

Presentation of Financial Report 2020

9 months – 1 April-31 December 2020

18 February 2021

Presenters today



ULF LILIUS
President & CEO



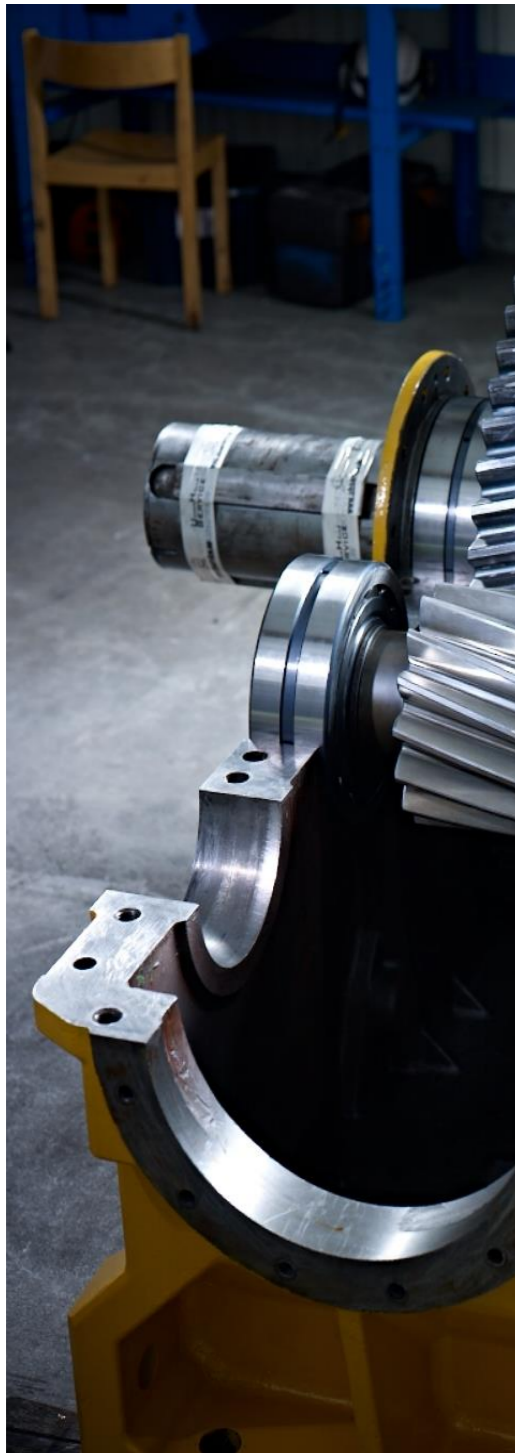
NIKLAS ENMARK,
EVP & CFO



**CLEIN JOHANSSON
ULLENVIK**
Business Area Manager

Financial Report 2020 (9 months) – 1 April-31 December 2020 18 February 2021

Financial Report 2020 (9 months) [1 Apr-31 Dec 2020] — Highlights from the Report



The COVID-19 pandemic has affected the Group's operations during the financial year 2020 – with restraint and lower demand in most geographic markets and customer segments.

The Group's revenue has recovered somewhat during the last quarter in this shortened financial year.

Measures taken for improved efficiency and higher margins contributed to a stable profit development for BA Components & Services during the third quarter, as well as for the whole financial year.

The integration between TOOLS and Swedol has started according to plan during 2020 – with store and purchasing coordination, introduction of proprietary product brands in different parts of the business area and efforts to increase efficiency in the logistic operations.

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.

After the end of the financial year, the Group completed four corporate acquisitions within BA Components & Services, with total annual revenue of MSEK 285.

BA Tools, Consumables, Workwear & Protective Equipment¹

- **Revenue** for the business area decreased by 4 percent² during the third quarter – and by 6 percent² for the year.
 - To a varying degree, the COVID-19 pandemic has had an effect on revenue for most markets, customer segments and businesses. Some recovery during the third quarter, with increased sale of workwear suitable for cold winter weather.
- **EBITA³** amounted to MSEK 164 (178), corresponding to an **EBITA margin³** of 7.3 percent (7.6) for the third quarter.
 - Effects from lower revenue, increased purchasing prices and exchange rate development.
- **The integration of TOOLS and Swedol** continues according to plan with the new joint organisation in place, 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.
 - **Six joint stores** have opened in Sweden and Norway so far, with some 25 more to follow.

