investor

Interim Management Statement January-March 2023

Johan Forssell, CEO
Helena Saxon, CFO





Globally, many challenges remain

Investor and our companies are well prepared to manage different scenarios

Strong start of the year for Investor



Q1 2023

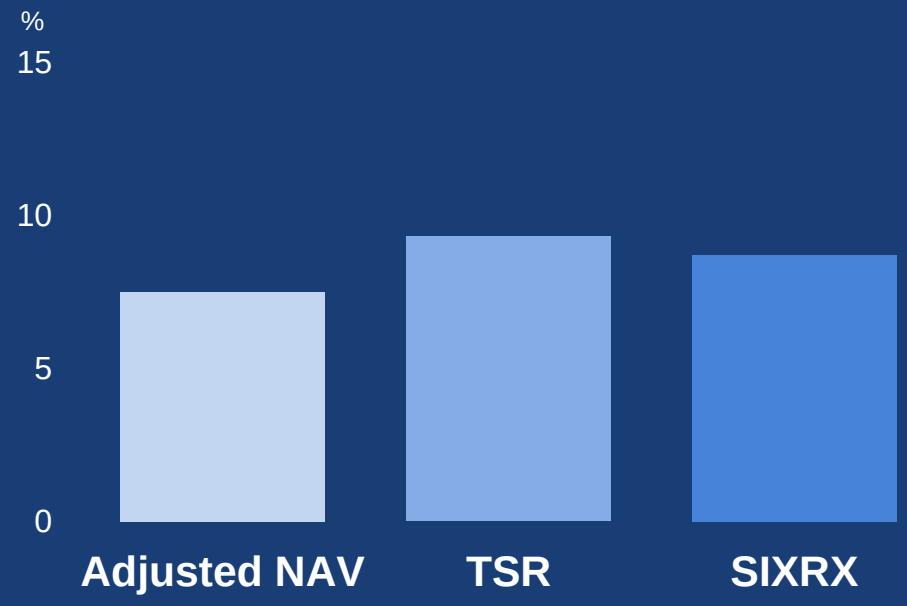
7%

Adjusted Net Asset Value growth

9%

Total Shareholder Return

(9% SIXRX)



investor

Listed Companies

Performance

Total return **8**%

SIXRX return index **9%**

Engaged ownership to future-proof our companies

Portfolio management

ABB continued to adjust its portfolio through the announced divestment of Power Conversion

New Technology

Epiroc landed its largest automation order ever

Initiatives to improve climate footprint

Wärtsilä has successfully tested a commercial engine running on a 25 percent hydrogen blended fuel at a US power plant

69%
of total adjusted assets

SEK **507** bn
market value

Patricia Industries

Performance

Total return **13**%

Sales growth **22%**

-of which organic growth **11%**

Reported and adjusted EBITA growth **35%**

Engaged ownership to future-proof our companies

New Technology

Permobil launched a new electronics platform
- Personalization
- Simplified production
- Reduced service time

Initiatives to improve climate footprint

-24% CO_2e emissions Patricia Industries during 2022

Add-on acquisitions

Piab acquired French company COVAL and announced the acquisition of German IB Verfahrens- und Anlagentechnik

21%
of total adjusted assets

SEK **156**bn
market value

Attractive Add-on Acquisitions in Line with Strategy

COVAL vacuum managers

2022 Sales EUR 23m, EBITDA EUR 5m

Suction cups for plastics, intelligent vacuum pumps

Strengthens presence in automotive, food, packaging

Strengthens position in France and the US

Verfahrens- und Anlagentechnik
Customized. Consistent. Systemized bulk handling.

2022 Sales EUR 6m, EBITDA EUR 1m

Complements current portfolio within additive manufacturing

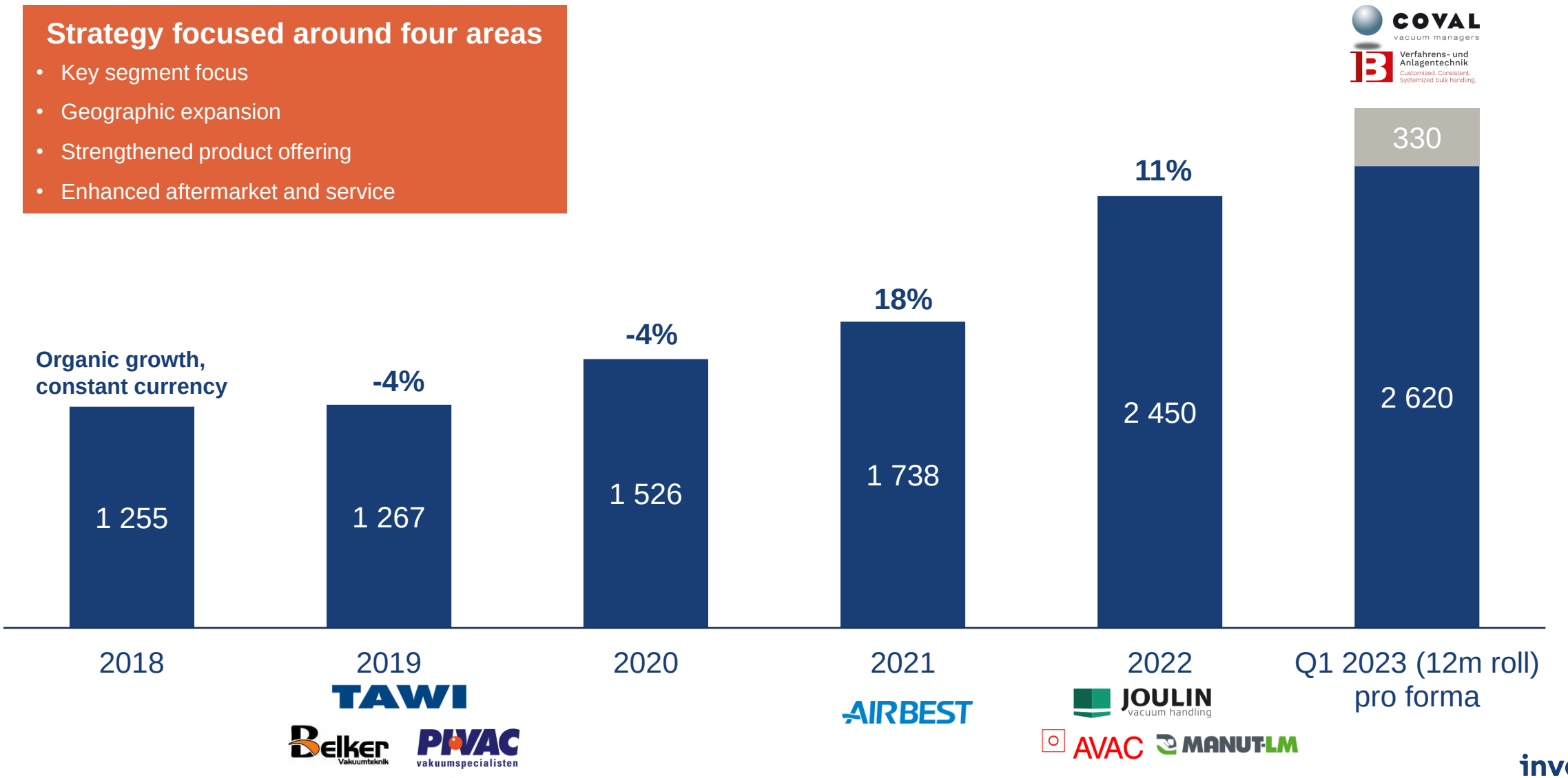
Additive manufacturing a strategic focus area within Vacuum Conveying

Strengthens position in Germany

A Great Platform for continued Profitable Growth

Strategy focused around four areas

- Key segment focus
- Geographic expansion
- Strengthened product offering
- Enhanced aftermarket and service



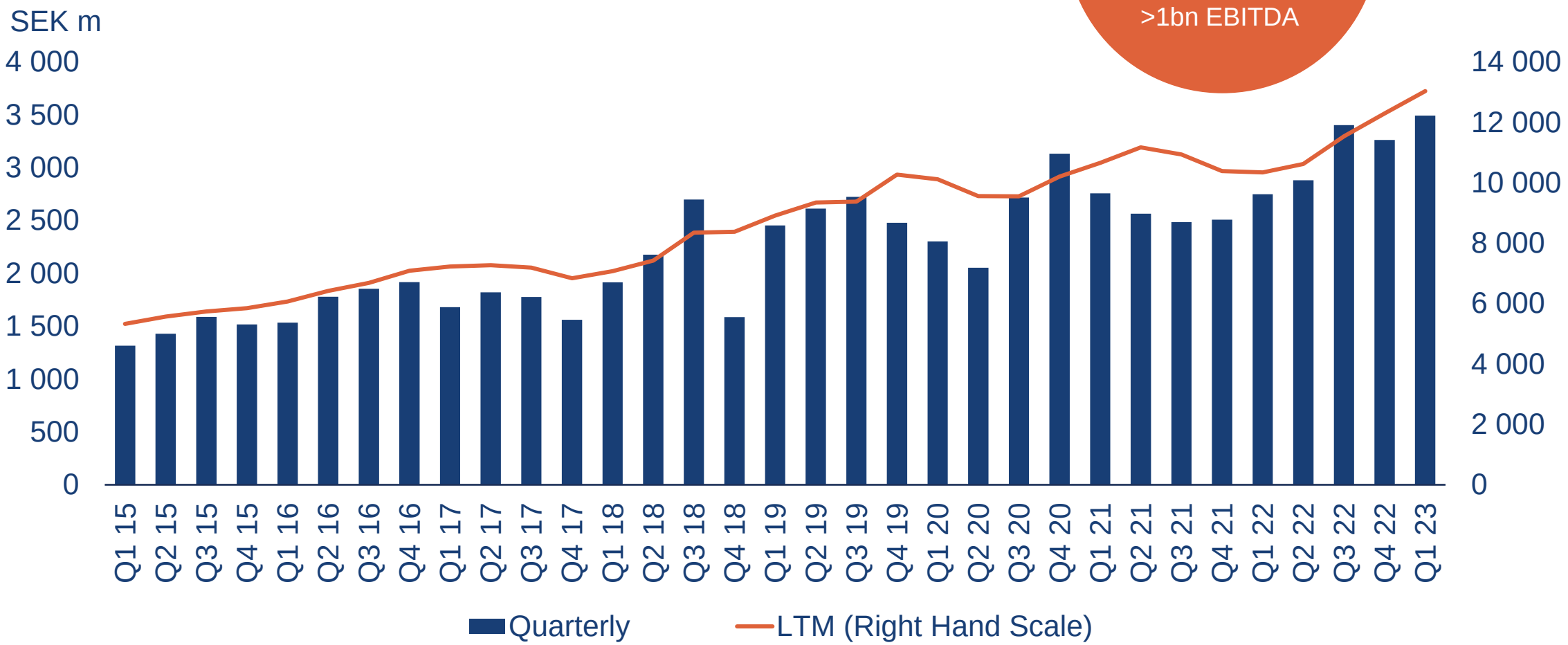
Patricia Industries – EBITDA

12m rolling

Sales: SEK 56.9bn

EBITDA: SEK 13.0bn

6 companies SEK >1bn EBITDA



Reported EBITDA, including items affecting comparability, for subsidiaries and Three Scandinavia (40 percent ownership).
For Mölnlycke, Q3 2020-Q3 2021 were materially positively impacted by PPE contracts.
Q4 2018 negatively impacted by one-time Swedish tax authority decision relating to Three Scandinavia.

