

CTEK

*YEAR-END REPORT
JANUARY-DECEMBER 2022*

Q4

Year-end report

January–December 2022

“Further robust action initiated to improve profitability and cash flow – gradual ramping up of EV chargers for General Motors”

SEK **257.3** million
NET SALES, Q4

50.5 percent
GROSS MARGIN, Q4

SEK **12.9** million
ADJUSTED EBITA, Q4

October–December 2022

- Net sales amounted to SEK 257 million (258). Net sales declined 10 percent organically.
- The EVSE share of net sales increased to 30 percent (19) and amounted to SEK 77 million (46).
- The gross margin was 50.5 percent (49.2).
- Adjusted EBITA declined to SEK 13 million (21), corresponding to a margin of 5.0 percent (8.1).
- EBIT amounted to SEK -4 million (14) and was charged with items affecting comparability of SEK -10 million (-).
- Loss after tax amounted to SEK -27 million (profit: 10) and earnings per share after dilution amounted to SEK -0.54 (0.19).
- Cash flow from operating activities amounted to SEK -37 million (-26).
- CTEK's Board appointed Ola Carlsson, member of the Board since 2011, as acting CEO from 10 January.
- The Board had resolved to conduct a new underwritten share issue amounting to SEK 350 million with preferential rights for existing shareholders, subject to an approval by an EGM.

January–December 2022

- Net sales increased 3 percent to SEK 950 million (922). Net sales declined 4 percent organically.
- The EVSE share of net sales increased to 26 percent (18) and amounted to SEK 237 million (163).
- The gross margin was 50.3 percent (52.9).
- Adjusted EBITA declined to SEK 79 million (151), corresponding to a margin of 8.3 percent (16.3).
- Operating profit (EBIT) amounted to SEK 36 million (82) and was charged with items affecting comparability of SEK -15 million (-40).
- Profit after tax amounted to SEK 3 million (4) and earnings per share after dilution amounted to SEK 0.05 (0.10).
- Cash flow from operating activities amounted to SEK -47 million (-28).
- Net debt in relation to adjusted EBITDA was a multiple of 5.4x (2.6).**
- The Board intends to propose to the Annual General Meeting that no dividend will be paid for the 2022 financial year.

PERFORMANCE MEASURES, GROUP

Amounts in SEK million	2022 Oct–Dec	2021 Oct–Dec	2022 Jan–Dec	2021 Jan–Dec
Net sales	257.3	257.8	950.1	921.8
Organic growth (%)*	-10.1	16.2	-3.5	34.4
Net sales EVSE	76.6	46.2	236.9	163.2
EVSE share of net sales (%)*	29.8	18.9	25.6	18.2
Gross margin (%)	50.5	49.2	50.3	52.9
Adjusted EBITDA*	24.9	33.9	123.1	190.7
Adjusted EBITA*	12.9	20.9	79.2	150.7
Adjusted EBITA margin (%)	5.0	8.1	8.3	16.3
EBIT	-4.2	13.9	36.2	81.8
Operating margin (%)	-1.6	5.4	3.8	8.9
Net profit/loss for the period after tax	-26.8	9.7	2.7	4.4
Earnings per share after dilution (SEK)	-0.54	0.19	0.05	0.10
Cash flow from operating activities	-37.3	-26.3	-46.6	-28.4
Net debt/Adjusted EBITDA**	-	-	5.4x	2.6x

*For definitions of performance measures, refer to page 24.

**LTM.

CEO comments

Further robust action initiated to improve profitability and cash flow – gradual ramping up of EV charger deliveries to General Motors

As the newly appointed Interim CEO, I am of course not satisfied with the fourth quarter's financial performance – despite the fact that we've entered a new phase with weakened private consumption and weaker construction activity. At the same time, our partnership with General Motors (GM) has led to a sharp and unforeseen increase in resources needed for development. Our focus now is to create the conditions for achieving a real improvement in profitability by substantially reducing our cost base and tied-up capital as we move forward. It is gratifying that our gross margins are stable for the existing product range, even though the sharply changed product mix will have a negative impact on the Group's gross margins moving forward.

Significantly reduced operating expenses

The fourth quarter's financial performance was in line with what we have previously communicated. Organic sales declined 10 percent and the adjusted EBITA margin fell to 5 percent. We have initiated robust action to improve profitability and cash flow. They are estimated to reduce operating expenses by about SEK 80 million on an annual basis when they take full effect, which is expected towards the end of 2023, and generate a positive cash flow for full-year 2023. Moreover, substantially reduced costs for EVSE products in the Original Equipment division are a top priority.

Stable underlying gross margins

The Aftermarket division, which targets end consumers, noted continued volatile demand due to the geopolitical situation, and more restrained private consumption. Net sales declined 24 percent organically but, fortunately, with retained margins. In Energy & Facilities, which focuses on the Destination chargers segment, organic sales declined 7 percent. This was attributable to lower market activity in the construction industry with postponed projects and an intensifying focus on profitability before growth. In the Original Equipment division, organic growth was 140 percent, driven by the ramp-up of EV charger deliveries to GM. Although the underlying gross margin in the divisions remained stable, and at a satisfying level, the new volumes entail a sharply changed product mix and a major dilutive effect on the Group's gross margins. As of this report, we will be presenting the proportion of EVSE sales in each division to show the current status, demonstrate the potential, and increase transparency.

Valuable experience and solid knowledge

Deliveries of the base variant of 'Ultium Chargers' to GM continued as planned during the quarter. Both GM and end customers are satisfied with the product, which will gradually increase in volumes. The current partnership started back in 2020, and several factors have affected the journey to date. Besides being the first project of this kind for both CTEK and GM, the pandemic had a major impact due to supply chain disruptions, a sharp increase in component costs and development challenges. Looking back, this has resulted in an initial weak product margin. We are



now working to achieve a substantially lower product cost and thereby improve our profitability. At the same time, plans are under way to launch another product variant for GM in the second quarter of 2023. A major development project involving many consultants that has been ongoing for the past few years has now reached the final phase and is helping to improve cash flow. At the same time, we have gained valuable experience and solid knowledge that will enable us to sell our products to the aftermarket and other automobile manufacturers, and expand in this segment in both North American and European markets.

Fully underwritten new share issue

To increase our financial flexibility and realise a considerable potential – not least in the EVSE segment without losing momentum – the Board has decided on a new share issue for SEK 350 million with preferential rights for the company's existing shareholders. The new share issue is conditional upon an Extraordinary General Meeting to be held on 3 March, and is fully underwritten by Investmentaktiebolaget Latour. Prior to the proposed new share issue, the Board has reviewed the financial targets and has decided to revise one of them. The adjusted EBITA margin shall amount to 20 percent, compared with the previous target of 25 percent.

