INTERIM REPORT JULY 2019-MARCH 2020

EBITDA INCREASED BY 45 PERCENT – STRONG CASH FLOW

Third Quarter January-March 2020

- Net sales increased by 13 percent to MSEK 878.9 (777.6).
- Adjusted EBITDA*, with positive effects from IFRS 16 and other extraordinary items excluded, increased by 45 percent amounting to MSEK 58.5 (40,5), equivalent to an adjusted EBITDA*-margin of 6.7 percent (5.2).
- Operating profit amounted to MSEK 40.5 (30.5).
- Cash flow from operating activities amounted to MSEK 83.5 (26.5).
- Profit after tax amounted to MSEK 24.9 (21.0).
- Earnings per share amounted to SEK 0.64 (0.54).
- Cotting Group, which was acquired on 1 July 2019, was consolidated as of this date.
- COVID-19, is currently affecting production and sales in many parts of the Group's businesses and is expected to significantly reduce the profit in the fourth quarter. With a strong cash flow and a low debt/equity ratio, Duroc is well equipped to face these circumstances.

July 2019-March 2020

- Net sales increased by 18 percent to MSEK 2,598.1 (2,198.9).
- Adjusted EBITDA* increased by 41 percent to MSEK 144.7 (102.7), equivalent to an adjusted EBITDA*-margin of 5.6 percent (4.7).
- Operating profit amounted to MSEK 151.0 (67.2), including MSEK 66.9 in reversal of negative goodwill from the acquisition of Cotting Group.
- Cash flow from the operating activities amounted to MSEK 188.4 (39.4).
- Profit after tax amounted to MSEK 117.2 (45.6).
- Profit per share amounted to SEK 3.01 (1.17).
- In March, Duroc signed a new financing agreement. Consequently, most of the Groups credits are centrally financed through a long-term bank facility amounting to approximately MSEK 400. Additionally, the subsidiaries have a credit facility amounting to MSEK 100.
- Cash and cash equivalents on the 31th of March amounted to MSEK 354.5 and the net debt (excl. IFRS 16) amounted to MSEK 205,9.

Group (MSEK)	2019/2020 Q3	2018/2019 Q3	2019/2020 Q1-Q3	2018/2019 Q1-Q3	2019/2020 R12 MAR	2018/2019 JUL-JUN
Net sales	878.9	777.6	2,598.1	2,198.9	3,373.7	2,974.4
EBITDA	66.1	43.5	227.6	105.7	267.2	145.3
Adjusted EBITDA*	58.5	40.5	144.7	102.7	184.3	142.3
Adjusted EBITDA-margin, %	6.7	5.2	5.6	4.7	5.5	4.8
Operating profit/loss	40.5	30.5	151.0	67.2	177.5	93.7
Profit/loss after tax	24.9	21.0	117.2	45.6	158.9	87.3
Profit per share, before and after dilution, %	0.64	0.54	3.01	1.17	4.07	2.24
Cachflow from operating activities	83.5	26.5	188.4	39.4	219.7	70.8
Net debt excl. IFRS 16	205.9	85.5	205.9	85.5	205.9	124.1
Net debt/Equity ratio, %	19	10	19	10	19	13

* Adjusted for items affecting comparability and effects from IFRS 16. Reconciliation of amounts will be found on page 19

Duroc AB
Box 612, SE-182 16 Danderyd, SWEDEN Street address: Svärdvägen 5
Telephone: +46 8 789 11 30. Telefax: +46 8 789 11 31
Corporate ID number: 556446-4286

CEO'S STATEMENT

Duroc reported improved results in the quarter but the current pandemic will have an adverse effect on the Group in the fourth quarter. A strong balance sheet ensures durability and stability in unsettled times.

Third quarter January - March 2020

Operating profit increased by 33 percent compared with the same quarter in the previous reporting year. Net sales increased by 13 percent to MSEK 878.9. Organic growth was negative and declined by 13 percent, precipitated by falling demand in the Fibre and Industrial Trading business areas. Lower raw materials prices within the Fibre business area resulted in falling sales as customer prices declined due to price mechanisms in the costumer agreements.

The Company delivered a strong performance in the first months of 2020. All business areas apart from Industrial Trading reported an improved operating profit compared with the previous financial year. Industrial Trading's results were just below those recorded in the same period in the previous year. Cash flow from operating activities amounted to MSEK 83.5 (26.5). The improvement was attributable to the strong profit and positive inventory changes.

The current pandemic had a negative impact on consolidated profit in the last few weeks of March. With a few exceptions, most areas of the Group have been adversely affected by the spread of coronavirus.

The pandemic brought parts of the production units in the Fibre and Technical Textiles business areas to a standstill in mid-March. In France, the UK and Belgium some units are temporarily wholly or partially closed because of the measures taken by the respective countries to stem the spread of COVID-19. Customers' activities and requirements also impact operation volumes in the production units.

The picture is not all bleak, however. In the business area Other Industry, Duroc Rail, in particular, reported a record high profit in the quarter. Plastibert in Belgium, which is part of the Technical Textiles business area, saw a sharp increase in orders for mattress protectors for the healthcare sector. Cresco, part of the Fibre business area, have a record order book.

Nine months July 2019 – March 2020

Duroc recorded growth of 18 percent to MSEK 2,598.1. Organic growth was negative, amounting to -10%. The picture shifted over the three quarters from July 2019 to end-March 2020. The Fibre and Industrial Trading business areas recorded lower demand in some markets while other markets reported good demand. Technical Textiles reported high demand until the middle of March, when the coronavirus crisis began to make an impact. Other Industry recorded significant growth and was not adversely affected by the pandemic. Operating profit amounted to MSEK 151 (67.2), including negative goodwill of MSEK 66.9 from the acquisition of Cotting Group.

Cash flow from operating activities increased to MSEK 188.4 (39.4)

Outlook

The pandemic will have an adverse effect on the Group's performance in the final quarter of the financial year. Large swathes of the customer base in both Europe and the USA are temporarily closed. It is currently impossible to assess the effect on future profits since different customer segments and geographical markets are impacted in different ways. Those of the Group's plants that have been impacted are planning to start up production again in May in step with local authorities easing restrictions and customers resuming operations. It is likely that we will see a gradual increase in activities in the next few months.

The Group's subsidiaries have all introduced measures to mitigate the effects of temporary standstills and reduced demand. The majority of the Group's subsidiaries are receiving public funding towards staff costs during the crisis. Savings programmes have been introduced in parts of the Group. Special attention has been given to activities with a positive impact on cash flows in order to mitigate negative effects and safeguard operations.

Despite the circumstances, I believe that Duroc's position is secure. The Company has long strived to as far as possible avoid goodwill items in the balance sheet because these items typically give the appearance of having large assets but especially in times of crisis may prove to lack real value. The balance sheet is strong and the Company has significant assets in property, plant and equipment. As at end-March 2020 the net debt to assets ratio was as low as 19 percent. Duroc entered into a new bank agreement in the quarter, providing the Group with a long-term credit facility of around SEK 500 million. Net debt as at end-March stood at SEK 206 million.

The segments in which Duroc operates are not expected to have been structurally affected by the ongoing pandemic and demand for the Group's products and services is expected to return once the global economy stabilises. Our existing companies are continuing to develop through measures such as relocation to a larger property for yarn production in the USA, which will facilitate further expansion, and accelerated R&D work in staple fibres in Europe, aimed at finding new, sustainable solutions. Troubled times also offer opportunities for acquisitions - something we remain on the lookout for.

Duroc's long-term financial target of operating profit of at least 6 percent remains in place.

John Häger
CEO

THE GROUP'S DEVELOPMENT

The Duroc Group consists of the business areas Fibre, Industrial Trading and Other Industry and Technical Textiles. Acquired Cotting Group and Herber are included in the Group since 1 July 2019 and 1 May 2019, respectively, and are consolidated as of these dates.

Third quarter January-March 2020

Net sales amounted to MSEK 878.9 (777.6), an increase by 13 percent. Organic growth was negative and decreased by -13 percent. The business areas Fibre and Industrial Trade, which were already affected by a slowdown in the economy in earlier periods, saw a decrease in net sales also in the third quarter. Technical Textiles is affected by COVID-19 from the middle of March. Demand was strong until then. Other Industry had a strong quarter once again with a 28 percent growth in the third quarter.

Despite the lower turnover, Duroc delivered a higher profit. More profitable parts of the Group have contributed to a larger share of the total profit. This, together with cost efficiency, has driven the development. In business area Fibre, decreasing commodity prices has trough price mechanisms in the costumer agreements, led to lower turnover. This occurs with preserved gross margin and does not affect the result.

