

# Capital Markets Day

27 November 2024



# 01

## LOOKING BACK

Looking back  
**Christer Hansson**

# 02

## WHERE WE ARE

Foundation for growth  
**Christer Hansson**

# 03

## LOOKING AHEAD

Strategic direction  
**Christer Hansson**

Break

Operational model  
**Åsa Murphy**

Collaboration  
**Fredrik Bergegård**

Operational excellence  
Panel discussion

Perspectives from a CEO  
**Daniel Odéhn**

Break

Acquired growth  
**Alexander Bjärgård**

Financial update  
**Lena Glader**

Q&A

Concluding remarks  
**Christer Hansson**

# Key takeaways

**Foundation  
for growth**

**Capacity to drive  
organic growth**

**Trajectory for  
acquired growth**



# 01 Looking back



# The Storskogen journey

2012-2014



1.0

2015-2020



2.0

2021-2022



3.0

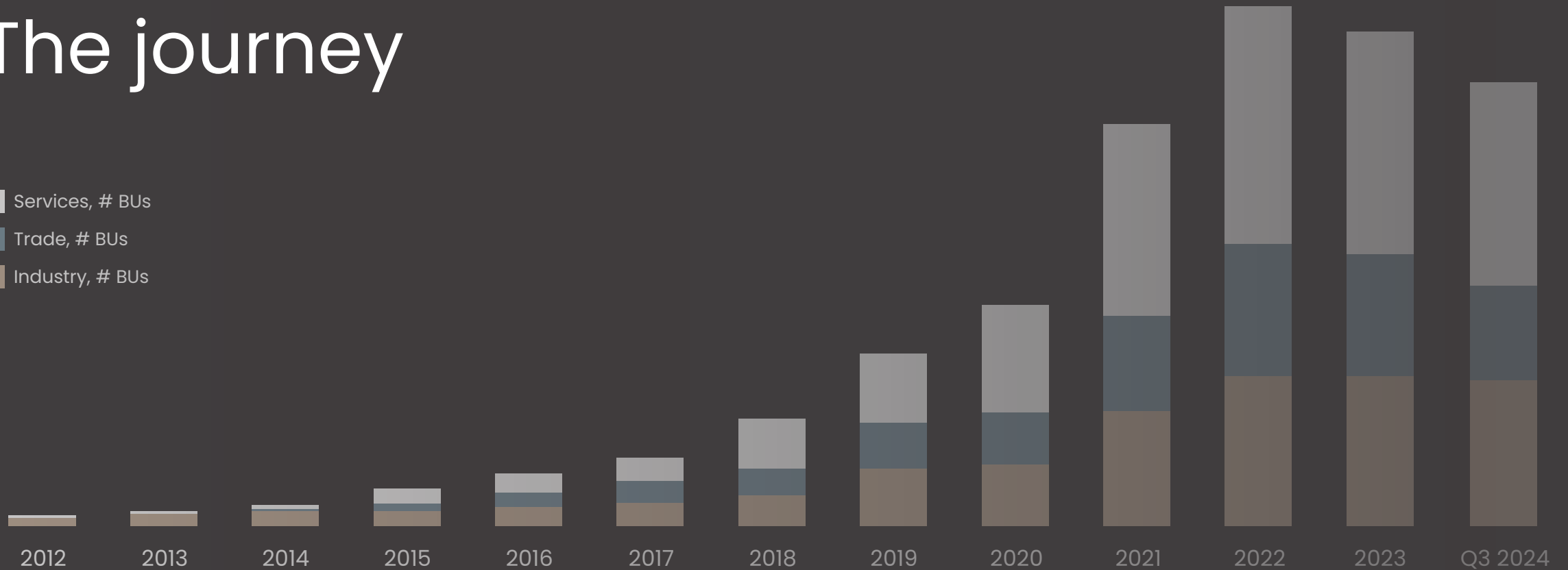
2022-today...



4.0

# The journey

■ Services, # BUs  
■ Trade, # BUs  
■ Industry, # BUs



**Phase 1**  
2012 - 2014



**Phase 2**  
2015 - 2020



**Phase 3**  
2021 - 2022



**Phase 4**  
2022 - today...



# The journey

Services, # BUs  
Trade, # BUs  
Industry, # BUs



2012



2013



2014



2015



2016



2017

**Phase 1**  
2012 - 2014



**Phase 2**  
2015 - 2020



**Phase 3**  
2021 - 2022



**Phase 4**  
2022 - today...



**Phase 1**  
2012 - 2014



**Phase 2**  
2015 - 2020



**Phase 3**  
2021 - 2022



**Phase 4**  
2022 - today...



**Founded in Sweden**

**SME opportunity**

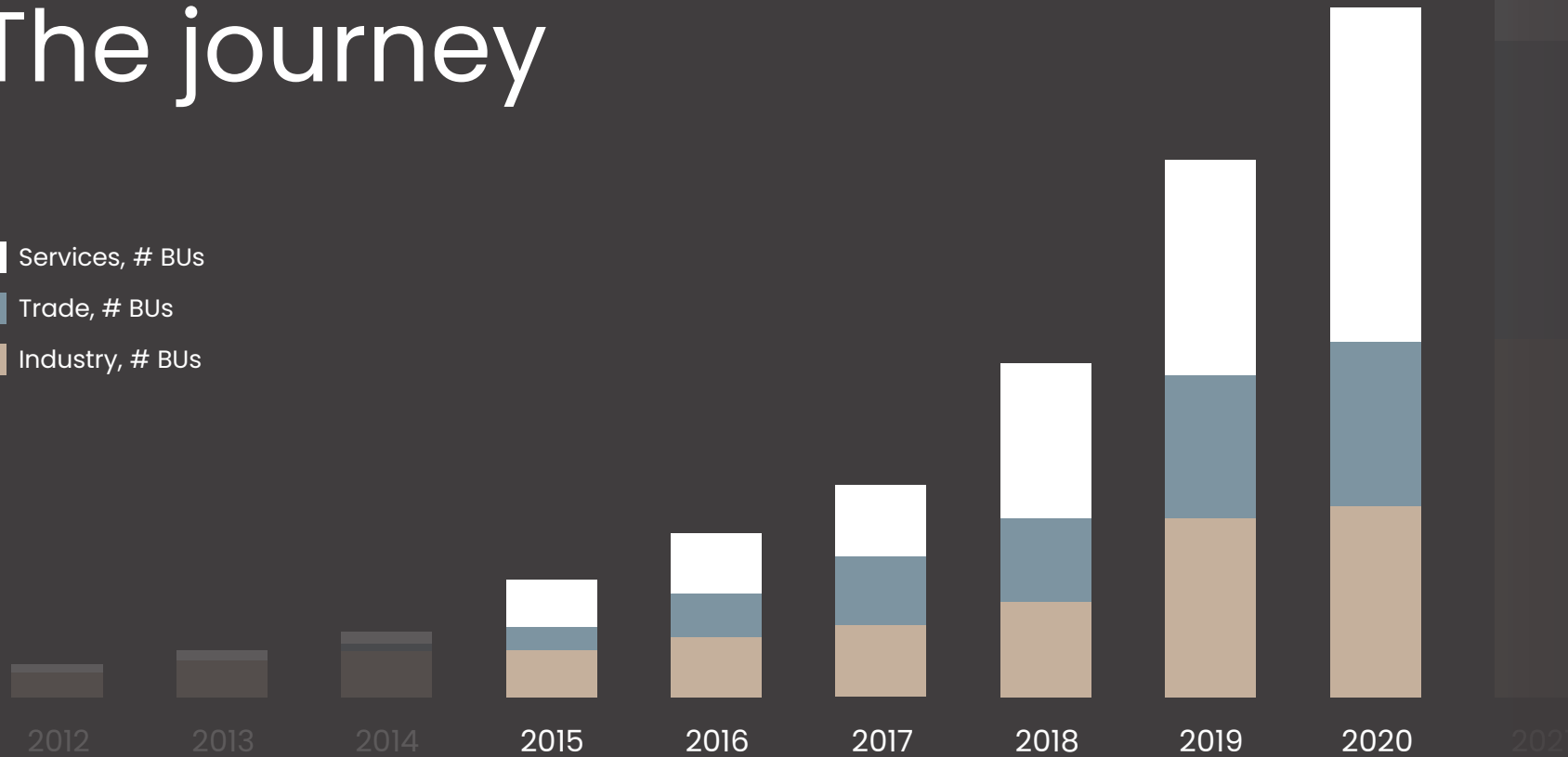
**Infinite ownership**

**Decentralised**



# The journey

- Services, # BUs
- Trade, # BUs
- Industry, # BUs



**Phase 1**  
2012 - 2014

**Phase 2**  
2015 - 2020

**Phase 3**  
2021 - 2022

**Phase 4**  
2022 - today...



# Phase 1

2012 - 2014



# Phase 2

2015 - 2020



# Phase 3

2021 - 2022



# Phase 4

2022 - today...



**International foundation**

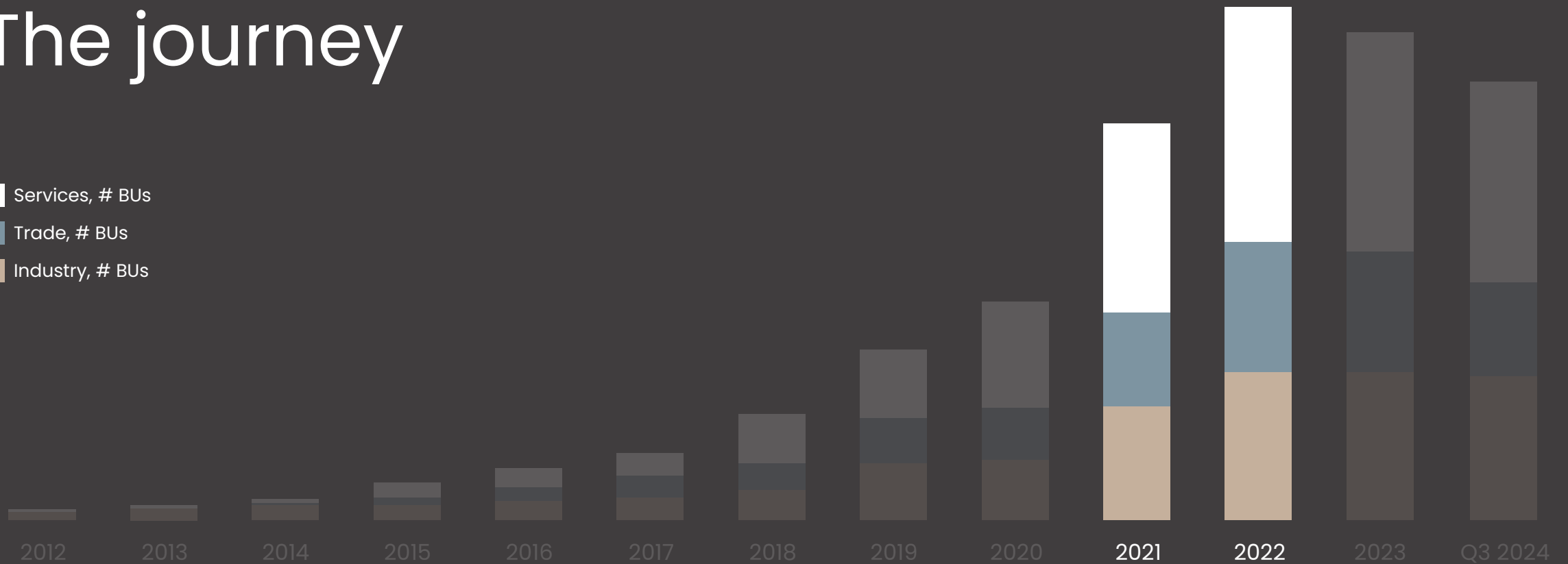
**Business areas**

**Growth**

**Active ownership**

# The journey

- Services, # BUs
- Trade, # BUs
- Industry, # BUs



**Phase 1**  
2012 - 2014

**Phase 2**  
2015 - 2020

**Phase 3**  
2021 - 2022

**Phase 4**  
2022 - today...





**Phase 1**  
2012 - 2014



**Phase 2**  
2015 - 2020



**Phase 3**  
2021 - 2022



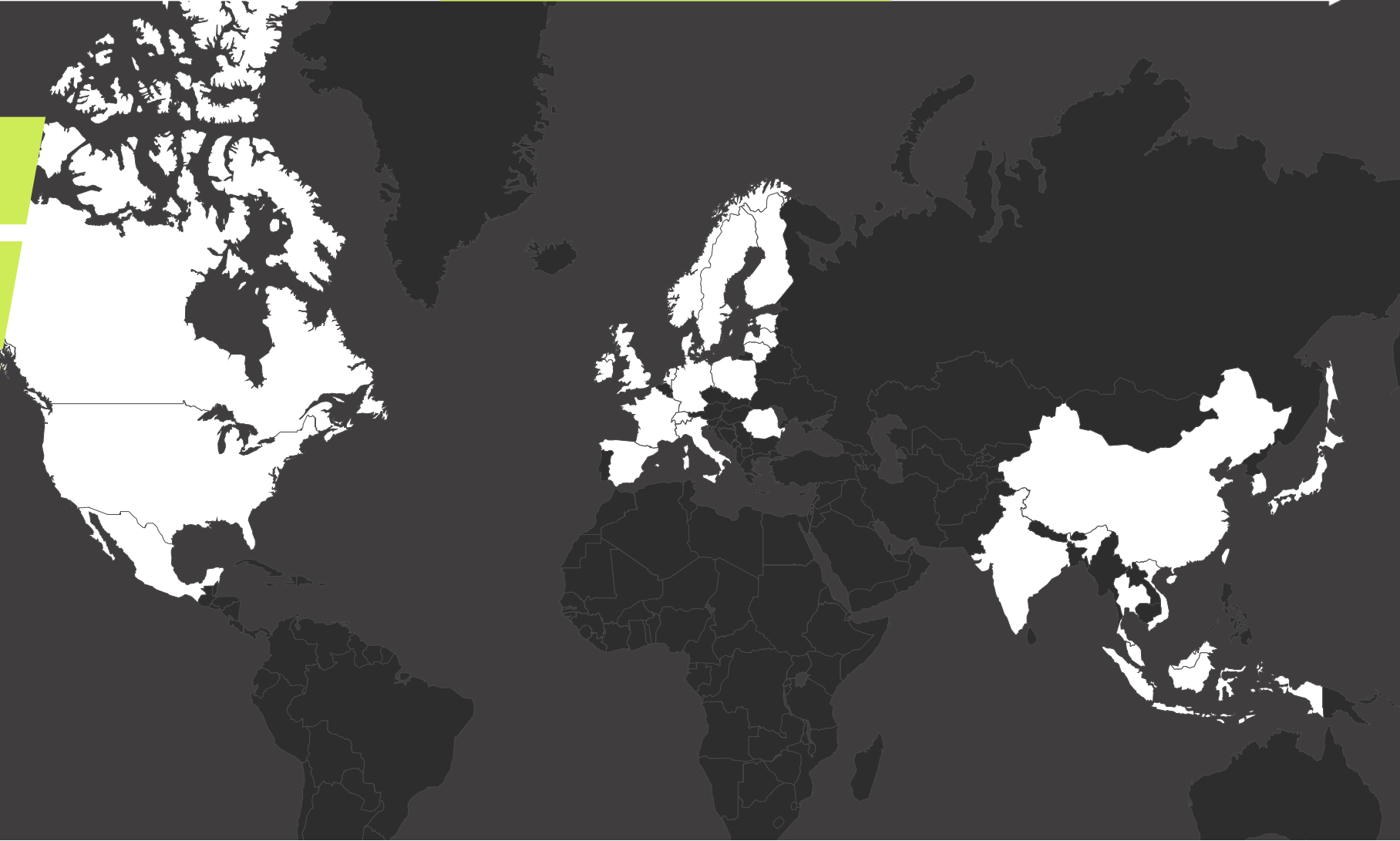
**Phase 4**  
2022 - today...



