investor

Year-end report 2023

January 19, 2024

investor

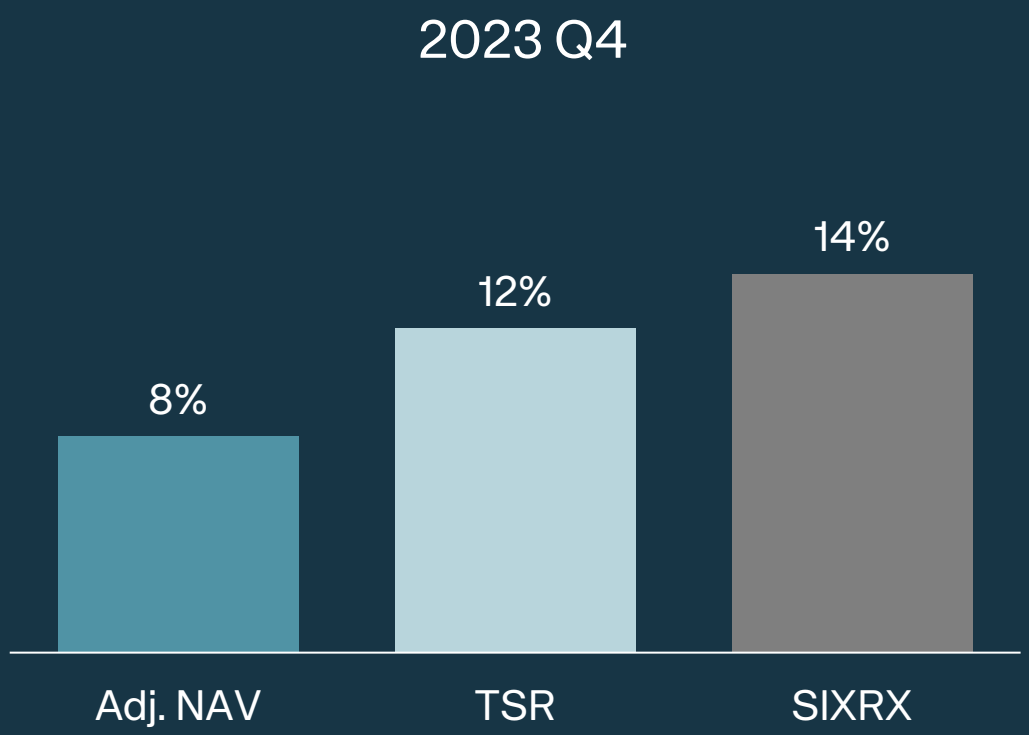
Johan Forssell

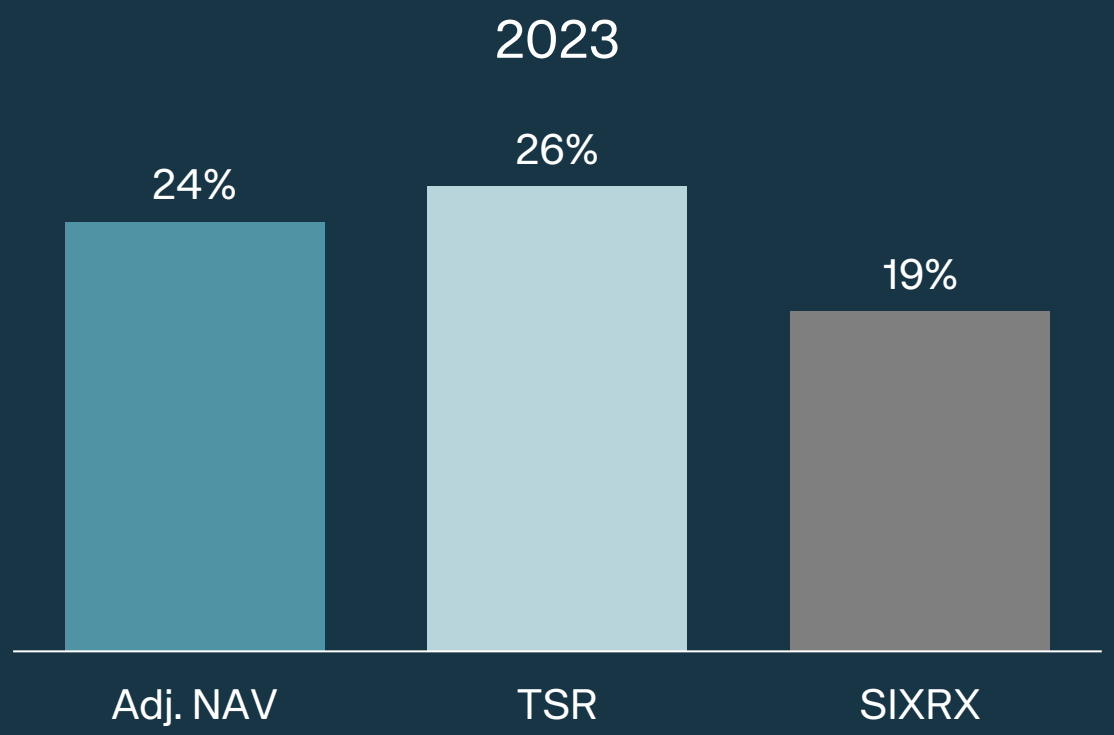
President and CEO

2023 in summary

- Our adjusted net asset value reached a new all-time-high, passing the SEK 800bn mark for the first time
- Total shareholder return of 26% compared to 19% for SIXRX return index - beating the stock market for the 13th consecutive year
- Listed Companies outperformed the Swedish stock market
- Strong sales and profit growth in Patricia Industries
- Despite a tough fundraising market, EQT reached the fund size target for EQT X
- Our financial position is strong entering 2024
- SEK 4.80 per share dividend proposed, an increase of 9 percent

