

Stora Aktiedagen

Tuesday, 5 March 2024



ALLiGO

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Presenters

Clein Johansson Ullenvik

Group President & CEO

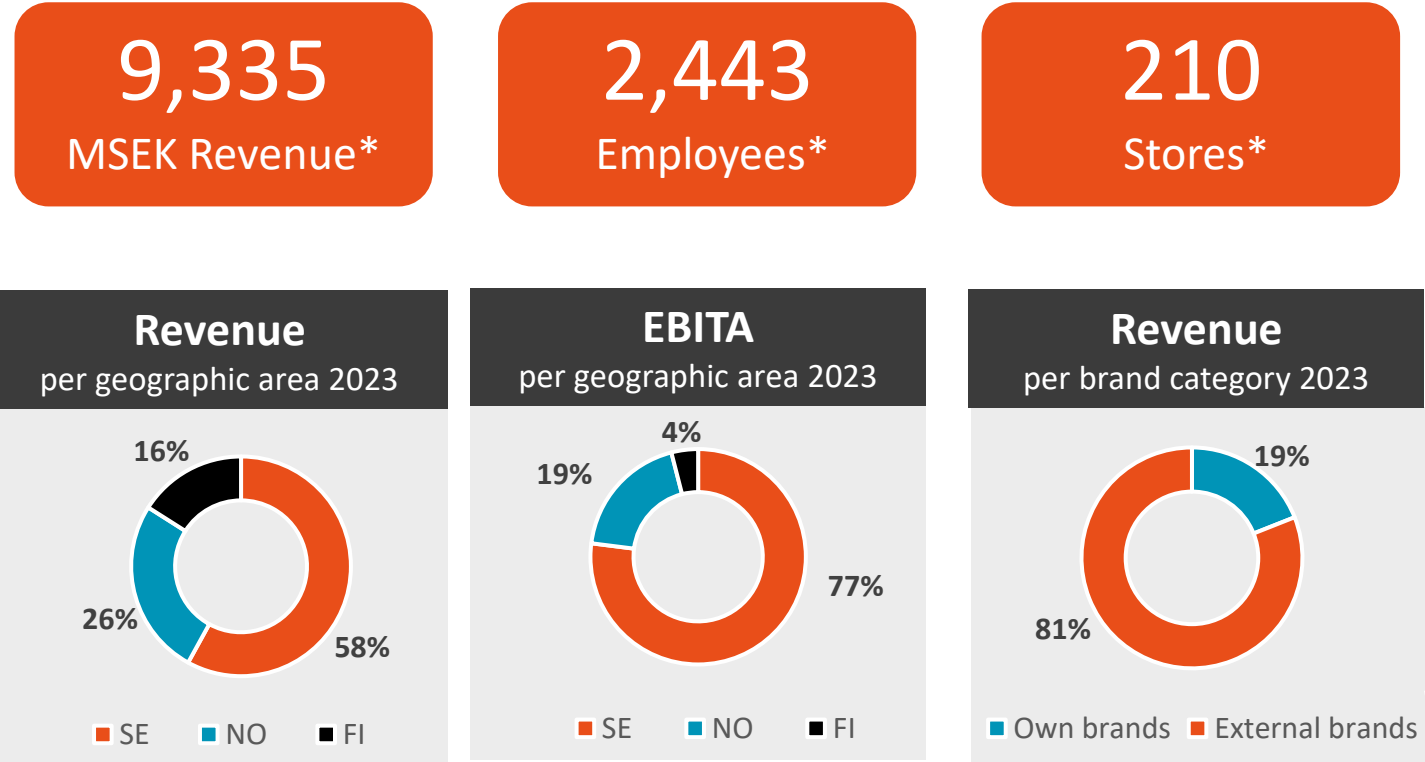