**Accelerated growth**

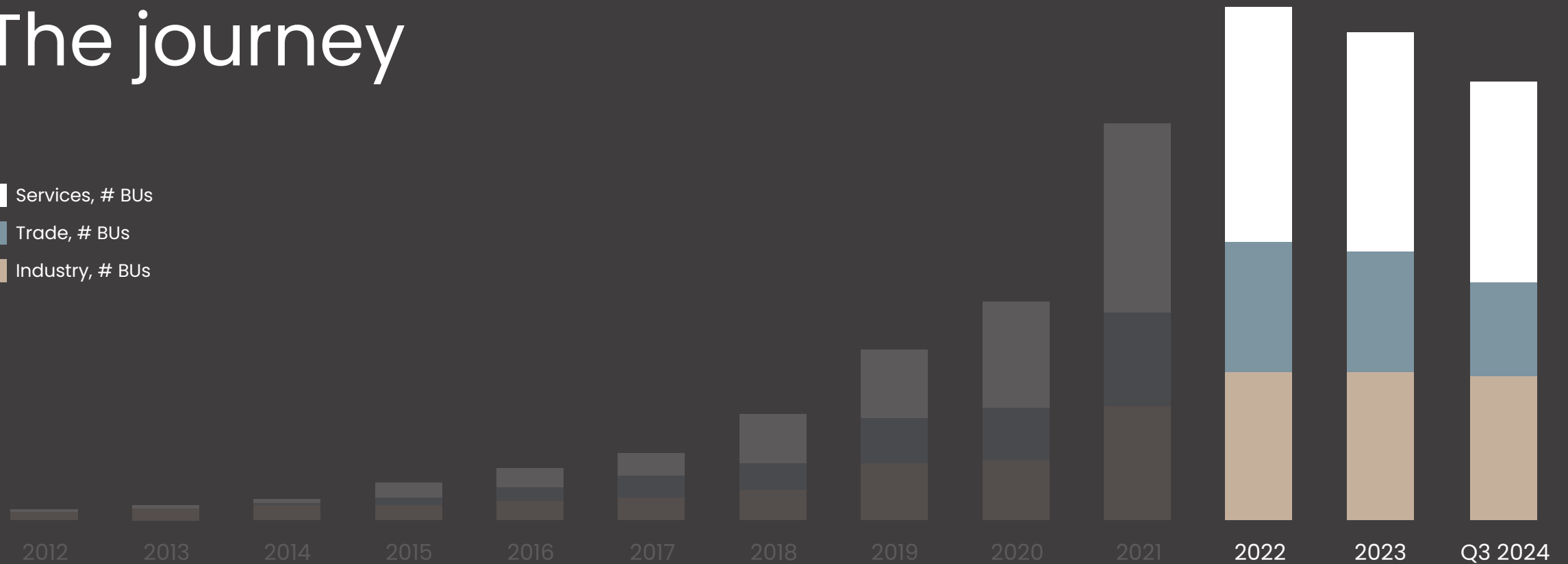
**Diversification**

**Turbulent macro**



# The journey

- Services, # BUs
- Trade, # BUs
- Industry, # BUs



**Phase 1**  
2012 - 2014

**Phase 2**  
2015 - 2020

**Phase 3**  
2021 - 2022

**Phase 4**  
2022 - today...



**Phase 1**  
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**Phase 2**  
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2022 - today...

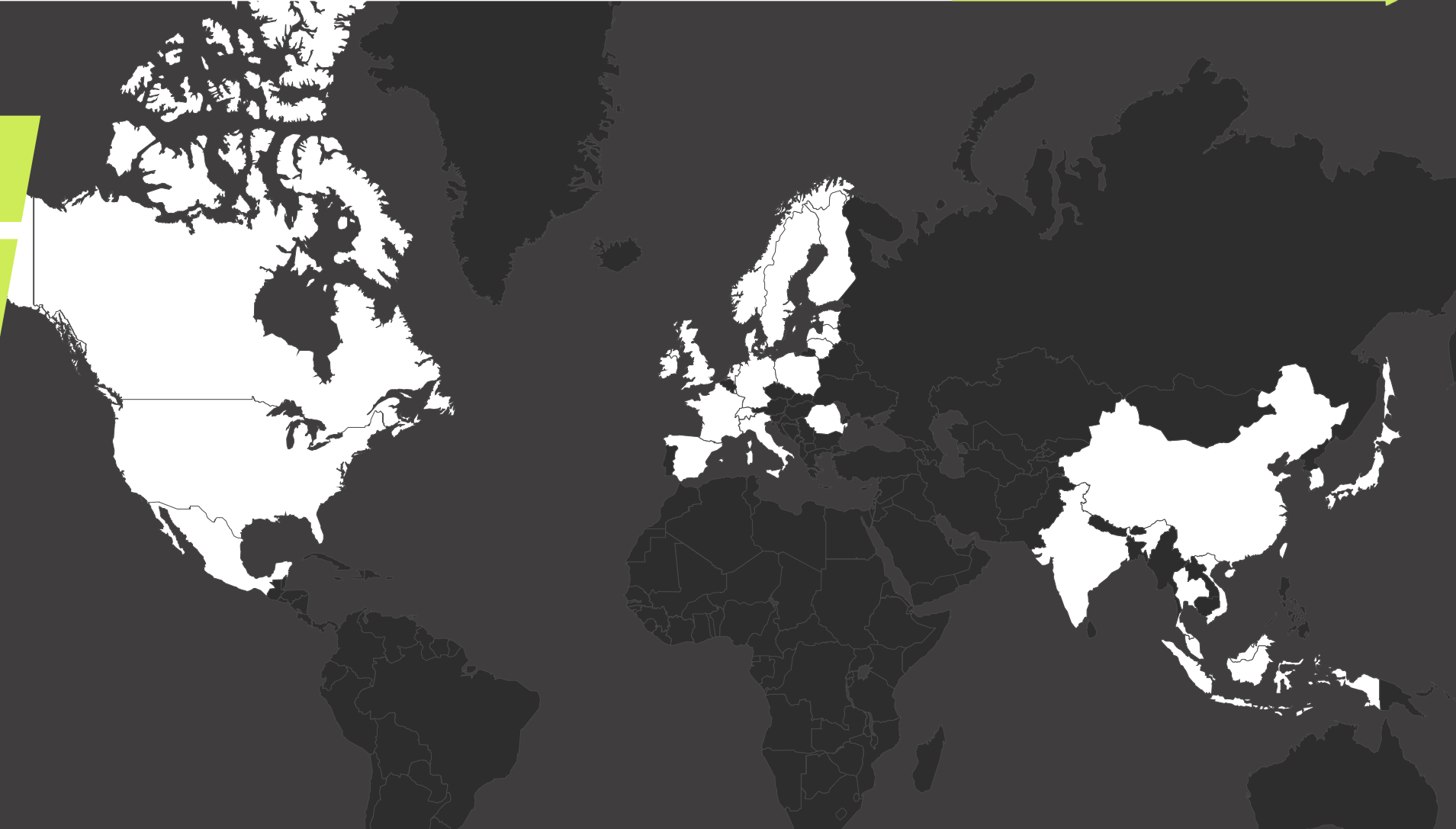


**Balance sheet**

**Operational focus**

**Portfolio review**

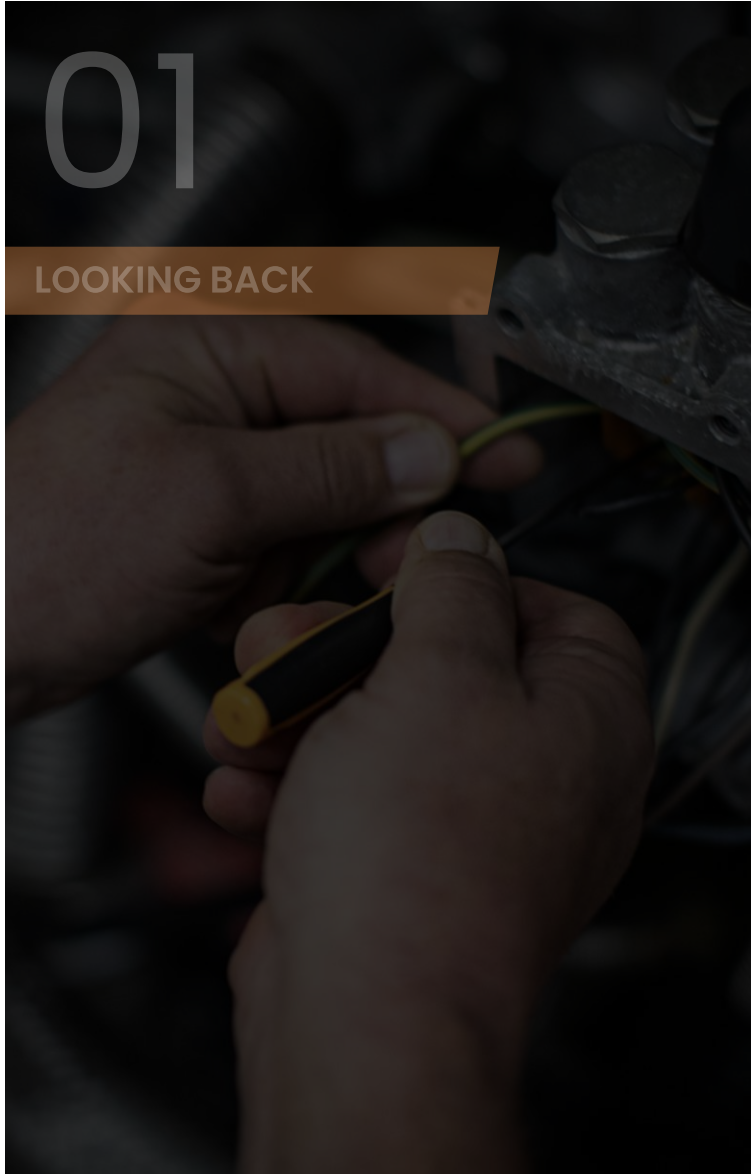
**Cash flow**





# 01

LOOKING BACK



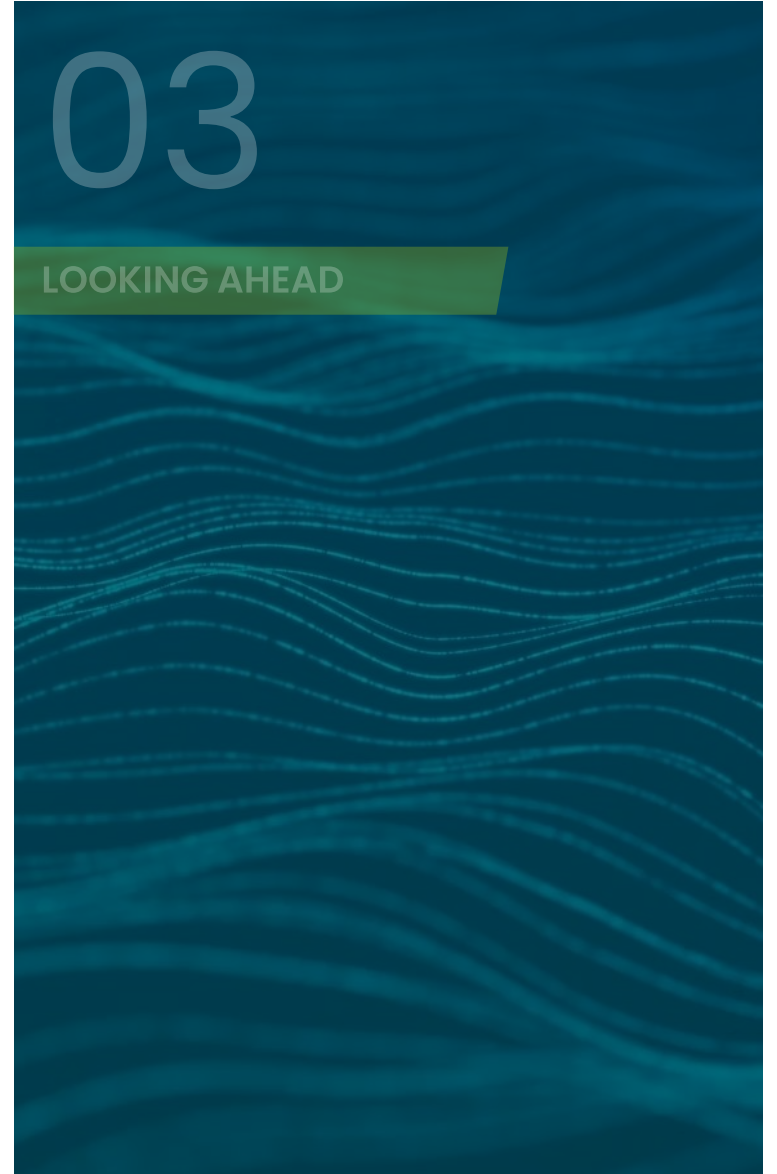
# 02

WHERE WE ARE

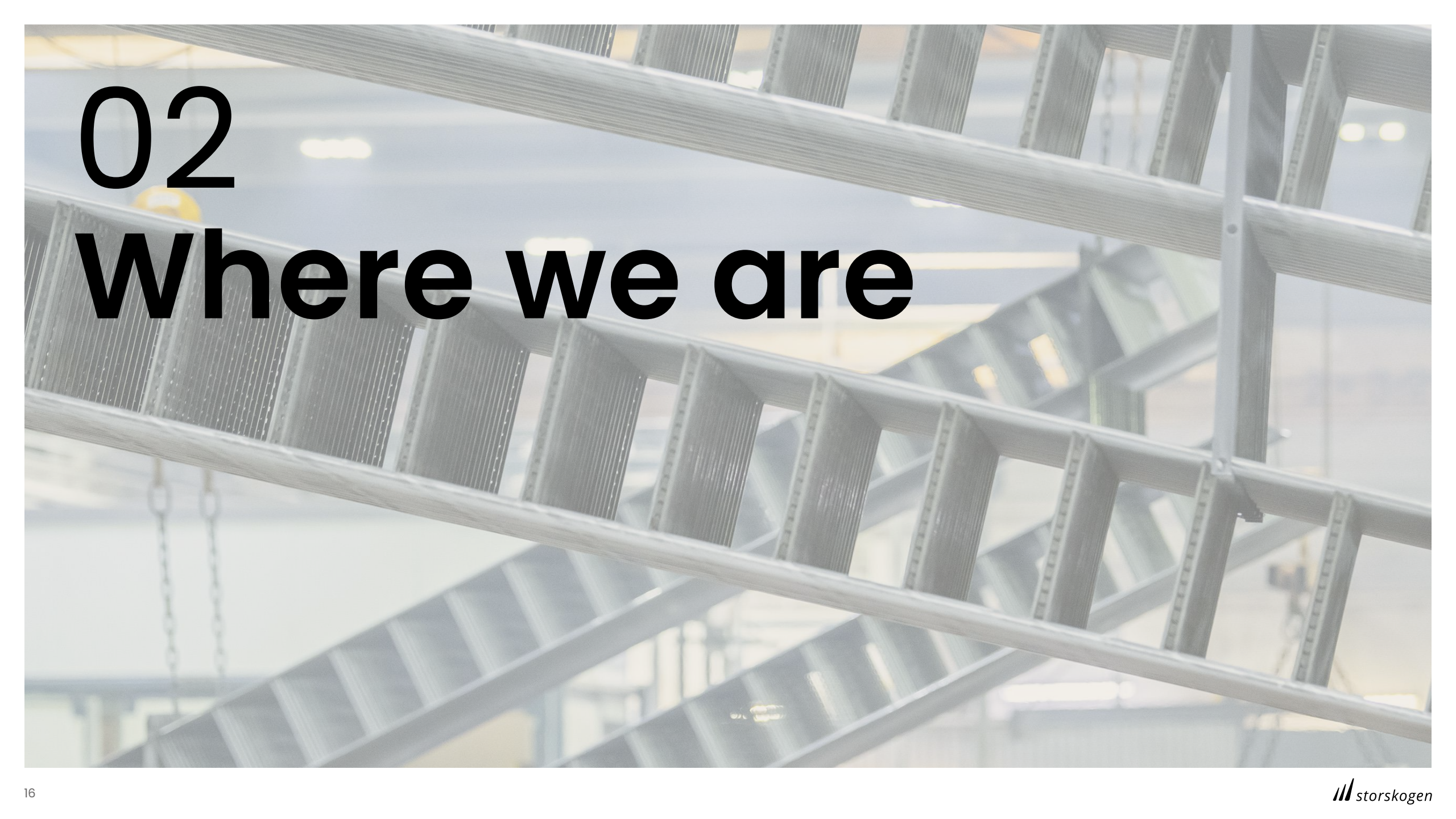


# 03

LOOKING AHEAD







02

# Where we are

## DESCRIPTOR

We acquire and develop leading small and medium-sized businesses in selected industries with a long-term ownership horizon

## MISSION

Our mission is to empower businesses to realise their full potential

## VISION

Our vision is to be the leading international owner of small and medium-sized businesses



# Core values

We are...

