



Interim Report Q1 2024

1 Jan – 31 March

Thursday April 25, 2024

ALLiGO

Presenters

Clein Johansson Ullenvik

Group President & CEO



Irene Wisenborn Bellander

CFO

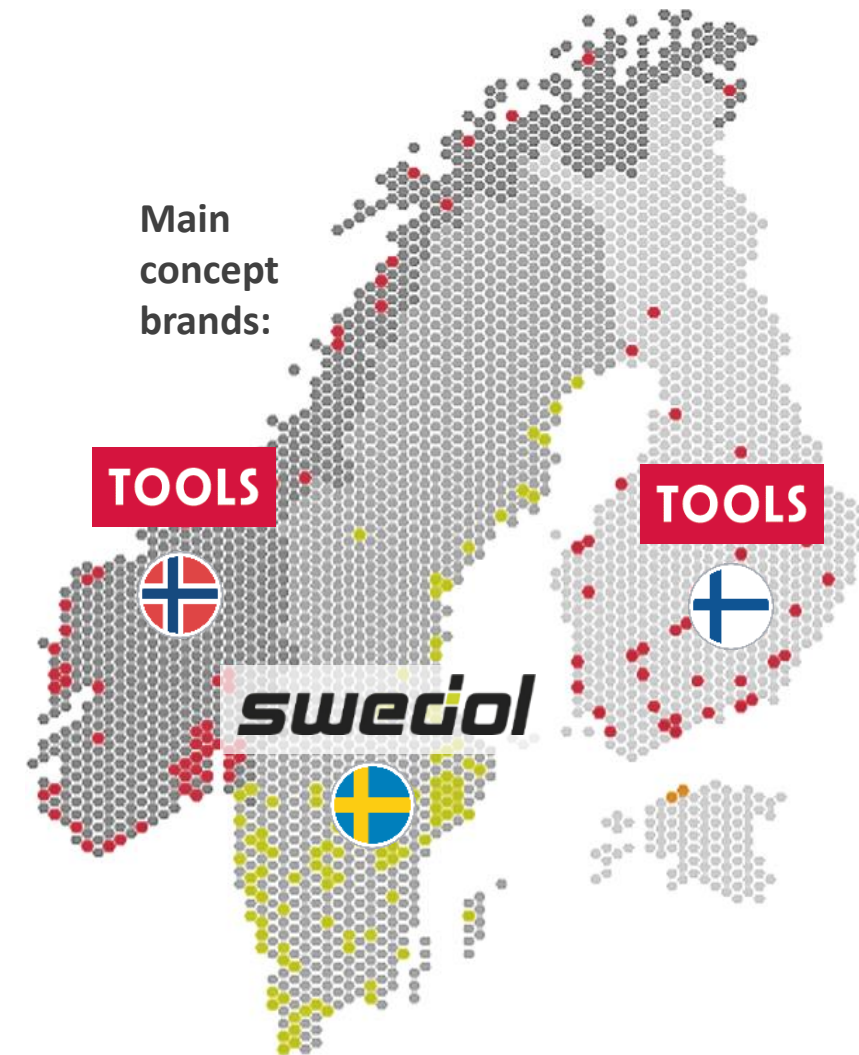
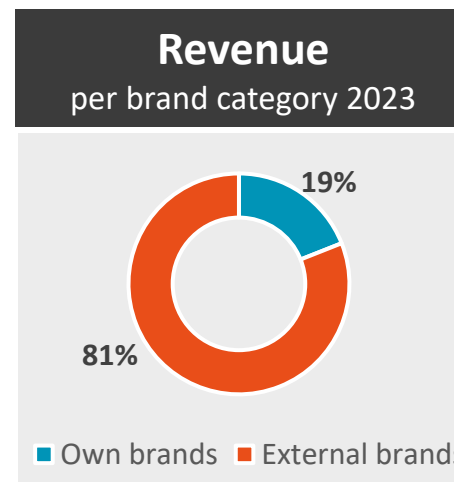
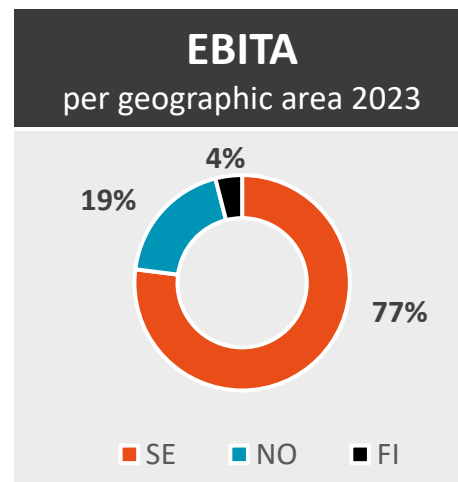
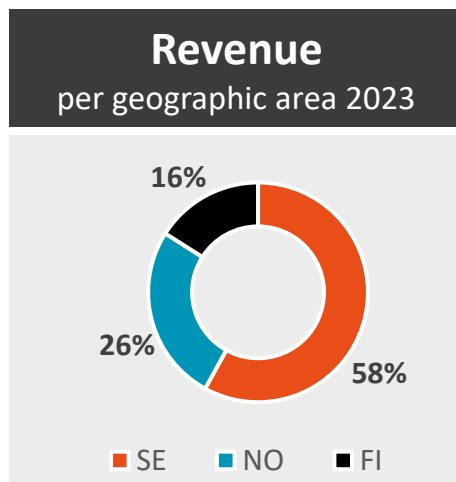


