

Committed to industrial renewal

ANNUAL REVIEW 2021



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Axel Johnson
International

Closing in on the billion!

What an exciting and challenging year it has been! The entire global industry was impacted by supply chain issues and an accelerated speed of change. Still, Axel Johnson International managed to set yet another operating profit record of close to 1 billion SEK.

The global industry was influenced by mega trends like global energy conversion, industrial electrification and automation, while facing an enormous transformation. To meet market trends, a new business group in Industrial Automation was formed, we reshaped our sustainability strategy, and we entered new exciting markets.

We welcomed 15 companies in 11 countries, complementing the group with new offerings, expertise and market presence. This year's remarkable success is a result of our 5,000 employees' dedicated work and engagement.

Read more on the events in 2021 and what is in store for the next year and beyond.

1,275

MILLION EUROS IN ANNUAL SALES

5,000

EMPLOYEES IN THE GROUP

170

COMPANIES IN THE GROUP

33

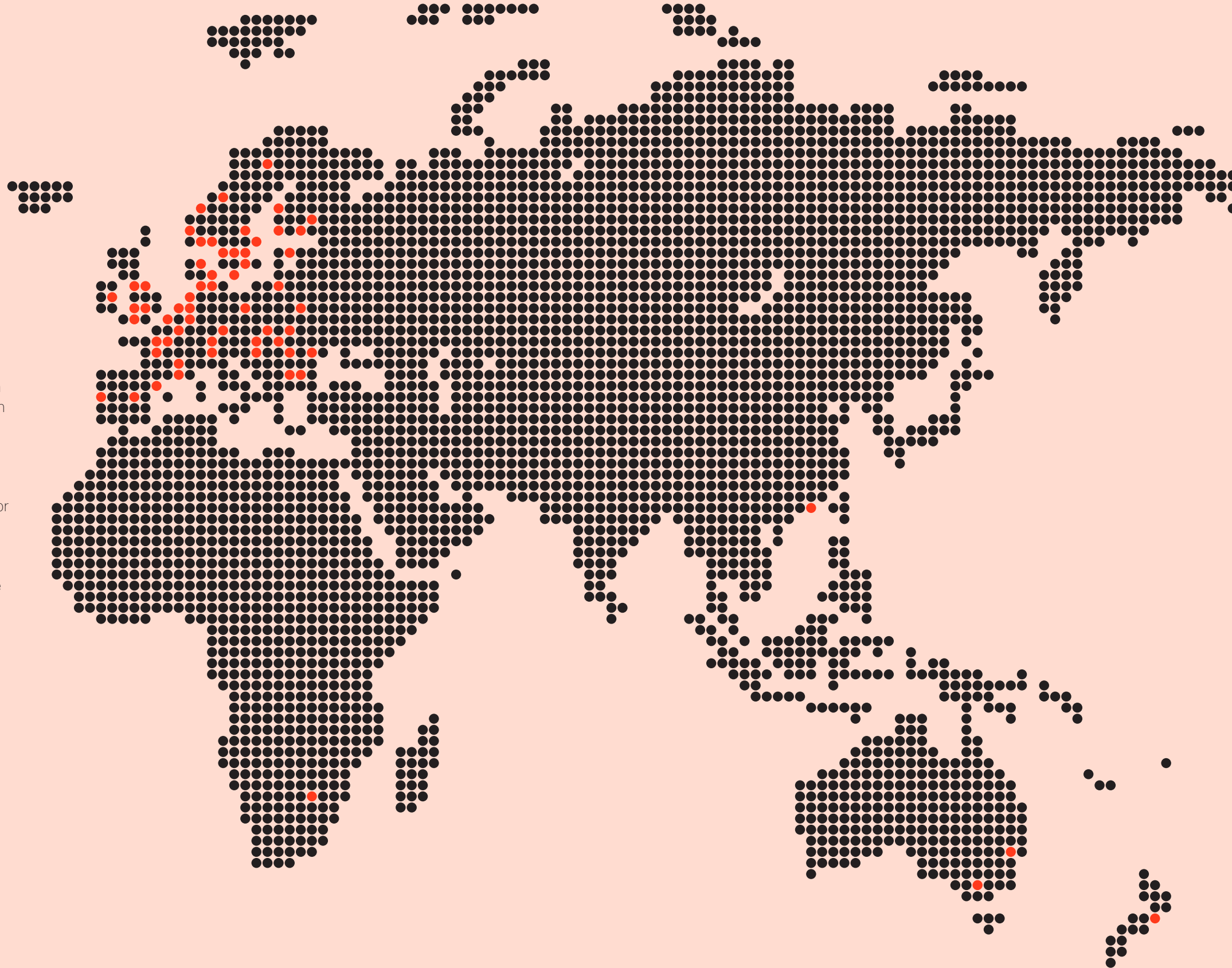
COUNTRIES OF PRESENCE

United by strong values

Being far-sighted. We drive sustainable change. We have a preference for long-term commitments, with the intention of staying in and serving the market.

Making things happen. We have a passion for business, we challenge, we take the initiative, and we take on the responsibility for delivering what we promise.

Being good to work with. We inspire confidence via a genuine respect for people and relationships.



ANNUAL
REVIEW
2021

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Axel Johnson International

Client:
Ida Borgström
Head of Communications

Annika Strand
Project Manager
Strategic HR &
Communications

Project Manager:
Cajsa Högberg

Writers:
Daniel Dasey
Patrick Gower
Per-Ola Knutas
Susanna Lindgren
Andrew Montgomery

Art Director:
Markus Ljungblom

Repro:
Robert Hagström

Print:
Stibo Complete



Cover:
Sara Söderberg, CDS
Photo: Johan Strindberg



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Jens S.



How the company Jens S.
helps their customers with
energy-efficient solutions.

**Axel Johnson
International**
Sveavägen 151, 5th floor
SE-113 46 Stockholm,
Sweden
+46 8 453 77 00
www.axinter.com



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IOW Trade



Being part of Driveline Solutions
has helped IOW Trade grow its
private label.

32
System Cleaners



System Cleaners was acquired in
2021 and offers open-plant cleaning
systems for the food and beverage
industry.

44
Certex Renewables



Lifting Solutions' new centralised division
provides a single point of contact for clients
in the global wind power market.

38
OCS



Industrial automation provider OCS helped a vertical
farm to ramp up production.

50
KTT



With the acquisition of KTT,
Power Transmission Solutions
strengthened its offering in seals.

56
CDS



Wholesaler CDS became part
of business group Transport
Solutions in 2021.

Passion for business

Axel Johnson International is a privately-owned industrial group that acquires and develops companies in strategically selected niche markets. As a financially strong, value-driven organisation with a **long-term approach to ownership**, we have a mission to drive sustainable business and growth.

We have an entrepreneurial culture where **decentralised and committed leadership** enables quick decisions. Our headquarters are in Stockholm, Sweden, and the group comprises 170 companies that together employ 5,000 people in 33 countries.

The group has four strategic focus areas: **digitalisation, service, sustainability and people development**, where we together can capitalise on the strength that comes from being part of a larger group in these key areas.

We build and develop groups of companies with shared strategic objectives, stimulating **joint initiatives and knowledge sharing**. Organic growth is paired with acquisitions to continue to build strong business groups and to offer competitive products and solutions to our customers.

Business Groups

Our six business groups in different strategic niche areas delivers expertise and know-how to their customers.

Driveline Solutions

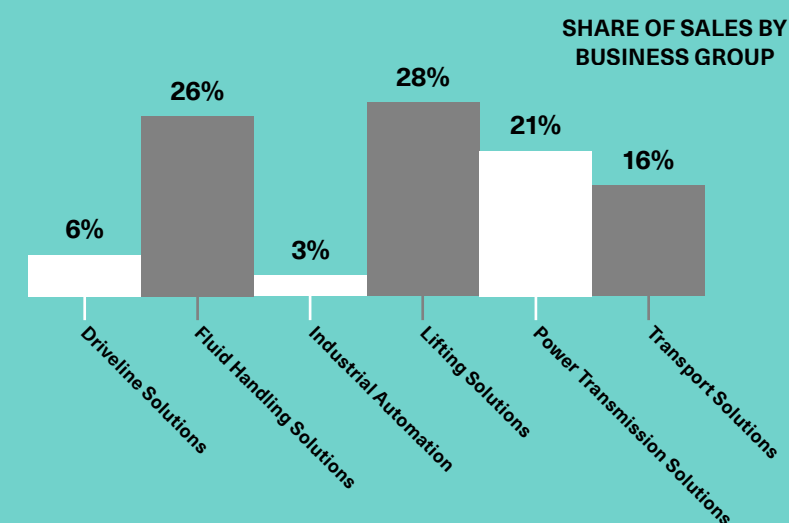
Fluid Handling Solutions

Industrial Automation

Lifting Solutions

Power Transmission Solutions

Transport Solutions



A billion reasons to be proud

2021 has certainly been eventful in new and untraditional ways for Axel Johnson International. **CEO Martin Malmvik** summarises a year of transformation, considerable growth and outstanding results.

On a general level, underlying demand has been strong for the global industrial economy after the compression in 2020.

Axel Johnson International's order intake of 14 billion SEK represented an increase of 22 percent over 2020.

This is a substantial increase, although we do not believe this necessarily represents true industrial demand in relation to previous years. The inflated demand in the entire global industry relates to supply chain issues coupled with significant price inflation.

The complex situation has naturally put enormous pressure on our companies which they have handled impressively, resulting in recorded sales at around 13 billion SEK. We have grown significantly more than the underlying market in all our business groups for many years now and are rewarded with continued profitable growth. We have set yet another operating profit record of close to 1 billion SEK.

The global industry is facing an extensive transformation that will take place over the next decades, and the speed of change is accelerating in many

different areas. We experience a new sense of urgency from our markets and customers influenced by mega trends like global energy conversion, industrial electrification, technological innovation, and automation. We see great potential in the new business opportunities that will follow in the changing industrial landscape.

During the year, we have made 15 acquisitions to complement our business groups in new ways. We formed a new business group in

» We have grown significantly more than the underlying market in all our business groups for many years now.

Industrial Automation and reshaped our sustainability strategy focusing on sustainable customer offers, future-proofing our companies and taking the lead in the transformation, as well as qualifying Axel Johnson International for sustainability-linked financing. Our ability to quickly redirect strategies and our proven decentralised leadership model where decisions are always taken as close to the customers as possible, make us strong, agile and fast.

I am impressed by our 170 companies across 33 countries constantly searching for new ways to serve our customers, and their ability to succeed, time and time again. Our 5,000 people take brave and long-term decisions every day, and together we make things happen and will continue to do so for many years to come. We have a billion reasons to be proud. ●

Martin Malmvik



Martin Malmvik, CEO,
Axel Johnson International.



Watch our interview
with Martin Malmvik.



PHOTO: JOHANNA HANNO

High acquisition rate

The group's acquisition rate continued to be high in 2021, with a total of 15 acquisitions. During the year, Fredrik Eklund was appointed Director of Strategy and M&A, taking lead on the strategic direction as well as supporting the business groups.

How would you sum up 2021?

“It was a successful year for the group and we made a total of 15 acquisitions, pertaining to both new companies and additional acquisitions in existing companies. A great joint effort from all our business groups. We also entered new markets, such as the rental lifting market, and expanded our geographical footprint in Australia and New Zealand in both Lifting Solutions and Fluid Handling Solutions, to name a few.”

Any new focus areas this year?

