



# Year End Report

January – December 2023



*Creating sustainable, efficient and safe societies*



**Bengt Lejdström**  
President & CEO & CFO



**My Lundberg**  
Head of Sustainability & IR



# Summary of 2023

## Highlights

- Net sales increased by 37%, of which **18% was organic** excl. currency
- Adjusted EBITA increased by 37%, of which **13% was organic** excl. currency
- Adjusted **EBITA margin of 19.1%**
- Recovery of cash flow for second half year with a cash conversion of **67% full-year** and 90% for two last quarters
- Acquisitions:
  - **HeatWork** AS in Norway (Q1-23)
  - **Kemi-tech** ApS in Denmark (Q2-23)
  - **JR Industries** Ltd in UK (Q1-24)
- **Debt ratios decreased** due to growing profits, good cash flows and lower pace of acquisitions
  - Key ratio definition for net dept and financial net dept uppd.

**4,818**

MSEK Net Sales  
(LTM Q4 2023)

**922**

MSEK Adj. EBITA  
(LTM Q4 2023)

**619**

MSEK Cash flow from  
operating activities

**100%**

of acquired units  
contribute to the SDGs  
(2017 – Q4 2023)



# Summary of the fourth quarter

## Highlights

### Demand strong, favorable market conditions continue

- Net sales increased 35%, of which 20% organic excl. currency
  - Stable development for Rolec with a strong position in B2B segment on a somewhat slower EV market
  - Solid development throughout the Group, organic growth excl. Rolec 18%

### Solid profit org. growth

- Adjusted EBITA increased by 29%, of which 9% organic excl. currency
  - 5% excl. Rolec
  - High-margin units had more cautious growth compared to some of the lower-margin units

### Earnings per share were affected by several circumstances

- Increased profit before tax despite higher interest rates and a currency loss towards end of year
- EPS affected by:
  - More shares on average in 2023 compared to 2022
  - Profit generated in countries where tax rate raised or is higher than Group's average

**4,818**

MSEK Net Sales  
(LTM Q4 2023)

**922**

MSEK Adj. EBITA  
(LTM Q4 2023)

