investor



# Year-End Report 2022

Johan Forssell, CEO
Helena Saxon, CFO




# 2022

A challenging year for the global economy

Resilient performance by Investor



# Investor 2022

**in summary**

Adjusted net asset value growth and total shareholder return outperformed SIXRX return index

Overall good operational performance

Strong cash flow generation

Our financial position strengthened further

SEK 4.40 per share dividend proposed, an increase of 10 percent



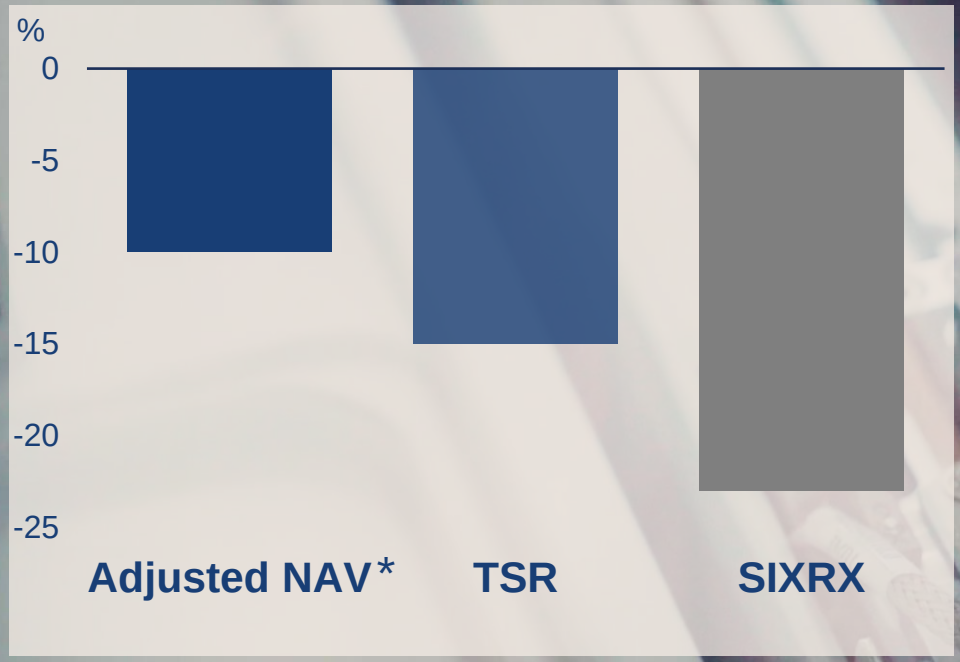

2022

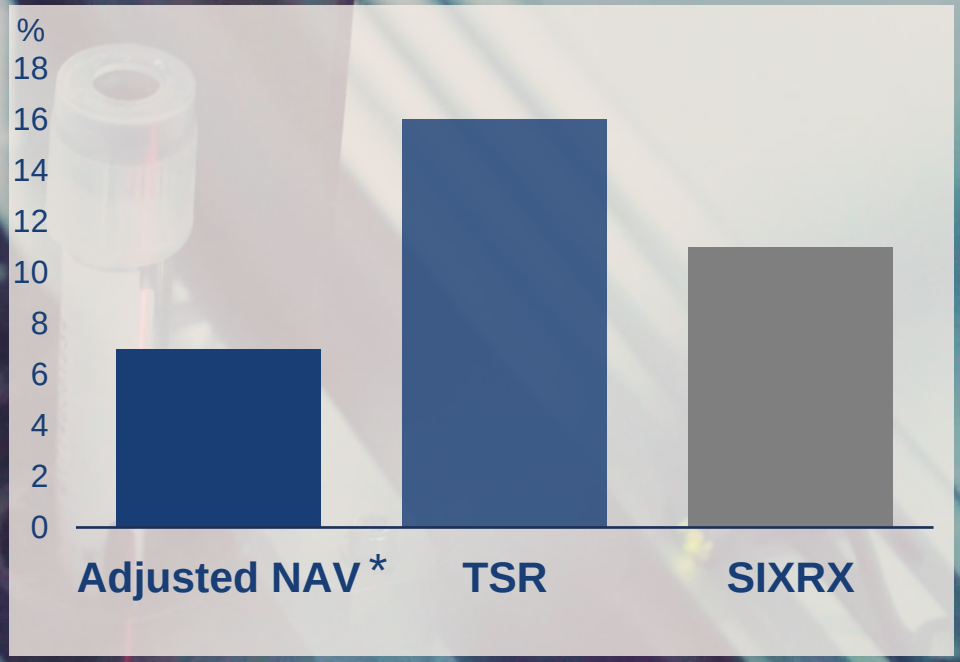
**-10%**
Adj. Net Asset Value growth*

**-15%**
Total Shareholder Return

(-23% SIXRX)

 *Dividend added back




## 2022

**-10%**
Adj. Net Asset Value growth*

**-15%**
Total Shareholder Return

(-23% SIXRX)

## Q4 2022

**7%**
Adj. Net Asset Value growth*

**16%**
Total Shareholder Return

(11% SIXRX)

 *Dividend added back

# Listed Companies – Focus on Strategic Initiatives

2022

Total return **-5**%

SIXRX return index **-23%**

Q4 2022

Total return **12**%

SIXRX return index **11%**

**Managing volatile market environment**

**Portfolio management**

**R&D initiatives**

**Complementary acquisitions**

**Initiatives to improve climate footprint**

70%
of total adjusted assets

SEK 475bn
market value

# Patricia Industries – Good Operating Performance

2022

Total return **-2**%

Organic sales growth **9**% (constant currency)

Adjusted EBITA growth **20**%

Q4 2022

Total return **-4**%

Organic sales growth **11**% (constant currency)

Adjusted EBITA growth **34**%

**Managing volatile market environment**

**Strategic investments**

**Add-on acquisitions**

**Initiatives to improve climate footprint**

20%
of total adjusted assets

SEK 138bn
adjusted market value

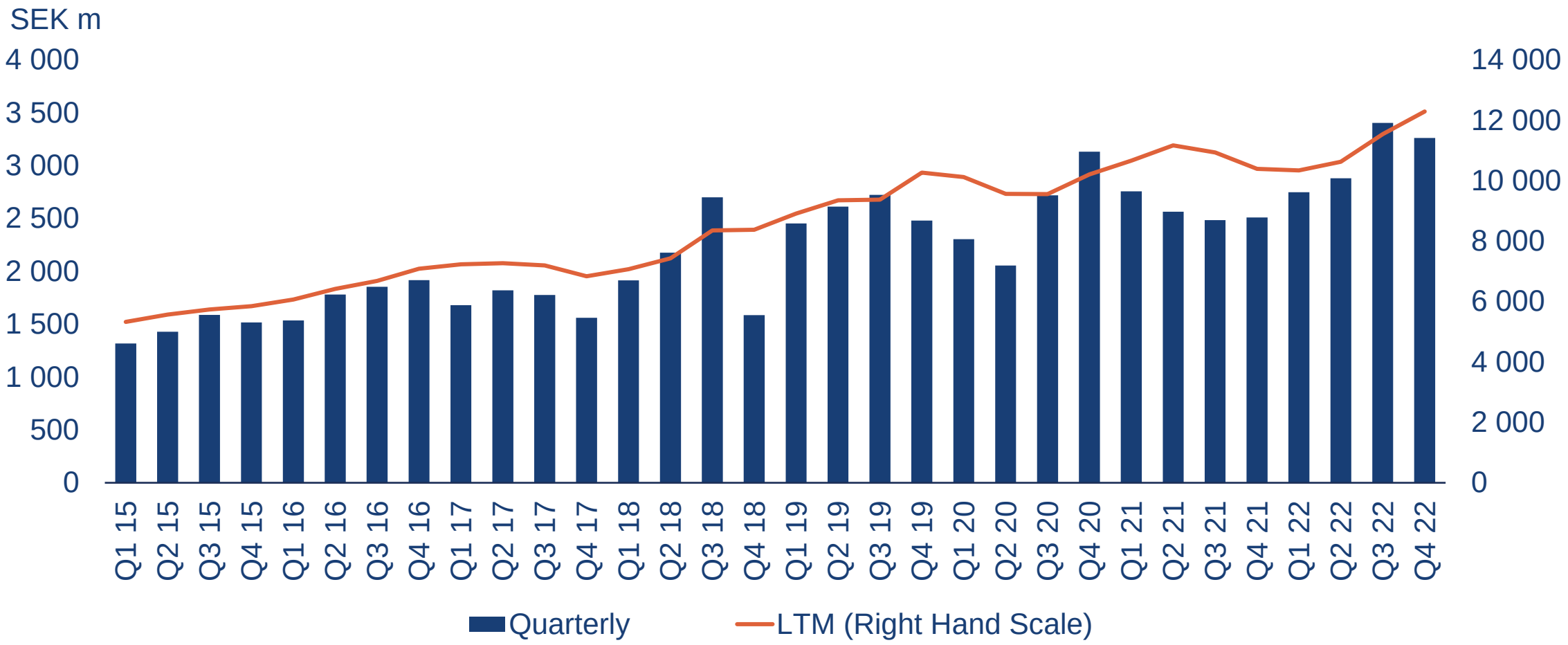
# Patricia Industries – Estimated Market Values

1. Based on multiples, typically EV/12-month trailing operating profit (EBITDA)
2. Multiples compiled by third party, based on relevant listed peers and indices
   - ((Quarterly VWAP of peers' market cap) + closing net debt)/12m rolling EBITDA
   - Multiple based on peers' share price performance, earnings and net debt development
   - Peer group median multiple applied
3. Normally broad peer groups

# Patricia Industries – Valuation



# Patricia Industries – Record LTM Profit in Q4 2022




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.

# Operating Performance

| | Value, SEK bn | Organic growth Q4 2022 % | | Margins, % Q4 2022 | Change vs. Q4 2021 |
|---|---|---|---|---|---|
| BraunAbility | 5.2 | **25** | EBITDA<br>EBITA | **9.9**<br>**7.7** | **2.7**<br>**3.1** |
| permobil | 11.7 | **17** | EBITDA<br>EBITA | **25.1**<br>**21.7** | **7.9**<br>**8.4** |
| Mölnlycke | 58.9 | **9** | EBITDA<br>EBITA | **22.2**<br>**18.7** | **-2.9**<br>**-2.5** |
| Laborie | 16.0 | **9** | EBITDA<br>EBITA | **32.7**<br>**30.6** | **6.3**<br>**6.4** |
| ATLAS ANTIBODIES | 2.8 | **9** | EBITDA<br>EBITA | **42.8**<br>**37.0** | **-8.6**<br>**-8.0** |
| piab | 7.9 | **7** | EBITDA<br>EBITA | **18.4**<br>**14.7** | **-4.7**<br>**-2.5** |
| sarnova | 12.7 | **6** | EBITDA<br>EBITA | **16.8**<br>**15.0** | **3.7**<br>**4.1** |
| ADVANCED INSTRUMENTS | 10.1 | **-5** | EBITDA<br>EBITA | **32.1**<br>**30.6** | **-5.0**<br>**-5.2** |
| Vectura | 3.8 | **9** | | | |

Adj EBITA margin amounted to 35%, down ~9 p.p.




