

FIRST QUARTER 2024 ²⁾

**Net sales
MSEK 78**

**Profit
margin
39%**

- Net sales increased by 4% to MSEK 78.2 (75.0)
 - Currency adjusted increase of 5%
- Operating profit (EBIT) increased to MSEK 32.6 (22.6)
- Operating margin (EBIT margin) amounted to 42% (30)
- Profit margin amounted to 39% (30)
- Net profit increased to MSEK 24.5 (18.0)
- Earnings per share were SEK 1.96 (1.43)
- Operating cash flow increased to MSEK 26.1 (-3.8)

FORECAST - SECOND QUARTER 2024 ²⁾

The net sales forecast for the second quarter of 2024 is MSEK 85 - 90 (79.0).

CTT IN BRIEF

(MSEK)	2024 Jan-Mar	Change from previous year	2023 Jan-Mar	2023 Jan-Dec	Rolling 12 months
Net sales	78.2	4 %	75.0	308.9	312.0
Operating profit (EBIT)	32.6	44 %	22.6	118.4	128.4
Profit (loss) this period	24.5	36 %	18.0	95.5	102.0
Earnings per share (SEK)	1.96	37 %	1.43	7.62	8.15
Operating cash flow	26.1	788 %	-3.8	116.8	146.7

CTT – WORLD LEADER IN ACTIVE HUMIDITY CONTROL IN AIRCRAFT

CTT is the leading supplier of active humidity control systems in aircraft. We solve the aircraft humidity paradox - with far too dry cabin air - and too much moisture in the fuselage - causing dehydration for people onboard and excess weight in the aircraft inducing larger environmental footprint. CTT offers humidifiers and dehumidifiers available for retrofit and line-fit on commercial aircraft as well as private jets. For more information about CTT and how active humidity control products make air traveling a little more sustainable and far more pleasurable, please visit: www.ctt.se

¹⁾ This Interim report is a translation of the original report published in Swedish. In the event of any deviations between the two reports, the Swedish version prevails.

²⁾ Unless otherwise stated, outcome comparisons with a previous period in this Interim report refer to the corresponding period of the preceding year, and the value is given in brackets.



Net sales missed forecast

Net sales in Q1 at MSEK 78 were below forecasted MSEK 80 – 85. The deviation to the downside is due to delayed shipments from our repair shop of a particular spare, caused by late component deliveries from a supplier.

Forecasting increased net sales to MSEK 85 – 90 in Q2

The Q2 forecast is an increase in net sales to MSEK 85 – 90 (vs MSEK 79 in Q2 2023), sequentially driven by the backlog from Q1 repairs and spares business. OEM sales is expected to be at same level. In Private jet, we have no scheduled deliveries and no project related revenues to book.

Aftermarket normalized

We reiterate the message that sales of spares and consumables no longer will benefit from pent-up demand due to shortage after the pandemic. As consequence, aftermarket growth will be significantly lower in 2024 compared with the 30% increase we reported in 2023.

OEM demand will drive population growth

In the next few years, we are poised to gain from a strong commercial OEM market, fueled by large widebody aircraft orders placed by airlines in 2023 / 2024. Boeing and Airbus have massive order backlogs for 787s, 777Xs and A350s, amounting to almost 1,900 aircraft in total. Build-rates in end-2023 were in total around 10 aircraft per month for all three programs. A significant ramp-up is required and ongoing but increases will be gradual in steps as the commercial OEMs struggle with supply chain challenges. Consequently, Boeing and Airbus have disclosed production rate increases for calendar 2024, both targeting a monthly rate of 10 aircraft in 2026 for A350 respectively 787 (versus 5 – 6 end-2023). Generally, our OEM shipments run ahead 6 – 9 months of Boeing's and Airbus' aircraft deliveries. Our deliveries in 2024 will be a function of the 2024 and 2025 commercial aircraft production rates and the selection rate of our options. We have good correlation and predictability between our sales and production rates on the 787, but more lumpy demand on the A350, due to uneven selection between operators. Notably, we continue to improve penetration on A350 as new operators continue to select more of our

options compared to airlines with their first A350 delivery early in the program.

Retrofit opportunities aligned with OEM deliveries

A typical airline retrofit order will be 10 – 50 aircraft with first delivery 9 – 12 months after order for the cabin humidification system and 3 – 6 months for the Anti-Condensation system. Related deliveries will be a multi-year period. At present, we have no awards, but we have several initiated discussions. We are confident that airlines are likely to include cabin humidification when harmonizing cabin experience in old aircraft when receiving new aircraft. Retrofit sales will though always be harder compared with OEM due to budget and time constraints.

Private jet – slow VIP market – aiming for bizjet scalability

Our private jet business reported as expected another quarter with low sales. Near term outlook is equally dull. We only have one project in the order book, but our VIP project pipeline is healthy, and importantly, we do not lose any deals. In fact, all quotations for ACJ and BBJ systems, amount in total to historic high level. When we will receive these orders will be a function of, among other things, VIP aircraft availabilities. The cooperation with Airbus Corporate Jets (ACJ) is though successful, as ACJ continues to promote our systems. We are well positioned and will win orders when the market picks-up again. Our lead-time to deliver kit-systems is only 2 - 3 months but longer for widebody VIP projects.

In Private jet, we also address the large cabin business jet market, a MSEK 300 annual sales opportunity. As stated before, we need to be endorsed and included in the offerings by the OEMs. Therefore, we target business jet manufacturers, such as Bombardier, Dassault, and Gulfstream. If we convince any of these OEMs, sales volumes will leapfrog. Lead-time from OEM award to first revenue is estimated to 12 – 24 months. At present, we have no business jet award. I am still cautiously optimistic that we shall enter ACJ similar partnership with at least one additional Private jet OEM in 2024.