“As part of Axel Johnson International’s strategy to build business groups in strategic niche markets, we established a new business group in Industrial Automation. We will continue to build on that as we see so much potential for further expansion in this segment. Especially interesting are niche

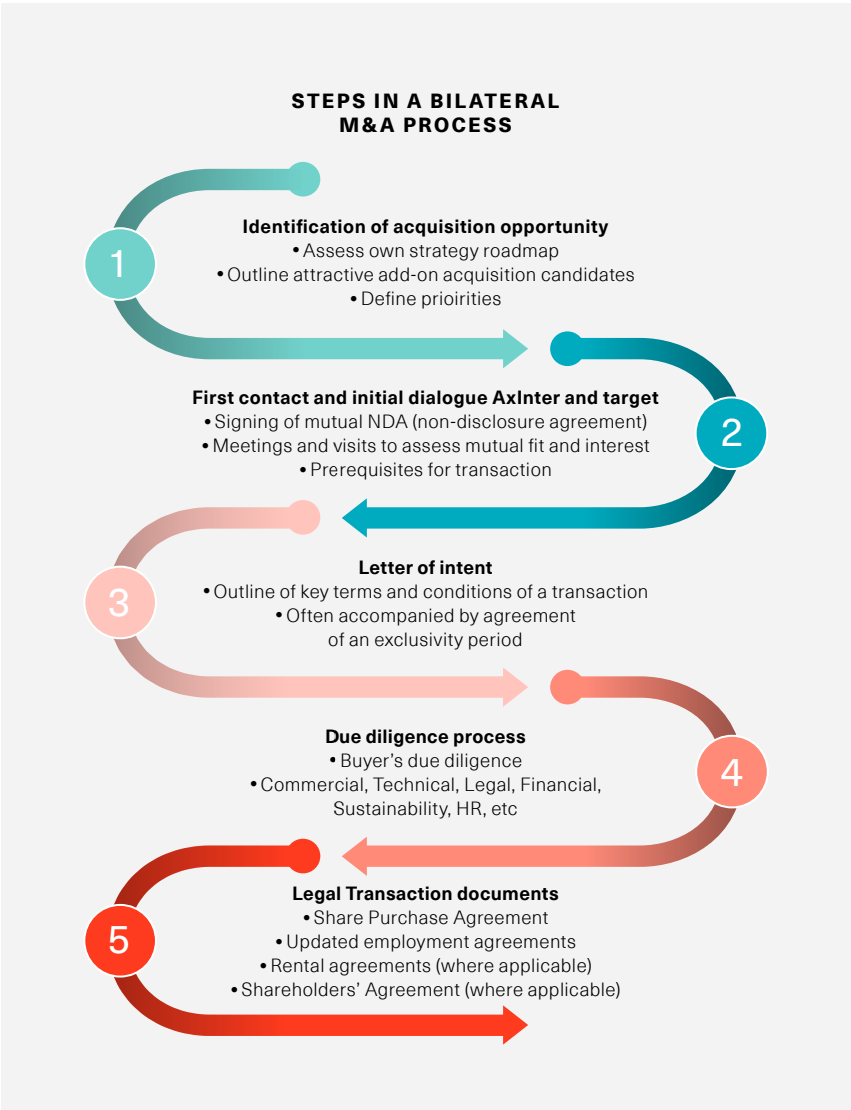


PHOTO: JOHANNA HANNO

Fredrik Eklund, Director of Strategy and M&A, supports the business groups in acquisitions and strategic matters.

» We’re looking to become even more solution-oriented and build on the know-how of our companies to create value for our customers.

Fredrik Eklund



product or solutions providers in the food processing and packaging industries.”

What are the overall market trends?

“A challenge for all businesses in the industry is the current labour shortage. Other general industry trends are the potential reshoring of Asian production capacity to Europe and a structured increase of industrial automation, which I believe will eventually have a positive effect on all our business groups in terms of business opportunities.”

What do you see as important strategic focus areas?

“As the industry, and the whole world, is currently fast-changing, we need to keep evaluating new business models and adapt to the ever-changing consumer behaviour. We’re looking to become even more solution-oriented and build on the know-how of our companies to create value for our customers. We have great momentum right now and I am positive that we will continue on this journey, and find and acquire new successful companies in 2022.” ●

OUR ACQUISITION STRATEGY

What we look for

- Technology distributors and industrial solutions providers
- Complementary acquisitions to existing businesses as well as stepping stones for expansion into new related industry niches and geographies
- Product companies offering industrial niche products with international market potential

What we value

- Strong market position and superior expertise
- Solid track record and profitability
- Entrepreneurial drive
- Management interested in staying on
- Growth and development ambitions
- Ethos and values in tune with ours

What we offer

- A corporate culture focused on innovation, development, growth and adding customer value
- A strong financial platform, providing room for sustainable and far-sighted expansion
- A decentralised corporate governance model offering plenty of freedom and responsibility for ongoing growth and development
- Expertise and support in areas key to developing our businesses: sourcing, supply chain, digitalisation, sustainability, people development
- A group-wide network with active knowledge sharing and extensive experience from a wide range of industrial areas
- An inhouse Business School programme for people development and skill building

Taking lead in the transformation

In 2021, Axel Johnson International launched an ambitious new sustainability strategy. Malin Ripa, Head of Sustainability, explains how the new strategy will help differentiate the group from its competitors and drive change in the industry.

Why was it time for a new sustainability strategy?
“We have worked systematically with sustainability for many years, but we saw an opportunity to make some adjustments in the existing strategy and at the same time increase our ambitions. This is highly driven by our customers’ demands, as they want sustainable products and services. With our new strategy, we can build on the previous work, differentiate us from our competitors and ensure that we can offer our customers sustainable products and services. The strategy is built around our vision that we drive the sustainability transformation in our industry. We want to take the lead. Through the strategy, we will not only create business opportunities but also make sure that we stay relevant, today and in the future.”

What are the main building blocks of the strategy?
“In order to deliver on the strategy, we have set three focus areas: sustainable supply chain, sustainable operations and sustainable customer offers. We have also set targets related to the most material sustainability themes we have identified: people, climate, and circularity.”

How will the strategy be implemented?
“The strategy is flexible in the way that all our companies will interpret and apply these targets to their own business and adapt it to their business context and ambitions. This means that all companies within the group will contribute to the overall strategy based on their ambition. When onboarding a newly acquired company, they will also be able to adopt this strategy and adapt it to their business.”

How will you deliver on the strategy?
“When developing the new strategy, the sustainable customer offer became our guiding star, because it enabled us to identify the activities that we needed to act on. Delivering sustainable customer offers requires actions along the entire value chain, from putting requirements on our suppliers to empowering our



Focus areas for 2022



Sustainable supply chain
By working closely with suppliers who share our values and meet our sustainability standards, we move towards a sustainable supply chain.



Sustainable operations
Through resource efficiency and highly engaged employees, we strive to achieve sustainable operations.



Sustainable customer offer
Through our technical know-how and expertise, we provide our customers with the most sustainable products, services and solutions to improve their sustainability performance.

PHOTO: JOHAN STRINDBERG



» Through the strategy, we will not only create business opportunities but also make sure we stay relevant, both today and in the future.

Malin Ripa

Malin Ripa, Head of Sustainability, wants Axel Johnson International to be a leader in the sustainability transformation.



PHOTO: JOHAN STRINDBERG

employees to make a positive change. Our companies know their customers and their operations best.”

What measures have you taken to involve the group companies in the sustainability work?
“We carried out energy mapping to identify opportunities to save energy

and cut CO₂ emissions. All companies in the group received a benchmark report so they could identify and understand if there was any low-hanging fruit, like buying more renewable energy. It has been an in-depth study of our own operations, covering heating, cooling, electricity, and internal transports.

“We followed up the mapping with online knowledge sharing forums. These focused on practical steps that participants could take, including simple methods to cut electricity use. “I have been delighted to see that most of our companies have been empowered to identify activities to reduce energy consumption and cut emissions.”

What are your plans for the coming year?

“Launching the strategy is only the beginning of the journey. Focus will be on supporting our companies as they develop strategies that will underpin our sustainable customer offers.

“A significant amount of the environmental impact from our products occurs during the use phase. We have great opportunities to utilise our technical and industry knowledge to help customers choose products for the right application and use them in an optimal way to for example reduce energy consumption. It’s a fascinating topic, and we have lots of activities in the pipeline.” ●

Joint project to double Sweden’s solar output

A majority of our Sweden-based companies have together with other Axel Johnson group companies entered an agreement on building Sweden’s largest solar park.

In 2021, group companies in Axel Johnson have entered a group-wide agreement with solar energy company Alight to enable the development of three solar parks, doubling Sweden’s solar energy output. The development will have a total annual production of more than 90 gigawatt hours (GWh). “As a part of our CO₂ strategy, we are proud to

be a part of enabling the establishment of Sweden’s largest solar park together with our sister companies within the Axel Johnson Group,” says Malin Ripa, Head of Sustainability at Axel Johnson International. “We already buy electricity from renewable sources, but through this initiative we are also increasing the amount of renewable electricity in the Swedish market.” Nine Sweden-based



companies in Axel Johnson International will buy a total of 2.3 GWh per year from the solar park, which is scheduled to be up and running by the end of 2022. These include the Nomo Group, Certex

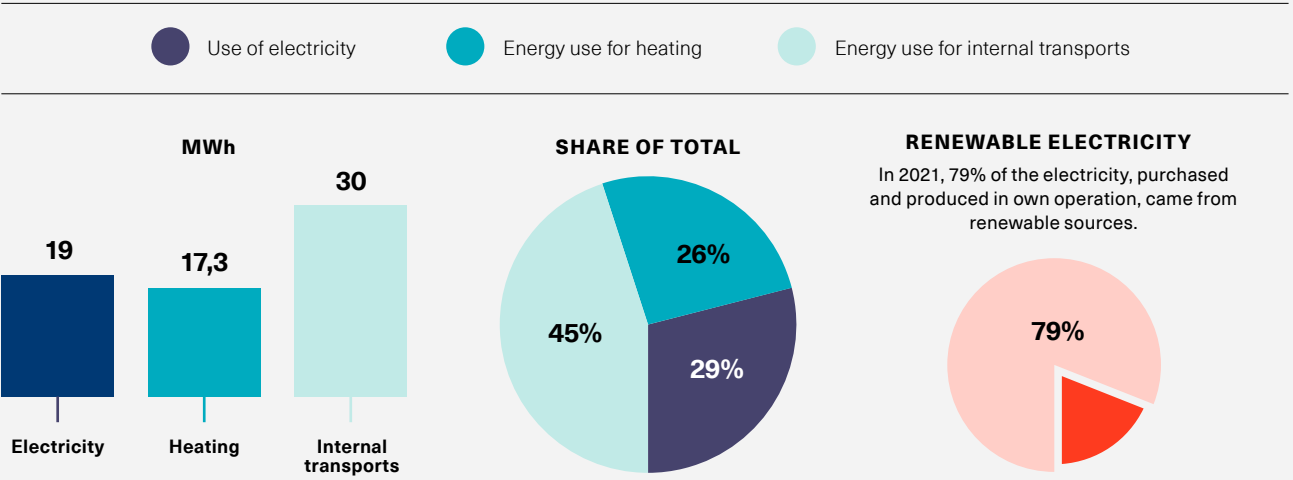
Svenska AB, Forankra AB, Jens S. Transmissioner AB, OCS Overhead Conveyor Systems AB, Ro-Ro International AB, Sternhammar AB, Sverull ElektroDynamo AB and Trans-Auto AB. ●

Energy mapping in all companies

In 2020, we conducted the first energy mapping covering all group companies. The aim was to identify opportunities to improve our energy efficiency and reduce CO₂ emissions. The mapping focused on purchased electricity and energy, produced electricity and energy, and energy used for internal transports, i.e. Scope 1 and 2 according to the Greenhouse Gas (GHG) Protocol. Besides fulfilling the legal requirements, the information served as a fact base to establish our CO₂ strategy as well as identify the activities with the

highest potential to increase energy efficiency and reduce emissions. The results were presented together with a benchmark report to all companies. To further increase awareness and share best practice, all companies were invited to a knowledge-sharing session. As a result, almost all companies have identified opportunities for energy efficiency and reduction of emissions from their own operations. The same scopes were covered in the 2021 mapping and during 2022, we will also start to map our CO₂ emissions from our value chain, i.e. Scope 3 in the GHG Protocol. ●

Energy consumption



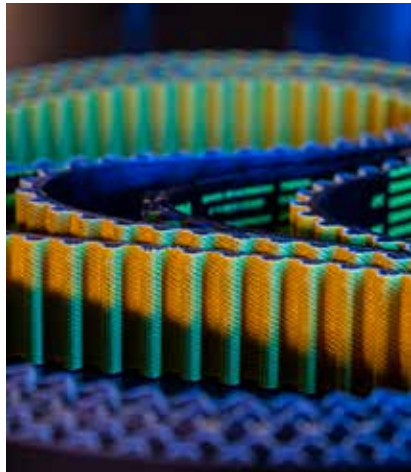
Offering sustainable transmission solutions

A clear focus on quality and resource efficiency enables Swedish power transmission company Jens S. to offer sustainable and energy-efficient solutions to its customers.