Mölnlycke®

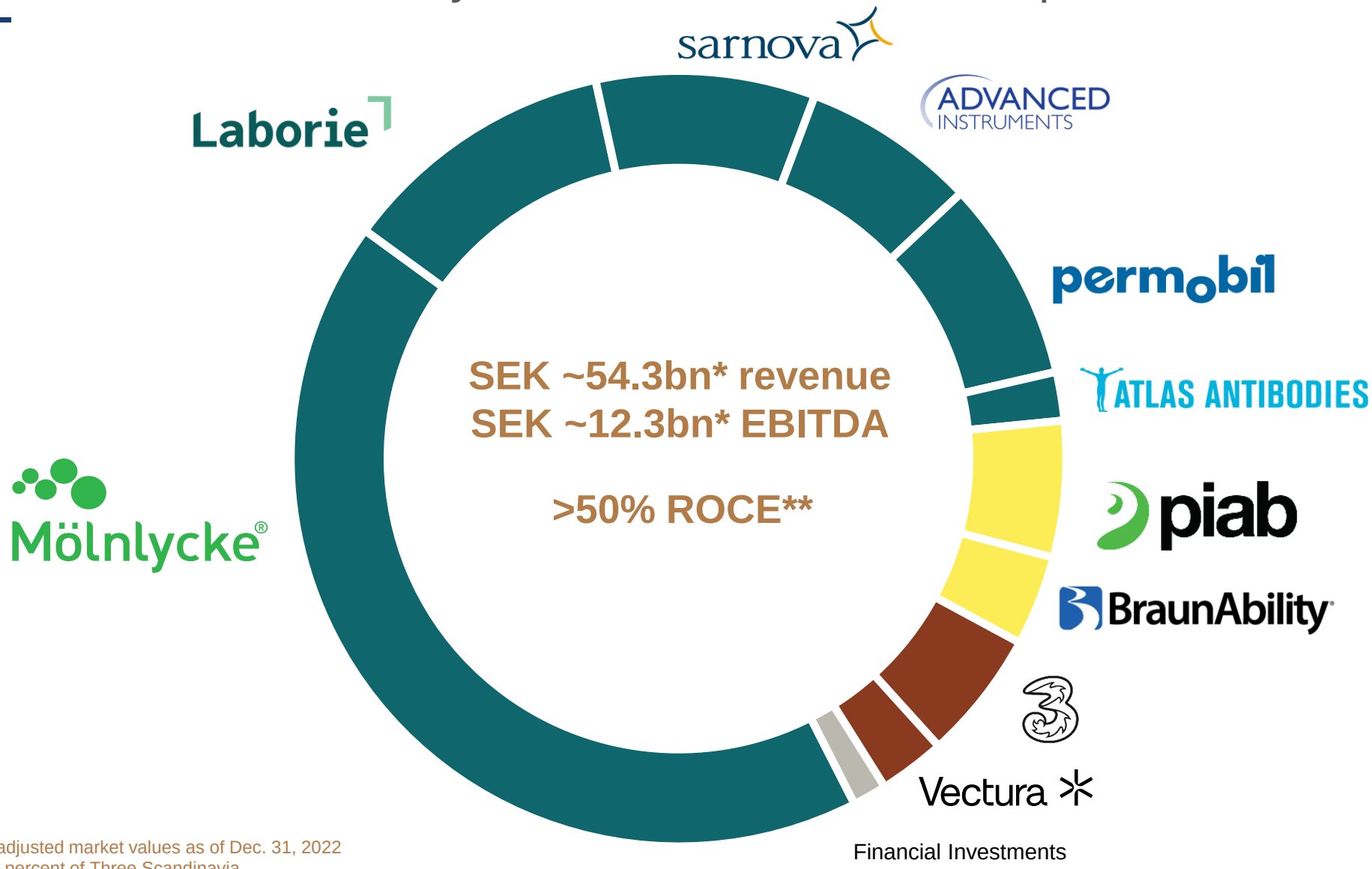
## Q4 2022

- Reported sales grew by 13 percent, of which 9 percent organically in constant currency
  - Wound Care +9 percent organically
  - Gloves +23 percent organically
  - ORS +4 percent organically
- The EBITA margin was negatively impacted during the quarter by a reorganization of the structure of Customer Care, and production disturbances in the US Wound Care manufacturing plant, the latter due to staff shortages and supply issues causing extra costs.
- In addition, the new Gloves factory in Malaysia is ramping up, with capacity utilization expected to improve gradually during 2023
- Currency also impacted negatively
- Continued to invest significantly to further strengthen market positions and support sustainable growth
- Mölnlycke distributed EUR 300m to Patricia Industries



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# Patricia Industries – Industry Leaders with Attractive Exposure




The graph presents adjusted market values as of Dec. 31, 2022
*Subsidiaries and 40 percent of Three Scandinavia

**Based on 2022 reported figures for all major subsidiaries excluding Vectura, Capital turnover ex. goodwill/intangibles related to acquisitions



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# Investments in EQT – A Record Year for Cash Flow

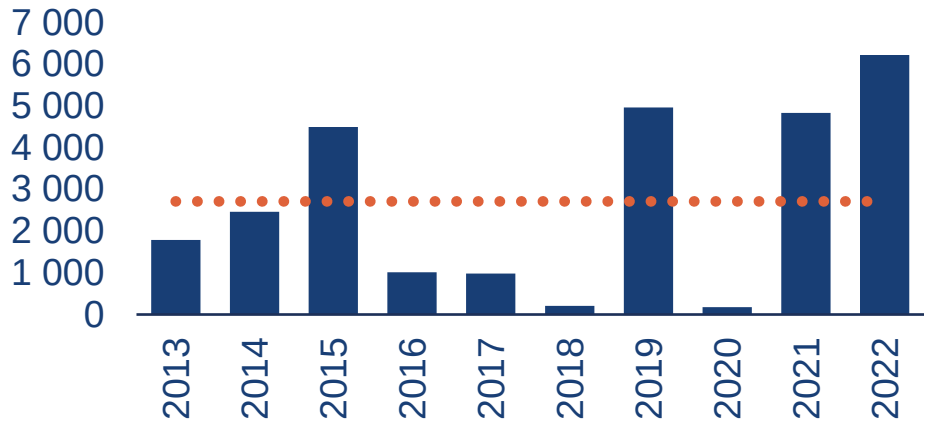
2022: **-35**% total return

- EQT AB **-55**% total return
- EQT funds **21**% reported value growth
- SEK **6.2**bn net cash flow to Investor

Q4 2022: **2**% total return

- EQT AB **1**% total return
- EQT funds **2**% reported value growth
- SEK **1.4**bn net cash flow to Investor

**SEK 2.7bn average net cash flow to Investor**




**10%**
of total adjusted assets

SEK **70**bn
adjusted market value



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# Prepared for both challenges and opportunities

**Companies with leading market positions in attractive segments with secular growth, good profitability and strong cash flow generation**

**Investor has a proven ownership model, a strong financial position and a clear strategic direction**



# 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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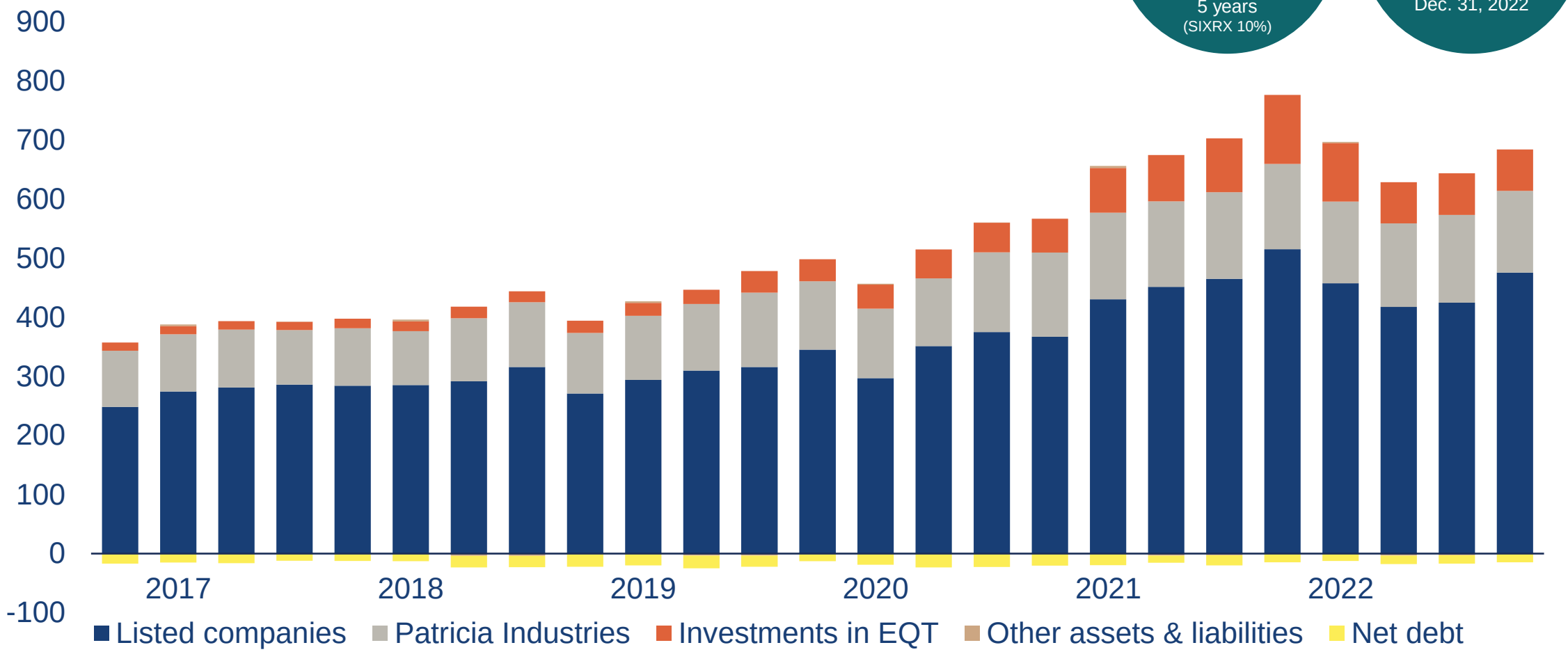
# Year-End Report 2022

