

INTERIM REPORT JANUARY–MARCH 2021



”As an owner, we must always be structured and professional and aim to be top-class in everything we do.”

Daniel Kaplan, CEO

FIRST QUARTER (1 JANUARY–31 MARCH 2021)

- Net sales increased by 40 percent to SEK 2,892m (2,068).
- Operating profit grew by 60 percent to SEK 232m (145), equivalent to an operating margin of 8.0 percent (7.0).
- Adjusted operating profit before amortisation of intangible non-current assets (EBITA) rose by 68 percent to SEK 271m (162), equivalent to an adjusted EBITA margin of 9.4 percent (7.8).
- Profit for the period climbed 69 percent to SEK 171m (101).
- Earnings per share came to SEK 1.27 (0.97).
- Cash flow from operating activities amounted to SEK 197m (-94).
- A share issue was carried out in January, with net proceeds of SEK 176m.
- 18 acquisitions were made during the quarter, with combined annual sales of around SEK 2,500m.

Amounts in parentheses are for the corresponding period in 2020.

POST BALANCE SHEET EVENTS

- Nine acquisitions have been made since the end of the period, with combined annual sales of around SEK 1,290m. In addition, Storskogen has entered into an agreement on the acquisition of Wibe Cable Support from Schneider Electric, which is expected to be completed in the summer once approved by the competition authorities.
- On 4 May, Storskogen issued an unsecured bond of SEK 3,000m with a maturity of three years.
- The Annual General Meeting on 12 May resolved to pay a dividend of SEK 4.00 per Series B share and to carry out a share issue in the second quarter.

PERFORMANCE MEASURES

SEK m	Jan-Mar 2021	Jan-Mar 2020	Change %	Rolling 12 months	Full year 2020
Net sales	2,892	2,068	40	9,757	8,933
Operating profit	232	145	60	861	774
Operating margin, %	8.0	7.0		8.8	8.7
EBITA, adjusted	271	162	68	964	854
EBITA margin, adjusted, %	9.4	7.8		9.9	9.6
Profit after financial items	213	128	66	758	673
Profit for the period	171	101	69	643	574
Net debt/adjusted EBITDA (12 months)	2.9	3.1		2.9	1.9
Total assets	14,600	8,912		14,600	12,002
Basic and diluted earnings per share, SEK	1.27	0.97		4.96	4.69
Return on equity, %	14.1	10.5		14.1	14.2
Return on capital employed, %	10.0	9.0		10.0	10.1
Equity/assets ratio, %	38.7	36.5		38.7	43.8
Cash flow from operating activities	197	-94		1,105	814

*For definitions of alternative performance measures in accordance with the ESMA guidelines, see definitions of performance measures.

Comments by the CEO

It was a fantastic first quarter for Storskogen, with organic EBITA growth of 41 percent driven by a strong performance in all business areas, especially Services and Trade. Total EBITA growth of 68 percent and 18 acquisitions made this the best quarter since we started up almost a decade ago.

Operationally the first quarter traditionally brings lower capacity utilisation for seasonal reasons, resulting in weaker revenue and margins. This year began the same, but we soon saw signs of a sharp rebound. With a strong and proactive owner behind them, our subsidiaries have worked hard during the pandemic to invest in customer relations, branding, plant, add-on acquisitions and new markets. This has helped us get the year off to a great start, but while we are naturally delighted with this, I must stress that we cannot expect organic growth to continue at this rate, even though 2021 does look promising.

Acquisitions have continued apace, with 18 in the first quarter and 27 in the year to date, including our largest yet, of Schneider Electric's cable support business, which is expected to be completed in the summer. Making numerous acquisitions has several ripple effects. We improve our understanding of what makes a good company, how it should be priced, and which risks matter most. We are developing stronger relationships with business brokers and advisers who know Storskogen and that our word is our bond. And when business owners talk to each other about their experience of selling to Storskogen and having us as an owner, the virtuous cycle continues. They say practice makes perfect, and Storskogen has made more than 110 acquisitions since we started. However, we need to remain humble and remember that we inhabit a dynamic world where challenges can arise at any time. We have therefore continued to strengthen our team to make us better at identifying and managing such challenges.

Organisationally we now have more than 40 people working at Group level across the three business areas and new geographies as well as in central functions such as treasury, legal, M&A, sustainability, communication and HR. The Group has more than 4,600 employees across 70 business units with more than 200 companies in 12 countries. As an owner, we must always be structured and professional and aim to be top-class in everything we do. At the same time, it is ever more important to retain our close-knit, entrepreneurial culture where we all take responsibility and are able and willing to make decisions. The faster the wheels are turning, the more crucial it is to stick to our core values, our infinite ownership horizon and our mission to help our subsidiaries realise their full potential.

Internationally our first country managers are now in place, with Mikael Neglén in the DACH region, Philip Löfgren in the UK and recently Lars Nottehd in Germany. We have acquired PerfectHair.ch in Switzerland, SGS Engineering in the UK, Danmatic in Denmark and Primulator in Norway, and are already seeing that our model works well outside Sweden too. With this expanding geographical footprint, we look forward to an ever stronger pipeline of interesting candidates, increased diversification and more efficient capital allocation.

Financially Storskogen launched its first bond issue on 4 May. With help from our advisers, the issue proved a great success, with strong demand enabling us to raise SEK 3,000 million at 300 basis points above the three-month Stockholm interbank offered rate (STIBOR). We are also now finalising a share issue directed at company vendors who are not yet shareholders, as well as large professional investors, at a price of SEK 250 per share. The aim is to capture the strategic benefits of having our CEOs and vendors as co-investors and to broaden our shareholder base and capital base ahead of future share issues. We are also exploring other ways of financing our continued expansion, including the possibility of floating on the stock market if market conditions permit.

In conclusion the team at Storskogen together with our companies and their employees have made a fantastic start to the year. Now is the time to take stock of what we have achieved before moving on to the next challenge.

I wish you all good health and a great summer!

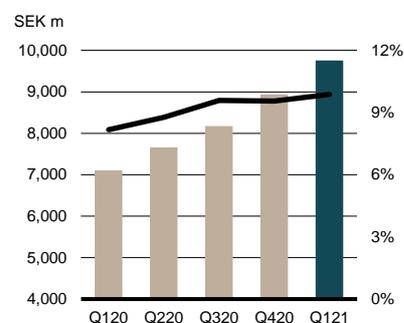
Daniel Kaplan, CEO



"The team at Storskogen together with our companies and their employees have made a fantastic start to the year"

Daniel Kaplan, CEO

NET SALES AND ADJUSTED EBITA MARGIN, ROLLING 12 MONTHS



The Group's performance

SALES

Storskogen's net sales for the first quarter increased by 40 percent to SEK 2,892 million (2,068). Organic sales growth was 6 percent, with the remainder attributable to acquisitions.

EARNINGS

Operating profit (EBIT) increased by 60 percent to SEK 232 million (145) and the operating margin to 8.0 percent (7.0). Adjusted operating profit before amortisation of intangible non-current assets (EBITA) grew by 68 percent to SEK 271 million (162). Organic adjusted EBITA growth was 41 percent, with the remainder attributable to acquisitions. Financial items amounted to SEK -19 million (-17) and profit after financial items rose by 66 percent to SEK 213 million (128). Profit after tax grew by 69 percent to SEK 171 million (101).

The increase in earnings relative to the same period last year was due to generally strong demand and underlying profitability improvements in all of the business areas, and positive contributions from acquired entities. Comments on the respective business areas can be found on pages 4-6.

To illustrate underlying developments better, Storskogen has redefined adjusted EBITA such that it now excludes acquisition-related items such as revaluations of earn-outs and inventory step-ups to fair value. Adjusted EBITA in prior periods has therefore been restated.

