



Inwido stands stably despite uncertain external conditions with inflation remaining high and interest rates rising rapidly. Over the quarter, net sales increased by 26 percent to SEK 2,386 million, 15 percent organically. Operating EBITA increased to SEK 297 million, the highest to date for the third quarter of a year.

Interim report, January–September 2022

Third quarter 2022

- Net sales rose to SEK 2,386 million (1,897), up 26 percent. Organic growth amounted to 15 percent.
- Reported order intake decreased by 1 percent while the order backlog increased by 6 percent to SEK 2,420 million.
- EBITA increased to SEK 298 million (275) and the EBITA margin amounted to 12.5 percent (14.5).
- Operating EBITA rose to SEK 297 million (275) and the operating EBITA margin amounted to 12.5 percent (14.5).
- Earnings per share rose to SEK 3.88 (3.57).
- Net debt decreased to a multiple of 0.8 in relation to operating EBITDA (0.5 excluding IFRS 16).

January–September 2022

- Net sales rose to SEK 6,934 million (5,550), up 25 percent. Organic growth amounted to 16 percent.
- EBITA increased to SEK 768 million (660) and the EBITA margin amounted to 11.1 percent (11.9).
- Operating EBITA rose to SEK 775 million (663) and the operating EBITA margin amounted to 11.2 percent (11.9).
- Earnings per share rose to SEK 9.62 (8.57).
- Cash flow from operating activities increased to SEK 653 million (539).
- Return on operating capital increased to 17.9 percent (16.4).

SEKm (unless otherwise stated)	Jul-Sep 2022	Jul-Sep 2021	Jan-Sep 2022	Jan-Sep 2021	Last 12 months	Jan-Dec 2021
Net sales	2,386	1,897	6,934	5,550	9,109	7,725
EBITA	298	275	768	660	1,030	922
Operating EBITA	297	275	775	663	1,019	907
Earnings per share before dilution, SEK	3.88	3.57	9.62	8.57	13.34	12.29
Net sales increase (%)	25.8	10.6	24.9	13.7	23.9	15.6
EBITA margin (%)	12.5	14.5	11.1	11.9	11.3	11.9
Operating EBITA margin (%)	12.5	14.5	11.2	11.9	11.2	11.7
Return on operating capital (%)	17.9	16.4	17.9	16.4	17.9	16.9
Net debt/ Operating EBITDA, multiple	0.8	1.0	0.8	1.0	0.8	0.6
Net debt/ Operating EBITDA, multiple (excl IFRS 16)	0.5	0.7	0.5	0.7	0.5	0.3
Net debt	993	1,073	993	1,073	993	687
Net debt (excl IFRS 16)	610	730	610	730	610	348

A teleconference for analysts, media representatives and investors will be held at 9:00 a.m. today, October 25, 2022. At that time, the report will be presented by Henrik Hjalmarsson, President and CEO, and Peter Welin, CFO. The presentation will be held in English and can also be followed via live web cast at: <https://www.inwido.com/investors/financial-reports-and-presentations> You will also find the presentation materials here before the start of the meeting. It will also be possible to view the broadcast later at the same address. To participate in the conference call/webcast, no prior registration is required, but please dial in five minutes before the advertised time to allow the meeting to commence punctually. Dial in by phone to: SE: +46 (0) 8 505 163 86 UK: +44 20 319 84884 US: +1 412 317 6300. Use PIN: 1408638#.

Growth and profitability exceeding targets

Summing up the third quarter, I am able to state that Inwido has continued the favorable trend experienced in the first half of the year. Growth exceeds by some margin our long-term growth target of reaching sales of SEK 20 billion by 2030 and the return on operating capital is also above the targeted figure. Cash flow for the quarter was favorable and the already strong balance sheet has been further strengthened. On the whole, I feel that this shows Inwido to be stable in a time pervaded by an increasingly uncertain external environment. Over the quarter, our operations were affected by the peak in the price of natural gas in August and September, which in turn entailed higher prices, particularly for glass. Hence, the margin decreased somewhat over the period, which was also due to a continued weaker trend in e-Commerce. Although the picture varies within the Group, we are now seeing, for the first time in a long while, order intake decreasing somewhat. At the same time, our business units are used to quickly adapting their operations to demand, not least because our business has always been characterized by seasonal variations.



Inwido stands stably despite uncertain external conditions with inflation remaining high and interest rates rising rapidly. Over the quarter, net sales increased by 26 percent to SEK 2,386 million (1,897), 15 percent organically. Operating EBITA increased to SEK 297 million (275), the highest to date for the third quarter of a year, while the operating EBITA margin amounted to 12.5 percent (14.5). The order backlog of SEK 2,420 million remains at a historically high level and increased by 6 percent, while order intake for the quarter decreased by 1 percent.

Positive development in three out of four business areas

Business Area Scandinavia continued its high level of growth over the quarter, combined with improved profitability. We have succeeded well in both defending and strengthening our market positions. Sales increased by 27 percent, operating EBITA rose by 28 percent to SEK 206 million (160) and the operating EBITA margin was 16.2 percent (16.1).

Business Area Eastern Europe shows strong growth. Sales rose by 36 percent, operating EBITA increased to SEK 59 million (45) and the operating EBITA margin amounted to 9.0 percent (9.2). The favorable trend can be seen clearly, both in our largest business unit in Finland, as well as in our Polish operation.

Business Area e-Commerce continues the weak trend of the first half of the year. Early in the year, disruptions in the implementation of growth-promoting investments in machinery caused capacity shortages, causing our sales to lose the positive momentum present in 2021. There is no longer any shortage of capacity, and efficiency is gradually improving. At the same time, we are seeing that consumers are more cautious towards e-trade than they were during the Covid boom. Combined, this meant that sales fell by 9 percent to SEK 232 million, while the operating EBITA amounted to SEK 15 million (58) and the operating EBITA margin was 6.3 percent (22.8).

Business Area Western Europe shows strong growth but weaker margins for the quarter. Several of our business units show favorable growth and Dekko Window Systems, which was acquired in the first quarter, continues to contribute positively to the business area's development. Sales increased by 46 percent to SEK 241 million. Operating EBITA rose to SEK 24 million (21) while the operating EBITA margin fell to 9.9 percent (12.8).

Well positioned for continued growth through acquisitions

The three acquisitions we have made to date this year, Dekko Window Systems, Westcoast Windows and Hyvinkään Puuseppien all showed favorable growth and profitability over the quarter. Although the external environment is pervaded by considerable uncertainty, we see big opportunities to maintain a high acquisition rate, keeping debt at a favorable balance of course. In the third quarter, our strong cash flow further lowered our debt ratio, affording us good opportunities to continue making acquisitions even in a weakened economy.

Future prospects

The third quarter shows good sales, improved profits over last year and a strong order backlog. At the same time, there is some uncertainty around order intake. Over the year, the price of input material has risen sharply, which we have countered with price increases. We foresee prices for glass remaining high over the year, while prices for wood are falling back. Consumer confidence is generally at record low levels in Europe, affecting the willingness to invest.

In its energy savings campaign, the Swedish Energy Agency writes that 35 percent of the heat in a single-family home is lost through windows and doors. Accordingly, with energy prices at record highs, there has probably never been a better time to invest in our energy efficient products.

MALMÖ, OCTOBER 25, 2022



Henrik Hjalmarsson
President and CEO

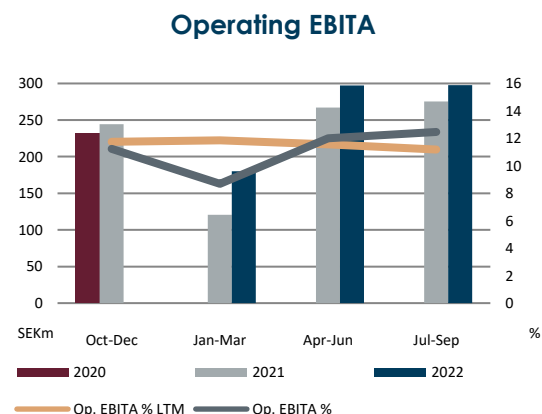
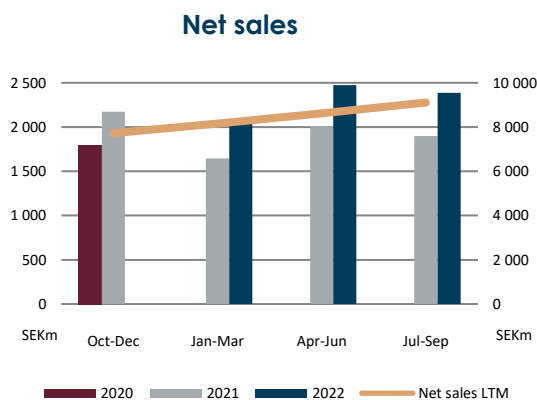
Group

Net sales and order intake

Over the third quarter, sales increased by 26 percent (organically by 15 percent) to SEK 2,386 million (1,897) as a result of both volume and price increases. Over the period January–September, net sales rose to SEK 6,934 million (5,550), corresponding to 25 percent growth (16 percent organically).