Helena Saxon, CFO

# Adjusted Net Asset Value

**14%**
Avg. annual growth, with dividend added back, 5 years
(SIXRX 10%)

**673**
SEK bn, adjusted net asset value Dec. 31, 2022

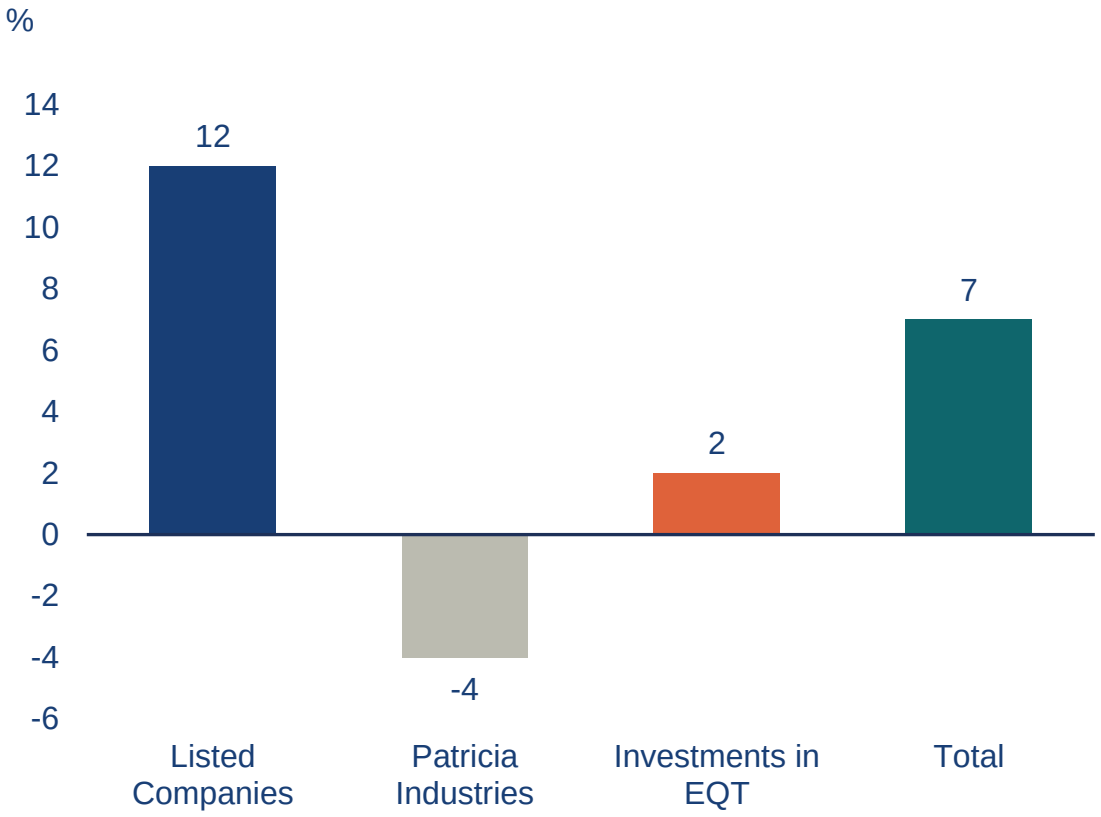




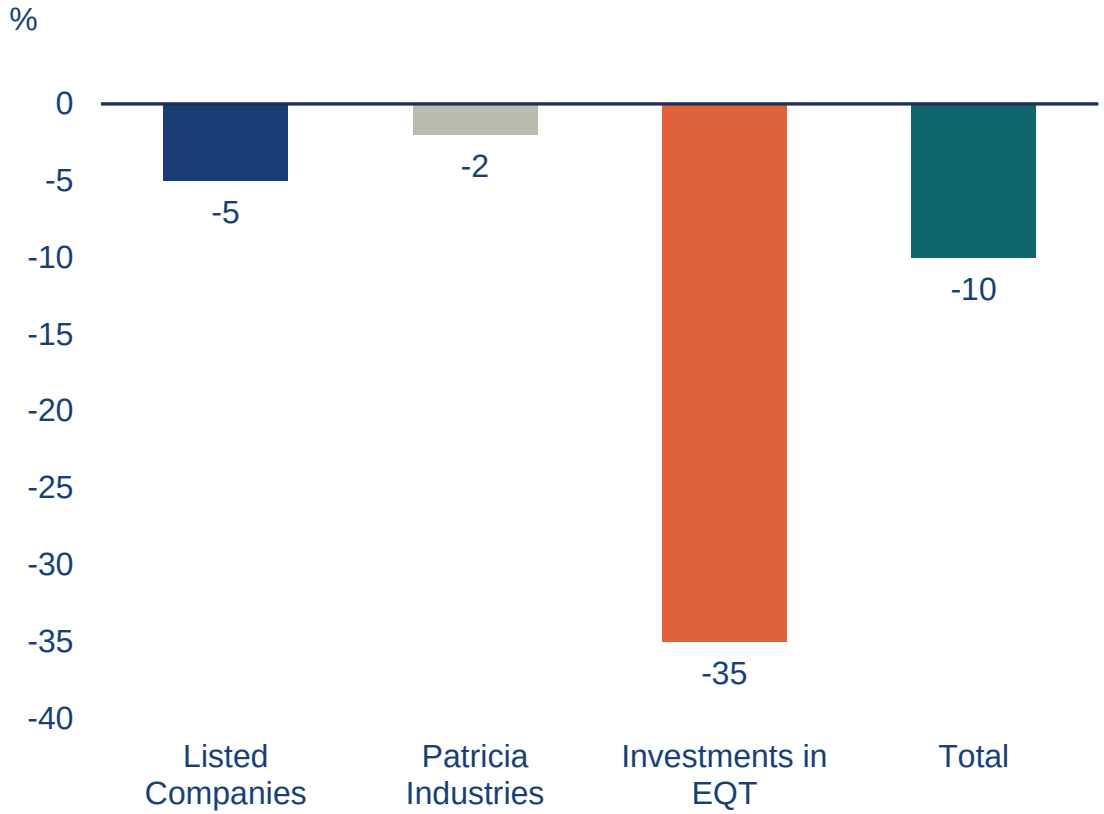

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# Total Return by Business Area

