Year-end Report Q4 2024

1 January – 31 December

Friday, February 14, 2025

Presenters

Clein Johansson Ullenvik
Group President & CEO

Irene Wisenborn Bellander
CFO

ALLIGO

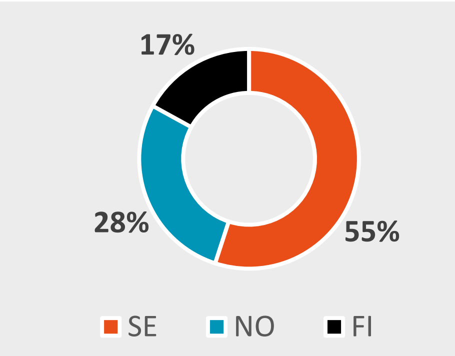
AGENDA

- **This is Alligo**
- Highlights Q4 2024
- Update – presentation of Corema & Batterilagret
- Financials
- Summary and outlook
- Q&A

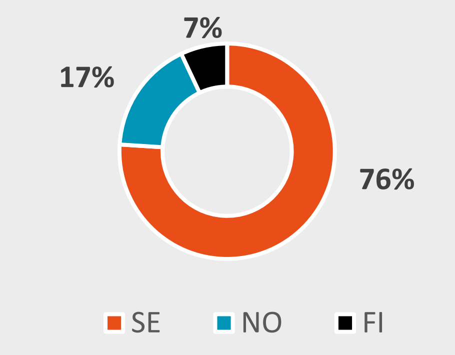
Alligo – a leading player in workwear, personal protection, tools and supplies in the Nordic region

9,333	2,522	218
MSEK Revenue*	Employees*	Stores*

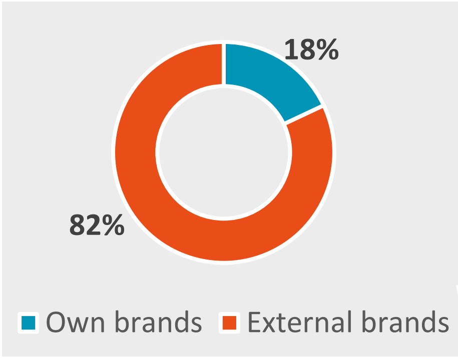
Revenue
per geographic area 2024



EBITA
per geographic area 2024



Revenue
per brand category 2024



Main concept brands:

*FY 2024

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Q4 2024 business conditions

Market situation

- Continued weak market
  - Several customer segments
  - Stable demand in Oil & Gas industry in Norway
- Cautiously positive market signals
  - Not reflected in sales
  - Signs of recovery Finland

Proactive management

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

Delivery capacity

- Good and stable in Sweden and Finland
- Vestby performance stabilized

Macroeconomic factors

- Continued economic uncertainty in the business cycle
- Geopolitical turbulence

Q4 2024 in brief
– Continued weak market, several initiatives for the future

Revenue
+2.0%

Continued slowdown in the market, Oil & Gas remains stable

Organic growth
-3.0%

Acquisition-driven growth of **6.8 %**

Operating cash flow
438

MSEK (526)

Adjusted EBITA
214

MSEK (308)

Weak volumes, unfavourable customer mix

Adjusted EBITA margin
8.3%

(12.1)

Gross margin
41.1%

(43.4)

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Q4 2024 highlights

Acquisitions

- Batterilagret is Alligo's largest acquisition so far
- Strengthens the existing battery business
- Completed Feb. 5, 2025

Sustainability

- Climate targets for scope 1, 2 and 3 sent to Science Based Targets initiative for validation
- Great progress in Dagens Industri's sustainability ranking

Operations

- Initiated a project to improve the weak profitability in Finland.
- Preparation for the change of business system in Norway
- Preparation for the launch of ReCare

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2024 – signed nine acquisitions, adding ≈750 MSEK in annual revenues

...as well as 200 employees and 42 stores

Acquisition	Product category	Date signing	Annual revenue (MSEK)*	Employees	Stores
Hämeen Teollisuuspalvelu Oy	Industrial Components/Tools/Workwear/ Protective Equipment	April 2024	87	18	1
Riihimäen Teollisuuspalvelu Oy	Industrial Components/Tools/Workwear/ Protective Equipment	April 2024	82	24	4
Wiklunds i Bollnäs AB	Tools/Workwear/Protective Equipment	May 2024	28	6	1
New Promotion Sverige AB (70%)	Profile Clothing/Product Media	June 2024	44	6	1
Workwear AS	Tools/Workwear/ Protective Equipment	June 2024	27	9	2
T.Brantestig Svetsmaskinservice AB	Welding	June 2024	26	8	1
Aktiebolaget Sundholm Welding	Welding	June 2024	23	6	2
Corema Svets & Industriprodukter AB**	Welding/Fastening	Oct 2024	155	25	2
Svenska Batterilagret AB	Batteries	Dec 2024	275	90	27
			747	**192**	**41**

** Currency rate: EUR 11.6 NOK 1.0*
*** Including the subsidiaries Corema Fasteners AB and Corema Sundsvall AB*

Corema Svets & Industriprodukter AB

A full-service supplier of welding, industrial products and fasteners:

- Annual turnover of SEK 155 million with good profitability
- Operations in Gothenburg and Sundsvall
- 25 employees
- Has a strong fastening offering
- Well-established customer base in the manufacturing sector.

