

# Presentation of Interim Report Q1 2021

1 January-31 March 2021

29 April 2021

# Presenters today



**ULF LILIUS**  
President & CEO



**NIKLAS ENMARK,**  
EVP & CFO

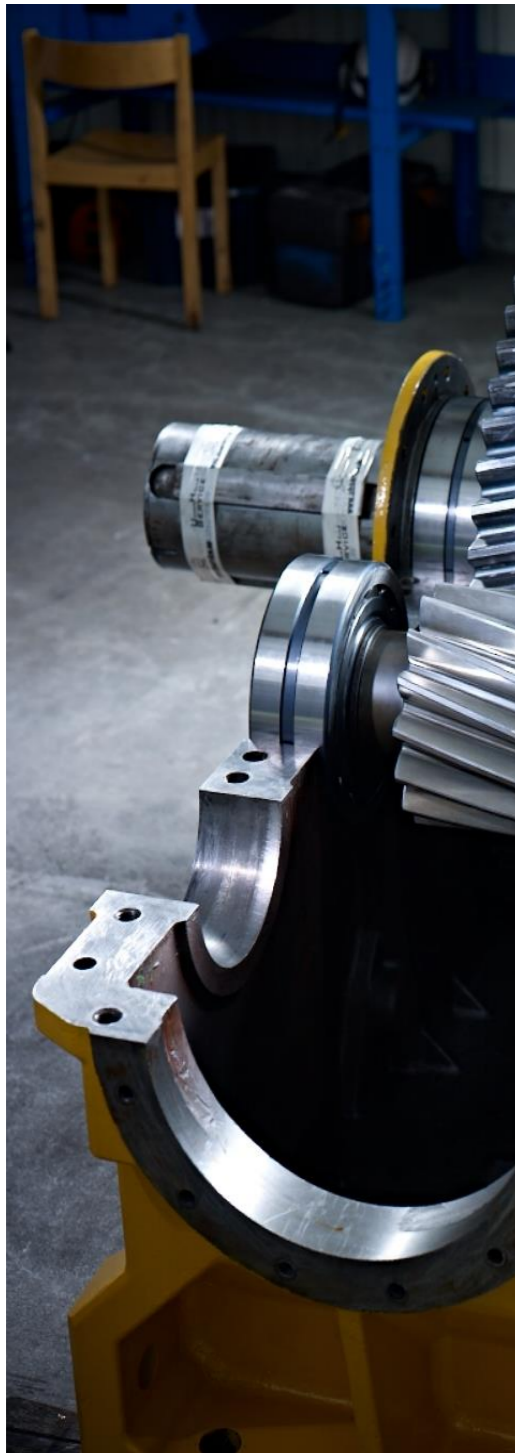


**CLEIN JOHANSSON  
ULLENVIK**  
Business Area Manager

# **Interim Report Q1 2021 (3 months) – 1 January-31 March 2021**

**29 April 2021**

# Interim Report Q1 2021 (3 months) [1 Jan-31 Mar 2021] – Highlights from the Report



The Group's revenue recovered somewhat during the first quarter, compared to the restraint and lower demand that characterised the past year 2020.

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. Efforts to improve the sales and profit development in the industrial segment continue.

Measures taken for improved efficiency and higher margins contributed to a stable profit development for *BA Components & Services* during the quarter. The business area completed four corporate acquisitions with total annual revenue of MSEK 285 in February 2021.

The pandemic will likely continue to affect the Group in the coming months. The Group remains vigilant and takes actions to advance its market position in these turbulent times.

