

INTERIM REPORT

JULY 2020-MARCH 2021

DEMAND STILL GOOD

Increases in raw material prices has affected the result.

Third quarter January-March 2021

- Net sales totaled MSEK 873.4 (878.9), a reduction of 1 percent.
- Adjusted EBITDA* decreased by 9 percent to total MSEK 62.0 (66.6), corresponding to an improved adjusted EBITDA* margin of 7.1 percent (7.6).
- Adjusted EBIT totaled MSEK 36.7 (41.1).
- Operating profit amounted to, after restructuring costs of MSEK 35.5, 1.2 MSEK (40.5).
- Cash flow from operating activities totaled MSEK 43.7 (83.5).
- Profit after tax was MSEK -0.2 (24.9).
- Adjusted result per share amounted to 0.91 SEK (0.65)
- Earnings per share totaled SEK 0.00 (0.64).
- Supply chain disturbances affected earnings in several of the portfolio companies. However, the quarter finished with one of the strongest months ever in terms of earnings.

July 2020-March 2021

- Net sales totaled MSEK 2,312.4 (2,598.1), a reduction of 11 percent.
- Adjusted EBITDA* decreased by 12 percent to total MSEK 1467.8 (167.5), corresponding to an improved adjusted EBITDA* margin of 6.4 percent (6.4).
- Adjusted EBIT totaled to 72.2 MSEK (90.9)
- Operating profit amounted, after restructuring costs of MSEK 38.0, to MSEK 34.2 (84.1, excluding MSEK 66.9 from the dissolution of negative goodwill).
- Cash flow from operating activities totaled MSEK 105.4 (188.4).
- Profit after tax totaled MSEK 17.53 (50.3 excluding MSEK 66.9 from the dissolution of negative goodwill).
- Adjusted result per share amounted to 1.42 SEK (1.47)
- Earnings per share totaled SEK 0.44 (3.01).
- Cash and cash equivalents at the end of March totaled MSEK 136.5 (354.5) and net debt excluding lease liabilities from IFRS 16 totaled MSEK 75.4 (205.9). Unutilized credit facilities totaled MSEK 275.

Group (MSEK)	2020/2021 Q3	2019/2020 Q3	2020/2021 Q1-Q3	2019/2020 Q1-Q3	2020/2021 R12 MAR	2019/2020 JUL-JUN
Net sales	873.4	878.9	2,312.4	2,598.1	2,872.5	3,158.2
EBITDA	29.0	66.1	112.3	227.6	153.8	269.1
Adjusted EBITDA*	62.0	66.6	147.8	167.5	193.0	212.7
Adjusted EBITDA*-margin, %	7.1	7.6	6.4	6.4	6.7	6.7
Operating profit/loss (EBIT)	1.2	40.5	34.2	151.0	45.0	161.8
Adjusted EBIT*	36.7	41.1	72.2	90.9	92.2	110.9
Profit/loss after tax	-0.2	24.9	17.3	117.2	16.6	116.5
Profit per share, before and after dilution, SEK	-0.00	0.64	0.44	3.01	0.42	2.99
Adjusted profit per share, before and after dilution, SEK*	0.91	0.65	1.42	1.47	1.63	1.68
Cashflow from operating activities	43.7	83.5	105.8	188.4	239.8	322.3
Net debt excl. lease liability from IFRS 16	75.4	205.9	75.4	205.9	75.4	117.8
Net debt incl. lease liability from IFRS 16	222	344	222	344	222	257
Net debt/Equity ratio, %	22	32	22	32	22	27

* Adjusted for items affecting comparability. A reconciliation of amounts can be found on page 18

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

DUROC

CEO'S COMMENT

Duroc is an acquisitions and development company that focuses on creating value for its shareholders through the opportunistic, low financial risk acquisition and profitable long-term development of businesses.

Duroc's value consists of the sum of the values of the individual portfolio companies, less net debt. To help shareholders gain a better understanding of these values, Duroc summarizes the financial development and position of each individual portfolio company. The parent companies ability to create value through acquisitions and business development should be added to that value.

These accounts show that Duroc's holdings include companies that generate a return on capital employed and equity that indicates that they, as hypothetically independent companies, represent values that substantially exceed their book values. If we apply profit multiples to these units corresponding to those we see for similar listed companies, these surplus values become highly significant. During 2020/21, Duroc worked successfully to reduce capital employed in its operations and thereby reduce net debt. At the end of the third quarter, it totaled MSEK 75,4 (excluding leasing liabilities from IFRS 16) or 7 percent of reported equity.

Duroc's portfolio companies represent a wide range of products and services, and also in terms of geographical distribution. This also applies to how far we have come with the improvement efforts in each individual company. Some units are already generating very good earnings. Others, primarily IFG and Cotting, are in the middle of implementing business plans that are considered to have the potential to substantially increase profitability and value in the coming years.

Duroc is well equipped to continue growing its portfolio and value to shareholders. We have accelerated our acquisition activities and are working internationally to identify opportunistic openings where our financial strength, long-term approach and industrial know-how can be put to good use. We are confident that we can continue providing Duroc with portfolio companies on financially sound terms, and successfully and profitably develop them.

Third quarter January-March 2021

The quarter was characterized by good demand in most portfolio companies. Organic growth stood at 5 percent. The recovery in the world economy was stymied by supply chains that were ill-equipped for the rapid upswing that has taken place. This led to temporary cost increases and delivery delays for some of the companies and limited growth opportunities in others. Nevertheless, the quarter ended with one of the best months ever for Duroc overall. In total, our portfolio companies had sales of MSEK 873.4 (878.9) and an adjusted EBIT of MSEK 36.7 (41.1). The somewhat weaker result is due, among other things, to temporarily increased raw materials costs. Restructuring costs of MSEK 35.5, most of which are attributable to IFG and the closure of a manufacturing unit in England, were charged to earnings before tax. The restructuring, which is an important part in the creation of a stronger IFG, is expected to result in an annual increase in earnings of around MSEK 10. In general, demand in our operations has been good, and some of the portfolio companies report record earnings. The DMT Group, Cresco and

Rail performed particularly well during the quarter. IFG continues to strengthen margins. The decision to close one of the two British units which was taken and made public during the third quarter is in line with the long-term strategic plan to transform the business by offering highly profitable products with a high technology content. In accordance with the plan, the product mix has changed which drives the development of profitability. Substantial polypropylene price increases have temporarily eroded the profitability of Drake Extrusion, and price adjustments to customers have not yet fully taken effect. An improvement in the supply of raw materials was noted at the end of the quarter, and a margin-boosting decline in the price is now anticipated. The situation is expected to return to normal after the summer.

Sales and adjusted EBIT declined in Cotting, mainly due to disruptions in the automotive industry, caused by the shortage of semiconductors.

The 13 percent share in Carlco Plc. has been disposed during the quarter due to failure to meet our expectations. Duroc thereby released capital amounting to MSEK 25.

First nine months July 2020-March 2021

Net sales totaled SEK 2,312.4 (2,598.1). Adjusted operating profit totaled MSEK 72.2 (90.9). Overall, the pandemic has had a negative impact on Duroc resulting in a drop in demand in several portfolio companies. We noted very strong development in Rail, DMT and Cresco, the two latter of which are entering the final quarter with record levels in their order books. Several of Cotting's segments have yet to fully recover, which was reflected during the period. Drake Extrusion and IFG suffered temporary disruptions due to raw materials supply shortfalls and as a consequence, accelerating costs.

