

# ALLiGO

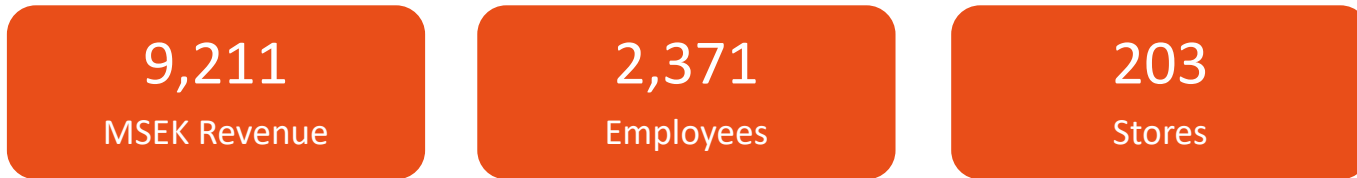
## Aktiedagen i Stocholm

Wednesday, May 3<sup>rd</sup>, 2023



ALLiGO

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



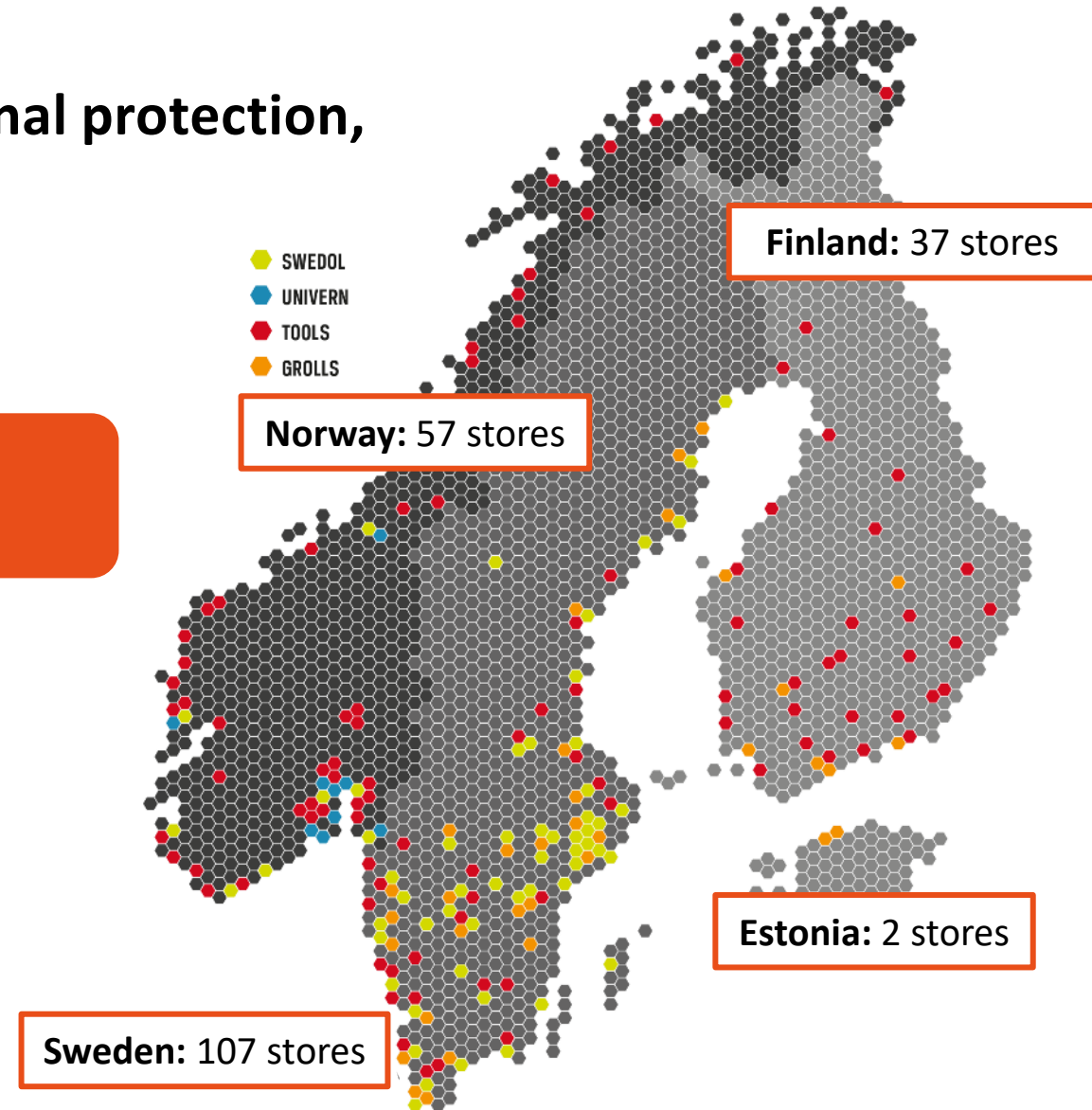
Main concept brands

**TOOLS**

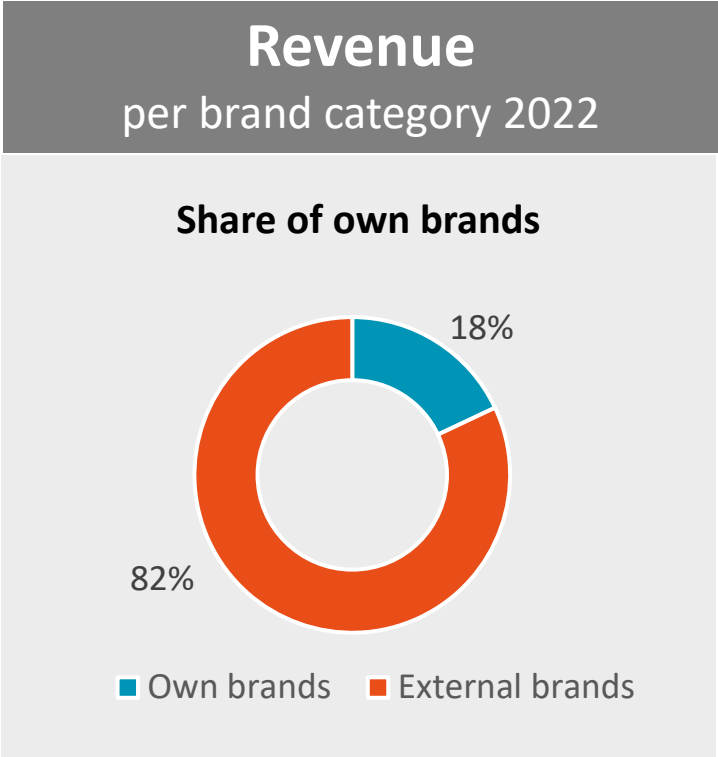
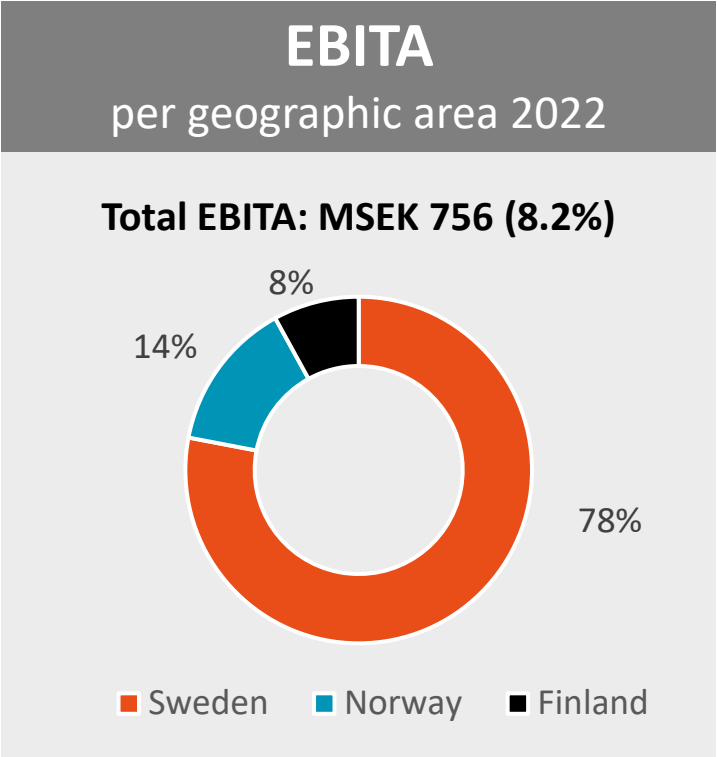
**UNIVERN**