## Q4 2022




## 2022




Share of total adjusted assets






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# Listed Companies

**SEK 475 bn**
market value

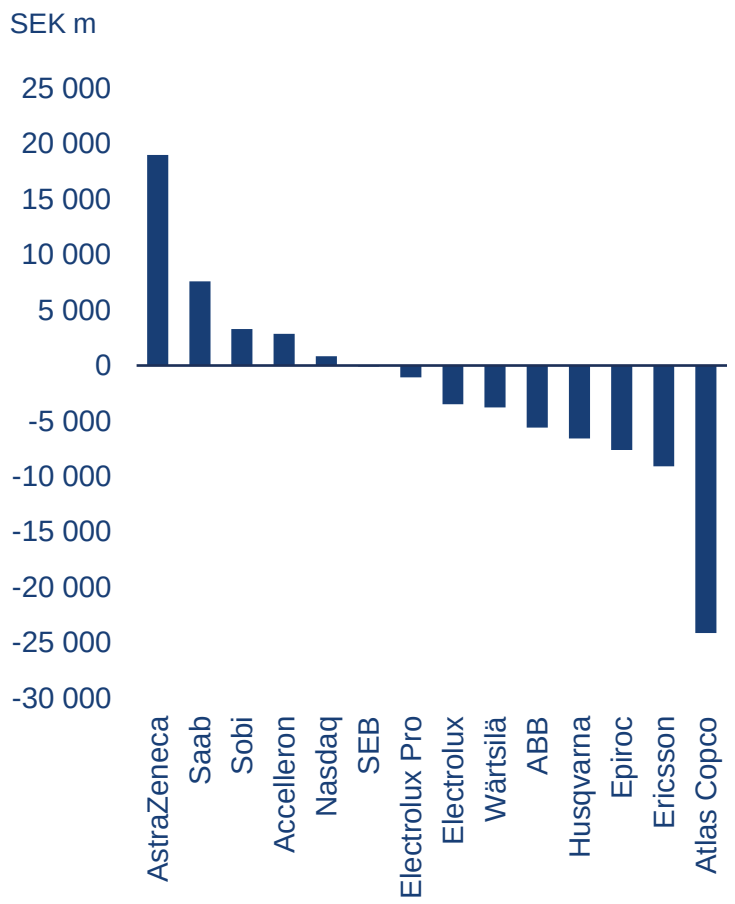
**70%**
of total adjusted assets

# Listed Companies

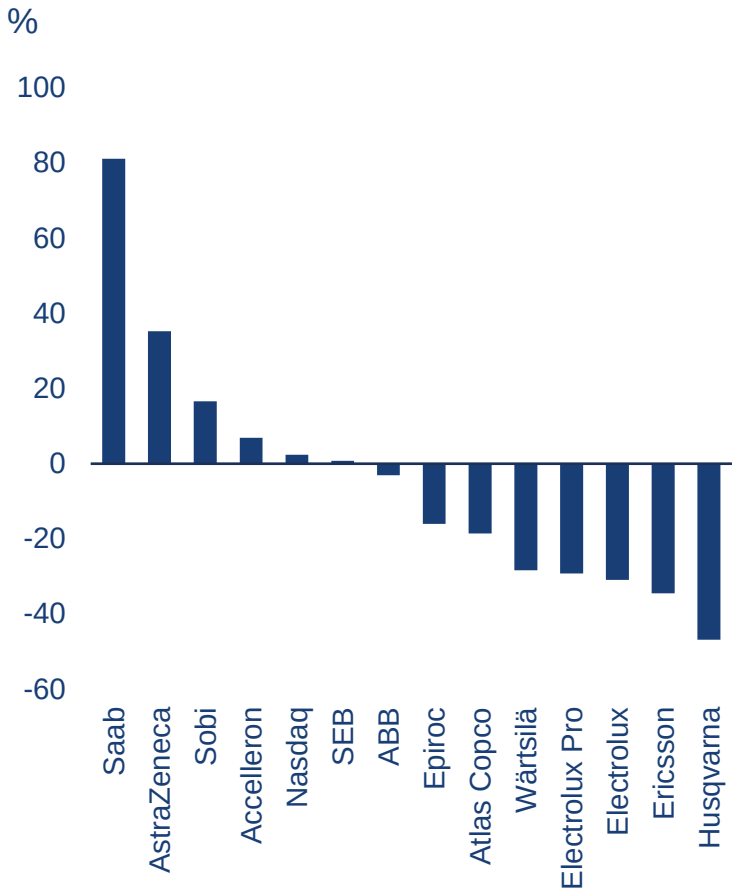
2022

**TSR -5%**
**SIXRX -23%**

## Contribution to NAV




## Total Return






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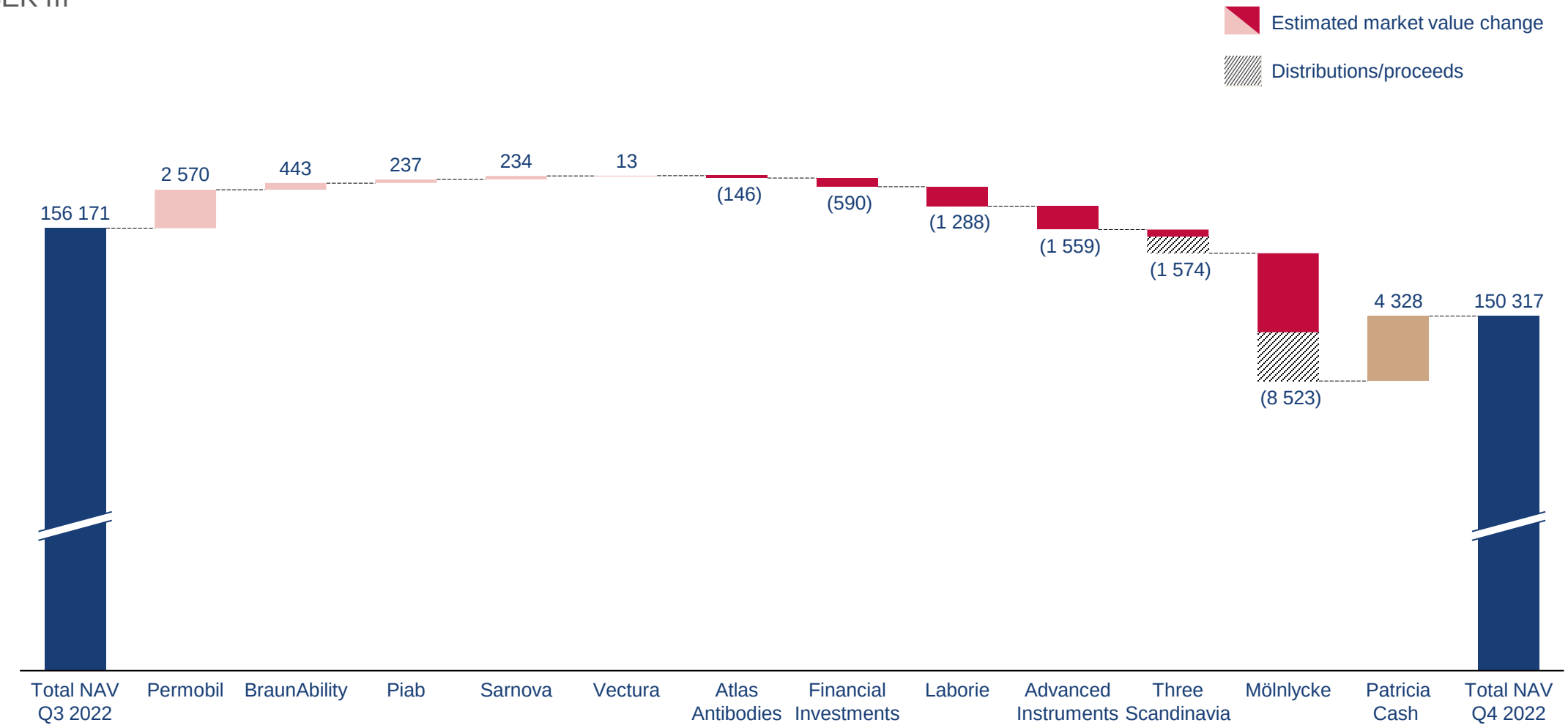
# Patricia Industries

**SEK 138 bn**
adjusted market value

**20%**
of total adjusted assets

# Patricia Industries – Change in Estimated Market Values

SEK m






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# Major Drivers of Estimated Market Values Q4

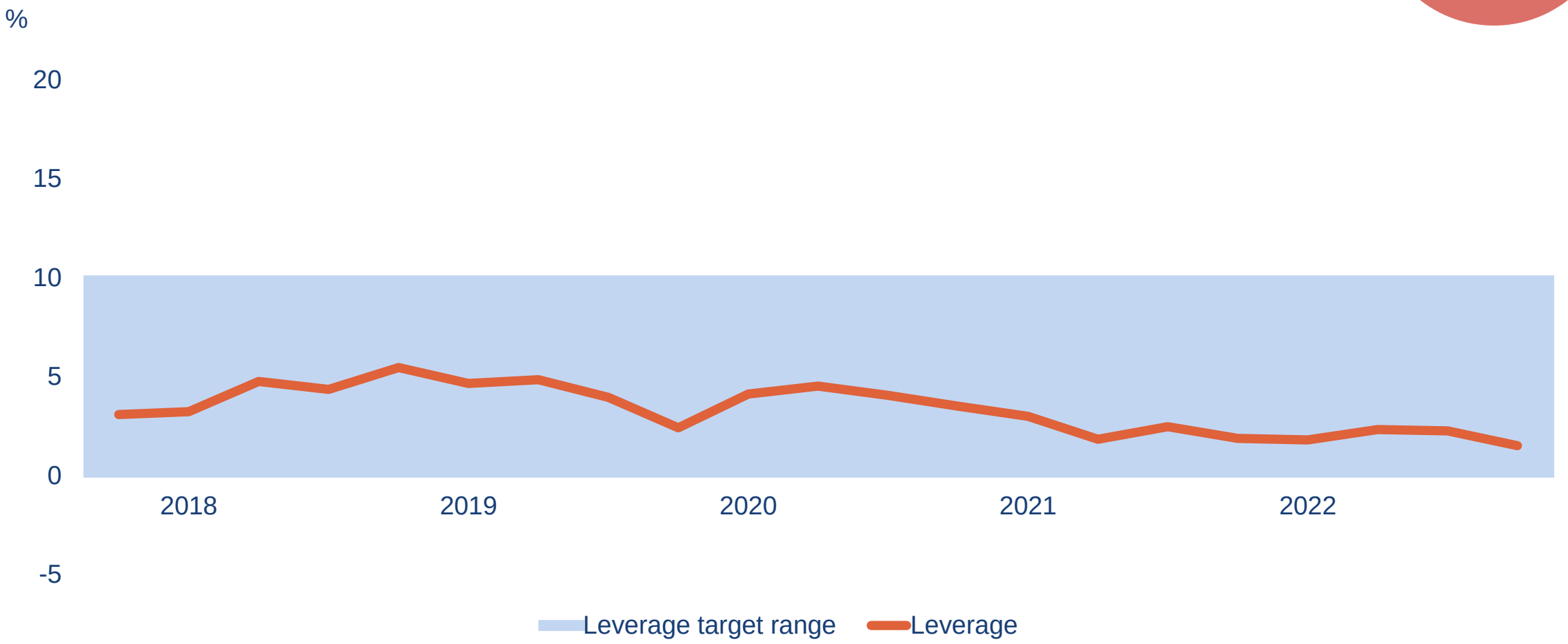
| | Est. market value change Q4 2022 vs. Q3 2022 SEK bn | Major Drivers |
|---|---|---|
| Mölnlycke | -8.5 | Lower multiples impacted negatively, SEK 3.2bn distribution to Patricia Industries |
| 3 | -1.6 | Lower multiples impacted negatively, SEK 1.1bn distribution of proceeds from divestment of passive network infrastructure |
| Advanced Instruments | -1.6 | Lower multiples and currency impacted negatively |
| Laborie | -1.3 | Lower multiples and currency impacted negatively, mitigated by higher earnings |
| permobil | 2.6 | Higher earnings impacted positively, lower multiples impacted negatively |



# Financial position

# Leverage in the Lower End of the Range, December 31, 2022

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

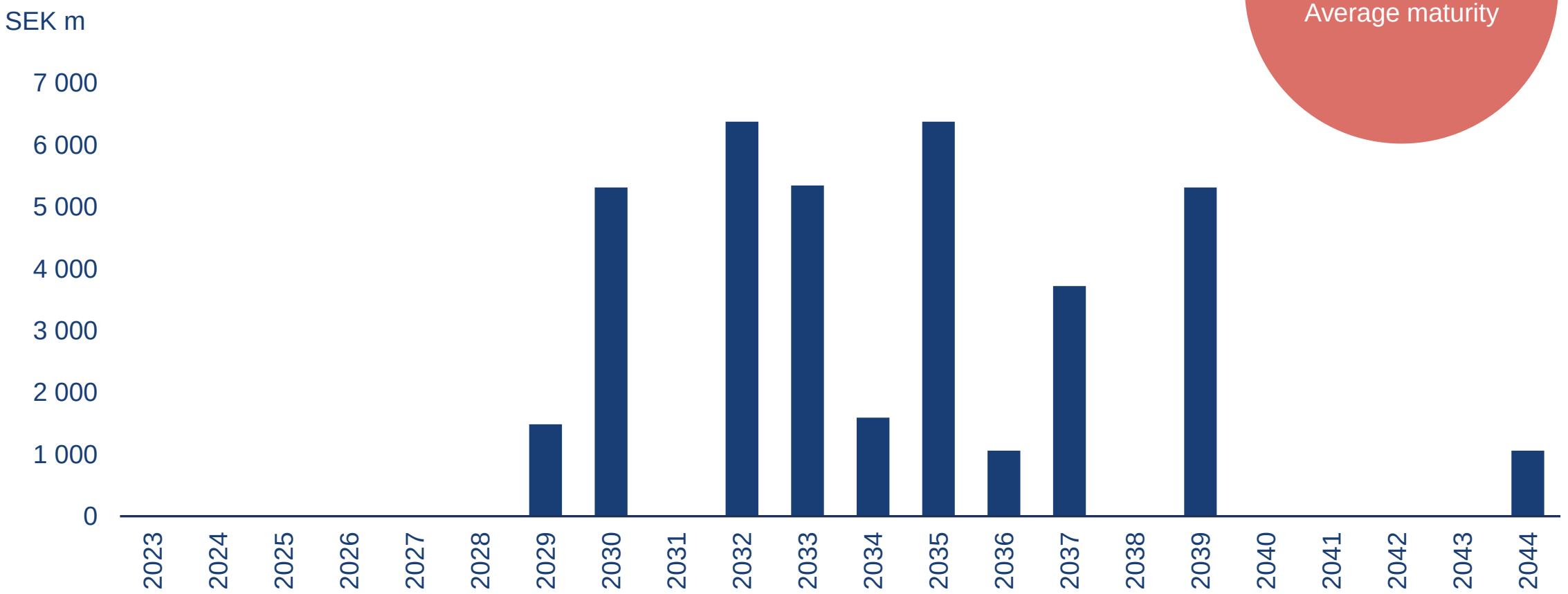





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# Strong Balance Sheet - No Maturities until 2029