Future prospects

Demand is expected to remain stable during the next quarter. The supply of raw materials in general is expected to return to a more normalized condition, although the disruptions in semiconductors are expected to endure. For Duroc as a whole, exposure to the automotive industry is minor in this context.

In a longer perspective, I see great potential in Duroc's portfolio companies. Many of them are already performing well and represent significant values. Updated strategic plans for the major portfolio companies IFG and Cotting have been implemented and their effects are expected to further improve the earnings developments in the years ahead. In recent years, US-based Drake Extrusion has invested significant amounts in increased capacity for yarn products in particular, and with an expected normalization of the raw material supply, has the potential to deliver strong growth and good earnings improvements in the coming years.

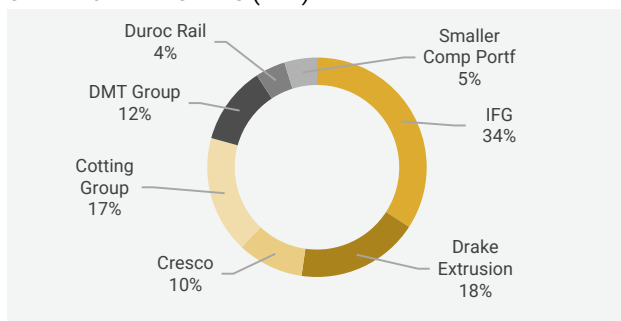
On the acquisition front, the organization is working intensively to pave the way for continued growth and value creation. Our goal is to complete one or more additional acquisitions during the current calendar year. Duroc is well equipped, financially and operationally, to continue growing our holding of long-term value-creating portfolio companies.

John Häger
CEO

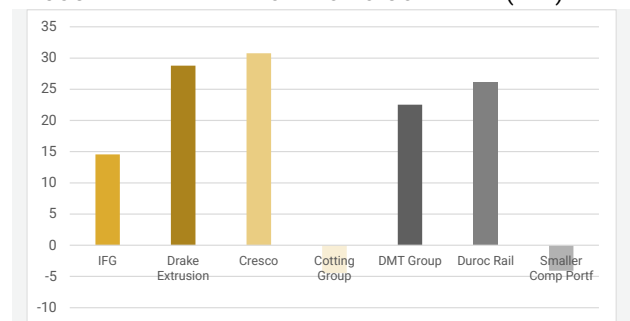
DEVELOPMENTS IN DUROC PORTFOLIO COMPANIES

Duroc's portfolio companies consist of International Fibres Group (IFG), Drake Extrusion, Cresco, Cotting Group, Duroc Machine Tool Group (DMT Group), Duroc Rail and the Smaller Company Portfolio, 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, April 2020-March 2021. Read more about developments in each company on pages 4-7 and in Duroc's segment report on page 17.

SHARE OF NET SALES (R12)



ADJUSTED EBIT* PER PORTFOLIO COMPANY (R12)



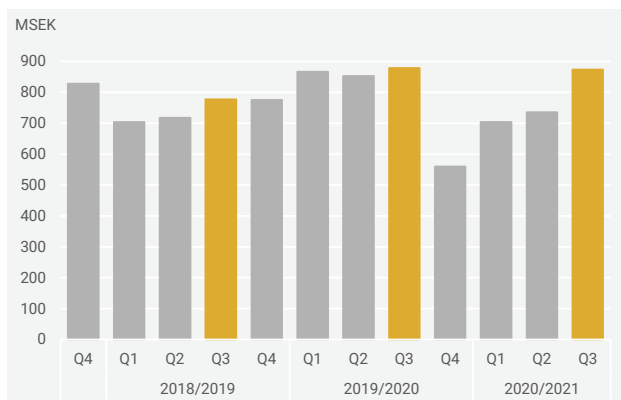
Third quarter January-March 2021

Net sales totaled MSEK 873.4 (878.9), a reduction of 1 percent. Organic growth stood at 5 percent, although the effects of the pandemic, e.g. in the form of a shortage of raw materials, have impacted sales in several of Duroc's companies. Adjusted EBITDA totaled MSEK 62.0 (66.6). IFG, Cresco, DMT Group, Duroc Rail and the Smaller Company portfolio enjoyed good-to-stable development with strong EBITDA margins. The EBITDA margin decreased to 7.1 percent (7.6), mainly due to temporarily high material prices in Drake Extrusion. EBIT, after restructuring costs of MSEK 35.5 totaled MSEK 1.2 (40.5). These relate mainly to the closure of one of IFG's production facilities in the UK, which was decided and made public in the quarter. The closure is a step toward an increased focus on niche products with higher growth potential and is expected to lead to an annual earnings improvement of around MSEK 10. Adjusted EBIT totaled MSEK 36.7 (41.1).

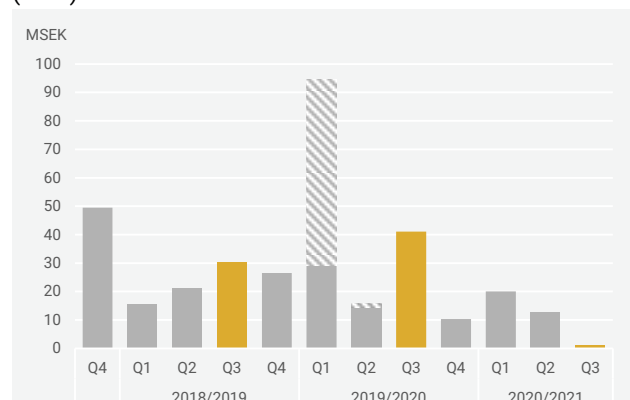
July 2020-March 2021

Net sales decreased by 11 percent to MSEK 2,312.4 (2,598.1). Organic growth stood at -7 percent. Sales were lower in IFG, Cotting Group, DMT Group and the Smaller Company portfolio as a result of the pandemic. Adjusted EBITDA totaled MSEK 147.8 (167.5) with a maintained adjusted EBITDA margin of 6.4 percent (6.4). EBITDA improved in IFG, Cresco and Duroc Rail, while other portfolio companies have had challenges. Adjusted EBIT totaled MSEK 72.2 (90.9). Operating profit (EBIT) which includes restructuring costs of MSEK 38.0, totaled MSEK 34.3 (84.1, excluding MSEK 66.9 from the dissolution of negative goodwill from the acquisition of Cotting Group).

GROUP NET SALES DEVELOPMENTS



GROUP OPERATING PROFIT/LOSS DEVELOPMENTS (EBIT)



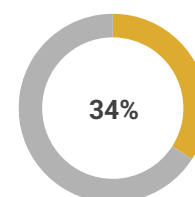
Operating profit for Q1 and Q2 2019/2020 includes MSEK 65.7 and MSEK 1.2 respectively for negative goodwill from business acquisitions.