**swedol**

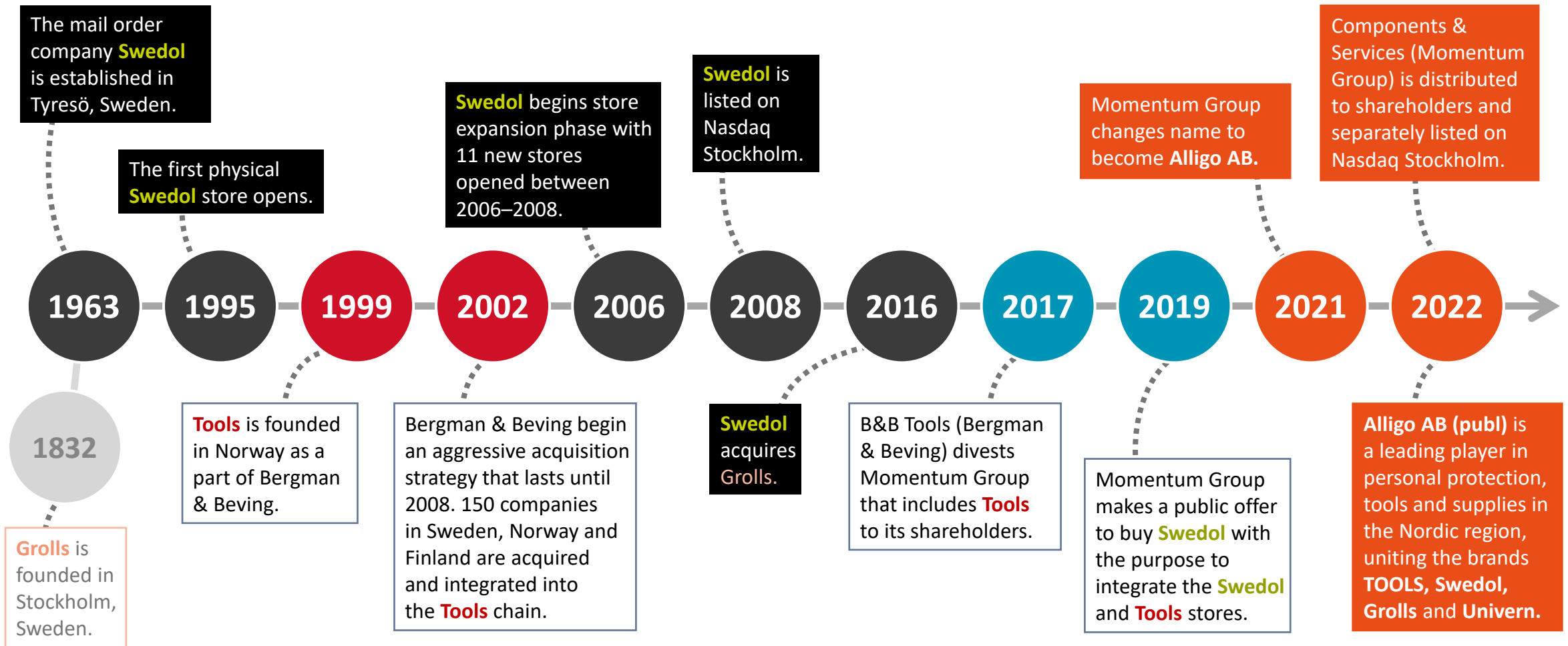
**GROLLS**



# Alligo at a glance







# The origins of Alligo



# We are a Nordic leader, with room to take share

## Estimated market shares (2019)

 #2	 #1-2	 #3	 #1-2
Ahlsell 24%	<b>ALLiGO</b> 15%	Würth 24%	<b>ALLiGO</b> 15%
<b>ALLiGO</b> 17%	Tess 14%	Etra 19%	Ahlsell 15%
Derome 6%	Ahlsell 9%	<b>ALLiGO</b> 11%	Würth 10%
Berendsen 4%	Würth 9%	IKH 7%	Tess 4%
Würth 3%	Wenaas Workwear 4%	Ahlsell 6%	Etra 4%

