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Storskogen Group

Q3 2026

QUARTR



Speakers



Operator



Christer Hansson
CEO | Storskogen



Lena Glader
CFO | Storskogen



Anton Ingves
Analyst | Nordea

Prepared Remarks



Operator

Welcome to the Storskogen Q3 presentation for 2026. During the questions and answers session, participants are able to ask questions by dialing pound key five on their telephone keypad. Now I will hand the conference over to the CEO, Christer Hansson and CFO Lena Glader. Please go ahead.



Christer Hansson

CEO | Storskogen

Welcome, and thank you for joining us for the presentation of Storskogen's interim report for the third quarter of 2026. I'm Christer Hansson, CEO, and with me is Lena Glader, our CFO. The third quarter was another solid quarter. We delivered positive organic growth in both sales and EBITDA, and profitability improved compared to a year ago. The positive development we saw in the second quarter has continued into the third, and I'm pleased that the growth is broad, with more of our business units contributing and with visible improvement in both sales and earnings. We also took an important step in strengthening our balance sheet in the quarter, putting us in a good position to use a significantly larger part of our cash flow for growth from 2027. More on that and details on the quarter shortly, but first, let's take a brief look at Storskogen.



Christer Hansson

CEO | Storskogen

Storskogen is a diversified international business group with sales of approximately SEK 34 billion over the last 12 months, and Adjusted EBITA of about SEK 3.1 billion, spread across three business areas, Services, Trade, and Industry. At the end of the quarter, the group consisted of 140 business units with average annual sales of around SEK 300 million. Let's turn to the highlights for the quarter. Net sales in the third quarter amounted to SEK 8.3 billion compared to SEK 8 billion a year ago. Adjusted EBITA increased to SEK 806 million from SEK 759 million, and Adjusted EBITA margin improved to 9.7% from 9.5%. We delivered positive organic growth in both sales and EBITA in the quarter, 3% and 2% respectively.



Christer Hansson

CEO | Storskogen

Year to date, organic sales growth stands at 4% and organic EBITA growth at negative 2%. In sum, the quarter clearly moves us further in the right direction.



Christer Hansson

CEO | Storskogen

The positive development we saw in the second quarter continued in the third, and our commercial and operational initiatives keep having an effect. What is particularly encouraging is the growth now includes a larger number of business units, across markets, and the visible improvement in both sales and earnings. Cash flow from operating activities was strong and more or less on par with last year. Our leverage ratio was 2.5 times at the end of the quarter, up 0.1 from a year ago. The slight increase follows the significant acquisitions of minority shares completed in the quarter. Lena will go through those in more detail. We completed six acquisitions, four in the quarter and two in October, with a combined annual sales of SEK 377 million. The market remains uneven, which continues to require a clear focus on sales, cost control, and profitable growth.



Christer Hansson

CEO | Storskogen

Next, let's take a closer look at cash flow. Our cash flow amounted to SEK 646 million, which, as I just mentioned, was practically in line with last year's SEK 659 million. As mentioned in Q2, higher June sales temporarily increased quarter-end receivables, with the effect expected to reverse in H2. We are now seeing this reversal in Q3 with a similar timing effect seen last year. Looking at the slide, the year-to-date figures clearly illustrate that we are on par with last year at SEK 1.3 billion. A quarterly fluctuation is to be expected, and it's also a reason why we emphasize the right side of the slide, where you can see the cash flow on a rolling 12 months basis. As you can see, it holds steady at around SEK 2.5 billion and SEK 3 billion.

**Christer Hansson**
CEO | Storskogen

Growth ties up some working capital, which shows in cash conversion of 80% in the quarter and 74% for the last 12 months. Over time, our cash flow remains consistent, and it comes from disciplined operational work across the Group, and it is what allow us to shift more capital towards growth. I will come back to that later. Next, let's take a look at sales and margin. The third quarter was a strong quarter. The Adjusted EBITDA margin improved to 9.7% from 9.5% a year ago. Similar to our cash flow, quarterly figures will fluctuate throughout the year, but diversification across industries, geographies, and end markets gives stability over time, as evidenced in the rolling 12 months figures on the right side of the slide. This quarter, the rolling margin nudged up to 9.3%. It is a step in the right direction.