Building momentum for the years to come

To summarize: We expect to accelerate population growth in upcoming years. The main driver will be correlated to airline investments in their long-haul fleet. A more opportunistic driver, harder to predict, is retrofit, but we have moved forward in the quarter. Finally, we have made some progress lately in our efforts to win additional OEM customers in Private jet. Although I wish things could go faster, we continue to successfully execute on our strategy; and its actions start to pay off. We are clearly in the beginning of the next phase when we significantly shall increase our installed base.

Henrik Höjer, CEO

SIGNIFICANT EVENTS DURING THE QUARTER

- ✓ No significant events occurred.

EVENTS DURING THE QUARTER

- ✓ 24.01.2024: CTT Systems AB welcomes Air India, India's leading global airline, as new customer with Humidifier Onboard Business class on its Airbus A350-900 aircraft. Air India is the first airline in South-East Asia and Middle East to commence flights with humidification in the Business class cabin.

EVENTS AFTER THE END OF THE REPORTING PERIOD

- ✓ 23.04.2024: CTT Systems AB receives an order for an IFH-VIP system (Inflight Humidification) from Jet Aviation for installation in a BBJMAX8. Planned delivery in Q2/Q3.



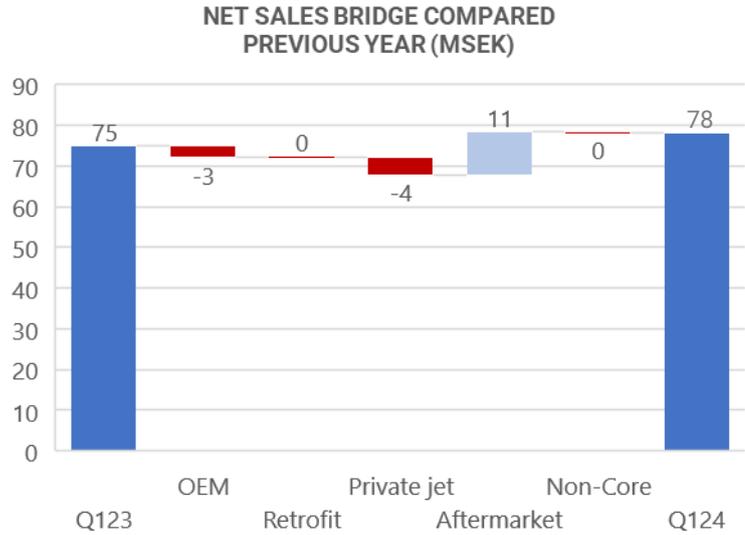
The picture shows a humidifier



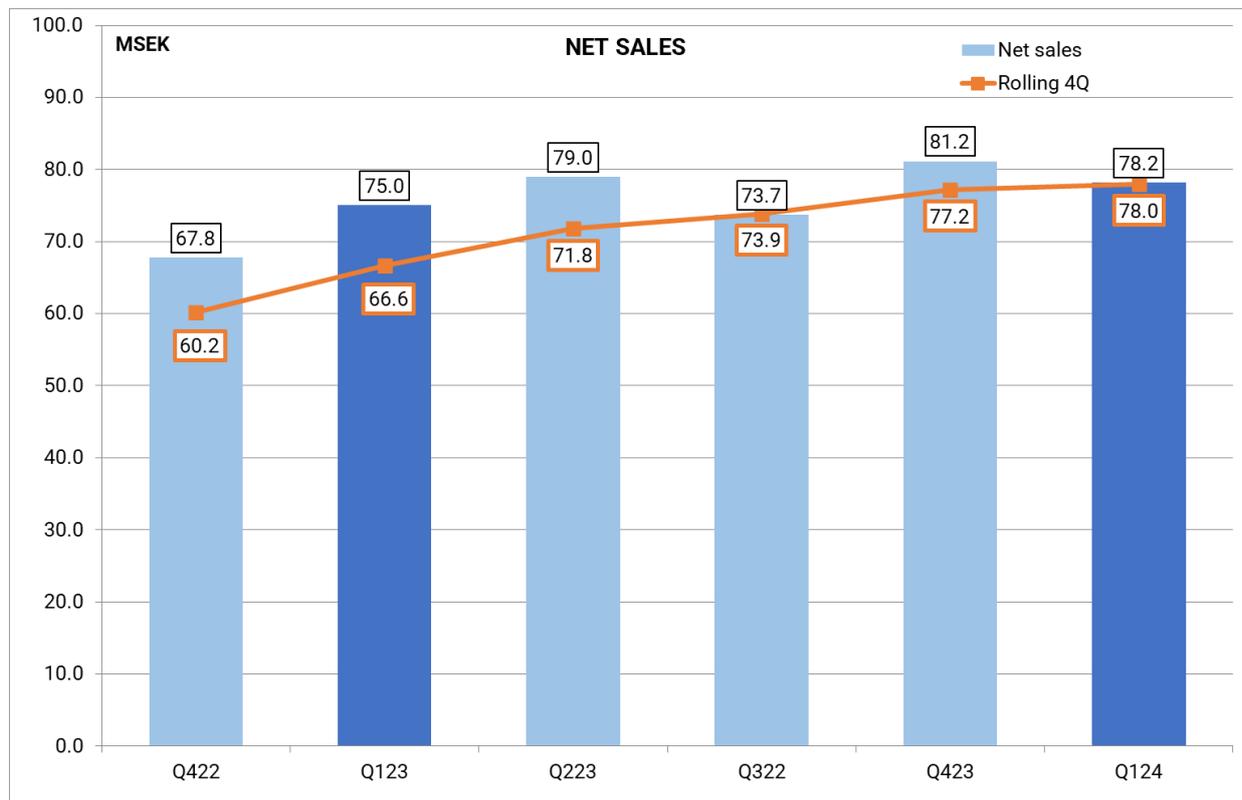
The picture shows an anti-condensator

NET SALES

Net sales increased by 4% in the first quarter to MSEK 78.2 (75.0). Adjusted for currency, sales increased by 5%¹, driven primarily by increased deliveries to the aftermarket. Quarterly revenues from the aftermarket increased to MSEK 62.6 (52.1). In OEM, sales decreased to MSEK 10.4 (13.3), mainly due to large deliveries to Boeing 777X in the first quarter last year. However, deliveries to Boeing 787 increased significantly during the quarter. For Private Jet, sales decreased to MSEK 2.5 (6.6), due to low activity in the market (see CEO comment). No deliveries in the Retrofit area during the quarter.



Rolling four quarters, the revenues continue to increase to MSEK 78.0 in average per quarter or MSEK 312 in yearly pace.

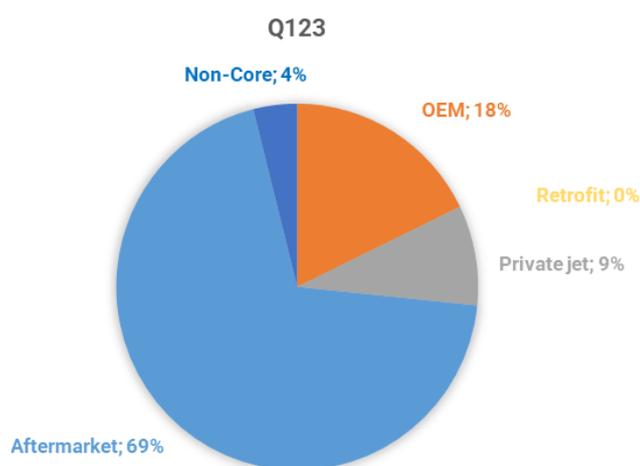
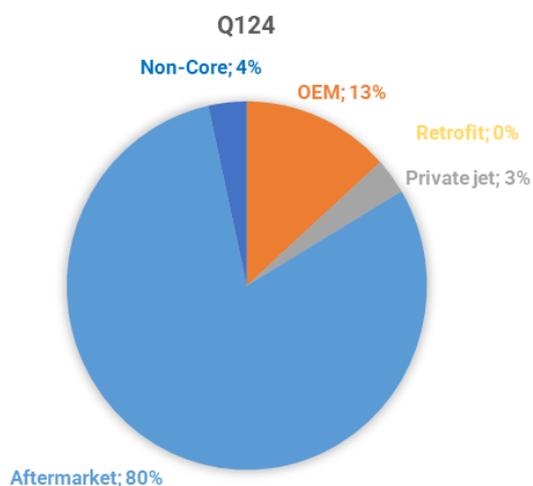
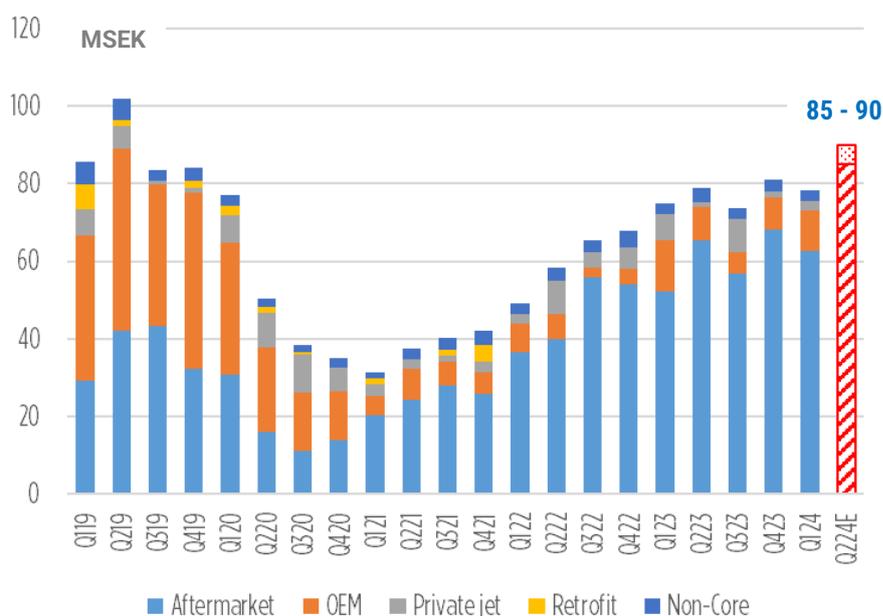


The graph above shows quarterly net sales and rolling four quarters average.

¹ The average USD currency rate in the first quarter was 10.39 (10.43).

