ALLiGO

Interim report Q1
1 January – 31 March 2023

Friday, 28 April 2023

Presenters

Clein Johansson Ullenvik
Group President & CEO

Irene Wisenborn Bellander
CFO

AGENDA

- Highlights Q1 2023
- Business update
- Customer strategy
- Financials
- Summary and outlook
- Q&A

All figures in the presentation apply to continuing operations unless otherwise stated

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

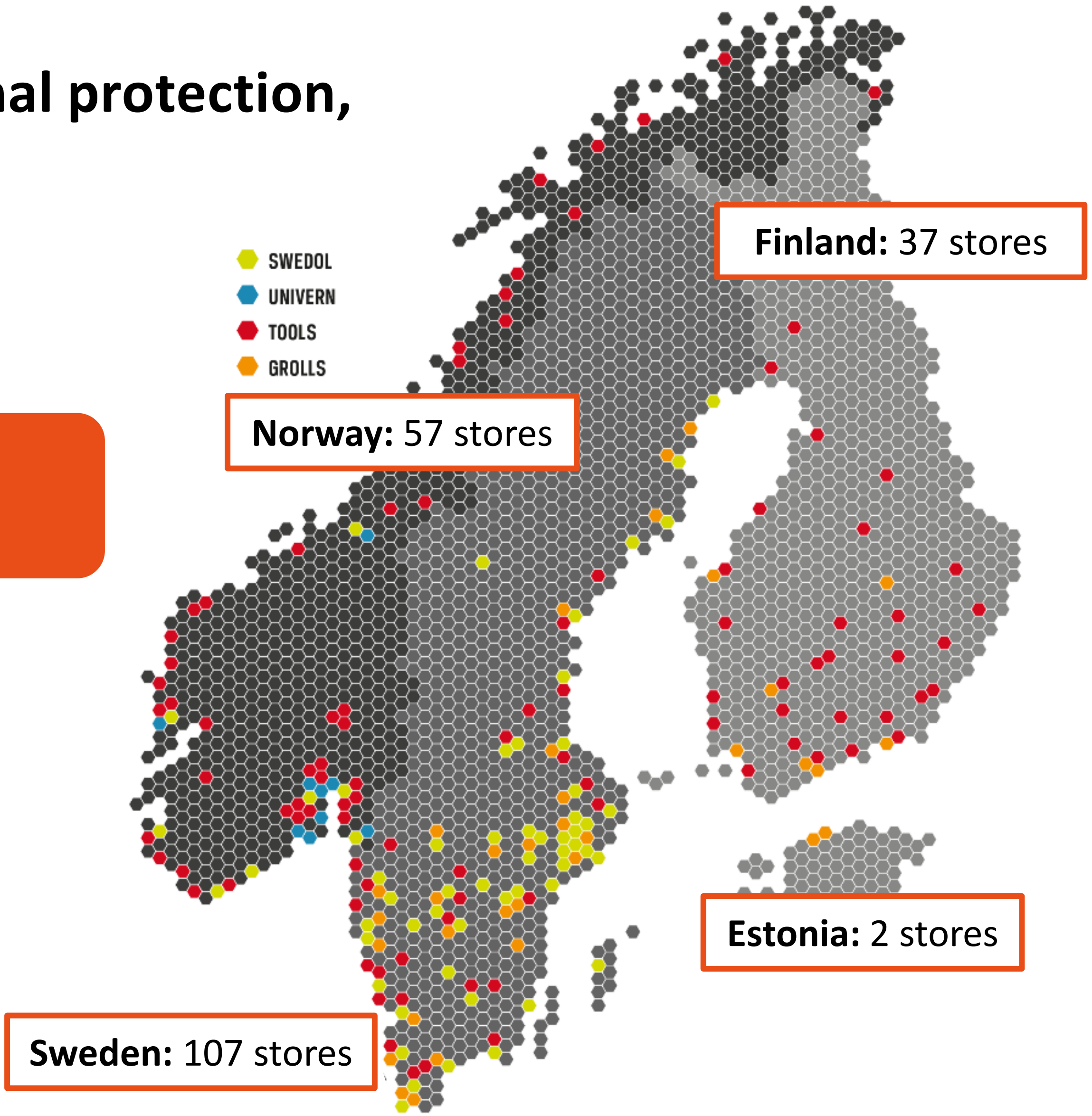
9,211
MSEK Revenue

2,371
Employees

203
Stores

Main concept brands

TOOLS
UNIVERN
swedol
GROLLS



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.

Swedol acquires Grolls.

2016

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.**

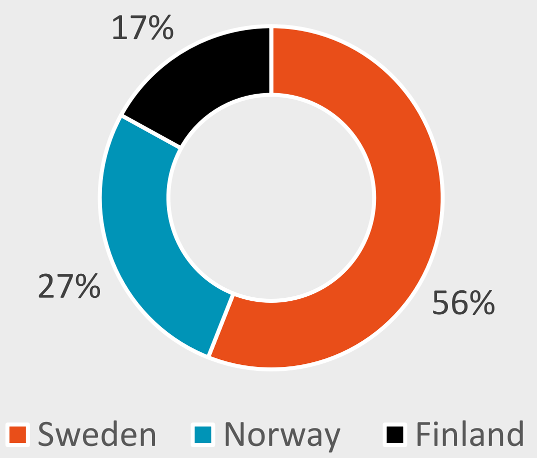
2022
Components & Services (Momentum Group) is distributed to shareholders and separately listed on Nasdaq Stockholm.

