

Momentum Group

Interim report | 1 January–30 June, 2023



Q2 23

Continued favourable organic and acquisition-driven growth

A continued healthy sales performance in the existing operations, combined with acquisitions, contributed to a revenue increase of 23 per cent during the second quarter compared with the previous year, of which 7 per cent was attributable to comparable units. Two companies were acquired during the quarter, adding combined annual revenue of approximately SEK 370 million. Revenue growth, combined with effective cost control, led to a 20 per cent increase in EBITA compared with the second quarter last year.

Second quarter 2023

- Revenue increased by 23% to SEK 549 million (446), of which 7% was attributable to comparable units.
- Operating profit rose by 20% to SEK 59 million (49), corresponding to an operating margin of 10.7% (11.0).
- EBITA increased by 20% to SEK 65 million (54), corresponding to an EBITA margin of 11.8% (12.1).
- Profit for the quarter increased by 16% to SEK 43 million (37), corresponding to earnings per share of SEK 0.90 (0.70).
- Acquisition of Askalon, a leading player in advanced valve solutions primarily for the power, refinery and process industries in Sweden, Denmark and Iceland.
- Acquisition of Danish company Regal, a specialist in solutions in transmission, electrical automation and control.

January–June 2023

- Revenue increased by 24% to SEK 1,051 million (845), of which 8% was attributable to comparable units.
- Operating profit rose by 33% to SEK 114 million (86), corresponding to an operating margin of 10.8% (10.2).
- EBITA increased by 28% to SEK 125 million (98), corresponding to an EBITA margin of 11.9% (11.6).
- Profit for the period increased by 31% to SEK 85 million (65), corresponding to earnings per share of SEK 1.75 (1.25).
- The return on working capital (EBITA/WC) was 60% (62).
- The equity/assets ratio was 32 per cent (44) at the end of the period.
- As of 30 June, the number of repurchased Class B shares totalled 1,259,624.
- During the first quarter, Hydmos Industriteknik, LocTech and Agera were acquired.

MSEK	Q2			Jan-Jun			R12 Jun		
	2023	2022	Δ	2023	2022	Δ	2023	2022	Δ
Revenue	549	446	23%	1,051	845	24%	1,945	1,590	22%
Operating profit	59	49	20%	114	86	33%	213	164	30%
of which: Items affecting comparability	-	-2		0	-6		0	-12	
of which: Amortisation of intangible assets in connection with acquisitions	-6	-3		-11	-6		-18	-12	
EBITA	65	54	20%	125	98	28%	231	188	23%
Net profit	43	37	16%	85	65	31%	160	125	28%
Earnings per share before and after dilution, SEK	0.90	0.70	29%	1.75	1.25	40%	3.20	2.40	33%
Operating margin	10.7%	11.0%		10.8%	10.2%		11.0%	10.3%	
EBITA margin	11.8%	12.1%		11.9%	11.6%		11.9%	11.8%	
Return on working capital (EBITA/WC)							60%	62%	
Equity/assets ratio							32%	44%	

Events after the end of the period

- After the end of the quarter, Processkontroll Items was acquired, which holds a leading niche position in instrumentation for demanding operating conditions.

 A quarterly presentation is available on the company's website, momentum.group, where CEO Ulf Lilius and CFO Niklas Enmark present the report and provide an update on operations.

> Summary

- President's statement
- Group financial development
- Components business area
- Services business area
- Financial position
- Business combinations
- Other
- Consolidated financial statements
- Parent Company financial statements
- Notes
- Performance measures
- About Momentum Group

Download PDF for print 



High acquisition rate and healthy growth in existing operations

During the second quarter of the year, we continued on our established path, with a focus on growing the Group through acquisitions and by developing our existing operations. The quarter was characterised by continued healthy sales growth and stable demand in most of the Group's operations. For the Group as a whole, revenue increased by 23 per cent during the quarter and EBITA growth amounted to 20 per cent.

Focus on earnings growth

The quarter was primarily characterised by a high rate of acquisitions combined with a focus on creating earnings growth in the existing operations. The period was also characterised by continued high inflation, component shortages in certain areas – although with the general view that the situation is now gradually improving – and continued stable customer demand, despite clear signs of an impending recession in our business environment. The weak SEK has had no major impact on earnings, but is a factor that our companies need to manage in their pricing.

High acquisition rate

It is gratifying to note that we continued to strengthen the Group by adding a number of attractive companies during the year. During the first half of the year, we conducted five acquisitions, with combined annual revenue of approximately SEK 415 million and an addition of approximately 140 talented employees whom we warmly welcome to Momentum Group.

During the quarter, we acquired the Danish company Regal, strengthening our position in Denmark through Regal's established market position in transmission, electrical automation and control. Through our largest acquisition to date, Askalon, we have assumed a key position in industrial valves in Sweden, Denmark, Finland and Iceland. After the end of the quarter, we closed the acquisition of Processkontroll Items, which, with its expertise in instrumentation for demanding

operating conditions, strengthens our offering in conduit components.

These acquisitions are clear examples of the Group's established path – with a focus on acquiring strong companies with a clear focus on quality and sustainability that strengthen our offering in profitable product verticals.

“ Although it is difficult to assess the future market situation, we have a positive starting point for growth in both of our business areas. ”

ULF LILIUS

Financial scope

After the second quarter of the year, our operational net loan liability was SEK 305 million (48) – a change attributable to acquisitions and the dividend we paid during the quarter. Together with our cash and cash equivalents of SEK 704 million, including unutilised granted credit facilities, our cash flow provides us with security and bodes well for healthy financial scope going forward.

Although the future market situation is difficult to assess, we have a positive starting point for growth in both of our business areas as a result of the above. We will achieve this by enhancing our operations through a



clear internal focus on our three fundamental requirements: growth, profitability and development, based on active ownership and decentralised responsibility, and the development of our employees. Acquisitions also remain a major part of our everyday operations and we will add more outstanding companies to our Group that we can further develop together with the entrepreneurs behind them.

Stockholm, July 2023
Ulf Lilius, President & CEO

Summary

› **President's statement**

Group financial development

Components business area

Services business area

Financial position

Business combinations

Other

Consolidated financial statements

Parent Company financial statements

Notes

Performance measures

About Momentum Group

Download PDF for print 



Sales performance

Comments on the market

The business climate in our main markets in the Nordic region remained satisfactory, particularly in the industrial sector, which is the Group's primary customer segment. The economic turbulence that characterised the market in the wake of inflation, interest rates and the deterioration of certain sectors has not yet had any tangible impact on customer behaviour. The component shortage is generally showing signs of improving, although delivery times remain relatively long in certain product areas. Under the circumstances, the companies are maintaining a high delivery capacity. Purchase price and cost increases are continuing, but at a more moderate rate. The weak SEK has had no major impact on sales to date, but is a factor that the operations need to manage in their pricing.

An anticipated deterioration of the economic situation, a continued challenging international security situation and the uncertainty this has caused, and continued price and cost increases can be expected to impact the market going forward. The Group is implementing ongoing measures in its operations to adapt them to the prevailing market situation. As in the past, the Group's decentralised structure, with decisions made close to customers and suppliers, has proven to be a major strength in these efforts.

The current situation has not led to any changes in material bases of judgement compared with those applied in the annual report for 2022.

Performance in the second quarter of 2023

The Group experienced a continued favourable sales trend and demand for the companies' products and

services during the quarter. The operations worked proactively to secure the best possible delivery capacity in order to respond to favourable demand and continued to successfully offset higher costs. The companies are working closely with their customers to understand any changes in demand patterns and are restricting their costs.

During the second quarter, revenue increased 23 per cent compared with the year-earlier period and amounted to SEK 549 million (446). Growth in comparable units was 7 per cent. The acquisitions of Askalon and Regal were completed during the quarter. The quarter included one trading day fewer than the corresponding quarter in the preceding year.

