



Storskogen Capital Markets Day

27 September 2022

09.30

Registration

10.00 – 12.30

Daniel Kaplan, CEO and Co-founder
Strategy

Alexander Bjärgård, Co-founder and Head of M&A and Corporate Development
M&A Strategy

Lena Glader, CFO
Financial overview

Q&A

12.30 – 13.30

Lunch

13.30 – 15.00

Christer Hansson, EVP and Head of Business Area Trade
Deep-dive

Peter Ahlgren, EVP and Head of Business Area Services
Deep-dive

Fredrik Bergegård, EVP and Head of Business Area Industry
Deep-dive

Q&A

 storskogen

Daniel Kaplan

CEO and Co-founder

Capital Markets Day
27 September 2022



Storskogen in brief

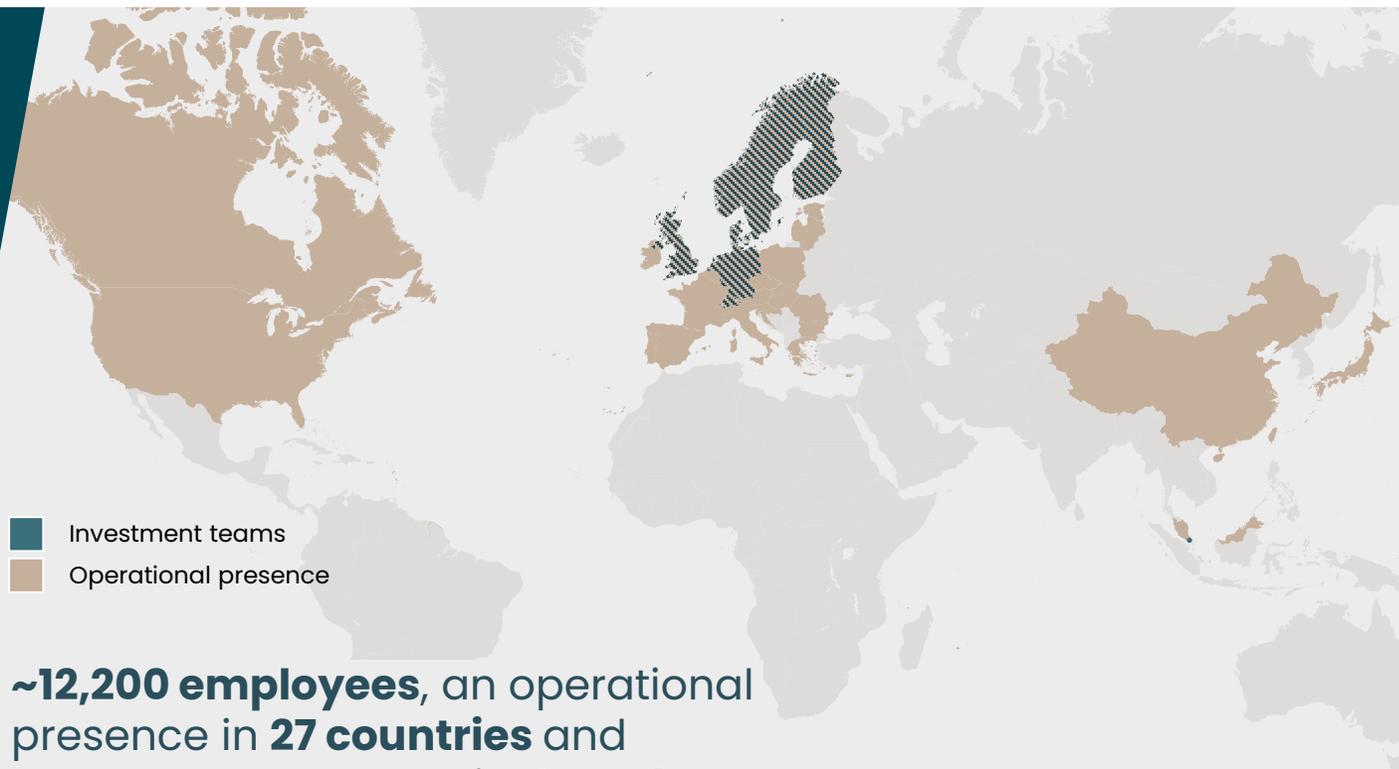
Storskogen is an international group of businesses with operations in 27 countries

SEK 36.0bn

in annual RTM net sales¹

SEK 3.7bn

in annual adj. RTM EBITA¹



~12,200 employees, an operational presence in **27 countries** and **management teams in 4 market areas**



Storskogen in brief

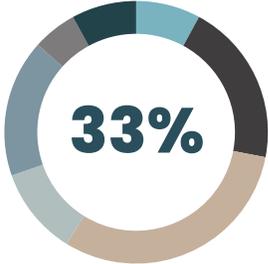
Highly diversified business split across three business areas and 14 verticals



Services
Peter Ahlgren

NO. OF BUSINESS UNITS
61

NO. OF EMPLOYEES
>5,000



33%

- Contracting Services
- Infrastructure
- Installation
- Logistics
- Engineering Services
- Digital Services
- HR and Competence



Trade
Christer Hansson

NO. OF BUSINESS UNITS
34

NO. OF EMPLOYEES
>2,000



28%

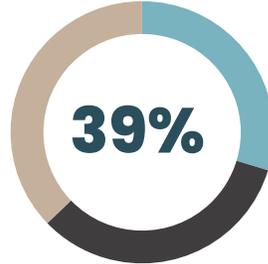
- Home and Living
- Niche Businesses
- Health and Beauty
- Sport, Clothing and Accessories



Industry
Fredrik Bergegård

NO. OF BUSINESS UNITS
38

NO. OF EMPLOYEES
>4,900



39%

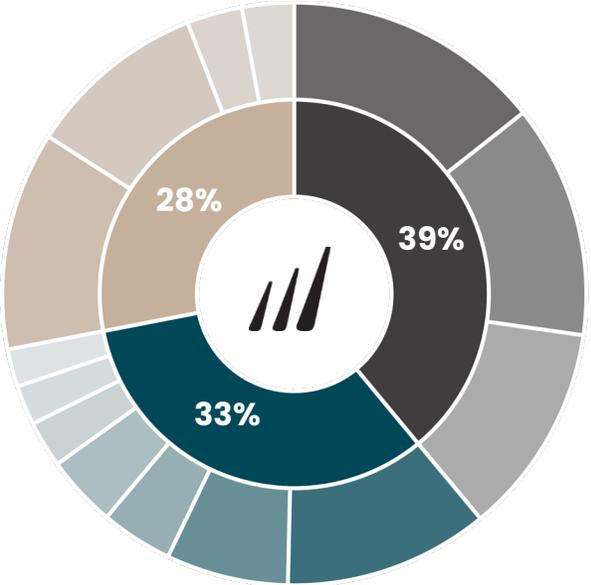
- Automation
- Industrial Technology
- Products

Diversified portfolio reduces risks

Storskogen presents an opportunity for investors to access a unique asset class. The diverse portfolio provides a strategic platform for further growth and resilience in challenging times.

Diversification across many sectors

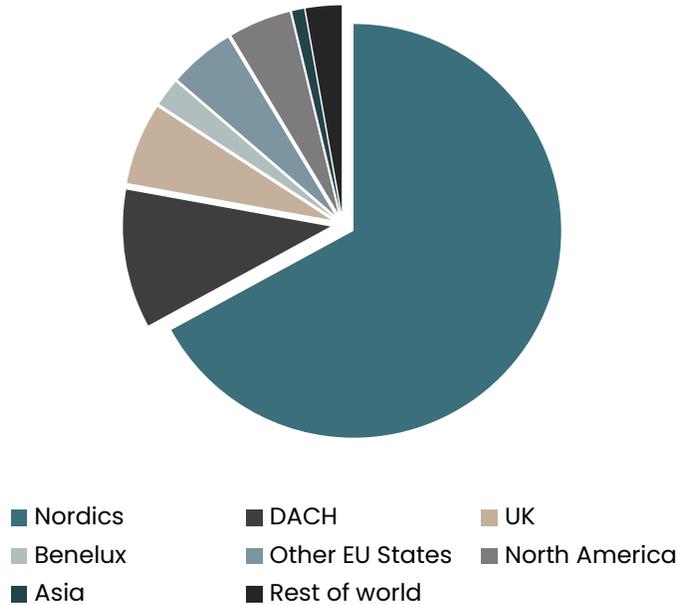
Verticals' shares of Group net sales in Q2 2022



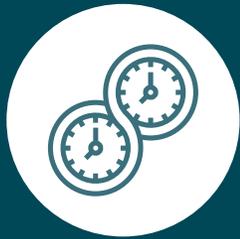
- Services**
 - Installation, 10%
 - Infrastructure, 7%
 - Engineering Services, 5%
 - Logistics, 3%
 - Contracting Services, 3%
 - HR and Competence, 3%
 - Digital Services, 2%
- Trade**
 - Home and Living, 10%
 - Niche Businesses, 9%
 - Health and Beauty, 4%
 - Sports, Clothing and Accessories, 5%
- Industry**
 - Products, 14%
 - Industrial Technology, 13%
 - Automation, 12%

Geographical diversification

Market areas' shares of Group net sales in Q2 2022



Introduction to Storskogen



We are uniquely positioned to identify, acquire and develop market leaders with sustainable business models over an infinite ownership horizon



Our mission is to empower businesses to realise their full potential



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

Why small to medium-sized companies?

Many well-run profitable businesses reach a point in their journey when they would benefit from a new long-term owner to secure their future competitiveness and to realise their full potential

1/

Large addressable market of companies given that many entrepreneurs at some point seek:



Succession



Personal de-risking



Financial security and to enable investments



Access to new capabilities

2/

Stand-alone SMEs are often **not accessible** to investors and imply a **larger risk**. This enables lower multiples.

3/

There are **numerous profitable and market leading companies** within the SME segment – they have a proven business model and have endured several challenging market fluctuations in the past.

Unique market position

With a diversified portfolio leveraging on numerous macro trends and local positioning in a number of countries, Storskogen has a unique knowledge base and position to effectively allocate capital

Broad investment criteria and local presence



Extraordinary deal-flow

Pragmatic acquisition process



Deal certainty and long-term value creation

Appreciated ownership model



Attract profitable market leaders

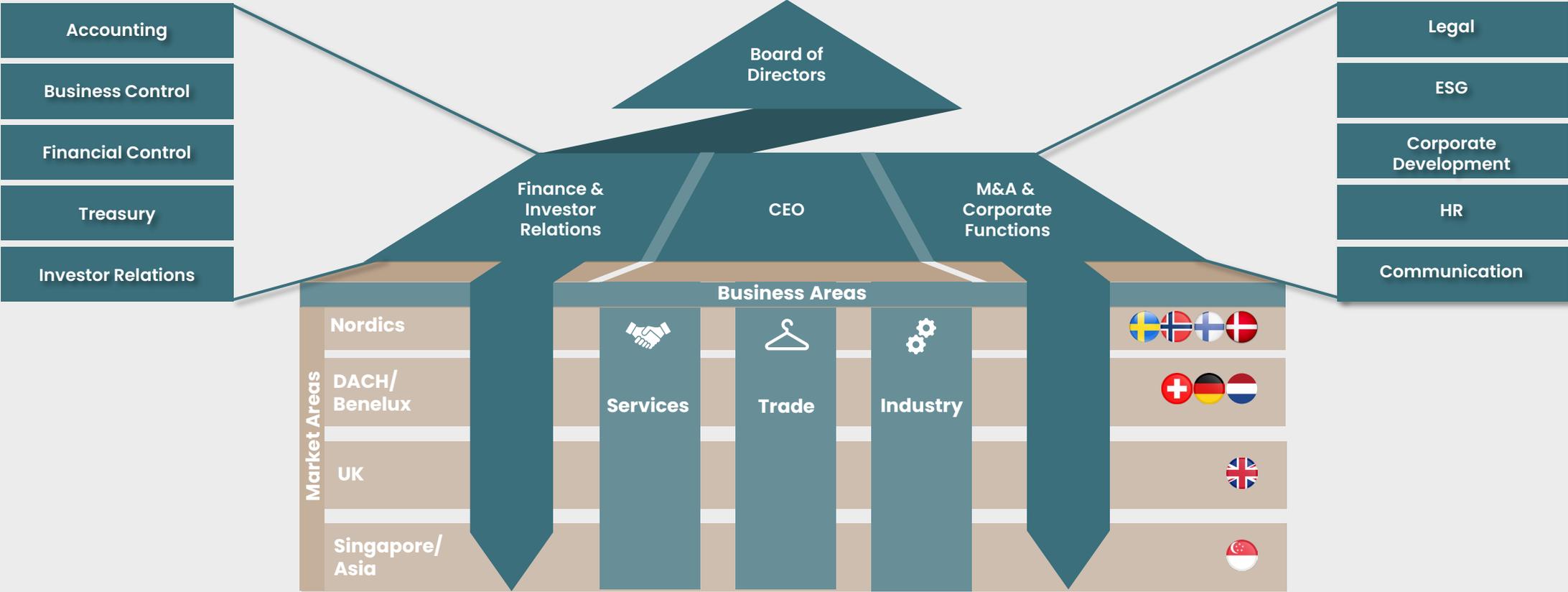
Selective acquisitions

Diversified end-market and geographic presence enable **efficient capital allocation**

Unique knowledge base

Organisation

Storskogens decentralised governance and active ownership model emphasise industrial expertise and local presence. This enables us to generate long-term positive results as a group.



Core values

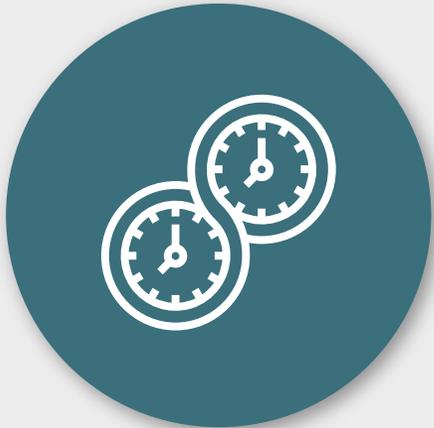
Storskogen's core values are deeply embedded in the organisation. The values are the backbone of the decentralised and active ownership model, enabling robust relations within the group.



Entrepreneurial



Respectful



Long-term approach



Professional

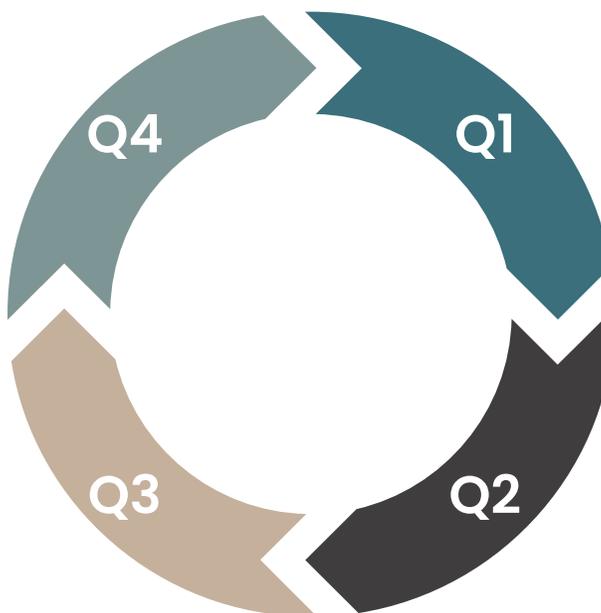
Active ownership model

What sets us apart is our proven decentralised operational model, active governance and extensive network, allowing for autonomous operational decision-making while holding our businesses accountable through dialogue and metrics

Promoting entrepreneurship and decentralisation

- Succession planning
- Company specific incentives
- Earn-outs and minorities
- Long-term incentive programmes

Ways of working



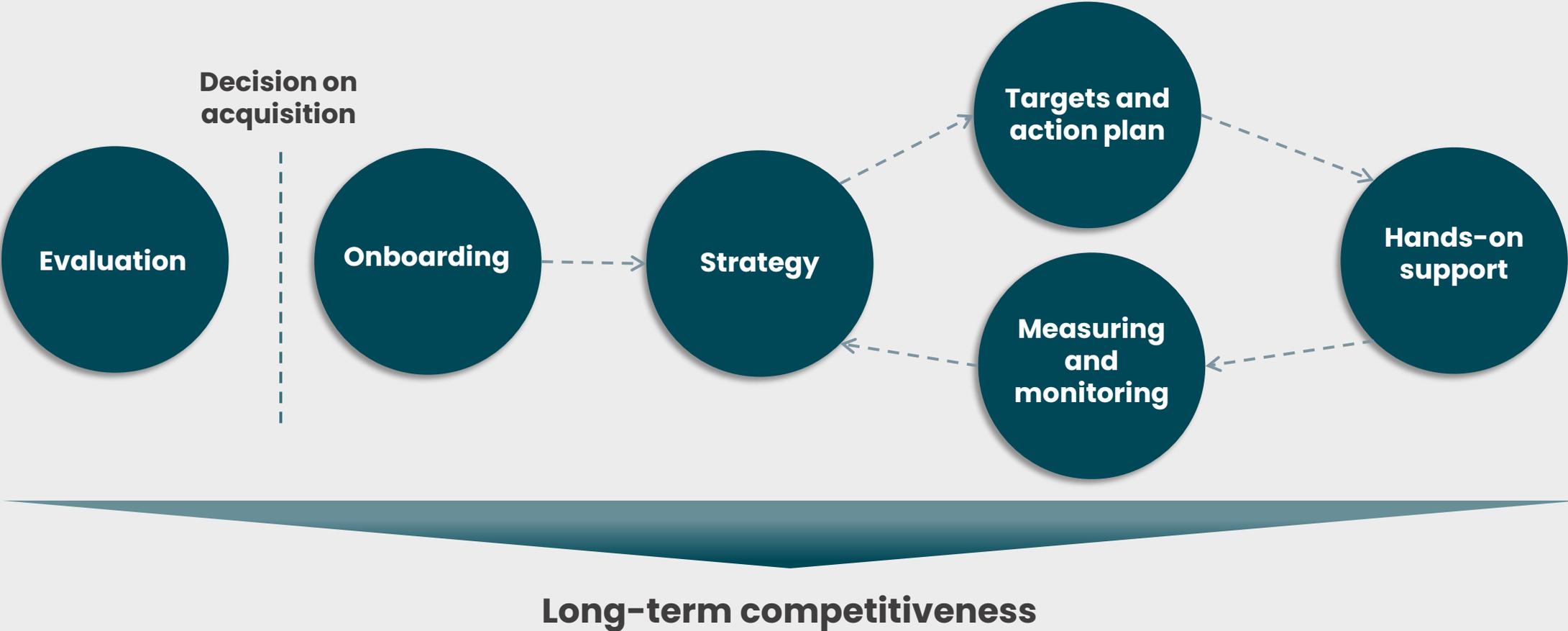
- ✓ Tailored initiatives based on focus areas
- ✓ Sustainability support
- ✓ Tailored interactions
- ✓ Group knowledge sharing events
- ✓ Monthly CEO check-ins
- ✓ Yearly activities
- ✓ Quarterly board meetings

Storskogen supports its companies in navigating through the ESG transition towards a sustainable society



Driving sustainability

With an infinite ownership horizon, sustainability is at the heart of decision-making. By providing ESG tools and support we increase the long-term competitiveness of our companies.



