YEAR-END REPORT JULY 2018-JUNE 2019

UNEVEN DEVELOPMENT IN THE LAST QUARTER

Good growth for the financial year

Fourth quarter April-June 2019

- Net sales declined by 2 percent to MSEK 775.5 (789.8). Organic growth was –9 percent.
- EBITDA and adjusted EBITDA[1] declined by 31 percent, amounting to MSEK 39.6 (57.7), equivalent to an adjusted EBITDA-margin[1] of 5.1 percent (7.3)
- Operating profit amounted to MSEK 26.6 (47.7).
- The long-term structural transformation programme in staple fibre initiated during the year is progressing according to plan.
- Cash flow from operating activities amounted to MSEK 31.3 (41.6).
- Profit after taxes amounted to MSEK 41.7 (49.6).
- Earnings per share amounted to SEK 1.07 (1.27).
- Acquisition of the Cotting Group, a French-Belgian producer of technical textiles with sales of approximately MEUR 70, was completed in July 2019, after the period under review.

Financial year July 2018-June 2019

- Net sales increased by 18 percent to MSEK 2,974.4 (2,526.4). Organic growth was 3 percent.
- Adjusted EBITDA[1] increased by 5 percent to MSEK 142.3 (135.0), including central costs of MSEK 12.5. The adjusted EBITDA margin[1] was 4.8 percent (5.3).
- EBITDA declined by 10 percent and amounted to MSEK 145.3 (160.6).
- Operating profit amounted to MSEK 93.7 (85.2, not including MSEK 31 attributable to reversal of negative goodwill).
- Cash flow from operating activities amounted to MSEK 70.8 (75.7). The year's capital expenditures, including corporate acquisitions, amounted to MSEK 143.7 (106.0).
- Profit after taxes amounted to MSEK 87.3 (85.6 not including MSEK 45 attributable to reversal of negative goodwill and positive effects of deferred taxes).
- Earnings per share amounted to SEK 2.24 (3.35).
- Cash and cash equivalents amounted to MSEK 352.5 (262.2) and the Group's net debt amounted to MSEK 124.1 (11.5).
- The Board of Directors proposes that no dividend shall be paid for the 2018/2019 financial year.

Group (MSEK)	2018/2019 Q4	2017/2018 Q4	2018/2019 Q1-Q4	2017/2018 Q1-Q4
Net sales	775.5	789.8	2,974.4	2,526.4
EBITDA	39.6	57.7	145.3	160.6
Adjusted EBITDA[1]	39.6	57.7	142.3	135.0
Adjusted EBITDA-margin, %	5.1	7.3	4.8	5.3
Operating profit/loss	26.6	47.7	93.7	116.2
Profit/loss after tax	41.7	49.6	87.3	130.6
Profit per chare, before and after dilution, %	1.07	1.27	2.24	3.35
Caflow from operating activities	31.3	41.6	70.8	75.7
Net debt	124.1	11.5	124.1	11.5
Net debt/Equity ratio, %	13	1	13	1

[1] Adjusted for items affecting comparability. Reconciliation of amounts will be found on page 18.

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The Duroc Group manages and develops industrial and trading companies. With deep knowledge of technology and market, the Group's companies strive to achieve a leading position in their respective industries. As owner Duroc contributes actively to the development. Consolidated sales amount to approximately MSEK 3,700. The Group has approximately 1,100 employees. Duroc is listed on NASDAQ OMX Stockholm (symbol: DURC). www.duroc.se

DUROC

CEO STATEMENT

The fourth quarter was distinguished by uneven development in the Group. Most units showed a positive development, whereas the staple fibre units in Europe had a negative impact on sales as well as results. The comparison quarter 2017/18 was unusually strong. Viewed over the entire financial year, both sales and adjusted EBITDA showed a positive development. The Cotting Group was acquired in July 2019. Including acquisitions made, the Group has grown by 50 percent over the past year and now has sales of 3.7 billion SEK on an annual basis. The prospects for long-term earnings growth are deemed to be good.

Fourth quarter

Sales were lower during the quarter compared to the same period of the previous financial year. The change in adjusted EBITDA is partially explained by an unfavourable product mix relative to a strong comparative quarter.

Cresco, the fibre operations in the United States, and individual markets in the Duroc Machine Tool group are the best performing units in the Duroc Group during the fourth quarter compared to the equivalent quarter in 2017/18.

The transformation project in the staple fibre units in Europe was launched in the beginning of 2019. This is a structural program that includes organisational changes as well as capacity adaptations in production. The program has progressed according to plan since its launch and is necessary to gradually achieve a satisfactory level of profitability over a period of a couple of years. A certain recovery in some of the most profitable applications had a positive effect during the fourth quarter, at the same time as order bookings from the automotive industry was below expectations. Overall, we saw a recovery of volumes during the quarter, but with an unfavourable product mix, which had a negative effect on margins.

A facility for developing new, bio-based fibres was commissioned at our Austrian subsidiary. This is one example of of business development in line with the Group's long-term sustainability work. This investment is a part of the strategic co-operation with the Maastricht University in the Netherlands. Joint research projects between the university and Duroc will be conducted with the ambition to, among other things, replace petroleum-based products over time.

Financial year July 2018-June 2019

Duroc showed a positive development during the financial year. Sales as well as adjusted EBITDA in comparison to the year before.

Duroc Machine Tool (DMT Group) have increased its sales by 20 percent. Individual markets, such as Sweden and Denmark, showed a very good development. Denmark doubled its sales and in Sweden sales increased by 30 percent. The operating profit also showed strong development in the DMT Group. Behind these improvements are organisational changes, focus on cost efficiency and improvements in the sales work. The return on capital employed was 54 percent.

Cresco, which was not generating a profit at the time of acquisition in November 2017, is now a well performing company that has well exceeded expectations during the financial year. The acquisition process has clearly created value in Duroc as the operating margin has gone from 0 to 10 percent since the acquisition. At the same time sales have increased by about 50 percent. New management, expansion of the sales force, investments in additional production equipment, combined with the introduction of new products, lies behind this successful development. Cresco is now one of the leading contenders of the industries world market The company contributes to a sustainable development since the products makes possible local production of crops in greenhouses despite adverse climatic conditions. The need for transportation is thus reduced and the prospects for continued profitable growth are deemed to be good.

The largest and most profitable unit in Fibre, Drake Extrusion in Virginia, USA, lived up to expectations during the financial year. The capacity-increasing investments made in yarn production have been successful and further expansion opportunities are constantly being evaluated. The scale effects of capacity investments are particularly favourable since the industrial infrastructure required for the operations already exists.

