



» Industrivärden works with long-term asset management – a business that requires strong positions of trust «

Industrivärden well equipped for the future

At the Annual General Meeting on May 6, 2015, I was elected as the new Chairman of Industrivärden.

During the winter and spring of 2015 Industrivärden came under great focus as a result of the debate that arose surrounding various trust and compensation issues. Industrivärden works with long-term asset management – a business that requires strong positions of trust. One of the Board's most important duties after the AGM was therefore to restore trust in Industrivärden. Towards this end, we have subsequently taken a number of actions that I hope have contributed to a building of this trust.

In connection with the 2015 AGM, Bengt Kjell took over as acting CEO. Bengt very commendably took hold of a number of operational matters that needed attention. Parallel with this, we set out to find a permanent successor for the CEO position. In August we announced that the Board had appointed Helena Stjernholm as Industrivärden's new CEO, effective September 1. Helena has a solid background in the private equity business and is thereby accustomed with many of the issues one is faced with as CEO of Industrivärden. I want to express sincere gratitude to Bengt Kjell for his good work during the summer months and at the same time express my satisfaction that he will continue to serve on the Board.

Under Helena's leadership, during the autumn we conducted a review of our strategy and objectives. It has been a valuable exercise that has clarified a number of questions and challenges.

The Board's view is that we, at our core, should work with value-creating asset management. We will do this through long-term active ownership. This ownership is exercised in many different ways. We attach great importance to the election of directors and the chairmen of our portfolio companies. In this effort we work together with other major shareholders on the respective companies' nominating committees. From our side we are represented either by our CEO or by a director on Industrivärden's board. We believe it is important to raise this issue to the top decision-making level in Industrivärden.

We attach especially great importance to the position of board chairman. Through good knowledge about our portfolio companies we can have discussions with the respective chairmen and the directors of the portfolio companies who have ties to Industrivärden.

Naturally, this dialog with the portfolio companies aims to enhance value creation. We will continuously evaluate opportunities for value creation that we see. If such are lacking, we should reassess our involvement in the company. We are also interested in broadening our investments to companies that are new to us.

An investment company like Industrivärden should not carry too much debt, since this restricts flexibility over time. To be able to support our portfolio companies when needed, such as in new issues, and to build capacity for new investments, we must have a positive cash flow after payment of dividends to our shareholders. Otherwise we will be powerless and unable to carry out our mission. The Board's decision on new policies for debt and dividend create this important room to maneuver.

Against this background, the Board proposes that the 2016 Annual General Meeting resolve in favor of a reduced dividend, from SEK 6.25 per share to SEK 5.00.

Esteemed shareholders, I personally feel that we are well equipped to meet the challenges that we will face. Our CEO, Helena Stjernholm, has in a short time familiarized herself with Industrivärden and its portfolio companies, and done an excellent job at settling into her role.

However, economic swings in various parts of the world and in various sectors are something that we have no control over. It is therefore necessary, from this angle as well, to have a long-term perspective of our business.

Stockholm, February 2016

Fredrik Lundberg
Chairman of the Board