ALLiGO

Danske Bank

Tuesday, 2 May 2023

Alligo – a leading player in workwear, personal protection, tools and supplies in the Nordic region

9,211	2,371	203
MSEK Revenue	Employees	Stores

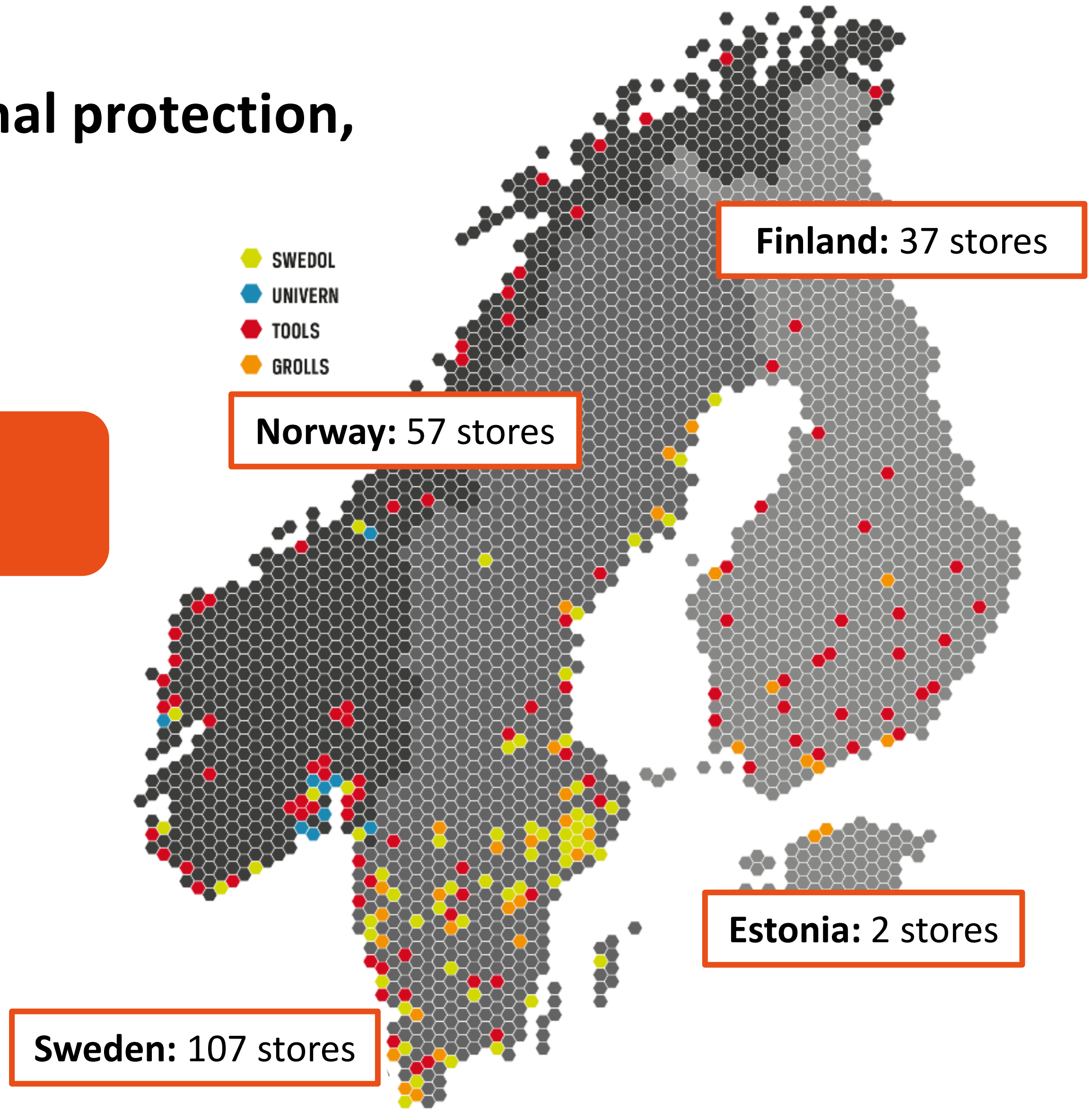
Main concept brands

TOOLS

UNIVERN

swedol

GROLLS

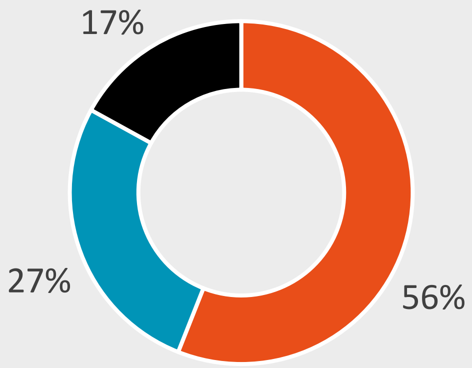


ALLIGO

Alligo at a glance

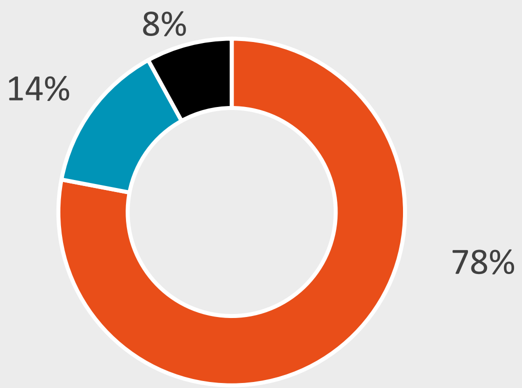
Revenue
per geographic area 2022

Total revenue: MSEK 9,211



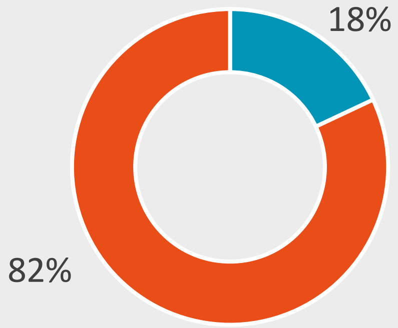
EBITA
per geographic area 2022

Total EBITA: MSEK 756 (8.2%)



Revenue
per brand category 2022

Share of own brands



The origins of Alligo

1832
Grolls is founded in Stockholm, Sweden.

1963
The mail order company Swedol is established in Tyresö, Sweden.

1995
The first physical Swedol store opens.

1999
Tools is founded in Norway as a part of Bergman & Beving.

2002
Bergman & Beving begin an aggressive acquisition strategy that lasts until 2008. 150 companies in Sweden, Norway and Finland are acquired and integrated into the Tools chain.

2006
