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**We make  
people and  
companies  
grow**

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 **Industrade**

# Welcome to Indutrade

## People make the difference

Since its inception in 1978, Indutrade has developed and established itself as a leading international technology and industrial group that currently comprises more than 200 companies managed by passionate entrepreneurs. Our value-based culture, where people make the difference, has been the foundation of our success right from the start.

In 2021, the Indutrade model once again demonstrated its strength. Despite the ongoing pandemic and challenges associated with disruptions in supply chains, our performance was exceptional, with growth in all business areas. We had yet another successful year in 2021, thanks to our decentralised business model with entrepreneurial driven MDs (Managing Directors) who act quickly and adapt operations according to prevailing challenges and opportunities. Our success is largely based on our competent and committed employees in all of the Group's companies.

We are a decentralised organisation with a strong local presence. We believe that the best decisions are made locally, by those who are closest to the customer. The best way to gain an understanding of what it means for a company to be a part of the Indutrade Group is to meet some of the entrepreneurs who have sold their companies to us. Later on this brochure, we have included some interviews so that you can get to know some of them a bit better. For example, you can read about Per-Arne Forsman, MD at Lekang Group, a company that distributes more than 100 brands of filters, and how Indutrade has helped them gain ground through consultative sales and a high level of service. Then there is Richard Storey, MD at Adam Equipment (UK), which develops, manufactures and sells a broad range of precision balances and scales for professional use. When it was time for him to sell the family company that his father started back in 1972, it was important for him to find the right partner, who shared the same values and would be able to create a safe, secure environment for their employees. Finally, you can read about Jindřich Petřík, MD at Cheirón, a company that is specialised in medical technology products, and hear his views on the advantages that come with being part of a strong Group. Cheirón is a very exciting company, which is on the verge of launching a new e-commerce platform for their proprietary medical technology products. As its new owner, we are excited about supporting them on their continued growth journey.

### **Strong culture and extensive knowledge**

Our acquisition strategy has developed over time, is solid and historically successful. We have a long experience of successful company acquisitions and working with strong entrepreneurs. There



What sets us apart is the fact that we focus on understanding the people and culture of each company we acquire.

are many different types of companies working with company acquisitions. We do not consider ourselves being one in the crowd, but what sets us apart is the fact that we focus on understanding the people and culture of each company we acquire. In 2021, we welcomed 17 new companies to the Indutrade Group. The acquired companies are based in Denmark, Czech Republic, Finland, Germany, Italy, the Netherlands, UK and Sweden. All of them have leading positions in their respective niches and good long-term growth potential. Regardless of how many companies we acquire, there is no standard model. Each acquisition is unique. It is incredibly important that the seller is as happy with the deal as we are, since an acquisition is typically the start of a long and fruitful relationship.

### **Business as usual**

Something that often appeals to entrepreneurs that are considering selling their companies is that we are long-term owners with a goal of supporting the development of the companies we acquire, without any ambition to sell it to someone else. For us, it is important that those who sell remain in the company following the acquisition and that the corporate culture and the company name remain the same. We see the strength in smaller companies maintaining their flexibility, commitment and social responsibility, at the same time as we contribute with the stability of a larger company and financial support. This establishes the right level of commitment, and customers, suppliers and the company's employees appreciate local decision-making. The decentralised structure with subsidiaries responsible locally for their performance and business is another incentive that potential sellers appreciate.

### **Value creating knowledge sharing**

Companies that are part of Indutrade gain access to a vast network of employees with extensive knowledge. We work to create the prerequisites for a relevant knowledge sharing that can be connected to specific market segments, technology or production areas, international expansion or digitalisation, to name a few examples. On the other hand, we do not work with central synergy projects that are mandatory – it is always up to the individual company to decide what is value creating for them, and what they want to make use of. Our success is based to a large extent on that we have competent MDs in our companies. As such, attracting and recruiting leaders is something that we are particularly focused on, but most of all, we focus on the development of our existing leaders. While a large measure of this talent is developed in various ways through the job as MD, our companies are all supported by a mentoring Chairman who can provide insight and constructive challenges. We also work with an in-house leadership program that is adapted to our vision of entrepreneurship and our corporate culture, providing us with a better platform for sustainable profitable growth. I look forward to welcoming even more successful companies to Indutrade over the years ahead. Our strong corporate culture that focuses on people permeates our work and our vision: an entrepreneurial world where people make the difference.

**Bo Annvik**

President and CEO, Indutrade



# BUSINESS CONCEPT

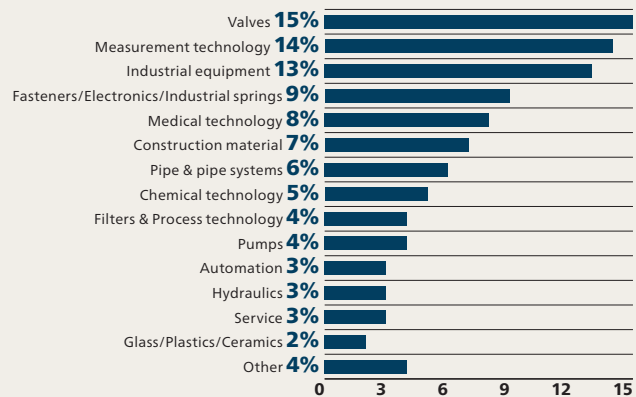
To provide sustainable profitable growth by developing and acquiring successful companies managed by passionate entrepreneurs in a decentralised way.

