

Interim Report Q3: 1 Jan–30 Sept 2024

Continued weak market – several initiatives for the future

Third quarter highlights

- Revenue increased by 1.0 per cent to MSEK 2,143 (2,122). Organic growth was -3.0 per cent.
- Gross margin was 40.5 per cent (41.6).
- Adjusted EBITA decreased to MSEK 137 (191), corresponding to an adjusted EBITA margin of 6.4 per cent (9.0).
- Operating profit decreased to MSEK 115 (175) and the operating margin was 5.4 per cent (8.2). Operating profit was charged with items affecting comparability of MSEK -6 (0).
- Profit amounted to MSEK 60 (113).
- Earnings per share amounted to SEK 1.20¹ (2.25¹).
- Cash flow from operating activities increased to MSEK 116 (34).

First nine months highlights

- Revenue decreased by -0.8 per cent to MSEK 6,744 (6,797). Organic growth was -4.1 per cent.
- Gross margin was 40.6 per cent (40.7).
- Adjusted EBITA decreased to MSEK 387 (519), corresponding to an adjusted EBITA margin of 5.7 per cent (7.6).
- Operating profit decreased to MSEK 327 (470) and the operating margin was 4.8 per cent (6.9). Operating profit was charged with items affecting comparability of MSEK -14 (-4).
- Profit amounted to MSEK 170 (305).
- Earnings per share amounted to SEK 3.36¹ (6.01¹).
- Cash flow from operating activities increased to MSEK 514 (467).

1) Before and after dilution.

Significant events during the third quarter

- Alligo has entered a sustainability-linked loan agreement with Handelsbanken regarding existing loans totaling SEK 2.3 billion. The agreement connects the loans to the Group's sustainability targets for responsible supplier relationships, equality as well as reduced electricity and energy consumption.
- On 5 July, Alligo received regulatory approval for the acquisitions of Hämeen Teollisuuspalvelu Oy and Riihimäen Teollisuuspalvelu Oy. The acquisitions were completed on 1 August.
- On 1 July, Alligo completed the acquisitions of T. Brantestig Svetsmaskinservice AB and Aktiebolaget Sundholm Welding.

Events after the end of the period

- On 14 October, Alligo signed an agreement to acquire 100 per cent of the shares in Corema Svets & Industriprodukter AB. Corema is a full-service supplier of welding and industrial products, as well as fasteners, with operations in Gothenburg and Sundsvall. Together with its subsidiaries, the company generates annual revenue of approximately MSEK 155 with good profitability and has 25 employees.

Comments from the CEO

“We are continuing to see positive signs on the market, but nothing as yet that has been reflected in sales.”

“We adapted our cost structure at an early stage and we have generally been successful in maintaining our margins in each product segment, although a less favourable customer mix has affected the gross margin.”

“To drive profitable growth even in a weak market, we continue with cost reductions but also invest heavily in developing and strengthening our offering, improving sales work and implementing strategic acquisitions.”

“During the third quarter, we completed four acquisitions with combined annual revenue of approximately MSEK 220. ... After the end of the quarter, we also signed an agreement to acquire Corema Svets & Industriprodukter AB, which is a full-service supplier of welding and industrial products, as well as fasteners, with an annual revenue of approximately MSEK 155.”

Presentation of the interim report for the third quarter 2024

Alligo publishes its interim report for the third quarter on Thursday, 24 October 2024, at 08:00 a.m. CEST. In conjunction with this, Alligo is pleased to issue this invitation to a webcast conference call in which President & CEO Clein Johansson Ullenvik and CFO Irene Wisenborn Bellander will present the report and answer any subsequent questions. The presentation will be held in English.

Date and time: Thursday, October 24, 2024, at 11:00 a.m. CEST

Weblink: <https://edge.media-server.com/mmc/p/gnu6zdiw>

Telephone conference: <https://register.vevent.com/register/BI22da7cdb37f5409db26b109336a0750c>

Participants need to register in advance of the conference call using the link above. Upon registering, each participant will be provided with Participant Dial-In Number, and a unique Personal PIN.

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About Alligo AB

Alligo is a leading player within workwear, personal protective equipment, tools, and consumables in the Nordic region. Sales are mainly made through the strong concept brands Swedol in Sweden and TOOLS in Norway and Finland. The Group has approximately 2,400 employees and an annual revenue of SEK 9.3 billion. The share is listed on Nasdaq Stockholm. Read more at alligo.com

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