

Quarter 1

INTERIM REPORT
JANUARY – MARCH 2021

QUARTER 1, 2021

- Net sales amounted to 233.1 MSEK (279.1) which is a growth of -16.5 % (33.5)
- Operating profit before amortization of goodwill (EBITA) reached 26.4 MSEK (32.9) with a margin of 11.3 % (11.8).
- Operating profit after amortization of goodwill (EBIT) amounted to 2.7 MSEK (12.9) with a margin of 1.1 % (4,6). Amortizations of goodwill had an impact on EBIT with -23.7 MSEK (-20.1).
- Earnings per share amounted to -0.37 SEK (0.28).
- Cash flow from operating activities amounted 19.6 MSEK (-14.9)

KEY RATIOS	Jan-Mar 2021	Jan-Mar 2020	Jan-Dec 2020	Jan-Dec 2019
Net sales (TSEK)	233,080	279,111	895,860	1,038,351
Sales growth (%)	-16.5	33,5	-13.7	61.3
EBITDA (TSEK)	29,764	37,117	73,455	174,968
EBITA (TSEK)	26,398	32,942	49,543	162,477
EBITA (%)	11.3	11.8	5.5	15.6
Amortization of goodwill (TSEK)	-23,719	-20,075	-80,728	-51,329
Operating profit EBIT (TSEK)	2,678	12,850	-31,184	111,148
Operating margin EBIT (%)	1.1	4.6	-3.5	10.7
Cash flow from operating activities (TSEK)	19,645	-14,881	54,447	126,084
Debt/equity ratio (%)	29.7	44.2	30.5	41.7
Net debt (TSEK)	161,904	206,438	129,903	153,167
Earnings per share (SEK)	-0.4	0.3	-4.9	6.5
Equity per share (SEK)	32.0	39.2	30.4	37.7
Number of shares, end of period	11,320,968	11,320,968	11,320,968	11,320,968



COMMENTS BY THE CEO AXEL BERTSSON

The first quarter was characterized by an order intake that was back to the same levels as before the Covid pandemic.

To meet the increased demand, we increased our production capacity in several factories during the quarter. Despite an increase in the order intake, there is only a slight growth in sales in the quarter, as the capacity expansion lags in time towards the order intake.

Sales amounted SEK 233 million which is an increase of two percent compared to the fourth quarter previous year. The costs of the business have followed the plan established in connection with the cost reduction program that was completed with the divestment of Gallito at the beginning of the year. The gross margin and operating margin for the quarter are in line with the corresponding quarter last year. Some material categories, such as sheet metal and electronics, have seen sharp price increases during the quarter. The increases are expected to be absorbed by price adjustments to our customers with some delayed effect.

Tessu, which was acquired in the commercial kitchen segment, has had an even and good start to the year as well as our commercial kitchen ventilation business as a whole. In this segment, we have not had any capacity constraints and have been able to plan production and adapt it to the order situation.

Our business towards industrial customers developed strongly during the quarter. Order intake was good in all regions as well as the inflow of new business opportunities. However, production restrictions affected sales that were lower than expected. Overall, we are pleased with how the industrial segment has recovered, but there is still some uncertainty as a result of the Covid pandemic.

We have a good level of new business opportunities and a good order intake. Although unpredictability is expected to continue for some time to come, we look with confidence at how the business will develop.

A handwritten signature in black ink, appearing to be 'Axel Berntsson'.

Axel Berntsson, MD and CEO
Lidköping, May 2021

GROUP JANUARY TO MARCH 2021

NET SALES

The net sales for the Group amounted to 233.1 MSEK (279.1), which corresponds to a reduction of -16.5 % (33.5).