Swedol begins store expansion phase with 11 new stores opened between 2006–2008.

2008
Swedol is listed on Nasdaq Stockholm.

2016
Swedol acquires Grolls.

2017
B&B Tools (Bergman & Beving) divests Momentum Group that includes Tools to its shareholders.

2019
Momentum Group makes a public offer to buy Swedol with the purpose to integrate the Swedol and Tools stores.

2021
Momentum Group changes name to become **Alligo AB.**

2022
Components & Services (Momentum Group) is distributed to shareholders and separately listed on Nasdaq Stockholm.

Alligo AB (publ) is a leading player in personal protection, tools and supplies in the Nordic region, uniting the brands **TOOLS, Swedol, Grolls** and **Univern.**

We are a Nordic leader, with room to take share

Estimated market shares (2019)

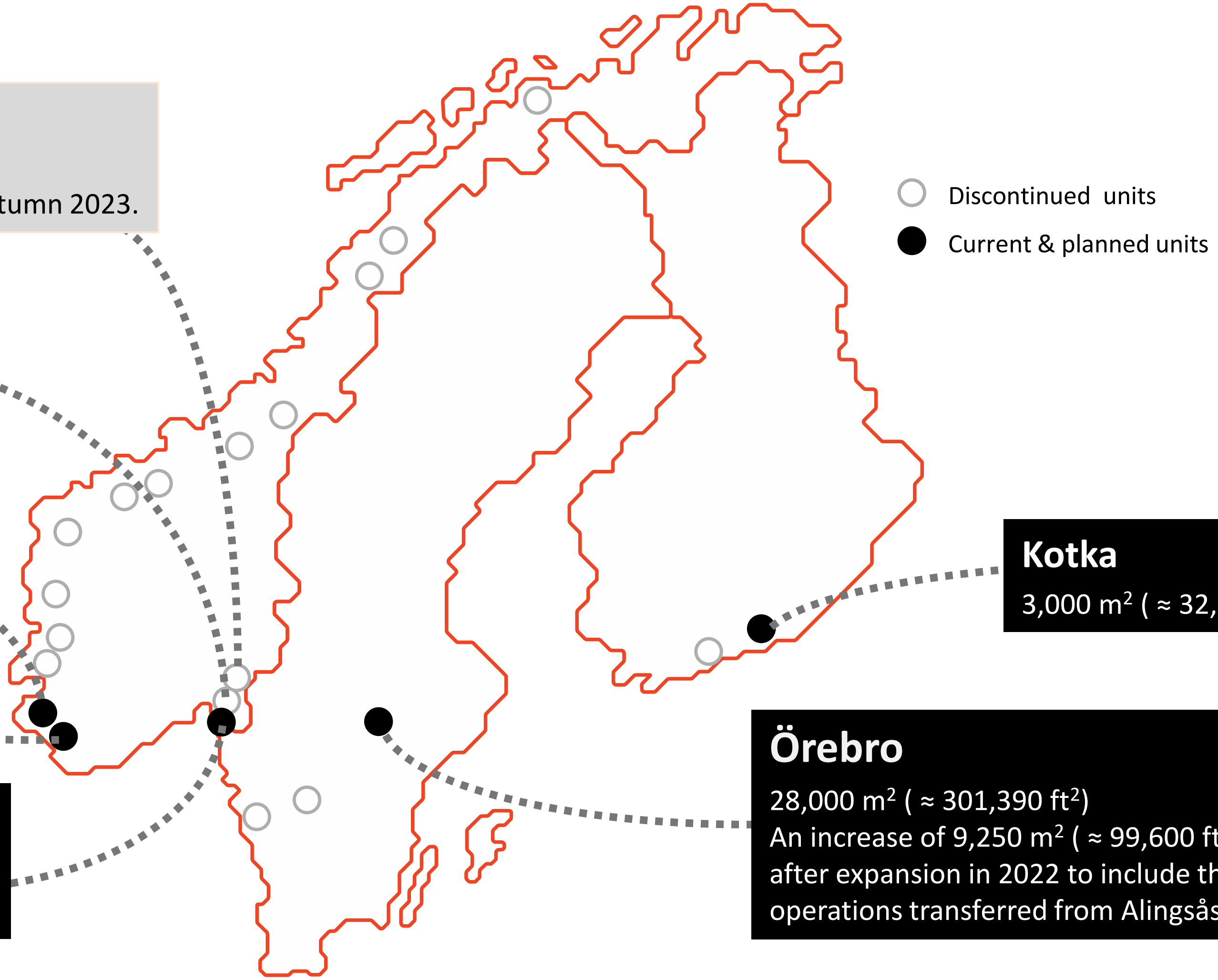
Sweden #2		Norway #1–2		Finland #3		Nordics #1–2	
Ahlsell	24%	ALLIGO	15%	Würth	24%	ALLIGO	15%
ALLIGO	17%	Tess	14%	Etra	19%	Ahlsell	15%
Derome	6%	Ahlsell	9%	ALLIGO	11%	Würth	10%
Berendsen	4%	Würth	9%	IKH	7%	Tess	4%
Würth	3%	Wenaas Workwear	4%	Ahlsell	6%	Etra	4%