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.**

Alligo at a glance

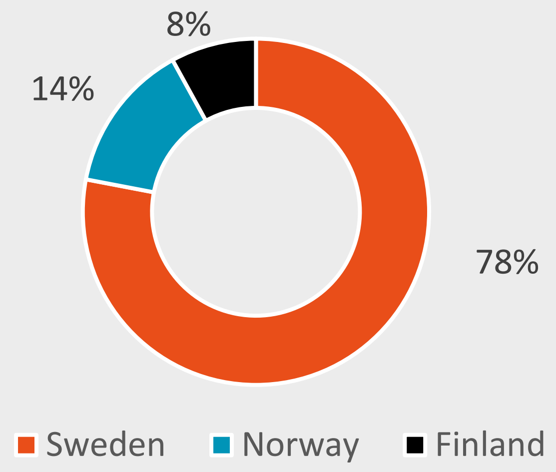
Revenue
per geographic area 2022

Total revenue: MSEK 9,211



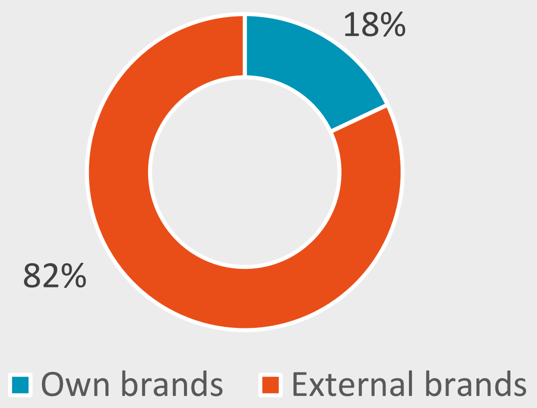
EBITA
per geographic area 2022

Total EBITA: MSEK 756 (8.2%)



Revenue
per brand category 2022

Share of own brands



AGENDA

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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
- Signed agreements with 2 new key accounts – Samhall and Škoda Transtech
- 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 business conditions

Market situation

- Strong demand in Norway and Finland, tendency to slowdown
- Intensified slowdown in Sweden

Proactive management

- Price adjustments
- Sensitive categories
- Reviewing customer profitability
- Cost reductions

Delivery capacity

- Good and stable

Macro-economic factors

- Continued uncertainty
- Geopolitical turbulence
- Potential downturn in the business cycle

How Alligo responds to a challenging market

– with on-going and planned actions...

Growth initiatives

- Customer mix
- Service offering
- Acquisitions

Stock reduction

- Target to reduce inventory
- Increase turnover rate

Price increases

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

Efficiency measures

- Integration work
- New more efficient sales organizations

Cost initiatives

- Primarily organizational – Norway and Sweden
- Additional initiatives

CUSTOMER STRATEGY

Alligo's customer segments and markets at a glance

Nordic main markets

- SEK **53 billion** yearly revenue

Customers

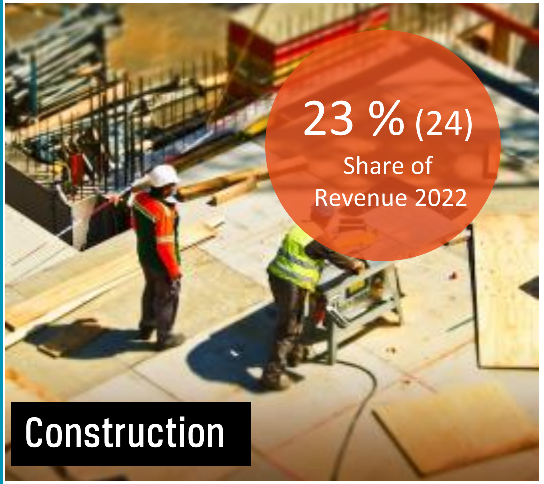
- Small and medium-sized enterprises
- Large industrial companies
- Public sector
- 8 defined segments

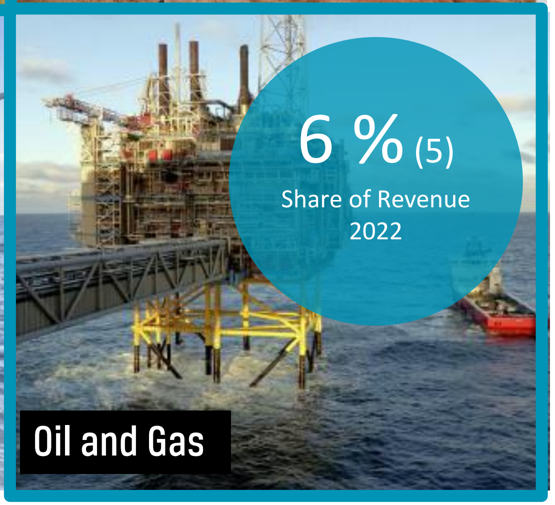
Main competitors

- Chains focusing on industry and construction
- Independent local operators

Customer segments – Highlights 2022

- Growth within all prioritized segments

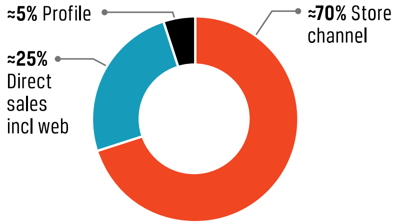




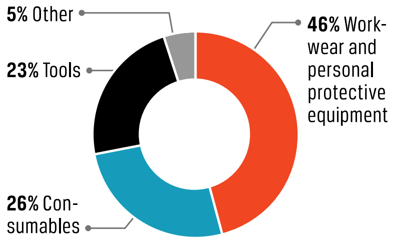
Country sales by channel, product category and own brands, 2022

