INTERIM REPORT

JULY 2023–SEPTEMBER 2023

FRAGMENTED DEVELOPMENT BUT IMPROVED EARNINGS

First quarter July 2023 – September 2023

- Net sales decreased by 16 percent to MSEK 726.8 (862.7). Organic growth** for the remaining operations was -13 percent. Falling raw material prices reduce sales, as they also reduce the price to the end customer to a significant extent.
- Adjusted EBITDA* increased by 32 percent to total MSEK 20.8 (15.8), equivalent to an adjusted EBITDA* margin of 2.9 percent (1.8).
- Adjusted EBIT* increased to MSEK -5.6 (-12.4).
- Operating profit (EBIT) totaled MSEK -5.2 (-12.4).
- Cash flow from operating activities totaled MSEK 23.8 (131.8).
- Earnings after tax totaled MSEK -3.0 (-11.1).
- Adjusted earnings per share totaled SEK -0.09 (-0.28).
- Earnings per share totaled SEK -0.08 (-0.28).
- As of September 30, cash and cash equivalents totaled MSEK 28.4 (47.1), and net debt excluding lease liabilities from IFRS 16 totaled MSEK 100.2 (129.7), a reduction by MSEK 14.7 since the previous quarter. Unutilized credit facilities totaled MSEK 275.0 (271.7).
- Equity totaled MSEK 1,066.3 (1,267.0) and the equity/assets ratio was 59 percent (56).
- After the quarter end, on the 7th of November 2023, Duroc announced a strategical partnership with LKAB, consisting of a sale of 49 percent of the shares in Duroc Rail AB for a preliminary purchase price of 75 MSEK together with a joint initiative regarding a brand-new production facility in Luleå. This will enable increased production capacity to meet the growing demands from the industrial developments in the Northern part of Sweden.

Group (MSEK)	2023/2024 Q1	2022/2023 Q1	2023/2024 R12 SEP	2022/2023 JUL-JUN
Net sales	726.8	862.7	3,357.2	3,493.1
EBITDA	21.3	15.8	109.5	104.0
Adjusted EBITDA*	20.8	15.8	119.1	114.0
Adjusted EBITDA*-margin, %	2.9	1.8	3.5	3.3
Operating profit/loss (EBIT)	-5.2	-12.4	-180.4	-187.6
Adjusted EBIT*	-5.6	-12.4	11.3	4.6
Profit/loss after tax	-3.0	-11.1	-229.9	-238.1
Profit per share, SEK	-0.08	-0.28	-5.90	-6.10
Adjusted profit per share, SEK*	-0.09	-0.28	-0.98	-1.17
Cashflow from operating activities	23.8	131.8	109.2	217.2
Net debt excl. lease liability from IFRS 16	100.2	159.4	100.2	115.0
Net debt incl. lease liability from IFRS 16	230.1	288.9	230.1	251.1
Net debt/Equity ratio, %	22	23	22	23

*Adjusted for items affecting comparability. A reconciliation of amounts can be found on page 20.

**Refers to growth adjusted for exchange rate fluctuations and structural changes such as the deconsolidation of Griffine.

Duroc acquires, develops and manages companies with a focus on trade and industry. Using their profound knowledge of technology and markets, the Group's companies aim to achieve leading positions in their respective industries. As the owner, Duroc actively contributes to their development. Duroc is listed on Nasdaq Stockholm (short name: DURC). www.duroc.se

CEO'S COMMENT

The pattern from the previous year was repeated in the first quarter with good earnings in the technology trading units Duroc Machine Tool, Duroc Rail and Smaller Company Portfolio. The fragmented picture remains with weak results from the polymer companies, which are inherently cyclical.

During the quarter, the technical trading units generated MSEK 18 in operating profits, while the polymer companies burdened the Group with MSEK -21. IFG performed worse than the previous year, but in line with the industry as a whole. The fiber business in the USA recovered against the year-over-year quarter and there are now signs that the market has bottomed out.

Duroc has recently announced a new strategic partnership with LKAB and Duroc Rail, with the purpose of jointly developing the offering within maintenance of railway wheels and related components. LKAB will acquire 49 percent of Rail and will construct a new production facility. The transaction strengthens Duroc's already strong financial position, and the group is now in all material aspects, debt-free, which enables additional potential ventures.

First quarter July–September 2023

Sales and earnings in the Technology Trading companies: Duroc Machine Tool, Smaller Company Portfolio and Duroc Rail developed according to expectations, in a market characterized by continued good demand and few signs of impending recession. DMT entered the quarter with a strong order book and saw a significantly stronger year-over-year quarter. The market was favorable, and the mechanical engineering industry continued to invest in new capacity. Order intake in Q1 developed according to expectations and order levels remain good as we enter the next quarter.

Rail showed a strong development in the quarter and as previously announced, Duroc has entered into a strategic partnership with LKAB which aims to jointly develop the maintenance capacity and the offering for railway wheels in a future market tinged with demand of large structural industrial efforts in the northern part of Sweden, where the railway will play an important role in the green industrial transformation. The partnership entails a sale of 49 percent of the shares in Duroc Rail to LKAB and a joint initiative to build a new modern production facility in Luleå. The new facility, which will be owned by LKAB and is expected to be completed at the end of 2025, will enable increased flexibility and productivity, and will have increased capacity to produce larger volumes. I am very content with this joint future-oriented initiative within railway wheel maintenance, an area which Duroc has been in since the end of the 90's.

Smaller Company Portfolio noted a number of new machine orders for Herber, while DLC and UPN developed according to expectations.

Compared to the previous year, the quarter for IFG was worse, and the entire industry was characterized by low volumes and overcapacity, with severe price pressure as a result. IFG noted lower volumes in every segment except automotive, where demand was good. Drake Extrusion enjoyed a better quarter than the previous year, albeit well below expectations. Certain signs of better times ahead and a tendency toward increased yarn volumes could be discerned at the end of the quarter. By comparison, both Cresco and Plastibert underperformed, even though Cresco saw growth for the most important and profitable product group and is now entering the next quarter with strong order levels of around MSEK 100.

Outlook

We note a continued wait-and-see attitude for the polymer companies, and it's difficult to predict when the turnaround will take place. In my view, there will be a slow but gradual improvement in this cyclical business, especially in the USA, where there are signs that the bottom has been reached and a turnaround is imminent. IFG and Plastibert will continue to face challenges in hard-hit industries. However, cost pressure for such things as energy is expected to decrease compared to the previous year, compensating for subdued volumes. In our assessment, the market for Cresco has bottomed out and the order situation will gradually improve moving forward.

The mechanical engineering industry is negatively affected by the high interest rates. This results in greater uncertainty than before regarding the capital-intensive investments that machinery from i. e. DMT entails, and decisions are expected to take longer than normal.

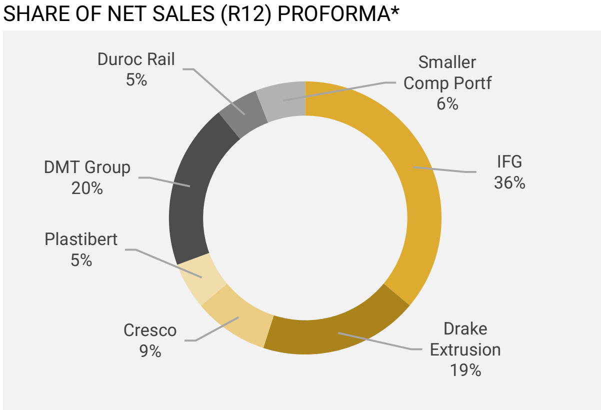
As a result of the transaction with LKAB, Duroc has strengthened its already strong financial position. The strategy going forward will result in an increased focus on developing the technical trade business units, which has almost doubled in size in combination with a substantial improvement in earnings, and at the same time reducing the dependence on the capital-heavy polymer-based units. Duroc is once again in a good position to influence developments regardless of the prevailing financial climate. In recent years, we have plotted a very cautious course, and this was beneficial for the Group during these very difficult economic times. Potentially, additional capital can be released from the polymer group through e.g., participations in structural transactions and by inviting partnerships in JV constellations. Thus, we're in a very good position today to invest in value-creating growth, both organically and through strategic acquisitions.