RETURNS

The return on equity for the period was 14.1 percent (10.5), while the return on capital employed was 10.0 percent (9.0).

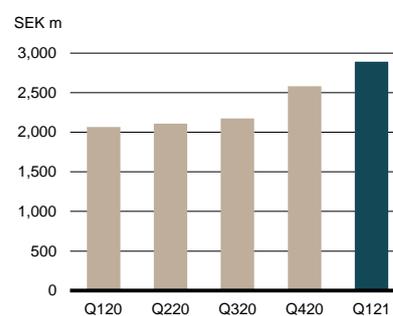
Net sales by business area and for the Group

SEK m	2021 Jan-Mar	2020 Jan-Mar	Change %	Rolling 12 months	Full year 2020
Services	1,315	826	59	4,326	3,837
Trade	854	584	46	2,854	2,584
Industry	723	658	10	2,584	2,519
Operations	2,892	2,068	40	9,764	8,940
Eliminations, parent company	-1	0		-7	-6
Net sales, Group	2,892	2,068	40	9,757	8,933

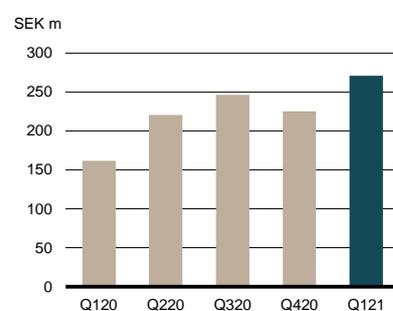
Operating profit (EBIT)

SEK m	2021 Jan-Mar	2020 Jan-Mar	Change %	Rolling 12 months	Full year 2020
Services	119	52	128	449	382
Trade	91	41	124	307	257
Industry	87	71	22	257	242
Group items	-26	-3		-50	-27
EBITA, adjusted	271	162	68	964	854
Reversal of adjusted item	-6	6		20	32
EBITA	266	168	58	984	886
Amortisation of intangible non-current assets	-34	-23		-122	-111
Operating profit, EBIT	232	145	60	861	774

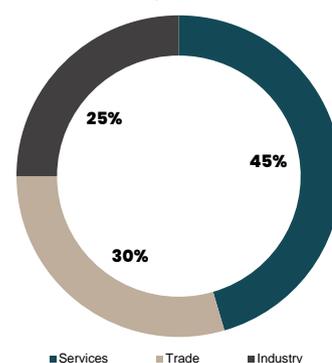
NET SALES BY QUARTER



OPERATING PROFIT (ADJUSTED EBITA) BY QUARTER



BREAKDOWN OF SALES BY BUSINESS AREA, Q1 2021



Services business area

RESULTS

Net sales in the Services business area increased by 59 percent to SEK 1,315 million (826) for the first quarter.

Operating profit grew by 198 percent to SEK 122 million (41), positively affected by revaluations of earn-outs. Adjusted EBITA rose by 128 percent to SEK 119 million (52), giving an adjusted EBITA margin of 9.0 percent (6.3).

SEK m	2021 Jan-Mar	2020 Jan-Mar	Change %	Rolling 12 months	Full year 2020
Net sales	1,315	826	59	4,326	3,837
EBITA, adjusted	119	52	128	449	382
EBITA margin, adjusted, %	9.0	6.3		10.4	10.0
Number of employees	2,505	1,423		2,505	1,822
Number of business units	36	21		36	28

Despite a challenging start to the year due to cold weather and frozen ground delaying some construction and infrastructure projects, the business area staged a strong recovery in the latter part of the quarter thanks to brisk demand and good capacity utilisation, which is reflected in the increase in profitability over the previous year.

The subsidiaries in the business area generally encountered healthy demand, but with some variations. The installation segment remains competitive, which is putting pressure on prices, while companies in engineering and infrastructure are seeing strong geographical variations in demand and competition.

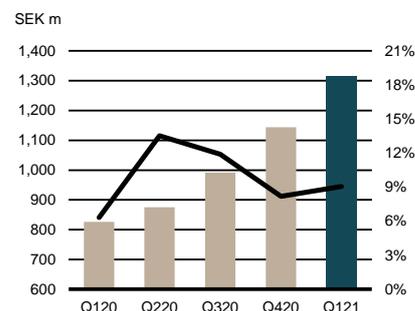
ACQUISITIONS DURING THE QUARTER

The first quarter saw the acquisition of construction company Pierre Entreprenad i Gävle, electrical and IT services provider Örnberg El Tele & Data, groundworks and cable-laying companies Ockelbo Kabelteknik and Tjällmo Grävmaskiner, civil engineering company Strand i Jönköping, groundworks contractor Allan Eriksson Mark, concrete drilling and groundworks specialist Säg- och Betongborrning i Uddevalla, painting and decorating companies Nymålat i Skellefteå and Delér Måleri, flooring producer Stockholms Industrigolv, adult education provider Strigo, and district heating and heat pump installer HP Rör. These companies had combined sales for the 2020 financial year of SEK 1,176 million. The total purchase consideration was SEK 697 million.

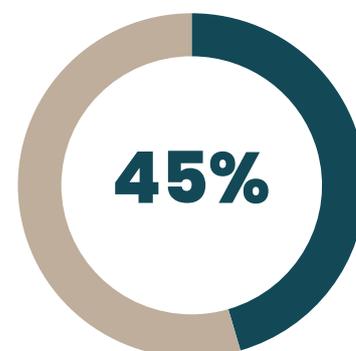


The Services business area comprises service companies with strong positions in specific B2B niche markets. Subsegments include installation, specialist logistics, engineering and infrastructure. It consists of 36 business units.

SALES, SEK M ADJUSTED EBITA MARGIN, %



SHARE OF GROUP SALES, Q1 2021



Trade business area

RESULTS

Net sales in the Trade business area increased by 46 percent to SEK 854 million (584) for the first quarter.

Operating profit grew by 45 percent to SEK 61 million (42), negatively affected by revaluations of earn-outs. Adjusted EBITA rose by 124 percent to SEK 91 million (41), giving an adjusted EBITA margin of 10.6 percent (7.0).

SEK m	2021 Jan-Mar	2020 Jan-Mar	Change %	Rolling 12 months	Full year 2020
Net sales	854	584	46	2,854	2,584
EBITA, adjusted	91	41	124	307	257
EBITA margin, adjusted, %	10.6	7.0		10.8	9.9
Number of employees	957	594		957	666
Number of business units	17	11		17	14

The stronger profitability for the first quarter compared with the previous year was largely a result of a positive contribution from acquired entities and to generally strong demand in the B2B market combined with good cost control. Some subsidiaries are nevertheless being affected to varying degrees by higher freight costs, shortages of materials and higher commodity prices, which may hit their gross margins unless prices can be raised accordingly. Covid-19 is still having a negative effect on a few subsidiaries, but these are expected to show improved profitability as restrictions are eased.

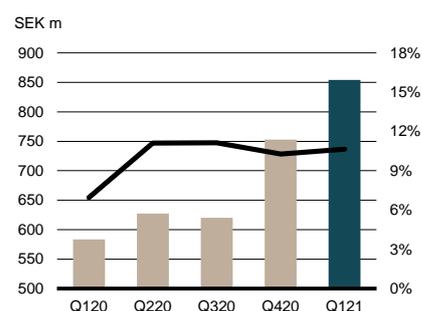
ACQUISITIONS DURING THE QUARTER

The first quarter saw the acquisition of Continovagruppen, which supplies equipment to tyre fitters and car workshops, BEC Trägolvsprodukter, a supplier of wooden flooring and related products, PerfectHair, a leading Swiss online retailer of hair and beauty products, Primulator, a Norwegian supplier of coffee and ice-cream machines for professional use, and Top Swede, a supplier of workwear and protective clothing for industry and construction. These companies had combined sales for the 2020 financial year of SEK 1,052 million. The total purchase consideration was SEK 980 million.