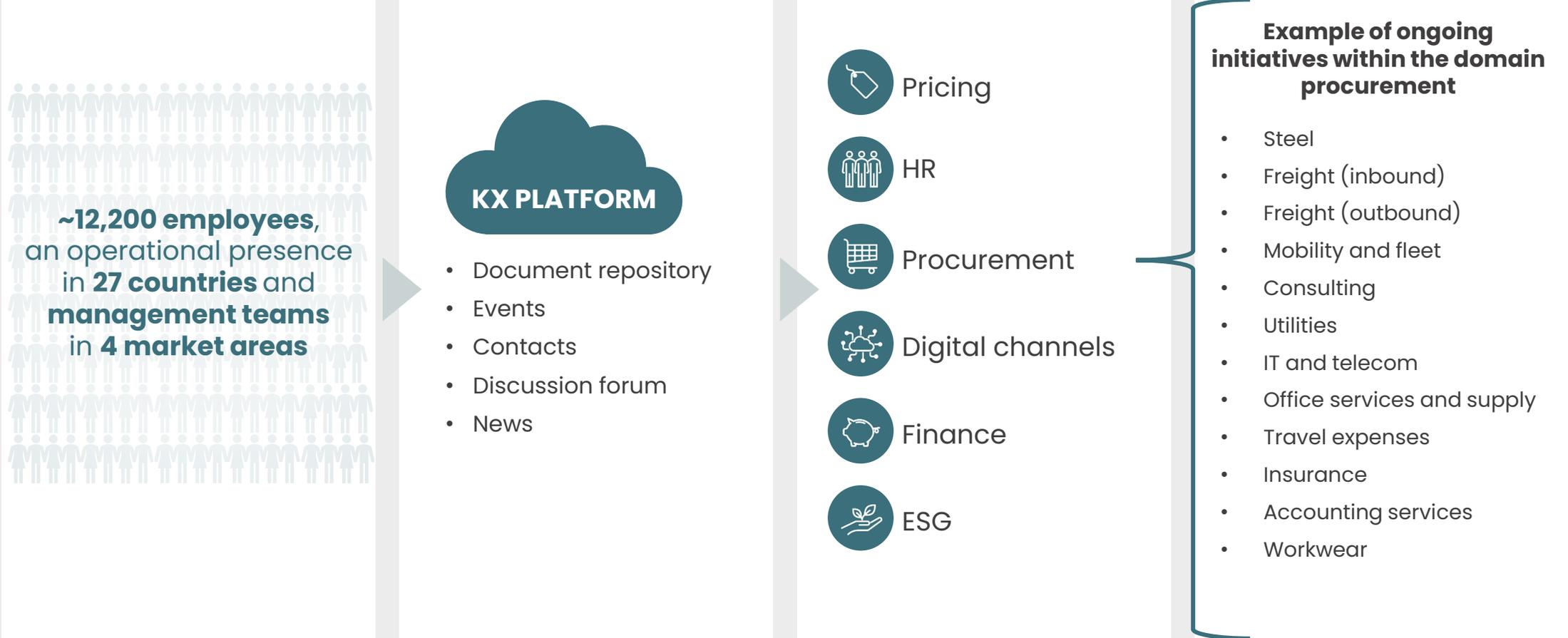
Empowering businesses

Storskogen's value contribution to the business units is all about decreasing risk and increasing upside, illustrated by the 1% organic EBITA growth in 2020 and 36% in 2021



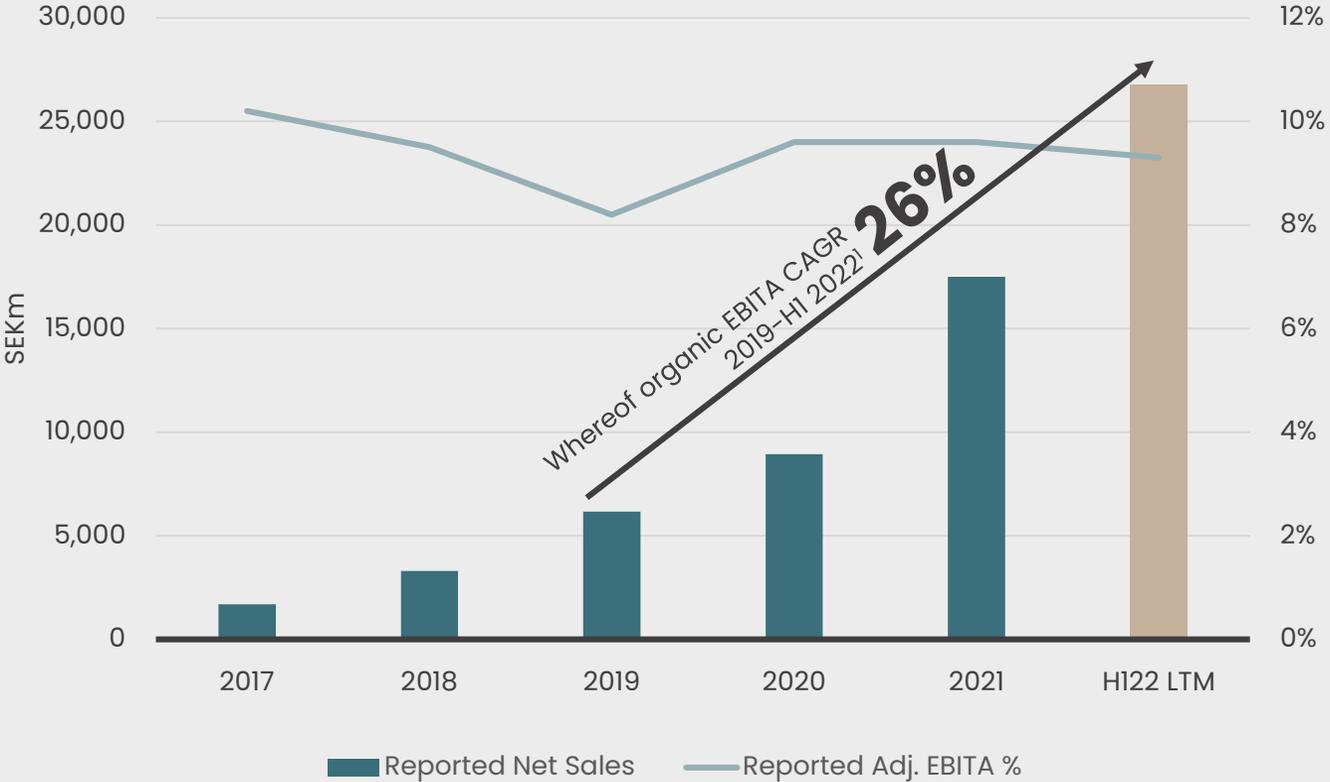
The power of pooling expertise from 12,200 people

Storskogen Knowledge Exchange, KX, is an initiative to facilitate and promote knowledge sharing within the Group. KX currently consists of six domains headed by a domain lead from HQ.



Financial development

Storskogen has experienced strong sales growth over the past years, both organically and through acquisitions. Organic EBITA growth is a key financial target, aiming at real GDP growth + 1-2 pp.



	Organic revenue growth (%)	Organic EBITA growth (%)
2019 >	5	-8
2020 >	-4	1
2021 >	17	36

Financial targets and outcome

Storskogen is performing in line with a majority of the financial targets set at the IPO. Adjusted cash conversion and organic EBITA growth are currently performing below target.

	Financial targets (mid term)	OUTCOME	
		3Y average 19-21	Q4 2021 / H1 2022
Adjusted EBITA growth	Maintain growth in line with historical performance	79%	141% / 121%
Organic EBITA growth¹	Real GDP growth ² + 1-2 percentage points	10%	55% / -3%
EBITA margin³	Approximately 10 percent on average, in line with historical performance	9%	9% / 9%
Adjusted cash conversion⁴	More than 70 percent calculated based on the last twelve months	71%	97.8% / 31.8%
Leverage	Interest-bearing net debt to Adjusted RTM EBITDA ratio of 2.0-3.0x. May exceed 3.0x, but not expected to exceed 3.5x	1.45x ⁵	1.3x / 2.5x

1) Calculated as change in EBITA, excluding acquisition and divestment related effects, compared to the corresponding period in the previous year. 2) In the markets in which Storskogen is active. 3) Calculated as EBITA as a percentage of net sales. 4) Calculated as Operating cash flow as a percentage of Adjusted EBITDA. 5) Adjusted time period 2020-2021

Next generation ownership

Storskogen is planning for a recession by calibrating costs, acquisition pace and retaining a strong balance sheet – while setting the stage for fulfilling our long-term vision and mission

Short-term focus

- Continued focus on cash flow and retaining a strong balance sheet
- Calibrate acquisition pace
- Focus on operational excellence
- Ensure an effective central- and market area organisation

Long-term realisation of strategy



Continued acquisitive strategy



International expansion



Investments for growth

Alexander Björgård

Co-founder and
Head of M&A and
Corporate Development

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Diversified portfolio of qualitative businesses

Storskogen's strategy has been intact since the start with the aim to build a diversified portfolio of quality companies

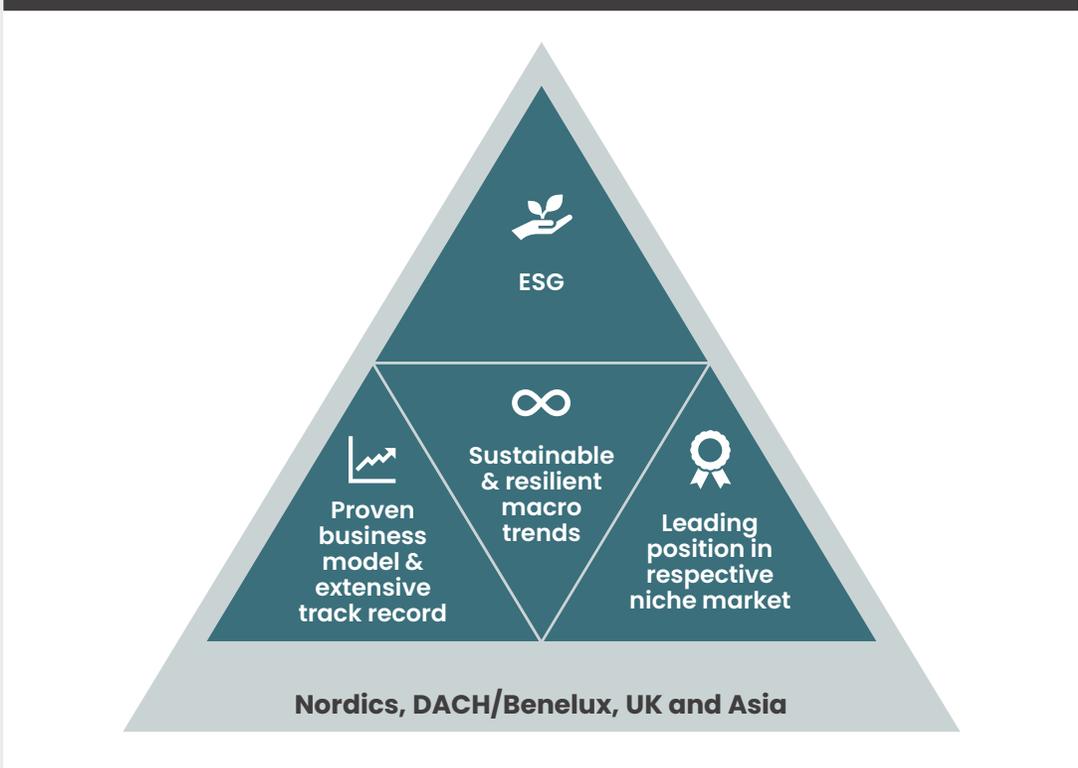
The building blocks of our portfolio



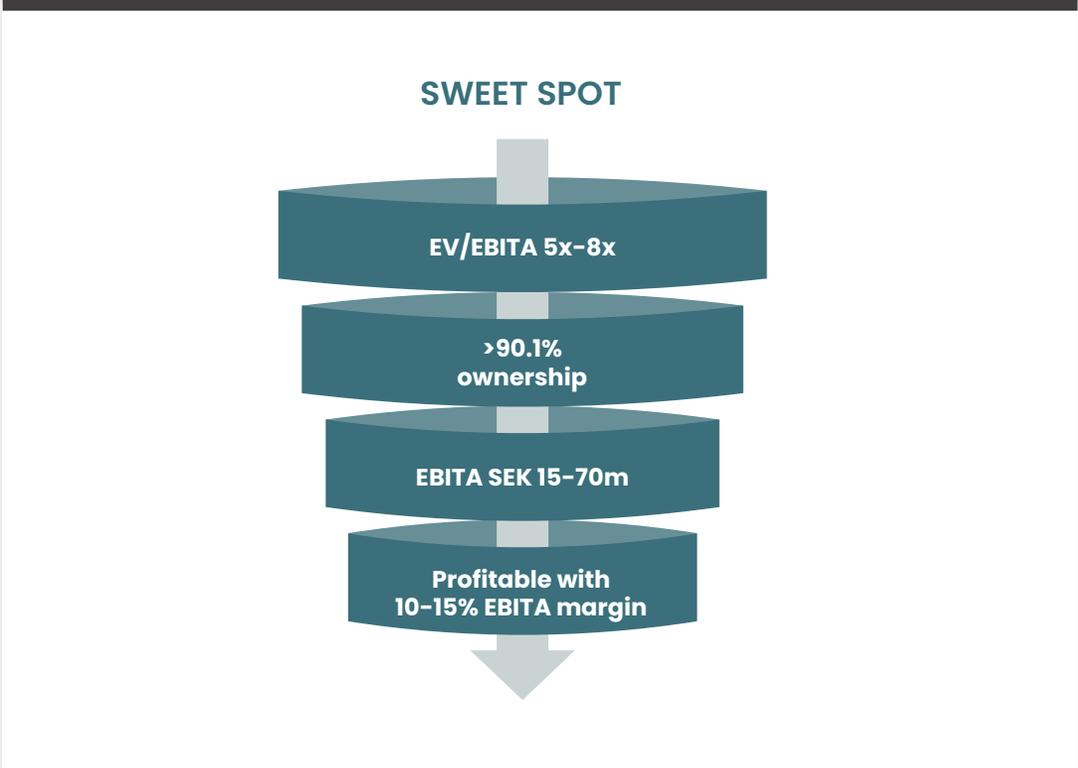
Storskogen's acquisition criteria

Storskogen identifies, acquires and develop companies with the fundamental and financial foundation to secure success for the next 100-years

Fundamental criteria



Financial criteria



Strategic considerations from an M&A perspective

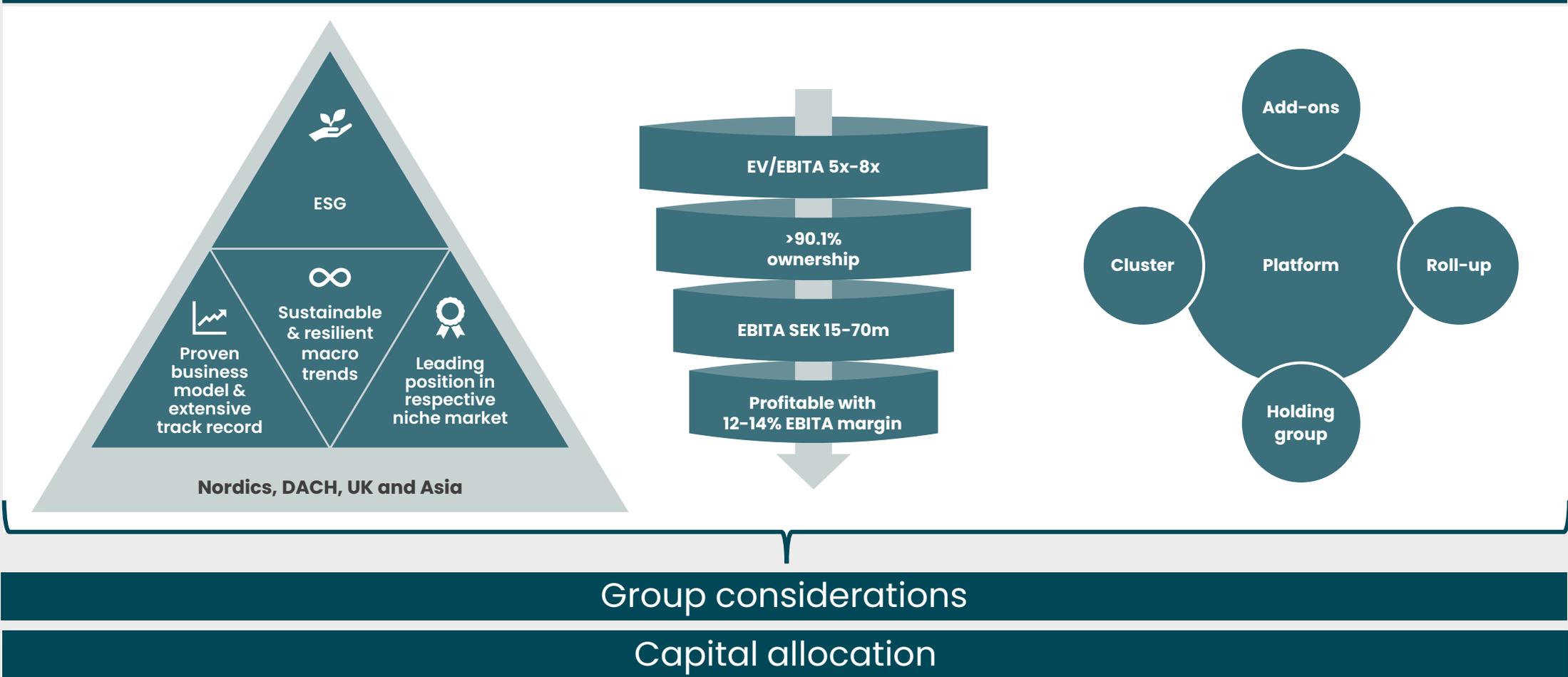
We evaluate potential acquisitions from an M&A perspective where >50% of our¹ portfolio companies have an M&A agenda and/or are part of a structure with the aim to realise potential synergies

