

# Circle of Progress

# Welcome

In this publication, we aim to give you an overview of our overall operations and its performances of the past year. The 2023 edition highlights the group's outstanding results, our sustainability efforts, and exciting stories from companies in different parts of our operations. As we proudly lead the charge in transforming our industry, the commitment to long-term success is guided by the continuous circle of progress, innovation, and efficiency. Discover and enjoy Axel Johnson International's 2023 Annual Review.

**1,672**

MILLION EUROS  
ANNUAL SALES

**6**

BUSINESS  
GROUPS

**5,700**

EMPLOYEES

**+200**

COMPANIES

**34**

COUNTRIES

# 150 Years of Industry Presence — Building on a Family Legacy

Axel Johnson is founded - The saddlemaker's son and trade clerk, Axel Johnson, established the agency and commission business A. Johnson & Co. in Stockholm, Sweden. A business focusing on import and export of raw materials. This marked the beginning of a remarkable entrepreneurial journey that would unfold.

1873

Axel Johnson

1890

The shipping company Rederiaktiebolaget Nordstjernan was founded, and its first ship, the steamship Annie Thérèse, named after the founder's wife, embarked on its maiden voyage. The foundation of the Johnson Line was formed.

Axel Johnson passes away, and his eldest son, known as the Consul General, assumes the leadership of the firm. Axel Ax:son Johnson, characterised by his entrepreneurial spirit steps into the role and actively seeks to connect businesses to create integrated value chains.

1910

1958

The third generation steps into leadership as the Consul General passes away, leaving behind 100 companies. Nordstjernan becomes foundation-owned and receives the majority of the Johnson Group. His son, Axel Ax:son Johnson, also known as the Mining Engineer, takes over the role of CEO for Nordstjernan and the trading company, A. Johnson & Co.

In the arena of international business, Mining Engineer Axel Ax:son Johnson carries out an effective modernisation, expanding Axel Johnson into an international trading company. With presence in over 50 countries worldwide, the company reached new global heights under his leadership.

1960

1982

Antonia Ax:son Johnson, the daughter of the Mining Engineer, takes on the role of Chairman at A. Johnson & Co. Simultaneously, Nordstjernan undergoes restructuring, resulting in a gradual reduction in business collaboration with A. Johnson & Co. With the new retail and wholesale trading sectors and as a pioneer in sustainable business practice, Antonia starts building the modern Axel Johnson.

The international trading company HexaTrade acquires the company Axel Johnson International under the name Axel Johnson Trade (AxTrade), Axel Johnson AB becomes majority owner. The group evolves through acquisitions and characterised by decentralisation and specialisation, laying the foundation of what eventually becomes Axel Johnson International.

1988

Axel Johnson International

1989

Axel Johnson Flow AB is established, later rebranded as AxFlow in 1994. AxFlow quickly becomes a leader in the field of pumping systems and fluid handling expertise for the process industry.

The corporate identity of AxTrade undergoes a transformation and evolves into Axel Johnson International, signifying a strategic shift and expanded horizons for the group.

1993

2005

The business group Lifting Solutions takes shape, a dynamic global group of companies specialising in lifting equipment, height safety, and services.

Caroline Berg, the fifth generation, assumes the role as Board Chair at Axel Johnson. The ambitious 10/50 goal is set, reflecting the company's commitment to renewal. The goal states that in ten years, 50 percent of what Axel Johnson will do will be new initiatives that do not currently exist.

2015

2016

Martin Malmvik is appointed CEO for Axel Johnson International, and further strengthens the decentralised leadership model and strategic vision for the group.

The business group Transport Solutions is established, bringing together all transportation-related companies. The business group stands as a market-leader in cargo securing, as well as truck and trailer accessories.

2017

2019

The business group Power Transmission Solutions is established, emerging as European leaders in advanced mechanical power transmission solutions with extensive technical expertise.

The business group Driveline Solutions is established specialising in mobile off-highway, marine, and industrial applications, covering all aspects of the value chain in their domain.

2020

2022

The business group Industrial Automation takes shape to deliver solutions that supports companies to increase the degree of automation in their operations, for a more reliable, and sustainable future. Axel Johnson International achieves remarkable results, highlighting the success of its strategy and exceeds the billion milestone.

v  
2023



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## AGILITY AND DETERMINATION

# Cornerstones of an Exceptional Year

**Vision, determination, and agility creates resilience and sets the prerequisites for growth. The combination of a solid strategy and flexibility to adjust when the world changes has been increasingly important over many years now.**

Each year has presented new challenges, many of which we have not seen before in global industry. Despite disruptions such as geopolitical instability, inflation and rising interest rates, Axel Johnson International has not only weathered the storm but also achieved remarkable milestones and results.

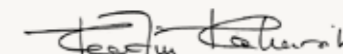
Our decentralised leadership model continues to be the cornerstone of our success. Every part of the organisation knows their roles and how to contribute to the overall success. The real heroes are our business groups and companies, taking decisions as close as possible to the customers. With a selected few central functions, the business groups and companies can focus on their core business and customer development. We use a data driven approach based on macro trends to steer towards industrial growth pockets while taking advantage of the fast-moving technical development, as well as addressing sustainability to create additional customer value.

The continuation of record-breaking revenue and results show our ability to navigate through challenges while acting on opportunities. To always keep our sights on the long-term business while adjusting to short-

term obstacles has led to doubled profits in the last three years. In 2023, we have increased sales 18% to 19 billion SEK and operating profits grew 24% to 1,6 billion SEK with solid cash flow generation.

Looking ahead, our strategic focus is clear. We aim to double Axel Johnson International yet again in five to six years in line with our past trajectory. The core is organic growth by constant development of customer value in our offering complemented by carefully selected acquisitions. We continue to actively monitor industry investments, studying market shifts, and responding to emerging trends, all with the vision of becoming industry leaders in each of our business segments.

There are many things to be proud of after yet another record year. The continuous business renewal in each part of our business speaks for itself. And most of all, I am proud of all my colleagues stretching over 34 countries, always hungry to try and learn new things. With this fantastic team, we can take on whatever the future brings.



Martin Malmvik  
CEO, Axel Johnson International

“The continuation of record-breaking revenue and results show our ability to navigate through challenges while acting on opportunities.”

## NAVIGATING GROWTH IN A DECENTRALISED GROUP

# Business Model and Strategic Focus

The core of Axel Johnson International's identity is captured in the term decentralisation. This essentially means that decision-making happens within the business groups and companies. The local companies make decisions close to their market and customers, forming exceptional partnerships within their respective sectors. This approach encourages collaborative initiatives and knowledge sharing among the companies in the group, promoting the development of business groups. By creating central support to benefit the group we aim to provide each company with the necessary resources to excel and grow.

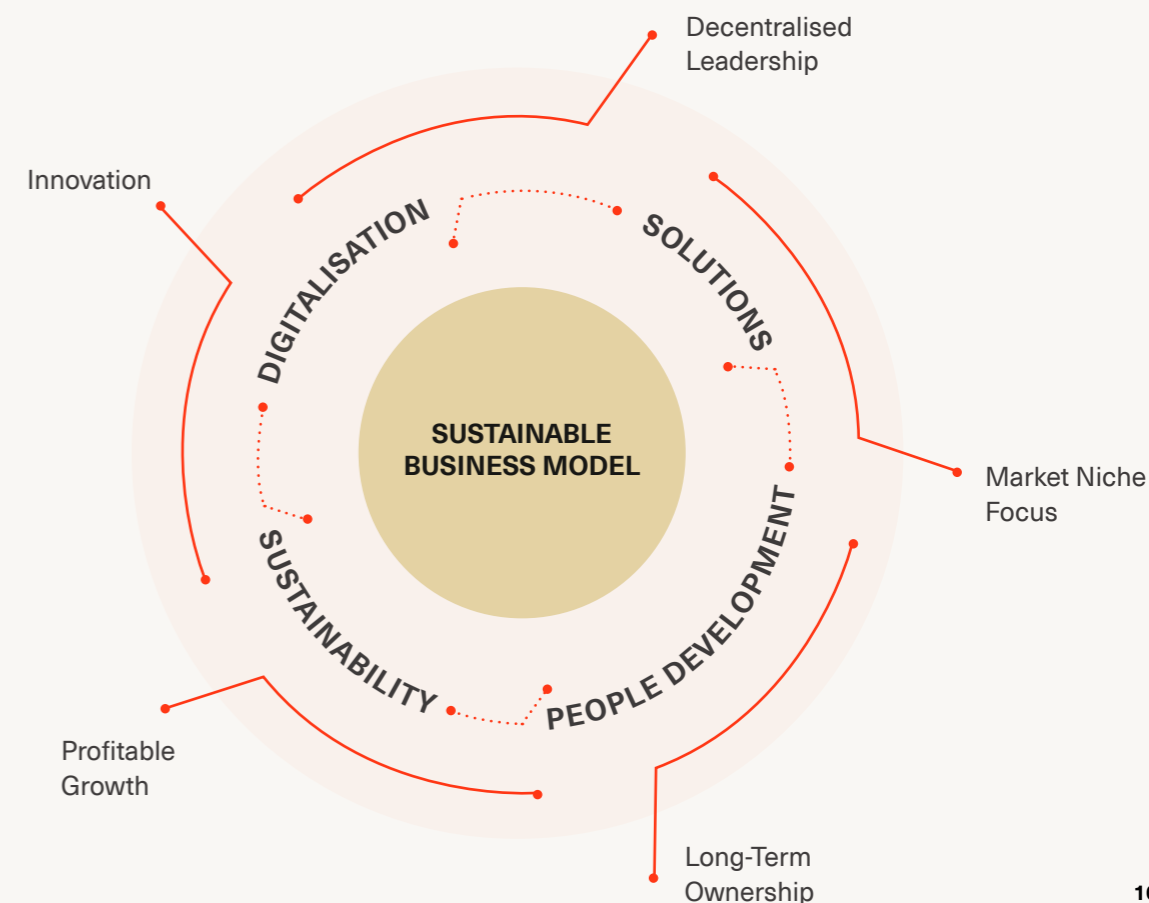
## Focus Areas

**DIGITALISATION** Our digital journey is essential to secure competitiveness for the entire group. We have invested substantially in building a central IT organisation that can support our companies in their digital development to drive efficiency and growth. Further it acts as an enabler and a knowledge contributor, for example when it comes to cyber security and emerging technologies.

**PEOPLE DEVELOPMENT** People is the most important asset of our group. We therefore strive to create an environment that embrace diversity and inclusion as well as continuous learning to fully leverage the potential of our employees. This is done through education, leadership training as well as offering opportunities for individuals for further development.

**SOLUTIONS** We are a customer centric organisation focusing on providing relevant solutions. Through product or service sales we aim to always have our customers' and suppliers' best interest in mind when developing our business. We see expertise as a necessity to be a relevant partner to our customers and suppliers therefore always striving to develop our offering to stay relevant.

**SUSTAINABILITY** The integration of sustainability into decision-making processes opens the door to new opportunities and enables that our business is future-proofed and relevant. This is done by knowledge sharing as well as investments in both the central and business group organisations.



STRATEGY AND MERGERS & ACQUISITIONS

# Securing Long-Term Growth

To meet the set vision and goals for the group, mergers and acquisitions (M&A) plays an important role. The primary objective is to identify companies with an offering that exhibits strong market presence and expertise, driven by ambitious entrepreneurs with similar mindsets and values. The focus lays in identifying opportunities that meet a set of strategic criteria including contributing to the long-term growth for the entire group.

## The value of partnering with us

Being integrated into a larger group offers strategic advantages for companies. This includes access to extensive knowledge sharing networks, comprehensive digital support, and ongoing talent development initiatives.

### 1 / Strategic Synergies

Joining Axel Johnson International opens doors to strategic synergies. As a part of our group, companies can tap into an extensive knowledge sharing network, developing their expertise in areas such as sourcing, and supply chain.

### 2 / Sustainability

We recognise sustainability as a value-driver, and we are committed to preparing and supporting our companies to meet customer and supplier sustainability demands, positioning them for long-term success.

### 3 / Talent Development

The group consistently invests in initiatives focused on talent and skill development, empowering companies to cultivate and enhance both their workforce and organisational culture.

### 4 / Digital Transformation

Companies under our umbrella benefit from a comprehensive digital offering, including a robust IT platform, cybersecurity support, and easily scalable digital solutions, ensuring a swift and secure transformation.



**A common theme** has been that, in line with history, the acquisitions are made with a long-term strategic rationale in mind.”

## Future Value Creation

While our primary focus is on organic growth, mergers and acquisitions is an important tool to strengthen the customer offering and overall market position for existing group companies, as well as improving the resilience and overall robustness of the entire group. We therefore seek to acquire and partner with companies that complement existing group companies, contribute with specific expertise, and support us in meeting future structural trends. This could involve either adding to an existing group company or as an entirely new growth platform from which we could execute growth opportunities. Despite being a consolidation year, where we primarily focused on delivering on the substantial organic growth opportunities that we have seen in the market during 2022 and 2023, we succeeded in completing 10 acquisitions, a mix between smaller and larger add-ons. A common theme has been that, in line with history, the acquisitions are made with a long-term strategic rationale in mind.