Adjusted EBITDA, where positive effects from IFRS 16 and restricting costs in Cotting Group have been excluded, increased by 45 percent to MSEK 58.5 (40.5). Operating profit amounted to MSEK 40.5 (30.5).

Cash flow from operating activities amounted to MSEK 83.5 MSEK (26.5), with positive changes in the working capital.

July 2019-March 2020

Net sales increased by 18 percent to MSEK 2,598.1 (2,198.9). Organic growth was negative and decreased by 10 percent. Some markets in Fibre and Industrial Trade saw weaker demand, while others increased, or remained stable. Other Industry significantly increased sales during the first nine months and Cotting Group, acquired in July, have met high demand until the second half of march when conditions changed due to COVID-19.

Cotting Group is a French -Belgian producer of coated textiles. The purchase amount was MSEK 188.3. Cotting Group is reported as a separate business area in the Duroc Group called Technical Textiles

The consolidated operating result, where MSEK 66.9 in negative goodwill from the acquisition is included, amounted to MSEK 151.0 (67.2). Adjusted EBITDA where negative goodwill and other items affecting comparability have been excluded, amounted to MSEK 144.7 (102.7). Earnings have increased in Fibre and Other Industry.

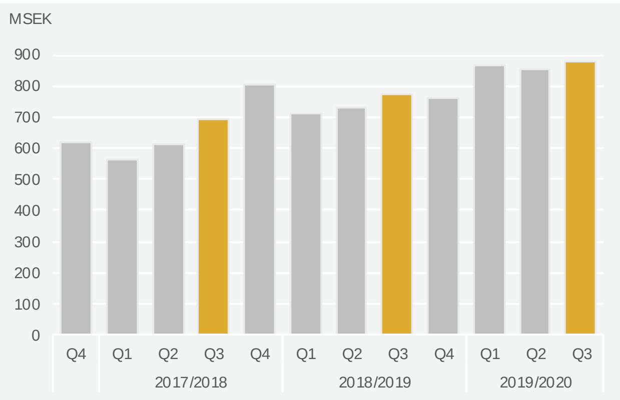
Cash flow from operating activities MSEK 188.4 (39.4) derives from a good profit as well as a favourable development of working capital.

A large part of the Groups businesses is currently affected by COVID-19.

Group (MSEK)	2019/2020 Q3	2018/2019 Q3	2019/2020 Q1-Q3	2018/2019 Q1-Q3	2019/2020 R12 MAR	2018/2019 JUL-JUN
Net sales	878.9	777.6	2,598.1	2,198.9	3,373.7	2,974.4
EBITDA	66.1	43.5	227.6	105.7	267.1	145.3
Adjusted EBITDA	58.5	40.5	144.7	102.7	184.3	142.3
Adjusted EBITDA-margin, %	6.7	5.2	5.6	4.7	5.5	4.8
Operating profit/loss	40.5	30.5	151.0	67.2	177.4	93.7
Average number of employees	1,206	843	1,200	830	1,194	834

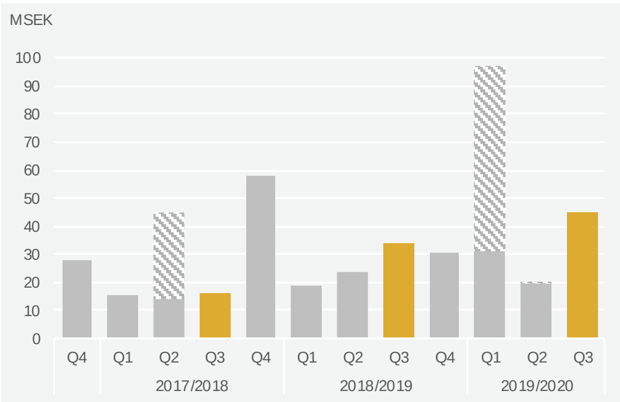
CONSOLIDATED SALES

(Converted using the exchange rate on the reporting date).



CONSOLIDATED OPERATING PROFIT

Converted using the exchange rate on the reporting date).



The bar charts below show sales and operating profit by quarter for all four business areas. Operating profit Q2 2017/2018, Q1 and Q2 2019/2020 includes MSEK 31 MSEK, 65.7 respectively 1.2 MSEK from negative goodwill

BUSINESS AREA FIBRE

Business area Fibre consists of International Fibres Group (IFG). IFG produces polypropylene-based staple fibre and yarns used for different applications, primarily in the automotive, construction, furniture and filter industries. Cresco manufactures textiles for professional growers and contributes to favourable environments in greenhouses, for fungal cultivation and composting plants.

Third quarter January-March 2020

Net sales declined by 10 percent and amounted to MSEK 513.6 (572.2). Organic growth was negative and decreased by 13 percent. The Business area is continuously affected by lower sales volumes in the staple fibre business, and also affected by lower raw materials prices which led to lower sales prices to costumer's trough price mechanisms in costumer agreements. This contributes to lower net sales. Although, the gross profit remains at the same level. That along with efficient cost control has resulted in a maintained profit. The business in America continues to show a very positive development and the profit in Cresco started to accelerate during March.

Adjusted EBITDA, where positive effects of IFRS 16 have been excluded, amounted to MSEK 29.3 (24.5). The adjusted EBITDA margin improved to 5.7 percent (4.3). Operating profit amounted to MSEK 17.2 (16.6).

COVID-19 has caused production to be operated at a low level or stand still in large parts of the business area since the end of march. Cresco, which has a strong order book and well stocked supplies can deliver to its costumer to a relatively high level. The staple fibre business is operated at a low level and the yarn industry in the USA is closed at the moment. In all businesses, except for the business in Austria, which is still stable, large parts of the workforce has been laid off with financial assistance from the governments. The expectation is that the businesses can be up and running again soon, but there are uncertainties.

July 2019-March 2020

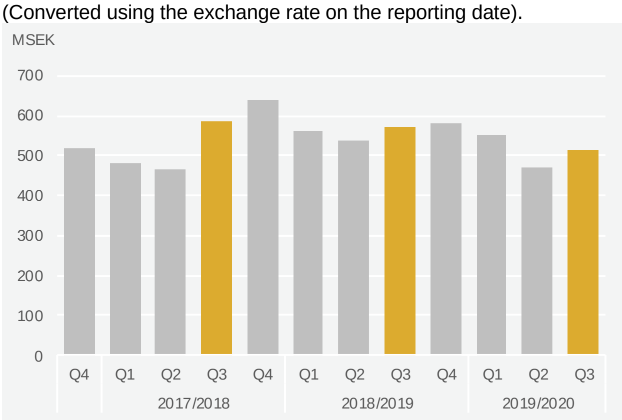
Net sales decreased by 8 percent to MSEK 1.534,9 (1,659.6). Organic growth was negative and decreased by 12 percent. The overall situation has remained the same during the nine first months of the financial year – volumes in the staple fibre business, the part of the business area with the lowest margins, have decreased. Lower raw material prices have, through agreements, been transferred to the costumers and have affected net sales, Although, with preserved gross profit.
The preserved gross profit together with efficient cost control have resulted in an increased profit despite lower net sales. The fact that less profitable parts of the business area have decreased in favour of more profitable, such as the yarn industry in the USA, have also contributed to the increase in profit.

Adjusted EBITDA, where effects from IFRS 16 and other items affecting comparation are excluded amounted to MSEK 71.5 (61,7). Operating profit increased to MSEK 34.6 (32.4).

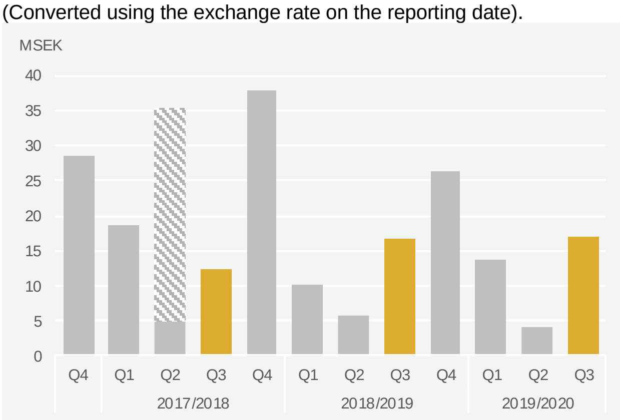
At the moment, many parts of the business area are affected by COVID-19. Efforts to increase the profit are ongoing. .