	STRUCTURE	REVENUE SYNERGIES	COST SYNERGIES	SHARE OF GROUP REVENUES ¹
PLATFORM	ADD-ONS	✓ ✓ ✓	✓ ✓ ✓	~25%
	ROLL-UP	✓ ✓ ✓	✓ ✓ ✓	~15%
	HOLDING GROUP	✓ ✓	✓ ✓	~10%
	CLUSTER	✓	✓	~5%

1) Including revenue from platforms; RTM Jun-22

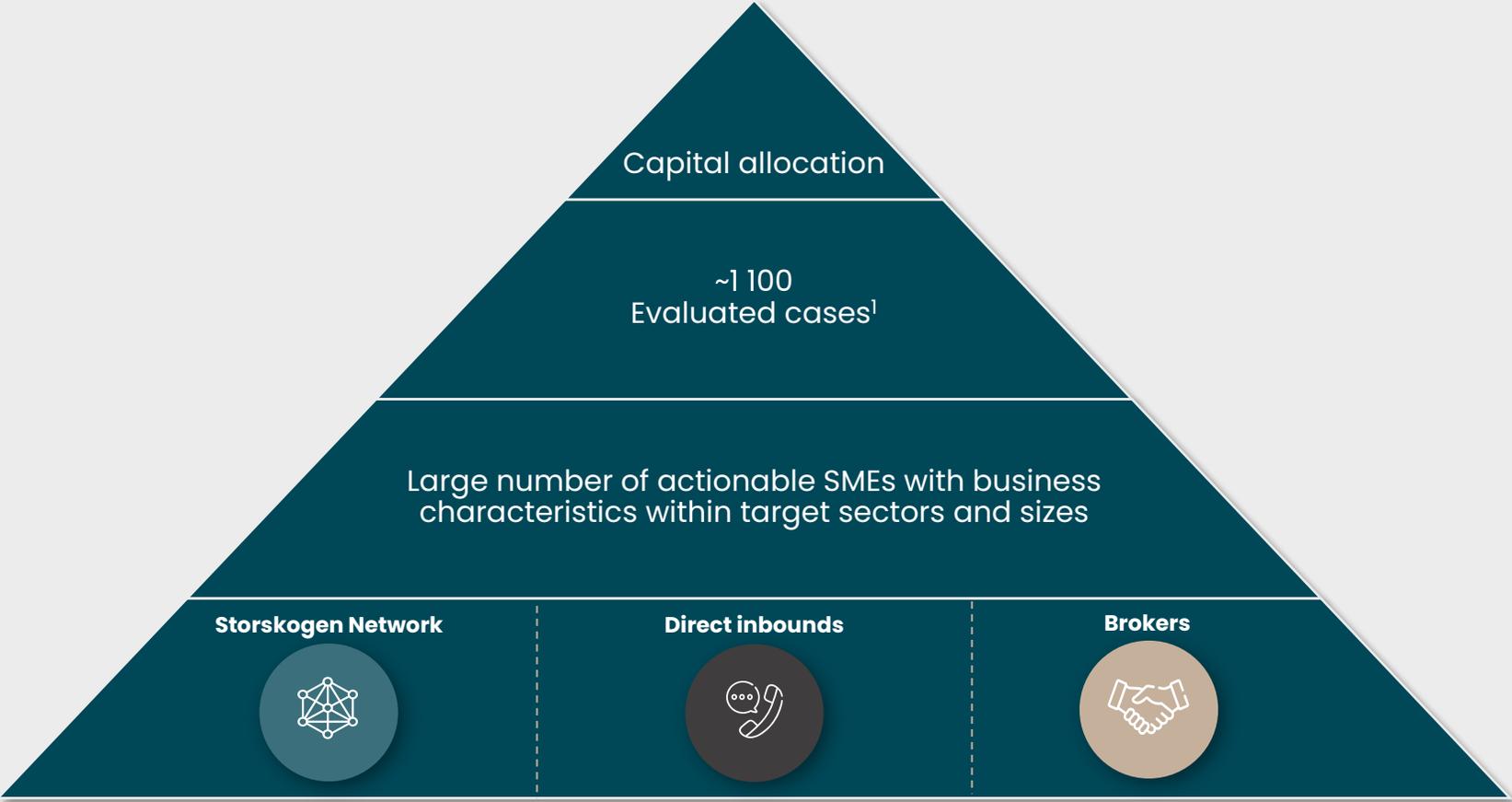
Capital allocation

Storskogen allocates capital based on fundamental and financial criteria as well as strategic considerations



Unrivalled deal flow enables selective acquisitions

Storskogen's acquisition criteria and positioning generates an unrivalled and unique deal flow of available targets. This allows a selective and systematic process.



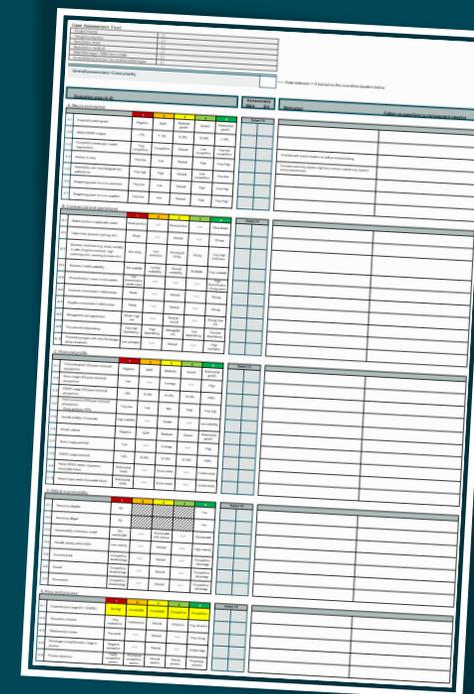
Storskogen's evaluation process to ensure we acquire quality

Guiding definition of overall attractiveness used to support assessing an opportunity and its relevance over a long-term horizon

Areas of due diligence

Macro & market		<ul style="list-style-type: none">• Market growth and profitability levels• Competitive landscape• Barriers to entry, substitution/technological/political risks, bargaining power vis-à-vis customers and suppliers
Commercial & operational		<ul style="list-style-type: none">• Market position• Value chain dynamics• Business stickiness and scalability• Customer and supplier concentration and relationships• Management and organization including key people dependencies
Financial profile		<ul style="list-style-type: none">• Growth, gross margin, EBITA margin and cash conversion• Stability of financials• Future outlook (growth and margins)• Future Opex-needs/investments• Future capex needs
ESG & sustainability		<ul style="list-style-type: none">• EU Taxonomy eligibility/alignment• Sustainability of business model• Overall maturity within ESG• ESG as a competitive advantage/disadvantage
Price and process		<ul style="list-style-type: none">• Expected price• Attractiveness of transaction structure accepted• Relationship to broker• Competitive edge in process• Process dynamics

The Case Assessment Tool (CAT)

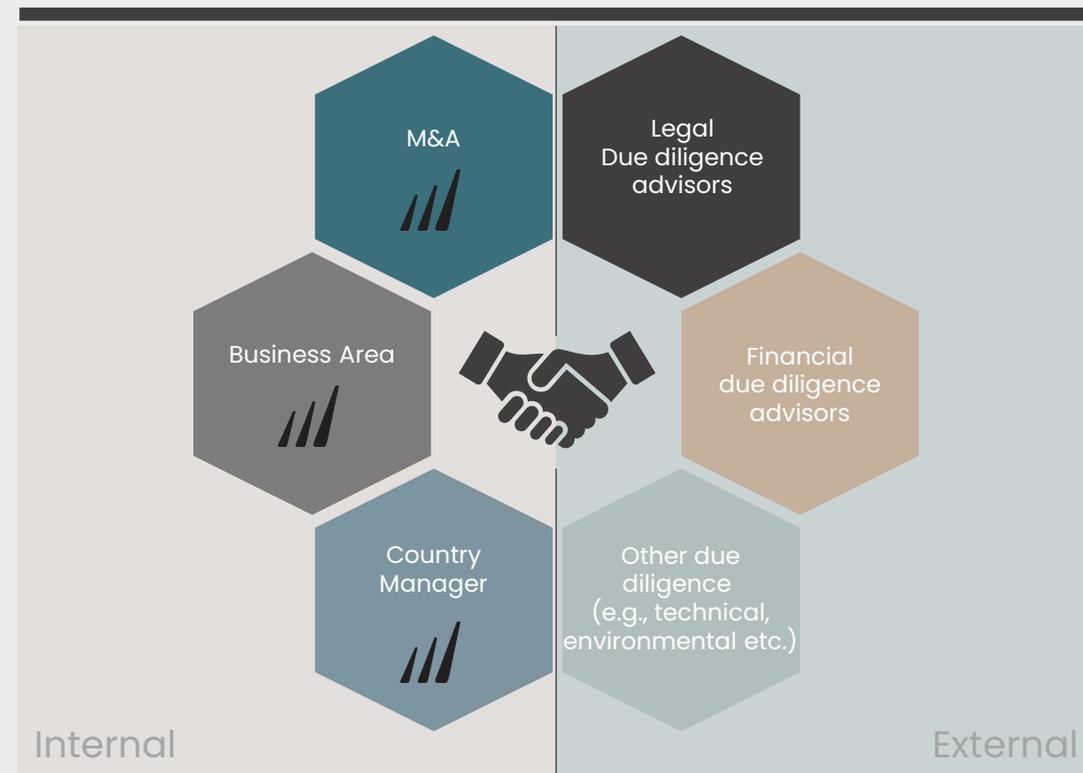


The image shows a complex spreadsheet titled 'The Case Assessment Tool (CAT)'. It features multiple columns and rows, with some cells highlighted in red, yellow, and green. The spreadsheet is divided into several sections, likely corresponding to the areas of due diligence listed on the left. It includes various data points, charts, and tables, providing a comprehensive overview of the evaluation process.

Tailored deal teams

Carefully selected teams to ensure we always leverage relevant competencies and experiences in each and every specific situation

Team & partner resources



Example of actual deal team



Company

- Hans Löfqvist Engineering AB (founded in 1977)
- Automation company with revenue FY 2021 SEK 60m



Team

Investment Director Industry, Automation Vertical

25 yrs within a Swedish technical solutions group as Head of Automation/management team and CEO of two automation companies

Investment Manager BA Industry

9 yrs as production manager in pharma and management consultant

M&A Manager

+7 yrs in corporate finance and transaction services

Senior Advisor & Co-founder

Senior management positions at VW, Porsche and Scania

CEO of Storskogen portfolio company PV Systems (Automation)



Investment decision

- CEO Storskogen
- Executive Vice President, Head of Business Area Industry
- Executive Vice President, Head of Corporate Development & M&A

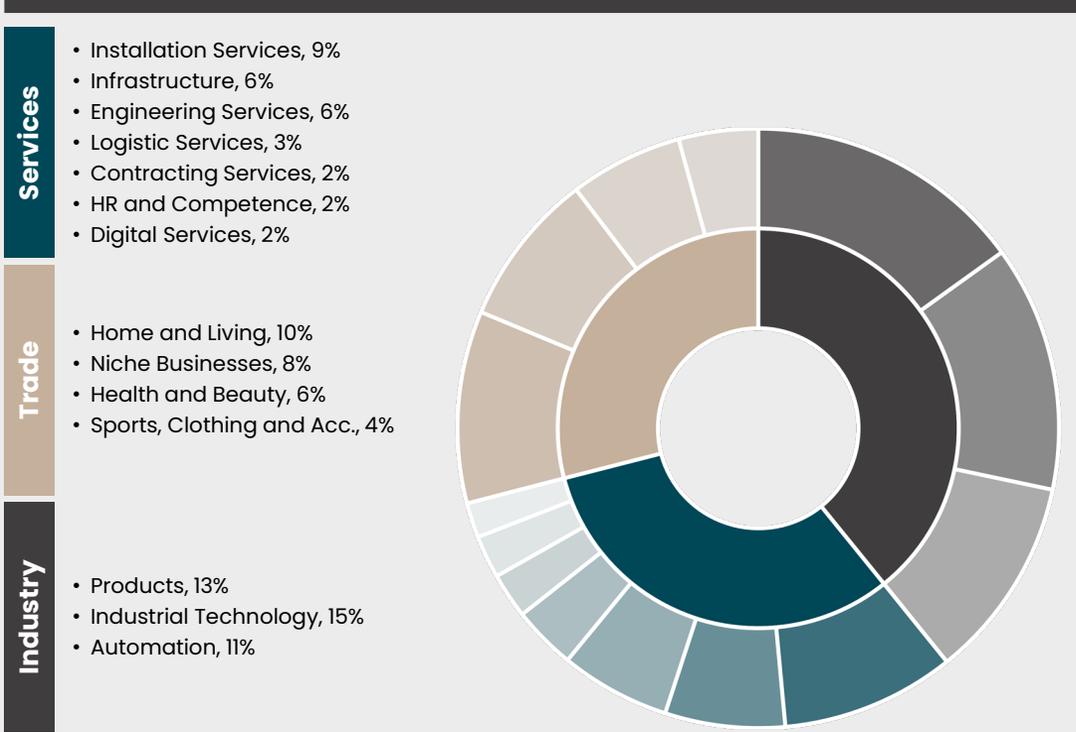
Leveraging on sustainable macro trends

Diversified portfolio by end-markets provides a strategic platform for further growth and resilience in challenging times

Leveraging macro trends

<ul style="list-style-type: none"> • Green energy transition • Urbanisation • Governmental spending in underinvested infrastructure segments • Digitalisation • E-commerce driving demand for transport and logistics services • Lifelong learning e.g. adult education and integration
<ul style="list-style-type: none"> • Changing demographics • More leisure time • Increased personal wealth/middle class • Sustainability (e.g. natural ingredients in health & beauty) • Health and wellness
<ul style="list-style-type: none"> • Green energy transition • Reshoring/nearshoring to drive automation • Industry 4.0/5.0 to drive connectivity, data mining and sensor technology • Digitalisation (e.g. data centers, cables and connectivity) • Urbanisation

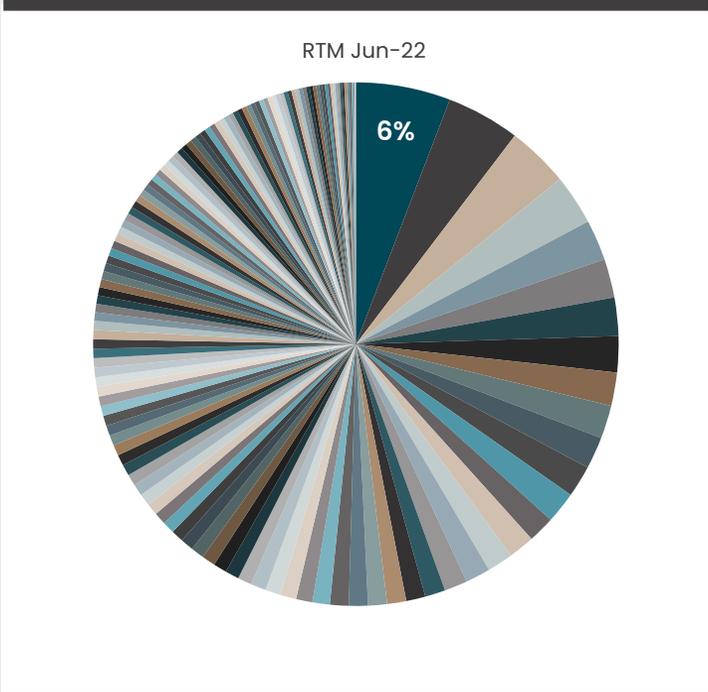
Verticals' share of group net sales¹



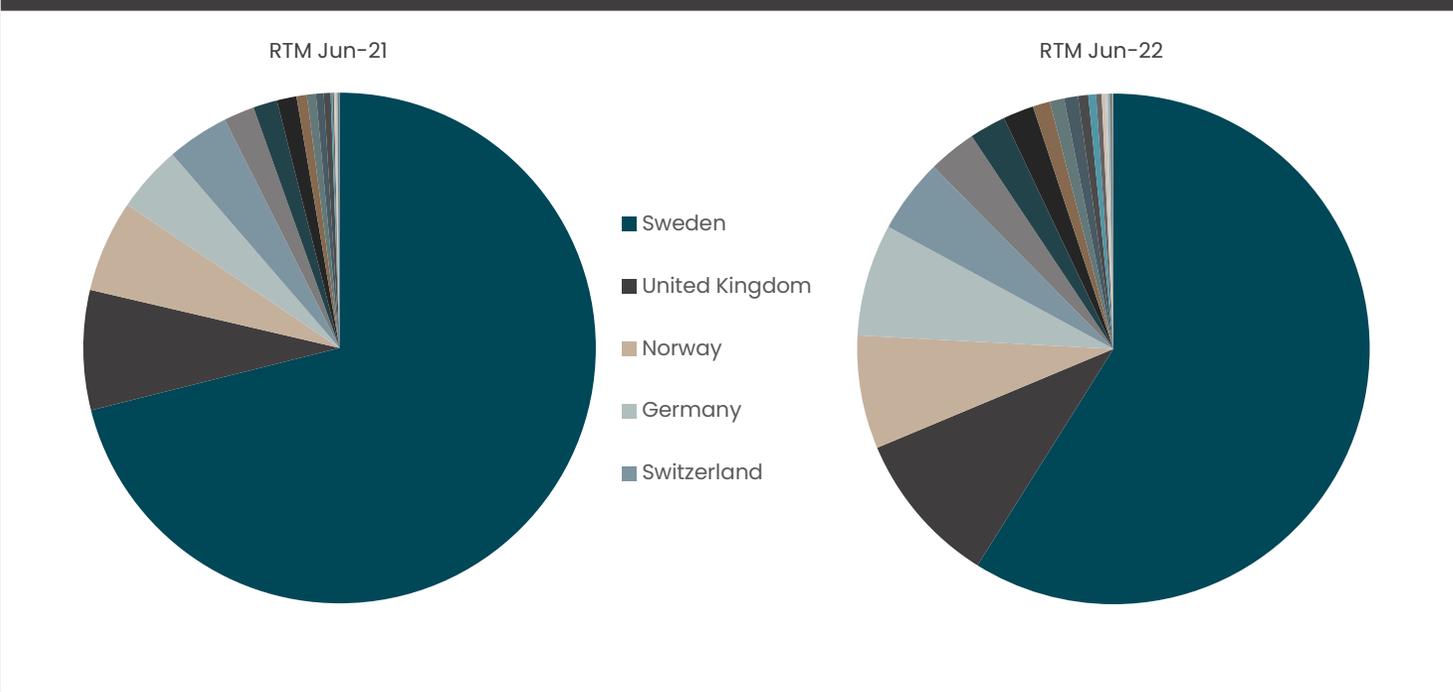
Portfolio composition by business unit and regional exposure