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Operating Performance

	Value, SEK bn	Organic growth Q1 2023 %		Margins, % Q1 2023	Change vs. Q1 2022
Mölnlycke	68.6	**13**	EBITDA EBITA	**28.3** **25.0**	**1.9** **2.4**
piab	9.3	**12**	EBITDA EBITA	**28.5** **25.1**	**-0.8** **-0.8**
BraunAbility	6.4	**11**	EBITDA EBITA	**13.1** **11.1**	**3.3** **3.4**
sarnova	13.6	**10**	EBITDA EBITA	**13.7** **11.8**	**0.0** **0.0**
permobil	13.4	**9**	EBITDA EBITA	**18.0** **14.1**	**2.1** **2.1**
Laborie	18.8	**8**	EBITDA EBITA	**29.3** **27.5**	**6.2** **6.5**
ATLAS ANTIBODIES	2.9	**7**	EBITDA EBITA	**48.4** **41.7**	**1.0** **-0.2**
ADVANCED INSTRUMENTS	10.7	**-9**	EBITDA EBITA	**36.0** **34.0**	**-8.3** **-8.8**
Vectura	3.8	**13**			

Adj. EBITA margin flat at 27%

Investments in EQT

Performance

Total return **-4**%

Net cash flow
SEK **-0.7**bn to Investor

EQT AB

Total return **-5**%

Fund investments

Reported value growth **-2**%

Outstanding commitment
SEK **24.3**bn

Net annual cash flow to Investor



9%
of total adjusted assets

SEK **68**bn
adjusted market value

investor

Deliver on our ESG Targets – A strategic Priority

Business Ethics & Governance



Climate & Resource Efficiency



Diversity & Inclusion



Deliver on our ESG Targets – A strategic Priority

Outcome 2022

Climate & Resource Efficiency

100%
of our companies have set targets aligned with the Paris Agreement

-57%
CO2e emissions from our companies' scope 1 and 2 since 2016

63%
of our companies have targets for scope 3 emissions



Priorities 2023

Manage the current market environment

Continue to future-proof our companies to drive sustainable profit growth

Use financial strength to capture investment opportunities

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Interim Management Statement January-March 2023

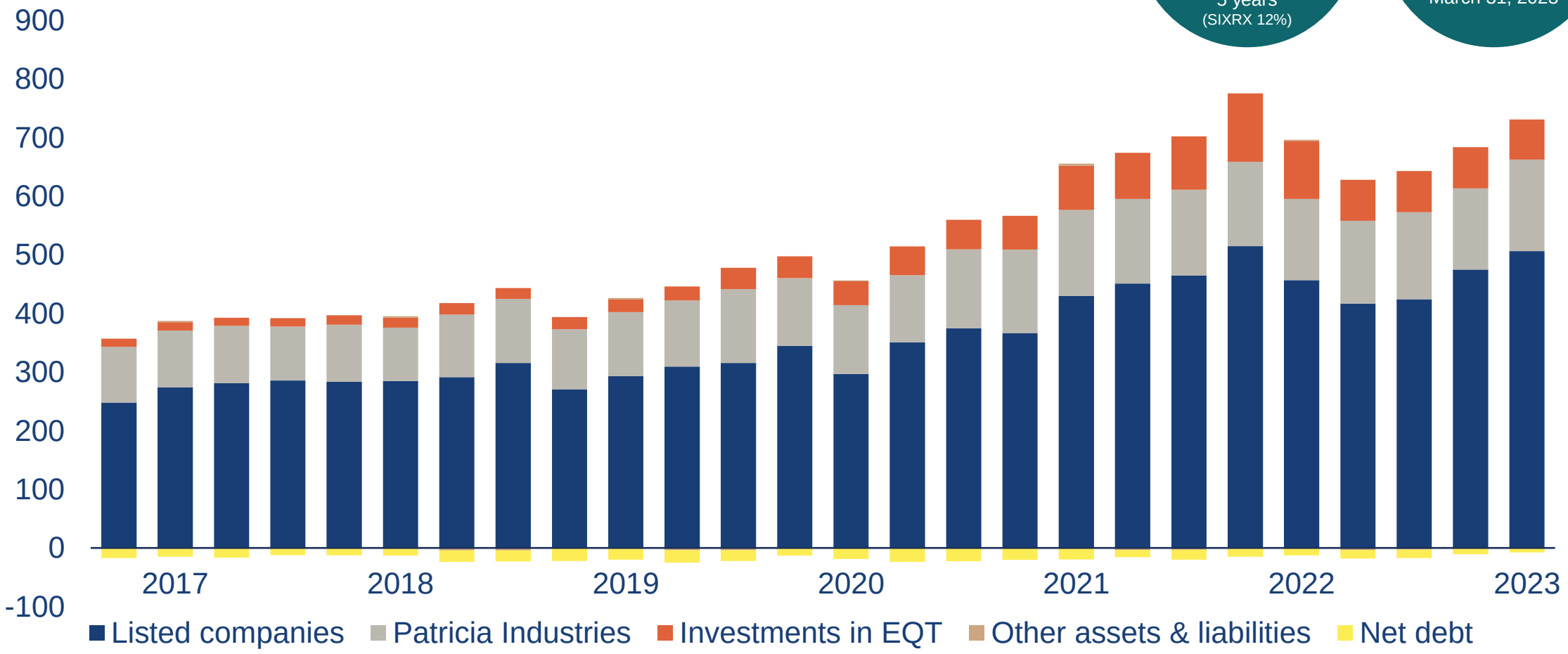
Helena Saxon, CFO



Adjusted Net Asset Value

16%
Average annual growth, with dividend added back, 5 years
(SIXRX 12%)

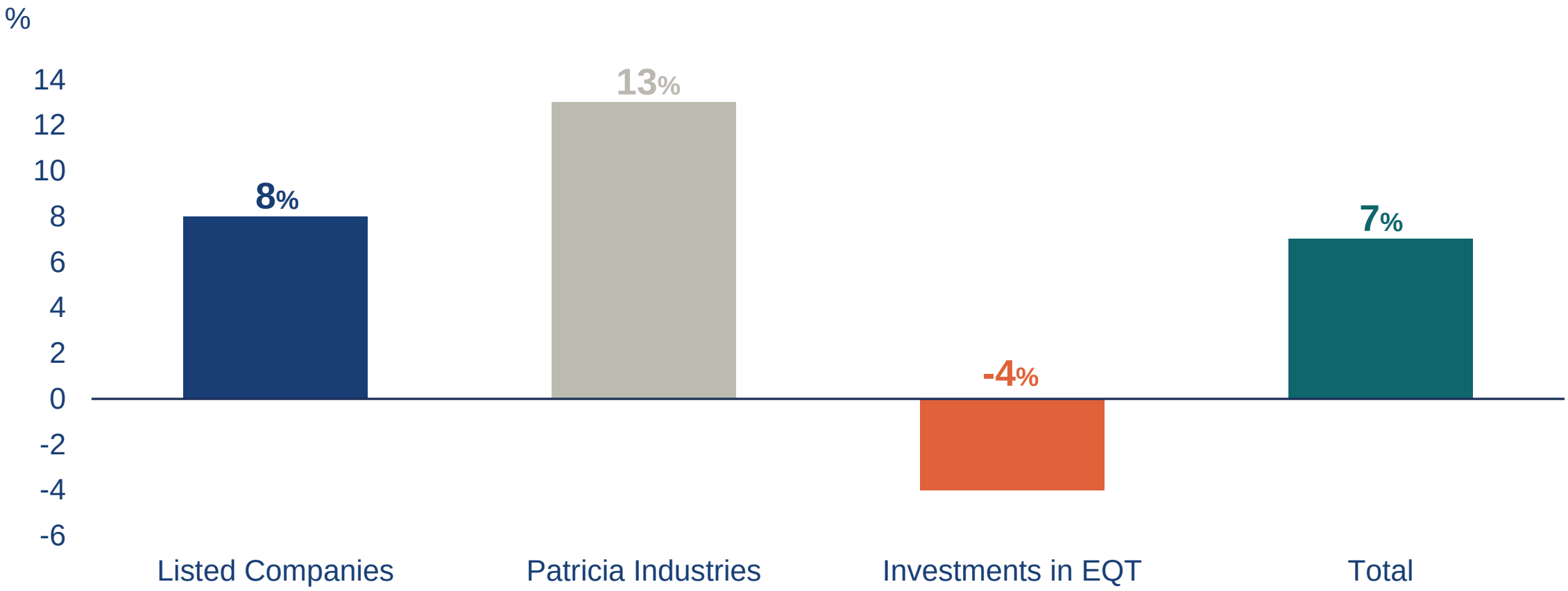
724
SEK bn, adjusted net asset value March 31, 2023



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Total Return by Business Area

