ALLIGO

Interim report Q1 2025

1 January – 31 March

Friday, April 25, 2025

Today’s presenters

Clein Johansson Ullenvik
Group President & CEO

Irene Wisenborn Bellander
CFO

AGENDA

- This is Alligo
- Highlights Q1 2025
- Update
  - Prioritised growth areas 2025
    - Services - ReCare
  - Status Turnaround Project Tools FI
- Financials
- Summary and outlook
- Q&A

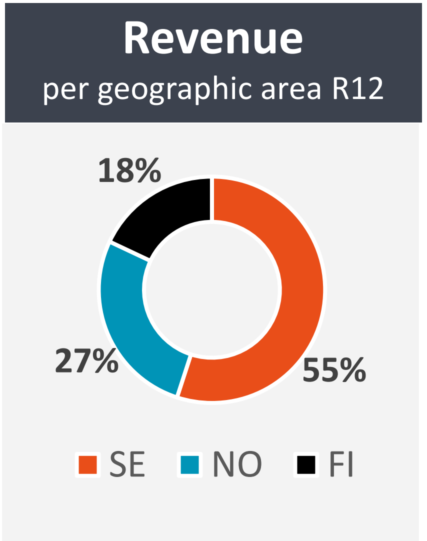
This is Alligo

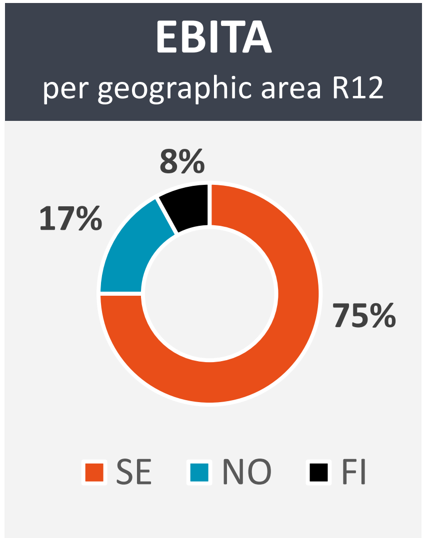
Alligo – a leading player in workwear, personal protection, tools and supplies in the Nordic region