* Adjusted for items affecting comparability. A reconciliation of amounts can be found on page 18



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 group sales (R12)



- Sales volumes decreased by 1 percent, affected by a certain lack of raw materials resulting from the earlier closures caused by the pandemic. The situation is expected to normalize during the next quarter.
- Organic growth stood at 3 percent*.
- The improvement in adjusted EBITDA confirms that the portfolio company is delivering in accordance with its strategic plan. The focus on niche products has had an impact on profitability.
- Positive initial testing with PLA (organic polymer) fiber for new customers show great potential.
- Restructuring costs of MSEK 26.0 relating to the closure of the production unit in Drighlington, UK, was charged to EBIT in the third quarter. The closure enables an increased focus on niche products with higher profitability and growth potential and is expected to lead to an annual earnings improvement of around MSEK 10
- Governmental support connected to COVID-19 amounted to 1.2 MSEK in the quarter and 3.1 MSEK in the first nine months of the financial year.

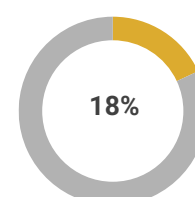
* Raw materials prices in IFG rose during the third quarter. Price mechanisms in customer agreements mean that sales increase as raw material prices rise and decrease as prices fall. Because raw material prices affect both the sales price and raw material costs, gross profit remains unchanged, but with a certain lag.

	2020/ 2021 Q3	2019/ 2020 Q3	2020/ 2021 Q1-Q3	2019/ 2020 Q1-Q3	2020/ 2021 R12
Amounts in MSEK					
Net Sales	299.7	307.1	794.8	881.0	981.3
Growth, Net Sales %	-2.4	-6.8	-9.8	-13.0	-19.3
Organic growth %	3.1	-10.9	-5.6	-15.2	-16.4
EBITDA	-11.9	10.7	10.3	22.2	14.3
EBITDA margin %	-4.0	3.5	1.3	2.5	1.5
Adjusted EBITDA	12.4	11.3	37.0	23.1	43.1
Adjusted EBITDA-margin, %	4.1	3.7	4.7	2.6	4.4
EBIT	-20.2	3.3	-13.0	-1.2	-21.4
EBIT margin %	-6.8	1.1	-1.6	-0.1	-2.2
Net Debt/Net Cash (-)	31.4	46.7	31.4	46.7	31.4
of which from leasing IFRS 16	68.3	81.1	68.3	81.1	68.3
Capital employed	343.3	445.0	343.3	445.0	343.3
ROCE %	-5.7	-1.0	-5.7	-1.0	-5.7
Adjusted ROCE %	3.9	-0.8	3.9	-0.8	3.9



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 group sales (R12)



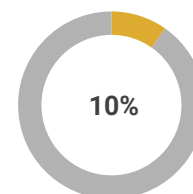
- Sales volumes increased by 3 percent. The trend in increased volumes in the profitable filament yarns is holding up, while the less profitable staple fibers are declining.
- The organic growth of 22 percent for the quarter is related to price increases. Record cold in Texas temporarily knocked out suppliers, which accounted for the major part of US polypropylene supplies. Together with the effects of the pandemic, it caused a temporary international shortage of raw materials.
- Due to the raw material situation, and because price increases to customers did not have an effect on the entire period, Drake Extrusion's earnings were weak during the quarter. The outlook for the next quarter is considerably better as Texas has begun production again and prices are falling.
- A weakened USD had a negative impact on EBIT compared to the previous year. The negative effect totaled MSEK 1.5 for the first nine months of the financial year:

	2020/ 2021 Q3	2019/ 2020 Q3	2020/ 2021 Q1-Q3	2019/ 2020 Q1-Q3	2020/ 2021 R12
Amounts in MSEK					
Net Sales	160.0	146.4	442.7	466.2	520.2
Growth, Net Sales %	9.4	-5.8	-5.0	-8.8	-17.9
Organic growth %	21.9	-10.3	4.8	-14.2	-11.4
EBITDA	2.5	14.0	33.1	42.6	53.9
EBITDA margin %	1.5	9.6	7.5	9.1	10.4
EBIT	-3.9	7.7	13.8	23.7	28.6
EBIT margin %	-2.4	5.3	3.1	5.1	5.5
Net Debt/Net Cash (-)	26.8	-4.7	26.8	-4.7	26.8
of which from leasing IFRS 16	14.0	1.9	14.0	1.9	14.0
Capital employed	270.6	251.6	270.6	251.6	270.6
ROCE %	11.9	14.6	11.9	14.6	11.9



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 group sales
(R12)



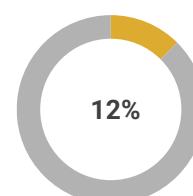
- Order levels at the end of the period totaled MEUR 11.4, an increase of 37 percent compared to the second quarter and 20 percent compared to the previous year.
- The market for Cresco's products is very favorable and with activities in progress to strengthen the sales force and increase the geographical footprint, Cresco is well positioned to continue growing its profitable business.
- In addition, active development operations are in progress to supplement the product offering and expand growth capacity.
- Organic sales growth of nearly 30 percent has resulted in increased EBITDA and margins in line with last year's strong level. In the first nine months of the financial year, the EBITDA margin increased by 1.9 percentage points.

	2020/ 2021 Q3	2019/ 2020 Q3	2020/ 2021 Q1-Q3	2019/ 2020 Q1-Q3	2020/ 2021 R12
Amounts in MSEK					
Net Sales	74.1	60.2	210.1	187.7	281.0
Growth, Net Sales %	23.2	-5.5	12.0	-11.0	1.4
Organic growth %	29.7	-7.5	16.4	-13.4	4.1
EBITDA	10.8	8.9	25.9	19.5	35.6
EBITDA margin %	14.6	14.8	12.3	10.4	12.7
EBIT	9.7	7.7	22.4	16.0	30.8
EBIT margin %	13.0	12.7	10.6	8.5	10.9
Net Debt/Net Cash (-)	19.8	67.3	19.8	67.3	19.8
of which from leasing IFRS 16	4.8	6.7	4.8	6.7	4.8
Capital employed	162.3	191.3	162.3	191.3	162.3
ROCE %	17.7	20.5	17.7	20.5	17.7

DUROC MACHINE TOOL

Duroc Machine Tool Group (DMT Group) 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 machining centers from Doosan, 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 group sales
(R12)



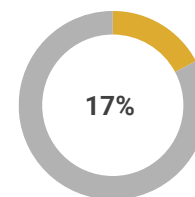
- Continued good order intake of MSEK 123.8 for the quarter. Order levels the end of the quarter totaled MSEK 133.9. The effects of the pandemic, such as missed customer visits and delayed machine deliveries, are still present on the market and have impacted sales. The order intake and sales increase of 12 percent during the quarter should be seen in this light.
- EBITDA and EBIT improved, while capacity in sales and marketing was expanded under DMT's growth strategy.
- During the quarter, Covid-19 caused certain disruptions in the form of delayed machine deliveries and higher transportation costs, which depressed the EBITDA margin slightly.
- High sustained return on capital employed.