Entrepreneurial



Respectful



Professional



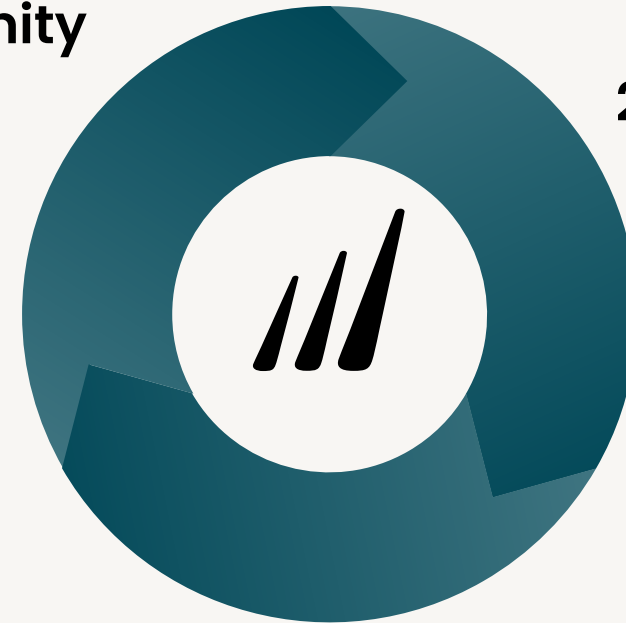
Long-term



# Business model

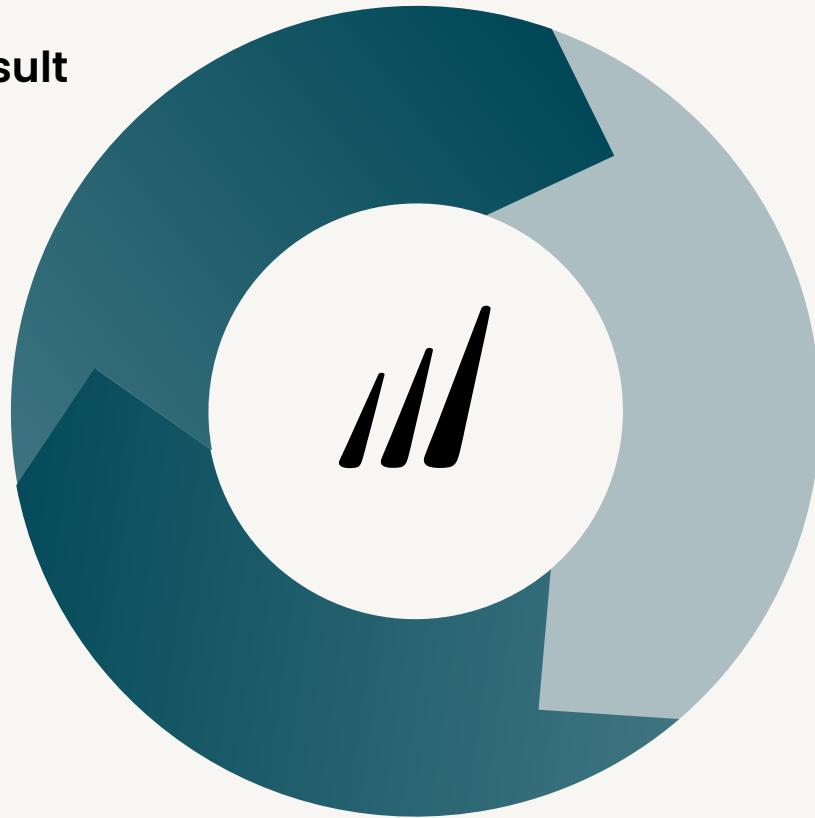
1. Opportunity

2. The Storskogen model



3. Result

**3. Result**



**2. The Storskogen  
model**

# 1. Opportunity

- Evergreen opportunity
- Attractive valuations
- Value-creation opportunities



**1. Opportunity**

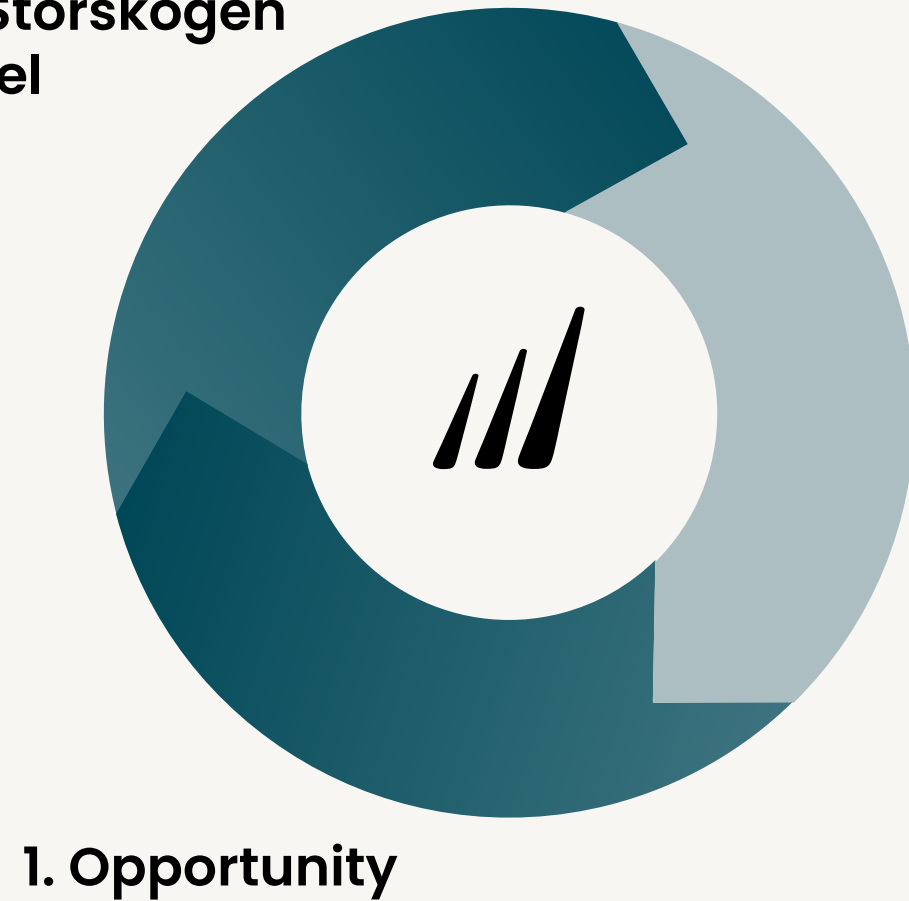


**3. Result**

## **2. The Storskogen model**

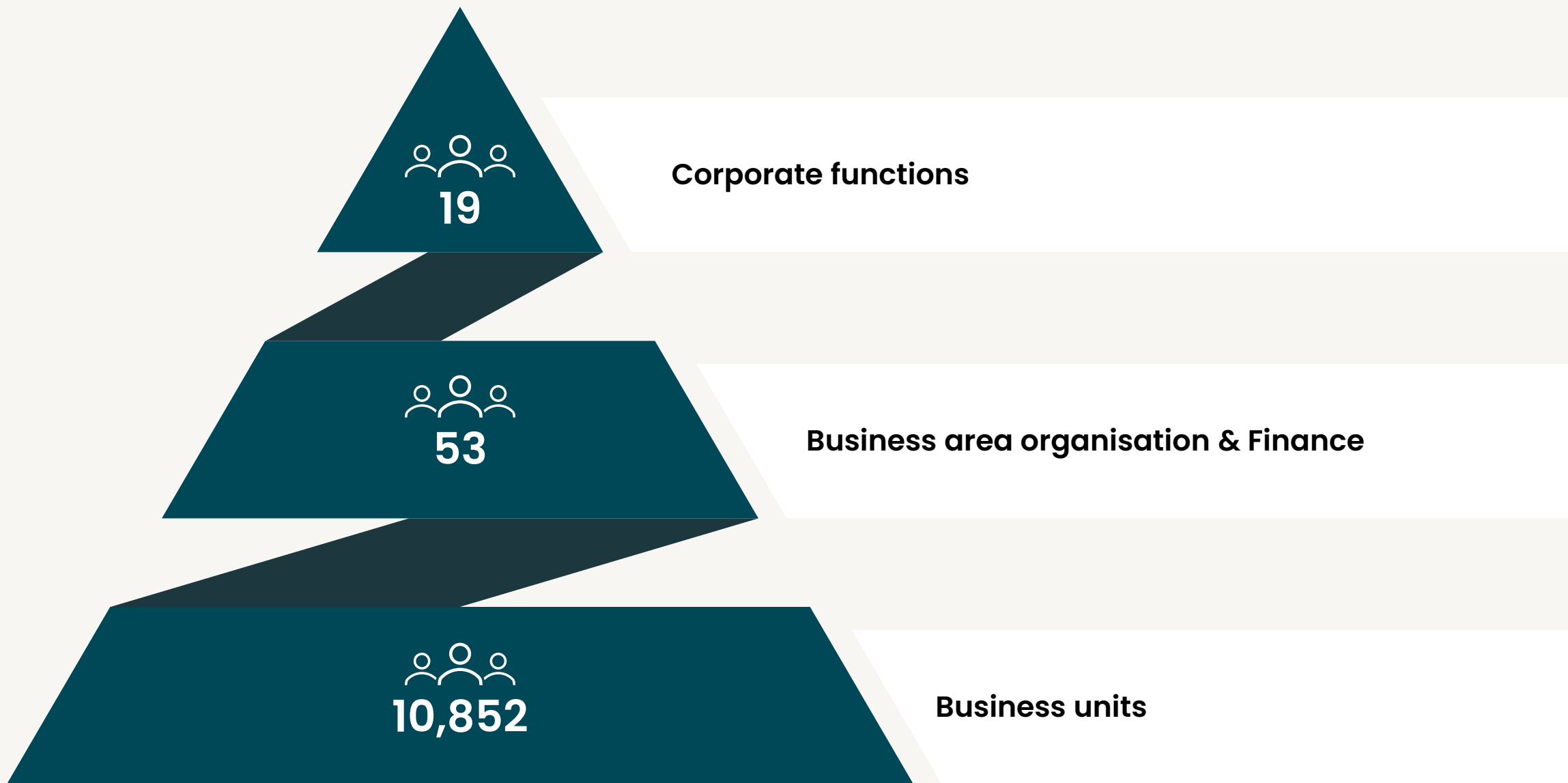
- Long-term perspective and stability
- Decentralisation
- Active ownership and financial governance
- Diversification

## 2. The Storskogen model



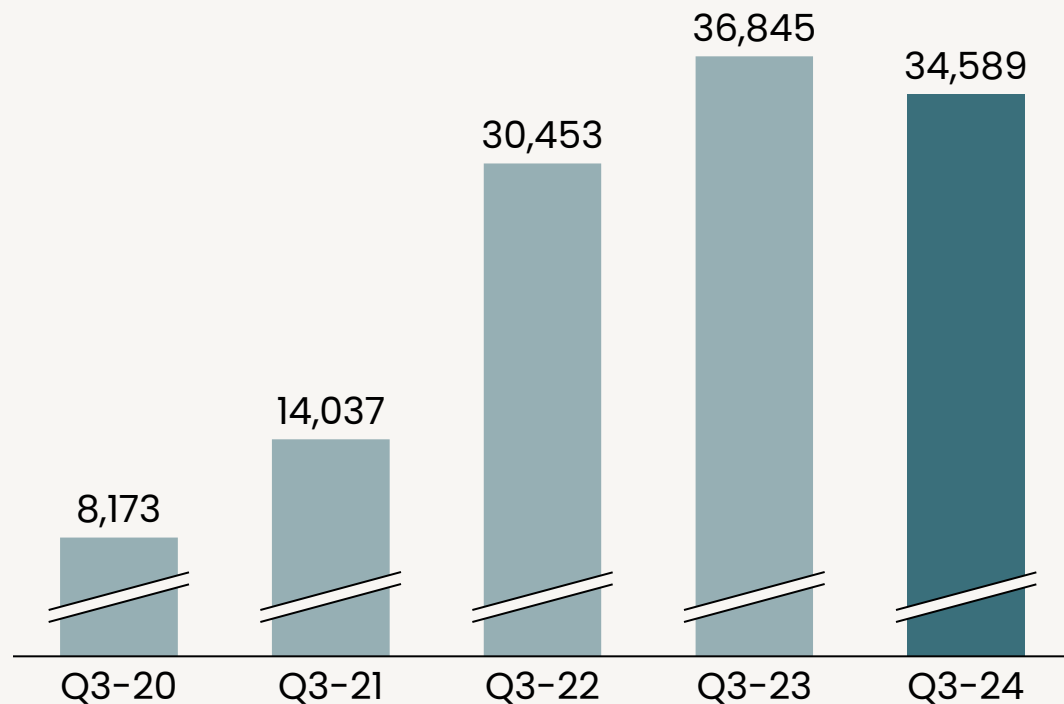
## 3. Result

- Resilience
- Profitable growth

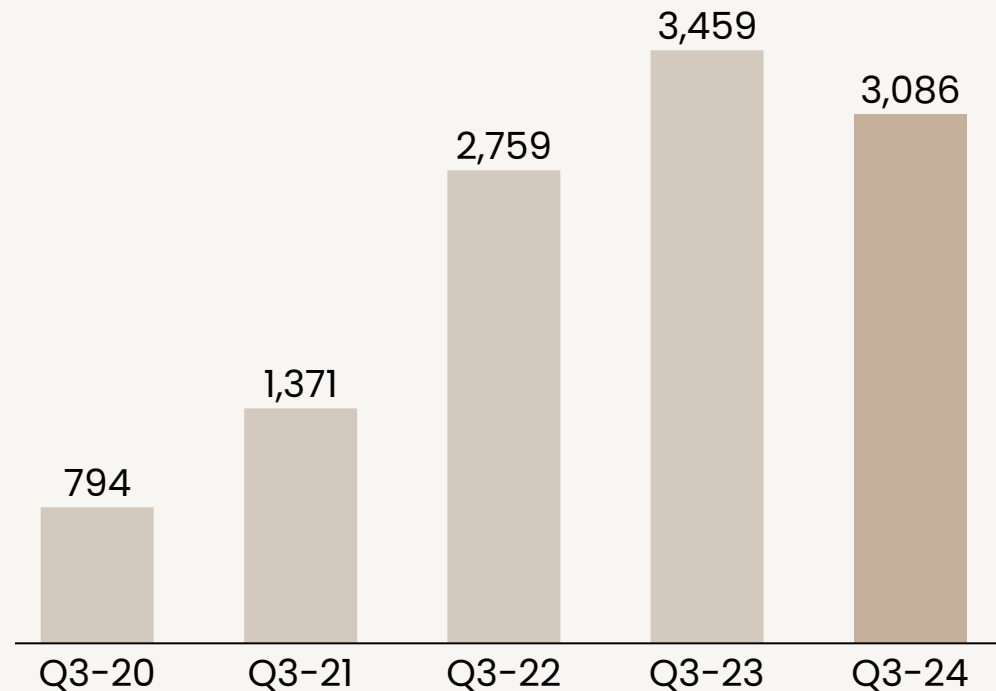


# Net sales and adjusted EBITA

Net sales, LTM (SEKm)



Adjusted EBITA, LTM (SEKm)