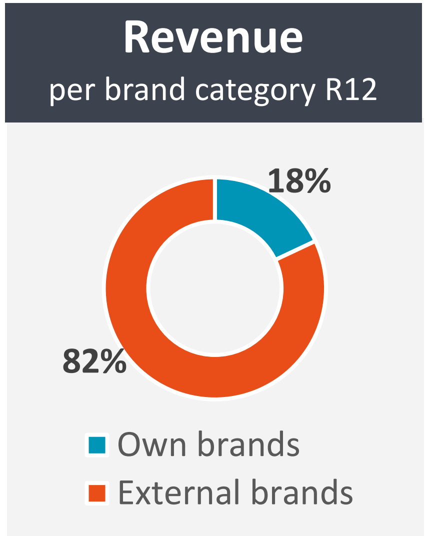
9,396
MSEK Revenue

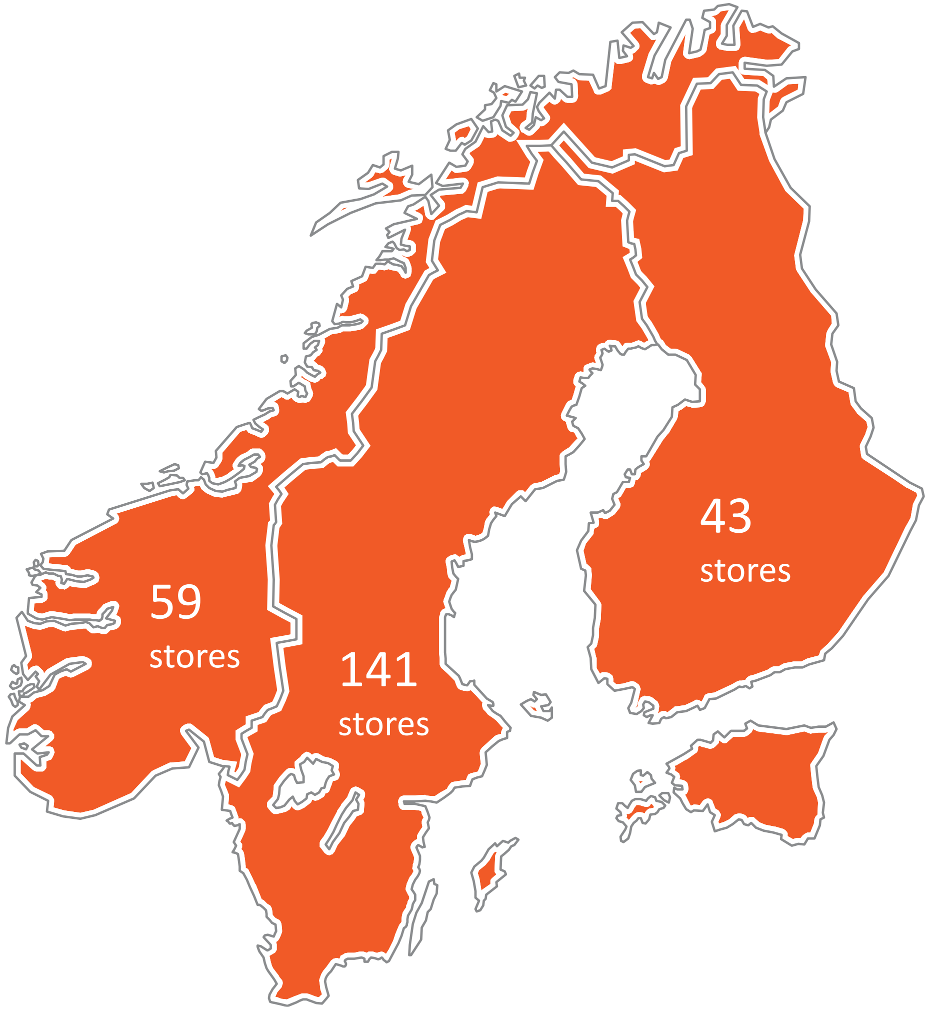
2,543
Employees

243
Stores









Data above refers to R12 March 2025

An integrated business with a scalable platform

- represents 87% of total sales

- 2 strong concept brands in 3 markets

swedol

TOOLS

- Common Nordic functions
  - Shared functions (assortment, procurement, logistics, finance, IT, sales)
  - Supports flexibility and scalability
  - Enables efficient coordination of new investments

Own product brands are a key competitive advantage - provides better control and profitability

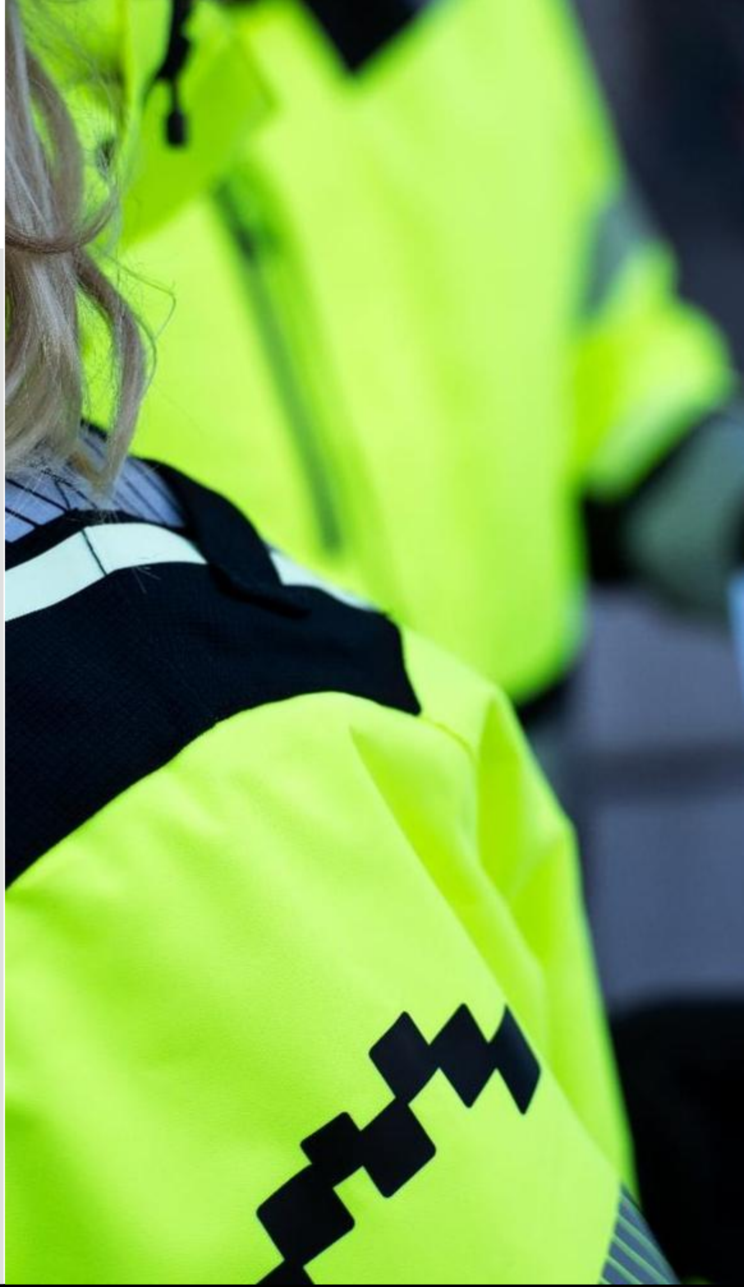
Sales per channel 2024

48% **Stores**

39% **Direct sales incl webb, on-site**

13% **Non-integrated companies**

Data above refers to financial year 2024



Non-integrated companies add strategic value

- represents 13% of total sales

Product Media

- **13** profile and product media specialists located in Sweden
- Annual revenue **520 MSEK**

Welding

- **6** welding specialists located in Sweden and Finland
- Full-service suppliers of welding and industrial products
- Annual revenue **400 MSEK**