AGENDA

- **This is Alligo**
- Highlights Q1 2024
- The Alligo Brand Family – new products and services
- Financials
- Summary and outlook
- Q&A



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



*FY 2023

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Q1 2024 business conditions



Market situation

- Continued slow-down in all markets
 - Several customer segments
 - Stable demand in Oil & Gas industry in Norway
- Significant Easter effect and strike in Finland

Proactive management

- Cost reductions
- Price adjustments
 - Sensitive categories
- Growth by acquisitions
- Driving sales
- Reducing inventories

Delivery capacity

- Good and stable

Macro-economic factors

- Accelerated downturn in the business cycle
- Geopolitical turbulence incl Red Sea

Q1 2024 in brief

– stable position on a continued weak market

Revenue

-5.2%

Negative Easter holiday effect and union strike in Finland

Organic growth

-6.3%

Acquisition-driven growth of 3.3 %

Operating cash flow

128

MSEK (146)

Adjusted EBITA

84

MSEK (127)

Declining volumes

Adjusted EBITA margin

3.9%

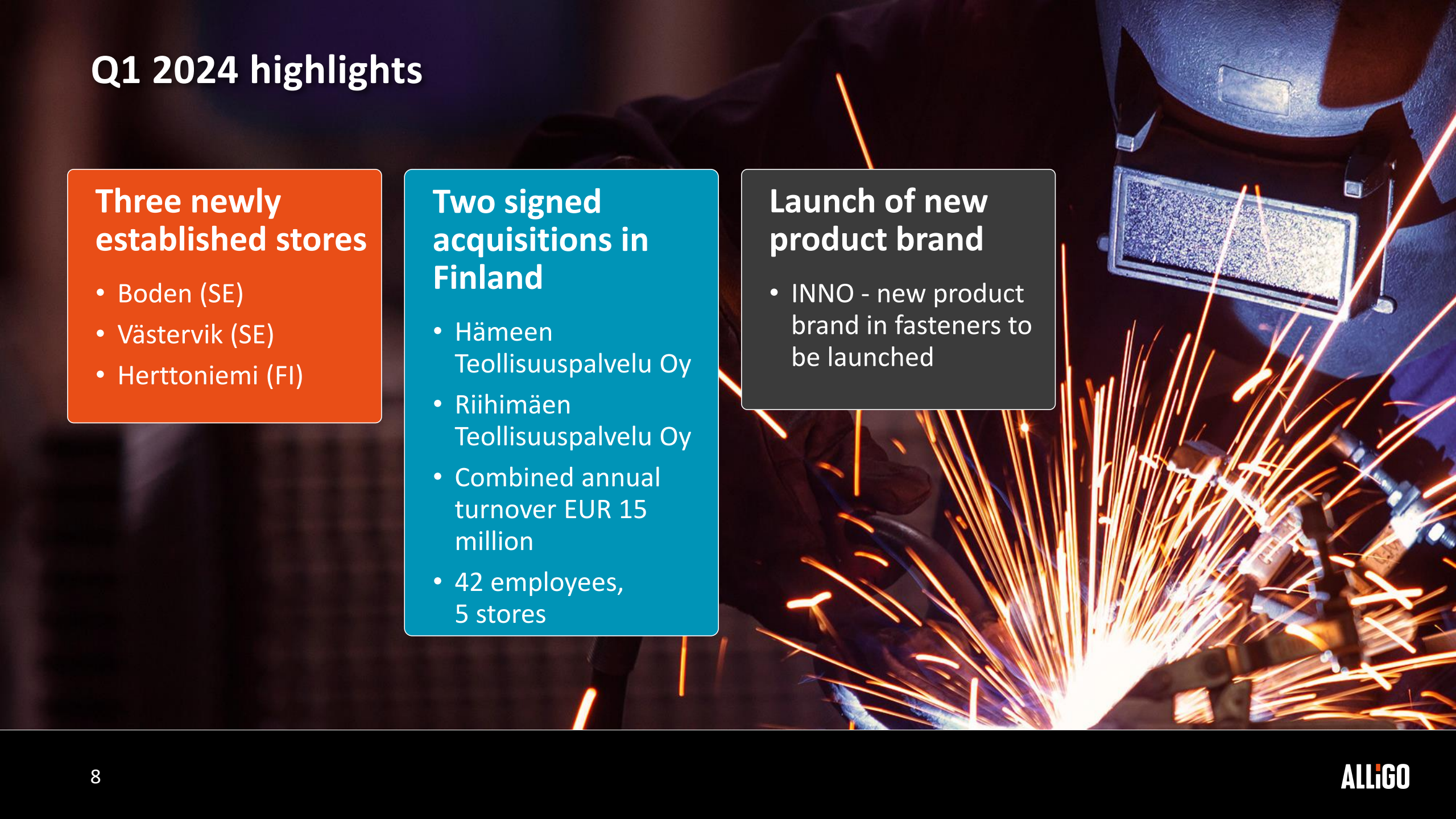
(5.6)

Gross margin

41.1%

(39.7)

Q1 2024 highlights



Three newly established stores

- Boden (SE)
- Västervik (SE)
- Herttoniemi (FI)

Two signed acquisitions in Finland

- Hämeen Teollisuuspalvelu Oy
- Riihimäen Teollisuuspalvelu Oy
- Combined annual turnover EUR 15 million
- 42 employees, 5 stores

Launch of new product brand

- INNO - new product brand in fasteners to be launched

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Alligo's product brands provide better control and margins