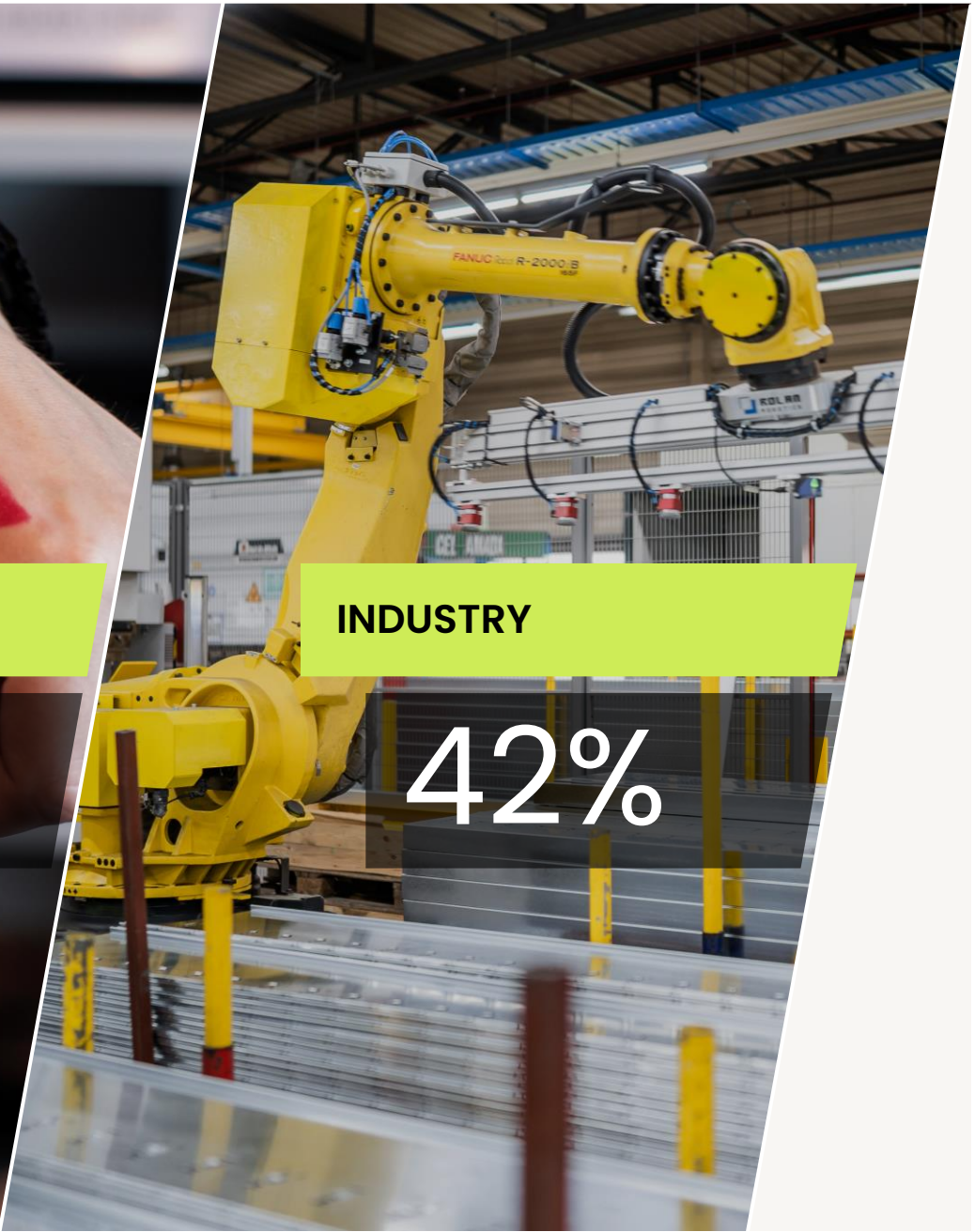
**SERVICES**

**30%**



**TRADE**

**28%**



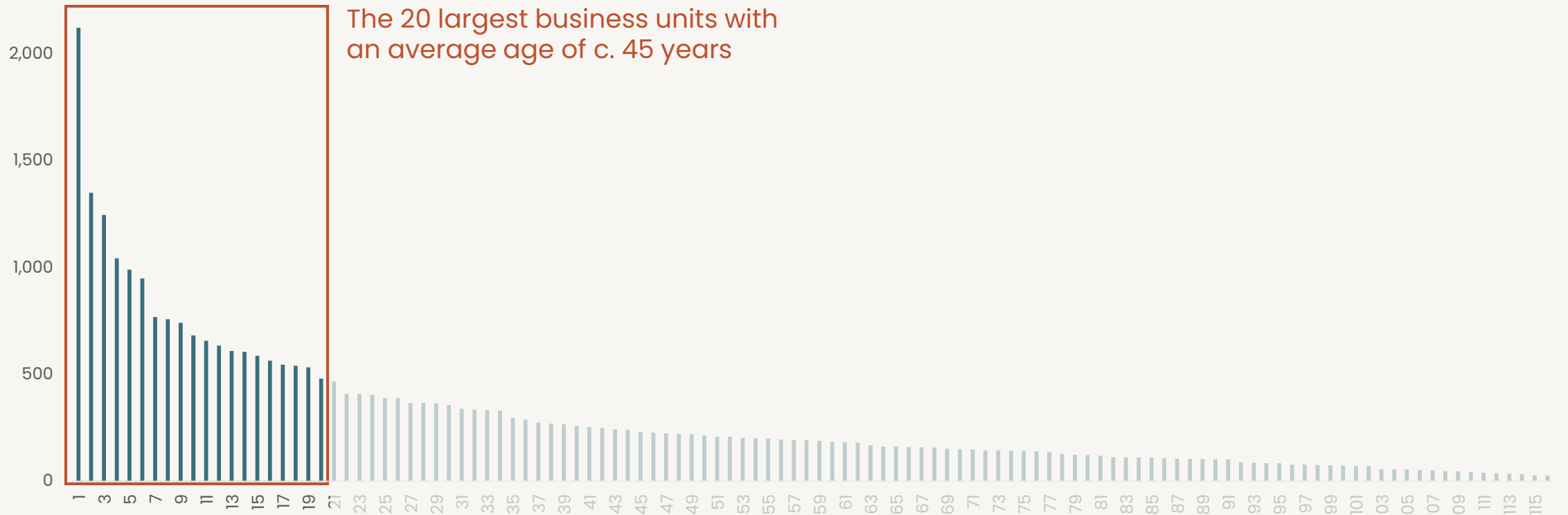
**INDUSTRY**

**42%**

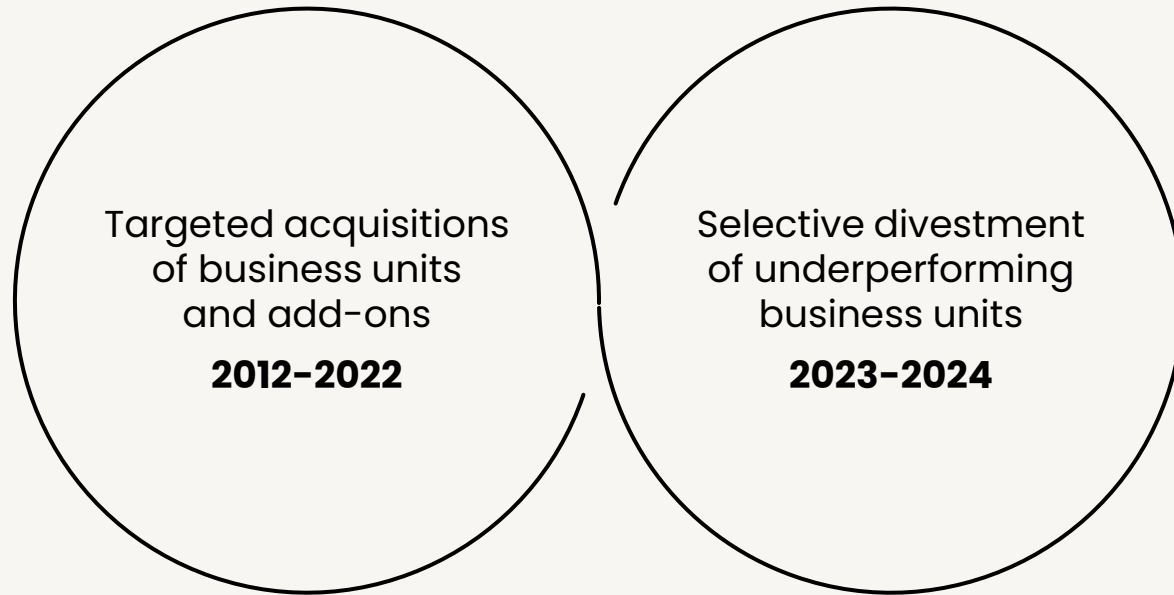


# Sales distribution across business units

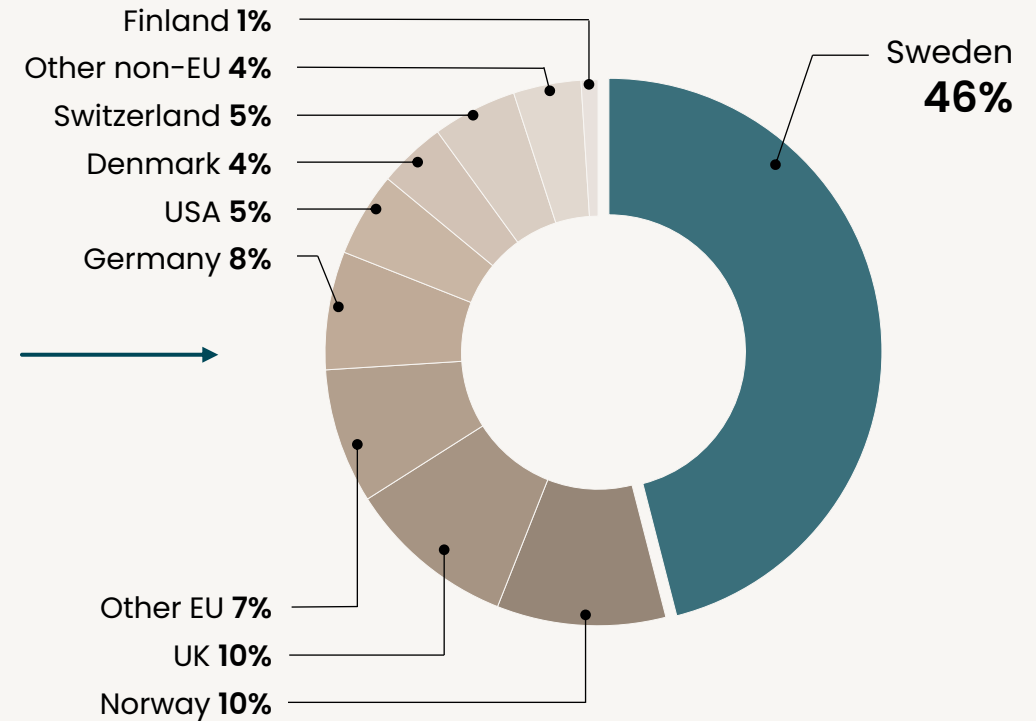
## Net sales, RTM (SEKm)



# A strong portfolio of business units



Sales distribution<sup>1</sup>

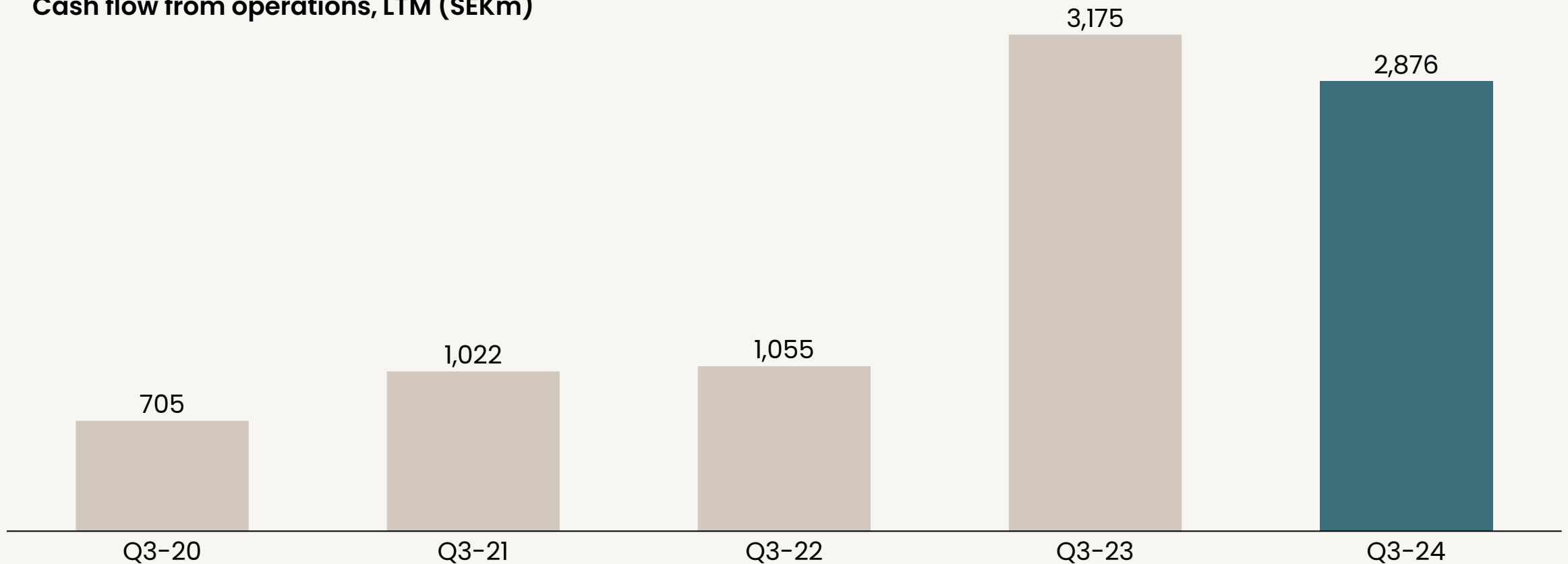


# Impact of current exposure in portfolio



# Strong cash flow from operations

Cash flow from operations, LTM (SEKm)



# Focus on organic growth



## Sales initiatives

Increase sales volume  
Gain market shares



## Pricing

Margin protection  
Strengthen profitability



## Investments

Improve scalability  
Enhance professionalism



## Cost control

Margin protection  
Increase efficiency



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# Looking ahead

The diagram consists of three rounded rectangular boxes arranged horizontally. The central box is white with a white border and contains the text 'Strategic direction'. The two side boxes are light green with a light green border and contain the text 'Profitable growth' (left) and 'Resilience' (right). A white line connects the top-right corner of the left box to the top-left corner of the central box, and another white line connects the bottom-right corner of the central box to the bottom-left corner of the right box. Small white circles are placed at the four connection points where the lines meet the corners of the boxes.

**Profitable  
growth**

**Strategic direction**

**Resilience**

# Achieving resilience and profitable growth

Increasing exposure to **non-cyclical businesses**

Increasing geographic exposure **outside Sweden**

Increasing exposure to selected **investment themes**

**Profitable growth and resilience**



# Improving resilience in the portfolio

## SERVICES



Health and Wellbeing



Automation



Energy and Sustainability



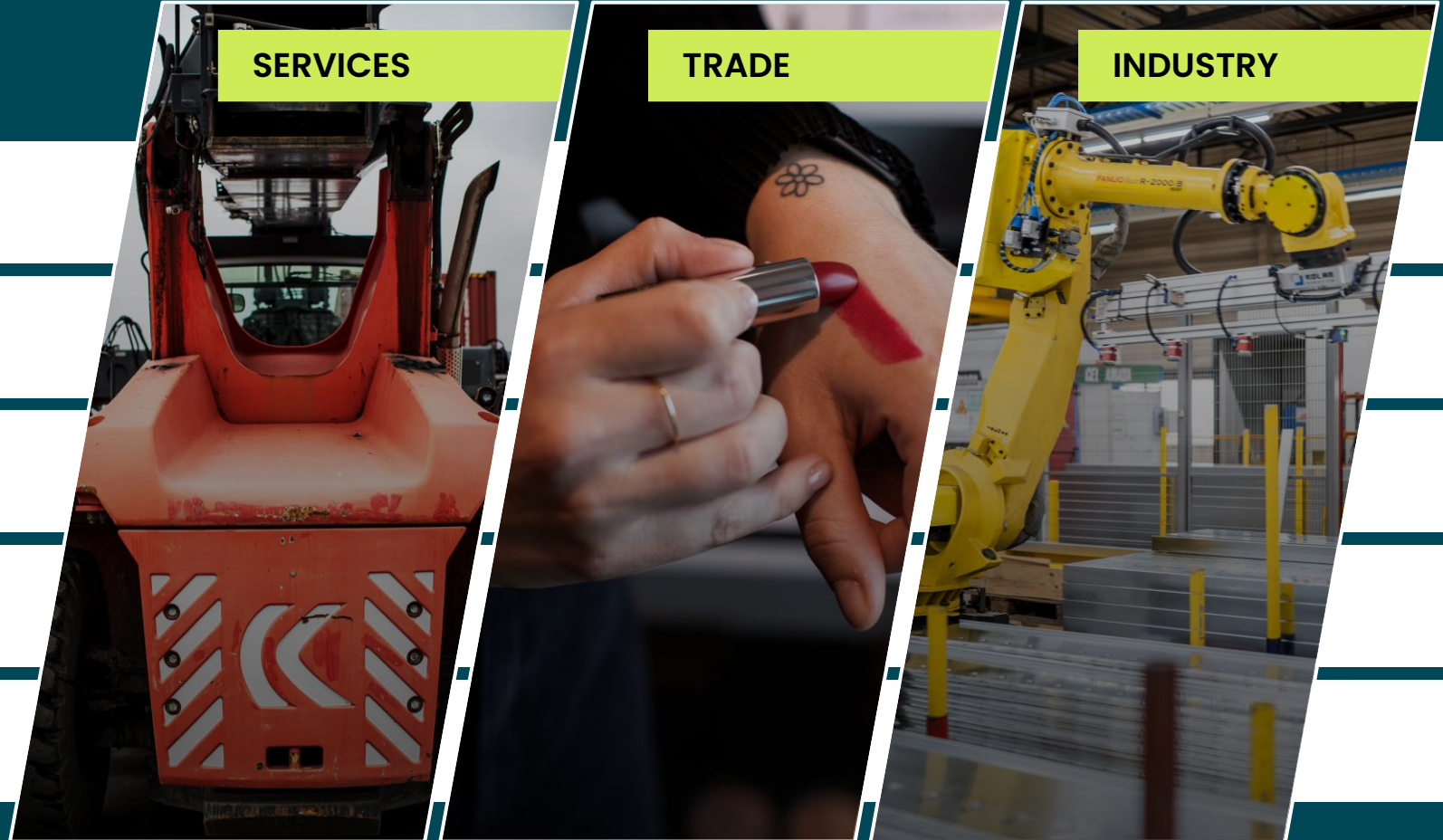
Digitalisation



Infrastructure

## TRADE

## INDUSTRY





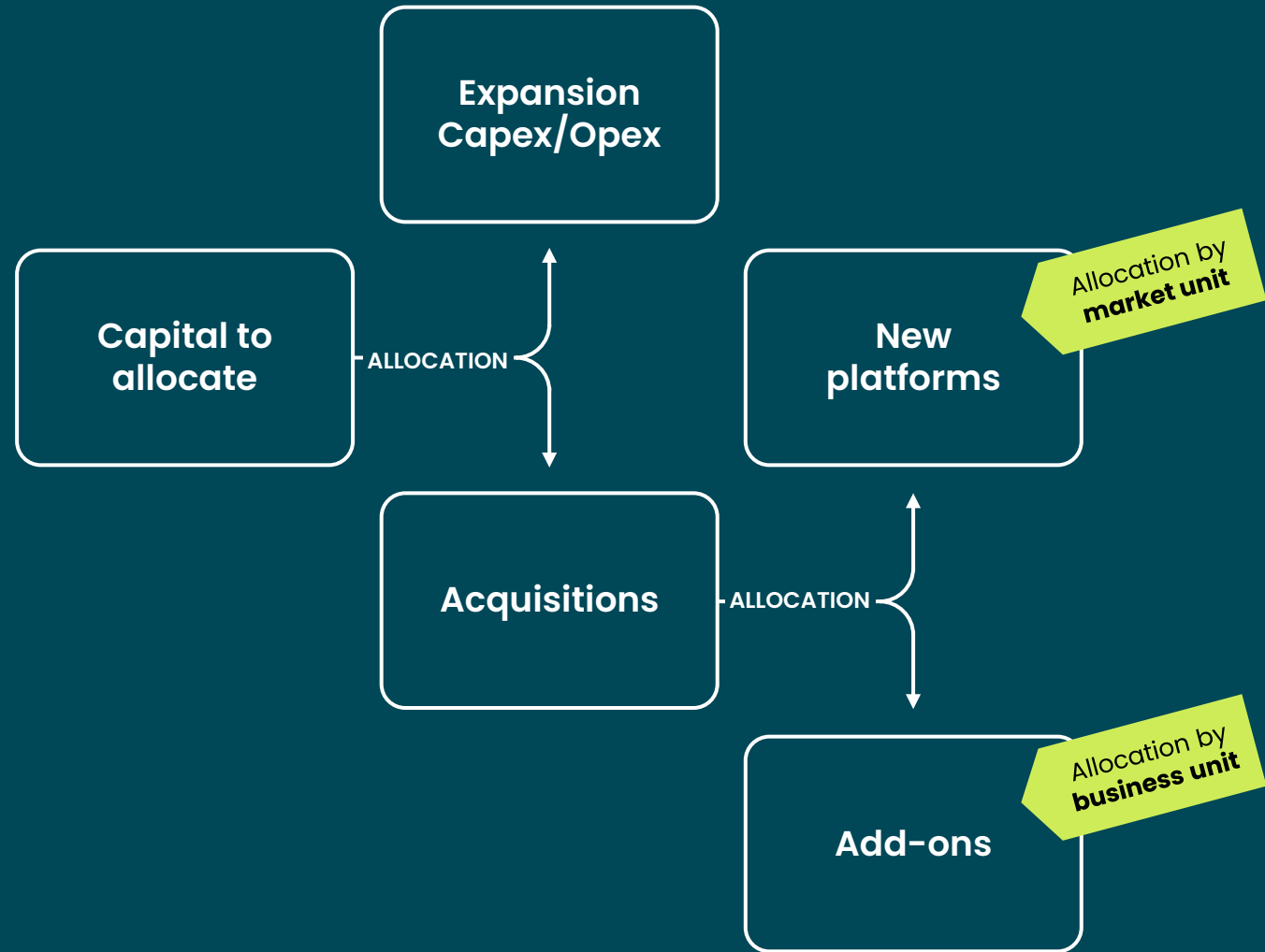
# Ambition to acquire throughout cycles

Underlying **organic growth** in portfolio impacted by business cycle

Ambition to **acquire growth** throughout business cycle

Ambition to enter contraction phase with low **leverage**

# Capital allocation model



# Financial targets

2025–2027

01

Adjusted EBITA margin (LTM):