Irene Wisenborn Bellander

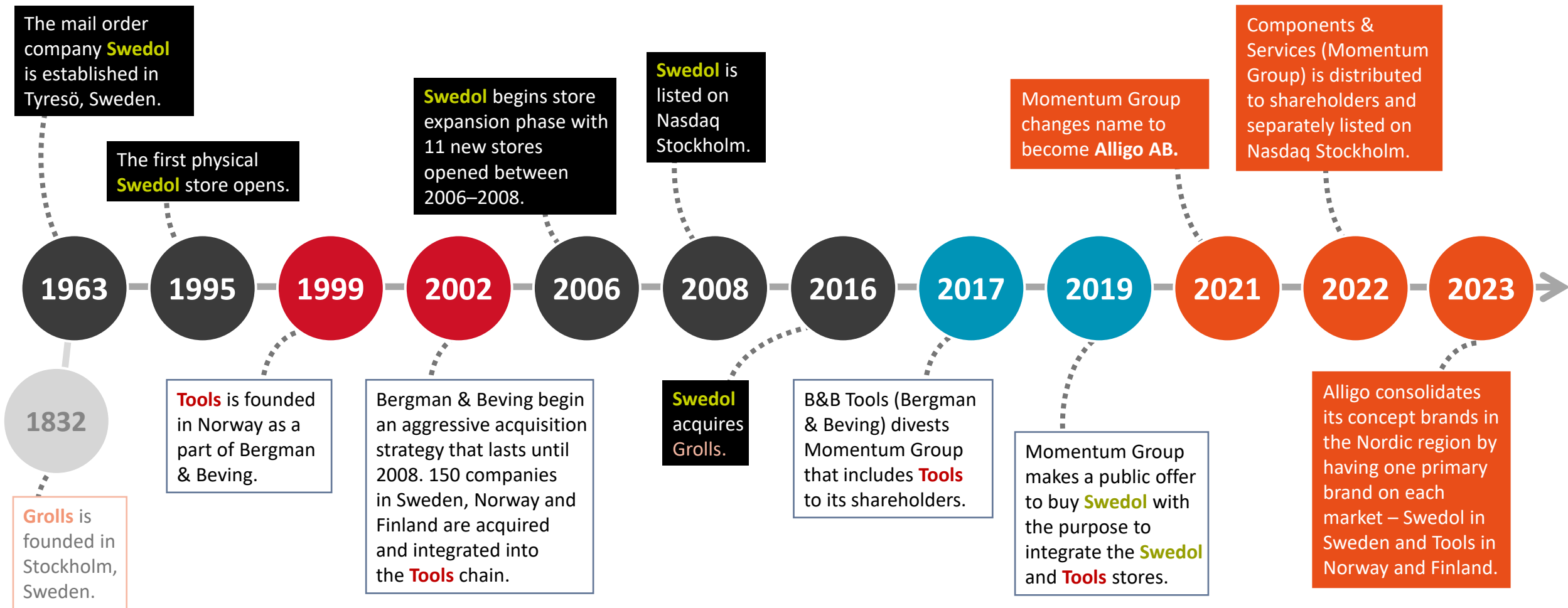
CFO



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

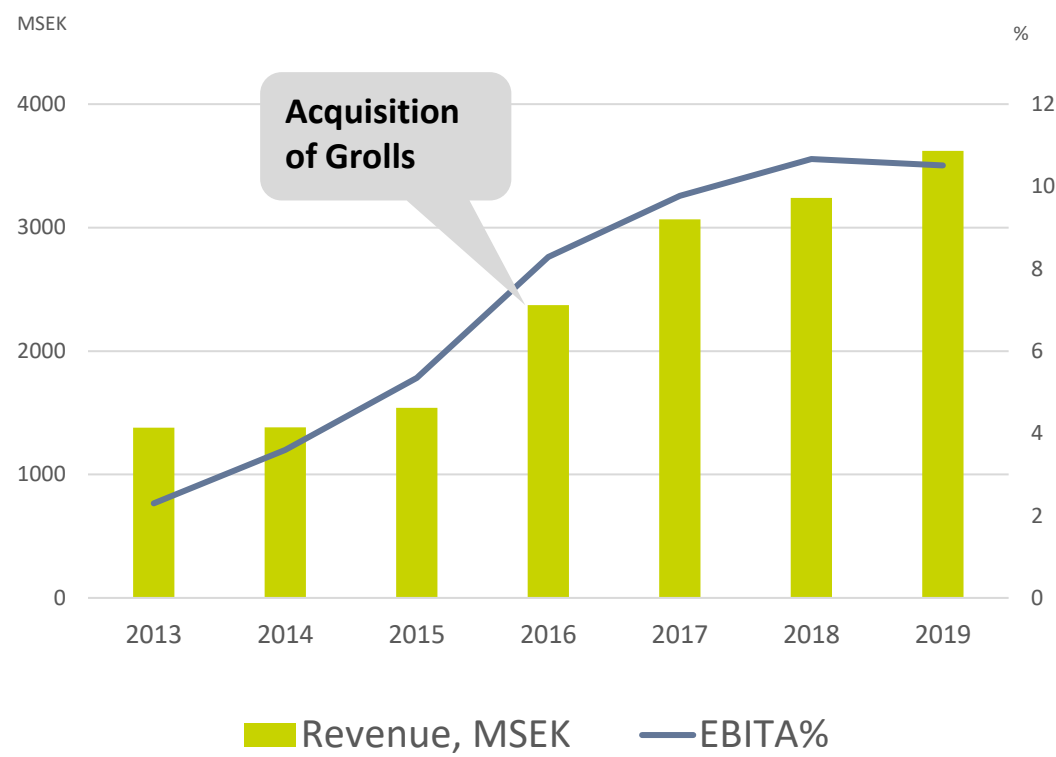


The origins of Alligo