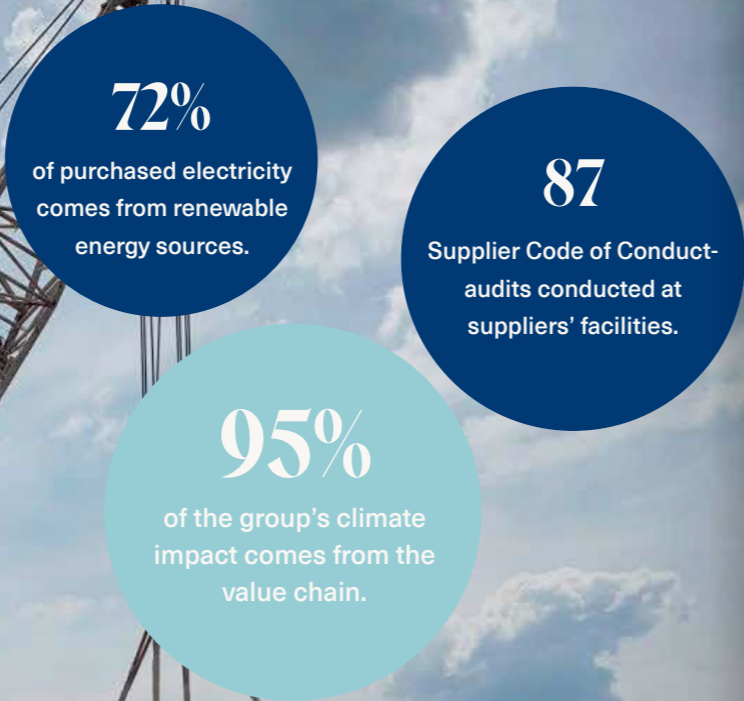
Looking into 2024, we hope to accelerate the M&A growth and thereby continue the path of pursuing both add-ons and platform acquisitions. We have a strong offering for entrepreneurs who want to change their ownership structure, and from what we currently see, we are confident in finding and executing new opportunities during 2024.”

Fredrik Eklund, Director of Strategy and M&A



# Accelerating Sustainability

At the core of the sustainability work lies a profound recognition of the positive change the group can collectively drive. It's not merely about compliance, it's about being relevant and adopting long-term approaches to conducting business and sustaining success. To remain impactful and enduring for decades to come, we nurture sustainable business models that can withstand the test of time, creating resilient industries, embracing innovation, and continuous development.



## Creating Impact

The sustainability strategic framework is an integrated part of our core business strategy, with a vision to lead the transformation towards sustainability within our industry. Based on a vision of inclusivity, the framework enables every company within the group to actively participate in this transformation journey, regardless of their entry point or current performance level.

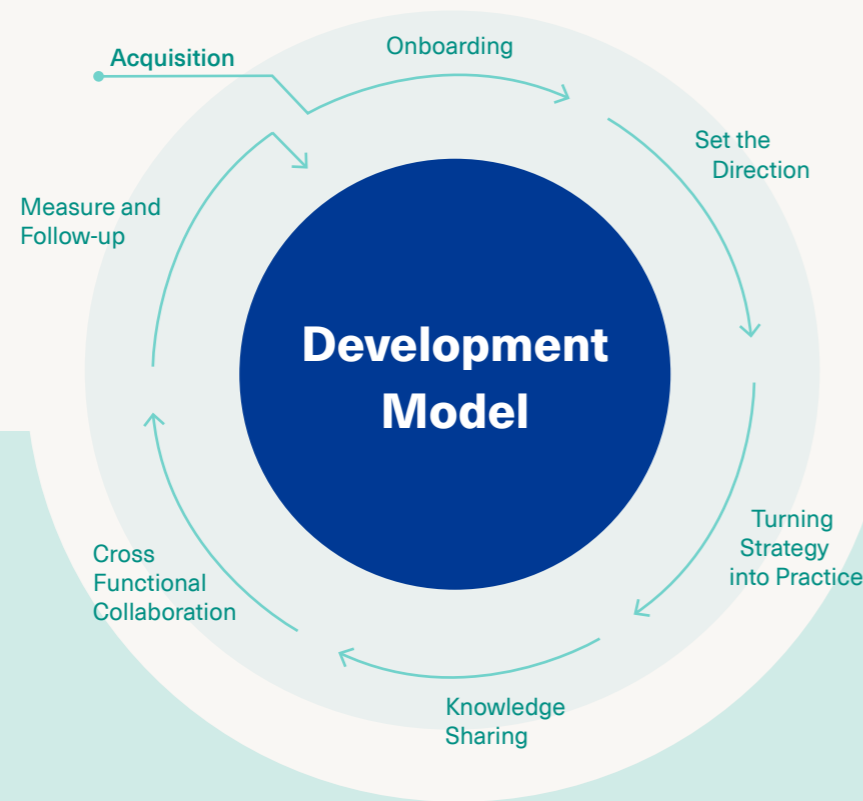
Central to this framework is the commitment to sustainability-enhanced products and services, spanning from supply chain practices to our own operational footprint, and extending to the offerings we deliver to our customers. Targets are addressing our most material sustainability themes: people, climate, and circularity. By focusing on these fundamental themes, we aim to maximise our impact and ensure that sustainability remains ingrained at the core of our operations, generating business value long-term.

Focus Areas	<div><div>Sustainability in Supply Chain</div><div>By working closely with suppliers who share our values and meet our sustainability standards, we move towards a sustainable supply chain.</div></div>			<div><div>Sustainability in Operations</div><div>Through resource efficiency and highly engaged employees, we strive to achieve sustainable operations.</div></div>			<div><div>Sustainability in Customer Offer</div><div>Through our technical know-how and expertise, we provide our customers with the most sustainable products, services, and solutions to improve their sustainability performance.</div></div>		
	Themes	People	All our tier one direct suppliers are fulfilling our requirements in the Supplier Code of Conduct.	People	We are the most attractive employer in our industry.	People	We enhance our customers' occupational health and safety through our customer offers.		
		Climate	All our suppliers are working systematically to reduce CO <sub>2</sub> emissions.	Climate	We reduce our CO <sub>2</sub> emissions in line with the ambition in the Paris Agreement.	Climate	We contribute to lowering our customers' environmental footprint through our customers offers.		
		Circularity	In partnerships with suppliers, we develop and innovate circular products.	Circularity	We minimise waste and see all waste as a resource.	Circularity	We provide circular customers offers through maintenance, redistribution, remanufacturing, and recycling.		



Axel Johnson International  
Supplier Code of Conduct

# Making Things Happen



## Benefits of Being Part of a Group

**Belonging to a large group of companies has many privileges especially when it comes to cooperation, collaboration, and knowledge sharing. By taking advantage of the group's employees' extensive know-how and synergies between different companies, sustainable customer offers and solutions are constantly developed. We celebrate, inspire and drive innovation by showing and sharing “best practice” within the group.**

### Acquisitions and Onboarding

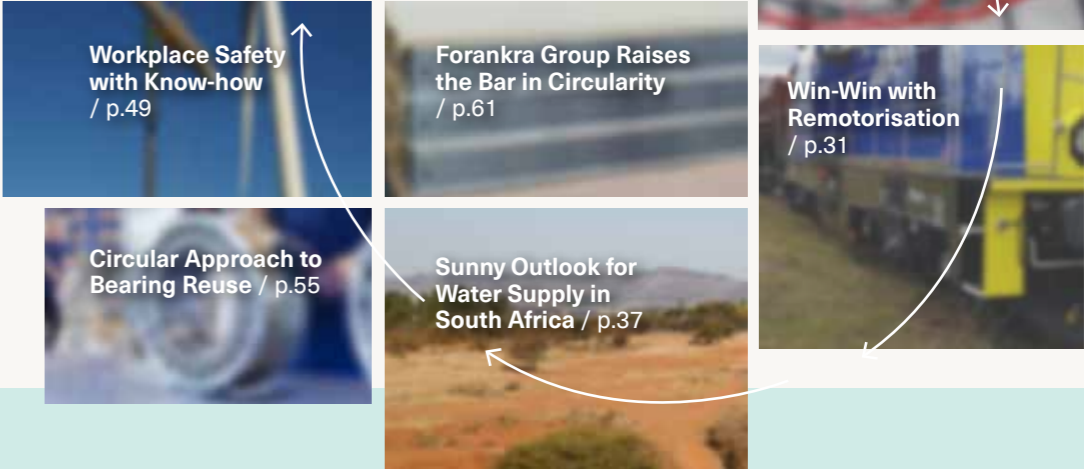
Sustainability is part of our M&A process as well as the onboarding program for newly acquired companies, with the aim to welcome them into Axel Johnson International's Sustainability strategic framework and enhance their sustainability performance.

### Setting the Direction

Under the group-wide sustainability framework umbrella, each business group has created a tailored strategy based on their specific industry setting and customer demands. Every company

### Sustainability in Customer Offer

*Read more about how companies within the group have succeeded in accelerating the work with sustainable customer offerings for products and services.*



in the group, no matter where they are in their specific journey or when they became a part of the group, set their activities and targets according to their unique setting and prerequisites.

### Turning Strategy into Practice

A key enabler for our group's success is to educate, inspire, and facilitate knowledge sharing. Through our recurring online forums, covering different topics, our companies can inspire and share best practice. By working together, we seek new perspectives and turn challenges into opportunities.

### Knowledge Sharing

We drive projects and develop strategic initiatives with the aim of supporting our companies' sustainability journey. Some of our shared tools and initiatives include training for all employees, risk assessment tools for health and safety, and roadmaps for performance. We support our companies to understand upcoming legislation and the impact on operations as well as work together with our pioneering companies who aim to lead the transformation.

### Cross Functional Collaborations

We work together where we have synergies. One example is our sourcing office in Ningbo, China, that since February 2019 performs onsite Supplier Code of Conduct audits of our suppliers, while also coordinating third-party audits in other risk countries. Our "Sustainability in Supply Chain" program is designed to develop long-term relationships with suppliers, with a focus to continuously improve their performance.

### Measure and Follow-up

To turn our strategy into action, we set targets, measure, and follow up our progress. Each company within the group reports their data twice per year. Sustainability performance is an integrated part of the agenda for the company board meetings.

# Committed to Long-Term Business

**In 2023, we have taken significant steps towards our vision of leading the transformation within our industry. The dedication and collaboration across our organisation are inspiring and contributes to accelerating the sustainability work. The unified commitment displayed when we rolled out the updated Supplier Code of Conduct speaks for itself, and it underscores our collective mission to embed sustainability principles within our value chains.**

I am incredibly proud that our Team was honoured with the "Sustainability initiative of the year" award at Axel Johnson's annual meeting during spring 2023. The motivation behind the award highlights our team's ability to inspire positive change through entrepreneurship, spread knowledge, and deliver outstanding results at a rapid pace. Great work from an exceptional team – in close collaboration with 200 outstanding companies!

During the year, we have accelerated our work with the customer offer. By offering technical know-how and solutions, the group can make informed decisions guiding customers to select products and applications that enhance safety, optimise energy efficiency, and extend product lifespan. We are now able to present several enhanced solutions for our customers such as Aspire range™, extended offer to the wind industry, as well as established and new business models such as renovation, condition monitoring and rental.

**"The commitment of our diverse companies, combined with our focus on people, circularity, and climate change, speaks to our collective dedication."**

The climate crisis and the energy crisis are intertwined like never before. By actively working with energy efficiency and renewable energy sources, we reduce our CO2 emissions in our own operations and align our efforts with the Paris Agreement. During the year we conducted a scope 3 assessment of the CO2 emissions in our value chain, helping us to identify the potential and take informed decisions on how to reduce emissions.

The commitment of our diverse companies, combined with our focus on people, circularity, and climate change, speaks to our collective dedication. We continue to shape a more sustainable future with determination, ready to embrace the challenges and opportunities ahead.

**Malin Ripa,**  
Chief Sustainability Officer



# The Enabling Role of Sustainability Managers

**Each business group has its own designated Sustainability Manager, who together form a cross functional team. Working closely with the companies, who hold valuable insights into customer needs and demands, the managers support the companies in their ambitions and together create business opportunities.**



**Fluid Handling Solutions/AxFlow**

"The work often involves developing and implementing strategies to reduce carbon emissions, optimise resource usage, and promote social responsibility. I have a key role in shaping and supporting the companies' long-term responsible strategies, following up on local future-proofing activities and leading group common ones. It is a role that combines business strategy with creating a culture where sustainability is a fundamental part of the group's identity."

**Hilda Molin,** Sustainability Manager

**Lifting Solutions**

"As a sustainability manager for the Lifting Solutions group, I have the fortune to collaborate with fantastic colleagues from our companies. Together, we strive to improve their performance as well as challenge and drive change within the lifting industry. Sustainability is no longer a necessary evil but rather the core of staying relevant to our customers, which in turn contributes to the companies' long-term success."

**Elin Letterblad,** Sustainability Manager



**Transport Solutions**

"As a member of the sustainability team, I have the opportunity to implement and drive initiatives on a substantial scale. Believing that it is more than just a goal or strategy, but a mindset shaping our daily actions, I collaborate with various departments and business units. Together, we work to harmonise economic success with ethical and environmentally conscious practices, contributing to a better future."

**Mitra Kaeni,** Acting Sustainability Manager



Being part of Sweden's largest privately owned corporate group, we are built on a strong family legacy. A group with a clear value-driven, entrepreneurial culture, and a commitment to an inclusive working environment and a diverse workforce. By consistently investing in talent across the group, individuals and companies can develop, grow, and thrive on a long-term, financially stable platform.

# A Place to Grow and Develop

Through the promotion of knowledge sharing and collaboration across the group, development opportunities are made available for employees, valuing curiosity and continual learning within the group throughout the employees' careers.

## 1 / Business School

All employees have access to our Business School, tailor-made with courses in different subject areas that are important for our companies' and employees' continued success and development.

## 2 / Management Trainee Programme

On a regular basis, we offer students with a master's degree in engineering or business/economics a developing one-year Management Trainee Programme.

## 3 / Talent Acceleration Programme

For our younger employees who strive to become leaders or specialists in their field, we offer the possibility to take part in our Talent Acceleration Programme that we run on an annual basis.



“I am proud to be part of this dynamic organisation that offers growth opportunities and an inclusive environment where all employees can develop and excel. Our commitment to both lifelong learning and diversity is a journey we are taking together.”

Lovisa Ferngren, Head of People & Culture

# Development Within the Group

The Personal Leadership programme is based on our leadership profile and carefully tailored for leaders within the group. It is a learning journey over six months with a hybrid learning combining face-to-face and digital training. Adam Flinders, Head of Technology & Service, shares his experiences from the programme.

### What was the most significant insight or skill you gained during the course?

What stood out for me was the 'Coaching' approach, this method empowers staff by encouraging their input and challenging them. This gives ownership and motivation within the team. The 'Own Undisturbed Time' concept is another gem, often overlooked but crucial. Setting aside dedicated time for reflection and planning contributes to both manager and team success.