Duroc Rail increased sales as well as profit substantially during the financial year. Growing volumes were driven by, among other things, preventive initiatives by the customers ahead of the demanding winter season, with the aim of increasing the availability of freight traffic.

The acquisition of UPN and Herber had little effect on the year's result but is expected to generate a contribution during the coming financial years.

The acquisition of Cotting Group was announced on 1 July. The group has sales of approximately MSEK 750 and operates in coated fabrics industry. The products are used in many applications, such as furniture, hospital beds, fashion products and automotive interiors. The acquisition has many similarities to the Cresco deal, where major real values could be obtained at an attractive price.

The Group has a sound financial position with equity of approximately MSEK 950 and net debt of MSEK 124 at the end of the financial year. Continued growth by new acquisitions and development of the existing companies are the main activities now that we enter the new 2019/20 financial year.

It is Duroc's intention to maintain a continued high rate of investment and in the opinion of the Board of Directors the Company's capital can generate a satisfactory return for the shareholders by being retained in the Group. The Board of Directors therefore proposes that no dividend shall be paid for the 2018/2019 financial year.

John Häger
CEO

THE GROUP'S DEVELOPMENT

The Duroc Group consists of business areas Fibre, Industrial Trading and Other Industry. Acquired Cresco, Universal Power (UPN) and Herber are included in the Group from November 2017, July 2018 and May 2019, respectively and are included in the comparative data from these points in time.

Fourth quarter April-June 2019

Net sales amounted to MSEK 775.5 (789.8), a decrease by 2 percent relative to the equivalent period of the previous financial year. Organic growth was also negative amounting to –9 percent. Business area Other Industry experienced growth, while Fibre and Other Industry met a strong comparative quarter and declined organically.

The consolidated operating profit amounted to MSEK 26.6 (47.7). Adjusted EBITDA declined to MSEK 39.6 (57.7) and the adjusted EBITDA marginal landed at 5.1 percent (7.3). The strong result during the comparative period in business areas Fibre and Industrial Trading is the main reason for the decline during the quarter. In business area Fibre, both USA and Cresco made positive contributions and the businesses are well positioned for continued profitable investments in coming years. Initiatives in the fibre business in Europe regarding co-ordination and consolidation in order to return to a satisfactory level of profitability, continued. Cash flow from operating activities amounted to MSEK 31.3 (41.6).

The acquisition of the Cotting Group, a French-Belgian producer of technical textiles with sales of about MEUR 70, was completed on 1 July 2019. The purchase price was approximately MEUR 18.

Financial year July 2018-June 2019

Net sales amounted to MSEK 2,974.4 (2,526.4), equivalent to an increase of 18 percent. Organic growth was at a rate of 3 percent.

Operating profit amounted to MSEK 93.7 (85.2, not including MSEK 31 attributable to the reversal of negative goodwill from the acquisition of Cresco).

Adjusted EBITDA increased by 5 percent to MSEK 142.3 (135.0). However, the adjusted EBITDA margin dropped to 4.8 percent (5.3).

Business areas Industrial Trading and Other Industry showed a strong development during the 2018/2019 financial year with growing profit and improved margin. In Fibre, profit declined due to challenges in staple fibre in Europe.

The Group's cash flow from operating activities amounted to MSEK 70.8 (75.7), affected by lower operating liabilities. The previous increases in inventory levels have now been normalized at the level prevailing at the beginning of the year.

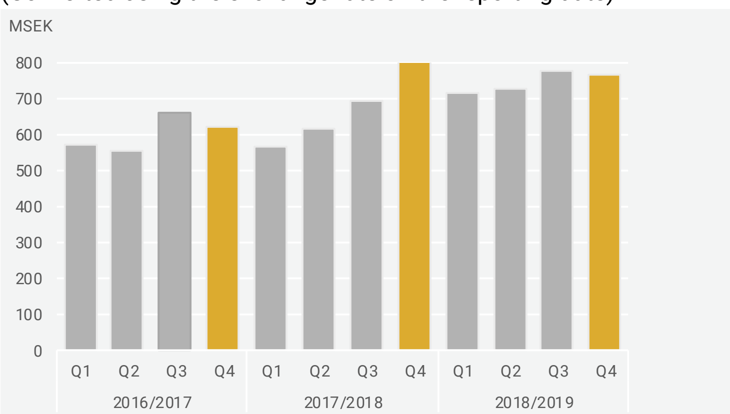
In addition to the investments in UPN, Herber and Carclo, the Group invested MSEK 61.8 during the 2018/2019 financial year to increase capacity in the existing business.

The Group's net debt increased to MSEK 124.1 (11.5). The equity ratio was 51.1 percent (53.1) and the adjusted equity ratio was 63.1 percent (63.0), For definitions, refer to page 19.

Group (MSEK)	2018/2019 Q4	2017/2018 Q4	2018/2019 Q1-Q4	2017/2018 Q1-Q4
Net sales	775.5	789.8	2,974.4	2,526.4
EBITDA	39.6	57.7	145.3	160.6
Adjusted EBITDA	39.6	57.7	142.3	135.0
Adjusted EBITDA-margin, %	5.1	7.3	4.8	5.3
Operating profit/loss	26.6	47.7	93.7	116.2
Average number of employees	839	769	834	724

The bar charts below show sales and operating profit by quarter totalled for Fibre, Industrial Trading and Other Industry. The comparative data until February 2017 are compiled pro forma for the acquisition of IFG, which is reported as a reverse acquisition.

CONSOLIDATED SALES
(Converted using the exchange rate on the reporting date)



CONSOLIDATED OPERATING PROFIT
(Converted using the exchange rate on the reporting date)

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

BUSINESS AREA FIBRE

Business area Fibre consists of International Fibres Group (IFG). IFG produces polypropylene-based staple fibre and yarns, and also fibre-based textiles for professional growers. Cresco, which was acquired during the previous financial year, is included in the comparative data from November 2017.

Fourth quarter April-June 2019
Net sales decreased by 5 percent to MSEK 592.4 (626.6). Organic growth was also negative during the quarter, declining by 9 percent. The drop is in part an effect of a strong prior year fourth quarter but is also affected by continuing challenges in the staple fibre business in Europe.