Performance





Business areas

December 31, 2023

Total adjusted assets SEK 832bn
Adjusted net asset value SEK 818bn

Listed Companies

SEK 576bn
69% of total assets

Patricia Industries

SEK 174bn
21% of total assets

Investments in EQT

SEK 82bn
10% of total assets

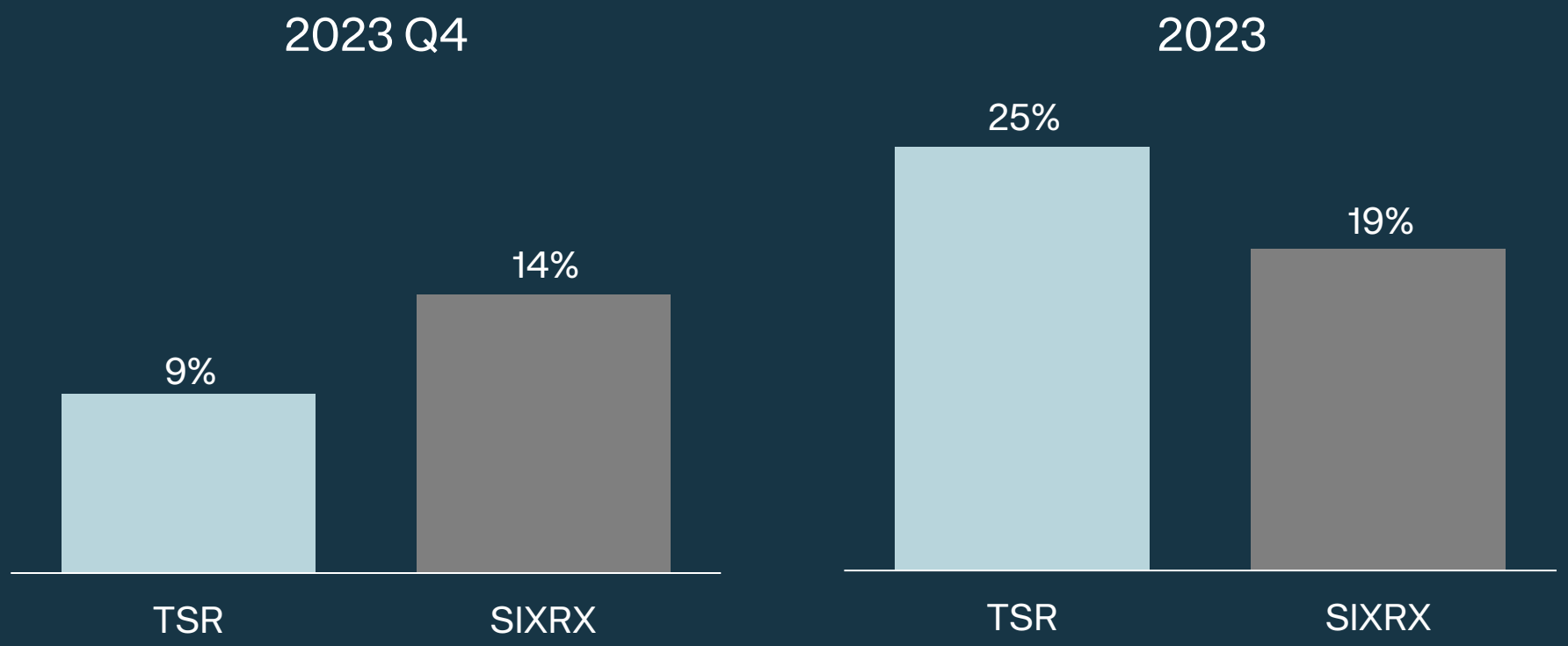


Listed Companies

SEK 576bn

69% of total assets

Performance



Highlights during the quarter

- Epiroc announced the acquisition of Stanley Infrastructure
- Electrolux Professional announced the acquisition of Tosei
- Ericsson entered a strategic 5G-contract with AT&T
- In January 2024, Vagner Rego was appointed new CEO of Atlas Copco



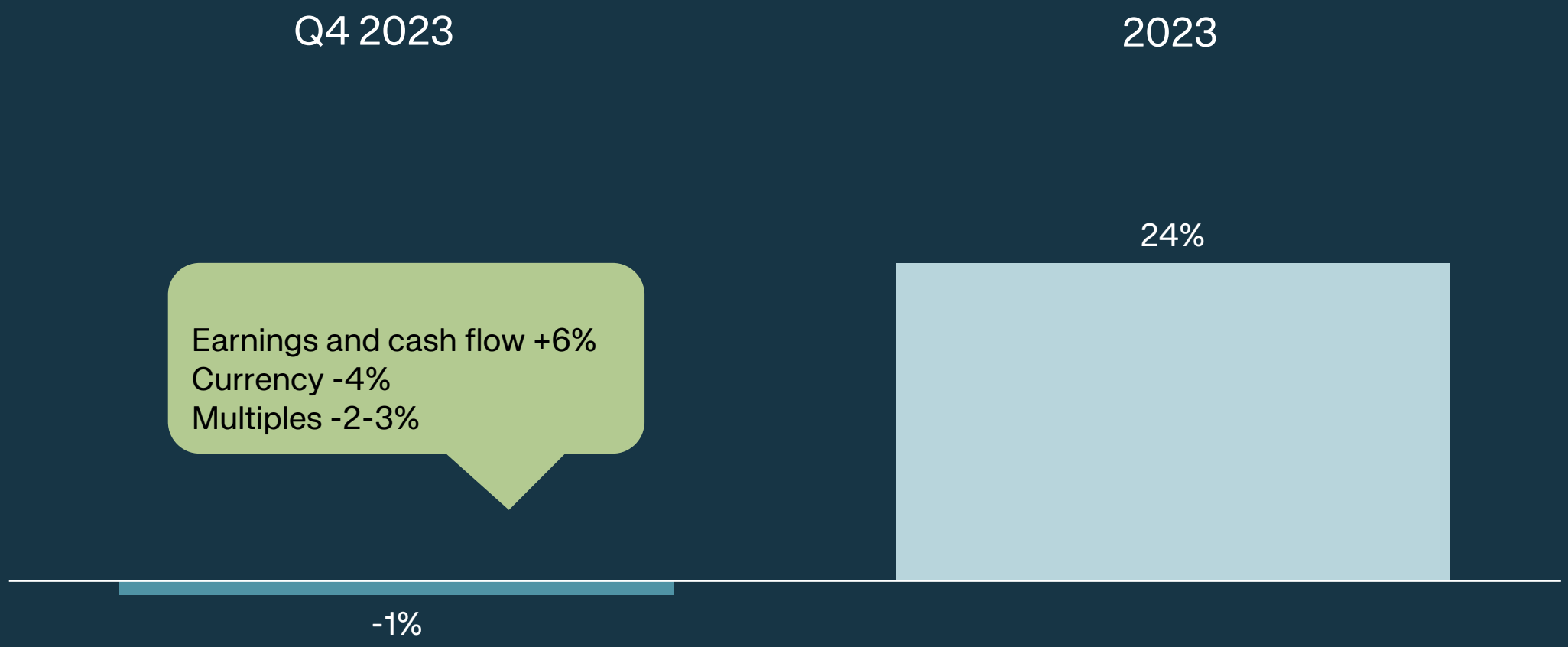


Patricia Industries

SEK 174bn

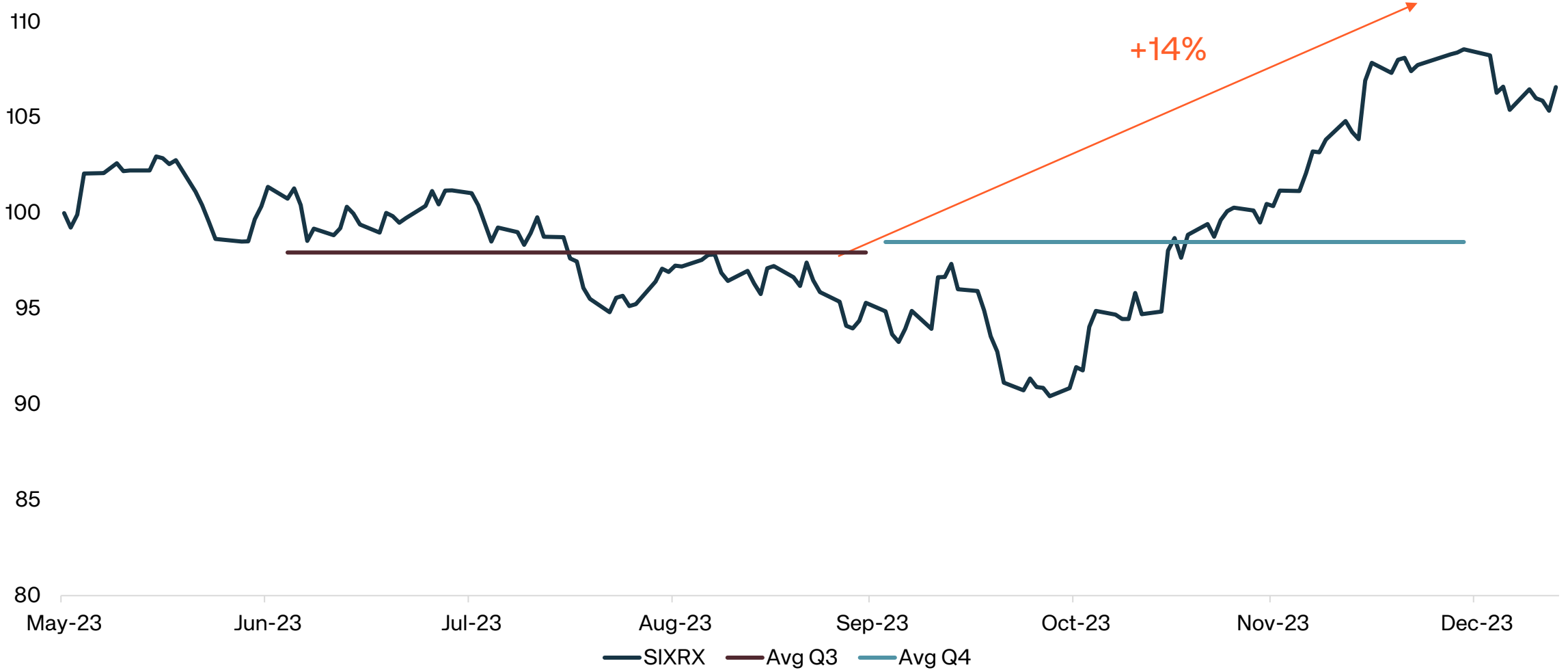
21% of total assets

Performance – total return (excl. cash)