Svenska Batterilagret AB

A leading battery specialist in Sweden and Alligo's largest acquisition to date:

- Significantly strengthens the Group's offering in batteries and battery accessories
- Annual turnover of SEK 275 million with strong profitability
- 27 stores across Sweden, head office in Kungälv
- Around 90 employees
- Example of product areas:
  - Car batteries and start boosters
  - Lithium batteries for tools and recreational boats
  - Solar panels for caravans and camper vans
- B2C and B2B customers – SME companies

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Acquisition driven growth counteracts weak organic sales

– Decreased contribution margin due to negative mix effects and decreased supplier bonus

Revenues and EBITA

MSEK	2024 Okt-Dec	Δ, %	2023 Okt-Dec	2024 Jan-Dec	Δ, %	2023 Jan-Dec
Revenue	2,589	2.0	2,538	9,333	0.0	9,335
Adjusted EBITA	214	-30.5	308	601	-27.3	827
Amortisation	*-17*		*-14*	*-63*		*-59*
Items affecting comparability	*-19*		*-16*	*-33*		*-20*
Operating profit	178		278	505		748
Gross margin, %	41.1		43.4	40.7		41.4
Adjusted EBITA margin,%	8.3		12.1	6.4		8.9

Highlights Q4 2024

- Revenue increased by 2.0 %
  - Organic growth of -3.0 %
  - Acquisition-driven growth of 6.8 %
  - Negative FX -0.2%, one less trading day (-1.5)
- Decreased contribution margin
  - Decreased supplier bonus and negative mix effects
- Adjusted EBITA decreased by 94 MSEK
  - Weak volumes, negative customer segment, and size mix
  - EBITA acquisitions 26 MSEK
  - Cost savings
- Items affecting comparability related to cost-saving initiatives
- Financial net -40 MSEK (-34)
  - whereof -23 MSEK (-24) related to bank financing costs
  - Q4 average interest rate 4.2% (5.1) - STIBOR

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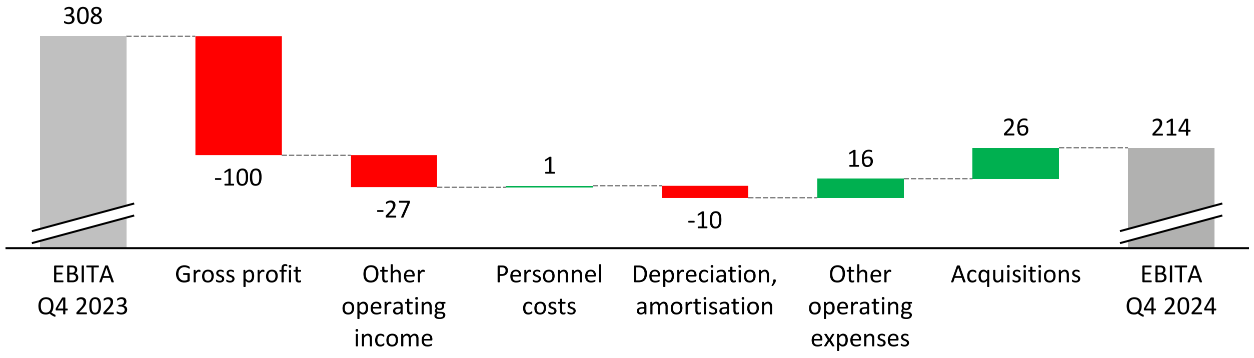
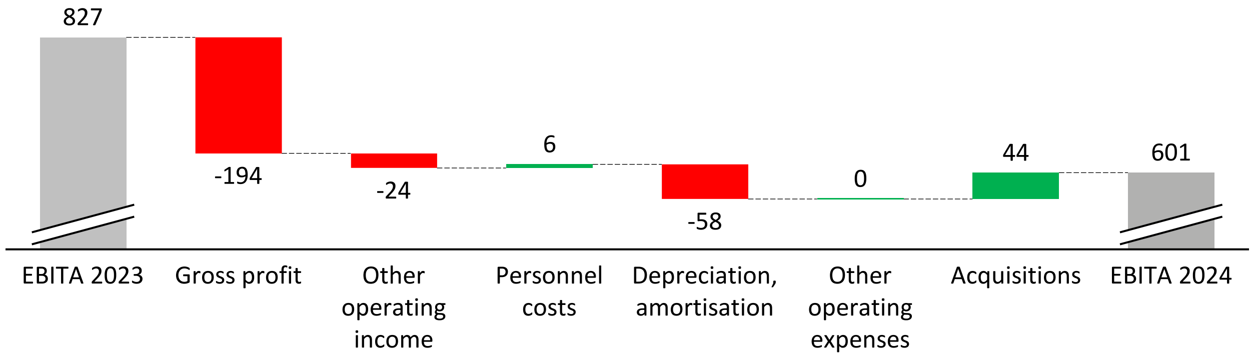
The decline in EBITA was caused by weak sales and lower gross margin

– Results from acquisitions and cost-savings counteract

EBITA bridge Q4



EBITA bridge 2024



Highlights Q4 2024

- Weaker volumes, decreased supplier bonuses, and adverse mix effects explain the decreased gross profit.
- Other operating income decreased due to a reduction in marketing contributions.
- Cost savings have offset the impact of salary increases and other effects of inflation.
- Increased depreciation/ amortization driven by right-of-use assets.

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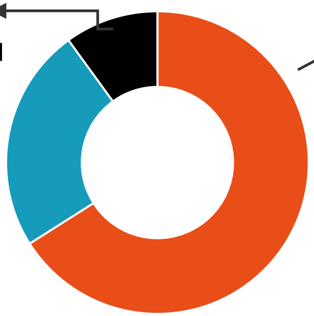
Decreased share of own brands and SME customers in Sweden

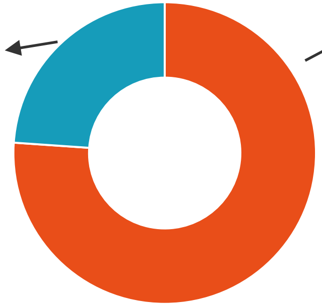
– Both integrated and non-integrated companies