# Interim Report Q1 2021 (3 months) [1 Jan-31 Mar 2021] – BA Alligo<sup>1</sup>

- **Revenue** for the business area increased by 1 percent<sup>2</sup> during the first quarter.
  - To a varying degree, the COVID-19 pandemic has had an effect on revenue for most markets, customer segments and businesses. Sales in the industrial segment continues to be weak and several actions to reverse this development are implemented continuously.
- **EBITA<sup>3</sup>** amounted to MSEK 85 (91), corresponding to an **EBITA margin<sup>3</sup>** of 4.3 percent (4.4).
  - Effects from lower revenue, increased purchasing prices and exchange rate development.
  - Some negative effect on the business from the world’s shortage of available containers for transportation.
- **The integration of TOOLS and Swedol** continues according to plan with the launch of a new name – Alligo – and common core values for the business area, continued coordination of stores and product assortments (including the introduction of proprietary product brands in TOOLS) and efforts to increase efficiency in the logistics operations in Norway. The integration of TOOLS Finland in the joint ERP system was completed during the quarter.
  - **Eleven stores** are co-located in Sweden and Norway so far, with some 20 more to follow.

MSEK	QUARTER (3 mon) <sup>1</sup>			ROLLING 12 MON <sup>1</sup>		
	JAN-MAR 2021	JAN-MAR 2020	Δ	APR 2020- MAR 2021	APR 2019- MAR 2020	Δ
Revenue	1,982	2,052	-3%	8,017	8,576	-7%
EBITA <sup>3</sup>	85	91	-7%	465	534	-13%
EBITA margin <sup>3</sup> , %	4.3%	4.4%		5.8%	6.2%	

## Interim Report Q1 2021 (3 months) [1 Jan-31 Mar 2021] –

# BA Components & Services

- **Revenue** for the business area was relatively stable during the quarter, decreasing by some 3 percent<sup>1</sup> in total.
  - The COVID-19 pandemic and continued restraint and caution among industrial customers had an effect on revenue for some markets and customer segments, but demand recovered gradually over the quarter.
  - Acquired businesses contributed by MSEK 45 in revenue during the quarter.
- **EBITA<sup>2</sup>** amounted to MSEK 43 (45), corresponding to an **EBITA margin<sup>2</sup>** of 12.3 percent (13.8).
- **Vigilant and focused measures for improved efficiency and higher margins** continue to contribute to a stable profit development for the business area, despite lower sales organically.
- The business area continues to **evaluate interesting acquisition opportunities** for profitable growth and strengthened market positions in different areas. **Four corporate acquisitions** with total annual revenue of MSEK 285 were concluded during the quarter:
  - *Three electromechanical workshops from Assemblin EI and Mekano & Mekano in Sävedalen.*
  - *Öbergs in Karlstad in pneumatic solutions and industrial components*

MSEK	QUARTER (3 mon)			ROLLING 12 MON		
	JAN-MAR 2021	JAN-MAR 2020	Δ	APR 2020-MAR 2021	APR 2019-MAR 2020	Δ
Revenue	350	326	+7%	1,187	1,254	-5%
EBITA <sup>2</sup>	43	45	-4%	154	154	+0%
EBITA margin <sup>2</sup> , %	12.3%	13.8%		13.0%	12.3%	

# Interim Report Q1 2021 (3 months) [1 Jan-31 Mar 2021] – Group in Summary<sup>1</sup>

- **Revenue** increased by 1 percent<sup>2</sup> to MSEK 2,325 during the first quarter. The quarter had one less trading day than the corresponding quarter in the preceding year. Acquired businesses (not including Swedol) contributed by some 2 percent in revenue during the quarter.
- **EBITA<sup>3</sup>** for the quarter decreased by 7 percent to MSEK 125 (134), corresponding to an **EBITA margin** of 5.4 percent (5.7).
- **Improved cash flow from operating activities** of MSEK 215 (105) for the quarter with continued focus on decreasing funds tied up in working capital, and the **return on working capital (EBITA/WC)** amounted to 31 percent for rolling 12 months.
- The **equity/ assets ratio** was 39 percent at the quarter.
- The Board of Directors has proposed a **dividend of SEK 1.50 per share** to the Annual General Meeting on 11 May 2021.