## What we do

We develop and acquire technology and industrial companies that are characterised by high competence and an ability to build enduring, close relationships with customers and suppliers.

Our companies offer sustainable solutions that enhance our own, and our customers', competitiveness. They manufacture, develop and sell components, systems and services with a high technology content.

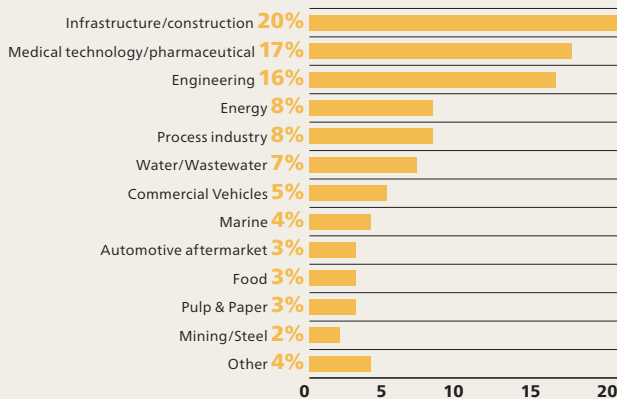
Net sales per product area



## For whom

Customers can be found in a wide range of industries, including infrastructure and construction, medical technology and pharmaceutical, engineering, energy, water/wastewater and food.

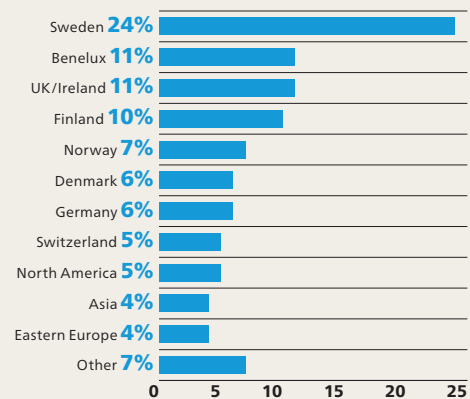
Net sales per customer segment



## Where

Indutrade comprises more than 200 companies offering services in more than 30 countries on six continents.

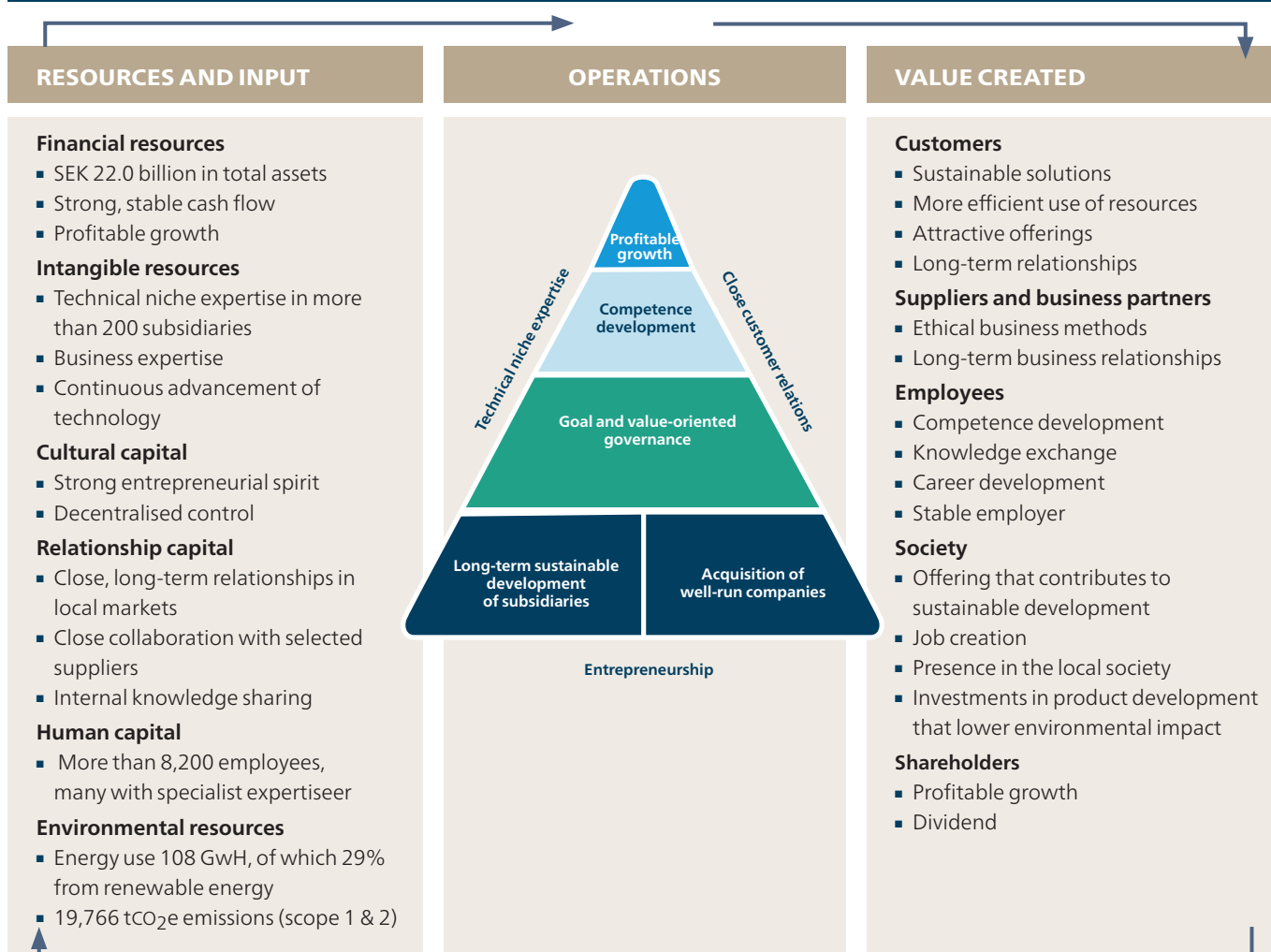
Net sales per market<sup>1)</sup>



<sup>1)</sup> Based on customers' residence.