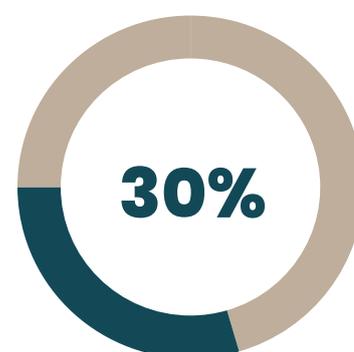


The Trade business area focuses on companies with strong brands in their markets, mostly distributors and wholesalers with both their own and external brands. It consists of 17 business units.

SALES, SEK M ADJUSTED EBITA MARGIN, %



SHARE OF GROUP SALES, Q1 2021



Industry business area

RESULTS

Net sales in the Industry business area increased by 10 percent to SEK 723 million (658) for the first quarter.

Operating profit (EBIT) grew by 17 percent to SEK 75 million (64). Adjusted EBITA rose by 22 percent to SEK 87 million (71), giving an adjusted EBITA margin of 12.1 percent (10.9).

SEK m	2021 Jan-Mar	2020 Jan-Mar	Change %	Rolling 12 months	Full year 2020
Net sales	723	658	10	2,584	2,519
EBITA, adjusted	87	71	22	257	242
EBITA margin, adjusted, %	12.1	10.9		10.0	9.6
Number of employees	1,093	1,020		1,093	1,050
Number of business units	17	15		17	16

The improved EBITA margin was due to general profitability improvements across the business area. The quarter saw good inflows of new orders and good productivity. A few subsidiaries have encountered higher commodity prices, but are expected to offset the effect on their gross margins to some extent at least by raising prices. Covid-19 had a limited impact on the business area during the quarter.

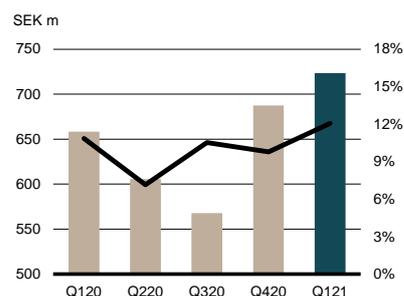
ACQUISITIONS DURING THE QUARTER

The first quarter saw the acquisition of Danish bakery equipment manufacturer Danmatic. The company had sales for the 2020 financial year of SEK 264 million. The purchase consideration was SEK 129 million.

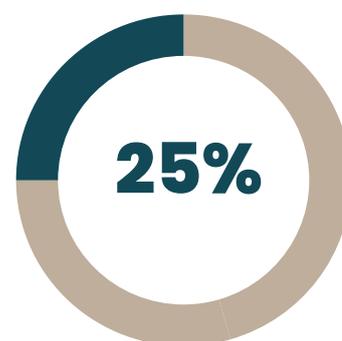


The Industry business area focuses on traditional B2B industrial companies in heavy and medium-heavy industry, manufacturing and automation. It consists of 17 business units.

SALES, SEK M ADJUSTED EBITA MARGIN, %



SHARE OF GROUP SALES, Q1 2021



Acquisitions

The M&A market was busy in the early months of the year, and Storskogen made 18 acquisitions in the first quarter with a total of 1,001 employees and combined sales for the 2020 financial year of SEK 2,492 million. 12 of these were platform acquisitions, and six were add-ons. Three of the platform acquisitions were outside Sweden: one in Switzerland, one in Norway and one in Denmark. No disposals were made during the quarter.

ACQUISITIONS DURING THE PERIOD

Acquisitions completed in the period January–March 2021 break down between the Group's business areas as follows:

Acquisitions (divestment)	Acquisition date	Net sales, SEK m (2020)	Number of employees	Business unit
Pierre Entreprenad i Gävle AB	January 2021	177	55	Services
Örnsberg EI Tele & Data AB	January 2021	62	29	Services
Continovagruppen, incl. subsidiaries	January 2021	219	47	Trade
Ockelbo Kabelteknik AB	January 2021	106	31	Services
Tjällmo Grävmaskiner AB, incl. subsidiaries	January 2021	149	44	Services
Strand i Jönköping AB, incl. subsidiaries	January 2021	132	36	Services
Allan Eriksson Mark AB	January 2021	70	31	Services
Såg- och Betongborrning i Uddevalla AB	January 2021	99	34	Services
Nymålat i Skellefteå AB	January 2021	39	43	Services
BEC Trägolvsprodukter AB	January 2021	10	2	Trade
Delér Måleri AB	January 2021	100	59	Services
Stockholm Industrigolv AB	January 2021	2	1	Services
Strigo AB, incl. subsidiaries	February 2021	133	237	Services
PerfectHair AG	February 2021	299	121	Trade
Primulator AS, incl. subsidiaries	March 2021	410	160	Trade
Danmatic A/S, incl. subsidiaries	March 2021	264	32	Industry
Top Swede Konfektion AB, incl. Subsidiaries	March 2021	114	12	Trade
HP Rör AB, incl. subsidiaries	March 2021	107	27	Services

A further six platform acquisitions and three add-ons have been made since the end of the quarter: digital agency Bombayworks, IT company Agio System, railways contractor Harrysson Entreprenad Aktieföretag (HEAB), architects Lindberg Stenberg Arkitekter and haulage company LM Transport in the Services business area; SGS Engineering, a leading online retailer of power tools in the UK, and flooring and carpet suppliers Mattbolaget i Uddevalla and Stockholm Kvadratmeter in the Trade business area; and Scandia Steel, a leading supplier of steel pipe piles, in the Industry business area. These companies have combined sales of around SEK 1,290 million. In addition, Storskogen has entered into an agreement on the acquisition of Schneider Electric's cable ladder business, which is expected to be completed in the summer once approved by the competition authorities.

PRELIMINARY ACQUISITION ANALYSIS FOR THE PERIOD

Refers to acquisitions completed during the period January–March 2021:

SEK m	Services	Trade	Industry	Total
Intangible non-current assets	110	92	24	225
Other non-current assets	72	195	15	281
Inventories	4	231	5	241
Other current assets	218	193	28	438
Cash and cash equivalents	148	144	28	320
Deferred tax liabilities/tax assets	-40	-35	-10	-84
Liabilities to credit institutions	-56	-80	-5	-142
Other liabilities	-224	-208	-30	-462
Acquired net assets	231	531	54	817
Goodwill	496	541	117	1,155
Non-controlling interests	-30	-93	-43	-166
Purchase consideration	697	980	129	1,806
Less cash and cash equivalents in acquired operations	-148	-144	-28	-320
Less unpaid purchase consideration	-10	–	–	-10
Effect on consolidated cash and cash equivalents	539	836	101	1,476

Purchase consideration and estimates

The total purchase consideration for the period's acquisitions is SEK 1,806 million, of which SEK 1,155 million has been recognised as goodwill. Had these acquisitions been made with effect from 1 January 2021, it is estimated that they would have contributed SEK 527 million to the Group's net sales and around SEK 29 million to the Group's profit after tax. No material changes were made during the period to the Group's acquisition analyses for previous years' acquisitions. The acquisition analyses for acquisitions made in the last quarter of 2020 and the first quarter of 2021 are preliminary, as the Group has not received complete information from these companies. All acquisitions have been reported using the acquisition method.