Sweden

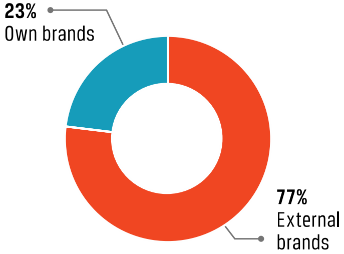
SALES PER CHANNEL



SALES BY PRODUCT CATEGORY

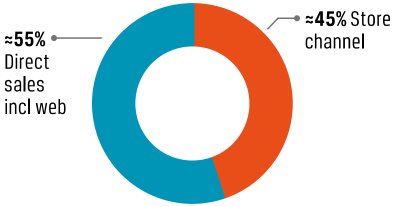


SALE OF OWN BRANDS

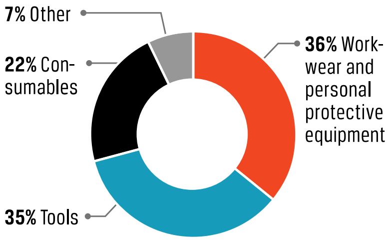


Norway

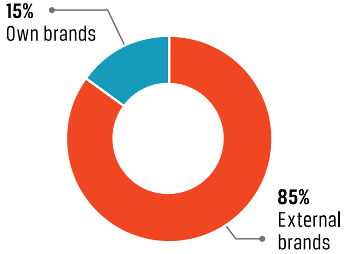
SALES PER CHANNEL



SALES BY PRODUCT CATEGORY

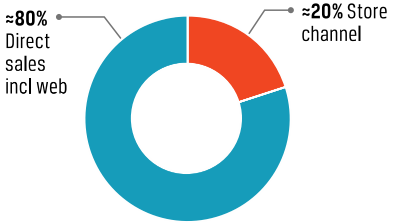


SALE OF OWN BRANDS

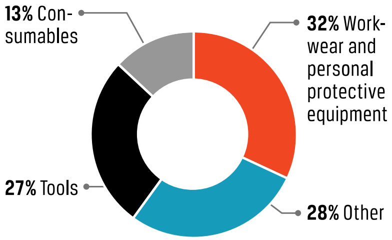


Finland

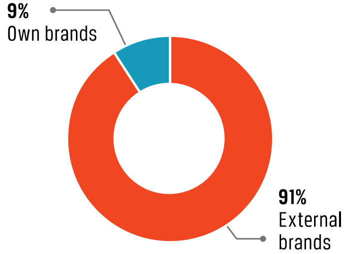
SALES PER CHANNEL



SALES BY PRODUCT CATEGORY



SALE OF OWN BRANDS



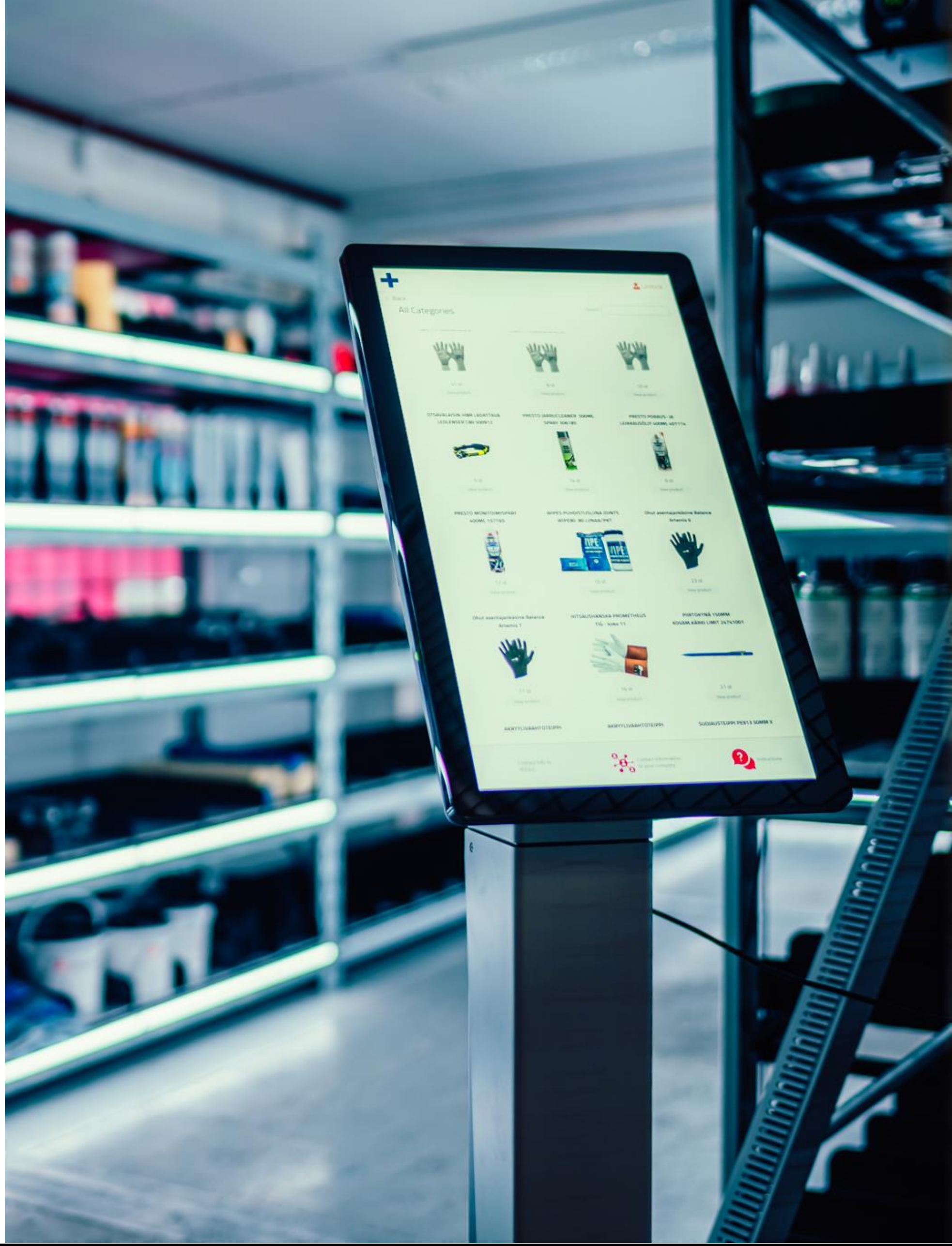
Actions to gain market shares

SME

- Investments in new stores - Finland
- Refurbishing existing stores
  - Sweden, Norway, Finland
- Campaigns to targeted customer segments
- Marketing efforts

Key accounts

- Environmental tech sector
- Service offering



Actions to gain market shares – examples:

Investments in new locations – i.e. in Mikkeli, Finland

Alligo Smart Service utilisation –i.e. Škoda Transtec

FINANCIALS

Group in summary – Profitable growth in a weaker market

Revenues and EBITA