WORKWEAR & PPE



Iconic workwear since 1905



Workwear for Nordic weather conditions



Workwear and footwear with a focus on function



Protective gloves for all categories



Base and corporate branded clothing for every occasion

TOOLS & SUPPLIES



Tools and storage with smart solutions



Complete lighting range for the professional user



Farming and forestry specialist



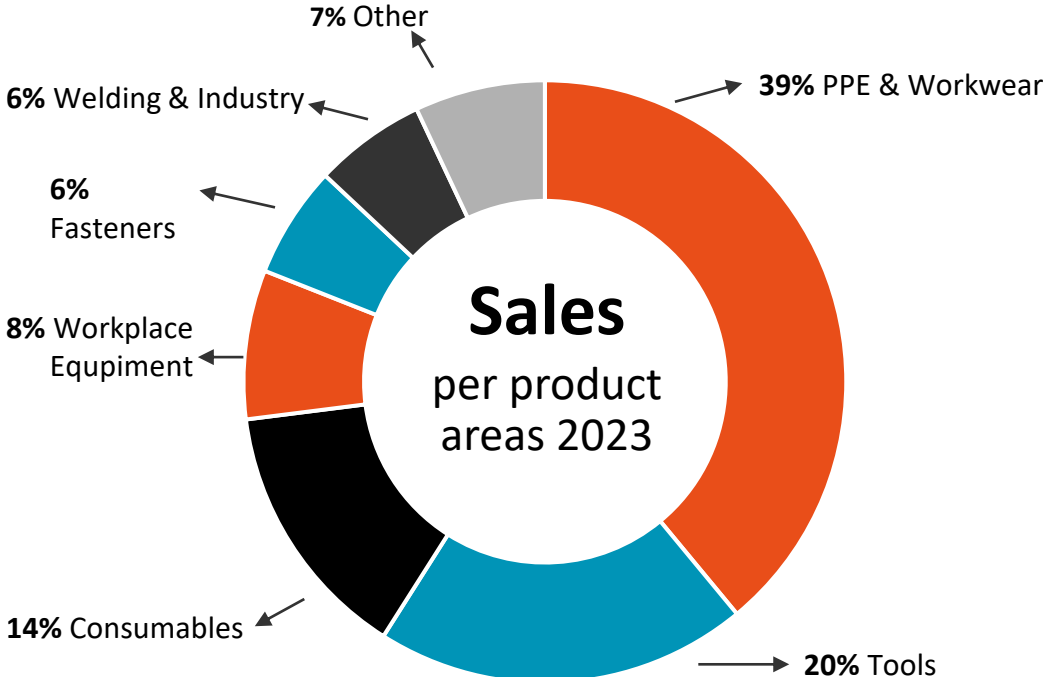
Supplies for all occasions



New brand to be launched in Q2 2024

Focus 2024

Strengthening Alligo's offer in fasteners, welding and circular clothing services



INNO Retail system

– new product brand in fasteners to be launched in Q2

- Full range of industrial fasteners
 - All products available in bulk – a competitive advantage for Alligo
 - Marked according to intended usage
 - Indoor, Outdoor or Stainless.
- With INNO Alligo will:
 - Improve the Group’s profitability on existing customers
 - Gain new competitiveness to take new market shares
- Alligo’s aim is to become a wholesale supplier of fasteners to our customers
- Will be launched in Finland in Q2 2024



Smartwear

– Alligo's circular clothing service

- Assortment optimisation
 - Size fitting for all employees
- The Smartwear cycle includes:
 - Washing
 - Repairing
 - Recycling
- Added value for the customer
 - Follow-up and traceability of wear and washing frequency
 - Follow-up sustainability KPI's
- To be launched in Swedol (SE) in Q2 2024



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Stable position in a continued weak market

– strong gross margin and reduced cost base

Revenues and EBITA

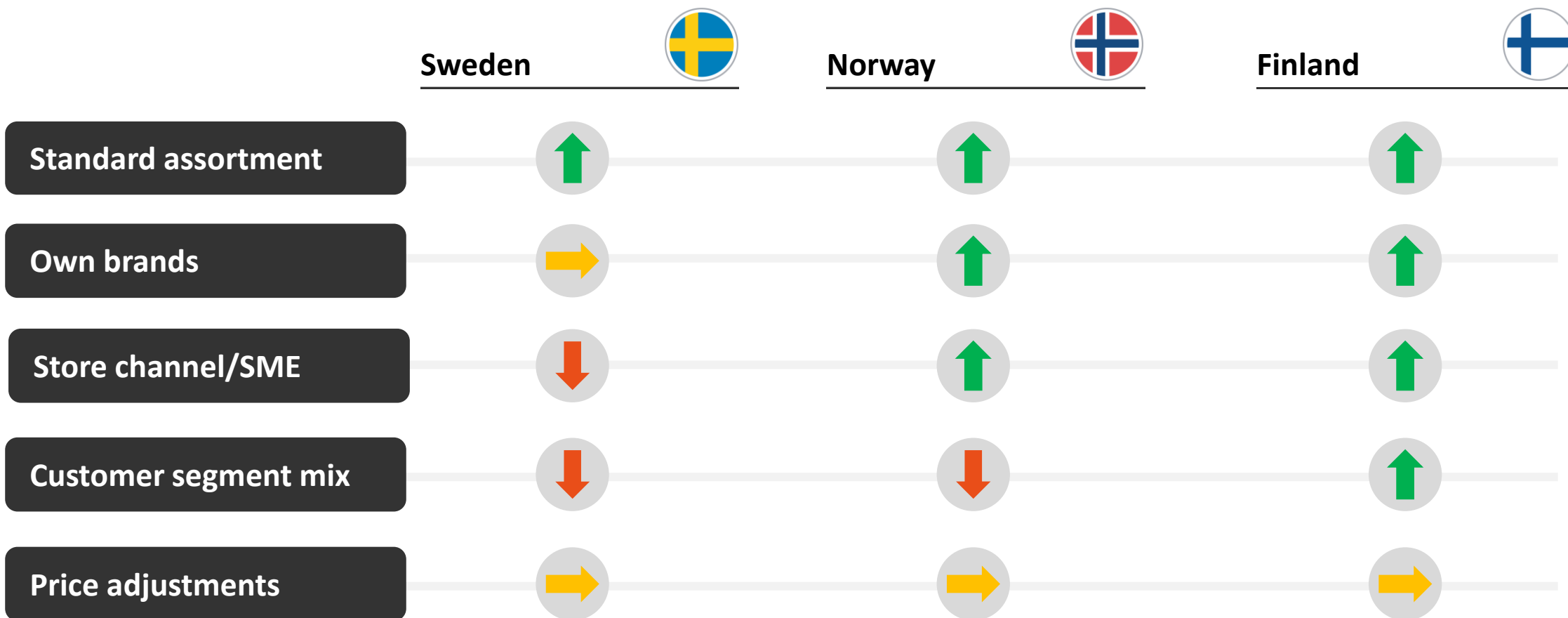
MSEK	2024 Jan- Mar	Δ, %	2023 Jan- Mar	24-03-31 R12 months	Δ, %	2023 Jan- Dec
Revenue	2,169	-5.2	2,287	9,217	1.3	9,335
Adjusted EBITA	84	-33,9	127	784	-5.2	827
<i>Amortisation</i>	-15		-15	-59		-59
<i>Items affecting comparability</i>	-4		0	-24		-20
Operating profit	65		112	701		748
Gross margin, %	41.1		39.7	41.8		41.4
Adjusted EBITA margin,%	3.9		5.6	8.5		8.9