Growth in comparable units

compared with Q2 2022

+7%

Sales performance

	Q2	Jan-Jun
%	2023	2023
Comparable units in local currency	7.0%	8.5%
Currency effects	0.7%	0.5%
Number of trading days	-1.8%	0.0%
Acquisitions	17.3%	15.4%
Total change	23.2%	24.4%



Summary

President's statement

> **Group financial development**

Components business area

Services business area

Financial position

Business combinations

Other

Consolidated financial statements

Parent Company financial statements

Notes

Performance measures

About Momentum Group

Download PDF for print 



Earnings performance

Second quarter 2023

Operating profit rose by 20 per cent to SEK 59 million (49), corresponding to an operating margin of 10.7 per cent (11.0).

Operating profit was charged with amortisation of intangible non-current assets of SEK –6 million (–3) arising in conjunction with acquisitions and with depreciation of right-of-use assets and tangible non-current assets of SEK –17 million (–13). No exchange-rate translation effects impacted operating profit (0).

EBITA increased by 20 per cent to SEK 65 million (54), corresponding to an EBITA margin of 11.8 per cent (12.1).

Profit after financial items totalled SEK 55 million (46) and profit after tax amounted to SEK 43 million (37), which corresponds to earnings per share of SEK 0.90 (0.70) for the quarter.

January–June 2023 period

Operating profit rose by 33 per cent to SEK 114 million (86), corresponding to an operating margin of 10.8 per cent (10.2).

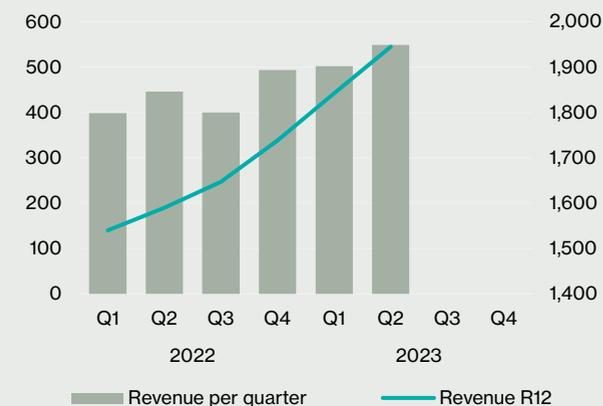
Operating profit was charged with amortisation of intangible non-current assets of SEK –11 million (–6) arising in conjunction with acquisitions and with depreciation of right-of-use assets and tangible non-current assets of SEK –31 million (–25). No exchange-rate translation effects impacted operating profit (0).

EBITA increased by 28 per cent to SEK 125 million (98), corresponding to an EBITA margin of 11.9 per cent (11.6).

Profit after financial items totalled SEK 108 million (82) and profit after tax amounted to SEK 85 million (65), which corresponds to earnings per share of SEK 1.75 (1.25) for the reporting period.

MSEK	Q2			Jan-Jun			R12 Jun		
	2023	2022	Δ	2023	2022	Δ	2023	2022	Δ
Revenue	549	446	23%	1,051	845	24%	1,945	1,590	22%
of which: Components	461	358	29%	871	680	28%	1,586	1,269	25%
of which: Services	91	93	-2%	188	175	7%	376	338	11%
of which: Group-wide and eliminations	-3	-5		-8	-10		-17	-17	
Operating profit	59	49	20%	114	86	33%	213	164	30%
EBITA	65	54	20%	125	98	28%	231	188	23%
of which: Components	66	50	32%	122	92	33%	217	177	23%
of which: Services	7	9	-22%	17	16	6%	41	34	21%
of which: Group-wide and eliminations	-8	-5		-14	-10		-27	-23	
Operating margin	10.7%	11.0%		10.8%	10.2%		11.0%	10.3%	
EBITA margin	11.8%	12.1%		11.9%	11.6%		11.9%	11.8%	

Revenue, SEK million



EBITA and operating profit, SEK million



Summary

President's statement

Group financial development

Components business area

Services business area

Financial position

Business combinations

Other

Consolidated financial statements

Parent Company financial statements

Notes

Performance measures

About Momentum Group

Download PDF for print 



Components business area

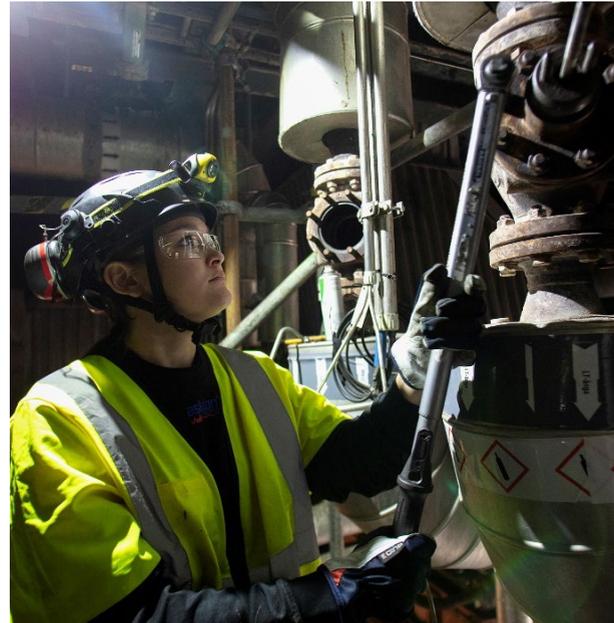
Group of companies in industrial components, services and solutions for industry, with expertise in industrial improvement as well as companies with leading specialist positions in their respective market niches.

Operations

Momentum Industrial continued its strong performance during the quarter, with a healthy rate of sales and volume and earnings growth. Growth was particularly favourable in the mining, paper and automotive segments. The launch of the company's upgraded business system at the end of the preceding quarter was successful. During the quarter, the recently acquired company LocTech was integrated into Momentum Industrial.

The specialist companies generally performed well during the quarter, with favourable demand and growth in sales and earnings. Some companies continue to experience delivery disruptions, although the general outlook is somewhat better. During the quarter, the acquisitions of Askalon and Regal were completed, both of which had a positive impact on the business area's earnings. Askalon noted very healthy demand from customers during the quarter, including customers in the nuclear power industry.

After the end of the quarter, the acquisition of Processkontroll Items was completed.



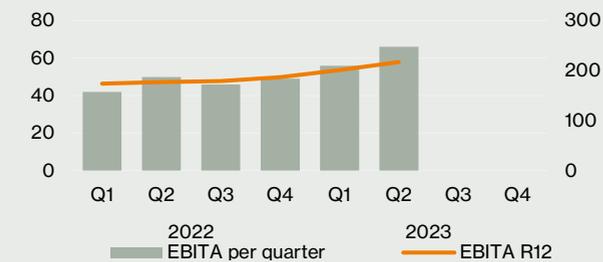
Revenue Q2 2023, SEK million

461

Revenue R12



EBITA, SEK million



Financial performance in the second quarter of 2023

Revenue rose by 29 per cent to SEK 461 million (358) compared with the same quarter last year. Growth in comparable units was 10 per cent.

EBITA amounted to SEK 66 million (50), corresponding to an EBITA margin of 14.3 per cent (14.0). EBITA increased by 32 per cent, due both to acquisitions and to the growth in earnings in existing operations.

The business area's profitability, measured as the return on working capital (EBITA/WC), increased to 69 per cent (73).

MSEK	Q2			Jan-Jun			R12 Jun		
	2023	2022	Δ	2023	2022	Δ	2023	2022	Δ
Revenue	461	358	29%	871	680	28%	1,586	1,269	25%
EBITA	66	50	32%	122	92	33%	217	177	23%
EBITA margin	14.3%	14.0%		14.0%	13.5%		13.7%	13.9%	
Return on working capital (EBITA/WC)							69%	73%	

Content

Summary

President's statement

Group financial development

› Components business area

Services business area

Financial position

Business combinations

Other

Consolidated financial statements

Parent Company financial statements

Notes

Performance measures

About Momentum Group

Download PDF for print 



Services business area

Group of companies in industrial services in Sweden that, through its services, offers longer life and efficiency of installed machines and carries out new installations. In addition, solutions are offered for digitalised maintenance.