OPERATING PROFIT

Operating profit (EBIT) amounted to 2.7 MSEK (12.9), which corresponds to an operating margin (EBIT) of 1.1 % (4.6). The parent company and the Group do not apply IFRS/IAS 36. Thereby, impairment test of the goodwill is not performed. The Group amortize the goodwill linear over the estimated useful life, which is five to ten years. EBITA amounted to 26.4 MSEK (32.9), compare to the fourth quarter previous year EBITA increased with 2MSEK if you exclude the sale of a real estate. The currency rates impacted the operating profit (EBIT) positively with 2.5 MSEK (4.9) for the period. The financial items were positively impacted with 1.4 MSEK (-2.0) by the currency rates. The impact is related to the credit facility in foreign currency. After taxes and financial items of -6.8 MSEK (-9.6) the result for the period was -4.1 MSEK (3.2).

INVESTMENTS

The Group invested 4.4 MSEK (8.5) for the period January to March mainly in software, machinery and inventory in current operations. In January 2021, the group acquired the commercial kitchen ventilation company Tessu Systems B.V. in the Netherlands for 5.3 MEUR on a cash and debt-free basis with an opportunity for an additional earn out conditional on Tessu's performance in 2021 and 2022. In January 2021 Absolent Group has divested Gallito Limited in the UK. The divestment is in line with Absolent Group's strategy and sharpens the focus on core growth platforms.

CASH FLOW

Cash flow from the operating activities before changes in working capital amounted to 16.5 MSEK (21.9). Cash flow after changes in working capital amounted to 19.6 MSEK (-14.9).

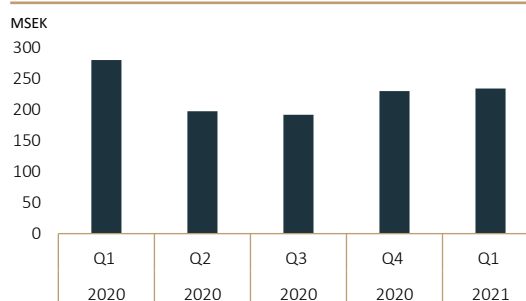
FINANCIAL POSITION

Interest bearing liabilities amounted to 586.5 MSEK at the end of the period. At the beginning of the period the liabilities amounted to 581.7 MSEK. Net debt of the Group was 161.9 MSEK by the end of March compared to 129.9 MSEK in the beginning of the period. The debt/equity ratio was at the end of the period 29.7% (44.2). The parent company's credit facility amounts 600 MSEK and expires during 2022.

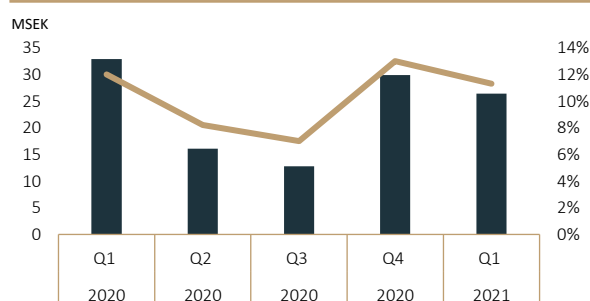
NET SALES PER REGION, JAN TO MAR



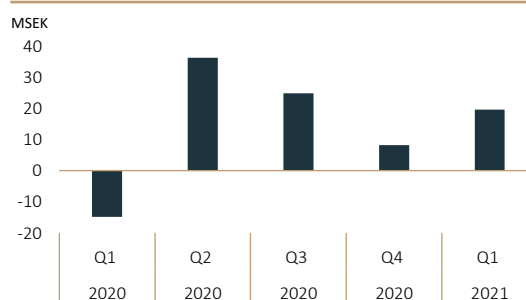
NET SALES



EBITA OCH EBITA MARGIN (EBITA1* Q2-Q4 2020)



CASH FLOW FROM OPERATING ACTIVITIES



*EBITA1, Operating profit excluding one-time expenses related to the cost reduction program. For definition and more information see interim report, Q4, 2020.

OTHER INFORMATION

RISKS AND UNCERTAINTIES

The Group and the parent company are exposed to different risks in their daily operations such as business risk, competitor risk, distributor risk, supplier risk and acquisition risk. These risks are described in detail in the Annual Report of Absolent Group for 2020 (available on www.absolentgroup.com). The risk profile remains since the Annual Report of 2020 was published. However, the spread of Covid-19 has created uncertainties in the market that are difficult to predict.