Sweden

SALES PER CHANNEL

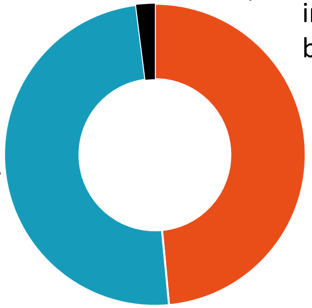


SALE OF OWN BRANDS



Norway

SALES PER CHANNEL



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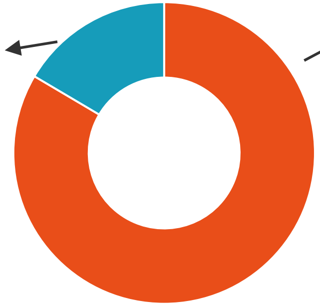
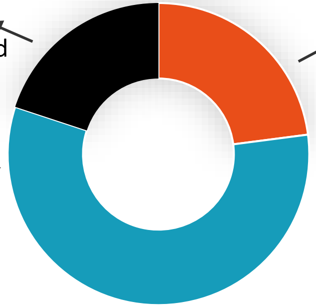
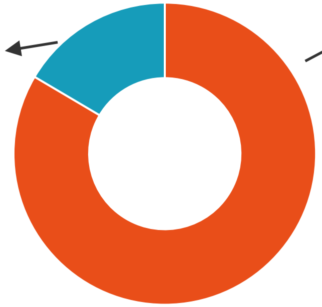


Finland

SALES PER CHANNEL



SALE OF OWN BRANDS



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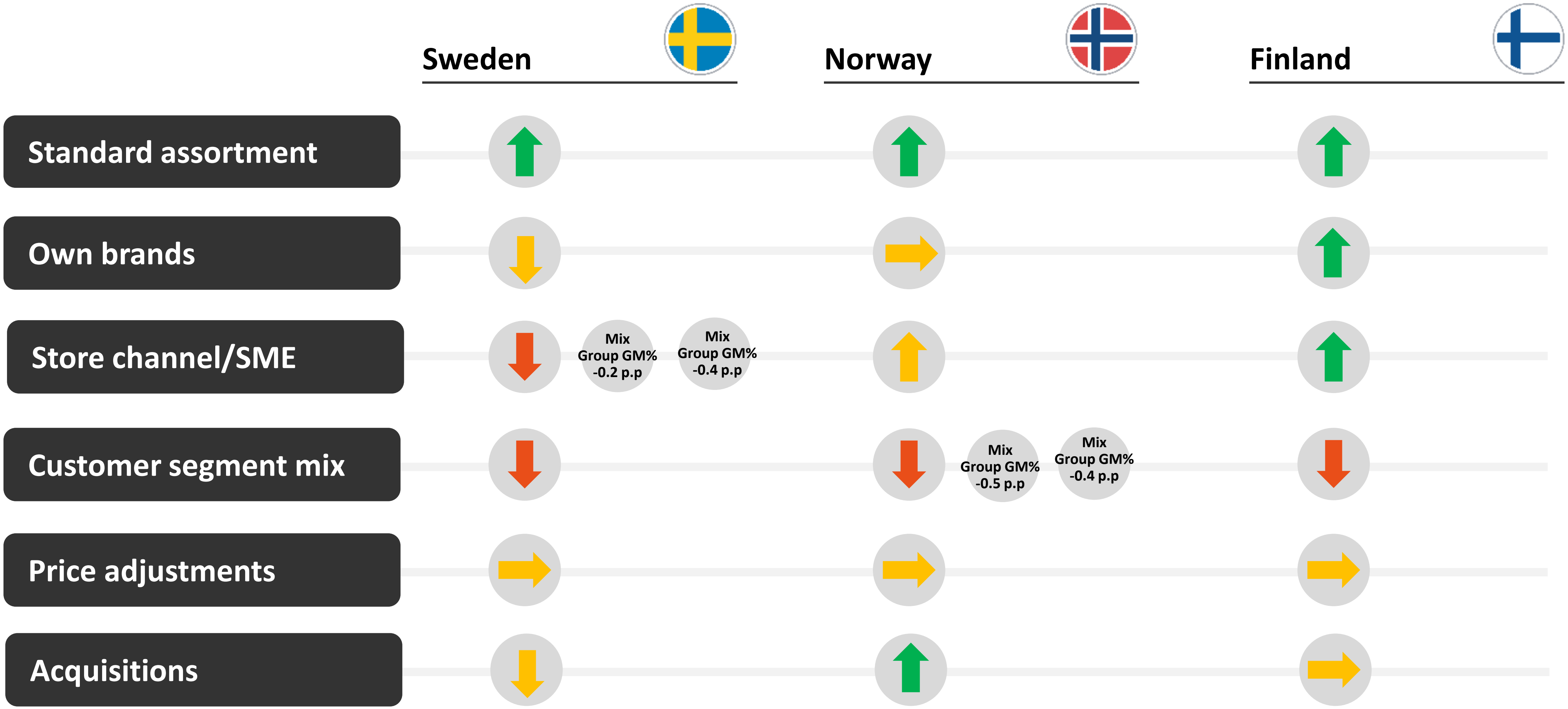
Deteriorated contribution margin in all countries

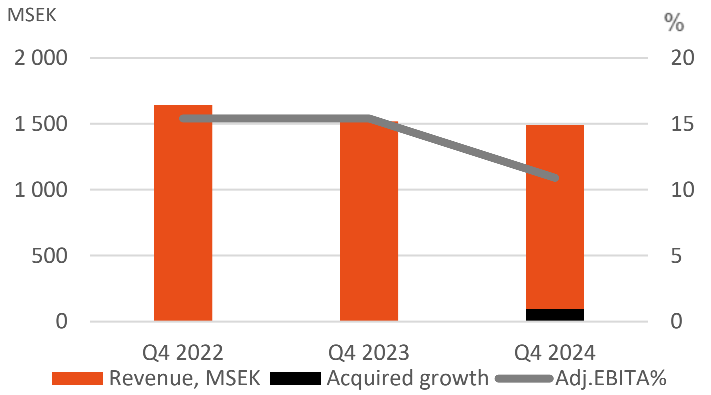
– Continued negative customer segment and size mix but an improvement in SE in Q4