Goodwill

The amount recognised as goodwill on the date of acquisition is the purchase price less the fair value of the net assets acquired. This goodwill is justified by the companies' future earnings potential. As at 31 March 2021, the Group recognised total goodwill of SEK 5,827 million (3,207). The Group's goodwill is tested for impairment annually by cash-generating unit. No impairment losses were identified during the period.

Step-ups etc.

The amounts recognised for intangible non-current assets, such as customer relationships and brands, have been measured at the discounted value of future cash flows. The amortisation period is determined by an estimate of the annual decline in sales attributable to the respective asset. Customer relationships are generally written down over a period of between five and ten years. The amortisation period is based on historical customer attrition, competition in the market, degree of integration with the customer's business, and importance of the aftermarket (such as servicing and warranties). Brands are tested annually in accordance with IAS 36 and so are not amortised over a set period. Other step-ups identified in acquisitions during the period relate to buildings and inventories. Buildings are generally depreciated over 25 years, while inventories are depreciated on the basis of turnover.

Acquisition-related expenses

Acquisition-related expenses consist of fees to advisers in connection with due diligence.

These expenses are recognised in other operating expenses in the income statement.

Acquisition-related expenses for acquisitions completed during the period totalled SEK 6 million (2).

Earn-outs

An earn-out is a conditional purchase consideration that is normally based on the acquired company's results during the first few years, either as a binary outcome if a certain level of earnings is achieved, or on a scale where the amount rises with the earnings of the acquired company in a predetermined future accounting period. This earn-out liability generally crystallises if the criteria are met one to three years from the date of acquisition. At the time of the transaction, the earn-out is measured at fair value by calculating the present value of the likely outcome using a discount rate of around 9.6 percent (9.6). The likely outcome is based on the Group's projections for the respective entity and dependent on future earnings generated by the entity, with a set maximum. The discounted value of unpaid earn-outs for the period's acquisitions is SEK 271 million (49).

Non-controlling interests

The Group measures holdings where it does not have a controlling interest at fair value based on full goodwill using the latest known market value, which is defined as the purchase price.

Acquisition-related disclosures

All acquisitions during the year took the form of purchases of shares. There were no net asset transactions.

EFFECT OF ACQUISITIONS ON THE CONSOLIDATED INCOME STATEMENT

SEK m	Services	Trade	Industry	Total
Effect after the acquisition date included in consolidated profit				
Sales	204	128	14	346
Profit for the year	2	12	2	16
Påverkan om förvärven genomförts den 1 januari				
Sales	233	246	47	527
Profit for the year	6	16	8	29

Acquisitions completed during the quarter increased the Group's net sales by SEK 346 million, EBITA by SEK 20 million and profit after tax by SEK 16 million. Transaction costs for these acquisitions came to SEK 6 million and are included in administrative expenses in the consolidated income statement.

Other financial information

FINANCIAL POSITION

The Group had equity of SEK 5,652 million (3,256) and an equity/assets ratio of 38.7 percent (36.5) on 31 March 2021.

In January 2021, Storskogen issued a second tranche of 1.4 million Series B shares as part of the directed new issue begun in the fourth quarter of 2020. This raised SEK 176 million, of which SEK 8 million was received before the start of the quarter.

Cash and cash equivalents totalled SEK 2,445 million (1,311) on 31 March 2021. The Group also had unutilised credit facilities of SEK 893 million at the end of the period. The Group's net debt, including lease liabilities in accordance with IFRS 16, increased during the quarter by SEK 1,705 million to SEK 3,877 million. Net debt/EBITDA, based on the adjusted EBITDA reported for the most recent 12-month period, amounted to 2.9 (3.1). Had Storskogen owned all subsidiaries throughout this 12-month period, pro forma adjusted EBITDA would have been SEK 1,766 million, giving net debt/EBITDA of 2.2.

In addition to interest-bearing non-current and current liabilities, net debt includes earn-out liabilities and liabilities for outstanding minority options of SEK 834 million (275). Net debt/EBITDA excluding these liabilities based on pro forma adjusted EBITDA would thus have been 1.7.

CASH FLOW AND INVESTMENTS

Cash flow from operating activities for the quarter was SEK 197 million (-94), equivalent to cash flow generation of 53 percent (-41) of adjusted EBITDA.

The Group's net investments in property, plant and equipment amounted to SEK 88 million (66), equivalent to 3.0 percent (3.2) of net sales for the period. Acquisitions of subsidiaries, including payments of earn-outs for acquisitions in previous years, came to SEK 1,459 million (590) for the quarter.

No dividends were paid during the quarter.

EMPLOYEES

At the end of the period, the Group had 4,592 (3,052) employees. Acquisitions carried out during the period increased the number of employees by 1,001.

SHAREHOLDERS

On 31 March 2021, the Company had 107.2 million Series B shares and 26.2 million Series A shares held by a total of 1,315 shareholders, breaking down as follows:

Share structure

Class of share	Number of shares	Number of votes	Percentage of capital	Percentage of votes
Series A share, 10 votes per share	26,200,000	262,000,000	19.6	71.0
Series B share, 1 vote per share	107,201,904	107,201,904	80.4	29.0
Total number of shares	133,401,904	369,201,904	100.0	100.0

Ten largest shareholders on 31 March 2021

	A-Share	B-Share	Percentage of capital	Percentage of votes
Daniel Kaplan ¹⁾	6,774,786	713,559	5.6	18.5
Ronnie Bergström ²⁾	6,774,806	11,428	5.1	18.4
Alexander Bjärgård	6,645,368	166,595	5.1	18.0
Peter Ahlgren ³⁾	6,005,040	–	4.5	16.3
AMF	–	7,000,000	5.2	1.9
Christer Hansson ⁴⁾	–	4,288,511	3.2	1.2
Philian Invest AB	–	4,122,754	3.1	1.1
Länsförsäkringar Skaraborg	–	2,113,697	1.6	0.6
We Own Big Forest i Malmö AB	–	1,765,215	1.3	0.5
Chripolar Holdings AB	–	1,552,816	1.2	0.4
Total largest shareholders	26,200,000	21,734,575	35.9	76.9
Other	–	85,467,329	64.1	23.1
Total	26,200,000	107,201,904	100.0	100.0

¹⁾ Includes shares owned by Firm Factory AB

²⁾ Includes shares owned by Ångsmon AB

³⁾ Includes shares owned by Ribbylund Management AB

⁴⁾ Includes shares owned by Scalata Invest AB

PARENT COMPANY

The Parent Company generated net sales of SEK 20 million (o) and profit after financial items of SEK 13 million (-4) for the quarter.

Other disclosures

ACCOUNTING POLICIES

The Group's interim report has been prepared in accordance with the relevant sections of the Annual Accounts Act and IAS 34 Interim Financial Reporting. The Parent Company's interim report has been prepared in accordance with the Annual Accounts Act, Chapter 9: Interim Reporting. The Parent Company applies RFR 2. The same accounting policies and assumptions have been applied for the Group and the Parent Company as in the most recent Annual Report. No new or amended standards have had or are expected to have any material effect on the Group. All amounts in this report are expressed in millions of Swedish kronor (SEK) unless otherwise indicated. Rounding differences may occur.

RISKS AND UNCERTAINTIES

The Storskogen Group's diversified business model, with 70 business units that are active in a variety of industries and have a large number of customers and suppliers, limits the Group's business and financial risks. In addition to the risks described in Storskogen's 2020 Annual Report, the Company's assessment is that the Covid-19 pandemic may significantly impact a number of business units within the Group in the form of health risks for employees, customers and suppliers, operational disruptions and a weaker financial position. Some subsidiaries in the Group may be affected by the disruption of supply chains and higher commodity prices that cannot be offset with price increases. The Company believes, however, that its diversified business model will limit the operational and financial impact of these risks. This is supported by the business units' operational and financial performance during the 2020 financial year and the first quarter of 2021.