Alligo at a glance

- **Nordic main markets**
  – revenue of approx.
  SEK 53 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 as well as independent local operators

Alligo has integrated its Nordic logistics function

– From 20 to 5 warehouses and units since mid-2020



Skedmokorset
5,500 m² (≈ 59,202 ft²)
Relocating to Vestby Autumn 2023.

Rosenholm
5,000 m² (≈ 53,820 ft²)
Relocating to Vestby Autumn 2023.

Stavanger
3,000 m² (≈ 32,292 ft²)

Sandnes
1,500 m² (≈ 16,146 ft²)

Vestby NEW!
16,000 m² (≈ 172,220 ft²)
New warehouse opens Autumn 2023.

Kotka
3,000 m² (≈ 32,292 ft²)

Örebro
28,000 m² (≈ 301,390 ft²)
An increase of 9,250 m² (≈ 99,600 ft²) after expansion in 2022 to include the operations transferred from Alingsås.

ALLIGO

Sustainability is an integral part of Alligo's strategy

Vision

We're unbeatable

- …as a partner to our customers
- …as an employer
- …as a partner to our suppliers
- …as a leader in sustainable development in our industry

Strategic objectives

We are known as the leader in sustainable development in our industry

Strategies

- Continuously reduce the environmental impact of our operations
- Work with our suppliers to ensure sustainability throughout our value chain
- Help our customers reduce their environmental impact
- Communicate our sustainability work clearly and transparently

Alligo's strategy map

Mission

We make businesses work

Core Values

Commitment
Collaboration
Competence

Vision

We're unbeatable

- …as a partner to our customers
- …as an employer
- …as a partner to our suppliers
- …as a leader in sustainable development in our industry

Strategic objectives

- **We provide our customers with what they need in a friendly way**
- **We are the workplace where the best people want to work and we make them grow**
- **We have our industry's most efficient operations and reliable processes**
- **We are known as the leader in sustainable development in our industry**

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

We want to be a fully integrated company

Fully integrated company – operational focus

Holding company – investment focus

This is where we are aiming

Our value creation will primarily be through operational improvement and growth (organic and acquisitive) of our integrated business, not by acquisitions of new holdings

