

INTERIM REPORT

1 January – 31 March 2019



THE FIRST QUARTER

- Net revenue totalled SEK 564 million (504)
- Operating profit amounted to SEK 71 million (61)
- Profit before tax amounted to SEK 67 million (56)
- Profit after tax amounted to SEK 52 million (43)
- Earnings per share were SEK 3.74 (3.11)

CEO'S COMMENTS ON THE GROUP'S DEVELOPMENT DURING THE PERIOD

Our operations began the year in a positive manner, generally reporting both higher invoicing and stronger profitability in relation to the first quarter of last year. The market situation remained stable, while demand remained at a generally high level. Sales growth amounted to 12 per cent, of which approximately half was organic. Operating profit improved by 16 per cent and the operating margin rose from 12.1 to 12.5 per cent. The profit margin stood at 11.9 per cent.

Within the Industrial Products business unit, invoicing increased by 4 per cent, while operating profit exceeded last year's figure by just over 7 per cent. The volumes were generally higher within affected industry segments, with the exception of parts of the automotive industry, where a slight decline was noted. Organisational development in the form of activities for increased efficiency and the optimisation of resources, both within and between the companies, was a priority, as were continued investments in product development and digital marketing.

The increase in volume within the Industrial Solutions business unit amounted to 16 per cent, of which almost 5 per cent was organic. Operating profit improved by 12 per cent compared to last year. The market situation for project-based operations was good, although drawn out decision-making processes for investments within the packaging industry entailed continued large fluctuations in respect of incoming orders and order completions. Last year's lower project volumes provided scope for consolidation activities and the development of internal processes, which are now gradually having an impact. Within contract manufacture, several large undertakings were launched. These initially entailed increased costs, but will have a positive impact in the future.

The operations within the Precision Technology business unit reported 14 per cent higher sales and an operating profit that surpassed that of the comparison period by 18 per cent. Thanks to a long-term strategic working method, the companies generally had a favourable mix of assignments, which resulted in good capacity utilisation and were a contributory reason for the good profitabil-

ity. Additional resources were supplied in the form of new recruitment and training activities, as well as investments in production technology.

We are continuing to work on our areas of focus, including product development and after-sales services. Capacity reinforcements are being implemented through the expansion of production areas and the installation of more efficient machinery, as well as through various training activities. We have a strong drive within our companies, and believe that we have considerable development potential within several areas. The market situation looks bright in the near future, and we are still of the opinion that the conditions for stable and profitable growth remain good.

REVENUE AND PROFIT

Net revenue totalled SEK 564 million (504). Operating profit amounted to SEK 71 million (61), corresponding to an operating margin of 12.5 per cent (12.1). Profit before tax was SEK 67 million (56).

SHARE DATA AND KEY FIGURES

Basic earnings per share were SEK 3.74 (3.11). Equity per share was SEK 53.48 (44.23). The average number of outstanding shares was 13,947,268 during the period. The equity/assets ratio was 35 per cent (32) at the end of the period. The average number of employees was 1,063 (967).

IMPORTANT EVENTS DURING THE PERIOD

There are no individual events of major significance to report during the period.

EVENTS AFTER THE END OF THE PERIOD

There are no individual events of major significance to report after the closing day.

INVESTMENTS

Net investments in non-current assets came to SEK 27 million (198), of which SEK 2 million related to intangible non-current assets, SEK 5 million to real estate, SEK 13 million to machinery and equipment and SEK 7 million to right-of-use assets.

CASH FLOW AND LIQUIDITY

Cash flow from operating activities amounted to SEK 75 million (16) for the period. The stronger cash flow in relation to the comparison period is a consequence of the year's higher profits in combination with a smaller increase in working capital, principally in respect of stock and accounts receivable.

Liquid assets, including lines of credit granted but not utilised, totalled SEK 339 million (366) on the closing day.

RISKS AND UNCERTAINTY FACTORS

The Group's main risks and uncertainty factors include operational risks associated with customers and suppliers and other external factors such as price risks for input goods. In addition, there are financial risks as a result of changes in exchange rates and interest rate levels.