2023 Q1





Listed Companies

SEK 507 bn
market value

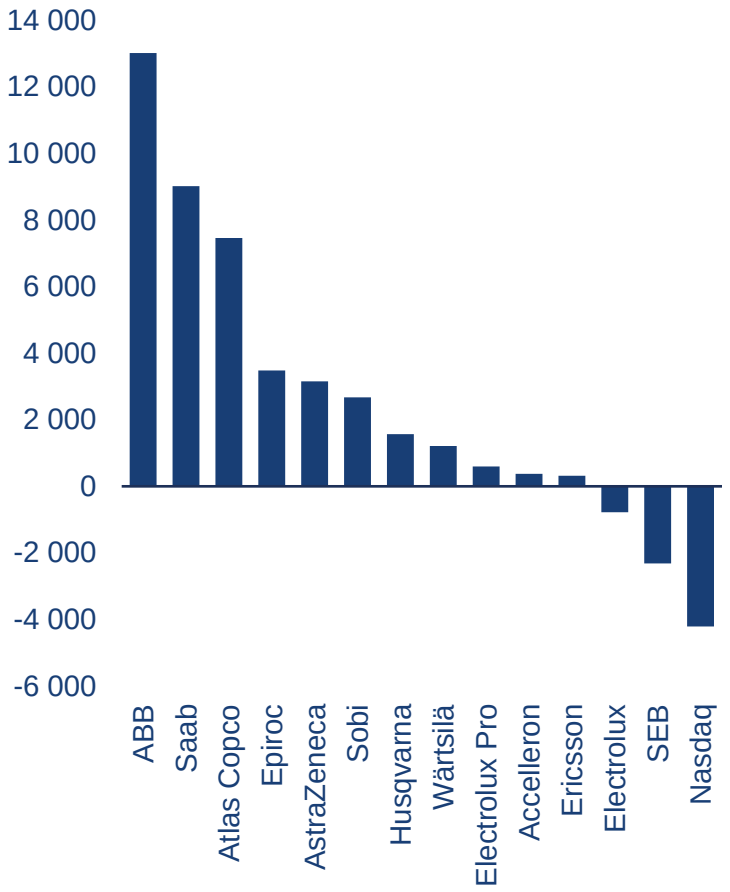
69%
of total adjusted assets

Listed Companies

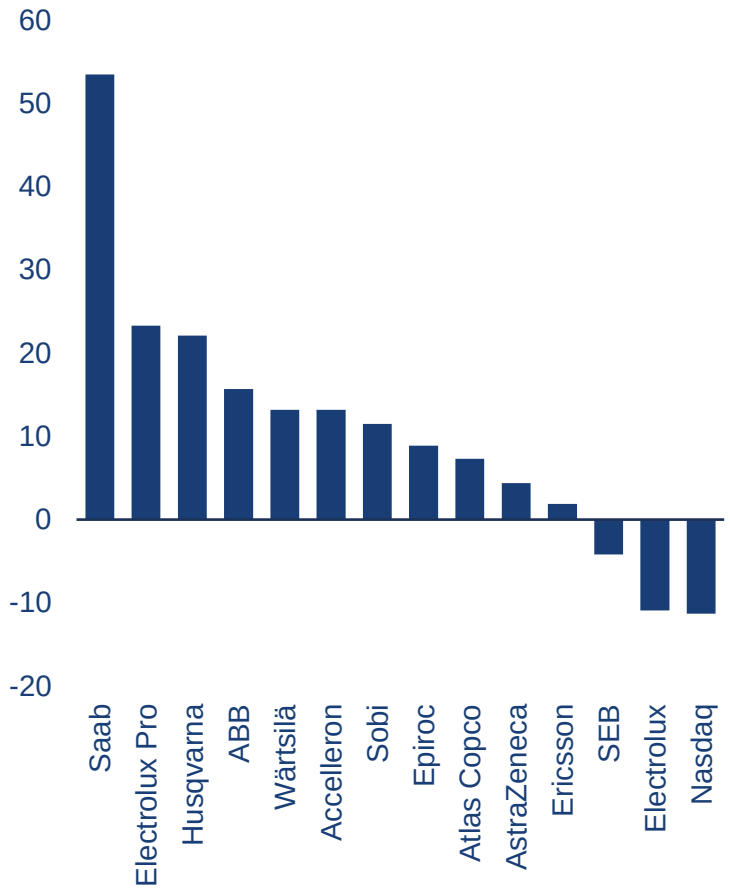
2023 Q1

TSR 8%
SIXRX 9%

Contribution to NAV



Total Return



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Patricia Industries

SEK 156 bn
adjusted market value

21%
of total adjusted assets

Patricia Industries – drivers in Estimated Market Values

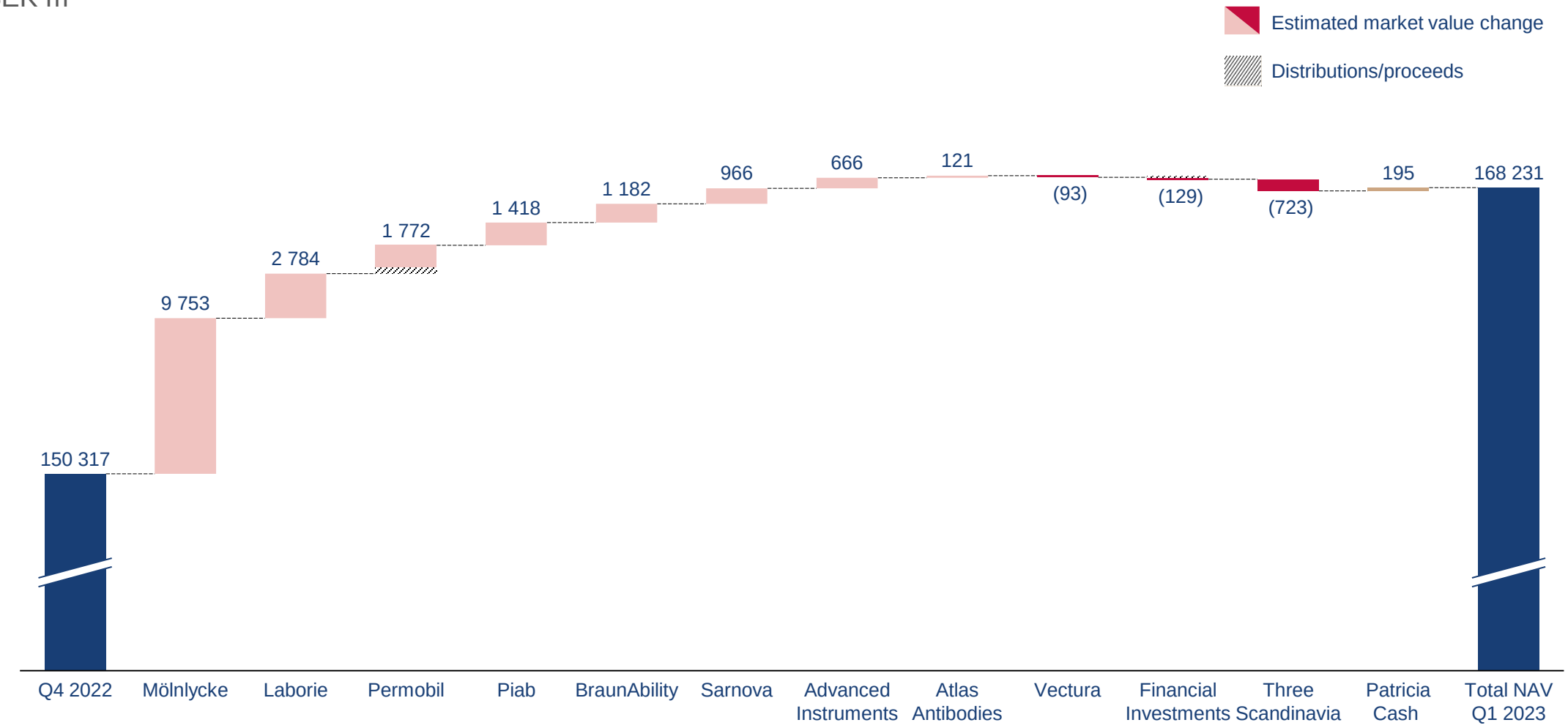
SEK bn



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Patricia Industries – Change in Estimated Market Values

SEK m



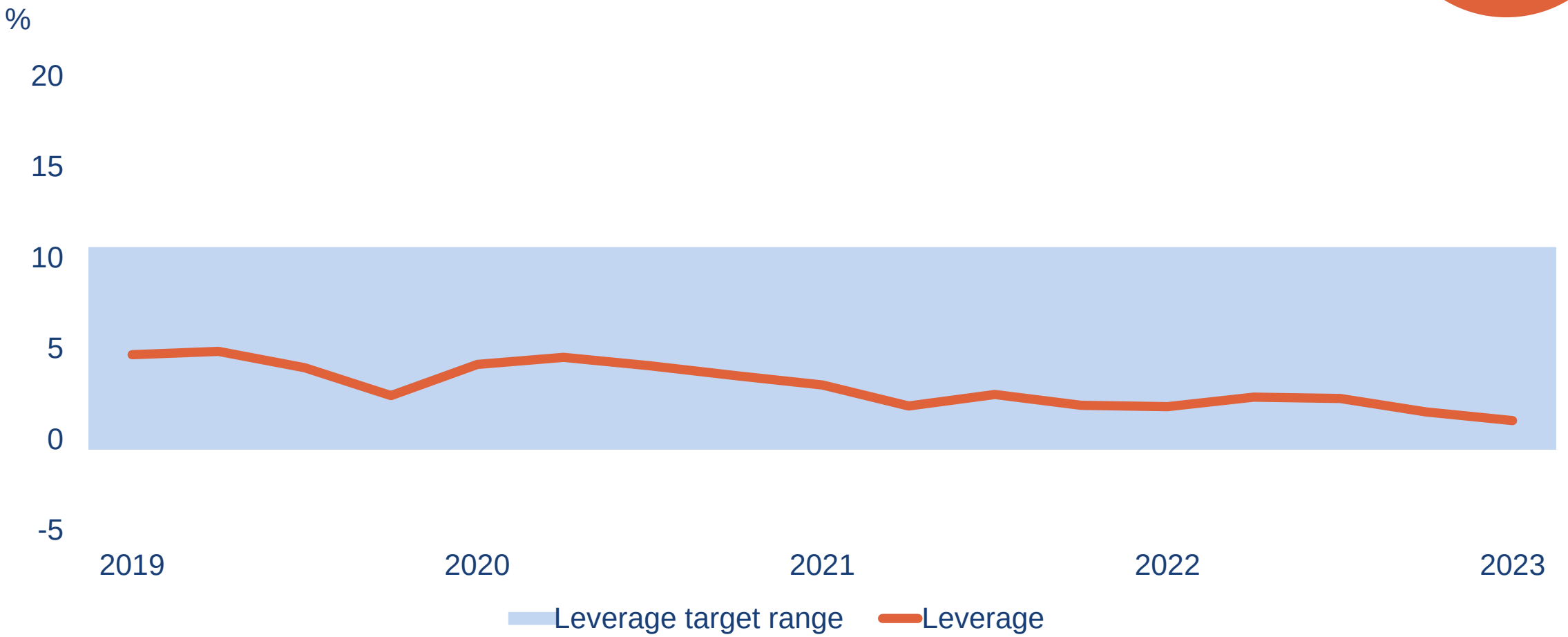
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Financial position