**11.8** years
Average maturity



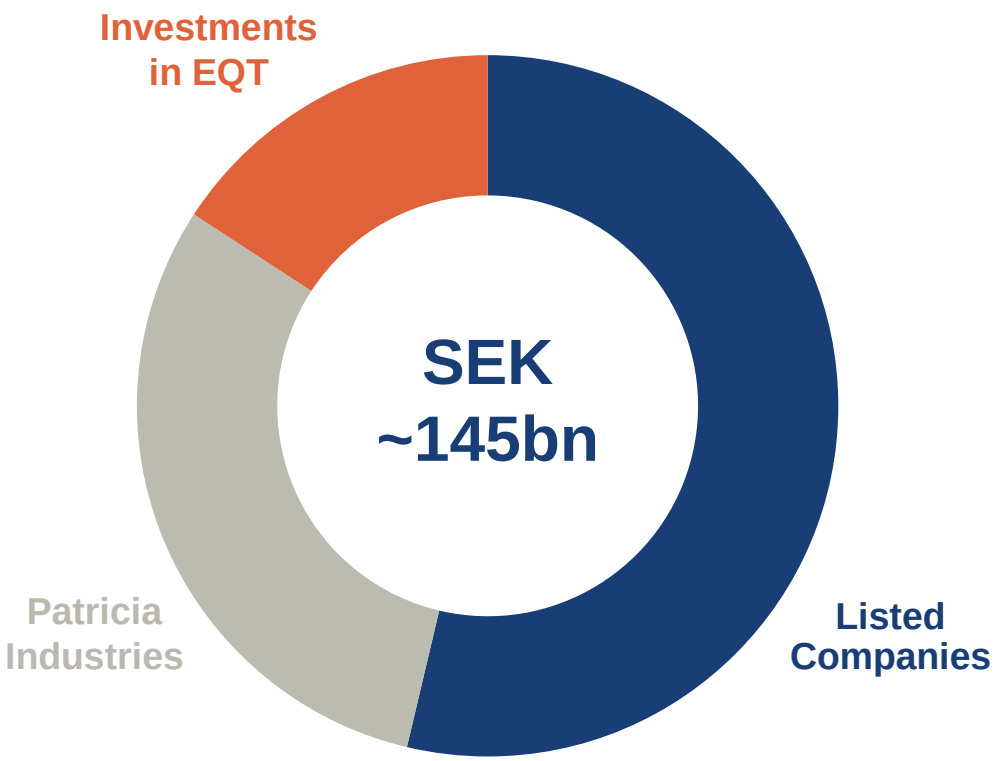



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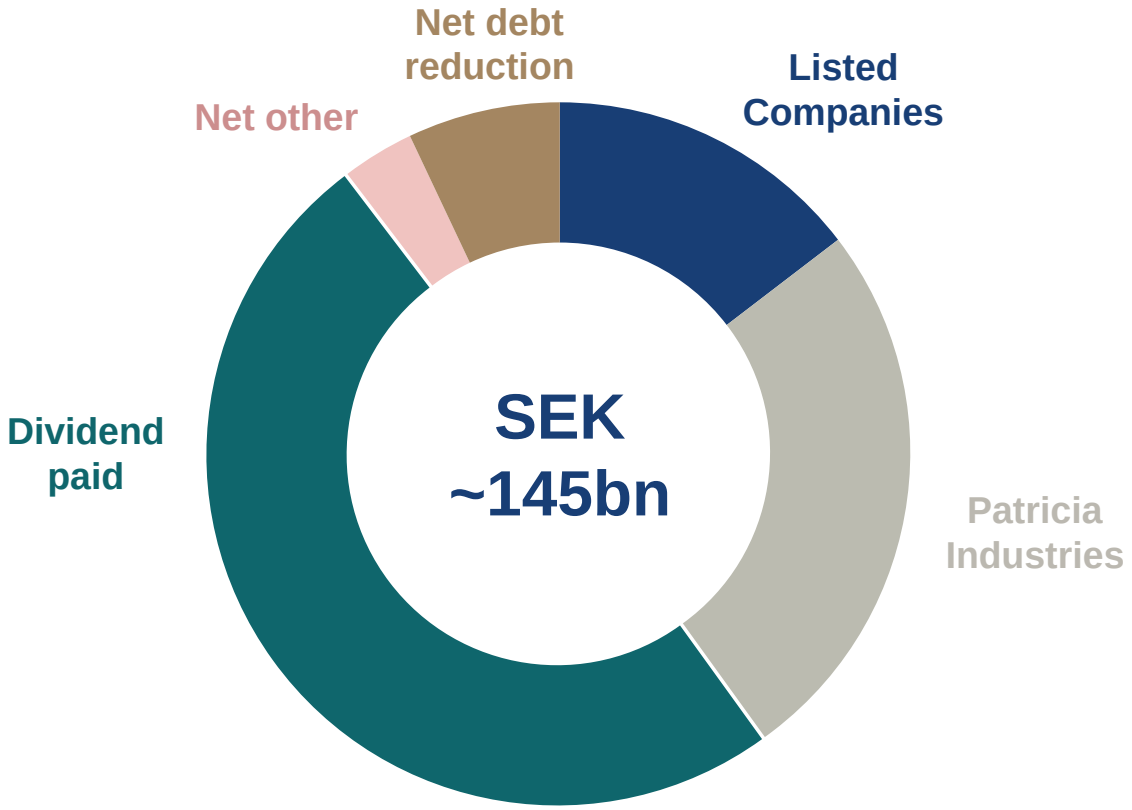
# Maintain Financial Flexibility