Battery

- **Batterilagret** – a battery specialist in Sweden with 27 stores
- Annual revenue **275 MSEK**

Other areas

- **8** companies in the Nordics within areas such as tools, supplies, workwear, PPE, workplace equipment
- Mercus
  Annual revenue **175 MSEK**
- Hämeen & Riihimäen
  Annual revenue **175 MSEK**

Acquisitions are an integral part of Alligo's growth strategy

- value creation 2024

Acquisitions signed

9 (6)

Stores

42 (8)

Acquired growth

4.5 % (3.5)

Employees

200 (80)

Annual revenue

~750 MSEK (330)

New technology areas

Battery

Welding

Highlights Q1 2025

Q1 2025 business conditions

Market situation

- Continued delay in market recovery
  - Weak demand in Sweden
  - Norway continued to benefit from a stable Oil & Gas industry
  - Improvement in Finland
- Positive market signals increased
  - Not reflected in sales

Proactive management

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

Delivery capacity

- Good and stable in Sweden and Finland
- Vestby performance stabilized

Macroeconomic factors

- Continued economic uncertainty in the business cycle
- Global turbulence, including trade wars and tariffs
  - No direct impact on Alligo

Q1 2025 in brief
– Focus on sales and further cost adjustments

Revenue
+2.9%

Signs of recovery in Finland, Oil & Gas in Norway remains stable

Organic growth
-2.5%

Acquisition-driven growth of **7.8 %**

Operating cash flow
-38

MSEK (128)

Adjusted EBITA
74

MSEK (84)

1 less trading day, weaker demand in the integrated business (SE, FI)

Adjusted EBITA margin
3.3%

(3.9)

Gross margin
40.9%

(41.1)

ALLiGO

Q1 2025 highlights

Sales

- Continued focus on sales and product initiatives with clear potential
- Successful launch of ReCare
  - a new service for washing, repair, and reuse of workwear
- New collection for our own brand 1832 in stores

Acquisitions

- Acquisition of Batterilagret completed February 5

Operations

- Implemented additional cost adjustments of approx 100 MSEK
  - impact from mid-year
- ERP implementation in NO
  - invoicing process
- Turnaround Project Tools FI ongoing

Update

- Prioritised growth areas 2025
  Services ReCare
- Turnaround Project Tools FI

ALLiGO

Prioritised growth areas 2025 - apply across all our markets

Services

Develop further in services, conceptualise our offering

In-store sales

Develop our store sales in line with best practice within the Group

Construction industry

Establish a strong position in construction in all countries, with focus on SME customers

Own brands

Expand our own brands

ReCare – washing, repair, and reuse of workwear

- Aims to strengthen Alligo's long-term competitiveness and profitability
  - Launched in Sweden in Q1 2025
  - Several signed customers
  - Strong pipeline
  - Transparent pricing
- The ambition is to launch in Norway and Finland in the second half of 2025

Reduces costs and increases efficiency by the customers

Cost savings for customers*

30%

Traceability (RFID)

100%

Positive market response

+

**compared to rental solutions*

Turnaround Project Tools FI

- Aims to strengthen Alligo's long-term competitiveness and profitability
- On-going actions
  - Profitability improvement initiatives targeting larger industrial customers
  - Review of the store network and the product range – 3 stores closed in Q1
  - Organization – aimed at ensuring better sales and assortment management
  - Strengthened leadership

Key factors that directly impact profitability – the share of own brands and SME customers

Adjusted EBITA-margin that needs to be reached in FI*

6-8% (2.4)

Share of own brands Q1

11% (SE 28)

Share of sales in stores Q1

27% (SE 70)

**To reach Alligo's financial target of a 10 percent (Finland in total)*

ALLiGO

Financials

Acquisition driven growth counteracts weak organic sales

– Slightly decreased contribution margin due to negative mix effects and margin pressure in NO

Revenues and EBITA

MSEK	2025 Jan-Mar	Δ, %	2024 Jan-Mar	R12	2024 Jan-Dec
Revenue	2,232	2.9	2,169	9,396	9,333
Adjusted EBITA	74	-11,9	84	591	601
Amortisation	*-18*		*-15*	*-66*	*-63*
Items affecting comparability	*-19*		*-4*	*-48*	*-33*
Operating profit	37		65	477	505
Gross margin, %	40.9		41.1	40.7	40.7
Adjusted EBITA margin,%	3.3		3.9	6.3	6.4