Analysis of net sales	Jul-Sep		Jul-Sep		Jan-Sep		Jan-Sep	
	2022 (SEKm)		2021 (SEKm)		2022 (SEKm)		2021 (SEKm)	
Net sales	26%	2,386	11%	1,897	25%	6,934	14%	5,550
Organic growth	15%	319	10%	178	16%	980	15%	734
Structural effects	6%	117	1%	23	4%	241	1%	43
Currency effects	3%	53	-1%	-19	3%	163	-2%	-109

In the third quarter, the reported order intake decreased by 1 percent compared with the corresponding quarter last year (down 7 percent adjusted for acquisitions), meaning an order intake volume equivalent to that in the corresponding period in 2019, that is, prior to the Covid pandemic. Order intake was down by 2 percent in Business Area Scandinavia, down 14 percent in Eastern Europe and up 68 percent in Western Europe, while e-Commerce reported order intake down by 8 percent. At the end of the period, the order backlog amounted to SEK 2,420 million (2,283), an increase of 6 percent compared with the corresponding time last year (1 percent adjusted for acquisitions).



EBITA

In the third quarter, EBITA rose to SEK 298 million (275) and the EBITA margin amounted to 12.5 percent (14.5). Operating EBITA, that is, EBITA before items affecting comparability, increased to SEK 297 million (275). This is the highest EBITA reported by Inwido to date for the third quarter of a year. The operating EBITA margin amounted to 12.5 percent (14.5). The lower margin is primarily the result of a changed segment mix.

Over the period January–September, EBITA increased to SEK 768 million (660) and the EBITA margin amounted to 11.1 percent (11.9). Operating EBITA rose to SEK 775 million (663) and the operating EBITA margin amounted to 11.2 percent (11.9).

Net financial items

In the third quarter, net financial items amounted to a negative SEK 8 million (15), while the Group's net interest amounted to an expense of SEK 8 million (6). For the period January–September, net financial items amounted to an expense of SEK 39 million (20), while the consolidated net interest expense amounted to SEK 20 million (19). The discrepancy in net financial items is primarily attributable to positive exchange rate effects during the corresponding period last year.

Profit before and after tax

In the third quarter, profit before tax rose to SEK 284 million (255). Income taxes amounted to a negative SEK 56 million (negative 48) and profit after tax rose to SEK 228 million (207). Over the period January–September, profit before tax rose to

SEK 711 million (625). Income taxes amounted to a negative SEK 146 million (negative 127) and profit after tax rose to SEK 565 million (498).

Earnings per share

In the third quarter, earnings per share, before and after dilution, increased to SEK 3.88 (3.57). Over the period January–September, earnings per share, before and after dilution, increased to SEK 9.62 (8.57).

Effects of Covid-19 and reporting of government subsidies

Central government subsidies and temporary deferrals of taxes and fees related to the Covid-19 pandemic were insignificant from the consolidated perspective.

Items affecting comparability

Items affecting comparability that are non-recurring and have a significant impact on profit are important in understanding the underlying development of operations. Expenses relate primarily to acquisition-related expenses and restructuring measures during a consolidation phase, in which the company enhances efficiency through, for example, closures or reorganization of production facilities and sales units. These expenses primarily consist of impairment of assets, personnel costs and other external expenses.

Items affecting comparability amounted to SEK 1 million (0) during the third quarter and involve the net of repayments of surplus within the collective agreement insurance AGS and acquisition-related costs. For the period January–September, items affecting comparability amounted to a negative SEK 7 million (negative 3) net and mainly involve acquisition-related costs.

Gross investments, depreciation, amortization and impairment

Gross investments in tangible non-current assets in the third quarter amounted to SEK 23 million (36). Depreciation and impairment amounted to SEK 72 million (63). For the period January–September, gross investments in tangible non-current assets amounted to SEK 88 million (102). Depreciation and impairment amounted to SEK 210 million (183).

Cash flow

For the third quarter, cash flow from operating activities after changes in working capital increased to SEK 293 million (261). For the period January–September, cash flow from operating activities after changes in working capital increased to SEK 653 million (539). A continued favorable profitability trend combined with lower working capital being tied up contributed to the improved cash flow.

For the third quarter, cash flow from investing activities was a negative SEK 29 million (negative 37). For the period January–September, cash flow from investing activities was a negative SEK 333 million (negative 173). The deviation from the previous year is primarily explained by acquisitions.

For the third quarter, cash flow from financing activities was a negative SEK 22 million (negative 320). For the period January–September, cash flow from financing activities was a negative SEK 436 million (negative 646). The deviation from the preceding year is explained by higher loan amortizations that year, offset partially by a higher dividend in 2022 compared with the preceding year.

Return on operating capital

Return on operating capital increased to 17.9 percent (16.4), above all as a result of higher operating profit combined with less working capital being tied up.

Financial position and liquidity

Inwido's principal financing consists of bank loans based on bilateral, sustainability-related credit agreements expiring in the period 2025–2028. The aforementioned credit agreement includes financial covenants that are followed up on a quarterly basis. Inwido meets the terms of existing credit agreements.

Consolidated net debt decreased, amounting at the end of the period to SEK 993 million (1,073) and to SEK 610 million (730) excluding IFRS 16 due to continued strong cash flow from operating activities.

At the end of the period, indebtedness, calculated as interest-bearing net debt/operating EBITDA, was 0.8 (1.0) and 0.5 (0.7) excluding IFRS 16. At the end of the period, consolidated cash and equivalents were SEK 993 million (868). Available funds, including unutilized credit facilities, amounted to SEK 2,541 million (2,433).

Seasonal variations

Inwido's operations are affected by seasonal fluctuations. The weakest period is the first quarter, which normally accounts for about 20 percent of annual sales. The second and third quarters are normally of equal strength and combined account for slightly more than 50 percent of annual sales, while the fourth quarter of the year is normally the strongest with slightly less

than 30 percent of annual sales. The largest seasonal variations are within the Consumer market, although sales to the Industry market are also dependent on the season and weather.

Employees

Over the period January–September 2022, the number of employees averaged 4,935 (4,622).

Parent Company

The Parent Company, Inwido AB (publ), is purely a holding company with no operations of its own. The Parent Company's profit mainly reflects the net of revenues for joint Group services and deductions for wages, other remunerations and interest expenses.

Shares and share capital

As per September 30, 2022, share capital amounted to SEK 231,870,112 and the number of shares totaled 57,967,528. The company has one (1) class of shares. Each share entitles the holder to one vote at general meetings. At the end of the period, the closing price was SEK 88 and the company's market capitalization was SEK 5,101 million. The total number of shareholders amounts to 15,377.

Acquisitions

On March 1, 2022, Inwido acquired 70 percent of the shares and votes in UK company Dekko Window Systems Ltd. Dekko has some 200 employees, a production facility on the outskirts of Manchester and achieved sales equivalent to about SEK 260 million in 2021. The company primarily sells its products to the Consumer market through local window installers and retailers. The company joins Business Area Western Europe. Inwido has issued a put option for the remaining 30 percent of the shares, held primarily by senior executives in Dekko. The put option entitles, but does not oblige, minority shareholders to sell their shares to Inwido during the period March 1–April 30, 2025. Inwido also has a call option entitling, but not obliging the company, to acquire any outstanding shares during the period May 1–June 30, 2025. The purchase consideration for the remaining 30 percent of the shares will be based on Dekko's future financial development. An additional purchase consideration for the initial 70 percent of the shares may also be payable based on the operating profit achieved in 2022.

On May 31, Inwido acquired all shares and votes in Westcoast Windows AB with operations in Sweden and the UK. Westcoast Windows was founded in 1995 and manufactures windows, window doors and sliding doors in wood and wood/aluminium at its plant in Trollhättan, Sweden. Today, the company mainly sells its products through DIY chains, with homeowners and tenant-owner associations being major customer groups. Some production is exported to the UK, where the company maintains its own sales organization. The operations, which employed 80 people and achieved sales of SEK 164 million in 2021, will join Inwido's Business Area Scandinavia.

On May 31, Inwido acquired 65 percent of the shares and votes in Hyvinkään Puuseppien OY in Finland, which specializes in solid wood doors and custom windows. The acquisition adds another successful operation to Inwido's Business Area Eastern Europe. Hyvinkään Puuseppien has 16 employees and maintains a production facility in Ridasjärvi, Hyvinkää, north of Helsinki. In 2021, the company achieved sales of approximately SEK 40 million. Hyvinkään Puuseppien was founded in 1958 and today sells its products mainly to tenant-owner associations, property companies, construction companies and construction contractors. Inwido has issued a put option regarding the remaining 35 percent of the shares, which are held by the CEO of Hyvinkään Puuseppien. The put option entitles, but does not oblige, minority shareholders to sell their shares to Inwido during the period March 1–April 30, 2024. Inwido also has a call option entitling, but not obliging the company, to acquire any outstanding shares during the period March 1–April 30, 2024. The purchase consideration for the remaining 35 percent of the shares will be based on Hyvinkään Puuseppien's future financial development.

These three acquisitions have in common that the companies will continue to operate as independent companies within the relevant business areas, while also being able to benefit from synergies with Inwido's central purchasing organization and other local business units in the relevant markets. See Note 5 for further information.