**86%**

Cash conversion

# Net sales & Adj. EBITA margin

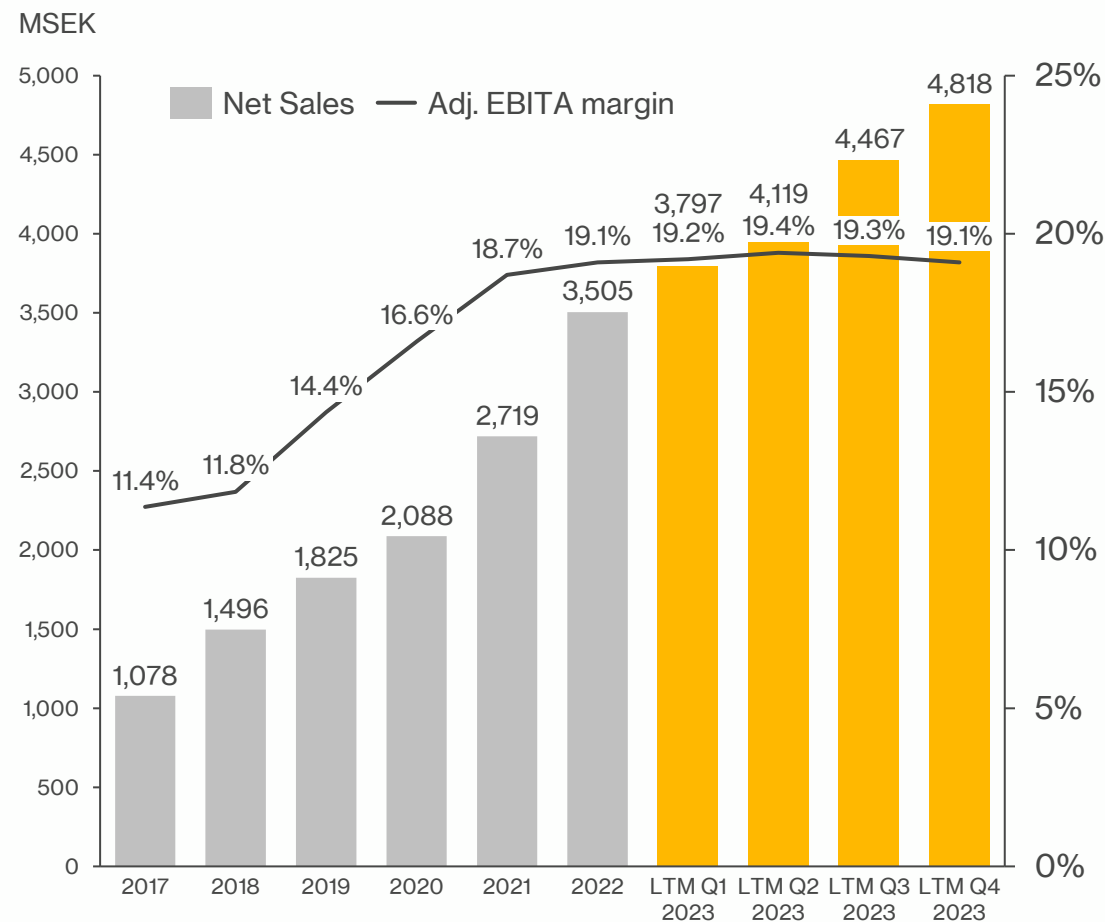
## Quarter

### Strong demand from in almost all business units

- Net sales increased by 35%
  - 20% organic
  - 10% acquisitions
  - 5% currency

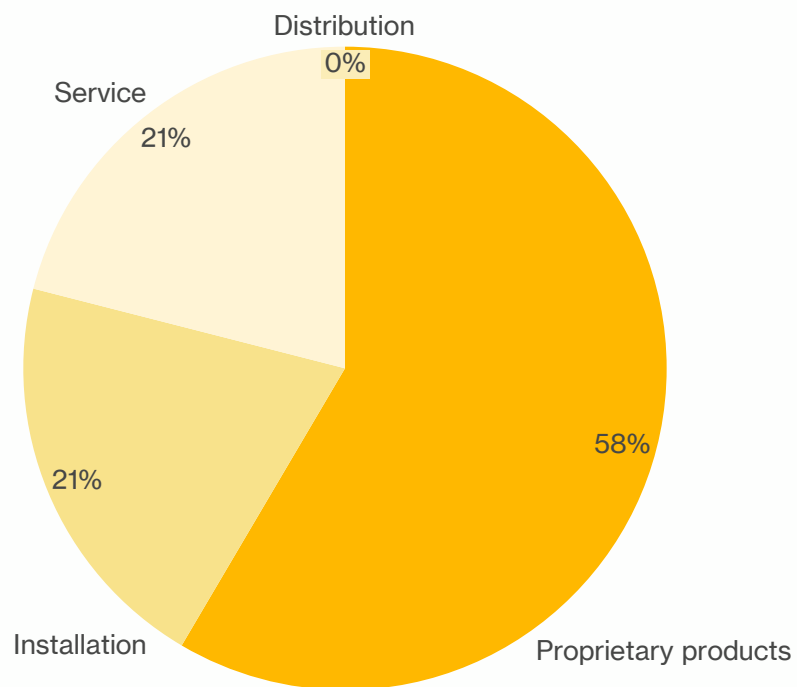
### Adj. EBITA margin 18.5% (19.2)

- Strong growth for units with slightly lower margins compared to Group average
- Difficulty maintaining good profitability in two units with exposure to new construction