Highlights Q1 2025

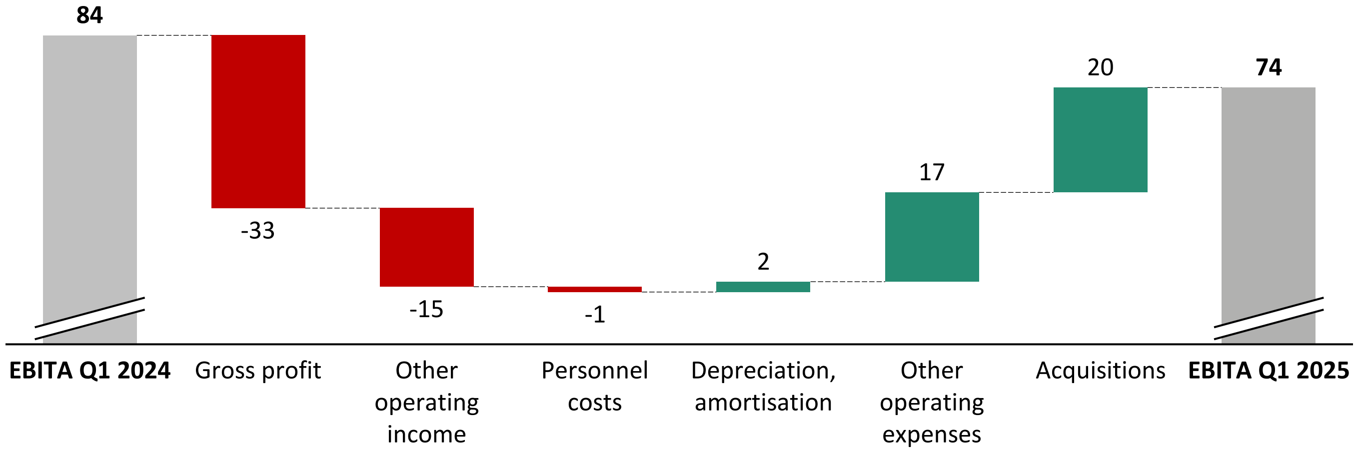
- Revenue increased by 2.9%
  - Organic growth of -2.5%
  - Acquisition-driven growth of 7.8%
  - One trading day less -1.5%, FX -0.8%
- Slightly decreased contribution margin
  - Negative mix effects and margin pressure in NO
- Adjusted EBITA decreased by 10 MSEK
  - Weak volumes, negative country mix
  - EBITA acquisitions 20 MSEK
  - Cost-savings
- Items affecting comparability related to Northvolt and the closure of two stores
- Financial net -15 MSEK (-33)
  - Whereof -11 MSEK (-11) related to IFRS 16
  - Q1 average interest rate 3.8% (4.9)

ALLiGO

The decline in EBITA was caused by weak sales and lower gross margin

– Results from acquisitions and cost-savings counteract

EBITA bridge Q1 2025



Highlights Q1 2025

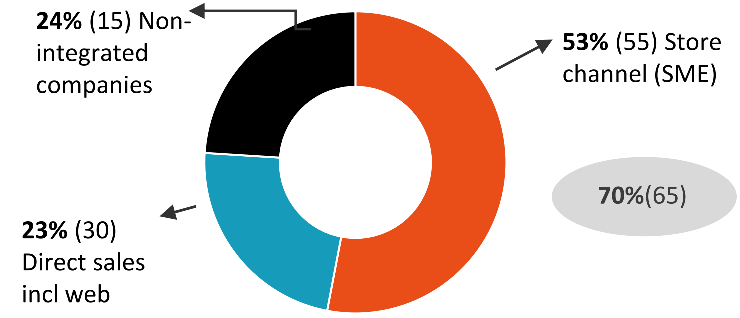
- Weaker volumes and adverse mix effects explain the decreased gross profit.
- Decreased other operating income
  - divestment of the 3PL business
  - reduced marketing contributions.
- Cost savings have offset the impact of salary increases and other effects of inflation.
- Additional cost reductions initiated in Q1
  - Gradual effect from mid-year

ALLiGO

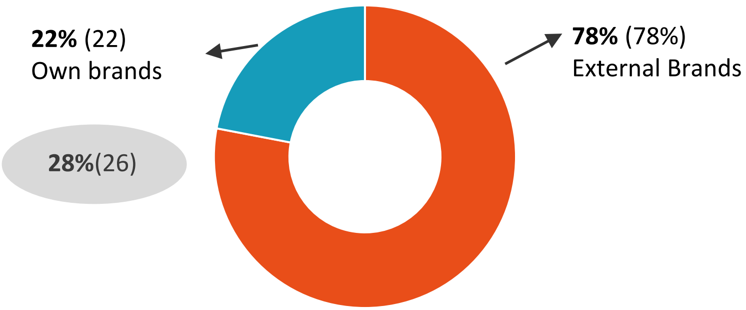
Increased share of own brands and SME in the integrated SE business