**Christer Hansson**
CEO | Storskogen

However, we are working hard to reach the target margin of over 10%. Organic sales growth was 3% in the quarter, and the trend has been positive for five quarters in a row. This is also the second quarter in a row with positive organic EBITA development. This matters because organic profit growth is prerequisite for reaching our target on average annual growth in Adjusted EBITDA of 15%. Acquisitions add to it, but the base has to grow on its own. We work systematically with sales and productivity, so that more of our business unit contribute to growth. That means pricing, customer offerings, sales and efficiency, company by company. The work never ends, but we are seeing the effects from this continuous work across business areas. Next, let's take a look at each business area.

**Christer Hansson**
CEO | Storskogen

Services reported net sales of about SEK 2.4 billion, up 7% on last year, an Adjusted EBITDA of SEK 252 million and margin of 10.7%. Both sales and EBITA grew, driven by solid performance in Business Services and contribution from acquisition. Companies exposed to the construction sector in Infrastructure Services still face challenging markets, even though we see early positive signs. That explain why organic EBITA is still negative. Our focus there is clear, improving profitability company by company through efficiency measures and sharper commercial focus. We made three add-ons with a combined sales of SEK 46 million. Looking ahead, the fourth quarter is normally stronger, and we're cautiously optimistic with several companies entering their high season. Now let's turn to Trade. Trade reported net sales of SEK 2.3 billion, in line with a year ago. Organic growth, acquisitions, and FX contributed, offset by divestments.

**Christer Hansson**
CEO | Storskogen

Adjusted EBITDA was SEK 230 million with a margin of 9.9%. This was supported by FX, organic growth, and acquisitions. This was a strong quarter. In absolute number, it is the highest third quarterly profit we have ever had in Trade. Demand improved in Professional Products with a margin uplift, contributing to the entire business area. In Consumer Products, demand continues to be somewhat affected by lower retail activity in health and beauty. The business area focus on sales, pricing, and cost efficiency, continue to contribute to the result, and the underlying trend remains positive in most areas. We made three acquisitions in Trade, including two in October, with a combined annual sales of SEK 331 million. Looking ahead, the fourth quarter is typically stronger in terms of sales, with the main holiday sales period ahead.

**Christer Hansson**
CEO | Storskogen

Industry reported net sales of about SEK 3.6 billion, up 6%, Adjusted EBITDA of SEK 363 million, with a margin of 10%. Organic growth in the quarter was positive both for sales and EBITA, which leaves the year-to-date figures at 5% and 8% for sales and EBITA respectively. The business area developed well across all three verticals, supported by demand in several industrial niches as well as FX. Industry's strong market position and exposure to long-term structural trends such as automation, digitalization, and the energy transition continues to create good conditions for profitable growth. We have also invested in capacity over the past few years, and many of those investments are now paying off. Two examples I gave last time was investments made in LNS and J&D Pierce. Another example is a German business unit, SF Tooling, that produces various type of die casting for electrical vehicle and aerospace industries.



Christer Hansson

CEO | Storskogen

Apart from the manufacturing sites in Germany and the U.S., it has also invested in its own factory in China, which is now paying off well. As a last remark, I want to mention that the order book for Industry, as we go into the fourth quarter, remains solid. Before we turn to acquisitions, I want to highlight an important milestone for our balance sheet. As I mentioned at the start, an important step in the quarter was that our minority-related liabilities are now moving towards a more normal level. Over the past few years, we have improved profitability and cash generation, streamlined the portfolio, and reduced and refinanced our external debt. The minority liabilities are the last major piece of that work. Those of you who joined us last quarter will remember that the commitments from our acquisitions in 2021 and 2022 were approaching their end.



