Interim report Q2
1 April – 30 June 2022

2022-07-15

Presenters

Clein Johansson Ullenvik
President & CEO

Irene Wisenborn Bellander
CFO

Alligo at a glance

Alligo is a leading player in workwear, personal protection, tools & supplies in the Nordic region

Alligo creates value by making companies work

- Efficient and sustainable processes
- Common platform

Through our concept brands and specialist stores, we meet our customers throughout the Nordic region in whatever channels they choose to meet us

TOOLS | swedol | UNIVERN | GROLLS

ALLiGO

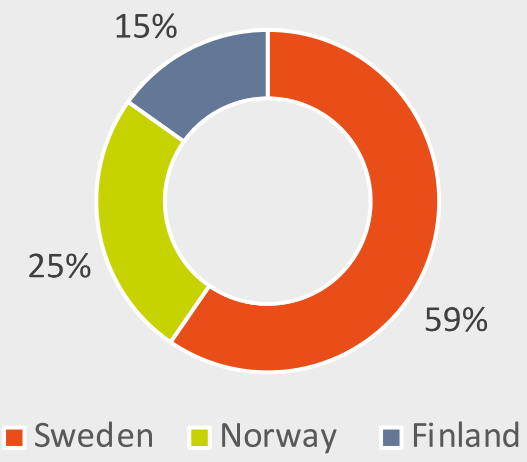
Independent stores

SWEDEN: Mercus, Company Line, Reklamproffsen, Industriprofil, TriffiQ, Profilmakarna, Defacto and Magnusson Agentur.
NORWAY: Lunna and HE Seglem. **FINLAND:** Metaplan, Imatran Pultti and Liukkosen Pultti.

Alligo at a glance

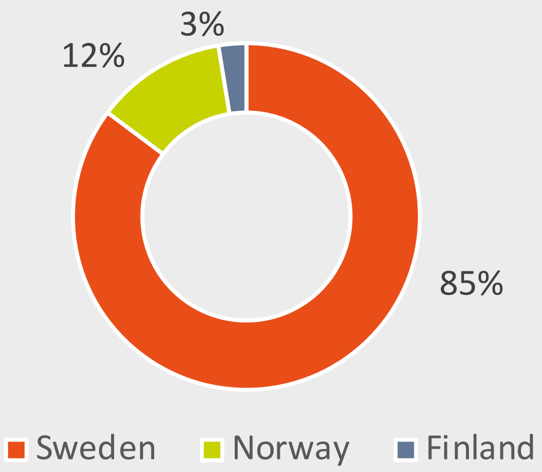
Revenue
per geographic area 2021

Total revenue: MSEK 8,475



EBITA
per geographic area 2021

Total EBITA: MSEK 645 (7.6%)



Revenue
per brand category 2021

Own brands = 20%
External brands = 80%

Björnkläder
1832
4 USE
AmPro®
AWARD
Gesto
Balance
INNO
Nima
NUAIR
UNIVERN
swedol

Number of stores* per geographic area: Sweden = 104, Norway = 60, Finland = 40

* July 2022

ALLIGO

Alligo at a glance

Manufacturing

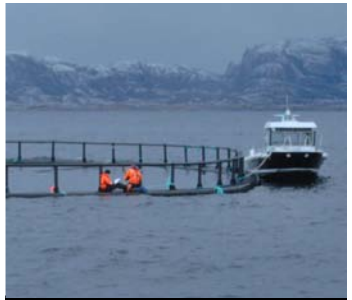
Construction

Public Sector

Transport and Storage

Reparation and Maintenance

Agriculture and Forestry



Fishing and Aquaculture

Oil and Gas

- The Nordic main markets – revenue of approximately SEK 50 billion per year
- Customers – a combination of small and medium-sized enterprises, large industrial companies, and the public sector within eight defined segments
- Main competitors – chains that focus on industry and construction and independent local operators

Our desired position – from different perspectives

WE WANT TO BE A FULLY INTEGRATED COMPANY

Customers

- We focus on professional customers in eight defined industry segments
- Our priority is to be strong facing the end customers

Offering

- We offer a product assortment with focus on consumables and a high degree of standardisation
- Services are an important part of our offering

Go-to-market

- We meet our customers where they want to meet us – through several sales channels
- Our digital channels support and drive different types of sales
- We meet our customers through several concept brands and have the ambition to reduce these to one main brand per country over time

AGENDA

- Highlights Q2 2022
- Business update
- Financials
- Summary and outlook
- Q&A

All figures in the presentation apply to continuing operations unless otherwise stated

Q2 in brief

- Important milestones in Alligo's integration strategy achieved during the quarter:
  - Implementation of IT and ERP systems in Tools; change of new common pricing system; relocation of the logistics centre from Alingsås to Örebro; and legal merge of Tools and Swedol.
- One acquisition finalized during the quarter – the industrial operations of H E Seglem AS in Norway.
- Alligo continues to integrate the Nordic logistics function as two warehouses in Norway will be relocated to a new logistic centre in 2023.
- Revenue increased by 5.5 per cent to MSEK 2,275 (2,157).
  - Driven by growth of small and medium-sized enterprises in Sweden and the continued growth of larger industrial customers in Norway and Finland.
- EBITA increased by 5 per cent to MSEK 172 (164) corresponding to an EBITA margin of 7.6 per cent (7.6).
- Cash flow from operating activities MSEK 211 (209).