# Indutrade's business model

**VISION**  
**An entrepreneurial world where people make a difference**  
 Indutrade has a long-term commitment to ensuring that people and companies can grow. We contribute to our own development and that of society at large by giving more people and companies the chance to become part of a business world fuelled by entrepreneurial spirit.



**VALUES**



**People make the difference**  
 For us, people are most important of all – our employees are the key to the Group's future success. We strive to derive the greatest value and benefits from our talented employees by sharing and spreading best practice throughout the Group.



**Decentralisation**  
 We are a decentralised organisation with a strong local presence. We believe that the best decisions are made locally, by those who are closest to the customer.



**Entrepreneurship**  
 We have a strong entrepreneurial spirit and are passionate about the business. We are also determinedly committed to continuously driving, developing and improving the business.



**Long-term perspective**  
 We focus on profitability and our definition of success is achieving sustainable profitability and growth that benefits individuals, companies and society at large.

# Our companies

COMPANIES WITH TRADING BRANDS

# 57%

of Indutrade's sales

COMPANIES WITH PROPRIETARY BRANDS

# 43%

of Indutrade's sales



# Active ownership

Indutrade is a long-term, stable owner that is involved in, and takes responsibility for, the development of its subsidiaries. A decentralised leadership based on clear values promotes entrepreneurial spirit in the companies, which get to retain their original identity with their own name, culture and management team. Responsible leaders with strong business acumen are developed and given opportunities to continuously drive their companies forward.

## INDUTRADE AS OWNER

Our ownership perspective is very long term. When we acquire a company, it is never with the intention to withdraw or divest. We exercise active ownership primarily by participating on the Boards of Directors of our subsidiaries with the aim of developing them, generating sustainable value growth and contributing to society. As an active owner, we contribute by, for example, developing our leaders and injecting both knowledge and capital so that companies have everything they need for being able to choose the right strategic direction, invest in product development and improve their customer offerings. It is of utmost importance that our companies continuously strive to improve their social and environmental impact. We are firmly convinced that responsibility and sustainable ownership create long-term value and enhance competitiveness.

### Value-based leadership

Indutrade's values guide us in how we act both externally and internally. They are values that have evolved over the years through interaction with our companies and employees, based on our conviction that it is people who make the difference. Value-based leadership with a great deal of freedom and decision autonomy is the starting point for our efforts, right from the acquisition phase to how we run, build and develop businesses in a responsible manner. This mindset serves as the

foundation for our vision: an entrepreneurial world where people make the difference.

Our Code of Conduct is an important tool to describe our common principles and promoting our shared values. Our decentralised governance model puts demands on all companies to have well-functioning operations and management. Already during the acquisition process, we therefore put strong emphasis on getting to know the company and its management, employees and owners in order to gain an understanding of whether they share our values and views on sustainable entrepreneurship.

### Decentralised organisation

Our highly decentralised organisation enables companies to make own decisions, thereby giving them freedom and flexibility. The best business decisions are made when there is close contact with customers based on their specific needs and processes. Many of our subsidiaries work in smaller cities or towns where the employees become important local ambassadors. They play an important role in our companies being perceived as reliable and responsible, such as by ensuring that the local environment is not negatively impacted by the companies' operations. By making local investments and job creation, our companies contribute to growth and development in society.

## WHAT WE OFFER

### Business as usual

Our highly decentralised organisation enables companies to make own decisions, thereby giving them freedom and flexibility. The best business decisions are made when there is close contact with customers based on their specific needs and processes.

### Professional board

We appoint an active, involved board of directors that supports the executive management team and serves as a sounding board. Our cumulative expertise, experience and structure creates the prerequisites for continued growth in the companies.

### Expertise

Indutrade supports its subsidiaries by providing industrial and technical expertise and assisting with business development, financing and management by objectives. We also offer support with such things as competence development, digitalisation and sustainability.

### Financial strength

The Group's financial strength creates stability and facilitates further expansion of our subsidiaries. As a stable owner, we take responsibility for the longevity of our subsidiaries.

### Knowledge-sharing and networks

We share experiences, knowledge and best practice through network meetings, trainings and our digital communications platform, Indutrade Portal. Many challenges and solutions are relevant to most companies. We therefore promote knowledge-sharing and informal networking so that they can exchange ideas and experiences.

### Developing competence and leadership

In a decentralised organisation, people are everything. We are very careful to ensure that we have the right MD, executive management team and board of directors at each company. We offer tailored training via Indutrade Academy in order to continuously develop our key talents.

## DEVELOP

Companies that belong to the Indutrade Group are able to maintain their original identity, while gaining access to the collective knowledge and experience of all of the Group's employees. Companies belonging to the Group enrich each other and are given opportunities for exchanging valuable knowledge via networking opportunities and internal benchmarking. All of Indutrade's companies have a clear mandate and responsibility for their own operations. Indutrade supports its companies with industrial know-how, financing, business development and management by objective.