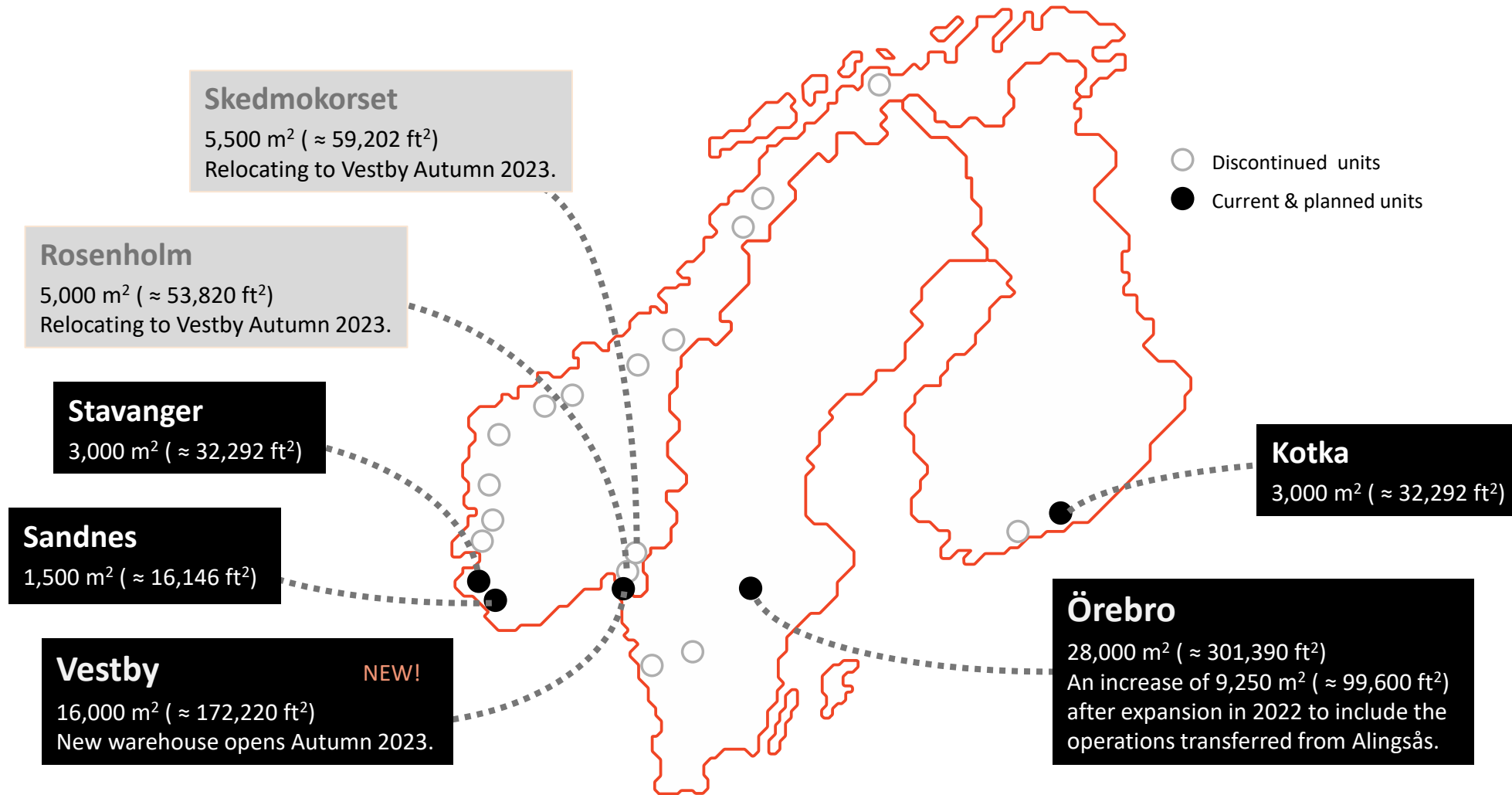
# Alligo at a glance



- **Nordic main markets**  
– revenue of approx. SEK 53 billion per year
- **Customers**  
– a combination of small and medium-sized enterprises, large industrial companies, and the public sector within eight defined segments
- **Main competitors**  
– chains that focus on industry and construction as well as independent local operators