Sweden

SALES PER CHANNEL

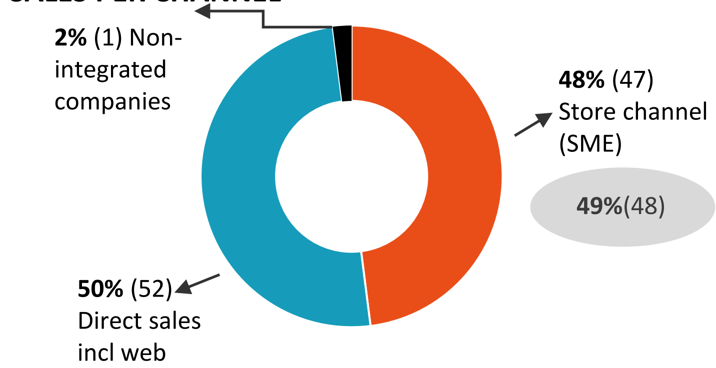


SALE OF OWN BRANDS

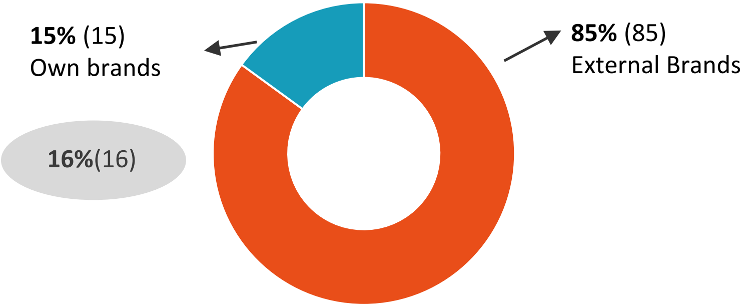


Norway

SALES PER CHANNEL

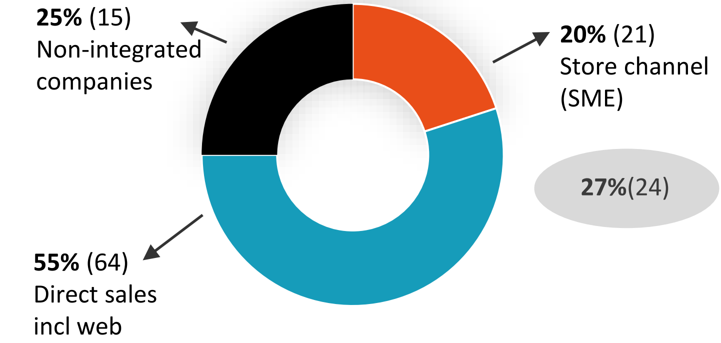


SALE OF OWN BRANDS

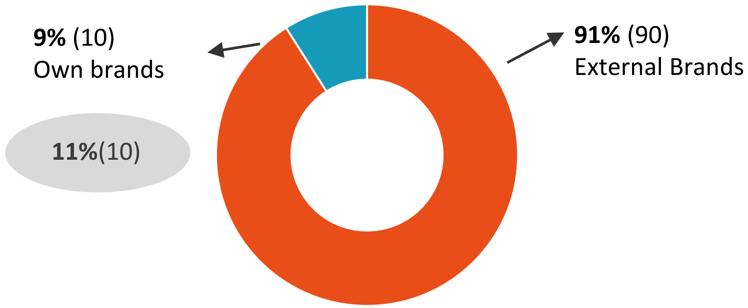


Finland

SALES PER CHANNEL



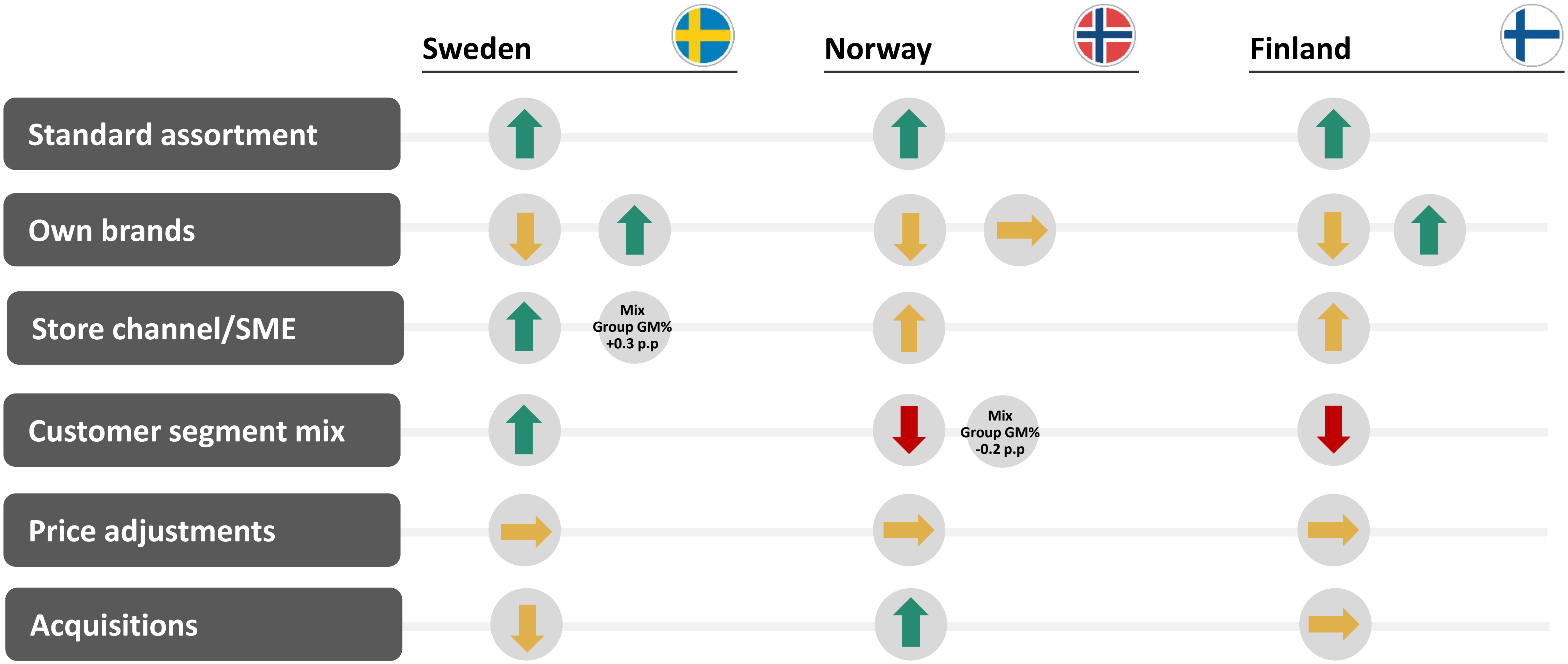
SALE OF OWN BRANDS



ALLiGO

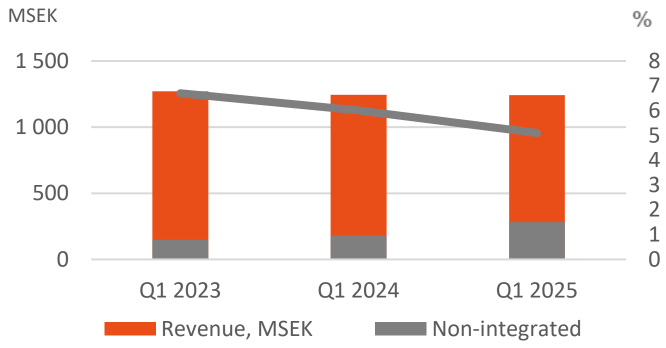
Improved contribution margin in Sweden due to increased share of SME

– Continued challenges related to customer segment mix and general price pressure in Norway



ALLiGO

Sweden

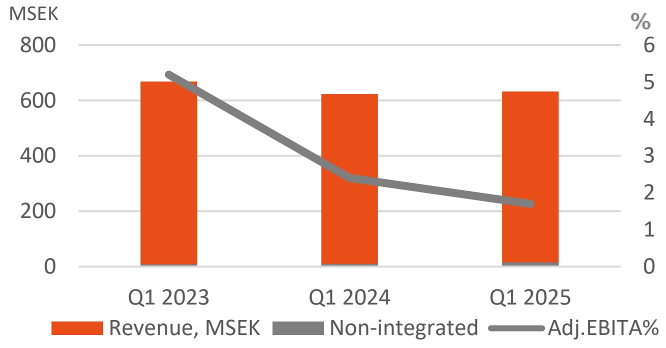


- **Revenue decreased by -0.1%**
  - Continued weak market –mainly larger industrial customers
  - Acquisitions +8.6 %
- **EBITA decreased by -12 MSEK**