MSEK	QUARTER (3 mon) <sup>1</sup>			ROLLING 12 MON <sup>1</sup>		
	JAN-MAR 2021	JAN-MAR 2020	Δ	APR 2020- MAR 2021	APR 2019- MAR 2020	Δ
<b>Revenue</b>	<b>2,325</b>	2,368	-2%	<b>9,171</b>	9,780	-6%
<b>EBITA<sup>3</sup></b>	<b>125</b>	134	-7%	<b>609</b>	681	-11%
<i>Items affecting comparability</i>	-	-5		<b>-101</b>	-14	
<i>Amortisation of intangible assets in corporate acquisitions</i>	<b>-17</b>	-6		<b>-67</b>	-21	
<b>Operating profit</b>	<b>108</b>	123		<b>441</b>	646	
<b>EBITA margin<sup>3</sup>, %</b>	<b>5.4%</b>	5.7%		<b>6.6%</b>	7.0%	

# Interim Report Q1 2021 (3 months) [1 Jan-31 Mar 2021] – Cash-flow Statement in Summary

MSEK	QUARTER		ROLLING 12 MON	FINANCIAL YEAR 2020 (9 mon)
	JAN-MAR 2021	JAN-MAR 2020	APR 2020- MAR 2021	
<b>Operating activities</b>				
Operating activities before changes in working capital	180	122	943	763
Changes in working capital	35	-17	358	323
<b>Cash flow from operating activities</b>	<b>215</b>	<b>105</b>	<b>1,301</b>	<b>1,086</b>
<b>Investing activities</b>				
Acquisition of subsidiaries and other business units (net)	-78	-8	-1,827	-1,749
Other	-38	-4	-186	-148
<b>Cash flow before financing</b>	<b>99</b>	<b>93</b>	<b>-712</b>	<b>-811</b>
Financing activities	-105	1,028	-74	31
<b>Cash flow for the period</b>	<b>-6</b>	<b>1,121</b>	<b>-786</b>	<b>-780</b>
Cash and cash equivalents at the beginning of the period	375	37	1,157	1,157
Exchange-rate differences in cash and cash equivalents	1	-1	-1	-2
<b>Cash and cash equivalents at the end of the period</b>	<b>370</b>	<b>1,157</b>	<b>370</b>	<b>375</b>

- **Cash flow from operating activities for rolling 12 months ending 31 March 2021** amounted to MSEK 1,301.
  - Cash flow from operating activities for the first quarter amounted to MSEK 215 (105).



# Interim Report Q1 2021 (3 months) [1 Jan-31 Mar 2021] – Performance Measures in Summary

	12 MONTHS ENDING			
	31 MAR 2021	31 DEC 2020	31 MAR 2020	31 MAR 2019
Revenue <sup>1</sup> , MSEK	<b>9,171</b>	9,214	9,780	6,024
EBITA <sup>1,2</sup> , MSEK	<b>609</b>	618	681	318
EBITA margin <sup>1,2</sup> , %	<b>6.6%</b>	6.7%	7.0%	5.3%
Profit margin, %	<b>4.3%</b>	4.4%	4.6%	4.9%
Return on working capital (EBITA/WC) <sup>1</sup> , %	<b>31%</b>	32%	28%	27%
Return on equity, %	<b>11%</b>	12%	16%	19%
Equity/assets ratio, %	<b>39%</b>	39%	48%	45%
Earnings per share, SEK	<b>6.10</b>	6.50	7.70	8.20
Financial net loan liability (closing balance), MSEK	<b>2,389</b>	2,331	708	293
Operational net loan liability (closing balance), MSEK	<b>1,299</b>	1,293	166	266
Number of employees at the end of the period	<b>2,786</b>	2,670	1,651	1,684

- **Operational net loan liability** amounted to MSEK 1,299 at the end of the quarter (MSEK 1,293 as of 31 Dec 2020).
- The **equity/assets ratio** was 39 percent (48) at the end of the quarter.
- **Return on equity** for rolling 12 months ending 31 Mar 2021 was 11 percent (16).

# 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

- Launch of the new name Alligo and a common core value platform.
- New ERP system for TOOLS Finland went live in March 2021. Sweden and Norway to follow in 2022.
- Local integration of stores and sales forces continues as planned.
- Focusing on developing customer offers – smart services.
- Consolidation of suppliers and product range ongoing.
- Launch of proprietary brands from Swedol in TOOLS starting with Gesto shoes, will be followed by PPE.
- Consolidation of regional warehouses in TOOLS Norway finalised.
- Grolls' former warehouse in Gothenburg relocated to Örebro.