Operations

Most of the companies in the business area had a stable revenue trend during the quarter. However, in the large units, Rörick and Mekano, certain delays were noted for some large deliveries and somewhat lower project sales, which affected the business area's revenue for the quarter. However, the situation improved toward the end of the quarter, with scheduled work and favourable capacity utilisation ahead of the summer.

During the quarter, it was also announced that Carl A, with its operations in Helsingborg, will be merged with Mekano's operations.

The business area's operations in digitalised maintenance, Intertechna and Mytolerans, noted increased customer activity and an improvement in demand toward the end of the quarter.

Financial performance in the second quarter of 2023

Revenue declined by 2 per cent to SEK 91 million (93) compared with the same quarter last year. For comparable units, revenue declined 7 per cent.

EBITA amounted to SEK 7 million (9), corresponding to an EBITA margin of 7.7 per cent (9.7).

The business area's profitability, measured as the return on working capital (EBITA/WC), increased to 61 per cent (55).



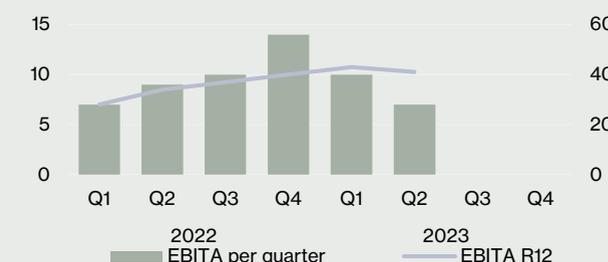
Revenue Q2 2023, SEK million

91

Revenue R12



EBITA, SEK million



MSEK	Q2			Jan-Jun			R12 Jun		
	2023	2022	Δ	2023	2022	Δ	2023	2022	Δ
Revenue	91	93	-2%	188	175	7%	376	338	11%
EBITA	7	9	-22%	17	16	6%	41	34	21%
EBITA margin	7.7%	9.7%		9.0%	9.1%		10.9%	10.1%	
Return on working capital (EBITA/WC)							61%	55%	

Content

Summary

President's statement

Group financial development

Components business area

› Services business area

Financial position

Business combinations

Other

Consolidated financial statements

Parent Company financial statements

Notes

Performance measures

About Momentum Group

Download PDF for print 



Profitability, cash flow and financial position

Profitability

The Group's profitability, measured as the return on working capital (EBITA/WC), amounted to 60 per cent (62) for the reporting period. The return on equity for the same period was 32 per cent (28).

Cash flow in the January–June 2023 period

Cash flow from operating activities before changes in working capital for the reporting period totalled SEK 123 million (66). Cash flow was impacted by paid tax of SEK –27 million (–47). During the reporting period, inventories increased by SEK 16 million. Operating receivables and operating liabilities declined by SEK 19 million and SEK 14 million, respectively. Accordingly, cash flow from operating activities for the reporting period amounted to SEK 112 million (46).

Cash flow from investing activities for the reporting period amounted to SEK –289 million (–33). Cash flow includes business combinations of SEK –284 million (–32) and net investments in non-current assets of SEK –5 million (–1).

Cash flow from financing activities for the reporting period, which amounted to SEK 196 million (–80), was mainly attributable to a net change in interest-bearing liabilities of SEK 246 million (–6) and the dividend paid of SEK –50 million (–), of which SEK –1 million pertained to the dividend to non-controlling interests in subsidiaries. The comparative period also included a repurchase of own shares of SEK –58 million and changes in holdings in partly owned subsidiaries amounting to SEK –16 million in conjunction with the exercise of call options.

Financial position

The Group's financial net loan liability at the end of the reporting period amounted to SEK 476 million, compared with SEK 181 million at the beginning of the year. At the end of the period, the Group's operational net loan liability amounted to SEK 305 million, compared with SEK 48 million at the beginning of the financial year. The difference is largely attributable to cash flow from operating activities and acquisitions carried out during the reporting period as well as the dividend paid during the quarter.

Cash and cash equivalents, including unutilised granted credit facilities, totalled SEK 704 million. Granted credit facilities comprise the company's revolving facility of SEK 800 million with a remaining maturity until 31 December 2025 and an extension option of an additional year, and a committed credit facility totalling SEK 200 million with a maturity of one year (maturity date in March 2024) and the option to extend following a customary credit check. Of the company's revolving facility and committed credit facility, SEK 528 million and SEK 139 million, respectively, were unutilised at the end of the reporting period. At the end of the reporting period, the Group had met all financial obligations to lenders.

The equity/assets ratio at the end of the reporting period was 32 per cent (44).

Equity per share totalled SEK 10.85 at the end of the reporting period, compared with SEK 10.10 at the beginning of the year.

The balance-sheet total at the end of the reporting period was SEK 1,677 million, compared with SEK 1,173 million at the beginning of the year. The change during the year was largely attributable to acquisitions, and acquired assets and liabilities are presented in Note 4.

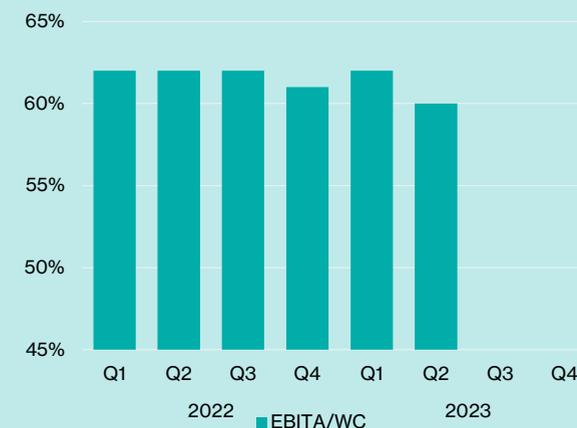
Equity/assets ratio

32%

Available cash and cash equivalents, SEK million

704

EBITA/WC (R12 per quarter)



Summary

President's statement

Group financial development

Components business area

Services business area

> Financial position

Business combinations

Other

Consolidated financial statements

Parent Company financial statements

Notes

Performance measures

About Momentum Group

Download PDF for print 



Business combinations

Acquisitions is an important part of Momentum Group's growth strategy and the company has a well-established model for evaluating, completing, integrating and welcoming new companies to the Group. During the reporting period, Momentum Group acquired five companies, with combined annual revenue of approximately SEK 415 million. The acquisitions will further strengthen Momentum Group's position as a specialist company in industrial components and related services for Nordic industry. The acquisitions contributed positively to Momentum Group's earnings per share during the period.

Acquisition of Hydmos Industriteknik

In January, Hydmos Industriteknik AB was acquired, which has a leading position in advanced hydraulic and gas systems for use in high-pressure applications. The acquisition strengthened the offering in automation.

Acquisition of LocTech

In February, the subsidiary Momentum Industry acquired LocTech AB, a comprehensive supplier of seals for rotating and static applications. The acquisition strengthened Momentum Industrial's position in the area.

Acquisition of Agera Industritillbehör

In February, Agera Industritillbehör AB, a supplier-independent reseller of components and services to industrial customers, was acquired. The company represents world-leading manufacturers in ball bearings, transmission, engines and filters, and seals.

Acquisition of Askalon

In May, Askalon AB was acquired, which is a leading player in advanced valve solutions primarily for the power, refinery and process industries in Sweden, Denmark, Finland and Iceland.

Acquisition of Regal

In June, Regal A/S was acquired, which is a leading niche player in transmission, electrical automation and control for both OEM and end customers in the food, toy and pharmaceutical industries in Denmark.

Acquisition of Processkontroll Items

After the end of the reporting period, Processkontroll Items AB was acquired, which has a leading niche position in instrumentation for demanding operating conditions for customers in the process, gas, biogas, pharmaceutical and manufacturing industries.