RELATED-PARTY TRANSACTIONS

The nature and scope of transactions with related parties are presented in the 2020 Annual Report. No significant new transactions took place during the period.

ESTIMATES AND JUDGEMENTS

The preparation of the interim report requires management to make judgements, estimates and assumptions that affect the application of the accounting policies and the carrying amounts of assets, liabilities, revenue and expenses. Actual outcomes may differ from these estimates and judgements. The critical judgements and sources of uncertainty in estimates are the same as in the most recent Annual Report.

2021 ANNUAL GENERAL MEETING

The Annual General Meeting on 12 May resolved to pay a dividend of SEK 536 million to shareholders, equivalent to SEK 4.09 per Series A share and SEK 4.00 per Series B share, and to re-elect Elisabeth Thand Ringqvist (Chair), Peter Ahlgren, Alexander Bjärgård, Bengt Braun, Louise Hedberg and Johan Thorell as the members of the Board, and reappoint Ernst & Young as auditor. Shareholders also resolved to issue Series A and Series B shares through directed issues and to authorise the Board to decide on new issues of Series B shares and/or convertibles.

SIGNIFICANT POST BALANCE SHEET EVENTS

A further six platform acquisitions and three add-ons have been made since the end of the quarter: digital agency Bombayworks, IT company Agio System, railways contractor Harrysson Entreprenad Aktiefbolag (HEAB), architects Lindberg Stenberg Arkitekter and haulage company LM Transport in the Services business area; SGS Engineering, a leading online retailer of power tools in the UK, and flooring and carpet suppliers Mattbolaget i Uddevalle and Stockholm Kvadratmeter in the Trade business area; and Scandia Steel, a leading supplier of steel pipe piles, in the Industry business area. These companies have combined sales of around SEK 1,290 million. In addition, Storskogen has entered into an agreement on the acquisition of Schneider Electric's cable ladder business, which is expected to be completed in the summer once approved by the competition authorities.

On 4 May, Storskogen issued unsecured bonds for SEK 3,000 million in a programme limited to SEK 4,000 million. The bonds have a maturity of three years and pay interest annually at a rate 300 basis points above the three-month Stockholm interbank offered rate (STIBOR). The issue was heavily oversubscribed.

Stockholm, 20 May 2021

Daniel Kaplan
CEO

This report has not been reviewed by the Company's auditors.

Financial statements

CONDENSED CONSOLIDATED INCOME STATEMENT

SEK m	Jan-Mar 2021	Jan-Mar 2020	Rolling 12 months	Full year 2020
Net sales	2,892	2,068	9,757	8,933
Cost of goods sold	-2,284	-1,660	-7,752	-7,128
Gross profit	608	408	2,005	1,805
Selling expenses	-223	-159	-728	-664
Administrative expenses	-184	-126	-562	-503
Other operating income	73	33	267	227
Other operating expenses	-42	-12	-121	-91
Operating profit	232	145	861	774
Financial income	3	1	9	7
Financial expenses	-22	-18	-112	-108
Profit after financial items	213	128	758	673
Tax	-42	-26	-115	-100
Net profit for the period	171	101	643	574
Profit for the year attributable to:				
Owners of the parent company	168	97	614	542
Non-controlling interests	3	5	30	32
Basic and diluted earnings per share, SEK	1.27	0.97	4.96	4.69

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

SEK m	Jan-Mar 2021	Jan-Mar 2020	Rolling 12 months	Full year 2020
Profit for the period	171	101	643	574
Other comprehensive income				
Items that have or may be transferred to profit for the year				
Translation differences, foreign operations	22	-2	14	-11
Gains/losses on holding of derivatives for cash flow hedging	-5	-	7	13
Other comprehensive income for the period, net of tax	17	-2	21	2
Comprehensive income for the period	188	99	664	576
Comprehensive income for the period attributable to:				
Owners of the parent company	185	95	633	543
Non-controlling interests	3	-	31	33

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

SEK m	31 March 2021	31 March 2020	31 December 2020
Assets			
Intangible non-current assets	6,504	3,591	5,154
Property, plant and equipment	1,979	1,311	1,471
Financial non-current assets	27	12	24
Deferred tax assets	11	11	4
Total non-current assets	8,521	4,925	6,653
Inventories	1,263	1,104	935
Accounts receivable	1,601	1,090	1,227
Current receivables	766	482	576
Current investments	4	0	745
Cash and cash equivalents	2,445	1,311	1,866
Total current assets	6,080	3,987	5,349
Total assets	14,600	8,912	12,002
Equity and liabilities			
Total equity	5,652	3,256	5,262
Interest-bearing non-current liabilities	4,912	3,143	3,629
Non-interest-bearing non-current liabilities	800	273	637
Provisions	40	26	34
Deferred tax liabilities	340	239	263
Total non-current liabilities	6,091	3,682	4,564
Interest-bearing current liabilities	581	451	484
Accounts payable	939	628	652
Non-interest-bearing current liabilities	1,337	894	1,041
Total current liabilities	2,857	1,973	2,176
Total equity and liabilities	14,600	8,912	12,002

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

SEK m	31 March 2021	31 March 2020	31 December 2020
Opening equity attributable to owners of the parent company	4,909	2,905	2,905
Comprehensive income			
Profit for the period	168	97	542
Other comprehensive income for the period	16	-2	1
Comprehensive income for the period	185	95	543
Transactions with the Group's owners			
Contributions from and value transfers to owners			
Dividends paid	-	-	-300
Share issue	168	-	1,930
Net investment in subsidiaries	-	-	-
Option to purchase non-controlling interests	-149	21	-164
Total contributions from and value transfers to owners	19	21	1,465
Changes in percentage of ownership of subsidiaries			
Acquisition/divestment of non-controlling interests	10	0	-3
Total changes in percentage of ownership of subsidiaries	10	0	-3
Total transactions with the Group's owners	29	21	1,462
Closing equity attributable to owners of the parent company	5,123	3,020	4,909
Opening equity in non-controlling interests	353	202	202
Profit for the period	3	5	32
Other comprehensive income for the period	1	0	1
Comprehensive income for the period	3	5	33
Dividends to minority owners	-	-	-21
Acquisition/divestment of non-controlling interests	6	9	-5
Acquisition of co-owned subsidiaries, non-controlling interests from before	166	21	144
Closing equity in non-controlling interests	529	236	353
Total equity	5,652	3,256	5,262

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

SEK m	Jan-Mar 2021	Jan-Mar 2020	Rolling 12 months	Full year 2020
Profit after financial items	213	128	758	673
Adjustment for non-cash items	104	87	518	500
Income tax paid	-127	-91	-206	-170
Change in working capital	7	-218	36	-189
Cash flow from operating activities	197	-94	1,105	814
Net investments in non-current assets	650	-64	-219	-933
Company acquisitions and divestments	-1,459	-590	-2,764	-1,894
Cash flow from investment activities	-809	-654	-2,983	-2,828
Dividend to owners of the parent company	-	-	-300	-300
New share issue	168	-	2,177	2,009
Other financing activities	1,017	331	1,133	447
Cash flow from financing activities	1,185	331	3,010	2,156
Cash flow for the period	573	-416	1,132	142
Cash and equivalents at beginning of period	1,866	1,730	1,311	1,730
Exchange rate differences in cash and cash equivalents	6	-3	3	-6
Cash and equivalents at end of period	2,445	1,311	2,445	1,866

