

Presentation of Interim Report – First six months 2021

1 January-30 June 2021

15 July 2021

Presenters today



ULF LILIUS
President & CEO



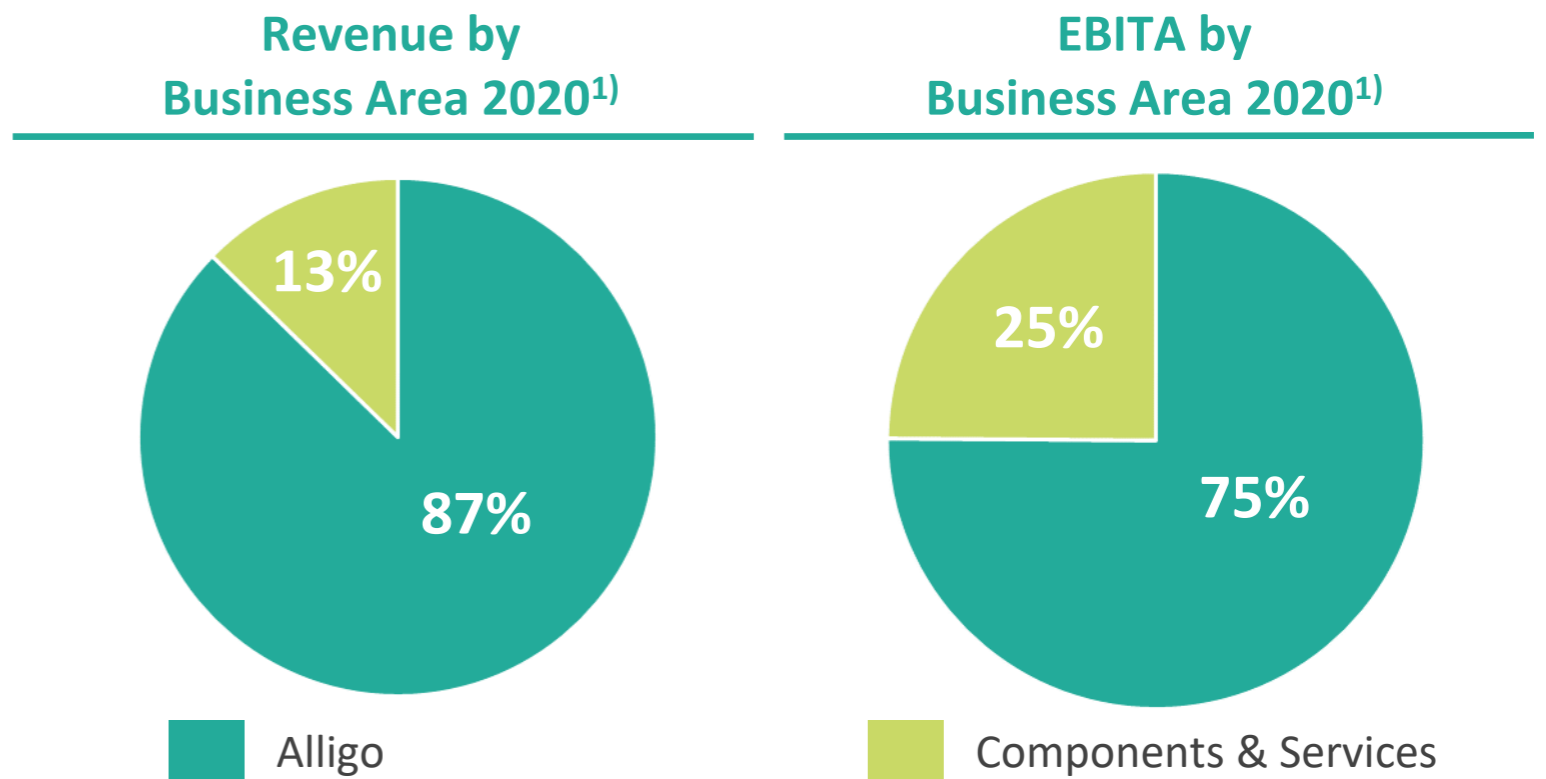
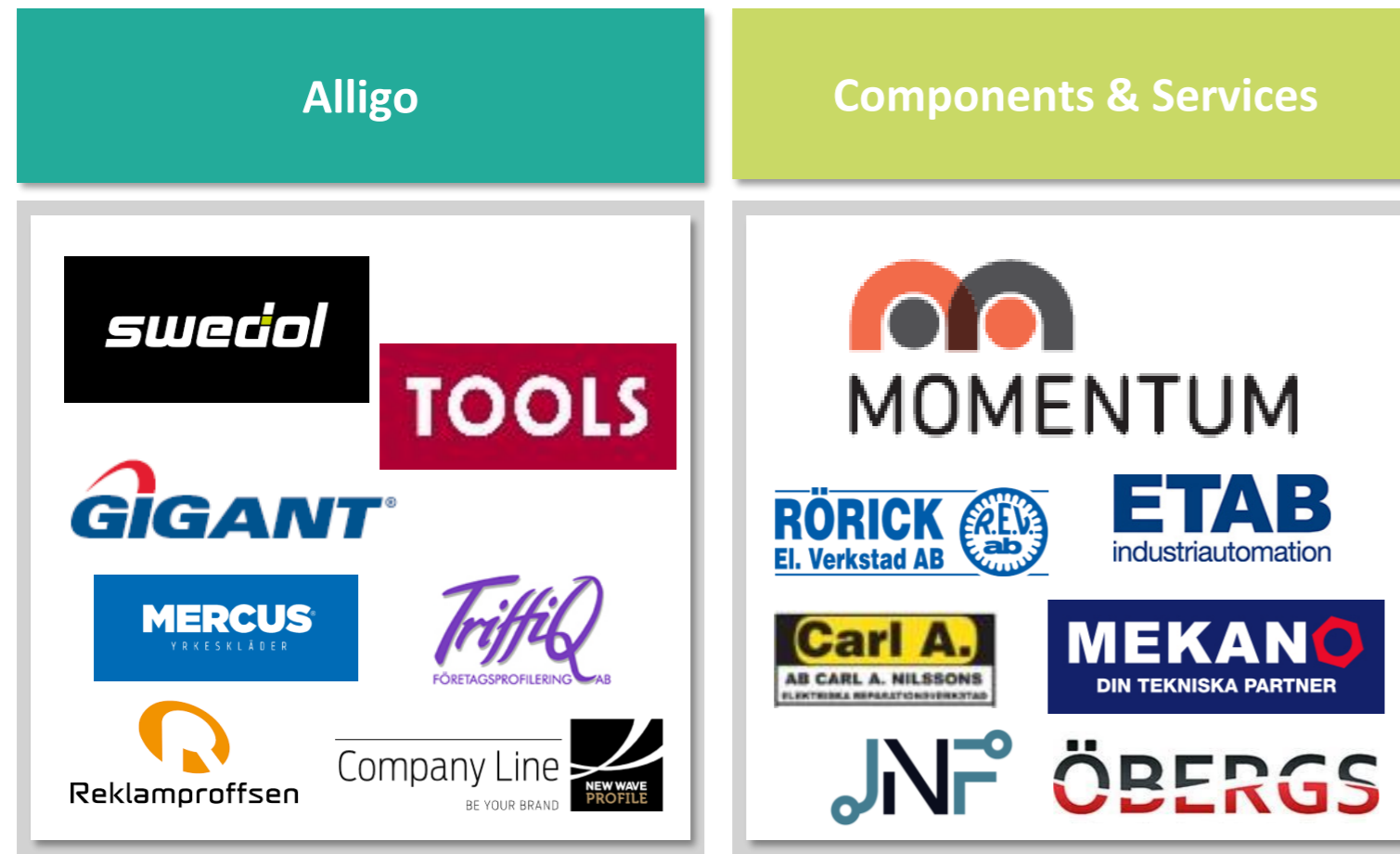
NIKLAS ENMARK,
EVP & CFO