John Häger
CEO

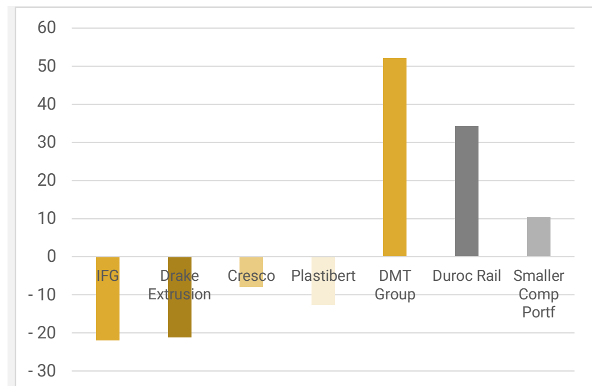
DEVELOPMENTS IN DUROC PORTFOLIO COMPANIES

Duroc's portfolio companies consist of International Fibres Group (IFG), Drake Extrusion, Cresco, Plastibert, Duroc Machine Tool (DMT), Duroc Rail and Smaller Company Portfolio (SCP), which comprises Universal Power Nordic (UPN), Herber and Duroc Laser Coating (DLC). Set forth below are each individual portfolio company's share of net sales and adjusted EBIT for the past 12-month period, October 2022 – September 2023. Read more about developments company by company on pages 4–10 and in Duroc's segment report on page 19.

SHARE OF NET SALES (R12) PROFORMA*



ADJUSTED EBIT PER PORTFOLIO COMPANY (R12) PROFORMA*

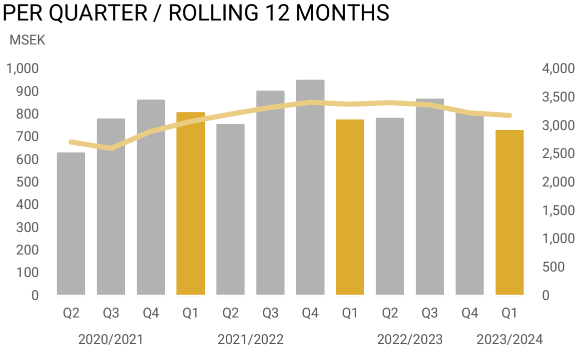


*Proportion of net sales and adjusted EBIT per portfolio company.

First quarter July 2023 – September 2023

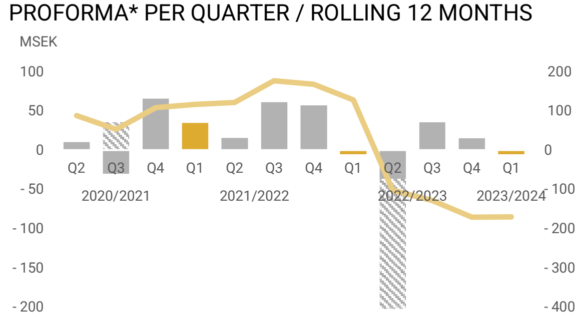
- Net sales decreased by 16 percent to MSEK 726.8 (862.7). Organic growth stood at -13 percent, mainly due to price mechanisms in agreements in the polymer-related companies, where lower purchase prices led to lower customer sales prices.
- Adjusted EBITDA totaled MSEK 20.8 (15.8) and the adjusted EBITDA margin totaled 2.9 percent (1.8) driven by a higher gross margin. Adjusted EBITDA in the comparison quarter also included earnings from Griffine, where a negative EBITDA of MSEK -3.7 burdened the previous year's EBITDA.
- DMT, Drake Extrusion and Duroc Rail reported a higher adjusted EBITDA than in the previous year. In the case of DMT and Duroc Rail, the increase was mainly attributable to higher sales, while Drake Extrusion saw an improved gross margin.
- Adjusted EBIT totaled MSEK -5.6 (-12.4) and operating income totaled MSEK -5.2 (-12.4).
- Earnings after tax totaled MSEK -3.0 (-11.1).

DEVELOPMENT OF DUROC'S NET SALES PROFORMA* PER QUARTER / ROLLING 12 MONTHS



*Duroc Group development excluding Griffine Enduction S.A.

DEVELOPMENT OF DUROC'S OPERATING PROFIT PROFORMA* PER QUARTER / ROLLING 12 MONTHS

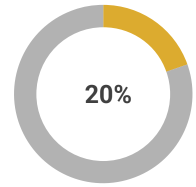


Q3 2020/2021 was affected by restructuring costs totaling MSEK 35.5. Q2 2022/2023 was affected by a group-related impairment of assets totaling MSEK 179.3 related to Griffine Enduction S.A.

DUROC MACHINE TOOL

Duroc Machine Tool (DMT) is one of the biggest suppliers of machine tools, tools, machine service and support to mechanical engineering companies in the Nordics and Baltics. Its customers can be found in e.g., forestry, the automotive industry, construction machinery and power generation. Its most important products are processing machines from DN Solutions, one of the market's world leading brands. The DMT Group represents more than 60 internationally renowned brands and is alone in its activity in seven markets: Sweden, Norway, Denmark, Finland, Estonia, Latvia, and Lithuania.

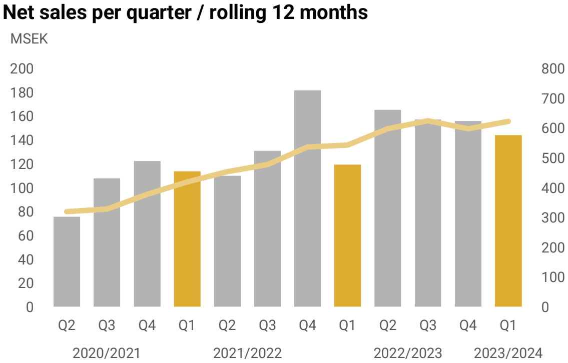
Share of Duroc's sales (R12)



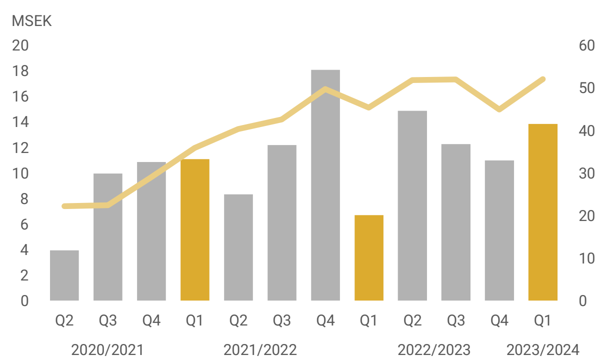
- Net sales totaled MSEK 144.4 (119.9), an increase of 20 percent. Organic growth was 13 percent, mainly attributable to increased sales of DNS machines. Sales in the Danish, Norwegian and Finnish markets remained strong, but we noted that interest rates were discouraging the willingness to invest in Sweden and the Baltics.
- EBITDA totaled MSEK 15.8 (8.2) and the EBITDA margin was 11 percent (7). Strategic initiatives necessary for managing strong growth drove costs up in the form of investments to increase the workforce.
- Thanks to competitive products, a good service offering and a successful organization in general, DMT succeeded in taking market share during the year. Demand continued to be strong throughout the region.
- Order intake remained good, and we are entering the next quarter with stable order levels.
- Net cash decreased due to internal inventory build-up to meet future demand and a dividend pay out to Duroc amounting to MSEK 24.5.

Amounts in MSEK	2023/ 2024 Q1	2022/ 2023 Q1	2023/ 2024 R12 SEP
Net Sales	144.4	119.9	624.1
Growth, Net Sales %	20.5	5.0	14.8
Organic growth %	12.8	2.0	8.8
EBITDA	15.8	8.2	59.0
EBITDA margin %	11.0	6.9	9.5
EBIT	13.9	6.7	52.1
EBIT margin %	9.6	5.6	8.3
Net Debt/Net Cash (-)	-2.7	-71.7	-2.7
of which from leasing IFRS 16	9.6	7.5	9.6
Capital employed	99.4	38.8	99.4
ROCE %	80.6	115.9	80.6

Net sales per quarter / rolling 12 months



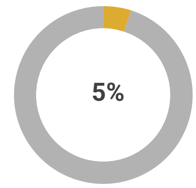
Adjusted operating profit per quarter / rolling 12 months



DUROC RAIL

Duroc Rail delivers complete, efficient, high-quality maintenance for railroad wheels for locomotives, railroad passenger cars and freight cars. Duroc Rail possess a unique competence in the area of wheel maintenance and is a key part of a larger system where Rail enables effective and predictable transports along critical infrastructure systems, such as Malmbanan. Rail's production facility is located in Luleå.