Christer Hansson

CEO | Storskogen

We are now more or less there. You can see in the bars on the left, in 2024 and 2025, debt reduction took the largest share of our cash flow. This year, a large part has gone to minority buyouts and earn-outs. In 2027, the share comes down. A substantial part of our cash flow, the dark green section, can be allocated to growth. The bars are for illustration only and do not include any new debt. Buying back minority shares also contribute to higher earnings per share for Storskogen shareholders, and it frees up capital for organic initiatives as well as acquisitions. On the right side, you can see that the pace of acquisition is already picking up. In 2024, we made only add-ons.



Christer Hansson

CEO | Storskogen

We restarted in the second half of 2025. This year, we have so far completed 10 acquisitions, two of which we announced just last week. That brings me to growth. At our Capital Markets Day in late 2024, we presented our capital allocation model. It starts with the capital we have available, generated by our operating cash flow. From there, we allocate into two directions. The first is organic expansion, CapEx and OpEx, that strengthen operations and drive sales or efficiency in our existing business units. The second is acquisitions, either new platforms or add-ons that broaden the offerings of the business units we already own or unlock synergies. Our acquisitions are guided by five investment themes: health and wellbeing, automation, energy and sustainability, digitalization, and infrastructure. These investment themes span all three business areas and are rooted in global mega trends.



Christer Hansson

CEO | Storskogen

These are themes where we already have a solid experience and where we see strong long-term growth potential. At the Capital Markets Day, we also said that we would seek acquired growth mainly outside Sweden to decrease our substantial exposure to the Swedish economy. This is what we are doing, as you will see on the next slide. Here you can see what we have added since we ramped up acquisitions in 2025. In total, we have completed 17 acquisitions, seven are platforms and 10 add-ons, with combined annual sales of about SEK 950 million. On average, they have an EBITA margin around 20%. So they lift the group's margin. We have stayed disciplined on price, averaging around 6.5 to 7 times the EBITA. In Services, LEP provides digital service to healthcare sector.



Christer Hansson

CEO | Storskogen

Carry Gently in the U.K. is a transport specialist similar to our business unit, Stop & Start. Softvy in Asia works in fire safety, which is a growing market for equipment and servicing. In Industry, Darlington EMS is a specialist manufacturer of electronic components serving customers in automation, infrastructure, and healthcare. In Trade, Frameda in Finland completed our new Nordic footprint in professional haircare, where we now are by far the largest distributor in the region. Verdant Norway adds premium haircare brands into this offering, and we see a clear potential for further collaboration across the Nordic businesses. After the quarter, we acquired Duratec in Germany, a distributor of components and system for laboratory analysis. It has a high share of recurring revenue and a strong position in a fragmented market, which of course gives room for further add-ons.



Christer Hansson

CEO | Storskogen

Just last week, Båstadgruppen, one of the Nordic region's leading supplier of professional workwear, acquired Hawedo in the Netherlands. Hawedo is a long-standing partner and now gives Båstadgruppen its own export hub in continental Europe. Båstadgruppen has grown from about SEK 230 million when it joined us in 2019 to about SEK 620 million in sales last year after four add-ons and investment in a state-of-the-art distribution center. So a disciplined ramp-up, mainly outside Sweden and within our investment themes, as we set out to do in our Capital Markets Day in 2024. With that, I will hand over to Lena for more detailed financial review.



Lena Glader

CFO | Storskogen

Thank you, Christer, and good morning, everyone. Those are some really good acquisitions that you just showed us there, and they do bring value that we can see in both margin expansion and growth. Let me first take you through the financials for the third quarter. The figures on this page are adjusted for items affecting comparability. The reported income statement you will find in the appendix and of course, in the report that we published this morning. Starting with net sales for the quarter at SEK 8.33 billion, up 4% on Q3 last year, and sales growth was mainly organically driven. I will walk you through the sales bridge on the next page. Adjusted EBITDA rose 6% to roughly SEK 1.1 billion. After depreciation of SEK 275 million, our Adjusted EBITDA was SEK 806 million, which is up 6% year-on-year.