Fibre (MSEK)	2019/2020 Q3	2018/2019 Q3	2019/2020 Q1-Q3	2018/2019 Q1-Q3	2019/2020 R12 MAR	2018/2019 JUL-JUN
Net sales	513.6	572.2	1,534.9	1,659.6	2,127.3	2,252.0
EBITDA	32.2	27.5	80.5	64.7	117.2	101.5
Adjusted EBITDA	29.3	24.5	71.5	61.7	108.4	98.5
Adjusted EBITDA-margin, %	5.7	4.3	4.7	3.7	5.1	4.4
Operating profit/loss	17.2	16.6	34.6	32.4	61.3	59.0
Average number of employees	674	680	669	674	669	671

NET SALES BUSINESS AREA FIBRE
(Converted using the exchange rate on the reporting date).



OPERATING PROFIT USINESS AREA FIBRE
(Converted using the exchange rate on the reporting date).



The Q2 2017/2018 operating profit includes MSEK 31 from negative goodwill.

BUSINESS AREA TECHNICAL TEXTILES

Business area Technical Textiles consists of the Cotting Group. Through the acquisition of the Cotting Group in July 2019, the Duroc Group has established itself in the market for coated textiles. The products constitute of PVC and PU coated textiles that are used in a number of areas including automotive interiors, the fashion industry, protective apparel, hospital beds, dental chairs, furniture and wall coverings.

Third quarter January-March 2020
Net sales amounted to MSEK 169.9. The business area experienced a strong growth in net sales in the automotive part until mid March when the French unit was forced to shut down the production due to COVID-19. A large part of the work force is temporary laid off and the company has received financial assistance from the French government. The group has ongoing plans to return to business and to resume the production in the middle of May when the customer base is expected to resume their production. However, The expectations are that volumes will be lower than usual during some time ahead. In the smaller Belgian business, the order intake has been very high, due to deliveries to the medical sector.

Efforts to increase efficiency and capacity increasing actions continue to raise profitability on a long-term basis.

Adjusted EBITDA, where restricting costs and positive effects IFRS 16 have been excluded, amounted to MSEK 10.4 and adjusted EBITDA margin was 6.1 percent. The operating profit amounted to MSEK 6.8.

Technical Textiles	2019/2020Q3	2019/2020 Q1-Q3
Net sales	169.9	497.2
EBITDA	11.1	97.0
Adjusted EBITDA	10.4	34.2
Adjusted EBITDA-margin, %	6.1	6.9
Operating profit/loss	6.8	85.1
Average number of employees	335	337

July 2019-March 2020
Net sales amounted to MSEK 497.2 and operating profit till MSEK 85.1, including the effect of negative goodwill in the amount of MSEK 66.9.

The business area saw a strong demand especially from the car industry during the first three quarters until mid-March when COVID-19 started to affect large parts of the French business. Organisational changes, where the former CEO of the Cotting Group has left the company, have burden the profit during the period.

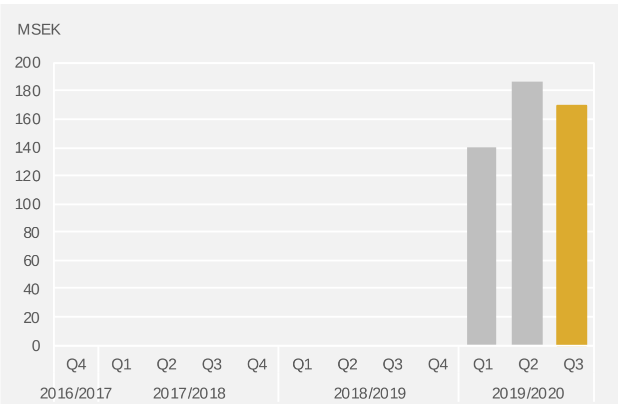
Adjusted EBITDA, where negative goodwill, restricting costs and effects from IFRS 16 have been excluded, amounted to MSEK 34.2 and the adjusted EBITDA margin was 6.9 percent.

Negative goodwill arises when the value of the acquired net assets exceeds the purchase amount and according to IFRS shall be resolved directly in the profit and loss account.

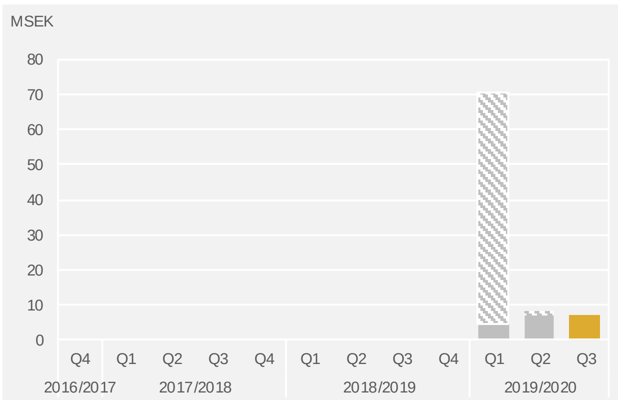
Business area Technical Textiles
For more than 60 years, Cotting Group has been operating in international market for coated textiles with production in France and Belgium.

The Global market for coated textiles is estimated at approximately MSEK 170 billion, of which the European part where Cotting has most of its sales, is close to SEK 40 billion. The market for coated textiles is subject to long-term growth and is estimated to grow by 4 percent annually. The opportunities for Duroc to grow in this sector organically as well as through continued opportunistic acquisitions, are deemed to be positive and financially attractive.

SALES BUSINESS AREA TECHNICAL TEXTILES (Converted using the exchange rate on the reporting date)



OPERATING PROFIT BUSINESS AREA TECHNICAL TEXTILES (Converted using the exchange rate on the reporting date)



Operating profit in Q1 and Q2 2019/2020 includes 66,9 MSEK from negative goodwill.

BUSINESS AREA INDUSTRIAL TRADING

In business area Industrial Trading Duroc Machine Tool (DMT) trades in machine tools and offers automation solutions, tools, service and support for the engineering industry. Universal Power (UPN) supplies diesel engines for industrial and marine use as well as related spare parts, service and repairs. Herber Engineering develops, manufactures and sells equipment for tube bending. Herber is part of the business area from 1 May 2019 and has been included in the comparative data from this point in time

.

Third quarter January-March 2020

Net sales declined by 13 percent to MSEK 144.4 (165.4). The organic growth was negative and declined by 22 percent, mainly as a result of lower sales volumes within Duroc Machine Tool (DMT). The market is impacted by restrictions due to COVID-19 which has led to a decreasing order intake for parts of Industrial Trades businesses during the quarter. Cost reducing measures, including staff layoffs on some markets been carried out to balance out the negative effects that the expected slowdown in the industry during the near future might have.

Adjusted EBITDA, where positive effects from IFRS 16 were removed, amounted to MSEK 8.9 (10.0) and the adjusted EBITDA-margin improved a little to 6.2 percent. (6.1).

Despite decreasing sales, DMT made a strong profit, an effect of long-term work with margin- improvements. Dampened demand in the Norwegian market let to a lower profit in UPN. Herber has also experienced a less favourable investment climate with low demand in the quarter.

Operating profit in the business areas amounted to MSEK 8.2 (9.4).

July 2019-March 2020

Net sales during the first nine months amounted to MSEK 451.6 (444.9) an increase compared to last year by 2 percent. Organic growth was negative and declined by 11 percent.

The slowdown in the market that was recognized during the second quarter was enhanced by the insecure market during the corona-pandemic, causing costumers to hold off large investments for the time being. This situation affects all businesses in the business area.

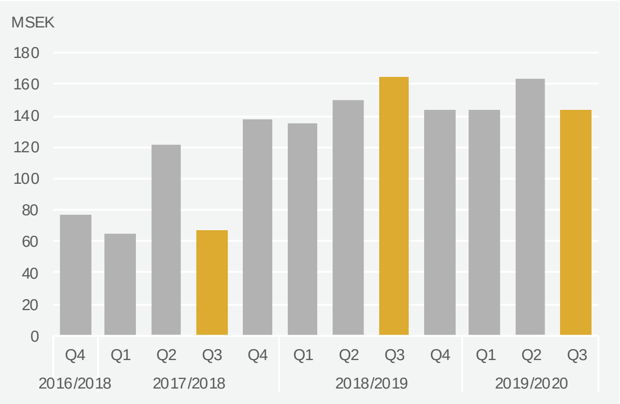
Adjusted EBITDA, where positive effects from IFRS 16 are excluded, amounted to MSEK 26.9 (32.7) and the adjusted EBITDA-margin amounted to 6.0 percent (7.4).

The decreasing result can mostly be attributable to UPN, where especially the Norwegian business have had declining sales volumes. Previously implemented organisational changes within DMT and an inventory write down within UPN has affected the result by a total of MSEK 1.6.