FINANCIAL IMPACT OF COVID 19

The Group has received governmental grants of approximately 1.1 MSEK (-) during the period January to March 2020. The impact of Covid-19 is still uncertain, and the Group management follows the development closely and evaluates both the operational and financial impact and takes proactive measures to limit the effects.

ACCOUNTING PRINCIPLES

The Group and the parent company applies the Swedish Annual Accounts Act (1995:1554) and General recommendation BFNAR 2012:1 Annual Accounts and Consolidated Financial Statements (K3) of the Swedish Accounting Standard Board. The accounting principles applied are the same as those described in the disclosures of the annual report for 2020 (available on www.absolentgroup.com). The group have changed the presentation of deferred tax assets and liabilities, and the comparison figures have been adjusted accordingly. Government grant is reported as other operating income.

No new accounting principles for 2021 has been applied by the Group.

OTHER INFORMATION

The Group CFO, Anna Åkerblad, has left the group and will be replaced by Karin Brossing Lundqvist during the second quarter of the year 2021.

CONTACT INFORMATION

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CERTIFIED ADVISER

Erik Penser Bank AB is the Company's Certified Adviser.

FINANCIAL CALENDER

Second quarter 2021	Aug 18, 2021
Third quarter 2021	Nov 12, 2021

This interim report has not been reviewed by the company auditors.

This document is a translation of the Swedish original. In the event of any discrepancies between this translation and the Swedish original, the latter shall prevail.

The interim report is available on the Group website (www.absolentgroup.com).

Lidköping May 4, 2021
Axel Berntsson
MD and CEO

This information is information Absolent Group AB (publ.) is obligated to make public pursuant to the EU Market Abuse Regulation. The information was submitted for publication, through the agency of the contact person set out above, at 1:00 p.m. CEST May 4, 2021.

GROUP – INCOME STATEMENT

(TSEK)	Jan-Mar 2021	Jan-Mar 2020	Jan-Dec 2020
Net sales	233,080	279,111	895,860
Cost of products and services sold	-145,458	-172,908	-592,490
Gross profit	87,622	106,203	303,370
Sales expenses	-54,394	-58,136	-211,431
Administrative expenses	-28,498	-33,207	-124,761
Research and development expenses	-5,558	-5,800	-24,948
Other operating income and expenses	3,506	3,790	26,586
Operating result (EBIT)	2,678	12,850	-31,184
Financial items	-457	-3,787	-9,947
Result before tax	2,221	9,063	-41,131
Taxes	-6,361	-5,840	-13,955
Result for the period	-4,141	3,223	-55,086

GROUP – BALANCE SHEET

(TSEK)	31-Mar 2021	31-Mar 2020	31-Dec 2020
Assets			
<i>Fixed assets</i>			
Intangible assets	351 950	352,350	261,332
Tangible assets	108,237	130,179	107,499
Other long-term assets	3,100	140	87
Deferred tax assets	3,322	3,439	2,622
Total fixed assets	466,609	486,108	371 540
<i>Current assets</i>			
Inventories	105,958	120,710	98,788
Account receivables	183,188	246,179	157,713
Other current assets	39,274	46,542	46,980
Cash and cash equivalents	424,568	104,207	451,846
Total current assets	752,988	517,638	755,327
Total assets	1,219,597	1,003,746	1,126,867
Equity and liabilities			
<i>Equity</i>			
Share capital (11,320,968 shares)	3,363	3,363	3,363
Other contributed capital	32,510	32,510	32,510
Other equity including profit for the year	326,678	408,281	307,920
Minority interests	1	1	1
Total equity	362,552	444,155	343,794
<i>Provisions</i>			
Deferred tax liabilities	13,933	15,280	16,553
Other provisions	99,259	45,681	47,469
Total provisions	113,192	60,961	64,022
<i>Long-term liabilities</i>			
Liabilities to credit institutions	585,325	299,761	579,967
Total long-term liabilities	585,325	299,761	579,967
<i>Short-term liabilities</i>			
Other interest-bearing liabilities	1 146	5,175	1,782
Bank overdraft	-	5,709	-
Account payables	64,451	67,978	46,734
Other current liabilities	92,931	120,007	90,568
Total short-term liabilities	158,528	198,869	139,084
Total equity and liabilities	1,219,597	1,003,746	1,126,867

