

Q1 2023 presentation

April 20, 2023

Erik Lundén, CEO
Marcus Söderberg, CFO





Q1 highlights

Erik Lundén
President & CEO

Q1 Summary – Strong start to the year

- **Continued healthy growth**

- Strong start of the year delivering our best quarter ever in terms of Sales, Operating margin and Earnings per share
- Strong growth in the quarter of 19%, mainly driven by the latest year's acquisitions
- Organic growth of 0%, impacted negatively by strong comparative figures and a weak demand in Segments East and UK/North America. Segment West reported strong organic growth of 13%
- Order intake was slightly lower than net sales

- **Strong improvement in EBITA**

- Somewhat higher gross margin explained by a positive business mix
- Continued good cost control and favourable contributions from recent acquisitions
- Strong improvement in EBITA (+33%), corresponding to an operating margin of 13.5% (12.1)
- Adjusted for items affecting comparability in Q1 2022, the operating margin was 13.6% (14.0)

- **Robust improvement in cash flow - Expected to continue coming quarters**

- As expected, operating cash flow improved, to SEK 336 million (-22), corresponding to a cash conversion ratio of 99% (-8)
- We expect continued strong cash flow coming quarters



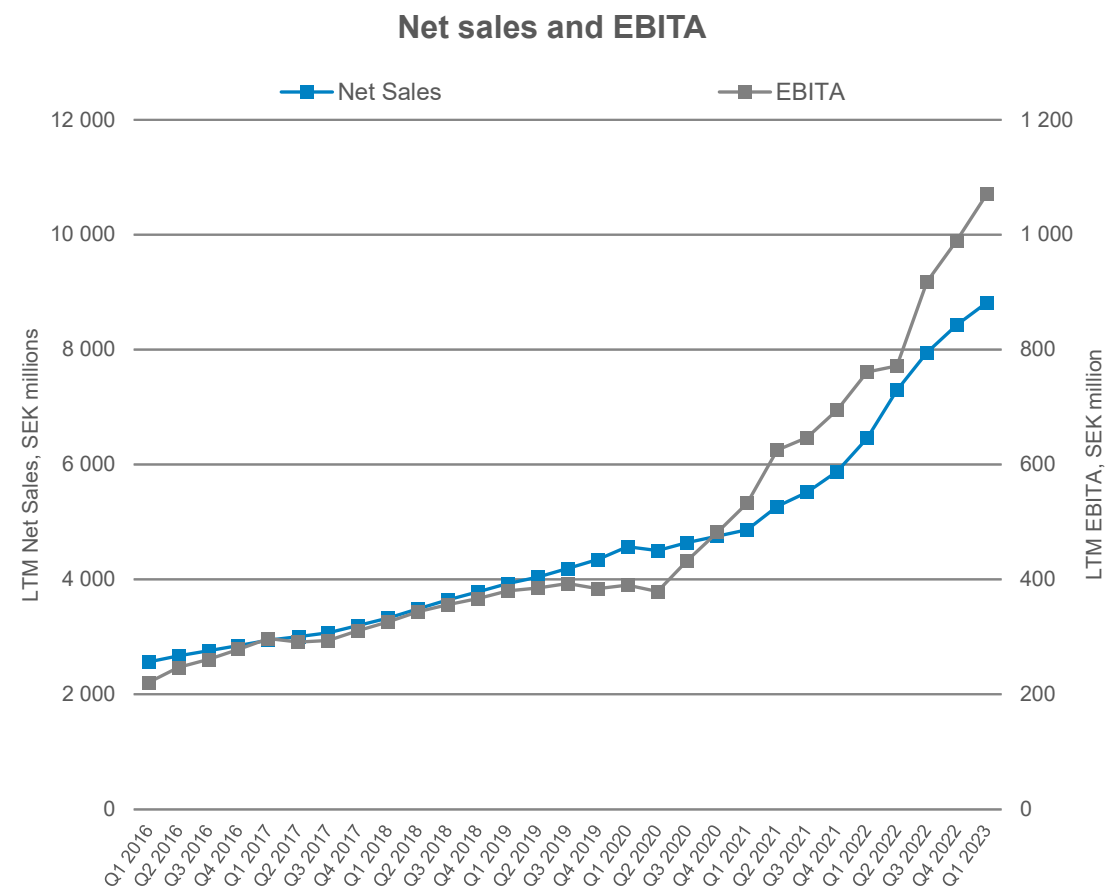
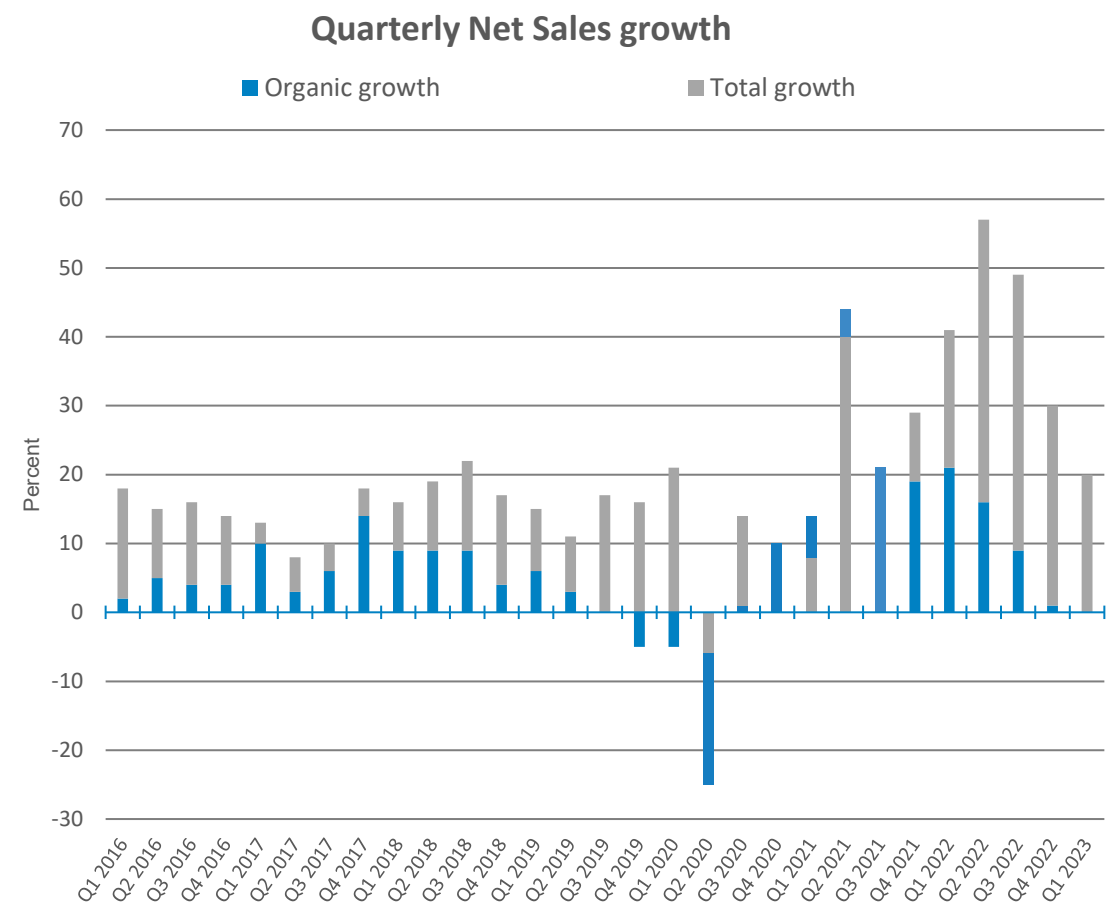
Financial highlights