**CLEIN JOHANSSON
ULLENVIK**
Business Area Manager

Momentum Group at a glance

- Momentum Group is a leading supplier of industrial consumables, industrial components, services and maintenance for professional end users in the industrial and construction sectors in the Nordics.
- Decentralised business model.
- Strong local presence in close proximity to customers (260 local units).
- Two operationally independent Business Areas:

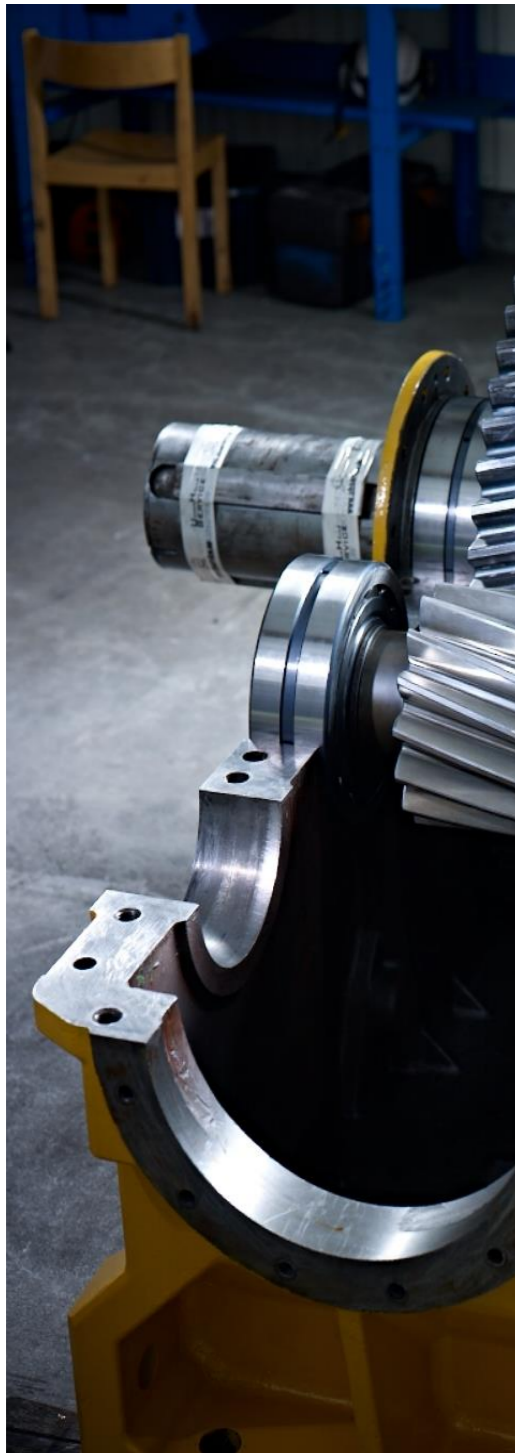


Note: 1) Rolling 12 months as of 31 December 2020 (including Swedol as of 1 April 2019).

2) EBITA is the operating profit adjusted for any items affecting comparability and before amortisation of intangible assets incurred in connection with corporate acquisitions and equivalent transactions.

Interim Report Q2 2021 (6 months) – 1 January-30 June 2021 15 July 2021

Interim Report Q2 2021 [1 Jan-30 Jun 2021] – Highlights from the Report



Revenue and profit for a majority of the Group's businesses developed positively during the second quarter after a more cautious start of the financial year. EBITA for the whole Group increased by 38 percent for the quarter.

The integration between TOOLS and Swedol continues according to plan in *BA Alligo* – with store and purchasing coordination and the introduction of proprietary product brands in different parts of the business area.

The four businesses acquired in the first quarter are now integrated in *BA Components & Services* and contribute to both revenue and profit development. A new organisational structure has been implemented in the business area to strengthen the focus on growth, both organic and through acquisitions.

Many customers have a positive outlook for the remainder of the year and the Group remains vigilant in order to secure its availability of products and high service levels, despite uncertainties regarding any further effects from the pandemic, material shortages in certain product areas, and price increases for raw materials and transportation.

Interim Report Q2 2021 [1 Jan-30 Jun 2021] – BA Alligo¹

- **Revenue** for the business area increased by some 4 percent² for the second quarter and by some 3 percent² for the full reporting period.
 - Positive sales trend in all three main markets for the business area, compared to weaker demand in 2020.
 - Sales in the industrial segment continues to be weak and several actions to reverse this development are implemented continuously.
- **EBITA³** increased by 37 percent to MSEK 167 (122) for the quarter, corresponding to an **EBITA margin³** of 7.7 percent (6.1). For the full reporting period, **EBITA³** increased by 18 percent¹.
 - Increased revenue and integration synergies offset price increases for certain product areas and freights.
- **The integration of TOOLS and Swedol** continues according to plan and all businesses in Alligo now share the same mission, vision, core values and strategic goals.
 - **15 stores** are co-located in Sweden and Norway so far, with some 15 more to follow.
 - Coordination of **suppliers and product ranges** continues, and one joint Nordic assortment for TOOLS and Swedol will launch in autumn 2021.
 - Efforts to increase efficiency in the **logistics operations** in Norway continue.

MSEK	QUARTER (3 mon)			REPORTING PERIOD (6 mon) ¹		
	APR-JUN 2021	APR-JUN 2020	Δ	JAN-JUN 2021	JAN-JUN 2020	Δ
Revenue	2,172	2,012	+8%	4,154	4,064	+2%
EBITA ³	167	122	+37%	252	213	+18%
EBITA margin ³ , %	7.7%	6.1%		6.1%	5.2%	

Interim Report Q2 2021 [1 Jan-30 Jun 2021] – BA Components & Services

- **Revenue** for the business area increased by some 19 percent¹ in total for the second quarter and by some 7 percent¹ for the full reporting period.
 - Stronger sales for all businesses during the quarter, compared to weaker demand in 2020 due to the pandemic.
 - A positive outlook for the remainder of the year from many customers, despite uncertainties regarding further effects from the pandemic, disturbances in the supply chains and price increases for raw materials and freights.
 - Businesses acquired so far in 2021 contributed by some MSEK 70 in revenue during the quarter.
- **EBITA²** increased by 47 percent to MSEK 50 (34) for the quarter, corresponding to an **EBITA margin²** of 12.6 percent (11.9). For the full reporting period, **EBITA²** increased by 18 percent.
 - Increased revenue, measures for improved efficiency and higher margins and a good product mix contributed to the strong profit development.
- Vigilant and focused efforts to secure the **continued availability of products and high service levels** for both current and new customers.
- **New organisational structure** to strengthen the business area's focus on growth, both organic and through acquisitions.