**>10%**

02

Adjusted cash conversion (LTM):

**>70%**

03

Adjusted EBITA growth (CAGR):

**15%**

04

Interest-bearing net debt /  
RTM adjusted EBITDA:

**2.0–3.0x**

Dividend  
policy:

**0–20%**

# Break

27 November 2024





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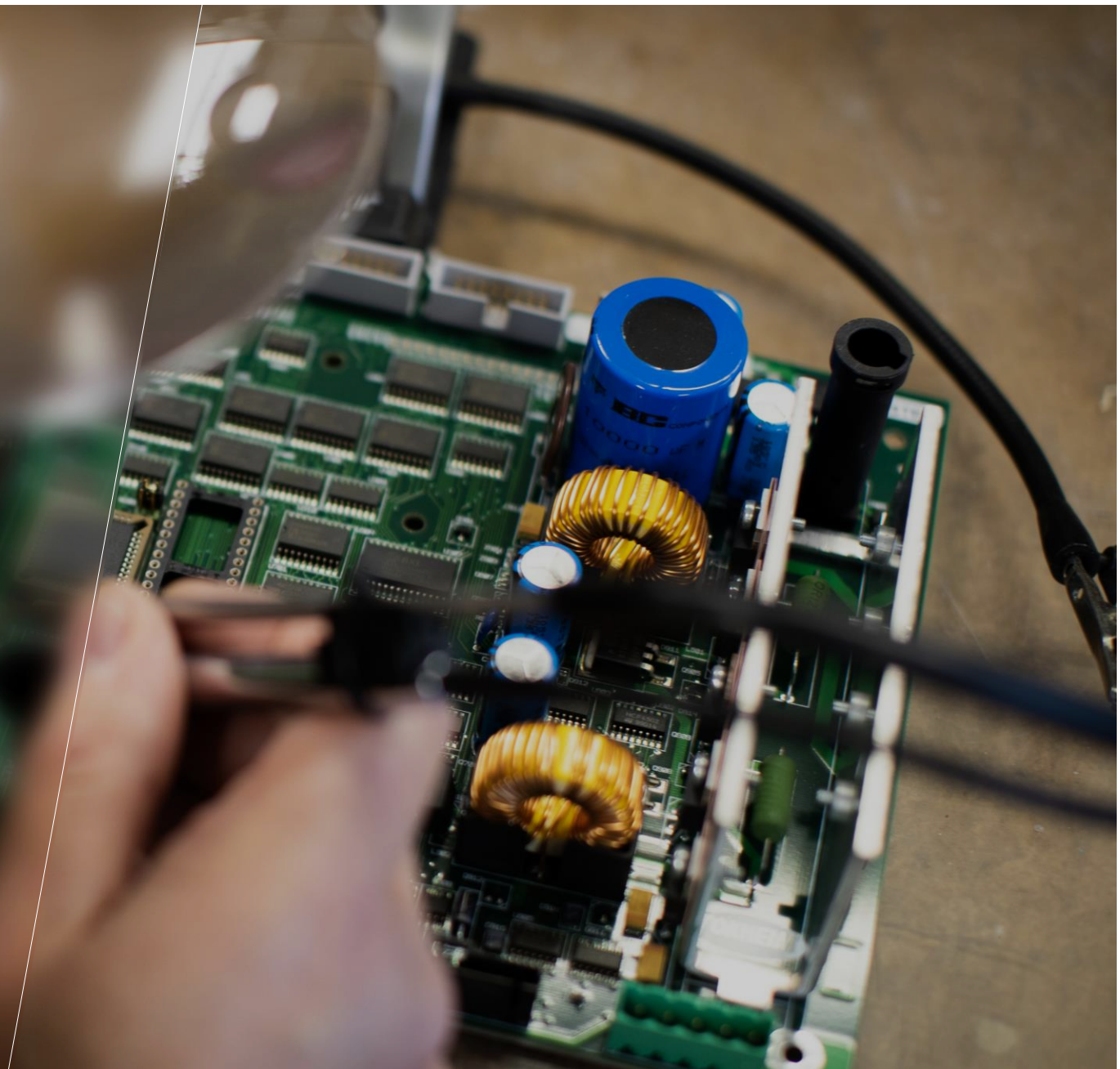
Concluding remarks  
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03

# Organic growth



# The Storskogen model



# Decentralised yet active



Promoting entrepreneurship  
and decentralisation



Active governance



Added value creation



Organic  
growth

# Promoting entrepreneurship and decentralisation

**Accountability**

**Local ownership**

**Entrepreneurship**



**Promoting entrepreneurship and decentralisation**



**Active governance**



**Added value creation**



# Active governance

**Board of Directors**

**Financial reporting**

**Legal & Compliance**

**Governance structure**

**Succession planning**



**Promoting entrepreneurship  
and decentralisation**

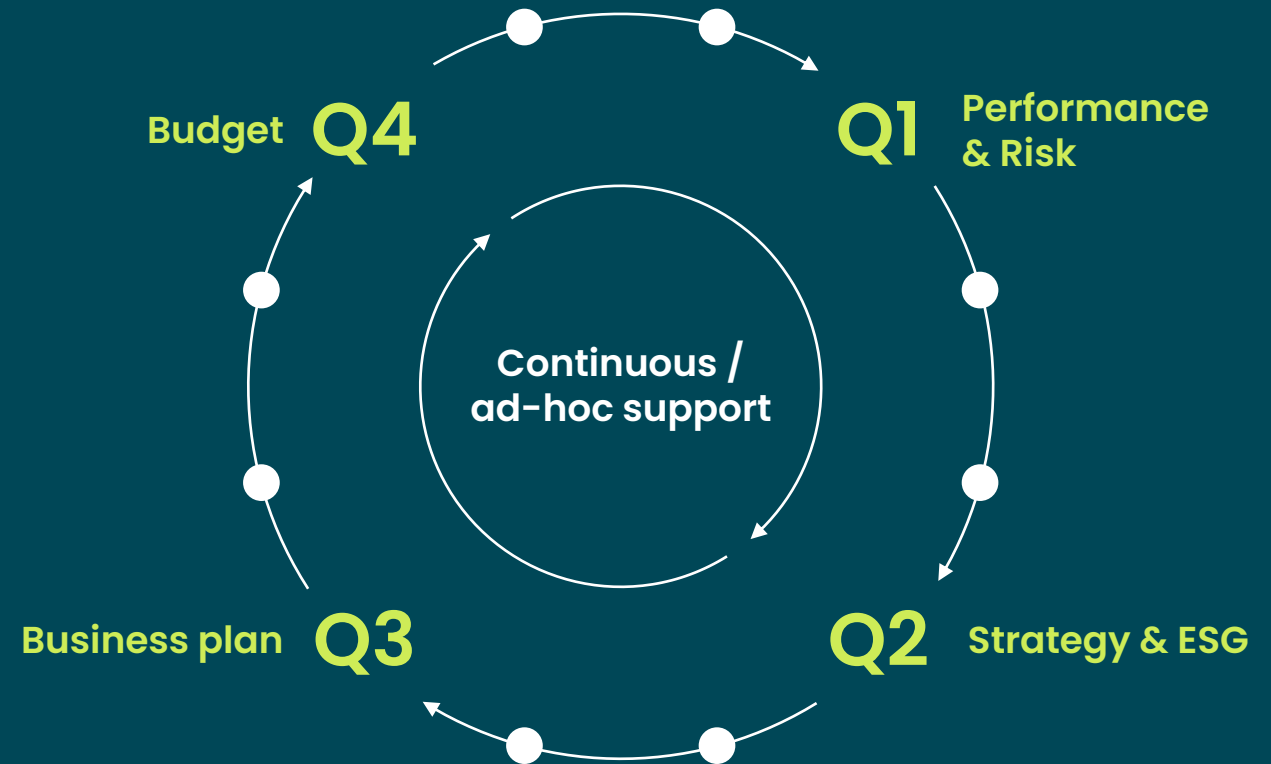


**Active governance**



**Added value creation**

# Annual board wheel



Promoting entrepreneurship  
and decentralisation



Active governance



Added value creation

# Succession planning



~54% change of CEOs



~45% of company sellers still active



CFO recruitments in more than 50% of business units



50% female CEO recruitments in 2024



Promoting entrepreneurship and decentralisation



Active governance



Added value creation

# Business area organisation



**SERVICES**



**TRADE**



**INDUSTRY**



Promoting entrepreneurship  
and decentralisation

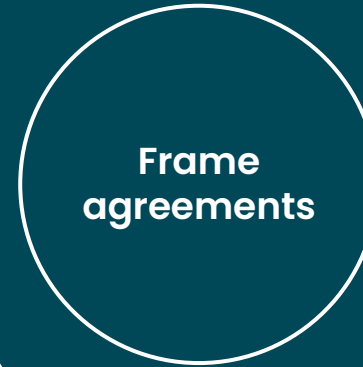


Active governance



Added value creation

# Added value creation



Promoting entrepreneurship and decentralisation



Active governance



Added value creation



# Decentralised yet active



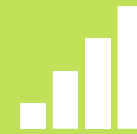
Promoting entrepreneurship  
and decentralisation



Active governance



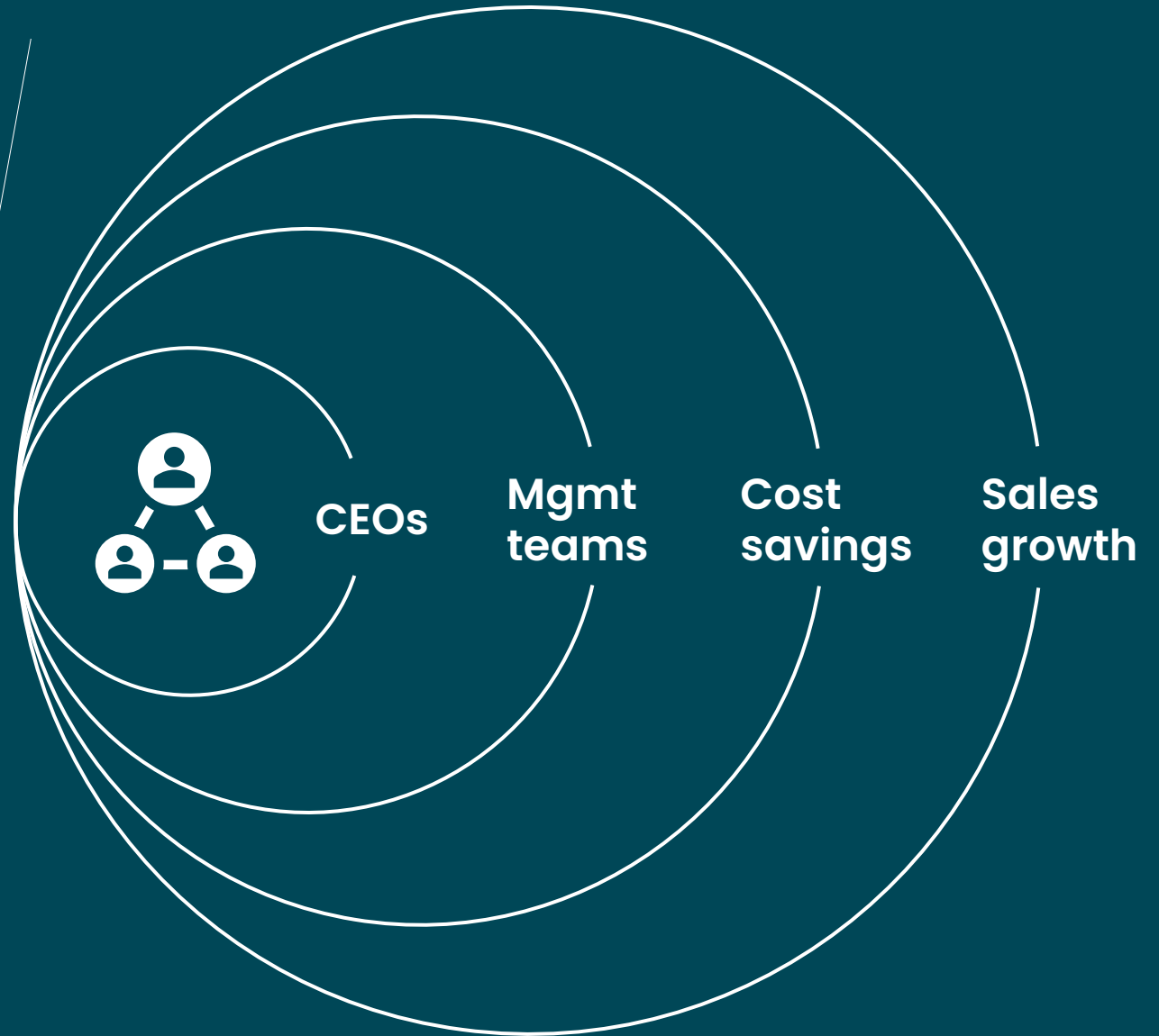
Added value creation

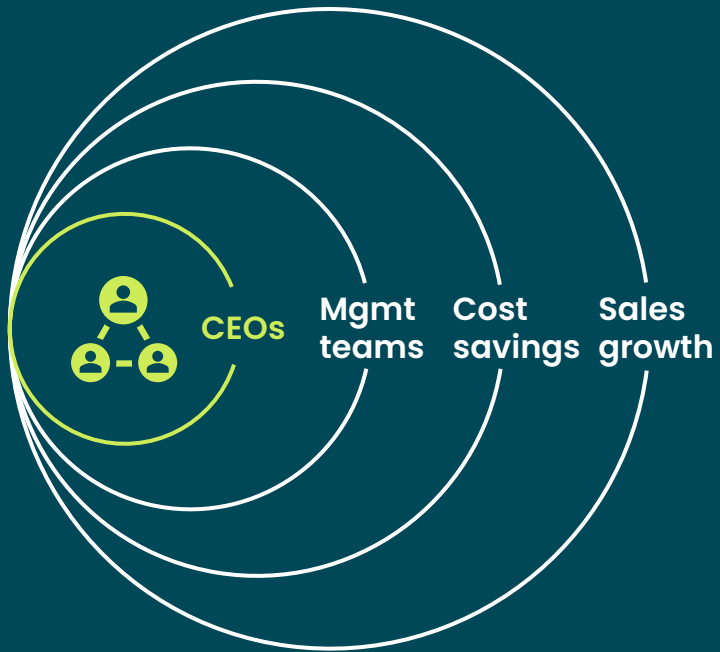


Organic  
growth

# Collaboration & networking

# Value creation through collaboration & networking





”  
*By serving on other boards,  
 I can support my own company,  
 Storskogen and help other CEOs to  
 find practical, effective solutions.*

**Niklas Näslund** CEO, Alfta Kvalitetslego (Contract manufacturer)  
 Serving on the Boards of Albin, ÅMV and GMV



”  
*Board involvement fosters a meaningful  
 exchange of experiences, benefiting  
 both companies and leaders.*

**Jonas Cedås** CEO, Båstadsgruppen (Professional workwear)  
 Serving on the Board of Vårdväskan



”  
*Building strong relationships with other CEOs  
 creates opportunities for collaboration, enabling  
 us to combine expertise for impactful customer  
 projects.*

**Ola Johansson** CEO, SISAB (Infrastructure services)  
 Serving on the Boards of Agnesberg, Trellegräv and CS Riv



CFO meetings Services

"No Dig" Group meetings ("Schaktfritt")