	2020/ 2021 Q3	2019/ 2020 Q3	2020/ 2021 Q1-Q3	2019/ 2020 Q1-Q3	2020/ 2021 R12
Amounts in MSEK					
Net Sales	108.3	100.1	256.3	307.9	329.8
Growth, Net Sales %	8.1	-22.0	-16.8	-10.6	-21.1
Organic growth %	11.6	-22.9	-14.2	-12.0	-19.2
EBITDA	11.1	11.0	21.8	30.3	27.4
EBITDA margin %	10.3	11.0	8.5	9.8	8.3
EBIT	10.0	9.8	18.3	26.5	22.5
EBIT margin %	9.2	9.8	7.1	8.6	6.8
Net Debt/Net Cash (-)	-20.1	11.0	-20.1	11.0	-20.1
of which from leasing IFRS 16	5.5	4.9	5.5	4.9	5.5
Capital employed	37.7	52.3	37.7	52.3	37.7
ROCE %	67.2	69.7	67.2	69.7	67.2



Cotting Group has been established in the international coated textiles market for more than 60 years. Its products consist of PVC and PU coated fabrics that are used in a variety of areas, including the fashion industry, protective clothing, hospital beds, car interiors, dental chairs, furniture and wall coverings. Cotting has production facilities in France and Belgium.

Share of group sales (R12)



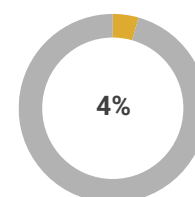
- Reduced net sales during the quarter. Demand in the automotive sector, which initially appeared to recover from the effects of Covid-19, is now affected by the semiconductor shortage that has had a major impact on the automotive and electronics industries. As a result, volumes in the French operations were low during the quarter and had concomitant effects on earnings.
- Adjusted EBITDA decreased by 27 percent.
- The Belgian operation, which corresponds to 30 percent of turnover, has significantly improved its earnings.
- Additional costs totaling 6.2 MSEK from restructuring completed previously were charged to EBIT during the quarter.
- With a presence in more geographic markets and multiple efficiency improvements implemented in production, the Cotting Group will be in a better position when demand returns.
- Governmental support related to COVID-19 amounted to 0.5 MSEK and have been obtained in the third quarter.

Amounts in MSEK	2020/ 2021 Q3	2019/ 2020 Q3	2020/ 2021 Q1-Q3	2019/ 2020 Q1-Q3	2020/ 2021 R12
Net Sales	139.9	169.9	412.3	497.2	496.3
Growth, Net Sales %	-17.7	-	-17.1	-	-
Organic growth %	-13.3	-	-13.8	-	-
EBITDA	1.9	11.1	8.1	97.0	5.0
EBITDA margin %	1.4	6.6	2.0	19.5	1.0
Adjusted EBITDA	8.1	11.1	14.3	36.0	12.6
Adjusted EBITDA-margin, %	5.8	6.5	3.5	7.2	2.5
EBIT	-2.3	6.8	-4.6	85.1	-12.1
EBIT margin %	-1.6	4.0	-1.1	17.1	-2.4
Net Debt/Net Cash (-)	16.5	13.4	16.5	13.4	16.5
of which from leasing IFRS 16	5.8	4.5	5.8	4.5	5.8
Capital employed	290.5	326.4	290.5	326.4	290.5
ROCE %	-4.1	29.2	-4.1	29.2	-4.1
Adjusted ROCE %	-1.5	8.3	-1.5	8.3	-1.5

DUROC RAIL

Duroc Rail delivers complete, efficient, high-quality maintenance for railroad wheels for locomotives, railroad passenger cars and freight cars. From Luleå, Duroc Rail mostly meets northern Sweden's railroad wheel maintenance needs.

Share of group sales (R12)



- Duroc Rail is enjoying a strong quarter with increased sales and an EBIT margin of 30 percent. The EBIT margin for the first nine months of the year increased from 16.8 percent to 20.1 percent, while maintaining the same level of sales.
- High volumes in both freight traffic and the recently concluded contract for personnel traffic.
- EBITDA improved in the third quarter as a result of increased volumes combined with higher profitability levels in the new personnel traffic agreement.
- Duroc Rail entered the fourth quarter, which involves seasonally lower levels, with high volumes remaining in the order book in relation to the season.

Amounts in MSEK	2020/ 2021 Q3	2019/ 2020 Q3	2020/ 2021 Q1-Q3	2019/ 2020 Q1-Q3	2020/ 2021 R12
Net Sales	49.1	45.5	98.6	98.9	127.1
Growth, Net Sales %	7.8	34.2	-0.3	22.4	-3.0
Organic growth %	7.8	34.2	-0.3	22.4	-3.0
EBITDA	17.0	14.1	25.9	22.3	34.0
EBITDA margin %	34.6	30.9	26.2	22.5	26.8
EBIT	14.7	12.1	19.8	16.6	26.1
EBIT margin %	30.0	26.6	20.1	16.8	20.5
Net Debt/Net Cash (-)	12.1	17.4	12.1	17.4	12.1
of which from leasing IFRS 16	13.0	16.8	13.0	16.8	13.0
Capital employed	43.7	46.1	43.7	46.1	43.7
ROCE %	58.5	36.6	58.5	36.6	58.5

DUROC LASER COATING



UNIVERSAL POWER

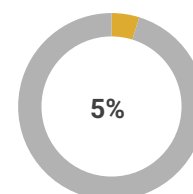
Smaller Company Portfolio

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.

Share of group sales (R12)



- UPN and Herber continued to face challenges related to the pandemic. Demand has improved significantly for UPN, but sales are hampered by delivery delays from the company's main suppliers.
- During the quarter, UPN resolved to close its Norwegian subsidiary to improve profitability. Sales to the Norwegian market will be conducted from Sweden. Restructuring costs totaling MSEK 3.1 were charged to EBIT. A new CEO has acceded at UPN.
- Herber noted a certain improvement in the investment climate during the quarter and net sales increased by 3 percent. A continued focus on costs and a favorable product mix contributed to an EBITDA margin of 5,3 percent.
- DLC showed continued growth. Net sales increased by 21 percent while costs remained unchanged, resulting in an EBITDA margin of 21.5 percent.
- Government support for redundancy measures during the quarter totaled MSEK 0.5, and for the financial year's first nine-month period, MSEK 2.0.

	2020/ 2021 Q3	2019/ 2020 Q3	2020/ 2021 Q1-Q3	2019/ 2020 Q1-Q3	2020/ 2021 R12
Amounts in MSEK					
Net Sales	43.2	49.9	98.9	159.6	138.2
Growth, Net Sales %	-13.4	15.4	-38.1	39.2	-31.1
Organic growth %	-13.4	-18.4	-38.1	-6.5	-18.8
EBITDA	2.3	1.6	2.8	7.0	4.1
EBITDA margin %	5.3	3.1	2.8	4.4	3.0
Adjusted EBITDA	4.6	1.6	5.1	7.0	6.7
Adjusted EBITDA-margin, %	10.7	3.1	5.2	4.4	4.8
EBIT	-1.8	-1.2	-6.0	-1.3	-7.4
EBIT margin %	-4.2	-2.5	-6.1	-0.8	-5.3
Net Debt/Net Cash (-)	36.9	58.1	36.9	58.1	36.9
of which from leasing IFRS 16	34.3	29.0	34.3	29.0	34.3
Capital employed	61.3	71.3	61.3	71.3	61.3
ROCE %	-13.7	-7.2	-13.7	-7.2	-13.7
Adjusted ROCE %	-7.6	-7.2	-7.6	-7.2	-7.6