MSEK	QUARTER (3 mon)			REPORTING PERIOD (6 mon)		
	APR-JUN 2021	APR-JUN 2020	Δ	JAN-JUN 2021	JAN-JUN 2020	Δ
Revenue	396	285	+39%	746	611	+22%
EBITA ²	50	34	+47%	93	79	+18%
EBITA margin ² , %	12.6%	11.9%		12.5%	12.9%	

Interim Report Q2 2021 [1 Jan-30 Jun 2021] – Group in Summary¹

- **Revenue** increased by 6 percent² to MSEK 2,560 during the second quarter. For the full reporting period, **revenue** increased by 3 percent² to MSEK 4,885. The second quarter had one more trading day as the corresponding quarter in the preceding year. In total, the reporting period had the same number of trading days compared to the preceding year.
- **EBITA³** for the second quarter increased by 38 percent to MSEK 214 (155), corresponding to an **EBITA margin³** of 8.4 percent (6.8). **EBITA³** increased by 17 percent to MSEK 339 (289) for the full reporting period, corresponding to an **EBITA margin³** of 6.9 percent (6.2).
- The investigation of the **prerequisites for splitting the Group** into two separate listed companies proceeds according to plan and has incurred advisory costs affecting comparability of MSEK –2 during the period.
- **Return on working capital (EBITA/WC)** increased to 33 percent (29) for rolling 12 months.
- **Strong cash flow from operating activities** of MSEK 486 (482) for the reporting period.
- The **equity/ assets ratio** was 39 percent at the end of the period.

MSEK	QUARTER (3 mon)			REPORTING PERIOD (6 mon) ¹		
	APR-JUN 2021	APR-JUN 2020	Δ	JAN-JUN 2021	JAN-JUN 2020	Δ
Revenue	2,560	2,288	+12%	4,885	4,656	+5%
EBITA ³	214	155	+38%	339	289	+17%
<i>Items affecting comparability</i>	–2	–4		–2	–9	
<i>Amortisation of intangible assets in corporate acquisitions</i>	–18	–17		–35	–23	
Operating profit	194	134		302	257	
EBITA margin ³ , %	8.4%	6.8%		6.9%	6.2%	

Interim Report Q2 2021 [1 Jan-30 Jun 2021] –

Cash-flow Statement in Summary

MSEK	QUARTER		REPORTING PERIOD	
	APR-JUN 2021	APR-JUN 2020	JAN-JUN 2021	JAN-JUN 2020
Operating activities				
Operating activities before changes in working capital	308	248	488	370
Changes in working capital	-37	129	-2	112
Cash flow from operating activities	271	377	486	482
Investing activities				
Acquisition of subsidiaries and other business units (net)	-49	-1,694	-127	-1,702
Other	-37	-54	-75	-58
Cash flow before financing	185	-1,371	284	-1,278
Financing activities	-238	245	-343	1,273
Cash flow for the period	-53	-1,126	-59	-5
Cash and cash equivalents at the beginning of the period	370	1,157	375	37
Exchange-rate differences in cash and cash equivalents	0	-2	1	-3
Cash and cash equivalents at the end of the period	317	29	317	29

- **Cash flow from operating activities for rolling 12 months ending 30 June 2021** amounted to MSEK 1,195.

Interim Report Q2 2021 [1 Jan-30 Jun 2021] –

Performance Measures in Summary

	12 MONTHS ENDING			
	30 JUN 2021	31 DEC 2020	31 MAR 2020	31 MAR 2019
Revenue ¹ , MSEK	9,443	9,214	9,780	6,024
EBITA ^{1,2} , MSEK	668	618	681	318
EBITA margin ^{1,2} , %	7.1%	6.7%	7.0%	5.3%
Profit margin, %	4.8%	4.4%	4.6%	4.9%
Return on working capital (EBITA/WC) ¹ , %	33%	32%	28%	27%
Return on equity, %	12%	12%	16%	19%
Equity/assets ratio, %	39%	39%	48%	45%
Earnings per share, SEK	7.10	6.50	7.70	8.20
Financial net loan liability (closing balance), MSEK	2,386	2,331	708	293
Operational net loan liability (closing balance), MSEK	1,290	1,293	166	266
Number of employees at the end of the period	2,779	2,670	1,651	1,684

- **Operational net loan liability** amounted to MSEK 1,290 at the end of the period (MSEK 1,293 as of 31 Dec 2020).
- The **equity/assets ratio** was 39 percent (38) at the end of the period.
- **Return on equity** for rolling 12 months ending 30 Jun 2021 was 12 percent (15).

Focus in the short to medium term

Focus areas 2021 –

Momentum Group's focus in the short to medium term

Momentum Group's strategic focus is concentrated on three main areas

1.

Integration and synergies within
BA Alligo
[TOOLS and Swedol]

2.

Continued development and improvement of efficiency and profits in
all Group companies

3.

Acquisition-driven growth strategy within
BA Components & Services

Business area Alligo –

Integration of TOOLS and Swedol – according to plan

- Core values being implemented throughout the business area
- Based on Mission and Vision, Strategic Objectives have been defined and will be finalized early autumn.
- Preparations for launch of new ERP system for TOOLS Sweden has started, planned go-live in March 2022.
- Extensive ISO certification process performed during the quarter, ISO 9001, ISO 14001 and ISO 45001 in Sweden and Norway.
- Local integration of stores and sales forces continues as planned.
- Focusing on developing customer offers – smart services.
- Consolidation of suppliers and product range ready for roll-out.
- Launch of proprietary brands from Swedol in TOOLS continues.



Our customers meet us through our strong concept brands...