2015-2022

## Sources




## Uses

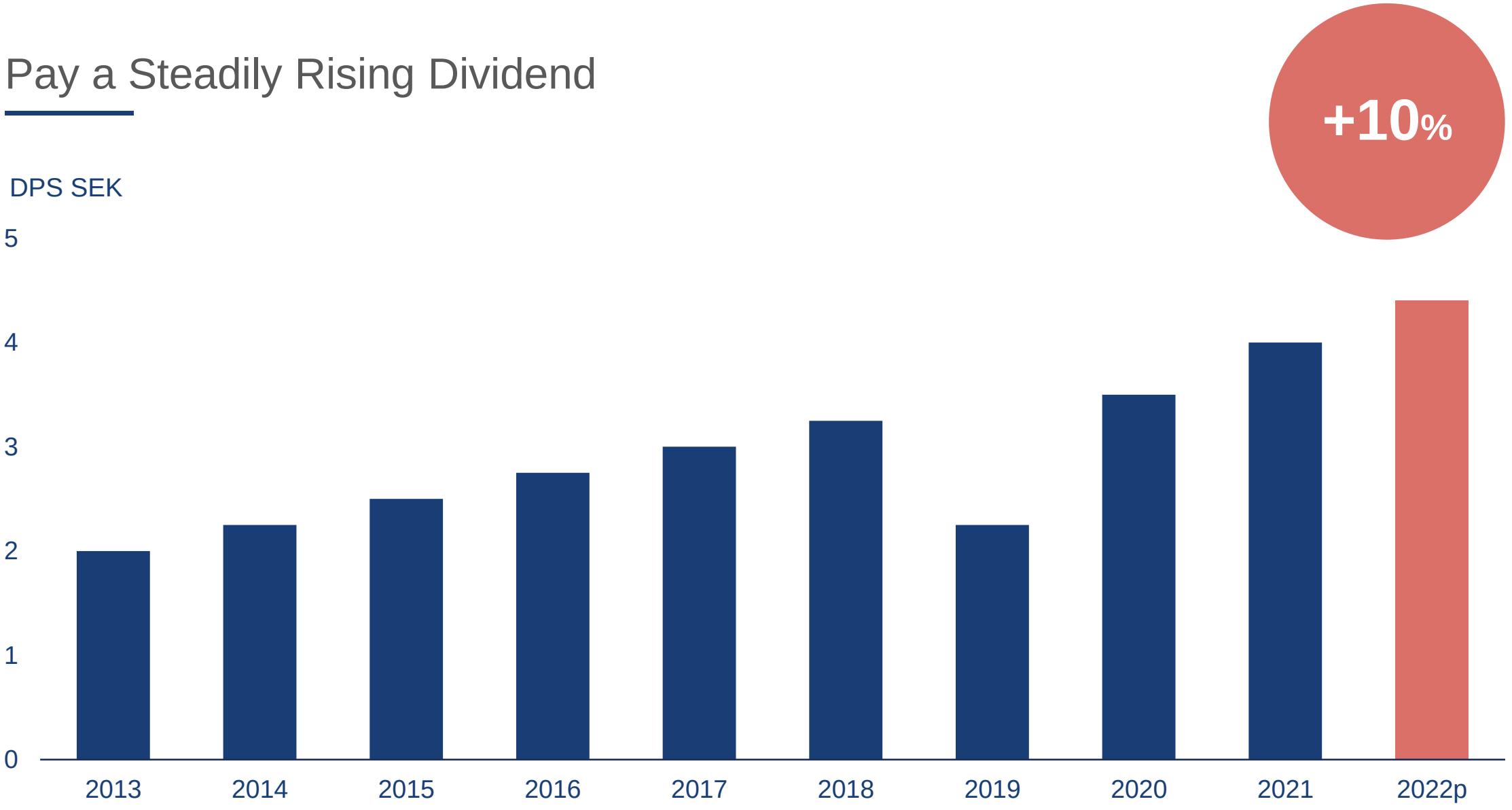



**Net debt SEK 10bn lower, leverage down from ~7 percent to 1.5 percent**



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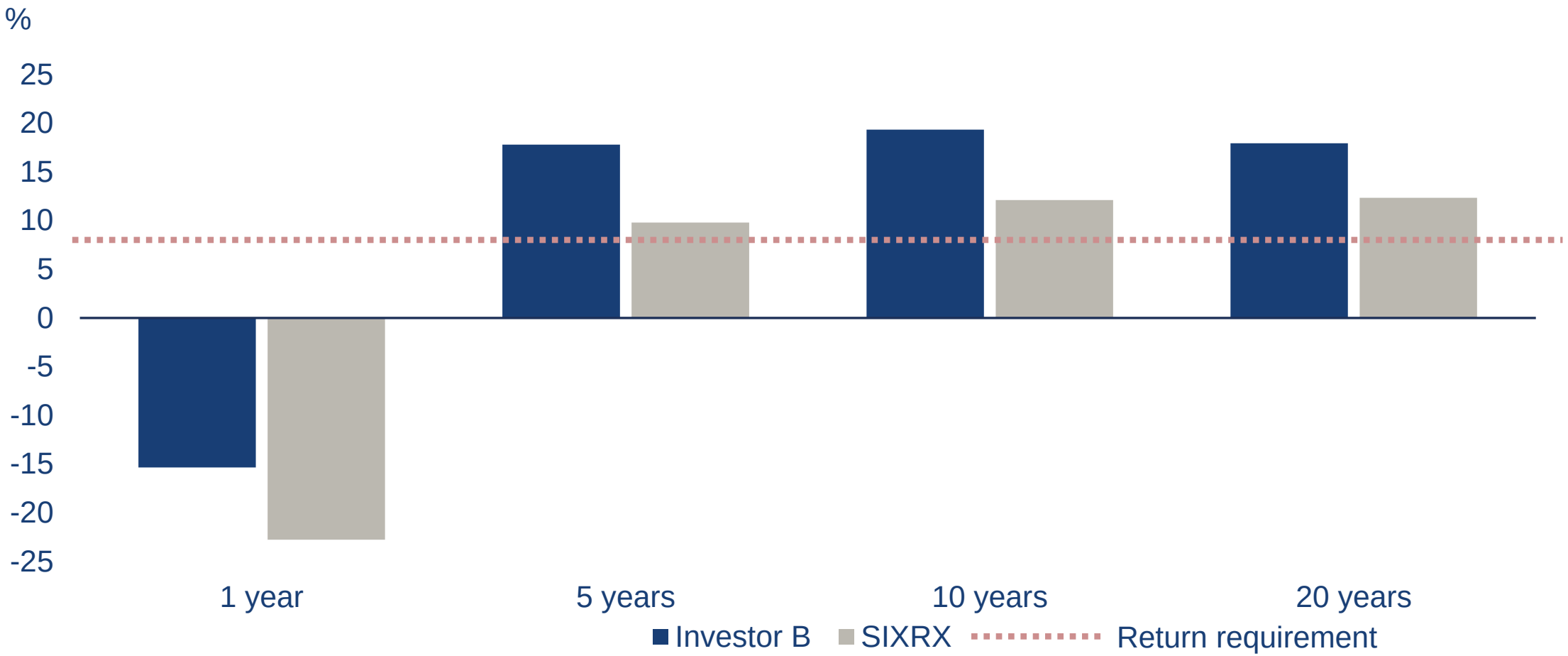
# Pay a Steadily Rising Dividend






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# Average Annual Total Shareholder Return, December 31, 2022






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# Financial Calendar

**2023-04-21**
Interim Management Statement
January-March 2023

**2023-05-03**
**Annual General Meeting**

**2023-07-17**
Interim Report
January-June 2023

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



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# Appendix




# Activities during the quarter

## *Group*

- Reported sales grew by 13 percent, of which 9 percent organically in constant currency, mainly driven by Wound Care and Gloves.
- The EBITA margin was negatively impacted during the quarter by a reorganization of the structure of Customer Care, and production disturbances in the US Wound Care manufacturing plant, the latter due to staff shortages and supply issues causing extra costs. In addition, the new Gloves factory in Malaysia is ramping up, with capacity utilization expected to improve gradually during 2023. Currency also impacted negatively.
- Mölnlycke distributed EUR 300m to Patricia Industries.
- Mölnlycke submitted a letter of commitment to the Science Based Target initiative (SBTi) to align greenhouse gas emissions targets with the ambitions of the Paris Climate Agreement.

## *Wound Care*

- Organic sales growth amounted to 9 percent in constant currency driven by strong underlying demand in all regions, together with successful commercial execution.
- Mölnlycke's new offering within negative pressure wound therapy is now being commercialized within both the US and EMEA.
- Mölnlycke continued to invest significantly to further strengthen market positions and support sustainable growth.

## *Operating Room Solutions*

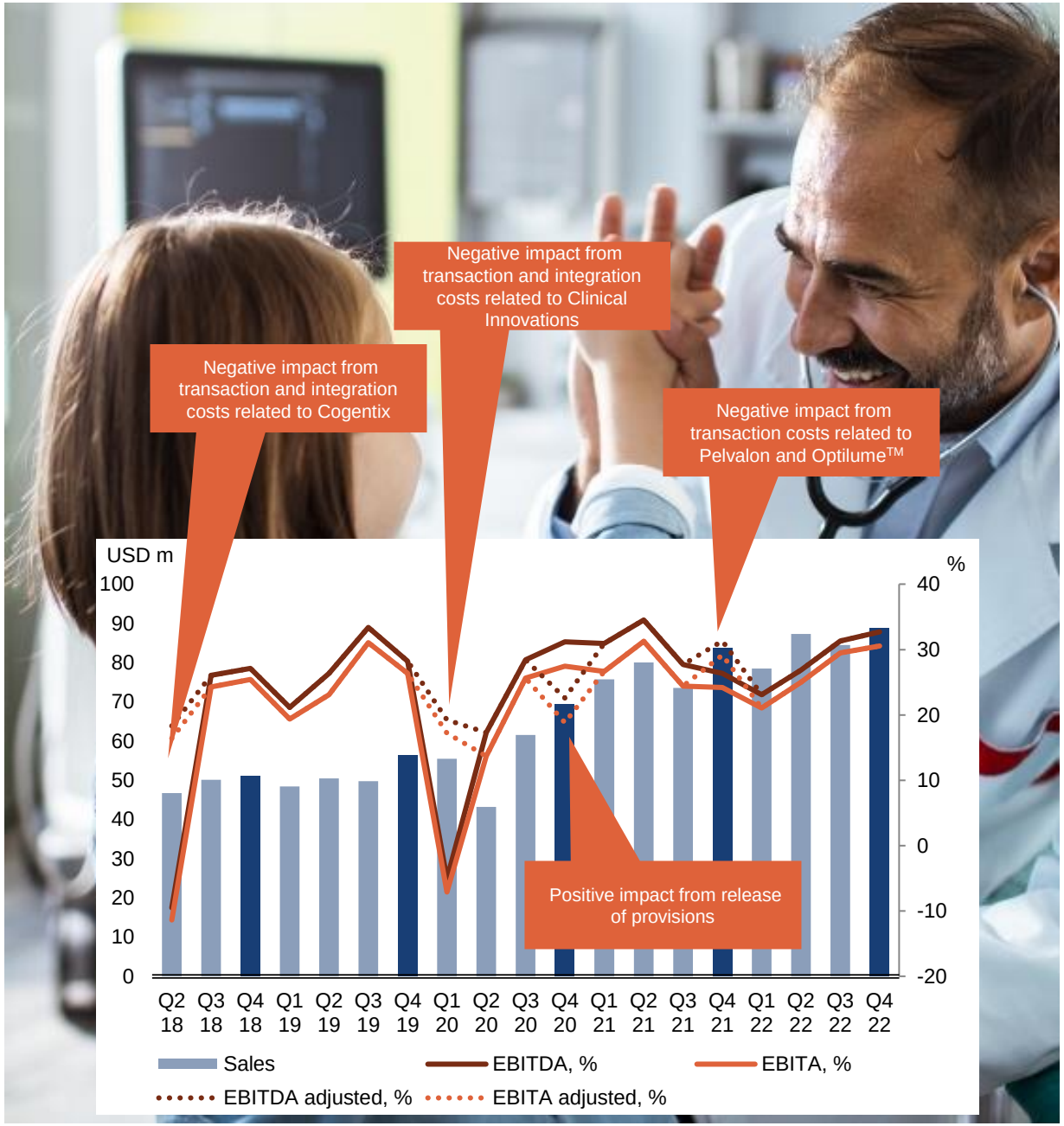
- Organic sales growth amounted to 4 percent in constant currency driven by Trays and Drapes.
- Elective surgery activity has gradually improved over the past year. However, global nurse shortages restrain this improvement.

## *Gloves*

- Organic sales growth amounted to 23 percent in constant currency, with strong underlying demand in both the US and EMEA, while the comparison period from 2021 was negatively impacted by covid-related production shutdowns.