Providing sustainable customer offers is an important focus for the entire Axel Johnson International group. Jens S. Transmissioner, part of Power Transmission Solutions, delivers a wide range of mechanical transmission components such as

About

→ Jens S. Transmissioner delivers transmission solutions in cooperation with world-leading manufacturers in all Nordic countries. With its market leading position, Jens S. has offices, warehouses and workshops for production and modification to customer specifications in Sweden, Denmark, Norway and Finland.



belts, couplings, gearboxes, and chains as well as specialised solutions to customers in the processing industries. Part of Jens S.'s strategy is to only work with high-quality products that benefit customers' operations and offer a longer product life cycle, which increases resource efficiency.

"Many customers ask us for advice when it comes to transmissions and we usually bring up the total cost of ownership. The choice of quality products with high efficiency and longer lifespan has a positive impact on the total costs and makes the whole operation more sustainable," says Claes Holmertz, Presales Manager at Jens S.

SOME OF THEIR customers report as much as 35 percent in energy savings from driveline upgrades.

"We see an increased demand in energy efficient products from our customers fuelled by a substantial increase in the energy prices, which has increased the awareness of improving energy efficiency in all operational processes. We have examples of modern electric motors, where using frequency converters and timing belts instead of V-belts has paid off the investment in only a year," says Stefan Jönsson, Technical Manager at Jens S.



Stefan Jönsson, Technical Manager, and Claes Holmertz, Presales Manager, at Jens S. Transmissioner help their customers to improve energy efficiency in operational processes.

In 2017, the company decided to adopt a holistic approach in its production and sourcing of rubber used in transmission belts for industrial applications. In friction mode, all rubber emits gases and particles. Jens S. has therefore chosen the supplier with the lowest PAH (polycyclic aromatic hydrocarbons) on the market – ContiTech PTG Industrial.

"Conti's belts come with a higher price tag, but the high quality also means that it transmits the same power with fewer belts," says Claes.

JENS S. HAS ALSO invested in workshops and painting facilities to minimise emissions from paint, cutting fluids and lubricants. To reduce the internal footprint, Jens S. strives to work with products that are as maintenance-free as possible. To avoid unnecessary transport of goods, the company prioritises stocked standard products.

In both 2020 and 2021 Jens S. was awarded a gold medal from EcoVadis as a recognition of the company's rating of sustainability performance.

"This is proof of our ambition to ensure that all our operations are sustainable which is a prerequisite for us to be able to provide sustainable customer offers," says Claes. ●

PHOTO: JOHAN STRINDBERG



Mårten Steen,
Chief Information Officer,
describes a giant digital
leap forward for the group.



» We want to
inspire by showing
the possibilities that
digital tools offer.

Mårten Steen

PHOTO: JOHANNA HANNO

Axel Johnson International's IT department continues to drive digitalisation and successfully deliver its core services to the group, reports Chief Information Officer Mårten Steen. The group's IT function creates value in terms of systems, co-working platforms, and support.

Scaling up ideas across the group

A review of the past year does not do justice to the digital developments that have taken place within Axel Johnson

International according to Mårten Steen, Chief Information Officer.

“In the last two years, the group has taken a giant digital leap forward. We are capable of working across borders and companies digitally and sustainably.”

Success factors include the adoption of Microsoft 365 and the build-up of the central support organisation, which offers local IT support in eight European countries. Today, more than 60 percent of the IT staff work outside Sweden to efficiently support central and local functions.

TO ACCELERATE DIGITAL adoption at all levels, staff members need to know how to utilise and benefit from available digital tools. Several educational programmes are available, such as cyber security awareness training.

“Most innovation takes place in our companies,” Mårten says. “From an IT point of view, we want to inspire

by showing the possibilities that digital tools offer.”

Top focus areas for the central IT function will continue to be cyber security, automation, and analytics. Another focus area is further implementation of the integration platform called AxBus, which originated from a need in one company and is now of great value for many of the companies working with e-commerce.

“Great ideas can be scaled up and benefit other companies in the group,” Mårten points out. “It unlocks and integrates data in our companies and between systems, enabling an efficient use of information in and across business groups, through Application programming interface (API) technology.”

By utilising centrally developed cloud-based data warehouse, companies within the group gain access to a consolidated view of their enterprise resource planning (ERP) in Power BI for operational efficiency and analysis within sales, purchase & logistics and finance.

“We have some pilots coming up in 2022 that we hope will inspire others in the group to follow. Showing the benefits is generally the best way to drive digitalisation,” Mårten concludes. ●



» I believe we have fast-forwarded several years of digital transformation within the group.

Ingella Billquist

Her job is to get the group's 5,000 employees to collaborate better and work smarter. Ingella is a bit astonished by how fast things have progressed.

"I believe we have fast-forwarded several years of digital transformation within the group. Meetings and collaboration in Teams have quickly become the new normal," Ingella says.

Axel Johnson International's group IT function is vital in raising the group's overall digital maturity and building a solid foundation to support all users. This gives an important competitive advantage to small companies that might not have the resources to explore all the new, digital tools by themselves.

EVERY TWO WEEKS, Ingella holds a video-based online training course in some area or specific application within Microsoft 365.

"We have a continuous flow of new e-learning modules and shorter 'how to' videos on our global intranet. We've had such good results with Teams that we can now remove the introductory course and concentrate on supporting our users to take the next step with the program."

Ingella and the group's IT Support team are already taking the next steps in the group's digital journey. One way is to encourage the use of the platform's powerful built-in features when it comes to automation.

"Here, we encourage all our companies to send in suggestions on how we can help them automate specific processes or operations. We are constantly developing solutions for our companies that in turn can be reused by others in the group." ●

A boost for collaboration

Training, collaboration and making digital tools available to the group companies have led to a significant increase in the digital maturity within Axel Johnson International. This has been possible thanks to a passionate Collaboration Manager.

In line with the ambition to fully support the group companies in realising their digital potential, Axel Johnson International implemented the cloud-based platform Microsoft 365 across the group a couple of years ago.

"The past two years challenged our ways of working, and the whole group are now using powerful collaboration tools. Besides being a program for online meetings and chat, more and more of our companies are discovering that Teams can also be used as a common place to store files as well as a hub for collaboration for all types of tasks that simplify everyday life," says Ingella Billquist, Collaboration Manager at Axel Johnson International.

People development

As a family-owned company, Axel Johnson International has a fast-changing, value-driven, and entrepreneurial culture. From a long-term and financially stable platform, we create possibilities for our people and companies to grow and develop. Through knowledge sharing and collaboration between our companies and business groups, we can grow our business and create career possibilities for our employees.

We are a learning organisation and believe in the individual's ability to constantly develop and learn throughout life. Our work in people development is all about investing in the talents of our group, to build the leaders of tomorrow and offer our employees the opportunity to develop and build on their skills.

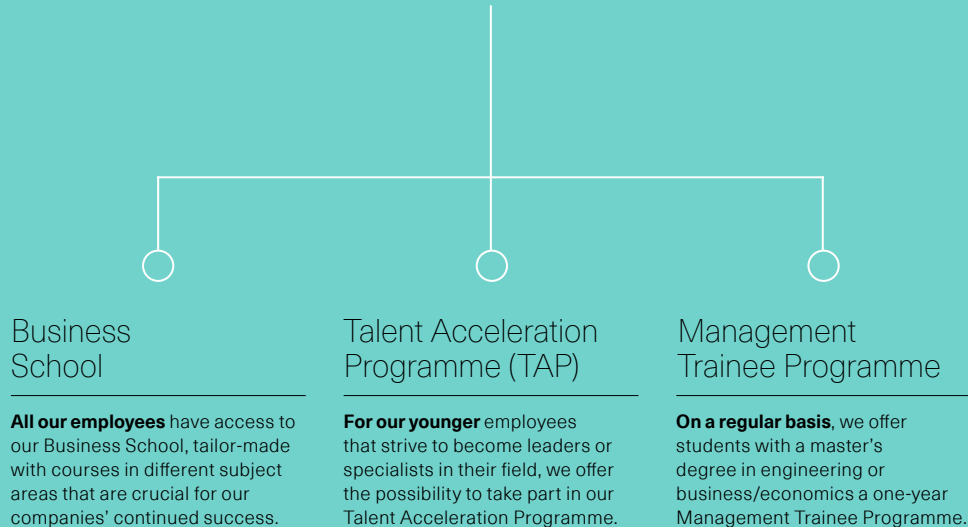




PHOTO: JOHANNA HANNO

Meet our trainees

In 2021, we welcomed four management trainees: Ellen Wallin, Oscar Thornander, Hilda Molin and Helen Mirza. We asked them a few questions about what motivates them and how they found their first year with us.

What attracted you to the role as Management Trainee at Axel Johnson International?

“For me, it was the opportunity to combine working with sustainability within the industry, and also the flexibility of not having a fixed role at once and the opportunity to try different things,” says Hilda.

“The possibility for development and to get

an understanding of every part of doing business. I also appreciate that Axel Johnson International’s strong values influence how the companies in the group do business,” says Oscar.

Ellen continues: “The opportunities to learn and develop within the company were of great value to me, and to work in an entrepreneurial company culture.”

What is the most exciting and motivational part of working in this group?

“The industry is undergoing a historic transformation, full of challenges and opportunities. This role gives me a unique insight into how different parts of the industry are adapting to the change,” says Helen. “It’s important that what I do really matters.”



From left:
Ellen Wallin, part of Group Sustainability team.
Oscar Thornander, part of Transport Solutions (M&A and digitalisation).
Hilda Molin, part of AxFlow (Sustainability).
Helen Mirza, part of Group Strategy & M&A team.

“The connection to purpose. I enjoy working with sustainability where I can make the most impact. I appreciate the opportunity to learn more about the challenges and possibilities specific to the industry,” adds Ellen.

Hilda continues:
“There is a concreteness to everything. Real problems are being solved every day by every company in our group.”

What has been the best part of your trainee year so far?

“To take on such a variety of projects, from M&A and strategy to projects in areas such as digitalisation and sustainability that have potential to benefit a wide range of companies in the group and ultimately their market niches,” says Oscar.

“For me it has been important to contribute and to learn. Being part of a group where all decisions are made on a long-term basis is also great,” says Helen.

“It’s great to be part of a trainee group where we can share our experiences. Hopefully, my broad range of tasks and responsibilities will give me useful insights as well as a good foundation for whatever role comes after my trainee year,” adds Hilda. ●

“It was a meaningful programme where I learned a lot”



Name: Tim Veenstra.
Role: Sales Manager for Mennens in Groningen and Hengelo, Netherlands.
Worked in Mennens: 10 years.

Tim Veenstra is Sales Manager at Mennens, a company within Lifting Solutions. In 2018 he took part in the first round of TAP. We asked him about his experiences.