MSEK	2023 Jan-Mar	Δ, %	2022 Jan-Mar	2023-03-31 R12 months	Δ, %	2022 Jan-Dec
Revenue	2,287	9.2	2,095	9,403	2.1	9,211
Adjusted EBITA	127	20.9	105	778	2.9	756
Amortisation	*-15*		*-16*	*-62*		*-63*
Items affecting comparability	*0*		*-9*	*-15*		*-24*
Operating profit	112		80	701		669
Gross margin, %	39.7		39.0	40.6		40.5
Adjusted EBITA margin,%	5.6		5.0	8.3		8.2

Highlights Q1

- Revenue increased by 9.2%
  - Organic growth of 3.6%
  - Positive currency effect 0.2%
  - One more trading day in 2023
- Adjusted EBITA increased by 20.9% to MSEK 127 (105)
  - Growth, gross margin improvements, increased share of own brands, and integration synergies
  - Negative country mix counteracts
- Improved Gross- and Adjusted EBITA margin
- No items affecting comparability, but -9 MSEK last year
- Integration project finalized except for assortment merge
- 208 stores (205)
  - 17.6% own brands (16.8)
  - Restructuring reserve – release of MSEK 5
- Effective tax rate of 22.7% (21.1)

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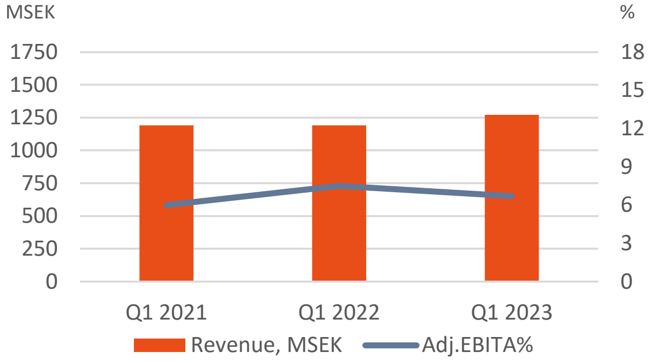
Profitable growth in NO and FI, but weaker in SE