Incentive programs

The 2021 Annual General Meeting approved the Board's proposal on the establishment of a long-term incentive program consisting of an issue of warrants to senior executives. The warrants issue, encompassed 94,500 warrants issued to Inwido's wholly-owned subsidiary, Inwido Europe AB, which were subsequently transferred to the company's senior executives. The transfer was conducted at market value at the time of transfer. It will be possible to subscribe for shares supported by the warrants during the periods August 1, 2024–August 31, 2024, February 15, 2025–March 15, 2025, August 1, 2025–August 31, 2025, February 15, 2026–March 15, 2026 and August 1, 2026–August 31, 2026. Each warrant entitles the holder to subscribe for one new share in Inwido at a price corresponding to 125 percent of the volume-weighted average price for the company's shares on the Nasdaq Stockholm's official price list during the period April 28, 2021–May 6, 2021. The subscription price corresponds to SEK 189.79.

The 2022 Annual General Meeting approved the Board's proposal to establish a long-term incentive program comprising an issue of warrants to senior executives. The program mainly corresponds to the long-term incentive program adopted by the 2021 Annual General Meeting. The warrants issue, encompassed 108,500 warrants issued to Inwido's wholly-owned subsidiary, Inwido Europe AB, which were subsequently transferred to the company's senior executives. The transfer was conducted at market value at the time of transfer. Subscription of shares supported by the warrants is to occur during the periods from and including August 1, 2025, up to and including August 31, 2025; from and including August 1, 2026, up to and including August 31, 2026; and from and including August 1, 2027, up to and including August 31, 2027.

If fully exercised, the maximum dilution effect of the program is approximately 0.28 percent of the shares and votes in the company. The long-term incentive program adopted by the 2021 Annual General Meeting corresponds to a total dilution effect of approximately 0.40 percent, which means that the programs together can lead to a maximum dilution effect of approximately 0.68 percent.

Pledged assets and contingent liabilities

No significant changes in pledged assets or contingent liabilities occurred during the period.

Future prospects

The third quarter shows good sales, improved profits over last year and a strong order backlog. At the same time, there is some uncertainty around order intake. Over the year, the price of input material has risen sharply, which we have countered with price increases. We foresee prices for glass remaining high over the year, while prices for wood are falling back. Consumer confidence is generally at record low levels in Europe, affecting the willingness to invest.

In its energy savings campaign, the Swedish Energy Agency writes that 35 percent of the heat in a single-family home is lost through windows and doors. Accordingly, with energy prices at record highs, there has probably never been a better time to invest in our energy efficient products.

Inwido's sustainability efforts

Important events:

- The focus on reducing the number of accidents continues to produce good results, with these decreasing by 1.5% in the second quarter of 2022. Elitfönster has launched a security center to further prevent accidents from occurring in production.
- In August, Annika Hansson was hired as Head of Sustainability Development to strengthen Inwido's sustainability work.
- There was a marginal increase of 1.4% in energy consumption in the second quarter of 2022, which was attributable to slightly increased energy consumption in business units not producing windows.
- Inwido is working to map its Scope 3 emissions and to then reduce these in accordance with the Science Based Targets Initiative's objective of limiting warming.

Inwido's sustainability KPI:s

Carbon dioxide emissions (scope 1 och 2)
Energy consumption
Wood from sustainable forestry
Accidents (with lost working days)
Equality in management
Sick-leave
Hazardous and non-hazardous waste
Code of Conduct for suppliers (direct material)
Discrimination and harassment

As of Q1 2023, developments for KPIs measured quarterly will be reported in quarterly reports.

The Inwido climate ambition:

Our ambition is to reduce our carbon dioxide emissions* by **50 percent** by 2030 and to be **carbon neutral** by 2050

* Scope 1 och 2

61 percent of sales met the Taxonomy's screening criteria

In summing up its sales of windows and doors in 2021, Inwido calculated that 61 percent of its sales met the taxonomy's screening criteria for making a substantial contribution. The relevant screening criteria are set at a U-value of 1.0 W/m², K for windows and of 1.2 W/m², K for doors. This outcome represents significant progress compared with the share of 45 percent achieved in the 2020 financial year.

Sustainability compass shows the way

By offering energy efficient and responsibly produced products we enable people to live a sustainable lifestyle, at home and at work. Inwido follows three strategic guidelines in accordance with the Group's sustainability compass.



Inwido's operations and segments



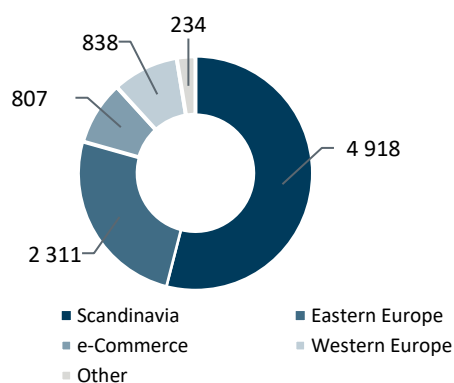
Inwido improves people's lives indoors with windows and doors. As Europe's leading window group, Inwido's business concept is to develop and sell the market's best customized window and door solutions through a decentralized structure and with focus on the consumer-driven market, in order to create long-term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

Inwido consists of 32 business units with approximately 4,900 employees in 11 countries. In 2021 the Group achieved sales of SEK 7.7 billion with an operating EBITA margin of 11.7 percent.

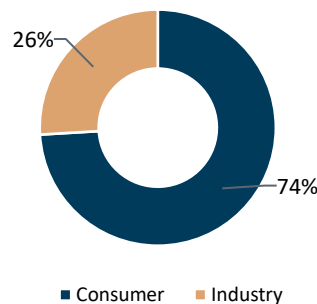
As of January 1, 2022, Inwido divides its operations into the four operating segments e-Commerce, Scandinavia, Eastern Europe and Western Europe. Within these four operating segments, Inwido conducts operations within two different market segments, the Consumer and Industry markets. Sales are made through direct sales, installers, retailers such as builders' merchants and DIY chains, building companies and manufacturers of prefabricated homes.

In 2021, sales to the Consumer market accounted for 74 percent of total net sales, while sales to the Industry market accounted for about 26 percent.

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



External net sales split between market segments, LTM



Scandinavia – good growth and defended margins despite increased costs for energy and materials

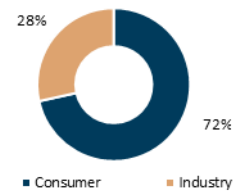
In the third quarter of the year, net sales rose by 27 percent to SEK 1,265 million (994), corresponding to an organic increase of 20 percent.

Reported order intake decreased by 2 percent. At the end of the period, the order backlog was 9 percent lower than at the end of the corresponding period last year.

In the third quarter, operating EBITA rose to SEK 206 million (160) and the operating EBITA margin rose to 16.2 percent (16.1). As a result of continued strong sales growth and successful efforts to offset rising energy costs, for example, through price adjustments towards customers, the business area was able to defend its margins.

During the period January–September, net sales rose to SEK 3,800 million (3,068), which was 24 percent higher than for the corresponding period last year. For the period January–September, the operating EBITA margin rose to 14.7 percent (13.8).

External net sales split between market segments, LTM



MSEK	Jul-Sep 2022	Jul-Sep 2021	Change	Jan-Sep 2022	Jan-Sep 2021	Change	Last 12 months	Jan-Dec 2021
Net sales	1,265	994	27%	3,800	3,068	24%	5,035	4,303
Operating gross profit	326	269	21%	944	771	22%	1,245	1,072
Operating gross profit margin (%)	25.8	27.0		24.8	25.1		24.7	24.9
Operating EBITA	206	160	28%	560	425	32%	730	595
Operating EBITA margin (%)	16.2	16.1		14.7	13.8		14.5	13.8

Eastern Europe – continued favorable sales trend with stable margin

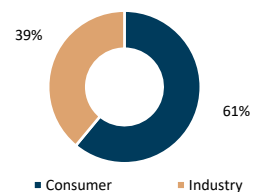
Net sales increased by 36 percent to SEK 656 million (482) in the third quarter, corresponding to an organic increase of 30 percent.

Reported order intake decreased by 14 percent. At the end of the period, the order backlog was 28 percent higher than at the end of the corresponding period last year.

In the third quarter, operating EBITA rose to SEK 59 million (45) and the operating EBITA margin amounted to 9.0 percent (9.2). Higher sales in Finland but also continued good development in Poland resulted in a stable margin despite higher costs for input goods.

During the period January–September, net sales rose to SEK 1,752 million (1,285), which was 36 percent higher than for the corresponding period last year. For the period January–September, the operating EBITA margin amounted to 7.9 percent, unchanged compared with the corresponding period last year.

External net sales split between market segments, LTM



MSEK	Jul-Sep 2022	Jul-Sep 2021	Change	Jan-Sep 2022	Jan-Sep 2021	Change	Last 12 months	Jan-Dec 2021
Net sales	656	482	36%	1,752	1,285	36%	2,313	1,846
Operating gross profit	138	119	17%	385	324	19%	510	449
Operating gross profit margin (%)	21.1	24.6		22.0	25.2		22.1	24.3
Operating EBITA	59	45	33%	139	102	36%	181	145
Operating EBITA margin (%)	9.0	9.2		7.9	7.9		7.8	7.8

e-Commerce – efficiency challenges in tougher e-trade market

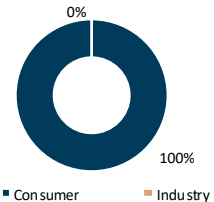
In the third quarter, net sales amounted to SEK 232 million (254), which was 9 percent lower than in the corresponding period last year. Organic net sales were 14 percent lower.