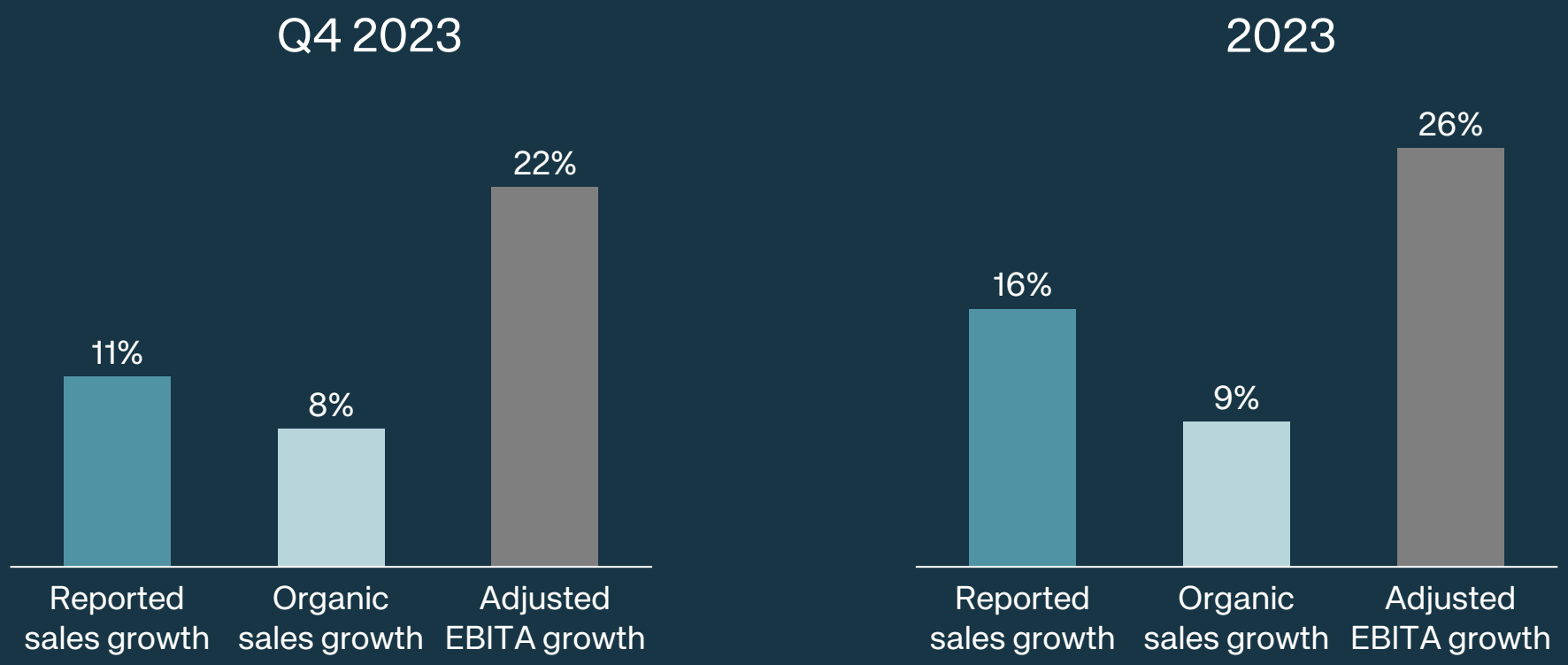


Valuation methodology for estimated market values

Peer groups show similar pattern but with somewhat lower volatility



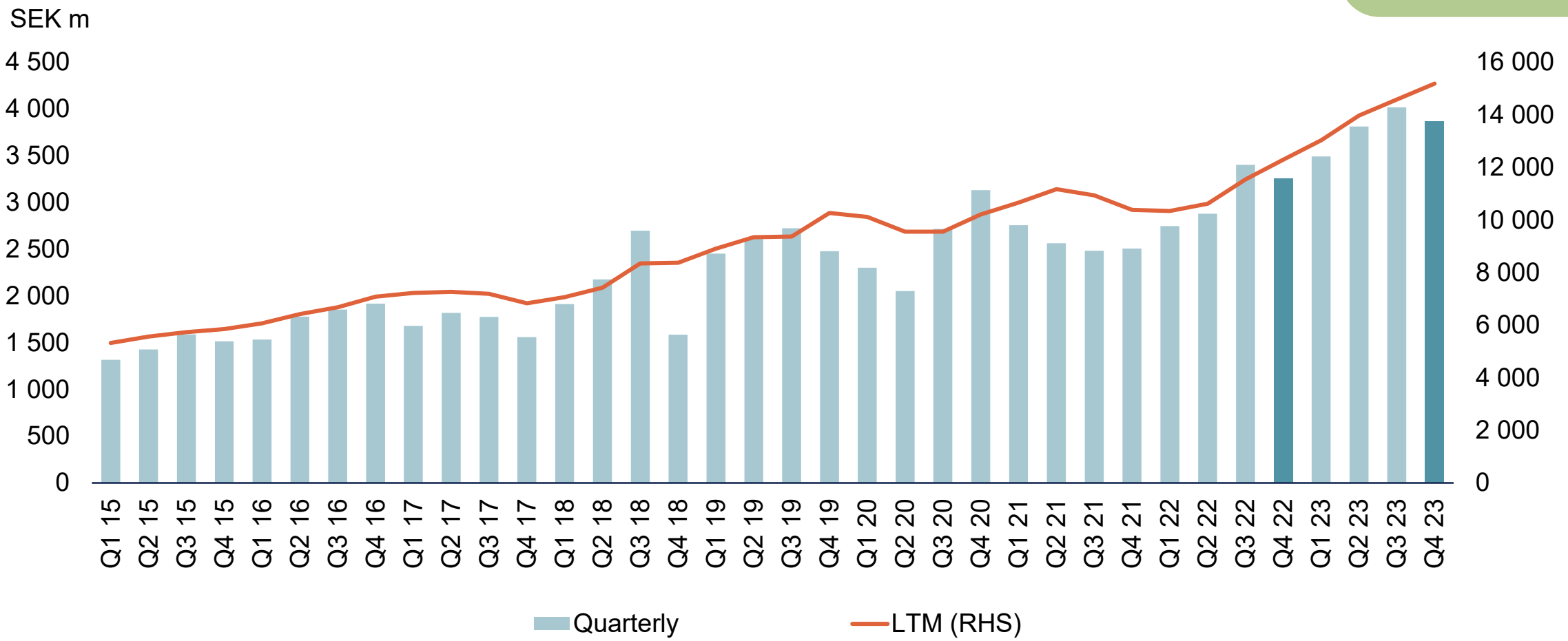
Operating performance – Major subsidiaries



Laborie completed the strategic acquisition of Urotronic
Mölnlycke distributed EUR 300m to Patricia Industries