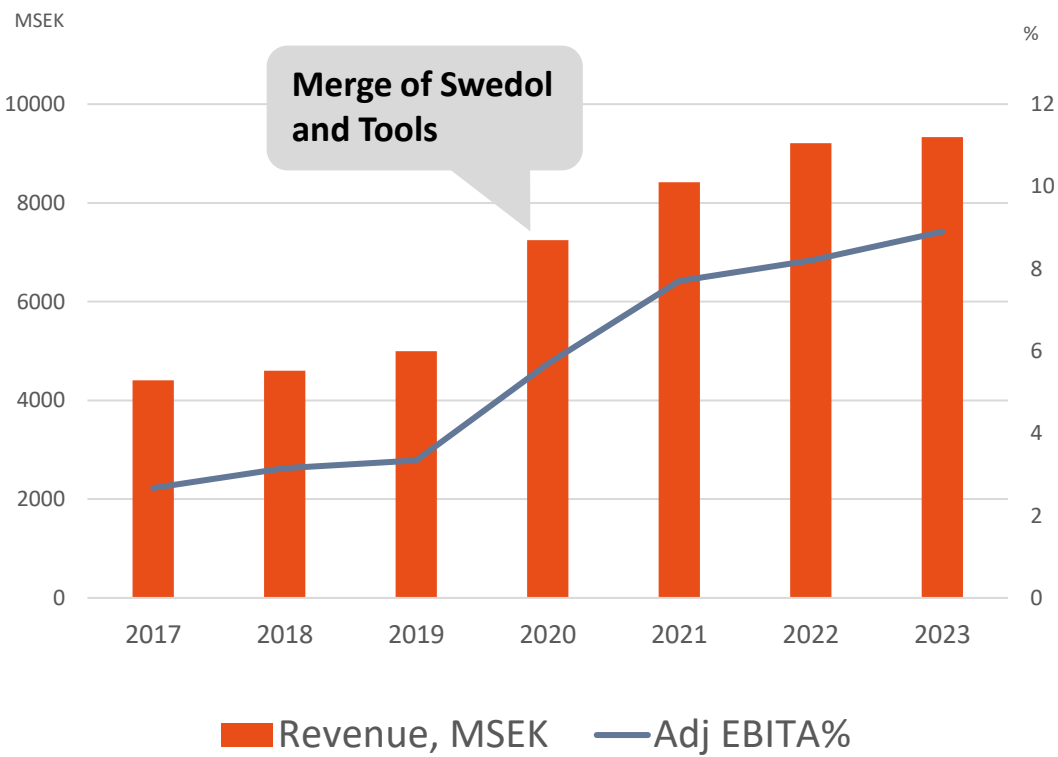


Building a stronger Alligo Group

Swedol, 2013–2019







Alligo, 2019–2023*



* 2017 -2020 relates to Momentum Group excl Component & Services.