The fibre business in the U.S. ended the financial year with a strong quarter. Together with Cresco, the development of which during the past financial year has gone from being strong to exceeding even high expectations. Both the United States and Cresco are well positioned for continued expansion in coming years since the growth potential is good.

In Europe it became even more evident during the quarter that the work with consolidating and co-ordinating the staple fibre operations, which was started in the beginning of 2019, is crucial in order to return to previous profitability levels over time. Efforts to streamline the sales process, production, R&D and purchasing continued according to plan during the fourth quarter.

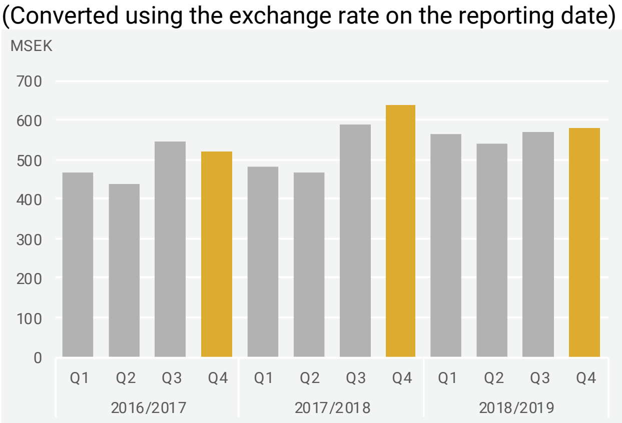
Operating profit decreased compared to the previous quarter's strong last quarter amounting to MSEK 26.6 (34.8). Adjusted EBITDA declined by 15 percent.

Financial year July 2018-June 2019
Net sales increased by 10 percent to MSEK 2,252.0 (2,040.0). Organic growth for the 2018/2019 financial year was negative with a decrease of 1 percent. The fibre business in the United States and sales to the cultivation industry in Cresco made a positive contribution, while the European staple fibre business was challenged by lower production the automotive industry and increased competition in the market.

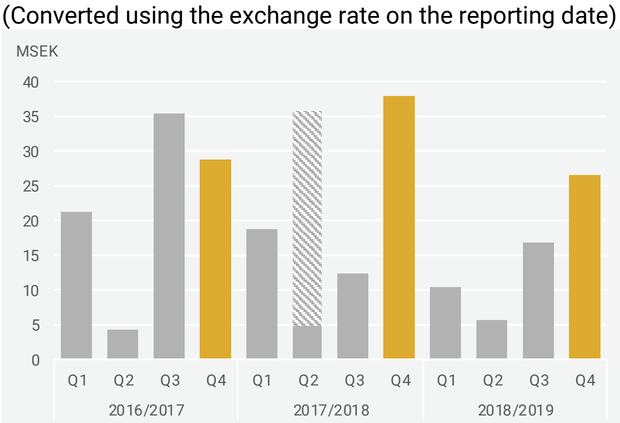
Operating profit amounted to MSEK 59.0 (66.5, not including MSEK 31 attributable to the reversal of negative goodwill from the acquisition of Cresco). Adjusted EBITDA declined by 9 percent amounting to MSEK 98.5 (108.6). The adjusted EBITDA margin, which was negatively affected by the lower volumes, went from 5.3 to 4.4 percent.

Fibre (MSEK)	2018/2019 Q4	2017/2018 Q4	2018/2019 Q1-Q4	2017/2018 Q1-Q4*
Net sales	592.4	626.6	2,252.0	2,040.0
EBITDA	36.7	43.0	101.5	134.2
Adjusted EBITDA	36.7	43.0	98.5	108.6
Adjusted EBITDA-margin, %	6.2	6.9	4.4	5.3
Operating profit/loss	26.6	34.8	59.0	97.5
Average number of employees	663	664	671	602

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



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



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

BUSINESS AREA INDUSTRIAL TRADING

In business area Industrial Trading Duroc Machine Tool (DMT) trades in machine tools and offers automation solutions, tools, service and support for the engineering industry. Universal Power (UPN) supplies diesel engines and related spare parts, service and repairs for industrial and marine use..Herber Engineering develops, manufactures and sales tube bending machines UPN and Herber are included in the business area from july 2018 and may 2019 respectively and are therefore included in the comparative data.

Fourth quarter April-June 2019

Net sales increased during the fourth quarter by 9 percent to MSEK 145.3 (133.5). Organic growth was negative in the quarter declining by 13 percent. The decrease is attributable to a strong fourth quarter the year before, which accounted for 36 percent of 2017/2018 sales.

The business area's operating profit was MSEK 2.5 (17.1). Last year's high sales and an adjustment of internally charged expenses during the fourth quarter of 2017/2018 entailed a very strong result in the comparative period. EBITDA amounted to MSEK 3.3 (17.6) and the EBITDA margin for the quarter was 2.3 percent (13.1).

Herber Engineering is included in the business area since May 2019.

Financial year July 2018-June 2019

Net sales increased by 57 percent for the 2018/2019 financial year amounting to MSEK 590.2 (375.7). Organic growth was 22 percent.

Duroc Machine Tool increased its sales to MSEK 421.9, mainly related to increased sales in Sweden, Denmark and the Baltic States.

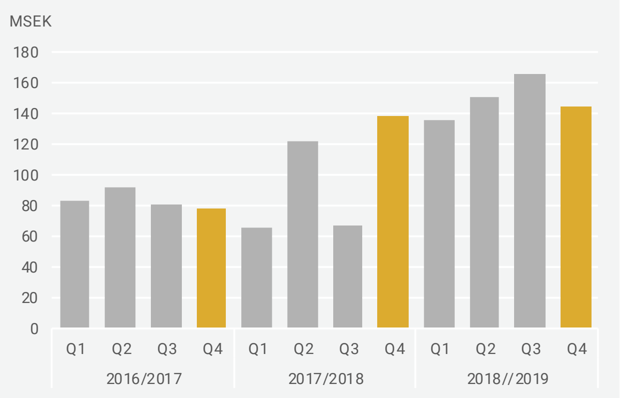
Operating profit improved significantly amounting to MSEK 33.1 (19.9). Duroc Machine Tool improved its profit by MSEK 14.5 to MSEK 32.7.

The business area's EBITDA amounted to MSEK 36 (21.6) and the EBITDA margin was 6.1 percent (5.7). The increase in sales, in combination with costs not increasing at the same rate, gave the business area an improved margin.