BREAKDOWN OF NET SALES

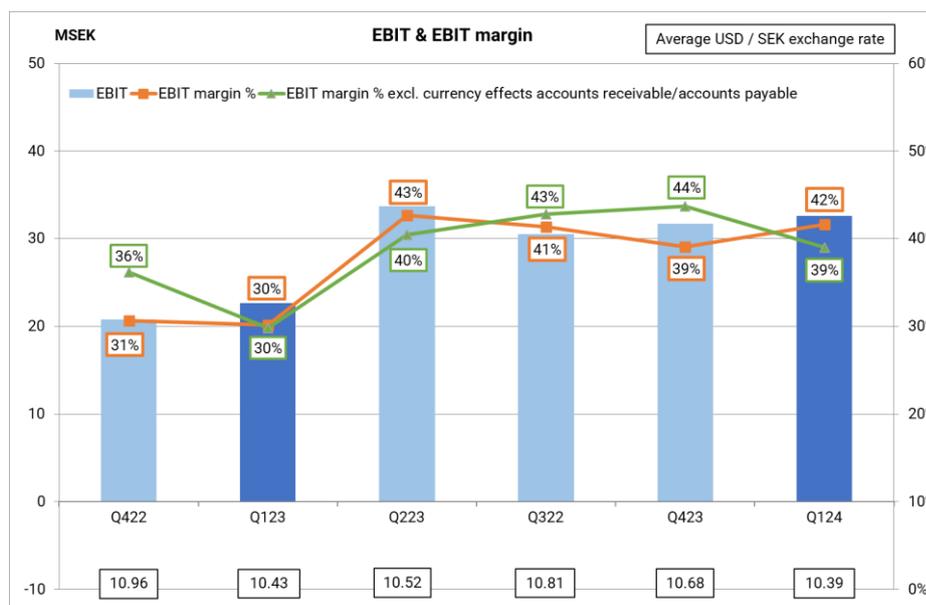
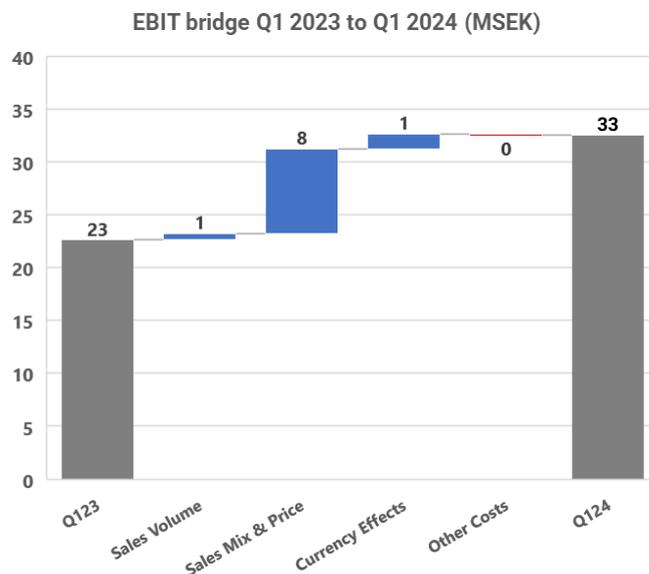
NET SALES (MSEK)	Q222	Q322	Q422	Q123	Q223	Q323	Q423	Q124
System Sales								
OEM	6.4	2.5	4.1	13.3	8.4	5.5	8.3	10.4
Retrofit	-	-	-	-	-	-	-	-
Private jet	8.5	4.0	5.5	6.6	1.3	8.6	1.6	2.5
Total	14.9	6.4	9.7	20.0	9.7	14.1	9.9	12.8
Aftermarket	40.1	56.1	54.0	52.1	65.5	56.8	68.2	62.6
Sales in addition to the core business activities	3.4	2.8	4.1	2.9	3.7	2.9	3.0	2.7
TOTAL	58.4	65.3	67.8	75.0	79.0	73.7	81.2	78.2
Of which projects where there is recognition of profits that is reported as revenue over time. (Other income is recognised at a defined point in time, i.e. upon delivery.)	8.5	3.6	5.5	6.6	1.3	0.1	0.0	2.5



The breakdown of net sales for the quarters is presented above.

FINANCIAL RESULTS

The operating profit (EBIT) in the first quarter increased to MSEK 32.6 (22.6), corresponding to a margin of 42% (30). The increase in earnings compared to the first quarter last year is mainly a consequence of higher aftermarket volumes. The outcome for the quarter has a higher aftermarket share (80% versus 69%) in the revenue mix, corresponding to MSEK +5.7 effect on the result compared to the first quarter of 2023. The quarter benefitted from a total of MSEK 1.4 in positive currency effects, MSEK -0.2 from net sales and MSEK +1.6 from valuation of accounts receivable and accounts payable compared with the previous year. Net financial items amounted to MSEK -1.7 (0.1) and were negatively impacted by currency effects from loans taken in USD with -2.6 (0.8). The profit margin amounted to 39% (30). Net profit was MSEK 24.5 (18.0) and earnings per share increased to SEK 1.96 (1.43).



The earnings trend since Q4 2022 is presented to the left, where the green line shows the EBIT margin adjusted for currency effects directly linked to accounts receivable and accounts payable valuation.

Average USD / SEK exchange rate according to Riksbanken

FORECAST – SECOND QUARTER 2024

The net sales forecast for the second quarter of 2024 is MSEK 85 - 90 (79.0).

FIRST QUARTER 2024 FORECAST AND ACTUAL OUTCOME

In the fourth quarter report (2023), CTT made the following forecast for the first quarter of 2024: "The net sales forecast for the first quarter of 2024 is MSEK 80 - 85 (75.0)."

The actual net sales amounted to MSEK 78.2.