### How have you been able to apply your newly acquired knowledge?

Previously, I often gave directions as it has seemed like the quickest route to the end goal, but by doing that I took away independence and initiative. My new skills has allowed me to give guidance in different occasions while encouraging the people to develop their own approach to management, which gives them confidence in their role and their own abilities. In my opinion, this new approach has created a more self-sufficient and skilled team.

### What advice would you give to others participating?

Maintaining an open mind regardless of your experience are crucial. In my own experience, the managers in the group are good at what they do and very much align with the culture we all aim for. The course has been developed over several years within this culture and complements skills you may already have. While some things might seem simple, focusing on specific areas of leadership and discussing them with like-minded peers is extremely valuable.



Adam Flinders, Head of Technology & Service

## Diversity & Inclusion: A Strategic Objective

Acknowledging that a broad spectrum of talent and perspectives is crucial for success, Diversity & Inclusion is at the heart of the organisation's agenda. It is viewed as an opportunity, serving as a catalyst for innovation and productivity within the group. A workforce rich in different backgrounds and viewpoints provides the perspectives and tools required to generate innovative solutions that align with the dynamic demands of the industry. The commitment to create an inclusive work environment extends throughout the group, striving to create a workplace where all employees, are given equal opportunity to connect, belong, grow, and contribute.

We have a clear target for gender balance, with the aim of achieving a minimum of 30% representation of women in the overall workforce and in leadership positions by 2030. This goal underscores our commitment to advancing gender diversity and inclusivity across the group.



STORY FROM JENS S. SWEDEN

# Equality to Foster Innovative Teams

In the competitive landscape of the industry, diversity is one key driver of innovation and attracting talent. Jens S. Sweden, proves the transformative power of a diverse workforce. The gender distribution across the company is nearly balanced. Some departments vary from this average but as an example traditional warehouse/workshop functions have 38% women and the local management team an even 50/50 split. In an industry where breaking gender stereotypes can be challenging, Jens S. actively encourages an inclusive environment where all employees, regardless of gender, feel welcome.

“We don’t want ten versions of the same idea, we want ten different ideas to solve problems or create opportunities.”

Johan Benzler

**Johan Benzler, Managing Director at Jens S. Group talks about how they actively work to create this balance and achieve an inclusive environment.**

## **D**o you have any examples on priorities that showcases your engagement?

Diversity is a priority at Jens S., but this is not something that we force upon ourselves. To foster innovative solutions, we acknowledged the need for more female leaders in management and executive positions. We don’t want ten versions of the same idea, we want ten different ideas to solve problems or create opportunities, and to achieve that, we need different perspectives. This requires expanding the recruitment base to include more women in the selection process, with that said, the company does not implement quotas, the principles remain the same regardless of gender, ethnicity, orientation, religious beliefs, etc.

## **What initiatives have you implemented to achieve and maintain your gender distribution?**

We have actively engaged with local schools and offer internships, project work during school breaks and give students opportunities to write their thesis with us. And when we achieved a critical mass in gender distribution the overall recruitment became easier. As mentioned,

diversifying the approach to problem-solving in management is crucial over time.

## **In an industry traditionally dominated by men, it can be challenging to break gender stereotypes. How do you create an inclusive environment?**

We work hard to create a working environment that is professional, well organised, and inviting, the impression is important to support the culture we want to achieve. The most important factors are knowledge, competence, and behaviour. We respect each other and try to listen to those who might not express themselves as loudly. We have clear rules - everyone is to be treated equal, regardless of role, background, or position.

## **Could you provide tips on initiating diversity in the workplace?**

One step to take is that sometimes your need to hire two or more to avoid isolation among homogeneous groups.

Establishing connections with local schools and offering internships and holiday work positions are practical steps. And most important, start small and don’t try to do everything at once.



Johan Benzler, Managing Director, Jens S. Group

**1 million**emails sent/weekly  
(\*within the group)**250,000-300,000**spam emails blocked  
weekly**23,156**

support tickets

**1h 40m 45s**

response time

**6h 44m 20s**

resolution time

**30%**growth on the support-  
ticket quantity

# A Proactive Digital Strategy

A few years ago we moved towards a more centralised IT function, to ensure the same standard across the group. As a result, all group companies have now transitioned to the Microsoft 365 (M365) suite, facilitating enhanced cybersecurity and data accessibility. The integration process, developed through a four-step procedure, has made onboarding new acquisitions more efficient. The group also established an integration platform early on to incorporate various Microsoft components, leveraging company information, data and AI capabilities, including Generative AI. The Cloud-First strategy centers on Microsoft's Azure ensuring scalability. These initiatives position Axel Johnson International as a digital acceleration platform, capable of driving innovation and efficiency across the extensive network.

## The Digital Portfolio

### A Robust IT Platform

We deliver a comprehensive IT platform equipped with various services that enable and accelerate our companies' digital transformations.

### Dedicated Cybersecurity Team

Our cybersecurity team operates around the clock, safeguarding our IT environments and protect our companies from digital threats.

### Flexible Digital Solutions

We provide digital solutions that offer versatility and can be rapidly implemented to address the distinct requirements of our companies.

## Central Support in a Decentralised Organisation

The main goal is to increase awareness and push forward important initiatives that will benefit the entire group. Examples of these include a platform for collaboration and knowledge sharing, solutions for automation and a central AI Lab. The focus for central IT is on developing standardised solutions and many of the initiatives originate from specific needs from our business groups and

companies, driven by a bottom-up approach. These range from streamlining internal processes to developing customer-centric digital solutions. Additionally, cutting-edge technologies from the newly formed AI Lab are incorporated to enhance the digital experience. Everything developed and delivered by central IT is executed with careful consideration of cybersecurity.

## Exciting Times as Digital Enablers

Our approach to digitalisation is versatile and tailored to different organisational levels. We understand the importance of digital solutions in staying at the forefront of our industries and to remain relevant in the future. This group of competent people has grown over the years, the journey has been nothing but remarkable - in 2017, we had about 12 people in the IT department, and by 2023, we've expanded to over 60 employees! We've received a warm reception from our companies for our central approach, and I perceive our role as extending beyond the traditional functions of an IT department. We have evolved into digital enablers, supporting the entire group through a platform where innovation and enhanced operational efficiency is spread across the entire organisation.

This is truly an exciting time working with digital solutions, and I anticipate both upcoming challenges and opportunities associated with Artificial Intelligence. I believe it's crucial to remain cautious yet curious while embracing this evolving technology. With this strong and dynamic team, we are well prepared."

**Mårten Steen,**  
Chief Information Officer

# Navigating the Digital Landscape

Cybersecurity and artificial intelligence (AI) are two critical areas that have become increasingly relevant in today's digital world. When it comes to Axel Johnson International, active in various industries with a significant digital presence, it is crucial to focus on both cybersecurity and AI implementation to ensure the long-term perspective. Head of Cybersecurity, Gonzalo Cuatrecasas, and Head of AI, Emerging Tech & Software Engineering, Oscar Lindholm, explain more about the digital landscape with its challenges and opportunities.

**1** How do we ensure that our employees have the necessary knowledge to work in a safe and secure way?

**Gonzalo:** We have an ongoing cybersecurity awareness program with some mandatory courses and some voluntary activities. All employees should take part in learning about their security exposure, and should also feel comfortable sharing any potential risks, even if it is a user mistake.

**3**

Do we have a plan to respond to incidents?

**Gonzalo:** In cybersecurity, being prepared to respond to any incident is multifaceted because incidents come in many ways. In the group we have a comprehensive high level incident response plan for all central services. We also help the business groups to develop their own business continuity plans with best practices and templates.

What measures have we taken to protect ourselves from the latest cybersecurity threats?

**Gonzalo:** Since we are all connected for just about any professional or personal activity, securing our interactions with the digital environment is an ever-evolving challenge. We have Security Policies and governance structures to help steer the strategic security focus, we also have built-in protections in our devices and networks, as well, as a security monitoring team that supervises all anomalies in the environment.

**4** What cyber threats do you see on the horizon, and are we prepared?

**Gonzalo:** Generative AI solutions at the hands of everyone is clearly a new evolving threat. Luckily, this same technology is helping us detect and respond faster to potential threats. We also see a growing risk in the digital interaction with business partners, because we do not control their security posture.

**5** Speaking of AI, how do we as a group use AI today?

**Oscar:** Analytical AI is in use within systems and solutions on various places in our organisation. But during the year of AI, especially generative AI, we have released our Internal GPT chat, making use of Azure OpenAI GPT4. It gives us the opportunity to safely use corporate data and enhance any aspects of business processes.

**6** How do you envision us as a group using AI in the future?

**Oscar:** Looking in near future we focus on processes that benefits or involves content creation, knowledge summarisation, analysis and natural language interaction. We also have a very skilled Business Intelligence team where data is converged, and analytical AI focus drives deeper data insights to understand our business and customers. It will bring foundation to chain these insights to generative actions. Looking further into the future as the AI technology matures, I envision our efforts will move closer and closer to our end customers, making it smoother for them to interact and do business with our companies, both digitally and in real life.



From left: **Oscar Lindholm**, Head of AI, Emerging Tech & Software Engineering, **Gonzalo Cuatrecasas**, Head of Cybersecurity.

## AI Mastering AI - Three Essential Guidelines

### 1. Educate

For decades we have been trained in traditional keyword-based queries (google search) where users rely heavily on specific keywords to obtain relevant results, guided by how search algorithms interpreted these terms. Now, users are encouraged to rethink their approach, focusing on clear, contextual questions or statements. This major shift not only simplifies the search process but also improves result quality by allowing to better understand and respond to the query's intent.

### 2. Mindset

Incorporate and embed AI in business processes and work culture, considering it an integral part of the overall strategy.

### 3. Testing

Do not rush AI products to market without thorough testing for biases and potential harm, especially in sensitive applications. Current generative AI models needs extensive testing and controls as the technology per design generate unpredictable output.

# Business Groups

## Did you know?

Driveline Solutions' largest water jet installation on a vessel can pump/spray 720,000 tons/liters of water per minute! Hypothetically, it would take approximately 30 hours to fill a space the size of the Colosseum with water at that pump speed.

**Driveline Solutions**

With a fleet of around 200 pumps operating inside toothpaste factories around Europe, collectively they pump approximately 15,000 kg of toothpaste every day. Enough to fill 200,000 tubes every day or 72 million tubes every year.

**Fluid Handling Solutions**

Over the past few years, Industrial Automation company, OCS, has installed more than 70,000 meters of overhead conveyors. It's like going around an Olympic-sized running track 175 times or up and down the height of Mount Everest four times!

**Industrial Automation**



The total length of steel wire rope sold by Lifting Solution this year could span the distance from the warehouse in Stockholm, Sweden all the way to the warehouse in Melbourne, Australia, and back again. That's a lot of steel wire making its way around the globe!

**Lifting Solutions**

Bearings are used in many everyday items. In a home, you will find about 100-200 bearings in various things. One of the biggest bearings ever produced is used on a giant radio telescope. With a diameter of 6.25 meters weighing 70 tonnes, it is equal to the weight of a blue whale.

**Power Transmission Solutions**

Lighting your surroundings with Transport Solutions Ozz Extra Lights nine inches. These powerful lights can brightly light up the road ahead, allowing you to see so clearly that you can detect a moose from an impressive distance of 680 meters.

**Transport Solutions**



## **Driveline Solutions / p. 29**

→ Win-Win with Remotorisation / p.31

## **Fluid Handling Solutions / p. 35**

→ Sunny Outlook for Water Supply in South Africa / p.37

## **Industrial Automation / p. 41**

→ How Team Spirit Solved a Conveyor Challenge / p.43

## **Lifting Solutions / p. 47**

→ Workplace Safety with Know-how / p.49

## **Power Transmission Solutions / p. 53**

→ Circular Approach to Bearing Reuse / p.55

## **Transport Solutions / p. 59**

→ Forankra Group Raises the Bar in Circularity / p.61

# Driveline Solutions

“In 2023, our primary focus has centered around increased collaboration among our companies and nurturing relationships with our existing customers. Proactive steps have been taken to improve our overall service capability offering even better expertise and comprehensive solutions. Advancing our presence in electrification and automation has shown good results, not only has it attracted new clients but also positively evolved our existing offering. Our sustainability efforts are focused on renewable energy, responsible sourcing, and the structural management systems of our companies. This work has had really good results throughout the year.

We have strengthened our online presence within the group, supporting our companies in transitioning towards e-commerce. In conclusion, a year marked by remarkable achievements establishing a robust foundation for continued success.”

**Jan Brattberg,**  
Managing Director, Driveline Solutions



## Propelling Technology Forward

In tune with the market trends, automation and electrification, Driveline Solutions is dedicated to staying at the forefront of innovation in the mobile off-highway, marine, and industrial driveline industry. The business group is a leading provider of driveline systems and covers all parts of the value chain, from development of systems and product supply to service and support as well as spare parts for end users in the aftermarket. The group consist of well recognised companies, characterised by high technical expertise and service capabilities and with an extensive background in the market.

The core offering comprises a range of products, including transmissions, brake systems, electric motors, electronics, marine gears, hydraulic components, and more. The products play a crucial role for the business group, however, the primary value provided comes from the ability to design and construct custom-made solutions. This is achieved through the combination of high-quality products with technology and application expertise, and development capabilities. This positions the group well to assist OEMs during the design and development phase of new machinery.

### Market Segments

- MINING · MARINE · AGRICULTURE
- FORESTRY · RAILROAD
- CONSTRUCTION
- MATERIAL HANDLING

106  
MILLION EUROS  
IN ANNUAL SALES

7  
COUNTRIES

13  
COMPANIES

# Win-Win with Remotorisation

The Polish Driveline Solutions company, IOW Trade, is a leading supplier of components for refitting or remotorising of ageing locomotives. An economically attractive and environmentally conscious way to renew fleets, costing only half as much as buying new locomotives.