Reported order intake decreased by 8 percent during the quarter while the order backlog at the end of the period was 6 percent higher compared with the corresponding time last year.

With efficiency yet to return to earlier levels following major capacity investments in our largest plant, combined with a more challenging e-trade market, margins were impacted negatively. Operating EBITA amounted to SEK 15 million (58) and the operating EBITA margin amounted to 6.3 percent (22.8) for the third quarter. The lower margin should also be seen in the perspective of the e-trade market having been very strong in previous years.

Over the period January–September, net sales amounted to SEK 683 million (735), which was 7 percent lower than in the corresponding period last year. For the period January–September, the operating EBITA margin amounted to 4.0 percent (18.1).

External net sales split between market segments, LTM



MSEK	Jul-Sep 2022	Jul-Sep 2021	Change	Jan-Sep 2022	Jan-Sep 2021	Change	Last 12 months	Jan-Dec 2021
Net sales	232	254	-9%	683	735	-7%	901	953
Operating gross profit	55	95	-42%	157	246	-36%	219	309
Operating gross profit margin (%)	23.6	37.2		23.0	33.5		24.3	32.4
Operating EBITA	15	58	-75%	27	133	-80%	47	153
Operating EBITA margin (%)	6.3	22.8		4.0	18.1		5.2	16.1

Western Europe – mix change lowered the margin

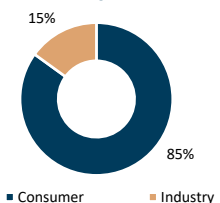
Over the third quarter, net sales rose to SEK 241 million (166), which was 46 percent higher compared with the corresponding period last year. Organic net sales were 1 percent lower and Dekko Window Systems, which was acquired in the first quarter, continues to contribute positively to the business area's development.

The reported order intake increased by 68 percent over the quarter, partly as an effect of some major orders in Ireland. The business area's order backlog at the end of the period was 19 percent higher compared with the corresponding time last year.

Over the third quarter, operating EBITA rose to SEK 24 million (21) and the operating EBITA margin amounted to 9.9 percent (12.8). Above all, the lower margin was a result of mix changes.

During the period January–September, net sales rose to SEK 679 million (428), which was 59 percent higher than for the corresponding period last year. At the same time, the operating EBITA margin increased to 9.4 percent (7.1).

External net sales split between market segments, LTM



MSEK	Jul-Sep 2022	Jul-Sep 2021	Change	Jan-Sep 2022	Jan-Sep 2021	Change	Last 12 months	Jan-Dec 2021
Net sales	241	166	46%	679	428	59%	838	587
Operating gross profit	50	37	37%	138	85	62%	169	116
Operating gross profit margin (%)	20.8	22.1		20.3	19.9		20.2	19.8
Operating EBITA	24	21	12%	64	30	111%	79	45
Operating EBITA margin (%)	9.9	12.8		9.4	7.1		9.4	7.7

Key ratios, Group

<i>SEKm (unless otherwise stated)</i>	Jul-Sep 2022	Jul-Sep 2021	Jan-Sep 2022	Jan-Sep 2021	Last 12 months	Jan-Dec 2021
Income measures						
Net sales	2,386	1,897	6,934	5,550	9,109	7,725
Gross profit	585	527	1,674	1,458	2,236	2,021
EBITDA	364	333	961	828	1,284	1,151
Operating EBITDA	363	333	967	831	1,272	1,136
EBITA	298	275	768	660	1,030	922
Operating EBITA	297	275	775	663	1,019	907
Operating profit (EBIT)	292	270	751	645	1,007	902
Margin measures						
Gross margin (%)	24.5	27.8	24.1	26.3	24.5	26.2
EBITDA margin (%)	15.3	17.6	13.9	14.9	14.1	14.9
Operating EBITDA margin (%)	15.2	17.6	14.0	15.0	14.0	14.7
EBITA margin (%)	12.5	14.5	11.1	11.9	11.3	11.9
Operating EBITA margin (%)	12.5	14.5	11.2	11.9	11.2	11.7
Operating margin (EBIT) (%)	12.3	14.2	10.8	11.6	11.1	11.7
Capital structure						
Net debt	993	1,073	993	1,073	993	687
Net debt (excl IFRS 16)	610	730	610	730	610	348
Net debt/operating EBITDA, multiple	0.8	1.0	0.8	1.0	0.8	0.6
Net debt/operating EBITDA, multiple (excl IFRS 16)	0.5	0.7	0.5	0.7	0.5	0.3
Net debt/equity ratio, multiple	0.2	0.2	0.2	0.2	0.2	0.1
Interest coverage ratio, multiple	24.0	17.5	17.0	19.2	24.2	20.7
Shareholders' equity	4,993	4,422	4,993	4,422	4,993	4,648
Equity/assets ratio (%)	52	53	52	53	52	55
Operating capital	5,986	5,495	5,986	5,495	5,986	5,335
Return measures						
Return on shareholders' equity (%)	16.3	15.7	16.3	15.7	16.3	16.2
Return on operating capital (%)	17.9	16.4	17.9	16.4	17.9	16.9
Share data (number of shares in thousands)						
Earnings per share before dilution, SEK	3.88	3.57	9.62	8.57	13.34	12.29
Earnings per share after dilution, SEK	3.88	3.57	9.62	8.57	13.34	12.29
Earnings per share before dilution, SEK (non-IFRS)	3.98	3.66	10.03	8.87	13.60	12.45
Earnings per share after dilution, SEK (non-IFRS)	3.98	3.66	10.03	8.87	13.60	12.45
Shareholders' equity per share before dilution, SEK	85.71	76.17	85.71	76.17	85.71	80.08
Shareholders' equity per share after dilution, SEK	85.71	76.17	85.71	76.17	85.71	80.08
Cash flow per share before dilution, SEK	5.05	4.50	11.27	9.29	19.50	17.49
Cash flow per share after dilution, SEK	5.05	4.50	11.27	9.29	19.50	17.49
Number of shares before dilution	57,968	57,968	57,968	57,968	57,968	57,968
Number of shares after dilution	57,968	57,968	57,968	57,968	57,968	57,968
Average number of shares	57,968	57,968	57,968	57,968	57,968	57,968

Quarterly review, Group

Key ratios

	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3
<i>SEKm (unless otherwise stated)</i>	2022	2022	2022	2021	2021	2021	2021	2020	2020
Net sales	2,386	2,475	2,073	2,175	1,897	2,009	1,644	1,798	1,716
Operating EBITA	297	297	180	244	275	267	121	231	247
Operating EBITA margin (%)	12.5	12.0	8.7	11.2	14.5	13.3	7.3	12.9	14.4
EBITA	298	293	177	262	275	264	121	230	240
EBITA margin (%)	12.5	11.8	8.5	12.1	14.5	13.1	7.3	12.8	14.0
Return on operating capital (%)	17.9	17.9	17.8	16.9	16.4	15.7	14.3	12.6	11.5
Earnings per share before dilution, SEK	3.88	3.66	2.08	3.72	3.57	3.29	1.71	3.02	3.05
Earnings per share after dilution, SEK	3.88	3.66	2.08	3.72	3.57	3.29	1.71	3.02	3.05
Shareholders' equity per share before dilution, SEK	85.71	80.42	81.21	80.08	76.17	72.19	74.50	71.68	71.27
Shareholders' equity per share after dilution, SEK	85.71	80.42	81.21	80.08	76.17	72.19	74.50	71.68	71.27
Cash flow per share before dilution, SEK	5.05	6.04	0.27	8.22	4.49	6.07	-1.29	5.79	6.16
Cash flow per share after dilution, SEK	5.05	6.04	0.27	8.22	4.49	6.07	-1.29	5.79	6.16
Share price, SEK	88.00	112.80	149.00	187.20	146.40	148.00	144.00	120.50	91.30

Net sales per segment

	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3
<i>SEKm</i>	2022	2022	2022	2021	2021	2021	2021	2020	2020
Scandinavia	1,265	1,360	1,175	1,235	994	1,126	947	1,030	922
Eastern Europe	656	589	507	561	482	453	351	423	420
e-Commerce	232	268	183	218	254	273	208	205	237
Western Europe	241	247	190	159	166	144	118	142	135
Group-wide, eliminations and other	-9	11	19	2	1	14	19	-2	2
Total	2,386	2,475	2,073	2,175	1,897	2,009	1,644	1,798	1,716

Key data for the segments

SEKm Group	Jul-Sep 2022	Jul-Sep 2021	Change	Jan-Sep 2022	Jan-Sep 2021	Change	Last 12 months	Jan-Dec 2021
Net sales	2,386	1,897	26%	6,934	5,550	25%	9,109	7,725
Operating gross profit	584	527	11%	1,672	1,458	15%	2,213	1,999
Operating gross profit margin (%)	24.5	27.8		24.1	26.3		24.3	25.9
Operating EBITA	297	275	8%	775	663	17%	1,019	907
Operating EBITA margin (%)	12.5	14.5		11.2	11.9		11.2	11.7

Scandinavia

Net sales	1,265	994	27%	3,800	3,068	24%	5,035	4,303
Operating gross profit	326	269	21%	944	771	22%	1,245	1,072
Operating gross profit margin (%)	25.8	27.0		24.8	25.1		24.7	24.9
Operating EBITA	206	160	28%	560	425	32%	730	595
Operating EBITA margin (%)	16.2	16.1		14.7	13.8		14.5	13.8