Why did you want to take part in TAP?

“It all started with an ambition and not exactly knowing what I was looking for in my career. Then I got the chance to take part in the very first TAP. I didn’t know what to expect but I wanted to take the chance when my manager nominated me.”

What is your takeaway from TAP?

“It was a meaningful programme where I learned a lot, from personal leadership

and developing myself to corporate finance and business communication. The programme was very broad, with six diverse modules, each of which was very interesting in itself. I have since gone from salesman to sales manager for our company in Groningen and Hengelo.”

What was the best part of TAP?

“For me the best part of the TAP programme was the group itself. We were a group

of ambitious young people, and it was very interesting getting to know everyone across the different divisions that we came from, learning from each other’s stories. And it was really fun to see that everyone grew so much during the programme.”

Would you recommend others to take part in TAP?

“Yes! I would recommend it to anyone in the group with the right amount of ambition and who is looking for a new adventure in their career.” ●

Industry experts in the making

In the complex marine driveline market, knowledge is crucial. Trans-Auto has invested in knowledge sharing to ensure that the know-how of senior colleagues is not lost. This is part of the company's efforts to keep important know-how in the company and support the development of younger talents.

From its start in 1968, industry know-how has been a key factor for Sweden-based company group Trans-Auto.

"Knowledge is our edge and the key to being successful in a segment like marine driveline applications," says Lars Håkansson, Marine Business Developer at Trans-Auto, and a sales veteran in the marine segment with more than 35 years of experience.

With Lars approaching retirement, the company started planning for a controlled generational shift. The first opportunity came in 2019 when the sales office in Finland wanted to step up its business and hire a new key account manager.

"I saw Lars's expertise as vital, so I involved him in the recruitment process," says Petri Henriksson, Managing Director for Trans-Auto in Finland.

Ultimately the choice fell on Dylan Rafferty, a 32-year-old engineer who previously worked as a design and project engineer in a company that

specialised in hydraulics. Dylan was highly motivated and eager to learn but lacked the sales experience that the position required. With help of Lars and Petri, he got the dedicated support, knowledge and experience transfer needed to succeed in his new role.

"Lars and I quickly developed a close working relationship where the knowledge transfer took place very naturally," Dylan recalls. "Lars supported me with his vast technical expertise and long experience of complex projects."

A TYPICAL INSTALLATION for a shipyard requires a lot of know-how, not only of the individual components in the driveline but also how products such as propulsion control systems, transmissions, gearboxes, waterjets, hybrid systems and bow thrusters should work together.

This is where Trans-Auto's expertise comes in.

"We have an ability to see the big picture, conveying to our customers the 'feel' of how the boat will behave with a specific driveline, a specific waterjet and a specific gearbox," says Dylan.

"We want to be seen as a partner to our customers – an honest and competent partner that keeps its promises," Lars adds.

Petri is pleased with the outcome of Lars's and Dylan's cooperation and the knowledge transfer, which is beginning to show in the order books.

"We have managed to keep good relations with our existing customers," he says, "and are now taking new orders both from existing customers and new ones. We also have a good



» Lars and I quickly developed a close working relationship where the knowledge transfer took place very naturally.

Dylan Rafferty

dialogue with our suppliers, thanks to Dylan and Lars."

Early on in his role as key account manager at Trans-Auto, Dylan was also accepted into Axel Johnson International's Talent Acceleration Programme, which boosted his confidence even further.

"The leadership and project management trainings have developed my ability to deal with everything from suppliers to the people I work with, as well as how to solve problems," he says. ●

Trans-Auto team
Petri Henriksson, Lars Håkansson and Dylan Rafferty think knowledge sharing is essential.

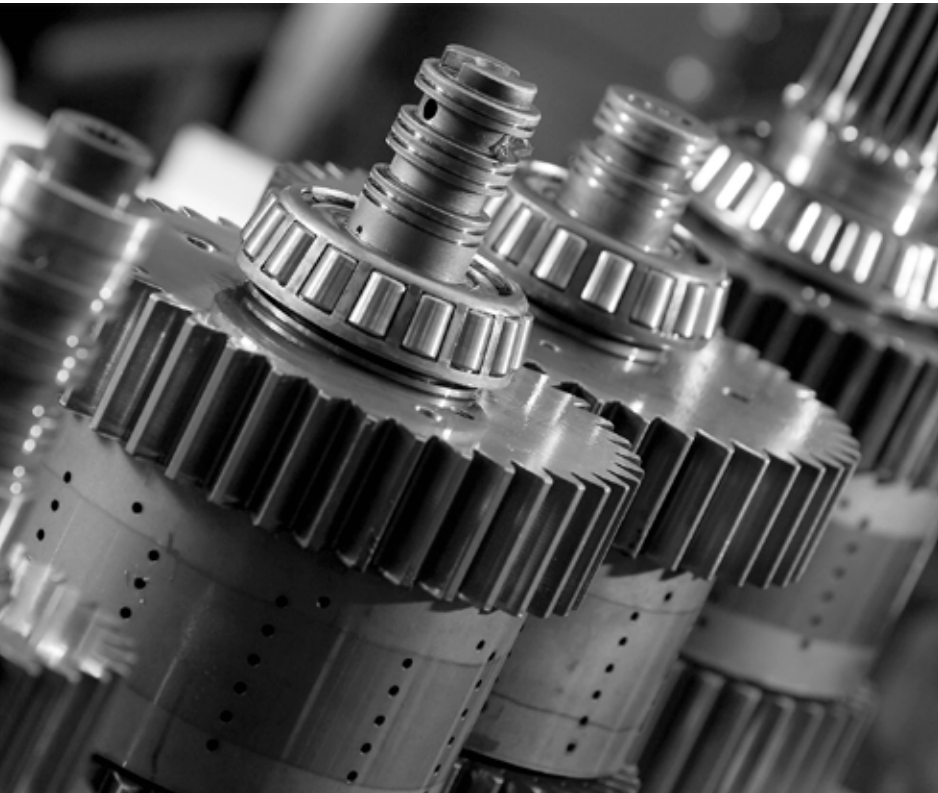
About

→ Trans-Auto AB, part of Driveline Solutions business group, started in 1968 as a family-run business. The head office in Sweden works closely together with its subsidiary in Finland both in business and with knowledge sharing.

Driveline Solutions

The Driveline Solutions business group is a leading provider of solutions found in mobile off-highway, marine and industrial applications.

The companies within the group provide complete driveline solutions that cover all aspects of the value chain, from OEM supply to maintenance and repair service in the aftermarket.



8

COUNTRIES

273

EMPLOYEES

72

MILLION EUR IN ANNUAL SALES



JAN BRATTBERG
MANAGING DIRECTOR
Driveline Solutions

Increased demand

How would you summarise 2021?

“We entered 2021 with a strong order book and many positive expectations. Despite the challenges in the industry with constraints in material supply and transport of goods, we have managed well. We have seen a substantial increase in demand for our products, services and expertise. I am proud of the efforts from our people to make this happen.”

What were the highlights?

“In the second half of 2021, we welcomed two new companies to the Driveline Solutions family, MIAS Filter and MIAS Cylinderfabrik. During the year, we have also initiated a new forum concept for collaboration and knowledge sharing within Driveline Solutions, to further develop group synergies. We also have a number of new and exciting projects in driveline electrification and welcomed many talented employees to our companies.”

Where is the best potential for further growth?

“The main markets for Driveline Solutions remain positive. We will continue our efforts towards more



PHOTO: JOHAN STRINDBERG

sustainable solutions, and we see a strong trend towards hybrid and electrified drivelines with an increasing need for integration services. We are also working towards a more comprehensive technical offering to build extended customer value in our group companies. At the same time, we want to grow by acquiring new companies with the right skillset, mindset and offering to the market.” ●

» We see a strong trend towards hybrid and electrified drivelines with an increasing need for integration services.
Jan Brattberg

Karol Staniewski and Jacek Tondera
have helped grow IOW Trade's private label.

Private label underpins growth

Polish IOW Trade's private label has attracted a highly committed customer base due to its competitive pricing and reliability. Being part of Driveline Solutions has also helped grow the brand thanks to collaboration and cross-selling of products with other sister companies.

Successful business is all about listening to the customer as well as having access to higher-quality products than your competitors, according to Jacek

Tondera, Sales Director at IOW Trade.

“Our philosophy is all about staying very close to the customers and listening to their needs,” he says. “We provide them with the right solutions, not just the components, but also the know-how and technical support. That makes the difference.”

In 2017, IOW Group, including IOW Trade, became part of Axel Johnson International.



PHOTOS: RAPHAEL OLIVIER

Since the company's early years of operation, focus has been on supplying premium brands across European markets, sourcing products from Germany and Italy.

"It soon became apparent that there was a gap in the market since many of our customers asked for good quality products in a lower price range for certain applications. We needed a complementary private label offering to continue to be a full-scope supplier," says Jacek.

Revenue growth has accelerated in recent years after the company formed its own private label, Amberline Hydraulics, supplying hydraulics to

original equipment manufacturers (OEMs) across a diverse range of sectors, from mechanical engineering and construction to mining and agriculture.

The company began sourcing products for Amber Hydraulics about 10 years ago. Karol Staniewski, Division Manager in IOW Trade's power hydraulic division, has been successful in building a supplier base that now comprises 14 partners.

"The components are sourced from carefully selected partners, which enables us to purchase high quality products at reasonable prices," says Karol.

» We provide them with the right solutions – not just the components, but also the know-how and technical support. That makes the difference.

Jacek Tondera



Testing of hydraulic motor at IOW Trade.



PHOTOS: RAPHAEL OLIVIER

About

→ IOW Trade is a leading distributor of traction drive systems, mechanical transmissions, power hydraulics, cooling systems and filtration technology for Eastern and Central Europe.

Following the support from Axel Johnson International in auditing the group's suppliers, IOW Trade's suppliers have invested heavily in their facilities and the quality of products is improving even further.

Establishing business relationships with sister companies has enabled the company to reach new markets in e.g. the UK, the Czech Republic, Bulgaria and across the Nordics.

"Collaboration and cross-selling across the business group will help keep the brand growing," Jacek concludes. ●

» The components are sourced from carefully selected partners, which enables us to purchase high-quality products at reasonable prices.

Karol Staniewski

Fluid Handling Solutions

Companies in business group Fluid Handling Solutions, AxFlow, move, measure, and dispense difficult-to-handle and high-viscosity liquids.

These companies source precision-engineered positive displacement and centrifugal pumps, mixers, valves and systems in applications and solutions that meet the highest demands for sustainability, efficiency, reliability, and safety.



30
COUNTRIES

1,276
EMPLOYEES

332
MILLION EUR IN ANNUAL SALES

PHOTO: JOHANNA HANNO



OLE WEINER
MANAGING DIRECTOR
Fluid Handling Solutions

Strong continuous growth

How would you sum up 2021?
“We acquired nine great companies that, in combination with good organic growth, have helped us take new market shares and create value for our customers. Thanks to enormous efforts from the entire group and our central warehouse in the Netherlands, we have managed to maintain the highest service level in our industry despite the prevailing challenges in the supply chain.”

What trends will support further growth?
“Increased efficiency through digital tools and sustainability are important

trends. We also see an increasing demand for complete, energy-efficient solutions rather than individual products, something that aligns well with our growth strategy.”

What is in the outlook?
“Geographical expansion. We want to establish AxFlow in more markets worldwide. The acquisition of valve distribution companies enables us to add valves and pumps to our systems and help our customers limit their number of suppliers.

First and foremost, we will maintain our ambition to be the top service provider in our field.” ●

» We want to establish AxFlow on more markets, including outside Europe.
Ole Weiner

AxFlow's offering getting broader

In 2021, AxFlow Holding became a majority shareholder in System Cleaners. The company's offering complements AxFlow's core offering of fluid-handling systems for the food and beverage industry.