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



**...and we all have our home in Alligo**

# Business area Components & Services – Acquisition-driven growth strategy ...



✓ Well developed customer and/or supplier relationships

✓ Leading within their market niches

✓ Profitable

*Acquisition candidates should be leading within their market niches  
– and able to achieve long-term sustainable  
profitability and growth*

# 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*

### THE BUSINESS AREA HAS TWO MAIN FOCUS AREAS TODAY

#### Industrial components

The leading group of companies in the Nordic region for the sale of industrial components and solutions for original equipment manufacturers (OEMs) as well as repairs and maintenance - with expertise in industry improvements.



#### Industrial services

The leading group of companies for industrial services in Sweden - with a competitive offering in maintenance, repair and refurbishment.\*



NUMBER OF EMPLOYEES\*

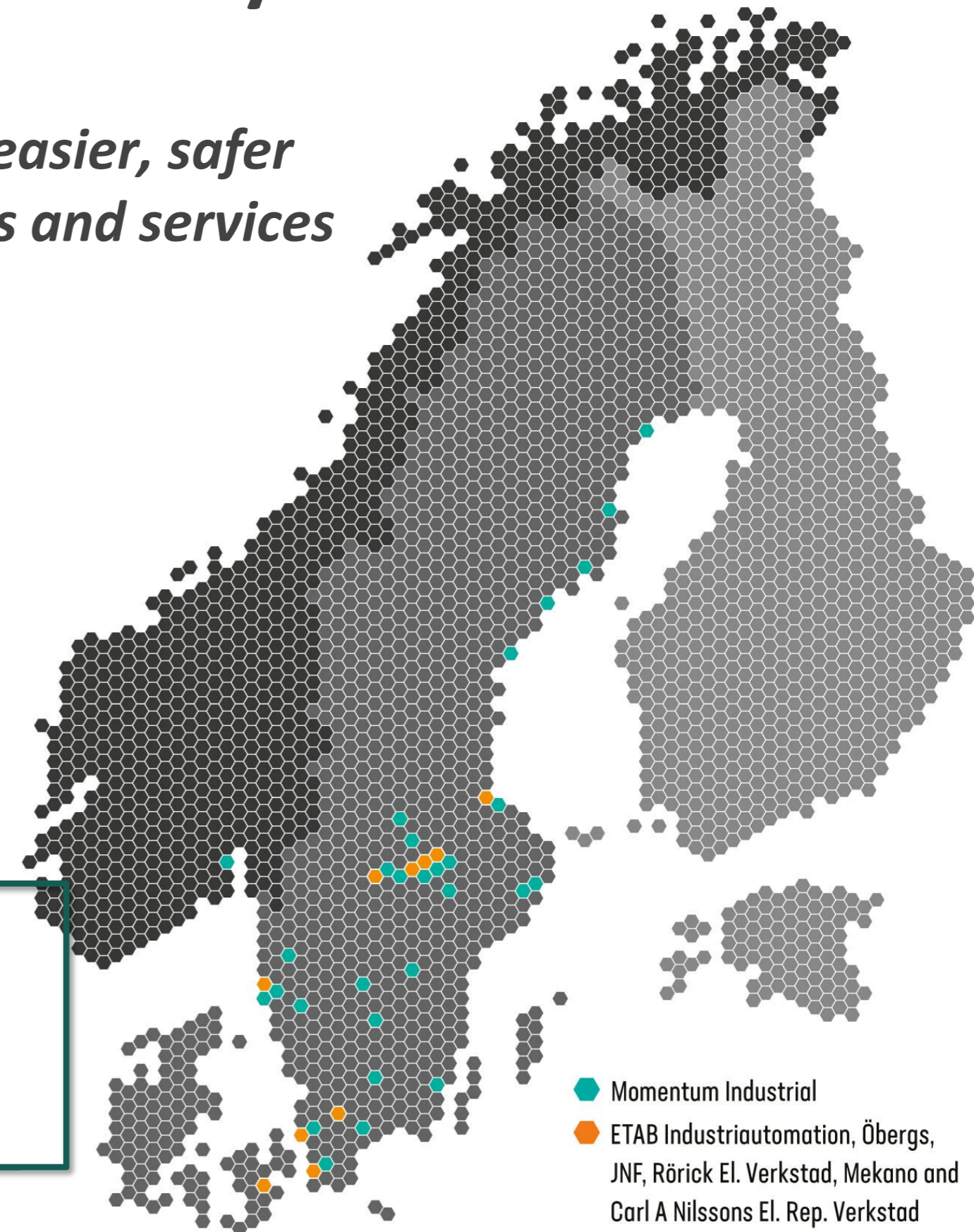
**510**

\* Including acquisitions until March 2021.



### PROFORMA 12 MONTHS –

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



- 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, Group management has been assigned the task of investigating the possibility of splitting the Group into two separate listed companies as well as the conditions for such a split.
- Further information on the results of the investigation will be presented by the Board during the financial year.