## ACQUIRE

We put high requirements on the companies we acquire. They are successful and well-managed, with a defined market and distinct customer offering. They are run by entrepreneurs who are passionate about their business concept, who want to further develop their company and who share our values on sustainable entrepreneurship. We acquire companies where the owners want to continue leading and developing the company without being its owner. Reasons for wanting to sell can vary. For example, a company may need a new owner because it is in an expansion or investment phase. Or, perhaps new ownership is needed to ensure the company's longevity. Indutrade has no exit strategy, and by selling to Indutrade, the company's future is secured.





## ACQUISITION PROCESS

Acquisition is a natural component of Indutrade’s operations and it is fundamental to our strategy for growth. Our acquisition strategy has developed over time. It is solid and historically successful. We acquire profitable, well-managed companies with a well-defined market and distinct offering. We maintain a high rate of acquisition, typically acquiring several companies each year.

We put high requirements on the companies we acquire. They are run by entrepreneurs who are passionate about their business concept, who want to further develop their company and who share our values on sustainable entrepreneurship. They also have technical niche expertise. They have well-functioning and motivated management teams that are characterised by entrepreneurship and which are eager to continue their involvement also after the acquisition.

The pre-acquisition process might last for several years, during this time we meet managers and employees frequently to ensure that they are an “Indutrade company”. We strive to, as early as possible during the acquisition process, discuss our decentralised governance model and fundamental values.

All acquired companies are reviewed to ensure that they have a long-term sustainable business strategy that generates long-term value. Running operations in a responsible way is of utmost importance and the key to long-term sustainable growth, development and profitability. In 2021, Indutrade acquired 17 new companies. All of them were subject to a sustainability review.

### Identification

Indutrade strives to, already at an early stage, engage with owners of potential acquisition candidates. Prior to a potential sale, owners are already acquainted with Indutrade and find it natural to involve us in discussions about an acquisition. Indutrade has a continuous inflow of new, interesting companies to potentially acquire, both from its own, internal network and from external brokers and business advisers. The ambition is to, as early in the process as possible, engage in a close, exclusive dialogue with the owners. This is the best way for us to communicate Indutrade’s long-term model and values.

### Acquisition process

Several parameters are used to evaluate a potential acquisition including market position, customers, competitors, main supplier’s strategic and technical focus, environmental impact, ISO certifications, financial position, historical data and future involvement of key employees. Running the business in a responsible way is critical to creating long-term sustainable growth, development and profitability, and is therefore central to the evaluation process.

Thorough and tailored due diligence minimises the operational and financial risks associated with acquisitions. During the evaluation, we utilise the cumulative knowledge that exists within Indutrade and among our companies to ensure that we clearly understand all of the opportunities and risks. One of the keys to success is careful preparations and for both parties to get to know each other well. Therefore, we never hurry through the acquisition process, allowing it the time needed. If a potential acquisition does not comply with relevant standards, does not pass the review process regarding such items as human rights or corruption risks, or is not deemed to be amenable to necessary improvements, Indutrade rejects the acquisition.

### Negotiations

The negotiation stage is primarily about ensuring the following:

- that it will be possible to carry out the acquisition at a price that makes the deal worthwhile for both parties.
- that key individuals will stay involved after the acquisition. These are typically joint owners of the company that is being acquired, which is why additional consideration is often part of the acquisition structure. It will be paid if the company achieves a certain level of profitability after the acquisition.
- It is also important that partners are in favour of the acquisition so that we can retain important customers and suppliers.

## GOVERNANCE PROCESS

### Implementation

An acquisition is always given a clear home in one of Indutrade’s business areas, which is either decided based on its geographic location or the types of products offered. Doing so increases the opportunities for value-creating collaboration and networking. A new board of directors is appointed, with expertise tailored to the company’s current needs.

A structured review of the acquired company is also done when carrying out an acquisition. The main areas that we focus on are the acquired company’s:

- Customers and suppliers – will it be possible to expand the scope of clientèle and product line?
- Sustainability - have sustainability aspects been integrated into the business model, business culture, strategies, processes and product offering?
- Organisation – could it be made more efficient, with more focus on customers and sales?
- Costs, margins and inventory turnover – is it possible to raise profitability and returns?

New financial targets are established that are specific to the company and its conditions.

### Monitoring

There is continuous dialogue between the acquired company’s management team, its board of directors and Indutrade’s business area manager. Each month, the company reports its sales, earnings and other key performance indicators to Indutrade. Ongoing governance is goal-oriented with a focus on growth, margins and tied-up assets. During the year, we also ensure that competence development, succession planning and the sustainability agendas of subsidiaries are being monitored and evaluated, which is an important aspect of Indutrade’s role as an active owner.

## INVESTMENT CRITERIA

The companies we acquire must:

- Be run by entrepreneurs who are passionate about their business concept and want to continue running the company after the acquisition
- Be stable and profitable
- Have a leading position in a market niche
- Have a long-term sustainable business model
- Share our values and culture



# Great freedom under responsibility

Lekang Group is a specialist in filters and filtration technology and a Nordic leader in its niche. "Our watchwords are 'Secure and simple' and that encapsulates what we stand for as a group and what we endeavour to achieve," says Per-Arne Forsman, Chief Executive Officer since 2015.