Outlook for full-year 2023 and the first quarter

CTEK's assessment is that the initiated actions will reduce operating expenses by about SEK 80 million on an annual basis and take full effect by the end of the year. In addition to the one-off costs related to our action program of SEK 10 million in the fourth quarter 2022, we assess that the one-off costs for full implementation in the first quarter will amount to SEK 15-20 million, (including severance pay to the previous CEO). However, although we are already seeing the effects of the actions taken, a significantly changed product mix will mean that the gross margin decreases in the order of 10 percentage points in the first quarter compared to the full year 2022. This will in turn lead CTEK to assess that the adjusted EBITA margin will be lower in the first quarter of 2023 than in the fourth quarter of 2022. We anticipate a gradual improvement during the year, however, with an estimated double-digit adjusted EBITA margin in the fourth quarter. Furthermore, EVSE sales are expected to account for about half of the Group's net sales for full-year 2023, while a lower working capital requirement will generate a positive cash flow for full-year 2023.

History of innovation and technology leadership

During our – for this industry – long history, we have established a worldwide distribution network and close relationships with most of the world's largest automobile manufacturers, which combined has created a globally recognised brand. At the same time, we have a history of innovation and technology leadership that has continuously generated a strong product portfolio in both EVSE and Low Voltage, due to the high level of expertise and hard work of our employees.

I would like to conclude by thanking all of our employees for their hard work over the past, extremely challenging years, and also thank our shareholders for your continued trust.

Ola Carlsson, Interim President and CEO



CTEK in brief

CTEK is the largest global supplier of premium low-voltage chargers and a leading supplier of chargers, load balancing systems, backend solutions and EVSE products. The company is characterised by a strong innovation culture and works continuously to improve and develop new products to suit customer needs.

CTEK was founded in Vikmanshyttan in 1997 and has sales in more than 70 countries. With a history of innovation and technology leadership, the company meets new customer requirements by continuously developing its product offering and operations pro-actively. Based on its technology leadership, the company has established strong and long-standing customer relationships with more than 50 of the world's most prestigious automobile manufacturers. In addition to automobile manufacturers, the company also offers products to workshops, distributors, retailers, parking lots, charge point operators, property owners and consumers.

Vision

CTEK's vision is to be the leader in vehicle charging solutions.

Mission

To realise its vision, CTEK shall continue to develop, market and sell innovative, safe, easy-to-install and easy-to-use battery charging products for all types of vehicles, as well as complete charging solutions for electric vehicles.

Financial targets

The Board has set the following financial targets:

Sales growth

CTEK's target is to achieve SEK 2 billion in sales in the medium term with the majority stemming from EVSE products.

Profitability

CTEK's target is to achieve an adjusted EBITA margin of 20 percent in the medium term.

Capital structure

Net debt shall amount to less than 3.0x last twelve months adjusted EBITDA. Strategic decisions such as acquisitions may have a temporary impact on the company's indebtedness.

Dividend policy

CTEK invests its resources in growth and business development. In addition, CTEK aims to pay a dividend corresponding to 30 percent of net earnings for the year.

CTEK'S sustainability efforts

Sustainability is a top priority for CTEK and permeates the whole business. The company has a clearly defined sustainability strategy with several tangible initiatives and targets that are monitored continuously. The sustainability strategy is based on environmental, social and corporate governance factors. The company also imposes sustainability requirements on its suppliers, for example, that key suppliers comply with the company's Code of Conduct. Extensive sustainability activities



ensure that the company meets the increasingly strict sustainability requirements imposed by customers.

To reduce its environmental impact and contribute to a sustainable future, the company works on several well-defined and concrete initiatives. The initiatives are divided into three categories – environmental, social and corporate governance factors – which are cornerstones of the company's operations. The initiatives include a strong focus on innovative EVSE products, which supports electrification of the vehicle fleet, logistics and warehouse planning to reduce CO₂ emissions from transport, greater diversification and a higher proportion of Tier 1 suppliers that are audited from a sustainability perspective.

CTEK has established a Code of Conduct based on a set of ethical and moral business principles that has been implemented and approved by the Board. The principles guide such aspects as regulatory compliance, respect for human rights, working conditions, child labour, health and safety and the environment. We require that all suppliers sign and comply with the company's Code of Conduct, which is evaluated annually. As part of its sustainability strategy, CTEK also evaluates long- and short-term performance measures for its efforts to achieve a circular business model. These performance measures are measured on an ongoing basis and used in the internal target-setting process.

Financial performance

FOURTH QUARTER

Net sales

Net sales for the quarter amounted to SEK 257 million (258). Net sales declined 10 percent organically. The Original Equipment division increased its sales by 170 percent and the ramp up of EV chargers for General Motors continued during the quarter. Sales in Energy & Facilities, which focuses on the destination chargers segment, organic net sales decreased by 7 percent. This was explained by lower market activity in the construction industry with postponement of projects and an increased focus on profit over growth. The Aftermarket division, which targets end consumers, noted continued volatile demand due to the geopolitical situation, and more restrained private consumption. Net sales in Aftermarket fell 17 percent. Deliveries of Electric Vehicle Supply Equipment (EVSE) products accounted for 30 percent (19) or SEK 77 million (46) of sales in the fourth quarter. This entailed a reduction in sales capacity in a number of markets. Lower activity in the construction sector also led to the postponement of projects.

Earnings

The gross margin rose 1.3 percentage point to 50.5 percent (49.2), due in part to a more normalised supply chain, offset by a changed product mix.

Adjusted EBITA amounted to SEK 13 million (21), corresponding to an adjusted EBITA margin of 5.0 percent (8.1). The earnings trend was due to a changed product mix and continued generally high cost level.

EBIT decreased to SEK -4 million (14), with an EBIT margin of -1.6 percent (5.4). The fourth quarter of the year included items affecting comparability of SEK -10 million (-), which can be attributed to ongoing organisational changes. Refer to Note 6 for a specification of items affecting comparability.

Financial income and expenses

Financial items (net) amounted to SEK -13 million (-1) for the fourth quarter of the year. The deterioration in financial net was primarily due to higher interest-rate levels compared with last year, but also the negative effects of realised and unrealised currency derivatives and currency effects on internal loans.

Tax

Tax for the quarter amounted to SEK -9 million (-3), corresponding to an effective tax rate of 53,7 percent, which was the result of a reversal of previous years' deferred tax.

Consolidated profit

Consolidated loss after tax for the quarter amounted to SEK -27 million (-10), corresponding to earnings per share after dilution of SEK -0.54 (0.19).

FULL-YEAR

Net sales

Net sales for the full-year increased 3 percent to SEK 950 million (922). Net sales declined 4 percent organically. Deliveries of Electric Vehicle Supply Equipment (EVSE) products increased to SEK 237 million (163) and accounted for 26 percent (18) of sales during the year.

Earnings

The gross margin was 50.3 percent (52.9). This decline was mainly due to a changed product mix and a higher share of purchases outside framework agreements compared with last year, which slowed, however, with a more normalised supply chain in the second half of the year.

Adjusted EBITA amounted to SEK 79 million (151), corresponding to an adjusted EBITA margin of 8.3 percent (16.3). The earnings trend was primarily due to lower volumes and lower gross margin, as well as a continued generally high cost level.