Strong Nordic position with room to take share

Estimated market shares (2021)

 #2		 #1–2		 #3		 #2	
Ahlsell	35%	Tess	15%	Würth	29%	Ahlsell	21%
ALLiGO	20%	ALLiGO	14%	Etra	19%	ALLiGO	16%
Derome	7%	Ahlsell	11%	ALLiGO	10%	Würth	11%
Würth	3%	Würth	9%	IKH	8%	Tess	5%
Elis ¹	3%	Wenaas Workwear	4%	Onninen	7%	Etra	4%

¹ Formerly Berendsen

Market and customer segments

- **Nordic main markets**
 - annual revenue of approximately SEK 59 billion
- **Customers**
 - a combination of small and medium-sized enterprises (SME), large industrial companies and the public sector all within **eight defined segments >>**
- **Main competitors**
 - chains that focus on industry and construction as well as independent local operators



Manufacturing



Construction Industry



Public Sector



Transport & Storage



Repair & Maintenance



Agriculture & Forestry



Fishing & Aquaculture



Oil & Gas

Alligo's product brands provides better control and margins

WORKWEAR & PPE



Iconic workwear since 1905



Workwear for Nordic weather conditions



Workwear and footwear with a focus on function



Protective gloves for all categories



Base and corporate branded clothing for every occasion

TOOLS & SUPPLIES



Tools and storage with smart solutions



Complete lighting range for the professional user



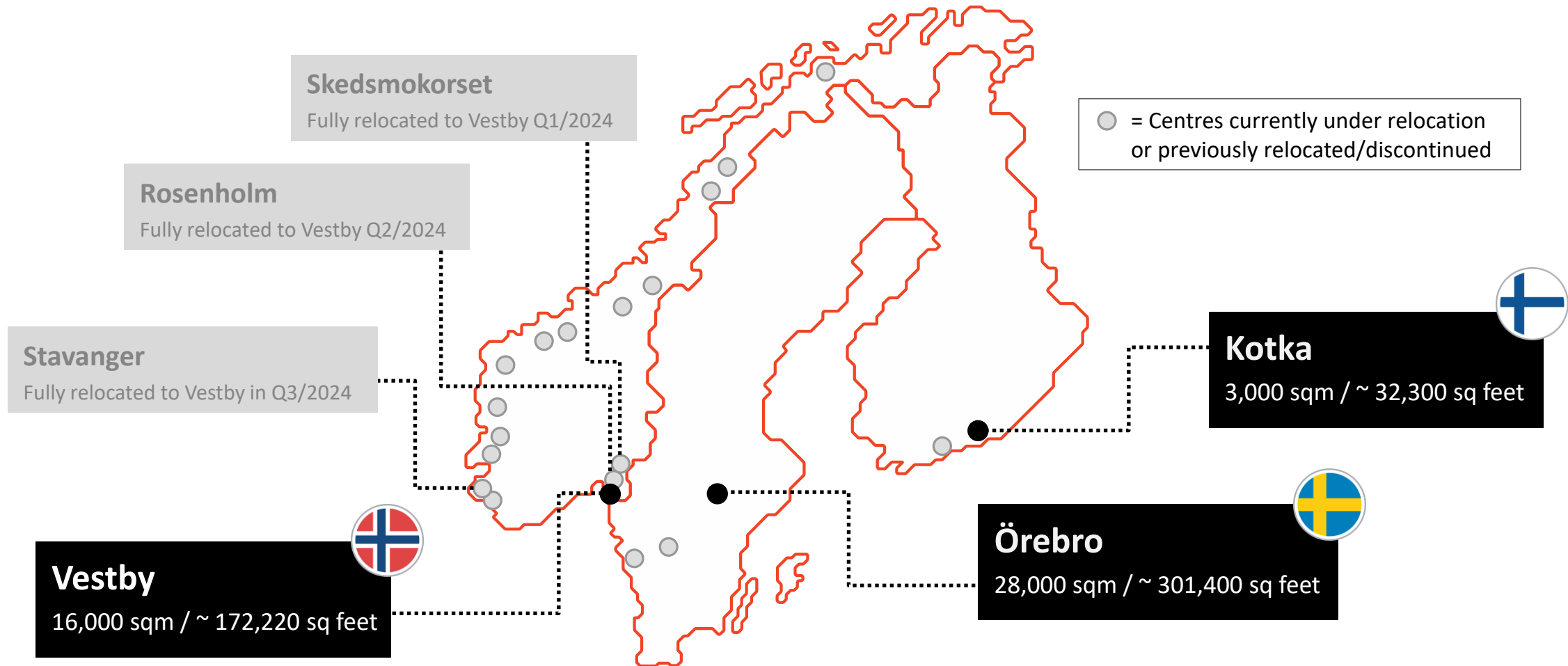
Farming and forestry specialist



Supplies for all occasions

Alligo's integrated Nordic logistics function