FINANCIAL INFORMATION

FINANCIAL PERFORMANCE AND POSITION

Net sales for the first nine months totaled MSEK 2,312.4 (2,598.1). Operating profit totaled MSEK 34.2 (151.0) and profit after tax MSEK 17.3 (117.2). Earnings for the first nine months of 2020/2021 were charged with MSEK 38.0 in restructuring costs, mainly attributable to the closure of IFG's production facility in Drighlington. The closure enables an increased focus on niche products with higher profitability and growth potential and is expected to lead to an annual earnings improvement of around MSEK 10. Earnings for the previous year includes a positive effect from negative goodwill of MSEK 66.9 attributable to the acquisition of the Cotting Group. Total other comprehensive income was MSEK 58.7 (-6,2), including MSEK 72.7 (-46.4) from actuarial gains/losses from revaluation of the British pension plan. Actuarial gains/losses arise mainly when the discount rate increases/decreases; it does not refer to a real profit/loss.

At the end of the period, the Group's equity totaled MSEK 1,024.4 (1,057.9) and the equity/assets ratio was 50.1 percent (43.6). Were cash and cash equivalents and interest-bearing liabilities reported net, the Group's adjusted equity/assets ratio would be 53.7 percent (51.1).

FINANCING

As of March 31, Duroc AB has a bank loan in the amount of MSEK 100.7, which will be fully repaid as of March 2024 under the amortization plan. There are also local property loans in Austria and Belgium and central open credit linked to a Group-wide cash pool. As of March 31, the Group had unutilized credit facilities totaling MSEK 275.

Duroc's financing agreement includes two financial covenants, namely net debt in relation to EBITDA and 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 Wednesday, March 31, 2021, 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.

INVESTMENTS

During the financial year, the Group made investments in tangible and intangible fixed assets totaling MSEK 93.6 (73.4), of which MSEK 24.4 (10.0) is attributable to the lease of property, plant and equipment in compliance with IFRS 16. Cash flow from the purchase of tangible and intangible assets totaled MSEK 68.7 (63.4).

CASH FLOW

During the financial year, consolidated cash flow from operating activities totaled MSEK 105.8 (188.4). Cash flow from investing activities totaled MSEK -51.7 (-231.1), where the previous year's figures include the acquisition of Cotting Group for MSEK -168.3. Cash flow from financing activities totaled MSEK -54.6 (35.1).

Cash and cash equivalents

The Group's cash and cash equivalents at the end of the reporting period totaled MSEK 136.5 (354.5). Interest-bearing liabilities totaled MSEK 358.6 (698.1) including leasing liabilities from IFRS 16 in the amount of MSEK 132.0 (137.7) and the Group's net debt totaled MSEK 207.4 (343.6). Duroc's mortgaging was reduced as a result of the implementation of the Group-wide cash pool during the last quarter of the previous financial year.

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 4.3 (4.2) for the financial year. The loss after tax totaled MSEK -10.9 (20.6), where the previous year's figures include dividends from subsidiaries in the amount of MSEK 30.9. In addition to shares 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 75.6 percent (75.1). The equity/assets ratio was affected by the centralized loan structure implemented during the second half of the 2019/2020 financial year, whereby external financing mainly takes place in the parent company.

PERSONNEL

The average number of employees in the Duroc Group during the financial year was 1122 (1,200). The average number of employees in the Parent Company was 6 (6) 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, 2019 to June 30, 2020.

The Covid-19 pandemic has affected production and sales in several Duroc Group companies since mid March 2020 and entailed negative effects on earnings since the last quarter of 2019/2020. Since then, the situation has improved significantly with recurring sales and functioning production, although some companies still face a more challenging sales situation than before the pandemic. During the third quarter of 2020/2021, several of the companies were affected by rising raw material prices and increased transportation costs. The shortage of semiconductors has had a major impact on sales to automotive in the Cotting Group. The additional challenges in the third quarter are considered temporary. However, there continues to be a risk that a more challenging business environment will continue to affect business negatively. There is still some uncertainty about the long-term economic consequences of the pandemic,

and there is only a limited overview of the future impact on Duroc.

Duroc is well-equipped to meet any further challenges from Covid 19. The Group does not operate in segments that may suffer harm of a more structural, long-term nature such as in the aviation industry, tourism and event sector.

OTHER INFORMATION

Brexit

The United Kingdom of Great Britain and Northern Ireland left the EU on January 31, 2020, and as of January 1, 2021 the UK is no longer subject to the EU's *acquis communautaire*, which among other things, means that freedom of movement has ceased to apply. Relations between the EU and the UK are now governed by a new agreement – the EU-UK Trade and Co-operation Agreement – which was signed on December 30, 2020. As its title suggests, it constitutes an extensive free-trade agreement. Consequently, Brexit has not involved any extra costs for Duroc's companies in the form of tariffs or other duties related to the import or export of goods.

Around 20 percent of IFG's sales are exports from the UK to the EU or other parts of the world. Other companies have no operations in the UK and the quantity of goods purchased there is limited. Brexit has not had, and is no longer expected to have, any significant impact on Duroc's current earnings or financial position.

Stockholm Friday, May 7, 2021

John Häger
CEO

AUDITOR'S REVIEW

Duroc Aktiebolag, Corp. ID. No. 556446-4286

INTRODUCTION

We have carried out a review of the condensed set of interim financial statements (interim report) for Duroc Aktiebolag as of March 31, 2021 and the nine-month period ending on that date. The Board of Directors and the Chief Executive Officer are responsible for preparing and presenting this interim report in compliance with IAS 34 and the Swedish Annual Accounts Act. Our responsibility is to express an opinion on this interim report based on our review.

FOCUS AND SCOPE OF THE REVIEW

We have carried out our review in compliance with the International Standard on Review Engagements ISRE 2410 Review of Interim Financial Information conducted by the company's elected auditor. A review consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing, ISA, and other generally accepted auditing standards in Sweden. The procedures performed in a review

do not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

CONCLUSION

Based on our review, no circumstances have come to our attention that give us reason to believe that the interim report has not, in all material respects, been prepared on the part of the Group in compliance with IAS 34 and the Swedish Annual Accounts Act and on the part of the Parent Company in compliance with the Swedish Annual Accounts Act.