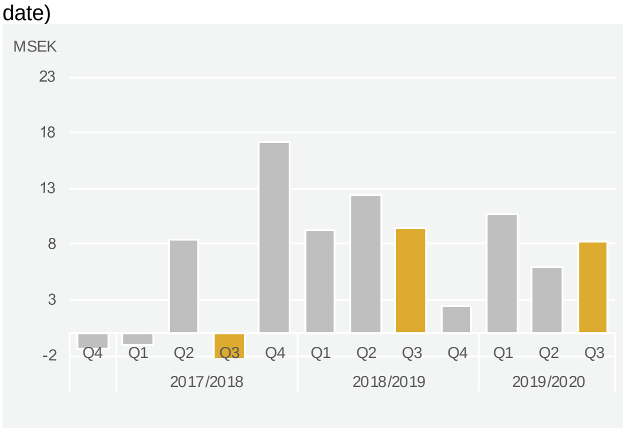
Operating profit amounted to MSEK 24.4 (30.6).

Industrial Trading (MSEK)	2019/2020 Q3	2018/2019 Q3	2019/2020 Q1-Q3	2018/2019 Q1-Q3	2019/2020 R12 MAR	2018/2019 JUL-JUN
Net sales	144.4	165.4	451.6	444.9	596.9	590.2
EBITDA	11.5	10.0	34.4	32.7	37.7	36.0
Adjusted EBITDA	8.9	10.0	26.9	32.7	30.2	36.0
Adjusted EBITDA-margin, %	6.2	6.1	6.0	7.4	5.1	6.1
Operating profit/loss	8.2	9.4	24.4	30.6	27.0	33.1
Average number of employees	131	108	133	103	130	110

NET SALES BUSINESS AREA INDUSTRIAL TRADE
(Converted using the exchange rate on the reporting date)



OPERATING PROFIT BUSINESS AREA INDUSTRIAL TRADE (Converted using the exchange rate on the reporting date)



BUSINESS AREA OTHER INDUSTRY

Business area Other Industry consists of Duroc Rail and Duroc Laser Coating (DLC). Duroc Rail delivers qualified maintenance of railway wheels for locomotives and wagons. DLC offers renovation and new manufacturing of industrial components based on laser surface treatment technology.

Third quarter January-March 2020

Net sales increased by 28 percent and amounted to MSEK 51.0 (40.0). The positive effect derives from all time high volumes of maintenance work in Duroc Rail, which stands for 85 % of the net sales in the business area. High production rate and high capacity utilization in combination with unusually high volumes of technically. The business has not experienced any negative effects of the COVID-19 pandemic, Instead, Duroc Rail has received additional volumes of maintenance work that would otherwise be sent to businesses in central Europe. Additionally, the long-term market share has increased.

Duroc Laser Coating is also still able to conduct the business as usual, without interruption.

Adjusted EBITDA, where positive effects of IFRS 16 have been removed amounted to MSEK 13.9 (9.5). The adjusted EBITDA margin was 27.3 percent (23.7).

Operating profit amounted to MSEK 2.4 (5.2)

July 2019-March 2020

Net sales during the first nine months amounted to MSEK 114.5 (94.4), a net sales growth of 21 percent. Duroc Rail has had three strong quarters with high demand for maintenance which has led to the favourable development. Together with an effective production process and high capacity utilization, this has contributed to an operating profit that is almost 40 percent higher than the corresponding period last year.

Duroc Laser Coating has had a satisfactory development.

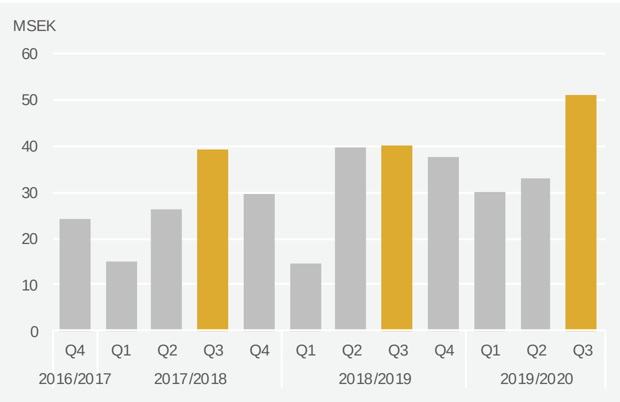
Adjusted EBITDA, where positive effects of IFRS 16 have been removed amounted to MSEK 22,2 (16.3). The adjusted EBITDA margin was 19.4 percent (17.2).

Operating profit amounted to MSEK 17.4 MSEK (12.5).

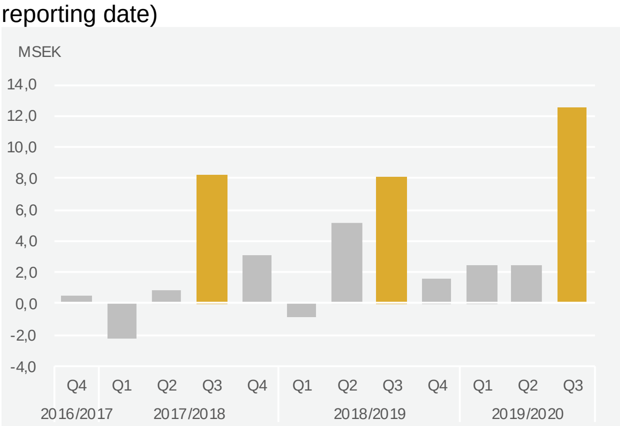
Organic growth corresponds with actual growth of sale in the business area.

Other Industry (MSEK)	2019/2020 Q3	2018/2019 Q3	2019/2020 Q1-Q3	2018/2019 Q1-Q3	2019/2020 R12 MAR	2018/2019 JUL-JUN
Net sales	51.0	40.0	114.5	94.4	152.3	132.2
EBITDA	15.2	9.5	25.2	16.3	28.9	20.0
Adjusted EBITDA	13.9	9.5	22.2	16.3	25.9	20.0
Adjusted EBITDA-margin, %	27.3	23.7	19.4	17.2	17.0	15.1
Operating profit/loss	12.5	8.2	17.4	12.5	19.0	14.1
Average number of employees	60	54	55	49	53	49

NET SALES BUSINESS AREA OTHER INDUSTRY (Converted using the exchange rate on the reporting date)



OPERATING PROFIT BUSINESS AREA OTHER INDUSTRY (Converted using the exchange rate on the reporting date)



FINANCIAL INFORMATION

PROFIT AND FINANCIAL POSITION

Net sales during the first nine months amounted to MSEK 2,598.1 (2,198.9). Operating profit amounted to MSEK 151.0 (67.2) and profit after taxes amounted to MSEK 117.2 (45.6).

Other comprehensive result amounted to MSEK -6.2 (-31.3). The Group's equity amounted to MSEK 1,057.9 (896.7) and the equity ratio stood at 43.6 percent (53.5) The equity ratio, not including IFRS 16 effects stood at 46.2 percent. If cash and cash equivalents and interest-bearing liabilities been reported on a net basis, the Group's equity ratio would be 51.1 percent (59.3). Adjusted equity ratio not including IFRS 16-effects stood at 54.7 percent. Refer to the Group's Note 2 for IFRS 16 − adjusted figures.

FINANCING

Duroc signed a new financing agreement with Danske Bank in the 3rd quarter. The agreement covers a long-term bank facility of MSEK 400 in total including a bank loan of MSEK 130 with a five-year amortisation plan and the rest is a cash credit linked to a Group Cash Pool. Additionally, the subsidiaries have loan facilities of approximately MSEK 100.

As a result of the new financing agreement most of the group's credits are centrally financed. The length of the agreements are tree years with option to extend for additionally two years. Further, the agreement includes two financial covenants; Net debt to EBITDA ratio and Equity to Balance sheet total ratio. The directors and the board follow forecasts in relation to the threshold values on a regular basis to ensure that the Group meets the financial commitments towards the creditor and to minimize cash and financing risks. As of 31th of March 2020, the terms of the agreements where met with a wide margin in the covenants.

In connection to the new financing agreement, the stocks in the Group's Holding companies International Fibres Group AB, Duroc Machine Tool Holding Ab and Duroc Production AB was mortgaged.

CAPITAL EXPENDITURES

The Group had capital expenditures in tangible and intangible non-current assets of MSEK 63.4. The Cotting Group was acquired in July 2019 for MSEK 188.3 (the net cash flow was MSEK 168.3). Refer to note 3 acquisitions for further information.