A statement on the Group's main financial and operational risks can be found on pages 77–78 of the annual report for 2018. No additional significant risks are deemed to have arisen.

ACCOUNTING POLICIES

As with the annual financial statements for 2018, the consolidated financial statements for 2019 have been prepared in accordance with the International Financial Reporting Standards (IFRS), as adopted by the EU, the Swedish Annual Accounts Act and the recommendations and statements of the Swedish Financial Reporting Board. This interim report has been prepared in accordance with IAS 34.

The critical assessments and the sources of estimates when preparing this interim report are the same as in the most recent annual report. The Group applies the same accounting policies as described in the annual report for 2018 with the exceptions of new or revised standards, interpretations and improvements, which are applied as from 1 January 2018.

IFRS 16 Leases is applied from 2019. According to the new standard, most leased assets will be recognised in the balance sheet. For XANO, this means that rights of use for operational leases, for example in respect of premises and cars, are recognised as fixed assets, and that corresponding

undertakings are recognised as borrowings. At the same time, the depreciation of rights of use and interest expenses for lease liabilities are recognised in the income statement instead of rental costs. The Group has adopted the new standard using the modified retroactive approach, which means that the comparison year has not been restated and that the cumulative effect of initially applying IFRS 16 has been recognised as an adjustment to opening balances at the date of initial application. The simplification rule, whereby the right-of-use asset corresponds to the lease liability, was applied at the time of the transition. In addition, the exemptions to not report short-term leases and assets of a low value will be applied. The value of additional right-of-use assets and lease liabilities was SEK 86 million as at 1 January 2019, and the equity/assets ratio thereby decreased by approximately 1.5 percentage points. Regarding reconciliation of lease liabilities, please refer to the description in the 2018 annual report. The application is not expected to have any significant impact on the Group's income statement. Financial key performance indicators (covenants) agreed with the Group's main bank are not affected by the introduction of the new standard.

NEXT REPORT DATE

The interim report for the period 1 January to 30 June 2019 will be presented on Wednesday 10 July 2019.

Jönköping, 9 May 2019

Lennart Persson
President and CEO

This report has not been reviewed by the company's auditor.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (SEK million)	2019	2018	18/19	2018
	3 mths Jan-Mar	3 mths Jan-Mar	12 mths Apr-Mar	12 mths Jan-Dec
Net revenue	564	504	2,104	2,044
Cost of goods sold	-432	-389	-1,628	-1,585
Gross profit	132	115	476	459
Selling expenses ¹⁾	-40	-35	-150	-145
Administrative expenses	-21	-20	-84	-83
Other operating income	3	5	17	19
Other operating expenses	-3	-4	-13	-14
Profit from participations in associated companies	0	0	0	0
Operating profit	71	61	246	236
Financial income	3	3	8	8
Financial expenses	-7	-8	-24	-25
Profit before tax	67	56	230	219
Tax	-15	-13	-50	-48
Net profit for the period	52	43	180	171
OTHER COMPREHENSIVE INCOME				
<i>Items that may be reclassified to net profit for the period</i>				
Change in hedging reserve including tax ²⁾	-1	0	0	1
Translation differences ³⁾	9	13	5	9
Other comprehensive income	8	13	5	10
Comprehensive income for the period	60	56	185	181
<i>– of which attributable to shareholders of the Parent Company</i>	<i>60</i>	<i>56</i>	<i>185</i>	<i>181</i>
Basic earnings per share, SEK ⁴⁾	3.74	3.11	12.90	12.27
Diluted earnings per share, SEK ⁴⁾	3.64	3.03	12.56	11.95
Depreciation constitutes	-20	-15	-69	-64

Net revenue refers to revenue from contracts with customers, see also page 5.

Tax amounts to 22 per cent (23) for the interim period.

¹⁾ Amounts for the 2018 full year include non-recurring items of SEK 3 million regarding the reversal of anticipated bad debt losses.

²⁾ Refers to the effective component of the change in value of derivative instruments used for hedge accounting.

