	2,613
Amortisations and depreciations	477	400	931	723	1,837	1,628
Impairment	-0	0	-0	0	-0	0
EBITDA	1,082	1,081	2,368	1,874	4,735	4,241

NET FINANCIAL ITEMS¹

Financial income less financial expenses. The purpose is to present developments in the Group's financing activities.

SEK m	2023 Apr-Jun	2022 Apr-Jun	2023 Jan-Jun	2022 Jan-Jun	12 months until 30 Jun 2023	Full-year 2022
Financial income	249	185	346	219	605	479
Financial expenses	-606	-211	-896	-386	-1,490	-980
Net financial items	-357	-26	-551	-168	-885	-502

ADJUSTED EBITA¹

Operating profit (EBIT) before amortisation and impairment of intangible assets, excluding items affecting comparability. The purpose is to assess the Group's operating activities. Adjusted EBITA facilitates comparison of EBITA between periods.

SEK m	2023 Apr-Jun	2022 Apr-Jun	2023 Jan-Jun	2022 Jan-Jun	12 months until 30 Jun 2023	Full-year 2022
Operating profit	605	681	1,436	1,150	2,899	2,613
Items affecting comparability	101	27	-52	2	-216	-162
Amortisations of intangible assets	216	170	422	292	822	692
Impairment of intangible assets	-0	0	-0	0	0	0
Adjusted EBITA	922	877	1,807	1,445	3,505	3,143

ADJUSTED EBITA MARGIN¹

Adjusted EBITA as a percentage of net sales. The purpose is to give an indication of profitability in relation to sales.

SEK m	2023 Apr-Jun	2022 Apr-Jun	2023 Jan-Jun	2022 Jan-Jun	12 months until 30 Jun 2023	Full-year 2022
Adjusted EBITA	922	877	1,807	1,445	3,505	3,143
Net sales	9,462	9,059	18,675	15,997	36,929	34,250
Adjusted EBITA margin, %	9.7	9.7	9.7	9.0	9.5	9.2

ADJUSTED EBITDA¹

Operating profit (EBIT) before depreciation, amortisation and impairment, excluding items affecting comparability. The purpose is to assess the Group's operating activities. EBITDA serves as a complement to operating profit (EBIT). Adjusted EBITDA facilitates comparison of EBITDA between periods.

SEK m	2023 Apr-Jun	2022 Apr-Jun	2023 Jan-Jun	2022 Jan-Jun	12 months until 30 Jun 2023	Full-year 2022
Operating profit	605	681	1,436	1,150	2,899	2,613
Items affecting comparability	101	27	-52	2	-216	-162
Amortisations and depreciations	477	400	931	723	1,837	1,628
Impairment	-0	0	-0	0	-0	0
Adjusted EBITDA	1,183	1,108	2,316	1,876	4,519	4,079

ADJUSTED CASH CONVERSION¹

Operating cash flow as a percentage of adjusted EBITDA. The purpose is to analyse cash conversion.

SEK m	2023	2022	2023	2022	12 months until	Full-year
	Apr-Jun	Apr-Jun	Jan-Jun	Jan-Jun	30 Jun 2023	2022
Adjusted EBITDA	1,183	1,108	2,316	1,876	4,519	4,079
Change in working capital	222	-519	113	-1,062	31	-1,143
Cash flow from net investments in tangible assets defined as CapEx	-166	-104	-299	-217	-622	-539
Operating Cash Flow	1,239	485	2,129	597	3,929	2,397
Adjusted EBITDA	1,183	1,108	2,316	1,876	4,519	4,079
Adjusted cash conversion, %	104.7	43.7	91.9	31.8	86.9	58.8

ITEMS AFFECTING COMPARABILITY¹

Items affecting comparability such as remeasurement of contingent considerations, fair value adjustments of acquired assets (for example Inventory Step-up), central restructuring costs, stamp duty at some foreign business combinations, and capital gain/loss from divestment of business. Items affecting comparability are excluded to facilitate comparisons between periods.

SEK m	2023	2022	2023	2022	12 months until	Full-year
	Apr-Jun	Apr-Jun	Jan-Jun	Jan-Jun	30 Jun 2023	2022
Remeasurement of contingent considerations	-53	3	104	62	297	255
Fair value adjustments of acquired assets	-	-23	-	-51	-5	-56
Stamp tax on foreign business combinations	-2	-7	-2	-13	-3	-14
Central restructuring costs	-	-	-	-	-18	-18
Capital gain/loss from divestment of business	-46	-	-50	-	-55	-5
Items affecting comparability	-101	-27	52	-2	216	162

INTEREST-BEARING NET DEBT¹

Net interest-bearing liabilities (i.e. non-current interest-bearing liabilities, non-current lease liabilities, current interest-bearing liabilities, current lease liabilities and interest-bearing provisions for pensions) less financial assets, short-term investments and cash and cash equivalents. The purpose is to provide an alternative measure of the Group's debt/equity ratio. The performance measure gives an indication of the Group's financial target with regard to net debt in relation to RTM adjusted EBITDA.