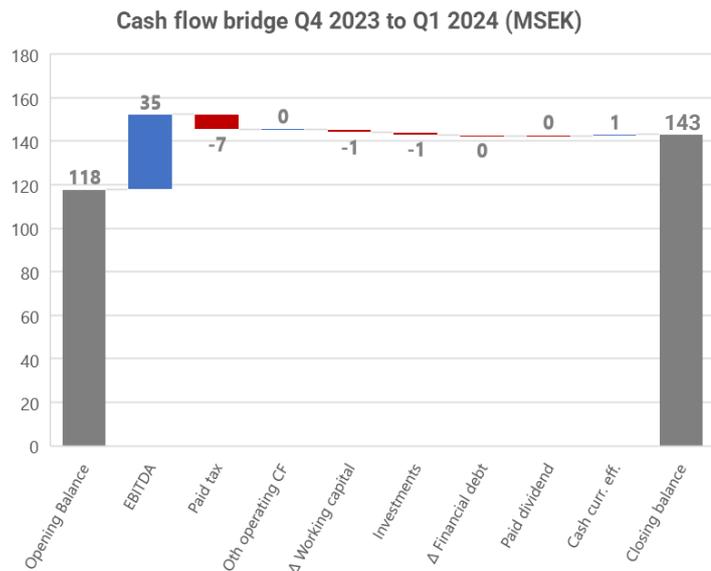
ORDER INTAKE AND ORDER BACKLOG

During the first quarter, the Company's order intake amounted to MSEK 66 (74).

As of 31 March 2024, the order book totaled MSEK 74 (71), based on USD exchange rate of 10.66 (10.35), at the end of the quarter. An increase in order intake from OEMs in the future will lead to an increased order book since OEMs, unlike orders in the aftermarket, generally have longer lead times than one quarter.

CASH FLOW AND FINANCIAL POSITION

Cash flow before changes in working capital amounted to MSEK 27.5 (13.9) in the first quarter, driven by EBITDA (MSEK 34.5 compared to 25.6). The cash flow from operating activities increased to MSEK 26.1 (-3.8). Changes in working capital was in total MSEK -1.4 (-17.7), where operating liabilities increased but was offset by operating receivables and inventory changes in the quarter. Net cash flow in the reporting period was MSEK +24.6 (-6.2). The change in the quarter is described in the graph to the right.



See Cash flow analysis on page 12

Overall, CTT has a strong financial position, with its equity ratio at 31 March 2024 amounting to 76% (71). Cash and cash equivalents amounted to MSEK 143 (54), and in addition CTT has available credit facilities of MSEK 53. Net debt as of 31 March 2023 amounted to MSEK -99 (-10), and equity to MSEK 339 (287).

INVESTMENTS

Investments in the first quarter amounted to MSEK 1.1 (2.0).

PERSONNEL

The average number of employees during the first quarter was 83 (75).

RISKS AND UNCERTAINTIES

CTT is exposed to several risks that could significantly impact the Company's operations, earnings and financial position. The Company's risks are divided into strategic, operational and financial risks. One of these risks is currency. CTT is extremely dependent on the exchange rate of USD to SEK, as most of its revenues are in USD (as business in the aviation industry is priced in USD). CTT has a large proportion of costs in non-USD currencies, mainly SEK. A weakening in USD/SEK-rate has an adverse effect on earnings. For a more detailed description of this particular risk and others, refer to the Risk and Risk Management section on pages 62 - 66 of the Company's Annual Report 2022. No significant changes in material risks or uncertainties have arisen during the period.

SHAREHOLDERS ²⁾

CTT's five largest shareholders as at 31/03/2024	Number of shares	Capital	Votes
Tomas Torlöf	1 725 000	13.8 %	13.8 %
SEB Funds	1 207 082	9.6 %	9.6 %
ODIN Funds	965 000	7.7 %	7.7 %
First Swedish National Pension Fund	570 000	4.6 %	4.6 %
Nya Jorame Holding AB	556 500	4.4 %	4.4 %

For information about the Company's 20 largest shareholders, please refer to the company's website www.ctt.se.

RELATED PARTY TRANSACTIONS

There have been no significant transactions with related parties during the quarter.

To the extent that transactions and agreements for services with related parties are entered into, these are always entered into and performed under market conditions.

ACCOUNTING AND VALUATION POLICIES

This report has been prepared in accordance with IAS 34 Interim Financial Reporting and the Swedish Annual Accounts Act, taking into account the exceptions and additions to IFRS as set out in the Swedish Corporate Reporting Board's recommendation RFR2 Accounting for legal entities. Unless stated otherwise below, the accounting policies applied correspond with the accounting policies applied in the preparation of the most recent annual financial statements.

New and amended accounting policies 2024

No new or updated standards issued by the IASB and interpretative statements by the IFRIC have had any material effect on the Company's financial position, profits or disclosures.

FINANCIAL CALENDAR

AGM	06/05/2024 at 17:00 (CEST)
Interim Report Q2 - 2024	19/07/2024 at 08:00 (CEST)
Interim Report Q3 - 2024	25/10/2024 at 08:00 (CEST)
Year-end Report 2024	07/02/2025 at 08:00 (CET)

² Collins Aerospace has in the first quarter sold all its shares in CTT, corresponding to approximately 9% of the capital. This does not affect the strategic sales and marketing agreement CTT has with Collins.

The Board of Directors and the Chief Executive Officer represent and warrant that this interim report provides a true and fair view of the Company's business operations, position and performance and describes the material risks and uncertainties facing the Company. This information is such as CTT Systems AB (publ.) is obliged to make public pursuant to the EU Market Abuse Regulation and the Swedish Securities Market Act and/or the Swedish Financial Instruments Trading (Market Abuse Penalties) Act.