The Production efficiency group

UK CEO meetings

The "Norrland" project across BAs

The Steel purchasing group

CEO meetings Industry

Health and Beauty cluster meetings

DACH CEO meetings

Global CEO meetings

CFO meetings Industry







Supply agreement with Ahlsell in partnership with LRF Samköp

**ahlsell**

 LRF SAMKÖP

Annual savings:  
**SEK ~10m**

Freight agreements with DHL, PostNord, Fedex, UPS, APC and Antalis

**FedEx**



**DHL**

**postnord**

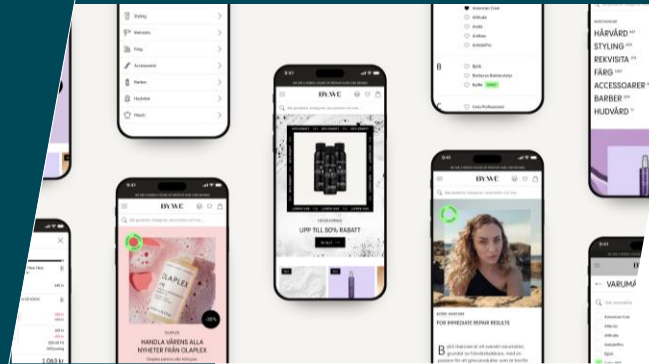
Annual savings:  
**SEK ~20m**

Green electricity agreement with Vattenfall

**VATTENFALL** 



Impact:  
**Reduced CO<sub>2</sub>**



**IVEO provides webshop solutions to other BUs**

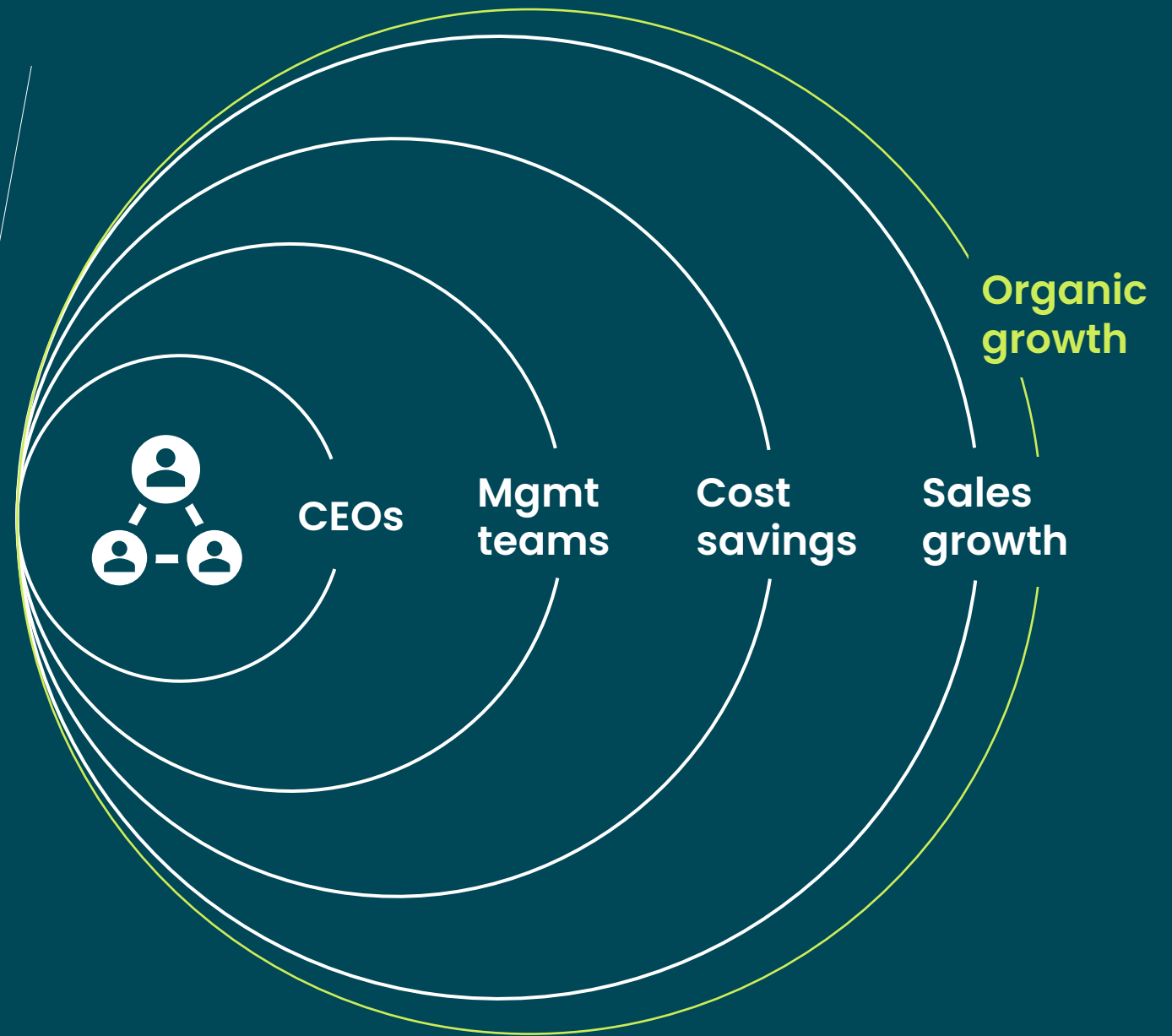


**PV System delivers automation solutions to Swedstyle and Wibe**



**Storebro supplies castings to Vinab**

# Value creation through collaboration & networking



# BY WE

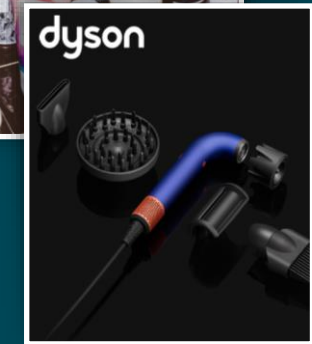
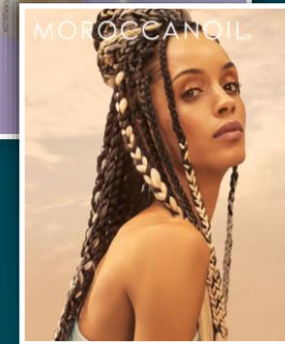
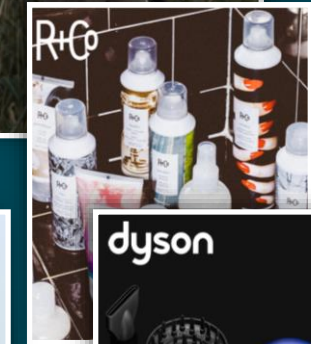
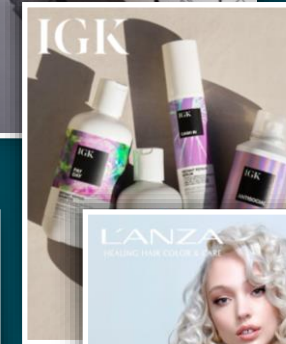
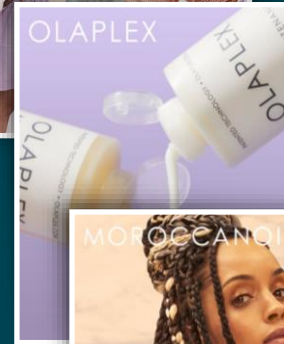
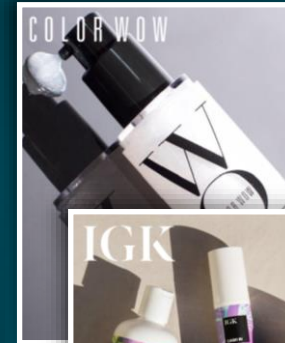
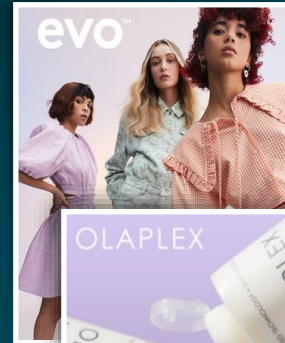
Sales 2023

**SEK ~760m**

Adjusted EBITA 2023

**SEK ~116m**

## Selection of brands







storskogen

# Break

27 November 2024



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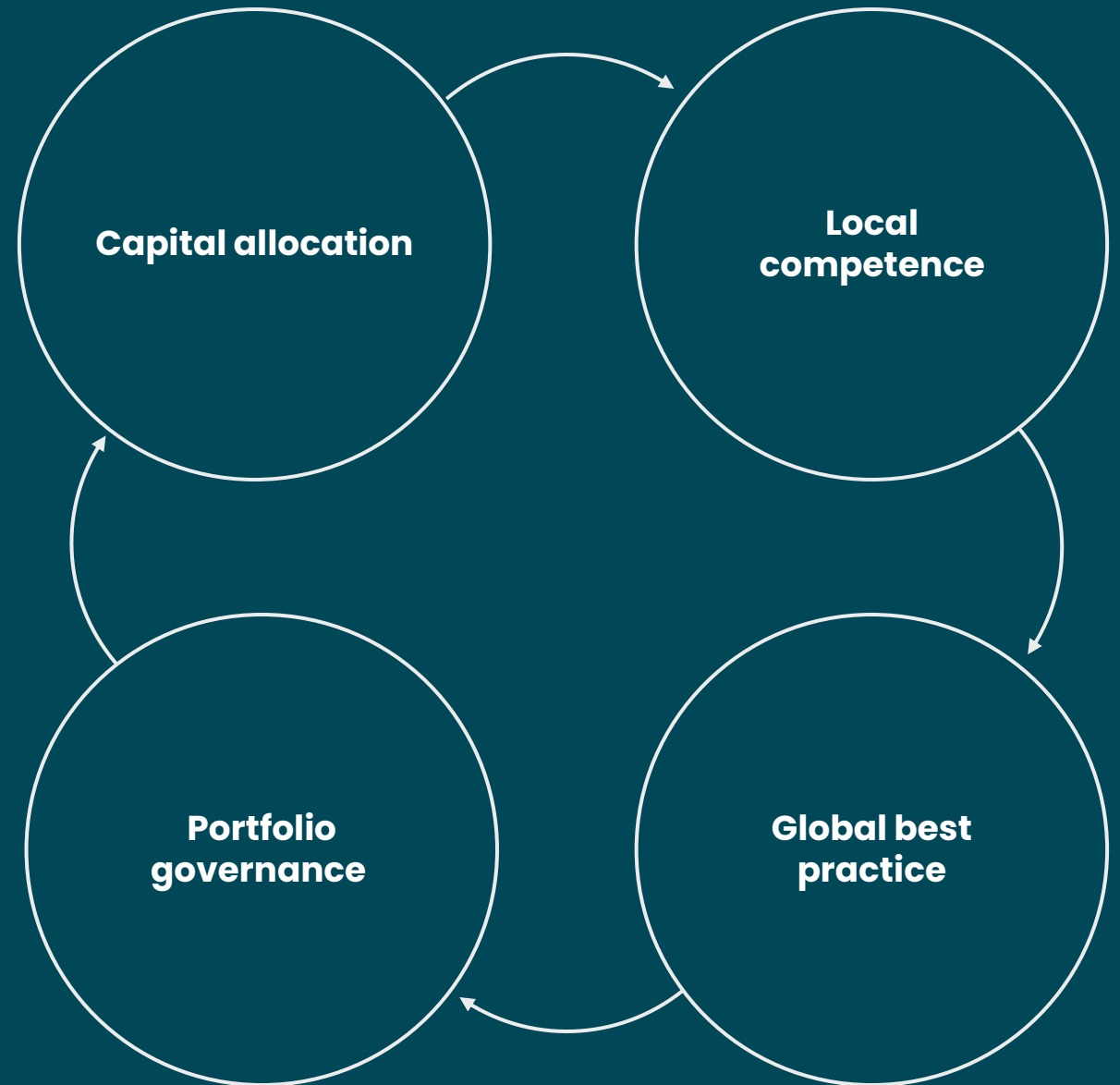
Q&A

Concluding remarks  
**Christer Hansson**

03

# Acquired growth

# Prepared for acquired growth





Capital allocation priorities

Local competence

Portfolio governance

Global best practice





# Focus on selected investment themes

Capital allocation priorities

Local competence

Portfolio governance

Global best practice

SERVICES

 Health and Wellbeing

 Automation

 Energy and Sustainability

 Digitalisation

 Infrastructure

TRADE



INDUSTRY



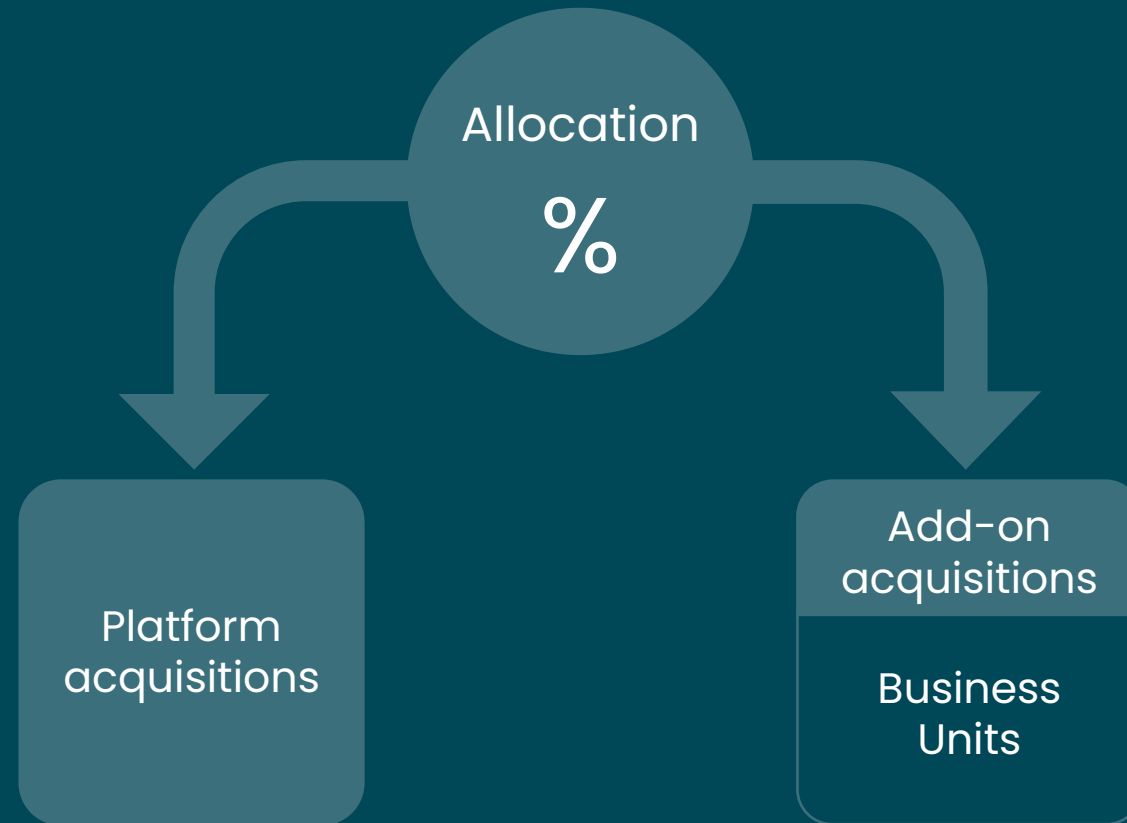
# Refined capital allocation priorities

Capital allocation priorities

Local competence

Portfolio governance

Global best practice



# Evaluating platform acquisitions

## What we like

*Examples*

- ✓ Underlying growth > GDP
- ✓ Proven and sustainable offering
- ✓ Strong in its niche
- ✓ Business stickiness
- ✓ Margin protection capability
- ✓ Cash conversion >70%
- ✓ Sweet spot: SEK 20-50m in EBITA
- ✓ Margin > Group target

# Evaluating platform acquisitions

## What we do not like

*Examples*

- ✗ Political risks
- ✗ Technological uncertainties
- ✗ Low or expensive scalability
- ✗ Too high key person risk
- ✗ End-market uncertainties
- ✗ Disrupted value chain dynamics