CASH FLOW

Consolidated cash flow from operating activities amounted to MSEK 188.4 (39.4) from the first nine months), influenced by positive effects from current receivables and a strong profit. Cash flow from capital investment activities amounted to MSEK -231.1 (-110.7), including the acquisition of Cotting Group and investments in tangible fixed assets for capacity improvement in the subsidiaries. Cash flow from financing activities amounted to MSEK 35.1 (-28.4). As a consequence of

the new financing agreement signed during the third quarter, a former short-term credit of MSEK 180, from the acquisition of Cotting Group, was replaced by a long-term loan. At the end of March, the liquidity was strengthened by additionally MEUR 12. The amount will be used for debt amortisation in the subsidiaries during the next quarter.

Cash and cash equivalents

At the end of the nine-month period the Group's cash and cash equivalents amounted to MSEK 354.5 (164.3). Interest-bearing liabilities amounted to MSEK 698.1 MSEK (250.0). Not including the effects of IFRS16 the Group's interest-bearing liabilities amount to MSEK 560.4 and the Group's net debt stands at MSEK 205.9 (85.5). Duroc is currently undergoing a change in its financing structure and cash and cash equivalents will be used to amortise debt in the subsidiaries during the next quarter. The higher net debt compared to the same quarter one year ago is due to the loan amounting to MSEK 180 raised in connection with the acquisition of the Cotting Group.

PARTENT COMPANY

Duroc AB's primary functions are acquisitions, follow-up of the development in Group companies, business development and financial reporting. Sales consist of internally invoiced services amounting to MSEK 4.2 (3.2) by the end of March. Profit after tax amounted to MSEK 20.6 (52.8) including dividends from subsidiaries in the amount of MSEK 30.9 (58.8). In addition to shares in subsidiaries the Parent Company's consist primarily of amounts due from Group companies and bank deposits. Duroc AB's equity ratio was 75.1 percent (98.9) by the end of the period. The decrease is attributable to MSEK 180 of loans raised in connection to the acquisition of Cotting Group. The remaining part is a result of the Groups transfer to a centralised credit structure with a cash pool solution where the external financing is mainly conducted in the parent company. The new loan agreement was signed in March and includes a long-term bank facility of MSEK 400. Previous short-term loans have subsequently been repaid.

PERSONNEL

The average number of employees in the Duroc Group during the financial year was 1200 (830). The average number of employees in the Parent Company was 6 (5) for the same period.

SIGNIFICANT RISKS AND UNCERTAINTY FACTORS FOR THE PARENT COMPANY AND THE 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 to determine how they are to be managed. A detailed description of the Parent Company's and the subsidiaries' risks and risk management is provided in Duroc's Annual Report 1 July 2018 -30 of June 2019.

The vast spread of COVID-19 has affected production and sales within the Duroc Groups business areas since the middle of march and is expected to have significant consequences on the profit and the cash position during the last quarter of the financial year.
A more challenging business environment can have effects on the business also next financial year. The overview of future effects on

the business is due to the insecure situation limited. Some units in the Group has also had a higher demand due to the virus and the sinking oil prices results in lower raw material prices within the Fibre business and business area Technical Textiles. Duroc is well equipped to face the challenges that COVID-19 brings. The Group is not conducting business in segments that can be affected by more structural and long-term damages, such as the aircraft industry or the tourism- and event industry

OTHER INFORMATION

Work environment investigation in England

IFG Drake, a company in the Duroc Group, is subject to a work environment investigation in England by reason of the workplace accident that occurred in one of the company's factories in March of 2017. The assessment has established that the accident was not caused by the company. Although, according to the assessment of the company's legal counsel, the investigation may lead to the imposition of a fine by the British work environment authority HSE in an amount of between KGBP 600-950.

The amount of the fine may deviate from the above range, up as well as down.

Prioritized creditor Svartöns Specialstål AB's bankruptcy

Duroc is most preferred creditor in the bankruptcy proceedings of Svartöns Specialstål AB where the bankruptcy administration has sued an insurance company for approximately MSEK 24, not including interest. In the case of full success for the bankruptcy estate, Duroc can expect compensation of between MSEK 15 and 20. The process is not expected to impose a burden on Duroc since funds to cover the process costs are already available in the estate in bankruptcy.

Brexit

Great Britain's exit from the EU (Brexit) may affect Duroc's business. Great Britain broke away from EU on January 31, 2020 and on that date the transition period started which will last until 31 December 2020. However, there is still uncertainty about long-term agreements for the continued relationship with the EU and whether or not these will be completed in time. There is a risk that there will be a period without a contract after December 31, 2020. The lack of clarity about what will happen makes it difficult to fully chart the effects of Brexit.

Certain preparatory measures have been taken in the subsidiaries concerned and the Board of Directors and management also follow the ongoing development in order to be able to take further appropriate action if necessary.

In business area Fibre approximately 9 percent of sales are exports from Great Britain to the EU or other parts of the world. Major portions of this sales volume can be moved to other Group companies in the EU and any negative effect as a result of Brexit are not considered to be extensive.

Risks affecting the Group's business outside Great Britain pertains mostly to purchases of goods. The volume of goods purchased from Great Britain is limited however and the effects are not judged impact Duroc's business in a major way.

In addition, the companies in business area Fibre have a British parent company. The effect of a lack of agreements between Great Britain and EU could be that certain transactions between group companies, such as dividends, are charged with withholding tax for a limited period before agreements have been negotiated. Duroc is monitoring the situation. These effects are not deemed to be significant but entail uncertainty.

SCHEDULE OF FUTURE INFORMATION

Year-end Report April-June 2020	21 August 2020
Interim report July-September 2020	5 November 2020
Interim Report October-December 2020	5 February 2021

Stockholm, 7 may 2020

John Häger
CEO

For further information

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

The information in this year-end report is such that Duroc AB is obliged to publish in accordance with EU's Market Abuse Regulation EU/596/2014. The information herein was provided for publication at 07:15 a.m., 8 May 2020.

AUDITOR'S REPORT

Duroc Aktiebolag reg. no. 556446-4286

Introduction

We have reviewed the condensed interim financial information (interim report) of Duroc Aktiebolag as of March 31, 2020 and the nine-month period then ended. The board of directors and the CEO are responsible for the preparation and presentation of the interim financial information in accordance with IAS 34 and the Swedish Annual Accounts Act. Our responsibility is to express a conclusion on this interim report based on our review.

Scope of Review

We conducted our review in accordance with the International Standard on Review Engagements ISRE 2410, *Review of Interim Report Performed by the Independent Auditor of the Entity*. 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, nothing has come to our attention that causes us to believe that the interim report is not prepared, in all material respects, in accordance with IAS 34 and the Swedish Annual Accounts Act, regarding the Group, and with the Swedish Annual Accounts Act, regarding the Parent Company.

May 6, 2020

PricewaterhouseCoopers AB

Swedish Original signed by

Aleksander Lyckow

Authorized Public Accountant

SUMMARY CONSOLIDATED INCOME STATEMENT

Amounts in MSEK	2019/2020 Q3	2018/2019 Q3	2019/2020 Q1-Q3	2018/2019 Q1-Q3	2018/2019 JUL-JUN
Net sales	878.9	777.6	2,598.1	2,198.9	2,974.4
Other operating income	3.3	7.9	77.7	14.8	13.2
Change in inventoriries	24.3	5.0	22.4	9.3	1.0
Raw materials and consumables	-441.8	-391.1	-1,293.4	-1,143.0	-1,530.1
Goods for resale	-84.1	-120.6	-265.7	-314.4	-412.4
Other external costs*	-136.0	-109.4	-380.9	-307.5	-417.6
Personnel costs	-176.0	-125.4	-526.4	-349.6	-478.5
Depreciation and amortisation of tangible and intangible non-current assets	-25.6	-13.0	-76.6	-38.6	-51.6
Other operating costs	-2.4	-0.6	-4.0	-2.6	-4.6
Operating profit/loss*	**40.5**	**30.5**	**151.0**	**67.2**	**93.7**
Net financial items*	**-4.5**	**-1.7**	**-11.7**	**-4.6**	**-4.7**
Profit before tax*	**36.0**	**28.8**	**139.3**	**62.5**	**89.0**
Current taxes	-7.5	-6.7	-20.1	-14.0	-14.8
Deferred taxes*	-3.7	-1.0	-1.9	-2.9	13.0
PROFIT FOR THE PERIOD*	**24.9**	**21.0**	**117.2**	**45.6**	**87.3**
Profit for the period attributable to:					
The Parent Company´s equity holders	24.9	21.0	117.2	45.6	87.3
Earnings per share					
Before and after dilution	0.64	0.54	3.01	1.17	2.24
Average number of shares outstanding before and after dilution	39,000,000	39,000,000	39,000,000	39,000,000	39,000,000