# Alligo has integrated its Nordic logistics function

– From 20 to 5 warehouses and units since mid-2020



# We want to be a fully integrated company



This is where we are aiming

Our value creation will primarily be through operational improvement and growth (organic and acquisitive) of our integrated business, not by acquisitions of new holdings



# Status of the extensive integration efforts to build Alligo

- Completed activities related to the merger of Swedol and Tools



**Common strategy and core values throughout the entire company**



**New financial and non-financial targets**



**Store integration**



**Legal structure**



**Coordination of logistics**  
- Norway ongoing



**Pricing system**



**ERP**  
- Norway ongoing

# Status of the extensive integration efforts to build Alligo

– Ongoing activities related to the merger of Swedol and Tools

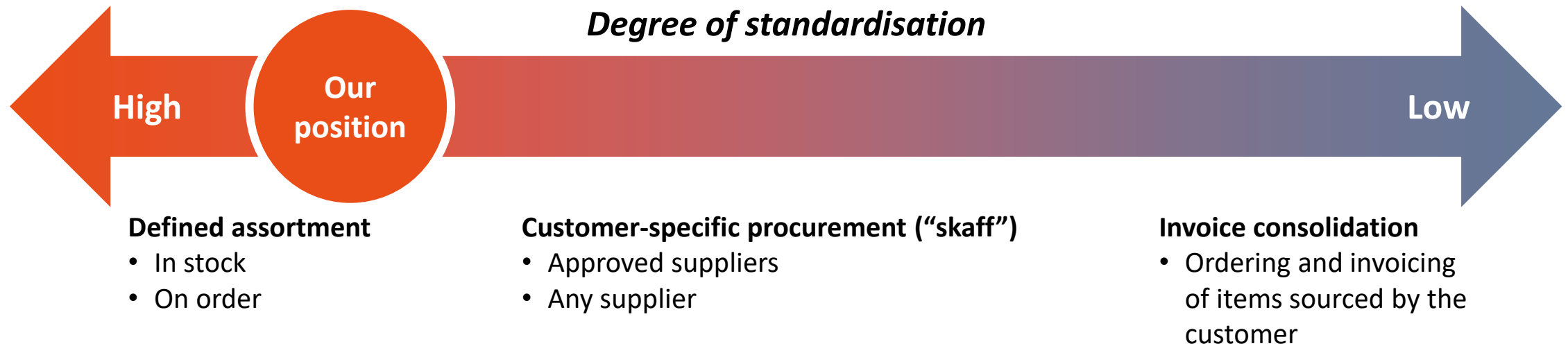


Implementation of Nordic standard assortment

GEOGRAPHIC PRESENCE



# We aim for a high degree of assortment standardisation, while maintaining flexibility for customers that need it



- Common assortment range for our store concepts, with room for local adaptation
- Strict prioritisation of products to be stocked in warehouses and stores
- Wide range of non-stocked supplies (from approved suppliers) with direct deliveries to our customers
- Order-invoicing of products without us having written agreements with suppliers is offered only on an exceptions basis to our most important customers

# Acquisitions – an integral part of Alligo’s growth strategy

## Focus on acquiring well run companies

- Within our main segments to be integrated, profile and media to be kept separately from the fully-integrated business
- Add footprint, customers, offerings
- Realize synergies – assortment and purchasing, cross-sales, co-location, overhead



## Long-term acquisition process from gross list to integration

- Focus on proactive lead development and bilateral processes



## Acquisitions are financed with cash flow from operations and debt financing



# Nine acquisitions signed 2022 – adding 400 MSEK in annual revenues

– as well as 115 employees and 13 stores

Acquisition	Product category	Date signing	Annual revenue (MSEK)*	Employees	Stores
 Liukkosen Pultti Oy	Workwear/Tools	Feb 2022	47	12	1
 Lunna AS	Industrial Components/Tools/ Workwear/Protective Equipment	March 2022	86	26	3
 H E Seglem AS	Industrial Components/Tools/ Workwear/Protective Equipment	June 2022	42	8	1
 Magnusson Agentur AB	Profile Products/Workwear	July 2022	27	6	1
 LVH AS	Tools/Supplies/Workwear/ Protective Equipment	Aug 2022	13	4	1
 Profeel Sweden AB (75%)	Profile Clothing/Product Media	Nov 2022	72	18	2
 Z- Profil AB** (70%)	Profile Clothing/Product Media	Dec 2022	41	13	2
 Kents Textiltryck i Halmstad AB** (70%)	Workwear/Profile Clothing/Product Media	Dec 2022	42	15	1
 Olympus Profile i Uddevalla AB** (70%)	Workwear/Profile Clothing/Product Media	Dec 2022	43	13	1
			<b>414</b>	<b>115</b>	<b>13</b>