• In addition, **several other measures to increase sales, efficiency and to improve margins** are being implemented continuously.

- A number of new customer contracts signed for the future development.

MSEK	QUARTER (3 mon) ¹			REPORTING PERIOD (9 mon) ¹		
	OCT-DEC 2020	OCT-DEC 2019	Δ	APR-DEC 2020	APR-DEC 2019	Δ
Revenue	2,242	2,344	-4%	6,035	6,524	-7%
EBITA ³	164	178	-8%	380	443	-14%
EBITA margin ³ , %	7.3%	7.6%		6.3%	6.8%	

BA Components & Services

- **Revenue** for the business area decreased by 10 percent¹ during the third quarter – and by 12 percent² for the year.
 - The COVID-19 pandemic and continued restraint and caution among industrial customers has had an effect on revenue for most markets and customer segments, but demand recovered gradually over the financial year.
- **EBITA²** amounted to MSEK 40 (39), corresponding to an **EBITA margin²** of 13.3 percent (11.7) for the third quarter.
- **Vigilant and focused measures for improved efficiency and higher margins** have contributed to a stable profit development for the business area during the whole financial year, despite the lower sales.
- The business area continues to **evaluate interesting acquisition opportunities** for profitable growth and strengthened market positions in different areas. After the end of the financial year, in February 2021, the business area concluded **four corporate acquisitions** with total annual revenue of MSEK 285:
 - **Three electromechanical workshops from Assemblin EI and Mekano & Mekano in Sävedalen** – further strengthening the market position in industrial services in Sweden. The business area’s group of companies is now the largest supplier of industrial services in Sweden, generating total annual revenue of some MSEK 400.
 - **Öbergs in Karlstad** – strengthening the offering in pneumatic solutions and industrial components for Swedish industry.

MSEK	QUARTER (3 mon)			REPORTING PERIOD (9 mon)		
	OCT-DEC 2020	OCT-DEC 2019	Δ	APR-DEC 2020	APR-DEC 2019	Δ
Revenue	296	323	-8%	837	928	-10%
EBITA ²	40	39	+3%	111	109	+2%
EBITA margin ² , %	13.5%	12.1%		13.3%	11.7%	

Financial Report 2020 (9 months) [1 Apr-31 Dec 2020] – Group in Summary¹

- **Revenue** decreased by 4 percent² to MSEK 2,529 during the third quarter.

For the shortened financial year, **revenue** decreased by 7 percent² to MSEK 6,846. The third quarter had one more trading day than the corresponding quarter in the preceding year. In total, the financial year had two more trading days compared to the corresponding period in the preceding year.

- **EBITA³** for the third quarter decreased by 8 percent to MSEK 201 (218), corresponding to an **EBITA margin** of 7.9 percent (8.2). For the financial year, **EBITA³** decreased by 12 percent to MSEK 484 (547), corresponding to an **EBITA margin** of 7.1 percent (7.4).

- **Improved cash flow from operating activities** of MSEK 1,086 (400) for the financial year with continued focus on decreasing funds tied up in working capital, and the **return on working capital (EBITA/WC)** amounted to 24 percent for rolling 12 months.
- The **equity/ assets ratio** was 39 percent at the end of the financial year.
- The Board of Directors proposes a **dividend of SEK 1.50 per share** for the shortened financial year 2020.

MSEK	QUARTER (3 mon) ¹			REPORTING PERIOD (9 mon) ¹		
	OCT-DEC 2020	OCT-DEC 2019	Δ	APR-DEC 2020	APR-DEC 2019	Δ
Revenue	2,529	2,655	-5%	6,846	7,412	-8%
EBITA³	201	218	-8%	484	547	-12%
<i>Items affecting comparability</i>	0	-9		-101	-9	
<i>Amortisation of intangible assets in corporate acquisitions</i>	-16	-5		-50	-15	
Operating profit	185	204		333	523	
EBITA margin³, %	7.9%	8.2%		7.1%	7.4%	

Financial Report 2020 (9 months) [1 Apr-31 Dec 2020] – Cash-flow Statement in Summary