If you visit Poland and catch sight of a goods locomotive on the state railway, there's a high chance it will be a refurbished model using a cooling system for a diesel-electric driveline installed by IOW Trade.

Poland has a large fleet of diesel-electric locomotives manufactured more than 50 years ago during the Soviet Union era. The oldest units are often in poor condition and equipped with old technology. Ordinarily they would go to waste, but a nationwide remotorisation programme is giving them a second life. "Remotorising prolongs the life of a locomotive at a much lower cost than buying new. And because it saves resources, it is more sustainable than building new locomotives from scratch," says Mirek Jach, Key Account Manager, IOW Trade.



Account Manager, IOW Trade.

"The economic value is high because the locomotive's main frame is extremely expensive. Provided the frame passes resistance and impact tolerance tests, it can work well for another 40 or 50 years. It's a great example of how we can optimise resource use and keep costs down."

## Takes up to two years

Remotorising involves much more than replacing the driveline and adding a new coat of paint. It is a complex and far-reaching operation that takes up to two years to complete.

"It is a demanding process because you have to carefully coordinate and plan with every supplier, including providers of cooling systems, fan drive systems, elastic couplings, and other components," Mirek says.

"When you remotorise or repower, you also have to achieve the same standards as a new locomotive built from scratch. It's not just about replacing a few parts and carrying on as usual. You need to upgrade the quality to today's standards across the board."

“Remotorising prolongs the life of a locomotive at a much lower cost than buying new.” Mirek Jach



- Leading distributor of traction drive systems, mechanical transmissions, power hydraulics, cooling systems and filtration technology.

- Founded in 1993

- Part of Axel Johnson International

- since 2017

- Headquarters in Poland

- Number of Employees 55

- Market Presence Eastern- and Central Europe



“The changes are very important for the customer and the individual user but are also beneficial for the environment. The emissions are much lower and safety levels are far superior. Everyone gains.”

Mirek Jach

#### From cargo to passenger traffic

IOW Trade specialises in supplying sub-systems used in repowering diesel-electric locomotives, which in Poland are used primarily for shunting but also for cargo transportation and in some cases for passenger services on non-electrified lines.

Since 2010, the company has helped remotorise hundreds of locomotives for customers that are upgrading their fleet to meet today's stricter regulatory standards.



A typical project involves stripping the locomotive down to its steel main frame – which typically remains fit for purpose even after decades of use – and replacing just about everything else, including the main engine.

#### Ring the changes

Incorporating a more powerful and energy efficient engine demands substantial modifications above the locomotive's floor.

Changes include installing a new generator set, an updated control system, an improved brake system, and a newly designed cooling system including fan drives. All IOW Trade's solutions are customised to fit the available space and meet requested performance levels.

“For drivers, it means gaining a new air-conditioned cabin, with ergonomic seat and comfortable conditions, camera and black box recorders and advanced safety warning systems,” Mirek says.

“The changes are very important for the customer and the individual user but are also beneficial for the environment. The emissions are much lower and safety levels are far superior. Everyone gains.”

#### Workplace improvements

The repowered locomotives are of different types and are refurbished to different standards. Some reach EU Stage 5, the highest European emissions level for that specific power range.

“Lower air pollution from a more efficient drivetrain is an important benefit, but we aren't just improving the technical aspect. We're also creating better conditions for the people who work in that workplace,” Mirek says.

Another priority is to improve conditions for people who reside or work in the vicinity of the locations where the locomotives operate by reducing noise outside as well as inside the cabin.

#### International dimension

Outside Poland, IOW Trade has remotorised a few locomotives in Lithuania and is in discussions with an operator in Croatia. The sister company IOW Bulgaria is also involved in similar projects.

For Mirek, seeing IOW Trade's remotorised units in action is a source of personal pride. “When I travel around the country with my family, I tell them ‘Look at that locomotive, it's got our new cooling system inside!’ It really makes me proud to think what we've achieved – for the country, for the drivers, and for the environment.”



# Fluid Handling Solutions

Today, customers are in search of a foremost partner for collaboration on the development of energy-efficient pump solutions and systems. In this sphere, AxFlow takes great pride in maintaining its preeminent position. Sustainable solutions are a topic that influences our market, as well as digital solutions. These trends have reshaped our approach to fluid handling solutions during 2023, reflecting our commitment to excellence in both domains.

With strategic investments in digital platforms to improve operational efficiency and streamline our offerings, our main goal is clear: to set the standard for top quality in our industry across all our markets. We have also intensified our focus on condition monitoring and service offering to equip our companies with the tools necessary to attain their goals. These achievements are much thanks to our employees, who with expertise and know-how, enable us to continue improving and excel in our day-to-day work.”

Ole Weiner,  
Managing Director, Fluid Handling Solutions



## Enhancing Fluid Management

The companies within Fluid Handling Solutions combine their strengths to redefine excellence in the fluid handling business under the unified brand of AxFlow. With focus on service and custom-made solutions, AxFlow Group operates in close collaboration with customers to deploy highly effective fluid handling technology, ensuring seamless production processes. Serving diverse industries, the group specialises in pumps, valves, mixers, heat exchangers, instrumentation, and related fluid handling equipment.

The companies within the group offer an extensive array of positive displacement pumps, encompassing gear, peristaltic, AODD (Air-Operated Double Diaphragm), metering, progressive cavity, and lobe pumps, alongside specialised centrifugal pumps as well as wide portfolio of valves. World-renowned suppliers are represented, and the group companies adds significant value through product selection, system design and construction as well as local service.

### Market Segments

- FOOD & BEVERAGE · CHEMICAL
- WATER & WASTEWATER · ENERGY
- PHARMACEUTICAL · PULP & PAPER

464  
MILLION EUROS  
IN ANNUAL SALES

30  
COUNTRIES

56  
COMPANIES

# Sunny Outlook for Water Supply in South Africa

A rural community near Pretoria underwent a transformative change as AxFlow / AQS Liquid Transfer (AQS) initiated a solar-powered water pump project. The project's success not only changed the daily life of the community for the better, but also presented the company with potential new business opportunities, highlighting the impact of innovative water supply solutions in resource-challenged regions.



Leon Fourie, Managing Director, AxFlow / AQS Liquid Transfer

It is said that small drops make the mighty ocean. The inhabitants of a small rural community close to South Africa's capital, Pretoria, understand the power of this proverb more than most. In mid-2023, local AxFlow company AQS initiated an installation of a solar-powered water pump for the settlement, near

Hartebeespoort Dam. The objective: to bring clean water from underground sources to the 3,000 people living there.

For an informal community lacking key amenities like electricity and basic healthcare, gaining ready access to drinking water was life changing. For the company, what was intended as a one-off community project has since sparked an unexpected business journey.

## Springboard for the future

"This didn't start out as a commercial venture," explains Leon Fourie, Managing Director of AxFlow / AQS Liquid Transfer. "But we discovered that if you contribute positively to a system or network, you get a lot of positivity back into your business. There's a lot of interest in what we've achieved, and this may turn out to be a commercial springboard for us."

The project began when a local music performer approached Leon and his team to ask for help in bringing water to the impoverished community living next door to his land.

Women from the settlement were walking six kilometres a day with wheelbarrows to bring in water – water that was often not safe to drink.



Serving the pump industry with a vast product variety that caters for the Mining, Industrial, Agricultural and Utility markets.

Founded in 1989

Part of Axel Johnson International since 2016

Headquarters in Pretoria, South Africa

Number of Employees 218

Market Presence South Africa





“The solution supplies 20,000 litres of clean water a day, which is ten litres per person – all supplied without fuel or batteries.”

Leon Fourie

#### Solar-powered pump solution

AQS specialises in pumps that extract water from boreholes for farmers and rural communities to use for drinking, irrigation and similar purposes. Its solar-powered pumps were ideal for the Hartebeespoort Dam settlement.

The bigger challenge was to find partners that could drill a borehole of more than 100 metres below ground, an ambition costing at least US\$ 8,000. On top of that came the difficulty of locating a clean water source, given that many groundwater sources in the area are polluted by wastewater and agricultural run-off.

#### Pooling resources

The company gathered several suppliers and partners that agreed to provide specific parts of the project and together share the

equipment and labour costs.

For all involved, what happened next felt like hitting the jackpot. “They started drilling and hit water already at 32 metres. That’s extremely unusual for an area that has probably 200 boreholes and where water has never been found at less than 100 metres,” Leon says. “It was almost like divine intervention – especially when we realised that the water was perfectly clean.”

Initially, the team assumed it had hit a clean pocket of water that would mix with another source and become contaminated – a familiar pattern in the local area. “But when we tested the water two weeks later it was clean. And it still is!” Leon smiles.

#### Meeting water needs

AQS’s pumps are ideal for conditions in South Africa, where electricity supply is unreliable

and frequent outages are a fact of life. The solar technology eliminates the settlement’s dependency on the grid for its water. Seven hours of sunlight per day are sufficient to power the pump and meet the community’s water needs.

“Drinking water on a daily basis is something we take for granted,” Leon says. “For this community, our solution has been transformational. It supplies 20,000 litres of clean water a day, which is ten litres per person – all supplied without fuel or batteries.”

#### New economic opportunities

Today, local people use the water they don’t consume to water their once-dry gardens and vegetable patches. The aim is to create a new food supply whereby growers sell their produce by the side of the nearby road, enabling them to earn a small income.

Although the project was gifted to the community, its impact has been such that Leon and his team now see longer-term commercial potential from similar ventures in the future.

“The fact of whether it’s commercial or charitable isn’t relevant. It’s a solution that works. It gives us a springboard to engage with partners that are engaging with other corporates and with international funding. Perhaps we could be the preferred supplier to future projects that attract international donor funds. Having come this far, it feels important that the success and energy isn’t shuttered in a corner but can be used to solve challenges in other places,” Leon concludes.

# Industrial Automation

## Automated Solutions in a Transformative Landscape

The most recent addition to the group is the establishment of the business group Industrial Automation, specialising in custom overhead conveyor solutions for surface treatment and material handling. Industrial Automation supports industrial companies to increase the degree of automation in their operations, focusing on three application areas covering multiple industrial segments, surface treatment, intralogistics and assembly.

The current group companies, OCS and Caldan Conveyor, have a global reach and are specialised in overhead conveyors, offering customised solutions including both hardware and software. The group has an ambitious growth agenda with the aim to build a robust european cluster of automation companies with a global presence. With a preference for companies in selective niches with excellent technologies, products, and renowned brands, the group is actively pursuing strategic acquisitions in new market segments and locations.

“As demand rises and competition grows, companies adopt automation to enhance efficiency, reliability, and safety. We aim to guide customers toward automation, addressing structural trends such as reshoring and labour shortages. Our group is well positioned to embrace this shift, and by acquiring and partnering with like-minded companies, we seek to further strengthen our capabilities.

Despite 2023’s challenging economic climate affecting the industrial sector, our global reach and strong customer relationships have driven growth. I look forward to forming new partnerships with companies who resonate with our values, vision and aspiration to become a leading network of independent yet interconnected entities in the upcoming years. Confident in our position, we’re prepared to cater to the growing need for automation and support industries in their transition to automated processes.”

**Anton Kullh,**  
Managing Director, Industrial Automation



### Market Segments

- VERTICAL FARMING
- AEROSPACE · CONSTRUCTION
- AUTOMOTIVE · MICRO-MOBILITY
- HOME-APPLIANCE & ELECTRONICS
- GENERAL INDUSTRY

38  
MILLION EUROS  
IN ANNUAL SALES

7  
COUNTRIES

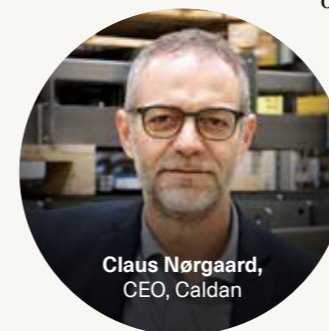
2  
COMPANIES

# How Team Spirit Solved a Conveyor Challenge

Facing an unexpected production surge, Danish Industrial Automation company Caldan Conveyor rose to the challenge, doubling the size of an overhead system for a German heat pump manufacturer's new plant in Slovakia. With a tight timeframe and a collaborative spirit among Caldan, Czech customer ITS, and end-customer Vaillant Group, the project not only met its demanding requirements but also showcased the power of teamwork and innovation.

The increased need for energy-efficient technology after the Ukraine invasion meant that when a German heat pump manufacturer asked our Danish Industrial Automation company Caldan Conveyor to build an overhead system for its

new plant in Slovakia, it seemed like any other routine order. But a surprise was in store for Caldan CEO Claus Nørgaard and his team a few weeks later. Production was already under way when the customer called to say that market demand was rising so fast it needed a solution twice the



Claus Nørgaard,  
CEO, Caldan

original size.

"We were already constructing a huge conveyor, with annual capacity to convey 150,000 heat pumps to the customer's paint shop. So, it was a bit of a nice surprise to hear they wanted to double output to 300,000 units," Claus recalls.

Suddenly it was unclear how the project – a three-way collaboration between Caldan, its Czech customer ITS, a paint plant construction specialist, and end-customer Vaillant Group – could be delivered.

## Urgent brainstorm

"We pulled the handbrake, travelled straight down to Vaillant with our technical manager and spent two days in Germany on the drawing board sketching and working out how to do it within the factory footprint," says Caldan Project Manager Marcus Henningsson. "We came up with a solution that was even better and more flexible than the first one."

The next challenge was to build and deliver the solution in the tightest of time frames. According to Marcus, the key success factor was the strong relationship between the Caldan and ITS teams.



A global leader in the surface treatment industry, specialising in the design, manufacturing, and installation of conveyor systems customised for surface treatment, material handling and intralogistics applications.

**Founded in** 1963

**Part of Axel Johnson International since** 2020

**Headquarters in** Galten, Denmark

**Number of Employees** 162

**Market Presence** Denmark, Sweden, France, Germany, UK, India and China.



“We’ve been working with ITS for ten years and our values are aligned. We know each other. It’s easy to work in a trusting and supportive environment. That kind of teamwork, along with the end-user’s backing, is the recipe for success,” he says.