Decreased EBITA in all countries

– Negative organic growth and unfavourable customer segment and size mix – acquisitions counteract

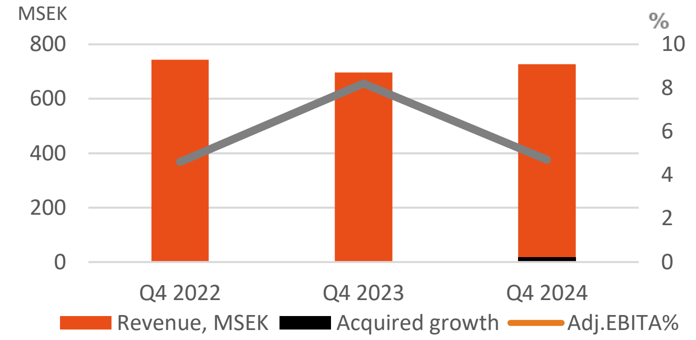
Sweden



Organic growth:	Adj. EBITA margin:
Q4 -9%	Q4 10.9% (15.4)
YTD -6%	YTD 8.7% (11.4)

- Revenue decreased by -1.6%
  - Continued weak market
  - Acquisitions +6% and -1 WD
- EBITA decreased by -72 MSEK
  - Declining volumes
  - Decreased margins - customer mix, supplier bonus
  - Acquisitions 14 MSEK, cost reductions

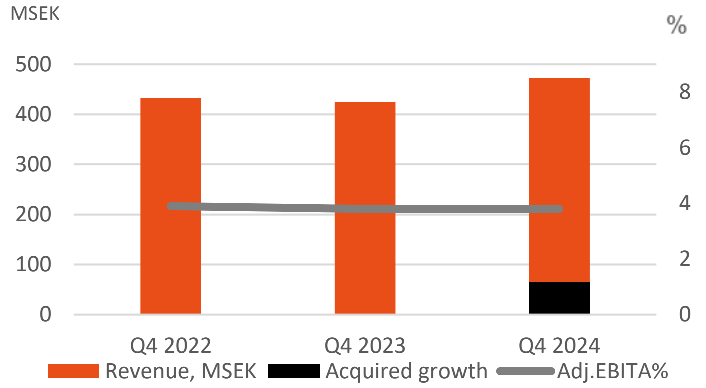
Norway



Organic growth:	Adj. EBITA margin:
Q4 +3%	Q4 4.7% (8.2)
YTD +3%	YTD 3.9% (6.1)

- Revenue increased by 4.3%
  - Continued strong market in Oil & Gas, Negative FX
  - Acquisitions +2% and -1 WD
- EBITA decreased by -23 MSEK
  - Decreased margins customer mix, supplier bonus and price pressure
  - Logistic coordination Vestby
  - Acquisitions +1 MSEK

Finland



Organic growth:	Adj. EBITA margin:
Q4 -4%	Q4 3.8% (3.8)
YTD -9%	YTD 2.4% (3.6)

- Revenue increased by 11.1%
  - Slight recovery in the market
  - Acquisitions +15% and -1 WD
- EBITA increased by 2 MSEK
  - Declining volumes
  - Acquisitions +11 MSEK

Focus on boosting sales activities, as well as increasing share of SME and own brands

Operating cash flow in Q4 is lower than last year due to lower EBITDA

– Q4 is seasonally the strongest quarter

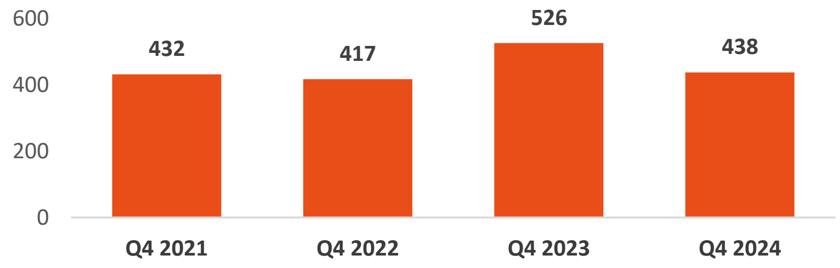
Cash flow

MSEK	2024 Oct-Dec	Δ	2023 Oct-Dec	2024 Jan-Dec	Δ	2023 Jan-Dec
Operating activities	438	-88	526	952	-41	993
Investing activities	-166	-74	-92	-541	-200	-341
Financing activities	66	188	-122	-117	366	-483
Cash flow	**338**	**26**	**312**	**294**	**125**	**169**

Highlights Q4 2024

- Lower cash flow from operating activities, primarily due to lower EBITDA.
  - Reduced inventory levels offset by the higher level of goods in transit (own brands)
- Cash flow from investing activities driven by a higher acquisition pace
  - Lower organic investment – Capex/Depreciation 0,9
- Higher cash flow from financing activities
  - Higher usage of credit facilities

Cash flow from operating activities, MSEK



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Increased leverage, but still a solid financial position

Overview of the financial position

MSEK	31 Dec 2024	31 Dec 2023
Non-current interest bearing liabilities	3,121	2,624
Current interest bearing liabilities	452	398
Cash and cash equivalents	-670	-382
Financial lease liabilities	-1,269	-1,191
Net operational liabilities	**1,634**	**1,449**
EBITDA*, LTM	689	914
Net operational liabilities/EBITDA*, ratio	**2.4**	**1.6**

** Excl. IFRS 16*

Highlights Q4

- Ratio of net operational liabilities to EBITDA (excl. IFRS 16) of 2.4
- Cash and unutilized granted credit facilities of MSEK 1,490 at the end of the period
- Equity/assets ratio 44.6 % (excl IFRS 16)
- Total sustainability linked facility 2,600 MSEK excl. credit facility 400 MSEK +10 MEUR
  - Extended facility by 300 MSEK
  - Maturity March 2027
  - Q4 average interest rate 4.2% (5.1)
- Financial covenants fulfilled
- Continue to invest in organic growth and take advantage of potential good M&A opportunities