Status of the extensive integration efforts to build Alligo

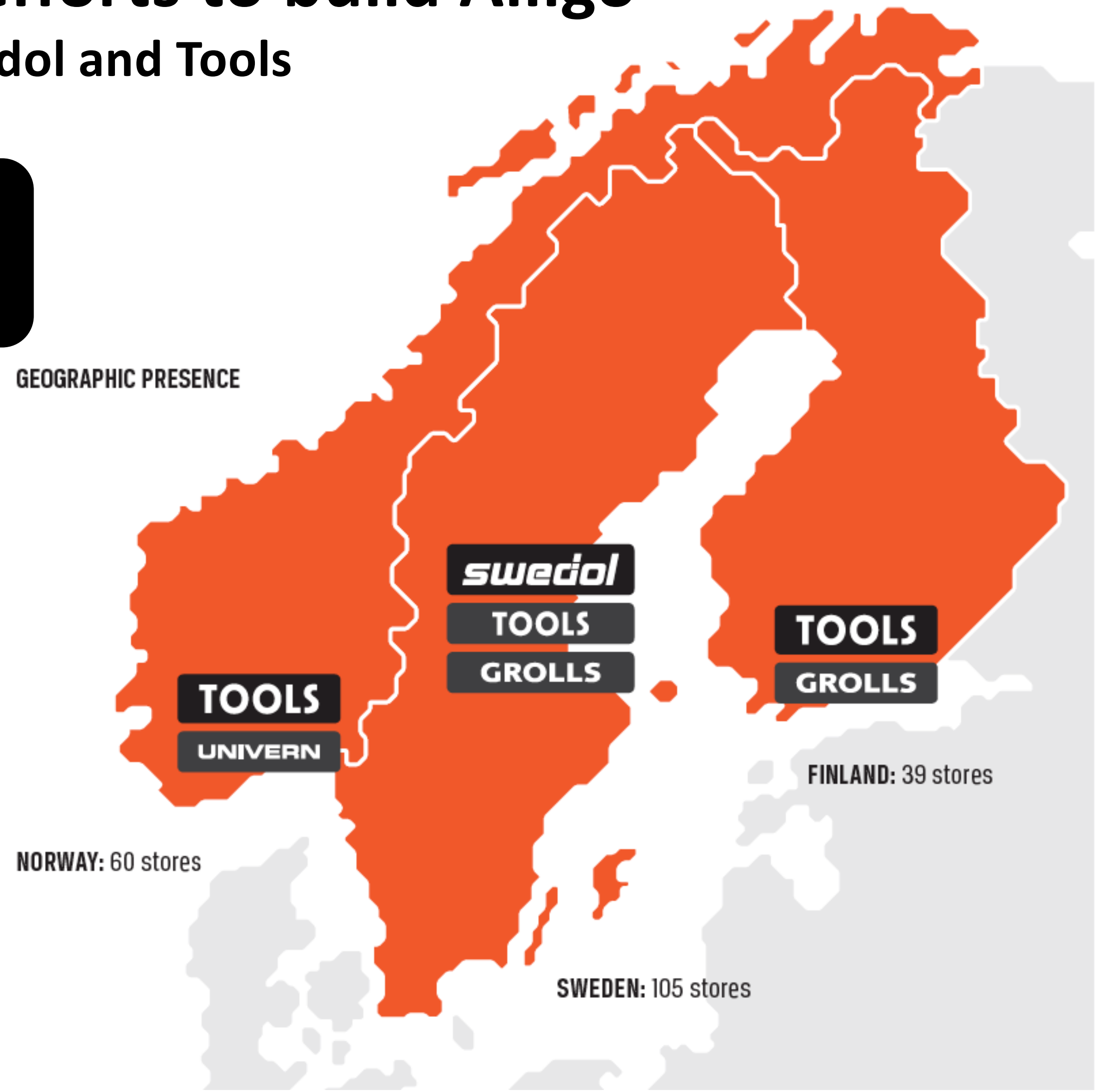
- Completed activities related to the merger of Swedol and Tools

- **Common strategy and core values throughout the entire company**
- **New financial and non-financial targets**
- **Store integration**
- **Legal structure**
- **Coordination of logistics**
  - Norway ongoing
- **Pricing system**
- **ERP**
  - Norway ongoing

Status of the extensive integration efforts to build Alligo

– Ongoing activities related to the merger of Swedol and Tools

Implementation of Nordic standard assortment



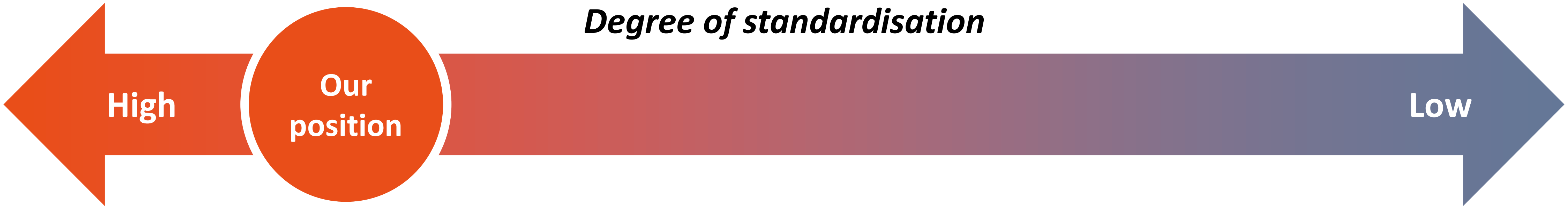
Alligo's operational priorities 2023

Make our people grow

Ensure profitable growth in all parts of our business

Improve collaboration and processes

We aim for a high degree of assortment standardisation, while maintaining flexibility for customers that need it



Defined assortment
- In stock
- On order

Customer-specific procurement ("skaff")
- Approved suppliers
- Any supplier

Invoice consolidation
- Ordering and invoicing of items sourced by the customer

- Common assortment range for our store concepts, with room for local adaptation
- Strict prioritisation of products to be stocked in warehouses and stores
- Wide range of non-stocked supplies (from approved suppliers) with direct deliveries to our customers
- Order-invoicing of products without us having written agreements with suppliers is offered only on an exceptions basis to our most important customers

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

- to launch the best offer in the market towards our customers

- Good mix of well-known premium brands complement own brands
- Offer products with "good-better-best" positions