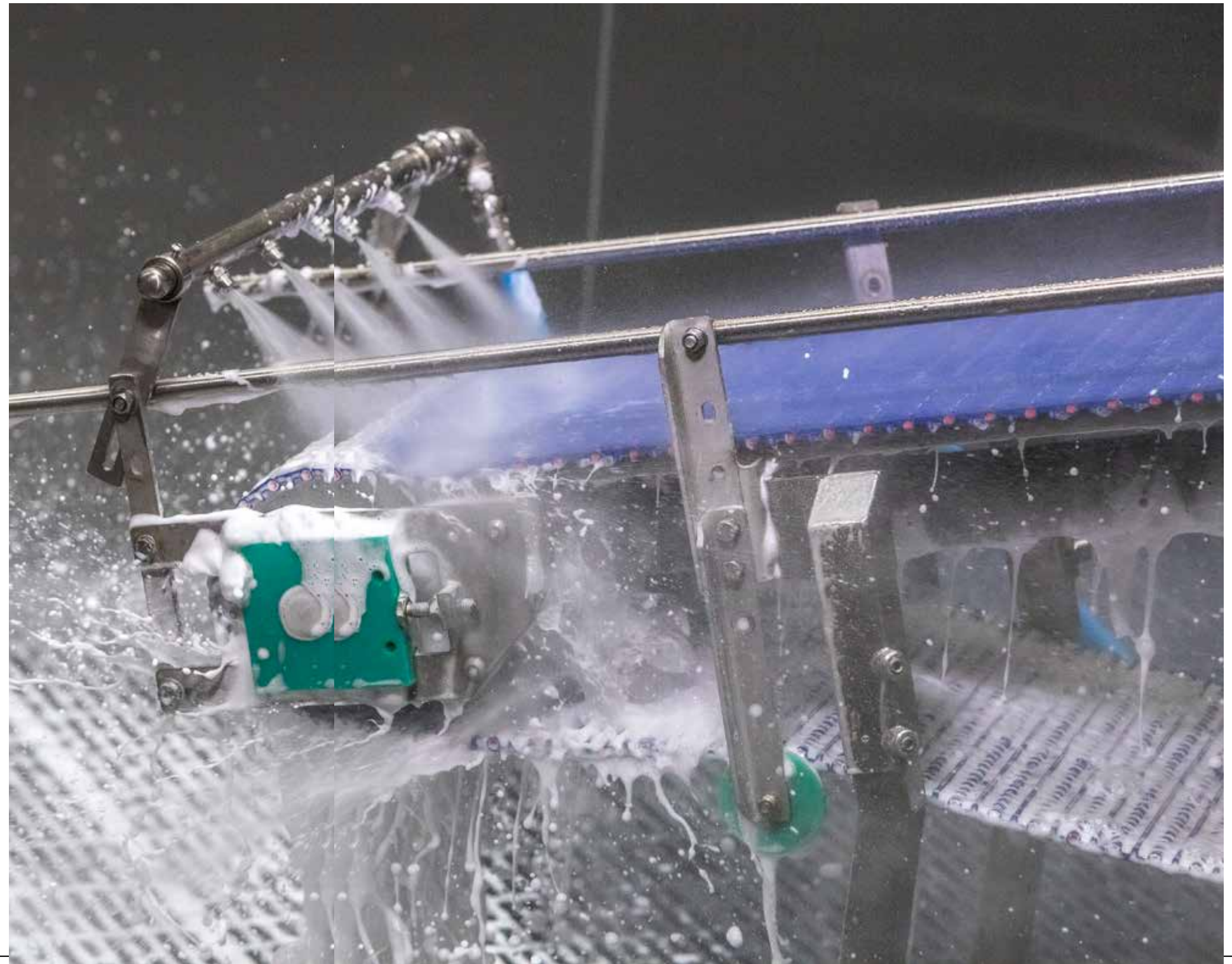
In July 2021, AxFlow Holding became a majority shareholder in Danish company System Cleaners. For CEO Peter Freiesleben, the deal was exactly what System Cleaners had been looking for – strength to grow and stability for the future.

“AxFlow is an industry investor, one that will keep the company for the next generation,” he says. “From the first meeting it was clear it was a very good fit. Working within an international organisation also gives our company exposure to new markets and global brands.”

ESTABLISHED IN DENMARK in 1990, System Cleaners is a pioneer in low-pressure, high-flow cleaning of open-plant machinery. It has installed units in more than 100 countries and works with the biggest names in the food and beverage industry.

For AxFlow, the acquisition enables it to offer the industry a complete portfolio of products and services. For System Cleaners, working within an international organisation gives it exposure to new markets and global

System Cleaners is specialised in low pressure, high-flow cleaning of open-plant machinery.



brands. More than a fifth of AxFlow's revenue already comes from the food and beverage industry, which, says Peter, is a huge opportunity.

"AxFlow has the eyes and ears," he says. "They visit these food and beverage plants all the time, so they can see how they clean and what cleaning equipment they have. It's another strength that we can use to grow."

The low pressure, high-flow cleaning method pioneered by System Cleaners is more efficient than higher-pressure options. It takes less time and the reduction in time has several benefits – it uses less water, making it more sustainable, and it enables manufacturers to run their machines for longer. One brewery was able to create an extra 50,000 cans a day with the time it once spent having its machinery cleaned, according to Peter.

"It can be very, profitable for companies that adopt these techniques," he says. "Our method is the most effective at removing residues. It minimises cross-contamination, and the return on investment on a high-flow installation solution is six or seven months. That's what it's all about."

To ready itself for growth, the company has been undergoing a process of

digitalisation. The process extends to use of virtual reality and 3D drawings – enabling clients to see renderings of their factories with the equipment.

The digitalisation has been a game changer, particularly when displaying complex systems, lowering travel carbon footprint and helping nations that suffer water scarcity or have challenges with food safety.

About

→ Danish System Cleaners offers open plant cleaning solutions for the food and beverage industry, and became part of AxFlow in 2021.

Digitalisation has been a game changer for System Cleaners, and the use of virtual reality and 3D drawings enables clients to see renderings of their factories with the equipment.

» From the first meeting it was clear it was a very good fit. Working within an international organisation also gives our company exposure to new markets and global brands.

Peter Freiesleben

"We divide the cleaning process into parameters, because it's very complex, and in some countries water is like oil or gold – it must be used carefully," says Peter. Virtual reality "enables us to show clients how we manage to clean the processing equipment the way we do, so they can feel confident that we're able to do it." ●



Industrial Automation

Industrial Automation is our newest business group with the vision to build a cluster of European niche companies within three main markets segments; intralogistics and materials handling, food processing automation and packaging solutions, and high- and mid-tech automation components.



6

COUNTRIES

186

EMPLOYEES

37

MILLION EUR IN ANNUAL SALES



MATTIAS JAGINDER
MANAGING DIRECTOR
Industrial Automation

Start of a growth journey

Why create a new business group in automation?

“There are several attractive and underlying trends driving growth within industrial automation. Reshoring, new technologies, increased safety and proactive maintenance are just few. Main drivers for bringing production back to Europe are to cut distribution costs and shorten delivery times, as well as better control of the intellectual IP and the increasing production costs in low-cost countries. Industrial automation makes this move possible.”

What are the characteristics of Industrial Automation?

“Most companies within Axel Johnson International focus on distribution of high-quality products, often produced by others. The current companies in Industrial Automation, Caldan and OCS, are specialised in conveyor systems, and they design and assemble their own solutions under their own brand names.”

Where do you see your best market potential?

“Our initial focus segments are intralogistics and materials handling as well as food processing and



PHOTO: JOHANNA HANNO

packaging solutions. Next step is to investigate high-tech components for automated customised solutions.”

How do you see the business group grow?

“We aim to make a significant footprint within automation in a few years. It’s our defined strategy to acquire several complementary Western-European based companies that can act as hubs for further growth and facilitate business group collaborations.” ●

» There are several attractive and underlying trends driving growth within industrial automation.

Mattias Jaginder

Vertical farming. OCS's overhead conveyor system assures a high-hygiene environment for food production.



Automation ramps up vertical farming

Overhead conveyor system specialist, OCS, helped one of their clients to automate and ramp up its vertical farming production. What once used to be a production plant for furniture has now been transformed into a state-of-the-art cultivation centre for crispy lettuce.

Swedish automation company OCS Overhead Conveyor System AB is a specialist provider focusing on the automotive, aerospace, bicycle and surface treatment industries. The friction-based patented technology for hanging conveyors enables flexible, clean, ergonomic and quiet solutions for modern enterprises.

Ljusgård, a Swedish indoor farm, has an ambition to make Sweden less dependent on imports of vegetables by large-scale vertical farming. That's also what made them approach OCS. They wanted to grow their 650-square-metre production area more than 10 times and automate their manual operations.

PHOTO: LJUSGÅRDA

OCS's unique overhead conveyor system enables transport between the planting area, the cultivation room, the harvesting station and the washing facilities. Ventilation, lighting, watering and nutrient feeding are integrated into the conveyor system, adding to the uniqueness.

"It's a technical solution that required some extra development work from our side to achieve what actually is a very simple, smart and cost-effective solution," says Christer Lundgren, Sales Director at OCS. "For us it marks a successful step into a new market segment, and it truly shows the extent of our customer offering."

To meet Ljusgård's demands, OCS designed a custom-made overhead conveyor solution with

nearly 700 cultivation trolleys. The trolleys use OCS's unique friction-free technology that doesn't need any lubrication oil. The system assures a high-hygiene environment for food production.

To ensure a high-quality end product, a cultivation trolley can easily be requested at any time for checks from a desired position in the cultivation chamber. That equals 600 pallets of lettuce being distributed to more than 800 stores around Sweden every week.

"From our point of view, it is an interesting business case where we are very pleased to be able to help our customer with our patented technology to realise their vision for sustainable food production," says Christer.

» This is a new and growing market with great potential. We are keen to use our expertise and know-how in conveyor systems to be part of this sustainable transformation.

Christer Lundgren



PHOTO: JOHANNA HANNO

About

→ OCS Overhead Conveyor Systems is a Swedish specialist provider of overhead conveyor systems focusing on the automotive, aerospace, bicycle and surface treatment industries.

The fully automated process has helped Ljusgård increase their harvest from two tonnes of lettuce per month to 60.



Watch our movie about OCS.



PHOTO: LJUSGÅRDA

The fully automated process has helped Ljusgård increase their harvest from two tonnes of lettuce per month to 60. The new application comes with additional benefits; the overhead conveyor solution optimises the floor space which for Ljusgård means that the transport and handling of the cultivation pipes is minimised, and the system for automatic transport for harvest has become simpler and more efficient.