Marcus Söderberg
CFO

Financial highlights, Group

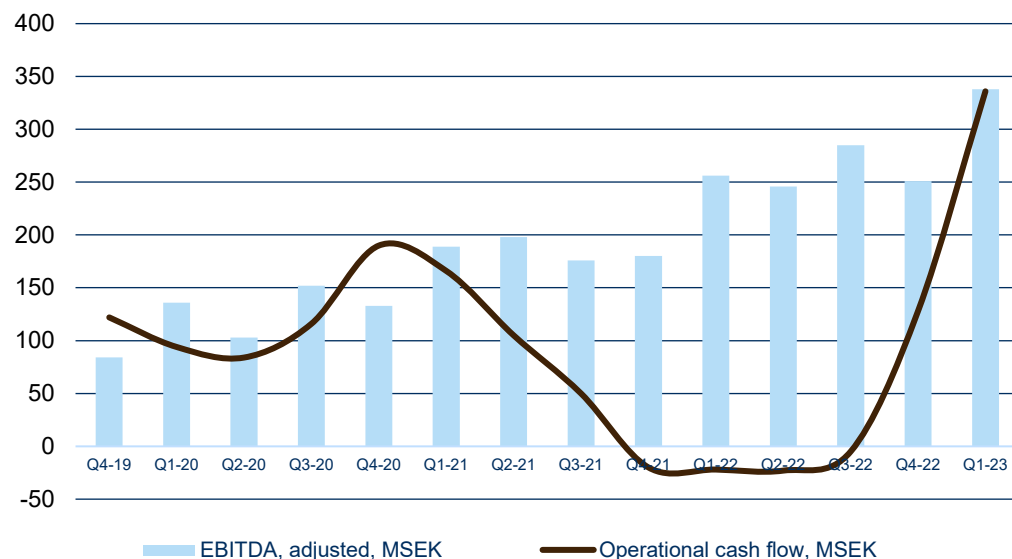
	Quarter 1		Δ	12-months rolling	Full year
<i>SEK million</i>	2023	2022	%	2022/23	2022
Order intake	2,320	2,041	14	8,622	8,453
Net sales	2,386	2,002	20	8,823	8,431
Gross profit	675	561	20	2,503	2,389
%	28.3	28.0		28.4	28.3
Operating expenses	-351	-318	11	-1,433	-1,399
%	-14.7	-15.9		-16.2	-16.6
Operating profit (EBITA)	323	243	33	1,071	990
%	13.5	12.1		12.1	11.7
Operating profit	306	233	32	1,004	930
%	12.8	11.6		11.4	11.0
Profit after tax	201	166	26	652	609
Earnings per share, SEK	5.33	4.42	21	17.14	16.23

Financial development



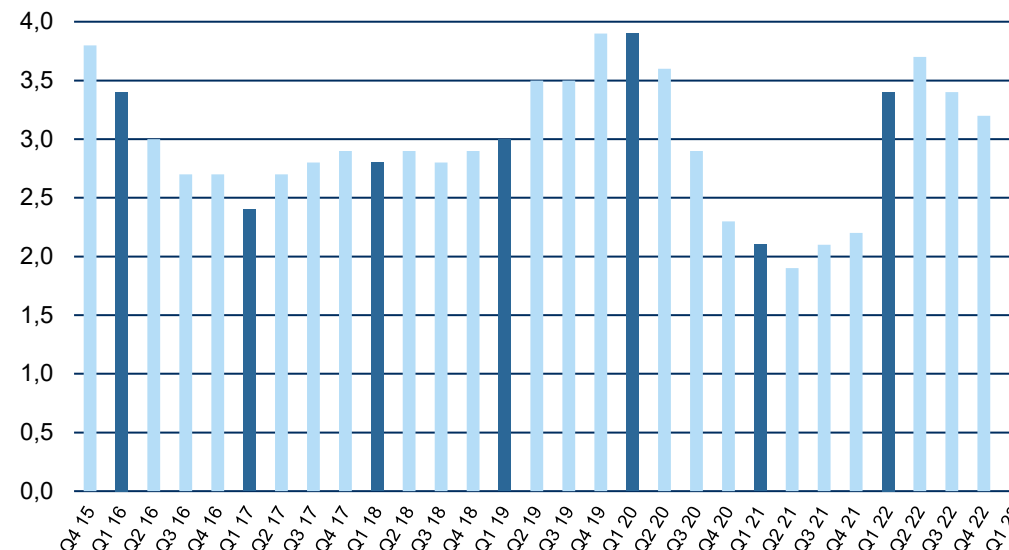
Cashflow and ND/EBITDA

Operating cash flow and cash conversion



- Significantly strengthened cash flow;
 - Re-normalizing of net working capital / inventory leading to significantly strengthened cash flow

Net debt/EBITDA adj, x



- Leverage continues to go down, from higher levels due to last years of acquisitions
 - Fueled by both solid result generation as well as increased cash flow has been used to pay off debt

EBITA Bridge

EBITA Q1 2022	243
North	26
West	23
East	13
UK/North America	11
Other	6
EBITA Q1 2023	323