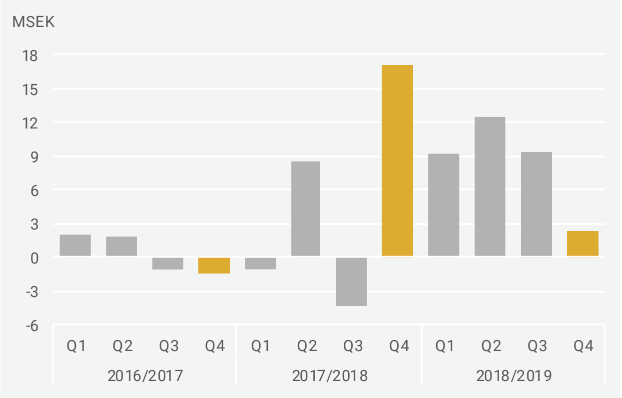
Industrial Trading (MSEK)	2018/2019 Q4	2017/2018 Q4	2018/2019 Q1-Q4	2017/2018 Q1-Q4
Net sales	145.3	133.5	590.2	375.7
EBITDA	3.3	17.6	36.0	21.6
Adjusted EBITDA	3.3	17.6	36.0	21.6
Adjusted EBITDA-margin, %	2.3	13.2	6.1	5.7
Operating profit/loss	2.5	17.1	33.1	19.9
Average number of employees	125	56	110	73

The bar charts below show the development of business area Industrial Trading. Comparative data up to February 2017 are reported pro forma for the acquisition of IFG, which was reported as a reverse acquisition.

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



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



BUSINESS AREA OTHER INDUSTRY

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

Fourth quarter April-June 2019

Net sales increased by 26 percent to MSEK 37.8 (29.9). Reclassification from *Other income* had a positive effect on net sales. Organic growth adjusted for the reclassification was 11 percent.

Duroc Rail showed continued strong sales during the fourth quarter. The need for wheel maintenance was greater than normal as a result of two cold winters, which resulted in continued strong inflow of orders.

Operating profit amounted to MSEK 1.6 (3.1), affected by a lower gross margin in Rail as a result of a temporarily altered product mix, higher depreciation and maintenance costs. EBITDA for the quarter amounted to MSEK 3.7 (4.4) and the EBITDA margin was 9.7 percent (14.6).

Financial year July 2018-June 2019

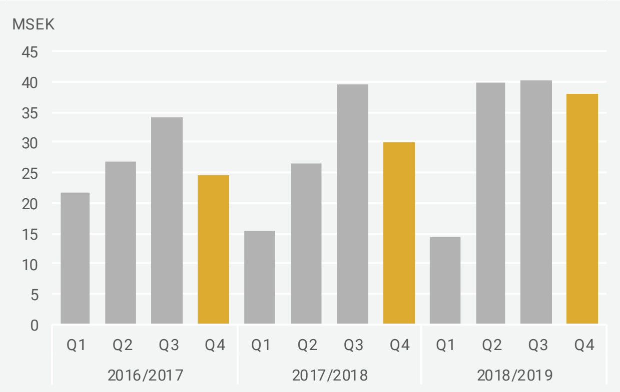
Net sales for the full year increased by 19 percent till 132,2 Mkr (110,9). The organic growth in sales, adjusted for a reclassification from *Other operating income*, to *Net sales* amounted to 15 percent. Most of the growth was attributable to the business in Duroc Rail, which accounts for 85 percent of the business area's annual sales.

The business area's operating profit was MSEK 14.1 (10.0), a 41 % increase compared to the year before. A long high combined with improved utilisation of capacity in Duroc Rail contributed to a very good result for the business area. Duroc Laser Coating, which moved into new premises during the year and deployed new production equipment had a slightly lower result but is now equipped to fully focus on the business during the next financial year. EBITDA amounted to MSEK 20.0 (15.8) and the EBITDA margin was 15.1 percent (14.2).

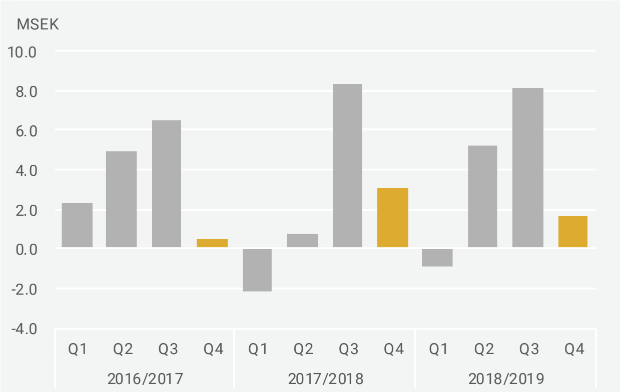
Other Industry (MSEK)	2018/2019 Q4	2017/2018 Q4	2018/2019 Q1-Q4	2017/2018 Q1-Q4
Net sales	37.8	29.9	132.2	110.9
EBITDA	3.7	4.4	20.0	15.8
Adjusted EBITDA	3.7	4.4	20.0	15.8
Adjusted EBITDA-margin, %	9.7	14.6	15.1	14.2
Operating profit/loss	1.6	3.1	14.1	10.0
Average number of employees	48	46	49	46

The bar charts below show the development of business area Other Industry. Comparative data up to February 2017 are reported pro forma for the acquisition of IFG, which was reported as a reverse acquisition.

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



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



FINANCIAL INFORMATION

PROFIT AND FINANCIAL POSITION

Net sales during the financial year amounted to MSEK 2,974.4 (2,526.4). The operating profit amounted to MSEK 93.7 (116.2) and profit after taxes amounted to MSEK 87.3 (130.6). Last year's operating profit includes MSEK 31 in negative goodwill arising from the acquisition of Cresco. In connection herewith parts of existing tax loss carryforwards, MSEK 14, were capitalised and this had a positive effect on the Group's reported tax expense.

The Group's equity amounted to MSEK 950.0 (882.4) at the end of the period and the equity ratio was 51.1 percent (53.1). If cash and cash equivalents and interest-bearing liabilities had been reported on a net basis, the Group's equity ratio would be 63.1 (63.0) percent.

CAPITAL EXPENDITURES

The Group had capital expenditures totalling MSEK 143.7 during the year, of which MSEK 34 in the acquisitions of Universal Power Nordic and Herber Engineering AB. Other investments consists of purchases of shares in listed company Carclo and increased capacity, primarily in business area Fibre.

CASH FLOW

Consolidated cash flow from operating activities amounted to MSEK 70,8 during the financial year (75,7), affected by a decrease in working capital of MSEK 48.2.