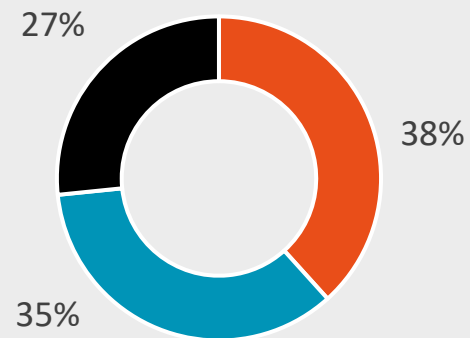
– increased storage capacity, improved efficiency and logistical offer



Value creation 2022-2023

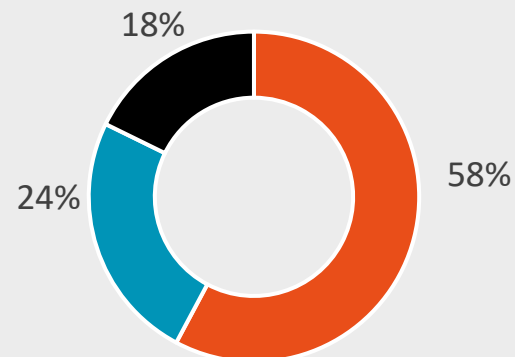
~ 750 MSEK revenue from acquisitions 2022-2023

per product segment



■ Product Media ■ Workwear/Tools/PPE ■ Welding

per geographic area



■ Sweden ■ Norway ■ Finland

15

Acquisitions

+3.5 %

Acquired growth 2023

~ 750 MSEK

Annual revenue

Q4 business conditions



Market situation

- Continued weak market development in Sweden and Finland
 - Several customer segments
- Signs of weaker market in Norway
 - Except stable demand in Oil & Gas industry

Proactive management

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

Delivery capacity

- Good and stable

Macro-economic factors

- Accelerated downturn in the business cycle
- Geopolitical turbulence incl Red Sea

Q4 in brief

– Strong cash flow and increased profitability despite weaker demand

- Revenue decreased -6.8 %
 - Organic growth -7,5% counteracted by acquisitions of 3,0%
- Adjusted EBITA increased by 3 %
- Improved operating cash flow MSEK 526 (417)
 - Still high inventory levels, but positive trend
- Signed agreements for additional three acquisitions
- Alligo commits to SBTi
- Coordination of Norwegian logistic centers initiated
- Board of Directors proposes a dividend of SEK 3,50 (3,00)

- 6.8 %

Revenue

+ 3 %

Adjusted EBITA growth

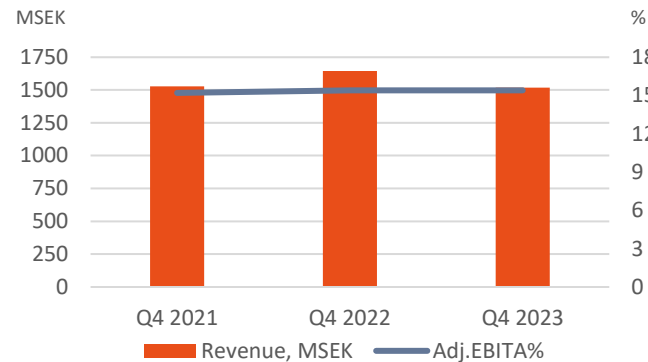
12.1 % (10.9)