MSEK	QUARTER		REPORTING PERIOD	
	OCT-DEC 2020	OCT-DEC 2019	APR-DEC 2020	APR-DEC 2019
Operating activities				
Operating activities before changes in working capital	304	121	763	365
Changes in working capital	185	77	323	35
Cash flow from operating activities	489	198	1,086	400
Investing activities				
Acquisition of subsidiaries and other business units (net)	-4	-	-1,749	-58
Other	-48	-4	-148	-14
Cash flow before financing	437	194	-811	328
Financing activities	-149	-184	31	-299
Cash flow for the period	288	10	-780	29
Cash and cash equivalents at the beginning of the period	88	27	1,157	8
Exchange-rate differences in cash and cash equivalents	-1	0	-2	0
Cash and cash equivalents at the end of the period	375	37	375	37

- **Cash flow from operating activities for the financial year (9 months)** amounted to MSEK 1,086 (400).
 - Cash flow from operating activities for the third quarter amounted to MSEK 489 (198).

Financial Report 2020 (9 months) [1 Apr-31 Dec 2020] – Performance Measures in Summary

	12 MONTHS ENDING			
	31 DEC 2020	31 MAR 2020	31 MAR 2019	31 MAR 2018
Revenue ¹ , MSEK	9,214	9,780	6,024	5,616
EBITA ^{1,2} , MSEK	618	681	318	262
EBITA margin ^{1,2} , %	6.7%	7.0%	5.3%	4.7%
Profit margin, %	4.4%	4.6%	4.9%	4.2%
Return on working capital (EBITA/WC) ¹ , %	24%	30%	27%	25%
Return on equity, %	12%	16%	19%	17%
Equity/assets ratio, %	39%	48%	45%	42%
Earnings per share, SEK	6.50	7.70	8.20	6.45
Financial net loan liability (closing balance), MSEK	2,331	708	293	322
Operational net loan liability (closing balance), MSEK	1,293	166	266	295
Number of employees at the end of the period	2,670	1,651	1,684	1,647

- **Operational net loan liability** amounted to MSEK 1,293 (198).
- The **equity/assets ratio** was 39 percent (40) at the end of the financial year.
- **Return on equity** was 12 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 Tools, Consumables, Workwear & Protective Equipment*
[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 Tools, Consumables, Workwear & Protective Equipment – Integration of TOOLS and Swedol – according to plan

- A common mission and vision established for the business area.
- Core values are being rolled out during spring and leadership training programmes have started.
- New ERP system for TOOLS Finland goes live in Q1 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.
- Consolidation of logistics centres in TOOLS Norway ongoing.
- Logistic project in Örebro finalised.



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 – ... *with promising results so far!*

23 September 2020

PRESS RELEASE



Momentum Group acquires SKF's Swedish spindle service operations

In order to further strengthen Momentum Group's market position in service and maintenance for Swedish industry, the subsidiary Rörick Elektroteknik AB has signed an agreement to acquire SKF's spindle service operations. The acquisition will be conducted as a conveyance of assets and liabilities.

The acquired service operations provide testing and repair of industrial machine tools, which are the heart of industrial machine tools. The operations are spread over Sweden and will be coordinated with Rörick Elektroteknik AB to further strengthen its service level, expertise and customer relationships. The acquisition will thus create excellent growth opportunities.

Closing is expected to take place in mid-November 2020, which will have a marginally positive effect on Momentum Group's financial year.

Stockholm, 23 September 2020

Momentum Group AB (publ)

3 February 2021

PRESS RELEASE



Momentum Group acquires Mekano – further strengthening its position in industrial services in Sweden

Momentum Group has signed an agreement today to acquire 70 percent of the shares in Mekano AB and 100 percent of the shares in Mekano i Sävvedalen AB, thereby further strengthening the Group's market position in service and maintenance for Swedish industry. Mekano is one of Sweden's leading suppliers of products and services for the industrial services market and will be part of Momentum Group's business area Components & Services. The two Mekano companies generate combined annual revenue of approximately MSEK 145 with favourable profitability and have about 85 employees.

Mekano is a comprehensive supplier of high-quality products and services with a focus on safety and cost savings for industrial customers in areas such as the process, manufacturing and food industries as well as in maritime and the public sector. Mekano was founded in 2010 and has delivered favourable growth since then, with good profitability. Together, the companies have about 85 employees and their own units in Helsingborg, Malmö, Perstorp and Gothenburg, with customers primarily based in western and southern parts of Sweden.