Cash and cash equivalents

At the end of the financial year the Group's cash and cash equivalents amounted to MSEK 352.5 (262.2). Interest-bearing debt amounted to MSEK 476.6 (273.7) and the Group's net debt was MSEK 124.1 (11.5). MSEK 180 of the increase in debt, cash and cash equivalents is attributable to loans raised in connection to the acqusition of the Cotting Group.

PARENT COMPANY

Duroc AB's (publ) primary functions are business development, acquisitions, follow-up of the development in Group companies and financial reporting. Sales consist of internally invoiced services amounting to MSEK 4.6 (3.6) during the financial year). Profit after taxes amounted to MSEK 64.7 (–5.2), including dividends from subsidiaries in the amount of MSEK 58,8 MSEK. IN addition to shares in subsidiaries, the parent companies' assets mainly consist of receivables from group companies and cash deposits. The companies' solidity amounts to 81.4 percent (94.1). The decrease is attributable to loans raised in connection with the acquisition of Cotting Group.

DIVIDEND

Against the background of the Group's plans for continued expansion the Board of Directors makes the assessment that no dividend should be paid for the 2018/2019 financial year. The strategy is to continue investing in existing operations and to actively search for additional acquisitions.

PERSONNEL

The average number of employees during the financial year was 834 (740). The average number of employees in the Parent Company was 4 (3) for the same period.

SIGNIFICANT RISKS AND UNCERTAINTY FACTORS FOR THE PARENT COMPANY AND THE GROUP

Duroc AB (publ) and its subsidiaries are through their operations subject to both financial and operative risks, which the companies themselves can affect to a major or lesser degree. There are ongoing processes in the companies to identify risks and to determine how they are to be managed. A detailed description of the Parent Company's and the subsidiaries' risks and risk management is provided in Duroc's Annual Report 1 July 2017-30 June 2018.

OTHER INFORMATION

Work environment investigation in England

IFG Drake, a company in the Duroc Group, is subject to a work environment investigation in England by reason of the workplace accident that occurred in one of the company's factories in March of 2017. According to the assessment of the company's legal counsel, the investigation may lead to the imposition of a fine by the British work environment authority HSE approximately amounting to 600-950 KGBP

The date of completion of the investigation is still unknown and the amount of the fine may deviate from the above range, up as well as down.

Prioritized creditor Svartöns Specialstål AB's bankruptcy

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

Investment in Carclo

During the year, Duroc invested in LSE-listed Carclo Plc, and owns 13 percent of the shares in the company, which is undergoing restructuring and trading has temporarily been suspended. There are reasons to believe that the company will be able to accomplish a turn-around. The holding has been valued at market value as of the closing date.

Brexit

Great Britain's planned exit from the EU (Brexit) may affect Duroc's business. At present there is uncertainty both with respect to long-term solutions as well as rules for the transition period and there is a risk that there is a Brexit without any set transition rules as well as of a deferral of Brexit. The lack of clarity over what will happen makes it difficult to identify the effects.

Against this background the Board of Directors and management follow the development on an ongoing basis, in order to be able to take appropriate action in case of need.

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

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

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

This report has not been subject to review by the Company's auditors.

SCHEDULE OF FUTURE INFORMATION

Annual Report 2018/2019	27 September 2019
Interim Report July-September 2019	7 November 2019
Interim Report October-December 2019	7 February 2020

For further information

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The information in this year-end report is such that Duroc AB is obliged to publish in accordance with EU's Market Abuse Regulation and the Swedish Securities Markets Act. The information herein was provided for publication at 07:15 a.m., 23 August 2019.

Stockholm, 23 August 2019

John Häger
CEO

SUMMARY CONSOLIDATED INCOME STATEMENT

Amounts in MSEK	2018/2019 Q4	2017/2018 Q4	2018/2019 Q1-Q4	2017/2018 Q1-Q4
Net sales	775.5	789.8	2,974.4	2,526.4
Other operating income *	-1.6	0.9	13.2	33.3
Change in inventoriries	-8.3	2.2	1.0	1.1
Raw materials and consumables	-387.1	-425.7	-1,530.1	-1,382.3
Gods for resale	-98.0	-96.9	-412.4	-270.3
Personnel costs	-128.8	-114.9	-478.5	-393.8
Other costs	-112.2	-97.6	-422.3	-353.8
Depreciation and amortisation of tangible and intangible non-current assets	-13.0	-10.0	-51.6	-44.4
Operating profit/loss	**26.6**	**47.7**	**93.7**	**116.2**
Net financial items	**-0.0**	**-1.5**	**-4.7**	**-3.4**
Profit before tax	**26.5**	**46.2**	**89.0**	**112.8**
Current taxes	-0.8	1.8	-14.8	-12.0
Deferred taxes	16.0	1.6	13.0	29.8
PROFIT FOR THE PERIOD	**41.7**	**49.6**	**87.3**	**130.6**
Profit for the period attributable to:				
The Parent Company´s equity holders	41.7	49.6	87.3	130.6
non-controlling interests	-	-	-	-
Earnings per share				
Before and after dilution	1.07	1.27	2.24	3.35
Average number of shares outstanding before and after dilution	39,000,000	39,000,000	39,000,000	39,000,000

Other inomce in 2017/2018 includes disolvation of negative goodwill of 30,6 Mkr.

CONSOLIDATED REPORT OF COMPREHENSIVE RESULT

Amounts in MSEK	2018/2019 Q4	2017/2018 Q4	2018/2019 Q1-Q4	2017/2018 Q1-Q4
PROFIT FOR THE PERIOD	**41.7**	**49.6**	**87.3**	**130.6**
Total other comprehensive income				
Items that may be reclassified to the income statement				
Translation differences	14.0	19.1	13.9	40.0
Hedge accounting (net)	0.7	0.3	0.6	1.0
Items that will not be reclassified to the income statement				
Revaluation of strategic holdings	-12.7	-	-26.1	-
Actuarial gains and losses(net)	21.1	11.5	-8.2	18.5
Total other comprehensive income	**23.2**	**30.9**	**-19.7**	**59.5**
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	**64.9**	**80.5**	**67.6**	**190.1**
Total comprehensive inocome for the period attributable to:				
The Parent company´s equity holders	64.9	80.5	67.6	190.1
non-controlling interests	-	-	-	-