Sales, SEKm

300

Number of employees

72

Founded

1970

Acquired by Indutrade

2010



Per-Arne Forsman  
MD Filterteknik Sverige AB



**Being part of Indutrade also gives us financial stability, which is security not only for us, but also for our suppliers and customers.**

The four companies in the group are Lekang Filter AS of Norway, Filterteknik Sverige AB of Sweden, the Danish company Filterteknik AS and Filterteknik Suomi Oy based in Finland. The first company was formed in Norway in 1970 by the Lekang family. The company originally sold construction machinery but realised relatively quickly that the growing use of various types of filters represented attractive potential for sales of consumables in the aftermarket and since the 1990s, the Lekang Group focuses solely on filter operations.

#### **Increased complexity required change of ownership**

As the group grew, the complexity rose, in terms of both ownership and organisationally. The need for a distinct plan for succession and the future became tangible, the owners subsequently started to seek a partner who shared their values: to focus on the people in the company, encourage entrepreneurship, support growth and safeguard future success. They found such a partner in Indutrade, which acquired the entire group of companies in 2010. Lekang Group fulfilled the criteria that Indutrade had set for a corporate acquisition: high-tech niche competency, favourable profitability, committed management and employees, and long-term relationships with both customers and suppliers.

#### **Digital sales channel and comprehensive range**

"Lekang Group distributes filters from more than 100 brands, so our offering is very extensive," says Per-Arne. "We are leaders in the Nordic region with the market's most comprehensive range, including more than 5,000 article numbers. We thereby also have the market's highest service level, which means that 90 percent of the orders for products in stock can be dispatched the same day."

When the operations were concentrated on filtration, Lekang Group mainly targeted the market for mobile construction machinery, which is used in such activities as road construction, mining, agriculture and forestry. Although filters for the aftermarket for mobile equipment remain the largest application, the portfolio has grown significantly and a relatively large proportion is focused on industrial hydraulics, process filtration, dust and ventilation.

"Our foremost strength, aside from our extensive range, is our in-depth knowledge of filtration processes and filter applications. Our customers rarely have their own filter experts, but we can serve as their expert in this field and thereby facilitate their daily operations and allow them to focus on their core business. Our four Nordic operations are linked by means of LFS (Lekang Filter System), an advanced online application with e-commerce that is integrated in our other systems. Using LFS, customers can search for various types of machinery and build their own library of items for their machine park, and thus obtain a clear overview of their filter requirements. The customer can also find technical data, stock levels, order data and much more. We have built the application on the basis of our customers' requirements, all in accordance with our 'secure and simple' slogan," Per-Arne explains.

#### **Sustainable solutions**

"Our products are by nature a feature of our customers' sustainability solutions. A number of positive effects are achieved by using the right filtration technology. By fitting the machines and equipment with the right filter solutions, for example, the life of the equipment is prolonged, productivity is increased, the number of production stoppages is minimised and energy consumption is reduced," says Per-Arne.



"In respect of our own sustainability efforts, we as distributors focus on reducing carbon emissions from transport and choosing carbon suppliers that prioritise their own sustainability activities. Indutrade also has a sustainability network, enabling us to leverage best practices in the group and obtain ideas and inspiration about how we can work with various sustainability issues in a way that fits our own specific operations. An increased focus on sustainability, by us as a company and our customers, creates favourable business opportunities that we intend to develop.

### Support from Indutrade

"Decentralisation is a core value in Indutrade's governance model. As a CEO, you are given considerable freedom to operate your business. We have monthly reporting procedures and a competent Board of Directors that contributes significantly to our development. We know that Indutrade is there as a support whenever needed, which has been particularly apparent during the prevailing pandemic. Right from the first outbreak of Covid in March 2020, Indutrade has supported us and emphasised the importance of taking good care of our workforce, our business and our customers," says Per-Arne.

"Being part of Indutrade also gives us financial stability, which is security not only for us, but also for our suppliers and customers. As a result of this, Lekang Group has been able to expand in a way that would not have been possible otherwise. We are also planning for additional expansion, and this is where Indutrade's financial strength, large network of contacts and unique competencies will be a great help, regardless of whether we grow organically or via acquisitions. Despite Indutrade's size, the decision-making paths are short. If you present well-founded and well-thought-through plans, there is a very good chance of a quick response. In my opinion, the minimal bureaucracy, focus on what is important, and a clear long-term perspective make Indutrade unique," says Per-Arne.

### Invaluable network of contacts

"The network of contacts one gets through Indutrade is also unique and invaluable. All CEOs get together at an annual CEO conference and, a couple of times a year, the business area also arranges conferences, while smaller meetings are arranged between companies in adjacent industries. There is always a great willingness to share knowledge and experience.

"Being part of a large group of more than two hundred high-performing companies is a very humbling experience," says Per-Arne. "At the same time, it is incredibly inspiring; we are spurred on to perform well and to deliver in order to show that we are a company worth investing in — now and in the future.



# Benefitting from being part of Indutrade

UK-based Adam Equipment develops, manufactures and sells weighing equipment. The company's scales range from an accuracy of five decimal places of a gram, capable of very precise measurement, for example dust in filters or the movement of air, to products with the capacity to weigh 10 tonnes. As one of the sons of the founder, the current Managing Director, Richard Storey, has memories from the company's early start, when he was only five years old in 1972.

Sales, GBP m

12.6

Number of employees

180

Founded

1972

Acquired by Indutrade

2019



Richard Storey  
MD Adam Equipment



Going forward, we know that Indutrade continues to stand by us, in the background without interfering in the day-to-day business; just as it is now, but there if we need it.