* The 2019/2020 includes effects of the transition to IFRS 16. A summary of how the new accounting standard has affected the Group’s profit will be found in Note 2

CONSOLIDATED REPORT OF COMPREHENSIVE RESULT

Amounts in MSEK	2019/2020 Q3	2018/2019 Q3	2019/2020 Q1-Q3	2018/2019 Q1-Q3	2018/2019 JUL-JUN
PROFIT FOR THE PERIOD	**24.9**	**21.0**	**117.2**	**45.6**	**87.3**
Total other comprehensive income					
Items that may be reclassified to the income statement					
Translation differences	61.0	20.5	58.7	11.6	13.9
Hedge accounting (net)	0.9	-0.2	-0.3	-0.1	0.6
Items that will not be reclassified to the income statement					
Revaluation of strategic holdings	-17.1	-13.5	-18.2	-13.5	-26.1
Actuarial gains and losses(net)	-49.3	-23.5	-46.4	-29.3	-8.2
Total other comprehensive income	**-4.5**	**-16.7**	**-6.2**	**-31.3**	**-19.7**
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	**20.3**	**4.3**	**111.1**	**14.3**	**67.6**
Total comprehensive inocome for the period attributable to:					
The Parent company´s equity holders	20.3	4.3	111.1	14.3	67.6
non-controlling interests	-	-	-	-	-

SUMMARY CONSOLIDATED BALANCE SHEET*

Amounts in MSEK	2020-03-31	2019-03-31	2019-06-30
ASSETS			
Non-current assets			
Intangible assets	95.7	88.0	92.0
Property plant and equipment	767.2	449.8	460.3
Financial assets	15.1	37.9	31.0
Deferred tax assets	85.8	56.6	69.8
Total non-current assets	**963.8**	**632.4**	**653.0**
Current assets			
Inventories	541.2	422.0	388.6
Trade receivables	488.7	426.6	434.4
Current tax receivables	14.7	2.2	2.2
Other receivables	35.0	15.8	17.8
Prepaid expenses and accrued income	27.5	12.1	10.4
Cash and cash equivalents	354.5	164.3	352.5
Total current assets	**1,461.5**	**1,043.0**	**1,206.0**
Total assets	**2,425.3**	**1,675.4**	**1,859.0**
EQUITY AND LIABILITIES			
Equity			
Share capital	39.0	39.0	39.0
Other capital provided	260.5	260.5	260.5
Reserves	177.5	116.1	119.1
Retained earnings including profit for the year	581.0	481.1	531.4
Equity attributable to owners of the parent	**1,057.9**	**896.7**	**950.0**
Total equity	**1,057.9**	**896.7**	**950.0**
Long-term liabilities			
Provision for pensions	136.6	77.8	51.1
Other provisions	34.4	16.5	13.6
Non-current interest-bearing liabilities	379.0	76.8	105.7
Non-Current liabilities - right of use assets	110.4	-	-
Other non-current liabilities	0.0	-	-
Deferred tax liabilities	40.0	33.6	36.0
Total non-current liabilities	**700.4**	**204.7**	**206.4**
Current liabilities			
Current interest-bearing liabilities	181.4	173.2	370.9
Current interest bearing liabilities - right of use assets	27.3	-	-
Costumer prepayments	13.3	19.7	29.9
Trade payables	251.3	254.6	176.4
Current tax liabilities	16.2	7.1	7.0
Other liabilities	47.4	39.7	43.8
Accrued expenses and prepaid income	130.1	79.6	74.6
Total current liabilities	**667.0**	**574.0**	**702.6**
Total liabilities	**1,367.4**	**778.7**	**909.1**
TOTAL EQUITY AND LIABILITIES	**2,425.3**	**1,675.4**	**1,859.0**

For a balance sheet as of 31 March 2020 with effects of IFRS 16 excluded, refer to Note 2.

SUMMARY OF CHANGES IN CONSOLIDATED EQUITY

Amounts in MSEK	2019/2020 Q1-Q3	2018/2019 Q1-Q3	2018/2019 JUL-JUN
Opening balance	**950.0**	**882.4**	**882.4**
Adjustment opening balance due to IFRS 16	-3.1	-	-
Profit for the period	117.2	45.6	87.3
Translation differences	58.7	11.6	13.9
Revaluation of strategic holdings	-18.2	-0.1	-26.1
Actuarial gains and losses (net)	-46.4	-29.3	-8.2
Hedge accounting (net)	-0.3	-13.5	0.6
Closing balance	**1,057.9**	**896.8**	**950.0**

SUMMARY CONSOLIDATED CASH FLOW STATEMEN

Amounts in MSEK	2019/2020 Q3	2018/2019 Q3	2019/2020 Q1-Q3	2018/2019 Q1-Q3	2018/2019 JUL-JUN
OPERATING ACTIVITIES					
Profit before taxes	**36.0**	**28.8**	**139.3**	**62.5**	**89.0**
Adjustment for items not included in cash flow	32.7	8.5	3.5	37.8	43.0
Income tax paid	-4.0	-5.5	-14.0	-10.4	-13.1
Cash flow from operating activities before changes in working capital	**64.7**	**31.8**	**128.7**	**89.9**	**119.0**
Cashflow from changes in working capital					
Changes in inventories	10.6	-8.4	-3.4	-52.2	-1.1
Changes in current receivables	-36.0	-38.1	88.8	18.0	23.9
Changes in current liabilities	44.1	41.2	-25.7	-16.3	-71.0
Cash flow from operating activities	**83.5**	**26.5**	**188.4**	**39.4**	**70.8**
INVESTMENT ACTIVITIES					
Purchase and sales of intangible assets	-0.9	-0.2	-3.6	-1.1	-1.3
Purchase ans salesof tangible assets	-16.0	-28.4	-59.8	-46.3	-60.7
Cash flow from acquisitions	0.0	-0.0	-168.3	-21.3	-34.1
Cash flow from financial assets	0.5	-40.6	0.6	-42.2	-47.6
Cash flow from investment activities	**-16.5**	**-69.1**	**-231.1**	**-110.7**	**-143.7**
FINANCING ACTIVITIES					
New loans	289.7	26.7	312.9	26.7	213.0
Amortization of loans	-195.4	-25.4	-253.8	-53.4	-31.8
Changes in short term operating financing	-9.0	-1.2	-24.0	-1.7	-21.0
Cash flow from financial fixed assets	**85.3**	**0.1**	**35.1**	**-28.4**	**160.2**
Cash flow for the period	**152.4**	**-42.4**	**-7.6**	**-99.6**	**87.3**
Cash and equivalents at beginning of period	192.9	202.1	352.5	262.2	262.2
Transaltion difference in cash and cash equivalents	9.2	4.7	9.6	1.7	3.0
Cash and equivalents at end of period	**354.5**	**164.3**	**354.5**	**164.3**	**352.5**

SUMMARY PARENT COMPANY INCOME STATEMENT

Amounts in MSEK	2019/2020 Q3	2018/2019 Q3	2019/2020 Q1-Q3	2018/2019 Q1-Q3	2018/2019 JUL-JUN
Net sales	1.5	1.1	4.2	3.2	4.6
Other external costs	-2.5	-1.3	-5.2	-4.3	-7.2
Personnel costs	-3.0	-3.3	-9.2	-6.8	-9.5
Depreciation and amortisation	-0.1	-0.1	-0.4	-0.3	-0.4
Operating result	**-4.2**	**-3.6**	**-10.6**	**-8.3**	**-12.5**
Result from shares in group companies	-	-	30.9	58.8	58.8
Financial income	0.9	0.4	2.8	1.0	1.2
Financial expense	-1.6	-0.3	-5.5	-0.5	-0.4
Net finance items	**-0.7**	**0.0**	**28.2**	**59.4**	**59.6**
Group contributions received/rendered	-	-	-	-	19.4
Profit before taxes	**-4.9**	**-3.6**	**17.7**	**51.1**	**66.5**
Tax on profit for the period	1.0	0.8	2.9	1.7	-1.7
RESULT AFTER TAXES	**-3.8**	**-2.8**	**20.6**	**52.8**	**64.7**

SUMMARY PARENT COMPANY REPORT OF COMPREHENSIVE RESULT

Amounts in MSEK	2019/2020 Q3	2018/2019 Q3	2019/2020 Q1-Q3	2018/2019 Q1-Q3	2018/2019 JUL-JUN
RESULT FOR THE PERIOD	**-3.8**	**-2.8**	**20.6**	**52.8**	**64.7**
Other comprehensive result - Revaluation of strategical holdings	-0.3	-	-0.3	-	-
TOTAL COMPREHENSIVE RESULT FOR THE PERIOD	**-4.1**	**-2.8**	**20.3**	**52.8**	**64.7**