Highlights Q1 2024

- Revenue decreased by -5.2 %
 - Negative Easter effect and union strike in Finland
 - Organic growth of -6.3 %
 - Acquisition-driven growth of 3.3 %
- Improved gross margin and cost savings
 - Increased share of own brands 18.0 % (17.6) and SME
- Adjusted EBITA decreased by 43 MSEK
 - Declining volumes
- Items affecting comparability related to organizational changes
- Financial net -33 MSEK (-24)
 - -22 MSEK (-18) excluding IFRS 16
 - Q1 average interest rate 4.9% (3.9) - STIBOR

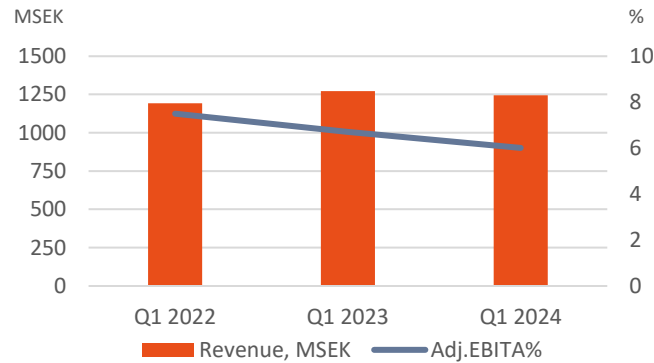
Improved gross margins in all countries

– unfavourable customer segment mix in Sweden and Norway



Decreased EBITA in all countries due to declining volumes

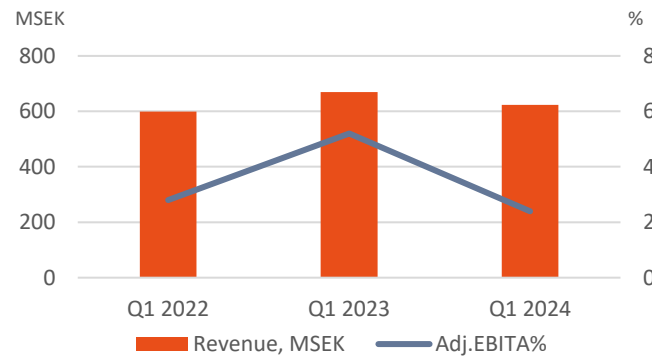
Sweden



Organic growth: Q1 -5%
Adj. EBITA margin: Q1 6.0% (6.7)

- Revenue decreased by -2.2%
 - Continued slowdown in the market and negative Easter effect
 - Acquisitions counteract
- Decreased share of own brands
 - Acquisitions
- EBITA decreased by -10 MSEK
 - Declining volumes
 - Margin improvements and cost savings counteract

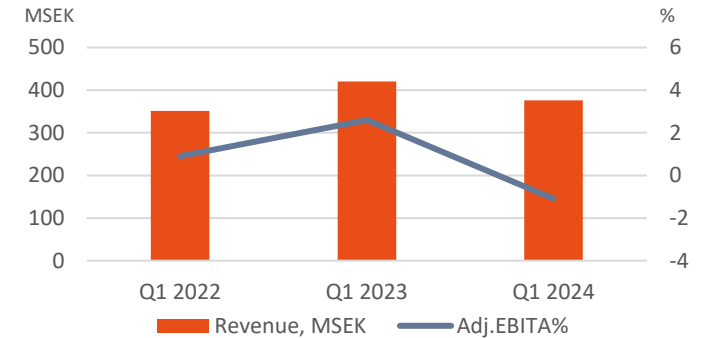
Norway



Organic growth: Q4 -4%
Adj. EBITA margin: Q1 2.4% (5.2)