Storskogen's portfolio is not dependent on a single business unit and is becoming more international with less exposure to Sweden

Share of group net sales by business unit¹

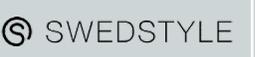


Share of group net sales by country¹



Long term sustainable competitive advantage

Storskogen's 20 largest business units are market leaders in various niche markets across different regions

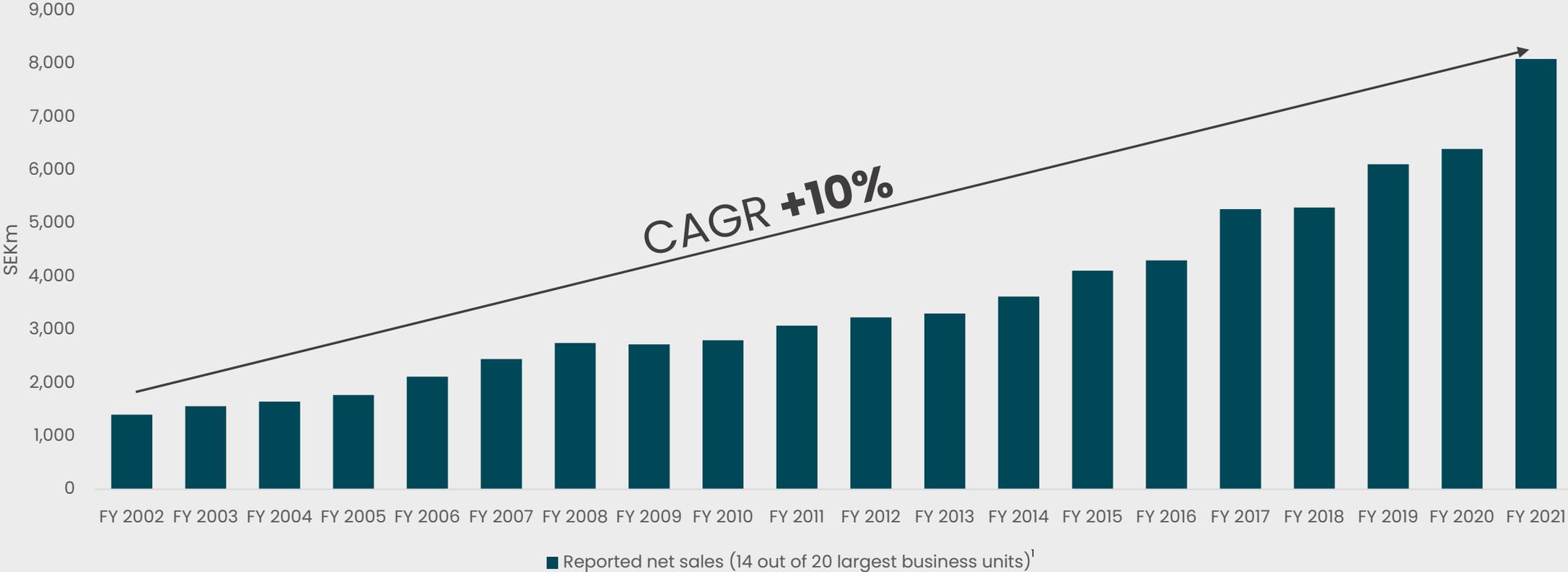
	Company	Founded	Market leadership
1		1973	#1 Bar feeders globally; #1 Chip conveyors in NA+#3 in Europe; #1 Coolant systems in NA
2		1975	#Top 1-3 of structural steelwork design and fabrication in the UK
3		1936	#1 trailer producer and seller in Scandinavia
4		1984	#1 Nordic brand management company of beauty products
5		1974	#1-2 height-adjustable workstations in Scandinavia
6		1929	#1 manufacturer of tradesmen's ladders/scaffolding across the Nordics
7		1992	#1 floor distributor in Sweden
8		2012	#Top 3 contractor of warehouse and logistic buildings in Norway
9		1962	#2 high-tech equipment and automation provider in EU
10		2001	#3 painting group in Sweden

	Company	Founded	Market leadership	
		1993	#1 steel piling supplier in Sweden	11
		1907	#3 in workwear in Sweden	12
		2006	#1 road-based container transport provider in Sweden	13
		1992	#1 supplier of equipment to car and tire workshops in Sweden	14
		1966	#1 service provider in hospitality segment in Norway and Poland	15
		1965	#3 automation integrator and turnkey supplier in Sweden	16
		1974	#1 chimney sweeping group in Sweden	17
		1969	#1 premium animal wire fencing provider in the UK	18
		2005	Top 5 largest actors in Sweden within trenchless technology	19
		1987	Most profitable design and fulfilment specialist for home furniture in UK	20

Avg. age of ~47y

Decades of solid performance

Storskogen is built by companies and entrepreneurs which have proven themselves over a long period of time by delivering sustainable and resilient growth



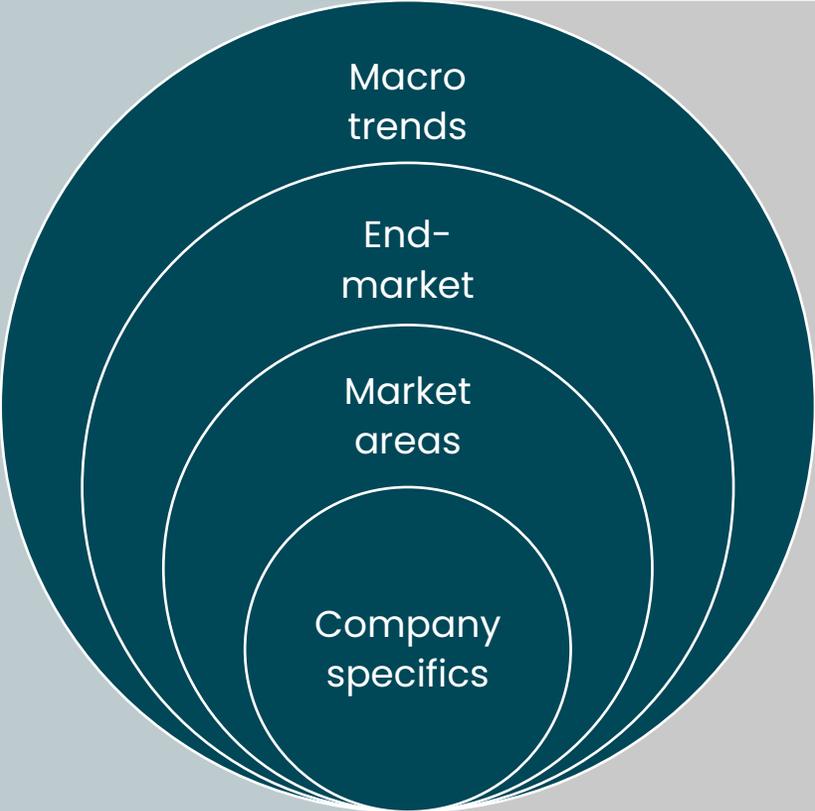
1) Excluded due to inconsistent data series: LNS (data quality not validated for the entire time period), SCG (not consolidated until 2019), Wibe (carve-out), Thermica (founded 2012), Skara Slättens (founded 2006), Scandia Steel (changed group structure)

Unique position to allocate capital effectively

Storskogen has the ability to allocate capital in an agile and selective way throughout different end-markets and market areas. We are investing in our current portfolio companies and calibrate the acquisition pace short term.

Portfolio companies
(e.g. add-ons, capex etc.)

New acquisitions



Lena Glader

CFO

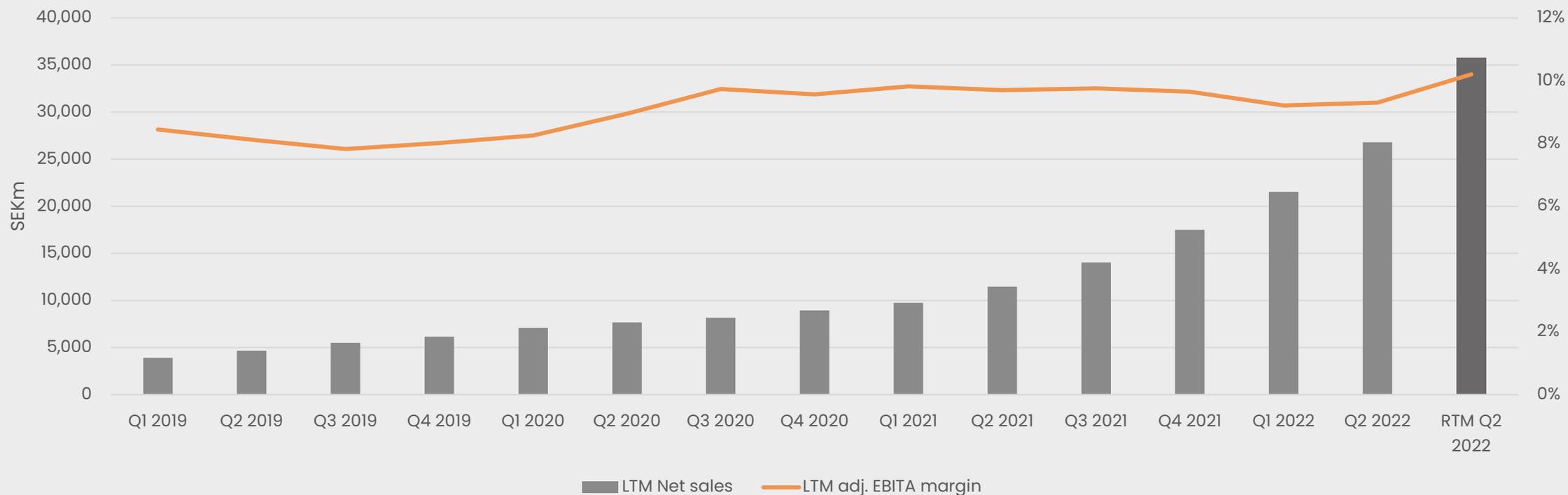
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Top line and EBITA margin

A strong net sales growth coupled with solid EBITA margins over the past 14 quarters, organic and acquired

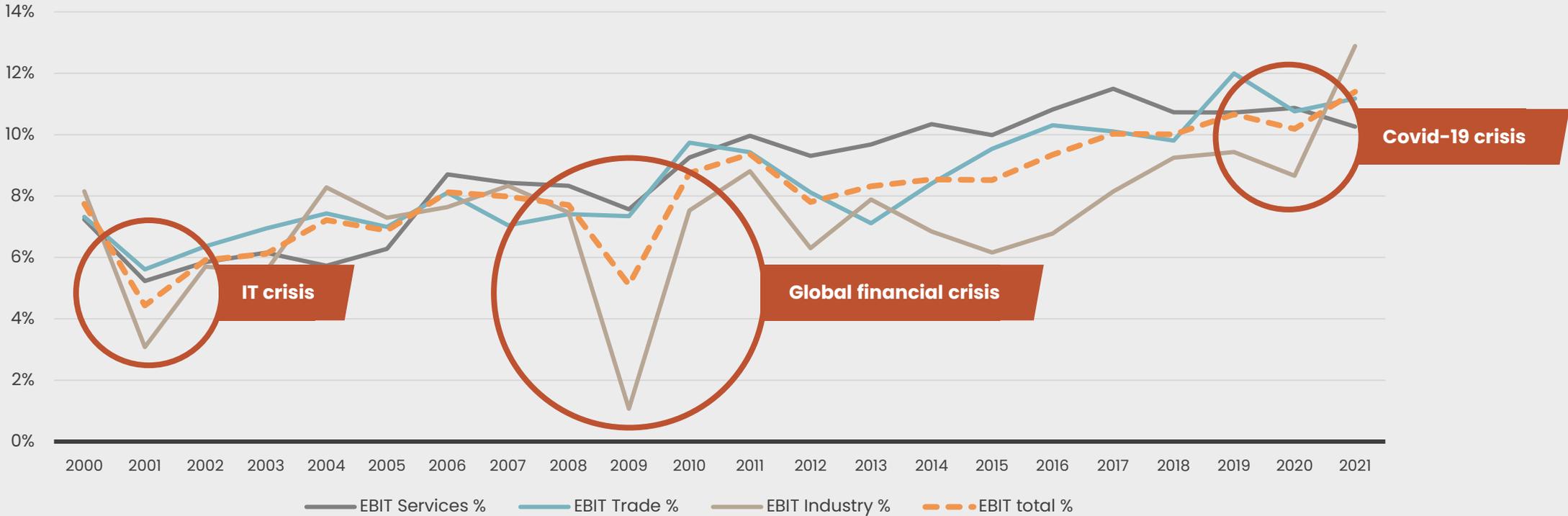
Net sales and margin development



Diversification brings resilience

Diverse portfolio reinforces resilience in economic downturns

Historical performance of +100 BUs¹

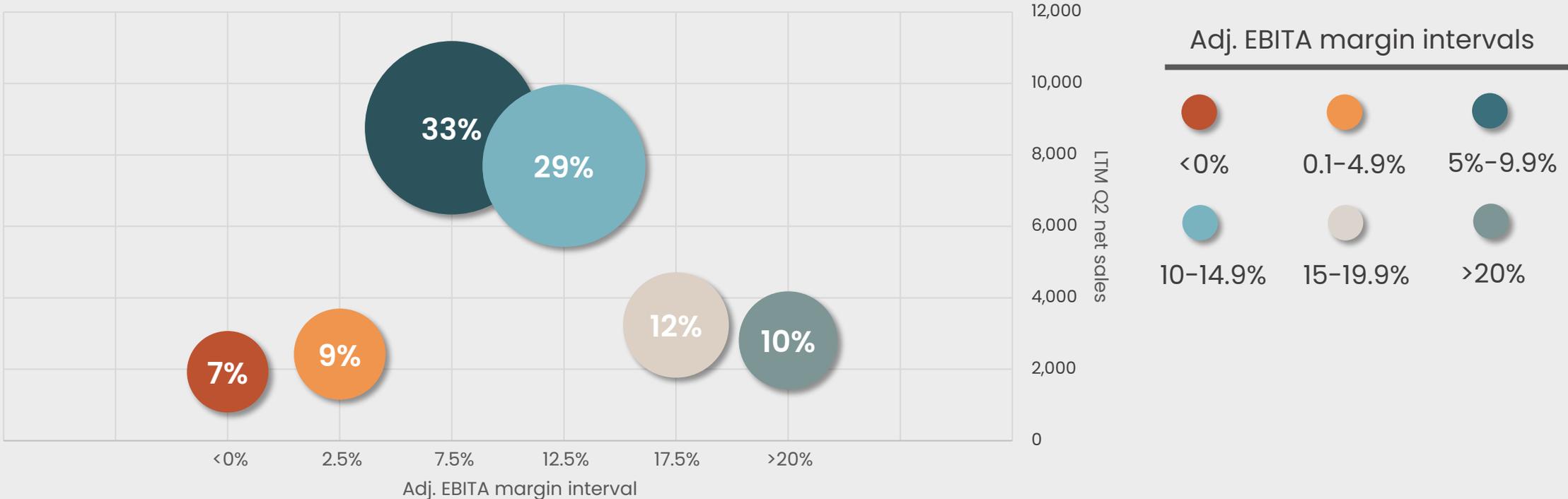


1) Source: Value8, AllaBolog, companies' financial accounts. Excludes companies with inconsistent data series, e.g. re-organizations and carve-outs

EBITA margin concentration

Above 60% of the portfolio has an average EBITA margin of 7.5–12.5%. In total, the portfolio is weighted towards an EBITA margin above 10%.