Consolidator in a fragmented market



+51

acquisitions since 1977

3

acquisitions
in 2022

900

employees

3,400 MSEK



Q1- Segment highlights

Erik Lundén
President & CEO

Segment North – Q1 summary

	Quarter 1		Δ	Rolling 12 months	Full year
SEK million	2023	2022	%	2022/23	2022
Order intake	789	681	16	2,924	2,815
Net sales	821	694	18	2,964	2,837
Gross profit	215	182	18	769	737
%	26.2	26.2		25.9	26.0
Operating expenses	-98	-91	-7	-391	-384
%	-11.9	-13.1		-13.2	-13.5
Operating profit (EBITA)	117	91	29	378	352
%	14.2	13.1		12.8	12.4

- The segment noted continued favourable growth during the quarter. Total growth amounted to 18% mainly due to the acquisition of Pajo-Bolte
- Organic growth up 4% due to healthy demand primarily in Swedish operations
- Flat gross margin
- Lower share of expenses due to continued good cost control
- Both operating profit and the operating margin increased

Segment West – Q1 summary

<i>SEK million</i>	<i>Quarter 1</i>		<i>Δ</i>	<i>Rolling 12 months</i>	<i>Full year</i>
	<i>2023</i>	<i>2022</i>	<i>%</i>	<i>2022/23</i>	<i>2022</i>
Order intake	520	457	14	1,721	1,716
Net sales	526	440	20	1,781	1,694
Gross profit	128	104	23	431	408
%	24.3	23.7		24.2	24.1
Operating expenses	-55	-55	0	-220	-219
%	-10.5	-12.5		-12.4	-12.9
Operating profit (EBITA)	73	50	46	211	188
%	13.8	11.4		11.9	11.1

- Total growth amounted to 20%, of which 13% was organic growth
- Organic growth was mainly driven by underlying demand and increased market shares. The operations in the Netherlands and Czech Republic had an especially strong performance
- Somewhat higher gross margin due to favorable business mix and lower share of expenses due to good cost control and operational leverage
- Both operating profit and the operating margin increased

Segment East – Q1 summary

	Quarter 1		Δ	Rolling 12 months	Full year
SEK million	2023	2022	%	2022/23	2022
Order intake	302	289	4	1,079	1,066
Net sales	297	282	5	1,088	1,073
Gross profit	94	90	5	347	342
%	31.6	31.7		31.9	31.9
Operating expenses	-45	-54	-17	-181	-190
%	-15.0	-19.0		-16.6	-17.7
Operating profit (EBITA)	49	36	37	166	153
%	16.6	12.7		15.3	14.2

- Total growth of 5% in the segment driven fully by acquisitions and currency effects
- Organic growth -6%, due to strong comparative figures and weak development in Poland and Singapore
- Gross margin in line with last year
- Higher share of expenses compared to last year when adjusted for costs for the discontinuation of the Russian operations
- In total, adjusted operating profit and margin declined to last year, but still on a high level

Segment UK/North America – Q1 summary

	Quarter 1		Δ	Rolling 12 months	Full year
SEK million	2022	2022	%	2022/23	2022
Order intake	718	614	17	2,907	2,855
Net sales	742	585	27	2,988	2,824
Gross profit	234	187	25	937	890
%	31.6	32.0		31.4	31.5
Operating expenses	-138	-103	34	-604	-568
%	-18.6	-17.5		-20.2	-20.1
Operating profit (EBITA)	96	85	14	333	321
%	13.0	14.5		11.2	11.4

- The segment reported strong growth of 27%, driven entirely by acquisitions and currency effects
- Organic growth was -13%, due to strong comparative figures and lower demand for stainless steel C-parts in the UK and mobile homes in North America
- Lower gross margin due to TIMCO but higher share of expenses due to the lower volumes
- Overall, operating profit increased, while the margin declined



Summary & Outlook

Erik Lundén
President & CEO

Summary & Outlook

- **Q1 Summary**

- Strong overall growth in the quarter mainly driven by the latest year's acquisitions. Organic growth hampered by weak demand in some segments and strong comparatives
- Strong result due to acquisitions, somewhat higher gross margin and lower share of expenses
- Strong EBITA of 13.5% (12.1) and Operating cash flow of SEK 336 million (-22), corresponding to a cash conversion ratio of 99% (-8)

- **Outlook**

- Given the geopolitical and macroeconomic situation, there is still a great uncertainty
- A higher level of caution noted among customers in certain industrial segments
- We have a large and well-diversified customer- and article portfolio, with a good diversification of risk in various industries and markets

- **Short term Priorities**

- Continue securing new business and taking market shares
- Protect margins, secure cash-flows and reduce debt
- Continuing working on efficiency improvements, offsetting the gradual improvement of inflationary pressure



Q&A