"Following the acquisition of the electromechanical service workshops from Assemblin EI (or the NEA workshops) earlier this week, we are now taking a further step in strengthening Momentum Group's market position in industrial services in Sweden. Our revenue in this area amounts to approximately MSEK 400 with good profitability," says Ulf Lilius, President & CEO of Momentum Group. "Mekano are well-established with highly competent employees and good customer relationships with industrial companies and the public sector in southern and western Sweden. We see excellent opportunities for further development and growth together with us and our other businesses in industrial services, a sector in which we are now Sweden's leading supplier following our latest acquisitions."

In accordance with the Group's philosophy of decentralised business responsibility, Mekano will continue to operate as independent companies within the framework of Momentum Group's Components & Services business area.

"With its clear focus on strong niche companies in industrial services, Momentum Group was a natural choice for us when it came to finding a new owner to develop Mekano in the future,"

2 February 2021

PRESS RELEASE



Momentum Group acquires three electromechanical service workshops from Assemblin

With the aim of further strengthening the Group's market position in service and maintenance for Swedish industry, Momentum Group has signed an agreement to acquire three electromechanical service workshops from Assemblin EI AB. The acquired workshops generate annual revenue of approximately MSEK 90 with favourable profitability and have about 45 employees. The business will be included in Momentum Group's business area Components & Services, and the acquisition will be conducted as a conveyance of assets and liabilities.

The acquired business, which has its origin in NEA workshops (Närkes Elektriska), has been a leader in industrial services in Sweden since the 1950s and currently has workshops in Örebro, Gävle and Gothenburg. The workshops offer service and sales of electrical motors, generators, transformers, pumps and other products to customers in such areas as the process and manufacturing industry.

"The acquisition of these service workshops is fully in line with Momentum Group's strategy of acquisition-driven growth in our Components & Services business area, and will further strengthen our already competitive offering in industrial services," says Ulf Lilius, President & CEO of Momentum Group. "The workshops hold a strong market position with good customer relationships in Swedish industry and a highly competent and committed management team and group of employees. The acquisition will enable us to further strengthen our service level, know-how and availability for new and existing customers – and we anticipate excellent opportunities for further development, growth and acquisitions in industrial services."

The acquired service workshops will continue to be operated as an independent unit under their current management team within the framework of Momentum Group's subsidiary Rörick Elektriska Verksstad AB.

"We are very satisfied with the development of the workshops in recent years, but our main focus is to design, project, install and then maintain various technical systems," says Fredrik Allthin, President & Business Area Manager for Assemblin EI. "Consequently, we are now choosing to divest our electromechanical workshops, and we are pleased that they can continue their journey in a well-established industrial service group such as Momentum Group. I am convinced that this will be a successful one."

5 February 2021

PRESS RELEASE



Momentum Group strengthens its offering in pneumatic solutions for Swedish industry – acquires Öbergs in Karlstad

Momentum Group AB (publ) has signed an agreement today to acquire 100 percent of the shares in Öbergs i Karlstad AB ("Öbergs"). The acquisition of Öbergs, a market-leading specialist company in pneumatics in Sweden, further strengthens Momentum Group's position as a leading supplier of industrial components and related services to Swedish industry. Öbergs generates annual revenue of approximately MSEK 50 with favourable profitability and has 12 employees. Closing is taking place today, 5 February 2021.

Since the late 1980s, Öbergs has been a leading supplier in Sweden specialising in pneumatic solutions for industrial production for such areas as the pulp and paper industry and the automotive industry. The company provides high-quality products and services in pneumatics, process valves and measuring devices as well as offering assembly, advisory services, training and service.

"We are now taking another exciting step in Momentum Group's growth strategy for the Group's business area Components & Services together with Öbergs – a well-established company with strong customer relationships in Swedish industry and committed and highly competent employees," says Ulf Lilius, President & CEO of Momentum Group. "The acquisition will enable us to further strengthen our service level, know-how and availability for new and existing customers – and we anticipate good opportunities for further development, growth and acquisitions in pneumatics for Nordic industry."

In accordance with the Group's philosophy of decentralised business responsibility, Öbergs will continue to operate as an independent subsidiary and competence centre under its current management within Momentum Group's Components & Services business area.