Adjusted EBITA margin

**Completed in January 2024.*

Q4 – Norway: Increased profitability; Sweden and Finland: weak volumes

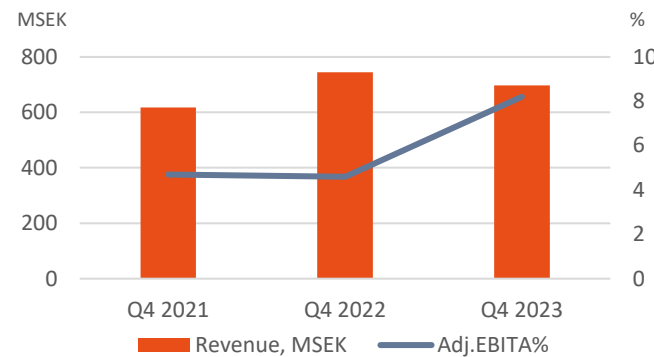
Sweden



Organic growth:	Adj. EBITA margin:
Q4 -11%	Q4 15.4% (15.4)
Q1-Q4 -5%	Q1-Q4 11.4 % (11.4)

- Revenue decreased by -7.8%
 - Accelerated slowdown in the market – acquisitions counteract
- Increased share of own brands
- EBITA decreased by -8 %
 - Declining volumes
 - Margin improvements and cost savings counteract

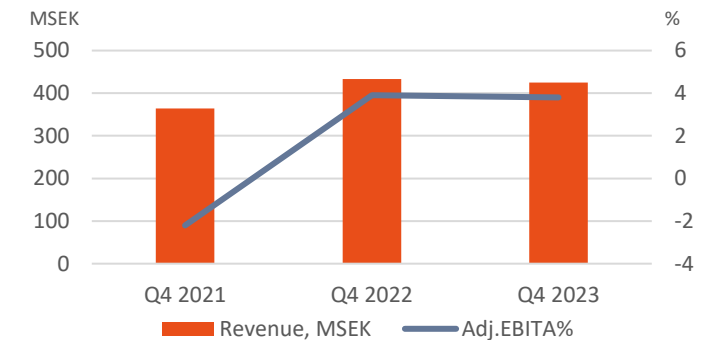
Norway



Organic growth:	Adj. EBITA margin:
Q4 +1%	Q4 8.2% (4.6)
Q1-Q4 +4%	Q1-Q4 6.1% (4.1)

- Revenue decreased by -6.3%
 - Signs of slowdown in the market except for Oil & Gas
 - Negative FX effects
- Increased share of own brands
- EBITA increased by +68 %
 - Growth, margin improvements and cost savings

Finland



Organic growth:	Adj. EBITA margin:
Q4 -8%	Q4 3.8% (3.9)
Q1-Q4 +/-0%	Q1-Q4 3.6% (4.0)

- Revenue decreased slightly by 1.8 %
 - Clear slowdown in the manufacturing industry – acquisitions and positive FX effects counteract
- Increased share of own brands
- EBITA decreased by -6 %
 - Declining volumes and investments in stores
 - Margin improvements counteract

Focus forward – increase the share of SME, improve sales and assortment management, and further cost adjustments

Solid performance in 2023 in relation to Financial Targets

– a strong financial position allows us to continue our acquisition strategy

TARGET

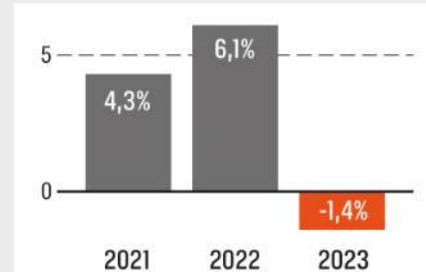
OUTCOME

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

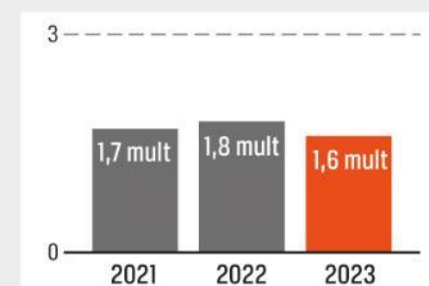
OUTCOME

INDEBTEDNESS

<3X

Ratio of net operational liabilities to adjusted EBITDA

Ratio of net operational liabilities to adjusted EBITDA shall be less than a multiple of 3.