"My father started Adam Equipment from our garage", Richard says. "I was five at the time and I remember I couldn't get my bike out for all the scales. My father was determined to be successful and used to get up at three o'clock in the morning and go to London's food markets to sell scales to the market traders."

The company has long since outgrown the Storey family's garage and is based in Milton Keynes since the early 1980s, from where it has started different branches. The first branch was established in South Africa, followed by the US, Australia, China and in 2015, the latest branch in Germany.

#### All companies need scales

"As we have locations in every continent, we can effectively supply each market. We have over 4,000 dealers globally and customers in more than 100 countries. We sell our products to essentially all types of companies. In fact, every manufacturing and trading company has items they need to weigh, even if it's just the parcels they dispatch. We have, however, five main core areas: laboratory, industrial, retail, education and medical. Among our customers are several blue-chip companies and some of our customers need lots of different scales in their production processes," Richard says.

#### Unanimous decision to sell

"I am the oldest of five sons and at one point all of us worked together with my father in the company so there was a succession plan. But as time went by, it became clear that there were several reasons for selling the business, some of our personnel were given shares, and after working hard for 47 years my parents had earned the right to a comfortable retirement. So, to be fair to everybody, we decided to sell and it was a unanimous decision."

"We had many discussions with different parties, though Indutrade quickly became our benchmark for others. From the very first meeting it felt right. Their philosophy and what they said was in tune with what we wanted for the future; build on our success, maintain our values and family culture and create a stable, safe environment for our employees and customers. In 2019, Adam Equipment became part of the Indutrade Group. We wanted a safe place for the company to thrive and that is what we got", Richard says.

#### Increased knowledge of sustainability

"Having Indutrade as our owner has benefitted us in different ways. We established a formal Board of Directors with a clear meeting structure, and we formalised a number of internal processes leading to even more accurate control over the business. Before Indutrade, sustainability was not really on our radar, but Indutrade brought the knowledge and importance of sustainability to us and it has had a significant impact on how we do things. For instance, now in our design process we often use recycled materials for our product construction and our packaging materials are designed to use cardboard instead of polystyrene wherever possible. In addition, our products allow our customers to improve their efficiency in operations, ensure accuracy in production, help to reduce production waste and save money."

#### Strong network

"The sale of the company also gave us access to an invaluable network within the Indutrade Group. Adam Equipment belongs to the Measurement & Sensor Technology (MST) business area and the mentorship it provides has added real value to our business. As a part of MST, we





participate in quarterly meetings, before Covid-19 in person, but lately digitally. These meetings are an opportunity to come together as part of a greater team and learn from each other. All managing directors are exchanging experiences and knowledge and you can always call someone in the Group with your questions and share ideas."

"Covid-19 has had a massive effect on our business from early on since our factory is based in Wuhan, China. The factory was shut down for 2.5 months and during that time Indutrade was very supportive and understanding, giving us advice and help without pressure, which was very important during this difficult time", says Richard.

#### **The future – continued profitable growth**

"Going forward, we know that Indutrade continues to stand by us, in the background without interfering in the day-to-day business; just as it is now, but there if we need it. With its help, we have become much more structured, enabling us to focus on important issues and thereby grow and develop in a sustainable and profitable way. In the short term, we are focusing on a management re-organisation, hiring key management personnel while also launching new products. In the long-term, we aim to reach even more new markets and countries to continue our profitable growth."

"Although a lot has changed since we joined the Indutrade Group, Adam Equipment still is a family business, only now we're also part of the Indutrade family," concludes Richard.





# Indutrade's philosophy – a crucial selling point

Cheirón, operating within the medical business and based in Pilsen, Czech Republic, joined the Indutrade Group in the autumn of 2020. The acquisition of Cheirón was an excellent addition to Indutrade's Med-Tech/healthcare cluster, and Cheirón's Managing Director, Jindřich Petřík, already appreciates the benefits of being part of a strong group.

Sales, EUR m

~11

Number of employees

65

Founded

1994

Acquired by Indutrade

2020



Jindřich Petřík  
MD Cheirón



**At a certain time in a company's development, it is obvious that it might be beneficial to become a part of a bigger, financially strong group.**

"Cheirón's business stands on three pillars", Jindřich explains. "The first pillar is distribution of medical devices made by leading global manufacturers in the industry. The second pillar focuses on manufacturing of medical equipment, especially electrical surgical suction machines. The third pillar is providing complete qualified services focused on all the medical equipment distributed by our company. The reliable performance of all the medical devices we provide is vital, and our team of specialists has extensive experience in calibration and regular safety check-ups."

"The Czech market is of course important to us – almost all medical facilities and hospitals in the Czech Republic have been our customers for many years – but we also use a network of specialised distributors, exporting to more than 65 countries worldwide," Jindřich says.

#### Increasing importance of sustainability

"Until recently, our approach to the topic of sustainability was a bit pragmatic – we save energy, use ecological materials, pack our products in recycled paper boxes, etc. Now, however, we are analysing and defining new possibilities how to fulfil the sustainability goals. We hope to realise our own photovoltaic power plant, we are increasing the number of hybrid and electric cars in our vehicle fleet, and we are preparing a programme to provide our colleagues with more possibilities for professional growth. We also focus intently on gender balance, and thus three out of Cheirón's four departments are led by women," Jindřich says.