ALLIGO

Historical Monday, 2 May 2022

Important milestones in the integration plan achieved

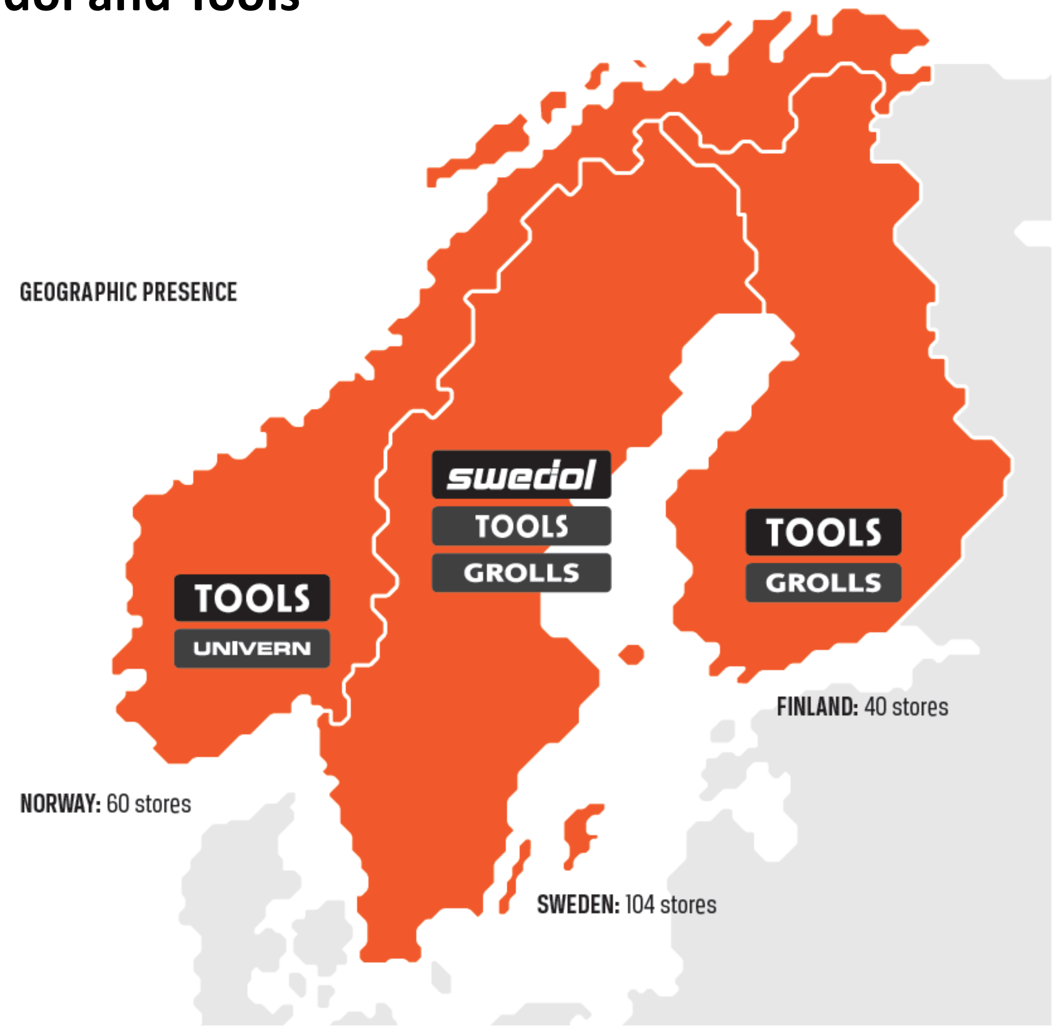
- Implementation of IT and ERP systems in Tools and change to new common pricing system.
- The relocation of Tools logistics centre from Alingsås to Örebro.
  - Many new processes for the Örebro operation
  - Some disruptions in the logistics processes
  - Challenges in goods receiving area
  - We focus on achieving the planned service level
- In the long-term the relocation will:
  - Generate annual estimated cost savings of MSEK 25
  - Result in a more effective logistics processes
  - Create better customer service