"Tomorrow's market will require the capability and resources for continuous development, which Momentum Group offers," says Anders Öberg, founder and owner of Öbergs. "At Öbergs, we look

Business area Components & Services – Focus areas & Group companies today

INDUSTRIAL COMPONENTS

FOCUS: The leading group of companies in the Nordic region for sale of industrial components, services and solutions for industrial production, repairs and maintenance – with expertise for improvements in industry.

MOMENTUM INDUSTRIAL

Revenue: MSEK 1,100 / **Employees:** 275

The leading MRO supplier in industrial components and related services with some 30 local units in Sweden. Encompasses Momseal in manufacturing of seals.



ETAB INDUSTRIAUTOMATION

Revenue: MSEK 50 / **Employees:** 10

Market leading specialist company in industrial automation and hydraulics in Sweden.

ÖBERGS IN KARLSTAD

Revenue: MSEK 50 / **Employees:** 10

Market leading specialist company in pneumatic solutions for industrial production.



JNF IN KØGE

Revenue: MSEK 40 / **Employees:** 15

Sale of industrial components & services and industrial consumables for the industrial sector in Denmark.

INDUSTRIAL SERVICES

FOCUS: The leading group of companies in industrial services in Sweden – with a competitive offering in maintenance, repairs and refurbishment.*

RÖRICK ELEKTRISKA VERKSTAD

Revenue: MSEK 150 / **Employees:** 75

Market leading electromechanical workshops that offer service and repairs of electrical engines, generators and other types of electromechanical equipment. Own workshops in Köping, Örebro, Västerås, Gävle and Gothenburg.



MEKANO & MEKANO IN SÄVEDALEN

Revenue: MSEK 145 / **Employees:** 85

Leading suppliers of high-quality products and services with a focus on cost savings for industrial customers. Own units in Helsingborg, Malmö, Perstorp and Gothenburg.

CARL A NILSSONS EL REP VERKSTAD

Revenue: MSEK 30 / **Employees:** 10

Local supplier of electromechanical service, repairs and sales with a workshop in Helsingborg. Specialist competence in submersible pumps and rock chamber pumps.