Performance in 2024 in relation to financial targets

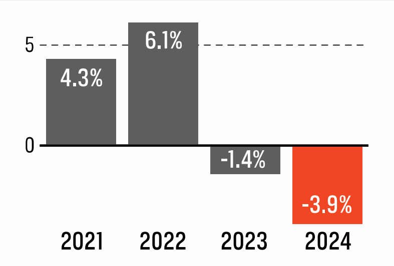
TARGET	OUTCOME

GROWTH

›5%

Organic growth

Average organic growth shall be more than five per cent per year over a business cycle. Further growth shall also be made through acquisitions.

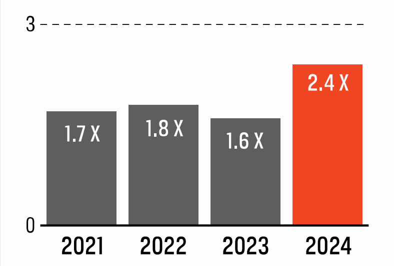


INDEBTEDNESS

‹3X

Ratio of net operational liabilities to adjusted EBITDA, excl. IFRS 16

The ratio of net operational liabilities to adjusted EBITDA shall be less than a multiple of three.

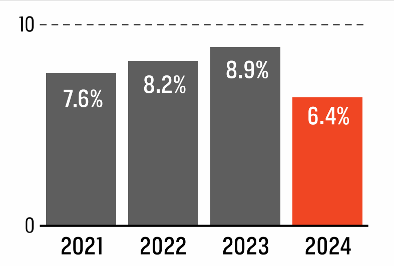


PROFITABILITY

›10%

Adjusted EBITA margin

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

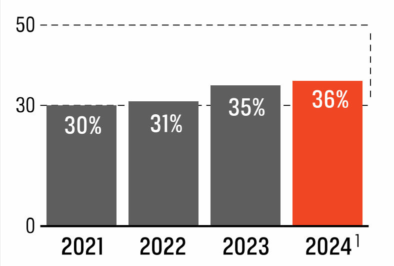


DIVIDEND

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.



1) Proposed dividend.

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Performance in 2024 in relation to sustainability targets

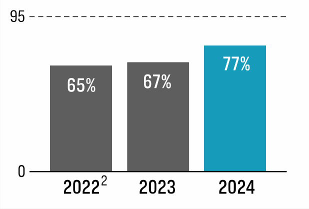
TARGET **OUTCOME**

RESPONSIBLE SUPPLIER RELATIONSHIPS

>95%

Shall meet the Supplier Standard

More than 95 per cent shall meet Alligo's Supplier Standard[1], measured as a proportion of the total purchase value from suppliers to the standard range.



SATISFIED CUSTOMERS

>75

Customer Satisfaction Index

The Customer Satisfaction Index (CSI) shall be more than 75.

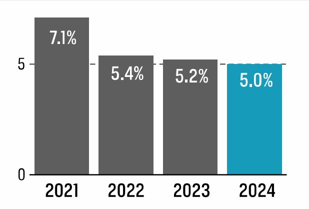
CSI	2021[3]	2022[3]	2023[4]	2024
Sweden Swedol	77	78	-	77
Norway Tools	80	80	-	78
Finland Tools	77	n.a.	-	82

HEALTH

<5%

Sickness absence

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



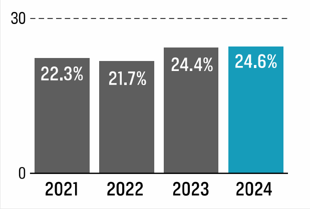
TARGET **OUTCOME**

GENDER EQUALITY

>30%

Proportion of women in management positions

The proportion of women in management positions shall be more than 30 per cent by 2030.



CLIMATE IMPACT

↓CO_2

Reduced greenhouse gas emissions

Net zero greenhouse gas emissions throughout the entire value chain by 2050 at the latest, with the following milestones:

Scope 1 and 2: Reduce absolute greenhouse gas emissions by 42 per cent by 2030, calculated from the base year 2023.

Scope 3: The proportion of suppliers[5] with science-based targets shall be at least 65 per cent by 2029.

The climate targets have been submitted to the Science Based Targets initiative for validation and are subject to change. The outcome for 2024 will be reported on the publication of the Annual and Sustainability Report 2024

2024 2025 2026 2027

1) Alligo's Supplier Standard includes contracts, acceptance of the Supplier Code of Conduct and related restricted chemicals lists, and self-assessments performed by suppliers on 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) From 2024 onwards, Alligo reports the CSI for one concept brand per country. To improve comparability, the historical outcomes have been restated.
4) Customer satisfaction was not measured in 2023 as the measurement method was under review.
5) Proportion in terms of expenditure on purchased goods, indirect purchases and transport.