ALLiGO

Status of the extensive integration efforts to build Alligo

- Completed activities related to the merger of Swedol and Tools

- Common strategy and core values throughout the entire company
- New financial and non-financial targets
- Store integration
- Legal structure



ALLiGO

Status of the extensive integration efforts to build Alligo

- Ongoing activities related to the merger of Swedol and Tools

Coordination of logistics
- Sweden complete
- Norway ongoing

Pricing system
- Validation ongoing in all countries

ERP
- Sweden and Finland complete
- Norway ongoing

Implementation of Nordic standard assortment

Implementation of Nordic standard assortment

70% Nordic assortment / 30% local country-specific

*Reducing number of suppliers by **50 per cent** and items by **67 per cent***

Alligo's objective is to launch the best offer in the market towards our customers:

- Good mix of well-known premium brands complemented by our own brands.
- We will offer products with "good-better-best" positions so that customers will have the optimum selection of purchases.

We develop our assortment based on a thorough understanding of the role of each product category for our prioritised customers:

- In categories that are important priorities for our customers we will offer extensive selection and expertise.

Increasing the scope and volume of services we offer:

- We offer complete solutions of products and services to better address the needs of our customers and strengthen our relationship with them.
- Services are offerings in themselves – not just a means to sell more products.

FINANCIALS

Group in summary

Revenues and EBITA

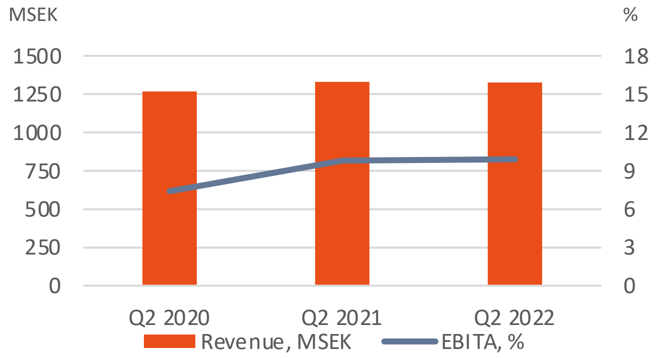
MSEK	2022 Apr-Jun	Δ, %	2021 Apr-Jun	2022 Jan-Jun	Δ, %	2021 Jan-Jun
Revenue	2,275	5.5	2,157	4,370	5.9	4,125
EBITA	172	4.9	164	277	12.6	246
Amortisation	*-17*		*-16*	*-33*		*-31*
Items affecting comparability	*0*		*-2*	*-9*		*-2*
Operating profit	155	6.2	146	235	10.3	213
EBITA margin,%	7.6		7.6	6.3		6.0

Highlights Q2

- Revenue increased by 5.5% to MSEK 2,275 (2,157)
  - Organic growth 5,2%
  - Positive currency effects 1.6%
  - Number of trading days -1,7%
- EBITA increased by 5% to MSEK 172 (164)
  - Higher volumes in Finland and Norway
  - Unfavourable country mix and negative effects from coordination of ERP and logistics in Sweden
- EBITA margin of 7.6% (7.6)
- Integration project according to plan
  - 204 stores (205)
  - 17.5% own brands (19.2) but 16.8 adjusted for divested business
  - Restructuring reserve – release of MSEK 16
- Effective tax rate of 21.5% (20.7)