Claus adds: “The points of difference were the team spirit at Caldan and the close cooperation with ITS and Vaillant to work together to pull this off in such a short time. You can achieve a lot with team spirit, shared values, and trust.”

#### Careful supplier selection

Caldan’s ability came as no surprise to Vaillant. The German company carefully selects its suppliers, making sure they share its approach to quality, delivery excellence and sustainability.

“Vaillant has a tremendous focus on sustainability when it comes to recovering heat and reusing process water. They have their own water treatment plant, and they look closely at the fine details,” Marcus says.

When building the Slovakia plant, the company discovered that a rare species of frog inhabited



the area. Decision was made to build a frog tunnel on the factory access road to make sure the amphibian was protected. These are some of the active measures taken to protect biodiversity when building the factory as well as including solar panels on the roof.

“At Caldan we embrace the sustainable loop approach. Vaillant like to work with us because we share their goals. It’s great working with a company that has those values. The frog tunnels have a symbolic value,” Marcus says.

#### Conveyor junction

Inside the plant, the Caldan overhead conveyor looks like a giant jumble of colorful rails. Some 3,385 metres of chain, crammed into a confined area, transport one product wagon every 26 second.



The wagons carry heat pumps for pre-treated and painting of their sheet metal surfaces. Then the wagons convey the treated units to an oven for drying.

In all, the plant has 16 stations where different models with different parts and colours are treated.

“It’s a challenge to build a system that can handle that level of complexity while painting a huge quantity of different parts. But it gives the customer great production flexibility and allows them to scale up for future products,”

Marcus says.

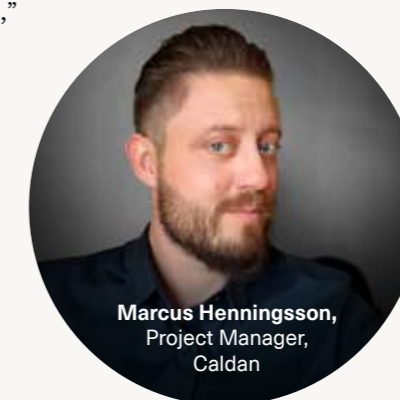
#### Ambitious standards

High environmental standards are visible in the energy-efficient conveyor motors and Caldan’s commitment to use water-based paint.

Claus says: “We also have high health and safety standards around our operations, and we require suppliers of all solutions to have the appropriate environmental certificates. In addition, 95 percent of our suppliers have signed the Axel Johnson International Supplier Code of Conduct.”

For Caldan, the project has opened new doors. It is now working to provide Vaillant with a conveyor for its new heat-pump factory in France. Caldan will be Vaillant’s preferred supplier for conveyors when it builds new production sites.

“Part of our strategy is to deliver to responsible customers,” Claus says. “ITS is a responsible customer and we know for sure that Vaillant is. We care about our customers, our colleagues and our surroundings. That makes a difference when you’re working on complex, demanding projects.”



Marcus Henningsson,  
Project Manager,  
Caldan

## VAILLANT GROUP

### Double up for Vaillant!

Factory Planning Manager at Vaillant, Fabian Struif, was asked to double the capacity at the new plant that was about to be built. A mission that most would consider impossible.

Fabian reveals: “My first thought was, it’s manageable, but not within our existing timeframe because the production start date was already fixed. Caldan and ITS proved me wrong!” Just nine months later, the factory was ready. And although the conveyor system and paint line had been finalised in record time, the first trial run of the painting process went like clockwork. Fabian admits to being astonished that a collaboration involving multiple cultures and mindsets – German, Slovakian, French and Scandinavian – could work so smoothly. “It was very impressive – and a sign to me that the collaboration between Caldan and ITS was not a first try but that these two partners were highly experienced in working together,” he says. “Without that strong collaborative effort from all sides such outstanding performance would not have been possible.”



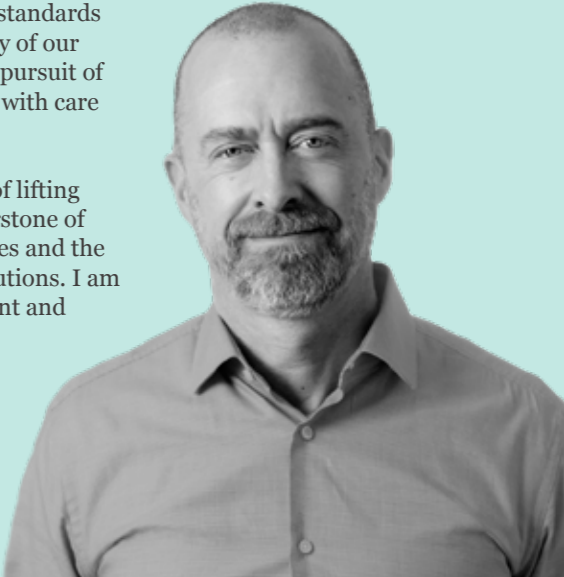
Fabian Struif, Factory  
Planning Manager, Vaillant

# Lifting Solutions

“As the incoming MD of Lifting Solutions during 2023, I am impressed and proud of how we really proved our commitment to excellence. We are not only lifting equipment providers; we’re pioneers in setting higher standards for a more sustainable and efficient lifting industry. The safety of our employees and clients is a top priority, which aligns with our pursuit of innovation, ensuring that we deliver optimal lifting solutions with care and responsibility.

In a year with challenging business environment, our group of lifting companies managed to set a new financial record. The cornerstone of this success is built upon the great know-how of our employees and the high ambitions to be the global leading provider of lifting solutions. I am convinced that our group will continue the strong development and growth.”

**Mattias Jaginder,**  
Managing Director, Lifting Solutions



## Elevating Standards for the Lifting Industry

Lifting Solutions, a global leader in lifting equipment and steel wire rope, consists of a group of companies with a deep know-how and a successful history, spanning over centuries. Together, the group companies supply wire rope, hoists, overhead cranes, and other lifting products together with a wide range of related services. Driven by the vision to be the preferred provider of lifting solutions, their commitment extends to growth and continuous development in key areas such as safety, digitalisation, numerous services, and sustainability.

The group has expanded significantly over the years, now uniting companies in 19 countries, catering to diverse sectors, including renewable energy, industrial manufacturing, ports, construction, offshore, pulp and paper, mining, and steel. Clients can consistently rely on receiving high-quality customised solutions.

### Market Segments

- RENEWABLE ENERGY · MARINE  
· PORTS · CONSTRUCTION  
· CLEANROOMS · INDUSTRIAL  
MANUFACTURING · MINING  
· ENERGY

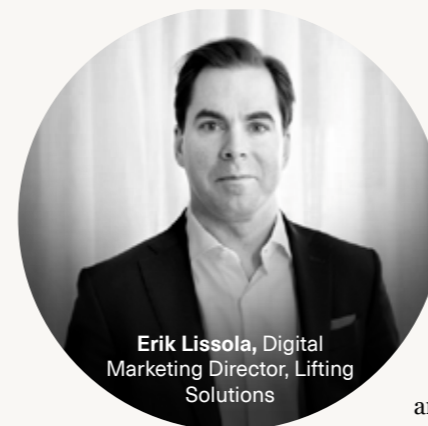
460  
MILLION EUROS  
IN ANNUAL SALES

19  
COUNTRIES

24  
COMPANIES

# Workplace Safety with Know-how

Lifting Solutions developed a knowledge-based approach to lifting safety that aims to make lifting workplaces safer and reduce accident rates to zero. The concept – Lifting KnowHow – deploys the expertise of the group and its companies on multiple levels to make lifting as safe and efficient as possible.



Erik Lissola, Digital  
Marketing Director, Lifting  
Solutions

Accidents and personal injuries are an everyday hazard in the lifting industry. Therefore, systematic safety procedures are essential. Applying the right knowledge and expertise during equipment manufacture and distribution can make a huge difference in minimising risks and protecting people's health and safety.

"Lifting KnowHow is about sharing our experience, expertise and values to the market," explains Erik Lissola, Digital and Marketing Director at Lifting Solutions.

"Safety is at the core because it's always our first and highest priority. Additionally, Lifting KnowHow is also about supporting the customer to make the right choices for their business. This is a differentiator that sets us apart from the competition."

## Invaluable knowledge

Lifting KnowHow enters the picture every time a customer contacts one of our companies with a lifting inquiry. "We share our knowledge in all areas – whether the customer wants advice on product and equipment selection, help for a specific lifting job by using our service offerings, or assistance with equipment recertification," says Erik.

Experience-based input can be invaluable. An advanced and heavy-duty lifting solution that is suitable for, say, a mining company may not be the best or most cost-efficient choice for a manufacturer that uses the equipment for more random or easy tasks. In such instances, Lifting Solutions uses its product and segment know-how to recommend the most appropriate solution.

Erik continues: "Customers naturally want cost-efficient solutions, and many also take safety seriously. It's an advantage for them to work with a specialist that has the knowledge to advise them on what is the best solution for them. Because we know the use case, we can provide that expertise."

## Sustainability in action

Supporting customers to achieve safety and cost efficiency is about more than economic gain; it reflects Lifting Solutions' mission to embed sustainability in everyday operations.



“Advising customers on the best solution to maximise their cost efficiency and minimise downtime is very much about sustainability, just as it is when we help them operate more safely by ensuring our products are continuously safe to use,” Erik says.

#### Knowledge excellence in Denmark

Certex Denmark is one of the Lifting Solutions group companies that daily benefits from Lifting KnowHow in their business. The company uses the expertise it gathers from working closely with customers to adopt practices that reduce risk and keep end-users safe while optimising product quality.

“Lifting KnowHow is at the heart of our culture, it’s our backbone. Our shared ambition is to use our knowledge for a safer lifting workplace with zero lifting accidents,” explains Majbritt Petersen, Managing Director at Certex Denmark.

#### Optimising service and technical support

The aim is to give the customer the best possible service and technical support in all situations. The company proactively shares its knowledge every time a customer gets in touch for equipment advice, help with product selection or an opinion about a specific lifting job.

“Our customers are purchasing an experience that includes using our help to get a problem solved, so we are selling a process. We go through everything to see what they need. This is what Lifting KnowHow is all about: adding value and not just being a product supplier,” Majbritt explains.

#### Developing training and skills

Training and internal knowledge-building are vital cornerstones. Delivering best-in-class expertise to customers requires all employees to have the right tools and skills – and remain updated on latest product and industry trends.

“Lifting KnowHow is about providing customer satisfaction, but it’s also about keeping our employees happy and ensuring they always have the knowledge they need in every situation,” Majbritt acknowledges.

“We are known as a company that stands for training and supports people to improve personally and professionally. That helps us attract good employees to work for us and to retain them too.”



Ida Brodde, Marketing Manager, Certex Denmark and Majbritt Petersen, Managing Director, Certex Denmark

#### It's in our DNA

Ida Brodde, Marketing Manager at Certex Denmark, says sharing know-how is in the company’s DNA. “It puts your brand on the map, and you become the source of knowledge,” she says. “We want to make sure that every time a customer searches for a product or service, they can find our KnowHow and use it to make the right service or product choice.”

**We are known as a company that stands for training and supports people to improve personally and professionally. That helps us attract good employees to work for us and to retain them too.”**

Majbritt Petersen

Engineering companies are sometimes cautious about sharing their expertise for fear of giving their competitors a helping hand. Certex Denmark takes the opposite approach. It transparently shares knowledge online – a strategy that not only has enhanced the company’s visibility but also boosted its online presence.

#### Thought leadership

Ida explains that in 2020 the company began converting their know-how in products, industry trends and challenges into a format suitable for the growing online visitor. Since then they have developed a dedicated knowledge hub on their website where people can go to search for information about lifting, lifting equipment and related concepts.

Several of the company’s web pages now top the Google rankings. The result: Certex Denmark is today seen as a thought leader in the lifting sector. In fact, Lifting KnowHow pages are today the most visited part of the Certex Denmark website. Analytics show that they are more than just informative; they are directly responsible for converting leads into sales opportunities.

“Our online sales are increasing,” Ida says. “So even though we share our knowledge online, it’s not taking away business. It adds value instead.”

## Lifting KnowHow and Sustainability

Lifting KnowHow is the core of the sustainability strategy, which essentially means prioritising customers’ occupational health and safety by advising them on optimal use, inspection, and maintenance of lifting equipment. Advises that also lead to extending the lifespan of products and reducing the usage of resources.



# Power Transmission Solutions

In 2023, Power Transmission Solutions achieved great success with record breaking levels both for sales and results. We have made four strategic acquisitions while also making significant progress toward our long-term sustainability goals, increasing our share of renewable energy to an impressive 80%. We have continued to advance our workforce diversity and seeing success in innovative solutions for our customers, including remanufacturing and maintenance services.

In conclusion, these accomplishments not only showcase the dedication within our companies but also lay the foundation for sustained success and long-term contributions.”

Ola Sjölin,  
Managing Director, Power  
Transmission Solutions



## Driving Industrial Precision for Demanding Applications

Power Transmission Solutions ambition is to be the Pan-European Power Transmission and Motion Control supplier of choice to industrial customers with demanding applications, whilst valuing technical expertise. By offering excellent availability, high level of technical competence and flexible manufacturing capabilities the aim is to become the leading technical solution provider across Europe.

The group’s product and service portfolio include bearings, industrial transmissions, seals, electric motors, and related engineering services. The offering relies on leading global suppliers of quality products, built upon strong and long-standing relationships. The combination of premium products, experience, and know-how about customer applications is the core value of the offering. Notably, IMAnalytics, a private label condition monitoring solution, strengthens the portfolio of premium power transmission solutions.

362  
MILLION EUROS  
IN ANNUAL SALES

Market Segments  
STEEL · PULP & PAPER · FOOD &  
BEVERAGES · AUTOMATION  
· RENEWABLE ENERGY

14  
COUNTRIES

37  
COMPANIES

# Circular Approach to Bearing Reuse

Remanufacturing extends the life of a bearing while reducing its lifecycle cost, including a reduced use of resources and a lower climate impact. Swedish companies Sverull and Nomo are two examples of Power Transmission Solution companies leading customer collaborations to renovate and reuse steel bearings supporting their customers towards more circular solutions.