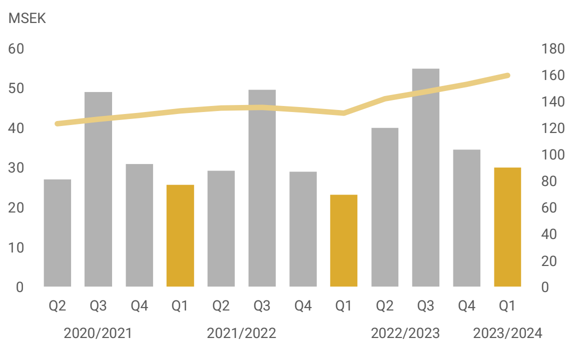
Share of Duroc's sales (R12)



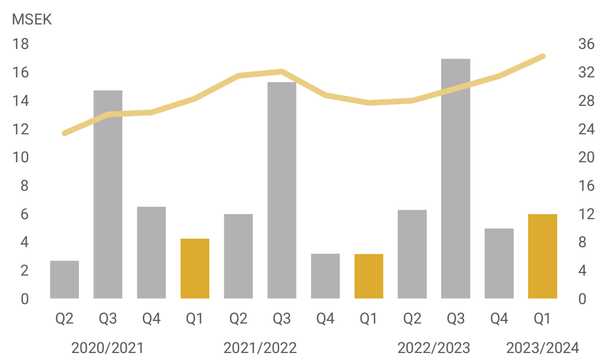
- Duroc Rail continued to enjoy high order volumes and a sales growth of 30 percent, which meant a high degree of production capacity utilization.
- The increased production volume has resulted in higher variable costs. Increased costs due to the project regarding the new production facility have also burdened the earnings.
- Earnings (EBIT) totaled MSEK 4.6 (3.2) and the EBIT margin totaled 15 percent (14), driven primarily by sales.
- During the quarter, Rail enjoyed a historically high production rate for the season and demand for railroad wheel maintenance continued to increase. A continued high production rate is expected in the coming quarters, which are seasonally the most intense for Rail.

Amounts in MSEK	2023/ 2024 Q1	2022/ 2023 Q1	2023/ 2024 R12 SEP
Net Sales	30.2	23.3	160.1
Growth, Net Sales %	29.5	-9.7	21.7
Organic growth %	29.5	-9.7	21.7
EBITDA	6.8	5.2	41.2
EBITDA margin %	22.5	22.4	25.7
EBIT	4.6	3.2	30.0
EBIT margin %	15.2	13.7	18.7
Adjusted EBIT	6.0	3.2	34.3
Adjusted EBIT margin %	19.9	13.7	21.4
Net Debt/Net Cash (-)	24.4	28.7	24.4
of which from leasing IFRS 16	6.4	9.3	6.4
Capital employed	40.4	43.6	40.4
ROCE %	68.4	60.9	68.4
Adjusted ROCE %	78.3	60.9	78.3

Net sales per quarter / rolling 12 months

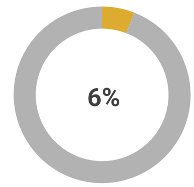


Adjusted operating profit per quarter / rolling 12 months



Smaller Company Portfolio (SCP)

Share of Duroc's sales (R12)

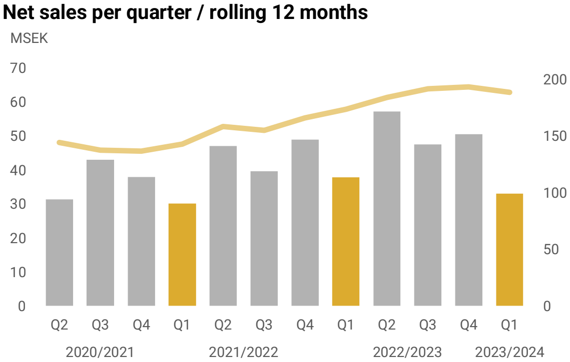


Universal Power Nordic (UPN) supplies diesel engines for industrial and marine applications in Sweden and Norway, along with associated spare parts, service, and repairs. The company represents well-known brands such as Perkins, Kubota, Kohler and Nanni.
Herber Engineering manufactures advanced bending machines for cold tube forming and profiles. It has customers worldwide in e.g., the automotive, aviation, furniture and HVAC industries.
Duroc Laser Coating (DLC) is Sweden's leading laser surface treatment company. DLC offers the renovation and new manufacture of industrial components.

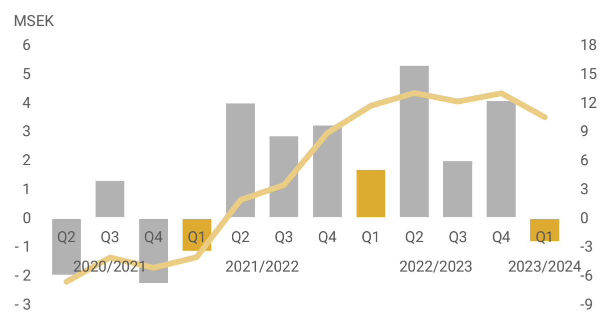
- Net sales for Smaller Company Portfolio totaled MSEK 33.2 (38.0) during the quarter, a decrease of 13 percent year-over-year.
- EBIT totaled MSEK -0.8 (1.7), corresponding to an EBIT margin of -2 percent (4).
- UPN's net sales decreased by 12 percent to MSEK 20.4 (23.2) during the first quarter. This was mainly due to lower sales of engines. Spare parts sales increased, which had a positive impact on gross margin. The operating loss totaled MSEK 1.2 (1.9). Personnel costs increased as part of the company's growth plan. However, other costs decreased, leading to an EBIT margin of 6 percent (8).
- Herber's net sales decreased by 14 percent to MSEK 8.6 (10.1) due to slightly lower machine sales. Herber saw an increase in order intake during the quarter, which will improve sales in the quarters ahead. The company has begun a number of cost-saving initiatives that are expected to take effect in the coming quarters. EBIT totaled MSEK -1.2 (-0.4).
- Duroc Laser Coating reduced its sales by 13 percent to MSEK 4.2 (4.8). This is mainly due to a temporary disruption in the delivery of certain materials, which delayed deliveries to customers. Order levels continued to grow during the quarter. A temporary cost increase related to the above challenges together with training initiatives, burdened operating earnings during the quarter, which came in at MSEK -0.8 (0.2).

Amounts in MSEK	2023/ 2024 Q1	2022/ 2023 Q1	2023/ 2024 R12 SEP
Net Sales	33.2	38.0	188.9
Growth, Net Sales %	-12.7	25.5	8.6
Organic growth %	-12.7	25.5	8.6
EBITDA	1.8	3.9	21.1
EBITDA margin %	5.5	10.3	11.2
EBIT	-0.8	1.7	10.5
EBIT margin %	-2.4	4.4	5.6
Net Debt/Net Cash (-)	42.6	34.2	42.6
of which from leasing IFRS 16	22.9	25.8	22.9
Capital employed	68.5	56.8	68.5
ROCE %	17.5	24.2	17.5

Net sales per quarter / rolling 12 months

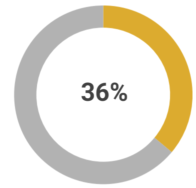


Adjusted operating profit per quarter / rolling 12 months



International Fibres Group (IFG) is one of Europe's leading manufacturers of polypropylene-based staple fibers, an input product with reinforcing, insulating, separating, or draining properties. The fiber is used in the production of e.g., flooring, rugs, furniture, filters, foodstuff packaging, car interiors and nonwoven fabrics, which means a diversified customer portfolio. IFG has production facilities in Belgium, the United Kingdom and Austria.

Share of Duroc's sales (R12)

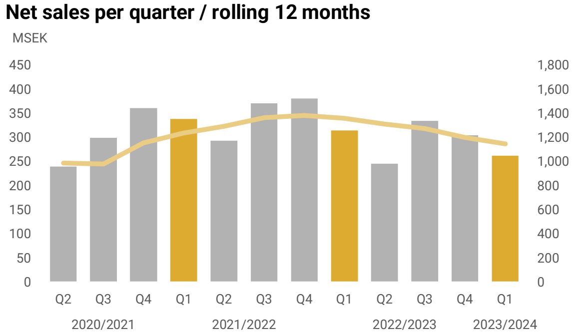


- Net sales decreased by -17 percent year-over-year. Organic growth stood at -25 percent, compared to the first quarter in the previous year, mainly due to lower prices for input goods*. On the other hand, volumes increased by 4 percent compared to the year-over-year quarter. The automotive, furniture, floors, floor coverings and geotextiles segment saw an increased order intake, while filters and paper decreased.
- EBIT totaled MSEK -13.2 (-6.4), which was mainly due to increased personnel costs as a result of large wage increases and a lower year-over-year gross margin. However, other external costs decreased as both energy and transport costs were significantly lower than the comparison quarter.
- The company has initiated a cost-saving program to reduce both fixed and variable costs. While compulsory pay rises in Belgium and Austria were partially offset by layoffs and reduced labor forces, they still had a negative effect on operating income.
- Net debt remained low and totaled MSEK 75.6 (68.8) excluding IFRS 16 effects.