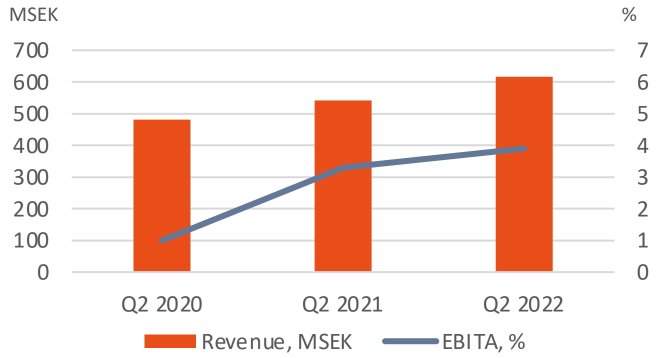
Revenues and EBITA per market Q2

Sweden



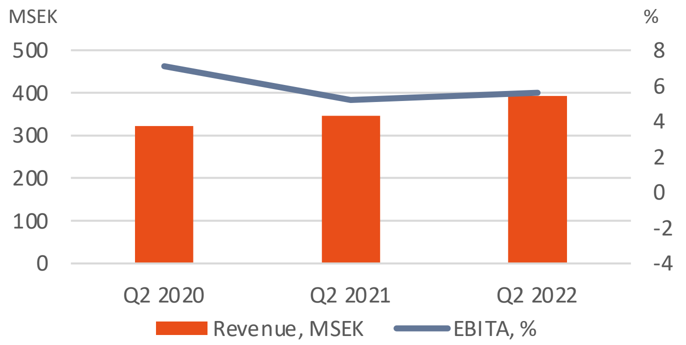
- Revenue in line with PY MSEK 1,327 (1,332)
  - Industrial segment – negative impact related to new ERP and logistic processes
  - Growth related to small and medium-sized enterprises
  - Divestment Gigant in Q4 2021
- EBITA in line with PY MSEK 131 (131)
- EBITA margin 9.9% (9.8)
- Price increases and integration synergies contribute positively, while negative effects from "historic Monday" and delayed price increases for larger industrial customers counteract

Norway



- Revenue increased by 14% to MSEK 617 (542)
  - More stabilized demand
  - Acquisitions of RAF Romerike Arbeidstøy, Lunna and H E Seglem
  - Positive currency effects
  - Improvement in the Oil and Gas segment
- EBITA increased to MSEK 24 (18)
- EBITA margin 3.9% (3.3)
- Higher volumes and integration synergies contribute positively
- Focus forward on increased sales activities in stores

Finland



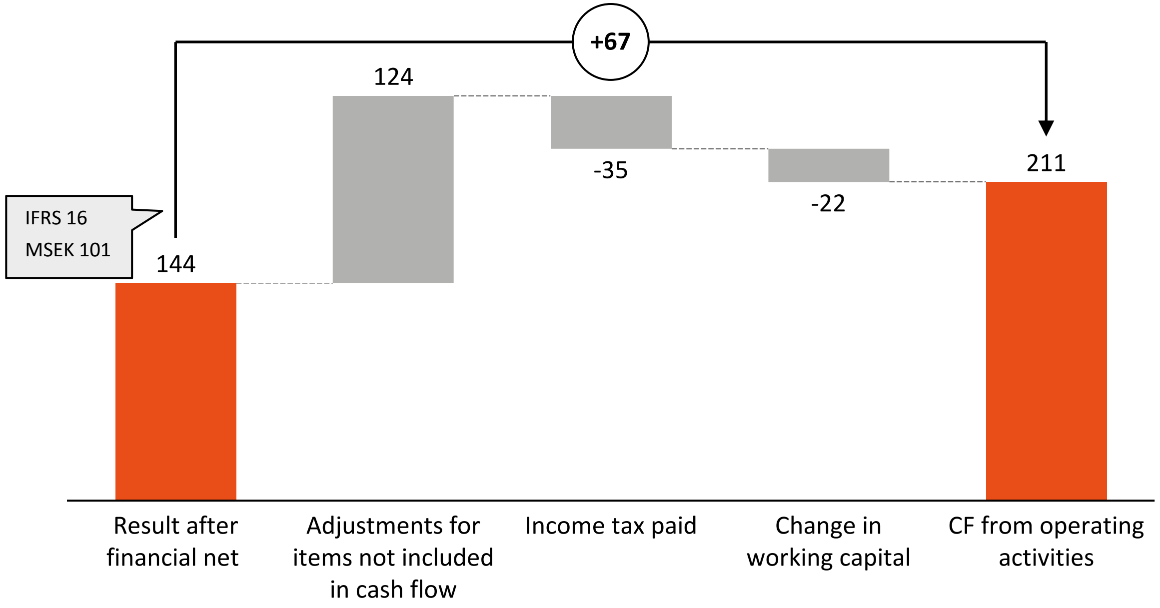
- Revenue increased by 14% to MSEK 393 (346)
  - Acquisitions of Imatran Pultti and Liukkosen Pultti
  - Continued growth of larger industrial customers
  - Positive currency effects
- EBITA increased to MSEK 22 (18)
- EBITA margin 5.6% (5.2)
- Higher volumes and improved sales management
- Focus forward on investment in stores in order to attract more small and medium-sized enterprises