Lena Glader

CFO | Storskogen

This corresponds to an Adjusted EBITDA margin of 9.7%, compared with 9.5% in Q3 last year. After amortizations of SEK 175 million, our adjusted operating profit or EBIT was SEK 631 million, up 7% year-on-year. Worth mentioning is that operating profits last year had a negative currency transaction effect, while this year we had a small currency gain from revaluation of balance sheet items. The net financial items were SEK -171 million, which is a little more than SEK -138 million in Q3 last year. However, our interest costs were unchanged at SEK 160 million. This is essentially the same as in Q3 last year. The increase in the net financial are related to positive currency items and interest income in Q3 of last year. Profit before tax was up 2%, and with flat taxes year-on-year, our adjusted net profit after tax grew 3% to SEK 348 million.



Lena Glader

CFO | Storskogen

For completeness, items affecting comparability, which are excluded on this page, amounted to SEK -11 million in the third quarter, and these consist of earn-out revaluations and a minor capital loss, while the comparable quarter last year carried a SEK +10 million related to earn-out revaluations. Turning to the financial KPIs at the bottom of this page, adjusted earnings per share grew 4% to SEK 0.19 for the quarter and SEK 0.74 on a last 12-month basis. Our adjusted return on equity improved somewhat to 6.6% from 6.4% a year ago, while return on capital employed was 10.1%, down from 10.3%.



Lena Glader

CFO | Storskogen

We have stated before our ambition is to show steady improvements in both of these measures over time, and we are not particularly happy with the levels they are now, but it is the incremental improvement from these levels that we will focus on going forward and continue to focus on every day. Let us turn to the sales and EBITA bridge here that show the key drivers of this year-on-year development. We started with sales. We had sales of SEK 7.98 billion in Q3 last year. Organic growth contributed 3%, acquisitions added 2%, and currency translation another 1%, while divestment reduced sales by 2%. This is divestments that we made in the end of Q4 last year and beginning of Q1 this year. Altogether, this brings sales to SEK 8.33 billion in the third quarter of this year, which is an increase of 4.4%.



Lena Glader

CFO | Storskogen

Turning to the Adjusted EBITDA to the right here. EBITA was SEK 759 million in Q3 last year. Acquisitions and divestments together had a net positive impact of 6% on EBITA. The difference in contribution from M&A to EBITA compared with the contribution to sales reflects the significantly different margin profiles of the businesses that we have acquired versus those that we have divested. The divested operations had low single-digit margins in Q3 last year, while the acquired businesses generated EBITA margins above 20% in Q3 this year. Organic development added another 2%, and this is supported by transactional currency effects from the revaluation of operating balance sheet items that I described just before, and they were slightly positive in this quarter compared with a negative contribution last year. This is all included in organic growth.



Lena Glader

CFO | Storskogen

Currency translation, shown as FX here, added 1%, while Group Operations reduced EBITA by 3%, and this reflects a cost reversal related to long-term incentive programs in the comparison quarter. This brings Adjusted EBITDA to SEK 806, of course, for the quarter, which is up 6.2% year-on-year. Turning to margins. This slide shows the year-on-year development by business area. Our Adjusted EBITDA margin, as we've said before, increased from 9.5% to 9.7% in Q3, which is an improvement of 0.2 percentage points. To this, Industry was the main contributor, adding 0.3 percentage points actually to the group margin, and margins improved across all three verticals in Industry, with the strongest improvement in Industrial Technologies. Trade added a further 0.1 percentage points. Both Consumer Products and Professional Products improved their margins, with Professional Products showing the larger improvements.