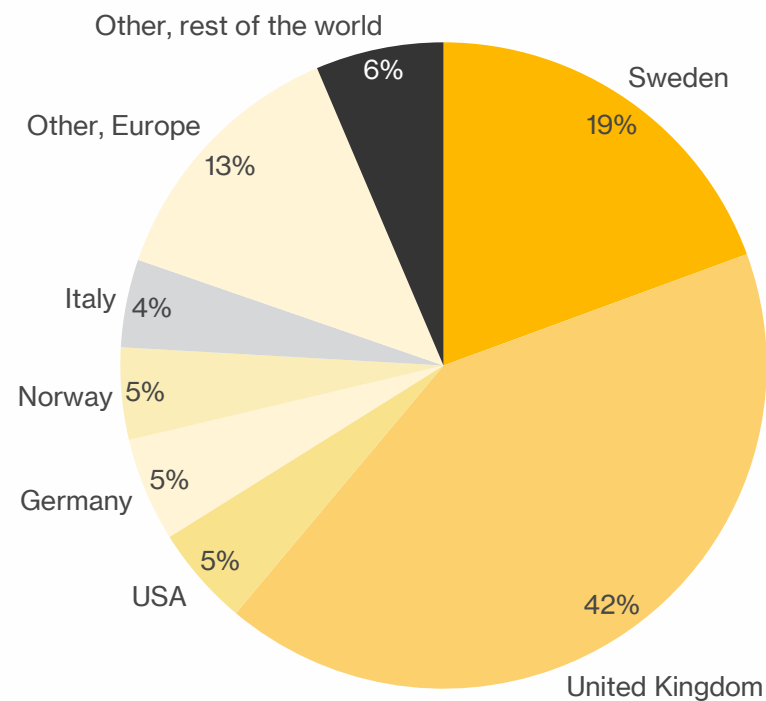


# Sales split

**Turnover by type of revenue**  
LTM Q4 2023

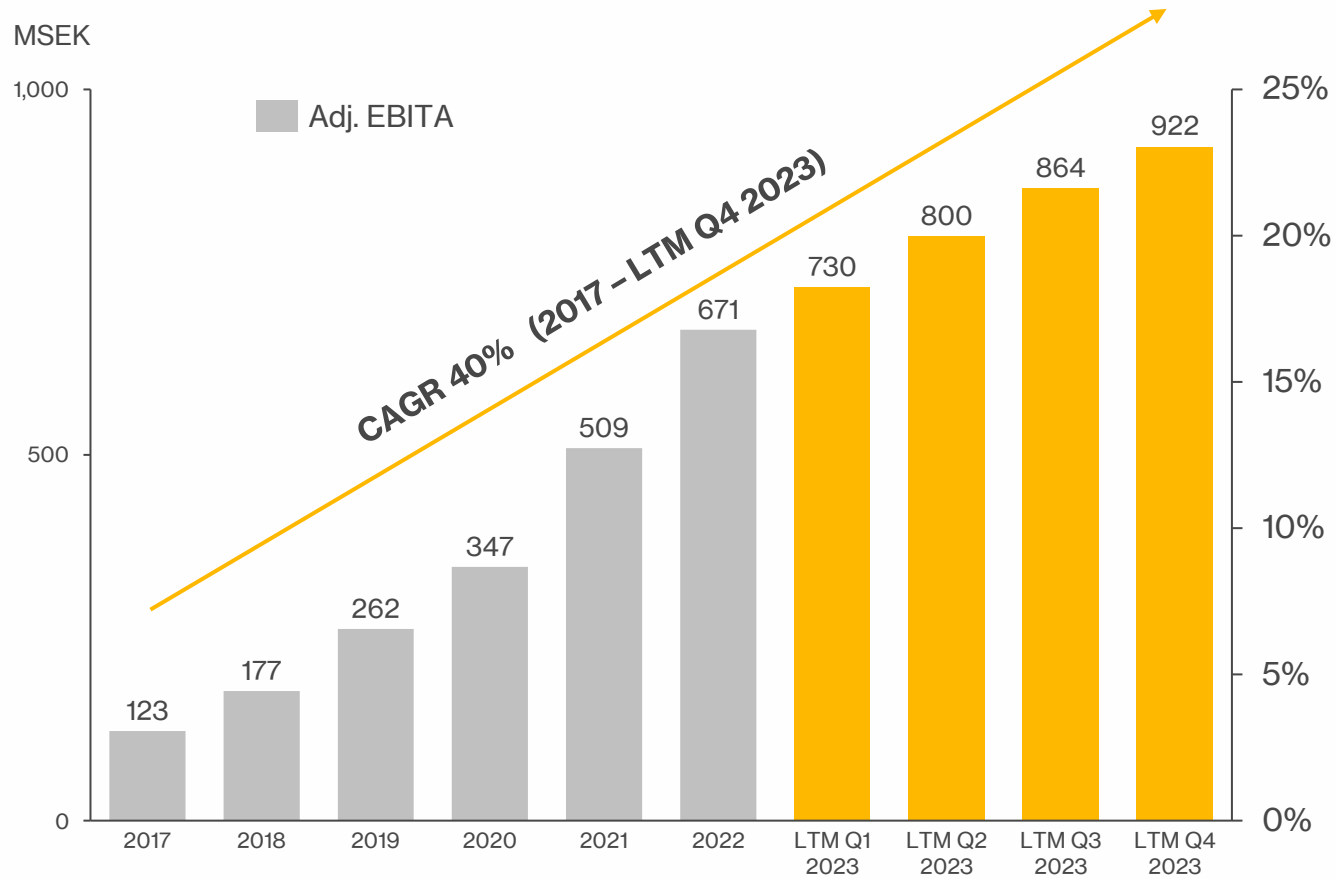


**Geographical distribution of sales**  
LTM Q4 2023





# Adj. EBITA



## Quarter

- Adj. EBITA increased by 29%, whereof **9% organic**, excl currency effects
- Many comparable units had stronger results than last year
- Acquired units had earnings in line with or above expectations