TOOLS

swedol

UNIVERN

GROLLS

ALLiGO

...and we all have our home in Alligo

Business area Components & Services – Acquisition-driven growth strategy

WE MAKE SUCCESSFUL COMPANIES GROW STRONGER

With more than 100 years of continuous development as our corporate culture, we are looking for more businesses that possess a number of important characteristics and that can contribute to our future development.



- **Committed and proven management** that has delivered profitability and growth – and with a plan for continued development.
- Focused business with a **strong market position** operating in an **interesting market** that can be developed further.
- *The Mind:* Aims to be “**The best choice for customers**” by offering a mix of value creating solutions, availability, quality, competence, guidance and flexibility.
- *The Soul:* Aims to take responsibility for their continued development in a **decentralised environment** based on **simplicity** and **willingness to improve**.

Business area Components & Services today

THE MARKET'S BEST PARTNER FOR INDUSTRY

We aim to make our customers' everyday operations easier, safer and more profitable – by offering sustainable products and services

THREE MAIN FOCUS AREAS

COMPONENTS & SERVICES

Potential acquisition targets with competitive offerings of industrial components, services and solutions for maintenance, repairs and operations.

GROUP COMPANIES TODAY



Revenue: MSEK 1,000 / EBITA: MSEK 135

TECHNICAL SERVICE

Potential acquisition targets with competitive offerings of technical service for the industrial sector, including solutions for digitalised maintenance, etc.

GROUP COMPANIES TODAY



Revenue: MSEK 325 / EBITA: MSEK 30

SPECIALISTS

Potential acquisition targets with a competitive edge in specialist areas / market niches for the industrial sector.

GROUP COMPANIES TODAY



Revenue: MSEK 140 / EBITA: MSEK 15

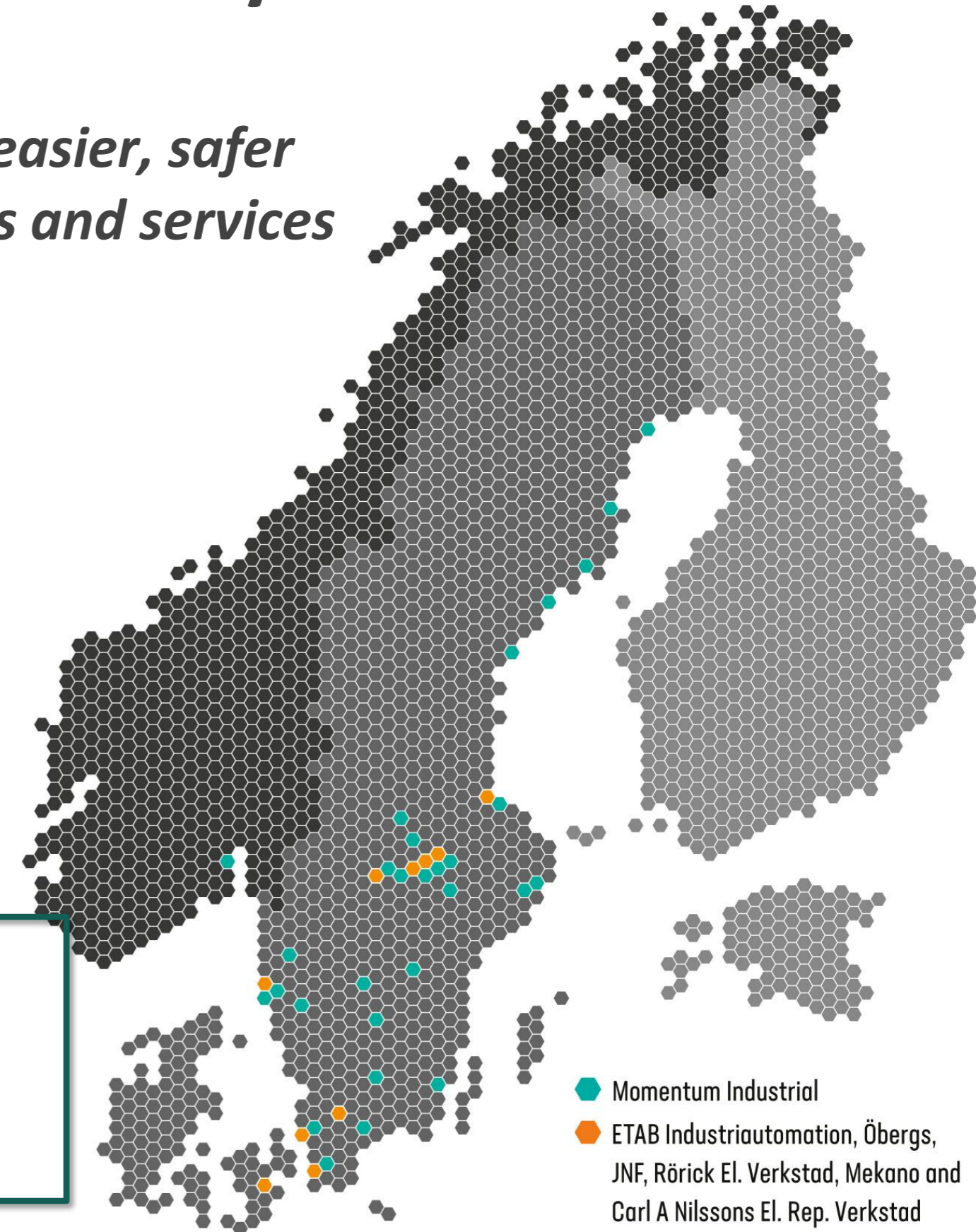
PROFORMA 12 MONTHS –

Revenue	MSEK 1,450
EBITA	MSEK 180
EBITA margin	12,4%

NUMBER OF EMPLOYEES*

510

* Including acquisitions until March 2021.