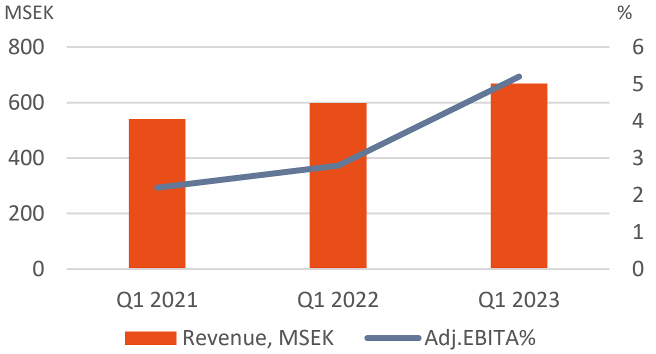
Sweden



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

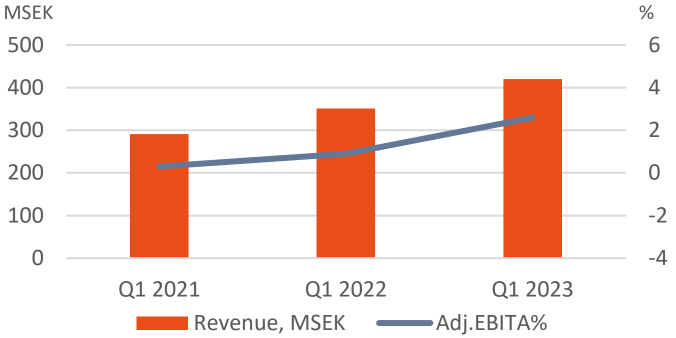
Norway



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)

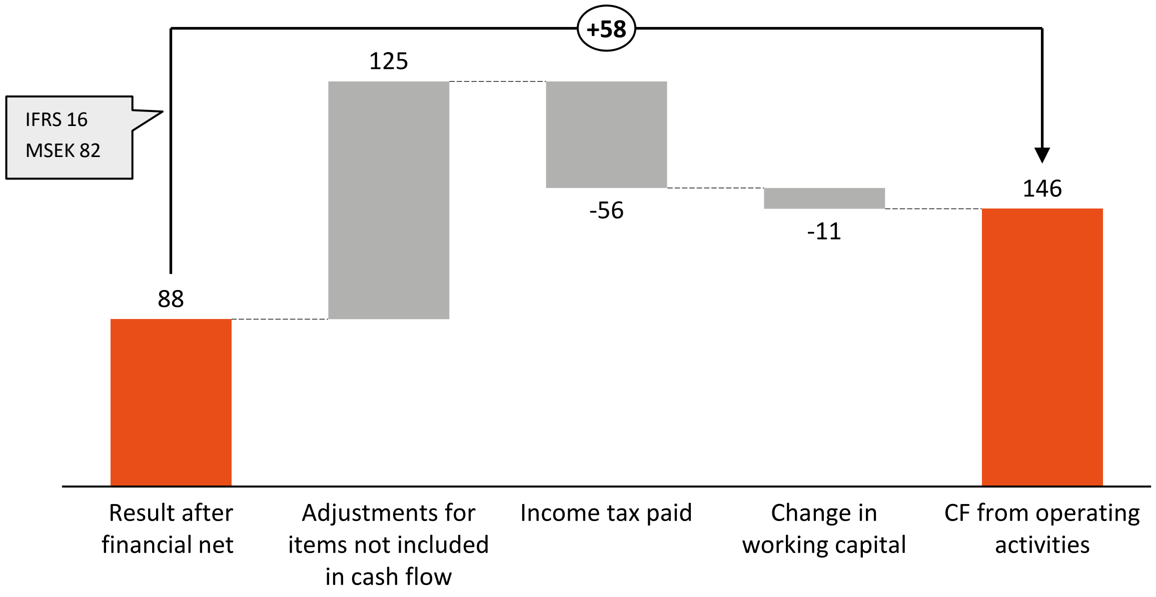
- Revenue increased by 19,7 %
  - Larger industrial customers
  - Signs of market slowdown
- Increased share of own brands 8,3% (6,3)
- EBITA increased to MSEK 11 (3)
  - Growth and improved sales management
- Focus forward - investment in stores to attract SME, sales and assortment management