- Revenue decreased by -6.9%
 - Continued slowdown in the market except for oil & gas, negative Easter effect and FX
 - Acquisitions counteract
- Increased share of own brands
- EBITA decreased by -20 MSEK
 - Declining volumes
 - Margin improvements and cost savings counteract

Finland



Organic growth: Q1 -15%
Adj. EBITA margin: Q1 -1.1% (2.6)

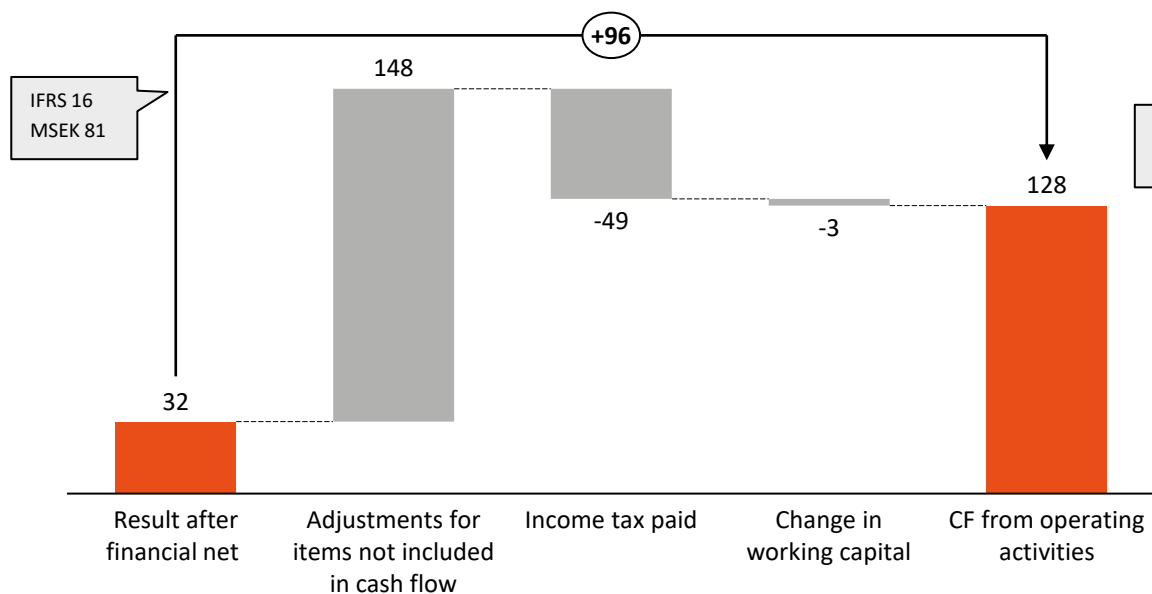
- Revenue decreased by -10.5 %
 - Continued slowdown in the market, negative Easter effect and strike
 - Acquisitions and positive FX effects counteract
- Increased share of own brands
- EBITA decreased by -15 MSEK
 - Declining volumes and investments in stores
 - Margin improvements counteract

Focus forward – increase the share of SME, improve sales and assortment management, and further cost adjustments

Operating cash flow is slightly lower than last year

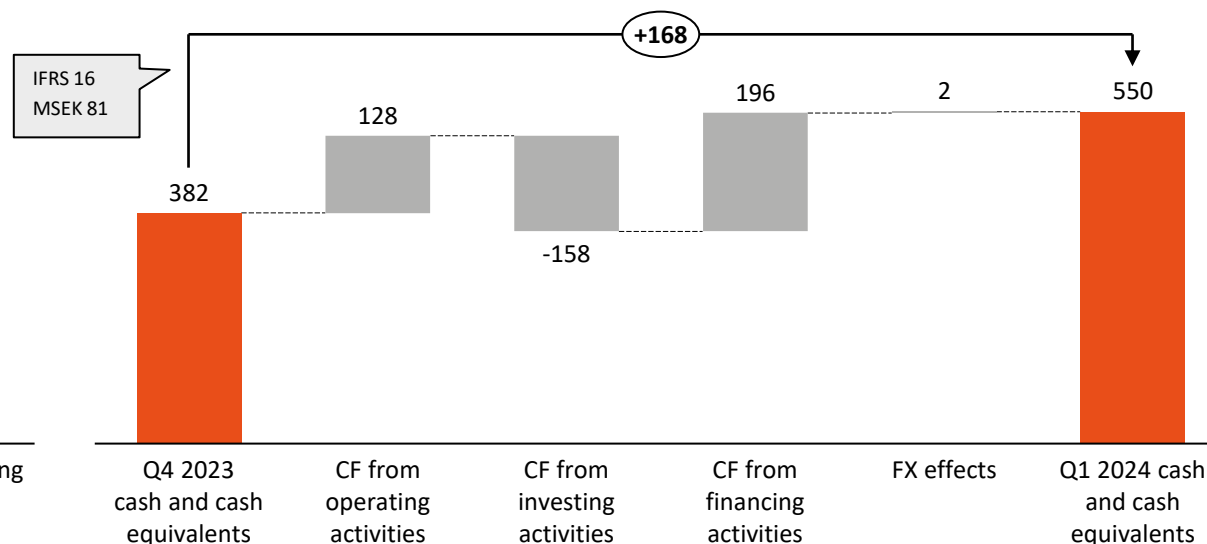
Q1 Operating activities

- Operating cash flow amounted to 128 MSEK (146)
 - Decreased EBITDA
- Increased NWC/Sales 28.3 % (25.1)
 - New stores, launch of our own brands of fasteners
 - Several ongoing actions related to capital reduction