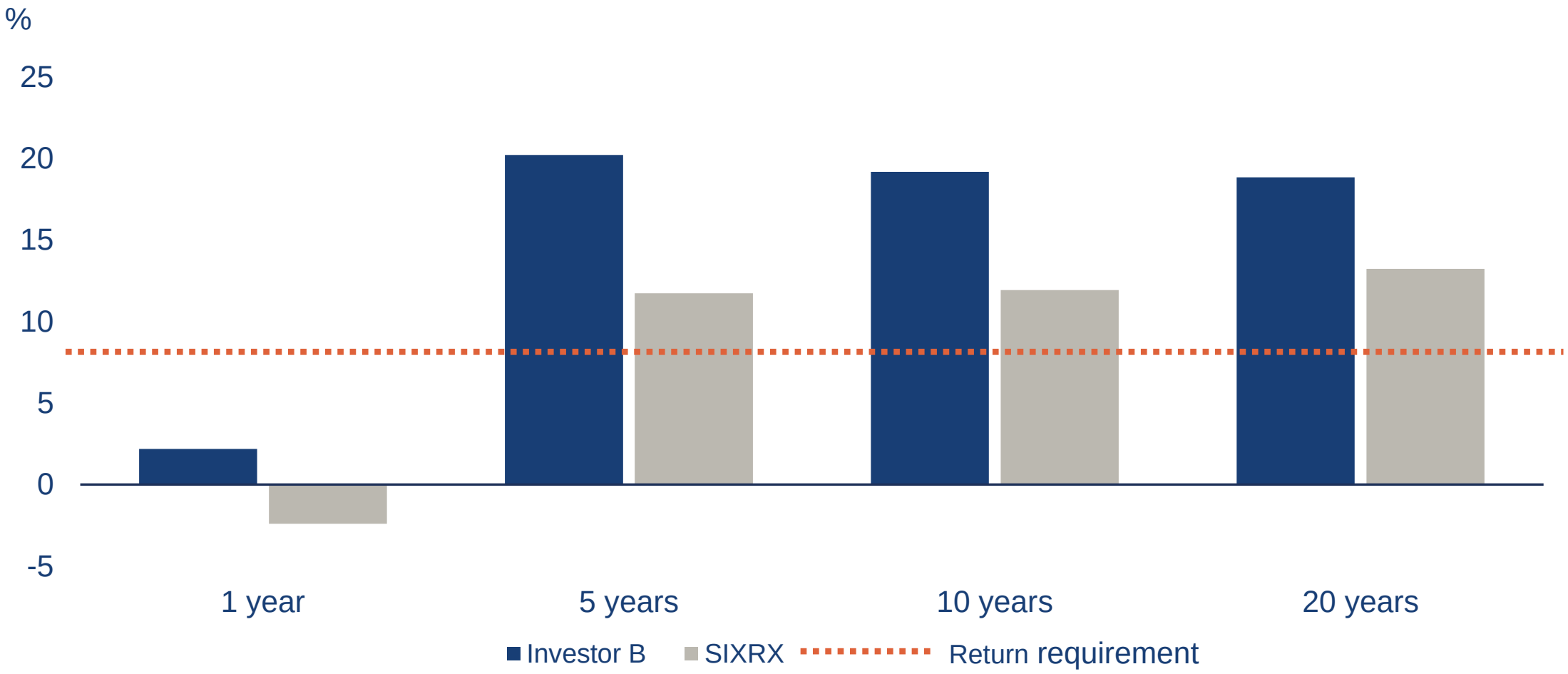
Leverage in the Lower End of the Range, March 31, 2023

AA-/Aa3
Ratings S&P/
Moody's



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Average Annual Total Return, March 31, 2023



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Mölnlycke in Investor Q1 webcast

21 April 2023



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Zlatko Rihter
CEO

25+ years of experience of growing businesses within MedTech

President and CEO of CellaVision, 2015–2020. Previous positions include leading positions within marketing and sales at Cooper Companies, Gambro and Arjo.

Education: Master of Science, Mechanical Engineering



Susanne Larsson
CFO & EVP Global IT, Business Services and Indirect Procurement

25+ years of business experience

Previous positions: Group CFO at Gunnebo, various strategic leadership positions at SKF Group

Education: Master of Science in Business Administration

Mölnlycke®

A world-leading medical products and solutions company



Will be MDR* ready by 2023

*Medical Device Regulations

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MÖLNLYCKE AT A GLANCE

This is Mölnlycke

Global HQ
in Gothenburg, Sweden

39
commercial entities

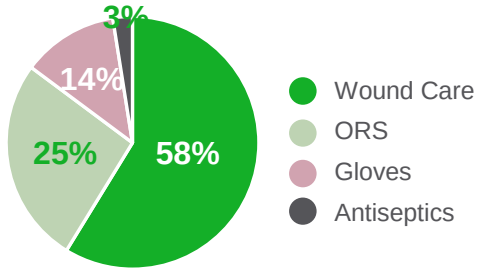
8,775
employees worldwide

99%
owned by Investor AB

100
countries where Mölnlycke is present

1849
the year Mölnlycke was founded

14
manufacturing sites in eight countries



Sales by Business Area

Financial performance 2022

1,828
Annual sales 2022, million EUR

476
EBITDA 2022, million EUR

8.4%
Organic sales growth,
excl. COVID-19 related sales of PPE

26.1%
EBITDA margin

Non-financial performance 2022

10%
less greenhouse gas emissions across the entire value chain compared to 2021

51%
fossil-free electricity

Our Business Areas


Wound Care


Operating Room Solutions


Gloves


Antiseptics

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Macro & Strategy

Global healthcare trend: Professionals are struggling to cope with the immense pressure



Healthcare professionals are experiencing psychiatric symptoms at surprising rates, including posttraumatic stress disorder (38%), depression (74%), and anxiety (75%).[1]

“Hospital management wants to keep costs as low as possible… simultaneously, they push us to treat more and more patients”
– Mr. Khan, OR Manager, IN

“We should have at least 15 nurses on top of what we have currently… 50% of the nurses are working on extra shifts”
– Lorenzo, OR Manager, IT

The consequences:

- Tasks towards less skilled and experienced will continue
- More care given closer to the patients
- Increased need for intuitive products and solutions
- Increased investments in digital and connected health will increase

1. Woo, et al., December 2021

Mölnlycke®

Mölnlycke have exceptionally inspiring customer challenges that need to be resolved…

Wound Care

How can we secure that all healthcare professionals that are confronted with chronic wound patients know what to do?



2022

Gloves

How can we ensure that the hands of the healthcare professionals get both safe and tactile gloves?



2023

Operating Room Solutions

How can we reduce wasted time before, during and after surgeries and thereby reduce cost in the operating room?



2024

Antiseptics

How can we make sure that patients never get a hospital acquired infection when needing a surgery?



…and we are ready to take on the challenges!

Mölnlycke®

Unprecedented challenges and new opportunities









- Supply disturbances and lead time constrains drive cost
- High inflation and interest rates
- Ukraine war creates uncertainty of macro trends going forward
- Energy challenges, mostly in Europe
- Sustainability becoming top of the agenda

2022

Post covid increased focus on infection prevention

2023

Elective surgeries still not getting back to normal levels

2024

Covid has lead to an increased number of chronic wounds

Staff shortages increase the need for improved efficiency in all care facility modalities

Mölnlycke®

Our strategic direction is set and based on global transformation trends and ethnographic studies

Mölnlycke®

We have:

listened to **> 125** doctors	talked to **> 160** nurses	visited **> 65** hospitals and clinics	conducted **~ 150 hours** of ethnographic studies	received **> 1,000** survey responses

Mölnlycke®

Focused strategy execution



Established:

- Corporate priorities addressing global transformational trends
- Strategic direction set for our Business Areas with strong innovation agendas in place
- Clear governance model in place to support strategy execution

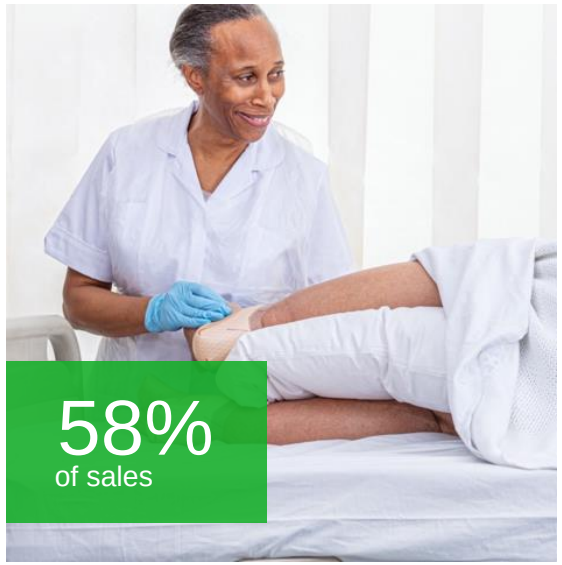
Now accelerating innovation and business development

Mölnlycke®

Each Business Area is on a mission

Wound Care

Deliver innovative and intuitive solutions for prevention, faster healing and better quality of life



Operating Room Solutions

Create an ecosystem of solutions and services that assure a frictionless flow in the operating room



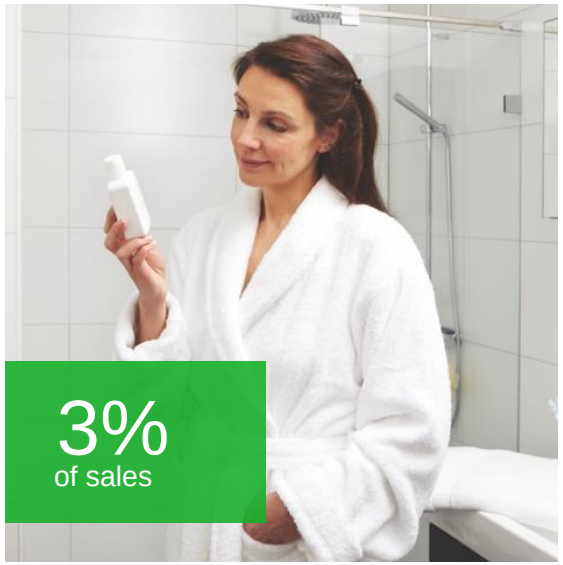
Gloves

Deliver innovative and sustainable solutions enabling hands to perform at their best