The growing global trend for locally produced

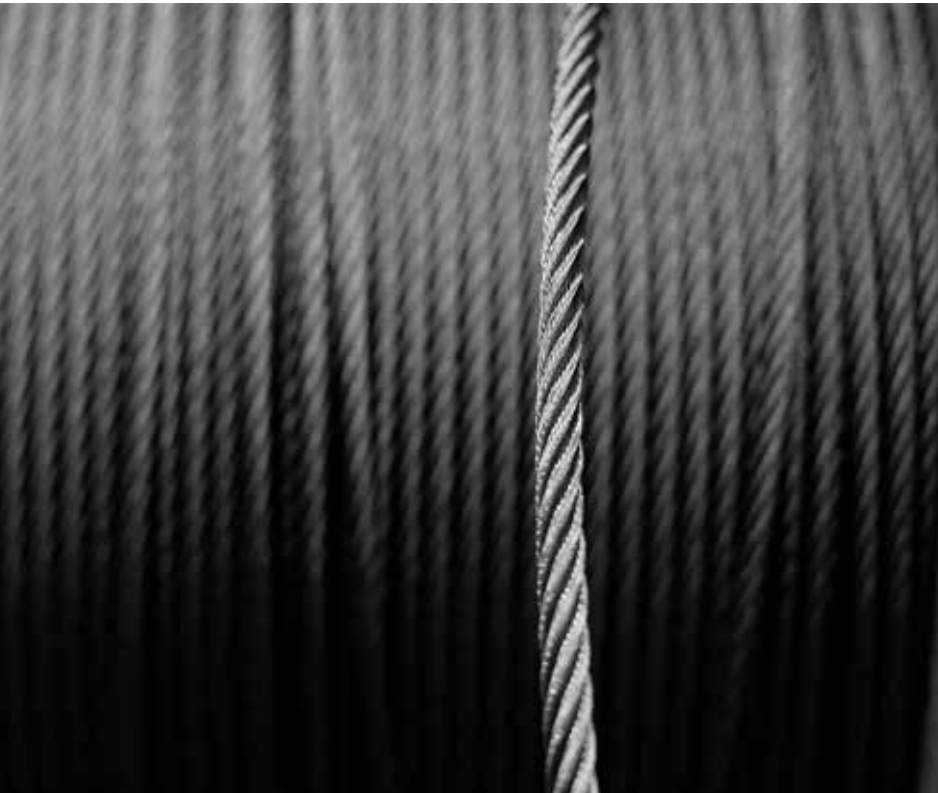
food has generated an increasing interest in indoor farming. Automated systems contributes to making the process efficient and sustainable.

"This is a new and growing market with great potential," says Christer. "We are keen to use our expertise and know-how in conveyor systems to be part of this sustainable transformation. It's a very positive development that goes hand in hand with OCS's core values: 'lean, clean and green.'"

Lifting Solutions

Lifting Solutions is a global player operating as a group of companies that supply wire rope, hoists, overhead cranes and other lifting products together with connected services.

The companies serve local and global customers in ports as well as the energy, manufacturing and construction sectors.



20
COUNTRIES

1,461
EMPLOYEES

356
MILLION EUR IN
ANNUAL SALES



RALF WIBERG
MANAGING DIRECTOR
Lifting Solutions

Growing globally

What were the highlights in 2021?

“Our expansion outside Europe through the acquisition of the Australian company Chain Applications,” says Ralf. “Another milestone was the new global organisation Renewables. Our customers, particularly in the wind power segment, grow globally and we see a need to meet them where they are. Besides new operations in the US, we now have our own units in Taiwan.”

Where do you see the potential for further growth?

“Our private label product range is expanding rapidly. Thanks to our distribution centre in Maastricht, Netherlands, we improve our customer offering and availability. Another way to satisfy customer needs and to improve safety is condition monitoring of steel wire ropes using magneto-inductive technology. We are also looking into rental offerings, as we see a growing demand for this.”

Any visual market trends?

“Sustainability is clearly an added value. An increasing number of our customers request that we declare what environmental impact our solutions have. Digital interaction is another must. A new generation of purchasers want to interact digitally, and we need to



PHOTO: JOHAN STRINDBERG

work on our customer-facing tools such as webshops and automated order handling.”

What challenges do you see?

“In the short term it is mainly in logistics and supply chain, the current situation with delays and shortage of components will affect prices. In the long term, I am confident that Lifting Solutions will continue its growth and that we will expand our local presence globally.” ●

» An increasing number of our customers request that we declare what environmental impact our solutions have.

Ralf Wiberg

Certex Renewables is providing tools, products and services to the wind and renewables industry.



PHOTO: CERTEX

A single point of contact for the global wind market

Lifting Solutions has established Certex Renewables, a centralised division that provides a single point of contact for clients operating globally.

Lifting Solutions has traditionally had a local focus, operating via local companies with local knowledge and serving customers in the local market. To further improve the service to clients in wind power, Lifting Solutions established a global division, Certex Renewables, that will function as a centralised supplier for the global companies that dominate the wind market.

“The organisations we work with don’t care about borders,” says Stefan Jagelid, Director, Certex Renewables. “Their needs are global. Of course, they want a local presence, but they don’t want to talk to 20 different companies to make things happen.”

Having a single point of contact at one division enables Certex Renewables to leverage the group’s size and local presence, while offering greater opportunities to share experiences and coordinate activities. That often involves experts from Lifting Solutions companies in nations that have pioneered the use of wind, like Denmark and the UK, sharing their knowledge with other group companies.

At Certex Renewables, Director Stefan Jagelid sees a strong unique selling point in in the division's structure.

PHOTO: JOHAN STRINDBERG



About

→ Certex Renewables is a new division within Lifting Solutions that is a centralised supplier for the global companies that dominate the wind market.

» We are able to share and utilise our experienced experts and resources across borders and companies, to meet the customer where local needs arise.

Stefan Jagelid

“We put a lot of effort into creating a culture where we are able to share and utilise our experienced experts and resources across borders and companies, to meet the customer where local needs arise,” Stefan says. “What used to be intercompany transactions are now turned into common opportunities. Certex Renewables is one division and a team effort.”

Certex Renewables provides customised and standard products and services, such as lifting equipment, steel wire rope and fall protection equipment as well as statutory inspection, maintenance, and repair by on site engineers. Thanks to being part of Lifting Solutions, Certex Renewables has access to manufacturing facilities in more than 90 locations in Europe, USA and China

“Our structure is a strong, unique selling point,” he continues. “In an industry with extremely rigorous standards and safety guidelines, clients



want to know they are getting the same standards anywhere in the world, while investing in the local economy by utilising local staff.”

The wind market is growing. Total investment globally hit USD 31 billion in the second quarter of 2021, up from USD 27 billion the previous quarter. Growth is poised to accelerate for two reasons: the cost of producing power via wind is becoming increasingly affordable, and the market is increasingly competitive.

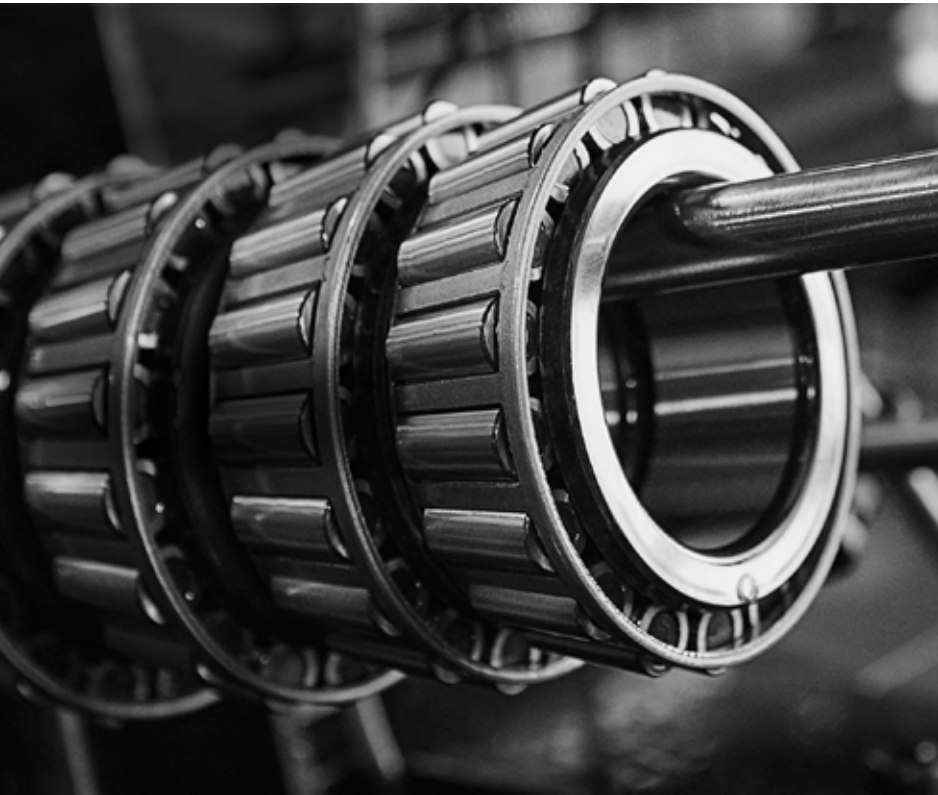
Meanwhile, offshore wind that until now has been in its developmental phase, is being installed on a large scale. Offshore wind turbines are up to 190 metres tall – the length of almost two football fields – and a single 15MW turbine can power 20,000 EU households, compared with 1,500 for a 3MW onshore turbine.

“That, in a nutshell, is why offshore wind will be so important,” Stefan says. ●

The construction of wind turbines.

Power Transmission Solutions

The Power Transmission Solutions companies provide secure and reliable mechanical power transmission components and related services to European manufacturers in a wide range of industries. The main offering includes bearings, industrial transmissions, seals, electric motors and related engineering services.



13
COUNTRIES

1,027
EMPLOYEES

259
MILLION EUR IN ANNUAL SALES

PHOTO: JOHAN STRINDBERG



OLA SJÖLIN
MANAGING DIRECTOR
Power Transmission Solutions

Embracing electrification

How did Power Transmission Solutions perform in 2021?
“2021 has been a fantastic year. We have been able to support our customers and produce a healthy profit. We have also successfully launched a broader range of private label products to meet specific customer needs.”

What are you most proud of?
“Our record sales and profits, thanks to both organic growth and four closed acquisitions in three countries. I am also proud of the fact that all companies in our group have been fully operational throughout the

pandemic and focused on the health and safety of both our employees and our customers.”

What market trends do you see?
“The traditional mechanical power transmission industry is embracing electrification, and mechatronics has become an integral part of our offering. Sustainability is high up on most customers’ agendas. We will continue to help our customers reduce their carbon footprint and ensure that our sales engineers and technicians are aware of the latest product innovations. Another megatrend is the

reshoring of manufacturing. The return of manufacturing to Europe will increase automation across all industries.”

How do you see Power Transmission Solutions growing?
“We will continue to position ourselves as technical experts with a focused but broadened offering. It is our long-term objective to become a pan-European specialist in mechanical power transmission and motion control and we are increasing our efforts in finding new potential acquisition targets.” ●

KTT brings in knowledge and expertise

With the acquisition of Hungarian seal provider and manufacturer KTT in 2021, Power Transmission Solutions strengthened its offering in the seals market and its manufacturing base.

KTT has successfully developed a range of popular products and has a strong customer base in Germany, Eastern Europe, and the United States. When founder János Kubinszky decided to retire, the company needed an injection of energy to take it to the next phase of its growth journey.

In June 2021, KTT found a new home with Axel Johnson International and Power Transmission Solutions (PTS) business group. Becoming part of the group has provided the company access to the corporate knowledge, financial strength and expanded customer base it needs to evolve. In return, KTT has contributed to expanding PTS's offering and bringing in expert knowledge in the seals business, as well as a private label product line of seals.

Gábor Takács, Managing Director at KTT, says that being part of Axel Johnson International has opened up a wide range of possibilities for the company.



PHOTOS: FLORENTINA OLARÉANU

“We’re predominantly a manufacturing company, with 70 percent of our turnover coming from production,” says Gábor Takács, Managing Director at KTT. “That makes us unique within the business group.”

The company’s story began in Sopron in western Hungary in 1980, when Kubinszky, then a rubber-industry chemist, founded the company. At first, KTT manufactured shaft seals to keep rotating elements free from contamination such as those found in automotive drivetrains. Then, they were three employees. Now, 40 years later, the business has grown to 120 employees and supplies

customers in more than 20 countries with an increasingly diverse range of seal products, as well as shaft seals for devices ranging from motor vehicles to kitchen appliances.

Gábor says that being part of Axel Johnson International has opened up a wide range of possibilities.