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Q4 2024 in summary

- The fourth quarter concluded an unusually challenging year
  - Decline in sales was less than in the beginning of the year
  - Signs the market situation is stabilising, albeit at a weak level
- Signed nine acquisitions during 2024 – adding 747 MSEK in annual revenue. The two largest:
  - Corema
  - Batterilagret
- Initiated a project in Finland to improve profitability in the Tools business
- Alligo continues to maintain a strong financial position, enabling investments in our own operations and through acquisitions, as well as for dividends

Outlook 2025

- Alligo's market position remains strong
- Continued focus on acquisitions in technology areas such as batteries and welding – creating synergies in the integrated business
- Build for the future by improving and streamlining existing operations:
  - Launch of new services and new brands:
    ReCare – 1832 – Prowell
- Continued cost cautiousness

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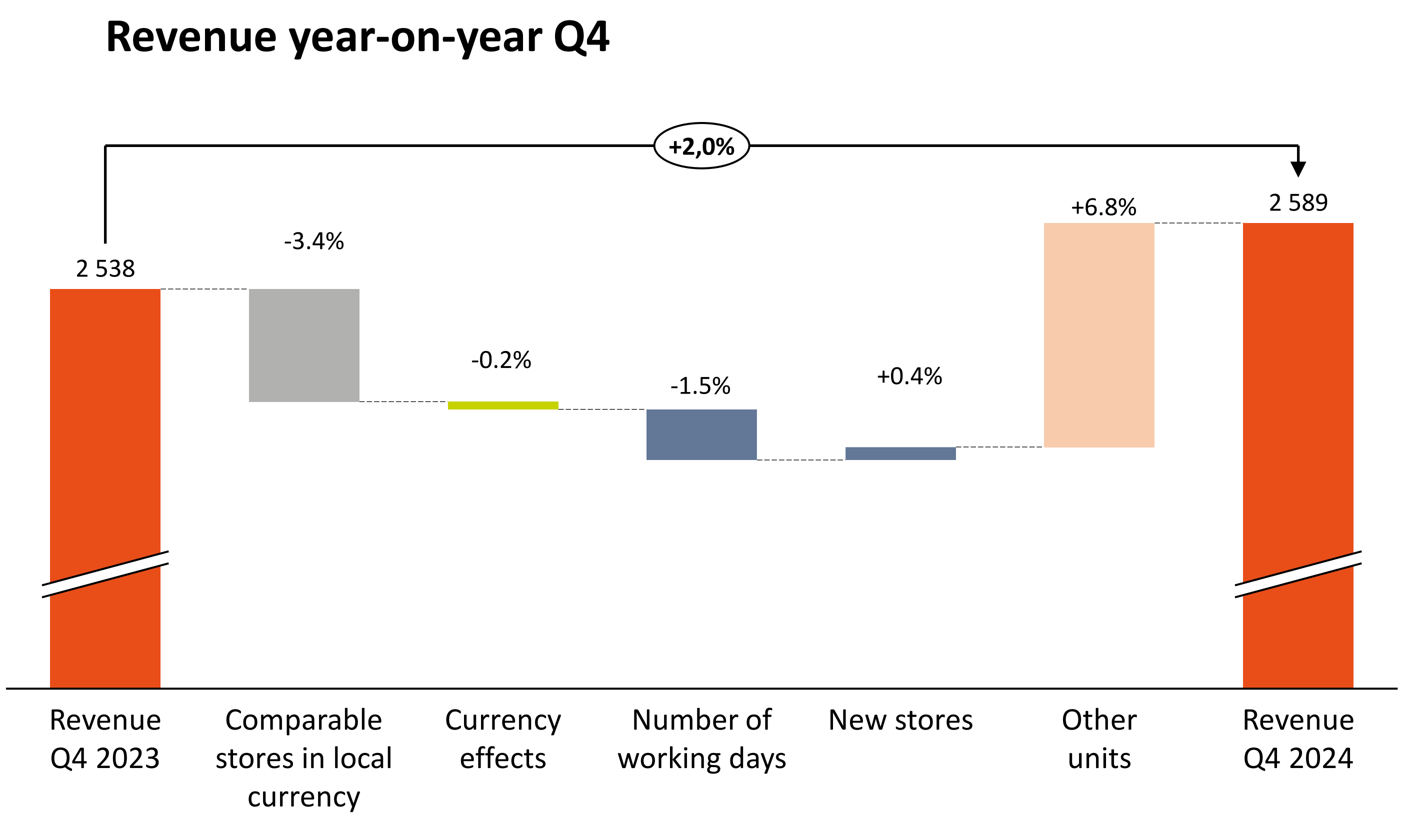
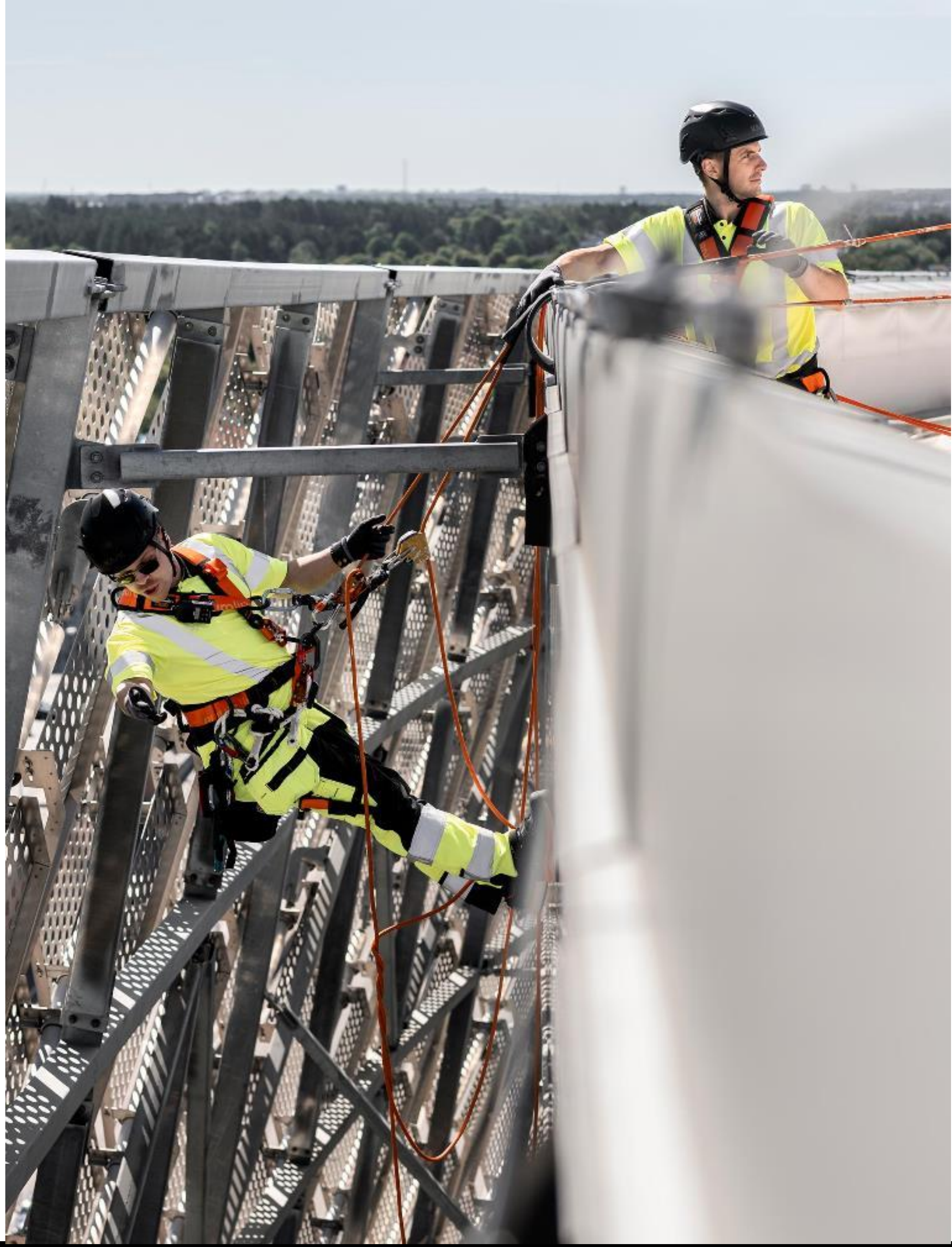
Q&A