Our assortment strategy

– we understand the role each product category has for our customers

Our offering

- Increasing the scope and volume of services

ALLiGO

Acquistions – an integral part of Alligo's growth strategy

Focus on acquiring well run companies

- Within our main segments to be integrated, profile and media to be kept separately from the fully-integrated business
- Add footprint, customers, offerings
- Realize synergies – assortment and purchasing, cross-sales, co-location, overhead

Long-term acquisition process from gross list to integration

- Focus on proactive lead development and bilateral processes

Acquisitions are financed with cash flow from operations and debt financing

Nine acquisitions signed 2022 – adding 400 MSEK in annual revenues

– as well as 115 employees and 13 stores

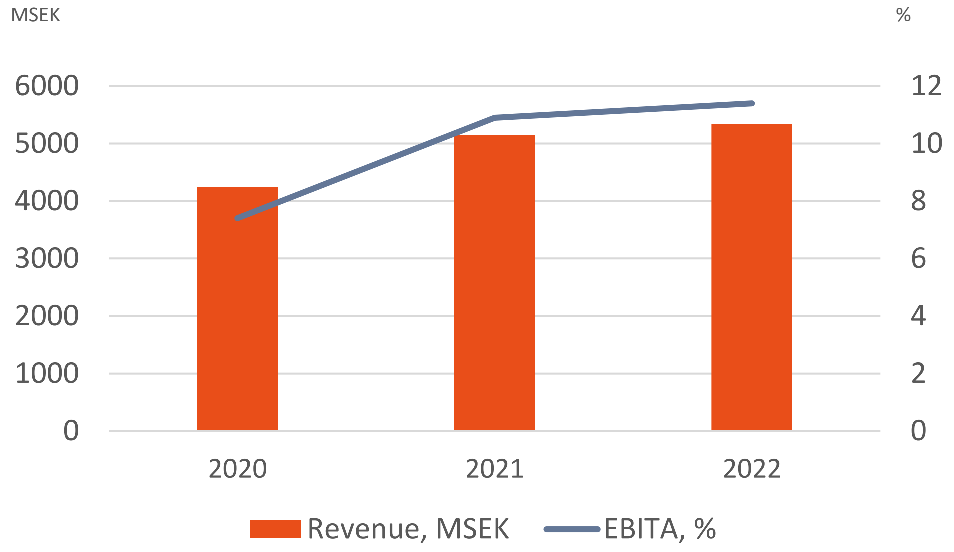
Acquisition	Product category	Date signing	Annual revenue (MSEK)*	Employees	Stores
Liukkosen Pultti Oy	Workwear/Tools	Feb 2022	47	12	1
Lunna AS	Industrial Components/Tools/ Workwear/Protective Equipment	March 2022	86	26	3
H E Seglem AS	Industrial Components/Tools/ Workwear/Protective Equipment	June 2022	42	8	1
Magnusson Agentur AB	Profile Products/Workwear	July 2022	27	6	1
LVH AS	Tools/Supplies/Workwear/ Protective Equipment	Aug 2022	13	4	1
Profeel Sweden AB (75%)	Profile Clothing/Product Media	Nov 2022	72	18	2
Z- Profil AB** (70%)	Profile Clothing/Product Media	Dec 2022	41	13	2
Kents Textiltryck i Halmstad AB** (70%)	Workwear/Profile Clothing/Product Media	Dec 2022	42	15	1
Olympus Profile i Uddevalla AB** (70%)	Workwear/Profile Clothing/Product Media	Dec 2022	43	13	1
			414	**115**	**13**

** Currency rate: EUR 10.5, NOK 1.05* *** Completed beginning of 2023*

2022 in summary

- Financially stable year despite many integration and improvement projects
- New sales organizations
- Nine acquisitions
- Positive development in Finland
- Secured good delivery capacity, but too high stock levels
- Increased focus on sustainability
  - Design for sustainability

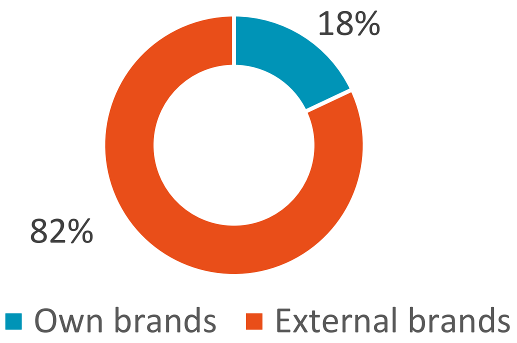
Revenues and EBITA



6.1% (4.3)
Organic growth

8.2% (7.7)
EBITA margin

Share of own brands



ALLiGO

Solid performance in 2022 in relation to Financial Targets

TARGET

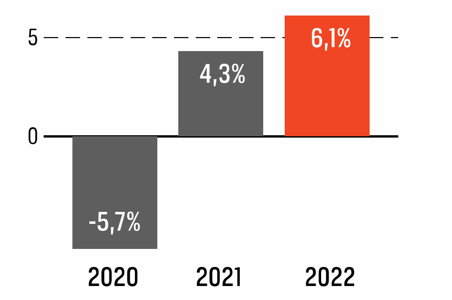
OUTCOME

GROWTH

>5%

Organic growth

Average organic growth shall be more than 5 per cent per year over a business cycle. Further growth shall also be made through acquisitions.