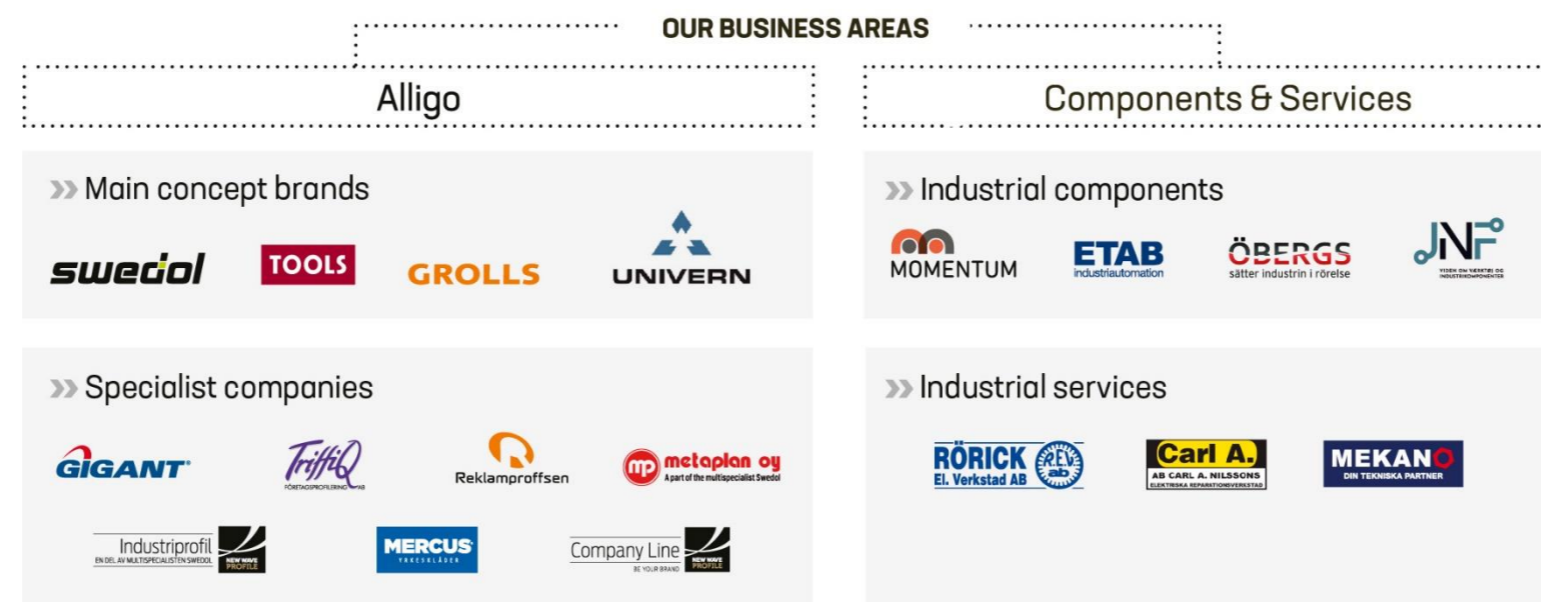


- Momentum Industrial
- ETAB Industriautomation, Öbergs, JNF, Rörick El. Verkstad, Mekano and Carl A Nilssons El. Rep. Verkstad

Additional focus area for Group management [April 2021]

Possibility of splitting the Group into two separate listed companies

- In an effort to provide the two business areas with better prerequisites to achieve their goals in an optimal manner and thereby increase shareholder value, the Board has assigned Group management with the task of investigating the possibility of splitting the Group into two separate listed companies as well as the conditions for such a split.