EBIT amounted to SEK 36 million (82), with an EBIT margin of 3.8 percent (8.9). The full-year included items affecting comparability of SEK -15 million (-40), which can be attributed to the ongoing reorganisation and a restructuring of the supply chain in the third quarter of the year. Refer to Note 6 for a specification of items affecting comparability.

Financial income and expenses

Financial items (net) amounted to SEK -15 million (-76) for the full-year. Improved financial items were due to lower interest expenses as a result of the refinancing that took place in connection with the listing in September 2021 and the positive effects of realised and unrealised currency derivatives and currency effects on internal loans.

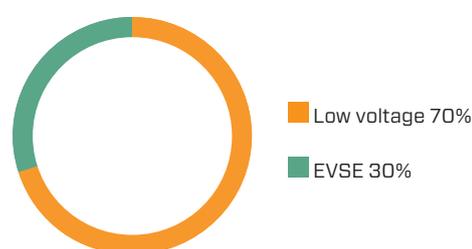
Tax

Tax for the year amounted to SEK 19 million (-1), corresponding to an effective tax rate of 87.4 percent, which was the result of a reversal of previous years' deferred tax.

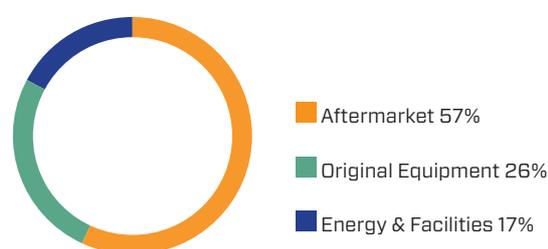
Consolidated profit

Consolidated profit after tax for the year amounted to SEK 3 million (4), corresponding to earnings per share after dilution of SEK 0.05 (0.10).

Share of the divisions' net sales per technology and division, Oct-Dec 2022



CTEK



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CASH FLOW AND CASH AND CASH EQUIVALENTS

Cash flow from operating activities amounted to SEK -47 million (-28) for the full-year, which can largely be attributed to higher working capital requirements, due to building up inventory to ensure deliveries in the coming quarters and the lower earnings. Cash flow from investing activities amounted to SEK -116 million (-67). Cash flow from financing activities amounted to SEK 115 million (50), which largely comprised new loans raised in connection with the utilisation of credit facilities of SEK 128 million (58). Cash and cash equivalents at the end of the period amounted to SEK 10 million (54). Available credit facilities at the end of period amounted to SEK 200 million (100), and SEK 181 million (58) had been utilised.

INVESTMENTS

CTEK's investments totalled SEK -116 million (-67) for the year, of which SEK -9 million (-15) referred to investments in tangible assets and SEK -109 million (-52) referred to investments in intangible assets, which can be attributed to capitalised development expenditure for current and future products.

EQUITY AND INDEBTEDNESS

CTEK's balance sheet total amounted to SEK 1,708 million on 31 December 2022 (1,566 on 31 December 2021). Equity increased SEK 7 million to SEK 662 million for the year (655). Interest-bearing net debt amounted to SEK 677 million at the end of the year (553). Net debt in relation to adjusted EBITDA for the last 12 months amounted to a multiple of 5.4 compared with 2.6 on 31 December 2021, and was mainly due to the lower earnings.

The tenor of the 12-month supplementary credit of SEK 100 million received in April 2022 was extended until the end of December 2023. In conjunction with this, and to manage the higher debt/equity ratio than previously anticipated during the next 12-month period, certain covenants, pertaining to both financial parameters and ownership structure, for the company's total loan commitment have been temporarily renegotiated.



Segment reporting

CTEK's operations are conducted in three divisions, which also represent accounting segments, that are based on the company's defined customer groups and allow for the operations to be managed efficiently. The divisions share central functions, such as IT, HR, product development, marketing, accounting and global service, which includes the customer service centre, installation support and customer training.

Aftermarket - directly targets end consumers with sales via distributors, retailers and online retailers.

Original Equipment - direct sales to OEMs of, for example, customised chargers and integrated solutions.

Energy & Facilities - delivers EV chargers to charge point operators, property owners, etc.

Sales of the Group's products and services are also divided into two technologies: Electric Vehicle Supply Equipment (EVSE) and Low Voltage (LV).

Central - This includes Group-wide income and costs that cannot be allocated to the segments.

SALES AND MARGIN PER SEGMENT

Amounts in SEK million	2022 Oct-Dec	2021 Oct-Dec	2022 Jan-Dec	2021 Jan-Dec
Aftermarket	146.8	176.3	566.4	643.9
Original Equipment	66.0	24.5	178.7	103.2
Energy & Facilities	44.3	44.2	180.2	148.3
Central	0.2	12.9	24.8	26.5
Net sales, Group	257.3	257.8	950.1	921.8
Segment margin (Adjusted EBITDA margin)				
Aftermarket, %	32.1	33.5	34.6	38.4
Original Equipment, %	18.2	10.1	17.3	19.2
Energy & Facilities, %	-29.6	-24.2	-18.0	-16.1

SEGMENT PROFIT/LOSS (ADJUSTED EBITDA)

Amounts in SEK million	2022 Oct-Dec	2021 Oct-Dec	2022 Jan-Dec	2021 Jan-Dec
Aftermarket	47.2	59.0	195.9	247.4
Original Equipment	12.0	2.5	30.9	19.9
Energy & Facilities	-13.1	-10.7	-32.5	-23.9
Total segment profit	46.1	50.8	194.3	243.4
Central excl. items affecting comparability	-21.2	-16.9	-71.2	-52.7
Adjusted EBITDA, Group	24.9	33.9	123.1	190.7
<i>Depreciation/amortisation, non-M&A related non-current assets</i>	<i>-12.0</i>	<i>-13.0</i>	<i>-43.9</i>	<i>-40.0</i>
Adjusted EBITA, Group	12.9	20.9	79.2	150.7
<i>Items affecting comparability</i>	<i>-10.0</i>	<i>-</i>	<i>-14.9</i>	<i>-40.4</i>
EBITA, Group	2.9	20.9	64.3	110.3

Aftermarket

Net sales fell 17 percent to SEK 147 million (176) for the fourth quarter. Net sales declined 24 percent organically. Currency effects had a positive impact of 8 percentage points on net sales. The Aftermarket division noted more volatile demand among end customers due to the geopolitical situation, and more restrained private consumption. The share of online sales decreased during the quarter.

The segment result (Adjusted EBITDA) was in line with last year at SEK 47 million (59), corresponding to a margin of 32.1 percent (33.5). The negative development of the margin was mainly attributable to lower volumes.

Net sales for the full-year decreased 12 percent to SEK 566 million (644). Net sales declined 18 percent organically. Currency effects had a positive impact of 6 percentage points on net sales.

The segment result (Adjusted EBITDA) for the full-year declined to SEK 196 million (247), corresponding to a margin of 34.6 percent (38.4). The segment margin was negatively impacted by lower sales volumes, higher logistics costs and a higher share of purchases outside framework agreements compared with the preceding year.