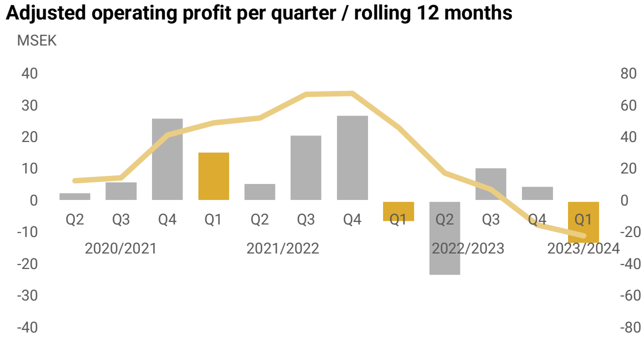
Amounts in MSEK	2023/ 2024 Q1	2022/ 2023 Q1	2023/ 2024 R12 SEP
Net Sales	262.3	315.0	1,148.7
Growth, Net Sales %	-16.7	-7.0	-15.6
Organic growth %	-24.8	-10.7	-21.8
EBITDA	-4.9	0.5	7.3
EBITDA margin %	-1.9	0.2	0.6
EBIT	-13.2	-6.4	-22.0
EBIT margin %	-5.0	-2.0	-1.9
Net Debt/Net Cash (-)	99.4	65.9	99.4
of which from leasing IFRS 16	75.6	68.8	75.6
Capital employed	442.4	467.6	442.4
ROCE %	-4.8	11.6	-4.8

**Price mechanisms in customer agreements for polypropylene mean that sales increase as raw materials prices rise and decrease as prices fall. Because raw materials prices affect both the sales price and raw materials costs, gross profit remains unchanged, but with a certain lag.*

Net sales per quarter / rolling 12 months

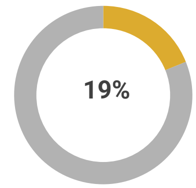


Adjusted operating profit per quarter / rolling 12 months



Drake Extrusion is North America's leading producer of polypropylene-based colored filament yarn and staple fiber. Filament yarn is used mostly by customers who produce fabrics for the furniture industry. Staple fiber is used for production in a variety of areas including flooring, rugs, furniture, technical filters, car interiors and nonwoven fabrics. The business is located in Virginia, USA.

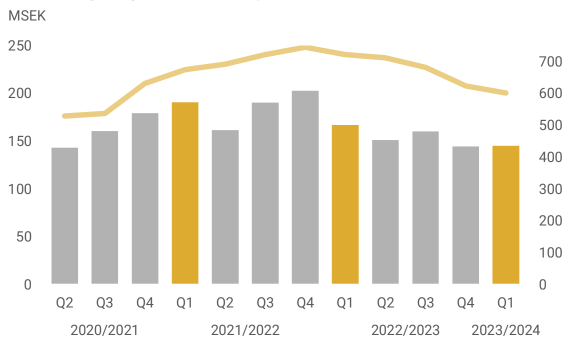
Share of Duroc's sales (R12)



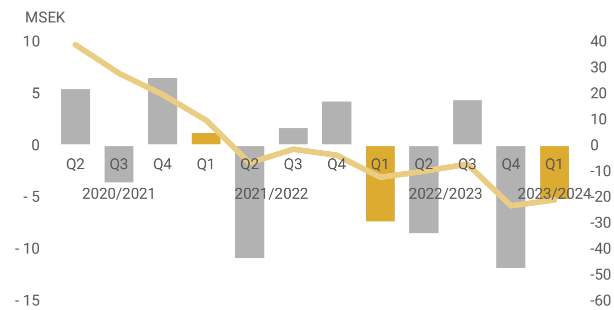
- Net sales decreased by 13 percent in relation to the year-over-year quarter and organic growth was -15 percent. This was mainly due to a drop in volumes by 5 percent and where price mechanisms in contracts lead to a reduction in sales prices.
- Demand for staple fibers declined and sales volumes decreased by 29 percent compared to the same quarter during the previous year. By contrast, demand for filament yarn increased, rising by 171 percent. Changes in customer order patterns, with more cautious order placement and restraint at the end of the quarters, had a negative impact on sales. However, the company saw that customer inventories have reached rock-bottom levels, and a rapid improvement in order entries could be noted.
- The operating loss improved to MSEK -3.3 (-7.5), mainly due to a higher year-over-year gross margin. Because the company's production was at a higher level year-over-year, costs for energy and personnel increased.
- Drake saw a volatile but rising demand where the worst market downturn is considered to be over. The ongoing strike in the American automotive industry may have an impact on order intake over the long term, but no negative effects were noted during the quarter.

Amounts in MSEK	2023/ 2024 Q1	2022/ 2023 Q1	2023/ 2024 R12 SEP
Net Sales	145.4	167.2	602.0
Growth, Net Sales %	-13.1	-12.4	-16.7
Organic growth %	-15.2	-28.2	-24.7
EBITDA	5.1	1.9	7.2
EBITDA margin %	3.5	1.1	1.2
Adjusted EBITDA	3.2	1.9	14.2
Adjusted EBITDA-margin, %	2.2	1.1	2.4
EBIT	-3.3	-7.5	-28.2
EBIT margin %	-2.3	-4.5	-4.7
Net Debt/Net Cash (-)	14.6	25.4	14.6
of which from leasing IFRS 16	6.6	10.9	6.6
Capital employed	292.7	341.7	292.7
ROCE %	-9.2	-3.9	-9.2
Adjusted ROCE %	-6.9	-3.9	-6.9

Net sales per quarter / rolling 12 months

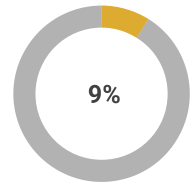


Adjusted operating profit per quarter / rolling 12 months



Cresco develops, produces, and sells textile-based solutions for the professional cultivation of crops and is one of the leading players on the global market. The products contribute to favorable environments in greenhouses, mushroom farms, and composting installations. The most important product is a climate screen for greenhouses that controls the cultivation climate, contributing to a more efficient process with lower energy consumption. Cresco's production facility is in Belgium.

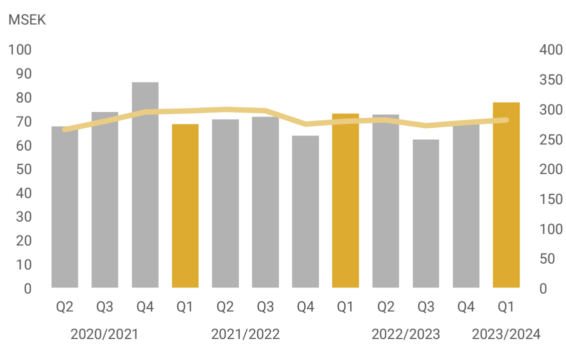
Share of Duroc's sales (R12)



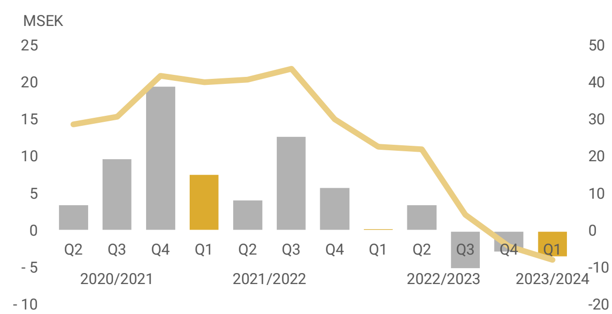
- Net sales increased by 6 percent. Organic growth was -4 percent. While the sales volume was 5 percent higher, the product mix affected sales. The industrial segment increased by 47 percent, while the agricultural segment decreased by 8 percent.
- EBIT was mainly affected by increased wage costs arising from inflation-based wage increases, as well as higher energy costs as year-over-year production was higher. Implemented cost adjustments partially compensated for the increased costs.
- The market showed continuous signs of recovery and the order situation is higher year-over-year, with a certain volatility due to the recent developments abroad. Customers are deferring investment decisions due to the uncertain global situation, but replacements for deferred investments will eventually have to be made. The demand for energy-saving climate screens for greenhouses and recyclable ground cover fabric made from PLA (a biodegradable corn-based polymer) rose in the wake of a desire in many countries to increase their self-sufficiency in food products.
- Moving forward, Cresco's efforts will focus on R&D, sales in new markets and continued cost adjustments.

Amounts in MSEK	2023/ 2024 Q1	2022/ 2023 Q1	2023/ 2024 R12 SEP
Net Sales	78.2	73.5	283.5
Growth, Net Sales %	6.3	6.6	0.9
Organic growth %	-4.0	2.3	-7.3
EBITDA	-1.9	1.6	-1.9
EBITDA margin %	-2.4	2.2	-0.7
EBIT	-3.5	0.2	-7.9
EBIT margin %	-4.4	0.3	-2.8
Net Debt/Net Cash (-)	21.6	34.8	21.6
of which from leasing IFRS 16	6.9	4.8	6.9
Capital employed	206.6	219.7	206.6
ROCE %	-3.6	11.4	-3.6

Net sales per quarter / rolling 12 months



Adjusted operating profit per quarter / rolling 12 months

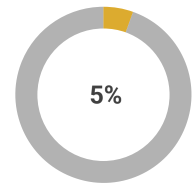


PLASTIBERT
COATED TEXTILES

Plastibert has been established in the international coated textiles market for more than 60 years. Its products comprise PVC and PU coated fabrics that are used in a variety of areas, including rainwear and protective clothing, PPE, furniture for public spaces, wall coverings and vehicle interiors. Plastibert's production facility is in Belgium.