#### Democratization opened possibilities

"After the fall of the Berlin Wall in 1989 and the democratisation of Eastern Europe, it soon became clear that the hospitals had a shortage of modern and efficient medical devices. We

were four friends who saw the business opportunity, and in 1994 we founded Cheirón. As the business grew organically, we gradually widened our portfolio of products and services. After some years, my partners left the company, and I became the sole owner. During this journey of growth, we have always kept a familiar atmosphere in the company and since we rely on long-lasting relationships with our customers, our employees' commitment and efforts are crucial to our success," Jindřich says.

#### Supportive owner

"The medical business is a challenging field. It is strictly regulated and adaptations to new requirements are often costly. When I was approached by Indutrade a few years ago, I had never considered selling the business up to that point. But at a certain time in a company's development, it is obvious that it might be beneficial to become a part of a bigger, financially strong group, which can offer support and knowledge that can enhance growth and be a strong partner for our suppliers. At this point, it was also clear that none of my five children would continue in this business. For these reasons, I considered Indutrade's offer to be a rational, reasonable, and stabilising step in Cheirón's development," Jindřich says.

"Through other entrepreneurs and companies, I knew that Swedish and other Nordic companies had a good reputation as owners; they have a culture of trust in the existing management and they respect and support you to grow and become better. This certainly played a role in my decision to sell to Indutrade. Indutrade's philosophy of decentralised management and significant autonomy for the companies in the Group was also crucial to me. Indutrade also owns Biameditek, a Polish company in the same industry as Cheirón, whose managing director I know and who familiar-

ised me with Indutrade's company culture, as well as with his own personal positive management experience from the point of view of a company owned by Indutrade."

#### Promises fulfilled

"We have not been a part of the group for long, but I can already say that Indutrade has kept its promises; everything we agreed on has been fulfilled. With the support of Indutrade, we have learned to work more efficiently regarding financial and business analyses, allowing us to better plan our cash flow and market activities. Another benefit is business cooperation with our sister company Biameditek. Furthermore, we now have a deeper understanding of the emphasis on sustainability, and we have gradually incorporated sustainability goals into our business plans. With Indutrade as our owner, I can rest assured there is a stable and solid foundation to build the future for Cheirón's employees, customers, and suppliers," says Jindřich.

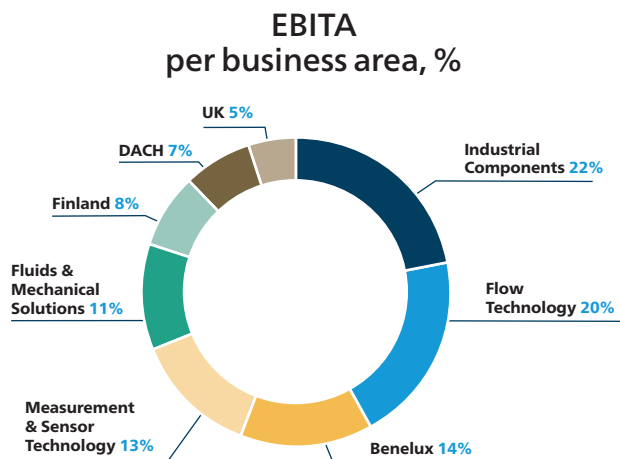
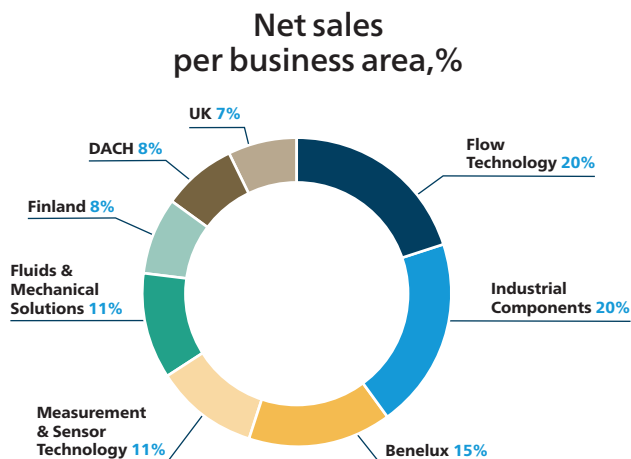
"Since Cheirón has only been part of the Indutrade Group for barely two years, I've only participated in one of Indutrade's annual meetings for all the managing directors in the Group. It was an uplifting and inspiring experience to meet other managing directors and to take part in the generous atmosphere. I can see great potential for future collaboration and exchange of experience," Jindřich says.

#### Good prospects of succeeding

"Cheirón is currently undergoing a shift to the European Union's new platform that governs the production and distribution of medical devices in Europe (Medical Device Regulation). The goals emerging from this new directive are of the utmost importance for us. To expand our export activities, we are going to launch a new e-commerce platform for our suction units, intended for our international distributors. In the long term, we aim to further develop our portfolio and become a supplier of complex solutions for hospitals. With Indutrade as our owner, there are better prospects that we will succeed more quickly with our ambitions," says Jindřich.