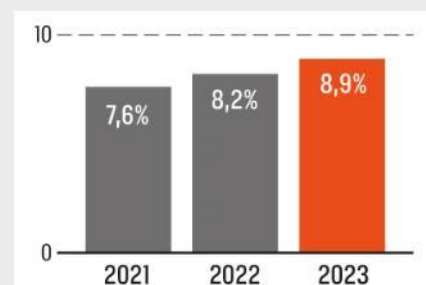


PROFITABILITY

>10%

Adjusted EBITA margin

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

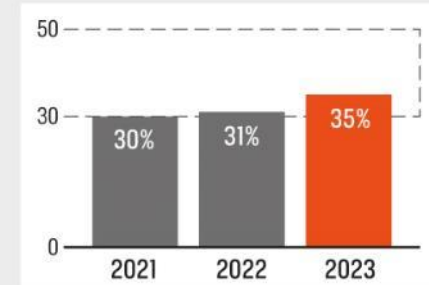


DIVIDEND

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 2023 in relation to Sustainability Targets

TARGET

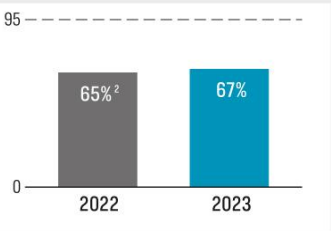
OUTCOME

RESPONSIBLE SUPPLIER RELATIONSHIPS

>95%

Shall meet the Supplier Standard

More than 95 percent shall meet Alligo's Supplier Standard¹, measured as a proportion of the total purchase value from suppliers to the standard assortment.



SATISFIED CUSTOMERS

>75

Customer Satisfaction Index

Customer Satisfaction Index (CSI) shall amount to more than 75.

NKI	2021	2022	2023 ³
Sweden (Swedol)	76	76	-
Sweden (Tools)	79	77	-
Sweden (Grolls)	79	78	-
Norway (Tools)	79	79	-
Norway (Univern)	85	81	-
Finland (Tools)	77	n.a.	-
Finland (Grolls)	76	n.a.	-

CLIMATE IMPACT

↓CO₂

Reduce greenhouse gas emissions

The climate-impacting emissions shall be reduced.

In December 2023, Alligo joined the Science Based Targets initiative. By the end of 2025, the Group shall establish targets for reducing climate impact.