Original Equipment

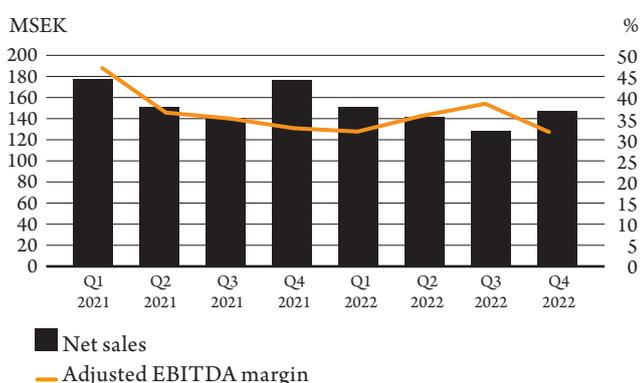
Net sales increased 170 percent to SEK 66 million (24) for the fourth quarter. Organic growth was 140 percent. Currency effects had a positive impact of 30 percentage points on net sales. The performance was primarily due to a gradual ramp up of EV chargers for General Motors, but also generally higher demand from a number of leading automotive manufacturers in different geographies after a weaker period due to the pandemic.

The segment result (Adjusted EBITDA) amounted to SEK 12 million (2), corresponding to a margin of 18.2 percent (10.1). The higher margin was the result of higher volumes, offset by a changed product mix.

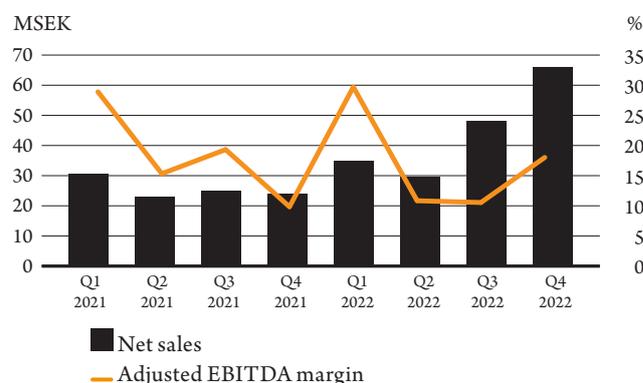
Net sales for the full-year increased 73 percent to SEK 179 million (103). Organic growth was 57 percent. Currency effects had a positive impact of 16 percentage points on net sales.

The segment result (Adjusted EBITDA) amounted to SEK 31 million (20), corresponding to a margin of 17.3 percent (19.2).

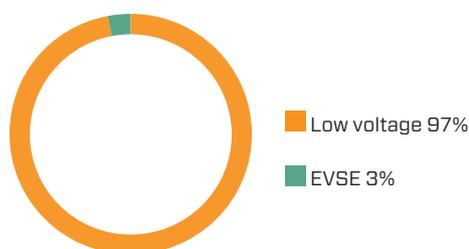
Aftermarket



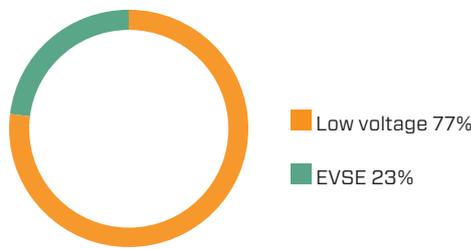
Original Equipment



EVSE share of Aftermarket's net sales, Jan-Dec



EVSE share of Original Equipment's net sales, Jan-Dec



Energy & Facilities

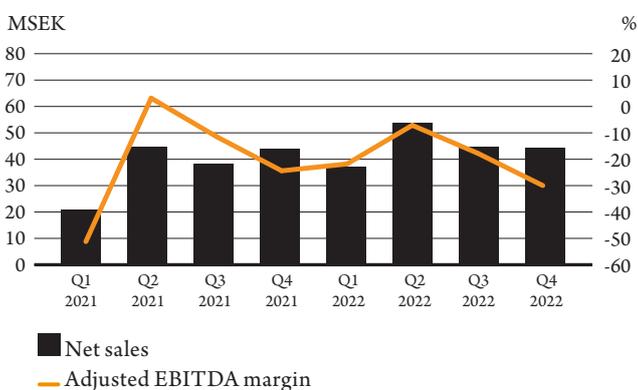
Net sales were in line with last year at SEK 44 million (44) for the fourth quarter. Net sales declined 7 percent organically. Currency effects had a positive impact of 7 percentage points on net sales. The development was explained by lower activity in the construction sector also led to the postponement of projects, and an increased focus at profit over growth.

The segment result (Adjusted EBITDA) amounted to SEK -13 million (-11), corresponding to a margin of -29.6 percent (-24.2). The operations continue to have a relatively high share of fixed costs compared with current volumes.

Net sales for the full-year increased 22 percent to SEK 180 million (148). Organic growth was 19 percent. Currency effects had a positive impact of 3 percentage points on net sales.

The segment result (Adjusted EBITDA) amounted to SEK -32 million (-24), corresponding to a margin of -18.0 percent (-16.1).

Energy & Facilities



EVSE share of Energy & Facilities' net sales, Jan-Dec



Central

Net sales in Central amounted to SEK 25 million (26) for the full-year. Adjusted for items affecting comparability, EBITDA of SEK -71 million (-53) was reported for the full-year.



Other information

Parent Company

The Parent Company of the Group is CTEK AB (publ). Group-support functions in CTEK are recognised in CTEK AB. No sales of good or services to external customers take place in the Parent Company. Loss for the Parent Company amounted to SEK -20 million (profit: 5) for the full-year, mainly comprising diverse expenses, salary for the CEO and remuneration of the Board. Equity at the end of year amounted to SEK 1,375 million, compared with SEK 1,332 million on 31 December 2021.

Sale of property

During the fourth quarter of the year, the company signed a contract to sell the property Vikmanshyttan 3:13 which will take place in the latter part of 2023. According to preliminary calculations, the sale is expected to generate a capital gain of SEK 1.8 million in 2023.

Significant events during the quarter

- CTEK appointed Gary Brown as Global Director Aftermarket. Gary takes over from Jon Lind, who has been fulfilling the Aftermarket Director role since 2021, as well as delivering in his CEO position. Gary Brown took up his position on 1 November 2022 and joined the Group's Executive Management Team.
- CTEK initiated a partnership with the charge point operator Mer Sweden and will provide its cutting-edge EV charging equipment and associated software to meet growing demand for charging points for electric vehicles. Mer Sweden is part of the European EV charging group Mer Group and is one of the leading charge point operators for electric vehicles in Sweden.
- CTEK has temporarily extended its existing facility agreement with Swedbank AB (publ). The company already has a multi-currency denominated revolving credit facility (RCF) of SEK 700 million, of which SEK 200 million pertains to an overdraft facility. The new credit facility amounts to SEK 800 million, of which SEK 200 million pertains to an overdraft facility.