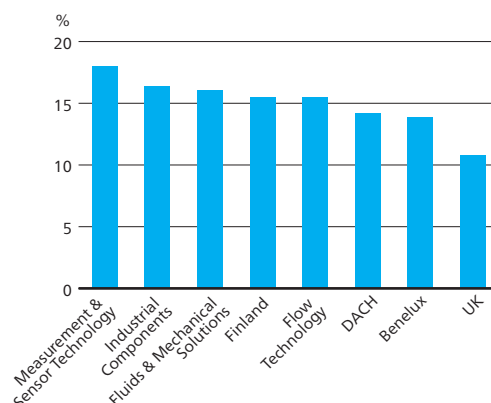
# Indutrade in numbers



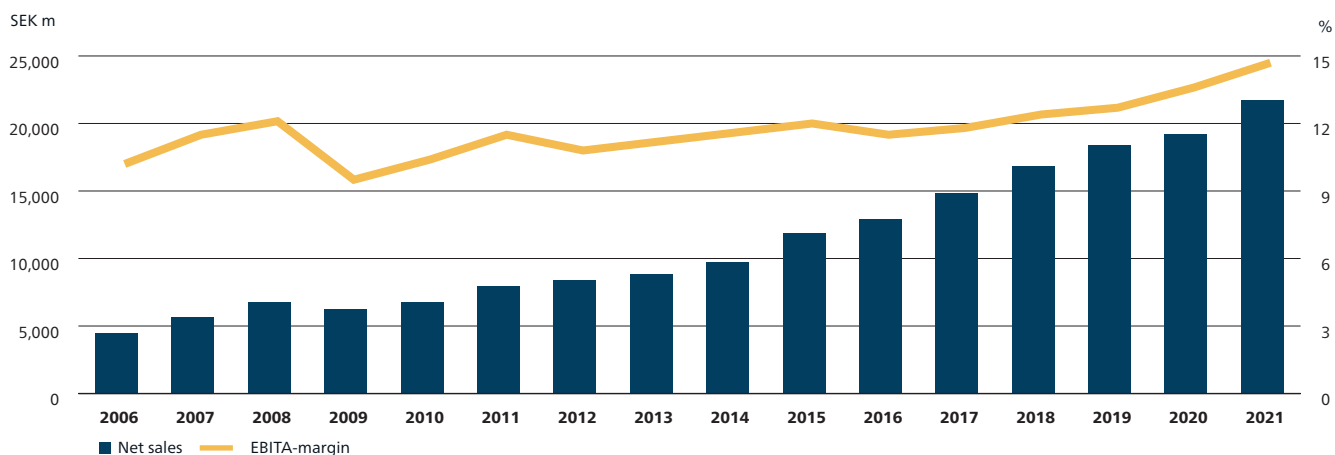
## KEY DATA

SEK million	2021	2020	Change, %
Net sales	21,715	19,217	13%
Operating profit	2,825	2,266	25%
EBITA	3,202	2,615	22%
EBITA margin, %	14,7	13,6	
Profit before tax	2,725	2,140	27%
Net profit for the year	2,097	1,669	26%
Earnings per share before dilution, SEK	5.76	4.60	25%
Dividend per share, SEK (proposed 2021)	2.30	1.80	28%
Return on operating capital, %	22	19	
Cash flow from operating activities	2,853	2,780	3%
Net debt/equity ratio, %	53	56	
Average number of employees	7,715	7,349	

## EBITA-marginal per business area, %



## Profitable growth





# Four reasons to invest in Indutrade

1

## Sustainable growth

- Average annual sales growth of 11% since stock market listing in 2005
- 1,542% total return, including reinvested dividends, during last ten-year period
- Long record of experience in successful company acquisitions
- Organic growth opportunities from expanded product and service offering and geographic expansion

2

## Stable profitability and strong cash flow

- Historically stable profitability
- Average EBITA margin of 12,9% during last five years
- Average return on capital employed of 20% during last five years
- Strong operating cash flow generated over the years
- High average dividend, 40% of net profit over the last five years including this year's proposed dividend and not including 2019 when no dividends were distributed
- Equity ratio 47% at year-end 2021

3

## Attractive market position and risk profile

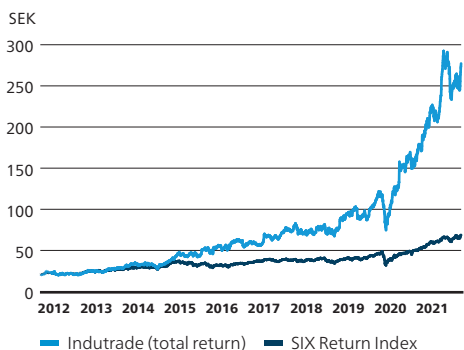
- Leading position in selected, niche segments
- Focus on high quality and technically advanced products for customers with recurring need
- Diversified and stable customer & supplier base
- Stable long-term relationships with leading suppliers

4

## Strong culture and extensive expertise

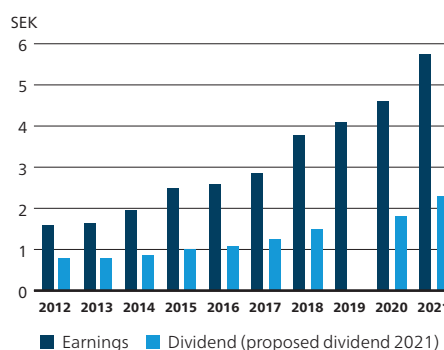
- Entrepreneurship with passion for customers and business
- Organisation built on responsibility and trust – people make the difference
- Focus on long-term sustainable, profitable growth

Total return for Indutrade shares 2012–2021



Source: Monitor av Modular Finance AB

Earnings and dividend per share



Analyst firms that monitor Indutrade

- ABG Sundal Collier
- Carnegie Investment Bank
- Danske Bank Markets
- Handelsbanken
- Kepler Cheuvreux
- Nordea
- SEB

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