ALLiGO

Cash flow impacted by assortment-merge, supply-side disruptions, and prepayments

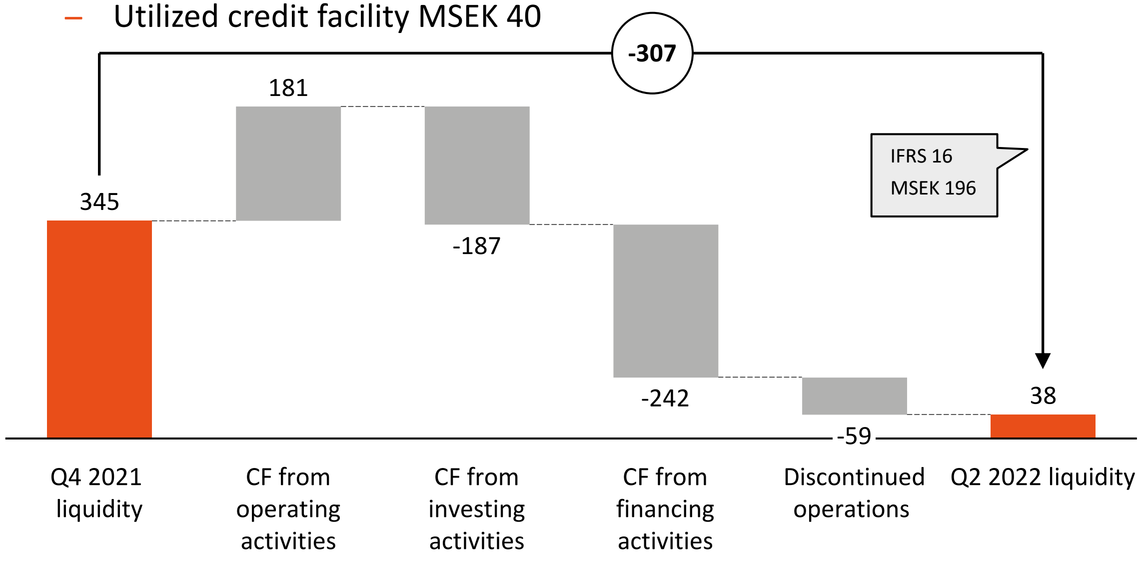
Q2 Operating activities

- Operating cash flow in line with Q2 last year
- Increased working capital due to decreased accounts payable, prepayments to own brand suppliers, and inventory build-up
  - Business growth and assortment-merge
  - Supply chain disruptions and higher freight costs



Q1-Q2 Operating, investing and financing activities

- Investing activities
  - Implementation of new ERP, e-commerce investments, store adaptions, and expansion of Alligo's warehouse and logistics facility (MSEK 76)
  - Acquisition of subsidiaries (MSEK 111)
- Financing activities – refunding during Q1
  - Amortization free term loan MSEK 1,100 and an RCF of MSEK 1,200
  - Dividend paid MSEK -88
  - Utilized credit facility MSEK 40



Strong financial position

Overview of the financial position

MSEK	30 Jun 2022	31 Dec 2021
Non-current interest bearing liabilities	2,168	2,095
Current interest bearing liabilities	379	463
Cash and cash equivalents	-38	-286
Financial lease liabilities	-945	-1,013
Net provision for pensions	0	0
Net operational liabilities	**1,564**	**1,259**
EBITDA*, LTM	779	747
Net operational liabilities / EBITDA*, x	**2.0**	**1.7**

** Excl. IFRS 16*

Key figures

- Ratio of net operational liabilities to EBITDA (excl. IFRS 16) of 2.0
- Unutilized credit facilities of MSEK 1,143 at the end of the period
- Equity/assets ratio 41 per cent
- Refunding in the first quarter due to separate listing of Momentum Group
- Continue to invest in organic growth and take advantage of potential good M&A opportunities

SUMMARY AND OUTLOOK

Five reasons to invest in Alligo

1	2	3	4	5
Attractive market growth and resilient customer segments	Scalable platform is a foundation for continued growth	Own brands and services increase competitiveness and profitability	Sustainability as an integrated part of the business	A leader in the consolidation of the Nordic markets

Outlook

- Important milestones in Alligo's integration strategy achieved during the quarter.
- Our focus forward is to:
  - Solve the issues and back-log related to new ERP and logistics processes
  - Educate and reactivate our sales force
  - Start the implementation of the Nordic standard assortment and roll out of own brands
- Continued uncertainty in the supply chain due to:
  - Increased inflation
  - The pandemic and energy rationing in China
  - The war in Ukraine
- With a strong financial position – Alligo continues to focus on profitable growth
  - M&A

ALLIGO

Q&A

APPENDIX

Financial targets

Organic growth	EBITA margin	Indebtedness	Dividend
>5%	>10%	<3X	30-50% of net profit
Average organic growth shall exceed 5 per cent per year over a business cycle. Further growth shall also be made through acquisitions	EBITA margin shall be more than 10 per cent per year over a business cycle	Ratio of net operational liabilities to EBITDA excl. IFRS 16 shall be less than a multiple of 3	Dividend as a percentage of net profit shall amount to 30-50 per cent, taking into account other factors such as financial position, cash flow and growth opportunities