  - One less trading day and lower volumes
  - Improved margins – partly mix
  - Cost reductions
  - Acquisitions 12 MSEK

Organic growth Q1
-7.1% (-4.8)

Adj. EBITA margin Q1
5.1% (6.0)

Norway

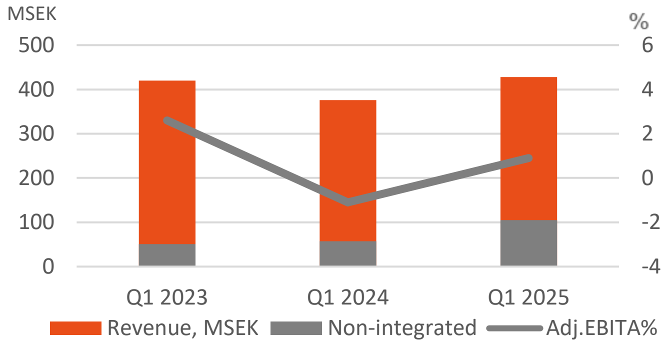


- **Revenue decreased by -0.7%**
  - Positive development Oil & gas
  - Negative impact from the new ERP system and FX
  - Acquisitions +1,0%
- **EBITA decreased by -4 MSEK**
  - One less trading day
  - Decreased margins – partly mix
  - Acquisitions 0 MSEK

Organic growth Q1
4.8% (-3.7)

Adj. EBITA margin Q1
1.7% (2.4)

Finland



- **Revenue increased by + 13.8%**
  - Recovery but low comparables
  - Acquisitions +16.5%
- **EBITA increased by +8 MSEK**
  - One less trading day
  - Acquisitions 8 MSEK

Organic growth Q1
-0.4% (-14.9)

Adj. EBITA margin Q1
0.9% (-1.1)