For acquisition analyses and other disclosures about the acquisitions closed during the reporting period, refer to Note 4. Closing dates and acquired holdings are presented in the table to the left.

Acquisitions during 2022	Closing	Share	Revenue ¹	Employees ¹	Business Area
HNC Group ² , DK	1 June 2022	70%	60 MSEK	30	Components
Mytolerans AB ² , SE	7 September 2022	70%	35 MSEK	10	Services
Börjesson Pipe Systems AB, SE	12 October 2022	100%	50 MSEK	7	Components
JOKRAB Automatikbyggnad AB, SE ²	20 December 2022	70%	30 MSEK	6	Components
Acquisitions during 2023					
Hydmos Industriteknik AB, SE ²	2 February 2023	70%	17 MSEK	4	Components
LocTech AB, SE	1 March 2023	100%	13 MSEK	6	Components
Agera Industritillbehör AB, SE	16 February 2023	100%	15 MSEK	5	Components
Askalon AB, SE	5 June 2023	94%	317 MSEK	115	Components
Regal A/S, DK	30 June 2023	100%	34 MDKK	6	Components
After the reporting period					
Processkontroll Items AB, SE	3 July 2023	100%	50 MSEK	12	Components

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

² Momentum Group initially acquired 70 per cent of the shares in each company. For the remaining 30 per cent, the sellers have a put option and Momentum Group has a call option. The price of the options is dependent on certain results being achieved in the companies.

Summary

President's statement

Group financial development

Components business area

Services business area

Financial position

› Business combinations

Other

Consolidated financial statements

Parent Company financial statements

Notes

Performance measures

About Momentum Group

Download PDF for print 



Other

Parent Company in the January–June 2023 period

The Parent Company's revenue for the reporting period amounted to SEK 7 million (6) and the loss after financial items totalled SEK –16 million (22). In the comparative period, dividends received were included in an amount of SEK 40 million. The loss after tax for the reporting period amounted to SEK –13 million (25).

Employees

At the end of the reporting period, the number of employees in the Group amounted to 692, compared with 558 at the beginning of the year. The change was largely attributable to acquisitions.

The share

Momentum Group's Class B share (ticker MMGR B) was listed on Nasdaq Stockholm on 31 March 2022. The share price on 30 June 2023 was SEK 121.50 (60.00).

On 9 May 2023, the Board decided, with the authorisation of the Annual General Meeting, to establish a repurchase programme to adapt the capital structure and to enable future acquisitions of businesses and operations to be paid for using treasury shares. The decision applies to repurchases of a maximum of 10 per cent of the number of Class B shares outstanding until the 2024 Annual General Meeting.

As of 30 June 2023, the holding of Class B treasury shares totalled 1,259,624 shares, corresponding to approximately 2 per cent of the total number of shares.

At the end of the reporting period, the share capital amounted to SEK 25.2 million. The distribution by class of share was as follows:

Class of share

Class A shares (10 votes/share)	564,073
Class B shares (1 vote/share)	49,916,816
Total number of shares before repurchasing	50,480,889
Less: Repurchased Class B shares	–1,259,624
Total number of shares after repurchasing	49,221,265

Election Committee ahead of the 2024 Annual General Meeting

The Annual General Meeting on 9 May 2023 resolved that the Election Committee ahead of the 2024 Annual General Meeting will consist of Pontus Boman (nominated by Nordstjernan), Stefan Hedelius (nominated by Tom Hedelius), Jens Joller (nominated by Ampfield Management) and Mattias Montgomery (nominated by Carnegie Fonder), with Pontus Boman as the Election Committee's Chairman.

Transactions with related parties

No transactions having a material impact on the Group's position or earnings occurred between Momentum Group and its related parties during the reporting period. The remuneration of senior executives follows the guidelines established by the General Meeting.

Risks and uncertainties

Momentum Group's earnings, financial position and strategic position are impacted by a number of factors that are within the control of Momentum Group as well as a number of external factors. The most important external risk factors for Momentum Group are the

economic and market situation for the industrial sector. Other risks include the competitive situation in the Group's markets and the significance of efficient logistics with high accessibility, in which the accessibility of the Group's logistics centres are important for certain flows of goods, as well as a dependence on identifying and developing relationships with qualified suppliers. The Group's opportunities and risks also include the completion of acquisitions and related capital requirements and the intangible surplus value that this can result in. Cyber-related risks are also considered important.

The future trend in the market and in demand may be impacted by the challenging security situation. Delivery times and the availability of components as well as rising prices, interest rates and inflation could also impact market conditions. The Parent Company is impacted indirectly by the above risks and uncertainties through its function in the Group.

Events after the end of the period

After the end of the quarter, the acquisition of Processkontroll Items was completed.

This report has not been reviewed by the Company's auditors.

Content

Summary

President's statement

Group financial development

Components business area

Services business area

Financial position

Business combinations

> Other

Consolidated financial statements

Parent Company financial statements

Notes

Performance measures

About Momentum Group

Download PDF for print 



Board of Directors

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

Stockholm, 14 July 2023

Johan Sjö
Chairman of the
Board

Anders Claeson
Board member

Ylva Ersvik
Board member

Stefan Hedelius
Board member

Gunilla Spongh
Board member

Ulf Lilius
President & CEO

Dates for forthcoming financial information

27 October 2023

Interim Report for the third quarter of 2023

15 February 2024

Year-end report 2023

Contact information

Ulf Lilius, President & CEO

ulf.lilius@momentum.group

Tel: +46 70 358 29 31

Niklas Enmark, CFO

niklas.enmark@momentum.group

Tel: +46 70 393 66 73



Visit momentum.group to subscribe for reports and press releases.

Content

Summary

President's statement

Group financial development

Components business area

Services business area

Financial position

Business combinations

> Other

Consolidated financial statements

Parent Company financial statements

Notes

Performance measures

About Momentum Group

Download PDF for print 



Group

Condensed income statement

MSEK	Q2		Jan-Jun		Full year	
	2023	2022	2023	2022	R12 Jun	2022
Revenue	549	446	1,051	845	1,945	1,739
Other operating income	1	0	2	2	4	4
Total operating income	550	446	1,053	847	1,949	1,743
Cost of goods sold	-286	-233	-548	-444	-1,019	-915
Personnel costs	-134	-107	-254	-208	-458	-412
Depreciation, amortisation, impairment losses and reversal of impairment losses	-23	-16	-42	-31	-79	-68
Other operating expenses	-48	-41	-95	-78	-180	-163
Total operating expenses	-491	-397	-939	-761	-1,736	-1,558
Operating profit	59	49	114	86	213	185
Financial income	1	0	1	0	2	1
Financial expenses	-5	-3	-7	-4	-12	-9
Net financial items	-4	-3	-6	-4	-10	-8
Profit after financial items	55	46	108	82	203	177
Taxes	-12	-9	-23	-17	-43	-37
Net profit	43	37	85	65	160	140
Of which attributable to:						
Parent Company shareholders	44	36	85	64	158	137
Non-controlling interests	-1	1	0	1	2	3
Earnings per share (SEK)						
Before dilution	0.90	0.70	1.75	1.25	3.20	2.70
After dilution	0.90	0.70	1.75	1.25	3.20	2.70

Condensed statement of comprehensive income

MSEK	Q2		Jan-Jun		Full year	
	2023	2022	2023	2022	R12 Jun	2022
Net profit	43	37	85	65	160	140
Other comprehensive income for the period						
<i>Components that will not be reclassified to net profit</i>						
Total components that will not be reclassified to net profit	-	-	-	-	-	-
<i>Components that will be reclassified to net profit</i>						
Translation differences	2	0	3	0	6	3
Fair value changes for the year in cash-flow hedges	0	0	0	0	0	0
Tax attributable to components that were or can be reclassified to net profit	0	0	0	0	0	0
Total components that will be reclassified to net profit	2	0	3	0	6	3
Other comprehensive income for the period	2	0	3	0	6	3
Comprehensive income for the period	45	37	88	65	166	143
Of which attributable to:						
Parent Company shareholders	46	36	88	64	164	140
Non-controlling interests	-1	1	0	1	2	3