**Plastibert was previously a part of Cotting Group together with French Griffine Enduction SA, but now that Griffine is no longer consolidated with Group companies, it reports as its own business area.*

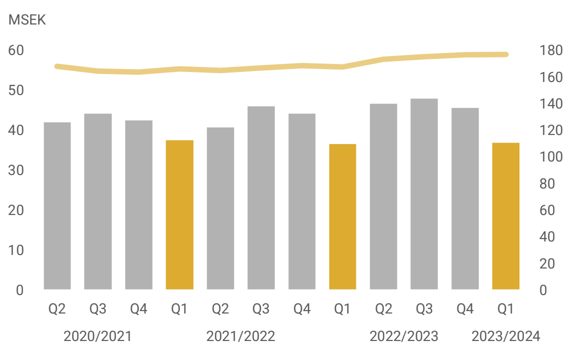
Share of Duroc's sales (R12)



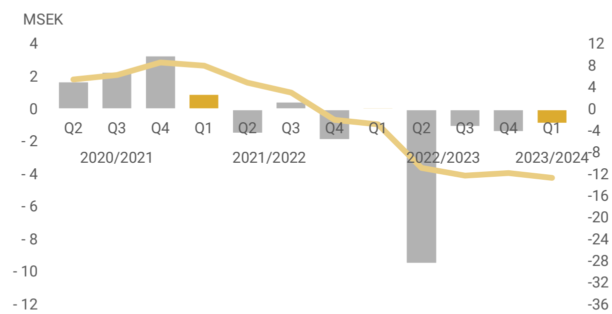
- Net sales decreased by 1 percent during the quarter and organic growth stood at -9 percent, mainly due to lower volumes than in the comparison quarter. The industry as a whole was affected by lower order intake, with demand in the European market significantly lower, while demand in the US market increased, mainly in automotive.
- The operating loss totaled MSEK -0.8 (0.0), and gross profit was MSEK 1.9 lower than the previous year. This was compensated by lower energy and shipping costs and various cost-saving initiatives, while increased personnel costs could be compensated by lay-offs.
- The company noted a continued increase in order intake in both the furniture upholstery and automotive segments. Mattress protectors were stable, but the other segments saw a decline.
- The company continued its efforts to improve capacity utilization in the factory, which is expected to have a positive effect on operating profit moving forward.

Amounts in MSEK	2023/ 2024 Q1	2022/ 2023 Q1	2023/ 2024 R12 SEP
Net Sales	36.9	36.6	177.2
Growth, Net Sales %	0.8	-2.7	5.6
Organic growth %	-9.0	-6.6	-2.5
EBITDA	0.2	1.1	-8.4
EBITDA margin %	0.6	3.0	-4.7
EBIT	-0.8	0.0	-12.7
EBIT margin %	-2.3	0.1	-7.1
Net Debt/Net Cash (-)	3.7	4.9	3.7
of which from leasing IFRS 16	0.2	0.4	0.2
Capital employed	65.1	76.3	65.1
ROCE %	-17.7	-4.1	-17.7

Net sales per quarter / rolling 12 months



Adjusted operating profit per quarter / rolling 12 months



FINANCIAL INFORMATION

FINANCIAL PERFORMANCE AND POSITION

Net sales for the first quarter totaled MSEK 726.8 (862.7). The operating loss totaled MSEK -5.2 (-12.4) and the loss after tax was MSEK -3.0 (-11.1). Other comprehensive income totaled MSEK -16.5 (40.3) including MSEK -17.4 (41.8) in translation differences.

At the end of the period, the Group's equity was SEK 1,066.3 million (1,267.0) and the equity ratio was 58.7 percent (56.3). Were cash and cash equivalents and interest-bearing liabilities to be reported net, the Group's adjusted equity/assets ratio would be 59.7 percent (57.5).

FINANCING

As of September 30, 2023, Duroc AB has a bank loan in the amount of MSEK 37.7, which will be fully repaid in February 2025 under the amortization plan. There are also local property loans in Austria and Belgium, and a local export credit in Austria. Duroc also has an open credit linked to a Group-wide cash pool. As of September 30, the Group had unutilized credit facilities for 2023 totaling MSEK 275.

Duroc's financing agreement includes two financial covenants; one relating to net debt in relation to EBITDA, and one relating to equity ratio. Group Management and the Board regularly monitor forecasts relating to the limit values in the covenants. This ensures Duroc meets its obligations to creditors while minimizing liquidity and financing risks. As of Saturday, September 30, 2023, the loan terms in the covenants were met by a good margin.

The shares in the Group's holding companies, International Fibres Group AB, Duroc Machine Tool Holding AB and Duroc Produktion AB, are pledged as security for utilized credit under the loan agreement.

LIABILITIES RELATING TO RIGHT-OF-USE ASSETS

The Group has lease liabilities totaling MSEK 129.9 (129.5). Of these, MSEK 111.1 relates to lease contracts, of which a single contract for a production facility in Belgium accounts for MSEK 72.8. The remaining lease liabilities are mainly related to vehicles.

INVESTMENTS

During the first quarter, the Group made investments in tangible and intangible fixed assets totaling MSEK 12.5 (19.6), of which MSEK 3.8 (3.4) is attributable to the lease of property, plant and equipment in accordance with IFRS16. Cash flow from the purchase and sales of tangible and intangible fixed assets totaled MSEK -8.7 (-15.7).

CASH FLOW

During the first quarter, consolidated cash flow from operating activities totaled MSEK 23.8 (131.8). The decrease is mainly due to a high level of cash flow from working capital in the comparison quarter, where lower inventories and positive effects from accounts receivable were contributing factors. Cash flow from operating activities before changes in working capital increased by MSEK 3.7 compared to the previous year. Cash flow from investing activities totaled MSEK -8.7 (-15.9). Cash flow from financing activities totaled MSEK -17.0 (-98.3), where MSEK -2.4 (-80.5) was related to a reduction in utilized credit facilities and MSEK -7,7 (-8.1) to the payment of lease liabilities in accordance with IFRS 16.

Cash and cash equivalents

The Group's cash and cash equivalents at the end of the reporting period totaled MSEK 28.4 (47.1). Interest-bearing liabilities totaled MSEK 258.6 (336.0) including lease liabilities from IFRS 16 in the amount of MSEK 129.9 (129.5) and the Group's net debt totaled MSEK 230.1 (288.9). Net debt excluding lease liabilities from IFRS 16 totaled MSEK 100.2 (159.4).

PARENT COMPANY

Duroc AB's primary functions are acquisitions, monitoring the development of Group companies, business development and financial reporting. Sales consist of internally invoiced services and totaled MSEK 1.5 (1.6) during the first quarter. Profit after tax totaled MSEK 75.2 (-5.1), of which MSEK 75.5 (0.0) relates to dividends from subsidiaries. In addition to participations in subsidiaries the parent company's assets consist primarily of receivables from Group companies and bank deposits. Duroc AB's equity/assets ratio at the end of the period was 86.2 percent (80.8).

PERSONNEL

The average number of Duroc Group employees during the first three months was 867 (1,079). The average number of employees in the parent company was 4 (5) for the same period.

SIGNIFICANT RISKS AND UNCERTAINTY FACTORS FOR THE PARENT COMPANY AND GROUP

Duroc AB and the companies in the Duroc Group are through their operations subject to both financial and operative risks, which the companies themselves can affect to a greater or lesser degree. There are ongoing processes in the companies to identify existing risks and determine how they must be managed. A detailed description of risks and risk management in the parent company and subsidiaries was presented in Duroc's annual report for the financial year July 1, 2022 – June 30, 2023.

The macroeconomic situation with high inflation, the geopolitical situation with the ongoing war of aggression in Ukraine, and the war between Israel and Hamas, all affect Duroc's Group companies in various ways.

Generally higher energy prices and volatile raw material prices mainly affect the fiber companies Drake Extrusion, IFG, Cresco and Plastibert, where both production and input goods are energy-intensive, and where price mechanisms in agreements mean that sales prices to customers fluctuate with the purchase prices, and where there is a certain lag in price increases to customers.

Inflation affects all companies and has a negative impact on the cost base. In companies domiciled in Belgium, Austria and to a certain degree the UK, where mandatory inflation-based pay increases occur, personnel costs are also affected. Inflation also affects end consumers of the products the Duroc Group's companies produce and sell to. The market for sofas, beds, vehicles and textiles, where it is mainly the fiber companies that form part of the production chain, shrank during the year.

Duroc Group's direct exposure to Ukraine and Russia is limited and concerns goods that are not currently listed among the EU's sanctions against Russia. However, the Board has taken an ethical decision not to sell goods that directly or indirectly can be of benefit to Russia. Despite limited direct exposure to Russia at group level, the effects of the war on the macroeconomic situation in general, together with overall price increases, have affected Duroc Group companies.