APPENDIX

Revenue bridge fourth quarter 2024





IFRS 16 effects on cash flow

MSEK	2024 Oct-Dec	2023 Oct-Dec	2024 Jan-Dec	2023 Jan-Dec
IFRS 16 effects on cash flow from operations	117	121	405	365
IFRS 16 effects on cash flow from financing activities	-117	-121	-405	-365

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2023 – six acquisitions signed, adding 330 MSEK in annual revenues

– as well as 80 employees and 8 stores

Acquisition	Product category	Date signing	Annual revenue (MSEK)*	Employees	Stores
Kitakone Oy	Workwear/Tools	April 2023	34	8	1
Topline AB (70%)	Workwear/Profile Clothing/Product Media	May 2023	60	16	2
Tampereen Pirkka-Hitsi Oy	Welding	June 2023	57	13	2
Tore Vagle AS**	Industrial Components/Tools/	Dec 2023	38	11	1
Svets och Tillbehör i Sverige AB**	Welding/Tools	Dec 2023	120	24	1
Svetspartner i Malmö AB**	Welding/Tools	Dec 2023	25	8	1
			334	**80**	**8**

Currency rate: EUR 11,4, NOK 0,98*　　* Completed in Jan 2024*

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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.
- **2016** – Swedol acquires Grolls.
- **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.
- **2024** – Alligo completes the consolidation of the Group's concept brands to one in each country: Swedol in Sweden and Tools in Norway and Finland.

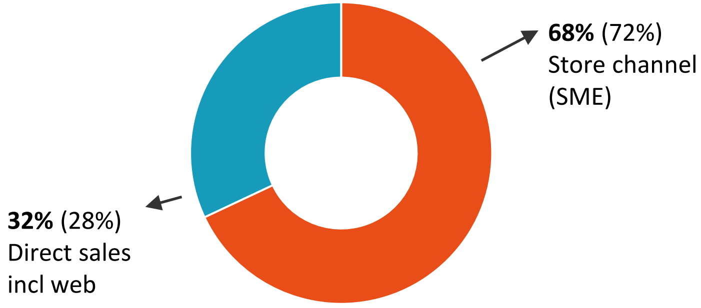
Five reasons to invest in Alligo

1	2	3	4	5
Market growth and resilient customer segments	Scalable platform a foundation for continued growth	Own brands increase competitiveness and profitability	Sustainable enterprise an integrated part of the business	Leader in the consolidation process on the Nordic markets

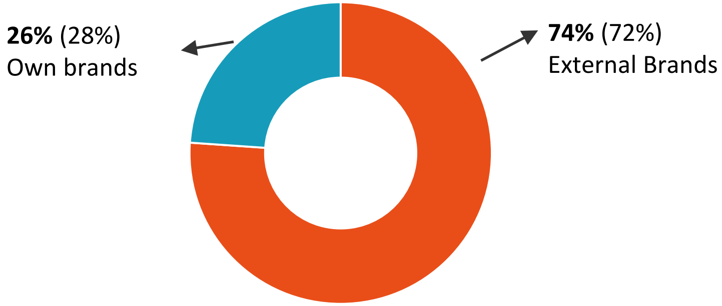
Decreased share of own brands and SME customers in Sweden FY2024
– Only integrated companies