Antiseptics

Prevent infections across the patient's journey

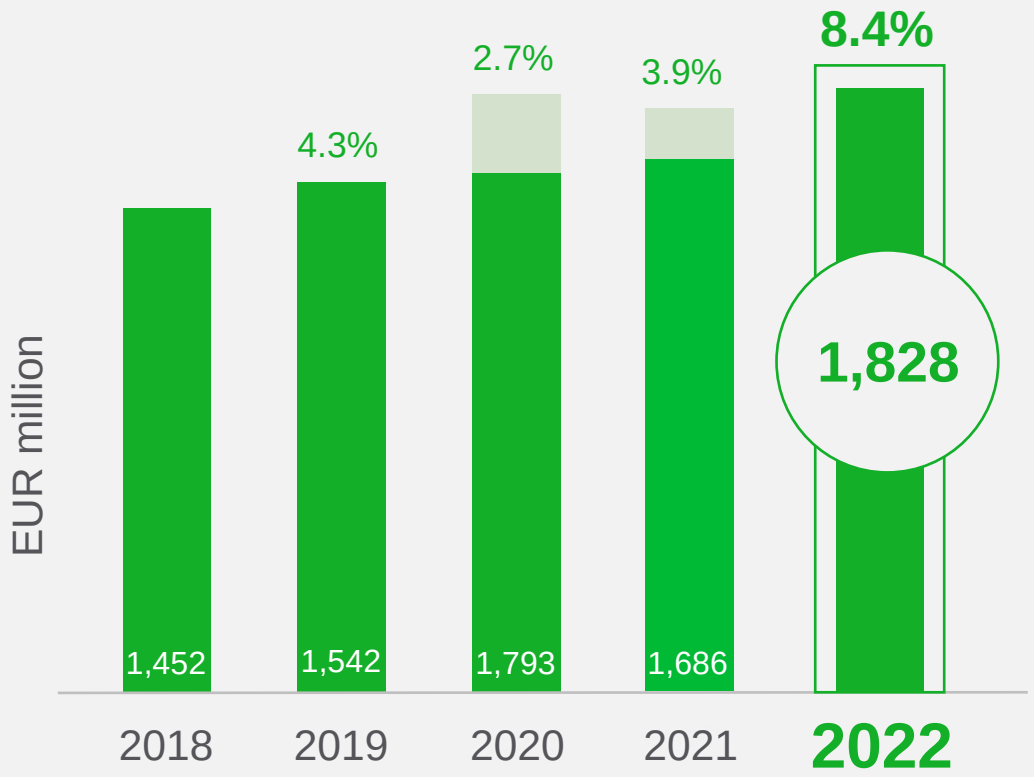


Numbers relate to FY 2022

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Financial performance

Our sales and organic growth* 2018 - 2022

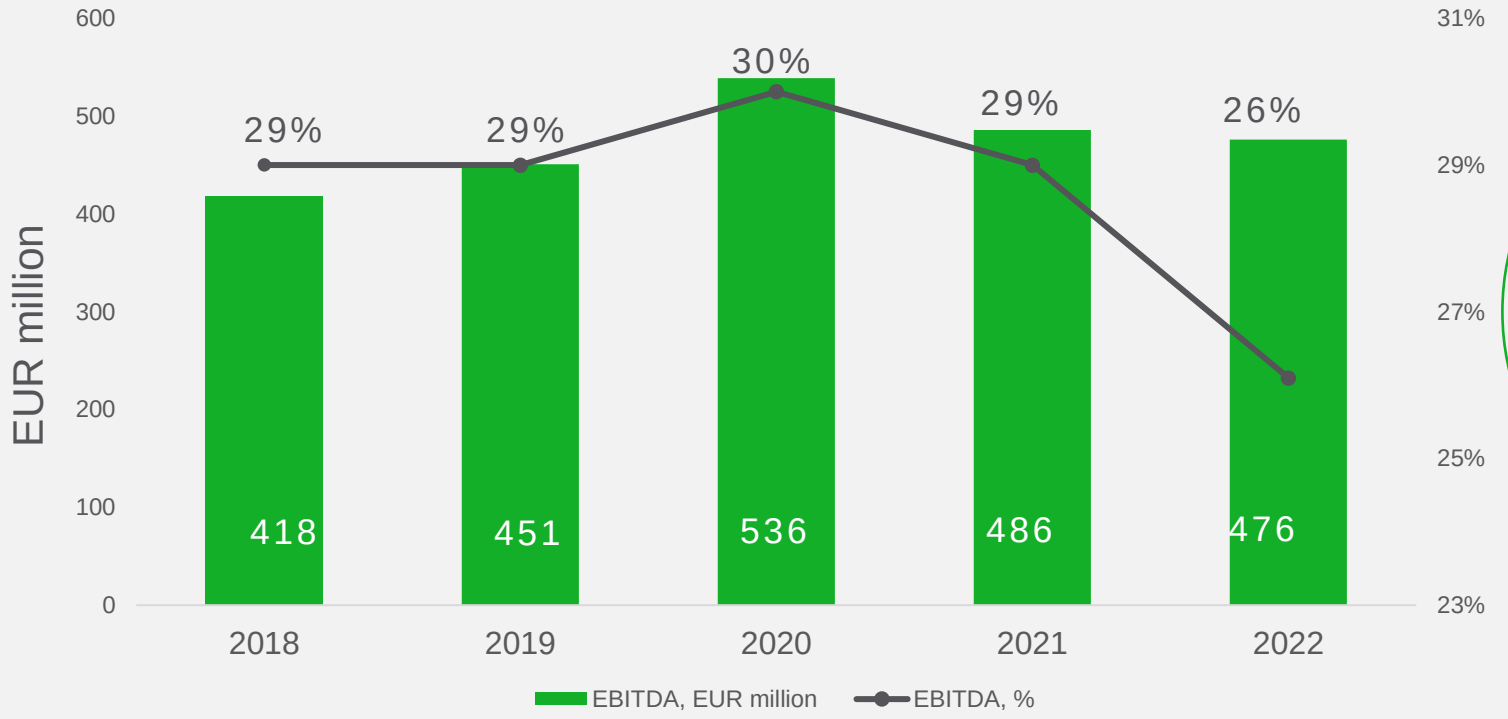


COVID-19 related sales of personal protective equipment (PPE). Revenue from 2020 and 2021 was positively impacted by one-off orders of PPE. Excluding these one-off orders revenue amounted to EUR 1,618 million in 2021 and EUR 1,562 million in 2020.

* Constant FX at PY rate, excl. PPE

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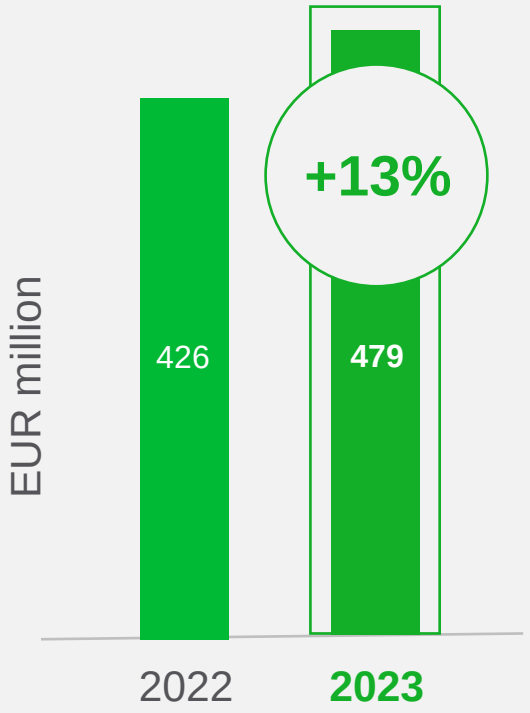
EBITDA 2018–2022



In 2022, material handling and sourcing costs were 130 MEUR higher than in 2020, i.e 7% EBITDA margin - partly offset by sales growth, a general cost consciousness and FX.

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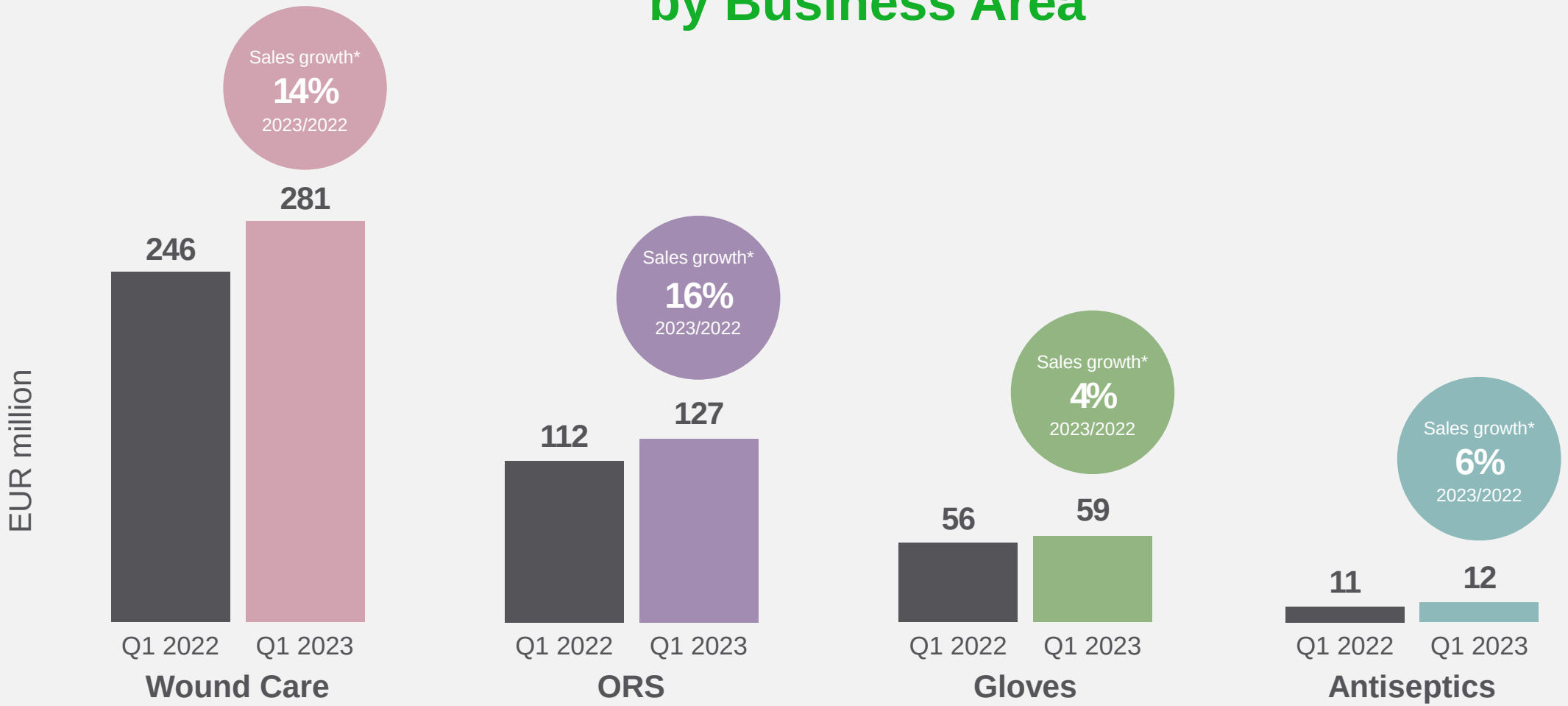
Net sales Q1 2023 vs Q1 2022



- Net sales of EUR 479 million
- Organic sales growth amounted to 13% in constant currency
- Mainly driven by Wound Care and Operating Room Solutions
- Overall improved supply chain situation in all Business Areas

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Net sales and sales growth Q1 2023 vs Q1 2022 by Business Area



*Calculated in constant currency

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Mölnlycke performance Q1 2023 – highlights by Business Area

Wound Care

Organic sales growth: 14% in constant currency

- Strong underlying demand in all regions
- Improved staffing situation in the US Wound Care manufacturing plant

Operating Room Solutions

Organic sales growth: 16% in constant currency

- Mainly driven by Trays and strong momentum in many markets in EMEA
- Price increases and mix supported both sales growth and profitability
- Awarded a 4-year Trays contract in Norway, where sustainability in materials and packaging was a key differentiator