The information was submitted for publication at 8:00 (CEST) on 26 April 2024.

Nyköping, 25 April 2024

CTT Systems AB (publ.)**Tomas Torlöf**

Chairman of the Board

Steven Buesing

Board Member

Annika Dalsvall

Board Member

Per Fyrenius

Board Member

Anna Carmo E Silva

Board Member

Björn Lenander

Board Member

Henrik Höjer

CEO

This report has not been audited by the Company's auditors.

FURTHER INFORMATION

For additional information, please contact:

Henrik Höjer, CEO
CTT Systems AB
Box 1042
SE-611 29 NYKÖPING
Tel: 46 (0)155-20 59 01
E-mail: henrik.hojer@ctt.se

Markus Berg, CFO
CTT Systems AB
Box 1042
SE-611 29 NYKÖPING
Tel: 46 (0)155-20 59 05
E-mail: markus.berg@ctt.se

Company reg. no.: 556430-7741

Website: www.ctt.se

CTT IN BRIEF

CTT is a market-leading manufacturer of equipment for active control of humidity in aircraft. CTT's dehumidifier and humidifier products minimize fuselage condensation issues and increase cabin air humidity. CTT is a supplier to Boeing and Airbus and has many of the world's largest airlines as its customers.

CTT has been traded on Nasdaq Stockholm since March 1999, currently on the Mid Cap list and has its registered offices in Nyköping.

CTT SYSTEMS AB	2024	2023	2023
INCOME STATEMENT in brief (MSEK)	Jan-Mar	Jan-Mar	Jan-Dec
Operating income			
Net sales	78.2	75.0	308.9
Change in stocks of work in progress and stocks of finished goods	1.8	-7.0	-5.4
Own work capitalised	0.7	0.6	2.0
Other operating income	4.1	1.3	6.7
Total operating income	84.7	69.9	312.1
Operating expenses			
Raw materials and consumables	-16.1	-14.7	-57.8
Other external costs	-11.8	-11.1	-41.8
Employee benefit expense	-20.3	-17.6	-74.3
Depreciation and amortisation of property, plant and equipment and intangible assets	-2.0	-3.0	-9.3
Other operating expenses	-2.0	-0.9	-10.5
Total operating expenses	-52.1	-47.3	-193.7
Operating profit (EBIT)	32.6	22.6	118.4
Net gain/loss on financial items	-1.7	0.1	2.0
Profit before tax	30.9	22.7	120.4
Tax	-6.4	-4.7	-25.0
Profit (loss) this period	24.5	18.0	95.5
Other comprehensive income	-	-	-
Comprehensive income for the period	24.5	18.0	95.5
Earnings per share, SEK	1.96	1.43	7.62

CTT SYSTEMS AB	2024	2023	2023
BALANCE SHEET in brief (MSEK)	31 Mar	31 Mar	31 Dec
Assets			
Intangible assets	80.8	79.6	80.7
Property, plant and equipment	40.5	42.7	41.1
Financial assets	1.9	2.2	2.3
Inventory	110.9	113.2	108.6
Current receivables	67.6	112.1	66.8
Cash at bank and in hand	143.1	53.8	117.9
Total assets	444.8	403.7	417.3
Equity and liabilities			
Equity	338.5	287.3	314.0
Provisions	2.5	3.8	2.9
Non-current liabilities, interest-bearing	42.4	42.7	40.3
Current liabilities, interest-bearing	1.6	1.5	1.5
Current liabilities, non-interest-bearing	59.8	68.4	58.6
Total equity and liabilities	444.8	403.7	417.3
CTT SYSTEMS AB	2024	2023	2023
CHANGE IN EQUITY in brief (MSEK)	Jan-Mar	Jan-Mar	Jan-Dec
Opening equity	314.0	269.3	269.3
Share dividend	-	-	-50.7
Profit (loss) this period	24.5	18.0	95.5
Closing equity	338.5	287.3	314.0

CTT SYSTEMS AB	2024	2023	2023
CASH FLOW ANALYSIS (MSEK)	Jan-Mar	Jan-Mar	Jan-Dec
Operating activities			
Operating profit (EBIT)	32.6	22.6	118.4
Adjustment for items not included in cash flow			
Depreciation and amortisation	2.0	3.0	9.3
Other	-0.4	0.4	-0.9
Financial receipts	1.2	0.3	2.5
Financial payments	-0.9	-0.5	-3.4
Tax paid	-7.0	-11.9	-33.0
Cash flow from operating activities before changes in working capital			
	27.5	13.9	92.9
Cash flow from changes in working capital			
Change in inventories	-2.3	3.1	7.7
Change in operating receivables	-9.5	-27.7	17.6
Change in operating liabilities	10.4	6.9	-1.4
Cash flow from changes in working capital			
	-1.4	-17.7	23.9
Operating cash flow			
	26.1	-3.8	116.8
Investment activities			
Acquisition of intangible assets	-0.3	-1.1	-4.2
Acquisition of property, plant and equipment	-0.7	-0.9	-3.5
Acquisition of financial assets	0.0	-0.1	-0.2
Sale of property, plant and equipment	-	-	0.4
Cash flow from investment activities			
	-1.1	-2.0	-7.5
Financing activities			
Proceeds from borrowings	-	-	-
Repayments of borrowings	-0.4	-0.4	-1.5
Dividends paid	-	-	-50.7
Cash flow from financing activities			
	-0.4	-0.4	-52.2
Cash flow for the period			
	24.6	-6.2	57.1
Cash and cash equivalents at the beginning of the period	117.9	60.1	60.1
Exchange gains/losses on cash and cash equivalents	0.6	-0.1	0.7
Cash and cash equivalents at the end of the period			
	143.1	53.8	117.9