EBITDA

LTM sales:
SEK 62.6bn
EBITDA: SEK 15.2bn

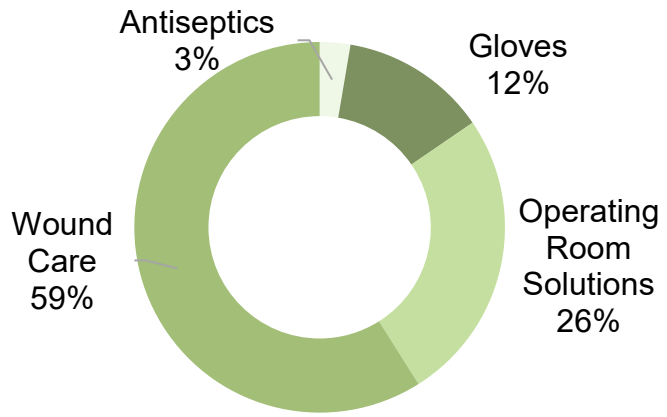


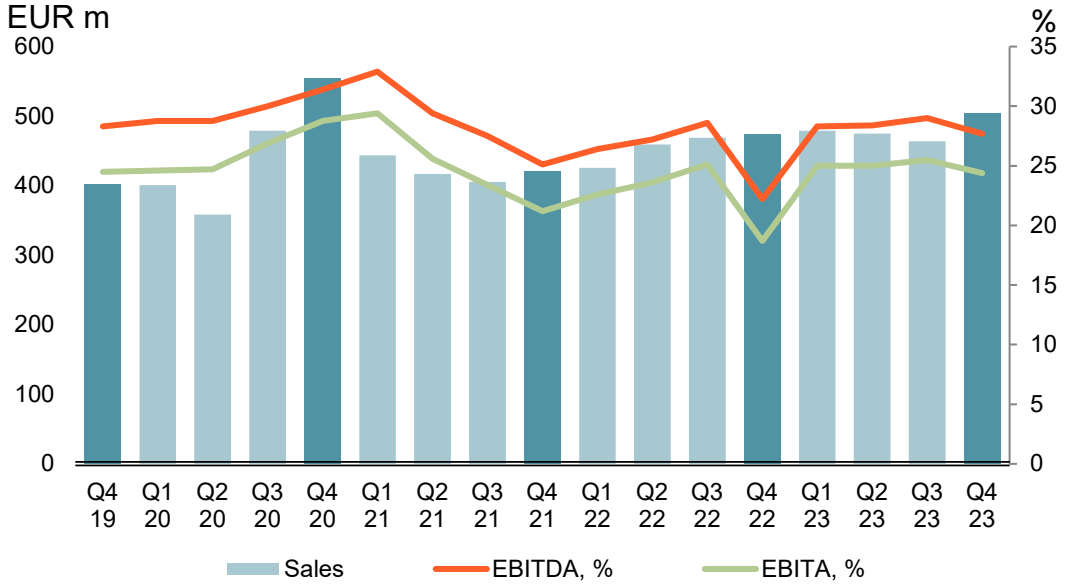
Reported EBITDA, including items affecting comparability, for subsidiaries and Three Scandinavia (40 percent ownership).
For Mölnlycke, Q3 2020-Q3 2021 were materially positively impacted by PPE contracts.
Q4 2018 negatively impacted by one-time Swedish tax authority decision relating to Three Scandinavia.

Operating performance

	Value, SEK bn	Organic growth, % Q4 2023		Margins, % Q4 2023	Change vs. Q4 2022	
BraunAbility	8.6	16	EBITDA	9.7	-0.2	
			EBITA	7.8	0.1	
ADVANCED INSTRUMENTS	9.8	14	EBITDA	44.9	12.8	Adj. EBITDA Δ +8.2
			EBITA	42.8	12.2	Adj. EBITA Δ +7.7
Mölnlycke	77.7	9	EBITDA	27.7	5.5	
			EBITA	24.4	5.7	
piab	10.5	8	EBITDA	24.1	5.7	
			EBITA	19.9	5.2	
Laborie	20.6	7	EBITDA	23.0	-9.7	Adj. EBITDA Δ -3.3
			EBITA	19.4	-11.2	Adj. EBITA Δ -4.0
permobil	14.5	6	EBITDA	23.8	-1.3	
			EBITA	20.1	-1.6	
sarnova	15.3	2	EBITDA	15.9	-0.9	
			EBITA	13.6	-1.4	
ATLAS ANTIBODIES	1.9	-18	EBITDA	37.3	-5.5	
			EBITA	26.2	-10.8	
Vectura	6.8	14				

Mölnlycke performance





Group

- Organic sales growth amounted to 9 percent in constant currency, driven primarily by Wound Care and ORS.
- The EBITA margin increased significantly compared to last year, which was impacted by production disturbances and restructuring of the Customer Care organization. The underlying margin was supported by volume growth as well as lower raw materials and logistics costs, mitigated by a slightly negative currency impact.
- Cash conversion improved significantly to approximately 130 percent, mainly driven by lower inventory levels.
- Mölnlycke distributed EUR 300m to Patricia Industries.

Wound Care

- Organic sales growth amounted to 9 percent in constant currency, with growth across all geographies.

Operating Room Solutions

- Organic sales growth amounted to 11 percent in constant currency, driven by volume growth, mix and price. The Trays category was the main driver, partly from increased value-add in the product offering.

Gloves

- Organic sales growth amounted to 1 percent in constant currency. While the distributor inventory situation normalized, the US market remained soft.

Antiseptics

- Organic sales growth amounted to 33 percent in constant currency, supported by a stable supply situation in both US and Europe.



Investments in EQT

SEK 82bn

10% of total assets

Performance

Q4 2023

Total return 16%

- EQT AB 31%
- EQT Funds –2%

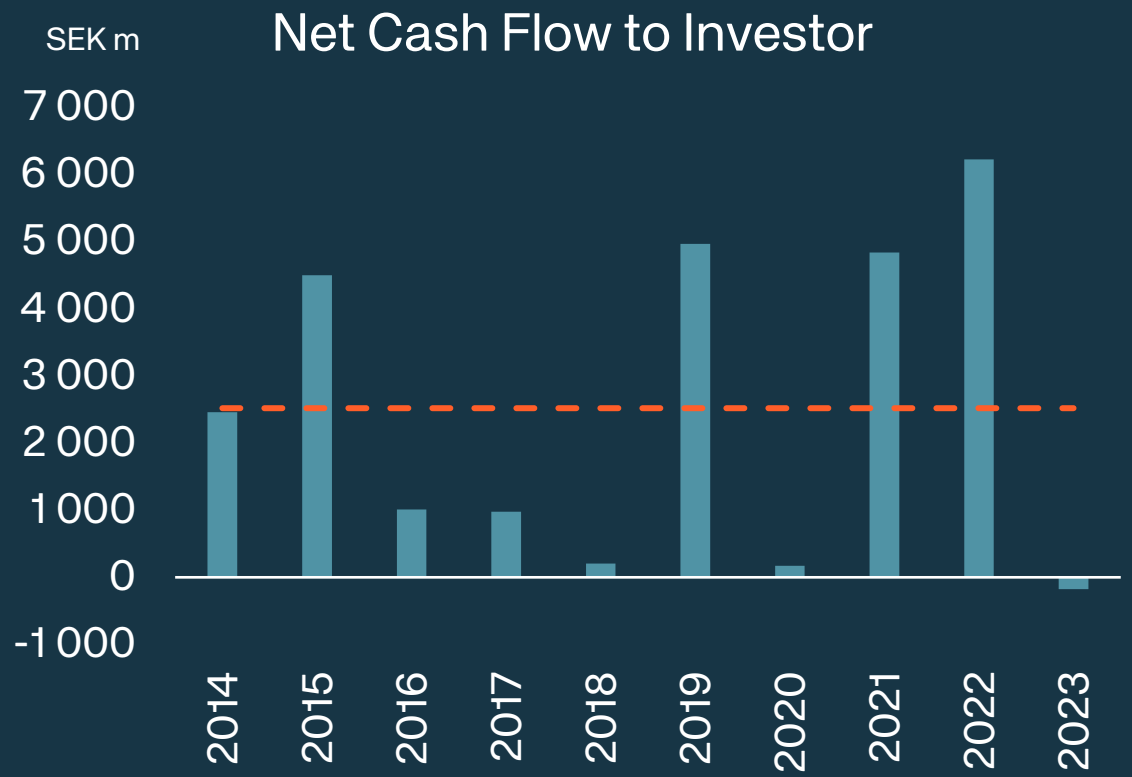
Net cash flow to Investor SEK 1.2bn

2023

Total return 17%

- EQT AB 30%
- EQT Funds 1%

Net cash flow to Investor SEK -0.2bn





Priorities 2024

Navigate the current market environment

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

Use financial strength to capture investment opportunities



Driving Value Creation

Proven business model and clear strategic direction

Portfolio of industry leaders with strong profitability and high exposure to secular growth