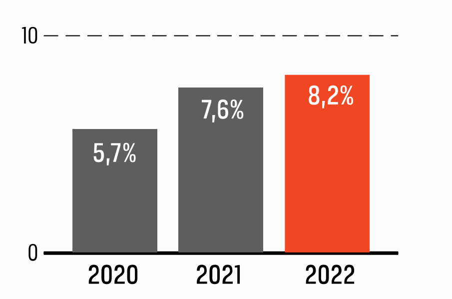


PROFITABILITY

>10%

EBITA margin

The EBITA margin shall be more than 10 per cent per year.



TARGET

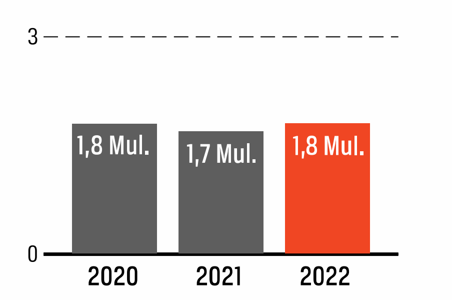
OUTCOME

INDEBTEDNESS

<3X

Ratio of net operational liabilities to EBITDA excl. IFRS 16

Ratio of net operational liabilities to EBITDA excl. IFRS 16 shall be less than a multiple of 3.

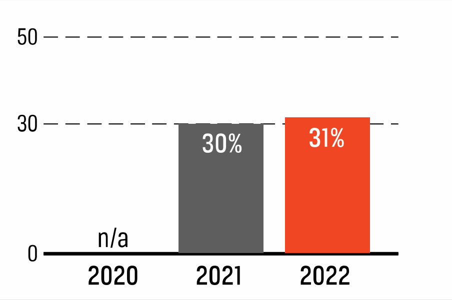


DIVIDEND

30-50%

Dividend from net profit

The dividend as a percentage of net profit shall be 30-50 per cent, taking into account other factors such as financial position, cash flow and growth opportunities.



Performance 2022 in relation to Sustainability Targets

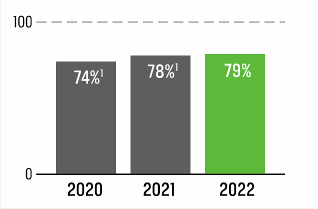
TARGET | OUTCOME

RESPONSIBLE SUPPLIER RELATIONSHIPS

100%

Signing of Code of Conduct

All key suppliers must have signed Alligo's Supplier Code of Conduct.



SATISFIED CUSTOMERS

›75

Customer Satisfaction Index

All concept brands on all of the Group's geographic markets shall achieve a Customer Satisfaction Index (CSI) of more than 75.

CSI	2020	2021	2022
Swedol, Sweden	76	76	76
Tools, Sweden	80	79	77
Tools, Norway	78	79	79
Tools, Finland	n/a	77	n/a
Grolls, Sweden	78	79	78
Grolls, Finland	76	76	n/a
Univern, Norway	83	85	81

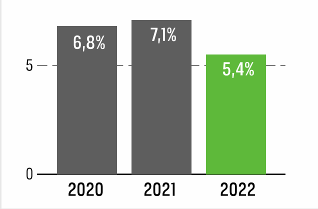
TARGET | OUTCOME

HEALTH

‹5%

Sickness absence

Sickness absence shall be less than 5 per cent of total scheduled hours.

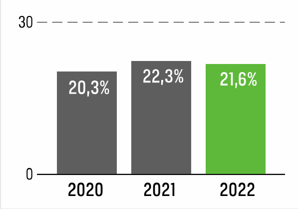


GENDER EQUALITY

›30%

Proportion of female managers

The proportion of female managers shall be more than 30 per cent.



CLIMATE IMPACT

↓CO_2

Reduced carbon emissions

The carbon emissions produced by the company shall be reduced.

[A survey of the carbon emissions of the company is ongoing. Once this work is complete, Alligo will set an overall target for reducing carbon emissions.]

2022 2023 2024 2025..

1) The basis of calculation was adjusted in 2022 and the comparison figures have been recalculated according to the same principles.

How Alligo responds to a challenging market

– with on-going and planned actions…

Growth initiatives

- Customer mix
- Service offering
- Acquisitions

Price increases

- Ensure that pricing reflects our more expensive procurement and underlying cost increases

Cost initiatives

- Primarily organizational – Norway and Sweden
- Additional initiatives

Stock reduction

- Target to reduce inventory
- Increase turnover rate

Efficiency measures

- Integration work
- New more efficient sales organizations

Q1 in brief

- Profitable growth despite a weaker market

- Revenue +9.2 % to MSEK 2,287 (2 095)
- Adjusted EBITA increased by 20.9% to MSEK 127 (105)
- Cash flow from operating activities higher MSEK 146 (-30) – still high inventory levels
- Enhanced our competitiveness for all customer groups
- 3 April, Alligo acquired 100% of the shares in Finnish company Kitakone Oy
- 2 Jan, Alligo completed three acquisitions