Summary

President's statement

Group financial development

Components business area

Services business area

Financial position

Business combinations

Other

› Consolidated financial statements

Parent Company financial statements

Notes

Performance measures

About Momentum Group

Download PDF for print 



Condensed balance sheet

MSEK	30 Jun 2023	30 Jun 2022	31 Dec 2022
ASSETS			
Non-current assets			
Intangible non-current assets	679	305	383
Tangible non-current assets	24	17	19
Right-of-use assets	179	141	138
Financial non-current assets	2	1	1
Deferred tax assets	2	2	2
Total non-current assets	886	466	543
Current assets			
Inventories	336	263	285
Accounts receivable	375	257	300
Other current receivables	43	28	28
Cash and cash equivalents	37	3	17
Total current assets	791	551	630
TOTAL ASSETS	1,677	1,017	1,173

MSEK	30 Jun 2023	30 Jun 2022	31 Dec 2022
EQUITY AND LIABILITIES			
Equity			
Equity attributable to Parent Company shareholders	534	450	498
Non-controlling interests	30	17	27
Total equity	564	467	525
Non-current liabilities			
Non-current interest-bearing liabilities	272	9	59
Non-current lease liabilities	107	88	84
Other non-current liabilities and provisions	168	63	102
Total non-current liabilities	547	160	245
Current liabilities			
Current interest-bearing liabilities	70	19	6
Current lease liabilities	64	47	49
Accounts payable	227	186	188
Other current liabilities	205	138	160
Total current liabilities	566	390	403
TOTAL LIABILITIES	1,113	550	648
TOTAL EQUITY AND LIABILITIES	1,677	1,017	1,173

- Summary
- President's statement
- Group financial development
- Components business area
- Services business area
- Financial position
- Business combinations
- Other
- › **Consolidated financial statements**
- Parent Company financial statements
- Notes
- Performance measures
- About Momentum Group

Download PDF for print 



Statement of changes in equity

MSEK	Equity attributable to Parent Company shareholders				Non-controlling interests	Total equity
	Share capital	Reserves	Retained earnings incl. profit/loss for the year	Total		
Closing equity, 31 Dec 2021	0	1	457	458	17	475
Net profit			64	64	1	65
Other comprehensive income		0	0	0		0
Bonus issue	25		-25	0		0
Repurchase of own shares			-58	-58		-58
Changes in ownership share in partly owned subsidiaries			1	1	-7	-6
Acquisitions of partly owned subsidiaries				0	6	6
Option liability, acquisitions ¹			-15	-15		-15
Closing equity, 30 Jun 2022	25	1	424	450	17	467
Net profit			73	73	2	75
Other comprehensive income		3	0	3		3
Repurchase of own shares			-29	-29		-29
Sales of own shares ²			15	15		15
Acquisitions of partly owned subsidiaries				0	8	8
Option liability, acquisitions ¹			-14	-14		-14
Change in value of option liability ³			0	0		0
Closing equity, 31 Dec 2022	25	4	469	498	27	525
Net profit			85	85	0	85
Other comprehensive income		3	0	3		3
Dividend			-49	-49		-49
Acquisitions of partly owned subsidiaries				0	4	4
Dividends paid in partly owned subsidiaries				0	-1	-1
Option liability, acquisitions ⁴			-5	-5		-5
Change in value of option liability ³			2	2		2
Closing equity, 30 Jun 2022	25	7	502	534	30	564

Condensed cash-flow statement

MSEK	Q2		Jan-Jun		Full year	
	2023	2022	2023	2022	R12 Jun	2022
Operating activities						
Cash flow from operating activities before changes in working capital	65	53	123	66	242	185
Changes in working capital	-11	-15	-11	-20	-41	-50
Cash flow from operating activities	54	38	112	46	201	135
Investing activities						
Purchase of intangible and tangible non-current assets	-4	-1	-5	-1	-9	-5
Acquisition of subsidiaries and other business units	-267	-32	-284	-32	-352	-100
Cash flow from investing activities	-271	-33	-289	-33	-361	-105
Cash flow before financing	-217	5	-177	13	-160	30
Financing activities						
Financing activities	216	-68	196	-80	193	-83
Cash flow for the period	-1	-63	19	-67	33	-53
Cash and cash equivalents at the beginning of the period	37	66	17	70	3	70
Exchange-rate differences in cash and cash equivalents	1	0	1	0	1	0
Cash and cash equivalents at period-end⁵	37	3	37	3	37	17

¹ Pertains to the value of put options in relation to non-controlling interests in the acquired subsidiaries HNC Group A/S, Mytolerans AB and Jokrab Automatikkbyggnad, which entail that the shareholders are entitled to sell their shares to Momentum Group. The price of the options is dependent on certain results being achieved in the companies and may be extended by one year at a time from 2025 and 2026 (Jokrab).

² Pertains to the transfer of 240,376 own Class B shares in conjunction with the acquisition of Börjesson Pipe Systems AB.

³ Pertains to a change in the value of the put options in relation to non-controlling interests issued in conjunction with the acquisitions of partly owned subsidiaries.

⁴ Pertains to the value of put options in relation to non-controlling interests in the acquired subsidiary Hyd-mos Industriteknik AB, which entail that the shareholders are entitled to sell their shares to Momentum Group. The price of the options is dependent on certain results being achieved in the companies and may be extended from 2026 by one year at a time.

⁵ The definition of cash and cash equivalents also includes current investments.

Summary

President's statement

Group financial development

Components business area

Services business area

Financial position

Business combinations

Other

› **Consolidated financial statements**

Parent Company financial statements

Notes

Performance measures

About Momentum Group

Download PDF for print 



Parent Company

Condensed income statement

MSEK	Q2		Jan-Jun		Full year	
	2023	2022	2023	2022	R12 Jun	2022
Revenue	4	3	7	6	14	13
Other operating income	4	0	6	2	8	4
Total operating income	8	3	13	8	22	17
Operating expenses	-18	-11	-30	-24	-53	-47
Operating loss	-10	-8	-17	-16	-31	-30
Financial income and expenses	1	38	1	38	-1	36
Profit/loss after financial items	-9	30	-16	22	-32	6
Appropriations	-	-	-	-	121	121
Profit/loss before tax	-9	30	-16	22	89	127
Taxes	2	2	3	3	-18	-18
Net profit/loss	-7	32	-13	25	71	109

In December 2022, the Parent Company received a Group contribution of SEK 150 million (80) that is recognised in the line item appropriations. In June 2022, the Parent Company received a dividend of SEK 40 million, which was resolved on at an EGM of the subsidiary Momentum Group Holding AB. The dividend is recognised in the line item financial income and expenses.

Condensed balance sheet

MSEK	30 Jun 2023	30 Jun 2022	31 Dec 2022
ASSETS			
Intangible non-current assets	-	-	-
Tangible non-current assets	-	-	-
Financial non-current assets	235	49	43
Current receivables	328	144	383
Cash and cash equivalents	-	-	-
TOTAL ASSETS	563	193	426
EQUITY, PROVISIONS AND LIABILITIES			
Restricted equity	25	25	25
Non-restricted equity	34	26	96
Total equity	59	51	121
Untaxed reserves	46	17	46
Provisions	-	-	-
Non-current liabilities	272	-	50
Current liabilities	186	125	209
TOTAL EQUITY, PROVISIONS AND LIABILITIES	563	193	426

The Parent Company has its own internal bank function tasked with coordinating the Group's financial activities and ensuring that systems are available for efficient cash management. To support this, the Parent Company is the holder of the Group's cash pool and the Parent Company's current receivables and liabilities essentially comprise the subsidiaries' utilisation of credit facilities and the subsidiaries' surplus in the cash pool. At the beginning of the year, current receivables included a Group contribution received of SEK 150 million, which was settled during the first quarter.

