



# Strategy and business model



## Mission

We empower businesses  
to realise their full potential



## Vision

To be the leading international  
owner of small and  
medium-sized businesses

# Business model

Storskogen acquires and develops small and medium-sized businesses to create profitable growth and stability across business cycles.

## 1. Opportunity

- **Evergreen opportunity** to acquire profitable companies with proven business models in selected industries.
- **Attractive return potential** driven by lower valuation of small and medium-sized businesses.
- **Value-creation opportunities** through professionalisation, synergies and business development.

## 2. The Storskogen model

- **Long-term perspective and stability** ensure companies' future competitiveness.
- **Decentralisation** promotes entrepreneurship.
- **Active ownership** enables businesses to realise their full potential.
- **Diversification** is central to spread risks and take advantage of opportunities.

## 3. Result

- **Profitable growth** is generated by reinvesting cash flows into both new acquisitions and the development of existing businesses.
- Geographic and industry diversification creates **stability across business cycles**.



## Value creation

- **Shareholders**  
Exposure to diversified group of small and medium-sized businesses with the ambition of creating stable profit growth across business cycles.
- **Business sellers/business units**  
Long-term, decentralised ownership model that empowers businesses to realise their full potential.
- **Employees**  
Opportunities for development and knowledge sharing within the Group.
- **Society**  
Commitment to entrepreneurship benefits local society.



# The opportunity to acquire and develop small and medium-sized businesses

Storskogen was founded on the principle of being a next-generation owner of stable small and medium-sized businesses. Returns generated from the Group are reinvested to create organic and acquired growth.

## Evergreen opportunity

Entrepreneurial businesses are the backbone of local communities and the global economy by creating growth and employment opportunities. Many successful small and medium-sized companies with proven business models eventually require a long-term owner to secure their competitiveness and to realise their full potential. Storskogen aims to bridge this gap.

The market for acquiring and developing such businesses represents an evergreen opportunity. In Europe alone, there are an estimated 230,000 businesses with between 50 and 250 employees and less than EUR 50 million in sales, with many more globally.

## Attractive return potential

Small and medium-sized businesses are typically valued lower than large companies due to risks such as increased sensitivity to market changes and a higher dependency on a few key individuals, customers or suppliers. Even well-managed companies with proven business models can struggle to attract buyers, especially if they are located far away from potential buyers. These factors create favourable conditions for Storskogen, making these kinds of companies attractive and scalable investment opportunities.

## Value-creation opportunities

Small and medium-sized businesses often have untapped potential that can be unlocked by joining a larger group like Storskogen. Areas that are commonly challenging for smaller companies include digitalisation, internationalisation, talent recruitment and sustainability requirements. By providing access to capital, expertise and knowledge sharing, Storskogen supports its business units in improving operational efficiency, driving growth and realising their full potential.



# The Storskogen model

Storskogen’s model is built on decentralised, long-term and active ownership, enabling business units to retain their entrepreneurial spirit while benefiting from the support of a larger, diversified group.

### Long-term perspective and stability

When small and medium-sized companies face a change of ownership, sellers often look for a buyer who can carry the company forward in the same spirit. Key concerns for sellers often include the continued development of the business and the wellbeing of its employees. This aligns with Storskogen’s business model, which aims to create long-term growth and stability for its companies.

### Decentralisation, entrepreneurship, scalability

Decentralisation is fundamental to creating scalability, meaning that new companies can be acquired with a limited central organisation. Storskogen encourages independence and an entrepreneurial spirit. This ensures that the businesses, which are closest to their customers, suppliers and markets, can manage day-to-day operations efficiently and seize growth opportunities.

### Active ownership

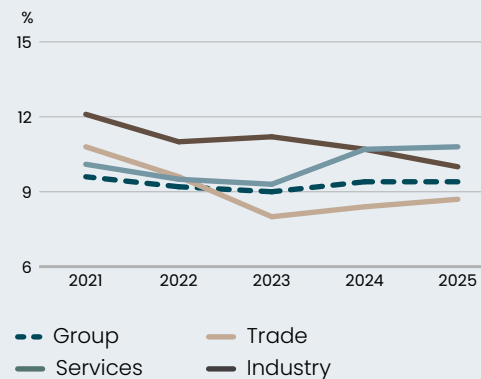
Storskogen’s central organisation provides strategic and operational support in areas such as investment decisions, succession planning, sustainability initiatives and corporate governance. Support is provided through board work and supplemented with monthly follow-up and activities tailored to the needs of the business units.

Storskogen’s network of business units enables both internal and external synergies. Internal synergies include business transactions between companies and the use of shared resources. Examples of external synergies include framework agreements to optimise procurement processes and purchasing. Collaboration is supported by a shared digital platform, as well as various types of forums and recurring networking activities that promote knowledge exchange. CEO’s and other key individuals also contribute by serving on each other’s boards, which helps to spread experience and proven working methods.

### Diversification

A central aspect of the Storskogen model is diversification, both to mitigate risks and to enable investments in areas with the best expected returns. Diversification is achieved by operating across different geographies and sectors, providing exposure to various trends, drivers and business cycles. The effect is illustrated below, where the varied development of the business areas collectively provides a stable margin for the Group.

### Adjusted EBITA margin





# Profitable growth and stability

Storskogen's strategy for owning and developing its business units is designed to generate profitable growth and stability across business cycles. Cash flows are reinvested to create long-term value for Storskogen's stakeholders.

## Profitable growth

Within Storskogen's business areas, conditions for increased profitability are created through operational improvements, synergies, collaboration and other network effects. Generated cash flows are reinvested in both new acquisitions and organic growth initiatives, creating a cycle of profitable growth.

## Stability over business cycles

Through its three business areas, Storskogen strives for a well-balanced composition of business units. Geographic and operational diversification creates the conditions for stable profit growth across business cycles.

## Capital allocation

Storskogen invests cash flows in areas expected to deliver the best potential long-term returns.

Investments focus on either organic expansion within the existing Group or acquisitions:

- Platform acquisitions create standalone business units.
- Add-on acquisitions strengthen an existing business unit, for example by creating economies of scale or expanding its offering, capabilities or geographic presence.

Investments in both organic initiatives and acquisitions are based on five investment themes:

- Health and wellbeing
- Automation
- Energy and sustainability
- Digitalisation
- Infrastructure

These themes already characterise a significant part of the existing Group and have strong growth potential, supported by a number of long-term macro trends.

Investment decisions also consider exposure to different end markets, ensuring that Storskogen is not overly dependent on demand from a specific customer segment or industry.

## Balanced expansion

Storskogen aims to achieve growth throughout the business cycle, whether organic or acquired. To enable this, maintaining a balanced leverage ratio is essential to ensure financial flexibility even in changing market conditions.

The composition of the Group is continuously reviewed to ensure that the business units contribute to the Group's long-term targets and strategy. If a business unit no longer does so, divestment may be considered.

By combining a clear capital allocation strategy, focused investment themes and financial discipline, Storskogen creates the foundation for profitable growth and builds a stable Group that can generate long-term value for its stakeholders.