³⁾ Refers to the effects of changes in exchange rates when net investments in non-Swedish subsidiaries are translated to SEK. The amount is reported net of hedging contracts.

⁴⁾ Based on net profit for the period.

Polyketting B.V. with subsidiaries is included in the consolidated results from 1 May 2018. If the acquired units had been included in the Group throughout the whole of 2018, revenue would have amounted to approx. SEK 2,071 million, while net profit would have been unchanged at SEK 171 million.

Regarding the effects of introducing IFRS 16, see page 8.

NET REVENUE AND PROFIT/LOSS BY SEGMENT

(SEK million)	Q1 2019				Q1 2018				Q1-Q4 2018			
	External	Net revenue Internal	Total	Profit before tax ¹⁾	External	Net revenue Internal	Total	Profit before tax ¹⁾	External	Net revenue Internal	Total	Profit before tax ¹⁾
Industrial Products ²⁾	162	0	162	21	156	0	156	20	583	0	583	59
Industrial Solutions ²⁾	322	0	322	38	277	0	277	31	1,172	0	1,172	139
Precision Technology	80	2	82	15	71	1	72	13	289	5	294	50
Elimination	–	-2	-2	–	–	-1	-1	–	–	-5	-5	–
Undistributed items	–	–	–	-7	–	–	–	-8	–	–	–	-29
Group total	564	–	564	67	504	–	504	56	2,044	–	2,044	219

¹⁾ The figure refers to the profit/loss before the distribution of group-wide costs and tax in accordance with internal reporting. Undistributed items mainly refer to the Parent Company.

²⁾ The comparison periods have been recalculated as a result of the altered subdivision into business units.

The information on segments is provided from the management's perspective, which means that reporting corresponds to the way in which the information is presented internally. The Group reports on the following segments: Industrial Products, Industrial Solutions and Precision Technology. The operations within each segment are described on page 11. The segments are reported in accordance with the same accounting policies as the Group. Market conditions are applied to transactions between the segments. In 2019, all segments have boosted their total working capital, such as stock levels and accounts receivable.

BREAKDOWN OF REVENUE (SEK million)	INDUSTRIAL PRODUCTS			INDUSTRIAL SOLUTIONS			PRECISION TECHNOLOGY			GROUP TOTAL		
	2019 Q1	2018 Q1	2018 Q1-Q4	2019 Q1	2018 Q1	2018 Q1-Q4	2019 Q1	2018 Q1	2018 Q1-Q4	2019 Q1	2018 Q1	2018 Q1-Q4
Geographic markets ¹⁾												
Sweden	48	49	174	108	121	424	68	59	244	222	228	837
Rest of the Nordic countries	40	30	126	7	21	67	2	1	3	49	52	196
Rest of Europe	72	55	278	167	80	494	4	4	16	243	139	788
Rest of the world	2	22	5	40	55	187	8	8	31	50	85	223
Total	162	156	583	322	277	1 172	82	72	294	564	504	2,044
Type of product												
Proprietary products	47	42	149	202	149	719	1	1	3	250	192	871
Customer-specific manufacturing	115	114	434	120	128	453	81	71	291	314	312	1,173
Total	162	156	583	322	277	1 172	82	72	294	564	504	2,044
Timing of revenue recognition												
Goods and services transferred at a point in time	162	156	583	144	150	553	82	72	294	386	377	1,425
Services transferred over time	–	–	–	1	2	13	–	–	–	1	2	13
Projects transferred over time	–	–	–	177	125	606	–	–	–	177	125	606
Total	162	156	583	322	277	1 172	82	72	294	564	504	2,044

¹⁾ Revenue by geographic market refers to revenue from customers according to where the customers are located.