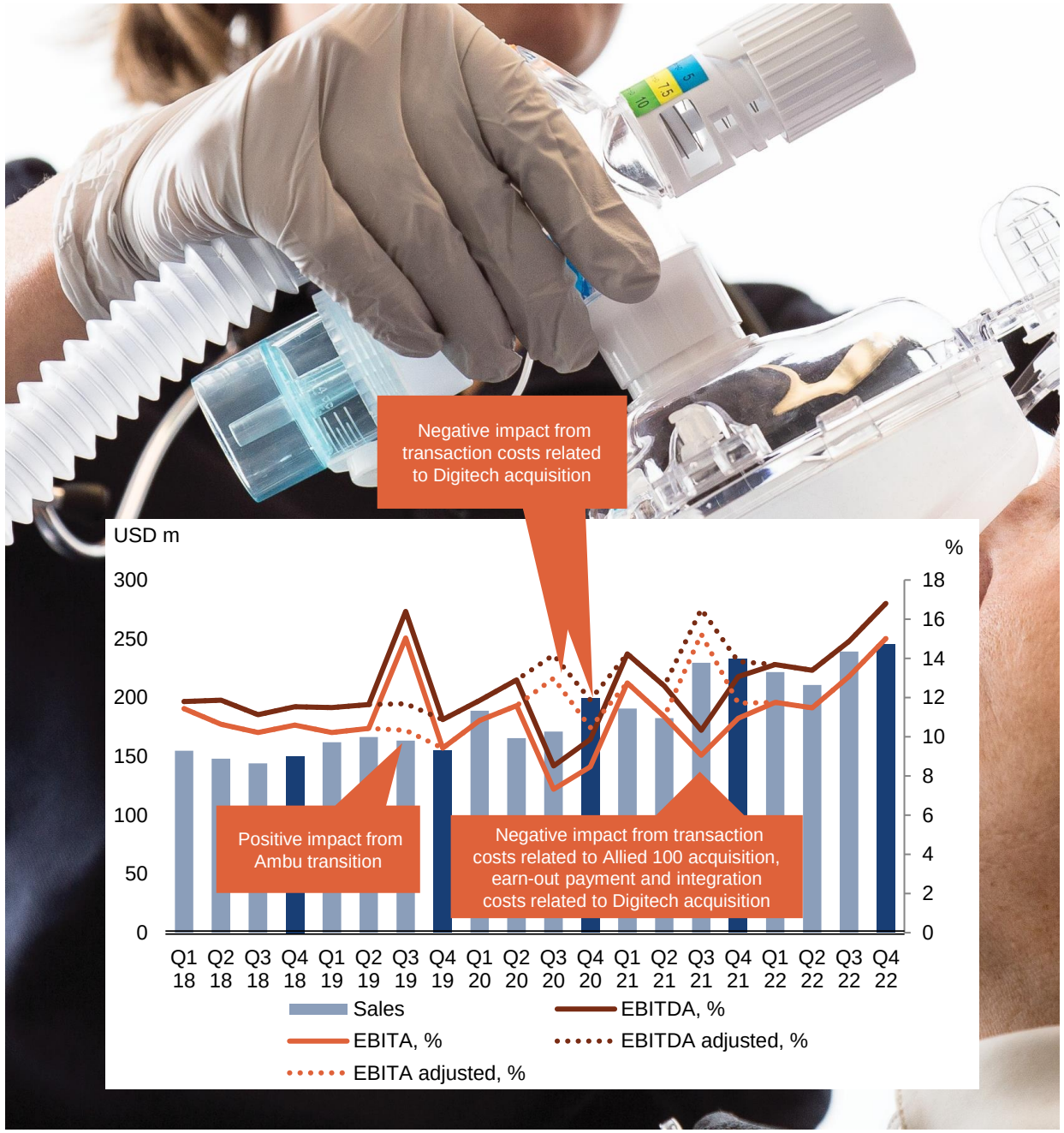
## *Antiseptics*

- Organic sales growth amounted to 5 percent in constant currency, with an improved product supply situation in the US.




## Activities during the quarter

- Organic sales growth amounted to 9 percent in constant currency. Underlying market demand was strong, but global supply chain challenges continued to negatively impact performance. Growth was mainly driven by UR (Urology), with the OptilumeTM urethral strictures product continuing to see strong commercial uptake.
- Driven by operating leverage, the EBITA margin increased despite negative currency impact, elevated input costs, as well as significant investments in R&D and several new product launches, including OptilumeTM.



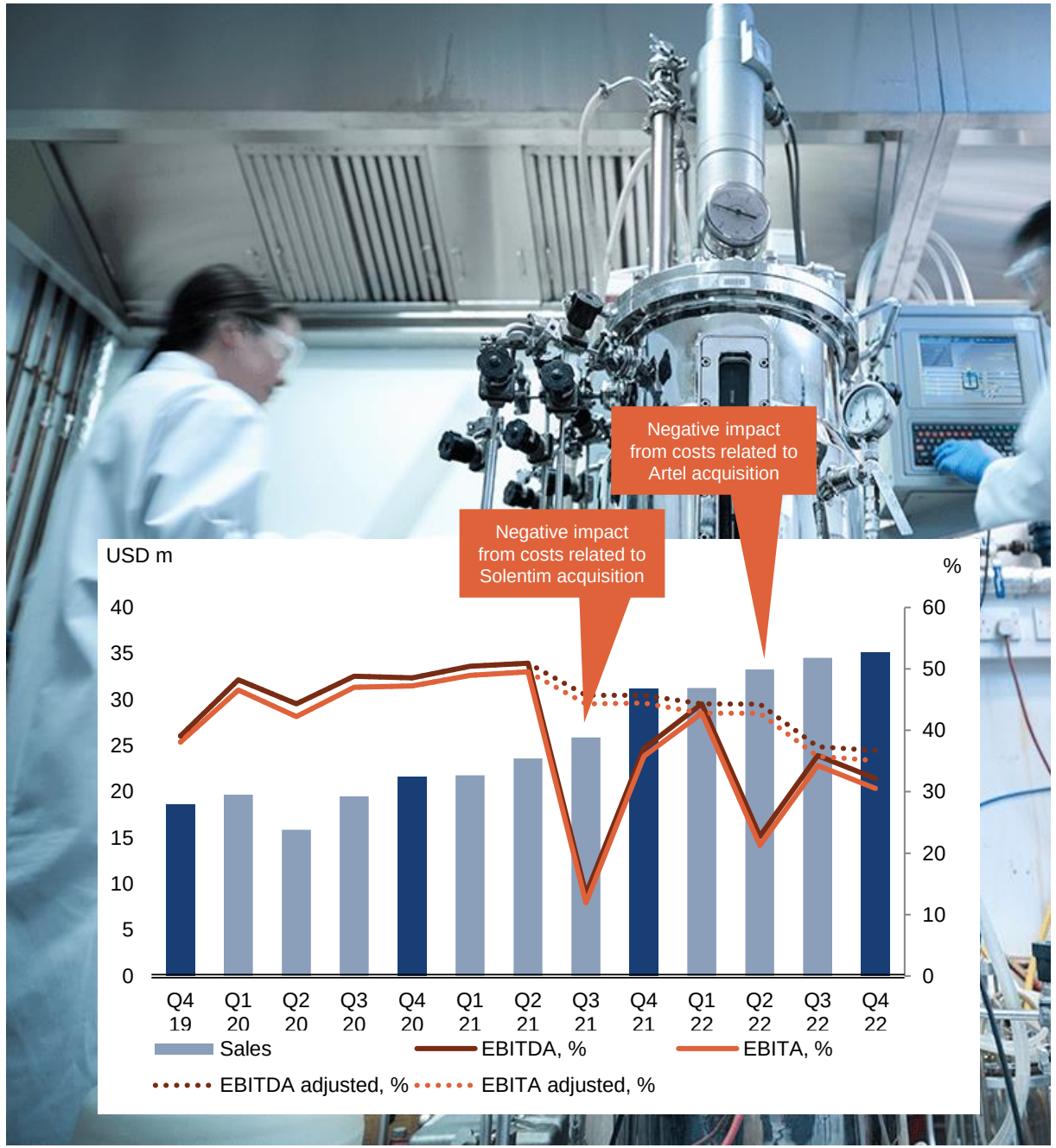

## Activities during the quarter

- Organic sales grew by 6 percent in constant currency, 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).
- Adjusted for transaction costs in the prior year, the EBITA margin increased from 12 to 15 percent, driven by good operating performance partially offset by continued investments in digital platform enhancement and warehouse optimization.



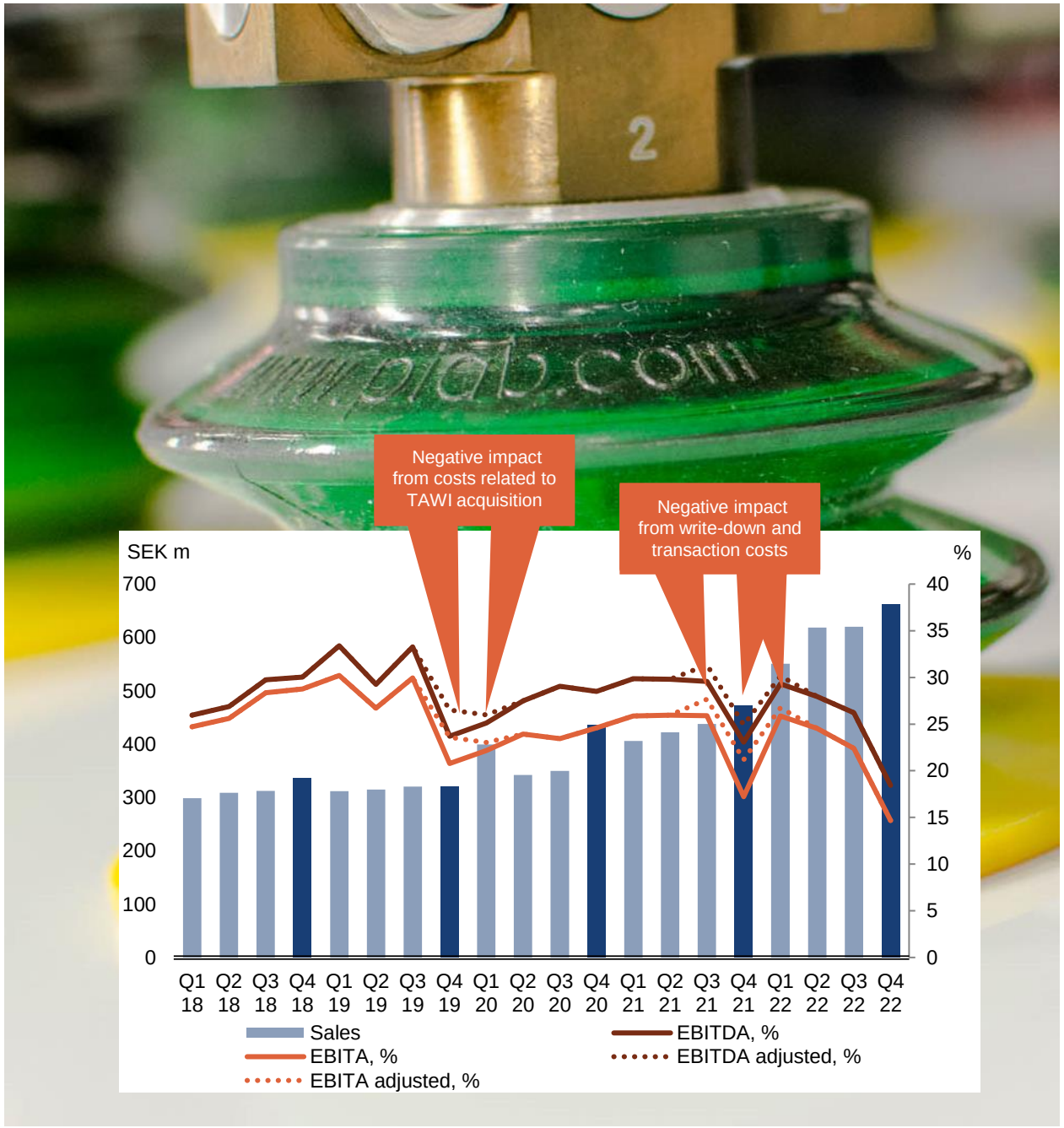

## Activities during the quarter

- Organic sales growth amounted to 17 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 significantly, primarily driven by operating leverage and currency.
- Permobil continued to invest in its sustainable supply chain and optimization of packaging, supporting the journey towards lowered CO2e emissions.