“Until recently, KTT was a small, local company, which has some advantages,” he says. “But now we have the potential to grow the business, to be more international and to have a more sophisticated corporate culture. At the same time, I think we can still honour our heritage and the fact that our manufacturing base is here in Sopron.”



KTT manufactures custom hydraulic seals and vibration dampeners, which incorporate metal-bonded rubber.

» Now we have the potential to grow the business, to be more international and to have a more sophisticated corporate culture.

Gábor Takács

About

→ KTT manufactures and provides seals and dampeners for a wide range of applications. Its core product line is shaft seals, which help protect rotating shafts from contamination. The company’s production facility is in Sopron, Hungary.



PHOTOS: FLORENTINA OLAREANU

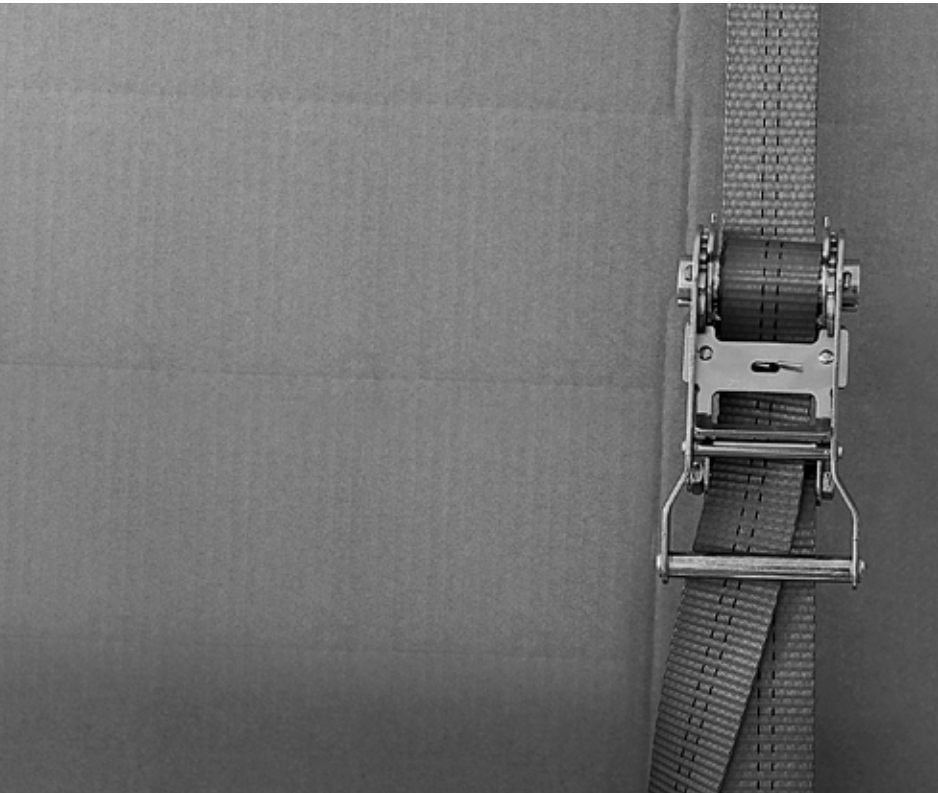
KTT also manufactures custom hydraulic seals and vibration dampeners, which incorporate metal-bonded rubber, and supplies more than 400 million seals a year for use in the manufacture of soda siphon cartridges. It has already begun to investigate synergies with sister companies in the business group.

“There’s the potential to link our webshops and warehouses with other group companies in the Czech Republic and Slovenia,” Gábor says. “Meanwhile, we have been doing business with another PTS company in Poland for several years. Now we’re part of the same group, so we can build even closer connections.” ●

Transport Solutions

Transport Solutions offers innovative solutions within cargo securing and vehicle components.

Together, the companies provide market leading solutions to European transport providers, freight forwarders, truck and trailer owners, body builders, other heavy vehicle original equipment manufacturers (OEMs), shipping lines and airlines.



9
COUNTRIES

624
EMPLOYEES

205
MILLION EUR IN
ANNUAL SALES



ERIK EKLÖV
MANAGING DIRECTOR
Transport Solutions

Strong aftermarket

How did 2021 turn out for Transport Solutions?

“The strong market has continued throughout 2021. Thanks to our strong organisation and experienced employees, we have managed to solidify our position as market leaders.”

What are the main events?

“The acquisition of CDS that already has contributed to our private-label development in the lighting segment. Another success is the move of the production sites in TMT Finland, which has led to a better working environment and more efficient production. An additional highlight is the launch of the website Nordeye, an independent online webshop directed towards private consumers.”

What trends and opportunities do you see?

“The lack of chassis from the vehicle producers will impact the industry also the coming year. This will require us to pool our strengths together and find new ways to service our customers. The strong aftermarket will continue in 2022. As fewer new vehicles will come on the roads, the old ones will require more spare parts.”



PHOTO: JOHAN STRINDBERG

Where do you see the best growth potential?

“Through the combination of acquisitions and organic growth. Most of our companies are specialised and grow steadily by finding new customers and introducing more products to their assortment. For further growth, we strongly believe in the joint development of the private-label offering. We will also continue to work with our R&D to develop and bring out new niche solutions.” ●

» For further growth, we strongly believe in the joint development of the private-label offering.
Erik Eklöv



Stronger together

About

→ CDS was formed in 1980 and has its head office in Kungälv, north of Gothenburg. The company is a wholesaler of lighting products, accessories, and electrical equipment for the vehicle industry.

Swedish wholesaler CDS, specialising in accessories for cars and the transport industry, wanted to gear up its operations and ambitions. The company found its perfect match in Axel Johnson International.

Bright future. Wholesaler CDS became part of Transport Solutions in 2021.



» With the group's purchasing power and product expertise, we increase our strength.
Marcus Larsson

PHOTOS: JOHAN STRINDBERG

A couple of years ago, the management team at CDS stood at a crossroads. The company needed to realise a generational change in management and at the same time had ambitious plans for the future.

They started looking for a new owner that could help take the company to the next level. Axel Johnson International was one of the companies that started a discussion with CDS's management team – and it quickly felt like the best match for the company.

“We got a really good impression of Axel Johnson International, and on a personal level it felt great from the start,” says Sam Carlsson, retiring former CEO and owner.



PHOTO: JOHAN STRINDBERG

CDS was founded by a team of entrepreneurs in the early 1980s as a provider of car stereo systems. Today, the company is a wholesaler of lighting products, accessories, and electrical equipment for the vehicle industry. Customers include car dealers, original equipment manufacturers and one of the largest vehicle equipment wholesalers in the Nordic region.

SINCE JOINING the group in June 2021, there is great momentum in the company. One of the clearest advantages of belonging to the group is the access to expertise and competence in key areas such as product development and sustainability.

“We operate in a market where many compete with similar products,” says Marcus Larsson, a long-time Business Area Manager within CDS, recently appointed as CEO.

“For a small company it can be hard to gain exclusive rights from the best suppliers, but with the group's purchasing power and the product expertise within business group Transport Solutions, we increase our strength.”

Marcus points out that, as today's customers put higher and higher demands on their suppliers to be sustainable and fully transparent, this is also an area where belonging to a group is beneficial.

“Axel Johnson International has established processes for sustainability – for example, clear policies and demands – that also apply to our suppliers,” he says. “This is a competitive advantage for us and means we can reach a whole new level in sustainability.” ●

» We got a really good impression of Axel Johnson International, and on a personal level it felt great from the start.
Sam Carlsson

Facts and figures



Record sales

Despite challenges in the global supply-chain, Axel Johnson International managed to achieve all-time high sales and profit in 2021. **Chief Financial Officer Ola Karlsson** comments on the financial year.

What were the milestones in 2021?

“It was a year of recovery with very strong demand from all our market segments and we managed to reach pre-pandemic volumes organically. We also made 15 acquisitions that contributed greatly to both sales and results. All-in-all, our group sales reached an all-time high of 13 billion SEK, which was 11 percent up versus 2020. Organic growth was 8 percent, currency effects minus 2 percent and acquisitions contributed 6 percent. The group’s profit was 999 million SEK, which is a significant record for us thanks to all-time-high sales and great contributions from acquisitions.”

Which key factors explain the group’s success?

“Our decentralised approach helped us meet the supply chain challenges well. Our local companies don’t just wait for instructions – they respond

to their customers’ needs and strive to increase the value added. We continue to take market shares and prove to our customers that we are the right business partner.”

What do you expect in 2022?

“Our order backlog continued to grow throughout the year and is now at record levels across the business. Everything points to a continued very strong market sentiment in all our segments in 2022. There will still be shortage of materials and supply chain challenges, but the strong demand will continue. We also aim to increase our acquisition pace. And I’m proud to say that last year, for the first time ever, we were able to take up a loan with an Environmental Social and Governance link (ESG) where the margin is linked to how we deliver on a set of sustainability KPIs. Within the coming year, we aim to have all of our financing ESG linked.” ●

PHOTOS: JOHANNA HANNO

» Everything points to a continued very strong market sentiment in all our segments in 2022.

Ola Karlsson

SUMMARY FINANCIAL INFORMATION

Key figures

MSEK	2021	2020	2019	2018	2017
Net sales	12,938	11,632	12,095	9,869	7,573
Profit after financial items	421	472	329	326	269
Profit ^{AX}	999	816	745	610	416
Cashflow from operating activities	519	977	423	155	285
Return on capital employed %*	10	10	8	10	13
Average number of employees	4,975	4,436	4,371	4,094	3,282

*Excl. Effect on capital gains and loss

Consolidated income statement

MSEK	2021	2020
Net sales	12,938	11,632
Cost of goods sold	−8,822	−8,086
Gross profit	4,116	3,546
Selling expenses	−2,635	−2,360
Administrative expenses	−1,059	−885
Other operating income	47	258
Other operating expenses	−27	−64
Operating profit	441	495
Interest income and similar income	45	97
Interest expense and similar charges	−65	−120
Profit after financial items	421	472
Profit ^{AX}	999	816

Sales and operating profit^{AX}
per business group

MSEK	Sales 2021	Sales 2020	Change in %	Profit ^{AX} 2021	Profit ^{AX} 2020	Change in %
Lifting Solutions	3,610	3,185	13	392	253	55
Transport Solutions	2,081	1,821	14	205	158	30
Fluid Handling Solutions	3,370	3,177	6	253	270	−6
Power Transmission Solutions	2,629	2,324	13	172	135	27
Industrial Automation*	377	143	164	14	−1	1,500
Driveline Solutions	727	654	11	77	64	20
Other	144	328	−56	−114	−63	−81
TOTAL	12,938	11,632	11	999	816	22

Profit^{AX} is stated as profit after net financial items excluding goodwill amortisation, adjustments of contingent consideration, items affecting comparability and discontinued operations. This method is used to facilitate comparability between Axel Johnson Group companies and other listed companies outside the Group, and comparisons between years.