## 2023

- Adj. EBITA increased by 37%, whereof **13% organic**, excl currency effects

## Over time

- 40% CAGR** since 2017

# Resource Efficiency



Water & Sanitation



Power & energy



Bio economy &  
Waste management



Air & Climate



Safety & Security



Transport & Logistic

## Quarter

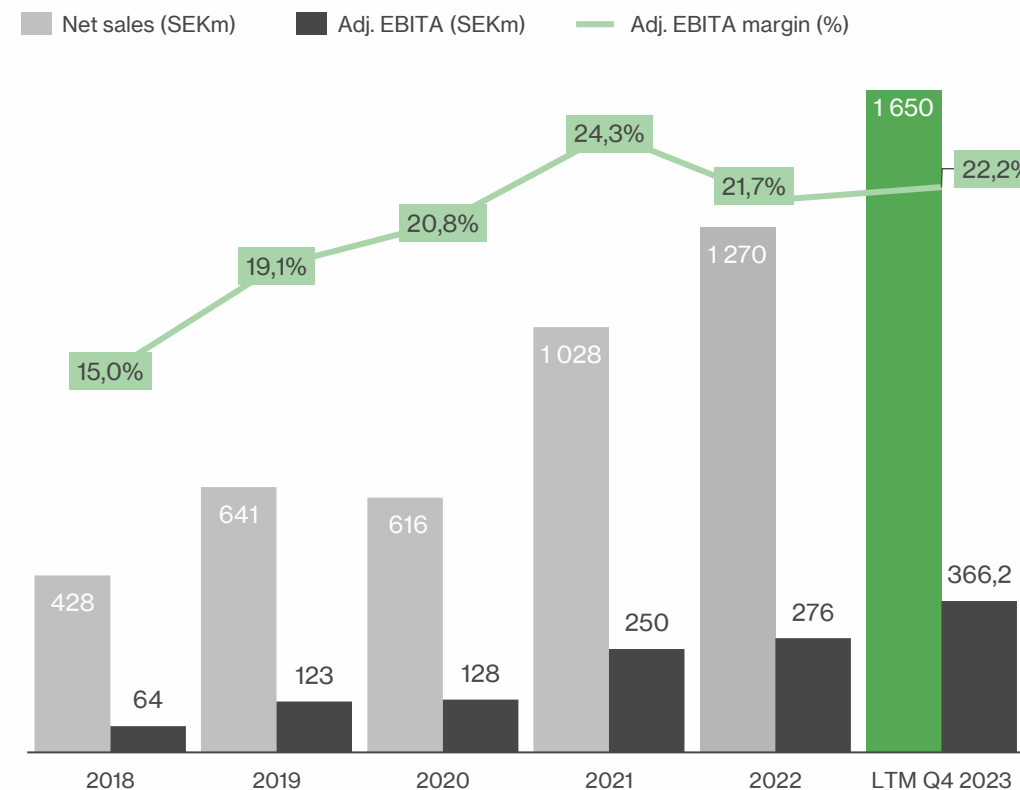
### Sales increased by 49% to SEK 460m (309)