SUMMARY CONSOLIDATED BALANCE SHEET

Amounts in MSEK	30/06/2019	30/06/2018
ASSETS		
Non-current assets		
Intangible assets	92.0	83.1
Property plant and equipment	460.3	433.4
Financial assets	31.0	9.4
Deferred tax assets	69.8	58.1
Total non-current assets	**653.0**	**584.0**
Current assets		
Inventories	388.6	354.8
Trade receivables	434.4	421.5
Other receivables	20.1	26.5
Prepaid expenses and accrued income	10.4	13.2
Cash and cash equivalents	352.5	262.2
Total current assets	**1,206.0**	**1,078.2**
Total assets	**1,859.0**	**1,662.2**
EQUITY AND LIABILITIES		
Equity		
Share capital	39.0	39.0
Other capital provided	260.5	260.5
Reserves	120.0	104.6
Retained earnings including profit for the year	530.5	478.3
Equity attributable to owners of the parent	**950.0**	**882.4**
Total equity	**950.0**	**882.4**
Long-term liabilities		
Non-current interest-bearing liabilities	105.7	93.9
Provision for pensions	51.1	42.6
Other provisions	13.6	28.6
Deferred tax liabilities	36.0	39.9
Total non-current liabilities	**206.4**	**205.0**
Current liabilities		
Current interest-bearing liabilities	370.9	179.8
Trade payables	206.3	251.6
Other liabilities	50.7	87.9
Accrued expenses and prepaid income	74.6	55.5
Total current liabilities	**702.6**	**574.8**
Total liabilities	**909.1**	**779.8**
TOTAL EQUITY AND LIABILITIES	**1,859.0**	**1,662.2**

SUMMARY OF CHANGES IN CONSOLIDATED EQUITY

Amounts in MSEK	2018/2019 Q1-Q4	2017/2018 Q1-Q4
Opening balance	**882.4**	**692.4**
Profit for the period	87.3	130.6
Translation differences	13.9	40.0
Revaluation of strategic holdings	-26.1	-
Actuarial gains and losses (net)	-8.2	18.5
Hedge accounting (net)	0.6	1.0
Closing balance	**950.0**	**882.4**

SUMMARY CONSOLIDATED CASH FLOW STATEMENT

Amounts in MSEK	2018/2019 Q4	2017/2018 Q4	2018/2019 Q1-Q4	2017/2018 Q1-Q4
OPERATING ACTIVITIES				
Profit before taxes	**26.5**	**46.2**	**89.0**	**112.8**
Adjustment for items not included in cash flow	4.2	16.3	43.0	13.4
Income tax paid	-0.7	-5.1	-13.1	-13.3
Cash flow from operating activities before changes in working capital	**30.0**	**57.5**	**119.0**	**112.9**
Changes in working capital	1.3	-15.9	-48.2	-37.2
Cash flow from operating activities	**31.3**	**41.6**	**70.8**	**75.7**
Cash flow from acquisitions	-12.8	-	-34.1	-64.7
Cash flow from other investment activities	-20.2	-5.9	-109.6	-41.3
Cash flow from investment activities	**-33.0**	**-5.9**	**-143.7**	**-106.0**
Cash flow from financing activities	189.6	5.3	160.2	-23.2
Cash flow from financing activities	**189.6**	**5.3**	**160.2**	**-23.2**
Cash flow for the period	**187.9**	**41.1**	**87.3**	**-53.5**
Cash and equivalents at beginning of period	164.3	212.6	262.2	295.4
Transaltion difference in cash and cash equivalents	0.3	8.6	3.0	20.3
Cash and equivalents at end of period	**352.5**	**262.2**	**352.5**	**262.2**

SUMMARY PARENT COMPANY INCOME STATEMENT

Amounts in MSEK	2018/2019 Q4	2017/2018 Q4	2018/2019 Q1-Q4	2017/2018 Q1-Q4
Net sales	1.4	0.9	4.6	3.6
Other external costs	-2.9	-2.7	-7.2	-8.2
Personnel costs	-2.7	-2.1	-9.5	-6.4
Depreciation and amortisation	-0.1	-	-0.4	-0.2
Operating result	**-4.2**	**-3.9**	**-12.5**	**-11.2**
Financial income	0.6	0.2	60.4	0.9
Financial expense	-0.3	-0.1	-0.8	-0.4
Net finance items	**0.3**	**0.1**	**59.6**	**0.5**
Group contributions received/rendered	19.4	6.3	19.4	6.3
Result before taxes	**15.4**	**2.5**	**66.5**	**-4.4**
Income tax	-3.4	-1.6	-1.7	-0.8
RESULT AFTER TAXES	**12.0**	**0.9**	**64.7**	**-5.2**

SUMMARY PARENT COMPANY REPORT OF COMPREHENSIVE RESULT

Amounts in MSEK	2018/2019 Q4	2017/2018 Q4	2018/2019 Q1-Q4	2017/2018 Q1-Q4
RESULT FOR THE PERIOD	**12.0**	**0.9**	**64.7**	**-5.2**
Other comprehensive result	-	-	-	-
TOTAL COMPREHENSIVE RESULT FOR THE PERIOD	**12.0**	**0.9**	**64.7**	**-5.2**

SUMMARY PARENT COMPANY BALANCE SHEET

Amounts in MSEK	30/06/2019	30/06/2018
ASSETS		
Non current assets		
Other intangible assets	1.3	0.9
Shares in group companies	876.5	856.5
Other equity	0.4	0.4
Receivables group companies	48.2	-
Deferred tax asset	22.2	23.9
Total non-current assets	**948.5**	**881.7**
Current assets		
Receivables group companies	25.2	31.9
Prepaid expenses and accrued income	0.6	0.4
Other receivables	0.6	1.2
Cash and cash equivalents	203.7	36.3
Total current assets	**230.1**	**69.8**
TOTAL ASSETS	**1,178.7**	**951.5**
EQUITY AND LIABILITIES		
Equity		
Restricted equity	39.0	40.1
Unrestricted equity	921.0	855.2
Total equity	**960.0**	**895.3**
Long term liabilities		
Liabilities to group companies	3.2	-
Current liabilities		
Liabilities to credit institutions	181.6	4.3
Trade payables	1.4	0.3
Payables group companies	27.9	46.5
Other liabilities	0.3	-
Accrued expenses and prepaid income	4.2	5.1
Total current liabilities	**215.5**	**56.2**
Total liabilities	**218.7**	**56.2**
TOTAL EQUITY AND LIABILITIES	**1,178.7**	**951.5**

NOTES

NOTE 1. ACCOUNTING POLICIES

Duroc's consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) and related interpretations (IFRIC) as adopted by EU. This interim report has been prepared in accordance with IAS 34 Interim Financial Reporting and applicable provisions of the Swedish Annual Accounts Act. For the Parent Company, RFR 2 Accounting for Legal Entities is also applied.