Eastern Europe

Net sales	656	482	36%	1,752	1,285	36%	2,313	1,846
Operating gross profit	138	119	17%	385	324	19%	510	449
Operating gross profit margin (%)	21.1	24.6		22.0	25.2		22.1	24.3
Operating EBITA	59	45	33%	139	102	36%	181	145
Operating EBITA margin (%)	9.0	9.2		7.9	7.9		7.8	7.8

e-Commerce

Net sales	232	254	-9%	683	735	-7%	901	953
Operating gross profit	55	95	-42%	157	246	-36%	219	309
Operating gross profit margin (%)	23.6	37.2		23.0	33.5		24.3	32.4
Operating EBITA	15	58	-75%	27	133	-80%	47	153
Operating EBITA margin (%)	6.3	22.8		4.0	18.1		5.2	16.1

Western Europe

Net sales	241	166	46%	679	428	59%	838	587
Operating gross profit	50	37	37%	138	85	62%	169	116
Operating gross profit margin (%)	20.8	22.1		20.3	19.9		20.2	19.8
Operating EBITA	24	21	12%	64	30	111%	79	45
Operating EBITA margin (%)	9.9	12.8		9.4	7.1		9.4	7.7

Group-wide, eliminations and other

Net sales	-9	1	-842%	20	34	-42%	22	36
Operating gross profit	12	6	88%	41	25	63%	60	44
Operating gross profit margin (%)	na	na		na	na		na	na
Operating EBITA	-9	-11	-20%	-25	-36	-31%	-31	-42
Operating EBITA margin (%)	na	na		na	na		na	na

IFRS 16 effect

Net sales	-	-	-	-	-	-	-	-
Operating gross profit	3	2	12%	8	7	9%	10	9
Operating gross profit margin (%)	na	na		na	na		na	na
Operating EBITA	3	3	10%	10	9	6%	13	12
Operating EBITA margin (%)	na	na		na	na		na	na

Summary consolidated statement of comprehensive income

<i>Amounts in SEKm</i>	Jul-Sep 2022	Jul-Sep 2021	Jan-Sep 2022	Jan-Sep 2021	Last 12 months	Jan-Dec 2021
Net sales	2,386.0	1,897.2	6,934.1	5,550.3	9,108.7	7,724.9
Cost of goods sold	-1,801.2	-1,370.0	-5,260.3	-4,091.9	-6,872.6	-5,704.1
Gross profit	584.8	527.2	1,673.7	1,458.4	2,236.2	2,020.8
Other operating income	4.1	3.5	17.5	15.5	21.8	19.9
Selling expenses	-162.0	-143.9	-516.9	-462.7	-675.1	-620.8
Administrative expenses	-126.5	-108.3	-390.1	-337.3	-527.3	-474.5
Research and development expenses	-8.1	-7.6	-26.2	-24.1	-35.4	-33.2
Other operating expenses	-0.2	-1.4	-9.3	-6.8	-15.1	-12.6
Share of profit of associated companies	0.1	0.3	1.8	1.9	2.2	2.4
Operating profit (EBIT)	292.3	269.8	750.6	645.0	1,007.4	901.9
Financial income	4.2	0.3	5.2	14.1	6.3	28.4
Financial expenses	-12.3	-15.4	-44.5	-34.4	-41.9	-45.0
Net financial items	-8.2	-15.1	-39.3	-20.3	-35.6	-16.6
Profit before tax	284.1	254.7	711.3	624.7	971.8	885.3
Tax expense	-55.9	-47.5	-146.2	-127.1	-191.4	-172.4
Profit after tax	228.2	207.1	565.1	497.6	780.4	712.9
Other comprehensive income						
Items reallocated to, or that can be reallocated to profit for the year						
Translation differences, foreign operations	80.0	24.1	239.6	52.5	250.8	63.7
Total other comprehensive income after tax	308.2	231.2	804.8	550.1	1,031.2	776.6
Profit after tax attributable to:						
Parent Company shareholders	225.0	206.8	557.8	496.8	773.6	712.6
Non-controlling interest	3.2	0.3	7.3	0.8	6.9	0.3
Other comprehensive income attributable to:						
Parent Company shareholders	304.7	230.9	797.0	549.4	1,023.9	776.2
Non-controlling interest	3.4	0.3	7.8	0.8	7.4	0.4
Average number of shares before dilution	57,967,528	57,967,528	57,967,528	57,967,528	57,967,528	57,967,528
Average number of shares after dilution	57,967,528	57,967,528	57,967,528	57,967,528	57,967,528	57,967,528
Number of shares before dilution	57,967,528	57,967,528	57,967,528	57,967,528	57,967,528	57,967,528
Number of shares after dilution	57,967,528	57,967,528	57,967,528	57,967,528	57,967,528	57,967,528
Earnings per share before dilution, SEK	3.88	3.57	9.62	8.57	13.34	12.29
Earnings per share after dilution, SEK	3.88	3.57	9.62	8.57	13.34	12.29

Summary consolidated statement of financial position

<i>Amounts in SEKm</i>	Sep 2022	Sep 2021	Dec 2021
ASSETS			
Intangible assets	5,029.4	4,585.2	4,590.3
Tangible assets	1,409.6	1,279.3	1,331.0
Participations in associated companies	16.3	18.1	14.5
Financial assets	4.9	4.2	4.2
Deferred tax assets	56.1	48.1	55.9
Other non-current assets	56.8	30.4	36.8
Total non-current assets	6,573.1	5,965.4	6,032.7
Inventories	837.8	600.7	613.1
Trade receivables	787.9	653.0	493.2
Other receivables	365.3	277.0	224.8
Cash and equivalents	992.6	867.7	1,073.4
Total current assets	2,983.6	2,398.4	2,404.6
TOTAL ASSETS	9,556.7	8,363.8	8,437.2
EQUITY AND LIABILITIES			
Share capital	231.9	231.9	231.9
Other capital provided	948.8	947.3	947.3
Other reserves	408.9	158.7	169.8
Profit brought forward including profit for the year	3,379.0	3,077.6	3,293.1
Shareholders' equity attributable to Parent Company shareholders	4,968.6	4,415.4	4,642.1
Non-controlling interest	24.8	6.3	5.9
Total equity	4,993.4	4,421.8	4,648.0
Interest-bearing liabilities	1,557.6	1,070.1	1,402.0
Leasing liabilities	297.0	265.3	262.4
Deferred tax liabilities	133.6	123.8	128.5
Non-interest-bearing liabilities	15.3	3.2	9.4
Total non-current liabilities	2,003.6	1,462.4	1,802.3
Interest-bearing liabilities	62.0	543.3	34.9
Leasing liabilities	87.4	79.5	78.3
Non-interest-bearing provisions	37.5	37.5	40.4
Non-interest-bearing liabilities	2,372.8	1,819.4	1,833.3
Total current liabilities	2,559.6	2,479.6	1,986.9
TOTAL EQUITY AND LIABILITIES	9,556.7	8,363.8	8,437.2

Summary consolidated statement of changes in equity

Shareholders' equity attributable to Parent Company shareholders							
<i>Amounts in SEKm</i>	Share capital	Other capital provided	Trans-lation reserve	Retained earnings	Total	Non-controlling interests	Total equity
Equity, opening balance Jan. 1, 2021	231.9	946.0	106.2	2,871.0	4,155.0	0.0	4,155.1
<i>Comprehensive income</i>							
Profit for the period			-	496.8	496.8	0.8	497.6
Change in translation reserve for the period			52.5	-	52.5	0.0	52.5
Total comprehensive income for the period			52.5	496.8	549.4	0.8	550.1
<i>Transactions with the Group's owners</i>							
Paid Warrant		1.3		-	1.3	-	1.3
Dividends paid to Parent Company shareholders				-260.9	-260.9	-	-260.9
Acquisition/divestment of participation in non-controlling interests				-	-	5.5	5.5
Issued Put option/ forward				-29.4	-29.4	-	-29.4
Total transactions with the Group's owners	-	1.3	-	-290.2	-289.0	5.5	-283.5
Equity, closing balance Sep. 30, 2021	231.9	947.3	158.7	3,077.6	4,415.4	6.3	4,421.8
Equity, opening balance Jan. 1, 2022	231.9	947.3	169.8	3,293.1	4,642.1	5.9	4,648.0
<i>Comprehensive income</i>							
Profit for the period			-	557.8	557.8	7.3	565.1
Change in translation reserve for the period			239.1	-	239.1	0.5	239.6
Total comprehensive income for the period			239.1	557.8	797.0	7.8	804.8
<i>Transactions with the Group's owners</i>							
Paid warrant		1.5		-	1.5	-	1.5
Dividends paid to Parent Company shareholders				-356.5	-356.5	-	-356.5
Acquisition/divestment of participation in non-controlling interests				-	-	11.1	11.1
Issued Put option/ forward				-115.4	-115.4	-	-115.4
Other changes in wealth				0.0	0.0	-	0.0
Total transactions with the Group's owners	-	1.5	-	-471.9	-470.5	11.1	-459.3
Equity, closing balance Sep. 30, 2022	231.9	948.8	408.9	3,379.0	4,968.6	24.8	4,993.4