Margin allocation in portfolio



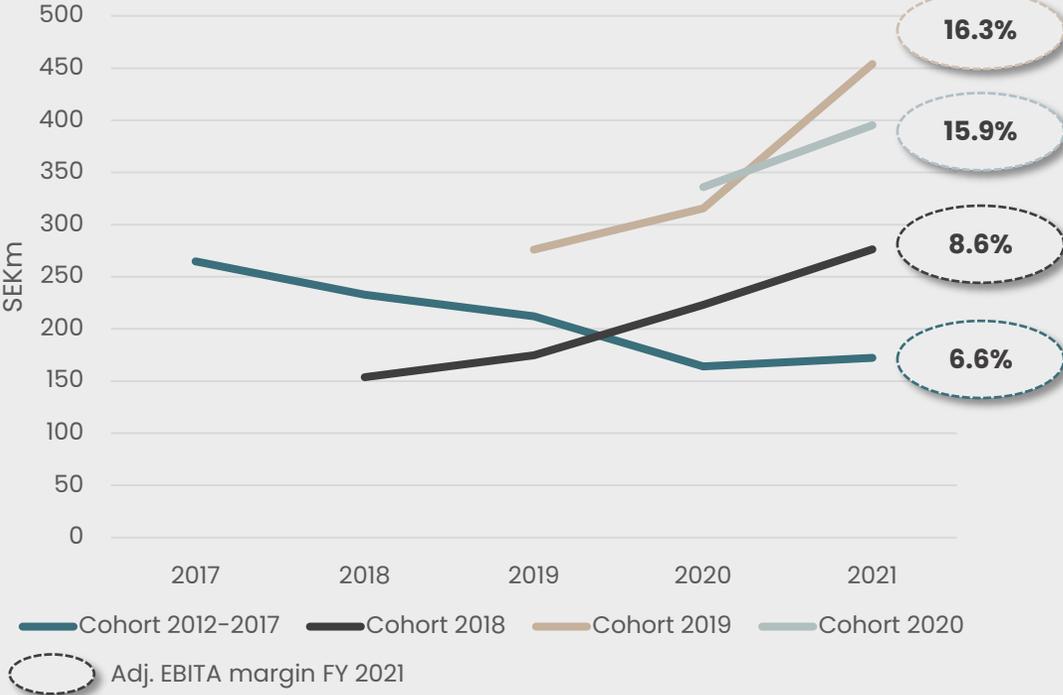
Positive earnings growth during our ownership

Trend of improved EBITA earnings in later acquired cohorts of companies, which stand for the vast majority of the current portfolio

	Acquisition year/s	Share of total net sales H1 2022 ¹	Avg acquisition multiple ²
Cohort 2017	2012-2017	8%	4.9x
Cohort 2018	2018	11%	5.4x
Cohort 2019	2019	10%	5.6x
Cohort 2020	2020	10%	6.3x
Cohort 2021	2021	40%	8.2x

Cohort 2021 not included in graph due to limited history

Organic EBITA development in absolute numbers

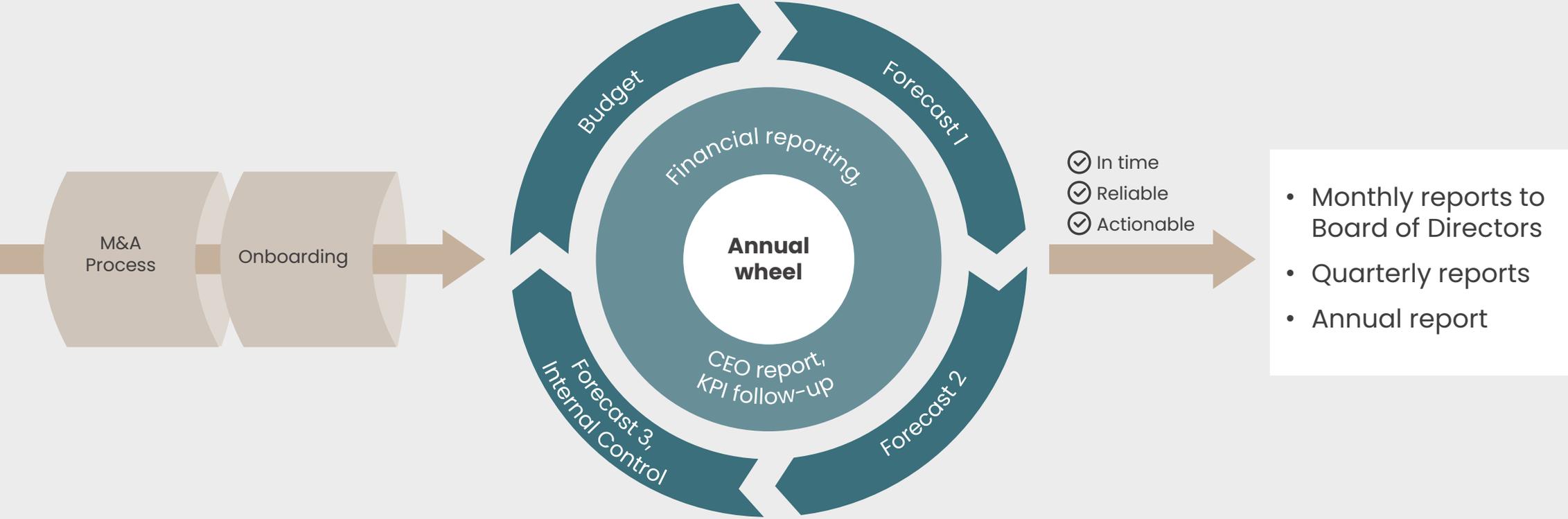


1) Based on reported net sales H1 2022. The remaining share include acquisitions and organic growth during H1 2022 as well as add-ons 2) Volume-weighted average, as per latest reported financials before acquisition

Robust financial steering and control processes

A well-structured process from M&A and onboarding to implementation of a common financial framework. Actionable steering tools for monitoring, follow up and support for portfolio companies.

————— Cash management, internal financing, focus projects at group level —————>

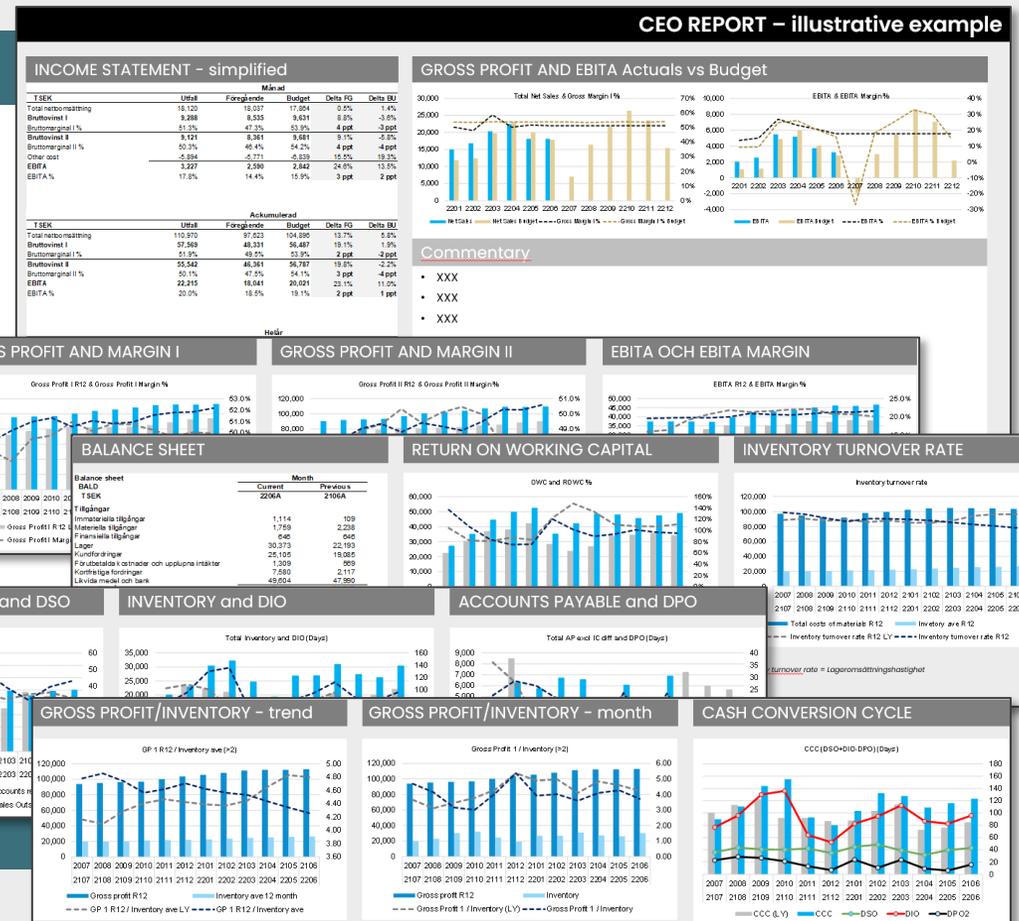


KPI follow-up from Business Units to Storskogen

Decentralised management with selected KPIs providing an efficient early warnings system allowing group management to allocate resources and support

KPI follow-up

Trade	<ul style="list-style-type: none"> EBITA (abs compared with budget) Gross margin % (II) CCC (DSO + DIO - DPO) 	<ul style="list-style-type: none"> Gross profit Inventory
Industry	<ul style="list-style-type: none"> Gross profit margin EBITA (abs + %) Order book 	<ul style="list-style-type: none"> WC CAPEX
Services	<ul style="list-style-type: none"> EBITA (abs + %) Project follow-up (where applicable) WC-related KPIs 	



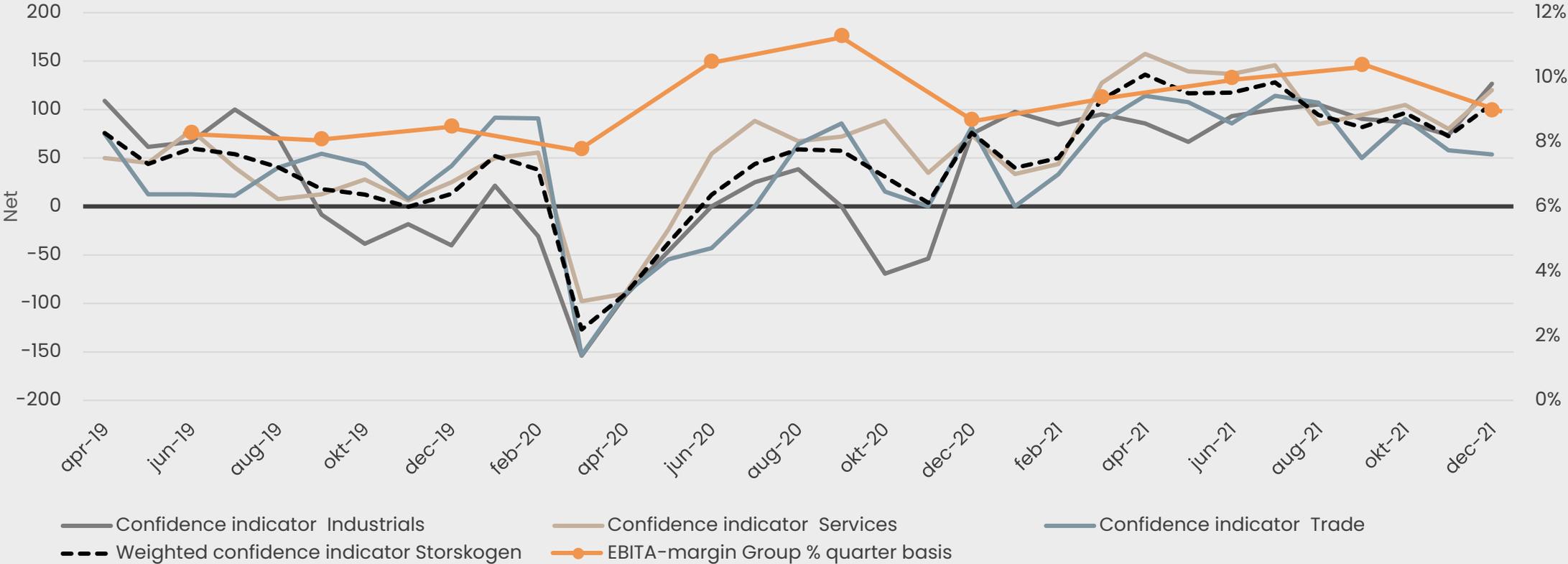
Financial Control

Resource Allocation

Risk Management

Storskogen's confidence indicator

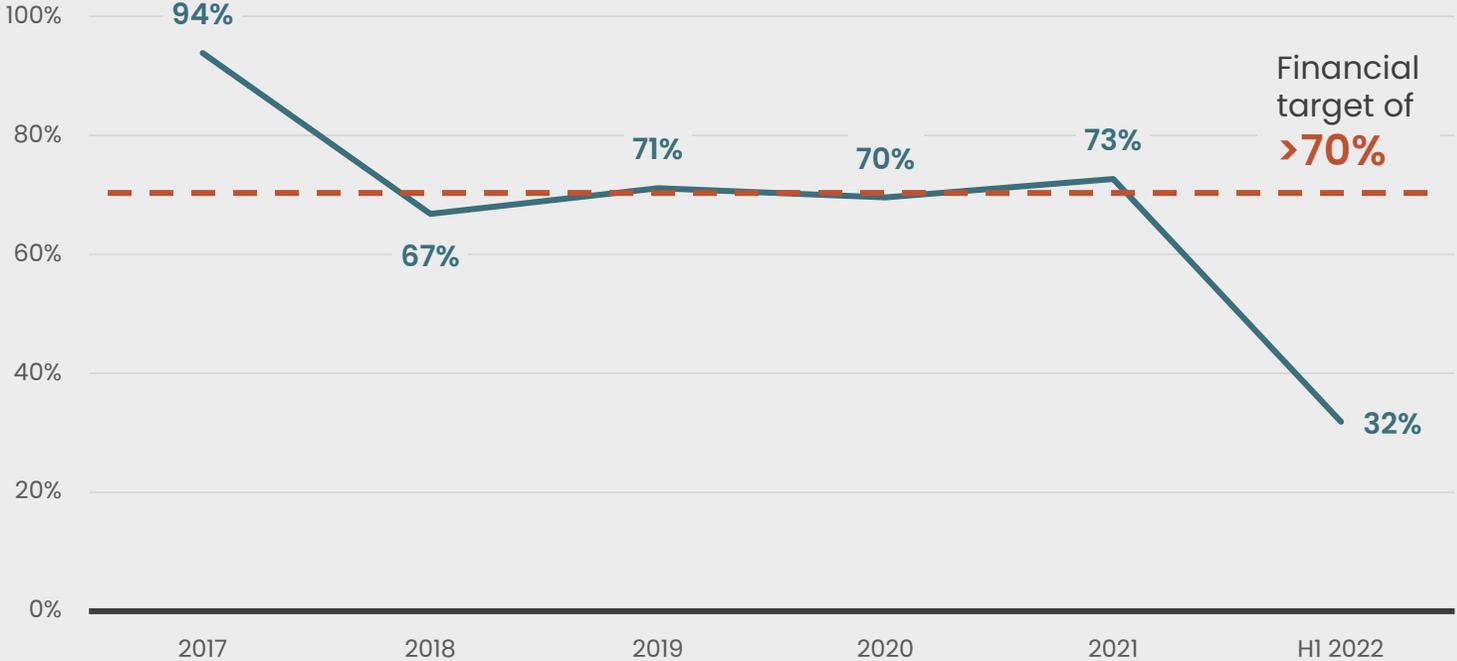
A tool to gather collective knowledge about current and expected market trends from portfolio CEOs. The result is used as an indication of market development on Group as well as company level.



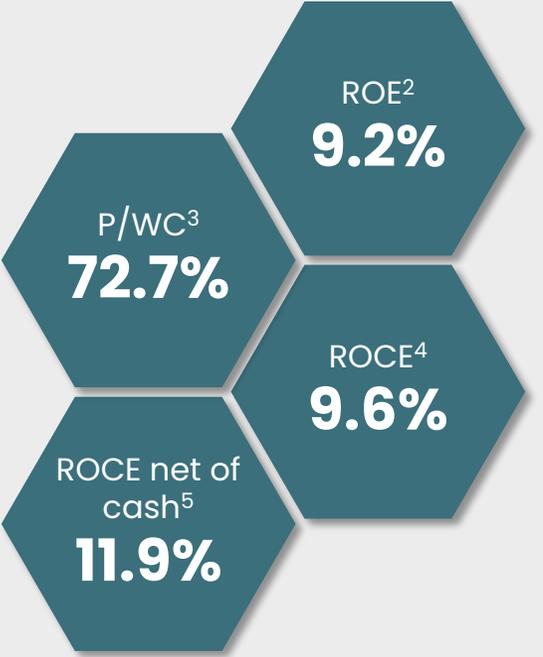
Cash conversion at target the past five years

Storskogen's model delivers good as well as stable returns and cash flow

Cash conversion¹



As of Q2 2022, LTM

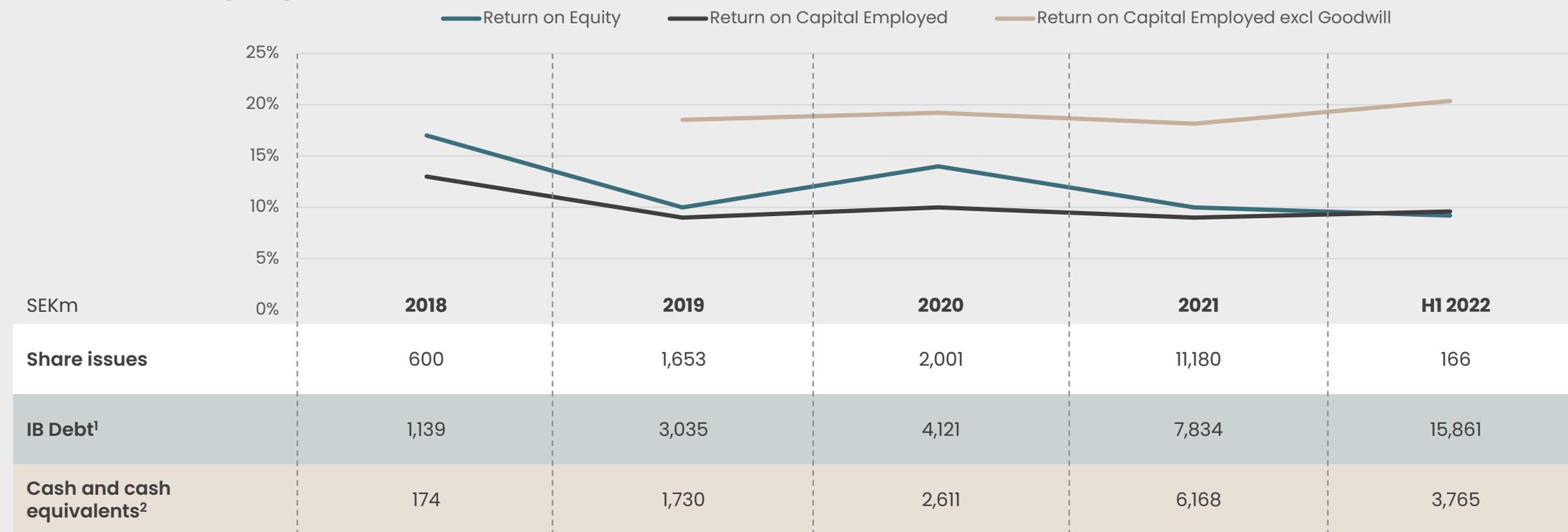


1) Defined as Adjusted EBITDA – change in NWC – CAPEX/Adjusted EBITDA. Based on Q2 2022 LTM numbers. 2) Return on Equity, defined as LTM Profit/avg R12 Equity, (incl NCI). 3) Return on Working Capital, defined as Adjusted EBITA/avg LTM Working Capital. 4) Return on Capital Employed, defined as LTM Operating Profit + Financial income/avg LTM Capital Employed. 5) ROCE net of cash, defined as LTM Operating Profit + Financial income/avg LTM Capital Employed – cash and cash equivalents

Consistent returns but diluted by growth

Significant dilution effects on return metrics due to issuance of debt and share capital