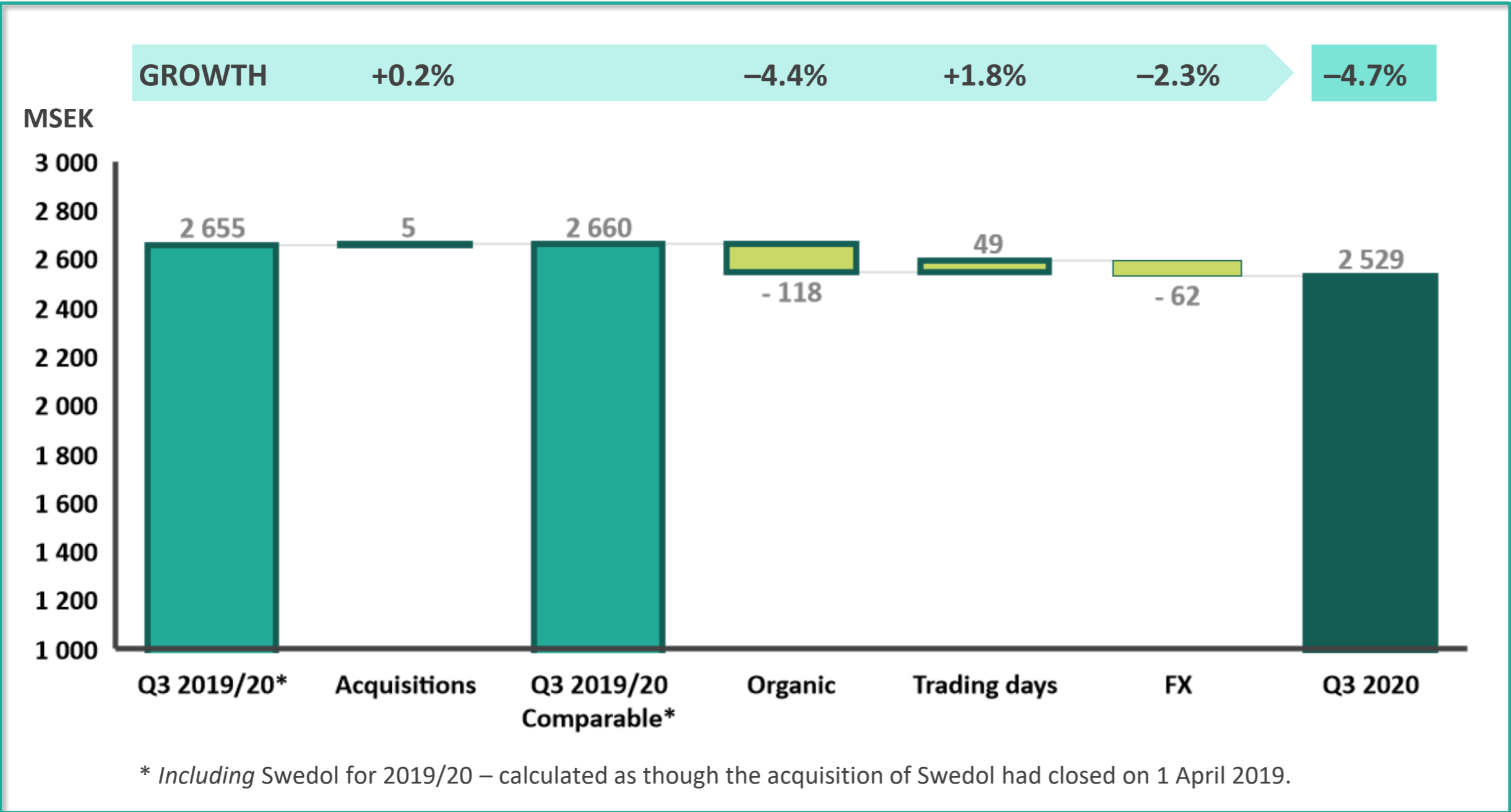


Q&A

momentumgroup 

APPENDIX – Revenue bridges Income statements & Balance sheets

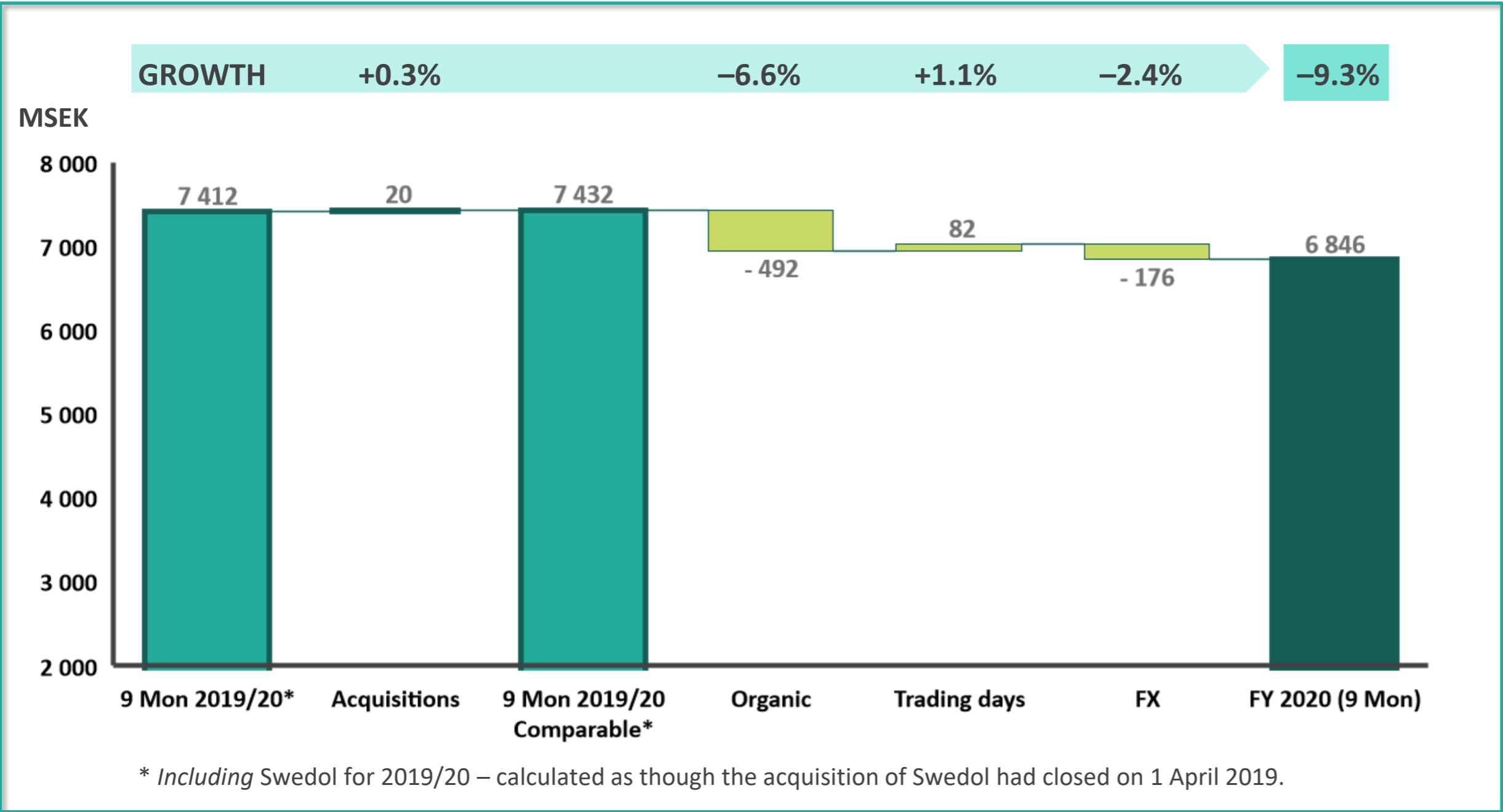
Third quarter 2020 [1 Oct-31 Dec] – Revenue bridge