Summary consolidated cash flow statement

<i>Amounts in SEKm</i>	Jul-Sep 2022	Jul-Sep 2021	Jan-Sep 2022	Jan-Sep 2021	Last 12 months	Jan-dec 2021
Operating activities						
Profit before tax	284.1	254.7	711.3	624.7	971.8	885.3
Depreciation/amortisation and impairment of assets	71.7	63.2	210.2	182.7	276.5	249.1
Adjustment for items not included in cash flow:	-10.7	8.0	-10.9	-11.9	-19.7	-20.6
Income tax paid	-23.7	-18.2	-80.7	-65.1	-176.7	-161.1
Cash flow from operating activities before changes in working capital	321.4	307.6	829.9	730.5	1052.0	952.5
Changes in working capital						
Increase(-)/decrease(+) in inventories	11.6	-63.8	-184.8	-156.9	-186.2	-158.3
Increase(-)/decrease(+) in operating receivables	-39.4	-56.3	-261.6	-250.9	-94.1	-84.9
Increase(+)/decrease(-) in operating liabilities	-1.1	73.2	269.9	216.1	358.5	304.8
Cash flow from operating activities	292.6	260.7	653.4	538.8	1130.1	1014.1
Investing activities						
Acquisitions of tangible fixed assets	-22.6	-36.5	-87.9	-102.5	-173.8	-188.3
Divestments of tangible fixed assets	0.5	1.2	1.0	2.4	1.2	2.7
Change in intangible assets	-3.2	-0.9	-7.8	-3.8	-9.3	-5.3
Acquisitions of subsidiary, net of cash	-	-	-234.7	-68.1	-234.7	-68.1
Change in financial assets	-3.3	-0.6	-3.5	-1.6	0.2	3.6
Cash flow from investing activities	-28.7	-36.8	-333.0	-173.5	-416.4	-255.4
Financing activities						
Option premium	-	-	1.5	1.3	1.5	1.3
Dividends to parent company shareholders	-	-	-356.5	-260.9	-356.5	-260.9
Change in interest-bearing liabilities	-21.6	-320.2	-80.8	-386.2	-274.0	-579.4
Cash flow from financing activities	-21.6	-320.2	-435.8	-645.8	-629.0	-839.0
Cash flow for the year	242.3	-96.3	-115.4	-280.5	84.8	-80.4
Cash and equivalents at the beginning of the year	732.8	960.7	1073.4	1132.7	867.7	1132.7
Exchange rate difference in cash and equivalents	17.5	3.2	34.6	15.5	40.2	21.0
Cash and equivalents at the end of the year	992.6	867.7	992.6	867.7	992.6	1073.4

Summary income statement, Parent Company

<i>Amounts in SEKm</i>	Jul-Sep 2022	Jul-Sep 2021	Jan-Sep 2022	Jan-Sep 2021	Last 12 months	Jan-Dec 2021
Net sales	12.9	12.6	49.2	44.5	66.0	61.3
Gross profit	12.9	12.6	49.2	44.5	66.0	61.3
Administrative expenses	-13.1	-13.3	-49.8	-48.1	-68.8	-67.2
Other operating income	0.0	0.0	0.6	0.2	1.1	0.6
Other operating expenses	-0.6	-	-3.5	-	-3.5	-
Operating profit	-0.8	-0.7	-3.5	-3.5	-5.2	-5.2
<i>Result from financial items:</i>						
Participations in earnings of Group companies	120.0	10.2	787.9	113.4	798.0	123.6
Other interest income and similar profit/loss items	9.8	3.2	28.3	34.8	35.2	53.9
Interest expense and similar profit items	-4.4	-5.8	-24.6	-17.8	-16.9	-22.4
Profit after financial items	124.6	6.9	788.1	127.0	811.0	149.9
Group contribution	-	-	-	-	124.2	124.2
Difference between depreciation/ amortisation according to plan and reported depreciation/amortisation	-	-	-	-	0.1	0.1
Profit before tax	124.6	6.9	788.1	127.0	935.3	274.1
Tax expense	-1.9	1.1	-2.5	-3.1	-30.7	-31.2
Profit for the period	122.7	8.0	785.6	123.9	904.6	242.9

Summary balance sheet, Parent Company

<i>Amounts in SEKm</i>	Sep 2022	Sep 2021	Dec 2021
ASSETS			
Intangible non-current assets	0.1	0.2	0.2
Tangible non-current assets	1.1	1.4	1.3
Participations in Group companies	2324.4	2324.4	2324.4
Participations in associated companies	1.0	1.0	1.0
Receivables from Group companies	1280.5	1134.3	1314.6
Deferred tax asset	5.8	7.5	8.3
Other non-current assets	13.2	-	0.2
Total non-current assets	3626.1	3468.9	3650.0
Receivables from Group companies	0.1	0.2	67.1
Prepaid expenses and accrued income	45.0	40.9	3.5
Other receivables	22.9	29.1	-
Cash and equivalents	816.2	723.7	961.7
Total current assets	884.3	793.9	1032.2
TOTAL ASSETS	4510.4	4262.7	4682.2
EQUITY AND LIABILITIES			
Equity	1973.2	1423.6	1542.6
Total equity	1973.2	1423.6	1542.6
Accumulated depreciation/amortisation in addition to plan	0.1	0.2	0.1
Untaxed reserves	0.1	0.2	0.1
Liabilities to Group companies	1091.9	1238.7	1726.3
Interest-bearing liabilities	1411.3	1037.6	1369.2
Other liabilities	8.1	8.3	7.9
Total non-current liabilities	2511.3	2284.5	3103.4
Liabilities to Group companies	0.3	0.3	0.3
Non-interest-bearing liabilities	25.5	28.8	35.7
Total current liabilities	25.8	554.4	36.0
TOTAL EQUITY AND LIABILITIES	4510.4	4262.7	4682.2

Notes

Note 1 – Accounting principles

This summary consolidated interim report has been prepared in accordance with IAS 34 Interim Financial Reporting and applicable provisions in the Annual Accounts Act. The interim report for the Parent Company has been prepared in accordance with the Annual Accounts Act, Chapter 9, Interim Financial Reporting. The Group applies International Financial Reporting Standards (IFRS) as adopted by the EU. The Group and the Parent Company have applied the same accounting principles and calculation methods as in the 2021 Annual Report.

In addition to the financial statements, disclosures in accordance with IAS 34.16A are also presented in other parts of the interim report.

The financial reports are presented in SEK, rounded off to the nearest hundred thousand, unless otherwise stated. This process of rounding off can result in the total of the sub-items in one or more rows or columns not corresponding to the sum total for the row or column.

In the accounts, government subsidies related to the Covid-19 pandemic are treated as a reduction pertaining to personnel costs. Temporary respites on paying taxes and fees are booked as a non-interest-bearing liability when a decision on deferral has been obtained.

As of January 1, 2022, Inwido divides its operations into the four operating segments Scandinavia, Eastern Europe, e-Commerce and Western Europe, instead of, as previously, North and South. The new segmentation aims to increase transparency and clarity regarding development and business results within the Group's various areas. By highlighting growth segments, Inwido also seeks to signal a clearer focus on growth. For financial history regarding the four new segments, please refer to Inwido's website.

Note 2 – Risks and uncertainties

Inwido's operations are subject to various risks. Operational risks can be divided into operational, financial and external risks. Operational risks involve, among other things, risks related to losses on account receivable, warranty and product liability, key personnel, interruptions in production, IT systems, intellectual property rights, product development, restructuring, acquisitions and integration, insurance and corporate governance. The financial risks primarily involve changes in exchange rates and interest rates, liquidity risk, capacity to raise capital, financial credit risks and risks associated with goodwill. External risks involve, among other things, risks related to market trends, competition, commodity prices, political decisions, legal disputes, tax and environmental risks.

Risk management in Inwido is based on a structured process for the continuous identification and assessment of risks, their probabilities and potential impacts on the Group. The focus is on identifying controllable risks and managing them to thereby mitigate the overall level of risk in the operations. The Group's risks are described in the 2021 Annual Report. Beyond these, no significant additional risks or uncertainties have arisen.

Note 3 – Financial instruments

Financial instruments are valued at fair value in the Consolidated statement of comprehensive income. The balance sheet item 'Financial investments' contains the Group's holdings of unlisted securities. The cost for these has been deemed to be a reasonable approximation of their value.

<i>Amounts in SEKm</i>	Sep 2022		Sep 2021			
	Level 2	Level 3	Level 2	Level 3		
Assets						
Shares and participations	-	4.9	-	4.2	Level 1	According to prices noted in an active market for the same instrument.
Non-current receivable – derivative	17.9	-	-	-	Level 2	Based on directly or indirectly observable market data not included in Level 1.
Current receivable – derivative	2.8	-	0.8	-		
	20.7	4.9	0.8	4.2	Level 3	Based on input data not observable in the market
Liabilities and provisions						
Non-current liability – derivative	-	-	1.4	-		
Current liability – derivative	0.1	-	1.6	-		
	0.1	-	3.0	-		

<i>Amounts in SEKm</i>	Shares and participations	Acquisition-related liabilities
Fair value 2022-01-01	4.2	-
Business combinations	-	34.9
Acquisitions, cost	0.6	-
Translation differences	0.1	-0.9
Settled earn-out	-	-
Total recognized gains and losses:		
- Reported in equity	-	-
- Reported in profit for the period*	-	-
Fair value 2022-09-30	4.9	34.0
Fair value 2021-01-01	2.3	-
Business combinations	1.7	-
Translation differences	0.2	-
Settled earn-out	-	-
Total recognized gains and losses:		
- Reported in equity	-	-
- Reported in profit for the period*	-	-
Fair value 2021-09-30	4.2	-

*The change in the acquisition-related liability is reported in other operating income.