Gloves

Organic sales growth: 4% in constant currency

- Increased output from the new Malaysian factory

Antiseptics

Organic sales growth: 6% in constant currency

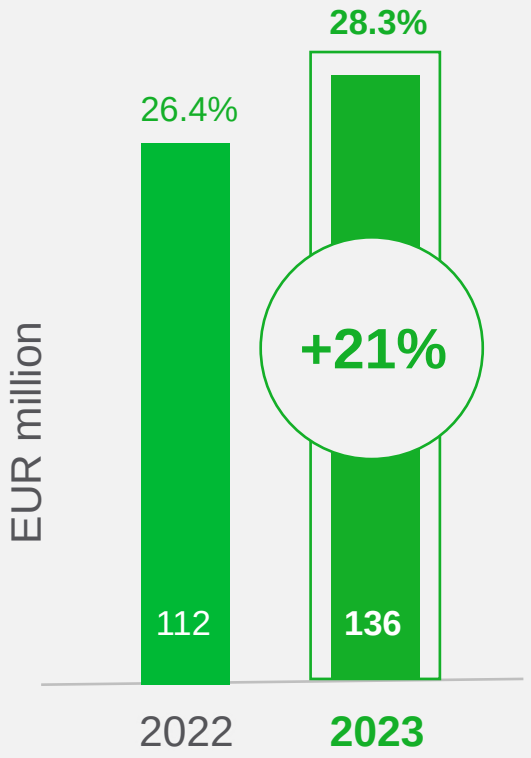
- Improved supply chain situation

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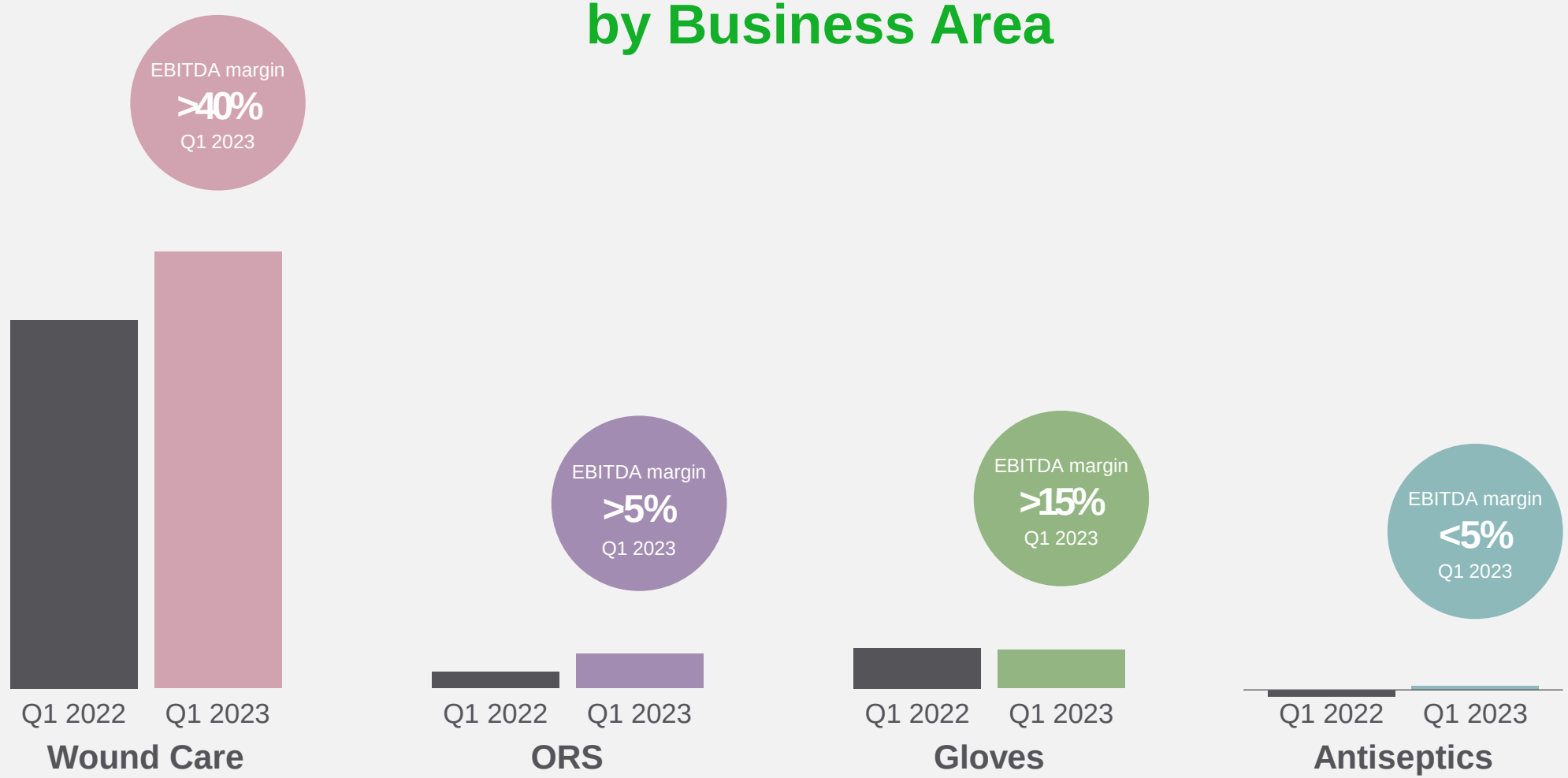
EBITDA Q1 2023 vs Q1 2022

EBITDA improvement from EUR 112 million to 136, giving an EBITDA margin of 28.3%

- Strong organic sales growth together with positive sales mix: EUR 38 million
- Improved material handling and sourcing: EUR 6 million
- Increased cost of production: EUR -4 million
- Increased OPEX: EUR -16 million, where Q1 2022 was suppressed by Covid. Q1 2023 includes investments for further growth in sales force, innovation and digital.
- FX year-over-year negligible



EBITDA Q1 2023 vs Q1 2022 by Business Area



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Mölnlycke – key takeaways

- ✓ Long track record of profitable, solid organic growth – outperforming competition
- ✓ Strong strategy in place, truly based on ethnographic studies and solid geographic expansion
- ✓ Customer insight-driven strategy with customer centricity, sustainability and digitalisation at core by four Business Areas, supported by Corporate Functions, under execution
- ✓ Accelerating innovation and business development
- ✓ Becoming an industry leader within sustainability
- ✓ MDR ready by 2023

Well positioned to capture long-term sustainable profitable growth, continuing to outperform market growth



Mölnlycke®


Mölnlycke®


investor



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Financial Calendar

2023-05-03
Annual General Meeting

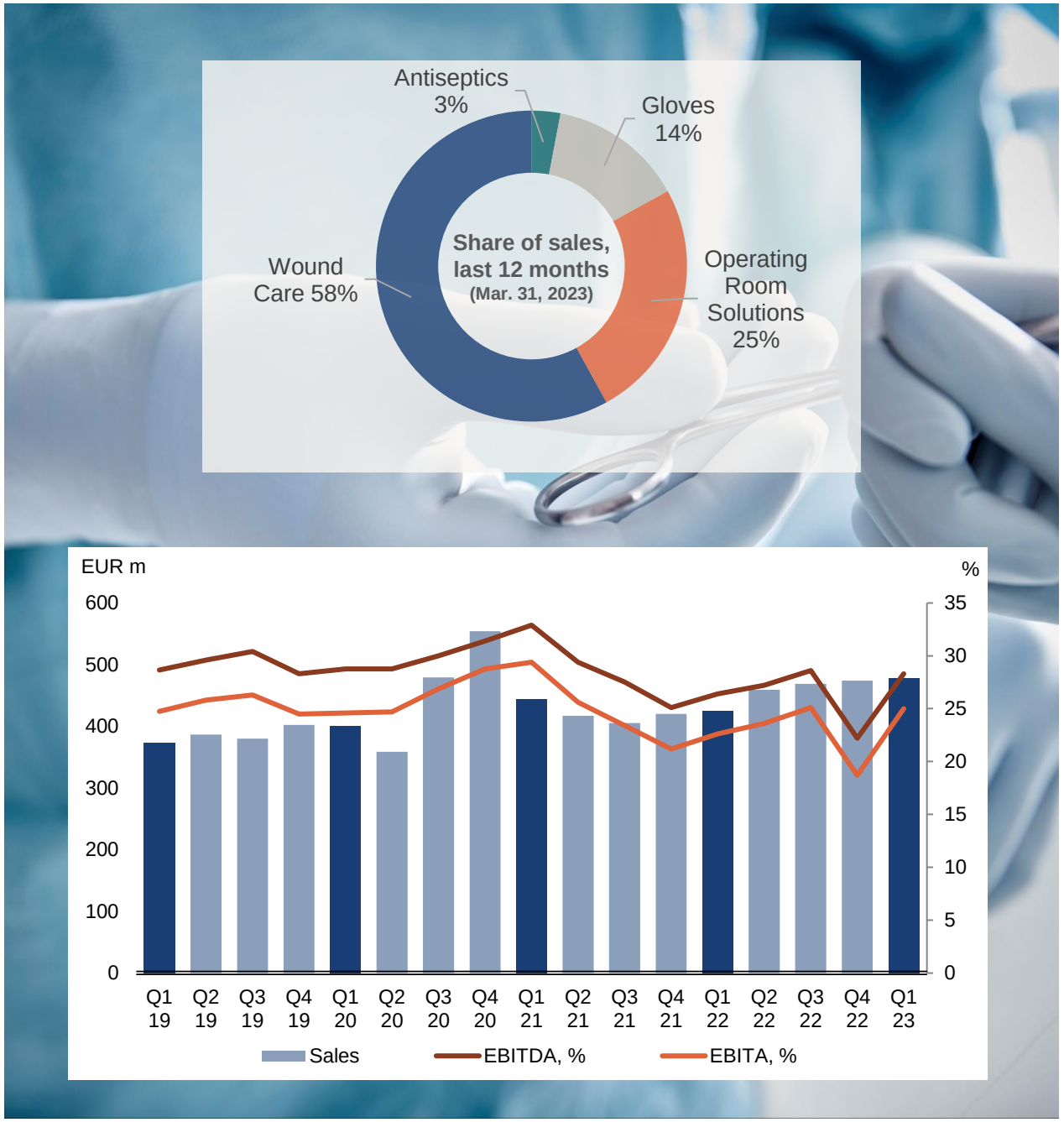
2023-07-17
Interim Report
January-June 2023

2023-10-19
Interim Management Statement
January-September 2023

2024-01-19
Year-End Report 2023

investor

Appendix



Activities during the quarter

Group

- Organic sales growth amounted to 13 percent in constant currency, mainly driven by Wound Care and ORS, with an overall improved supply chain situation in all business areas.
- The EBITA margin increased by 2 percentage points, explained by strong organic growth, positive sales mix, decreased logistics costs and an improved staffing situation in the US Wound Care manufacturing plant.

Wound Care

- Organic sales growth amounted to 14 percent in constant currency, mainly driven by strong underlying demand in all regions.