ITEMS BY SEGMENT AND BREAKDOWN OF REVENUE

2021

Jan-Mar, SEK m	Services	Trade	Industry	Group items	Total
Net sales	1,315	854	723	-1	2,892
Cost of goods sold	-1,046	-673	-547	-19	-2,284
Gross profit	269	181	177	-19	608
Selling expenses	-102	-66	-50	-5	-223
Administrative expenses	-78	-45	-59	-1	-184
Other operating income	37	20	15	0	72
Other operating expenses	-4	-28	-8	1	-40
Operating profit	122	61	75	-26	232
Reversal of amortisation of intangible non-current assets	18	8	8	0	34
EBITA	140	69	83	-26	266
Items affecting comparability	-21	22	4	-	6
EBITA, adjusted	119	91	87	-26	271

2021

Jan-Mar, SEK m	Services	Trade	Industry	Group items	Total
Sweden	1,262	623	435	-1	2,319
Within the EU	25	62	218	0	305
Outside the EU	28	169	71	0	268
Total net sales	1,315	854	723	-1	2,892

2020

Jan-Mar, SEK m	Services	Trade	Industry	Group items	Total
Net sales	826	584	658	0	2,068
Cost of goods sold	-683	-476	-496	-4	-1,660
Gross profit	143	108	162	-4	408
Selling expenses	-62	-46	-49	-2	-159
Administrative expenses	-46	-29	-54	3	-126
Other operating income	8	17	9	0	33
Other operating expenses	-2	-7	-3	0	-12
Operating profit	41	42	64	-3	145
Reversal of amortisation of intangible non-current assets	11	6	6	0	23
EBITA	52	48	70	-3	168
Items affecting comparability	-	-7	1	-	-6
EBITA, adjusted	52	41	71	-3	162

2020

Jan-Mar, SEK m	Services	Trade	Industry	Group items	Total
Sweden	786	423	511	-	1,721
Within the EU	14	78	106	-	199
Outside the EU	26	82	41	-	148
Total net sales	826	584	658	-	2,068

REVENUE FROM CUSTOMER CONTRACTS

SEK m	Jan-Mar 2021	Jan-Mar 2020	Rolling 12 months	Full year 2020
Construction & Infrastructure	478	296	1,450	1,268
Installation	366	159	1,332	1,125
Logistics	198	177	714	692
Construction	170	150	577	556
Digital Services	55	45	185	175
Other Services	48	0	70	22
Intragroup sales within the business area	-1	0	-1	-1
Total, Services segment	1,315	826	4,326	3,836
Distribution	523	323	1,670	1,470
Brands	263	186	875	799
Manufacturing	69	74	313	319
Intragroup sales within the business area	-1	0	-4	-3
Total, Trade segment	854	584	2,854	2,584
Automation	259	213	939	893
Industrial Technology	239	240	858	859
Product Solutions	232	205	817	789
Intragroup sales within the business area	-7	0	-30	-23
Total, Industry segment	723	658	2,584	2,519
Intragroup sales between segments	-1	0	-7	-6
Total	2,892	2,068	9,757	8,933

THE GROUP'S MEASUREMENT OF FINANCIAL ASSETS AND LIABILITIES

Financial assets, SEK m	31 March 2021				31 March 2020			
	Financial assets measured at amortised cost	Financial assets measured at fair value through profit or loss	Financial assets measured at fair value through OCI	Total carrying amount	Financial assets measured at amortised cost	Financial assets measured at fair value through profit or loss	Financial assets measured at fair value through OCI	Total carrying amount
Financial non-current assets	16	6	4	27	11	2	-	12
Accounts receivable	1,601	-	-	1,601	1,090	-	-	1,090
Current receivables	341	-	6	347	199	-	-	199
Current investments	-	4	-	4	-	0	-	0
Cash and cash equivalents	2,445	-	-	2,445	1,311	-	-	1,311
Total	4,403	11	10	4,424	2,610	2	-	2,611

Financial liabilities, SEK m	31 March 2021				31 March 2020			
	Financial liabilities measured at amortised cost	Financial liabilities measured at fair value through profit or loss	Financial liabilities measured at fair value through OCI	Total carrying amount	Financial liabilities measured at amortised cost	Financial liabilities measured at fair value through profit or loss	Financial liabilities measured at fair value through OCI	Total carrying amount
Interest-bearing non-current liabilities	4,326	-	-	4,326	2,729	-	-	2,729
Non-interest-bearing non-current liabilities	0	243	-	243	8	38	-	47
Interest-bearing current liabilities	360	-	-	360	322	-	-	322
Accounts payable	939	-	-	939	628	-	-	628
Non-interest-bearing current liabilities	954	28	1	983	531	10	-	542
Total	6,579	271	1	6,851	4,219	49	-	4,267

Financial assets, SEK m	31 December 2020			Total carrying amount
	Financial assets measured at amortised cost	Financial assets measured at fair value through profit or loss	Financial assets measured at fair value through OCI	
Financial non-current assets	10	6	7	24
Accounts receivable	1,227	–	–	1,227
Current receivables	279	–	10	289
Current investments	–	745	–	745
Cash and cash equivalents	1,866	–	–	1,866
Total	3,382	752	17	4,150

Financial liabilities, SEK m	31 December 2020			Total carrying amount
	Financial liabilities measured at amortised cost	Financial liabilities measured at fair value through profit or loss	Financial liabilities measured at fair value through OCI	
Interest-bearing non-current liabilities	3,189	–	–	3,189
Non-interest-bearing non-current liabilities	0	232	–	232
Interest-bearing current liabilities	330	–	–	330
Accounts payable	652	–	–	652
Non-interest-bearing current liabilities	758	27	1	785
Total	4,928	259	1	5,188

Carrying amount corresponds to fair value. Financial instruments measured at fair value are classified at different levels based on how the fair value was established. The fair value of short-term borrowing corresponds to the carrying amount, since the discount effect is not material.

PERFORMANCE MEASURES

SEK m	Jan-Mar 2021	Jan-Mar 2020	Rolling 12 months	Full year 2020
Net sales	2,892	2,068	9,757	8,933
Operating profit	232	145	861	774
Operating margin, %	8.0	7.0	8.8	8.7
EBITDA, adjusted	374	229	1,317	1,172
EBITA, adjusted	271	162	964	854
EBITA margin, %	9.4	7.8	9.9	9.6
Profit after financial items	213	128	758	673
Profit for the period	171	101	643	574
Working capital	1,208	766	1,208	1,093
Return on working capital, %	79.8	75.7	79.8	78.1
Return on equity, %	14.1	10.5	14.1	14.2
Return on capital employed, %	10.0	9.0	10.0	10.1
Equity/assets ratio, %	38.7	36.5	38.7	43.8
Net debt	3,877	2,559	3,877	2,172
Debt/equity ratio	0.7	0.8	0.7	0.4
Net debt/EBITDA	2.9	3.1	2.9	1.9
Interest coverage ratio	10.5	8.2	7.7	7.3
Average number of employees	4,041	2,778	4,041	3,154
Number of employees at end of period	4,592	3,052	4,592	3,565
Cash flow from operating activities	197	-94	1,105	814
Basic and diluted earnings per share, SEK	1.27	0.97	4.96	4.69
Basic and diluted weighted average number of shares outstanding, thousands	133,073	100,000	123,686	115,577

CONDENSED PARENT COMPANY INCOME STATEMENT

SEK m	Jan-Mar 2021	Jan-Mar 2020	Rolling 12 months	Full year 2020
Net sales	20	0	32	11
Administrative expenses	-34	-3	-64	-33
Operating profit	-14	-3	-33	-22
Financial income	42	10	489	457
Financial expenses	-15	-11	-60	-57
Profit after financial items	13	-4	396	379
Appropriations	-	-	123	123
Tax	-3	-	-5	-2
Profit for the period	10	-4	514	500