SHARE DATA	2019 3 mths Jan-Mar	2018 3 mths Jan-Mar	2018 12 mths Jan-Dec
Average number of outstanding shares, thousands	13,947	13,946	13,947
Average number of outstanding shares after dilution, thousands	14,517	14,516	14,517
Average number of shares in own custody, thousands	146	147	146
Basic earnings per share, SEK ¹⁾	3.74	3.11	12.27
Diluted earnings per share, SEK ^{1, 2)}	3.64	3.03	11.95
Cash flow from operating activities per share, SEK	5.41	1.15	10.73
Total number of shares on closing day, thousands	14,093	14,093	14,093
Number of shares in own custody on closing day, thousands	146	146	146
Number of outstanding shares on closing day, thousands	13,947	13,947	13,947
Equity per share on closing day, SEK	53.48	44.23	49.16
Share price on closing day, SEK	206.00	209.00	153.00

¹⁾ Based on net profit for the period.

²⁾ Costs related to convertible bonds amount to SEK 567 thousand (565) for the interim period and SEK 2,292 thousand for the 2018 full year.

The total number of shares stands at 14,093,490, divided between 3,644,400 class A shares and 10,449,090 class B shares. The total number of votes amounts to 46,893,090. After deduction for the company's own holding, 146,222 class B shares, the number of outstanding shares is 13,947,268.

On 1 July 2016, convertibles at a nominal value of SEK 62,130,000 were issued to employees within the XANO Group. The convertibles accrue interest corresponding to STIBOR 3M plus 2.20% and fall due for payment on 30 June 2020. The conversion rate was originally SEK 218. Due to the share split, the conversion rate has been recalculated in accordance with section 8B of the terms and conditions. The recalculated conversion rate is SEK 109. During the period 1 June to 12 June 2020, each convertible may be converted to one Class B share in XANO Industri AB. If all convertibles are converted to shares, the dilution will be approx. 4 per cent of the share capital and 1.2 per cent of the number of votes based on the total number of shares on the closing day.

For definitions, see page 9.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (SEK million)	2019 31 Mar	2018 31 Mar	2018 31 Dec
ASSETS			
Goodwill	576	562	575
Other intangible non-current assets	40	34	39
Property, plant and equipment	522	499	515
Right-of-use assets	92	–	–
Other non-current assets	2	2	2
Total non-current assets	1,232	1,097	1,131
Inventories	299	281	288
Current receivables	532	487	505
Cash and cash equivalents	74	55	70
Total current assets	905	823	863
Assets held for sale	–	1	–
TOTAL ASSETS	2,137	1,921	1,994
EQUITY AND LIABILITIES			
Equity	746	617	686
Non-current liabilities	656	654	587
Current liabilities ^{1,2)}	735	650	721
TOTAL EQUITY AND LIABILITIES	2,137	1,921	1,994
Interest-bearing liabilities constitute ³⁾	831	760	785
Deferred tax liabilities constitute	91	87	91
Lines of credit granted but not utilised total	265	311	190

¹⁾ Current liabilities include interest derivatives measured at fair value of SEK 15 million (14) for the interim period and SEK 14 million for the 2018 full year. The derivatives are used for hedging purposes and belong to value level 2 under IFRS 13. The fair value measurement is based on a number of factors, including forward interest rates produced on the basis of observable yield curves.

²⁾ Current liabilities include currency derivatives measured at fair value of SEK – million (0) for the interim period and SEK 1 million for the 2018 full year. The derivatives are used for hedging purposes and belong to value level 2 under IFRS 13. The fair value measurement is based on several factors, including observable data such as fixing rates and swap rates for the currency in question.

³⁾ Lease liabilities related to right-of-use assets constitute SEK 92 million (–) for the interim period.

Polyketting B.V. with subsidiaries was acquired in May 2018. Acquired assets and liabilities, including surplus values and after revaluation to fair value, amounted to SEK 57 million and SEK 28 million, respectively.

The value of additional right-of-use assets and lease liabilities due to the application of IFRS 16 was SEK 86 million as at 1 January 2019.