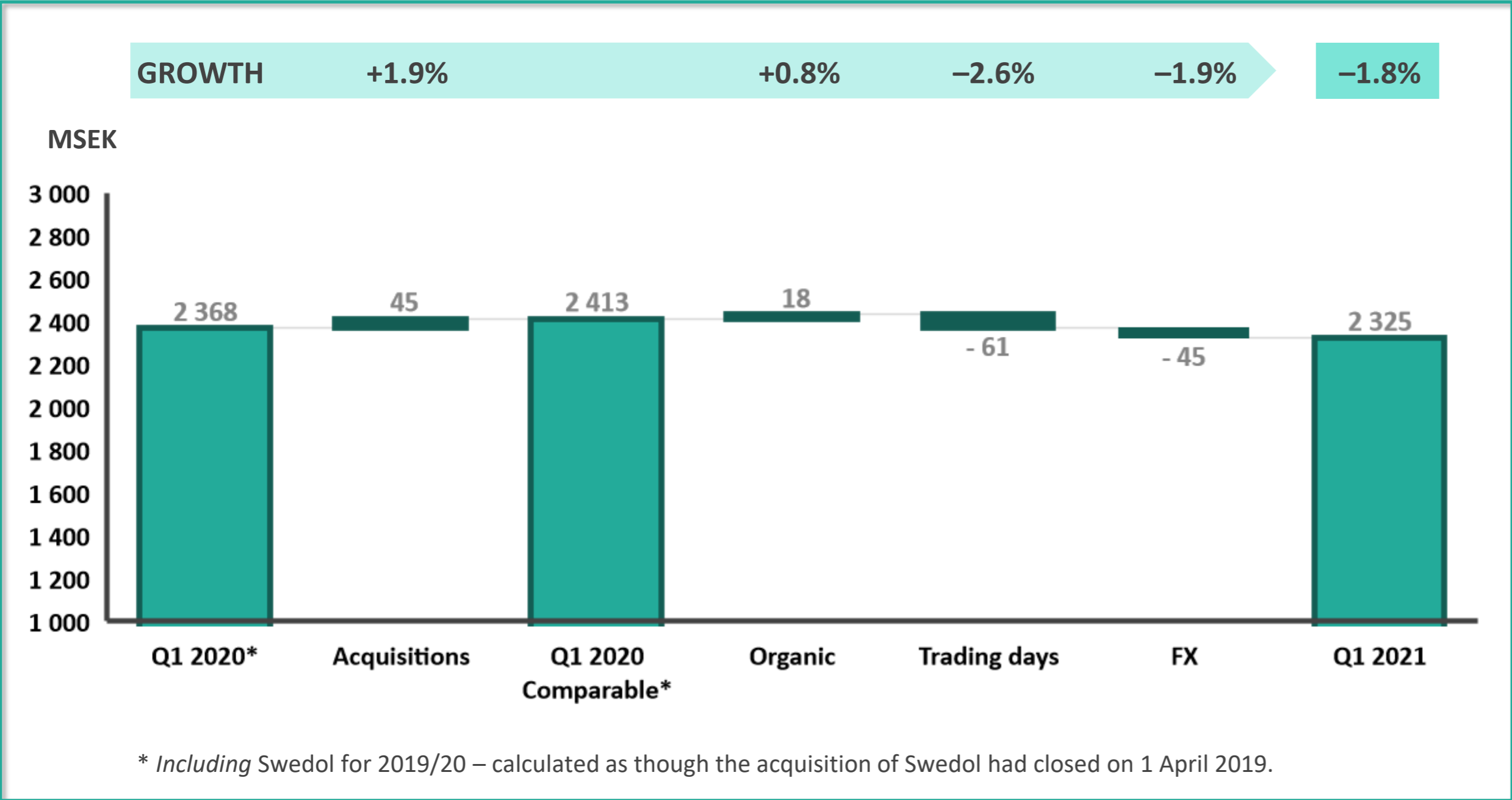
# Q&A



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# APPENDIX – Revenue bridges Income statements & Balance sheets

# First quarter 2021 [1 Jan-31 Mar] — Revenue bridge



### HIGHLIGHTS

- **Organic change<sup>1</sup>** at +0.8 percent – Development by business area:
  - Tools & Consumables: +1.3%.
  - Components & Services: –3.4%.
- **One less trading day** in the quarter than the preceding year.
- **Revenue contribution from acquisitions (excl. Swedol)** amounting to +1.9 percent.

# Interim Report Q1 2021 (3 months) [1 Jan-31 Mar 2021] –

## Income Statements and Balance Sheets in Summary

### Income statement

MSEK	QUARTER		ROLLING 12 MON
	JAN-MAR 2021	JAN-MAR 2020	APR 2020-MAR 2021
Revenue	2,325	1,539	9,171
Operating expenses (excl. Items affecting comparability and amortisation of intangible assets in corporate acquisition)	-2,200	-1,448	-8,562
<b>EBITA</b>	<b>125</b>	<b>91</b>	609
<i>EBITA margin, %</i>	<i>5.4%</i>	<i>5.9%</i>	<i>6.6%</i>
Items affecting comparability	-	-5	-101
Amortisation of intangible assets in corporate acquisitions	-17	-6	-67
<b>Operating profit</b>	<b>108</b>	<b>80</b>	441
<i>Operating margin, %</i>	<i>4.6%</i>	<i>5.2%</i>	<i>4.8%</i>