Summary

President's statement

Group financial development

Components business area

Services business area

Financial position

Business combinations

Other

Consolidated financial statements

› **Parent Company financial statements**

Notes

Performance measures

About Momentum Group

Download PDF for print 



Notes

1. Accounting policies

The Interim Report for the Group was prepared in accordance with IFRS and by applying IAS 34 Interim Financial Reporting, the Swedish Annual Accounts Act and the Swedish Securities Market Act. In addition to the financial statements and associated notes, other disclosures in accordance with IAS 34.16A are also presented in other sections of the report. The Interim Report for the Parent Company was prepared in accordance with the Swedish Annual Accounts Act and the Swedish Securities Market Act, which conforms to the provisions detailed in RFR 2 Accounting for Legal Entities. The same accounting policies and bases of judgement as in the annual report for 2022 have been applied.

IASB has issued additions and amendments to standards that will take effect for the Group on or after 1 January 2023. These additions and amendments are deemed not to be material for the consolidated financial statement.

Parent Company accounting policies

The Parent Company applies the Swedish Annual Accounts Act (1995:1554) and recommendation RFR 2 Accounting for Legal Entities issued by the Swedish Financial Reporting Board. RFR 2 stipulates that the Parent Company, in the annual accounts for the legal entity, is to apply all IFRS and statements adopted by the EU to the greatest extent possible within the framework of the Swedish Annual Accounts Act and with due consideration given to the relationship between accounting and taxation. The recommendation states which exceptions/additions should be made from/to IFRS. Combined, this results in differences between the Group's and the Parent Company's accounting policies in the primary areas of subsidiaries, leased assets, taxes, Group contributions and shareholder contributions.

2. Financial instruments

Momentum Group measures financial instruments at fair value or amortised cost in the balance sheet depending on their classification. In addition to items in financial net debt, financial instruments also include accounts receivable and accounts payable. The carrying amount of all of the Group's financial assets is deemed to be a reasonable approximation of their fair value. Assets and liabilities measured at fair value comprise hedging instruments for which fair value is based on observable market data and which are therefore included in level 2 according to IFRS 13 and liabilities for contingent purchase considerations that are measured using discounted cash flow and which are thus included in level 3.

MSEK	30 Jun 2023	30 Jun 2022	31 Dec 2022
Financial assets measured at fair value			
Financial investments	0	0	0
Derivative hedging instruments	1	1	1
Financial assets measured at amortised cost			
Long-term receivables	2	1	1
Accounts receivable	375	257	300
Other current receivables	1	-	1
Cash and cash equivalents	37	3	17
Total financial assets	416	262	320
Financial liabilities measured at fair value			
Derivative hedging instruments	0	0	0
Contingent purchase considerations	18	-	11
Financial liabilities measured at amortised cost			
Option liability	43	27	40
Deferred payment acquired business, non-interest bearing	27	-	10
Interest-bearing liabilities	513	163	198
Accounts payable	227	186	188
Total financial liabilities	828	376	447
Contingent purchase considerations			
	Jan-Jun 2023	Jan-Jun 2022	Full year 2022
Opening balance	11	-	-
Acquisitions during the period	7	-	11
Change in value	0	-	-
Closing balance	18	-	11



The accounting policies for the Group and the Parent Company are published in full in the [annual report for 2022](#).

Content

Summary

President's statement

Group financial development

Components business area

Services business area

Financial position

Business combinations

Other

Consolidated financial statements

Parent Company financial statements

> Notes

Performance measures

About Momentum Group

Download PDF for print 



3. Operating segments and information on income

The Group's operating segments comprise the business areas Components and Services. The operating segments are consolidations of the operational organisation, as used by Group management and the Board of Directors to monitor operations. Group management, comprising the CEO and CFO, are the Group's chief operating decision makers. **Components** comprises operations in industrial components, services and solutions for industry, with expertise in industrial improvement as well as

companies with leading specialist positions in their respective market niches. **Services** comprises operations in industrial services in Sweden that, through its services, offers longer life and efficiency of installed machines and carries out new installations. In addition, solutions are offered for digitalised maintenance. **Group-wide** includes the Group's management, finance and support functions. The support functions include internal communications, investor relations and legal affairs.

Financial items and taxes are not distributed by operating segment but recognised in their entirety in Group-wide. Intra-Group pricing between the operating segments occurs on market terms. The accounting policies are the same as those applied in the consolidated financial statements. Revenue presented for the geographic markets below is based on the domicile of the customers.

	Jan-Jun 2023				
MSEK	Compon- ents	Services	Group-wide	Elimin- ations	Group total
Revenue					
From external customers per country					
Sweden	744	178	-	-	922
Norway	26	2	-	-	28
Denmark	73	1	-	-	74
Other countries	26	1	-	-	27
From other segments	2	6	5	-13	-
Total	871	188	5	-13	1,051
Revenue					
From external customers by class of revenue					
Sale of goods	801	104	-	-	905
Service assignments	66	76	-	-	142
Other income	2	2	-	-	4
From other segments	2	6	5	-13	-
Total	871	188	5	-13	1,051
EBITA	122	17	-14	-	125
Items affecting comparability	-	-	-	-	-
Amortisation of intangible assets in connection with corporate acquisitions	-8	-3	-	-	-11
Operating profit/loss	114	14	-14	0	114

	Jan-Jun 2022				
MSEK	Compon- ents	Services	Group-wide	Elimin- ations	Group total
Revenue					
From external customers per country					
Sweden	608	163	-	-	771
Norway	20	3	-	-	23
Denmark	42	0	-	-	42
Other countries	8	1	-	-	9
From other segments	2	8	4	-14	-
Total	680	175	4	-14	845
Revenue					
From external customers by class of revenue					
Sale of goods	622	87	-	-	709
Service assignments	54	78	-	-	132
Other income	2	2	-	-	4
From other segments	2	8	4	-14	-
Total	680	175	4	-14	845
EBITA	92	16	-10	-	98
Items affecting comparability	-	-	-6	-	-6
Amortisation of intangible assets in connection with corporate acquisitions	-3	-3	-	-	-6
Operating profit/loss	89	13	-16	0	86

- Summary
- President's statement
- Group financial development
- Components business area
- Services business area
- Financial position
- Business combinations
- Other
- Consolidated financial statements
- Parent Company financial statements

> Notes

- Performance measures
- About Momentum Group

Download PDF for print 



4. Business combinations

Acquisition of Askalon AB

On 22 May 2023, 93.7 per cent of the shares in Askalon AB were acquired and closing took place on 5 June. Askalon is a leading player in advanced valve solutions primarily for the power, refinery and process industries in Sweden, Denmark and Iceland. The remaining 6.3 per cent of the shares in the company will be acquired by Momentum Group in 2025. Accordingly, the acquisition was consolidated on a 100 per cent basis and the agreement concerning the remaining shares in the company is being treated as a deferred payment.

The total purchase consideration for the acquisition was SEK 267 million excluding acquisition costs. Acquisition costs totalling SEK 1 million were recognised in the item other operating expenses during the reporting period.

In accordance with the preliminary acquisition analysis below, SEK 95 million of the purchase consideration was allocated to goodwill, SEK 115 million to supplier relations and SEK 24 million to customer relations. The allocation to supplier and customer relations was based on the discounted value of future cash flows attributable to each class of assets. The amortisation period for the values identified, such as supplier relations, is 15 years and a period of ten years for customer relations. The value of goodwill is based on the expectation that the Momentum Group's position in the markets in question will strengthen and on the future sales performance, profitability and other synergies that the Group expects to realise through the acquisition.

If the acquisition had been completed on 1 January 2023, a preliminary consolidated income statement for Momentum Group, including Askalon, at 30 June 2023 indicates total net revenue of SEK 1,207 million and profit after tax of SEK 88 million for the reporting period. These amounts have been calculated based on Askalon's earnings, adjusted for additional depreciation and amortisation that would have arisen if the adjustment to the fair value of tangible and intangible non-current assets had been applied from 1 January 2023, together with attributable tax effects. There are no material differences in accounting policies between Momentum Group and the acquired business, with the exception of IFRS 16, which has no material impact on profit after tax for the period in question.