# Clear add-on strategy in place

Capital allocation priorities

Local competence

Portfolio governance

Global best practice

Business unit strategy and financial performance



Business unit financial performance



Business unit management capability and operational readiness



Add-on strategic rational and synergy potential



Add-on target financial performance and risk profile



Add-on portfolio impact



# Local competence

Capital allocation  
priorities

**Local  
competence**

Global best  
practice

Portfolio  
governance



Capital allocation priorities

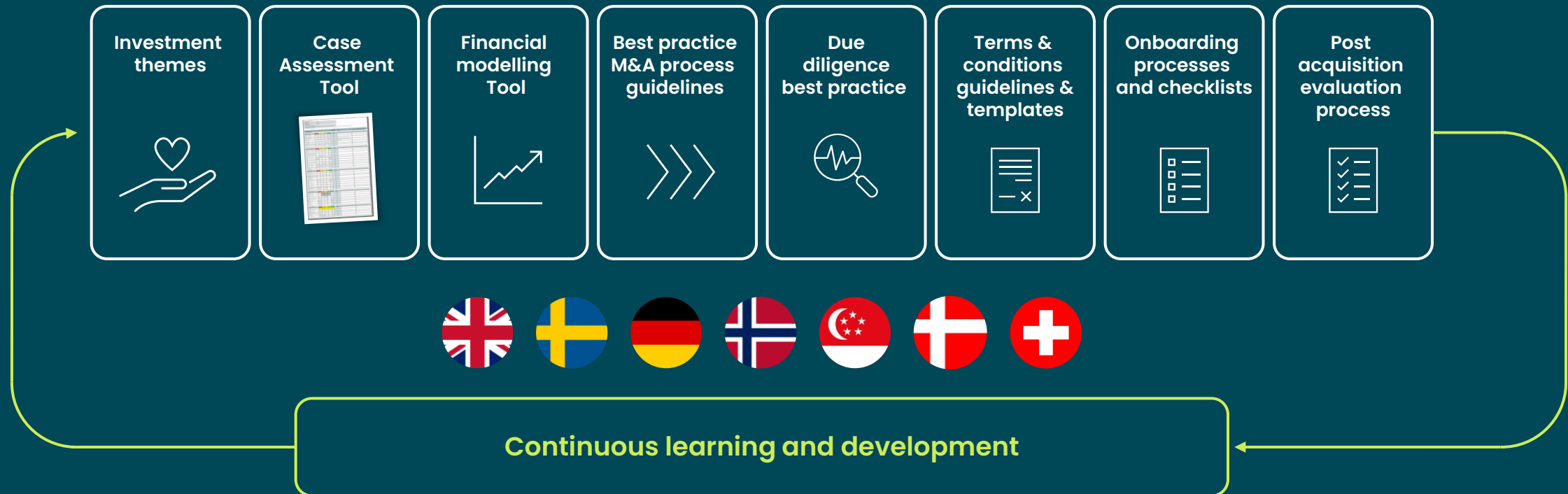
Local competence

**Global best practice**

Portfolio governance

# High quality M&A through common ways of working

Applied across all local markets



# Portfolio governance

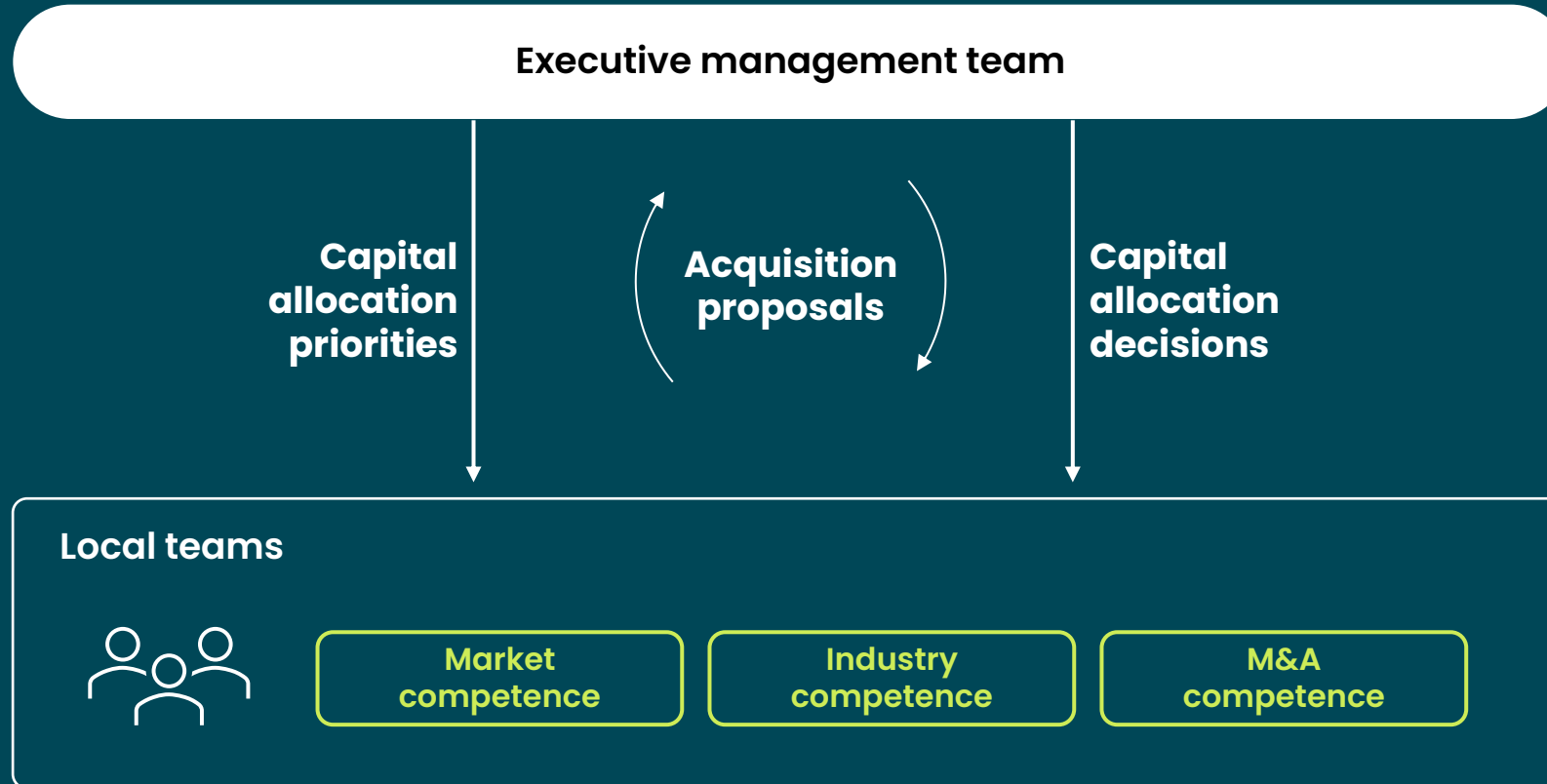
Capital allocation priorities

Local competence

Global best practice

Portfolio governance

## Governance model



# Prepared for acquired growth



# Financial update

27 November 2024



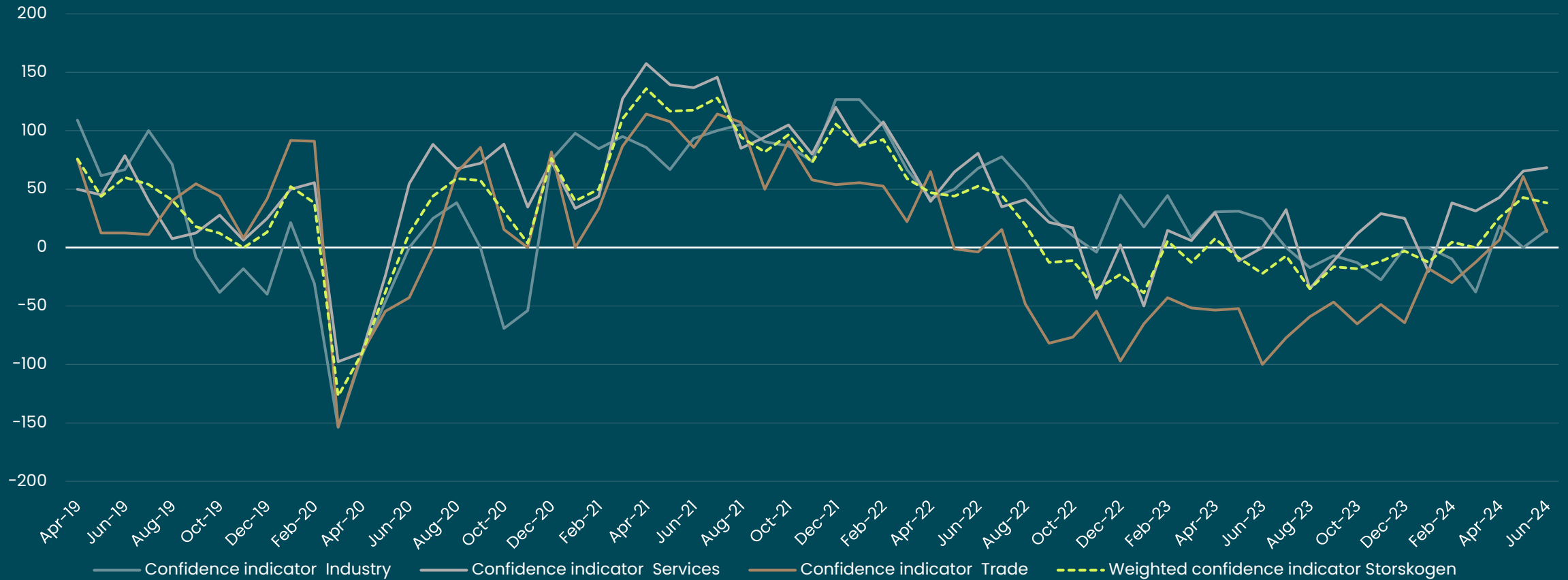


# Diversification brings resilience

## Historical BU performance<sup>1</sup>



# Storskogen's confidence indicator



# Sustainability targets



## Environment

- 42% Scope 1 + 2 reduction by 2030 (baseline: 2023)
- 64% Scope 3 reduction by 2034 (baseline: 2023)
- Net zero by 2050



## Social

- 40-60% among employees in senior roles in our central organisation
- 40-60% among our board appointments in business units



## Governance

- All business units must conduct risk assessments of their suppliers
- High-risk suppliers are required to sign the Supplier Code of Conduct
- Compliance of high-risk suppliers with the code will be assessed by the end of 2025

# Financial targets

2025–2027

01

Adjusted EBITA margin (LTM):

**>10%**

02

Adjusted cash conversion (LTM):

**>70%**

03

Adjusted EBITA growth (CAGR):

**15%**

04

Interest-bearing net debt /  
RTM adjusted EBITDA:

**2.0–3.0x**

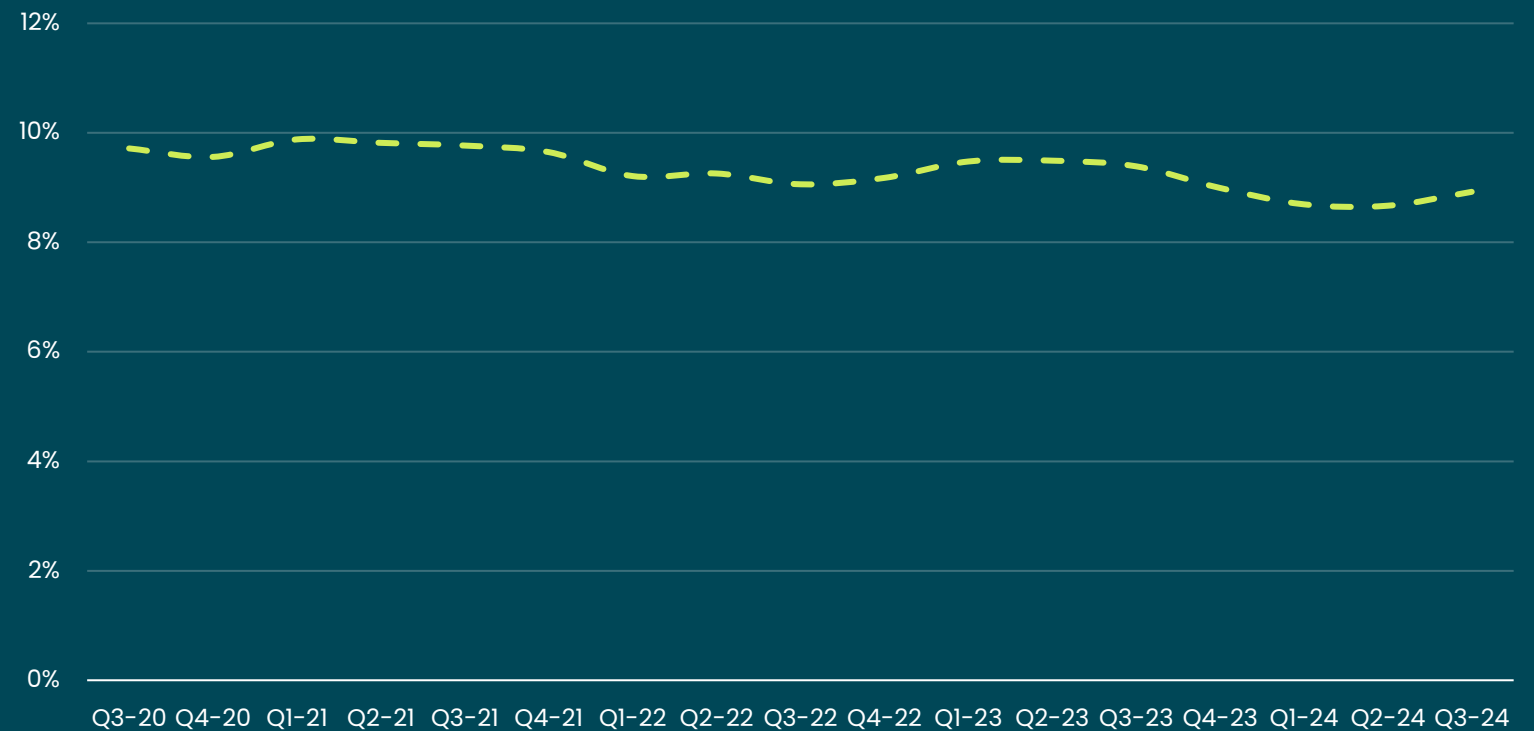
Dividend  
policy:

**0–20%**

# Financial targets

## 01 Recovering margin...

Adjusted EBITA margin, LTM

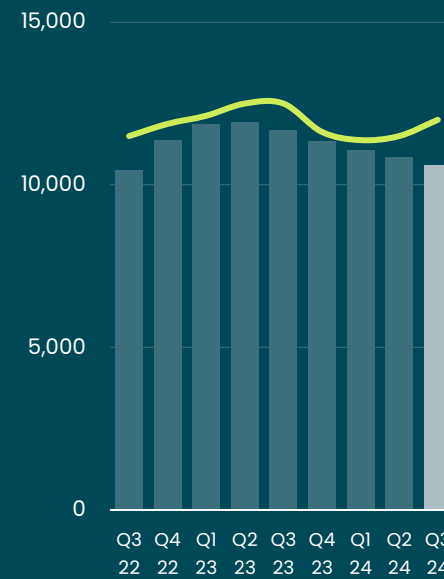




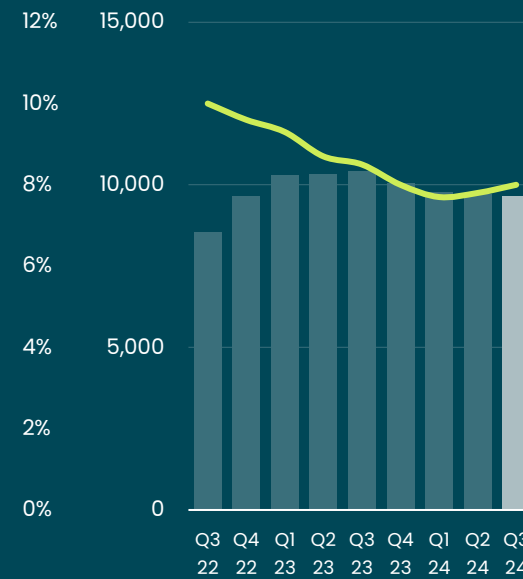
# Financial targets

01 ...supported by recent positive margin trend across all business areas...

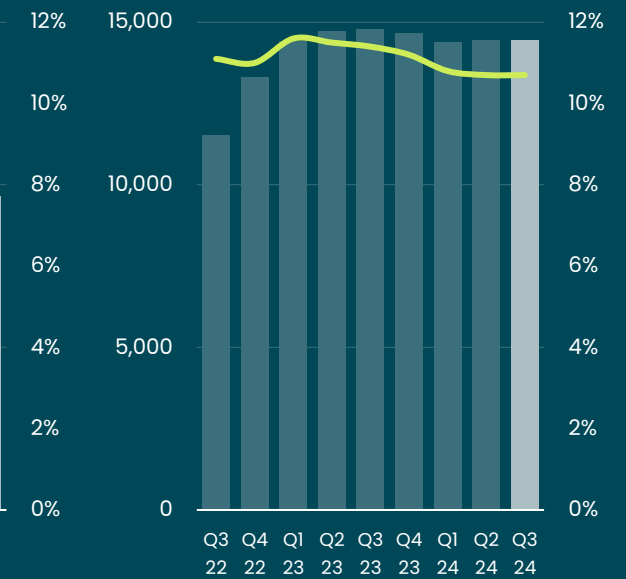
## Services



## Trade



## Industry



Net sales, LTM (SEKm)  
Adj. EBITA, LTM (%)

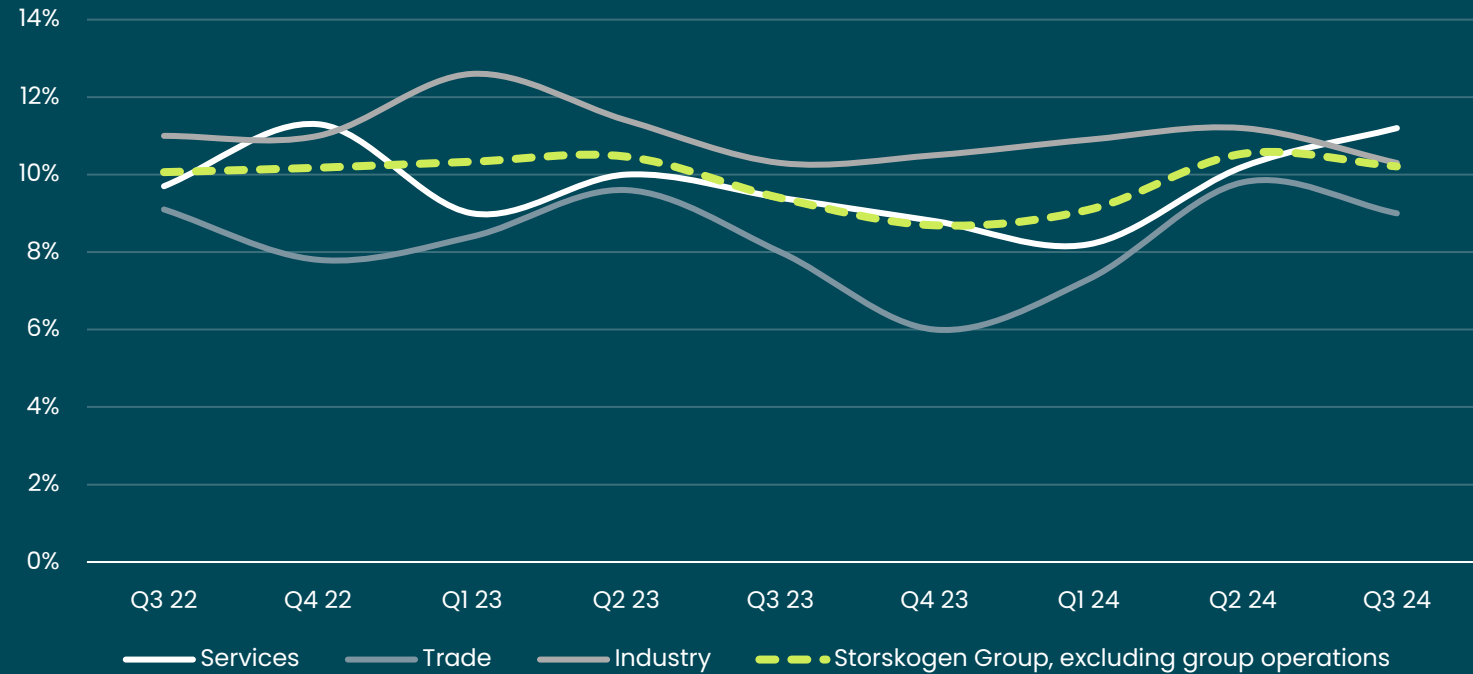
Net sales, LTM (SEKm)  
Adj. EBITA, LTM (%)