Significant events after the end of the reporting period

- The Board of CTEK and Jon Lind have jointly agreed that Jon Lind will leave the position as President and CEO, which he has held since April 2013. The Board has appointed Ola Carlsson, member of the Board since 2011, as acting CEO from 10 January.
- CTEK has won the Electric Vehicle Chargepoint Manufacturer of the Year at the UK's E-Mobility Awards. CTEK won the coveted award for its Chargestorm Connected 2 (CC2).
- On 8 February 2023, CTEK announced that the board of directors had resolved on a underwritten rights issue of SEK 350 million, subject to approval by the extraordinary general meeting on 3 March 2023. Final terms and conditions in the rights issue, including subscription price, are expected to be announced on 28 February 2023. Provided that the rights issue is approved at the extraordinary general meeting on 3 March 2023, the record date for the rights issue will be 8 March 2023 and the subscription period will run from and including 10 March 2023 up to and including 24 March 2023.
- The Board has reviewed the financial targets and has decided to revise one of them. The adjusted EBITA margin shall amount to 20 percent, compared with the previous target of 25 percent.

Employees

The average number of FTEs for the quarter was 230 (192). The average number of FTEs for the full-year was 219 compared with 176 at the turn of the last year.

Seasonal variations

CTEK's operations are not significantly affected by seasonal variations. Each quarter is normally comparable between years, although product launches and larger orders in ongoing customer projects may, to a certain extent, impact the financial performance during an individual quarter.

Significant risks and uncertainties

CTEK is exposed to a number of business and financial risks. The business risks can in turn be divided into strategic, operating and legal risks. The aim of CTEK's risk management is to identify, control and reduce risks. This takes place based on the probability of the risks and their potential effect on the Group. The risk assessment is unchanged compared with the risk profile presented in CTEK AB (publ)'s 2021 Annual Report on page 55 and onwards. The Parent Company's risks and uncertainties are indirectly the same as for the Group.

Owners and legal structure

CTEK AB (publ), corporate registration number 556217-4659, is the Parent Company of the Group. The share capital on 31 December totalled 49,983,054 ordinary shares. The quotient value per share amounted to SEK 1.0. The share capital amounted to SEK 50.0 million. The number of shareholders on 30 December was about 24,000. The largest shareholders are: Investmentaktiebolaget Latour with 31 percent of the capital and votes, AP4 with 10 percent of the capital and votes, and AMF Fonder with 8.5 percent of the capital and votes.

Annual General Meeting

The Annual General Meeting will be held on 11 May 2023. The Board intends to propose to the Annual General Meeting that no dividend will be paid for the 2022 financial year.

Nomination Committee for CTEK's 2023 Annual General Meeting

In accordance with instructions for CTEK's Nomination Committee, the three largest shareholders in the company as of the end of August have appointed the following persons to be part of CTEK's Nomination Committee prior to the 2023 Annual General Meeting:

Anders Mörck, Chairman, appointed by Investmentbolaget AB Latour, Patricia Hedelius, appointed by AMF Fonder, Thomas Wuolikainen, appointed by AP4 and the company's chairman Hans Stråberg as co-opted.

Shareholders who wish to submit proposals to the Nomination Committee can contact the chairman of the Nomination Committee, Anders Mörck, E-mail: anders.morck@latour.se or by letter to:

CTEK AB

Att: Nomination Committee
Rostugnsvägen 3
SE-776 70 Vikmanshyttan, Sweden

For additional information, contact:

Niklas Alm, Head of Investor Relations
niklas.alm@ctek.com, +46 708 244 088

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SE-776 70 Vikmanshyttan, Sweden

Financial calendar

- 2022 Annual Report: 5 April 2023
- Interim report, Q1 2023: 10 May 2023
- 2023 Annual General Meeting: 11 May 2023
- Interim report, Q2 2023: 9 August 2023
- Interim report, Q3 2023: 15 November 2023

Before its publication, this information was inside information and is such that CTEK AB is obliged to make public pursuant to the EU Market Abuse Regulation. The information was submitted for publication, through the agency of the contact person set out above, on 8 February 2023 at 7:30 a.m. CET.

This report is unaudited.

Webcast teleconference

CTEK will hold a webcast teleconference in English on 8 February at 9:00 a.m. CET. CTEK will be represented by acting CEO Ola Carlsson and CFO Thom Mathisen, who will present the interim report and answer questions. For additional information, refer to <https://financialhearings.com/event/44125> or the company's website <https://www.ctekgroup.com>. The presentation will also be available at <https://ctekgroup.com/en/reports-presentation/>, where the webcast will also be available after the live broadcast.

Condensed consolidated statement of profit or loss

Amounts in SEK million	Note	2022 Oct-Dec	2021 Oct-Dec	2022 Jan-Dec	2021 Jan-Dec
Net sales	3	257.3	257.8	950.1	921.8
Other operating income		1.6	1.4	6.8	4.8
Total		258.9	259.1	956.9	926.5
Goods for resale		-127.4	-131.0	-472.0	-434.1
Other external expenses		-55.0	-41.7	-179.9	-134.9
Personnel costs		-49.6	-51.4	-179.7	-165.4
Depreciation, amortisation and impairment of tangible and intangible assets		-19.1	-20.0	-72.0	-68.5
Other operating expenses		-2.1	-1.2	-2.1	-1.5
Items affecting comparability	6	-10.0	0.0	-14.9	-40.4
EBIT		-4.2	13.9	36.2	81.8
Net financial items		-13.2	-0.9	-14.8	-76.0
Profit/loss before tax		-15.9	13.0	22.8	5.8
Tax		-9.4	-3.3	-18.6	-1.4
Net profit/loss for the period		-26.8	9.7	2.7	4.4
Net profit/loss for the period attributable to: Parent Company shareholders		-26.8	9.7	2.7	4.4
Earnings per share (SEK)					
Earnings per share before dilution		-0.54	0.20	0.05	0.10
Earnings per share after dilution		-0.54	0.19	0.05	0.10

Consolidated statement of comprehensive income

Amounts in SEK million	2022 Oct-Dec	2021 Oct-Dec	2022 Jan-Dec	2021 Jan-Dec
Net profit/loss for the period	-26.8	9.7	2.7	4.4
Items that can be reclassified to profit or loss				
Translation differences for foreign operations for the period	1.0	0.4	-0.3	-0.3
Other comprehensive income for the period	1.0	0.4	-0.3	-0.3
Comprehensive income for the period	-25.8	10.1	2.4	4.1
Comprehensive income for the period attributable to: Parent Company shareholders	-25.8	10.1	2.4	4.1

Condensed consolidated statement of financial position

Amounts in SEK million	Note	31 Dec 2022	31 Dec 2021
ASSETS			
Intangible assets		1,096.8	1,042.2
Tangible assets		43.8	44.5
Financial assets	4	-	-
Deferred tax assets		6.8	9.5
Total non-current assets		1,147.4	1,096.2
Inventories		311.3	199.2
Accounts receivable	4	194.4	188.6
Other current assets	4	44.6	27.2
Cash and cash equivalents	4	10.0	53.5
Assets held for sale	7	0.7	1.7
Total current assets		560.9	470.3
Total assets		1,708.3	1,566.4
EQUITY			
Equity		662.4	655.1
Total equity		662.4	655.1
LIABILITIES			
Other provisions		5.1	3.2
Interest-bearing liabilities	4	496.1	495.5
Lease liabilities	4	9.8	11.4
Deferred tax liabilities		120.5	111.7
Total non-current liabilities		631.5	621.7
Accounts payable	4	130.7	115.3
Current interest-bearing liabilities		180.6	58.0
Lease liabilities	4	7.6	6.4
Current tax liabilities		20.0	37.4
Other liabilities	4	14.3	11.5
Accrued expenses and deferred income		61.2	61.0
Total current liabilities		414.5	289.6
Total liabilities		1,046.0	911.3
Total equity and liabilities		1,708.3	1,566.4