2023	2024	2025	2026
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TARGET

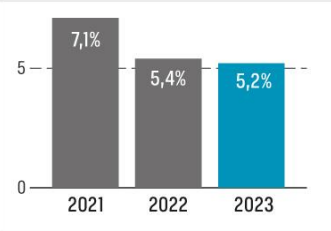
OUTCOME

HEALTH

<5%

Sickness absence

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

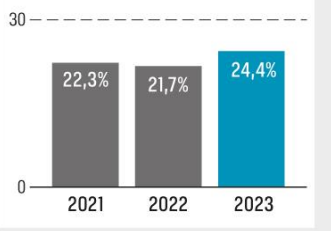


GENDER EQUALITY

>30%

Proportion of female managers

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

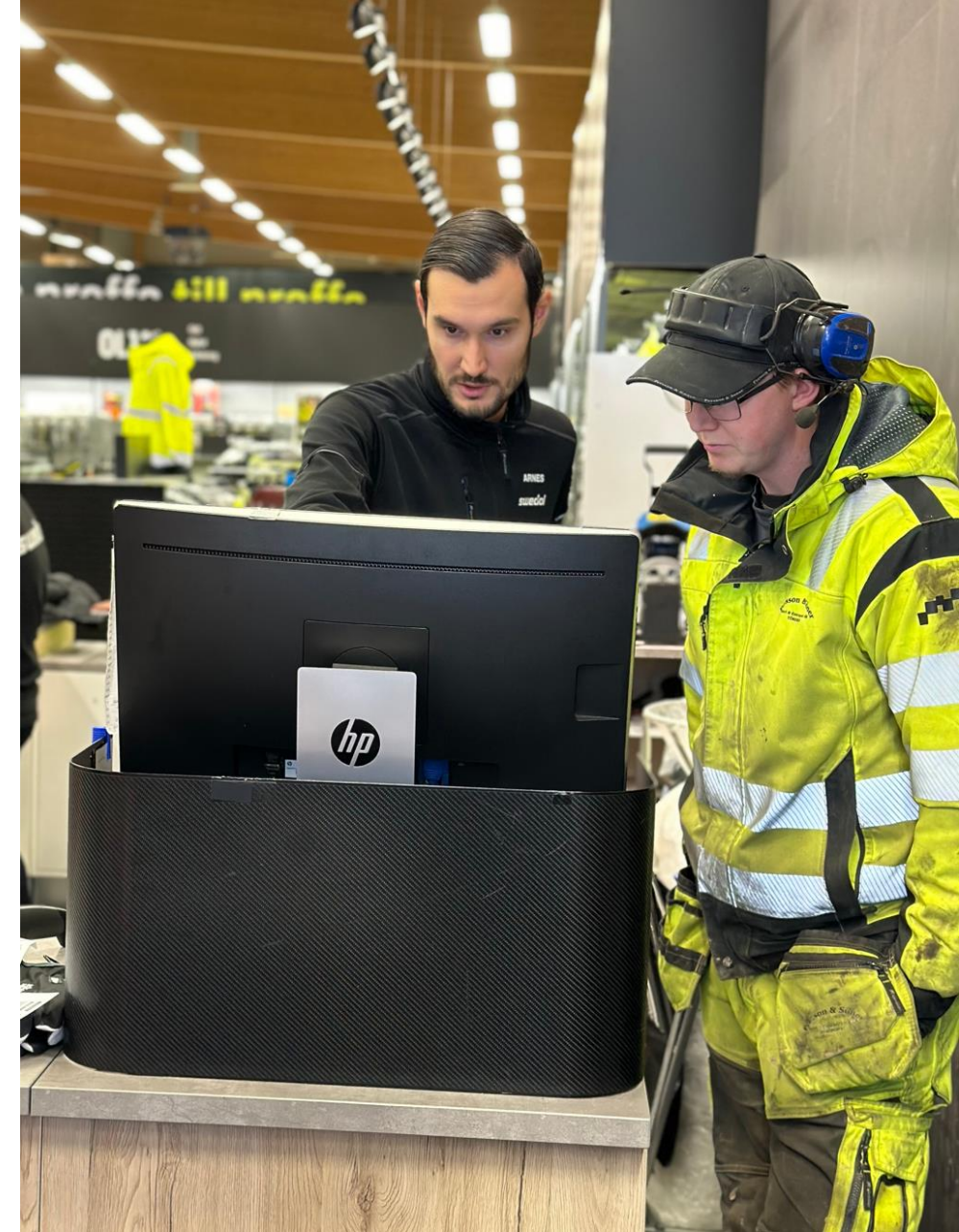


- 1) Alligo's Supplier Standard includes contracts, an accepted Code of Conduct for Suppliers with associated chemical restriction lists, and a self-evaluation conducted by the supplier linked to the requirements of the Code of Conduct.
- 2) The calculation basis was adjusted in 2023 and the comparative figures for 2022 have been restated according to the same principles.
- 3) The method for measuring customer satisfaction is being revised. Results for 2023 can not be reported and a new target will be set according to the new measurement method.

Outlook 2024

- Alligo is well-positioned in a weaker market
- Focus on driving sales, developing our offer and streamline our processes
 - Brand consolidation and roll-out of own brands
 - Refining our sales work
- Increase the share of SME
- Decrease inventory levels – improve capital efficiency
- Adapting the cost structure to market conditions
- Financial and organizational capacity to acquire and integrate new companies
- Aiming to set climate targets in line with SBTi

Ready to hit the accelerator when the market returns



Q&A



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



ALLiGO

Read more at alligo.com