Net sales, LTM (SEKm)  
Adj. EBITA, LTM (%)

# Financial targets

## 01 ...and an evident diversification effect

Adjusted EBITA margin, QTD



# Financial targets

2025–2027

01

Adjusted EBITA margin (LTM):

**>10%**

02

Adjusted cash conversion (LTM):

**>70%**

03

Adjusted EBITA growth (CAGR):

**15%**

04

Interest-bearing net debt /  
RTM adjusted EBITDA:

**2.0–3.0x**

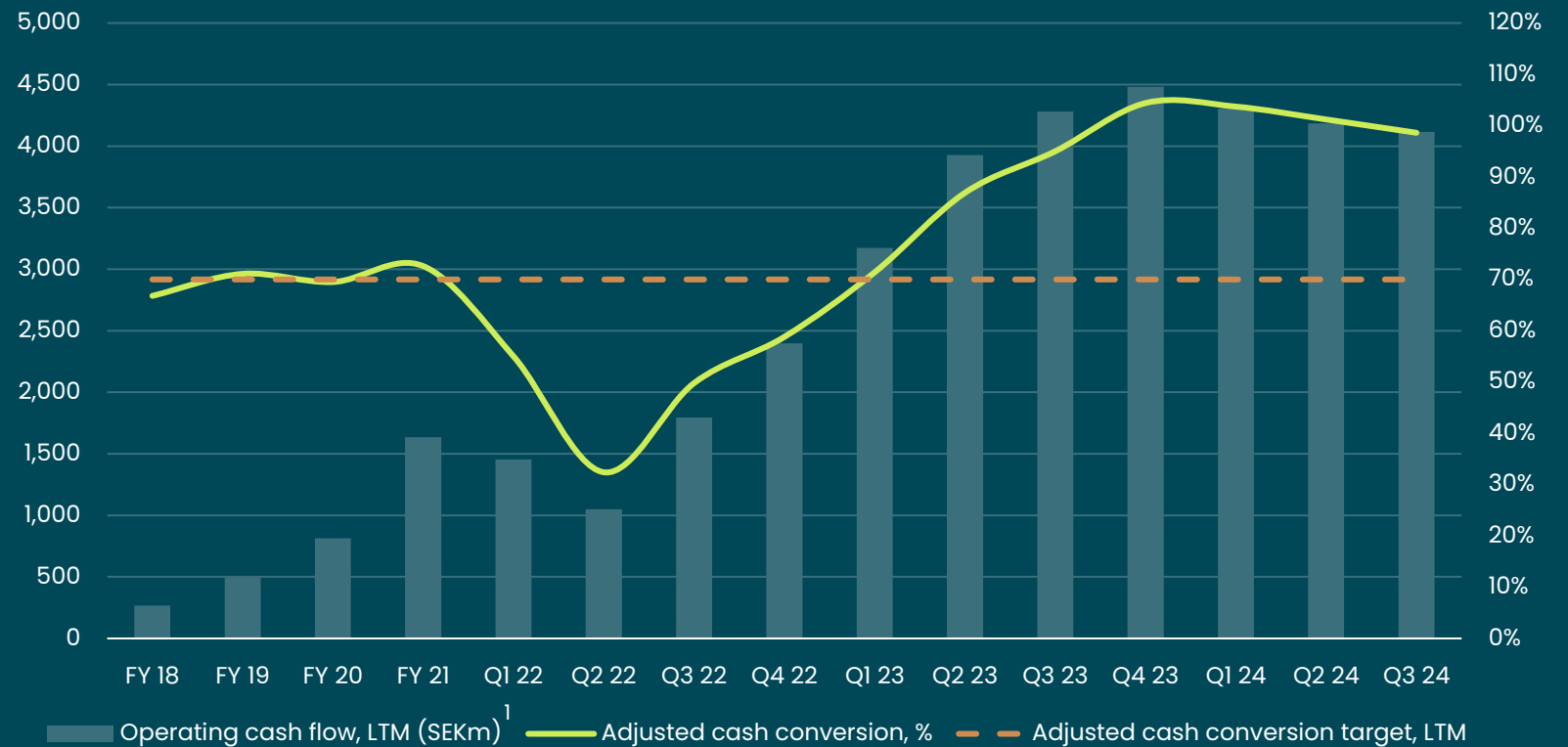
Dividend  
policy:

**0–20%**

# Financial targets

## 02 Strong operational cash flow

Operating cash flow<sup>1</sup> (LTM)



# Financial targets

## 02 ...supported by improved NWC management

### Working capital ratio





# Financial targets

2025–2027

01

Adjusted EBITA margin (LTM):

**>10%**

02

Adjusted cash conversion (LTM):

**>70%**

03

Adjusted EBITA growth (CAGR):

**15%**

04

Interest-bearing net debt /  
RTM adjusted EBITDA:

**2.0–3.0x**

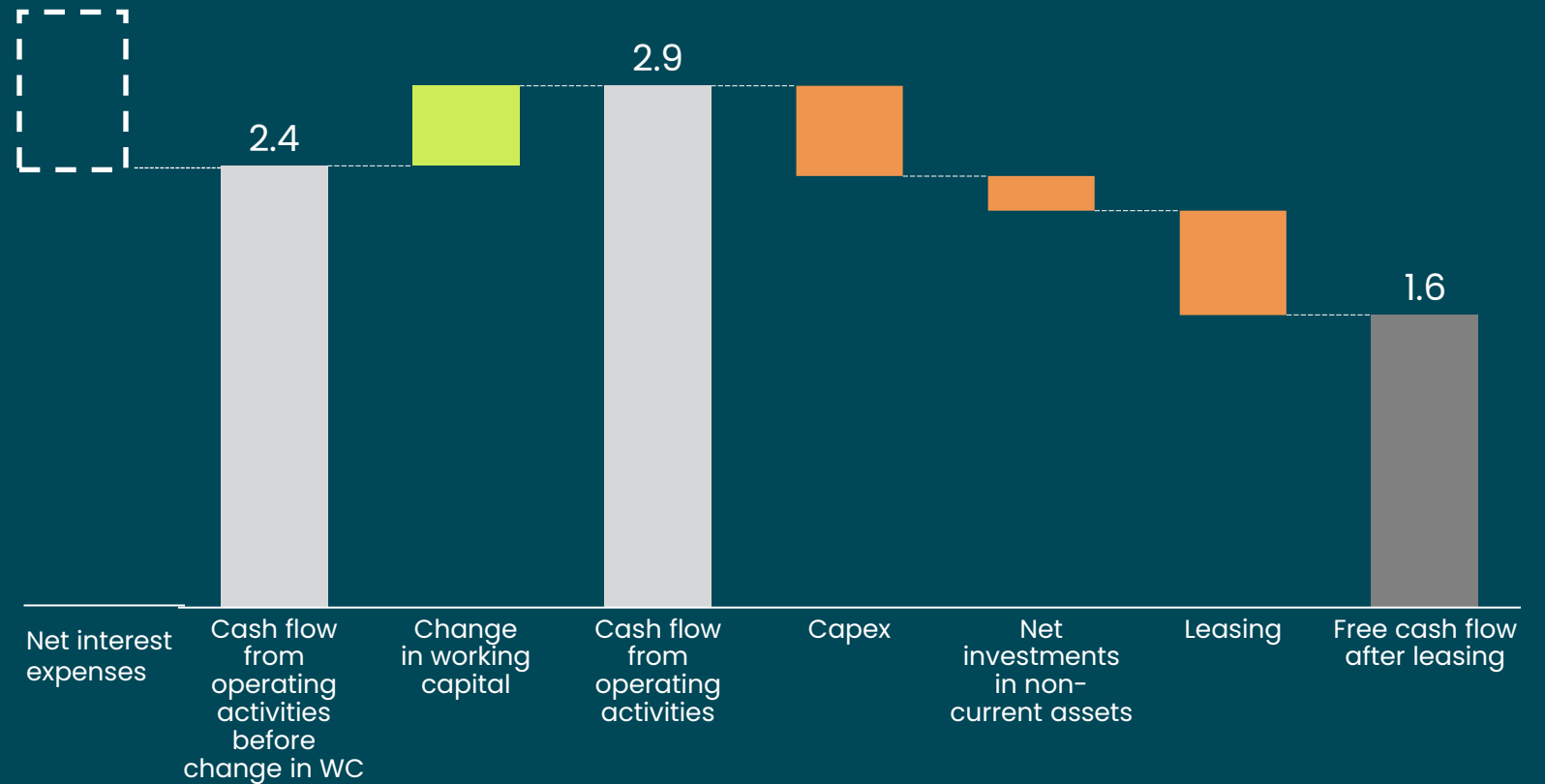
Dividend  
policy:

**0–20%**

# Financial targets

## 03 Ample cash flow to invest in EBITA growth

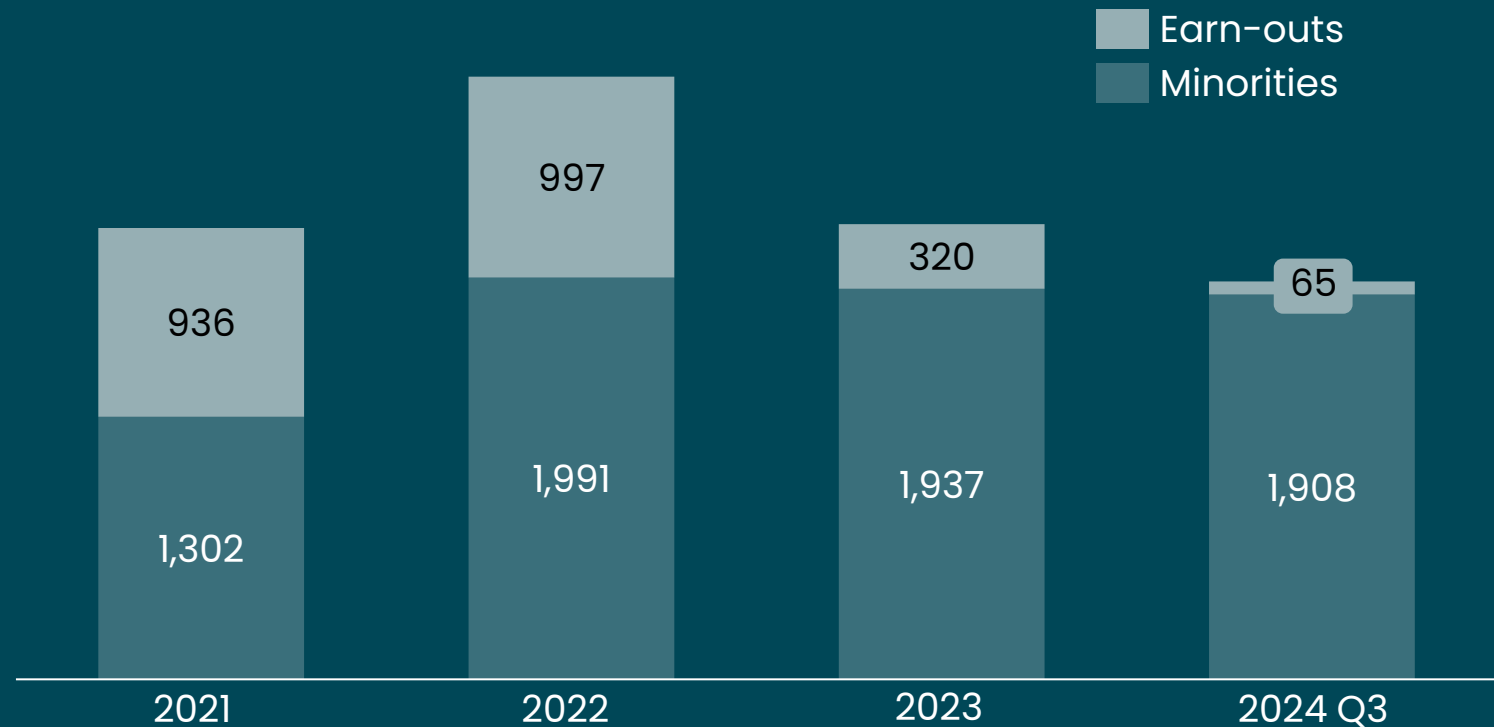
Q3 LTM (SEKbn)



# Financial targets

## 03 Non-interest-bearing liabilities

Minority options and Earn-outs (SEKm)



# Financial targets

2025–2027

01

Adjusted EBITA margin (LTM):

**>10%**

02

Adjusted cash conversion (LTM):

**>70%**

03

Adjusted EBITA growth (CAGR):

**15%**

04

Interest-bearing net debt /  
RTM adjusted EBITDA:

**2.0–3.0x**

Dividend  
policy:

**0–20%**

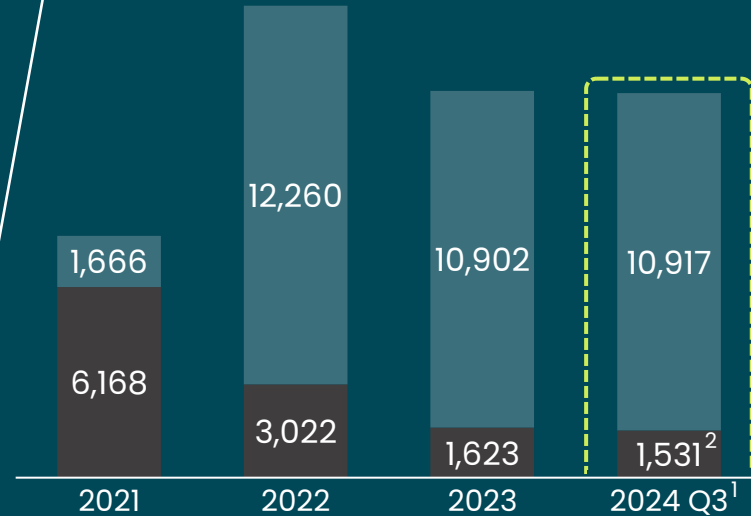
# Financial targets

## 04 Debt structure

S&P  
BB (stable)

### IB debt and cash<sup>1</sup> (SEKm)

- Interest-bearing net debt
- Cash and cash equivalents



0.5x

2.6x

2.5x

2.6x

Leverage ratio

### Debt structure

SEKm	Maturity	Interest rate		Book value
		Type	%	
RCF	2027-2029	Floating	1.50-3.15	1,700
Bond	2025	Stibor 3m	3.0	843
Bond	2027	Stibor 3m	6.9	2,000
Bond	2027	Stibor 3m	3.75	1,250
Bond	2028	Stibor 3m	3.25	1,250
Term loan	2026	Floating	1.4-3.0	3,496
Leasing		Floating/fixed		1,633
Pension provisions, net				276
Financial assets				-253
Cash and cash equivalents				-1,278
<b>Sum interest-bearing net det</b>				<b>10,917</b>



A construction site featuring several large wooden spools of black cables. A worker in a high-visibility vest and hard hat is visible in the background, working in a trench. The scene is set outdoors under a cloudy sky.

Financial update

# Better aligned reporting

# Aligning with operational Profit and Loss

<b>SEKm, adjusted for IAC</b>	<b>2023</b>	<b>YTD 2024</b>
<b>Net sales</b>	<b>36,006</b>	<b>25,592</b>
Raw materials and supplies	-19,422	-13,778
Other external expenses	-4,132	-2,917
Personnel expenses	-8,547	-6,016
Other income & expenses	388	314
<b>Adjusted EBITDA</b>	<b>4,293</b>	<b>3,195</b>
Depreciation	-1,055	-815
<b>Adjusted EBITA</b>	<b>3,238</b>	<b>2,380</b>
Amortisation	-861	-596
<b>Adjusted EBIT</b>	<b>2,377</b>	<b>1,784</b>
Net financial items	-1,067	-735
<b>Profit before tax</b>	<b>1,310</b>	<b>1,049</b>
<b>Financial KPIs</b>	<b>2023</b>	<b>YTD 2024</b>
Adjusted EBITA	3,238	2,380
Adjusted RoE (LTM)	4.6	4.3
Adjusted RoCE (LTM)	7.2	7.1
Adjusted diluted EPS	0.46	0.39



# Q&A

27 November 2024



# Key takeaways

**Foundation  
for growth**

**Capacity to drive  
organic growth**

**Trajectory for  
acquired growth**



# Thank you!