Consolidated condensed statement of cash flows

Amounts in SEK million	2022 Oct-Dec	2021 Oct-Dec	2022 Jan-Dec	2021 Jan-Dec
Operating activities				
EBIT	-4.2	13.9	36.2	81.8
Non-cash items:				
-Amortisation and depreciation	19.1	20.0	72.0	68.5
-Other non-cash items	5.4	-2.5	-0.1	-4.4
Cash flow before financial items and tax	20.3	31.4	108.0	145.9
Financial items paid	-10.4	-3.7	-20.9	-58.2
Income tax paid	-1.3	-0.2	-21.6	-13.4
Cash flow from operating activities before changes in working capital	8.5	27.5	65.5	74.3
Increase (-)/Decrease (+) in inventories	7.9	-41.6	-106.9	-61.1
Increase (-)/Decrease (+) in operating receivables	-15.4	-28.0	-20.9	-74.1
Increase (+)/Decrease (-) in operating liabilities	-38.2	15.8	15.7	32.7
Cash flow from operating activities	-37.3	-26.3	-46.6	-28.4
Investing activities				
Acquisition of tangible assets	-3.2	-6.5	-9.2	-15.1
Divestment of tangible assets	2.8	0.0	2.8	0.2
Investments in intangible assets	-30.6	-18.2	-109.3	-51.9
Acquisition of Group companies	-	0.0	-	0.0
Divestment of Group companies	0.0	-	0.0	0.0
Cash flow from investing activities	-30.9	-24.8	-115.7	-66.8
Financing activities				
Paid-in new share issue	-	0.0	0.7	372.1
Issue costs	-	-	-	-18.3
Paid-in warrants	-	8.0	-	11.5
Borrowings	62.5	63.0	127.6	558.0
Repayment of loans	-	-	-5.0	-867.0
Repayment of lease liability	-2.2	-1.5	-8.1	-6.1
Cash flow from financing activities	60.3	69.5	115.2	50.3
Cash flow for the period	-7.9	18.4	-47.1	-44.8
Cash and cash equivalents at the beginning of the period	19.2	33.9	53.5	94.7
Exchange-rate differences in cash and cash equivalents	-1.3	1.1	3.7	3.6
Cash and cash equivalents at the end of the period	10.0	53.5	10.0	53.5

Consolidated statement of change in equity

Amounts in SEK million	Share capital	Other contributed capital	Translation reserves	Other equity incl. net profit for the period	Total equity
Opening equity, 1 Jan 2022	49.3	977.9	-6.4	-365.8	655.1
Comprehensive income for the period					
Net profit for the period	-	-	-	2.7	2.7
Other comprehensive income for the period	-	-	-0.3	-	-0.3
Comprehensive income for the period	-	-	-0.3	2.7	2.4
Transactions with the Group's owners					
New share issue	0.7	-0.7	-	-	-
Total transactions with the Group's owners	0.7	-0.7	-	-	-
Other					
Paid-in warrants	-	0.7	-	-	0.7
Other items that can be recognised against equity	-	3.9	-	0.3	4.1
Total other	-	4.6	-	0.3	4.8
Closing equity, 31 Dec 2022*	50.0	981.8	-6.7	-362.8	662.4
Opening equity, 1 Jan 2021	42.4	619.5	-6.0	-370.2	285.6
Comprehensive income for the period					
Net profit/loss for the period	-	-	-	-4.4	-4.4
Other comprehensive income for the period	-	-	-0.3	-	-0.3
Comprehensive income for the period	-	-	-0.3	-4.4	-4.1
Transactions with the Group's owners					
New share issue	6.9	365.2	-	-	372.1
Issue costs	-	-18.3	-	-	-18.3
Total transactions with the Group's owners	6.9	346.9	-	-	353.8
Other					
Paid-in warrants	-	11.5	-	-	11.5
Total other	-	11.5	-	-	11.5
Closing equity, 31 Dec 2021*	49.3	977.9	-6.4	-365.8	655.1

* Equity at the end of the period is attributable in its entirety to Parent Company shareholders

Parent Company income statement

Amounts in SEK million	2022 Oct-Dec	2021 Oct-Dec	2022 Jan-Dec	2021 Jan-Dec
Net sales	4.7	3.3	19.0	9.7
Total	4.7	3.3	19.0	9.7
Other external expenses	-2.9	-2.6	-11.1	-6.0
Personnel costs	-2.5	-4.4	-9.2	-11.1
Items affecting comparability	-	-	-	-26.5
EBIT	-0.6	-3.7	-1.3	-33.8
Financial expenses	-7.6	-2.9	-18.3	-2.9
Total financial items	-7.6	-2.9	-18.3	-2.9
Profit/loss before tax	-8.2	-6.6	-19.6	-36.7
Group contributions	-	43.5	-	43.5
Tax on net profit for the period	-0.3	-1.4	-0.3	-1.4
Net profit/loss for the period and total comprehensive income	-8.5	35.5	-19.9	5.3

Parent Company balance sheet

Amounts in SEK million	31 Dec 2022	31 Dec 2021
ASSETS		
Non-current assets		
Financial assets	1,090.4	1,031.3
Receivables from Group companies	819.9	841.8
Deferred tax assets	2.0	-
Total non-current assets	1,912.3	1,873.0
Current assets		
Receivables from Group companies	3.7	4.3
Other receivables	0.0	4.2
Prepaid expenses and accrued income	6.1	3.8
Cash and cash equivalents	-	0.7
Total current assets	9.8	13.1
Total assets	1,922.2	1,886.2
EQUITY AND LIABILITIES		
Equity		
Restricted equity	50.0	49.3
Share premium reserve	1,339.4	1,277.2
Retained earnings, including net profit for the year	-14.6	5.3
Total equity	1,374.8	1,331.9
Non-current liabilities		
Interest-bearing liabilities	496.1	495.5
Total non-current liabilities	496.1	495.5
Current liabilities		
Accounts payable	0.1	1.9
Liabilities from Group companies	45.2	45.2
Other current liabilities	3.1	3.6
Accrued expenses and deferred income	2.9	8.1
Total current liabilities	51.2	58.8
Total equity and liabilities	1,922.2	1,886.2

Notes

NOTE 1 – ACCOUNTING POLICIES

This report for the Group was prepared in accordance with IAS 34 Interim Financial Reporting, the Swedish Financial Reporting Board's recommendation RFR 1 and the Swedish Annual Accounts Act, and for the Parent Company was prepared in accordance with the Financial Reporting Board's recommendation RFR 2 and the Annual Accounts Act. The accounting policies applied correspond to those stipulated in the 2021 Annual Report (Note 1).