SEK m	30 Jun 2023	30 Jun 2022	31 Dec 2022
	Interest-bearing liabilities	14,033	15,505
Provisions for pensions	202	356	205
Financial assets	-347	-	-
Current investments	-1	-7	-1
Cash and cash equivalents	-1,990	-3,758	-3,022
Interest-bearing net debt	11,896	12,096	12,260

INTEREST-BEARING NET DEBT/RTM ADJUSTED EBITDA (12 MONTH)¹

Interest-bearing net debt in relation to RTM adjusted EBITDA provides a liquidity measure for net debt in relation to cash-generating operating results. Net debt is at the balance sheet date, and RTM adjusted EBITDA is calculated as adjusted EBITDA recorded for the previous 12-month period adjusted for the contribution of the businesses contractually acquired by the Group during that 12-month period. The purpose is to provide an indication of the Group's ability to pay its debts. The performance measure gives an indication of the Group's financial target with regard to net debt in relation to RTM adjusted EBITDA.

SEK m	30 Jun 2023	30 Jun 2022	31 Dec 2022
	Interest-bearing net debt	11,896	12,096
RTM adjusted EBITDA	4,600	4,780	4,658
Interest-bearing net debt/RTM adjusted EBITDA, x	2.6	2.5	2.6

NET DEBT¹

Net interest-bearing liabilities (i.e. non-current interest-bearing liabilities, non-current lease liabilities, current interest-bearing liabilities, current lease liabilities and interest-bearing provisions for pensions) including minority options and contingent consideration liabilities, less financial assets, current investments, and cash and cash equivalents. The purpose is to provide an alternative measure of the Group's debt/equity ratio.

SEK m	30 Jun 2023	30 Jun 2022	31 Dec 2022
Interest-bearing liabilities	14,033	15,505	15,078
Provisions for pensions	202	356	205
Contingent consideration liabilities	670	1,425	997
Minority options	2,053	2,294	1,991
Financial assets	-347	-	-
Current investments	-1	-7	-1
Cash and cash equivalents	-1,990	-3,758	-3,022
Net debt	14,619	15,815	15,249

ORGANIC EBITA GROWTH¹

Change in EBITA, excluding exchange rate, acquisition and divestment effects and adjusted for Group functions, relative to the same period the previous year. Acquired entities are included in organic EBITA growth once they have been part of the Group for the full comparison period, divested companies are excluded from both periods once they have been divested. The purpose is to analyse underlying growth in operating profit.

ORGANIC NET SALES GROWTH (ORGANIC GROWTH)¹

Change in net sales, excluding exchange rate, acquisition and divestment effects, relative to the same period the previous year. Acquired entities are included in organic growth once they have been part of the Group for the full comparison period, divested companies are excluded from both periods once they have been divested. The purpose is to analyse underlying growth in net sales.

INTEREST COVERAGE RATIO¹

Operating profit plus interest income divided by interest expenses. The purpose is to present earnings in relation to interest expenses, which is a measure of the Group's capacity to cover its interest expenses.

SEK m	2023	2022	2023	2022	12 months until	Full-year
	Apr-Jun	Apr-Jun	Jan-Jun	Jan-Jun	30 Jun 2023	2022
Operating profit	605	681	1,436	1,150	2,899	2,613
Interest income	13	5	39	8	55	23
Operating profit including interest income	618	686	1,476	1,158	2,953	2,636
Interest expenses	-311	-111	-539	-200	-929	-590
Interest coverage ratio, x	2.0	6.2	2.7	5.8	3.2	4.5

WORKING CAPITAL¹

Working capital is calculated as current operating receivables (inventories, accounts receivable and other non-interest-bearing current receivables) less current operating liabilities (accounts payable and other non-interest-bearing current liabilities excluding contingent consideration liabilities). The components are calculated as the average for the previous 12-month period. The purpose is to analyse the capital tied up in the balance sheet by the Group's operating activities.

SEK m	12 months until	12 months until	Full-year
	30 Jun 2023	30 Jun 2022	2022
Inventories	5,156	3,308	4,476
Trade receivables	4,991	3,444	4,461
Other current receivables	2,880	1,536	2,299
Trade payables	-2,823	-2,043	-2,571
Other current liabilities	-4,125	-2,836	-3,563
Working capital	6,079	3,410	5,102

OPERATING MARGIN¹

Operating profit (EBIT) as a percentage of net sales. The purpose is to provide a guide to profitability in relation to sales.