STATEMENT OF CHANGES IN EQUITY (SEK million)	2019 31 Mar	2018 31 Mar	2018 31 Dec
Opening balance	686	541	541
Net profit for the period	52	43	171
Other comprehensive income	8	13	10
Comprehensive income for the period	60	56	181
Transfer of own shares	–	20	20
Dividend paid in cash	–	–	-56
Total transactions with shareholders	–	20	-36
Closing balance	746	617	686
– of which attributable to shareholders of the Parent Company	746	617	686

CASH FLOW STATEMENT (SEK million)	2019 3 mths Jan-Mar	2018 3 mths Jan-Mar	18/19 12 mths Apr-Mar	2018 12 mths Jan-Dec
Operating profit	71	61	246	236
Interest and income tax paid/received and adjustments for non-cash items	-9	7	11	27
Change in working capital	13	-52	-48	-113
Cash flow from operating activities	75	16	209	150
Investments				
Acquisitions of subsidiaries	–	-133	-29	-162
Other	-23	-26	-78	-81
Cash flow after investments	52	-143	102	-93
Dividend paid	–	–	-56	-56
Cash flow from other financing activities	-51	141	-27	165
Cash flow for the period	1	-2	19	16
Cash and cash equivalents at the start of the period	70	53	55	53
Exchange rate differences in cash and cash equivalents	3	4	0	1
Cash and cash equivalents at the end of the period	74	55	74	70

QUARTERLY SUMMARY	2019 Q1	2018 Q1	2018 Q4	2017 Q4	2018 Q3	2017 Q3	2018 Q2	2017 Q2
Net revenue, SEK m	564	504	549	432	450	378	541	443
Gross profit, SEK m	132	115	128	99	96	93	120	112
Operating profit, SEK m	71	61	63	54	51	52	61	62
Profit before tax, SEK m	67	56	57	50	47	50	59	52
Net profit for the period, SEK m	52	43	45	42	36	39	47	40
Comprehensive income for the period, SEK m	60	56	43	48	32	37	50	39
Operating margin, %	12.5	12.1	11.6	12.5	11.2	13.8	11.3	14.0
Profit margin, %	11.9	11.2	10.5	11.6	10.3	13.1	10.9	11.9
Equity/assets ratio, %	35	32	34	36	32	32	31	31
Basic earnings per share, SEK ¹⁾	3.74	3.11	3.23	3.07	2.60	2.76	3.33	2.94
Cash flow from operating activities per share, SEK ¹⁾	5.41	1.15	4.23	6.78	2.94	-1.14	2.41	2.46

¹⁾ The comparison figures have been recalculated due to the 2:1 share split carried out in June 2017.
For definitions, see page 9.

KEY FIGURES	2019 3 mths Jan-Mar	2018 3 mths Jan-Mar	18/19 12 mths Apr-Mar	2018 12 mths Jan-Dec
Operating margin, %	12.5	12.1	11.7	11.6
Profit margin, %	11.9	11.2	10.9	10.7
Return on equity p.a., %	29.2	30.0	27.3	27.6
Return on capital employed p.a., %	19.4	21.1	17.3	17.9
Return on total capital p.a., %	14.3	15.0	12.7	13.0
Average equity, SEK m	716	579	660	620
Average capital employed, SEK m	1,524	1,226	1,463	1,363
Average total capital, SEK m	2,065	1,721	1,999	1,876
Interest coverage ratio, multiple	10.7	7.8	10.9	9.9
Equity/assets ratio, %	35	32	35	34
Proportion of risk-bearing capital, %	39	37	39	39
Net investments in non-current assets, SEK m	27	198	112	283
Average number of employees	1,063	967	1,039	1,015

For definitions, see page 9.

IFRS 16 EFFECTS ON REPORTED PERFORMANCE INDICATORS	2019 3 mths Jan-Mar	2019 3 mths Jan-Mar	2019 3 mths Jan-Mar	2018 3 mths Jan-Mar
(SEK million)	OUTCOME	IFRS 16 EFFECT	WITHOUT IFRS 16	OUTCOME
Operating profit	70.7	+0.4	70.3	61.1
Financial items	-3.8	-0.7	-3.1	-4.8
Profit before tax	66.9	-0.3	67.2	56.3
Tax	-14.7	+0.1	-14.8	-12.9
Net profit for the period	52.2	-0.2	52.4	43.4
Depreciation constitutes	-20.4	-4.3	-16.1	-15.2
Operating margin, %	12.5	–	12.5	12.1
Profit margin, %	11.9	–	11.9	11.2

For definitions, see page 9.