Non-financial targets

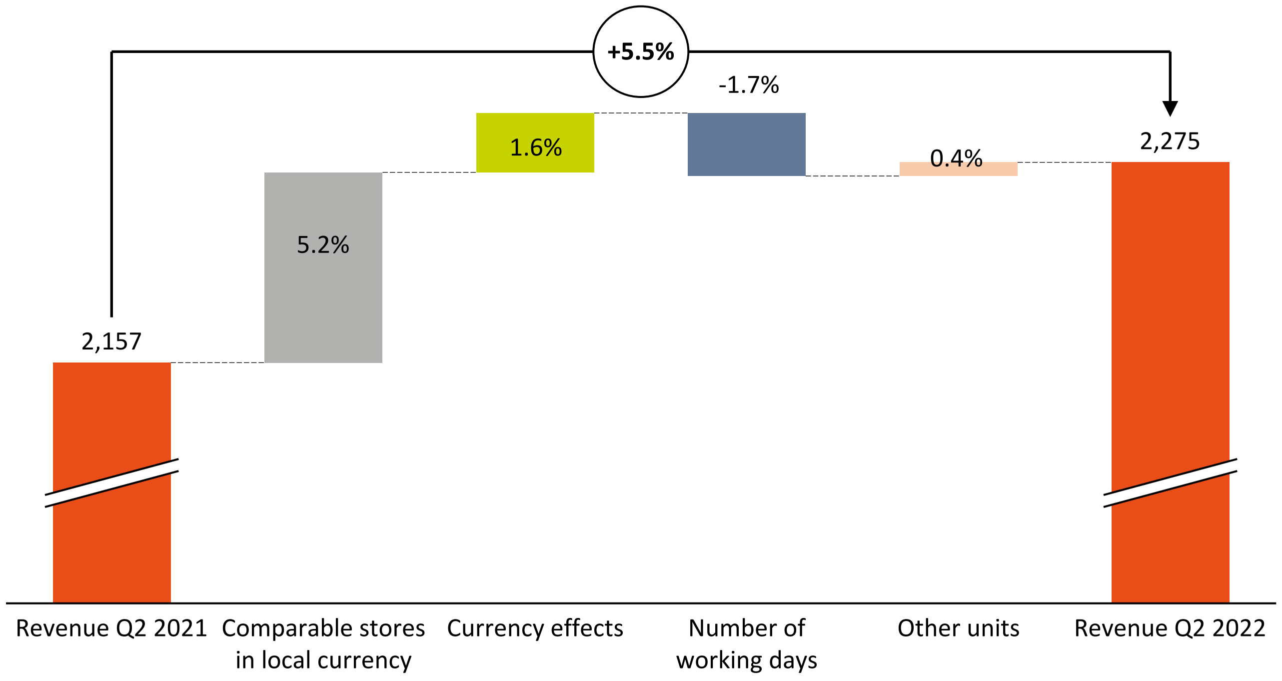
Responsible supplier relations	Customer satisfaction	Sickness-related absence	Share of female managers	Climate impact
100%	**>75**	**<5%**	**>30%**	**↓CO2**
All significant suppliers must have signed Alligo's code of conduct for suppliers	All concept brands in all Group geographic markets shall achieve a Customer Satisfaction Index (CSI) of more than 75	Sickness-related absence as a proportion of total scheduled time shall be less than 5 per cent	The share of female managers shall amount to more than 30 per cent	Carbon dioxide emissions from operations shall be reduced

Four overarching themes for 2022

Make our people grow	Continue the coordination work and ascertain impact of ongoing activities	Get on track with growth and margins in all parts of our business	Improve collaboration and processes
• Continue work with our core values • Build platform for structured competence development • Trainings on products, sales and leadership	• Assortment harmonisation • Roll-out of own brands • Pricing • Sales network coordination • Concept brands • Systems • Logistics • Legal structure	• Clear view of what to sell to whom • Deliver on growth initiatives and take market share • Manage high-inflation environment • Active acquisition agenda	• Common view on process work and continual improvements • Supply chain flow and availability of goods • Cross-functional cooperation • Performance management