Q1 Operating, investing and financing activities

- Investing activities
 - E-commerce solutions, service concepts, new stores and store modifications (MSEK 34)
 - Acquisition of subsidiaries (MSEK 124)
- Financing activities
 - Increased usage revolving facility and amortization of leasing liabilities



Strong financial position

Overview of the financial position

MSEK	31 Mar 2024	31 Mar 2023	31 Dec 2023
Non-current interest bearing liabilities	2,978	2,422	2,624
Current interest bearing liabilities	421	355	398
Cash and cash equivalents	-550	-206	-382
Financial lease liabilities	-1,284	-1,032	-1,191
Net operational liabilities	1,565	1,539	1,449
EBITDA*, LTM	874	864	914
Net operational liabilities/EBITDA*, ggr	1.8	1.8	1.6

* Excl. IFRS 16

Highlights

- Ratio of net operational liabilities to EBITDA (excl. IFRS 16) of 1.8
- Cash and unutilized granted credit facilities of MSEK 1,135 at the end of the period
- Equity/assets ratio 40 %
- Total facility 2,300 MSEK excl. credit facility 400 MSEK
 - Maturity March 2027
 - Q1 average interest rate 4.9% (3.9)
- Financial covenants fulfilled
- Continue to invest in organic growth and take advantage of potential good M&A opportunities

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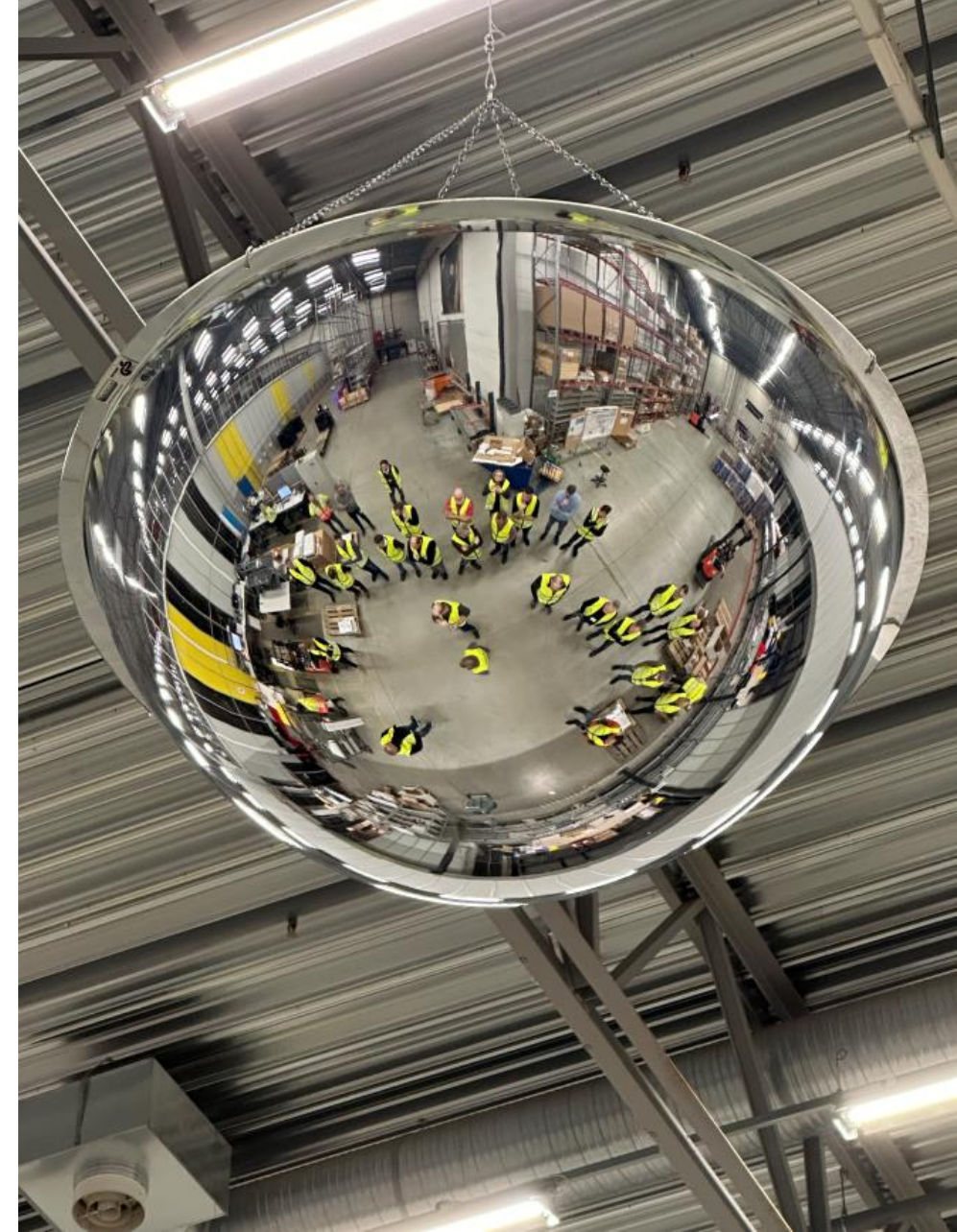
Q1 2024 in summary