Improved operating cash flow

– Still high inventory levels

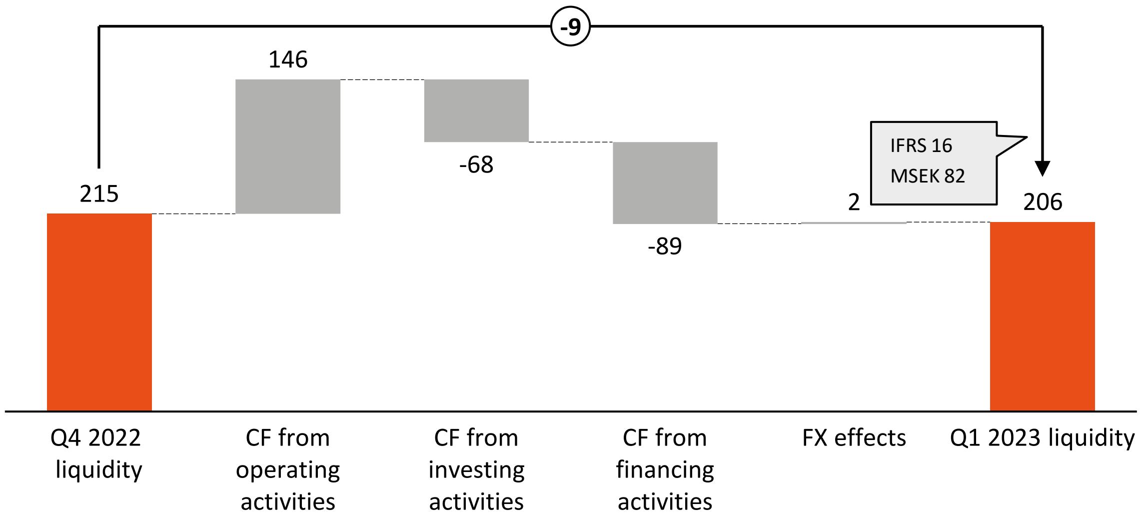
Q1 Operating activities

- 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



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*

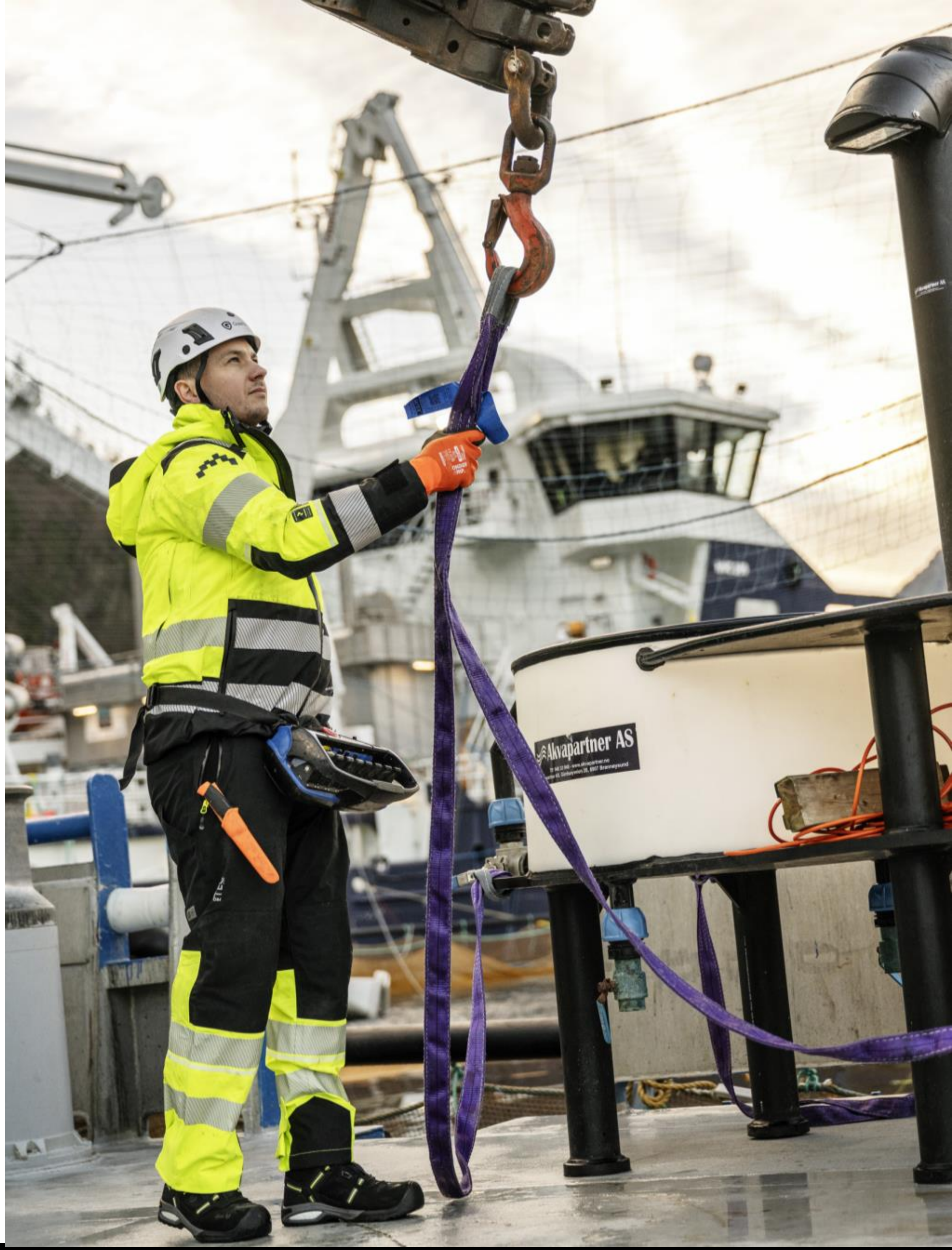
Highlights

- 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

SUMMARY AND OUTLOOK

Q1 in summary

- Solid start to the year
  - Profitable growth
  - Improved cash flow
- Uncertain macroeconomic environment
  - Intensified slowdown in Sweden
  - Tendency toward slowdowns in Norway and Finland
- One acquisition in Finland
- Good delivery capacity for own brands
  - Too high stock levels – several actions ongoing
- Strengthened competitiveness
  - Environmental tech sector



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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