NOTE 2 – ESTIMATES AND JUDGEMENTS

Preparing the interim report requires management to make judgements and estimates, and to make assumptions that impact the application of the accounting policies and the recognised amounts of assets, liabilities, income and expenses. The actual outcome may deviate from these estimates and judgements. The critical judgements and sources of uncertainty in the estimates are the same as those presented in the most recent annual report.

NOTE 3 – REVENUE FROM CONTRACTS WITH CUSTOMERS

Sales of low-voltage chargers and accessories and sales of EV chargers and accessories are recognised at a point in time when control of the goods has passed to the customer, which is on delivery, and takes into account freight terms and conditions. Invoicing normally takes place in connection with sale with credit terms of 30–40 days.

Revenue from contracts with customers Jan-Dec 2022					
Amounts in SEK million	Aftermarket	Original Equipment	Energy & Facilities	Group-wide items and eliminations	Group total
Sale of low-voltage chargers and accessories (Low voltage)	550.8	137.6	-	-	688.3
Sales of EV chargers (EVSE) and accessories	15.7	41.1	180.2	-	237.0
Other income	-	-	-	24.8	24.8
Total	566.4	178.7	180.2	24.8	950.1

Revenue from contracts with customers Jan-Dec 2021					
Amounts in SEK million	Aftermarket	Original Equipment	Energy & Facilities	Group-wide items and eliminations	Group total
Sale of low-voltage chargers and accessories (Low voltage)	629.1	103.0	-	-	732.1
Sales of EV chargers (EVSE) and accessories	14.8	0.1	148.3	-	163.2
Other income	-	-	-	26.5	26.5
Total	643.9	103.2	148.3	26.5	921.8

Net sales specified by geography

Amounts in SEK million	2022 Jan-Dec	2021 Jan-Dec
Sweden	198.0	195.5
Nordics	62.9	65.3
DACH	241.8	253.5
Rest of Europe	185.0	217.1
Americas	111.2	54.4
Other	151.3	136.0
Group total	950.1	921.8

Contract balances

Amounts in SEK million	2022 Jan-Dec	2021 Jan-Dec
Accounts receivable	194.4	188.6
Accrued income	-	1.3
Contract assets	-	0.1
Group total	194.4	190.0

NOTE 4 – FAIR VALUE OF FINANCIAL INSTRUMENTS

The tables below provide disclosures on how fair value is determined for financial instruments measured at fair value in the statement of financial position. Fair value is measured according to the following levels:

Level 1: financial instruments are measured at prices quoted in active markets.

Level 2: financial instruments are measured based on directly or indirectly observable market data not included in Level 1.

Level 3: financial instruments are measured based on unobservable inputs in the market.

Financial assets

Amounts in SEK million	31 Dec 2022		31 Dec 2021	
	Carrying amount	Fair value	Carrying amount	Fair value
Accounts receivable	194.4	194.4	188.6	188.6
Other receivables	2.9	2.9	1.4	1.4
Derivatives (Level 2)	-	-	4.9	4.9
Cash and cash equivalents	10.0	10.0	53.5	53.5
Total	207.3	207.3	248.4	248.4

Financial liabilities

Amounts in SEK million	31 Dec 2022		31 Dec 2021	
	Carrying amount	Fair value	Carrying amount	Fair value
Interest-bearing liabilities (Level 2)	676.7	676.7	553.5	553.5
Lease liability	17.5	17.5	17.7	17.7
Accounts payable	130.7	130.7	115.3	115.3
Derivatives (Level 2)	-	-	1.0	1.0
Other current liabilities	3.8	3.8	2.1	2.1
Total	828.6	828.6	689.6	689.6

NOTE 5 – RELATED-PARTY TRANSACTIONS

The same fundamental principles and conditions for identifying related-party transactions were applied to the period as those described in the 2021 Annual Report.

No related-party transactions took place during the period.

NOTE 6 – ITEMS AFFECTING COMPARABILITY

Items affecting comparability refer to expenses related to restructuring of the supply chain, expenses related to reorganisation and expenses related to CTEK's listing in 2021.

Items affecting comparability

Amounts in SEK million	2022 Oct- Dec	2021 Oct- Dec	2022 Jan- Dec	2021 Jan- Dec
Expenses related to reorganisation	-10.0	-	-10.0	-
Costs related to restructuring of the supply chain	-	-	-4.9	-
External expenses related to listing	-	-	-	-40.4
Total	-10.0	-	-14.9	-40.4

NOTE 7 – ASSETS HELD FOR SALE**Assets held for sale**

Amounts in SEK million	31 Dec 2022	31 Dec 2021
Lands and buildings	0.7	1.7
Total	0.7	1.7

Origin of alternative performance measures

CTEK makes use of financial performance measures (“alternative performance measures”) that are not defined by IFRS. The company believes that these financial performance measures provide valuable information to readers of the report since they supplement evaluations of the company’s financial performance. The performance measures that the company has chosen to present are relevant given the operations and in relation to the financial targets for growth, margin and capital structure. The company’s definitions of performance measures and the purpose of each performance measure are presented in the section Definitions on the last page. The data provided below is supplementary information to determine the origin of these alternative performance measures.

Adjusted EBITDA/EBITA

Amounts in SEK million	2022 Oct-Dec	2021 Oct-Dec	2022 Jan-Dec	2021 Jan-Dec
EBIT according to interim report	-4.2	13.9	36.2	81.8
Items affecting comparability				
- External expenses related to listing	-	-	-	40.4
- Costs related to restructuring of the supply chain	-	-	4.9	-
- Expenses related to reorganisation	10.0	-	10.0	-
Depreciation, amortisation and impairment (+)	19.1	20.0	72.0	68.5
Adjusted EBITDA	24.9	33.9	123.1	190.7
Amortisation of non-M&A-driven intangible assets (-)	-7.5	-8.3	-26.6	-25.6
Depreciation of tangible assets (-)	-4.5	-4.7	-17.3	-14.4
Adjusted EBITA	12.9	20.9	79.2	150.7

Growth Group

Amounts in SEK million	2022 Oct-Dec	2021 Oct-Dec	2022 Jan-Dec	2021 Jan-Dec
Organic growth (%)	-10.1	16.2	-3.5	34.2
Currency effect (%)	9.9	-0.2	6.6	-3.7
Sales growth (%)	-0.2	16.0	3.1	30.5

Growth Aftermarket

Amounts in SEK million	2022 Oct-Dec	2021 Oct-Dec	2022 Jan-Dec	2021 Jan-Dec
Organic growth (%)	-24.4	11.0	-17.9	28.5
Currency effect (%)	7.7	-0.3	5.9	-3.8
Sales growth (%)	-16.7	10.6	-12.0	24.7

Growth Original Equipment

Amounts in SEK million	2022 Oct-Dec	2021 Oct-Dec	2022 Jan-Dec	2021 Jan-Dec
Organic growth (%)	139.1	1.8	57.0	25.1
Currency effect (%)	30.5	0.5	16.2	-5.0
Sales growth (%)	169.6	2.4	73.2	20.1