CTT SYSTEMS AB	2024	2023				2022			
KEY FIGURES – INDIVIDUAL QUARTERS	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1
Sales & Financial result									
Net sales, MSEK	78	81.2	73.7	79.0	75.0	67.8	65.3	58.4	49.2
Operating profit (EBIT), MSEK	33	31.6	30.5	33.7	22.6	20.8	33.5	23.5	14.0
Operating margin, %	42	39	41	43	30	31	51	40	29
Profit margin, %	39	43	43	39	30	33	46	33	24
Profit (loss) this period, MSEK	24	27.4	25.3	24.8	18.0	17.8	23.9	15.1	9.6
Return on capital employed, %	9	9	10	11	7	7	12	9	5
Return on equity, %	8	9	9	9	6	7	10	7	4
Return on total capital, %	7	9	9	8	6	6	9	6	4
Share data									
Earnings per share, SEK	1.96	2.19	2.02	1.98	1.43	1.42	1.90	1.21	0.76
Equity per share, SEK	27.02	25.06	22.87	20.85	22.93	21.49	20.07	18.17	17.75
Operating cash flow per share, SEK	2.08	2.43	2.24	4.96	-0.30	1.43	2.46	0.32	0.68
Dividend per share, SEK	-	8.70 ¹⁾	-	-	-	4.05	-	-	-
Number of shares, end of reporting period, thousands	12 529	12 529	12 529	12 529	12 529	12 529	12 529	12 529	12 529
Average number of shares in the period, thousands	12 529	12 529	12 529	12 529	12 529	12 529	12 529	12 529	12 529
Market price at the close of the reporting period, SEK	332.0	229.0	221.0	212.0	194.4	213.5	199.0	198.0	191.6
Cash flow & Financial position									
Operating cash flow, MSEK	26.1	30.4	28.1	62.2	-3.8	17.9	30.8	4.0	8.6
Quick ratio, %	386	349	326	274	274	267	267	239	228
Interest Coverage ratio, times	32	41	40	40	25	34	59	69	26
Debt-equity ratio, times	0.1	0.1	0.2	0.2	0.2	0.2	0.2	0.2	0.2
Equity ratio, %	76	75	73	71	71	71	71	70	71
Personnel & Investments									
Number of employees, (average for the period) ²⁾	83	80	77	77	75	73	72	74	75
Income (valued at full year) per employee, MSEK	4.1	4.2	3.9	4.4	3.7	3.9	4.0	3.6	2.9
Investments, MSEK	1.1	1.5	1.6	2.7	2.0	1.1	2.3	2.4	1.8
FINANCIAL HIGHLIGHTS – ACCUMULATED									
	Q1				Q1				Q1
Sales & Financial result									
Net sales, MSEK	78				75				49
Operating profit (EBIT), MSEK	33				23				14
Operating margin, %	42				30				29
Profit margin, %	39				30				24
Profit (loss) this period, MSEK	24				18				10
Return on capital employed, %	9				7				5
Return on equity, %	8				6				4
Return on total capital, %	7				6				4
Share data									
Earnings per share, SEK	1.96				1.43				0.76
Operating cash flow per share, SEK	2.08				-0.30				0.68
Cash flow & Financial position									
Operating cash flow, MSEK	26				-3.8				8.6
Quick ratio, %	386				274				228
Interest Coverage ratio, times	32				25				26
Debt-equity ratio, times	0.1				0.2				0.2
Equity ratio, %	76				71				71
Personnel & Investments									
Number of employees, (average for the period) ²⁾	83				75				75
Income (valued at full year) per employee, MSEK	4.1				3.7				2.9
Investments, MSEK	1.1				2.0				1.8

¹⁾ Refers to the proposed dividend.

²⁾ The average of employees for the period is an approximation where a calculation is made by taking the average of the number of employees at closing balance and opening balance respectively during the period. The exact calculation is only made for the Company's annual report.