Photo: SKF

Separate collaborations, involving Sverull and Nomo, to recycle and reuse worn steel bearings, not only saves costs but also conserves valuable resources and reduces the carbon footprint for major Swedish manufacturers.

The core of both initiatives is remanufacturing of used bearings to its original specifications using reused, repaired, and new parts instead of making a new product. This creates an innovative loop that saves time, money, and raw material. The remanufacturing of bearings is gaining popularity among large industrial customers and is advancing sustainability in traditional industries.

## Cutting emissions and costs at Swedish paper mills

One of Sverull's customers is a world leading company in high-performing paper and packaging materials whose plant in the Swedish city of Norrköping, is one of Europe's largest paper mills. The bearings on its paper rollers are critical to the production of premium-quality kraft printing paper.

As part of their strategy to cut CO2 emissions and become climate neutral, the customer got together with Sverull to discuss how to reduce the supply chain carbon footprint.



Per Helgesson, Key Account Manager, Sverull

"They were looking at everything that could help them achieve climate neutrality, and one part was to try to reduce their consumption of bearings," says Per Helgesson, Key Account Manager at Sverull. "We created a systematic loop for them that would enable their bearings to be remanufactured, meaning they would be refurbished rather than be sent for scrap. This saves a lot

of CO2 but it also has financial benefits, as a remanufactured bearing costs only 70 percent of buying a new one."

That saving is multiplied because the bearings on which the paper rollers rely can be reprocessed four to five times, vastly extending their lifetime.

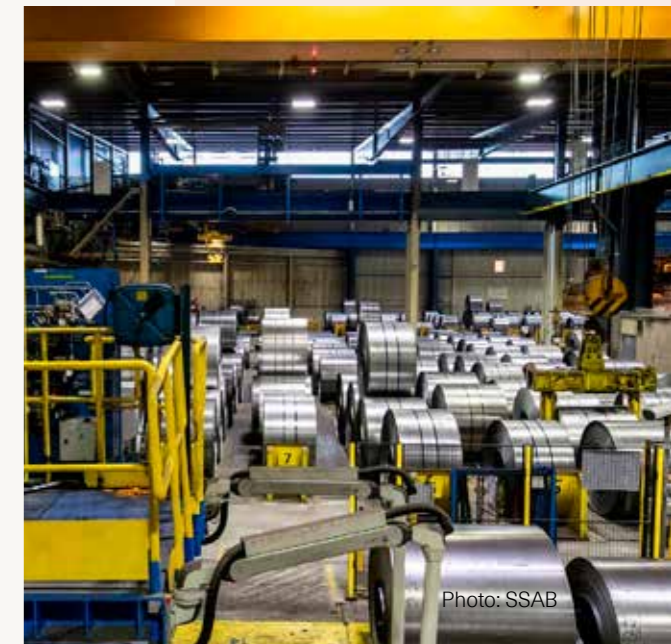


Photo: SSAB

## Sverull

Leading company in industrial services, mechanical maintenance, and product sales with expertise in electromechanics, bearings, transmissions, seals, and pumps.

**Founded in** 1970

**Part of Axel Johnson International since** 2007

**Headquarters in** Jönköping, Sweden

**Number of Employees** 105

**Market Presence** Sweden

## nomo

A leading multi-brand specialist for mechanical transmission products and related services for the Nordic industry.

**Founded in** 1948

**Part of Axel Johnson International since** 2000

**Headquarters in** Täby, Sweden

**Number of Employees** 176

**Market Presence** Sweden, Finland, Norway, Denmark, China



Photo: SKF

“Last year, one customer plant saved 2.9 tonnes of CO<sub>2</sub> through bearing remanufacture. That’s equivalent to a car journey of more than 24,000 km.”

#### Early damage detection by preventive maintenance

The collaboration involves preventive maintenance technicians inspecting bearings for wear, removing bearings for remanufacturing, and sending them to Swedish bearing manufacturer SKF for reprocessing. Sverull then replaces the removed components with remanufactured bearings it keeps in stock.

The customer bearings are produced to order. In the past, this meant waiting for six to ten months for new ones. Using remanufactured bearings directly from Sverull’s inventory significantly shortens lead times. The warranty for a remanufactured bearing is the same as for a new, and the expected lifetime is identical.

Sverull’s Managing Director, Fredrik Stjernholm, says the loop enables the customer to secure its supply chain. “During the pandemic our service meant that the customer had no problems supplying bearings for their machines, even when supply chains virtually collapsed. If a bearing fails, they know they can be up and running very quickly with a remanufactured component.”

#### Reducing the carbon footprint

The environmental benefits are also

substantial. As well as contributing to sustainability by maximising the bearing’s lifetime, each remanufactured bearing helps reduce carbon emissions.

Per says: “Last year, one customer plant saved 2.9 tonnes of CO<sub>2</sub> through bearing remanufacturing. That’s equivalent to a car journey more than halfway around the globe.”

Fredrik says the project is a perfect example of how Sverull can help customers optimise their processes and improve their value chains.

“Our whole strategy is to be a partner for safe, reliable, and sustainable operation,” he says. “It really lines up with our desire to create customer value through sustainability and cost efficiency.”

#### Pioneering a strategic alliance

More than 20 years ago, Nomo started a collaboration with Swedish steelmaker SSAB to cut costs within the steel production by refurbishing worn-out bearings instead of throwing them away. This initiative led to a collaboration involving Nomo, SSAB, and Timken, a global leader in bearing manufacturing.

At SSAB, Nomo assumes an important role in overseeing the remanufacturing possibilities of worn industrial bearings employed in the

rolling of high strength strip steel, some of which weigh up to 80 tonnes. Subsequently, these bearings are dispatched from Nomo’s service centre to Timken’s facility in Romania for the recycling process.

#### Exemplary expertise in a demanding task

The evaluation of bearings demands a high level of proficiency gained over years of experience. Typically, the bearings are analysed in Nomo’s facility servicing the housings that accommodate the bearings. These housings are consistently refurbished after pre-defined service intervals and rarely need replacement.

Sales representative at Nomo, Johan Östholm, has gained extensive expertise in bearings, specifically those used within the steel industry. Johan is tasked with evaluating SSAB’s bearings, approaching their service life, and identifying candidates for remanufacturing.

“Mastering the visual analysis of bearings and estimating their ability for remanufacturing demands considerable time,” Johan asserts. “It’s based on mutual trust between the customer, Nomo, and Timken.”

He underscores the critical importance of timely action, and the need to prevent bearings from surpassing their optimal remanufacturing threshold. “The material wears out gradually, and we cannot afford the risk of bearing failure, potentially incurring millions of euros in downtime.”

#### Significant efficiencies

The bearings used represent some of the

largest and most expensive in the industry and refurbishing them amounts to approximately half the cost of procuring new ones. The cost savings are substantial as well as savings in CO<sub>2</sub> emissions.

“Our collaboration has meant significant savings for SSAB, over the past decade and a half,” Johan explains. “Previously discarded bearings are now contributing to a sustainable and profitable business model benefiting both sides.”

When a bearing need replacing, Nomo promptly supplies identical remanufactured bearings from the inventory. This quick replacement approach helps SSAB save money by avoiding the long delivery times for new bearings. Johan has witnessed an increase in interest among manufacturers to refurbish bearings instead of throwing them away, driving a surge in remanufacturing demand. This upswing has led to extended lead times. Still, it is notably quicker, more cost-effective, and sustainable alternative compared to buying a new one,” Johan concludes.



Johan Östholm, Sales Representative, Nomo



Photo: SSAB

# Transport Solutions

“In 2023, we increased collaboration within the groups Forankra and Vehicle Components, resulting in significant advancements in our business and product offerings for our customers. One noteworthy achievement is the successful launch of our new lighting brand, OZZ, which captured market shares in vehicle lighting, both in the Nordic region and internationally. Recognising the impact of ongoing research and development (R&D) and assortment enhancement, we understand the importance of these areas in strengthening our position in 2024.

Our commitment extends to maintaining a focus on operational efficiency, with a particular emphasis on digitalisation. This strategic approach aims to provide our customers with an improved and more efficient service. As we look ahead, our primary target for the upcoming year will center around our commitment to sustained growth and enhanced customer satisfaction.”

**Erik Eklöv**  
Managing Director, Transport Solutions



## Reliable Cargo Solutions and Transport Accessories

Transport Solutions is the largest cargo securing group in Europe and a leading player for accessories and equipment in the commercial vehicle sector, with a vision of setting new standards in cargo securing and vehicle components. Aiming to have a full assortment within ranges in cargo securing and accessories, the group engage with OEM and body builder customers from the planning phase up until delivery. Whether it's mass-produced truck systems or specialised vehicle customisations, the groups companies are well-equipped for any project.

The core competence lies in supplying customers with the best market-available products and solutions. This demands high availability, efficient distribution, and a continuously evolving product range to meet changing customer needs. Staying at the forefront involves extensive product expertise, close supplier partnerships, and a deep understanding of customer requirements.

### Market Segments

BODYBUILDERS · AUTOMOTIVE · CAR  
& TRUCK RESELLERS · MACHINERY  
& VEHICLE IMPORTERS · MILITARY  
· AIR & SEA FREIGHT

245  
MILLION EUROS  
IN ANNUAL SALES

9  
COUNTRIES

21  
COMPANIES

# Forankra Group Raises the Bar in Circularity

Forankra Group, a leading European supplier of products, solutions, and services for cargo securing within the Transport Solutions business group, has introduced a repair and reuse approach for its components in France.



A new circular service in France is raising the bar – literally – for Forankra Group's double-decker transport optimisation system, XtraDeck. By refurbishing components when they wear out and reselling them to the customer, Forankra is reducing carbon footprint and saving resources for hauliers – and creating a new business opportunity.

XtraDeck is an award-winning system to optimise freight load volumes. It uses horizontal aluminium load-bearing bars to create a second floor inside a truck, doubling the load capacity. The

bars, attached to rails on the truck wall, enable vehicles to carry 66 pallets instead of the standard 33.

Forankra France is part of the Forankra Group within business group Transport Solutions since 2007. Forankra Group is a leading European supplier of products, solutions and services for cargo securing.

## Repairing aluminium bars

Over two decades, XtraDeck has been a popular choice among European hauliers. Now, Forankra France has taken the concept a step further by offering customers the possibility to repair worn or defective bars. After refurbishment, the bars are returned to the customer for new use.

"It is all about rehabilitating and giving a second life to a component made of aluminium, a material that can be used several times and is also expensive to manufacture," says Virginie Guillot, Marketing Manager at Forankra France.

"Our customers are very mindful of minimising their carbon emissions. They also want to reuse as much material as possible. Our reuse system helps them to achieve these goals."



Forankra Group is a leading European supplier of cargo-securing, cargo optimisation and lifting equipment.

**Founded in** 1984

**Part of Axel Johnson International since** 2007

**Headquarters in** Gothenburg, Sweden

**Number of Employees** 200

**Market Presence** Scandinavia, Poland, Bulgaria, Czech Republic, Slovakia, Hungary, Romania, Netherlands, Germany, France, Spain, Portugal, UK, Ireland



Virginie Guillot, Marketing Manager, Forankra France

**An end-to-end service**

The approach is straightforward. Customers remove worn or defective bars from their trucks and, instead of throwing them away, store them for collection by Forankra France. When the bars arrive at the company’s workshop in Lyon, they are repaired in about a fortnight. Then Forankra returns them to the customer. Bars that cannot be repaired are sent for recycling.

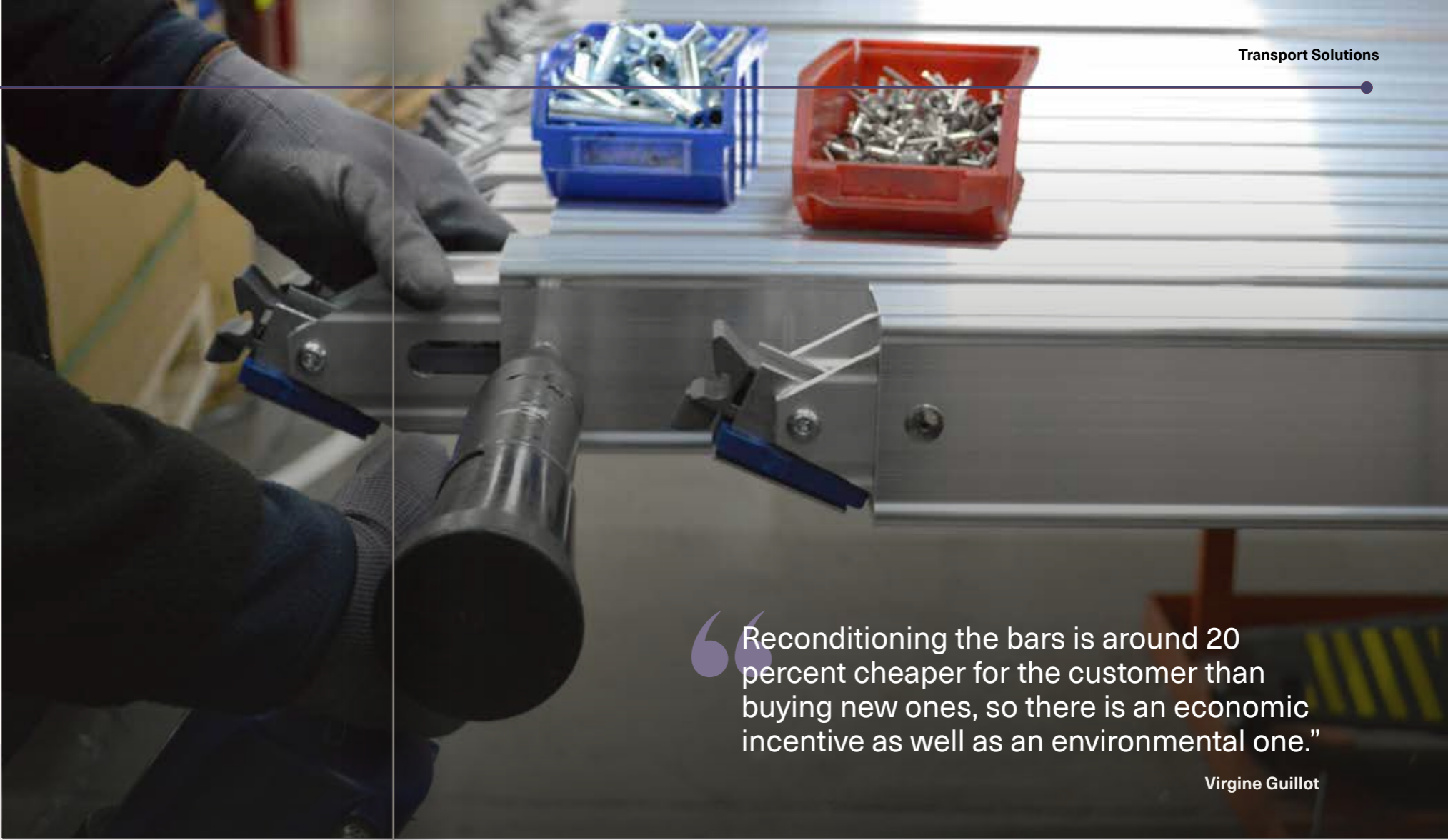
The nature of heavy goods transport by road means that the components must withstand tough conditions. Eventually, the aluminium bars that support heavy loads wear out or fail.