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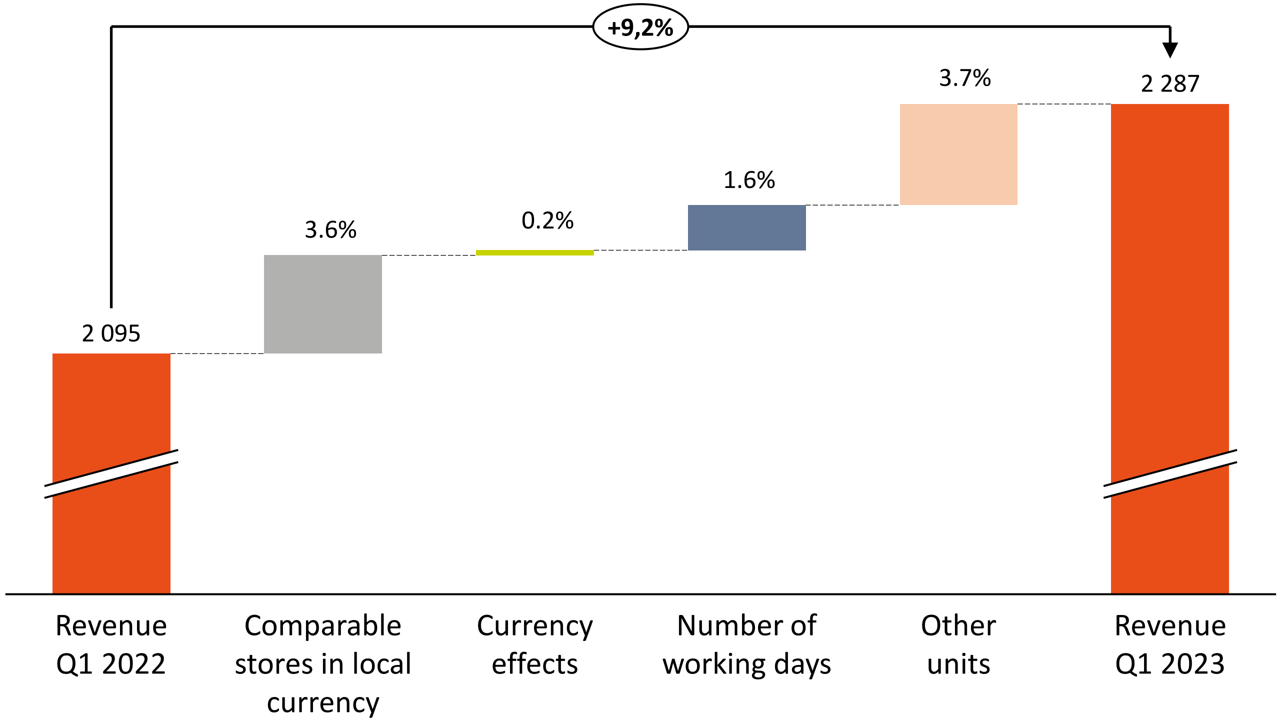
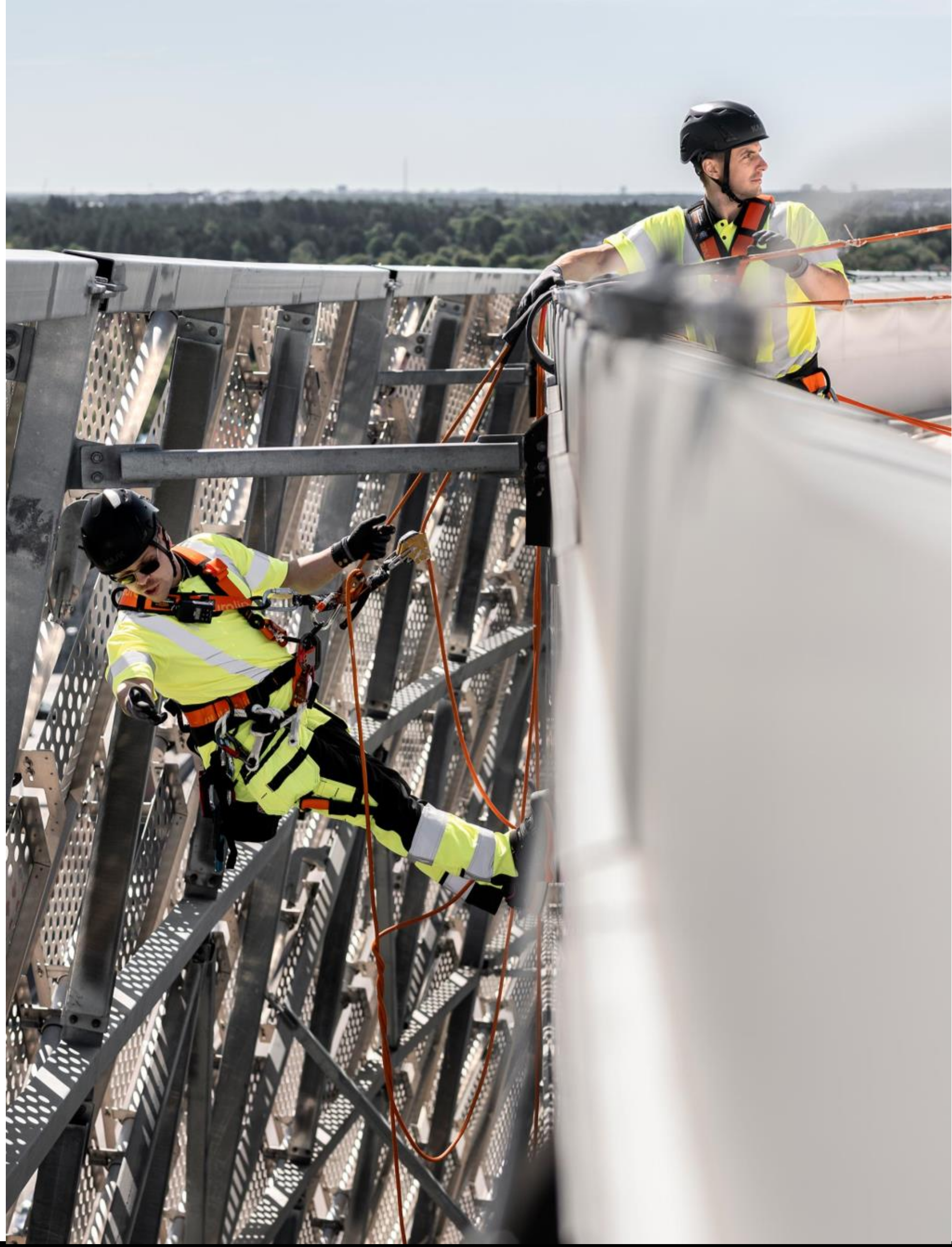
Q&A