During the reporting period, the acquisition of Askalon contributed SEK 31 million to the Group's revenue and SEK 2 million to the Group's EBITA.

According to the preliminary acquisition analysis, the total assets and liabilities included in the acquisition of Askalon amounted to the following: The acquisition analysis is considered preliminary largely because the acquisition was closed only recently.

MSEK	Fair value recognised in the Group
Acquired assets:	
Intangible non-current assets	140
Right-of-use assets	22
Other non-current assets	3
Inventories	22
Other current assets incl. cash and cash equivalents	106
Total assets	293
Acquired provisions and liabilities:	
Interest-bearing liabilities	-
Lease liabilities	22
Deferred tax liability	29
Current operating liabilities	70
Total provisions and liabilities	121
Net of identified assets and liabilities	172
Goodwill ¹	95
Purchase consideration	267
Less: Cash in acquired business	-18
Less : Additional purchase consideration ²	-17
Effect on the Group's cash and cash equivalents	232

¹ Of recognised goodwill, SEK 95 million is expected to be tax deductible.

² Deferred payment corresponds to the value of acquisition of the remaining 6.3 per cent of the shares in the company and is not subject to interest payment

- Summary
- President's statement
- Group financial development
- Components business area
- Services business area
- Financial position
- Business combinations
- Other
- Consolidated financial statements
- Parent Company financial statements
- › **Notes**
- Performance measures
- About Momentum Group



Other corporate acquisitions during the reporting period

In addition to Askalon, Momentum Group conducted a further four business combinations with closing during the reporting period. The acquisitions are presented on page 9.

Acquisition analysis – other business combinations closing during the reporting period

The total purchase consideration for the acquisitions was SEK 78 million excluding acquisition costs. Acquisition costs totalling approximately SEK 1 million were recognised in the item other operating expenses. In accordance with the preliminary acquisition analysis presented below, SEK 29 million of the purchase consideration was allocated to goodwill and SEK 42 million to customer relations.

The allocation to customer relationships was based on the discounted value of future cash flows attributable to each class of assets, where an assessment was conducted that included margin, tied-up capital and turnover rate of the customer base. Goodwill on the acquisition date refers to the amount by which the cost of the acquired net assets exceeds their fair value. Goodwill is motivated by the anticipated future sales performance and profitability as well as the fact that the subsidiaries' position in their current markets is expected to be strengthened.

The acquisition analysis is considered preliminary largely because the acquisitions were closed only recently.

MSEK	Fair value recognised in the Group
Acquired assets:	
Intangible non-current assets	42
Right-of-use assets	13
Other non-current assets	2
Inventories	9
Other current assets incl. cash and cash equivalents	34
Total assets	100
Acquired provisions and liabilities:	
Interest-bearing liabilities	-
Lease liabilities	13
Deferred tax liability	11
Current operating liabilities	23
Total provisions and liabilities	47
Net of identified assets and liabilities	
	53
Goodwill ¹	29
Non-controlling interests ²	-4
Purchase consideration	78
Less: Cash in acquired business	-19
Less : Contingent purchase consideration ³	-7
Effect on the Group's cash and cash equivalents	52

¹ Of recognised goodwill, SEK 29 million is expected to be tax deductible.

² Non-controlling interest is calculated as the proportional share of the identified net assets.

³ Contingent purchase consideration is recognised at a value corresponding to 75 per cent of a maximum outcome (excluding interest). The outcome of the contingent purchase consideration will be determined in the second half of 2026 and is dependent on the earnings of the acquired subsidiary.

Summary
President's statement
Group financial development
Components business area
Services business area
Financial position
Business combinations
Other
Consolidated financial statements
Parent Company financial statements
› Notes
Performance measures
About Momentum Group



Performance measures

Momentum Group uses certain financial performance measures in its analysis of the operations and their performance that are not defined in accordance with IFRS. Momentum Group believes that these alternative performance measures provide valuable information for the company's Board of Directors, owners and investors, since they enable a more accurate assessment of current trends and the company's performance when combined with other performance measures calculated in accordance with IFRS.

MSEK	Q2		Jan-Jun		R12 Jun	
	2023	2022	2023	2022	2023	2022
IFRS performance measures						
Revenue	549	446	1,051	845	1,945	1,590
Profit for the period	43	37	85	65	160	125
IFRS performance measures per share (SEK)						
Earnings per share before dilution	0.90	0.70	1.75	1.25	3.20	2.40
Earnings per share after dilution	0.90	0.70	1.75	1.25	3.20	2.40
Other performance measures per share						
Equity per share before dilution, at the end of the period					10.85	9.10
Equity per share after dilution, at the end of the period					10.85	9.10
Number of shares (thousands of shares)						
Number of shares before dilution	49,221	49,481	49,221	49,481	49,221	49,481
Weighted number of shares before dilution	49,221	50,148	49,221	50,314	49,245	50,398
Weighted number of shares after dilution	49,221	50,148	49,221	50,314	49,245	50,398
Other performance measure						
No. of employees at the end of the period					692	538
Share price, SEK					121.50	60.00

Since not all listed companies calculate these financial performance measures in the same way, there is no guarantee that the information is comparable with other companies' performance measures of the same name. Hence, these financial performance measures must not be viewed as a replacement for those measures calculated in accordance with IFRS.

MSEK	Q2		Jan-Jun		R12 Jun	
	2023	2022	2023	2022	2023	2022
ALTERNATIVE PERFORMANCE MEASURES						
Income statement-based performance measures						
Operating profit	59	49	114	86	213	164
of which: Items affecting comparability	-	-2	-	-6	-	-12
of which: Amortisation of intangible non-current assets in connection with acquisitions	-6	-3	-11	-6	-18	-12
EBITA	65	54	125	98	231	188
Profit after financial items	55	46	108	82	203	157
Operating margin	10.7%	11.0%	10.8%	10.2%	11.0%	10.3%
EBITA margin	11.8%	12.1%	11.9%	11.6%	11.9%	11.8%
Profit margin	10.0%	10.3%	10.3%	9.7%	10.4%	9.9%
Profitability performance measures						
Return on working capital (EBITA/WC)					60%	62%
Return on capital employed					28%	24%
Return on equity					32%	28%
Performance measures on financial position						
Financial net loan liability					476	160
Operational net loan liability/receivable +/-					305	25
Equity attributable to Parent Company shareholders					534	450
Equity/assets ratio					32%	44%

Content

Summary

President's statement

Group financial development

Components business area

Services business area

Financial position

Business combinations

Other

Consolidated financial statements

Parent Company financial statements

Notes

> Performance measures

About Momentum Group

Download PDF for print 



Definitions of alternative performance measures and their purpose

Operating profit

Profit before financial items and tax.

Used to present the Group's earnings before interest and tax.

Items affecting comparability

Items affecting comparability include revenue and expenses that do not arise regularly in the operating activities. Items affecting comparability for the period pertain to costs for preparations ahead of the separate listing and mainly pertain to advisory costs, review costs and separation costs.

The separate disclosure of items affecting comparability clarifies the development of operational activities.

EBITA

Operating profit adjusted for items affecting comparability and before any impairment of goodwill and amortisation and impairment of other intangible assets arising in connection with acquisitions and equivalent transactions.

Used to present the Group's earnings generated from operating activities.

Operating margin, %

Operating profit relative to revenue.

Used to measure the Group's earnings generated before interest and tax and provides an understanding of the earnings performance over time. Specifies the percentage of revenue remaining to cover interest payments and tax and to provide profit after the Group's expenses have been paid.

EBITA margin, %

EBITA as a percentage of revenue.

Used to measure the Group's earnings generated before interest and tax and provides an understanding of the earnings performance over time. The EBITA margin based on revenue from both external and internal customers is presented per business area (operating segment).

Profit margin, %

Profit after financial items as a percentage of revenue.