Operating Room Solutions

- Organic sales growth amounted to 16 percent in constant currency, mainly driven by Trays and strong momentum in many markets in EMEA. Price increases and mix supported both sales growth and profitability.
- Mölnlycke was awarded a 4-year Trays contract in Norway, where sustainability in materials and packaging was a key differentiator.

Gloves

- Organic sales growth amounted to 4 percent in constant currency, with increased output from the new Malaysian factory.

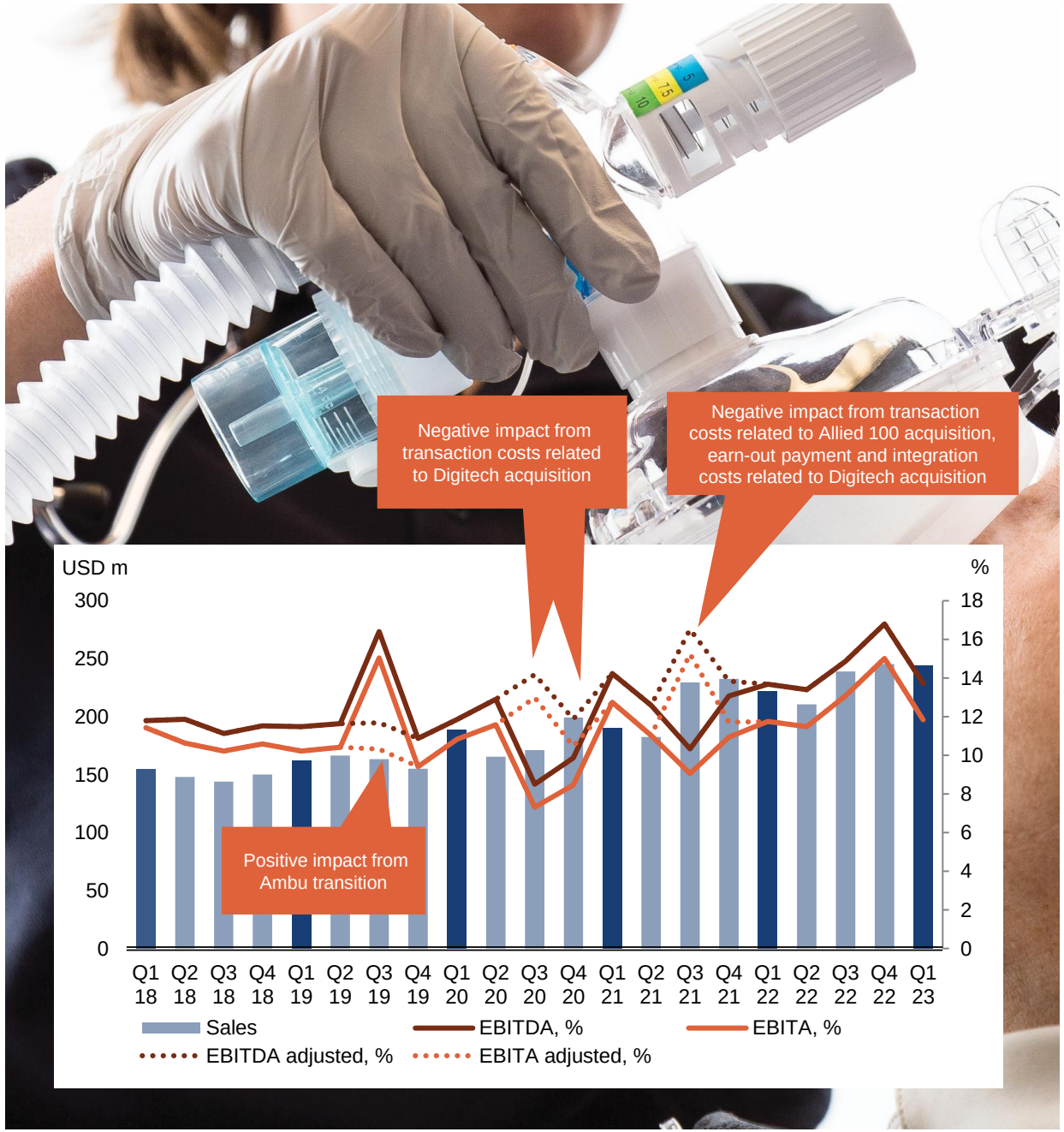
Antiseptics

- Organic sales growth amounted to 6 percent in constant currency, following an improved supply situation.



Activities during the quarter

- Organic sales growth amounted to 8 percent in constant currency. Growth was driven by UR (Urology) and GI (Gastrointestinal), with the Optilume™ urethral strictures product continuing to see strong commercial uptake.
- The EBITA margin increased, driven by operating leverage, partly offset by negative currency impact and significant investments in R&D.



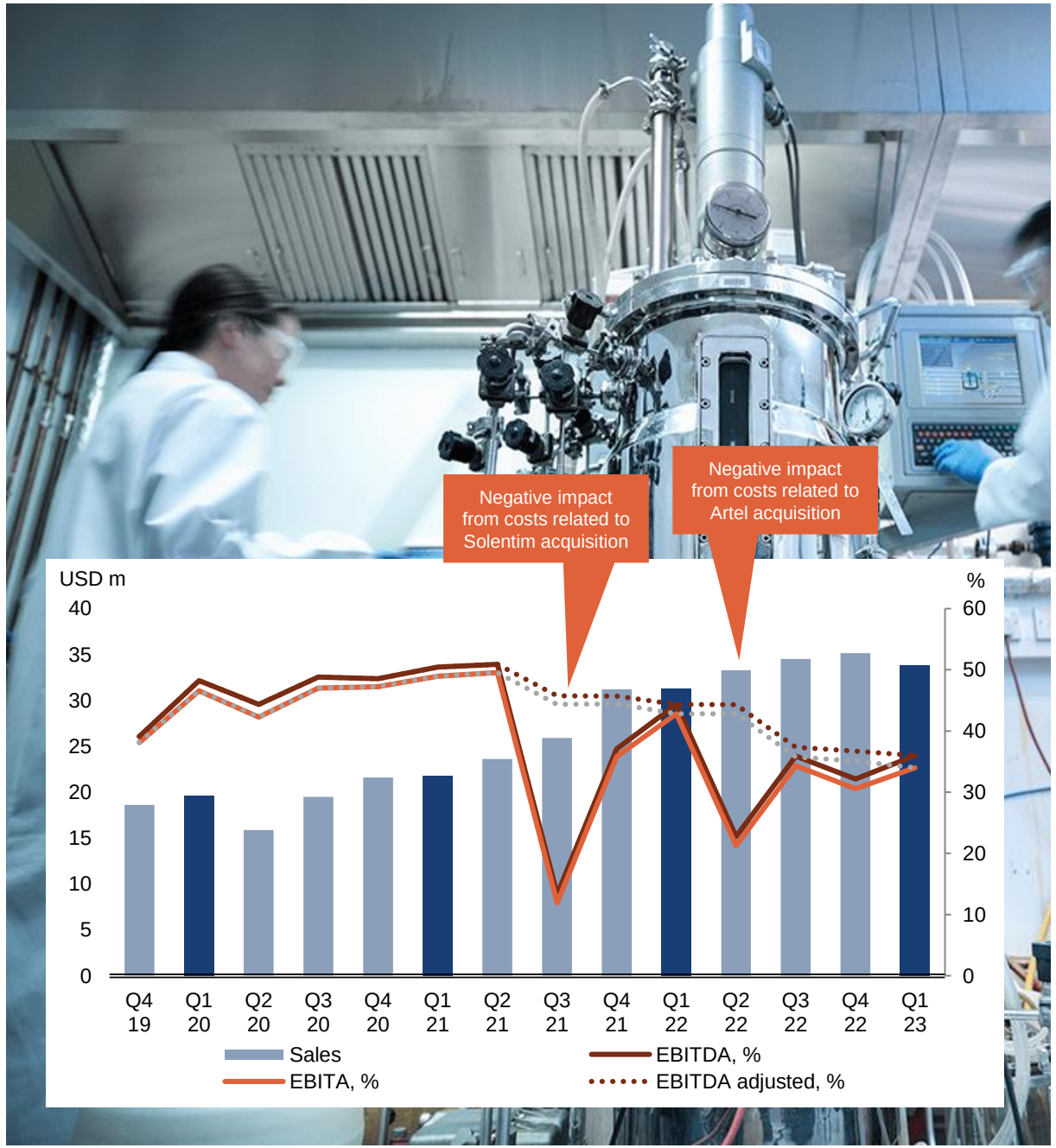
Activities during the quarter

- Organic sales grew by 10 percent in constant currency, mainly driven by the Acute and Cardiac Response business units. The Acute business benefitted from a normalized flu season and the Cardiac Response business continued to see strong customer demand and recovery from the prior quarters' supply chain challenges related to the availability of Automated External Defibrillators (AEDs).
- The EBITA margin was unchanged, driven by good operating performance offset by investments in the commercial organization, digital platform enhancement and warehouse optimization.
- Brian LaDuke, previously President of the Cardiac Response business unit, succeeded Jeff Prestel as CEO of Sarnova, effective March 1, 2023.



Activities during the quarter

- Organic sales growth amounted to 9 percent in constant currency, supported by all regions.
- Last year's EBITA margin was negatively impacted by a strategic development project. Adjusting for this, the margin still increased, primarily driven by operating leverage and currency.
- Permobil distributed SEK 400m, of which SEK 393m to Patricia Industries.
- Permobil launched a new electronics platform for its power wheelchairs which enables increased connectivity, wireless configurability in real-time and reduces service time.
- Permobil launched the TiLite CR1, a carbon fiber manual wheelchair for active users with a high degree of configurability.