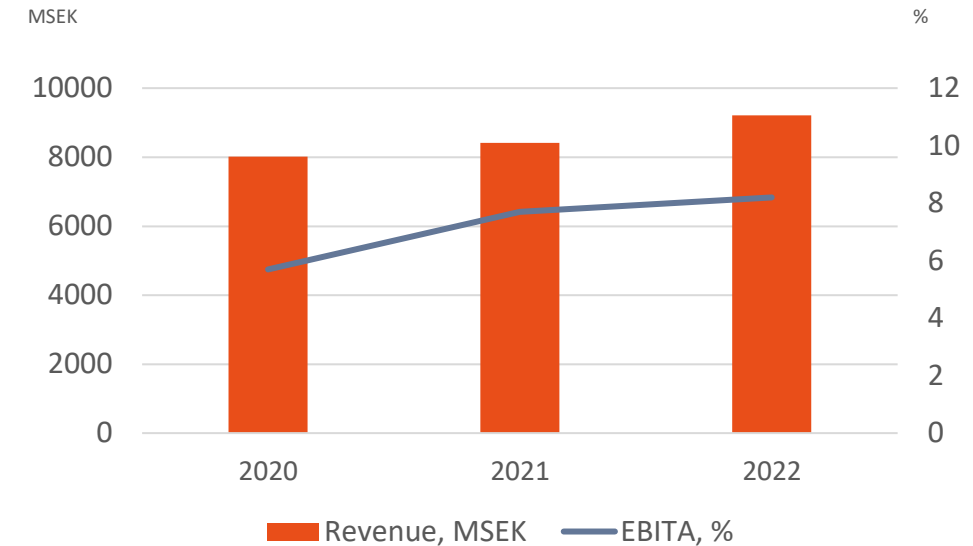
\* Currency rate: EUR 10.5, NOK 1.05

\*\* Completed beginning of 2023

# 2022 in summary

- Financially stable year despite many integration and improvement projects
- New sales organizations
- Nine acquisitions
- Positive development in Finland
- Secured good delivery capacity, but too high stock levels
- Increased focus on sustainability
  - Design for sustainability