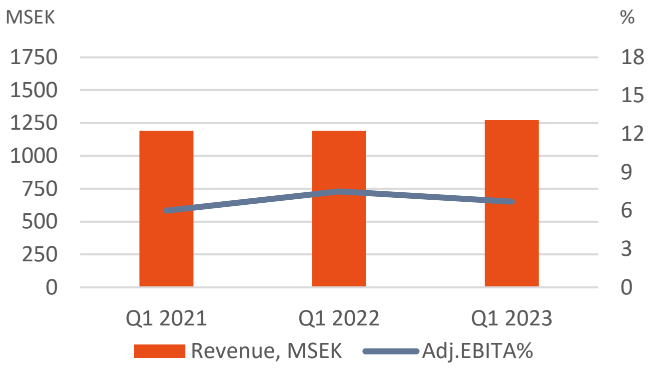
+ 9.2 %
Revenue growth

+ 20.9 %
Adj EBITA growth

5.6 % (5.0)
Adj EBITA margin

Q1 2023 - Profitable growth in NO and FI, but weaker in SE

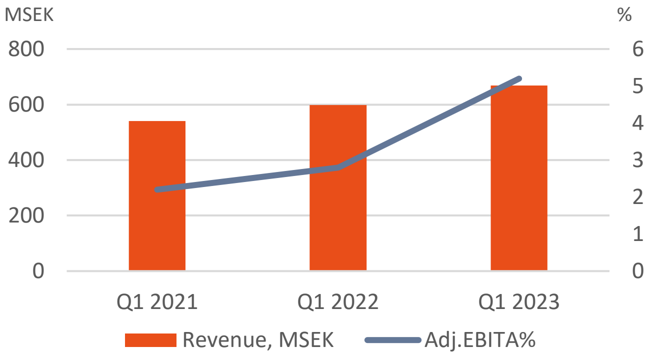
Sweden



Organic growth:	**Adj. EBITA margin:**
Q1 -1%	Q1 6,7% (7,5)

- Revenue increased by 6,7%
  - Intensified slowdown
- Increased share of own brands 22,8% (22,3)
- EBITA decreased to MSEK 85 MSEK (89)
  - Pressure margins own brands
- Focus forward – sales- and assortment management within the industrial segment, costs

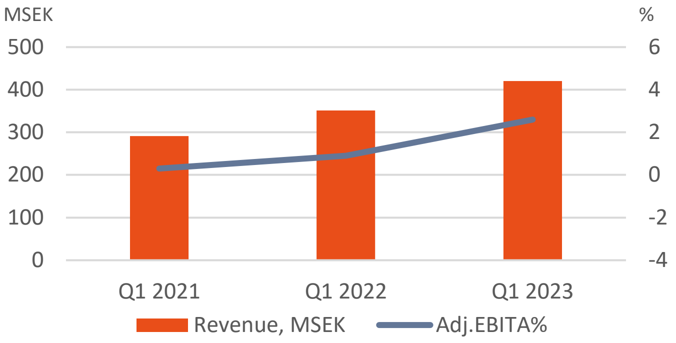
Norway



Organic growth:	**Adj. EBITA margin:**
Q1 +9%	Q1 5,2% (2,8)

- Revenue increased by 11,7%
  - Oil and Gas segment
  - Signs of market slowdown
- Increased share of own brands 13,9% (12,3)
- EBITA increased to MSEK 35 (17)
  - Growth, improved sales management and integration synergies
- Focus forward – increase share SME, sales and assortment management, costs

Finland



Organic growth:	**Adj. EBITA margin:**
Q1 +9,%	Q1 2,6% (0,9)

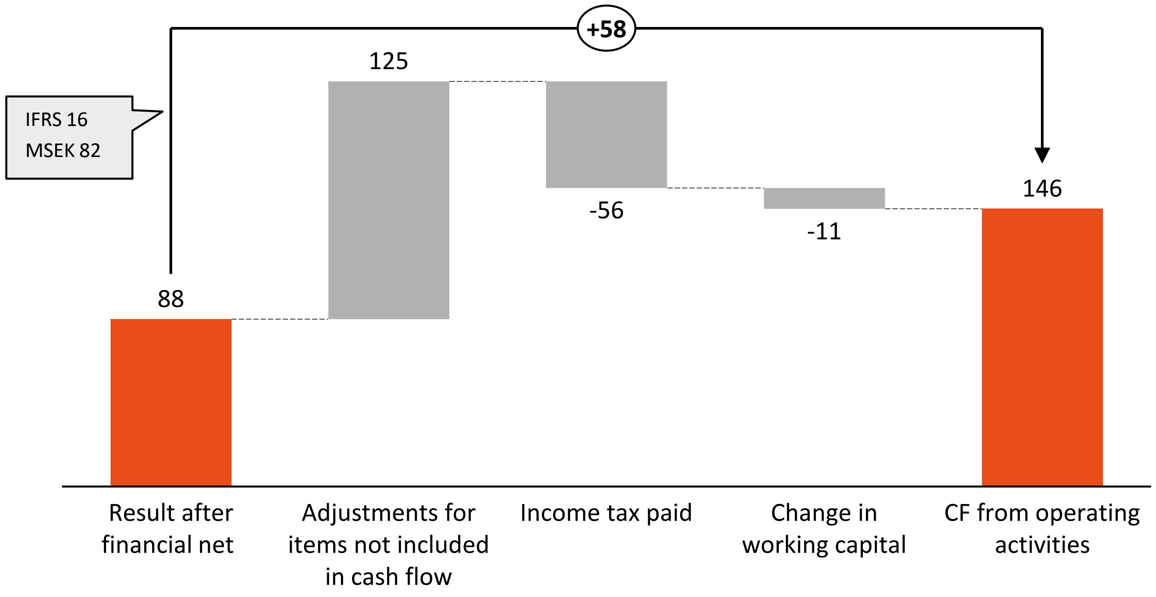
- Revenue increased by 19,7 %
  - Larger industrial customers
  - Signs of market slowdown
- Increased share of own brands 8,3% (6,3)
- EBITA increased to MSEK 11 (3)
  - Growth and improved sales management
- Focus forward - investment in stores to attract SME, sales and assortment management