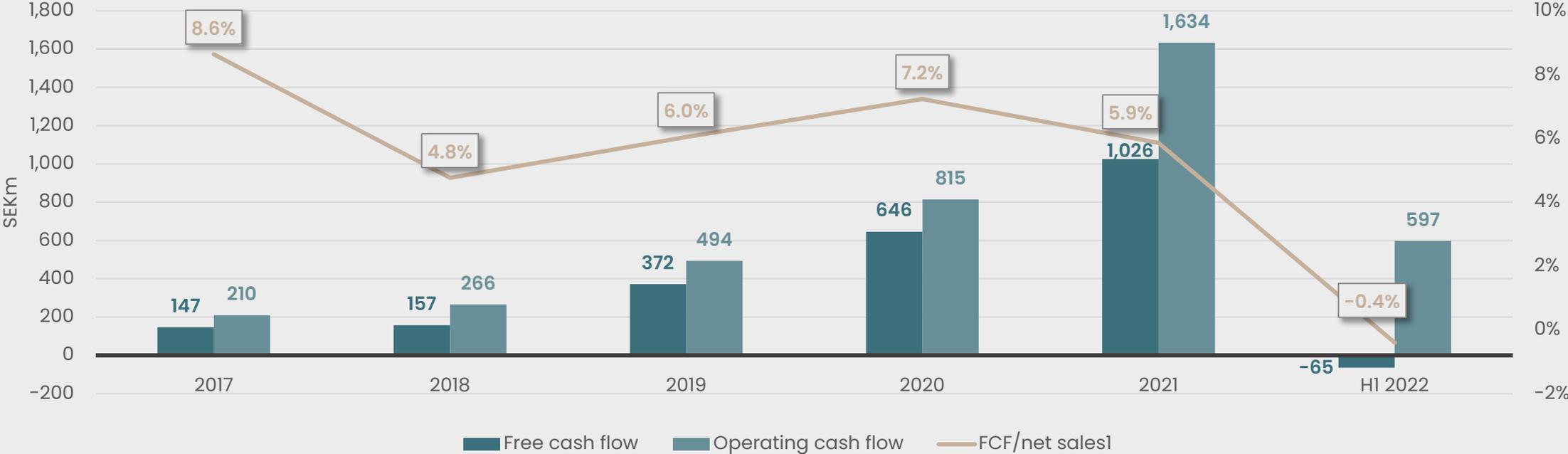
Return metrics (12m)



Cash flow analysis

The free cash flow has grown to a significant amount, however with several extraordinary parameters negatively impacting the development during H1 2022

Cash generation¹

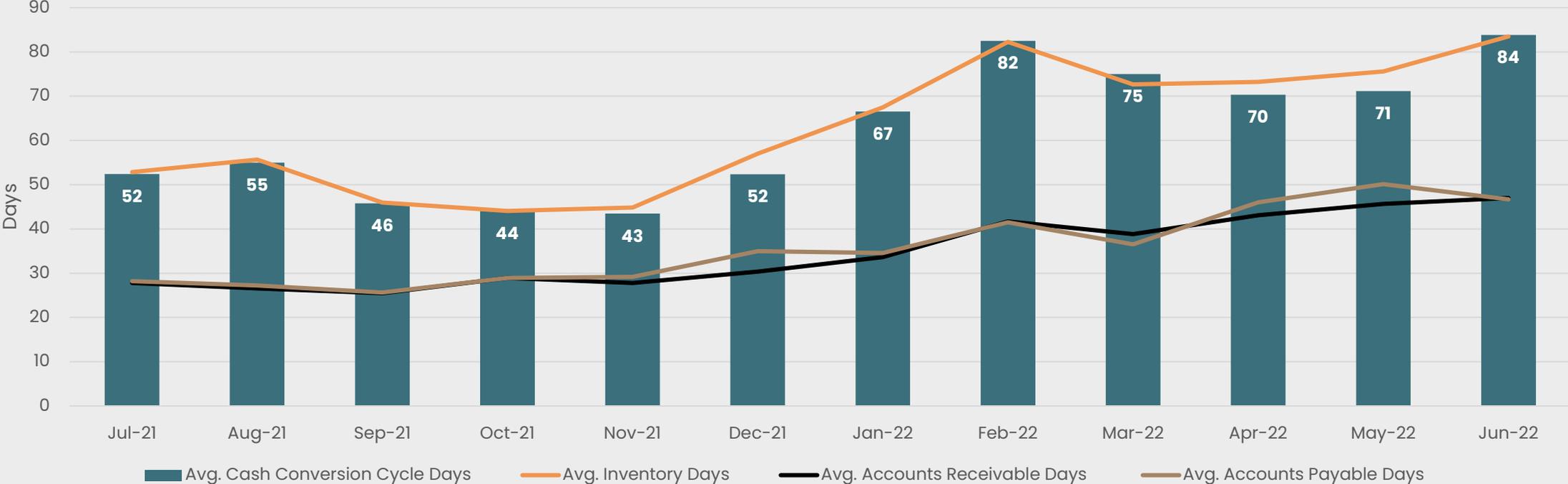


1) Free cash flow = CF from operating activities – CAPEX. Operating cash flow=adj EBITDA – change in WC – CAPEX

Inventories and prices have driven WC

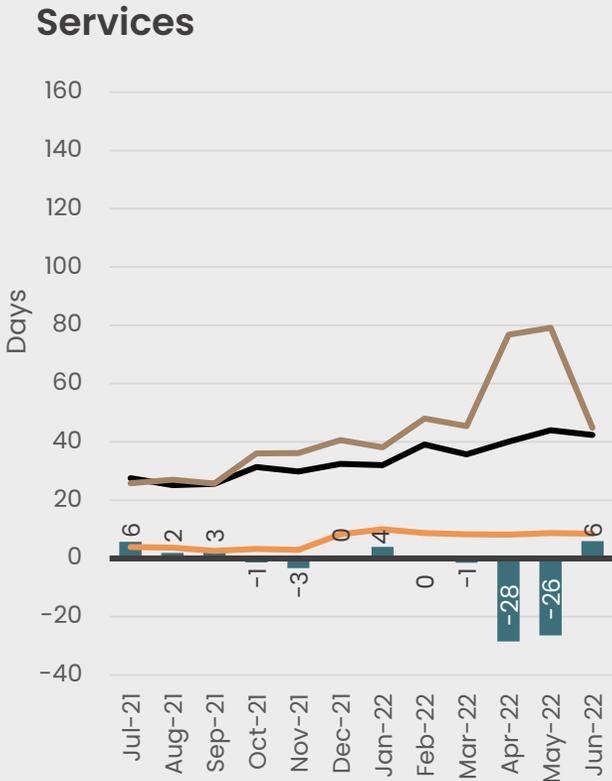
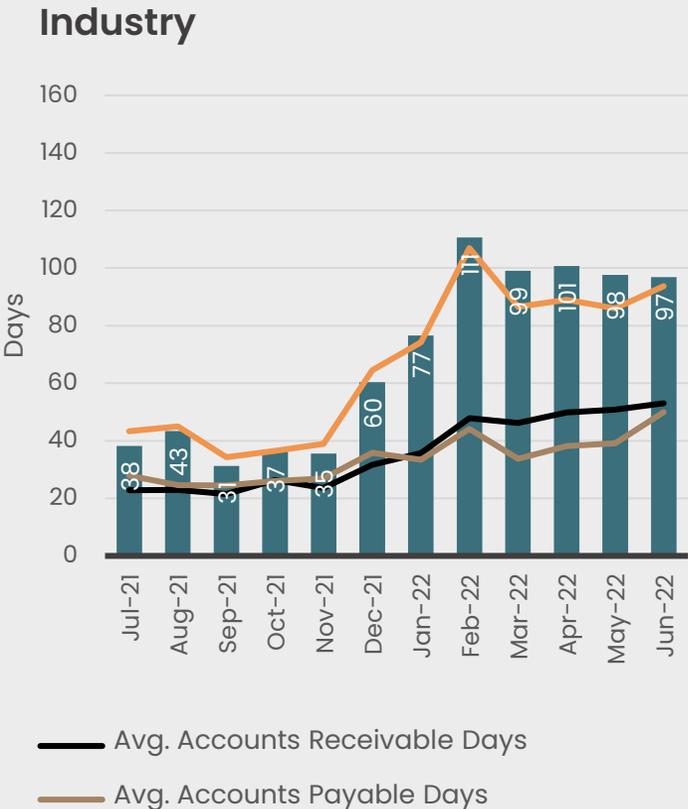
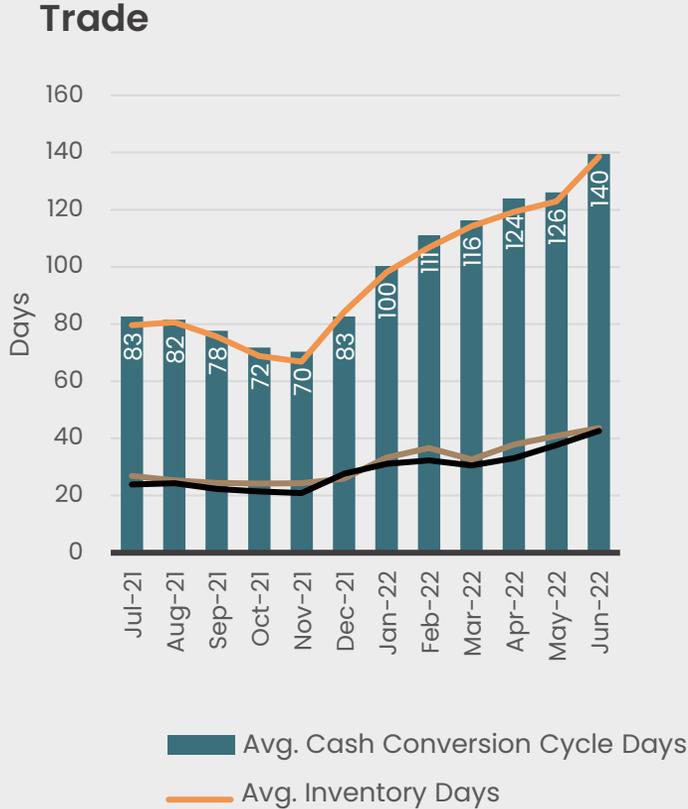
The increase of Cash conversion Cycle Days is driven by a strategic inventory build-up to mitigate the supply chain disruptions and material shortages, as well as by inflation

Average Cash Conversion Cycle Days for the Group



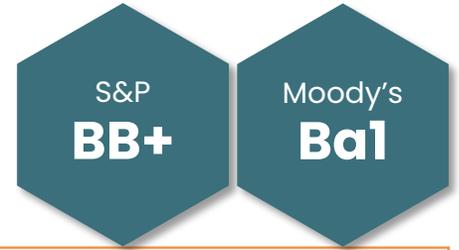
Working capital dynamics by Business Area

Trade has increased the Inventory Days, while Industry had a flat development last quarter. AR and AP Days are at similar levels in both business areas as of June. Services has naturally lower levels of CCC days.

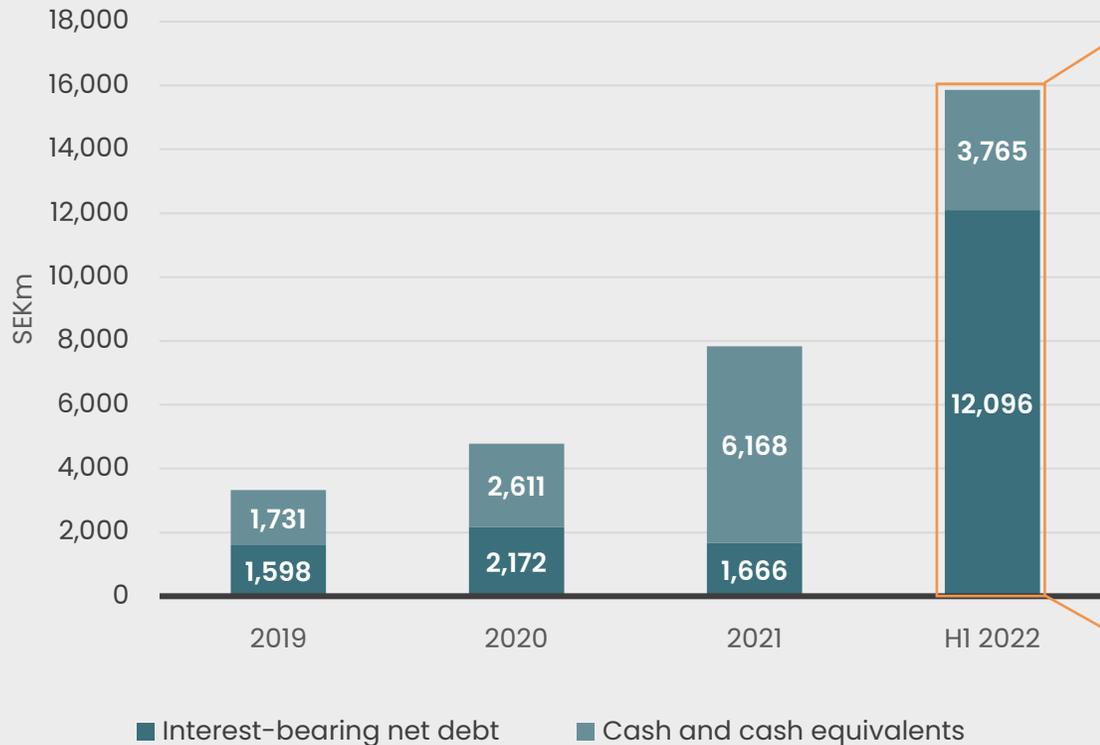


Debt structure

A well-balanced capital structure, further proven in satisfactory credit ratings during H1 2022



Interest-bearing gross debt



Debt structure

SEKm	Maturity	Interest rate		Book value
		Type	%	
RCF	2024-2026	Floating	1.35-2.15	7,500
Bond 1	2024	Stibor 3m	3.0	3,000
Bond 2	2025	Stibor 3m	3.0	3,000
Instalments		Floating/fixed	1.3-5.1	245
Financial leasing		Floating/fixed		336
Operational leasing				1,221
Provisions for pensions				356
Other				202
Cash and cash equivalents				-3,765
Sum interest-bearing net det				12,096

Non interest-bearing liabilities

The majority of earn-outs and minority options has a long-term maturity. The amount paid is based on actual performance.

Minority options and Earn-outs



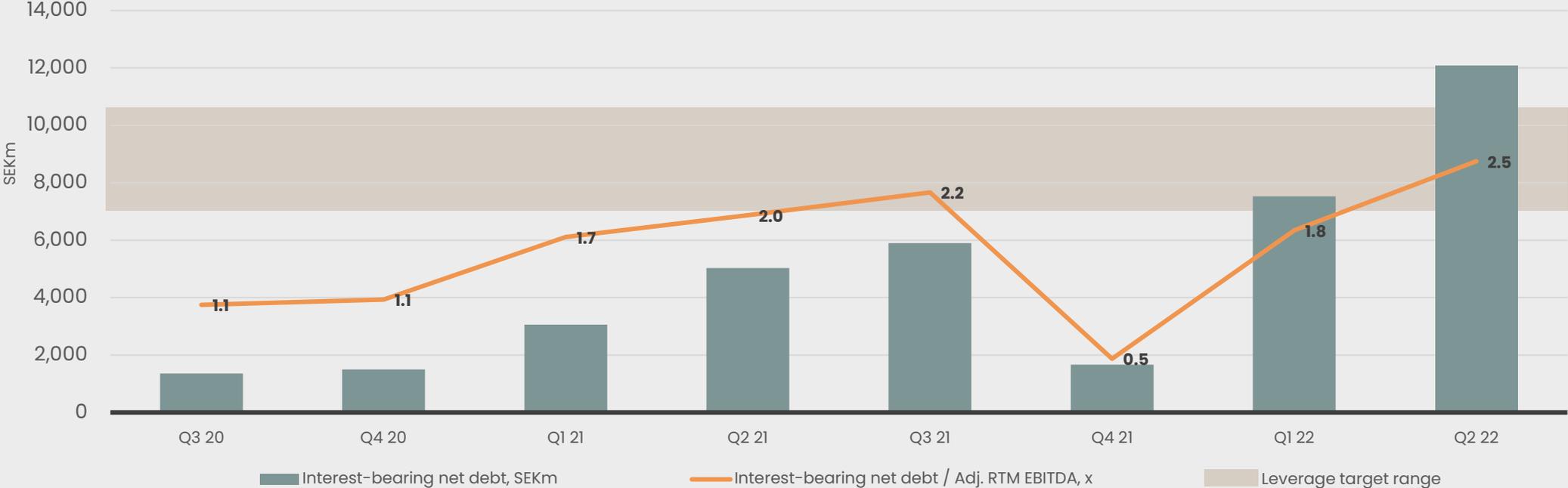
Non interest-bearing liabilities

	Maturity	Share of total
Earn-outs	Within 12m	41%
	>12m	59%
Minority options	Within 12m	4%
	>12m	96%

Net debt and leverage

Leverage is currently at 2.5, within target of 2-3x

Leverage ratio



Cost split of operating expenses

Limited exposure to fuel and energy, while personnel is one of the main driver of operating expenses

Income statement SEKm	Jan-Jun 2022	% of total sales	
Total sales	15,997		
Raw materials and necessities	-8,848	55%	<ul style="list-style-type: none"> Purchasing of material and components: 88% <ul style="list-style-type: none"> • Services: 21% • Industry: 41% • Trade: 38%
Net operating expenses	-874	5%	<ul style="list-style-type: none"> 2021 Energy costs: 0.2%¹ 2021 Fuel costs: 0.6%²
Other external expenses	-708	4%	
Personnel expenses	-3,693	23%	<ul style="list-style-type: none"> Total personnel expenses: <ul style="list-style-type: none"> • Services: 46% • Industry: 38% • Trade: 16%
Depreciation and amortization	-724	5%	
EBIT	1,150		Whereof Group operating expenses of SEK 171m



Daniel Kaplan

CEO and
Co-founder



**Alexander
Bjärgård**

Co-founder and
Head of M&A and
Corporate
Development



Lena Glader

CFO

Q&A



Storskogen Capital Markets Day

27 September 2022

09.30 Registration

10.00 – 12.30 Daniel Kaplan, CEO and Co-founder
Strategy

Alexander Bjärgård, Co-founder and Head of M&A and Corporate Development
M&A Strategy