## Revenues and EBITA



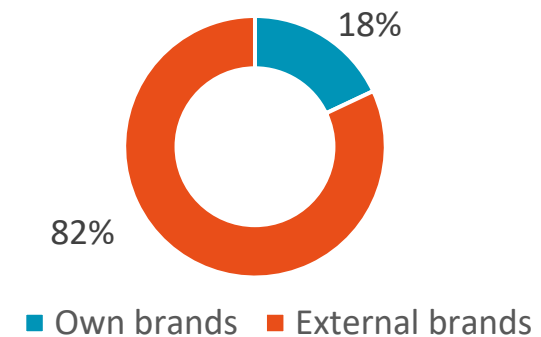
**6.1% (4.3)**

Organic growth

**8.2% (7.7)**

EBITA margin

## Share of own brands



# Solid performance in 2022 in relation to Financial Targets

TARGET

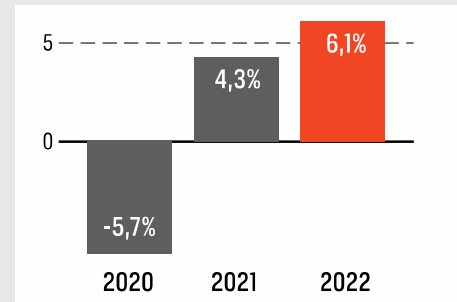
OUTCOME

## 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

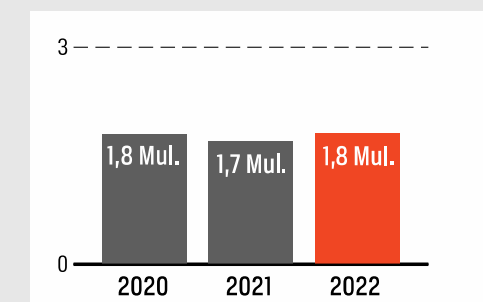
OUTCOME

## 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.

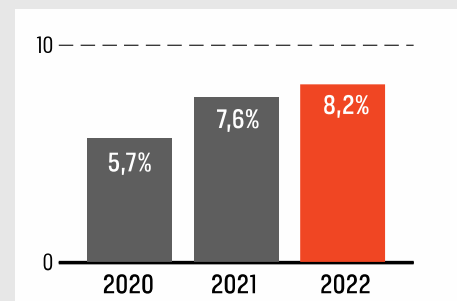


## PROFITABILITY

# >10%

### EBITA margin

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

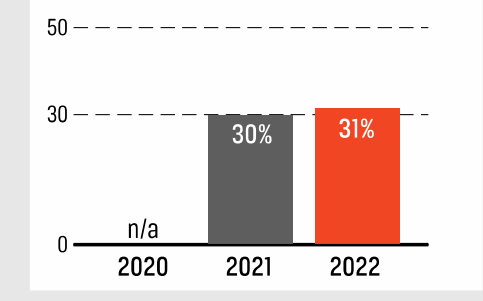


## DIVIDEND

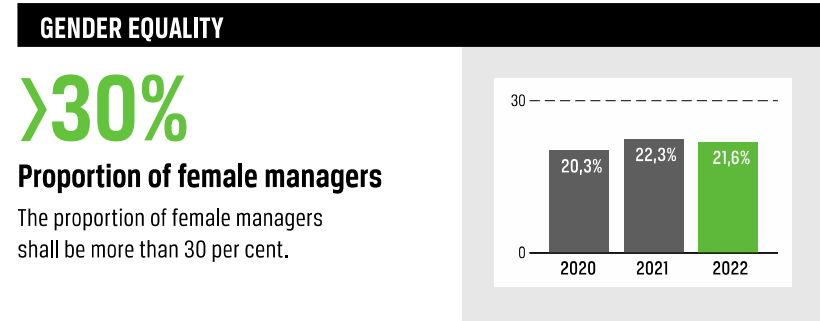
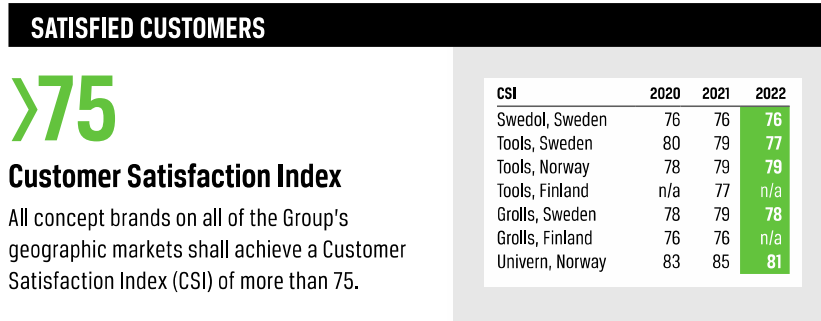
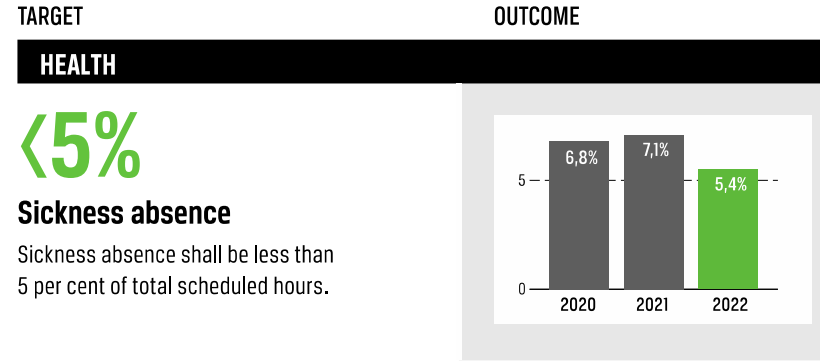
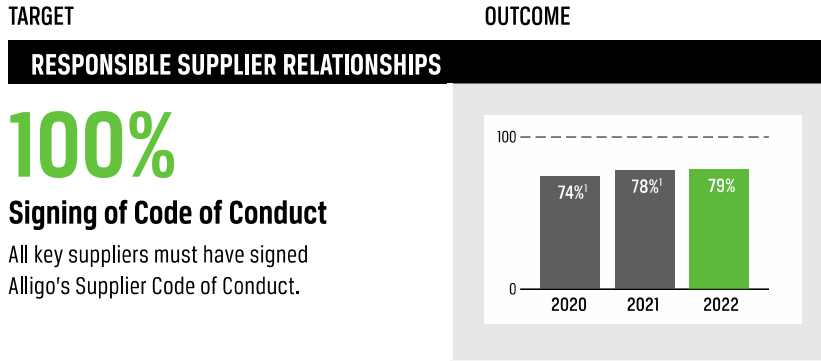
# 30-50%