The Group's accounting policies are described in Note 2 in the 2017/2018 Annual Report. Since July 2018, Duroc applies the accounting standards IFRS 15 and IFRS 9. In all other respects accounting and valuation principles are unchanged compared to the 2017/2018 annual report.

IFRS 15 Revenue from contracts with customers

IFRS 15 deals with the accounting treatment of revenue from contracts and the sale of certain non-financial assets.

The majority, more than 80 percent, of the Duroc Group's sales are attributable to business area Fibre, which manufactures and delivers goods in the form of synthetic fibre and yarns. Business area Industrial Trading offers production solutions by delivering machine tools, including accessories, service and support, while business area Other Industry offers maintenance of railroad wheels and expertise in the field of laser welding.

Revenue is recognized when control over the product is transferred to the customer, which typically occurs at a specified point in time. Services in business area Industrial Trading, related to installation of the product, repair or maintenance are recognized over the time during which the service is provided. However, this part represents a mere approximately 4 percent of the business area's revenue.

The existence of variable compensation is limited and is recognized only to the extent that it will most likely not have to be reversed.

The transition to IFRS 15 has had no significant effects on the financial position or results of the Duroc Group.

IFRS 9 Financial instruments

FRS 9 primarily affects Duroc when recording bad debts. Most of the trade receivables in business area Fibre are insured and in the other business areas the occurrence of bad debts is very small. An updated model for write-down of accounts receivable has been implemented in business area Industrial Trading, but the new model has had minimal effect on the business area's financial position or results. Hedge accounting is applied to a very small extent and IFRS 9 had no effect on Duroc in this respect.

During the 2018/2019 financial year Duroc applied the option of recognizing changes in fair value, for strategic holdings of equity instruments, in other comprehensive result.

New accounting policies 2019/2020

IFRS 16 Leases

IFRS 16 Leases must be applied from the financial year beginning in 2019 and *replaces IAS 17 Leases* and *IFRIC 4 Determining whether an Arrangement contains a Lease.* The new standard provides that lessees must recognize all contacts that meet the definition of a lease (with certain exceptions) as an asset and liability in the report of financial position. The operating cost, equivalent to the period's leasing fee, reported for operational leases, will be replaced by depreciation and interest expense in the income statement.

In the Duroc Group there are leases relating to, among other things, premises and machinery. During the quarter Duroc has evaluated the effect of, and implemented systems support for, IFRS 16.

Duroc has chosen to use the simplified method in the transition to IFRS 16, which means that the comparative period will not be recalculated. The effect of the implementation as of the first day of the financial year is instead shown in a note. Opening capitalised value is reported in accordance with the simplified transition method as the discounted present value of all future lease payments.

The new standard affects Duroc's balance sheet by increasing the balance sheet total because a majority of the leases in the Group are classified as operating leases according to the current accounting standard. If implementation had occurred as of 30 June 2019 the balance sheet total would have increased by MSEK 130 in tangible non-current assets, MSEK 110 in long-term debt and MSEK 20 in current liabilities. IFRS 16 also involves a reclassification of other costs, depreciation and interest expense, which increases EBITDA. If IFRS 16 had been applied as of 30 June 2019 EBITDA for the 2018/2019 financial year would have increased by just under MSEK 30.

The tenor of the leasing contracts is typically 5-10 years for premises, approximately 5 years for machinery and approximately 3 years for equipment, tools, installations and automobiles.

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

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

Alternative key financial indicators

In order to facilitate comparison between different periods and follow-up of the different Duroc Group business areas, certain financial information is presented in this report, which is not defined in IFRS, so-called alternative financial indicators. These should be regarded as complements to the financial information. The alternative key financial indicators used are defined where presented, or alternatively, at the end of this report. Reconciliations will be found in Note 4.

Rounding

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

NOTE 2. AQUISITIONS

Universal Power Nordic (UPN)

In July 2018 Duroc acquired the business of Universal Power Nordic (UPN), a leading supplier of diesel engines for industrial and marine applications. UPN, which has 40 employees in Sweden and Norway, also offers service, spare parts and technical support. Product offerings include strong brands, such as Perkins, Kubota, Kohler and Lombardini. The preliminary purchase price amounted to MSEK 23.5 and the acquisition was consummated through the wholly owned subsidiary Duroc Machine Tool Holding AB. Goodwill amounts to MSEK 4.3 consisting mainly of growth and the company's business model. The acquisition analysis was adjusted during the second quarter in accordance with the table below. UPN is consolidated in the Duroc Group from 1 July 2018. For the 2018/2019 financial year UPN's revenue amounted to MSEK 131.8 and the operating profit was MSEK 1.1. Acquisition-related transaction costs amount to MSEK 0.3.

Preliminary acquisition analysis

Amounts in MSEK	**Preliminary acquisition analysis**	**Adjusted acquisition analysis**
Total purchase price	23.5	23.5
Cash settled purchase price	23.5	23.5
Total acquisition value	**23.5**	**23.5**
Fair value of acquired net assets	21.1	19.2
Goodwill	**2.4**	**4.3**

Assets and liabilities arising from the acquisition are as follows	**Preliminary acquisition analysis**	**Adjusted acquisition analysis**
Customer relations	1.0	1.0
Other intangible assets	2.5	2.5
Tangible assets	1.0	1.0
Inventories	21.5	19.7
Current assets	6.1	6.5
Cash and cash equivalents	2.3	2.2
Deferred tax liability	-0.2	-0.2
Current liabilities	-13.1	-13.5
Fair value of net assets	**21.1**	**19.2**

Herber Engineering

In April 2019 Duroc acquire all shares outstanding in Herber Engineering AB, in accordance with the agreement concluded in December 2018. Herber manufactures advanced tube bending machines (electric and hydraulic) for cold tube and profile forming. Customers are found, in among other, the automotive industry, the aerospace industry, the furniture industry and HVAC (heating, ventilation and air conditioning) worldwide. The company has approximately 20 employees and about MSEK 50 in sales. The price paid amounted to MSEK 13.8 and the acquisition was made via the wholly owned subsidiary Duroc Machine Tool Holding AB. Goodwill amounted to MSEK 1.0.