Lena Glader, CFO
Financial overview

Q&A

12.30 – 13.30 Lunch

13.30 – 15.00 Christer Hansson, EVP and Head of Business Area Trade
Deep-dive

Peter Ahlgren, EVP and Head of Business Area Services
Deep-dive

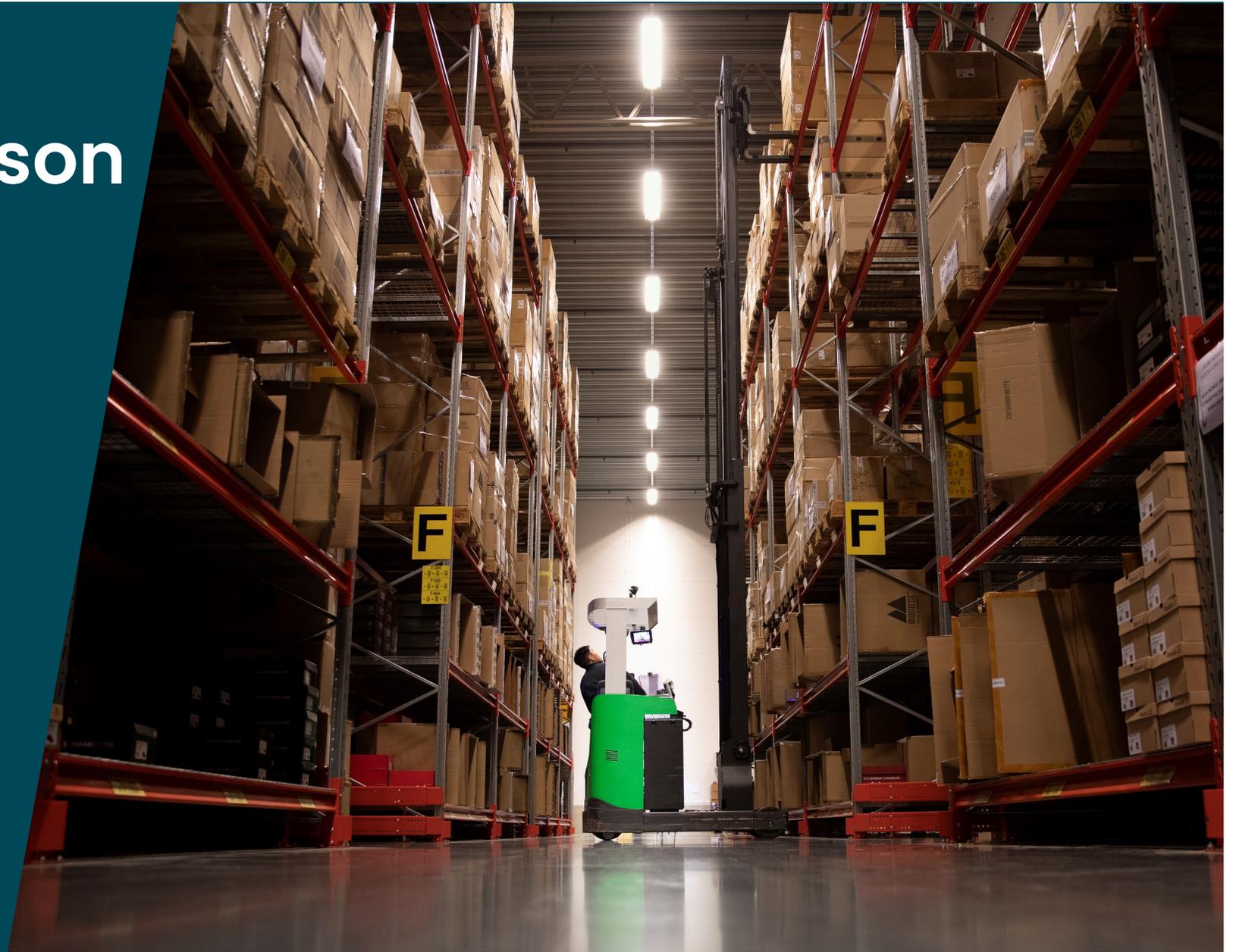
Fredrik Bergegård, EVP and Head of Business Area Industry
Deep-dive

Q&A

Christer Hansson

EVP and Head of
Business Area Trade

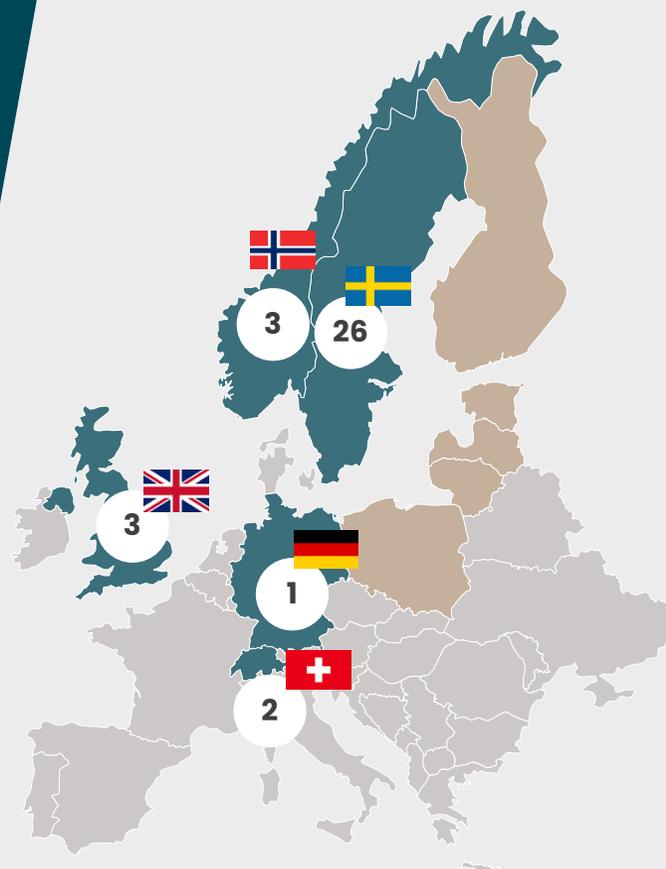
Capital Markets Day
27 September 2022



BA Trade overview

A diversified portfolio of European companies with strong brands in their markets or niche

- HQ presence
- Operational presence



BA in brief

No of business units¹

35

No of employees

>2,000

Yearly net sales run rate²

~SEK 10bn

Share of Group net sales³

28%

Financial performance



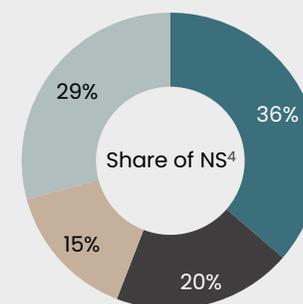
Verticals

Niche Businesses

- Products and equipment aimed at professionals
- Only B2B
- Mix of physical and e-commerce solutions in a variety of markets

Sports, Clothing and Accessories

- Equipment and apparel targeting consumers' leisure time
- B2B and B2C e-commerce
- Representing strong brands in their niche



Home and Living

- Distribution, design and production of home and interior products
- Mainly B2B
- Strong synergies within the vertical

Health and Beauty

- Distribution of health and beauty products
- Mainly B2B
- Exclusivity on external global brands plus own developed brands

BA Trade team

A dedicated team of investment professionals who work continuously with recurring and specific initiatives to secure development and growth in all business units



Investment Directors



Experienced CEO
Marketing and
Branding



Experienced CEO
B2C & Pricing
Entrepreneur



Experienced CEO
E-com



Experienced CEO
Distribution &
Logistics



Co-founder of
Artum & +10 y
investment
experience



Experienced CEO
Retail

Supported by Investment Managers

Portfolio strategy

Business units are managed differently depending on managements' capabilities and market preconditions

Portfolio strategy

Grow and scale-up

Organic



Sales performers

- Leverage expertise
- Profitable growth

Add-ons and roll-ups



Scale performers

- Strong Management
- Realise synergies

Support and nurture



Reliable performers

- Maintain operations
- Client relationships

Course correction



Low performers

- Realign strategy
- Profitability focus

The Freight Initiative

Leveraging our strength as a group to create an advantage for all business units

Shipping is a significant cost for the Trade businesses

Combined container **volume of ~ 5,000 TEU per year**

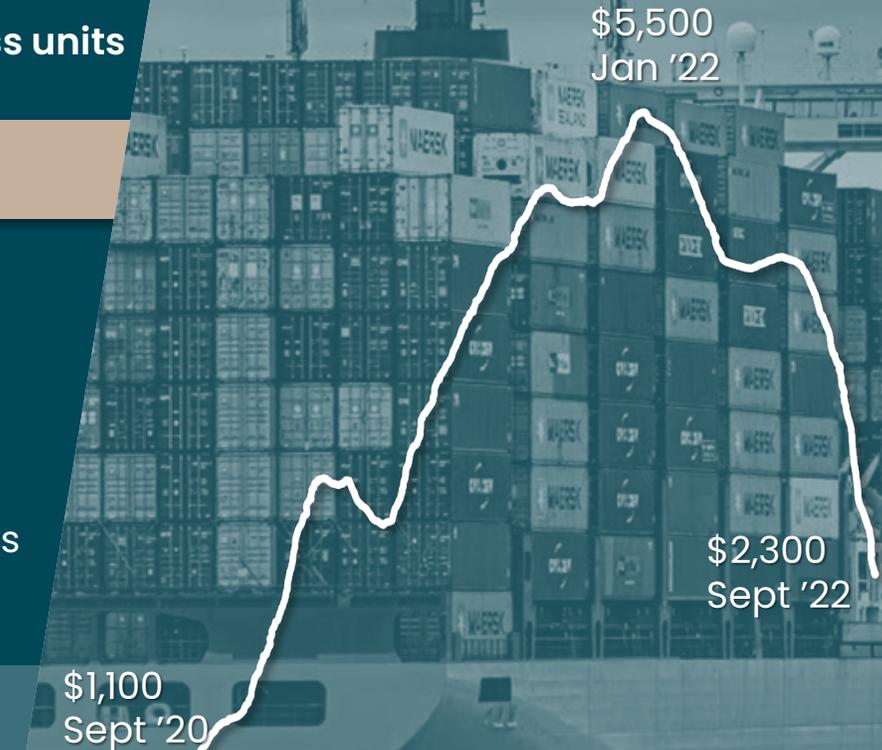
Main concerns:

- Delivery reliability is key to manage stock levels
- Cost per container has LTM varied greatly between BUs
- Volatile shipping rates

Storskogen's group procurement is expected to:

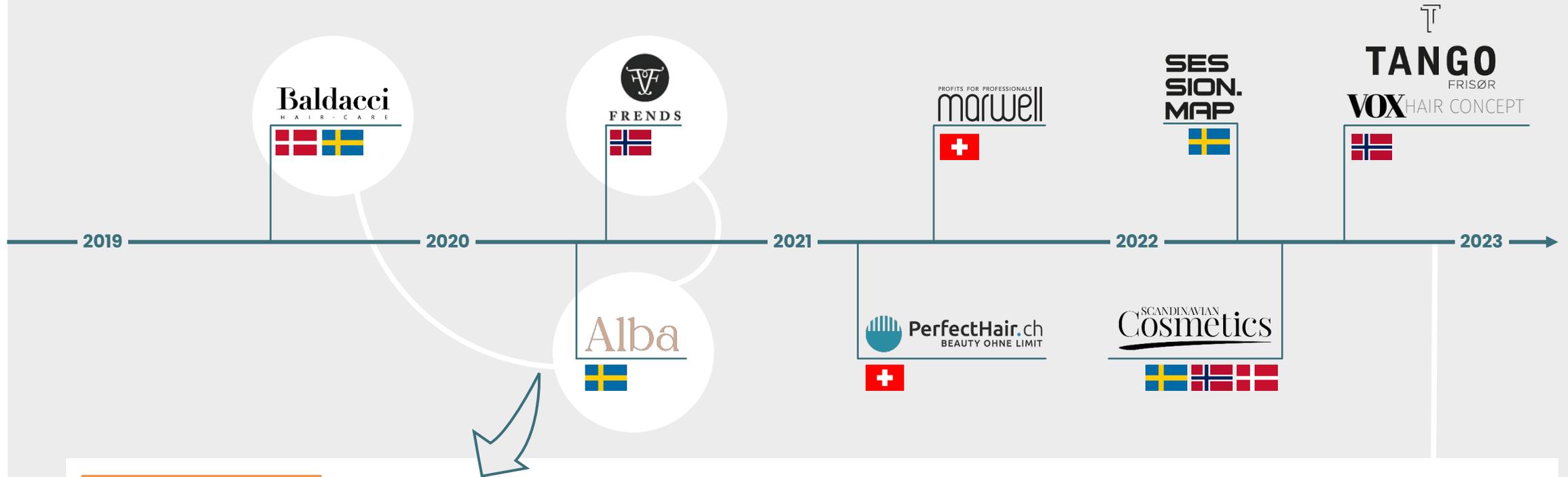
- Reduce freight cost by ~ **SEK 25–30m**
- Ensure priority services and **improved service level**
- Reduce cost for parcels by ~**SEK 15m**

Shanghai Container Index (SCFI)



Deep dive into the Health and Beauty vertical

The Health and Beauty vertical has developed from our first acquisition in 2019 to an approximately SEK 2.3bn business in four markets – where “HAIR CO” shows how strong synergies can be realised



- Consolidation of 3 companies
- New Nordic market leader
- Nordic group management
- Strengthened customer offering
- Strengthened supplier offering
- Combined salesforce of 70 FTE
- Overhead synergy realisation
- Warehouse consolidation
- Platform for new acquisitions

Peter Ahlgren

EVP and Head of
Business Area Services

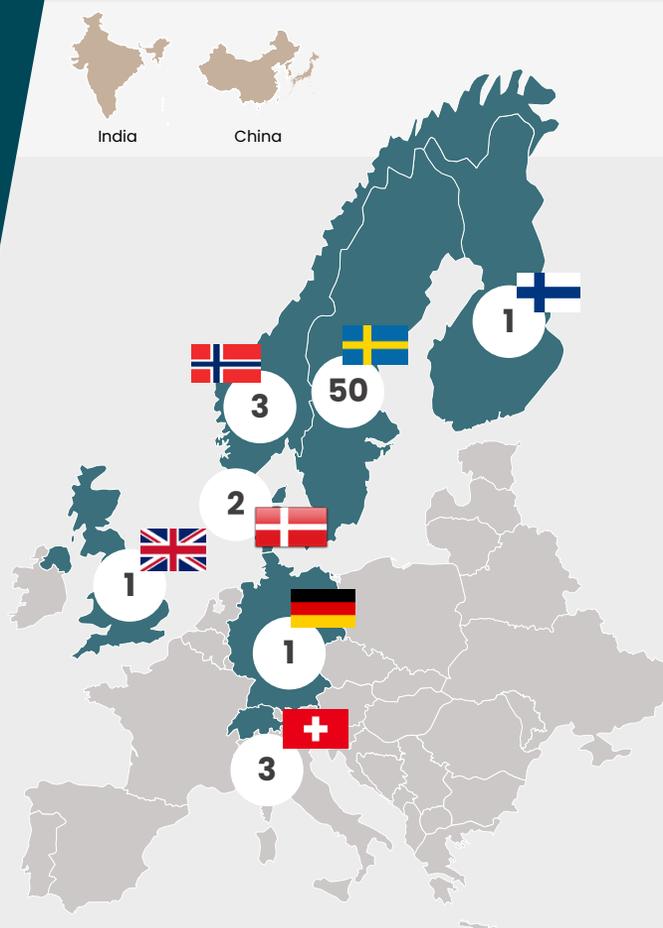
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BA Services overview

A large diversified portfolio with strong cash flow companies spread both over geographies and segments

- HQ presence
- Operational presence



BA in brief

No of business units¹

62

No of employees

>5,000

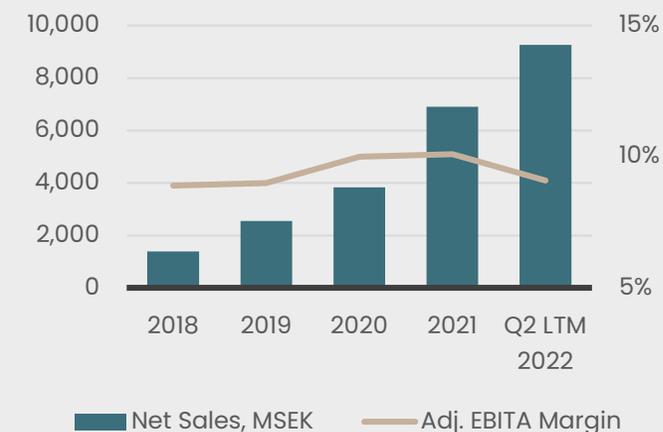
Yearly net sales run rate²

~SEK 12bn

Share of Group net sales³

33%

Financial performance



Verticals

HR and Competence

Adult and labor market education, business education, staffing and recruitment, and support/matching services

Digital Services

IT-related and digital services

Engineering Services

Construction planning and consultation

Logistics

Shipping services and freight forwarding

Contracting Services

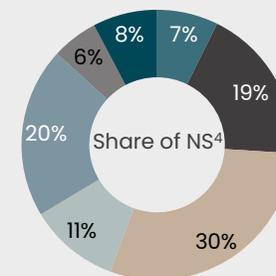
Niche businesses related to construction and maintenance

Infrastructure

Heavier ground related infrastructure work in land and railway environment

Installation

Plumbing, heating, painting, and electrical and technical installations



BA Services team

A strong team of Investment Directors, with various backgrounds, deep expertise and relevant experience within each functional segment



**Head of
BA Service**

Investment
Directors



Oskar Bjursten
Experienced CEO
fin-tech and
digital industry



Katarina Hedberg
Experienced CEO
& Director of
communication
education sector



Thomas Pilo
Experienced CEO
Construction,
Industry and
Real-estate



Thomas Larsson
Experienced CEO
SME & M&A and
investment
banking.