### 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.



# Performance 2022 in relation to Sustainability Targets



1) The basis of calculation was adjusted in 2022 and the comparison figures have been recalculated according to the same principles.



# 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



# 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
- Enhanced our competitiveness for all customer groups
- 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 %

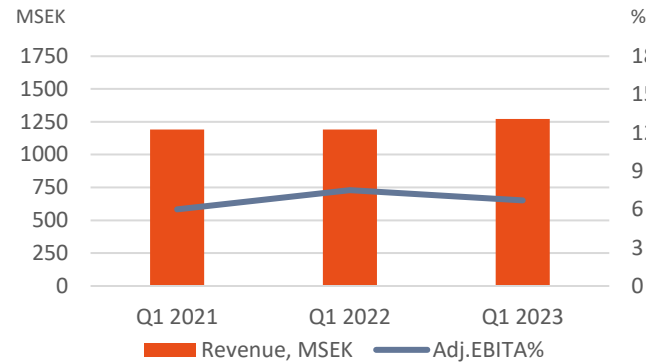
Adj EBITA growth

5.6 % (5.0)

Adj EBITA margin

# Q1 2023 - Profitable growth in NO and FI, but weaker in SE

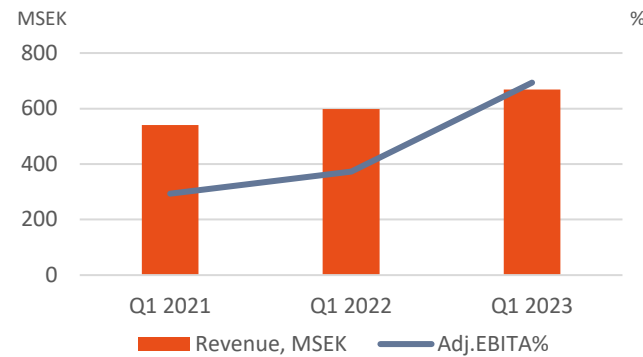
## Sweden



**Organic growth:** Q1 -1%  
**Adj. EBITA margin:** 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

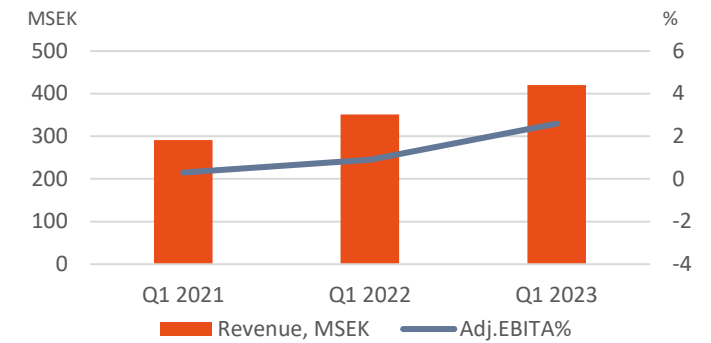
## Norway



**Organic growth:** Q1 +9%  
**Adj. EBITA margin:** 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:** Q1 +9,%  
**Adj. EBITA margin:** 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

# 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



# Five reasons to invest in Alligo

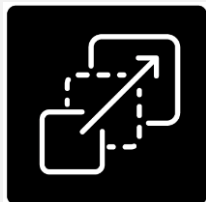
1

Attractive market growth and resilient customer segments



2

Scalable platform is a foundation for continued growth



3

Own brands and services increase competitiveness and profitability



4

Sustainability as an integrated part of the business



5

A leader in the consolidation of the Nordic markets



# Q&A