“Reconditioning the bars is around 20 percent cheaper for the customer than buying new ones, so there is an economic incentive as well as an environmental one,” Virginie says.

**Positive market feedback**

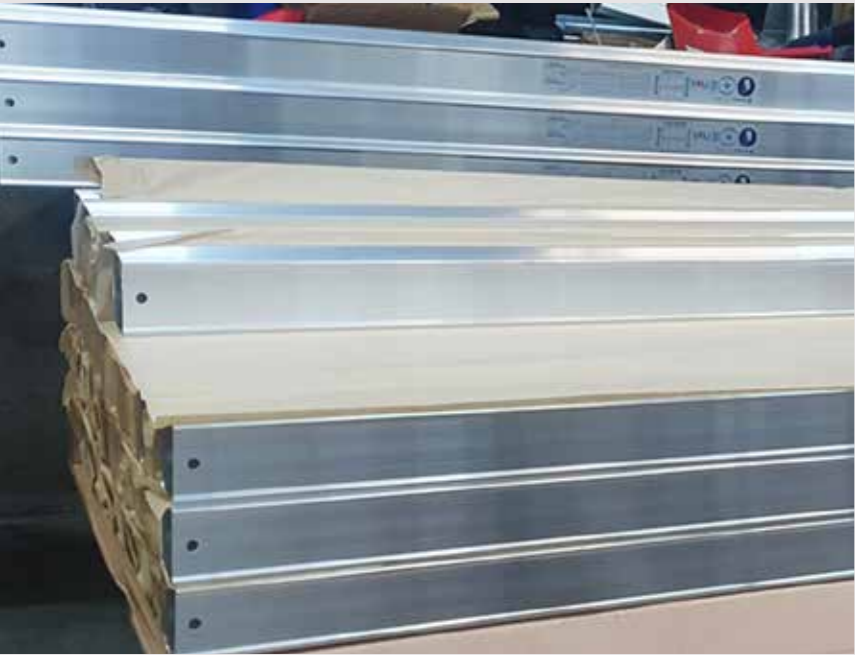
The project was introduced on a test basis in 2022 with two key customers. Reaction from these and other partners has been so positive that Forankra plans to roll the service out across the French market, starting in 2024.

“The customers are very happy and fully



“Reconditioning the bars is around 20 percent cheaper for the customer than buying new ones, so there is an economic incentive as well as an environmental one.”

Virginie Guillot



“It also makes a difference for our customers to work with a partner that is truly committed to new solutions and circularity.”

Virginie Guillot

engaged in the concept. They want to increase the number of beams they send for repair as this is a major cost for them. It also makes a difference for them to work with a partner that is truly committed to new solutions and circularity,” Virginie explains.

The pilot project has involved collaboration with the French subsidiary of European transport company Kuehne+Nagel and the French automotive parts company Almea. After these test phases, other customers are very interested in starting this refurbishing process in 2024.

**Environmental and financial gains**

Virginie stresses that, for all parties involved, the environmental benefits of the conditioning service go hand in hand with financial benefits. “For us, it is very important to improve our partnerships and provide a high level of service to our customers. For them, it is crucial to be

able to continue their activity without having to wait for parts. The XtraDeck aluminium reuse is a good opportunity to make sure we continue to do business together,” she says.

**Closing the loop**

For Forankra France, the reconditioning service has also enabled it to close the loop in at least one part of its aluminium parts process. The company now has a five-step product lifecycle – manufacture, use, collection, repair, refurbishing – that is truly circular.

After the full French rollout, the next step will be to introduce it in other Forankra Group companies in Spain, Poland, the UK and potentially Sweden.

“We hope it will be possible to build on the strong interest in France,” Virginie says. “We see good opportunities in the other Forankra markets too.”

# Financial Overview

19,2

billion SEK in net sales

**All time high!**

1,6

billion SEK in result

18%

in sales growth  
whereof 7% organic

## A Year of Resilience

**The year began with various continued challenges, from supply-chain disruptions caused by the pandemic and ongoing global conflicts to increasing inflation and general market uncertainty. Supplier lead times normalised during the year and became both shorter and more predictable, leading to destocking activities throughout the distribution system. It is however precisely in such trying times that the strength of an organisation is put to the test. We demonstrated resilience, navigating these obstacles with skill, and emerged stronger and more prepared than ever.**

Financially, our performance was nothing short of exceptional. Our turnover soared to new heights, and our profits also reached record levels, all in line with our pursuit of profitable growth. In 2022, we decided to momentarily halt our acquisition lead generation considering the increased market uncertainty and geopolitical unrest, but also aimed to reduce our level of indebtedness.

This strategic pause strengthened our balance sheet, giving us the financial flexibility needed to restart and increase our acquisition momentum. In 2023 we have gradually intensified our dialogue with several very interesting acquisition candidates and look forward to accelerating our acquisition journey going forward.

When it comes to sustainability, our focus and commitment has been unchanged. A notable achievement was our decision to tie all our external loans to sustainability targets, underscoring our dedication to reducing our footprint and actively contribute to the global sustainability goals. This strategic choice was not an isolated event, it symbolises our enduring commitment to include sustainability throughout our operations, securing the foundation of our future success. Furthermore, we broadened our global

banking partnerships to better align with our international operations. This move has fortified and streamlined our financial processes, providing enduring benefits. With multiple central bank agreements now covering our geographical presence, we have secured access to capital both centrally and for our subsidiaries and increased our ability to support our companies better.

In summary, the year has been characterised by many achievements, both strategic adaptability and resolute decision-making. Let us continue to work collectively towards our objectives and uphold the high standards that have come to define us.

**Ola Karlsson,**  
Chief Financial Officer



# Two Steps Ahead with Financing

**With increased sustainability ambitions, the group has integrated sustainability-linked loans into the financing strategy. These loans involve concrete and measurable goals, and if these goals are achieved, the group not only receives a more favorable rate but also reduces its carbon footprint. Carl Brättemark, Group Treasurer, and Catharina Samuelsson, Head of Group Control, share their insights.**

## **Why integrate sustainability-linked loans in the financing strategy?**

“We have dedicated several years to sustainability efforts, and with increased ambitions, it has become possible to link the group’s financing to this work. Sustainability-linked loans with specific and measurable goals offer a more favorable rate if the targets are reached, but more importantly, they result in lower carbon emissions,” says Catharina.

## **This work began relatively recently, what is the next step?**

“The first linked loan was signed in 2021, and since then, all existing and new financing with a total of three lenders has been linked using the same structure,” says Carl and continues, “The goals are linked to energy efficiency in our own operations and internal transportation within the group, corresponding to Scope 1 and 2 according to the Greenhouse Gas Protocol standard. The third goal is about renewable energy production, a crucial aspect of reducing the group’s carbon emissions. Looking ahead, we will focus on including Scope 3, which addresses emissions arising in the value chains of our operations.”

## **How have the reactions been from our stakeholders?**

“Positive! Our owner Axel Johnson have been clear from the start, sustainability is a priority, and it is through business that the most

significant sustainable change can be made,” says Carl. He continues, “Sustainability-linked financing is expected from us, just as our group companies are expected to have a strong focus on sustainability. The linking clarifies that this is important and can lead to cost savings in several areas.”

## **Are there economic benefits from integrating sustainability into the financing strategy?**

“Absolutely! More and more companies are linking their financing to sustainability goals to clarify their ambition in the transition. It’s crucial to be prepared as new directives and legislation is rolled out in the coming years. When goals are reached, a margin discount is activated, but there is also a penalty mechanism if they are not met, providing a clear incentive to pursue sustainability efforts,” says Carl. Catharina elaborates, “Today, cost savings are possible in the programs, but the conviction is that companies that do not link sustainability in the coming years will face a more challenging financing situation. We are well-positioned and have strong financing opportunities, continued commitment to sustainability-linked financing is crucial.”

## **You have collaborated with the sustainability team in this strategy, how has that worked?**

“Without close collaboration with the sustainability team, the work would have been very difficult, if not impossible. It has been a prerequisite for data collection, structure, and negotiation with lenders,” says Catharina. Carl concludes, “Goals are discussed continuously, and the sustainability team is highly involved in identifying and guiding which goals are most relevant, realistic, yet still ambitious.”



**Catharina Samuelsson**, Head of Group Control and **Carl Brättemark**, Group Treasurer

## SUMMARY FINANCIAL INFORMATION

## Key figures

MSEK	2023	2022	2021	2020	2019
Sales	19,187	16,275	12,938	11,632	12 095
Profit after financial items	1,319	546	421	472	329
EBTAX (Profit <sup>AX</sup> )	1,633	1,322	999	816	745
Cashflow from operating activities	1,364	567	519	977	423
Return on capital employed %*	23	11	10	10	8
Average number of employees	5,756	5,393	4,975	4,436	4 371

\*Excl. Effect on capital gains and loss

## Consolidated income statement

MSEK	2023	2022	2021
Net sales	19,187	16,275	12 938
Cost of goods sold	-12,879	-11,070	-8 822
<b>Gross profit</b>	<b>6,308</b>	<b>5,205</b>	<b>4 116</b>
Selling expenses	-3,266	-3,209	-2 635
Administrative expenses	-1,613	-1,355	-1 059
Other operating income	148	115	47
Other operating expenses	-120	-163	-27
<b>Operating profit</b>	<b>1,457</b>	<b>594</b>	<b>441</b>
Interest income and similar income	9	71	45
Interest expense and similar charges	-147	-120	-65
<b>Profit after financial items</b>	<b>1,319</b>	<b>546</b>	<b>421</b>
<b>EBTAX (Profit<sup>AX</sup>)</b>	<b>1,633</b>	<b>1,322</b>	<b>999</b>

Sales and operating Profit<sup>AX</sup> per business group

MSEK	Sales 2023	Sales 2022	Change in %	Profit <sup>AX</sup> 2023	Profit <sup>AX</sup> 2022	Change in %
Lifting Solutions	5,275	4,531	16%	582	481	21%
Transport Solutions	2,813	2,641	7%	298	274	9%
Fluid Handling Solutions	5,328	4,379	22%	420	304	38%
Power Transmission Solutions	4,154	3,341	24%	359	287	25%
Industrial Automation	433	422	3%	2	7	-71%
Driveline Solutions	1,212	994	22%	139	112	24%
Other	-28	-33	15%	-167	-143	-17%
<b>TOTAL</b>	<b>19,187</b>	<b>16,275</b>	<b>18%</b>	<b>1,633</b>	<b>1,322</b>	<b>24%</b>

**Profit<sup>AX</sup>** 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 Axcel Johnson group companies and other listed companies outside the group, and comparisons between years.