Used to assess the Group's earnings generated before tax and presents the share of revenue that the Group may retain in earnings before tax.

Return on working capital (EBITA/WC), %

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

The Group's internal profitability target, which encourages high EBITA and low tied-up capital. Used to analyse profitability in the Group and its various operations.

Return on capital employed, %

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

Presented to show the Group's return on its externally financed capital and equity, meaning independent of its financing.

Return on equity, %

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

Used to measure the return generated on the capital invested by the Parent Company's shareholders.

Financial net loan liability

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

Used to monitor the debt trend and analyse the Group's total indebtedness including lease liabilities.

Operational net loan liability / Net loan receivable

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

Used to monitor the debt trend and analyse the Group's total indebtedness excluding lease liabilities.

Equity/assets ratio, %

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

Used to analyse the financial risk in the Group and show how much of the Group's assets are financed by equity.

Change in revenue for comparable units

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

Used to analyse the underlying sales growth driven by changes in volume, the product and service offering, and the price for similar products and services across different periods. Refer to the reconciliation table on page 4.

Summary

President's statement

Group financial development

Components business area

Services business area

Financial position

Business combinations

Other

Consolidated financial statements

Parent Company financial statements

Notes

> Performance measures

About Momentum Group

Download PDF for print 



Derivation of alternative performance measures¹

	Q2		Jan-Jun		R12 Jun	
	2023	2022	2023	2022	2023	2022
EBITA						
Operating profit	59	49	114	86	213	164
Items affecting comparability	-	2	-	6	-	12
Amortisation of intangible non-current assets in connection with corporate acquisitions	6	3	11	6	18	12
EBITA	65	54	125	98	231	188
Items affecting comparability						
Listing and separation costs	-	-2	-	-6	-	-12
Total items affecting comparability	-	-2	-	-6	-	-12
Operating margin						
Operating profit	59	49	114	86	213	164
Revenue	549	446	1,051	845	1,945	1,590
Operating margin	10.7%	11.0%	10.8%	10.2%	11.0%	10.3%
EBITA margin						
EBITA	65	54	125	98	231	188
Revenue	549	446	1,051	845	1,945	1,590
EBITA margin	11.8%	12.1%	11.9%	11.6%	11.9%	11.8%
Profit margin						
Profit after financial items	55	46	108	82	203	157
Revenue	549	446	1,051	845	1,945	1,590
Profit margin	10.0%	10.3%	10.3%	9.7%	10.4%	9.9%
EBITA/WC						
Average inventories					283	221
Average accounts receivable					283	240
Total average operating assets					566	461
Average accounts payable					-184	-159
Average working capital (WC)					382	302
EBITA					231	188
EBITA/WC					60%	62%

	R12 Jun	
	2023	2022
Return on capital employed		
Average balance sheet total	1,225	1,041
Average non-interest-bearing non-current liabilities	-104	-56
Average non-interest-bearing current liabilities	-348	-311
Average capital employed	773	674
Operating profit	213	164
Financial income	2	0
Total operating profit + financial income	215	164
Return on capital employed	28%	24%
Return on equity		
Average equity attributable to parent company shareholders	493	442
Profit for the period attributable to the Parent Company shareholders	158	123
Return on equity	32%	28%
Financial net loan liability		
Non-current interest-bearing liabilities	379	97
Current interest-bearing liabilities	134	66
Current investments	-	-
Cash and cash equivalents	-37	-3
Financial net loan liability	476	160
Operational net loan liability/receivable +/-		
Financial net loan liability	476	160
Lease liability	-171	-135
Operational net loan liability/receivable +/-	305	25
Equity/assets ratio		
Balance-sheet total	1,677	1,017
Equity attributable to the Parent Company shareholders	534	450
Equity/assets ratio	32%	44%

¹ Pertains to balance-sheet items, and performance measures related to financial position pertain to the closing balance for each year.

- Summary
- President's statement
- Group financial development
- Components business area
- Services business area
- Financial position
- Business combinations
- Other
- Consolidated financial statements
- Parent Company financial statements
- Notes
- › **Performance measures**
- About Momentum Group

Download PDF for print 



Historical financial information¹

MSEK	R12					
	30 Jun 2023	31 Dec 2022	31 Dec 2021	31 Dec 2020	31 Mar 2020	31 Mar 2019
Revenue	1,945	1,739	1,491	1,163	1,254	1,196
Operating profit	213	185	155	130	130	111
EBITA	231	204	171	134	134	114
Net profit	160	140	117	99	99	84
Intangible non-current assets	679	383	284	175	177	165
Right-of-use assets	179	138	127	51	60	-
Other non-current assets	28	22	19	12	8	7
Inventories	336	285	213	176	193	191
Current receivables	418	328	271	175	227	220
Cash and cash equivalents and current investments	37	17	70	145	31	29
Total assets	1,677	1,173	984	734	696	612
Equity attributable to Parent Company shareholders	534	498	458	337	259	143
Non-controlling interests	30	27	17	6	5	-
Interest-bearing liabilities and provisions	513	198	132	147	193	141
Non-interest-bearing liabilities and provisions	600	450	377	244	239	328
Total equity and liabilities	1,677	1,173	984	734	696	612
Operating margin	11.0%	10.6%	10.4%	11.2%	10.4%	9.3%
EBITA margin	11.9%	11.7%	11.5%	11.5%	10.7%	9.5%
Return on working capital (EBITA/WC)	60%	61%	61%	54%	52%	46%
Return on equity	32%	29%	30%	35%	49%	51%
Financial net loan liability	476	181	62	2	162	112
Operational net loan liability/receivable +/-	305	48	-61	-45	107	112
Equity/assets ratio	32%	42%	47%	46%	37%	23%
Earnings per share before and after dilution, SEK	3.20	2.70	2.30	1.90	1.95	1.65
Equity per share, SEK	10.85	10.10	9.05	6.70	5.15	2.85
Share price, SEK	121.50	58.51	-	-	-	-
No. of employees at the end of the period	692	558	484	329	339	335

¹ Pertains to balance-sheet items, and performance measures related to financial position pertain to the closing balance for each year.

Summary

President's statement

Group financial development

Components business area

Services business area

Financial position

Business combinations

Other

Consolidated financial statements

Parent Company financial statements

Notes

> Performance measures

About Momentum Group

Download PDF for print 



Developing and acquiring successful sustainable companies in the Nordic region

Momentum Group is a leading company offering sustainable products and services and related value-creating services to the industrial sector. Momentum Group is an active owner that focuses on developing and acquiring companies in the product and service categories where we possess knowledge, expertise and experience.

Momentum Group AB

Östermalmsgatan 87 E
SE-114 59 Stockholm
Tel: 08-92 90 00
Org No: 559266-0699
Board of Directors' registered office:
Stockholm
momentum.group

Mission

Together for a sustainable industry

The Group's businesses, together with their customers, partners and other stakeholders, will contribute to creating a sustainable industry from a social, environmental and economic perspective.

Vision

The customer's best sustainable choice

Our various companies focus on understanding customer needs in order to offer the best solution for the customer, based on their situation and needs.

Our focus areas

Business development through active ownership.

Business development through decentralised responsibility and employee development.

Growth through acquisitions of sustainable companies.

Business concept

We will make the everyday lives of our customers easier, safer and more profitable – by offering sustainable products and services

For the Group's customers, it is important to maintain good profitability in their operations. Our companies sell quality products and related services that create value for the customer throughout the life of the product or service.

Our financial targets

EBITA growth: **>15%**

Profitability EBITA/WC: **>45%**

Dividend: **>30%**

Revenue SEK million¹

1,945

EBITA growth¹

23%

Profitability, EBITA/WC¹

60%

Employees²

692

Content

Summary

President's statement

Group financial development

Components business area

Services business area

Financial position

Business combinations

Other

Consolidated financial statements

Parent Company financial statements

Notes

Performance measures

> **About Momentum Group**

Download PDF for print 