Revenue bridge second quarter 2022

Revenue year-on-year Q2



Condensed consolidated income statement

MSEK	2022 APR–JUN	2021 APR–JUN	2022 JAN–JUN	2021 JAN–JUN	30/06/2022 12 months to	2021 JAN–DEC
Revenue	2,275	2,157	4,370	4,125	8,662	8,417
Other operating income	29	17	56	43	104	91
Total operating income	**2,304**	**2,174**	**4,426**	**4,168**	**8,766**	**8,508**
Cost of goods sold	-1,353	-1,286	-2,631	-2,468	-5,150	-4,987
Personnel costs	-440	-424	-863	-847	-1,656	-1,640
Depreciation, amortisation, impairment losses and reversal of impairment losses	-124	-124	-248	-248	-563	-563
Other operating expenses	-232	-194	-449	-392	-948	-891
Total operating expenses	**-2,149**	**-2,028**	**-4,191**	**-3,955**	**-8,317**	**-8,081**
Operating profit	**155**	**146**	**235**	**213**	**449**	**427**
Financial income	1	1	2	2	3	3
Financial expenses	-12	-12	-22	-23	-50	-51
Net financial items	**-11**	**-11**	**-20**	**-21**	**-47**	**-48**
Profit/loss after financial items	**144**	**135**	**215**	**192**	**402**	**379**
Taxes	-31	-28	-46	-40	-94	-88
Profit/loss for the period, continuing operations	**113**	**107**	**169**	**152**	**308**	**291**
Profit/loss for the period, discontinued operations	**-**	**38**	**3,581**	**70**	**3,650**	**139**
Profit/loss for the period, Group total	**113**	**145**	**3,750**	**222**	**3,958**	**430**
Profit/loss for the period attributable to:						
Parent Company shareholders	**113**	**145**	**3,750**	**222**	**3,957**	**429**
Profit/loss for the period, continuing operations	113	107	169	152	308	291
Profit/loss for the period, discontinued operations excluding impact on earnings of the distribution of Momentum Group	-	38	28	70	96	138
Impact on earnings of the distribution of Momentum Group	-	-	3,553	-	3,553	-
Non-controlling interests	**0**	**0**	**0**	**0**	**1**	**1**
Profit/loss for the period, continuing operations	0	0	0	0	0	0
Profit/loss for the period, discontinued operations	-	0	0	0	1	1
Earnings per share, SEK						
Continuing operations, before and after dilution	2.24	2.10	3.35	3.00	6.10	5.75
Discontinued operations excluding impact on earnings of the distribution of Momentum Group, before and after dilution	-	0.75	0.55	1.40	1.90	2.75
Impact on earnings of the distribution of Momentum Group, before dilution	-	-	70.38	-	70.38	-
Impact on earnings of the distribution of Momentum Group, after dilution	-	-	70.38	-	70.34	-

Condensed consolidated balance sheet

MSEK	30/06/2022	30/06/2021	31/12/2021
ASSETS			
Non-current assets			
Intangible non-current assets	2,637	2,876	2,577
Right-of-use assets	901	1,022	935
Tangible non-current assets	551	536	532
Financial investments	0	1	0
Other non-current receivables	14	0	14
Deferred tax assets	72	68	75
Total non-current assets	**4,175**	**4,503**	**4,133**
Current assets			
Inventories	2,002	1,910	1,856
Accounts receivable	1,124	1,334	1,154
Other current receivables	239	212	277
Cash and cash equivalents	38	317	286
Discontinued operations, assets held for distribution	-	-	973
Total current assets	**3,403**	**3,773**	**4,546**
TOTAL ASSETS	**7,578**	**8,276**	**8,679**

MSEK	30/06/2022	30/06/2021	31/12/2021
EQUITY AND LIABILITIES			
Equity			
Equity attributable to Parent Company shareholders	3,078	3,206	3,429
Non-controlling interests	2	18	19
Total equity	**3,080**	**3,224**	**3,448**
Non-current liabilities			
Non-current interest-bearing liabilities	1,563	1,483	1,421
Non-current lease liabilities	605	697	674
Provisions for pensions	0	33	0
Other non-current liabilities and provisions	395	394	399
Total non-current liabilities	**2,563**	**2,607**	**2,494**
Current liabilities			
Current interest-bearing liabilities	39	124	124
Current lease liabilities	340	366	339
Accounts payable	936	1,173	1,144
Other current liabilities	620	782	620
Discontinued operations, liabilities held for distribution	-	-	510
Total current liabilities	**1,935**	**2,445**	**2,737**
TOTAL LIABILITIES	**4,498**	**5,052**	**5,231**
TOTAL EQUITY AND LIABILITIES	**7,578**	**8,276**	**8,679**