Sweden

SALES PER CHANNEL



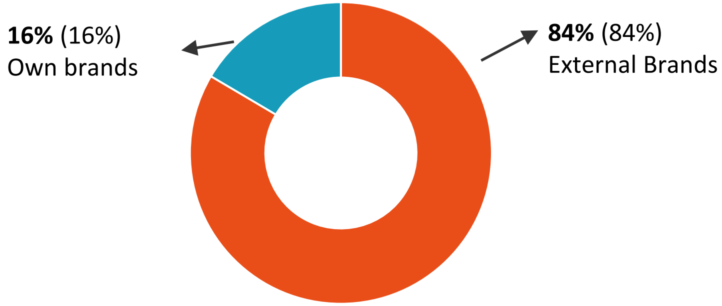
SALE OF OWN BRANDS



Norway

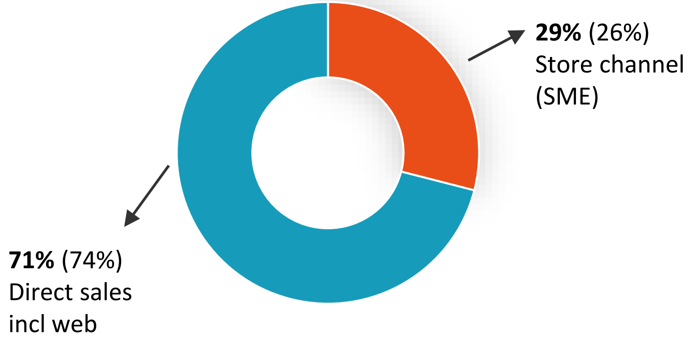
SALES PER CHANNEL

SALE OF OWN BRANDS

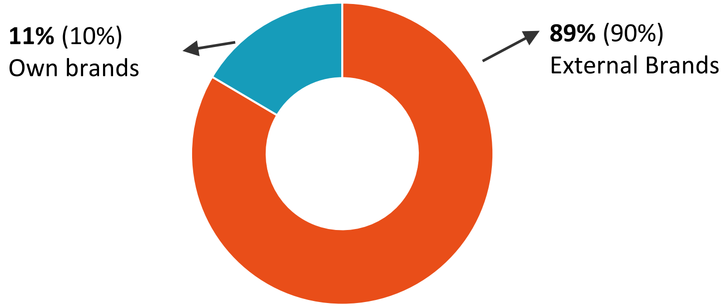


Finland

SALES PER CHANNEL



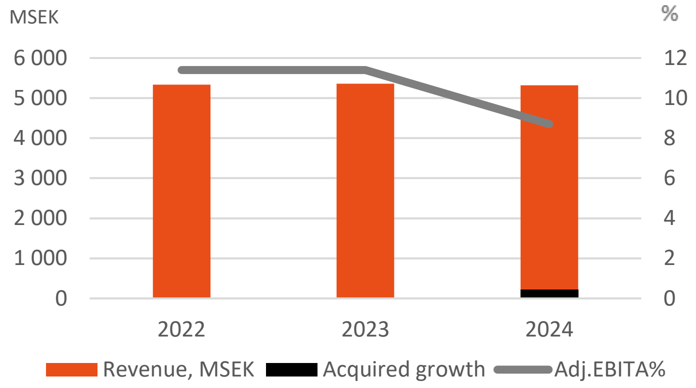
SALE OF OWN BRANDS



Decreased EBITA in all countries FY2024

– Negative organic growth and unfavourable customer segment and size mix – acquisitions counteract

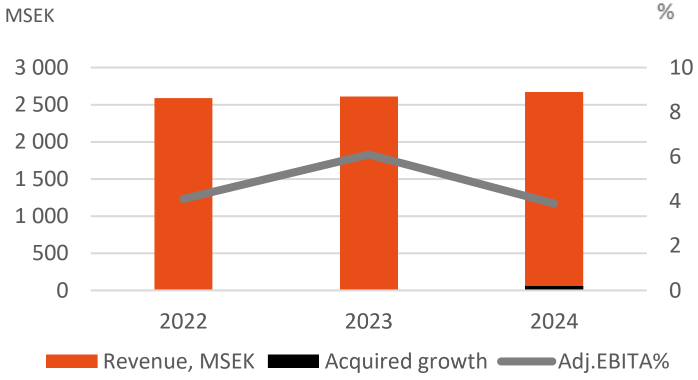
Sweden



Organic growth:	Adj. EBITA margin:
Q4 -9%	Q4 10.9% (15.4)
YTD -6%	YTD 8.7% (11.4)

- Revenue decreased by -0.7%
  - Continued weak market
  - Acquisitions +5%
- EBITA decreased by -149 MSEK
  - Declining volumes
  - Decreased margins - customer mix, supplier bonus
  - Acquisitions 25 MSEK, cost reductions

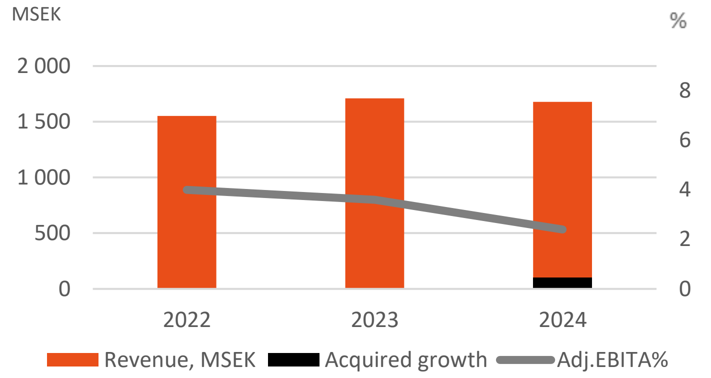
Norway



Organic growth:	Adj. EBITA margin:
Q4 +3%	Q4 4.7% (8.2)
YTD +3%	YTD 3.9% (6.1)

- Revenue increased by +2.3%
  - Continued strong market in Oil & Gas, Negative FX
  - Acquisitions +2%
- EBITA decreased by -56 MSEK
  - Decreased margins – customer mix, supplier bonus and price pressure
  - Logistic coordination Vestby
  - Acquisitions +5 MSEK

Finland



Organic growth:	Adj. EBITA margin:
Q4 -4%	Q4 3.8% (3.8)
YTD -9%	YTD 2.4% (3.6)

- Revenue decreased by -1.8%
  - Continued weak market, Negative FX
  - Acquisitions +8%
- EBITA decreased by -21 MSEK
  - Declining volumes
  - Investments in stores
  - Acquisitions +14 MSEK

Focus on boosting sales activities, as well as increasing share of SME and own brand

ALLIGO

Read more at alligo.com/en/report/q4-2024