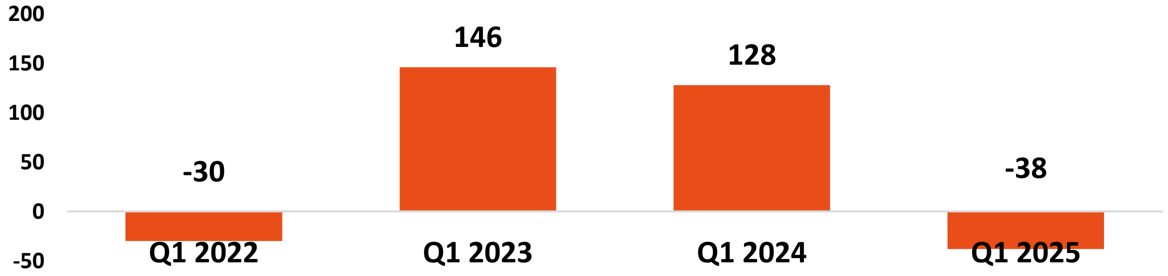
Operating cash flow in Q1 is lower than last year

– Lower EBITDA, inventory build-up of own brands and challenges in the invoicing process in NO

Cash flow

MSEK	2025 Jan-Mar	Δ	2024 Jan-Mar	R12	2024 Jan-Dec
Operating activities	-38	*-166*	128	786	952
Investing activities	-217	*-59*	-158	-600	-541
Financing activities	-90	*-286*	196	-403	-117
Cash flow	**-345**	***-511***	**166**	**-217**	**294**

Cash flow from operating activities, MSEK



Highlights Q1 2025

- Lower cash flow from operating activities due to lower EBITDA, inventory build-up, and temporary challenges in the invoicing process in Norway
  - Further investment in our own brands: Inno, Björnkläder, Univern, Gesto, 1832, Ampro
- Cash flow from investing activities is driven by the acquisition of Batterilagret.
  - Capex/Depreciation 0,9
- Cash flow from financing activities
  - Amortization of leasing liabilities

ALLiGO

Temporary increased leverage

– higher acquisition pace and weaker EBITDA

Overview of the financial position

MSEK	31 Mar 2025	31 Mar 2024	31 Dec 2024
Non-current interest bearing liabilities	3,058	2,978	3,121
Current interest bearing liabilities	447	421	452
Cash and cash equivalents	-322	-550	-670
Financial lease liabilities	-1,208	-1,284	-1,269
Net operational liabilities	**1,975**	**1,565**	**1,634**
EBITDA*, LTM	679	874	689
Net operational liabilities/EBITDA*, ratio	**2.9**	**1.8**	**2.4**

** Excl. IFRS 16*

Highlights Q1 2025

- Ratio of net operational liabilities to EBITDA (excl. IFRS 16) of 2.9
  - 2.7 reported to Handelsbanken
- Cash and unutilized granted credit facilities of 1,142 MSEK at the end of the period
- Equity/assets ratio 44.2 % (excl IFRS 16)
- Total sustainability-linked facility 2,600 MSEK excl. credit facility 400 MSEK +10 MEUR
  - Maturity March 2027
  - Q1 average interest rate 3.8% (4.9)
- Financial covenants fulfilled
- Temporary increased leverage, but still a solid financial position

Summary & outlook

Q1 2025 in summary

- Continued focus on sales and product initiatives with clear potential, while maintaining strong cost control
- Successful launch of ReCare in Sweden
  - a full-service workwear solution
  - positive response from customers
- Implemented additional cost reductions of approximately 100 MSEK

ALLiGO

Outlook 2025

- Sales is the top strategic priority for 2025
  - New sales and marketing initiatives are underway to better reach new and existing customers
- Alligo's knowledge and commitment are critical to driving strong performance in a weaker market
- We continue to refine our offering and explore new growth opportunities
  - Continued cost cautiousness

Q&A

ALLIGO

Appendix

IFRS 16 effects on cash flow

MSEK	2025 Jan-Mar	2024 Jan-Mar	2024 Jan-Dec	2023 Jan-Dec
IFRS 16 effects on cash flow from operations	90	81	405	365
IFRS 16 effects on cash flow from financing activities	-90	-81	-405	-365

2024: nine signed acquisitions adding ≈750 MSEK in annual revenues

...as well as 200 employees and 42 stores

Acquisition	Product category	Date signing	Annual revenue (MSEK)*	Employees	Stores
Hämeen Teollisuuspalvelu Oy	Industrial Components/Tools/Workwear/ Protective Equipment	April 2024	87	18	1
Riihimäen Teollisuuspalvelu Oy	Industrial Components/Tools/Workwear/ Protective Equipment	April 2024	82	24	4
Wiklunds i Bollnäs AB	Tools/Workwear/Protective Equipment	May 2024	28	6	1
New Promotion Sverige AB (70%)	Profile Clothing/Product Media	June 2024	44	6	1
Workwear AS	Tools/Workwear/ Protective Equipment	June 2024	27	9	2
T.Brantestig Svetsmaskinservice AB	Welding	June 2024	26	8	1
Aktiebolaget Sundholm Welding	Welding	June 2024	23	6	2
Corema Svets & Industriprodukter AB**	Welding/Fastening	Oct 2024	155	25	2
Svenska Batterilagret AB	Batteries	Dec 2024	275	90	27
			747	**192**	**41**