SUMMARY PARENT COMPANY BALANCE SHEET

Amounts in MSEK	**2020-03-31**	**2019-03-31**	**2019-06-30**
ASSETS			
Non current assets			
Other intangible assets	1.0	1.2	1.3
Tangible fixed assets	0.0	0.0	0.0
Shares in group companies	1,067.5	864.5	876.5
Other equity	0.1	0.4	0.4
Receivables group companies	38.6	-	48.2
Deferred tax asset	25.1	25.6	22.2
Total non-current assets	**1,132.3**	**891.7**	**948.5**
Current assets			
Receivables group companies	21.8	58.1	25.2
Other recievables	1.1	0.2	0.6
Prepaid expenses and accrued income	1.7	0.5	0.6
Cash and cash equivalents	148.5	8.0	203.7
Total current assets	**173.2**	**66.9**	**230.1**
TOTAL ASSETS	**1,305.5**	**958.6**	**1,178.7**
EQUITY AND LIABILITIES			
Equity			
Restricted equity	40.1	40.1	40.1
Unrestricted equity	940.3	908.0	919.9
Total equity	**980.4**	**948.1**	**960.0**
Long term liabilities			
Liabilities to credit institutions	302.9	-	-
Liabilities to group companies	-	-	3.2
Total long term liabilities	**302.9**	**-**	**3.2**
Current liabilities			
Liabilities to credit institutions	-	2.1	181.6
Trade payables	1.5	1.1	1.4
Payables group companies	15.2	4.2	27.9
Other liabilities	0.4	0.3	0.3
Accrued expenses and prepaid income	5.1	2.8	4.2
Total current liabilities	**22.3**	**10.6**	**215.5**
Total liabilities	**325.2**	**10.6**	**218.7**
TOTAL EQUITY AND LIABILITIES	**1,305.5**	**958.6**	**1,178.7**

NOTES

NOTE 1. ACCOUNTING POLICIES

Duroc's consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) and related interpretations (IFRIC) as adopted by 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 2018/2019 Annual Report. Since July 2019, Duroc applies the accounting standards IFRS 16. In all other respects accounting and valuation principles are unchanged compared to the 2018/2019 annual report.

IFRS 16 Leases

IFRS 16 Leases is applied from the financial year beginning in 2019 and replaces IAS 17 Leases and IFRIC 4 Determining whether an Arrangement contains a Lease. The new standard provides that lessees must recognize all contacts that meet the definition of a lease, such as access rights and financial debt for operating leases and financial debt in the report f financial position. The operating cost, equivalent to the period's leasing fee, reported for operating leases is replaced by depreciation and interest expense in the income statement. The standard makes no distinction between operating and financial agreements for lessees.

In the Duroc Group there are leases relating to, among other things, premises and machinery. The length of the leasing contracts is usually 5-10 years for premises, 5 years for machinery and about 3 years for fixtures, tools and installations and cars. Duroc also has a long-term leasing contract in Belgium that accounts for 54 percent of the IFRS 16 effect on tangible non-current assets.

Leasing contracts under 12 months are handled as short-term leases in accordance with IFRS 16 and are not capitalised.

Leasing contracts where the acquisition value of a similar asset is considered to be low have not been capitalised. The Group has a total of such leasing contracts in an amount of approximately MSEK 1. These contracts mostly refer to items such as printers, mobile telephones and office equipment.

The new standard affects Duroc's balance sheet in the form of an increase of the balance sheet total because a majority of the leases in the Group according to IAS 17 has been classified as operating leases and no asset or liability has thus been entered. Duroc has chosen to use the simplified method in the transition to IFRS 16 1th of July 2019, which means that the comparative period will not be recalculated. The effect of the implementation as of the first day of the financial year is instead shown in a note. Opening capitalised value is reported in accordance with the simplified transition method as the discounted present value of all future lease payments.

The effect of IFRS 16 reported in the opening balance as of July 2019

The table below shows the effects on opening balance as of 1 July 2019.

Effect of conversion to IFRS 16 as of 1st of july	**MSEK**
Future payments for leasing agreements regarding tangible assets 1st of july	**162.8**
Deduction for	
Short term leasing agreements	-0.4
low value contracts	-1.1
TOTAL	**161.3**
Financial leasing debt as of 1st of july	9.0
Discounting of future cash flow and exchange rate differences	-33.4
Leasing debt as of 1th of july 2019	**-136.9**
Right of use assets as of 1th of july 2019	133.7
Effect on Equity after deferred tax	**-3.2**

The effect of IFRS 16, is due primarily to the previous classification of rental contracts and contracts for leased automobiles as operating leases.

Historic information has been used in assessing the tenor of a leasing contract in cases where there are options to extend or cancel an agreement. The table below shows the effects on the balance sheet upon a transition to IFRS 16. For determining the values of the rights of use and the financial lease liability, the most important assessments are as follows:

Effect of conversion to IFRS 16 as of 1st of july	**(MSEK)**
Assets	
Tangible fixed assets	133.5
Financial fixed assets	0.1
TOTAL	**133.7**
Equity and liabilities	
Equity adjustment of opening balance	-3.2
Long term interest bearing liabilities	113.1
Short term interest bearing liabilities	23.8
TOTALT	**133.7**

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
In order to facilitate comparison between different periods and follow-up of the different Duroc Group business areas, certain financial information is presented in this report, which is not defined in IFRS, so-called alternative financial indicators. 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 will be found in Note 5.

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

NOTE 2. IFRS 16 – EFFECTS ON THE GROUP'S INCOME STATEMENT AND BALANCE SHEET

The new leasing standard affects the Company's reported profit as follows:

	2019/2020 Q1			2019/2020 Q1-Q3		
Amounts in MSEK	**Enligt IFRS**	**Exkl. IFRS 16**	**Differens**	**Enligt IFRS**	**Exkl. IFRS 16**	**Differens**
Net sales	878,9	878,9	-	2 598,1	2 598,1	-
Other income	3,3	3,3	-	77,7	77,7	-
Cost of goods sold	-501,6	-501,6	-	-1 536,8	-1 536,8	-
Other external expenses	-136,0	-144,1	8,1	-380,9	-403,8	22,8
Personel costs	-176,0	-176,0	-	-526,4	-526,4	-
Other operating expenses	-2,4	-2,4	-	-4,0	-4,0	-
EBITDA	**66,1**	**58,0**	**8,1**	**227,6**	**204,8**	**22,8**
Depriciations and amortization	-25,6	-18,0	-7,6	-76,6	-54,1	-22,5
Operating profit	**40,5**	**40,1**	**0,4**	**151,0**	**150,7**	**0,3**
Financial income and cost	-4,5	-3,7	-0,8	-11,7	-9,0	-2,8
Tax expense	-11,2	-11,3	0,1	-22,0	-22,6	0,5
	24,9	**25,1**	**-0,2**	**117,2**	**119,1**	**-1,9**

The new leasing standard affects the Company's reported financial position as follows

	2020-03-31 Incl IFRS 16	2020-03-31 Excl IFRS 16
ASSETS		
Non-current assets		
Other non-current assets	110,8	110,8
Property plant and equipment	767,2	634,1
Deferred tax assets	85,8	85,2
Total non-current assets	**963,8**	**830,2**
Current assets		
Other current assets	1 434,0	1 434,0
Prepaid expenses and accrued income	27,5	28,4
Total current assets	**1 461,5**	**1 462,4**
Total assets	**2 425,3**	**2 292,6**
EQUITY AND LIABILITIES		
Equity		
Other Equity	476,9	477,8
Retained earnings including profit for the year	581,0	585,1
Total equity	**1 057,9**	**1 062,9**
Long-term liabilities		
Provisions	171,0	171,0
Non-current interest-bearing liabilities	489,4	379,0
Other non-current liabilities	40,0	40,0
Total non-current liabilities	**700,4**	**590,0**
Current liabilities		
Current interest-bearing liabilities	208,7	181,4
Other short term liabilities	458,3	458,3
Total current liabilities	**667,0**	**639,7**
Total liabilities	**1 367,4**	**1 229,7**
TOTAL EQUITY AND LIABILITIES	**2 425,3**	**2 292,6**

NOT 3 ACQUISITIONS

Cotting Group

In July 2019 Duroc acquired all shares outstanding in Cotting Group, consisting of the French company Griffine Enduction SA ("Griffine") and the Belgian company Plastibert & Cie. NV ("Plastibert"). Cotting Group manufactures and sells technical textiles used in a variety of fields, including the automotive interiors, the fashion industry, protective clothing, hospital beds, dental chairs, furniture and as wall covering.