Growth Energy & Facilities

Amounts in SEK million	2022 Oct-Dec	2021 Oct-Dec	2022 Jan-Dec	2021 Jan-Dec
Organic growth (%)	-7.0	58.7	18.5	76.0
Currency effect (%)	7.1	-0.2	3.1	-1.3
Sales growth (%)	0.1	58.5	21.6	74.6

Gross margin

Amounts in SEK million	2022 Oct-Dec	2021 Oct-Dec	2022 Jan-Dec	2021 Jan-Dec
Net sales	257.3	257.8	950.1	921.8
Cost of goods sold	-127.4	-131.0	-472.0	-434.1
Gross profit	129.9	126.8	478.1	487.7
Gross margin (%)	50.5	49.2	50.3	52.9

Net debt

Amounts in SEK million	2022 Jan-Dec	2021 Jan-Dec
Current assets		
-Cash and cash equivalents	-10.0	-53.5
Non-current liabilities		
-Interest-bearing liabilities, including lease liabilities	505.9	506.8
-Interest-bearing lease liabilities	-9.8	-11.4
Current liabilities		
-Interest-bearing liabilities, including lease liabilities	188.3	64.4
-Interest-bearing lease liabilities	-7.6	-6.4
Total net debt	666.7	500.0
EBIT	36.2	81.8
-Depreciation, amortisation and impairment of tangible and intangible assets	-72.0	-68.5
EBITDA	108.1	150.3
Items affecting comparability	-14.9	-40.4
Adjusted EBITDA, L12	123.1	190.7
Net debt/adjusted EBITDA, L12	5.4x	2.6x

Quarterly data - Group

Amounts in SEK million	2021 Q1	2021 Q2	2021 Q3	2021 Q4	2022 Q1	2022 Q2	2022 Q3	2022 Q4
Net sales	234.4	221.0	208.6	257.8	236.8	234.7	221.4	257.3
Net sales EVSE	26.0	49.4	41.5	46.2	37.2	64.1	59.0	76.6
EVSE share of net sales (%)	11.4	22.6	20.4	18.9	16.7	28.6	26.7	29.8
Gross margin (%)	57.1	55.0	50.6	49.2	48.4	52.1	50.3	50.5
EBITA	63.2	21.7	4.5	20.9	22.0	23.2	16.2	2.9
Adjusted EBITA	67.2	37.5	25.0	20.9	22.0	23.2	21.1	12.9
Adjusted EBITA margin (%)	28.7	17.0	12.0	8.1	9.3	9.9	9.5	5.0
EBIT	55.9	14.5	-2.5	13.9	15.1	16.1	9.1	-4.2
Operating margin (%)	23.9	6.5	-1.2	5.4	6.4	6.9	4.1	-1.6
Net profit/loss for the period after tax	22.7	3.9	-31.9	9.7	10.8	11.8	6.8	-26.8
Earnings per share before dilution (SEK)	0.54	0.09	-0.74	0.20	0.22	0.24	0.14	-0.54
Average number of shares (millions)*	42.4	42.4	42.9	49.3	49.3	49.7	50.0	50.0
Cash flow from operating activities	-8.6	37.8	-31.3	-26.3	-1.1	-7.2	-1.0	-37.3
Net debt/Adjusted EBITDA	3.9x	3.4x	2.3x	2.6x	3.6x	4.2x	4.5x	5.4x

* Historical figures were adjusted due to the 1:10 reverse split.

Quarterly data - segments

Amounts in SEK million	2021 Q1	2021 Q2	2021 Q3	2021 Q4	2022 Q1	2022 Q2	2022 Q3	2022 Q4
Net sales								
Aftermarket	176.9	150.9	139.9	176.3	150.6	141.0	128.0	146.8
Original Equipment	30.6	23.1	25.1	24.5	34.9	29.6	48.2	66.0
Energy & Facilities	20.8	44.8	38.4	44.2	37.1	53.9	44.9	44.3
Segment profit/loss								
Aftermarket	83.6	55.4	49.3	59.0	48.4	50.7	49.6	47.2
Original Equipment	8.9	3.6	4.9	2.5	10.4	3.3	5.2	12.0
Energy & Facilities	-10.6	1.6	-4.2	-10.7	-7.9	-3.6	-7.8	-13.1
Segment margin								
Aftermarket (%)	47.3	36.7	35.3	33.5	32.2	35.9	38.8	32.1
Original Equipment (%)	29.1	15.5	19.5	10.1	29.9	11.0	10.7	18.2
Energy & Facilities (%)	-50.9	3.6	-11.0	-24.2	-21.4	-6.7	-17.3	-29.6

Definitions

Measure:	Definition/Calculation	
Interest-bearing net debt	Interest-bearing liabilities adjusted for lease liabilities less interest-bearing assets and cash and cash equivalents.	
Alternative performance measures:	Definition/Calculation	Purpose
EVSE share of net sales	Sales of EV chargers and accessories as a share of total net sales of the divisions.	Used to measure sales of products for electric vehicles.
Gross margin	Gross profit as a percentage of net sales.	Used to measure product profitability.
Gross profit	Net sales less cost of goods sold, freight and customs.	Used to measure product profitability.
EBITA	EBIT before amortisation and impairment of M&A-driven non-current assets.	Measure of the underlying earnings capacity of the business and facilitates comparison between the quarters.
Adjusted EBITA	EBITA before items affecting comparability.	Measure of the underlying earnings capacity of the business and facilitates comparison between the quarters.
Adjusted EBITA margin	Adjusted EBITA as a percentage of net sales.	This performance measure gauges the degree of profitability of the business.
Adjusted EBITDA	EBIT according to the income statement before items affecting comparability, depreciation/amortisation and impairment of intangible and tangible assets	Measure of the underlying earnings capacity of the business and facilitates comparison between the periods.
Items affecting comparability	Items affecting comparability refers to material income and cost items that are recognised separately due to the significance of their nature and amounts.	Recognising items affecting comparability separately increases the comparability of EBIT over time.
LTM	Last Twelve Months.	Measure showing the outcome for the last twelve months.
Net debt/Adjusted EBITDA	Net debt in relation to Adjusted EBITDA LTM	Measure showing the capacity to repay debt.
Organic growth	Change in net sales adjusted for acquisitions/divestments and currency effects.	Measure of internally generated growth.
Sales growth	Net sales for the current period in relation to net sales for the comparative period.	Aims to show the trend in net sales.
Segment profit/loss	Adjusted EBITDA excluding central items.	Measure showing the earnings capacity of the segment.
Segment margin	Earnings for the segment as a percentage of net sales for the segment.	Measure showing the earnings capacity of the segment.
Currency effects	Average exchange rate for the comparative period multiplied by sales in local currency for the current period.	Aims to show growth excluding currency effects.
Concept:	Definition/Calculation	Purpose
Central	Sales in Central comprise items that cannot be attributable to any specific segment. Also includes Group-wide income and costs that cannot be allocated to the segments.	Items that are not directly attributable to the segments.