Lena Glader

CFO | Storskogen

Services had a broadly neutral impact on the group margin, where the positive contribution from Business Services was offset by a negative contribution from Infrastructure Services. Group Operations reduced the year-on-year margin improvements by 0.2 percentage points. This mainly reflects the already mentioned reversal of long-term incentive costs last year. Overall, we're pleased to see margins moving in the right direction, of course, but we still have work to do, as Christer said, to reach our target of at least 10%. This target remains unchanged, and further margin improvement remains a key operational priority for all of us. Let's turn to the cash flow for the third quarter. Cash flow from operating activities remained fairly stable at SEK 646 million, as Christer mentioned, compared with SEK 659 million a year ago.



Lena Glader

CFO | Storskogen

Over the past 12 months, we generated SEK 2.45 billion in operating cash flow, and this has also been very stable in recent quarters. Looking at the main components behind the operating cash flow, reported profit before tax, and note that this differs slightly from the adjusted numbers that we just showed. This was SEK 449 million, down 2% year-on-year. Non-cash adjustments amounted to SEK 430 million, while tax payments were SEK 142 million. The higher paid taxes mainly reflect favorable temporary effects in the comparison period. Working capital tied up SEK 92 million, and this is broadly in line with last year and consistent with the expected seasonal patterns. Turning to investments, net investments in non-current assets increased to SEK 133 million from SEK 75 million a year ago. The cash outflow, and this is mainly CapEx. The cash outflow for acquisitions and divestments was SEK 843 million.



Lena Glader

CFO | Storskogen

This is quite a substantial amount with minority buyouts accounting for most of this. As previously communicated, we invested around SEK 730 million in the quarter in buying out minority shareholders in subsidiaries, but we also spent SEK 104 million on acquisitions during the quarter. Total cash outflow from investing activities was close to SEK 1 billion, SEK 976 million. The reported net cash outflow for the quarter or cash flow for the quarter after financing activities was SEK -241 million. We ended the quarter with SEK 1.19 billion in cash balance and total available liquidity of approximately SEK 4 billion. This includes undrawn credit facility, and it gives us continued flexibility to pursue our acquisition agenda. Finally, cash conversion was 80% in the quarter, unchanged from a year ago. Given the seasonality in cash conversion, we focus on the rolling 12-month figure on the next page.



Lena Glader

CFO | Storskogen

Here we have operating cash flow and cash conversion on a rolling 12-month basis. Operating cash flow here is defined as Adjusted EBITDA after changes in net working capital and CapEx as a percentage of Adjusted EBITA. The bars show operating cash flow for the last 12 months, which amounted to SEK 3.1 billion at the end of the third quarter. Adjusted 12-month cash conversion, again 74%, unchanged from previous quarter and down from 82% a year ago. We hereby remain above our target of at least 70% over a rolling 12-month period. As we've been clear about in recent years, we've placed a strong focus on cash conversion across our businesses, and this focus will continue as we grow earnings and maintain discipline in working capital. Then a few words on the group's balance sheet on the next page.



Lena Glader

CFO | Storskogen

Total assets amounted to SEK 44.3 billion at the end of September. This is up 5% from SEK 42.3 billion a year ago. Most of this increase came from current assets, which rose by 10% to SEK 14.8 billion. FX had quite a significant impact on the overall balance sheet in the quarter, increasing the numbers by more than 2% or actually closer to 3%. Total equity increased by 7% to SEK 21.9 billion. This represents the largest year-on-year movement on the equity and liabilities side of the balance sheet. Our equity to asset ratio was 50%, up one percentage point from a year ago. Worth highlighting on the balance sheet is the reduction in liabilities related to minority interests. These decreased by a net of roughly SEK 650 million during the quarter and were SEK 460 million lower than in September last year.