CONDENSED PARENT COMPANY BALANCE SHEET

SEK m	31 March 2021	31 March 2020	31 December 2020
Assets			
Intangible non-current assets	0	0	0
Financial non-current assets	7,947	5,380	5,923
Total non-current assets	7,947	5,380	5,923
Current receivables	1,170	642	1,358
Cash and cash equivalents	-	-	744
Total current assets	1,804	420	1,125
Total current assets	2,974	1,062	3,228
Total assets	10,922	6,442	9,151
Equity and liabilities			
Restricted equity	1	1	1
Unrestricted equity	5,782	3,471	5,604
Total equity	5,783	3,472	5,604
Non-current liabilities	4,172	2,671	3,108
Current liabilities	967	299	438
Total equity and liabilities	10,922	6,442	9,151

Definitions

PERFORMANCE MEASURES

Storskogen presents a number of performance measures that are not defined in accordance with IFRS. The Company considers these measures to provide valuable supplementary information for investors and the Company's management, as they allow an evaluation of trends and the Company's performance. As not all companies calculate these measures in the same way, they are not always comparable with those used by other companies. These measures should therefore not be regarded as replacing measures that are defined in accordance with IFRS. Definitions of the measures used, most of which are alternative performance measures, are presented below.

RETURN ON EQUITY ²

Profit after tax divided by equity. The components are calculated as average amounts for the past 12 months. The aim is to analyse profitability in relation to shareholders' funds.

SEK m	Jan-Mar 2021	Jan-Mar 2020	Rolling 12 months	Full year 2020
Profit after tax	643	312	643	574
Equity	4,560	2,965	4,560	4,051
Return on equity, %	14.1	10.5	14.1	14.2

RETURN ON WORKING CAPITAL ¹

Adjusted EBITA divided by working capital. The components are calculated as average amounts for the past 12 months. The aim is to analyse profitability in relation to working capital.

SEK m	Jan-Mar 2021	Jan-Mar 2020	Rolling 12 months	Full year 2020
EBITA, adjusted	964	580	964	854
Working capital	1,208	766	1,208	1,093
Return on working capital, %	79.8	75.7	79.8	78.1

RETURN ON CAPITAL EMPLOYED ¹

Operating profit plus financial income as a percentage of capital employed. The components are calculated as average amounts for the past 12 months. The aim is to analyse profitability in relation to capital employed.

SEK m	Jan-Mar 2021	Jan-Mar 2020	Rolling 12 months	Full year 2020
Operating profit	861	463	861	774
Financial income	9	2	9	7
Operating profit including financial income	870	465	870	781
Capital employed	8,737	5,174	8,737	7,731
Return on capital employed, %	10.0	9.0	10.0	10.1

EBITA ¹

Operating profit before amortisation of intangible non-current assets. The aim is to assess the Group's operating activities. EBITA serves as a complement to operating profit, as it provides an indication of the cash results of operations.

SEK m	Jan-Mar 2021	Jan-Mar 2020	Rolling 12 months	Full year 2020
Operating profit	232	145	861	774
Amortisation/depreciation of intangible non-current assets	34	23	123	111
EBITA	266	168	984	885

EBITDA ¹

Operating profit before depreciation, amortisation and impairment losses. The aim is to assess the Group's operating activities. EBITDA serves as a complement to operating profit.

SEK m	Jan-Mar 2021	Jan-Mar 2020	Rolling 12 months	Full year 2020
Operating profit	232	145	861	774
Amortisation/depreciation	136	91	476	429
EBITDA	368	236	1,337	1,203

FINANCIAL ITEMS¹

Financial income less financial expense. The aim is to present developments in the Group's financing activities.

SEK m	Jan-Mar 2021	Jan-Mar 2020	Rolling 12 months	Full year 2020
Financial income	3	1	9	7
Financial expenses	-22	-18	-112	-108
Net financial items	-19	-17	-103	-101

ADJUSTED EBITA¹

Operating profit before amortisation and impairment losses on intangible non-current assets, excluding revaluations of earn-outs and inventory step-ups to fair value on acquisitions. The aim is to assess the Group's operating activities. EBITA serves as a complement to operating profit, as it provides an indication of the cash results of operations. Adjusted EBITA facilitates comparisons of EBITA between periods.

SEK m	Jan-Mar 2021	Jan-Mar 2020	Rolling 12 months	Full year 2020
Operating profit	232	145	861	774
Items affecting comparability	6	-6	-20	-32
Amortisation/depreciation of intangible non-current assets	34	23	123	111
EBITA, adjusted	271	162	964	854

ADJUSTED EBITA MARGIN¹

Adjusted EBITA as a percentage of net sales. The aim is to provide a guide to profitability in relation to sales.

SEK m	Jan-Mar 2021	Jan-Mar 2020	Rolling 12 months	Full year 2020
Operating profit	271	162	964	854
Items affecting comparability	2,892	2,068	9,757	8,933
EBITA, adjusted	9.4	7.8	9.9	9.6

ADJUSTED EBITDA¹

Operating profit before depreciation, amortisation and impairment losses, excluding revaluations of earn-outs and inventory step-ups to fair value on acquisitions. The aim is to assess the Group's operating activities. EBITDA serves as a complement to operating profit. Adjusted EBITDA facilitates comparisons of EBITDA between periods.

SEK m	Jan-Mar 2021	Jan-Mar 2020	Rolling 12 months	Full year 2020
Operating profit	232	145	861	774
Items affecting comparability	6	-6	-20	-32
Amortisation/depreciation	136	91	476	429
EBITDA, adjusted	374	229	1,317	1,172

NET DEBT¹

Interest-bearing liabilities (including minority options and earn-out liabilities) minus cash and cash equivalents. The aim is to show the Group's true level of debt.

SEK m	Jan-Mar 2021	Jan-Mar 2020	Rolling 12 months	Full year 2020
Interest-bearing liabilities	5,493	3,594	5,493	4,113
Earn-outs	271	49	271	259
Options for minority	562	227	562	411
Current investments	-4	0	-4	-745
Cash and cash equivalents	-2,445	-1,311	-2,445	-1,866
Net debt	3,877	2,559	3,877	2,172

NET DEBT/ADJUSTED EBITDA ¹

Net debt in relation to the cash results of operations. The aim is to provide an indication of the business's ability to service its debt. This measure is widely used by financial institutions to measure creditworthiness.

SEK m	Jan-Mar 2021	Jan-Mar 2020	Rolling 12 months	Full year 2020
Net debt	3,877	2,559	3,877	2,172
EBITDA, adjusted	1,317	823	1,317	1,172
Net debt/EBITDA, adjusted	2.9	3.1	2.9	1.9

ORGANIC ADJUSTED EBITA GROWTH ¹

Change in adjusted EBITA, excluding acquisition and divestment effects from acquisitions, relative to the same period the previous year. Acquired entities are included in organic adjusted EBITA growth once they have been part of the Storskogen Group for 12 months. The aim is to analyse underlying growth in operating profit.

ORGANIC GROWTH ¹

Change in net sales, excluding acquisition and divestment effects from acquisitions, relative to the same period the previous year. Acquired entities are included in organic growth once they have been part of the Storskogen Group for 12 months. The aim is to analyse underlying growth in net sales.

BASIC AND DILUTED EARNINGS PER SHARE

Earnings per share is used to assess the value of the Company's outstanding shares. The average number of shares is not currently exposed to any dilution effects.