Q1 2023 - Improved operating cash flow

– Still high inventory levels

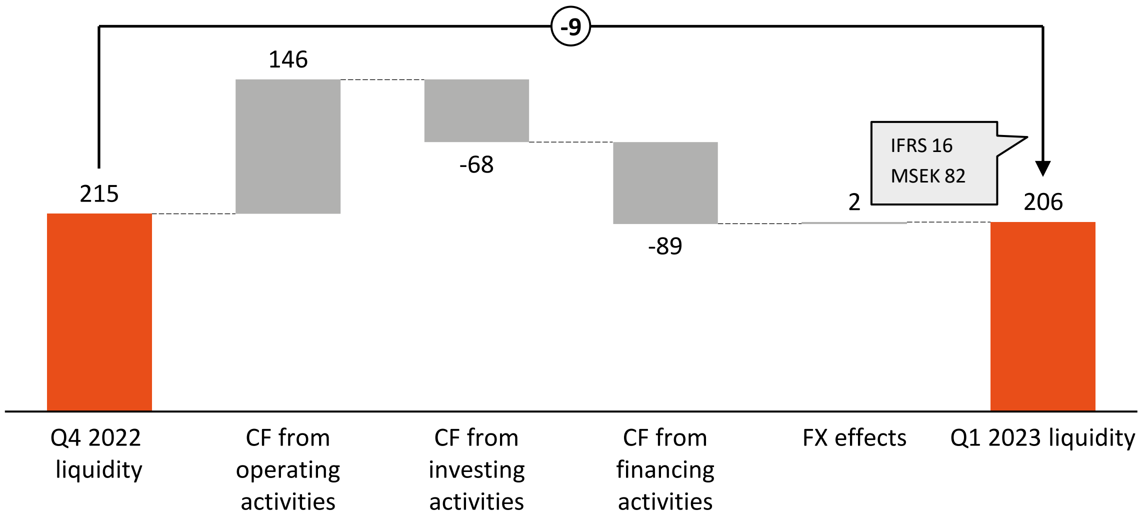
Q1 Operating activities

- Operating cash flow amounted to 146 MSEK (-30 MSEK)
  - Decreased prepayments to Asian own-brand suppliers
- Increased NWC/Sales 25,1% (21,8) driven by the inventory of own brands.
  - Several ongoing actions related to capital reduction



Q1 Operating, investing and financing activities

- Investing activities
  - E-commerce investments, store adaptions, new WMS system in NO, and expansion of Alligo's warehouse and logistics facility (MSEK 31)
  - Acquisition of subsidiaries (MSEK 37)
- Financing activities
  - Mainly related to amortization of leasing liabilities



ALLIGO

Q1 2023 - Strong financial position

Overview of the financial position

MSEK	31 Mar 2023	31 Dec 2022
Non-current interest bearing liabilities	2,422	2,410
Current interest bearing liabilities	355	352
Cash and cash equivalents	-206	-215
Financial lease liabilities	-1,032	-1,013
Net operational liabilities	**1,539**	**1,534**
EBITDA*, LTM	864	845
Net operational liabilities / EBITDA*, X	**1.8**	**1.8**

** Excl. IFRS 16*

Highlights

- Ratio of net operational liabilities to EBITDA (excl. IFRS 16) of 1.8
- Unutilized credit facilities of MSEK 960 at the end of the period
- Equity/assets ratio 41 percent
- Total facility 2,300 MSEK excl credit facility 400 MSEK
  - Maturity 2026 + 1 year
  - Average lending rate 3.7% (1.0)
- Financial covenants fulfilled
- Continue to invest in organic growth and take advantage of potential good M&A opportunities

Outlook 2023

- Alligo is well-positioned in an uncertain market
- Focus on driving sales, developing our offer and streamlining our processes
  – Nordic standard assortment and roll-out of own brands
- Good availability for the spring season
  – Capital reduction
- Increase the share of small and medium-sized enterprises
- Continuously review the organization's cost structure
- Supplementing organic growth with acquisitions

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

Q&A