Lena Glader

CFO | Storskogen

However, higher short-term liabilities and FX offset this reduction, so it's less visible in the aggregated figures shown here, but we have more details in the quarterly report. Finally, our leverage ratio stood at 2.5 times, and this is of course measured as interest-bearing net debt to EBITA. On the next page, we have this in more detail, net debt and leverage ratio. Interest-bearing net debt was SEK 10.4 billion at the end of September compared with SEK 10.2 billion a year ago and SEK 9.9 billion at the end of the second quarter. The increase during the quarter reflects acquisitions and minority buyouts, as already mentioned, as well as slightly higher lease liabilities and the currency translation effect. Our leverage ratio was 2.5 compared with 2.4 a year ago and at the end of the previous quarter. Worth mentioning is that minority buyouts added approximately 0.2 times to leverage.



Lena Glader

CFO | Storskogen

Without those, it would have been at 2.3 times. We remain within our leverage target range of 2-3 times, and we expect leverage to decrease towards year-end. Our ambition remains to operate below 2.5 times. Our balance sheet and strong cash generations together with lower remaining minority commitments give us the flexibility to increase the pace of acquisitions to support returns, profit growth and margins. With that, I will hand the word back to you, Christer, for key takeaways.



Christer Hansson

CEO | Storskogen

Thank you, Lena. Let me summarize where we stand. The third quarter was another solid quarter. Sales and EBITA grew, driven both by organic sales and EBITA growth, in addition to acquisitions. Operational excellence remained our key focus. It drives continued organic profit growth and the work is far from done. We have reduced our minority debt significantly, and that increases our capacity for acquisitions. From 2027, we can use a larger share of our cash flow to grow, and we have an attractive pipeline within our investment themes. The world around us remains uncertain, but our companies have shown that they can handle it. Right now, I see a lot of energy across the group, in our business units, and in our teams, and I want to thank all of them for their work this quarter.



Christer Hansson

CEO | Storskogen

It is increasingly in our own hands to deliver sustainable growth and long-term value creation. Thank you. With that, we are happy to take your questions.

Q&A



Operator

If you wish to ask a question, please dial pound key five on your telephone keypad to enter the queue. If you wish to withdraw your question, please dial pound key six on your telephone keypad. As a reminder, if you wish to ask a question, please dial pound key five on your telephone keypad. The next question comes from Anton Ingves from Nordea. Please go ahead.



Anton Ingves

Analyst | Nordea

Hi, and good morning. Anton here from Nordea. Sorry, I was a bit late into the call here, so apologies if you already mentioned. In the Services segment, as you sort of alluded to in Q2 as well, you saw some increasing cost pressure in the Infrastructure Services segment. How has that sort of developed here into Q3 on the margin side there?



Christer Hansson

CEO | Storskogen

No, but we have seen a slight increase, but not as much. We will see some increase in the diesel prices going forward, of course. Some of that could probably be taken into customer, but we see a little bit of a cost spread, but not a big shift. Margins are pretty much in line with the previous quarter.



Anton Ingves

Analyst | Nordea

Okay, perfect. That is clear. Then just on the sort of momentum here, especially continued very solid growth here in the Industry segment and a strong margin as well. It seems to me that this momentum is set to continue into Q4 and at the start of 2027. Have you seen any sequential shift in demand here in Q3 compared to Q2?



Christer Hansson

CEO | Storskogen

No, I think we have been on a solid path for quite some time in our Industry, and as I said, order books are still solid for them. I think we are pretty much on the same trend as we have been for several quarters in a row now.



Anton Ingves

Analyst | Nordea

Yep. Okay, that is perfect. Very clear. I think that was all for me for now at least.



Christer Hansson

CEO | Storskogen

Thank you, Anton.



Operator

There are no more questions at this time, so I hand the conference back to the speakers for any closing comments.



Christer Hansson

CEO | Storskogen

Well, thank you all for listening from us here at Storskogen. We wish you a great end of the week and a great weekend when that comes. So bye-bye from us.



Lena Glader

CFO | Storskogen

Thank you.