For a description of the measurement techniques and input data in the measurement of financial instruments at fair value, see Note 2 in the 2021 Annual Report. For other financial assets and liabilities in the Group, the carrying amounts represent a reasonable approximation of their fair values. For a specification of such financial assets and liabilities, please see Note 2 in the 2021 Annual Report.

Note 4 – Distribution of income

Net sales by country

<i>Amounts in SEKm</i>	Jul-Sep 2022	Jul-Sep 2021	Jan-Sep 2022	Jan-Sep 2021	Last 12 months	Jan-Dec 2021
Sweden	644	511	2,026	1,730	2,693	2,398
Denmark	650	576	1,885	1,654	2,499	2,268
Norway	136	123	417	349	544	476
Finland	622	459	1,668	1,224	2,206	1,762
Poland	25	24	86	63	112	89
UK	194	108	535	308	631	404
Ireland	75	59	189	127	255	193
Germany	30	25	81	67	108	94
Other	11	12	48	29	60	41
Total	2,386	1,897	6,934	5,550	9,109	7,725

Net sales distribution between market segments by operating segment

<i>Amounts in SEKm</i>	Consumer		Industry		Other		Internal sales		Group	
	Jul-Sep 2022	Jul-Sep 2021	Jul-Sep 2022	Jul-Sep 2021	Jul-Sep 2022	Jul-Sep 2021	Jul-Sep 2022	Jul-Sep 2021	Jul-Sep 2022	Jul-Sep 2021
Net Sales	1,700	1,351	594	472	93	74	-	-	2,386	1,897
Scandinavia	884	701	322	252	29	13	30	28	1,265	994
Eastern Europe	400	285	240	186	16	10	0	1	656	482
e-Commerce	206	233	-	-	2	2	23	20	232	254
Western Europe	210	131	32	35	-	-	-	-	241	166
Group-wide, eliminations and other	-	0	-	-	45	50	-54	-48	-9	1

<i>Amounts in SEKm</i>	Consumer		Industry		Other		Internal sales		Group	
	Jan-Sep 2022	Jan-Sep 2021	Jan-Sep 2022	Jan-Sep 2021	Jan-Sep 2022	Jan-Sep 2021	Jan-Sep 2022	Jan-Sep 2021	Jan-Sep 2022	Jan-Sep 2021
Net Sales	4,976	3,919	1,721	1,400	237	231	-	-	6,934	5,550
Scandinavia	2,744	2,121	950	834	18	42	88	71	3,800	3,068
Eastern Europe	1,040	776	677	483	34	24	1	2	1,752	1,285
e-Commerce	607	677	-	-	6	7	70	51	683	735
Western Europe	586	346	94	82	-	-	-	0	679	428
Group-wide, eliminations and other	-	0	-	-	179	158	-159	-124	20	34

Note 5 – Acquisitions of businesses

On March 1, 2022, Inwido acquired 70 percent of the shares and votes in UK company Dekko Window Systems Ltd. Dekko has some 200 employees, a production facility on the outskirts of Manchester and achieved sales equivalent to about SEK 260 million in 2021. The company primarily sells its products to the Consumer market through local window installers and retailers. The company joins Business Area Western Europe. Inwido has issued a put option for the remaining 30 percent of the shares, held primarily by senior executives in Dekko. The put option entitles, but does not oblige, minority shareholders to sell their shares to Inwido during the period March 1–April 30, 2025. Inwido also has a call option entitling, but not obliging the company, to acquire any outstanding shares during the period May 1–June 30, 2025. The purchase consideration for the remaining 30 percent of the shares will be based on Dekko's future financial development. An additional purchase consideration for the initial 70 percent of the shares may also be payable based on the operating profit achieved in 2022.

On May 31, Inwido acquired all shares and votes in Westcoast Windows AB with operations in Sweden and the UK. Westcoast Windows was founded in 1995 and manufactures windows, window doors and sliding doors in wood and wood/aluminium at

its plant in Trollhättan, Sweden. Today, the company mainly sells its products through DIY chains, with homeowners and tenant-owner associations being major customer groups. Some production is exported to the UK, where the company maintains its own sales organization. The operations, which employed 80 people and achieved sales of SEK 164 million in 2021, will join Inwido's Business Area Scandinavia.

On May 31, Inwido acquired 65 percent of the shares and votes in Hyvinkään Puuseppien OY in Finland, which specializes in solid wood doors and custom windows. The acquisition adds another successful operation to Inwido's Business Area Eastern Europe. Hyvinkään Puuseppien has 16 employees and maintains a production facility in Ridasjärvi, Hyvinkää, north of Helsinki. In 2021, the company achieved sales of approximately SEK 40 million. Hyvinkään Puuseppien was founded in 1958 and today sells its products mainly to tenant-owner associations, property companies, construction companies and construction contractors. Inwido has issued a put option regarding the remaining 35 percent of the shares, which are held by the CEO of Hyvinkään Puuseppien. The put option entitles, but does not oblige, minority shareholders to sell their shares to Inwido during the period March 1–April 30, 2024. Inwido also has a call option entitling, but not obliging the company, to acquire any outstanding shares during the period March 1–April 30, 2024. The purchase consideration for the remaining 35 percent of the shares will be based on Hyvinkään Puuseppien's future financial development.

These three acquisitions have in common that the companies will continue to operate as independent companies within the relevant business areas, while also being able to benefit from synergies with Inwido's central purchasing organization and other local business units in the relevant markets.

The total purchase consideration for the three aforementioned acquisitions amounts to SEK 290 million, excluding the value of put/call options. Contingent supplementary purchase considerations have been reported as shares in subsidiaries at an estimated value of SEK 35 million. Put/call options have been reported in equity and as other non-current liabilities in the amount of approximately SEK 115 million and are calculated at their value at the point in time at which the balance sheet item was established. Goodwill includes the value of market knowledge and future purchasing synergies. No part of goodwill is expected to be tax deductible. In all material respects, the gross value and fair value of accounts receivable are equal.

During the period that the companies were owned up until September 30, 2022, they contributed SEK 268 million to the Group's external income and affected profit for the year by SEK 26 million. Acquisition-related costs amounted to SEK 6 million in the form of consulting costs in connection with the acquisition process. These consulting costs have been reported as other operating expenses in the statement of comprehensive income and are excluded from consolidated operating EBITA. The acquisitions were financed through available cash and equivalents and will each have a marginally positive impact on Inwido's earnings per share in 2022. The purchase considerations for the acquisitions are in line with Inwido's normal multiples.

The acquired company's net assets at the time of acquisition:

<i>Amounts in SEKm</i>	sep 2022
Intangible assets	1.5
Tangible non-current assets	22.9
Inventories	46.2
Trade and other receivables	104.1
Cash and equivalents	22.0
Interest-bearing liabilities	-4.6
Non-interest bearing liabilities	-144.5
Deferred tax liabilities	-2.5
Fair value of acquired net assets	45.1
Non-controlling interests	-11.4
Goodwill, Group	256.2
Compensation paid	289.9

Review report

To the Board of Directors of Inwido AB (publ)

Corporate identity number 556633-3828

Introduction

We have reviewed the summary interim financial information (the interim report) of Inwido AB (publ) as of September 30, 2022 and the nine-month period then ended. The Board of Directors and the CEO are responsible for the preparation and fair presentation of this interim report in accordance with IAS 34 and the Annual Accounts Act. Our responsibility is to express a conclusion on this interim report based on our review.

Orientation and scope of the review

We have performed this review in accordance with the International Standard on Review Engagements ISRE 2410 Review of Interim Financial Information Performed by the Independent Auditor of the Entity. A review consists in making inquiries, primarily among persons responsible for financial matters and accounting issues and performing 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 generally accepted auditing standards. The procedures performed consequently do not enable us to obtain an assurance that would make us aware of all significant matters that might be identified in an audit. The stated conclusion based on a review therefore does not have the certainty that an expressed opinion based on an audit has.

Conclusion

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

Malmö, October 25, 2022

Linda Bengtsson
Authorized Public Accountant

KPMG AB

Definitions of alternative key ratios not defined by IFRS

Inwido presents certain alternative financial ratios in addition to the conventional financial ratios set by IFRS, in order to better understand the development of the business and the financial status of the Inwido Group. Such key ratios should not, however, be considered a substitute for the key ratios required under IFRS. The alternative key ratios presented in this report are described below.