The current situation in Israel has no direct impact on Duroc's companies. However, geopolitical uncertainty affects willingness to invest, especially in neighboring countries.

The macroeconomic and geopolitical situation is an uncertainty factor moving forward. There is a risk that a more challenging business environment will continue to affect business negatively. At the same time, geographical changes in the supply chains, as European and American companies seek to reduce their dependency on China and other politically vulnerable countries while also shortening transport routes, will benefit Duroc. European and American companies, which to a greater extent control purchasing and production in the various markets, present business opportunities for many of Duroc's companies.

Duroc constantly analyzes the global situation and acts accordingly to adapt the business. The Group is financially well-equipped to meet poorer economic conditions.

This report has not been reviewed by the auditors.

Stockholm, November 6, 2023

John Häger
CEO

Duroc AB is obliged to publish this information under the Market Abuse Regulation EU/596/2014. The information was made available for publication at 08:30 on November 07, 2023.

CONSOLIDATED INCOME STATEMENT

Amounts in MSEK	**2023/2024 Q1**	**2022/2023 Q1**	**2022/2023 JUL-JUN**
Net sales	726.8	862.7	3,493.1
Other operating income	4.1	4.7	33.1
Change in inventories	-9.0	-6.9	-27.2
Raw materials and consumables	-307.0	-442.5	-1,611.5
Goods for resale	-107.8	-101.5	-492.9
Other external costs	-124.8	-131.5	-579.7
Personnel costs	-159.7	-167.6	-704.5
Depreciation, amortisation and impairment of tangible and intangible assets	-26.5	-28.2	-112.3
Write down of assets held for sale	-	-	-179.3
Other operating costs	-1.4	-1.5	-6.5
Operating profit/loss	**-5.2**	**-12.4**	**-187.6**
Net financial items	**0.2**	**-2.4**	**-27.8**
Profit before tax	**-5.0**	**-14.8**	**-215.4**
Current tax	-2.7	-1.8	-10.8
Deferred tax	4.7	5.5	-11.8
PROFIT FOR THE PERIOD	**-3.0**	**-11.1**	**-238.1**
Profit for the period attributable to:			
The Parent Company´s equity holders	-3.0	-11.1	-238.1
Earnings per share			
Before and after dilution (sek)	-0.08	-0.28	-6.10
Average number of shares before and after dilution	39,000,000	39,000,000	39,000,000

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Amounts in MSEK	**2023/2024 Q1**	**2022/2023 Q1**	**2022/2023 JUL-JUN**
PROFIT FOR THE PERIOD	**-3.0**	**-11.1**	**-238.1**
Total other comprehensive income			
Items that may be reclassified to the income statement			
Translation differences	-17.4	41.8	98.3
Hedge accounting (net)	1.0	-1.3	-4.2
Items that will not be reclassified to the income statement			
Actuarial gains and losses(net)	-	-0.3	1.7
Total other comprehensive income	**-16.5**	**40.3**	**95.8**
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	**-19.4**	**29.2**	**-142.3**
Total comprehensive inocome for the period attributable to:			
The Parent company´s equity holders	-19.4	29.2	-142.3
non-controlling interests	-	-	-

CONSOLIDATED BALANCE SHEET

Amounts in MSEK	2023-09-30	2022-09-30	2023-06-30
ASSETS			
Non-current assets			
Intangible assets	92.0	106.2	92.9
Property plant and equipment	521.7	644.7	538.2
Right of use assets	121.4	123.8	127.9
Financial assets	0.1	5.1	0.1
Deferred tax assets	48.8	70.1	45.6
Total non-current assets	**784.0**	**949.8**	**804.7**
Current assets			
Inventories	566.3	703.8	570.9
Trade receivables	397.1	489.9	425.4
Current tax receivables	5.7	13.5	4.2
Other receivables	18.6	19.8	18.7
Prepaid expenses and accrued income	15.9	26.4	29.3
Cash and cash equivalents	28.4	47.1	26.6
Total current assets	**1,032.1**	**1,300.4**	**1,075.0**
TOTAL ASSETS	**1,816.0**	**2,250.3**	**1,879.7**
EQUITY AND LIABILITIES			
Equity			
Share capital	39.0	39.0	39.0
Other capital provided	260.5	260.5	260.5
Reserves	249.8	212.9	266.3
Retained earnings including profit for the year	517.0	754.5	520.0
Equity attributable to shareholders of the parent company	**1,066.3**	**1,267.0**	**1,085.8**
Total equity	**1,066.3**	**1,267.0**	**1,085.8**
Long-term liabilities			
Provision for pensions	28.8	56.7	28.9
Other provisions	0.2	15.4	0.8
Non-current interest-bearing liabilities	38.4	69.5	46.4
Non-Current liabilities - right of use assets	100.4	101.8	105.7
Other non-current liabilities	1.0	2.0	1.1
Deferred tax liabilities	39.6	52.8	40.6
Total non-current liabilities	**208.4**	**298.2**	**223.3**
Current liabilities			
Öther provisions	6.1	5.2	7.1
Current interest-bearing liabilities	90.3	137.0	95.3
Current interest bearing liabilities - right of use assets	29.5	27.7	30.5
Advance payments from customers	52.8	73.3	69.3
Trade payables	213.1	238.9	201.9
Current tax liabilities	6.4	14.3	8.1
Other liabilities	52.6	71.8	55.7
Accrued expenses and prepaid income	90.5	117.0	102.6
Total current liabilities	**541.3**	**685.1**	**570.6**
Total liabilities	**749.7**	**983.3**	**793.9**
TOTAL EQUITY AND LIABILITIES	**1,816.0**	**2,250.3**	**1,879.7**

SUMMARY OF CHANGES IN CONSOLIDATED EQUITY

Amounts in MSEK	2023/2024 Q1-Q1	2022/2023 Q1-Q1	2022/2023 JUL-JUN
Opening balance	**1,085.8**	**1,237.8**	**1,237.8**
Profit for the period	-3.0	-11.1	-238.1
Translation differences	-17.4	41.8	98.3
Actuarial gains and losses (net)	-	-0.3	1.7
Hedge accounting (net)	1.0	-1.3	-4.2
Dividend	-	-	-9.8
Closing balance	**1,066.3**	**1,267.0**	**1,085.8**

CONSOLIDATED CASH FLOW STATEMENT

Amounts in MSEK	2023/2024 Q1	2022/2023 Q1	2022/2023 JUL-JUN
OPERATING ACTIVITIES			
Profit before taxes	**-5.0**	**-14.8**	**-215.4**
Adjustment for items not included in cash flow	26.4	28.2	317.3
Income tax paid	-5.8	-1.5	-9.7
Cash flow from operating activities before changes in working capital	**15.6**	**11.9**	**92.2**
CASHFLOW FROM CHANGES IN WORKING CAPITAL			
Changes in inventories	-8.7	50.8	73.9
Changes in current receivables	32.1	156.1	137.6
Changes in current liabilities	-15.2	-87.0	-86.5
Cash flow from operating activities	**23.8**	**131.8**	**217.2**
INVESTMENT ACTIVITIES			
Purchase and sales of intangible assets	-0.0	-0.1	-1.5
Purchase and sales of tangible assets	-8.7	-15.7	-59.4
Cash flow from financial assets	-	-	-0.4
Cash flow from investment activities	**-8.7**	**-15.9**	**-61.3**
FINANCING ACTIVITIES			
New loans	2.0	-	1.1
Amortization of loans	-9.1	-9.7	-38.4
Amortization of liabilities regarding right of use-assets	-7.7	-8.1	-30.3
Changes in short term operating financing	-2.2	-80.5	-68.2
Dividend	-	-	-9.8
Cash flow from financing activities	**-17.0**	**-98.3**	**-145.6**
Cash flow for the period	**-1.8**	**17.6**	**10.3**
Cash and cash equivalents at beginning of period	26.6	26.1	26.1
Transaltion difference in cash and cash equivalents	3.6	3.4	-9.8
Cash and cash equivalents at end of period	**28.4**	**47.1**	**26.6**

PARENT COMPANY INCOME STATEMENT

Amounts in MSEK	2023/2024 Q1	2022/2023 Q1	2022/2023 JUL-JUN
Net sales	1.5	1.6	5.9
Other operating income	-	-	0.1
Other external costs	-1.1	-1.5	-7.2
Personnel costs	-2.1	-2.1	-10.5
Depreciation and amortisation	-0.1	-0.1	-0.2
Operating result	**-1.8**	**-2.0**	**-11.9**
Result from shares in group companies	75.5	-	20.0
Financial income	5.5	1.1	4.7
Financial expense	-4.2	-4.7	-25.3
Net finance items	**76.8**	**-3.5**	**-0.6**
Group contributions received/rendered	-	-	41.7
Profit before tax	**75.1**	**-5.5**	**29.1**
Current tax	0.1	0.4	4.4
PROFIT AFTER TAX	**75.2**	**-5.1**	**33.5**