** Currency rate: EUR 11.6 NOK 1.0*
*** Including the subsidiaries Corema Fasteners AB and Corema Sundsvall AB*

Performance in 2024 in relation to financial targets

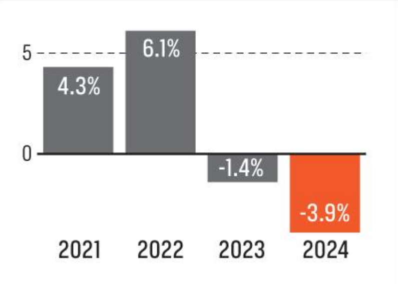
TARGET | OUTCOME 2024

GROWTH

>5%

Organic growth

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

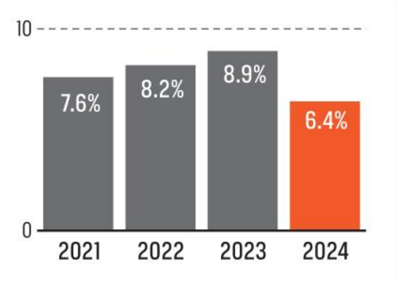


PROFITABILITY

>10%

Adjusted EBITA margin

The adjusted EBITA margin shall be more than ten per cent per year.



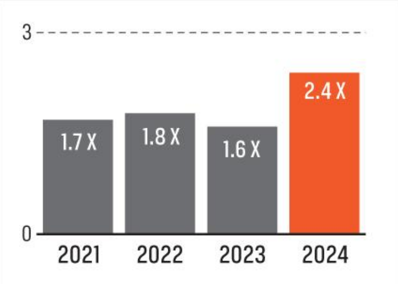
TARGET | OUTCOME 2024

INDEBTEDNESS

<3X

Ratio of net operational liabilities to adjusted EBITDA, excl. IFRS 16

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

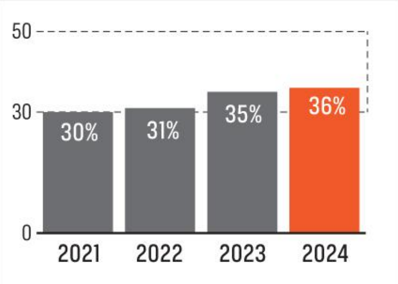


DIVIDEND

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.



ALLIGO

Performance in 2024 in relation to sustainability targets

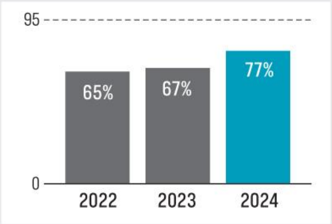
TARGET | OUTCOME 2024

RESPONSIBLE SUPPLIER RELATIONSHIPS

›95%

Must meet the supplier standard

More than 95 per cent must meet Alligo's supplier standard.



SATISFIED CUSTOMERS

›75

Customer Satisfaction Index

The Customer Satisfaction Index (CSI) shall be more than 75.

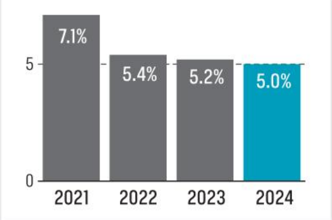
CSI	2021	2022	2023	2024
Sweden Swedol	77	78	-	77
Norway Tools	80	80	-	78
Finland Tools	77	n.a.	-	82

HEALTH

‹5%

Sickness absence

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



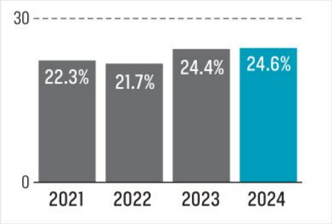
TARGET | OUTCOME 2024

GENDER EQUALITY

›30%

Proportion of women in management positions

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



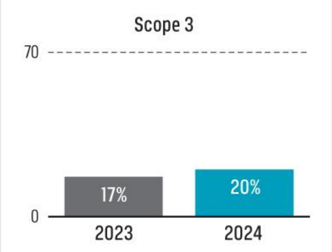
CLIMATE IMPACT

↓CO_2

Reduced greenhouse gas emissions

Scope 1 and 2: Reduce absolute greenhouse gas emissions by 42 per cent by 2030, calculated from the base year 2023.

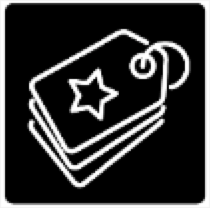
Scope 3: The proportion of suppliers with science-based targets shall be at least 70 per cent by 2029.

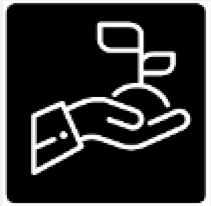


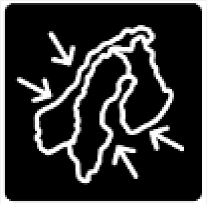
Five reasons to invest in Alligo

1. Market growth and resilient customer segments


2. Scalable platform a foundation for continued growth


3. Own brands increase competitiveness and profitability


4. Sustainable enterprise an integrated part of the business


5. Leader in the consolidation process on the Nordic markets


Read more at alligo.com/en/report/q1-2025