Lina Falk Jimenez
Operational
excellence, supply
chain mgmt and
operations, 4
years in
Storskogen



Niclas Rundlöf
Project manager
& CFO
Infrastructure,
5 years in
Storskogen



Thomas Werner
Experience
executive Digital
Services & +10 y
investment
experience



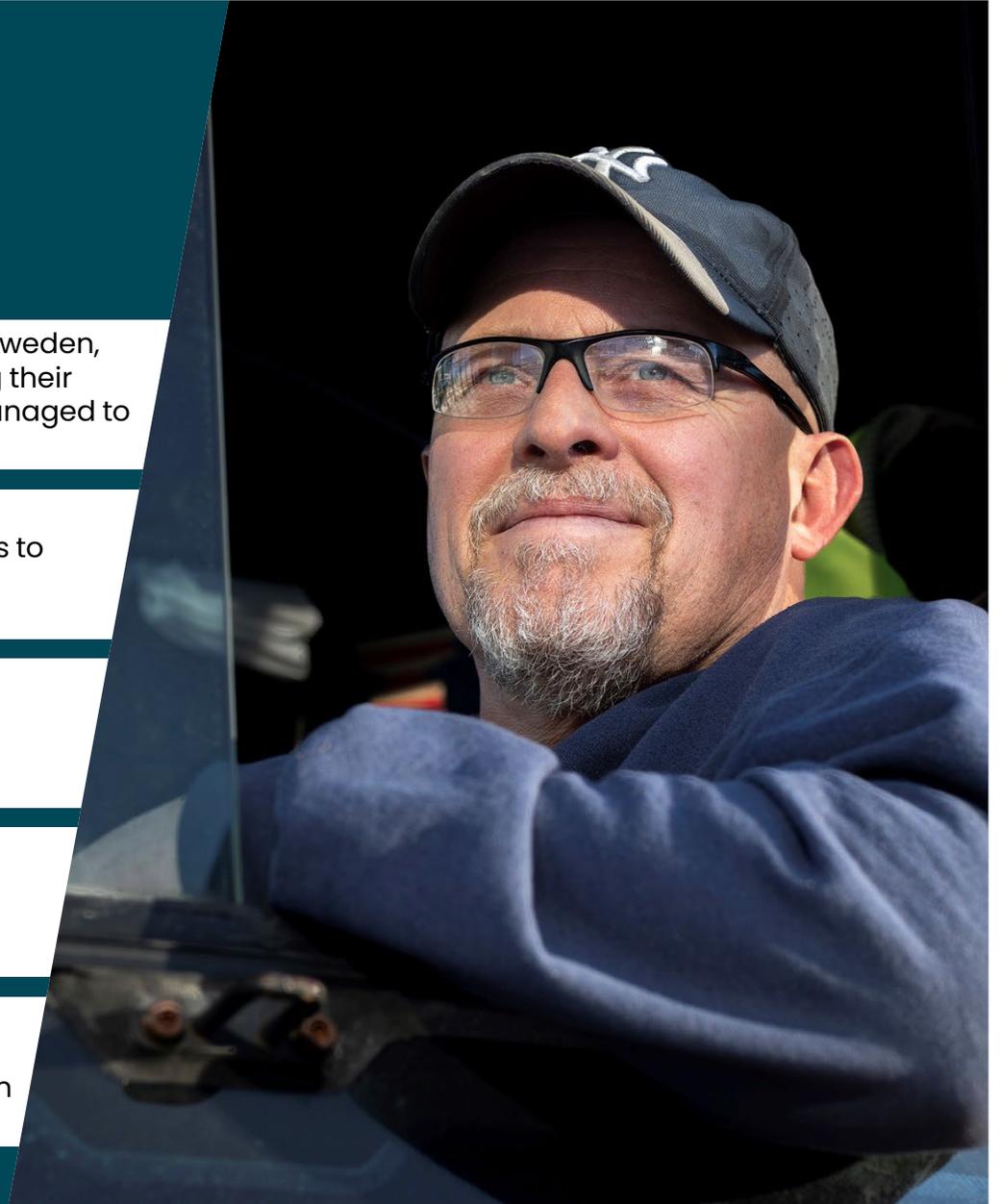
Xiaoqing Dong
Executive digital
services
ex BCG, DHL and
Insead

Supported by Investment Managers

Best practices in the Group

Synergies and common initiatives to drive long-term profitability

Procurement Direct supplies	16 companies within electrical- and security installations across Sweden, managed to reduce material cost by approx. 8% by jointly pooling their purchasing volume (approx. SEK 250m). Individual companies managed to reduce their cost with up to 30%
Framework agreement, indirect supplies	Common framework agreement and discounts for the companies to use and take part of (currently 21 active framework agreements)
Cash flow improvement	Joint initiative to improve capital efficiency
Common system platforms within verticals	Synergies within verticals enable similar business systems, Hantverksdata within Installation and Next within Infrastructure
Project management	Initiative to improve project management to increase awareness and ensure correct invoicing, cost control and revenue recognition



The SoVent Way

SoVent – successfully consolidating a fragmented market by turning philosophy into reality

Snapshot of SoVent

- Leading player in the chimney sweeping and ventilation industry in Sweden
- Operational excellence through leveraging synergies and creating a unique culture
- Decentralised business model combined with centralised structures
- Broad geographical presence, 37 entities and 42 locations in Sweden
- Professional workforce with 500 employees
- Their own unique educational system, SoVent Academy
- Clear growth strategy and roll-up case, horizontal and vertical integration

Revenue 2021:

SEK 426m

EBITA margin, 2021:

10.7%

The SoVent Way – the key to the success

Philosophy

- ✓ A clear value foundation
- ✓ A systemized way of working
- ✓ An educational system giving employees a toolbox and conditions to succeed
- ✓ Clear career paths

Reality

- ✓ Each employee does the SoVent way training
- ✓ Each employee chooses three different paths
- ✓ Regional finance, IT hubs
- ✓ Clear capability needs and educational steps to advance in their careers
- ✓ Regular employee development talks
- ✓ Clear performance rewards

Reality

- ✓ Entrepreneurial spirit and ability to always deliver full service
- ✓ Ownership among employees
- ✓ Higher than average industry EBITA margins
- ✓ High degree of sharing of resources and best practice
- ✓ High retention rate
- ✓ Low sick leave rates

SOVENT™ GROUP

Fredrik Bergegård

EVP and Head of
Business Area Industry

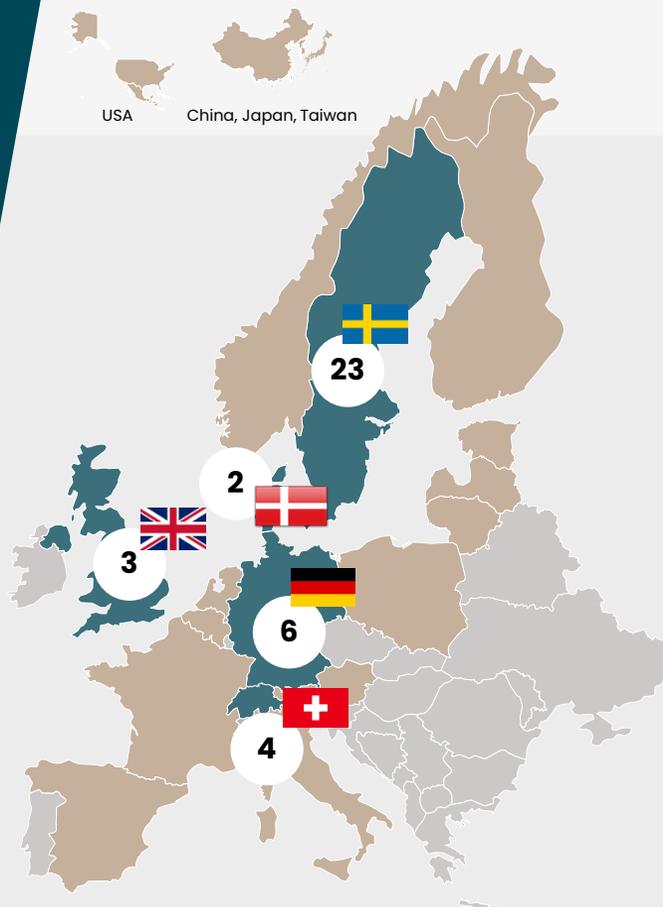
Capital Markets Day
27 September 2022



BA Industry overview

A diversified portfolio of high-quality industrial companies with presence across Europe, US and Asia

■ HQ presence
■ Operational presence



BA in brief

No of business units¹

38

No of employees

>4,900

Yearly net sales run rate²

~SEK 14bn

Share of Group net sales³

39%

Financial performance

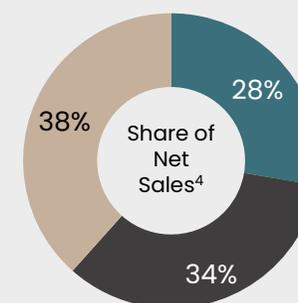


Verticals

Industrial Technology
Manufacturing excellence and production technology

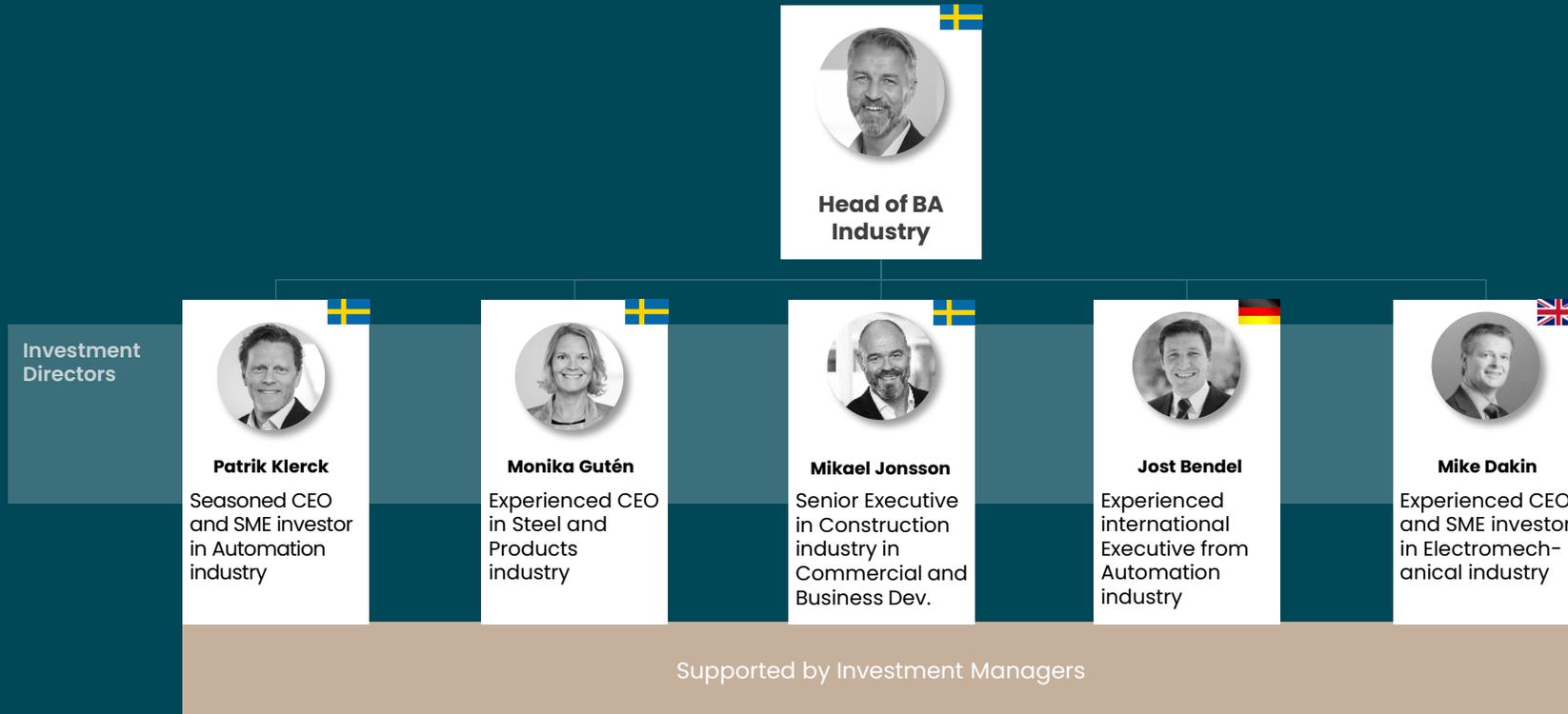
Automation
High tech automation hardware, software or integrated solutions

Products
Development, production and sales of own branded products



A strong central Industry team

A strong team with long industrial experience, supporting and coaching the business units



Close cooperation with the Business Unit CEOs

Structured way of working with business units – recurring and specific initiatives in combination with daily interaction and an entrepreneurial ad-hoc approach with fast decisions when needed

Way of working

TRANSACTIONAL

- Commercial DD
- Assess company culture and management
- Tie relations
- Agree succession plan
- CEO employee agreement and motivation
- Company seller's incentivised with earn outs and minority options
- Onboarding of Storskogen's routines and policies with training in adapted pace

QUARTERLY

- Q1 board meeting: Yearly plan and Risk ass.
- Q2 board meeting: Strategy and ESG
- Q3 board meeting: Business plan
- Q4 board meeting: Budget and Internal Control

MONTHLY

- CEO monthly review
- Market update and P/L and KPI follow-up
- Ongoing projects and actions
- Forecast update

DAILY

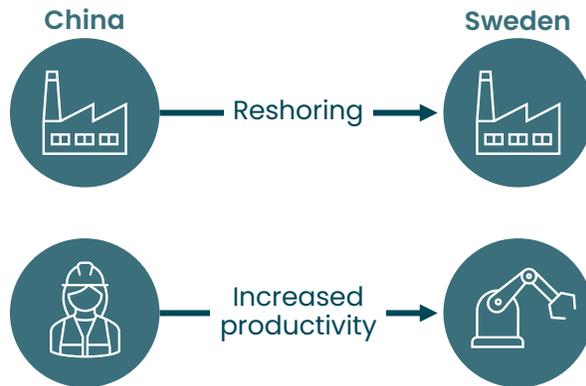
- Close dialogue in ongoing actions
- Action specific Teams-meetings
- Interaction via email, phone, text
- Fast decisions between board meetings

BU SPECIFIC FOCUSES

- CEO networking and Teams-meetings
- Price increases
- Investment projects
- Working capital
- Quotations
- Recruitments
- Warehouse efficiency and automation
- Digital marketing and online sales
- Procurement and cost reduction
- Revenue recognition
- Utilization, invoicing and sickness rates

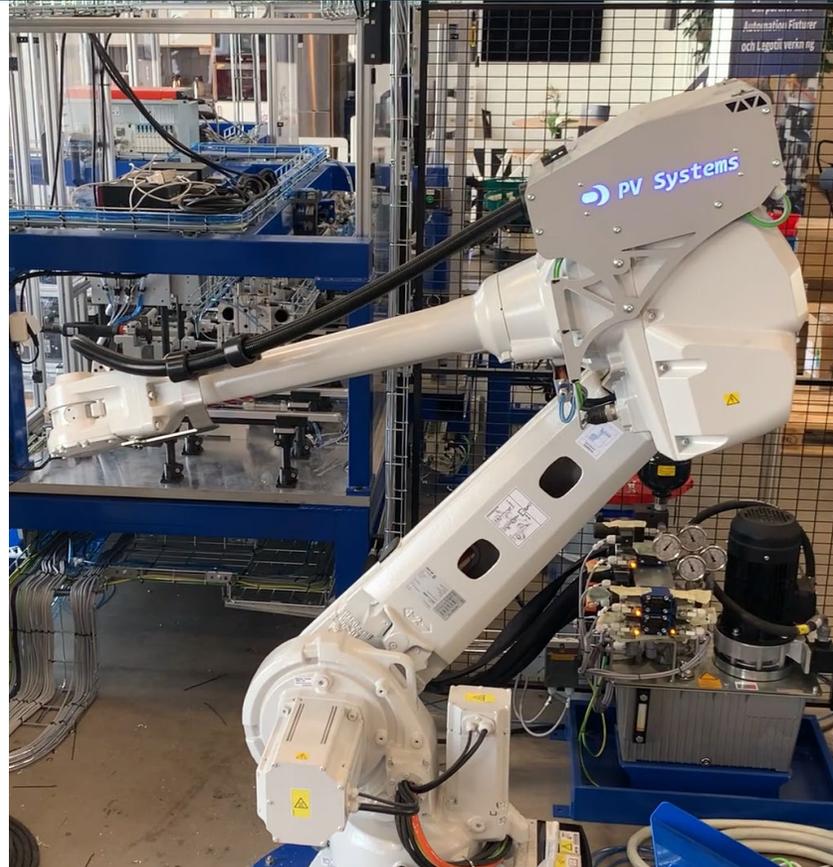
Investing in automising production

Productivity investments to ensure increased efficiency, sustainability and competitiveness



Examples of automising production:

- Alfta Kvalitetslego
- Albin Components
- Renholmen
- Stål & Rör
- Wibe



 SWEDSTYLE

- ✓ Redesigned from manual assembly to automated assembly
- ✓ Moved manufacturing from China to Sweden
- ✓ Lowered cost with pay-back time <1,5 years
- ✓ Improved ESG footprint
- ✓ Developed in collaboration with Storskogen sister company PV Systems

Brenderup's acquisition of Tysse

Acquisition of Tysse to yield high degree of back-end synergies as well as go-to-market synergies

Phase 1

-  Lower purchasing cost
-  Optimised production
-  Optimised logistics

Phase 2

-  Joint sales force
-  Commonalities in assortment
-  Brenderup digital solutions
-  Tysse professional segment

Brenderup Group in short

- Scandinavia's #1 trailer manufacturer
- Established in 1936
- HQ in Malmö
- Facilities in Wielen (PL), Stigamo (SE) and now Tysse (NO)
- Brands include Brenderup, Fogelsta, Ellebi, OneWay, Transparts and 24Rental
- Brenderup sales 2021: SEK 1,076m
- Tysse sales 2021: SEK 241m¹

Brenderup Group **TYSSE**



**Christer
Hansson**

EVP and Head of
Business Area Trade



**Peter
Ahlgren**

EVP and Head of
Business Area
Services



**Fredrik
Bergegård**

EVP and Head of
Business Area
Industry

Q&A

Summary

Storskogen has established itself as a leading international group of businesses with an infinite ownership horizon

- ✓ A well diversified portfolio of qualitative businesses
- ✓ Unrivalled deal flow enables selective acquisitions and efficient capital allocation
- ✓ Good consistent returns despite growth phase
- ✓ Strong cash flow and EBITA generation in absolute terms
- ✓ Structured way of working with BUs, yet tailored to management's capabilities and market conditions
- ✓ Best practice initiatives, reinforced by the Group's scale and competence, drive improved performance
- ✓ Planning for recession while setting the stage for fulfilling our long-term vision and mission



Appendix

Definitions

Cash conversion	Adjusted EBITDA – change in NWC – CAPEX/Adjusted EBITDA
Return on Equity (ROE)	LTM Profit/avg R12 Equity, (incl NCI)
Return on Working Capital (P/WC)	Adjusted EBITA/avg LTM Working Capital
Return on Capital Employed (ROCE)	LTM Operating Profit + Financial income/avg LTM Capital Employed
ROCE net of cash	LTM Operating Profit + Financial income/avg LTM Capital Employed – cash and cash equivalents
Free cash flow	= CF from operating activities – CAPEX – net investments in intangible assets
Operating cash flow	=adjusted EBITDA – change in WC – CAPEX