## Consolidated balance sheet

MSEK	2023-12-31	2022-12-31	2021-12-31
<b>ASSETS</b>			
<i>Fixed assets</i>			
Intangible fixed assets	1,772	1,831	1,889
Tangible fixed assets	689	620	531
Financial fixed assets	160	150	125
<i>Current assets</i>			
Inventories	3,671	3,838	2,620
Current receivables	3,533	3,476	2,789
Cash and bank balances	390	461	426
<b>TOTAL ASSETS</b>	<b>10,215</b>	<b>10,376</b>	<b>8,380</b>
<b>SHAREHOLDERS' EQUITY AND LIABILITIES</b>			
Shareholders' equity	3,649	3,097	2,764
Minority interests	110	104	106
Provisions	467	411	348
Long-term liabilities	2,218	3,296	2,654
Current liabilities	3,771	3,468	2,509
<b>TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES</b>	<b>10,215</b>	<b>10,376</b>	<b>8,380</b>

## Consolidated cash flow statement

MSEK	2023	2022	2021
<b>Cash from from operating activities</b>			
Profit after financial items	1,319	546	421
Adjustment for items affecting cash flow	573	1,045	759
	<b>1,892</b>	<b>1,591</b>	<b>1,180</b>
Income taxes paid	-424	-297	-241
<b>Cash flow from operating activities before changes in working capital</b>			<b>939</b>
<i>Cash flow from changes in working capital</i>			
Increase (-)/Decrease (+) in inventories	123	-834	-325
Increase (-)/Decrease (+) in trade and other receivables	-165	-197	-245
Increase(+)/Decrease (-) in trade and other liabilities	-62	304	150
<b>Cash flow from operating activities</b>	<b>1,364</b>	<b>567</b>	<b>519</b>
<b>Cash flow from (or used in) investing activities</b>	<b>-453</b>	<b>-769</b>	<b>-889</b>
<b>Cash flow from (or used in) financing activities</b>	<b>-972</b>	<b>202</b>	<b>439</b>
<b>Net change in cash and cash equivalents</b>	<b>-61</b>	<b>0</b>	<b>69</b>
<b>Cash and cash equivalents at beginning of year</b>	<b>461</b>	<b>426</b>	<b>312</b>
<b>Effects of exchange rate changes on cash and cash equivalents</b>	<b>-10</b>	<b>35</b>	<b>45</b>
<b>CASH AND CASH EQUIVALENTS AT END OF PERIOD</b>	<b>390</b>	<b>461</b>	<b>426</b>

Sustainability data

SUSTAINABLE SUPPLY CHAIN	2023	2022	2021	2020	Goals 2024	Goals 2030
Share of spend on suppliers having signed Code of Conduct	78%	80%	79%	73%	90%	100%
Share of total spend on external suppliers of PL/unbranded products in risk countries	9%	13%	N/A	N/A		
Share of spend on suppliers that has been sustainability audited¹	88%	77%	N/A	N/A		100%
SUSTAINABLE OPERATIONS						
Energy consumption						
Total energy consumption in Scope 1 and 2 (MWh)	67,084	63,377	59,704	57,338		
whereof energy consumption in Scope 1 (MWh)³	41,845	39,386	35,899	36,533		
whereof energy consumption in Scope 2 (MWh)⁴	25,238	23,991	23,805	20,804		
Energy intensity: total energy consumption in Scope 1 and 2 per net sales	3,5	3,89	4,29	4,79	-11%²	25%²
Energy consumption: Internal transports (MWh)	31,812	29,164	25,582	26,723		
Energy consumption: Heating and cooling (MWh)	17,243	17,422	16,909	15,328		
Energy consumption: Electricity (MWh)	18,028	16,791	17,213	15,166		
Renewable energy						
Share of purchased and produced electricity that comes from renewable sources	72%	77%	76%	73%	79%	100%

1) Share of spend on external suppliers of PL/unbranded products in risk countries that has been sustainability audited.  
2) Decrease from baseline 2020. Corresponds to 2.9% annual decrease for kWh. Corresponds to 5% annual decrease for CO₂ emissions.  
3) Scope 1: Internal transports and Fuels for internal combustion heating.  
4) Scope 2: Purchased electricity and energy we buy for operation, heating and cooling buildings.

People & Culture data

EMPLOYEE OVERVIEW	2023	2022	2021	2020	Goals 2024	Goals 2030
Rate of permanent employee turnover	13.8%	12%	N/A	N/A		
EMPLOYEE HEALTH & SAFETY						
Total number of reported work-related accidents leading to injuries and/or ill-health	188	150	110	117	0	0
Number of work-related accidents per 200 000 working hours	4	3,76	N/A	N/A	0	0
WORKFORCE DIVERSITY						
Gender distribution						
Share of women in total workforce	24%	25%	24%	24%	27%	30%
Share of women in management team	27%	27%	26%	22%	27%	30%
Age distribution - total workforce						
Under the age of 30	13%	13%	N/A	N/A		
30 to 39	22%	22%	N/A	N/A		
40 to 49	26%	26%	N/A	N/A		
50 to 59	28%	29%	N/A	N/A		
60 and older	11%	10%	N/A	N/A		
ANNUAL EMPLOYEE SURVEY						
Leadership Index (LSI)	80	80	79	78		
Engagement Index (EI)	82	83	80	80		

# Set Up for Continued Success

**In 2023 Axel Johnson celebrated 150 years, and in many ways, we did so in a stronger position than ever. We have managed to grow our total business across the group, despite the overall turmoil in the world. We are well positioned for future growth and through impatient renewal, we continue to build strong companies with a profitable and long-term perspective.**

From an owner perspective, Axel Johnson International's business is in many ways a perfect match. With the diverse and global span, we serve our customers in many different industries as well as countries. This creates a resilient model which is a fantastic fit for a family owner who values long-term thinking and the ability to maintain direction through turbulent times.

Furthermore, we see how Axel Johnson International continued to raise the bar with sustainability efforts in 2023, in line with the ambition to be a leader among comparable industry players. This is also in line with the 10/50/50 goal that was launched during 2023, underscoring the entire Axel Johnson group's commitment to positive change and sustainability, encouraging each company within the group to establish ambitious targets. Axel Johnson International's development during recent years is truly an industrial success story.

During the past five years the sales have nearly doubled with increased profit margins. The growth is enabled by a leadership characterised by trust, where decisions are made locally within business groups and companies, a culture that also creates space for talented employees to thrive and develop.

The pace of acquisitions in 2023 was somewhat slower than the previous year. This restraint combined with our decision as an owner to forgo dividends for the next three years, creates financial room for an accelerated acquisition agenda going forward. Although we are affected by the softening we have seen in the European industrial sector, we have great confidence in the companies' and employees' ability to continue to grow and develop.

Axel Johnson International has had exceptional years of success, and 2023 was another record year to add to that. The coming years have every potential to be just as exciting and value-creating.

**Thomas Ekman,**  
Board Chair, Axel Johnson International





Board of Directors

From left to right:

**Roland Münch** Board Chair of Trützschler Group SE, Board member of Thyssen'sche Handelsgesellschaft m.b.H.

**Camilla Wideroth** Chief Financial Officer, Axel Johnson AB, Board member of Martin & Servera, Novax and Axsol

**Peter Stracar** Chair of the Supervisory Board at B:TECH

**Marie Ehrling** Vice Chair of Axel Johnson AB, Board Chair of Disruptive Pharma AB, Board member of the Royal Swedish Academy of Engineering Sciences (IVA)

**Paul Schrotti** Senior Advisor Lindéngruppen and Keyhaven Capital Partners, Board member of Höganäs AB

**Thomas Ekman** Board Chair President and Chief Executive Officer of Axel Johnson AB, Board Chair of AxSol, Martin & Servera and Dustin, Board member of Axfood and Novax

“The development during recent years is truly an industrial success story.”

Thomas Ekman

Executive Management Team

From left to right:

**Fredrik Eklund** Director of Strategy and M&A

**Ole Weiner** Managing Director, Fluid Handling Solutions (AxFlow)

**Mattias Jaginder** Managing Director, Lifting Solutions

**Mårten Steen** Chief Information Officer

**Erik Eklöv** Managing Director, Transport Solutions

**Martin Malmvik** President and Chief Executive Officer

**Malin Ripa** Chief Sustainability Officer

**Ola Sjölin** Managing Director, Power Transmission Solutions

**Ola Karlsson** Chief Financial Officer

**Jan Brattberg** Managing Director, Driveline Solutions

**Anton Kullh** Managing Director, Industrial Automation



A close-up, low-angle shot of a mechanical track system. The track consists of a series of grey, rectangular rollers with a central hole, mounted on a white, textured surface. The rollers are arranged in a diagonal line, receding into the background. The lighting is soft, highlighting the textures of the rollers and the surface they sit on.

“Most of all, I am proud of all my colleagues stretching over 34 countries, always hungry to try and learn new things. **With this fantastic team,** we can take on whatever the future brings.”

Martin Malmvik, CEO,  
Axel Johnson International

## Being Far-Sighted

We drive sustainable change. We favour long-term commitments, and have the intention of staying on and serving the market.

# ing Far-Sighted

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VICE Sp. z.o.o., PL, IOW  
TRADE Sp. z.o.o., PL, Marine  
& Industrial Transmissions Ltd,  
UK, MIAS Cylinderfabrik AB, SE,  
MIAS Filter AB, SE, Progress Ingeniør-  
firma AS, NO, Regal Components AB, SE,  
Ingeniörsfirma Trans-Auto AB, SE, Ingenjörfir-  
ma Trans-Auto OY Aktiebolag, FI, Caldan Conveyor  
A/S, DK, OCS Overhead Conveyor System AB, SE,  
Allsafe Engineering Ltd, UK, Armor Bobinage SA, FR, AQS  
Liquid Transfer (Pty) Ltd, ZA, Ateliers Ehrismann SA. , CH, Ax-  
Flow 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 Ida, PT, AxFlow Ltd, UK, 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  
Service S.r.l., IT, 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, Compvax A/S, DK,  
Elettromeccanica Alto Adige S.r.l., IT, Fin Maintenance Ltd, UK, UK, Flow Techno-  
logies Service Ltd, UK, UK, Flow Technologies UAB, LT, Galbraith Engineering Ltd,  
NZ, Gram Vakuum Teknik ApS, DK, GT Water Technologies, AU, INCA Control Pty  
Ltd, AU, Induchem (UK) Ltd, UK, Induchem Components Ltd, IE, Innva AS, NO,  
INSTEKO, IE, Kelair Pumps Australia Pty Ltd, AU, Process Partner AS, NO, Pum-  
pegrupper A/S, DK, Pumptechnique SIA, LV, RPT S.r.l., IT, Safe Supply AS, NO,  
Starline Valves Oy, FI, System Cleaners A/S, DK, The Pump Company Ltd, UK,  
Tredwell Electrical Ltd, IE, Triark Pumps, UK, Trio Trykluft A/S, DK, Tuma Pumpen-  
systeme GmbH, AT, VA-Projekt, NO, VIP Tehnika d.o.o., SI, W. Moser AG, CH, AB  
Karosseritillbehör, SE, AB Transkomponent Finland Ltd, FI, ACK Forankra S.A.S.,  
FR, allsafe GmbH & Co KG, DE, CDS Produkter AB, SE, Certex Polska, PL, Egil  
Verne AS, NO, Forankra AB, SE, Forankra España S.L., ES, Forankra Pol Sp. z o.o.,  
PL, GPI S.A.S., FR, HBA Fordonsteknik AB, SE, L-EX SARL, 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, Widni Baltic OÜ, EE, Widni OY,  
FI, 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 Hebeteknik GmbH, DE, Certex  
Latvija SIA, LV, Certex Lietuva UAB, LT, Certex Lifting Australia, AU, CTX Lifting  
Solutions Inc, US, Certex Lifting Ltd, UK, Certex Norge AS, NO, Certex Svenska  
AB, SE, Dynamic Rigging Hire Pty Ltd, AU, Haklift OY, FI, Lifting Gear UK, UK,  
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NL, REMA Holland B.V.,	NL, SCM Citra Oy,	FI, Traction Leverage S.A.S.,	FR, Abra Kulelagersenteret AS,	NO, Acorn General Summers Ltd,	UK, Acorn Industrial Services Ltd,	UK, Arkov spol. S R.O.,	CZ, B.B.M. S.r.l.,	IT, Bell d.o.o.,	SI, Bronco Transmission AB,	SE, Drivsystem O5 AB,	SE, Elettromeccanica Malaguti S.r.l.,	IT, Gerald Summers Ltd,	UK, G.M.M. S.r.l.,	IT, G.M.M. USA Inc,	US, 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, MAK Aand-rijvingen B.V.,																									
Vine Ltd,	SE,	ingenjör-s AB,	SE,	Ingenjörsfir-dan Conveyor system AB,	SE,	nage SA,	FR, AQS mann SA.	, CH, Ax-NO, AxFlow B.V.,	NL, v GesmbH,	AT, AxFlow AxFlow Ltd,	UK, AxFlow w S.A.S.,	FR, AxFlow S.r.l., v Services KFT,	HU, AxFlow ns B.V.,	NL, Bahr Pump OÜ,	Brown Brothers Engineers , NZ,	Compvax A/S,	DK, UK, UK, Flow Techno-raith Engineering Ltd,	JU, INCA Control Pty	IE, Innva AS,	NO, r AS,	NO, Pum-supply AS,	NO, any Ltd,	UK, a Pumpen-, CH, AB	S.A.S., aring Co. Ltd.,	CN, Nomo Industriservice AB,	SE, Nomo Kullager AB,	SE, Nomo Trans-missioner A/S,	DK, Norbelt AS,	NO, Passerotti Sp. z.o.o.,	PL, Pikron spol s.r.o., CZ,	Rotek AS,	NO, RW Bearings Ltd,	UK, SKS Control OY,	FI, SKS Mekaniikka OY,	FI, SKS Sweden AB,	SE, SKS Tehnika OÜ,	EE, Spruit Transmissies B.V.,	NL, Sverull ElektroDynamo AB,	SE, Tinex,	SI, Town & County Engineering Services Ltd,	UK, TP Nordic A/S,	NO, Ak-tiebolaget Elektriska Motorcentralen,	SE, Solent Bearings Ltd,	UK, Performance Conveyor Belting Ltd,	UK, Kurvers ADS Benelux B.V.,	NL

# Making Things Happen

We have a passion for business.  
We challenge, initiate, and take  
responsibility for delivering on our  
promises.

# Being Good to Work With

We inspire confidence and genuinely respect people and relationships.

Driveline  
Solutions

Fluid Handling  
Solutions

Industrial  
Automation


Lifting  
Solutions

Power Transmission  
Solutions

Transport  
Solutions

Axfood

 Axel Johnson  
International

 Dustin

 martin&  
servera

NOVAX

 AXSOL

 Axel  
Johnson

UNITED BY STRONG VALUES

 **We Are  
Axel Johnson  
International**

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**Project Coordinator** Annika Strand  
**Writers** Jonna Holmgren, Greg McIvor, Annika Strand  
**Art Director** Therese Banström

**Graphic Layout** Josefin Molander, Minna Gunnarsson  
**Photo** Johan Strindberg, Teodor Axlund, Johanna Hannu, Agnieszka Szlachta, Lasse Hyldager, Karin Röse, Christopher Hunt, Martin Matula, Thomas Vigliano  
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**Axel Johnson International** is a privately owned Swedish industrial group operating globally. The group has a dedicated long-term approach to ownership, emphasising sustainable progress and collaboration. The focus lies on acquisitions and the development of companies, specialising in technical components and industrial solutions. The group consists of more than 200 companies and employs 5,700 individuals in 34 countries, organised into six business groups, each focusing on selected niche markets. Axel Johnson International is a part of the Swedish family-owned corporate group, Axel Johnson.