The finally agreed-upon price was MSEK 188.3. In the preliminary acquisition analysis negative goodwill amounts to MSEK 66.9 MSEK. Cotting Group is consolidated in the Duroc Group from July 2019. For the period July-December 2019 net sales amounted to MSEK 327.4 and the operating profit amounted to MSEK 11.4, excluding the effect of negative goodwill. For the 2018 operating year total combined net sales in the Cotting Group was approximately MSEK 750 and the operating profit approximately MSEK 50. For 2019 the group's net sales is expected to be slightly lower and lower margins in the French operations will lead to a lower profit than in 2018, which was known at the time of the acquisition.

Acquisition-related expenses amount to MSEK 1.1.

The acquisition of Cotting Group increases the Group's net sales by about 25 percent, at the same time as the Group establishes itself in an industry with good prospects for growth. With the acquisition of the Cotting Group, Duroc has formed a new business area − Technical Textiles.

The acquisition analysis was adjusted when the final purchase price was determined during the second quarter. The adjustment means that cash settled purchase price decreased by SEK 1.8 million and negative goodwill increased.

Amounts in MSEK	Preliminary acquisition analysis
Cash settled purchase price	188,3
Total acquisition value	**188,3**
Fair value of acquired net assets	255,2
Negative goodwill	**-66,9**

Assets and liabilities arising from the acquisition are as follows	Preliminary acquisition analysis
Intangible assets	3,1
Tangible assets	139,8
Financial fixed assets	2,4
Deferred tax asset	3,6
Inventories	127,2
Current assets	162,5
Cash and cash equivalents	19,9
Provisions	-55,0
Interest bearing liabilities	-25,3
Current liabilities	-122,9
Fair value of net assets	**255,2**

NOTE 4. SEGMENT REPORTING

Operating segments are reported in a manner that is consistent with the internal reporting provided to the chief decision maker. The Board of Directors and the Chief Executive Officer are the Group's chief decision makers and evaluate the Group's financial position and performance and make strategic decisions. Management has determined the operating segments based on the information dealt with by the Board of Directors and the Chief Executive Officer and which is used as a basis for distributing resources and evaluate results.

Four reportable segments have been identified based on this reporting, Technical Textiles, Fibre, Industrial Trading and Other Industry. The Technical Textiles segment was created in connection with the acquisition of Cotting Group in July 2019.

Amounts in MSEK	2019/2020 Q3	2018/2019 Q3	2019/2020 Q1-Q3	2018/2019 Q1-Q3	2019/2020 R12 MAR	2018/2019 JUL-JUN
Net sales						
Fibre	513,6	572,2	1 534,9	1 659,6	2 127,3	2 252,0
Of which external	513,6	572,2	1 534,9	1 659,6	2 127,3	2 252,0
Of which internal	-	-	-	-	-	-
Technical textiles	169,9	-	497,2	-	497,2	-
Of which external	169,9	-	497,2	-	497,2	-
Of which internal	-	-	-	-	-	-
Industrial trading	144,4	165,4	451,6	444,9	596,9	590,2
Of which external	144,4	165,4	451,6	444,9	596,9	590,2
Of which internal	-	-	-	-	-	-
Other industry	51,0	40,0	114,5	94,4	152,3	132,2
Of which external	51,0	40,0	114,5	94,4	152,3	132,2
Of which internal	-	-	-	-	-	-
Group-wide functions	1,5	1,1	4,2	3,2	5,6	4,6
Eliminations	-1,5	-1,1	-4,2	-3,2	-5,6	-4,6
Total net revenue	**878,9**	**777,6**	**2 598,1**	**2 198,8**	**3 373,7**	**2 974,4**
Operating profit						
Fibre	17,2	16,6	34,6	32,4	61,3	59,0
Fibre	6,8	-	85,1	-	85,1	-
Industrial trading	8,2	9,4	24,4	30,6	27,0	33,1
Other industry	12,5	8,2	17,4	12,5	19,0	14,1
Group-wide functions	-4,2	-3,6	-10,6	-8,3	-14,8	-12,5
Total operating profit	**40,5**	**30,5**	**151,0**	**67,2**	**177,5**	**93,7**
Net finance items	**-4,5**	**-1,7**	**-11,7**	**-4,6**	**-11,8**	**-4,7**
Profit before taxes	**36,0**	**28,8**	**139,3**	**62,5**	**165,8**	**89,0**
Operating margin						
Fibre	3,3%	2,9%	2,3%	2,0%	2,9%	2,6%
Technical Textiles	1,3%	-	5,5%	-	4,0%	-
Industrial trading	5,7%	5,7%	5,4%	6,9%	4,5%	5,6%
Other industry	24,5%	20,4%	15,2%	13,2%	12,5%	10,7%
Total	**4,6%**	**3,9%**	**5,8%**	**3,1%**	**5,3%**	**3,2%**

NOTE 5. ALTERNATIVE KEY FINANCIAL INDICATORS

Presented in this section is a reconciliation of alternative key financial indicators, financial information not defined in IFRS. Alternative key financial indicators are used routinely by the management of Duroc to facilitate comparison between different periods, planning and follow-up of how the business develops. They are presented in Duroc's financial reports as an aid to investors and other stakeholders who analyse Duroc's financial information. Definitions will be found at the end of this report. The alternative key financial indicators should be regarded as a complement to the financial information presented in accordance with IFRS.

Organic Growth

Amounts in MSEK	2019/2020 Q3	2018/2019 Q3	2019/2020 Q1-Q3	2018/2019 Q1-Q3
Net sales	**878.9**	**777.6**	**2598.1**	**2,198.9**
Effect from change in exchange rates	-18.0	-	-71.2	-
Effect from acquisitions	-185.0	-	-554.4	-
Organic growth	**675.9**	**777.6**	**1,972.5**	**2,198.9**
Organic growth (percent)	-13%		-10%	

EBITDA and adjusted EBITDA

Amounts in MSEK	2019/2020 Q3	2018/2019 Q3	2019/2020 Q1-Q3	2018/2019 Q1-Q3	2018/2019 R12 MAR	2018/2019 JUL-JUN
Operating profit/loss	40.5	30.5	151.0	67.2	177.5	93.7
Depreciation and amortisation of tangible and intangible non-current assets	25.6	13.0	76.6	38.6	89.7	51.6
EBITDA	**66.1**	**43.5**	**227.6**	**105.7**	**267.2**	**145.3**
Effects from IFRS 16	-8.1	-	-22.8	-	-22.8	-
Items affecting comparability						
Negative goodwill	-		-66.9	-	-66.9	-
Restructuring costs	0.5		6.8	-	6.8	-
Other	-	-3.0	-	-3.0	-	-3.0
Adjusted EBITDA	**58.5**	**40.5**	**144.7**	**102.7**	**184.3**	**142.3**

Net debt

	2020-03-31	2019-03-31	2019-06-30
Amounts in MSEK	379,0	76,8	105,7
Effect of IFRS 16	181,4	173,2	370,9
Short-term interest bearing liabilities	-	-0,2	-
Derivatives	-354,5	-164,3	-352,5
Cash and cash equivalents	**205,9**	**85,5**	**124,1**

NOTE 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 equal their carrying values.

NOTE 7. TRANSACTIONS WITH CLOSELY RELATED PARTIES

One of the Group's subsidiaries raised a loan from Peter Gyllenhammar AB, holder of approximately 80 percent of the shares outstanding in Duroc AB. The loan amount at the beginning of the period under review was MSEK 25.9 and carried interest on market terms. The loan was repaid during the second quarter of the financial year.

During the nine first months of financial year Duroc has purchased services in an amount of MSEK 1.0 from a company where Peter Gyllenhammar AB is a majority owner.

DEFINITION OF KEY FINANCIAL INDICATORS

Organic growth	Net sales growth adjusted for acquisitions and currency translation effects.
Equity	The total of share capital, reserves and retained earnings, including result for the year.
EBITDA	Earnings Before Interest, Tax, Depreciation and Amortisation.
Adjusted EBITDA	EBITDA adjusted for items affecting comparability.
Equity ratio	Equity divided by balance sheet total.
Adjusted equity ratio	Equity divided by 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 high-lighted, makes understanding of development of the underlying business more difficult.
Earnings per share	Result after taxes divided by the average number of shares outstanding.
+Net debt/−Net cash and cash equivalents	Interest-bearing debt excluding IFRS 16-items, less cash and cash equivalents.
Net debt equity ratio	Net debt divided by equity.