APPENDIX

Revenue bridge first quarter 2023

Revenue year-on-year Q1





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IFRS 16 effects on cash flow

MSEK	2023 Jan-Mar	2022 Jan-Mar	2022 Jan-Dec	2021 Jan-Dec
IFRS 16 effects on cash flow from operations	82	95	364	362
IFRS 16 effects on cash flow from financing activities	-82	-95	-364	-362

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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

Solid performance in 2022 in relation to Financial Targets

TARGET

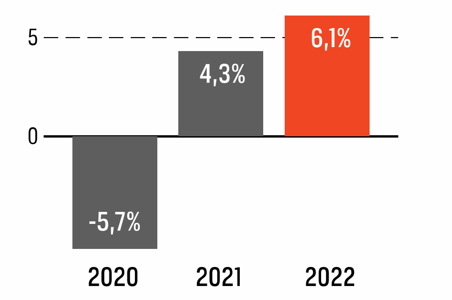
OUTCOME

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.



TARGET

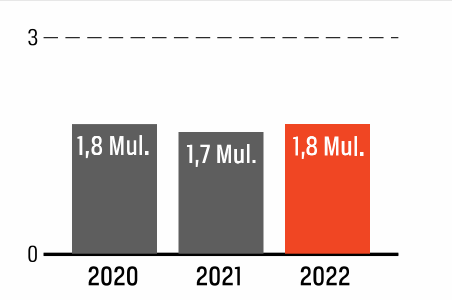
OUTCOME

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.

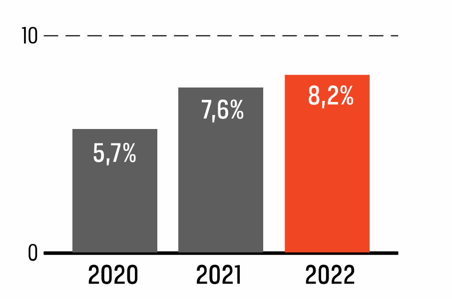


PROFITABILITY

>10%

EBITA margin

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

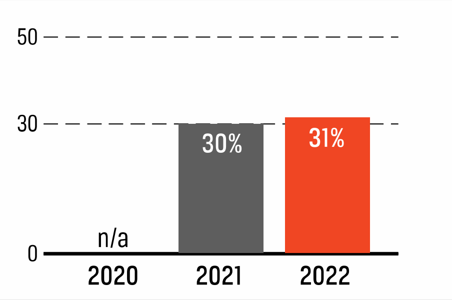


DIVIDEND

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.



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Performance 2022 in relation to Sustainability Targets

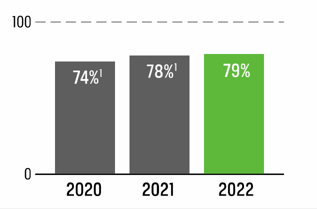
TARGET | OUTCOME

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

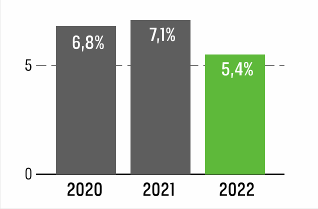
TARGET | OUTCOME

HEALTH

<5%

Sickness absence

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

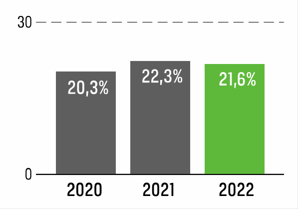


GENDER EQUALITY

>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.

Alligos material sustainability issues and the UN Global Goals for sustainable development

- Customer satisfaction
- Diversity and equality
- Work environment and health
- Skills development
- Working conditions and human rights in the supply chain

8 DECENT WORK AND ECONOMIC GROWTH

- Product quality and safety
- Environmental impact and chemicals
- Transparent sustainability communication and help customers make sustainable choices
- Anti-corruption

12 RESPONSIBLE CONSUMPTION AND PRODUCTION

- Climat impact

13 CLIMATE ACTION