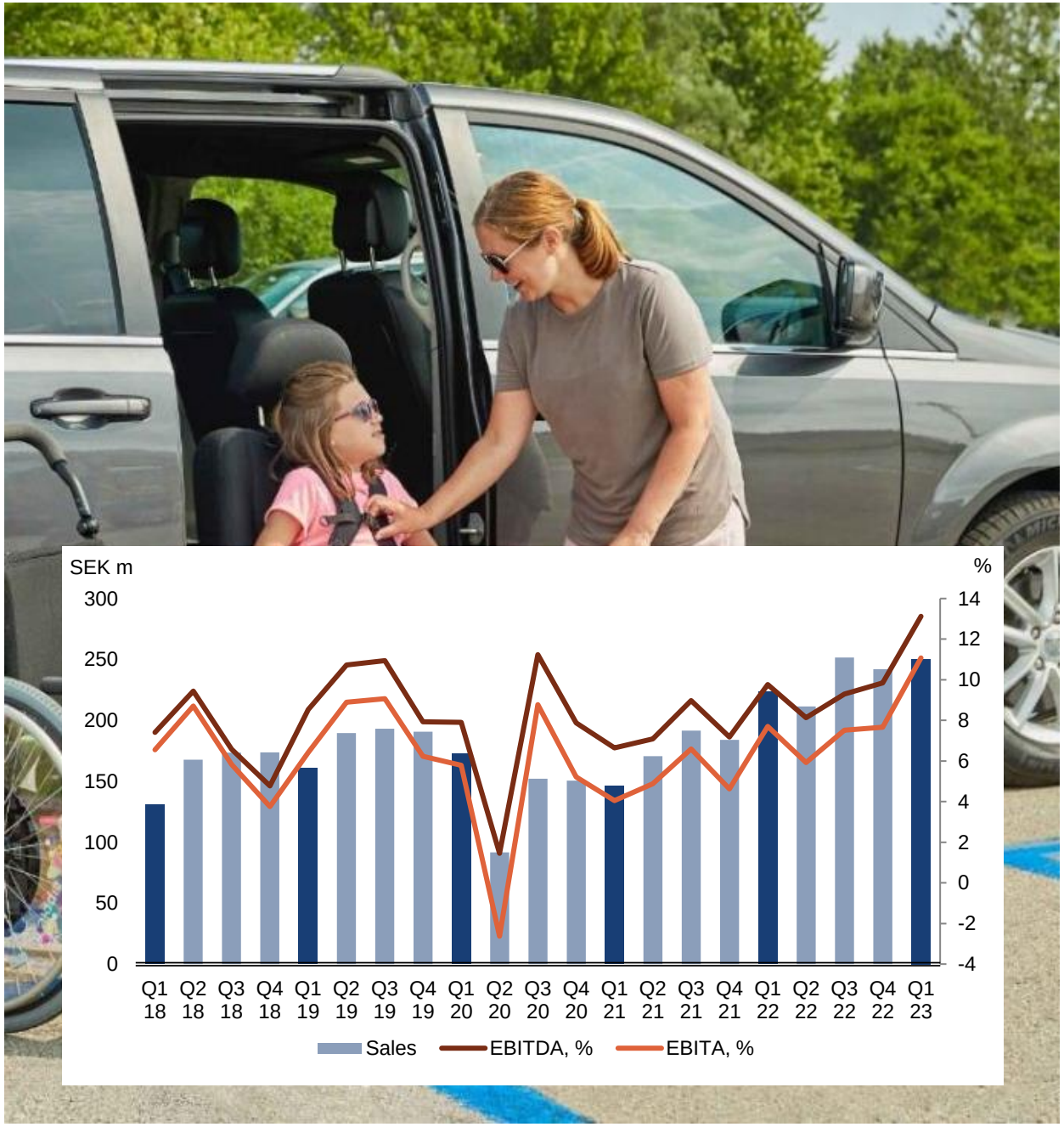
Activities during the quarter

- Organic sales growth declined by 9 percent in constant currency, adversely impacted by the combination of continued soft demand and a strong last year comparison for instruments sold into the biopharmaceutical end market. This was partially offset by strong organic growth across consumables and services. The liquid calibration and validation products acquired with Artel (in June 2022) grew double-digit in the quarter.
- The EBITA margin decline is mainly explained by the weaker instrument sales, significant investments in the global commercial organization and R&D, as well as product mix impact following the Artel and Solentim acquisitions.



Activities during the quarter

- Organic sales growth amounted to 12 percent in constant currency, driven by all regions and divisions.
- Adjusted for transaction-related costs both in the first quarter 2023 and the first quarter in 2022, the EBITA margin was unchanged at 27 percent.
- Piab acquired COVAL, a French provider of suction cups, vacuum pumps and vacuum grippers. In 2022, COVAL's sales and adjusted EBITDA amounted to EUR 23m and EUR 5m, respectively. The acquisition was partly funded with EUR 20m in equity from Patricia Industries. The acquisition complements Piab's product portfolio and adds new customers within automotive, food and packaging.
- Piab signed an agreement to acquire IB Verfahrens- und Anlagentechnik, a German manufacturer of conveying solutions with a range of products that will complement Piab's additive manufacturing offering. In 2022, the company's sales and adjusted EBITDA amounted to EUR 6m and EUR 1m, respectively.



Activities during the quarter

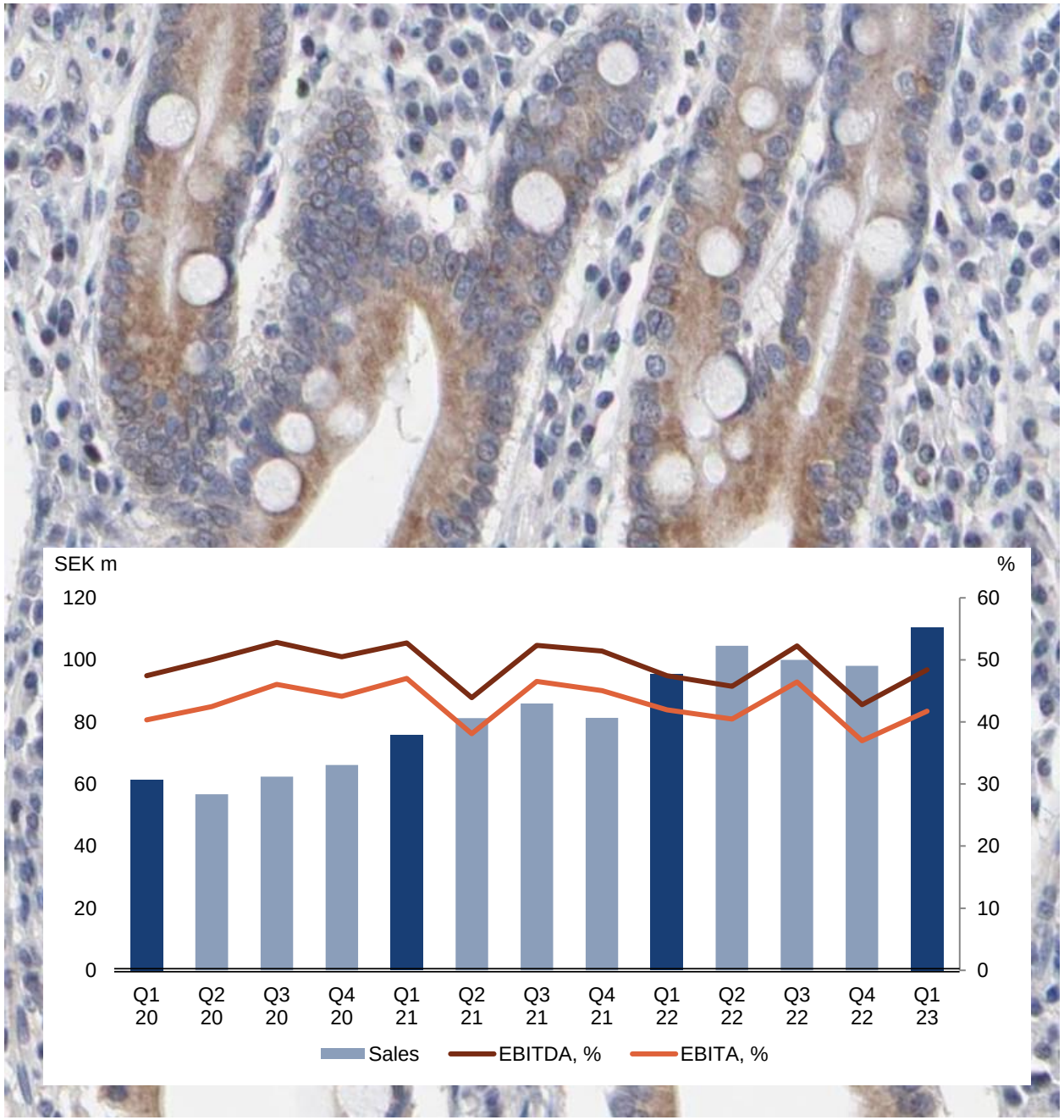
- Organic sales growth amounted to 11 percent in constant currency, led by strong demand in the commercial and lifts products, as supply chain constraints that negatively impacted sales in the corresponding period last year eased.
- The EBITA margin improved, driven by operating leverage and favorable product mix compared to last year.

.



Activities during the quarter

- Total sales growth amounted to 13 percent, mainly driven by rent indexation.
- The profit margin increased due to capitalization of costs related to development projects.
- A rental agreement was signed with Saab for a 22,000 m^2 new office and industrial building in Lund. Completion is expected in 2025. In addition, new rental agreements were signed in Forskaren and GoCo House.



Activities during the quarter

- Organic sales growth amounted to 7 percent in constant currency.
- The EBITA margin remained unchanged compared to last year.
- A new cell control targeting a specific gene mutation, relevant in diagnosis of several cancers, was released.
- Peter Ulvskjold, head of the Atlas Antibodies business unit, was appointed interim group CEO, effective February 1, 2023.



Activities during the quarter

- The subscription base increased by 35,000, of which 23,000 in Sweden and 12,000 in Denmark.
- Service revenue increased by 10 percent. EBITDA declined by 3 percent, negatively impacted by higher energy expenses, network investments to deliver a high-quality experience for customers, as well as non-recurring costs relating to a new head office in Denmark.
- Three was recognized as one of the best workplaces in Sweden by Great Place to Work®, for the tenth consecutive year.

Deliver on our ESG Targets – A strategic Priority

Outcome 2022

Business Ethics & Governance

Portfolio companies

96%
conduct regular anti-corruption training (92%)

100%
are members of the UN Global Compact (96%)

100%
have set measurable sustainability targets (96%)

Climate & Resource Efficiency

Portfolio companies' scope 1 and 2, tonnes CO_{2e}



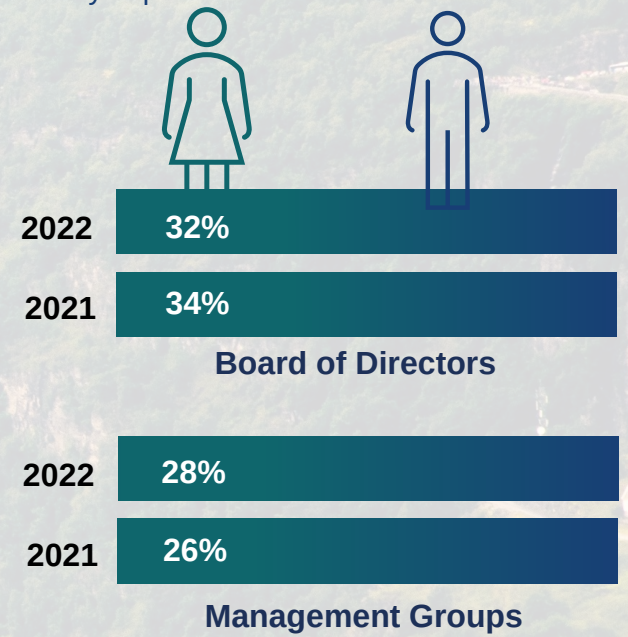
83%
of our companies measure scope 3 emissions

63%
of our companies have scope 3 targets

67%
of our companies have resource efficiency targets

Diversity & Inclusion

Diversity in portfolio



16/24
nationalities in boards of directors/ management groups

92%
of portfolio companies perceived level of inclusion

investor