SEK m	Jan-Mar 2021	Jan-Mar 2020	Rolling 12 months	Full year 2020
Net profit for the period	168	97	614	542
Basic and diluted weighted average number of shares outstanding, thousands	133,073	100,000	123,686	115,577
Basic and diluted earnings per share, SEK	1.27	0.97	4.96	4.69

INTEREST COVERAGE RATIO ¹

Operating profit plus financial income divided by financial expense. The aim is to present earnings in relation to interest costs.

SEK m	Jan-Mar 2021	Jan-Mar 2020	Rolling 12 months	Full year 2020
Operating profit	232	145	861	774
Financial income	3	1	9	7
Profit after financial items, net, including financial expenses	235	145	870	781
Financial expenses	-22	-18	-112	-108
Interest coverage ratio	10.5	8.2	7.7	7.3

WORKING CAPITAL ¹

Working capital is calculated as current operating receivables (inventories, accounts receivable and other non-interest-bearing current receivables) less current operating liabilities (accounts payable and other non-interest-bearing current liabilities excluding earn-out liabilities). The components are calculated as average amounts for the past 12 months. The aim is to analyse the capital tied up in the balance sheet by the Group's operating activities.

SEK m	Jan-Mar 2021	Jan-Mar 2020	Rolling 12 months	Full year 2020
Inventories	1,051	810	1,051	963
Accounts receivable	1,241	862	1,241	1,086
Other current receivables	560	290	560	495
Accounts payable	-708	-527	-708	-607
Other current liabilities	-936	-668	-936	-844
Working capital	1,208	766	1,208	1,093

OPERATING MARGIN¹

Operating profit as a percentage of net sales. The aim is to show the share of net sales left over after operating expenses.

SEK m	Jan-Mar 2021	Jan-Mar 2020	Rolling 12 months	Full year 2020
Operating profit	232	145	861	774
Net sales	2,892	2,068	9,757	8,933
Operating margin, %	8.0	7.0	8.8	8.7

OPERATING PROFIT/LOSS (EBIT)

Operating revenue less operating expenses. The aim is to present the Group's earnings before interest and tax.

DEBT/EQUITY RATIO^{1,2}

Net debt divided by equity. The aim is to show the size of debt in relation to equity, i.e. a measure of capital strength and financial risk. A high debt/equity ratio will correspond to a low equity/assets ratio, while a low debt/equity ratio will correspond to a high equity/assets ratio.

SEK m	Jan-Mar 2021	Jan-Mar 2020	Rolling 12 months	Full year 2020
Net debt	3,877	2,559	3,877	2,172
Equity	5,652	3,256	5,652	5,262
Debt/equity ratio	0.7	0.8	0.7	0.4

EQUITY/ASSETS RATIO^{1,2}

Equity as a percentage of total assets. The aim is to show the proportion of assets that are financed with equity.

SEK m	Jan-Mar 2021	Jan-Mar 2020	Rolling 12 months	Full year 2020
Equity	5,652	3,256	5,652	5,262
Total assets	14,600	8,912	14,600	12,002
Equity/assets ratio, %	38.7	36.5	38.7	43.8

CAPITAL EMPLOYED¹

Total assets less non-interest-bearing liabilities and provisions. The components are calculated as average amounts for the past 12 months. The aim of this measure is to track the amount of capital that is employed in operations and financed by shareholders and lenders.

SEK m	Jan-Mar 2021	Jan-Mar 2020	Rolling 12 months	Full year 2020
Total assets, weighted value	11,293	6,876	11,293	9,957
Non-interest-bearing liabilities	-2,255	-1,459	-2,255	-1,955
Provisions	-301	-243	-301	-271
Capital employed	8737	5174	8737	7731

NUMBER OF OUTSTANDING SHARES

Total number of shares. This number is used primarily to calculate performance measures such as earnings per share which are defined in accordance with IFRS.

	Jan-Mar 2021	Jan-Mar 2020	Rolling 12 months	Full year 2020
Total number of registered shares (consisting of both Series A and B shares)	133,401,904	100,000,000	133,401,904	131,992,864
Number of outstanding shares	133,401,904	100,000,000	133,401,904	131,992,864

ITEMS AFFECTING COMPARABILITY¹

Items such as revaluations of earn-outs and amortisation of step-ups to fair value on acquisitions are excluded to facilitate comparisons between periods.

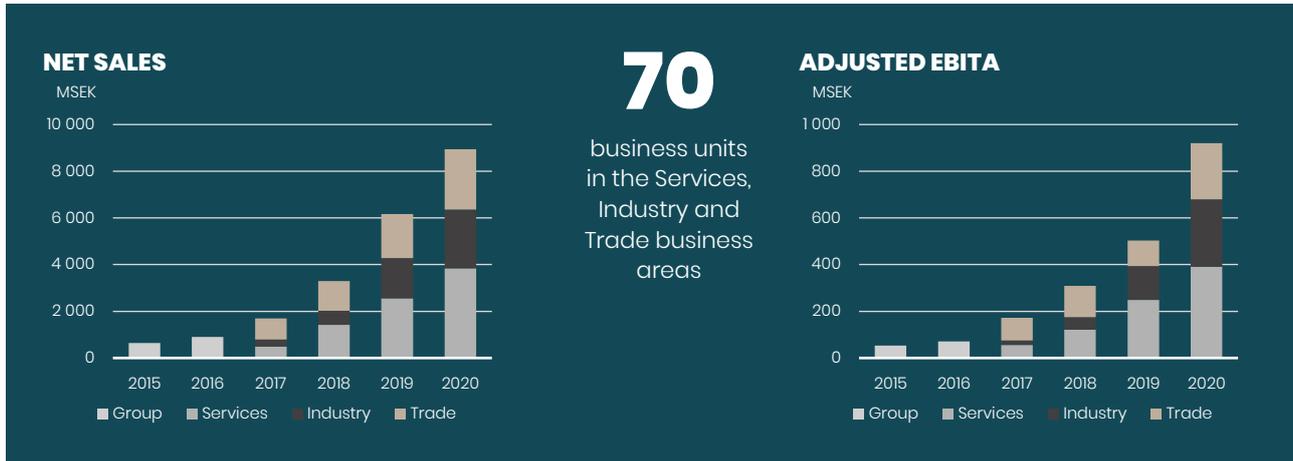
SEK m	Jan-Mar 2021	Jan-Mar 2020	Rolling 12 months	Full year 2020
Revaluation of additional purchase price	5	-6	-29	-40
Fair value adjustments of acquired assets	0	-	8	8
Items affecting comparability	6	-6	-20	-32

¹ The performance measure is an alternative performance measure according to ESMA's guidelines.

² Minority interest is included in equity when the performance measures are calculated.

About Storskogen

Storskogen is a privately owned group of companies with a vision to be the best owner of small and medium-sized enterprises. Storskogen's companies share a common focus on good profitability, stable cash flows and a strong position in their niche market. Stable and profitable companies are not built overnight and are seldom cast in the same mould. We therefore take a long-term perspective when we acquire and support companies in their continued development, without setting a limit on our ownership horizon.



OUR VISION

Storskogen's vision is to be the best owner of small and medium-sized enterprises.

BUSINESS CONCEPT

Storskogen's business concept is to acquire and manage a diversified group of profitable enterprises with a strong position in their respective markets, and to do so without setting a limit on our ownership horizon.



CONTACT INFORMATION

Daniel Kaplan, CEO and founder, daniel.kaplan@storskogen.com,
+46 (0)73 920 9400
Lena Glader, CFO, lena.glader@storskogen.com,
+46 (0)73 988 4466

STORSKOGEN GROUP AB (PUBL.)

Corp. ID no: 559223-8694
Visiting address: Hovslagargatan 3, 111 48 Stockholm, Sweden
info@storskogen.com