Financial income and expenses	-10	-6	-49
<b>Profit after financial items</b>	<b>98</b>	<b>74</b>	392
Taxes	-21	-20	-86
<b>Net profit</b>	<b>77</b>	<b>54</b>	306

### Balance Sheet

MSEK	ASSETS		EQUITY & LIABILITIES		
		31 MAR 2021	31 MAR 2020	MSEK	31 MAR 2021
Intangible non-current assets	2,864	660	<b>EQUITY</b>	<b>3,183</b>	<b>2,888</b>
Right-of-use assets	1,018	491	Non-current interest-bearing liabilities	1,545	1,125
Other non-current assets	598	81	Non-current lease liabilities	715	305
<b>Total non-current assets</b>	<b>4,480</b>	<b>1,232</b>	Provisions for pensions	31	31
Inventories	1,828	985	Other non-current liabilities	400	61
Accounts receivable	1,233	964	<b>Total non-current liabilities</b>	<b>2,691</b>	<b>1,522</b>
Other current receivables	189	1,602	Current interest-bearing liabilities	124	198
Cash and cash equivalents	370	1,157	Current lease liabilities	344	206
<b>Total current assets</b>	<b>3,620</b>	<b>4,708</b>	Accounts payable	1,064	764
<b>TOTAL ASSETS</b>	<b>8,100</b>	<b>5,940</b>	Other current liabilities	694	362
			<b>Total current liabilities</b>	<b>2,226</b>	<b>1,530</b>
			<b>TOTAL LIABILITIES</b>	<b>4,917</b>	<b>3,052</b>
			<b>TOTAL EQUITY &amp; LIABILITIES</b>	<b>8,100</b>	<b>5,940</b>