Condensed consolidated statement of cash flows

MSEK	2022 APR-JUN	2021 APR-JUN	2022 JAN-JUN	2021 JAN-JUN	30/06/2022 12 months to	2021 JAN-DEC
Operating activities						
Profit/loss after financial items	144	135	215	192	402	379
Adjustment for non-cash items	124	125	256	248	664	656
Income taxes paid	-35	-10	-81	-56	-138	-113
Cash flow from operating activities before changes in working capital	**233**	**250**	**390**	**384**	**928**	**922**
Change in inventories	-44	-72	-118	-88	-301	-271
Change in operating receivables	86	-103	113	-70	-39	-222
Change in operating liabilities	-64	134	-204	156	-39	321
Cash flow from operating activities	**211**	**209**	**181**	**382**	**549**	**750**
Investing activities						
Net investments in non-current assets	-41	-35	-76	-72	-170	-166
Acquisition of subsidiaries and other business units	-23	-19	-111	-19	-123	-31
Divestment of subsidiaries and other business units	-	-	-	-	-23	-23
Cash flow from investing activities	**-64**	**-54**	**-187**	**-91**	**-316**	**-220**
Financing activities						
Borrowings	42	0	1,592	0	1,592	0
Repayment of loans	-104	-144	-1,747	-239	-1,994	-486
Other transactions with shareholders	-	-15	-	-15	-	-15
Repurchase/sale of share options	1	-	1	-3	-16	-20
Repurchase/sale of treasury shares	-	7	-	9	-	9
Dividends paid	-88	-76	-88	-76	-88	-76
Cash flow from financing activities	**-149**	**-228**	**-242**	**-324**	**-506**	**-588**
Cash flow for the period, continuing operations	**-2**	**-73**	**-248**	**-33**	**-273**	**-58**
Cash flow for the period, discontinued operations (see note 7)	-	20	7	-26	60	27
Cash flow for the period, Group total	**-2**	**-53**	**-241**	**-59**	**-213**	**-31**
Cash and cash equivalents at the beginning of the period	40	370	345	375	317	375
Exchange difference in cash and cash equivalents		0		1		1
Cash and cash equivalents in discontinued operations		-	-66		-66	-
Cash and cash equivalents at the end of the period	**38**	**317**	**38**	**317**	**38**	**345**[1]

1) In comparison with cash and cash equivalents on the balance sheet, MSEK 286 can be found on the line Cash and cash equivalents and MSEK 59 on the line Assets held for distribution.

Key performance indicators

Group, MSEK	2022 APR–JUN	2021 APR–JUN	2022 JAN–JUN	2021 JAN–JUN	30/06/2022 12 months to	2021 JAN–DEC
IFRS KEY PERFORMANCE INDICATORS						
Earnings per share, SEK						
Continuing operations, before and after dilution	2.24	2.10	3.35	3.00	6.10	5.75
Discontinued operations, before and after dilution[1]	-	0.75	0.55	1.40	1.90	2.75
Impact on earnings of the distribution of Momentum Group, before dilution	-	-	70.38	-	70.38	-
Impact on earnings of the distribution of Momentum Group, after dilution	-	-	70.38	-	70.34	-
ALTERNATIVE KEY PERFORMANCE INDICATORS						
Income statement-based KPIs						
Revenue, MSEK	2,275	2,157	4,370	4,125	8,662	8,417
Operating profit, MSEK	155	146	235	213	449	427
Items affecting comparability	0	-2	-9	-2	-162	-155
Amortisation of intangible assets in connection with corporate acquisitions	-17	-16	-33	-31	-65	-63
EBITA, MSEK	172	164	277	246	676	645
Depreciation/amortisation of tangible and other intangible non-current assets[2]	-25	-25	-52	-50	-118	-116
EBITDA excl. IFRS 16, MSEK	192	185	320	288	779	747
Profit after financial items, MSEK	144	135	215	192	402	379
Operating margin, %	6.8	6.8	5.4	5.2	5.2	5.1
EBITA margin, %	7.6	7.6	6.3	6.0	7.8	7.7
Profit margin, %	6.3	6.3	4.9	4.7	4.6	4.5
Profitability KPIs						
Return on working capital (EBITA/WC)[3], %					34	36
Return on capital employed[3], %					7	7
Return on equity[1,4], %					13	13
Financial position KPIs						
Net financial liabilities, MSEK	2,509	2,279	2,509	2,279	2,509	2,272
Net operational liabilities, MSEK	1,564	1,310	1,564	1,310	1,564	1,259
Ratio of net operational liabilities to EBITDA excl. IFRS 16					2.0	1.7
Equity[5], MSEK	3,078	3,206	3,078	3,206	3,078	3,429
Equity/assets ratio[4], %	41	39	41	39	41	40
Other KPIs						
No. of employees at the end of the period	2,314	2,321	2,314	2,321	2,314	2,319
Share price at the end of the period, SEK	99	175	99	175	99	192

1) Adjusted for the impact on earnings of the distribution of Momentum Group AB.
2) Total depreciation/amortisation of tangible and intangible non-current assets, excluding amortisation of intangible assets in connection with corporate acquisitions and the effects of IFRS 16.
3) KPI calculated on the basis of the figures reported in the financial statements. This means that profit/loss items for previous periods are recalculated and based on continuing operations, while balance sheet items for previous periods are not recalculated.
4) Refers to the Group total (continuing operations and discontinued operations).
5) Refers to equity attributable to the Parent Company's shareholders.