Stockholm Friday, May 7, 2021

PricewaterhouseCoopers AB

Aleksander Lyckow
Authorized Public Accountant

CONSOLIDATED INCOME STATEMENT

Amounts in MSEK	2020/2021 Q3	2019/2020 Q3	2020/2021 Q1-Q3	2019/2020 Q1-Q3	2019/2020 JUL-JUN
Net sales	873.4	878.9	2,312.4	2,598.1	3,158.2
Other operating income	8.2	3.3	21.0	77.7	119.3
Change in inventories	16.5	24.3	-2.2	22.4	28.6
Raw materials and consumables	-450.8	-441.8	-1,124.9	-1,293.4	-1,546.1
Goods for resale	-87.2	-84.1	-205.8	-265.7	-331.2
Other external costs	-138.4	-136.0	-371.7	-380.9	-465.7
Personnel costs	-192.4	-176.0	-513.9	-526.4	-689.5
Depreciation, amortisation and impairment of tangible and intangible assets	-27.9	-25.6	-78.1	-76.6	-107.3
Other operating costs	-0.3	-2.4	-2.6	-4.0	-4.5
Operating profit/loss	1.2	40.5	34.2	151.0	161.8
Net financial items	-1.6	-4.5	-7.2	-11.7	-16.2
Profit before tax	-0.4	36.0	27.0	139.3	145.6
Current tax	-4.4	-7.5	-18.1	-20.1	-14.1
Deferred tax	4.7	-3.7	8.4	-1.9	-15.0
PROFIT FOR THE PERIOD	-0.2	24.9	17.3	117.2	116.5
Profit for the period attributable to:					
The Parent Company's equity holders	-0.2	24.9	17.3	117.2	116.5
Earnings per share					
Before and after dilution (sek)	-0.00	0.64	0.44	3.01	2.99
Average number of shares before and after dilution	39,000,000	39,000,000	39,000,000	39,000,000	39,000,000

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Amounts in MSEK	2020/2021 Q3	2019/2020 Q3	2020/2021 Q1-Q3	2019/2020 Q1-Q3	2019/2020 JUL-JUN
PROFIT FOR THE PERIOD	-0.2	24.9	17.3	117.2	116.5
Total other comprehensive income					
Items that may be reclassified to the income statement					
Translation differences	29.6	61.0	-28.2	58.7	-0.6
Hedge accounting (net)	-0.5	0.9	-1.7	-0.3	0.2
Items that will not be reclassified to the income statement					
Revaluation of strategic holdings	9.3	-17.1	15.9	-18.2	-14.3
Actuarial gains and losses(net)	65.0	-49.3	72.7	-46.4	-100.4
Total other comprehensive income	103.3	-4.5	58.7	-6.2	-115.0
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	103.1	20.3	76.0	111.1	1.5
Total comprehensive income for the period attributable to:					
The Parent company's equity holders	103.1	20.3	76.0	111.1	1.5
non-controlling interests	-	-	-	-	-

CONSOLIDATED BALANCE SHEET

Amounts in MSEK	2021-03-31	2020-03-31	2020-06-30
ASSETS			
Non-current assets			
Intangible assets	95.1	95.7	94.6
Property plant and equipment	738.5	767.2	738.6
Financial assets	8.5	15.1	18.3
Deferred tax assets	74.9	85.8	73.0
Total non-current assets	916.9	963.8	924.6
Current assets			
Inventories	486.0	541.2	479.3
Trade receivables	446.5	488.7	355.3
Current tax receivables	10.7	14.7	14.7
Other receivables	29.5	35.0	24.7
Prepaid expenses and accrued income	18.2	27.5	20.7
Cash and cash equivalents	136.5	354.5	142.3
Total current assets	1,127.3	1,461.5	1,037.0
TOTAL ASSETS	2,044.2	2,425.3	1,961.6
EQUITY AND LIABILITIES			
Equity			
Share capital	39.0	39.0	39.0
Other capital provided	260.5	260.5	260.5
Reserves	89.0	177.5	118.8
Retained earnings including profit for the year	636.0	581.0	530.2
Equity attributable to shareholders of the parent company	1,024.4	1,057.9	948.4
Total equity	1,024.4	1,057.9	948.4
Long-term liabilities			
Provision for pensions	99.0	136.6	171.6
Other provisions	11.6	34.5	14.5
Non-current interest-bearing liabilities	126.2	379.0	163.0
Non-Current liabilities - right of use assets	119.1	110.4	112.7
Other non-current liabilities	3.8	0.0	3.6
Deferred tax liabilities	38.3	40.0	45.5
Total non-current liabilities	398.0	700.4	510.9
Current liabilities			
Other provisions	31.2	-	-
Current interest-bearing liabilities	85.7	181.4	97.2
Current interest bearing liabilities - right of use assets	27.7	27.3	26.5
Advance payments from customers	28.0	13.3	16.4
Trade payables	264.5	251.3	179.4
Current tax liabilities	20.0	16.2	14.2
Other liabilities	51.3	47.4	57.4
Accrued expenses and prepaid income	113.6	130.1	111.0
Total current liabilities	621.9	667.0	502.2
Total liabilities	1,019.9	1,367.5	1,013.1
TOTAL EQUITY AND LIABILITIES	2,044.2	2,425.3	1,961.6

SUMMARY OF CHANGES IN CONSOLIDATED EQUITY

Amounts in MSEK	2020/2021 Q1-Q3	2019/2020 Q1-Q3	2019/2020 JUL-JUN
Opening balance	948.4	950.0	950.0
Adjustment opening balance due to IFRS 16		-3.1	-3.1
Profit for the period	17.3	117.2	116.5
Translation differences	-28.2	58.7	-0.6
Revaluation of strategic holdings	15.9	-18.2	-14.3
Actuarial gains and losses (net)	72.7	-46.4	-100.4
Hedge accounting (net)	-1.7	-0.3	0.2
Closing balance	1,024.4	1,057.9	948.4

CONSOLIDATED CASH FLOW STATEMENT

Amounts in MSEK	2020/2021 Q3	2019/2020 Q3	2020/2021 Q1-Q3	2019/2020 Q1-Q3	2019/2020 JUL-JUN
OPERATING ACTIVITIES					
Profit before taxes	-0.4	36.0	27.0	139.3	145.6
Adjustment for items not included in cash flow	56.2	32.7	112.6	3.5	13.0
Income tax paid	-2.8	-4.0	-8.5	-14.0	-9.9
Cash flow from operating activities before changes in working capital	53.0	64.7	131.0	128.7	148.8
CASHFLOW FROM CHANGES IN WORKING CAPITAL					
Changes in inventories	-12.4	10.6	-12.3	-3.4	30.1
Changes in current receivables	-71.4	-36.0	-98.3	88.8	213.3
Changes in current liabilities	74.5	44.1	85.3	-25.7	-69.8
Cash flow from operating activities	43.7	83.5	105.8	188.4	322.3
INVESTMENT ACTIVITIES					
Purchase and sales of intangible assets	-0.5	-0.9	-1.0	-3.6	-3.7
Purchase and sales of tangible assets	-28.5	-16.0	-67.7	-59.8	-89.3
Cash flow from acquisitions	-8.7	0.0	-8.7	-168.3	-168.3
Cash flow from financial assets	25.4	0.5	25.7	0.6	0.3
Cash flow from investment activities	-12.2	-16.5	-51.7	-231.1	-260.9
FINANCING ACTIVITIES					
New loans	-	289.7	-	312.9	142.8
Amortization of loans	-9.6	-188.0	-28.2	-233.8	-255.3
Amortization of liabilities regarding right of use-assets	-8.8	-7.4	-25.0	-20.0	-28.1
Changes in short term operating financing	-0.5	-9.0	-1.4	-24.0	-121.6
Cash flow from financing activities	-18.9	85.3	-54.6	35.1	-262.2
Cash flow for the period	12.6	152.4	-0.4	-7.6	-200.9
Cash and cash equivalents at beginning of period	120.1	192.9	142.3	352.5	352.5
Transalction difference in cash and cash equivalents	3.9	9.2	-5.4	9.6	-9.4
Cash and cash equivalents at end of period	136.5	354.5	136.5	354.5	142.3