DEFINITIONS

AVERAGE NUMBER OF EMPLOYEES

Average number of employees during the period based on working hours.

BASIC EARNINGS PER SHARE

Net profit in relation to the average number of outstanding shares.

CAPITAL EMPLOYED

Balance sheet total less non-interest-bearing liabilities.

CASH FLOW FROM OPERATING ACTIVITIES PER SHARE

Cash flow from operating activities in relation to the average number of outstanding shares.

DILUTED EARNINGS PER SHARE

Net profit plus costs relating to convertible loan in relation to the average number of outstanding shares plus the average number of shares added at conversion of outstanding convertibles.

EQUITY PER SHARE

Equity in relation to the number of outstanding shares on the closing day.

EQUITY/ASSETS RATIO

Equity in relation to total capital.

INTEREST COVERAGE RATIO

Profit before tax plus financial expenses in relation to financial expenses.

NET INVESTMENTS

Closing balance less opening balance plus amortisation/depreciation, impairment costs and translation differences relating to non-current assets.

OPERATING MARGIN

Operating profit in relation to net revenue.

PROFIT MARGIN

Profit before tax in relation to net revenue.

PROPORTION OF RISK-BEARING CAPITAL

Equity plus provisions for taxes in relation to total capital.

RETURN ON CAPITAL EMPLOYED

Profit before tax plus financial expenses in relation to average capital employed.

RETURN ON EQUITY

Net profit in relation to average equity.

RETURN ON TOTAL CAPITAL

Profit before tax plus financial expenses in relation to average total capital.

TOTAL CAPITAL

Total equity and liabilities (balance sheet total).

KEY FIGURES

Key figures included in this report derive primarily from the disclosure requirements according to IFRS. Other performance indicators, known as alternative key figures, describe e.g. the profit trend, financial strength and how the Group has invested its capital.

Presented key figures take the nature of the business into account, and are deemed to provide relevant information to shareholders and other stakeholders for assessing the Group's possibilities to carry out strategic investments, fulfil financial commitments and provide yield for shareholders at the same time as achieving comparability with other companies. The margin measures are also presented internally.

INCOME STATEMENT, PARENT COMPANY (SEK million)	2019 3 mths Jan-Mar	2018 3 mths Jan-Mar	2018 12 mths Jan-Dec
Net revenue	4.5	3.8	21.9
Selling and administrative expenses	-6.7	-6.1	-26.2
Operating profit/loss	-2.2	-2.3	-4.3
Profit from participations in Group companies	–	–	136.9
Other financial items	-2.5	-1.0	-4.1
Profit/loss after financial items	-4.7	-3.3	128.5
Appropriations	–	–	-17.1
Tax	1.0	0.7	-20.8
Net profit for the period	-3.7	-2.6	90.6
<i>Statement of comprehensive income</i>			
Net profit for the period	-3.7	-2.6	90.6
Other comprehensive income	–	–	–
Comprehensive income for the period	-3.7	-2.6	90.6

Net revenue refers to revenue from contracts with customers.

Income tax amounts to 21 per cent (22) for the interim period.

100 per cent (100) of the Parent Company's net revenue comes from invoicing to subsidiaries.

BALANCE SHEET, PARENT COMPANY (SEK million)	2019 31 Mar	2018 31 Mar	2018 31 Dec
ASSETS			
Non-current assets	228.7	228.8	228.7
Current assets	695.1	609.4	693.4
EQUITY AND LIABILITIES			
Equity	201.1	167.4	204.8
Untaxed reserves	94.0	76.9	94.0
Non-current liabilities	168.9	187.0	172.1
Current liabilities	459.8	406.9	451.2
BALANCE SHEET TOTAL	923.8	838.2	922.1