Income measures	Calculation	Purpose
Organic growth	Net sales including acquired growth for the current period divided by net sales including pro forma acquired growth during the corresponding period last year. The change is adjusted for exchange rate fluctuations by applying the current period's exchange rates to pro forma net sales during the corresponding period last year.	Organic growth excludes the effects of changes in the Group's structure and exchange rates, enabling a comparison of net sales over time.
Operating gross profit	Gross profit before items affecting comparability.	Key ratio used to measure how much of net sales is left to cover other expenses. The key ratio is also adjusted for the impact of items affecting comparability to increase comparability over time.
Operating EBITDA	EBITDA before items affecting comparability.	This key ratio is used to measure cash flow from operating activities, regardless of the effects of financing and depreciation rates on non-current assets. The key ratio is also adjusted for the impact of items affecting comparability to increase comparability over time. The key ratio is a central component in the bank covenant Net debt/operating EBITDA.
EBITA	Operating profit after depreciation, amortization and impairment but before deduction for impairment of goodwill as well as amortization and impairment of other intangible assets that arose in conjunction with company acquisitions (Earnings Before Interest, Tax and Amortization).	This key ratio enables comparisons of profitability over time regardless of amortization and impairment of acquisition-related intangible assets, and regardless of the corporate tax rate and the company's financing structure. Depreciation of tangible assets is, however, included, this being a measure of resource consumption necessary to generate profit.
Operating EBITA	EBITA before items affecting comparability.	This key ratio increases the comparability of EBITA over time, since it is adjusted for the impact of items affecting comparability. The key ratio is also used in internal review and constitutes a central financial target for the operations.
Items affecting comparability	Income statement items that are non-recurring, have a significant impact on profit and are important for understanding the underlying development of operations.	A separate account of items affecting comparability elucidates development in the underlying operations.
Margin measures	Calculation	Purpose
Operating gross margin	Operating gross profit as a percentage of net sales.	This key ratio is a complement to operating margin since it shows the underlying surplus from net sales left to cover other expenses in relation to net sales.
Operating EBITDA margin	Operating EBITDA as a percentage of net sales.	This key ratio serves as a complement to operating margin, since it shows the underlying surplus cash

		flow in relation to net sales. The key ratio also enables comparison with other companies, regardless of each company's depreciation/amortization principles and the age structure of non-current assets.
EBITA margin	EBITA as a percentage of net sales.	This key ratio reflects the operating profitability of the operations before amortization and impairment of acquisition-related intangible assets. The key ratio is an important component, alongside sales growth and capital turnover rate, in tracking the company's value creation.
Operating EBITA margin	Operating EBITA as a percentage of net sales.	This key ratio increases the comparability of EBITA margin over time, since it is adjusted for the impact of items affecting comparability.
Operating margin (EBIT margin)	Operating profit as a percentage of net sales.	This key ratio reflects the operating profitability of the operations. The key ratio is an important component, alongside sales growth and capital turnover rate, in tracking the company's value creation.
Capital structure	Calculation	Purpose
Net debt	Interest-bearing liabilities and interest-bearing provisions less interest-bearing assets, including cash and equivalents.	The net debt measure is used to track the development of debt and to see the scope of the refinancing requirement. Since liquid funds can be used to pay off debt at short notice, net debt is used instead of gross debt as a measure of total loan financing.
Net debt/operating EBITDA	Net debt in relation to operating rolling 12-month EBITDA.	This key ratio is a debt ratio showing how many years it would take to pay off the company's liabilities, provided that its net debt and EBITDA are constant and without taking cash flows relating to interest, taxes and investments into account.
Net debt/equity ratio	Net debt in relation to shareholders' equity.	This key ratio is a measure of the relationship between the Group's two forms of financing. The measure shows loan capital as a share of shareholders' invested capital. The measure reflects financial strength but also the leverage effect of borrowings. A higher debt ratio entails higher financial risk and higher financial leverage.
Interest coverage ratio	Profit after net financial items plus financial expenses in relation to financial expenses.	This key ratio indicates the company's capacity to cover its interest expenses.
Equity/assets ratio	Shareholders' equity including non-controlling interests as a percentage of total assets.	This key ratio reflects the company's financial position. A favorable equity/assets ratio provides a preparedness to manage periods of recession and financial preparedness for growth. At the same time, a higher equity/assets ratio provides lower financial leverage.
Operating capital	Total assets less cash and equivalents, other interest-bearing assets and non-interest-bearing provisions and liabilities.	Operating capital shows the amount of capital that the business requires to conduct its core operations. It is primarily used for the calculation of return on operating capital.

Return measures	Calculation	Purpose
Return on shareholders' equity	Profit after tax, rolling 12-month (RTM), attributable to the Parent Company's shareholders as a percentage of average shareholders' equity, excluding non-controlling interest (average calculated based on the past four quarters).	Return on shareholders' equity shows the total return, in accounting terms, on shareholders' capital and reflects the effects of both the profitability of the operations and of financial leverage. The measure is primarily used to analyze profitability for shareholders over time.
Return on operating capital	EBITA, rolling 12-month (RTM), as a percentage of average operating capital (average calculated based on the past four quarters).	Return on operating capital shows how well the operations use the net capital tied up in the operations. This reflects the combined effect of the operating margin and the turnover rate for operating capital. The key ratio is mainly used to track the Group's value creation over time.
Share data	Calculation	Purpose
Cash flow per share before/after dilution	Cash flow from operating activities for the period divided by the weighted average number of shares outstanding for the period before/after dilution.	This key ratio measures the cash flow per share generated by the operations before capital investments and cash flows attributable to the company's financing.
Shareholders' equity per share before/after dilution	Shareholders' equity attributable to Parent Company shareholders divided by the number of shares outstanding at the end of the period before/after dilution.	This key ratio serves to describe the scale of the company's net worth per share.
Market segment	Description	
Consumer	Sales to the Consumer market are conducted through the following channels: direct sales, retailers, middlemen, manufacturers of prefabricated homes, small building companies.	
Industry	Sales to the Industry market are conducted through the following channels: large building companies, retailers, manufacturers of prefabricated homes.	

Calculation of alternative key ratios

<i>SEKm (unless otherwise stated)</i>	Jul-Sep 2022	Jul-Sep 2021	Jul-Sep 2022	Jul-Sep 2021	Last 12 months	Jan-Dec 2021
Operating profit (EBIT)	292	270	751	645	1,007	902
Depreciation/amortization and impairment	72	63	210	183	276	249
Items affecting comparability (other items)	-1	0	7	3	-11	-15
Operating EBITDA	363	333	967	831	1,272	1,136
Gross profit	585	527	1,674	1,458	2,236	2,021
Items affecting comparability (depreciation/amortization and other items)	-	-	-	-	-	-
Operating gross profit	585	527	1,674	1,458	2,236	2,021
Operating profit (EBIT)	292	270	751	645	1,007	902
Depreciation/amortization of acquisition-related intangible assets	6	6	17	15	23	21
EBITA	298	275	768	660	1,030	922
Items affecting comparability (depreciation/amortization and other items)	-1	0	7	3	-11	-15
Operating EBITA	297	275	775	663	1,019	907
Items affecting comparability	1	0	-7	-3	11	15
Depreciation	-	-	-	-	-	-
Other	1	0	-7	-3	11	15

Capital structure

<i>SEKm (unless otherwise stated)</i>	Jul-Sep 2022	Jul-Sep 2021	Jul-Sep 2022	Jul-Sep 2021	Last 12 months	Jan-Dec 2021
Cash and equivalents	-993	-868	-993	-868	-993	-1,073
Other interest-bearing assets	-19	-18	-19	-18	-19	-18
Interest-bearing liabilities, non-current	1,855	1,335	1,855	1,335	1,855	1,664
Interest-bearing liabilities, current	149	623	149	623	149	113
Net debt	993	1,073	993	1,073	993	687
Total assets	9,557	8,364	9,557	8,364	9,557	8,437
Cash and equivalents	-993	-868	-993	-868	-993	-1,073
Interest-bearing assets	-19	-18	-19	-18	-19	-18
Non-interest-bearing provisions and liabilities	-2,559	-1,984	-2,559	-1,984	-2,559	-2,012
Operating capital	5,986	5,495	5,986	5,495	5,986	5,335

About Inwido

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

Inwido consists of 32 business units with approximately 4,900 employees in 11 countries. In 2021 the Group achieved sales of SEK 7.7 billion with an operating EBITA margin of 11.7 percent.

Shares in Inwido AB (publ) have been listed on Nasdaq Stockholm since 2014 under the ticker "INWI".

Financial targets

Inwido's operations are governed by four financial targets aimed at providing shareholders with good returns and long-term growth in value performance.

Profitability

Inwido's profitability target is a return on operating capital of >15 percent.

Sales growth

Inwido's target is to achieve annual sales of SEK 20 billion by 2030 through both organic and acquired growth.

Capital structure

Inwido's net debt in relation to operating EBITDA shall, excluding temporary deviations, not exceed a multiple of 2.5.

Dividend policy

Inwido aims to pay its shareholders an annual dividend that corresponds to approximately 50 percent of net profit. However, Inwido's financial status in relation to the target, cash flow and future prospects shall be taken into consideration.

Science Based Targets

Committing to SBTi verifies Inwido's long-term emission reductions to contribute to the 1.5-degree target.

The EU Taxonomy

In 2030, 75% of the sales of windows and doors will be Taxonomy-aligned

Watch Inwido's sustainability video "Inwido – Our promise" [here](#) and follow our journey on LinkedIn [in](#)



Information for shareholders

Financial calendar

Year-end report, January–December 2022	February 7, 2023
2022 Annual Report	April 2023
Interim report, January–March 2023	April 25, 2023
Annual General Meeting 2023	May 4, 2023
Interim report, January–June 2023	July 14, 2023
Interim report, January–September 2023	October 24, 2023

This information is such that Inwido AB (publ) is obliged to publish in accordance with the EU market abuse regulation and the Swedish Securities Market Act. The information was submitted by the below contact persons for publication on October 25, 2022 at 7:45 a.m. CET.

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