GROUP - STATEMENT OF CHANGES IN EQUITY

(Tkr)	Jan-Mar 2021	Jan-Mar 2020	Jan-Dec 2020
Opening balance	343,794	427,073	427,073
Translation differences	22,898	13,859	-28,193
Dividends			
Result for the year	-4,140	3,223	-55,086
Change in minority interest	-	-	-
Closing balance	362,552	444,155	343,794

GROUP - CASH FLOW STATEMENT

(TSEK)	Jan-Mar 2021	Jan-Mar 2020	Jan-Dec 2020
Operating result (EBIT)	2,678	12,850	-31,184
Adjustment for items not included in the cash flow	30,134	26,287	117,114
Financial net, paid	-1,830	-733	-7,930
Paid tax	-14,481	-16,534	-39,318
Changes in working capital	3,144	-36,751	15,765
Cash flow from operating activities	19,645	-14,881	54,447
Investing activities	-4,443	-8,527	-3,550
Acquired operations	-46,565	-27,000	-32,000
Cash flow from investing activities	-51,008	-35,527	-35,550
Cash-flow from financing activities	-587	-732	289,380
Cash flow for the period	-31,950	-51,140	308,277
Cash and cash equivalents at the beginning of the period	451,846	150,379	150,379
Translation differences	4,672	4,968	-6,810
Cash and cash equivalents at the end of the period	424,568	104,207	451,846

PARENT COMPANY – INCOME STATEMENT

(TSEK)	Jan-Mar 2021	Jan-Mar 2020	Jan-Dec 2020
Net sales	7,061	1,205	22,765
Gross profit	7,061	1,205	22,765
Sales expenses	-315	-378	-948
Administrative expenses	-8,544	-8,022	-28,772
Research and development expenses	-730	-540	-2,356
Other operating income and expenses	438	591	726
Operating result (EBIT)	-2,090	-7,144	-8,585
Financial items	-1,084	-327	-3,559
Appropriations	-	7,416	13,214
Result before tax	-3,174	-55	1,070
Taxes	655	-	-246
Result for the period	-2,519	-55	824

PARENT COMPANY - BALANCE SHEET

(TSEK)	31-Mar 2021	31-Mar 2020	31-Dec 2020
Assets			
<i>Fixed assets</i>			
Intangible assets	9,464	8,922	10,023
Tangible assets	608	131	503
Participations in group companies	489,461	362,447	377,805
Long-term receivables group companies	94,539	118,060	92,836
Total fixed assets	594,072	489,560	481,167
<i>Current assets</i>			
Receivables group companies	45,673	65,007	55,914
Other receivables	2,914	2,938	1,331
Cash and cash equivalents	305,644	-	311,883
Total current assets	354,231	67,945	369,128
Total assets	948,303	557,505	850,295
Equity and liabilities			
<i>Equity</i>			
<i>Restricted equity</i>			
Share capital (11,320,968 shares)	3,363	3,363	3,363
Reserve fund	918	918	918
<i>Non-restricted equity</i>			
Share premium fund	32,510	32,510	32,510
Retained earnings	102,374	101,550	101,550
Result for the period	-2,519	-55	824
Total equity	136,646	138,286	139,165
<i>Provisions</i>			
Other provisions	85,837	20,000	35,358
Total provisions	85,837	20,000	35,358
<i>Long-term liabilities</i>			
Liabilities to credit institutions	585,325	298,871	579,967
Liabilities group companies	-	-	41,369
Total long-term liabilities	585,325	298,871	621,336
<i>Short-term liabilities</i>			
Bank overdraft	-	2,887	-
Liabilities group companies	129,682	87,825	43,714
Other liabilities	10,813	9,636	10,722
Total short-term liabilities	140,495	100,348	54,436
Total equity and liabilities	948,303	557,505	850,295