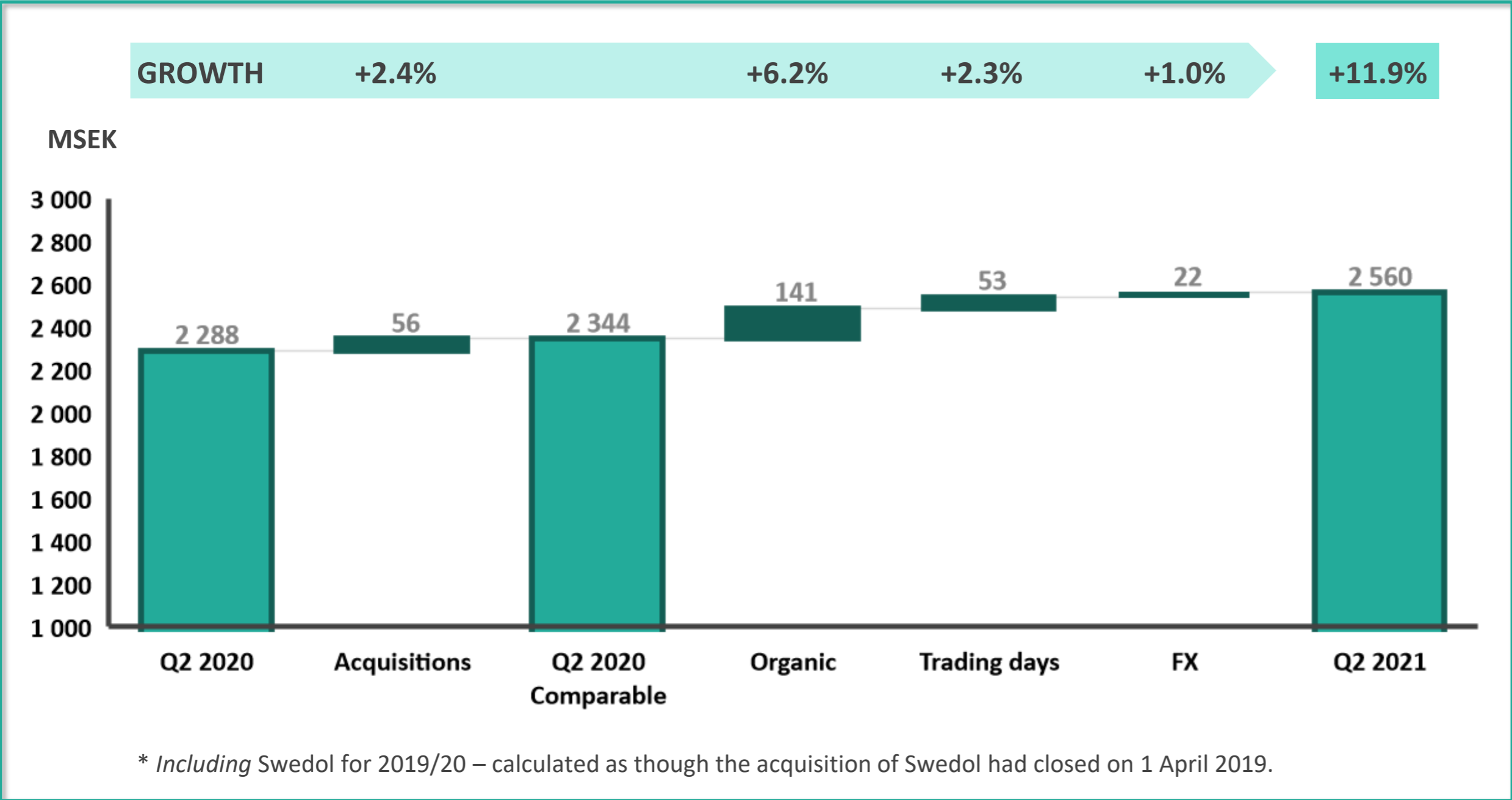
- The investigation proceeds according to plan and further information on the results of the work will be presented by the Board during 2021.