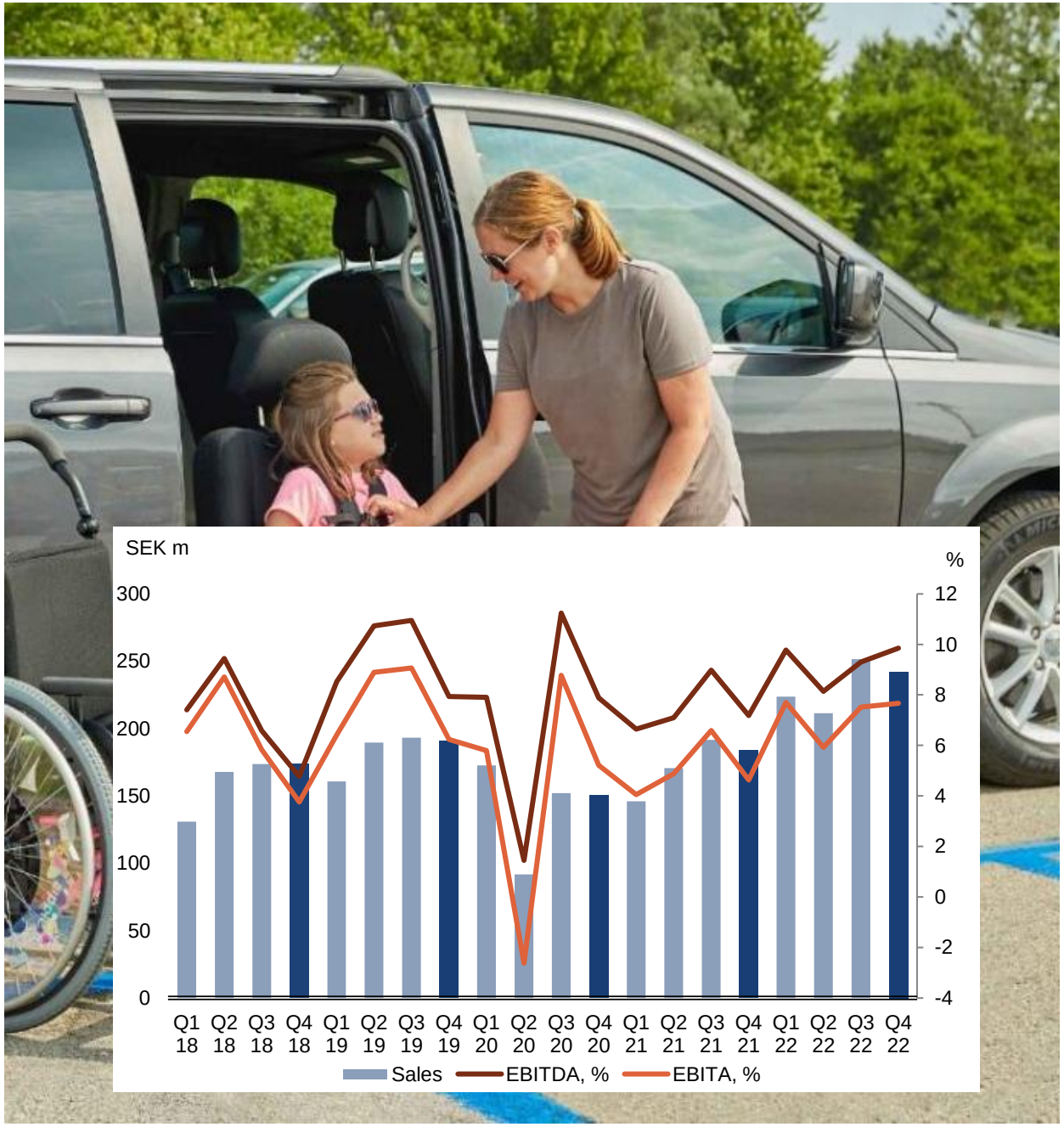

## Activities during the quarter

- Organic sales growth declined by 5 percent in constant currency, negatively impacted by weak instrument sales to biopharmaceutical customers and a notably strong prior year comparison. This was partly offset by continued strong growth in services and strong performance for the recently launched OsmoPro MAX automated osmometer for clinical laboratory customers.
- Adjusted for transaction costs in the current and prior year, the EBITA margin declined by approximately 9 percentage points from 44 to 35 percent. The decrease is mainly explained by weaker instrument sales and continued substantial investments in the global commercial organization, general and administrative functions, and R&D. Furthermore, the margin was negatively affected by product mix impact following the Artel and Solentim acquisitions.




## Activities during the quarter

- Organic sales growth amounted to 7 percent in constant currency, driven by all regions. Lifting Automation showed the strongest growth.
- The EBITA margin declined, negatively impacted by costs related to strategic projects, as well as currency effects.
- Within Vacuum Automation, Piab launched Kenos® Safe&Light, a lightweight gripping tool for palletizing applications in packaging and warehousing.




## Activities during the quarter

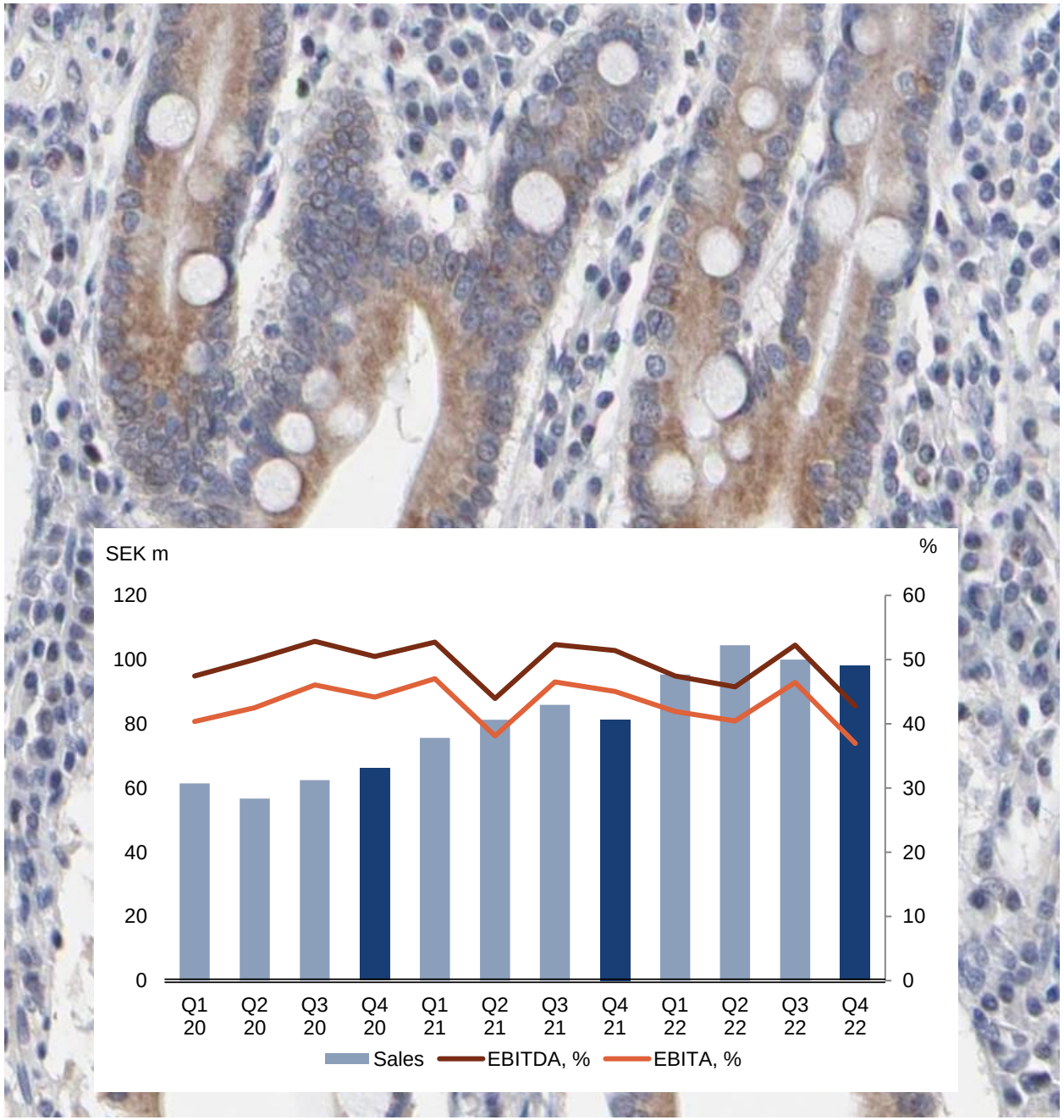
- Organic sales growth amounted to 25 percent in constant currency, driven by strong pent-up demand in the commercial WAVs (Wheelchair Accessible Vehicle) and lifts segments as supply chain constraints eased. The Q'Straint securement products also showed good growth.
- The EBITA margin improved, driven by operating leverage, partly offset by a negative impact from increased material and labor costs.

.




## Activities during the quarter

- Total sales growth amounted to 9 percent, driven by new Community Services properties.
- The EBITDA margin declined, as growth was somewhat counteracted by higher costs due to the expansive project portfolio.
- A 1,700 m2 rental agreement was signed with Atlas Antibodies in Forskaren. Additional rental agreements were signed in Bromma Sjukhus and GoCo House. Both Forskaren and GoCo House have reached 70 percent occupancy.
- During 2022, the market value of Vectura's property increased, mainly due to investments in ongoing construction projects and recent acquisitions, while underlying property value decreased due to yield expansion.




## Activities during the quarter

- Organic sales growth amounted to 9 percent in constant currency, driven by the evitria business.
- The EBITA margin decreased compared to last year, impacted by investments to build the commercial organization.
- Atlas Antibodies announced that it will relocate its headquarters to Forskaren, a developing life science hub in Hagastaden, Stockholm. The relocation will take place in 2024.
- Åsa Riisberg was appointed new Chair, effective January 1, 2023.




## Activities during the quarter

- The subscription base increased by 62,000, of which 53,000 in Sweden and 9,000 in Denmark.
- Service revenue increased by 10 percent and EBITDA by 5 percent, negatively impacted by higher energy expenses.
- Three Sweden won the network test by Open Signal, based on customer experience, appointed “Best mobile network in Sweden and fastest on 5G” due to major investments and significantly improved network.
- Three Denmark launched Flexii, a digital self-service and low cost brand.
- The final payment related to the divestment of passive network infrastructure was received.