PARENT COMPANY INCOME STATEMENT

Amounts in MSEK	2020/2021 Q3	2019/2020 Q3	2020/2021 Q1-Q3	2019/2020 Q1-Q3	2019/2020 JUL-JUN
Net sales	1.7	1.5	4.3	4.2	5.6
Other external costs	-2.0	-2.5	-7.1	-5.2	-7.1
Personnel costs	-3.2	-3.0	-9.3	-9.2	-12.3
Depreciation and amortisation	-0.1	-0.1	-0.3	-0.4	-0.5
Operating result	-3.5	-4.2	-12.4	-10.6	-14.3
Result from shares in group companies	-	-	-	30.9	58.7
Financial income	0.7	0.9	2.3	2.8	1.9
Financial expense	-0.7	-1.6	-3.7	-5.5	-6.2
Net finance items	0.0	-0.7	-1.4	28.2	54.5
Group contributions received/rendered	-	-	-	-	22.1
Profit before tax	-3.5	-4.9	-13.8	17.7	62.2
Current tax	0.7	1.0	2.9	2.9	-7.0
PROFIT AFTER TAX	-2.8	-3.8	-10.9	20.6	55.3

PARENT COMPANY STATEMENT OF COMPREHENSIVE INCOME

Amounts in MSEK	2020/2021 Q3	2019/2020 Q3	2020/2021 Q1-Q3	2019/2020 Q1-Q3	2019/2020 JUL-JUN
PROFIT FOR THE PERIOD	-2.8	-3.8	-10.9	20.6	55.3
Other comprehensive result					
Revaluation of strategical holdings	-0.0	-0.3	-0.0	-0.3	-0.3
Total Other comprehensive income	-0.0	-0.3	-0.0	-0.3	-0.3
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	-2.8	-4.1	-10.9	20.3	55.0

PARENT COMPANY BALANCE SHEET

Amounts in MSEK	2021-03-31	2020-03-31	2020-06-30
ASSETS			
Non current assets			
Other intangible assets	0.6	1.0	0.9
Tangible fixed assets	0.0	0.0	0.0
Shares in group companies	1,129.5	1,067.5	1,104.7
Other equity	0.1	0.1	0.1
Receivables group companies	2.1	38.6	26.6
Deferred tax asset	18.1	25.1	15.2
Total non-current assets	1,150.4	1,132.3	1,147.4
Current assets			
Receivables group companies	70.5	21.8	99.8
Other receivables	0.4	1.1	0.9
Prepaid expenses and accrued income	1.9	1.7	1.7
Cash and cash equivalents	104.9	148.5	10.7
Total current assets	177.6	173.2	113.2
TOTAL ASSETS	1,327.9	1,305.5	1,260.6
EQUITY AND LIABILITIES			
Equity			
Restricted equity	40.1	40.1	40.1
Unrestricted equity	963.9	940.3	974.9
Total equity	1,004.0	980.4	1,015.0
Long term liabilities			
Liabilities to credit institution	75.5	302.9	94.3
Derivatives	-	-	-
Total long term liabilities	75.5	302.9	94.3
Current liabilities			
Liabilities to credit institutions	25.2	-	25.2
Trade payables	1.0	1.5	1.2
Payables group companies	217.9	15.2	120.0
Other liabilities	0.4	0.4	0.3
Accrued expenses and prepaid income	4.1	5.1	4.7
Total current liabilities	248.4	22.3	151.3
Total liabilities	323.9	325.2	245.7
TOTAL EQUITY AND LIABILITIES	1,327.9	1,305.5	1,260.6

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 2019/2020 Annual Report. Except for the application of hedge accounting under IFRS 9 as described below, the accounting and valuation principles remain unchanged in relation to the annual report for the financial year July 1, 2019 – June 30, 2020.

Hedge accounting

As of July 1, 2020 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.

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.

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. Reconciliations are presented 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 March 31, 2021 the Group had exposures in EUR of which a small part was hedged with the aid of loans in foreign currency. Hedge accounting has been applied as of July 1, 2020, which means that the effective part of the exchange rate changes is reported in the Group's statement of comprehensive income. For the comparative period, exchange rate changes for these loans are reported as financial income and expenses. At the beginning of the reporting period January 1 – March 31, 2021, the Group had a loan in the amount of MEUR 10.2 which at the end of the period totaled MEUR 9.6 against which hedges were applied. Related exchange rate changes of MSEK -2.2 before tax have thus been reported under the item exchange rate differences in the statement of comprehensive income. Exchange rate charges for the period July 1 – March 31 total MSEK 2.3 before tax.

NOT 3. ACQUISITIONS

Becker Inc. was acquired for MUSD 1.1 in February 2021. Becker has annual sales of MUSD 4, and the acquisition means that Drake Extrusion can expand and supplement its product range and thus take on a greater share of the yarns market, which is enjoying rapid growth. The acquired net assets totaled MUSD 0.9.

NOT 4. SEGMENT REPORTING

The Group's operating segments correspond to Duroc's 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. Further information about these companies is available on pages 4-7 of this report.

Amounts in MSEK	2020/2021 Q3	2019/2020 Q3	2020/2021 Q1-Q3	2019/2020 Q1-Q3	2020/2021 R12 MAR	2019/2020 JUL-JUN
Net sales						
IFG	299.7	307.1	794.8	881.0	981.3	1,067.5
Drake Extrusion	160.0	146.4	442.7	466.2	520.2	543.8
Cresco	74.1	60.2	210.1	187.7	281.0	258.5
Cotting Group	139.9	169.9	412.3	497.2	496.3	581.3
DMT Group	108.3	100.1	256.3	307.9	329.8	381.4
Duroc Rail	49.1	45.5	98.6	98.9	127.1	127.4
Small Company Portfolio	43.2	49.9	98.9	159.6	138.2	198.9
Holding companies/group-wide functions	2.0	2.3	5.0	5.9	5.7	6.5
Eliminations	-2.9	-2.4	-6.3	-6.3	-7.0	-7.0
Total	873.4	878.9	2,312.4	2,598.1	2,872.5	3,158.2
EBITDA						
IFG	-11.9	10.7	10.3	22.2	14.3	26.3
Drake Extrusion	2.5	14.0	33.1	42.6	53.9	63.4
Cresco	10.8	8.9	25.9	19.5	35.6	29.1
Cotting Group	1.9	11.1	8.1	97.0	5.0	93.9
DMT Group	11.1	11.0	21.8	30.3	27.4	35.9
Duroc Rail	17.0	14.1	25.9	22.3	34.0	30.5
Small Company Portfolio	2.3	1.6	2.8	7.0	4.1	8.4
Holding companies/group-wide functions	-4.8	-5.3	-15.6	-13.4	-20.6	-18.5
Total	29.0	66.1	112.3	227.6	153.8	269.1
Operating profit/loss						
IFG	-20.2	3.3	-13.0	-1.2	-21.4	-9.6
Drake Extrusion	-3.9	7.7	13.8	23.7	28.6	38.5
Cresco	9.7	7.7	22.4	16.0	30.8	24.4
Cotting Group	-2.3	6.8	-4.6	85.1	-12.1	77.6
DMT Group	10.0	9.8	18.3	26.5	22.5	30.8
Duroc Rail	14.7	12.1	19.8	16.6	26.1	22.8
Small Company Portfolio	-1.8	-1.2	-6.0	-1.3	-7.4	-2.7
Holding companies/group-wide functions	-5.1	-5.7	-16.5	-14.4	-22.0	-20.0
Total	1.2	40.5	34.2	151.0	45.1	161.8
Net financial items	-1.6	-4.5	-7.2	-11.7	-11.7	-16.2
Profit before tax	-0.4	36.0	27.0	139.3	33.4	145.6