PARENT COMPANY STATEMENT OF COMPREHENSIVE INCOME

Amounts in MSEK	2023/2024 Q1	2022/2023 Q1	2022/2023 JUL-JUN
PROFIT FOR THE PERIOD	**75.2**	**-5.1**	**33.5**
Total Other comprehensive income	**-**	**-**	-
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	**75.2**	**-5.1**	**33.5**

PARENT COMPANY BALANCE SHEET

Amounts in MSEK	2023-09-30	2022-09-30	2023-06-30
ASSETS			
Non current assets			
Other intangible assets	0.1	0.3	0.1
Tangible fixed assets	-	0.0	0.0
Shares in group companies	1,074.6	1,074.6	1,074.6
Receivables group companies	-	2.2	-
Deferred tax asset	10.7	6.6	10.6
Total non-current assets	**1,085.3**	**1,083.7**	**1,085.3**
Current assets			
Receivables group companies	107.7	66.8	106.7
Other recievables	1.2	0.7	1.2
Prepaid expenses and accrued income	0.8	1.5	1.0
Cash and cash equivalents	5.5	-	-
Total current assets	**115.1**	**68.9**	**108.9**
TOTAL ASSETS	**1,200.4**	**1,152.6**	**1,194.3**
EQUITY AND LIABILITIES			
Equity			
Restricted equity	40.1	40.1	40.1
Unrestricted equity	995.1	891.1	919.9
Total equity	**1,035.2**	**931.2**	**960.0**
Long term liabilities			
Liabilities to credit institution	12.6	37.7	18.9
Total long term liabilities	**12.6**	**37.7**	**18.9**
Current liabilities			
Liabilities to credit institutions	25.2	28.4	27.5
Trade payables	0.3	0.5	0.7
Payables group companies	122.4	149.9	182.7
Other liabilities	0.8	0.3	0.3
Accrued expenses and prepaid income	4.0	4.7	4.2
Total current liabilities	**152.7**	**183.8**	**215.4**
Total liabilities	**165.3**	**221.5**	**234.2**
TOTAL EQUITY AND LIABILITIES	**1,200.4**	**1,152.6**	**1,194.3**

NOTES

NOT 1. ACCOUNTING PRINCIPLES

Duroc's consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) and related interpretations (IFRIC) as adopted by the EU. This interim report has been prepared in accordance with IAS 34 Interim Financial Reporting and applicable provisions of the Swedish Annual Accounts Act. For the parent company, RFR 2 Accounting for Legal Entities is also applied. The Group's accounting policies are described in Note 2 in the 2022/2023 Annual Report.

Hedge accounting

The Group applies hedge accounting under IFRS 9 in respect of hedging for net investments in foreign operations. A small part of net investments in EUR are hedged via loans in that currency. Exchange rate differences for the period on foreign exchange loans after deduction of tax effects are reported, to the extent that the hedging is effective, in the item translation differences in other comprehensive income. In this way, translation differences arising from foreign operations are partially neutralized. There are also cash flow hedges, which are reported in the item hedge accounting – net.

Assets held for sale.

Assets held for sale where the sale is expected to be concluded in the immediate future, and where potential buyers have been identified, and where there is an identified market price, are reported on their own line in the balance sheet. If the sale refers to a subsidiary, its assets and liabilities are classified as if they were held for sale. Any impairment of net assets is reported as an impairment in operating earnings.

Accounting in legal entities

In accordance with RFR 2, Duroc has chosen not to apply IFRS 16 in the parent company. Duroc AB recognizes non-terminable leases as cost distributed linearly over the useful life of the asset.

In accordance with RFR 2, Duroc has chosen not to apply hedge accounting in respect of net investments in foreign operations by legal entities. The loans are carried at amortized cost. Exchange rate changes for these loans are reported as financial income and expenses.

Alternative key financial indicators

To facilitate comparison between the different periods and make it easier to monitor developments in the Duroc Group and its various companies, this report presents certain financial information known as alternative key financial indicators that are not defined in IFRS.

These should be regarded as complements to the financial information. The alternative key financial indicators used are defined where presented, or alternatively, at the end of this report. Losses excluded from earnings refer to bad debt losses related to market unrest, which is not expected to continue. Reconciliations are shown in Note 5.

Rounding

Unless otherwise specified, amounts are stated in millions of Swedish kronor (MSEK) to one decimal place. Rounding may occur in tables and statements, the effect of which can be totals that are not always the sum of the rounded component amounts.

NOT 2. HEDGING

The Group hedges some of its net investments in foreign operations. As of September 30, 2023, a small part of the Group's EUR exposure has been hedged through loans in foreign currency. At the beginning of the reporting period July 1, 2023 – September 30, 2023, the Group had a loan in the amount of MEUR 4.2 which at the end of the period totaled MEUR 3.6 against which hedges were applied. Related exchange rate changes of MSEK 1.3 before tax have thus been reported under the item exchange rate differences in the statement of comprehensive income.

NOT 3. EVENTS AFTER THE CLOSING DATE

On the 7th of November 2023, Duroc announced a new strategic partnership with LKAB and Duroc Rail AB on the 7th of November, which aims to jointly develop the offer within maintenance of railway wheels and related components. The transaction includes two components where Duroc will sell 49 percent of the shares in Duroc Rail to LKAB for a preliminary acquisition price of 75 MSEK. Through the transaction, LKAB obtains a minority stake in the company. In addition, LKAB shall build a new production facility where Rail will carry on its operations from the latter part of the year 2025. The transaction is formally subject to the completion of the property transfer for the new industrial property, which is expected to take place before the end of the year.

NOT 4. SEGMENT REPORTING

The Group's operating segments correspond to Duroc's portfolio companies. The segments correspond to the classifications used by the Group's chief operating decision-maker, the Board, and the CEO, for evaluating financial performance and position, taking strategic decisions and distributing resources.

Because Griffine Enduction S.A, which previously belonged to the Cotting Group together with Plastibert, is since March no longer included in the Group's financial accounts, Plastibert is reported as its own segment. Further information about these portfolio companies is available on pages 4–7 of this report.

Amounts in MSEK	2023/2024 Q1	2022/2023 Q1	2023/2024 R12 SEP	2022/2023 JUL-JUN
Net sales				
IFG	262.3	315.0	1,148.7	1,201.5
Drake Extrusion	145.4	167.2	602.0	623.8
Cresco	78.2	73.5	283.5	278.9
Plastibert	36.9	36.6	177.2	176.9
DMT Group	144.4	119.9	624.1	599.5
Duroc Rail	30.2	23.3	160.1	153.2
Small Company Portfolio	33.2	38.0	188.9	193.8
Holding companies/group-wide functions	1.5	1.6	5.8	6.0
Eliminations	-5.3	-1.7	-10.0	-6.4
Griffine	-	*89.1*	*176.8*	*266.0*
	726.8	**862.7**	**3,357.2**	**3,493.1**
EBITDA				
IFG	-4.9	0.5	7.3	12.7
Drake Extrusion	5.1	1.9	7.2	4.1
Cresco	-1.9	1.6	-1.9	1.5
Plastibert	0.2	1.1	-8.4	-7.5
DMT Group	15.8	8.2	59.0	51.4
Duroc Rail	6.8	5.2	41.2	39.6
Small Company Portfolio	1.8	3.9	21.1	23.2
Holding companies/group-wide functions	-1.8	-2.9	-11.9	-13.0
Griffine	-	*-3.7*	*-4.3*	*-8.0*
Total	**21.3**	**15.8**	**109.4**	**104.0**
Operating profit/loss				
IFG	-13.2	-6.4	-22.0	-15.2
Drake Extrusion	-3.3	-7.5	-28.2	-32.3
Cresco	-3.5	0.2	-7.9	-4.2
Plastibert	-0.8	0.0	-12.7	-11.8
DMT Group	13.9	6.7	52.1	45.0
Duroc Rail	4.6	3.2	30.0	28.6
Small Company Portfolio	-0.8	1.7	10.5	13.0
Holding companies/group-wide functions*	-2.0	-3.2	-192.3	-193.4
Griffine	-	*-7.2*	*-10.1*	*-17.3*
Total	**-5.2**	**-12.4**	**-180.6**	**-187.6**
Net financial items	**0.2**	**-2.4**	**-25.2**	**-27.8**
Profit before tax	**-5.0**	**-14.8**	**-205.7**	**-215.4**

*The holding company's earnings include a Group-related impairment of assets in the amount of MSEK 179.3 relating to Griffine; see also Note 8. Griffine's earnings are consolidated up until March 4, 2023.