HIGHLIGHTS

- **Organic change¹** at –4.4 percent – Development by business area:
 - Tools & Consumables: –3.6%.
 - Components & Services: –10.2%.
- **One more trading day** than the preceding year.
- **Revenue contribution from acquisitions (excl. Swedol)** amounting to +0.2 percent.

Financial year 2020 (9 months) [1 Apr-31 Dec] – Revenue bridge



HIGHLIGHTS

- **Organic change¹** amounted to –6.6 percent – development by business area:
 - Tools & Consumables: –6.1%.
 - Components & Services: –11.7%.
- **Two more trading days** compared to the corresponding period in the preceding year.
- **Acquisitions (excl. Swedol) adding** 0.3 percent to revenue growth.

Financial Report 2020 (9 months) [1 Apr-31 Dec 2020] –

Income Statements and Balance Sheets in Summary

Income statement

MSEK	QUARTER		REPORTING PERIOD	
	OCT-DEC 2020	OCT-DEC 2019	APR-DEC 2020	APR-DEC 2019
Revenue	2,529	1,588	6,846	4,596
Operating expenses <i>(excl. Items affecting comparability and amortisation of intangible assets in corporate acquisition)</i>	-2,328	-1,496	-6,362	-4,349
EBITA	201	92	484	247
<i>EBITA margin, %</i>	<i>7.9%</i>	<i>5.8%</i>	<i>7.1%</i>	<i>5.4%</i>
Items affecting comparability	0	-9	-101	-9
Amortisation of intangible assets in corporate acquisitions	-16	-5	-50	-15
Operating profit	185	78	333	223
<i>Operating margin, %</i>	<i>7.3%</i>	<i>4.9%</i>	<i>4.9%</i>	<i>4.9%</i>
Financial income and expenses	-13	-6	-39	-14
Profit after financial items	172	72	294	209
Taxes	-38	-16	-65	-46
Net profit	134	56	229	163

Balance Sheet

MSEK	ASSETS		EQUITY & LIABILITIES	
	31 DEC 2020	31 MAR 2020	31 DEC 2020	31 MAR 2020
Intangible non-current assets	2,784	660	EQUITY	3,051
Right-of-use assets	952	491	Non-current interest-bearing liabilities	1,544
Other non-current assets	577	81	Non-current lease liabilities	641
Total non-current assets	4,313	1,232	Provisions for pensions	34
Inventories	1,761	985	Other non-current liabilities	378
Accounts receivable	1,141	964	Total non-current liabilities	2,597
Other current receivables	222	1,602	Current interest-bearing liabilities	124
Cash and cash equivalents	375	1,157	Current lease liabilities	363
Total current assets	3,499	4,708	Accounts payable	1,022
TOTAL ASSETS	7,812	5,940	Other current liabilities	655
			Total current liabilities	2,164
			TOTAL LIABILITIES	4,761
			TOTAL EQUITY & LIABILITIES	7,812