STATEMENT OF CHANGES IN EQUITY, PARENT COMPANY (SEK million)	2019 31 Mar	2018 31 Mar	2018 31 Dec
Opening balance	204.8	150.0	150.0
Comprehensive income for the period	-3.7	-2.6	90.6
Transfer of own shares	–	20.0	20.0
Dividend paid in cash	–	–	-55.8
Closing balance	201.1	167.4	204.8

CASH FLOW STATEMENT, PARENT COMPANY (SEK million)	2019 3 mths Jan-Mar	2018 3 mths Jan-Mar	2018 12 mths Jan-Dec
Operating profit/loss	-2.2	-2.3	-4.3
Interest and income tax paid/received and adjustments for non-cash items	-8.0	-6.1	112.8
Change in working capital	52.7	39.2	-141.5
Cash flow from operating activities	42.5	30.8	-33.0
Investments	–	-155.9	-155.9
Cash flow after investments	42.5	-125.1	-188.9
Financing	-41.0	123.1	188.2
Cash flow for the period	1.5	-2.0	-0.7
Cash and cash equivalents at the start of the year	5.2	5.9	5.9
Exchange rate differences in cash and cash equivalents	0.1	0.0	0.0
Cash and cash equivalents at the end of the period	6.8	3.9	5.2

THIS IS XANO

The XANO Group consists of engineering companies offering manufacturing and development services for industrial products and automation equipment. The Group is represented in the Nordic countries, Estonia, the Netherlands, Poland, China and the United States. The companies all operate within well-defined niches and possess a high level of expertise within their respective technical areas. Each unit is anchored locally and developed according to its own potential. At the same time, the Group affinity creates economies of scale for the companies and their customers. The Group's operations are divided into the business units Industrial Products, Industrial Solutions and Precision Technology.

INDUSTRIAL PRODUCTS



Operations within the Industrial Products business unit comprise the design, manufacture and sale of plastic components and systems produced by means of rotational moulding, injection moulding and blow moulding. Deliverables include both customer-specific and proprietary products.

		2019	2018	2018
		Q1	Q1	Q1-Q4
Net sales	SEK m	162	156	583
Operating profit	SEK m	22	20	64
Operating margin	%	13.3	12.9	11.1

Companies

Ackurat

Sweden
Finland
Poland

Blowtech

Sweden
Norway

Cipax

Sweden
Estonia
Norway
Finland

INDUSTRIAL SOLUTIONS



Companies within the Industrial Solutions business unit supply automation solutions developed in-house, such as packaging machines, accumulators and conveyor systems, to the packaging industry. Contract assignments for advanced industrial products in small and medium-sized production runs are also performed.

		2019	2018	2018
		Q1	Q1	Q1-Q4
Net sales	SEK m	322	277	1 172
Operating profit	SEK m	39	35	147
– of which non-recurring items		–	–	3
Operating margin	%	12.2	12.7	12.5

Companies

Canline

Netherlands
USA

Fredriksons

Sweden
China

Jorgensen

Denmark

NPB

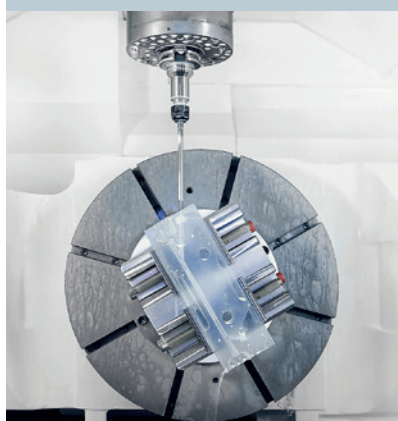
Sweden

Polyketting

Netherlands

Polyketting is included from 1 May 2018.

PRECISION TECHNOLOGY



Operations within the Precision Technology business unit cover component and system manufacture through advanced cutting machining of metal and plastic, used for the production of components with stringent requirements for quality and precision.

		2019	2018	2018
		Q1	Q1	Q1-Q4
Net sales	SEK m	82	72	294
Operating profit	SEK m	16	14	52
Operating margin	%	19.9	19.2	17.7

Companies

KMV

Sweden

LK Precision

Sweden

Mikroverktyg

Sweden

Resinit

Sweden

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