Amounts in MSEK	Nettoskuld			Sysselsatt kapital			Eget kapital		
	2021-03-31	2020-03-31	2020-06-30	2021-03-31	2020-03-31	2020-06-30	2021-03-31	2020-03-31	2020-06-30
IFG	31.4	46.7	24.4	343.3	445.0	388.3	288.6	373.6	340.8
Drake Extrusion	26.8	-4.7	-4.0	270.6	251.6	254.5	223.5	233.5	228.9
Cresco	19.8	67.3	51.3	162.3	191.3	175.4	164.2	145.5	151.9
Cotting Group	16.5	13.4	3.5	290.5	326.4	292.5	241.7	281.9	256.2
DMT Group	-20.1	11.0	-7.7	37.7	52.3	34.8	123.2	107.3	108.1
Duroc Rail	12.1	17.4	28.8	43.7	46.1	41.1	39.1	36.8	24.0
Small Company Portfolio	36.9	58.1	32.3	61.3	71.3	51.9	32.5	20.6	26.9
Holding companies	98.8	134.5	128.4	8.5	12.2	11.6	-88.6	-141.4	-188.4
Total	222.2	343.6	257.0	1,217.9	1,396.3	1,250.2	1,024.4	1,057.9	948.4

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	2020/2021 Q3	2019/2020 Q3	2020/2021 Q1-Q3	2019/2020 Q1-Q3
Net sales	873.4	878.9	2312.4	2,598.1
Effect from change in exchange rates	52.6	-2.0	119.8	
Organic growth	921.1	876.9	2,427.4	2,598.1
Organic growth (percent)	5.0%		-6.6%	

Alternative profit indicators

Amounts in MSEK	2020/2021 Q3	2019/2020 Q3	2020/2021 Q1-Q3	2019/2020 Q1-Q3	2020/2021 R12 MAR	2019/2020 JUL-JUN
Operating profit/loss	1.2	40.5	34.2	151.0	45.0	161.8
Depreciation, amortisation, write down of tangible and intangible non-current assets	27.9	25.6	78.1	76.6	108.7	107.3
EBITDA	29.0	66.1	112.3	227.6	153.8	269.1
Items affecting comparability						
Negative goodwill	-	-	-	-66.9	-	-66.9
Restructuring costs	33.0	0.5	35.5	6.8	43.1	14.4
Profit from sale of land	-	-	-	-	-3.9	-3.9
Adjusted EBITDA	62.0	66.6	147.8	167.5	193.0	212.7
Depreciation, amortisation, write down of tangible and intangible non-current assets	-27.9	-25.6	-78.1	-76.6	-108.7	-107.3
Items affecting comparability						
Write down of tangible assets due to restructuring	2.5	-	2.5	-	7.9	5.4
Adjusted EBIT	36.7	41.1	72.2	90.9	92.2	110.9
Net financial items	-1.6	-4.5	-7.2	-11.7	-11.7	-16.2
Net tax	0.2	-11.2	-9.7	-22.1	-16.8	-29.1
Adjusted profit for the period	35.3	25.3	55.3	57.2	63.7	65.5
Adjusted earnings per share before and after dilution (SEK)	0.9	0.6	1.4	1.5	1.6	1.7
Average number of shares before and after dilution	39,000,000	39,000,000	39,000,000	39,000,000	39,000,000	39,000,000

Net debt

Amounts in MSEK	2021-03-31	2020-03-31	2020-06-30
Long-term interest bearing liabilities	126.2	379.0	163.0
Long-term interest bearing liabilities - right of use assets	119.1	110.4	112.7
Short-term interest bearing liabilities	85.7	181.4	97.2
Short-term interest bearing liabilities- right of use assets	27.7	27.3	26.5
Derivatives	-	-	-0.2
Cash and cash equivalents	-136.47	-354.47	-142.27
Net debt	222.2	343.6	257.0

Capital employed

Amounts in MSEK	2021-03-31	2020-03-31	2020-06-30
Long-term interest bearing liabilities	126.2	379.0	163.0
Long-term interest bearing liabilities - right of use assets	119.1	110.4	112.7
Short-term interest bearing liabilities	85.7	181.4	97.2
Short-term interest bearing liabilities- right of use assets	27.7	27.3	26.5
Derivatives	-	-	-0.2
Cash and cash equivalents	-136.47	-354.47	-142.27
Net debt	222.2	343.6	257.0

NOT 6. FAIR VALUE OF FINANCIAL INSTRUMENTS

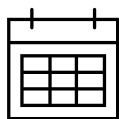
There were no transfers between levels or valuation categories during the period. The fair value of the Group's other financial assets and liabilities is estimated to correspond to their book values.

NOTE 7 TRANSACTIONS WITH RELATED PARTIES

During the first nine months of the year, Duroc bought and sold services totaling MSEK 2.4 from and to companies in which Peter Gyllenhammar AB is the majority stock owner.

DEFINITION OF KEY FINANCIAL INDICATORS

Organic growth	Net sales growth adjusted for acquisitions 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
EBIT	Operating profit
Adjusted EBIT	EBIT adjusted for items affecting comparability
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	Profit after tax adjusted for items affecting comparability divided by the average number of outstanding shares.
+Net debt/-Net cash & cash equivalents	Interest-bearing liabilities less cash and bank balances
Net debt/equity ratio	Net debt/equity
Capital employed	Equity plus net debt, adjusted for deferred tax, acquisition-related intangible assets, pension provisions and strategic holdings.
Return on capital employed (ROCE)	Rolling 12-month EBIT divided by average capital employed during the past 12 months. Due to the switch to IFRS 16 as of July 1, 2019, the return on capital employed presented for the comparative period has been calculated at average capital employed for the latest six-month period, i.e. July- December 2019.
Adjusted return on capital employed (Adjusted ROCE)	Adjusted rolling 12-month EBIT divided by average capital employed during the past 12 months. Due to the switch to IFRS 16 as of July 1, 2019, the adjusted return on capital employed presented for the comparative period has been calculated at average capital employed for the latest nine-month period, i.e. July 2019-March 2020.



INFORMATION CALENDAR

Closing Report July 2020 - June 2021

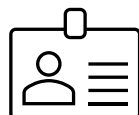
August 20, 2021

Interim Report July 2021 – September 2021

November 9, 2021

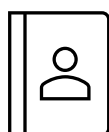
Interim Report July 2021 – December 2021

February 4, 2021



FOR MORE INFORMATION

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