Strong balance sheet and cash flow generation

investor

Helena Saxon

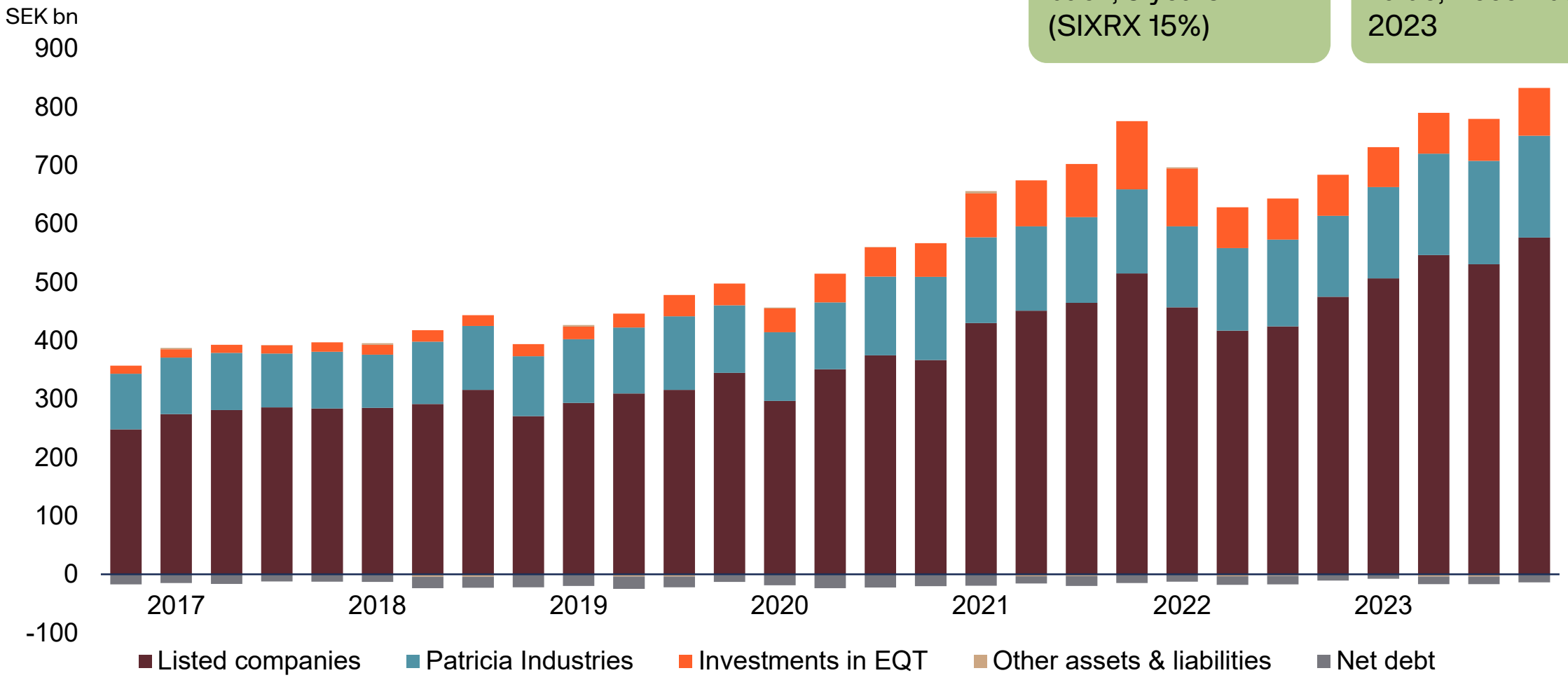
CFO

investor

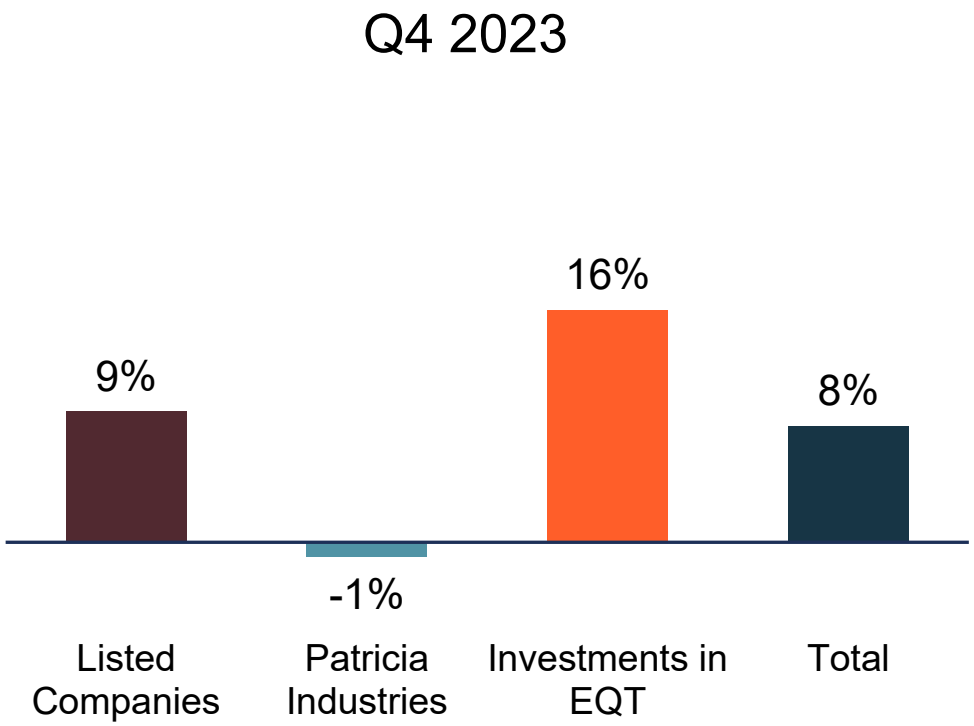
Grow net asset value

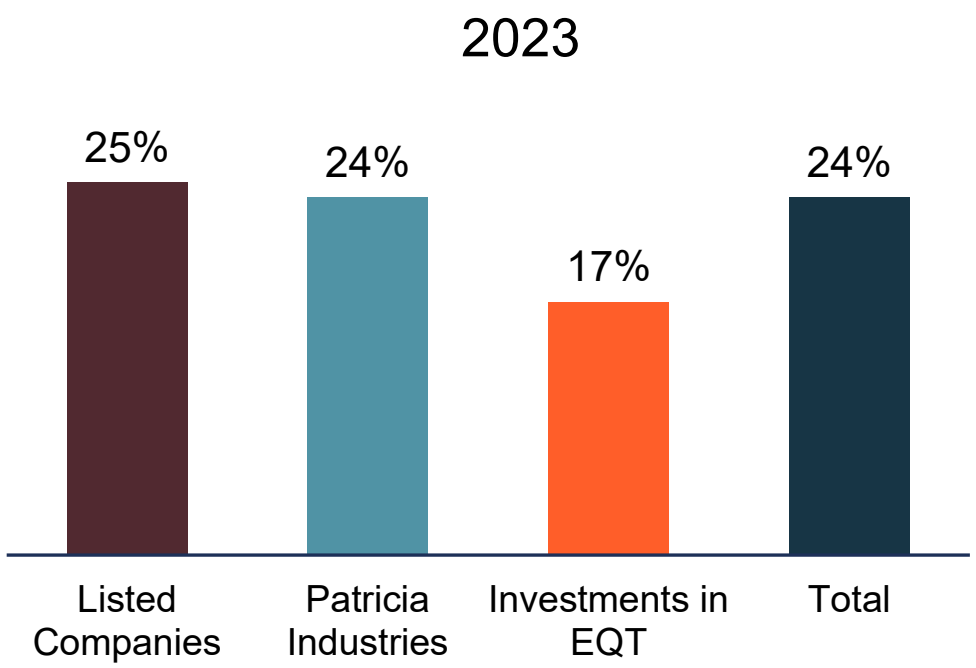
19% annual growth, with dividend added back, 5 years (SIXRX 15%)