CTT SYSTEMS AB	2024	2023	2022
RELEVANT RECONCILIATIONS OF KEY FIGURES (MSEK)	Q1	Q1	Q1
Operating margin			
Operating profit (EBIT)	32.6	22.6	14.0
/ Net sales	78.2	75.0	49.2
= Operating margin	42%	30%	29%
Profit margin			
Profit before tax	30.9	22.7	12.0
/ Net sales	78.2	75.0	49.2
= Profit margin	39%	30%	24%
Return on capital employed			
(Operating profit, EBIT)	32.6	22.6	14.0
+ Finance interest income)	1.2	0.3	0.2
/ Average capital employed			
Average total capital (total assets)	431.1	390.4	320.5
<i>Total capital at the beginning of the period</i>	417.3	377.1	328.5
<i>Total capital at the end of the period</i>	444.8	403.7	312.5
- Average non-interest-bearing liabilities including deferred taxes	-59.2	-63.7	-42.2
<i>Non-interest-bearing liabilities including deferred taxes, beginning of the period</i>	-58.5	-59.0	-39.7
<i>Non-interest-bearing liabilities including deferred taxes, end of the period</i>	-59.8	-68.4	-44.7
Total average capital employed	371.9	326.7	278.3
= Return on capital employed	9%	7%	5%
Return on equity			
Profit (loss) this period	24.5	18.0	9.6
/ Average equity	326.3	278.3	217.7
<i>Equity at the beginning of the period</i>	314.0	269.3	212.9
<i>Equity at the end of the period</i>	338.5	287.3	222.4
= Return on equity	8%	6%	4%
Return on total capital			
(Profit before tax	30.9	22.7	12.0
- Finance interest costs)	-1.0	-1.0	-0.5
/ Average total capital (for the calculation, see "Return on capital employed")	431.1	390.4	320.5
= Return on total capital	7%	6%	4%
Quick ratio			
(Current assets, i.e. other current assets plus cash & bank deposits	321.6	279.2	187.0
- Inventories	110.9	113.2	105.4
+ Granted unutilised line of credit)	26.7	25.9	23.6
/ Current liabilities	61.4	69.9	46.1
= Quick ratio	386%	274%	228%
Interest Coverage ratio			
(Profit before tax	30.9	22.7	12.0
- Finance interest costs)	-1.0	-1.0	-0.5
/ Finance interest costs	-1.0	-1.0	-0.5
= Interest Coverage ratio, times	32	25	26
Debt-equity ratio			
Interest-bearing liabilities, i.e. total interest-bearing items on balance sheet's debt side	43.9	44.2	41.3
/ Equity	338.5	287.3	222.4
= Debt-equity ratio, times	0.1	0.2	0.2
Income per employee			
Operating income (calculated to full year)	338.8	279.8	218.3
/ Number of employees, (average for the period) ¹⁾	83	75	75
= Income per employee	4.1	3.7	2.9

¹⁾The average of employees for the period is an approximation where a calculation is made by taking the average of the number of employees at closing balance and opening balance respectively during the period. The exact calculation is only made for the Company's annual report.

DEFINITIONS OF KEY FIGURES ¹⁾**RETURN ON EQUITY (ROE)**

Profit for the period as % of average equity.

Return on equity is a measurement that the Company considers important for an investor who wants to be able to compare their investment with alternative investments.

RETURN ON TOTAL CAPITAL (ROTC)

Profits after net financial items with a reversal of financial interest expenses, as % of average total assets.

Return on total capital is a measurement that the Company considers important for an investor who wants to see how efficiently the use of total capital in the Company is used and what return it produces.

RETURN ON CAPITAL EMPLOYED (ROCE)

Operating profit (EBIT) plus finance interest income as % of average capital employed. The capital employed is defined as the total assets less non-interest-bearing liabilities including deferred taxes.

Return on capital employed is a measure that the Company considers important for investors who want to understand earnings generation in relation to capital employed.

EQUITY PER SHARE

Equity in relation to the number of shares on the balance sheet day.

The Company regards the key financial figure equity per share as relevant to investors since it describes the amount of capital (equity) belonging to the shareholders of the Company.

INCOME PER EMPLOYEE

Operating income divided by the number of employees (annualised average of full-time equivalents).

The Company regards income per employee as a relevant measure for investors who want to understand how effectively the Company is using its human capital.

CASH FLOW PER SHARE

Operating cash flow divided by the average number of shares.

The Company regards cash flow per share as relevant to investors since it describes the amount of cash flow directly attributable to the shareholders of the Company.

QUICK RATIO

Current assets excluding inventories but including granted unutilised lines of credit, divided by current liabilities.

The Company regards the quick ratio (cash liquidity) as important for creditors who want to understand the Company's short-term ability to pay.

EARNINGS PER SHARE (EPS)

Financial measure (key figure) according to IFRS

Profit for the period divided by the average number of shares.

INTEREST COVERAGE RATIO

Profit after net financial items with reversal of financial interest expenses divided by finance interest costs.

The coverage ratio is a key figure that shows how much the result can decrease without risking interest payments. The Company regards the key financial figures as relevant for investors who want to assess the Company's financial resilience.

OPERATING PROFIT (EBIT)

Operating profit before financial items and taxes.

The Company considers that the key financial figure operating profit (EBIT) is relevant for investors who want to understand the Company's financial results without the influence of how the business operations are financed.

OPERATING PROFIT EXCL. DEPRECIATION AND AMORTISATION (EBITDA)

Operating profit before financial items and taxes (EBIT) with reversal of depreciation and amortization of tangible and intangible fixed assets

The Company considers that the key financial figure operating profit excluding depreciation and amortisation (EBITDA) is relevant for investors who want to understand the Company's financial results without the influence of how the business operations are financed or from what depreciation principles the Company has for its investments.

OPERATING MARGIN

Operating profit (EBIT) as % of net sales.

The Company regards the operating margin (operating profit margin) as a relevant key figure for investors who want to understand the extent of the revenue left over to cover interest, tax and profit.

DEBT-EQUITY RATIO

Interest-bearing liabilities divided by equity.

The debt-to-equity ratio shows the relationship between the borrowings (total debt) and equity and thus the leverage effect of the borrowings. The Company regards this key financial figure as relevant for investors' assessment of the financial strength of the Company.

EQUITY RATIO

Equity as % of the total assets.

The equity ratio is a measure that the Company considers important for creditors/lenders who want to understand the Company's long-term ability to pay.

PROFIT MARGIN

Profit after financial items as % of net sales.

The Company regards the profit margin as relevant to investors because it shows the amount of revenue remaining when all costs excluding tax are covered, and thus compares the profit with the scope of the Company's activities.

¹⁾ A description of industry/company-specific words can be found on page 98 of the Company's Annual Report for 2023.