Q&A

momentumgroup 

APPENDIX – Revenue bridges Income statements & Balance sheets

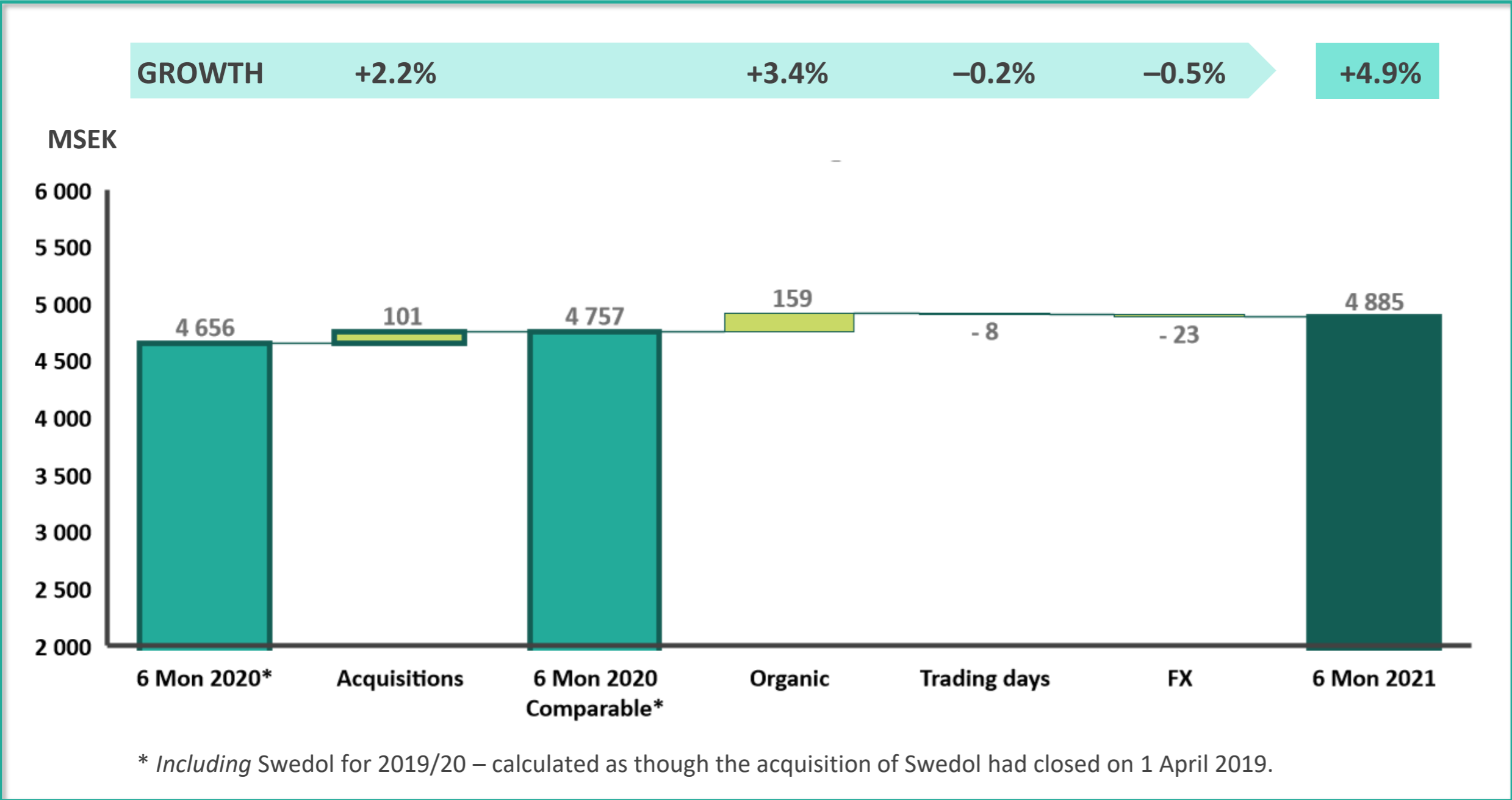
Second quarter 2021 [1 Apr-30 Jun] – Revenue bridge



HIGHLIGHTS

- **Organic change¹** at +6.2 percent – Development by business area:
 - Alligo: +4.2%.
 - Components & Services: +19.3%.
- **One more trading day** in the quarter than the preceding year.
- **Revenue contribution from acquisitions (excl. Swedol)** amounting to +2.4 percent.

Reporting period 2021 [1 Jan-30 Jun] – Revenue bridge



HIGHLIGHTS

- **Organic change¹** at +3.4 percent – Development by business area:
 - Alligo: +2.7%.
 - Components & Services: +7.2%.
- **The same number of trading days** in the reporting period than the preceding year.
- **Revenue contribution from acquisitions (excl. Swedol)** amounting to +2.2 percent.

Interim Report Q2 2021 [1 Jan-30 Jun 2021] –

Income Statements and Balance Sheets in Summary

Income statement

MSEK	QUARTER		REPORTING PERIOD	
	APR-JUN 2021	APR-JUN 2020	JAN-JUN 2021	JAN-JUN 2020
Revenue	2,560	2,288	4,885	3,827
Operating expenses <i>(excl. Items affecting comparability and amortisation of intangible assets in corporate acquisition)</i>	-2,346	-2,133	-4,546	-3,581
EBITA	214	155	339	246
<i>EBITA margin, %</i>	8.4%	6.8%	6.9%	6.4%
Items affecting comparability	-2	-4	-2	-9
Amortisation of intangible assets in corporate acquisitions	-18	-17	-35	-23
Operating profit	194	134	302	214
<i>Operating margin, %</i>	7.6%	5.9%	6.2%	5.6%
Financial income and expenses	-12	-14	-22	-20
Profit after financial items	182	120	280	194
Taxes	-37	-26	-58	-46
Net profit	145	94	222	148

Balance Sheet

MSEK	ASSETS		EQUITY & LIABILITIES	
	30 JUN 2021	30 JUN 2020	30 JUN 2021	30 JUN 2020
Intangible non-current assets	2,876	2,779	EQUITY	3,224
Right-of-use assets	1,022	1,048	Non-current interest-bearing liabilities	1,483
Other non-current assets	605	540	Non-current lease liabilities	697
Total non-current assets	4,503	4,367	Provisions for pensions	33
Inventories	1,910	1,898	Other non-current liabilities	394
Accounts receivable	1,334	1,160	Total non-current liabilities	2,607
Other current receivables	212	183	Current interest-bearing liabilities	124
Cash and cash equivalents	317	29	Current lease liabilities	366
Total current assets	3,773	3,270	Accounts payable	1,173
TOTAL ASSETS	8,276	7,637	Other current liabilities	782
			Total current liabilities	2,445
			TOTAL LIABILITIES	5,052
			TOTAL EQUITY & LIABILITIES	8,276