- Comparable units mainly contributed
  - All three segments preformed well
  - Rolec increased sales significantly compared to last year's weak Q4
- Acquisitions also contributed
  - Particularly manufacture of mobile hydronic heating solutions

### Adj. EBITA increased by 80% to SEK 101m (58)

### Adj. EBITA margin increased to 22.6% (18.7)

- Good organic profit growth in most units
  - Primarily EV charger unit and unit that treats and recycles biological sludge
- Development has also been driven positively by acquisitions



# Special Infrastructure Solutions



Water & Sanitation



Power & energy



Bio economy &  
Waste management



Air & Climate



Safety & Security



Transport & Logistic

## Quarter

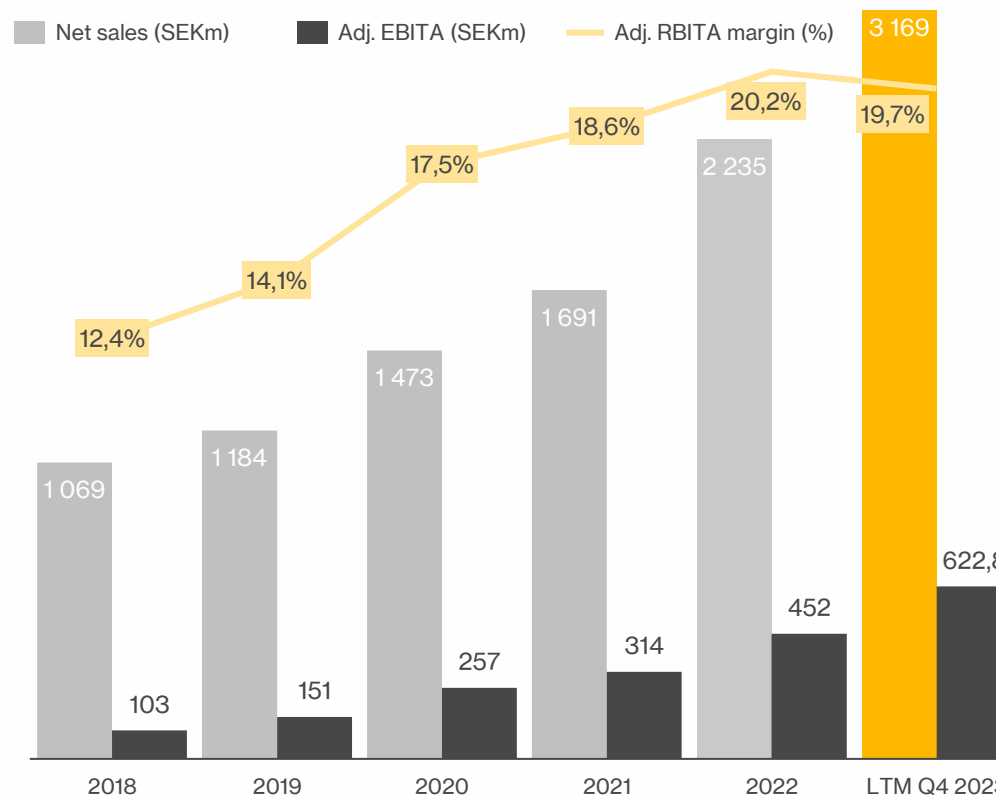
### Sales increased by 28% to SEK 909m (709)

- Solid contribution from several large comparable units
  - Equipment for forklift trucks
  - Last mile transport refrigeration solutions
  - Products and services rail grinding
  - Management of insurance claims on pipes
  - Equipment for road maintenance

### Adj. EBITA increased by 7% to SEK 166m (155)

### Adj. EBITA margin decreased to 18.3% (21.9)

- Strong development in units with lower margins and more cautious growth in the high-margin units
- Units that operate in new construction had temporary negative results in the quarter