SEK 818bn, adjusted net asset value, December 31, 2023

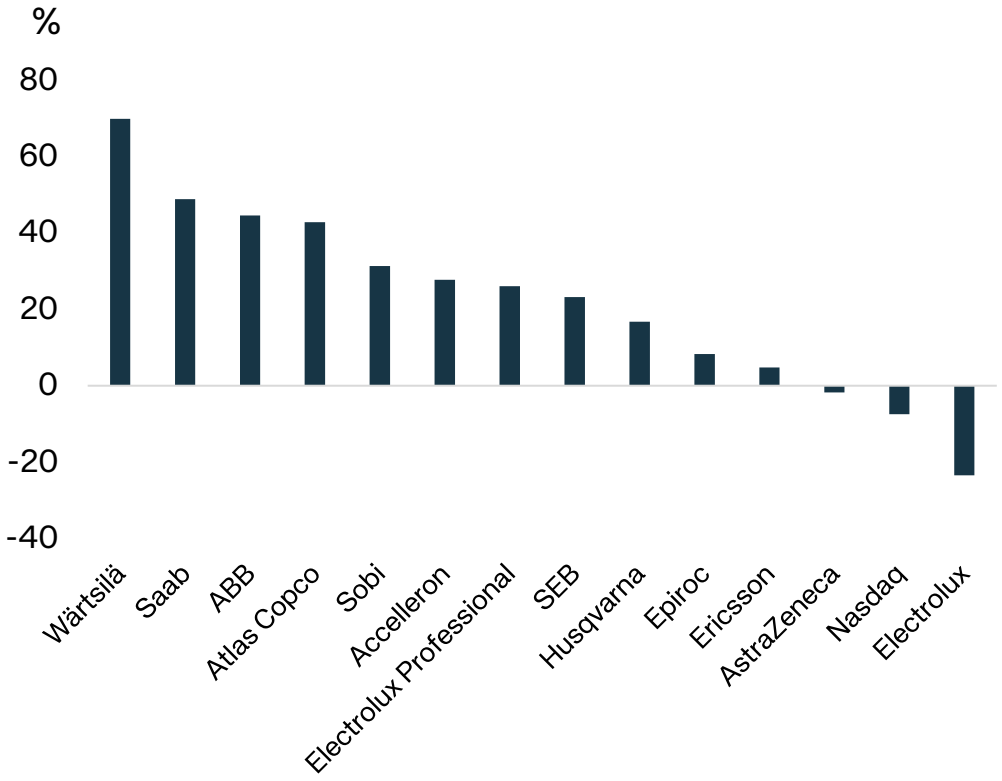


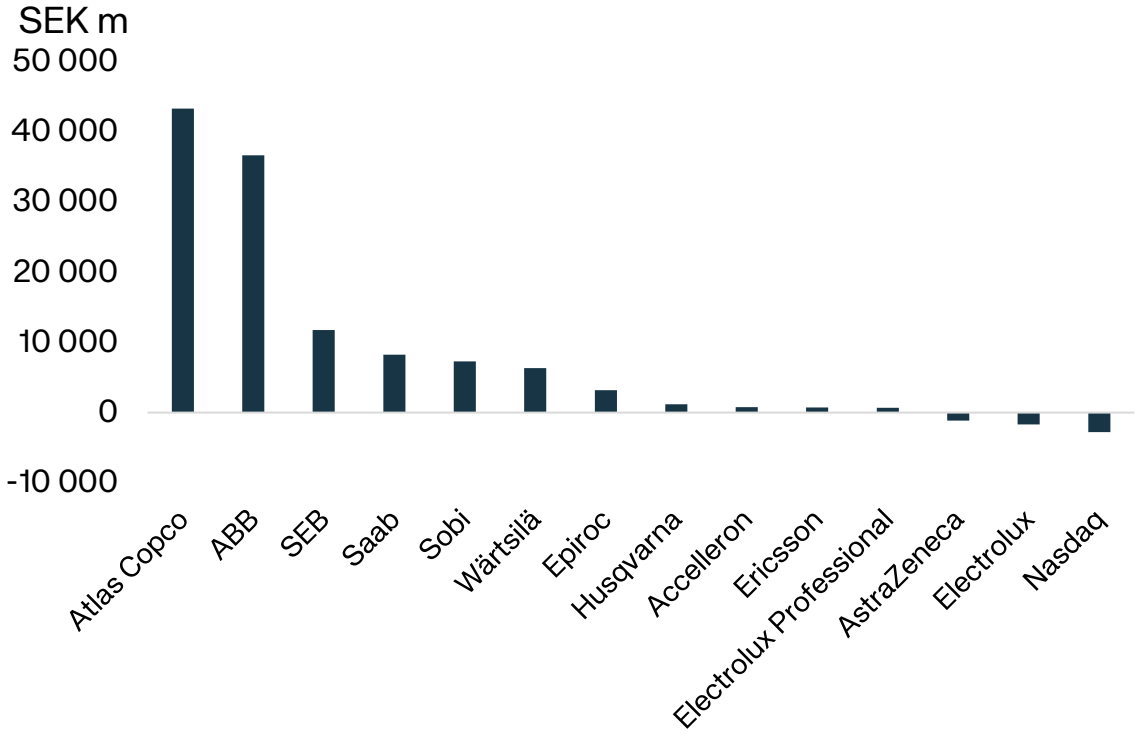
Total return by business area



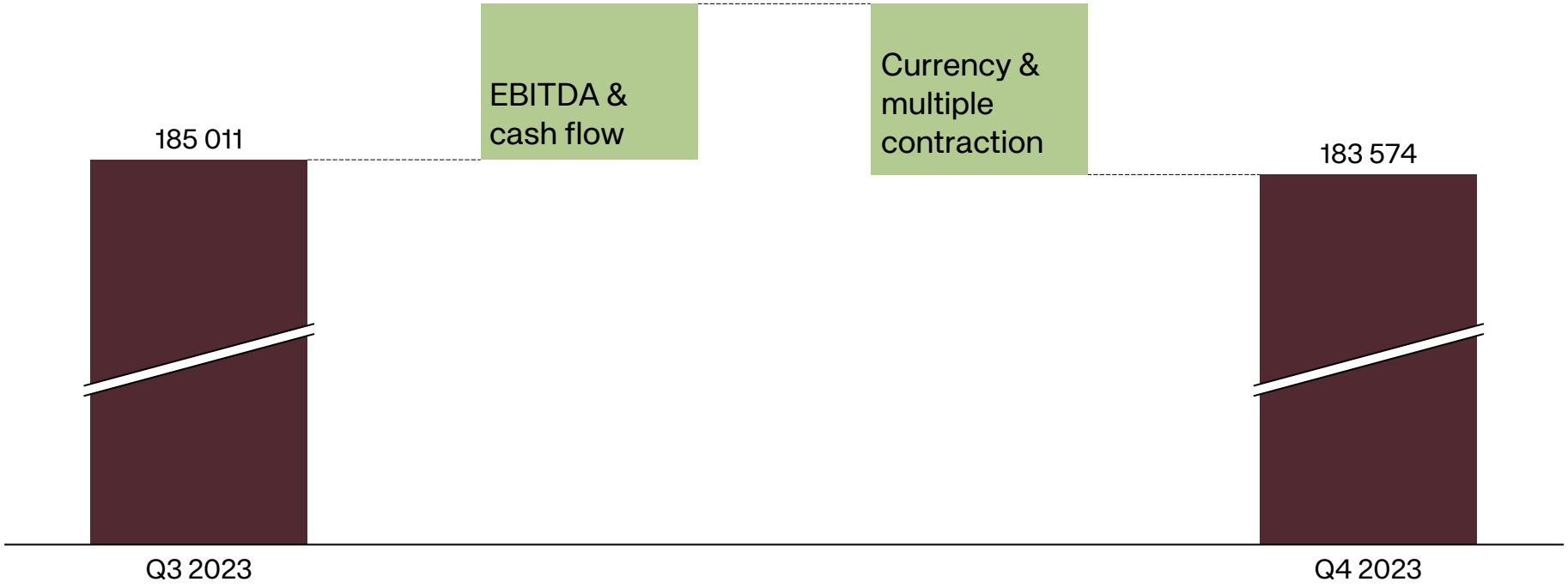


Listed companies – Total shareholder return and NAV contribution, 2023

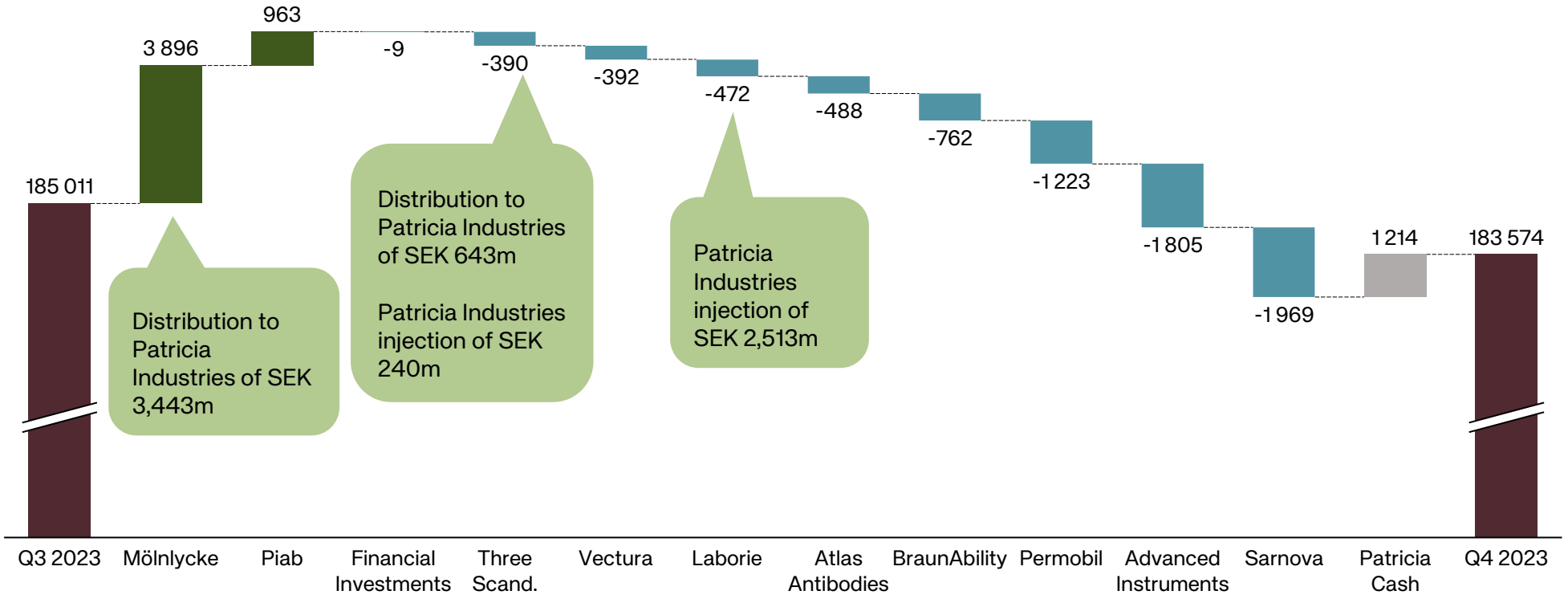




Major drivers of estimated market values Q4



Patricia Industries – change in estimated market values



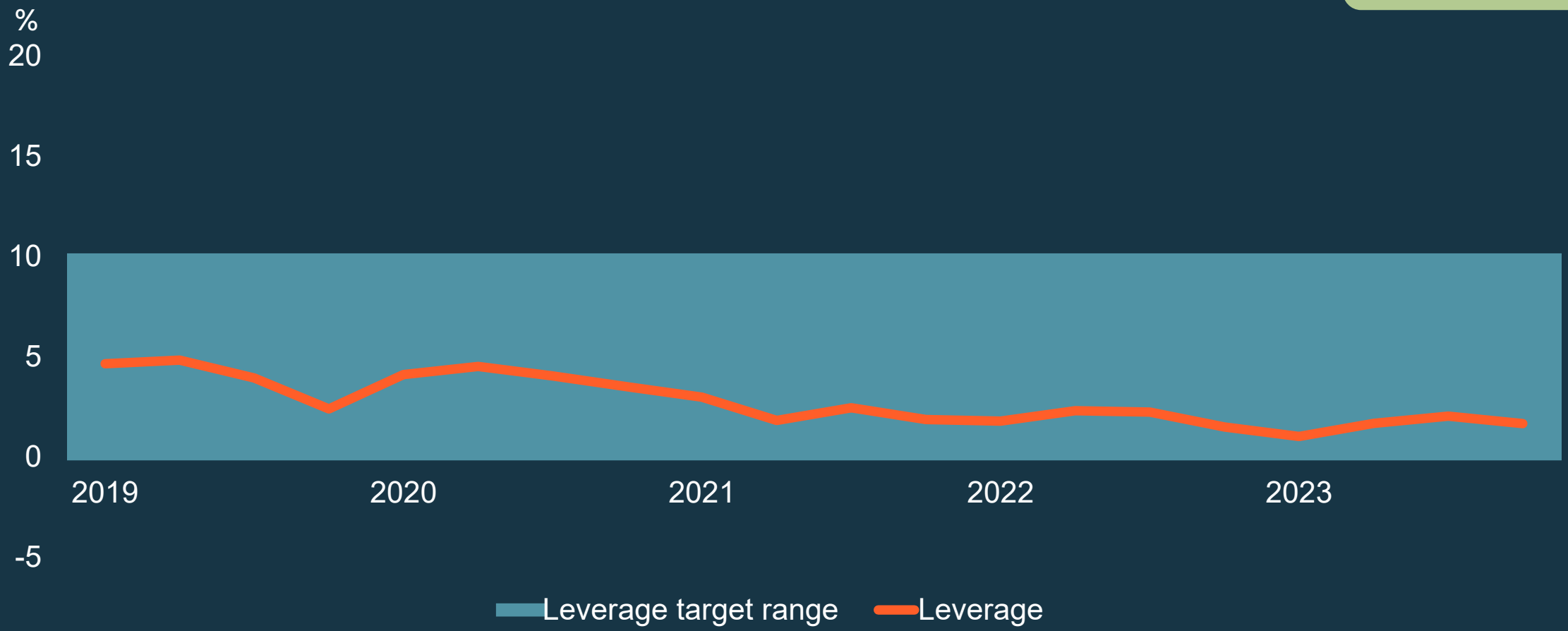