	Nettoskuld			Sysselsatt kapital			Eget kapital		
Amounts in MSEK	**2023-09-30**	**2022-09-30**	**2023-06-30**	**2023-09-30**	**2022-09-30**	**2023-06-30**	**2023-09-30**	**2022-09-30**	**2023-06-30**
IFG	99.4	65.9	116.9	442.4	467.6	483.4	324.0	380.5	343.3
Drake Extrusion	14.6	25.4	24.7	292.7	341.7	307.6	255.0	286.3	257.6
Cresco	21.6	34.8	31.2	206.6	219.7	224.1	205.7	225.4	214.2
Plastibert	3.7	4.9	6.0	65.1	76.3	70.1	61.0	70.6	63.5
DMT Group	-2.7	-71.7	-47.3	99.4	38.8	68.7	161.2	171.0	176.2
Duroc Rail	24.4	28.7	29.2	40.4	43.6	40.6	26.8	26.0	23.2
Small Company Portfoliio	42.6	34.2	35.5	68.5	56.8	62.6	33.2	29.4	34.3
Holding companies	26.6	3.5	54.9	13.9	12.7	16.6	-0.4	16.5	-26.4
Griffine - disposed	-	*163.2*	-	-	*250.7*	-	-	*61.1*	-
Total	**230.1**	**288.9**	**251.1**	**1,229.1**	**1,507.8**	**1,273.5**	**1,066.3**	**1,267.0**	**1,085.8**

NOT 5. ALTERNATIVE KEY FINANCIAL INDICATORS

This section presents a reconciliation of alternative key financial indicators, i.e., financial information not defined in IFRS. Alternative key financial indicators are used routinely by Duroc's management to facilitate planning, comparisons between different periods, and to monitor developments in the operation. They are presented in Duroc's financial reports as an aid to investors and other stakeholders who analyze Duroc's financial information. Their definitions are presented at the end of this report. The alternative key financial indicators should be regarded as a complement to the financial information presented in compliance with IFRS.

Organic growth

Amounts in MSEK	2023/2024 Q1	2022/2023 Q1
Net sales	**726.8**	**862.7**
Effect from change in exchange rates	-50.2	
Effect from acquisitions/disposals	-	-89.1
Adjusted Net sales	**676.6**	**773.6**
Organic growth (percent)	-12.5	

Alternative earnings metrics

Amounts in MSEK	2023/2024 Q1	2022/2023 Q1	2023/2024 R12 SEP	2022/2023 JUL-JUN
Operating profit/loss	**-5.2**	**-12.4**	**-180.4**	**-187.6**
Depreciation, amortisation, write down of tangible and intangible non-current assets and write downs of asset held for sale	26.5	28.2	289.9	291.7
EBITDA	**21.3**	**15.8**	**109.4**	**104.0**
Bad debt losses	-	-	20.8	20.8
Items affecting comparability				
Restructuring costs/dissolution of reserve	-	-	1.0	1.0
Government grants	-1.9	-	-13.6	-11.7
Project costs - business relocation	1.4	-	1.4	-
Adjusted EBITDA	**20.8**	**15.8**	**119.1**	**114.0**
Depreciation, amortisation, write down of tangible and intangible non-current assets and write downs of asset held for sale	-26.5	-28.2	-289.9	-291.7
Items affecting comparability				
Write down of tangible assets	-	-	2.9	2.9
Writedown of assets held for sale	-	-	179.3	179.3
Adjusted EBIT	**-5.6**	**-12.4**	**11.3**	**4.6**
Net financial items	0.2	-2.4	-25.2	-27.8
Net tax	2.1	3.7	-24.3	-22.6
Adjusted profit for the period	**-3.4**	**-11.1**	**-38.2**	**-45.8**
Adjusted earnings per share (SEK)	**-0.09**	**-0.28**	**-0.98**	**-1.17**
Average number of shares	39,000,000	39,000,000	39,000,000	39,000,000

Net debt

Amounts in MSEK	2023-09-30	2022-09-30	2023-06-30
Long-term interest bearing liabilities	38.4	69.5	46.4
Long-term interest bearing liabilities, right of use assets	100.4	101.8	105.7
Short-term interest bearing liabilities	90.3	137.0	95.3
Short-term interest bearing liabilities, right of use assets	29.5	27.7	30.5
Derivatives	-	-	-0.1
Cash and cash equivalents	-28.4	-47.1	-26.6
Net debt	**230.1**	**288.9**	**251.1**

Capital employed

Amounts in MSEK	2023-09-30	2022-09-30	2023-06-30
Equity	1,066.3	1,267.0	1085.8
Net debt	230.1	288.9	251.1
Intangible assets from acquisitions	-87.0	-87.5	-87.3
Pension liability	28.8	56.7	28.9
Deferred tax	-9.2	-17.2	-5.0
Capital employed	**1,229.1**	**1,507.8**	**1,273.5**

NOT 6. FAIR VALUE OF FINANCIAL INSTRUMENTS

There were no transfers between levels or valuation categories during the period. The fair value of the Group's other financial assets and liabilities is estimated to correspond to their book values.

NOT 7. RELATED PARTY TRANSACTIONS

During the financial year's first quarter, Group companies bought services totaling MSEK 0.2 (0.4) and sold services totaling MSEK 0.0 (0.0) in transactions with companies in which Bronsstädet AB is the majority owner. The transactions were carried out on market terms.

NOT 8. ASSETS HELD FOR SALE

During the previous financial year's first six months, the Board resolved to sell the wholly-owned subsidiary Griffine Enduction S.A, Cotting Group's French component, and for Griffine's assets and liabilities to be reported in accordance with IFRS 5.

As Griffine's net assets, including a shareholder loan in the amount of MSEK 124.8 as of December 31, 2022, totaled MSEK 179.3 and the recovery value of the investment at the time was uncertain, the net assets were written down in their entirety. Thus, the table shows assessments of assets and liabilities at the time the company was reported in accordance with IFRS 5.

In the beginning of March 2023, Griffine filed for restructuring in accordance with French insolvency legislation, and control of the company is no longer of such a nature that the company can be consolidated in the Group's accounts from that date onward. Therefore, all that remains is the group-related loss in respect of the impairment made during the second quarter of the 2022/2023 financial year. The balance sheet items relating to Griffine have thus been removed entirely from the Group's financial accounts.

This has no impact on parent company Duroc AB's equity as the receivable from Griffine and the shares were written down in their entirety during previous financial years.

Assets and liabilities held for sale	Before write-down	Write-down	After write-down
Intangible assets	12.1	-12.1	-
Tangible assets	111.5	-111.5	-
Other non-current assets	11.7	-11.7	-
Inventories	132.6	-44.1	88.5
Receivables	64.5	-	64.5
Other current assets	9.8	-	9.8
Cash and cash equivalents	10.4	-	10.4
Total assets	**352.4**	**-179.3**	**173.1**
Interest-bearing loans and borrowings	53.1	-	53.1
Other liabilities and provisions	120.0	-	120.0
Total liabilities	**173.1**	**-**	**173.1**

DEFINITION OF KEY FINANCIAL INDICATORS

Organic growth	Net sales growth adjusted for acquisitions, disposals and currency translation effects
Equity	Total share capital, reserves and retained earnings including annual profit/loss
EBITDA	Earnings Before Interest, Tax, Depreciation and Amortization
Adjusted EBITDA	EBITDA adjusted for items affecting comparability and bad debt losses
EBIT	Operating profit/loss
Adjusted EBIT	EBIT adjusted for items affecting comparability and bad debt losses
Equity/assets ratio	Equity divided by the balance sheet total
Adjusted equity/assets ratio	Equity divided by the adjusted balance sheet total where cash and cash equivalents and interest-bearing liabilities are reported on a net basis
Items affecting comparability	Items in the income statement which, unless highlighted, make it difficult to understand developments in the underlying business
Earnings per share	Earnings after tax divided by the average number of outstanding shares
Adjusted earnings per share	Earnings after tax adjusted for items affecting comparability and bad debt losses divided by the average number of outstanding shares
+Net debt/-Net cash & cash	Interest-bearing liabilities less cash and bank balances
equivalents	Net debt/equity
Net debt/equity ratio	
Capital employed	Equity plus net debt, adjusted for deferred tax, acquisition-related intangible assets, pension provisions and strategic holdings
Return on capital employed	Rolling 12-month EBIT divided by average capital employed during the past 12 months
Adjusted return on capital employed	Adjusted rolling 12-month EBIT divided by average capital employed during the past 12 months

INFORMATION CALENDAR

Annual General Meeting 2023	November 7, 2023
Interim Report July 2023–December 2023	February 2, 2024
Interim Report July 2023–March 2024	May 3, 2024

FOR MORE INFORMATION

John Häger, CEO, phone +46 70 248 72 99.

DUROC AKTIEBOLAG

Box 5277, SE-102 46 Stockholm. Street address: Linnégatan 18
Phone: +46 70 835 40 52
www.duroc.com
Corporate ID number: 556446 – 4286

DUROC