**Pro forma (Industrial Automation was formed in 2022, and the figures are reported as if the business group operated in 2020 and 2021.)*

Sustainability KPIs

	2021	2020	2019	2018
Absentee rate (%) time away from work due to incapacity of any kind	3,9	4,7	3,6	3,5
Total number of work-related accidents per 100 000 working hours	1,7	1,7	2,1	1,4
Share of women in leading position (%)	26	23	21	19
Total energy consumption per year (GWh)	28,7	28	27	22
Total energy consumption per year (MWh) of Net Sales	2,2	2,5	2,6	2,9
Share of energy from renewable sources (%)	52	62	58	59

Consolidated balance sheet

MSEK	2021-12-31	2020-12-31
ASSETS		
Fixed assets		
Intangible fixed assets	1,889	1,506
Tangible fixed assets	531	494
Financial fixed assets	125	126
Current assets		
Inventories	2,620	2,114
Current receivables	2,790	2,157
Cash and bank balances	426	312
TOTAL ASSETS	8,380	6,708
SHAREHOLDERS' EQUITY AND LIABILITIES		
Shareholders' equity	2,764	2,461
Minority interests	106	100
Provisions	348	288
Long-term liabilities	2,654	1,784
Current liabilities	2,509	2,075
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	8,380	6,708

Consolidated cash flow statement

MSEK	2021	2020
Cash from from operating activities		
Profit after financial items	421	472
Adjustment for items affecting cash flow	759	542
	1,180	1,014
Income taxes paid	−241	−169
Cash flow from operating activities before changes in working capital	939	844
Cash flow from changes in working capital		
Increase (-)/Decrease (+) in inventories	−325	93
Increase (-)/Decrease (+) in trade and other receivables	−245	100
Increase(+)/Decrease (-) in trade and other liabilities	150	−61
Cash flow from operating activities	519	977
Cash flow from (or used in) investing activities	−889	−385
Cash flow from (or used in) financing activities	439	−530
Net change in cash and cash equivalents	69	62
Cash and cash equivalents at beginning of year	312	315
Effects of exchange rate changes on cash and cash equivalents	45	−65
CASH AND CASH EQUIVALENTS AT END OF PERIOD	426	312

The financial information is used for management reporting purposes and deviates in some respects from official reporting.

A year of fantastic development

Mia Brunell Livfors, President and CEO of Axel Johnson AB, and Board Chair of Axel Johnson International, reflects on our group's performance in the past year and what is to come in the years ahead.

Mia Brunell Livfors,
Board Chair of Axel Johnson International.



PHOTO: PETER JONSSON

How would you sum up 2021?

“Axel Johnson as a whole performed very well this year, and Axel Johnson International’s record result for 2021 reflects a year of fantastic development despite challenges in the global industry. The company’s success is the result of joint efforts from all group companies, and I would like to thank all employees in Axel Johnson International for their great work.”

What are your thoughts on the group’s performance?

“The fact that the group has performed so well in such demanding years as 2020 and 2021 shows that the business model is strong and makes the group resilient. Although we have seen several successful years with record results, we need to continue to be fast-moving and seize the opportunities that comes with technological advancements to develop our products. Another important focus is sustainability, where industrial customers are really increasing their sustainability ambitions and being in the forefront gives us a competitive advantage.”

What are your expectations for the coming years?

“Global trends such as automation, digitalisation, and sustainability will continue to have a great impact on how we operate, engage customers, and deliver products and services. The company’s leadership is characterised by openness and curiosity. This has contributed to a corporate culture promoting agile and fast decision-making which has had a significantly positive effect on the results. I am very confident that Axel Johnson International will keep building on the success of recent years and continue to grow.” ●

We are Axel Johnson International

**WE ARE
DRIVELINE SOLUTIONS**

ELFOREST AB, SE
IOW BULGARIA LTD, BG
IOW CZ S.R.O., CZ
IOW SERVICE SP. Z.O.O., PL
IOW TRADE SP. Z.O.O., PL
MARINE & INDUSTRIAL TRANSMISSIONS LTD, GB
MIAS CYLINDERFABRIK AB, SE
MIAS FILTER AB, SE
MIAS GROUP AB, SE
PROGRESS INGENIÖRFIRMA AS, NO
TRANS-AUTO AB, SE
TRANS-AUTO OY, FI

**WE ARE
FLUID HANDLING
SOLUTIONS (AXFLOW)**

ARMOR BOBINAGE SA, FR
AQS LIQUID TRANSFER (PTY) LTD, ZA
ATELIERS EHRSMANN SA. CH
AXFLOW A/S, DK
AXFLOW AB, SE
AXFLOW AS, NO
AXFLOW B.V., NL
AXFLOW DC B.V., NL
AXFLOW EOOD, BG
AXFLOW GESMBH, AT
AXFLOW GMBH, DE
AXFLOW KFT, HU
AXFLOW LDA, PT
AXFLOW LTD, GB
AXFLOW LTD, IE
AXFLOW OY, FI
AXFLOW S.A., ES
AXFLOW S.A.S., FR
AXFLOW S.R.L., IT
AXFLOW S.R.L., RO
AXFLOW S.R.O., CZ/SK
AXFLOW SERVICES KFT, HU
AXFLOW SP. Z.O.O., PL
AXFLOW SYSTEMS B.V., NL
BAHR PUMP OÜ, EE
BROWN BROTHERS ENGINEERS AUSTRALIA PTY LTD, AU
BROWN BROTHERS ENGINEERS FLOW TECHNOLOGY LTD, NZ
BROWN BROTHERS ENGINEERS LTD, NZ
CINTI S.R.L., IT
COMPVAX A/S, DK
ELETTROMECCANICA ALTO ADIGE S.R.L., IT
FLOW TECHNOLOGIES UAB, LT
GALBRAITH ENGINEERING LTD, NZ
GT WATER TECHNOLOGIES, AU
INCA CONTROL PTY LTD, AU

INDUCHEM (UK) LTD, GB
INDUCHEM COMPONENTS LTD, IE
INNVA AS, NO
KELAIR PUMPS AUSTRALIA PTY LTD, AU
PROCESS PARTNER AS, NO
PUMPTECHNIQUE SIA, LV
RPT S.R.L., IT
SAFE SUPPLY AS, NO
STARLINE VALVES OY, FI
SYSTEM CLEANERS A/S, DK
TRIO TRYKLUF T A/S, DK
TUMA PUMPENSYSTEME GMBH, AT
VIP TEHNIKA D.O.O., SI
W. MOSER AG, CH

**WE ARE
INDUSTRIAL AUTOMATION**

CALDAN CONVEYOR A/S, DK
OVERHEAD CONVEYOR SYSTEMS (OCS) AB, SE

**WE ARE
LIFTING SOLUTIONS**

AMC INSTRUMENTS S.R.L., IT
CABLES Y ESLINGAS S.L., ES
CERTEX DANMARK A/S, DK
CERTEX EESTI OÜ, EE
CERTEX FINLAND OY, FI
CERTEX LATVIJA SIA, LV
CERTEX LIETUVA UAB, LT
CERTEX LIFTING & SERVICE GMBH, DE
CERTEX LIFTING LTD, GB
CERTEX NORGE AS, NO
CERTEX SVENSKA AB, SE
CHAIN APPLICATIONS PTY LTD
CTX LIFTING SOLUTIONS INC
HAKLIFT OY, FI
LIFTING GEAR UK, LTD, GB
MENNENS AMSTERDAM B.V., NL
MENNENS BELGIUM N.V., BE
MENNENS DONGEN B.B., NL
MENNENS GRONINGEN B.V., NL
MENNENS HENGLO B.V., NL
MENNENS ROTTERDAM B.V., NL
REMA HOLLAND B.V., NL
TRACTION LEVAGE S.A.S., FR

**WE ARE
POWER TRANSMISSION
SOLUTIONS**

ABRA KULELAGERSENTERET AS, NO
ACORN INDUSTRIAL SERVICES LTD, GB
ARKOV SPOL. S R.O., CZ
BEARING STATION LTD, GB
BELL D.O.O., SI

GERALD SUMMERS LTD, GB
JENS S. OY, FI
JENS S. TRANSMISJONER AS, NO
JENS S. TRANSMISSIONER A/S, DK
JENS S. TRANSMISSIONER AB, SE
JOKILAAKERI OY, FI
KALTECH GEARSERVICE APS, DK
KTT KUBINSZKY TÖMÍTÉSTECHNIKA KFT, HU
MAK AANDRIJVINGEN B.V., NL
NOMO (SHANGHAI) BEARING CO. LTD., CN
NOMO KULLAGER AB, SE
NOMO TRANSMISSIONER A/S, DK
NORBELT AS, NO
PASSEROTTI SP. Z.O.O., PL
ROTEK AS, NO
RW BEARINGS LTD, GB
SKS CONTROL OY, FI
SKS MEKANIikka OY, FI
SKS SWEDEN AB, SE
SKS TEHNIKA OÜ, EE
SPRUIT TRANSMISSIONS B.V., NL
SVERULL ELEKTRODYNAMO AB, SE
TOWN & COUNTY ENGINEERING SERVICES LTD, GB
TP NORDIC A/S, NO

**WE ARE
TRANSPORT SOLUTIONS**

AB KAROSSERITILLBEHÖR, SE
ACK FORANKRA S.A.S., FR
ALLSAFE GMBH & CO KG, DE
ALTEC FRANCE, FR
CDS PRODUKTER AB, SE
FORANKRA AB, SE
FORANKRA ESPAÑA S.L., ES
FORANKRA POL SP. Z.O.O., PL
FORANKRA PRITCHARD LTD, GB
GPI S.A.S., FR
L-EX FRANCE, FR
NORDEYE AB, SE
RO-RO INTERNATIONAL TM AB, SE
STERNHAMMAR AB, SE
TMT MALINEN BALTIC OÜ, EE
TMT MALINEN OY, FI
TRAILERKOMPONENTER AB, SE
TRS MOTORSPORT LTD, GB
VERNE AS, NO
WIDNI BALTIC OÜ, EE
WIDNI OY, FI

» The leadership is characterised by openness and curiosity. This has contributed to a corporate culture promoting agile and fast decision-making, which has had a significantly positive effect on the results.

Mia Brunell Livfors

PHOTOS: JOHANNA HANNO



Board of Directors



Mia Brunell Livfors
Board Chair, President and Chief Executive Officer of Axel Johnson AB. Board Chair of Axfood, Dustin Group, Åhléns and Kicks. Board member of AxSol, Martin & Servera, Stena and Efva Attling Stockholm.



Camilla Wideroth
Chief Financial Officer, Axel Johnson AB. Board member of Åhléns, Kicks, Martin & Servera, Novax and Alight AB.



Marie Ehrling
Vice Chair of Axel Johnson AB. Board Chair of Disruptive Materials.



Helene Svahn
Senior advisor, Vargas Holding AB and Member of Supervisory Board of Mercedes Benz Group AG, Germany.



Paul Schrotti
CEO of Lindéngruppen, Board Chair of Beckers Group and Colart Group. Board member of Lindéngruppen and Höganas. Senior Advisor to Keyhaven Capital Partners.



Emma Claesson
EVP Head of People & Culture, Axel Johnson AB. Board member of Åhléns AB and Board Chair of Mitt Liv AB.



Executive management team

FROM LEFT TO RIGHT:

- Ola Karlsson**
Chief Financial Officer
- Fredrik Eklund**
Director of Strategy and M&A
- Mårten Steen**
Chief Information Officer
- Jan Brattberg**
Managing Director, Driveline Solutions
- Malin Ripa**
Head of Sustainability
- Ole Weiner**
Managing Director, Fluid Handling Solutions

- Erik Eklöv**
Managing Director, Transport Solutions
- Martin Malmvik**
President and CEO
- Ralf Wiberg**
Managing Director, Lifting Solutions
- Mattias Jaginder**
Managing Director, Industrial Automation
- Ola Sjölin**
Managing Director, Power Transmission Solutions

In memoriam



Hans Glemstedt
1962 – 2021
Hans Glemstedt, former Head of Strategy and M&A, passed away in November 2021 after a time of illness. Hans joined Axel Johnson International in 2016 and played an important role in the growth and development of the company.

Hans will always be remembered for his exceptional intellect, great personality, and passion for mentoring young colleagues. He is deeply missed as a valued friend and colleague.

Axel Johnson International is a privately owned global industrial group of more than 170 companies in 33 countries. We acquire and develop companies in strategically selected niche markets, primarily technical components and industrial process solutions.

We are organised in six business groups: Driveline Solutions, Fluid Handling Solutions, Industrial Automation, Lifting Solutions, Power Transmission Solutions and Transport Solutions.

As an active and long-term owner our mission is to drive business development and growth.

We are headquartered in Stockholm, Sweden, and part of the family-owned corporate group Axel Johnson.

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