Financial development

Ensuring financial strength and investment capacity

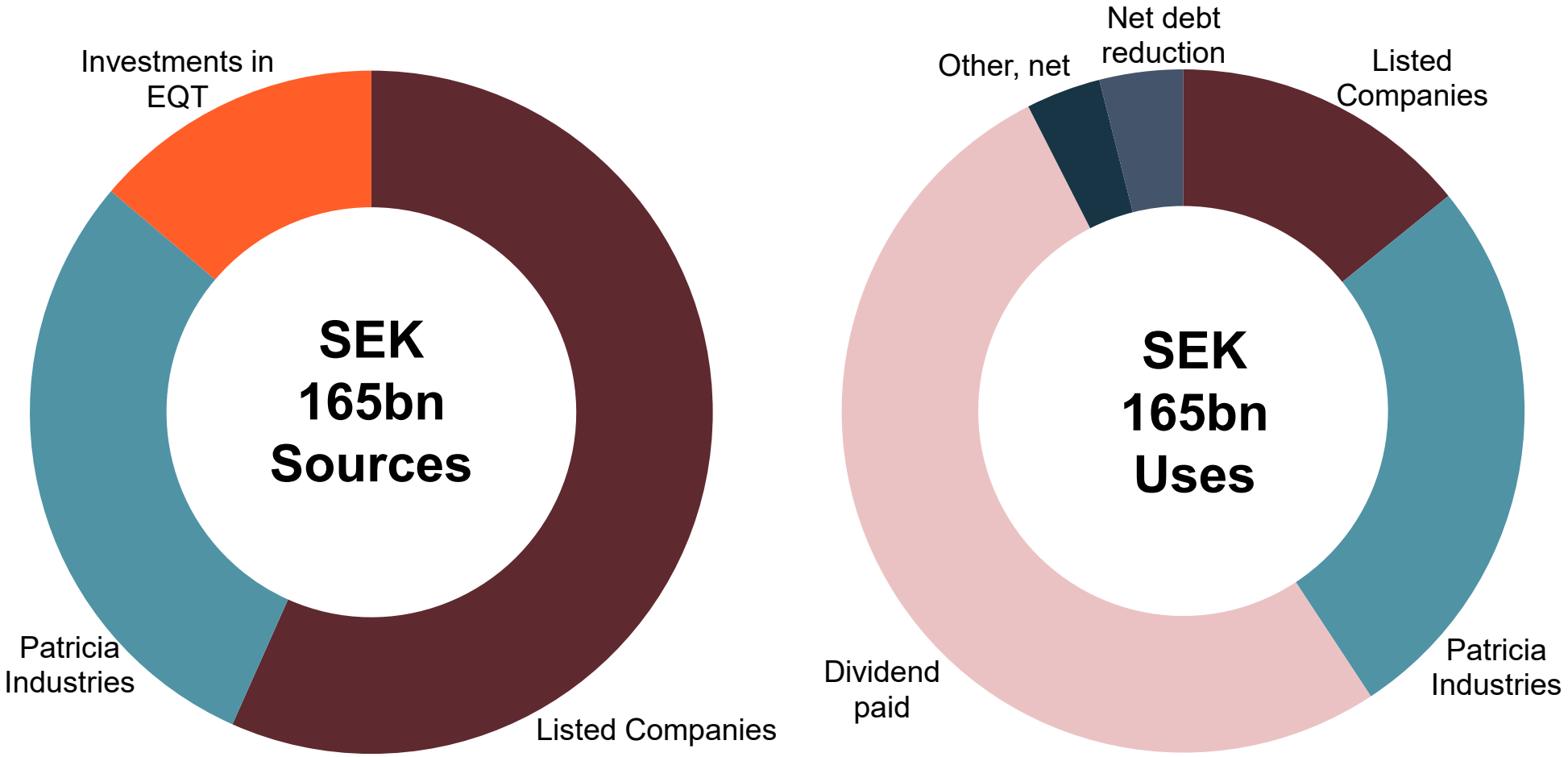
Leverage in the lower end of the range

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



Strong cash flow generation

2015-2023

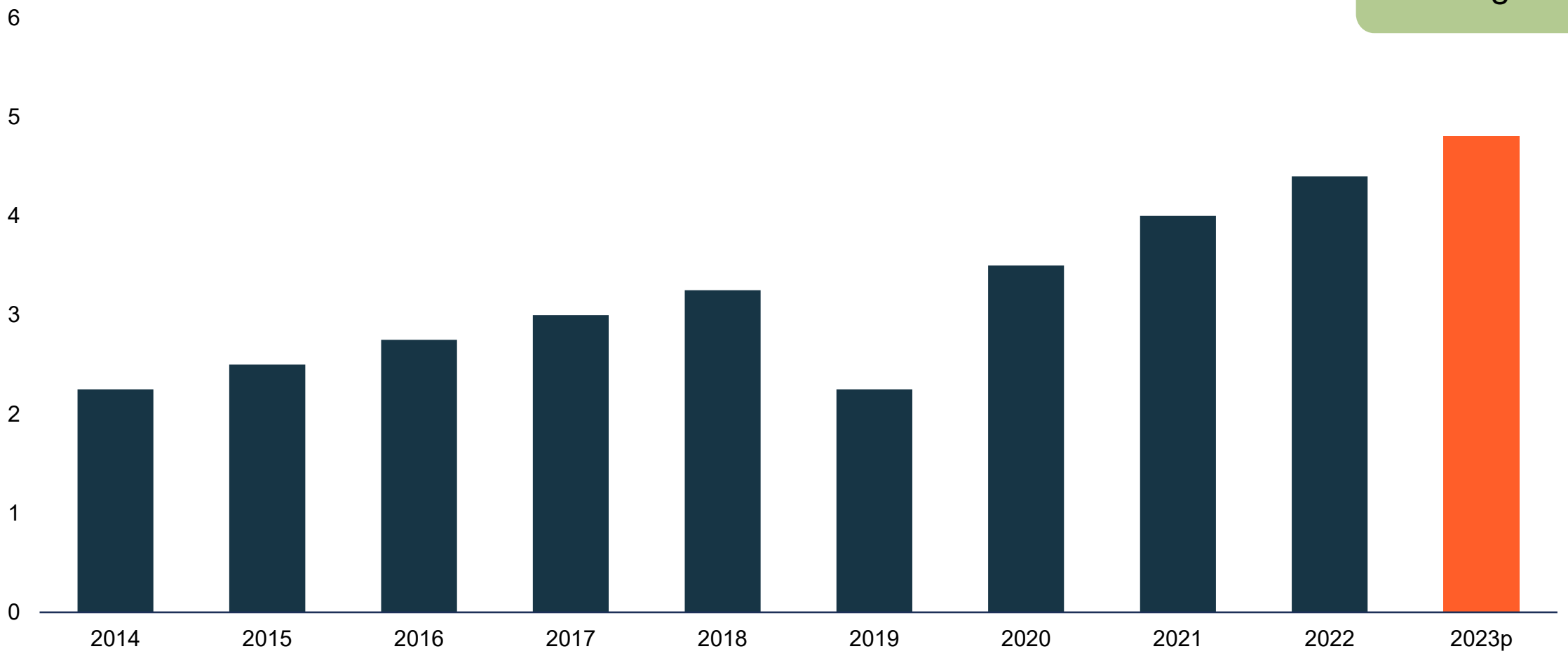


Leverage down from ~7% in 2015 to ~2% in 2023

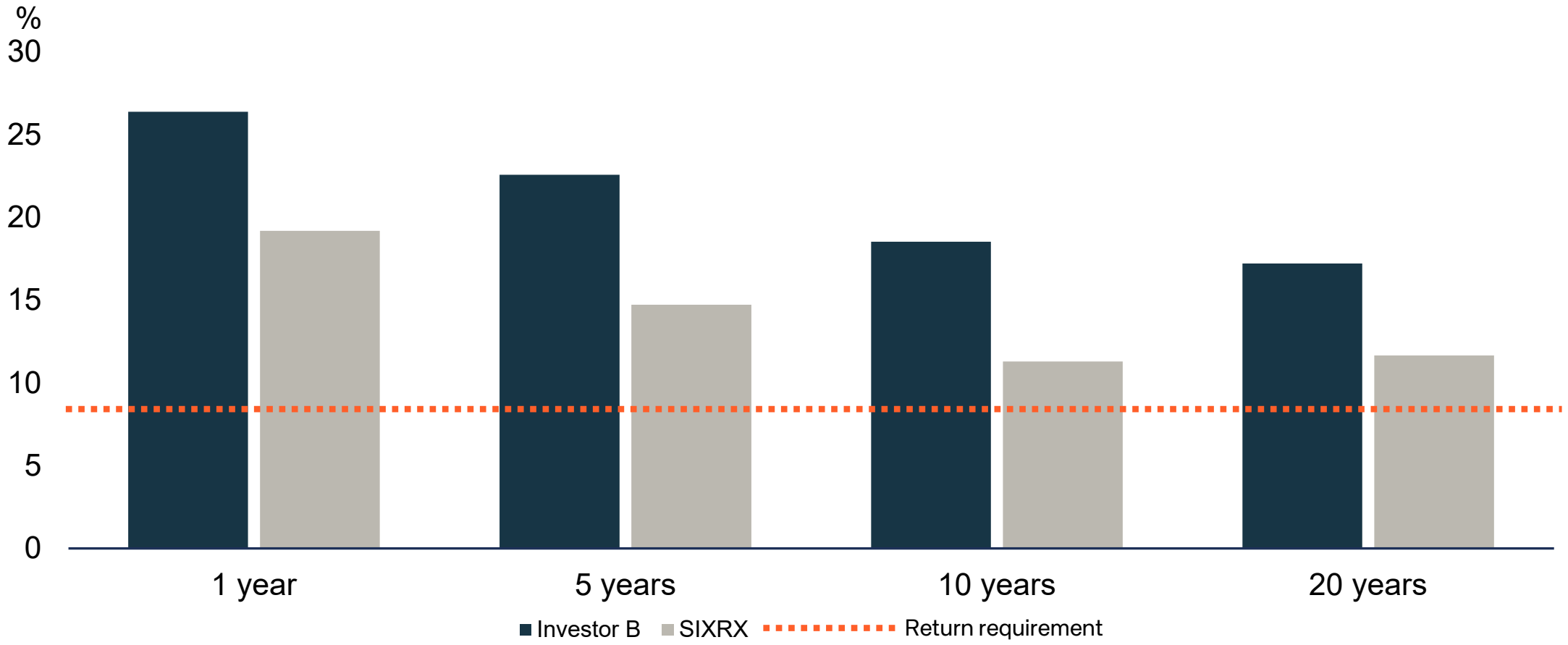
Pay a steadily rising dividend

Dividend per share, SEK

9% average annual growth



Average annual total return, December 31, 2023





Our Purpose

We create value for people and society by building strong and sustainable businesses

Financial calendar

April 18, 2024
Interim Management Statement
January-March 2024

May 7, 2024
Annual General Meeting

July 17, 2024
Interim Report
January-June 2024

October 17, 2024
Interim Management Statement
January-September 2024

January 23, 2025
Year-End Report 2024

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