Herber is included in business area Industrial Trading and is consolidated in the Duroc Group as o 30 April 2019. Acquisition-related transaction costs amounted to MSEK 0.2.

Amounts in MSEK	**Preliminary acquisition analysis**
Total purchase price	13.8
Cash settled purchase price	13.8
Total acquisition value	**13.8**
Fair value of acquired net assets	12.7
Goodwill	**1.0**

Assets and liabilities arising from the acquisition are as follows	**Preliminary acquisition analysis**
Intangible assets	3.2
Propety plant and equipment	0.3
Inventories	15.1
Current assets	13.5
Cash and cash equivalents	1.0
Deferred tax liability	-1.0
Current liabilities	-19.4
Fair value of net assets	**12.7**

Cotting Group

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

The preliminary purchase money amounted to approximately MSEK 190 (€18m). Equity in the companies at the time of acquisition was approximately MSEK 275 (€26m). For the 2018 operating year total net sales in the Cotting Group was approximately MSEK 750 and EBIT about MSEK 50. For 2019 the Group's sales are expected to remain at the same level, but in the French business lower margins will lead to a result lower than in 2018.

The process of completing a whole preliminary acquisition analysis in ongoing.

The acquisition of the Cotting Group increases the Group's sales by about 25 percent, at the same time as Duroc establishes itself in an industry with a fragmented structure and good opportunities for growth.

NOTE 3. SEGMENT REPPORTING

Operating segments are reported in a manner that is consistent with the internal reporting provided to the chief decision maker. The Board of Directors and the Chief Executive Officer are the Group's chief decision maker and evaluate the Group's financial position and performance and make strategic decisions.

Management has determined the operating segments based on the information dealt with by the Board of Directors and the Chief Executive Officer. The segment division is used as a basis for distributing resources and evaluate results.

Three reportable segments have been identified based on this reporting, Fibre, Other Industry and Industrial Trading.

Amounts in MSEK	2018/2019 Q4	2017/2018 Q4	2018/2019 Q1-Q4	2017/2018 Q1-Q4
Net sales				
Fibre	592.4	626.6	2,252.0	2,040.0
Of which external	592.4	626.6	2,252.0	2,040.0
Of which internal	-	-	-	-
Industrial trading	145.3	133.5	590.2	375.7
Of which external	145.3	133.5	590.2	375.7
Of which internal	-	-	-	-
Other industry	37.8	29.9	132.2	110.9
Of which external	37.8	29.9	132.2	110.9
Of which internal	-	-	-	-
Group-wide functions	1.4	0.9	4.6	3.6
Eliminations	-1.4	-0.9	-4.6	-3.7
Total net revenue	**775.5**	**789.8**	**2,974.4**	**2,526.4**
Operating profit				
Fibre	26.6	34.8	59.0	97.5
Industrial trading	2.5	17.1	33.1	19.9
Other industry	1.6	3.1	14.1	10.0
Group-wide functions	-4.2	-3.9	-12.5	-11.2
Total operating profit	**26.6**	**47.7**	**93.7**	**116.2**
Net finance items	**-0.0**	**-1.5**	**-4.7**	**-3.4**
Profit before taxes	**26.5**	**46.2**	**89.0**	**112.8**
Operating margin				
Fibre	4.5%	5.6%	2.6%	4.8%
Industrial trading	1.8%	12.8%	5.6%	5.3%
Other industry	4.3%	10.4%	10.7%	9.0%
Total	**3.4%**	**6.0%**	**3.2%**	**4.6%**

NOTE 4. ALTERNATIVE KEY FINANCIAL INDICATORS

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

Organic growth

Amounts in MSEK	2018/2019 Q4	2017/2018 Q4	2018/2019 Q1-Q4	2017/2018 Q1-Q4
Net sales	**775.5**	**789.8**	**2974.4**	**2,526.4**
Effect from change in exchange rates	-22.2		-126.8	
Effect from acquisitions	-31.1		-244.6	
Organic growth	**722.2**	**789.8**	**2,603.0**	**2,526.4**
	-9%		3%	

EBITDA och justerad EBITDA

Amounts in MSEK	2018/2019 Q4	2017/2018 Q4	2018/2019 Q1-Q4	2017/2018 Q1-Q4
Operating profit/loss	26.6	47.7	93.7	116.2
Depreciation and amortisation of tangible and intangible non-current assets	13.0	10.0	51.6	44.4
EBITDA	**39.6**	**57.7**	**145.3**	**160.6**
Items affecting comparability				
Negative goodwill and other items from aqcuisitions	-	-	-3.0	-30.1
Impairment account receivable in USA	-	-	-	4.4
Adjusted EBITDA	**39.6**	**57.7**	**142.3**	**135.0**

Nettoskuld

Amounts in MSEK	30/06/2019	30/06/2018
Long-term interest bearing liabilities	105.7	93.9
Short-term interest bearing liabilities	370.9	179.8
Other items affecting comparability	-352.5	-262.2
Net debt	**124.1**	**11.5**

NOTE 5. FAIR VALUE OF FINANCIAL INSTRUMENTS

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

NOTE 6. TRANSACTIONS WITH CLOSELY RELATED PARTIES

During the third quarter one of the Group's subsidiaries raised a loan from Peter Gyllenhammar AB, holder of approximately 80 percent of the shares outstanding in Duroc AB. The loan amount at the end of the financial year amounts to MSEK 26.0 and carries interest on market terms.

During the financial year Duroc has purchased services and sold services to other companies where Peter Gyllenhammar AB is a majority owner in an amount of MSEK 0.9 and MSEK 0.1, respectively.

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DEFINITION OF KEY FINANCIAL INDICATORS

Organic growth	Net sales growth adjusted for acquisitions and currency translation effects.
Equity	The sum total of share capital, reserves and retained earnings, including result for the year.
EBITDA	Earnings Before Interest, Tax, Depreciation and Amortisation.
Adjusted EBITDA	EBITDA adjusted for items affecting comparability.
Equity ratio	Equity divided by balance sheet total.
Adjusted equity ratio	Equity divided by adjusted balance sheet total where cash and cash equivalents and interest-bearing liabilities are reported on a net basis.
Items affecting comparability	Items in the income statement, which unless high-lighted, makes understanding of development of the underlying business more difficult.
Earnings per share	Result after taxes divided by the average number of shares outstanding.
+Net debt/–Net cash and cash equivalents	Interest-bearing debt, less cash and cash equivalents.
Net debt equity ratio	Net debt divided by equity.