SEK m	2023 Apr-Jun	2022 Apr-Jun	2023 Jan-Jun	2022 Jan-Jun	12 months until 30 Jun 2023	Full-year 2022
Operating profit	605	681	1,436	1,150	2,899	2,613
Net sales	9,462	9,059	18,675	15,997	36,929	34,250
Operating margin, %	6.4	7.5	7.7	7.2	7.8	7.6

OPERATING PROFIT (EBIT)

Net sales less cost of goods sold, selling expenses and administrative expenses, plus other operating income less other operating expenses. The purpose is to assess the Group's operating activities.

DEBT/EQUITY RATIO¹

Net debt divided by total equity including equity attributable to non-controlling interests. The purpose is to show the size of debt in relation to equity, i.e. a measure of capital strength and financial risk. A high debt/equity ratio will correspond to a low equity/assets ratio, while a low debt/equity ratio will correspond to a high equity/assets ratio.

SEK m	30 Jun 2023	30 Jun 2022	31 Dec 2022
Net debt	14,619	15,815	15,249
Equity	20,681	17,980	19,628
Debt/equity ratio, x	0.7	0.9	0.8

EQUITY/ASSETS RATIO¹

Total equity including equity attributable to non-controlling interests as a percentage of total assets. The purpose is to show the proportion of assets that are financed with equity.

SEK m	30 Jun 2023	30 Jun 2022	31 Dec 2022
Equity	20,681	17,980	19,628
Total assets	47,309	47,040	47,482
Equity/assets ratio, %	43.7	38.2	41.3

CAPITAL EMPLOYED¹

Total assets less non-interest-bearing liabilities and provisions. The components are calculated as the average for the previous 12-month period. The purpose of this measure is to track the amount of capital that is employed in operations and financed by shareholders and lenders.

SEK m	12 months until 30 Jun 2023	12 months until 30 Jun 2022	Full-year 2022
Total assets	47,245	34,196	42,400
Non-interest-bearing liabilities	-10,683	-7,759	-9,772
Provisions	-2,131	-1,443	-1,876
Capital employed	34,431	24,994	30,753

NUMBER OF SHARES OUTSTANDING¹

Total number of shares outstanding. Defined as total number of shares outstanding less Storskogen's own shares. This number is primarily used to calculate performance measures.

	30 Jun 2023	30 Jun 2022	31 Dec 2022
Serie A shares	148,001,374	148,001,374	148,001,374
Serie B shares	1,521,476,679	1,515,762,394	1,515,762,394
Number of outstanding shares	1,669,478,053	1,663,763,768	1,663,763,768

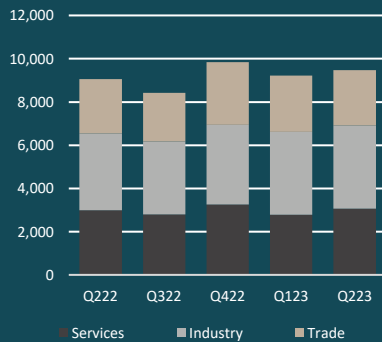
¹ Classified as an alternative performance measure under ESMA's guidelines.

About Storskogen

Storskogen is an international group of businesses across Trade, Industry, and Services. We are uniquely positioned to identify, acquire, and develop market leaders with sustainable business models over an infinite ownership horizon. Storskogen creates value by providing access to capital and strategic direction combined with active governance and a decentralised operational model. Storskogen has over 12,500 employees, net sales of SEK 36.9 billion (LTM) across a diversified group of businesses and is listed on Nasdaq Stockholm.

NET SALES

SEK m

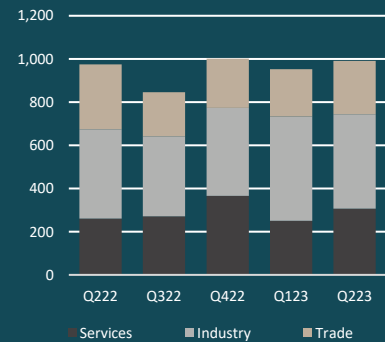


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business units
in the Services,
Industry and
Trade business
areas

ADJUSTED EBITA

SEK m



MISSION

Our mission is to empower businesses to realise their full potential.

VISION

Our vision is to be the leading international owner of small and medium-sized businesses.



FINANCIAL CALENDAR

Interim Report Q3 2023 – 7 November 2023

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