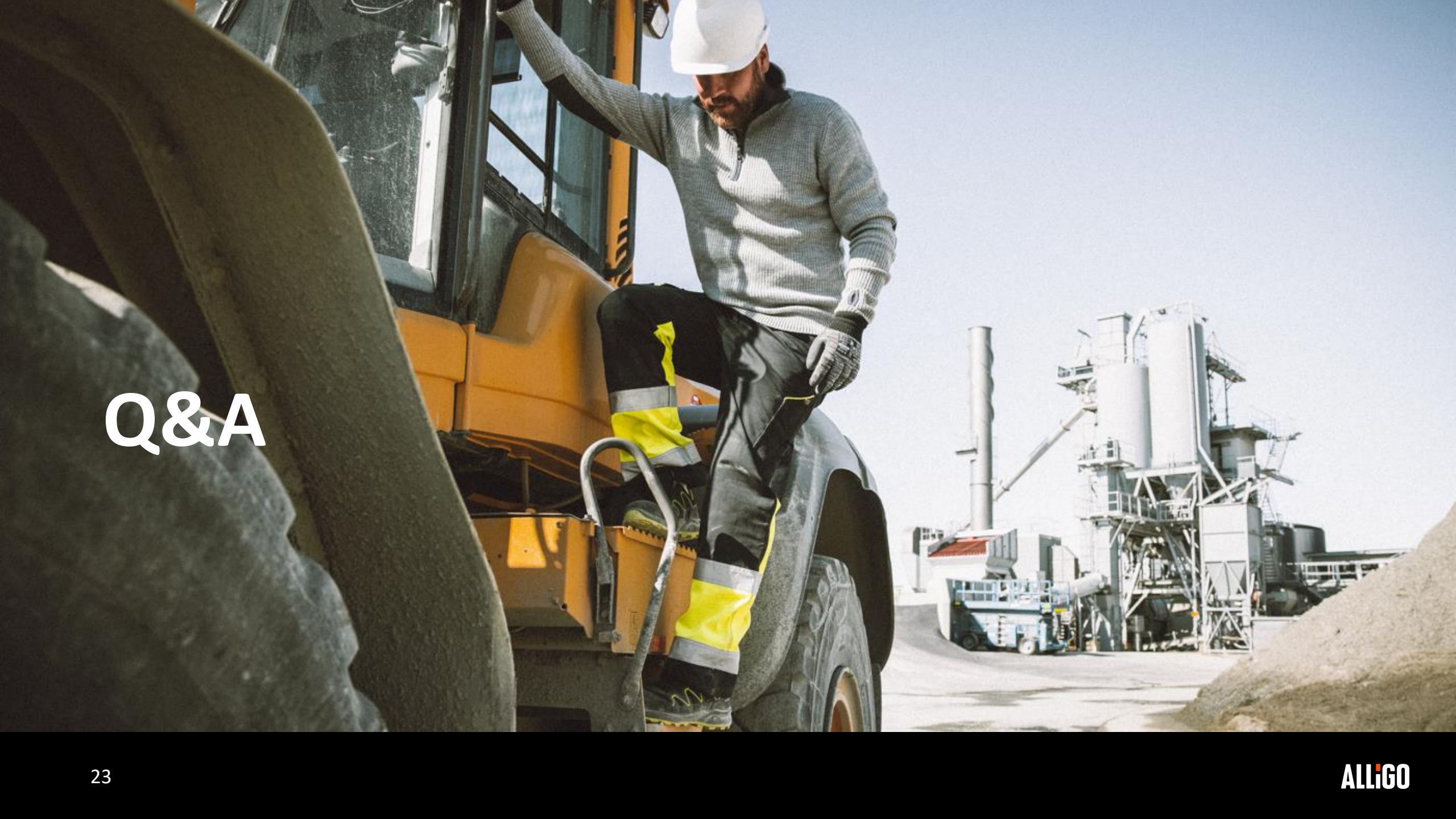
- Stable position in a continued weak market affected by Easter and union strike in Finland
- Strengthened competitiveness, by continued focus on
 - Price- and cost adjustments
 - Supplier negotiations
 - Sales and assortment management
 - Changing the customer mix
- Good delivery capacity and continued increased share of own brands



Outlook 2024

- Alligo is well-positioned in a weaker market
- Focus on factors we can influence ourselves:
 - Refining our sales work
 - Developing our offer
 - Adapting the cost structure to market conditions
- Continue to creating value through own brands, services and acquisitions:
 - Launch of INNO
 - Smartwear
 - Strong acquisition pipeline
- Aiming to set climate targets in line with SBTi





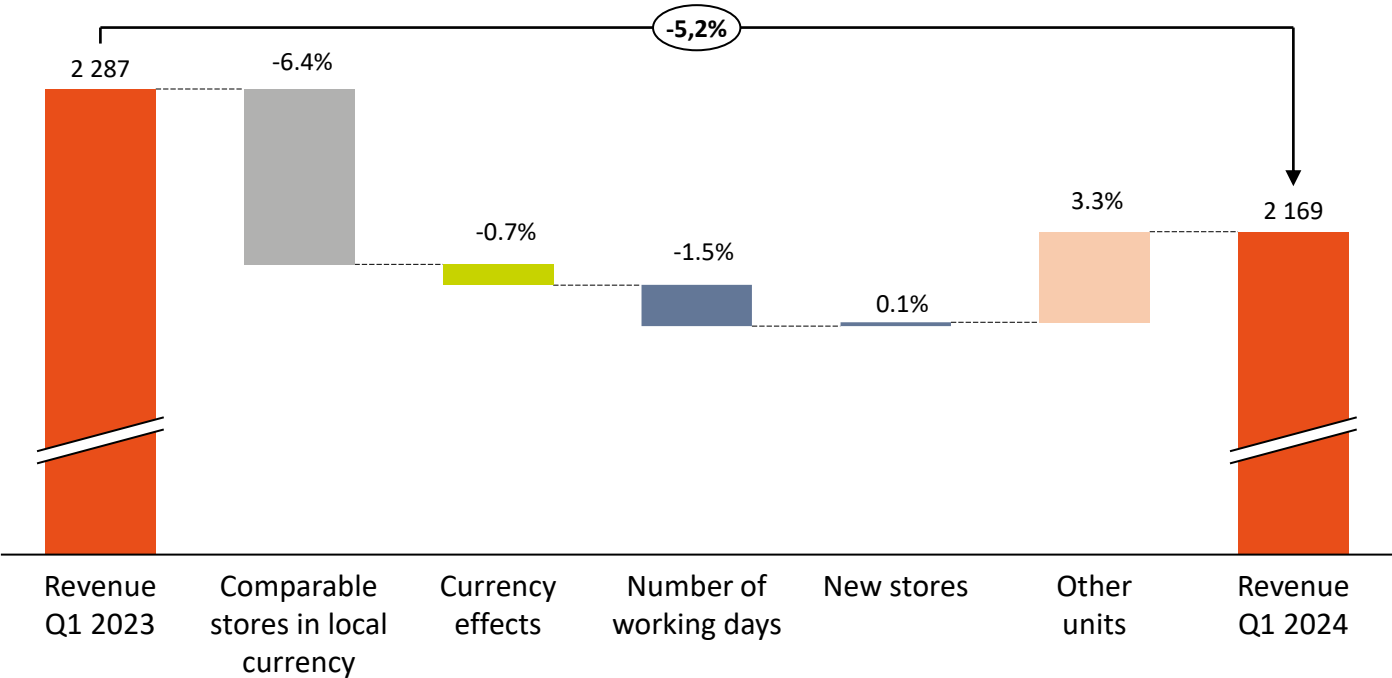
Q&A

APPENDIX



Revenue bridge first quarter 2024

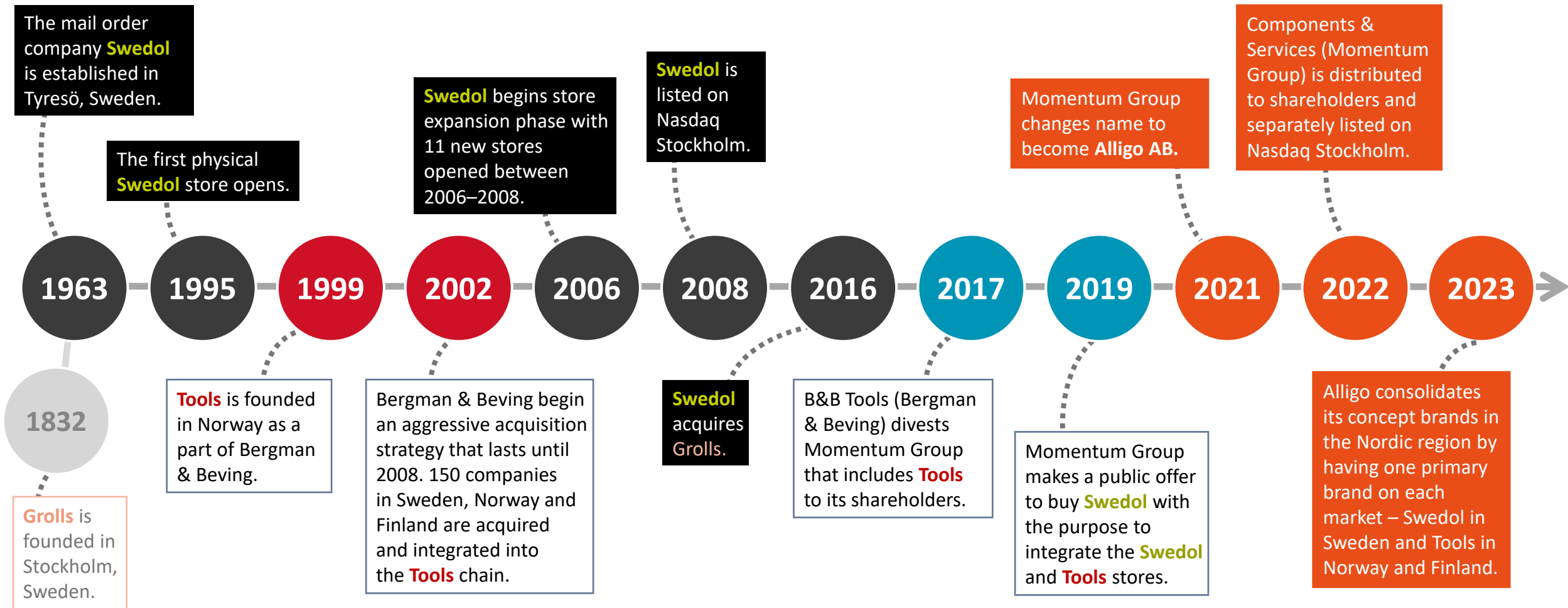
Revenue year-on-year Q1



IFRS 16 effects on cash flow

MSEK	2024 Jan-Mar	2023 Jan-Mar	2023 Jan-Dec	2022 Jan-Dec
IFRS 16 effects on cash flow from operations	81	82	365	364
IFRS 16 effects on cash flow from financing activities	-81	-82	-365	-364

The origins of Alligo



Five reasons to invest in Alligo

1

Market growth and resilient customer segments



2

Scalable platform a foundation for continued growth



3

Own brands increase competitiveness and profitability



4

Sustainability an integrated part of the business



5

Leader in the consolidation process on the Nordic markets



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Read more at alligo.com/interimreport Q1