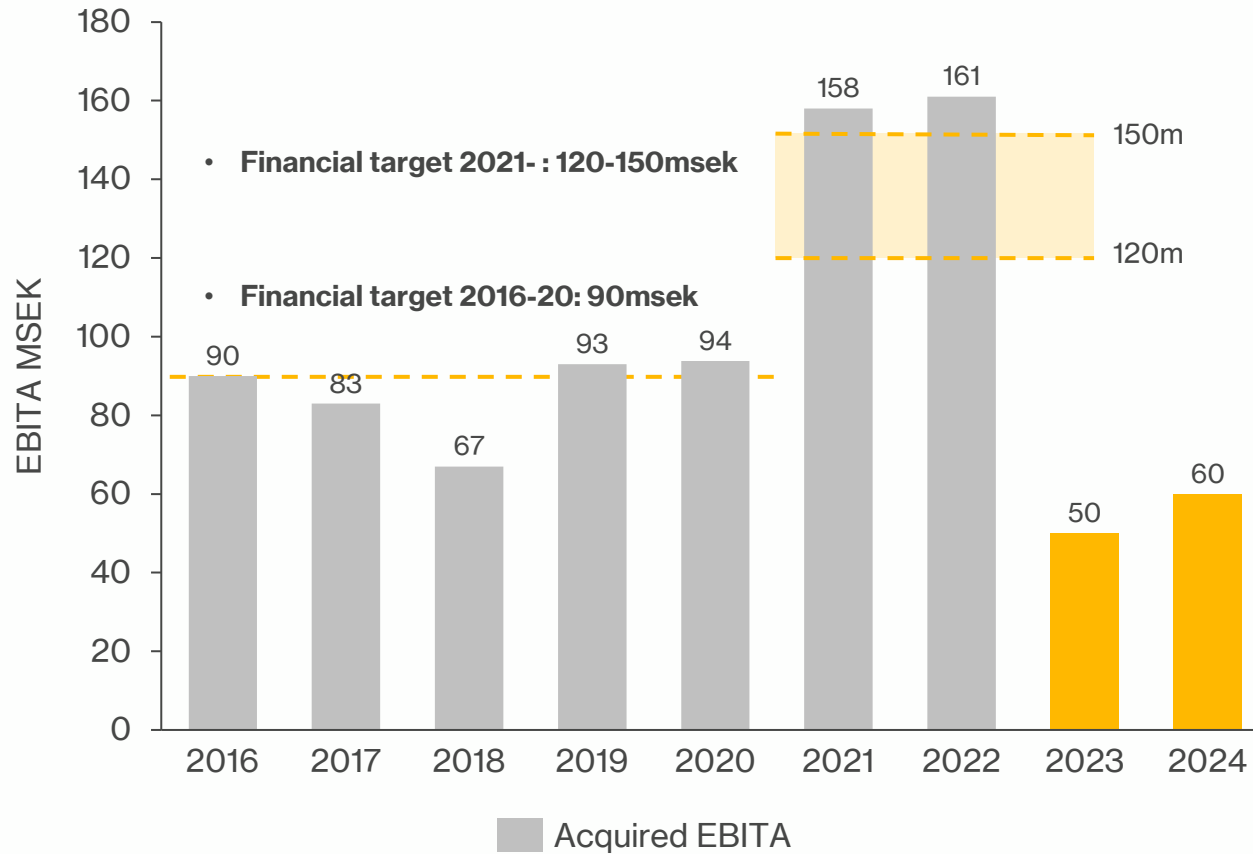


# Acquisition in Q1 (-24): Welcome JR Industries

- Annual EBIT of approx. GBP 4.5 million
- Established as a principal manufacturer of roller shutter doors for commercial vehicles in Europe
- Stable underlying growth driven by electrification of delivery vehicles, the ongoing surge in e-commerce, and a rising trend in fleet customization aimed at enhancing operational efficiency and safety
- Contributes to SDG target: 8.8 Protect labour rights and promote safe working environments
- Included in the Special Infrastructure Solutions business area from January 2024

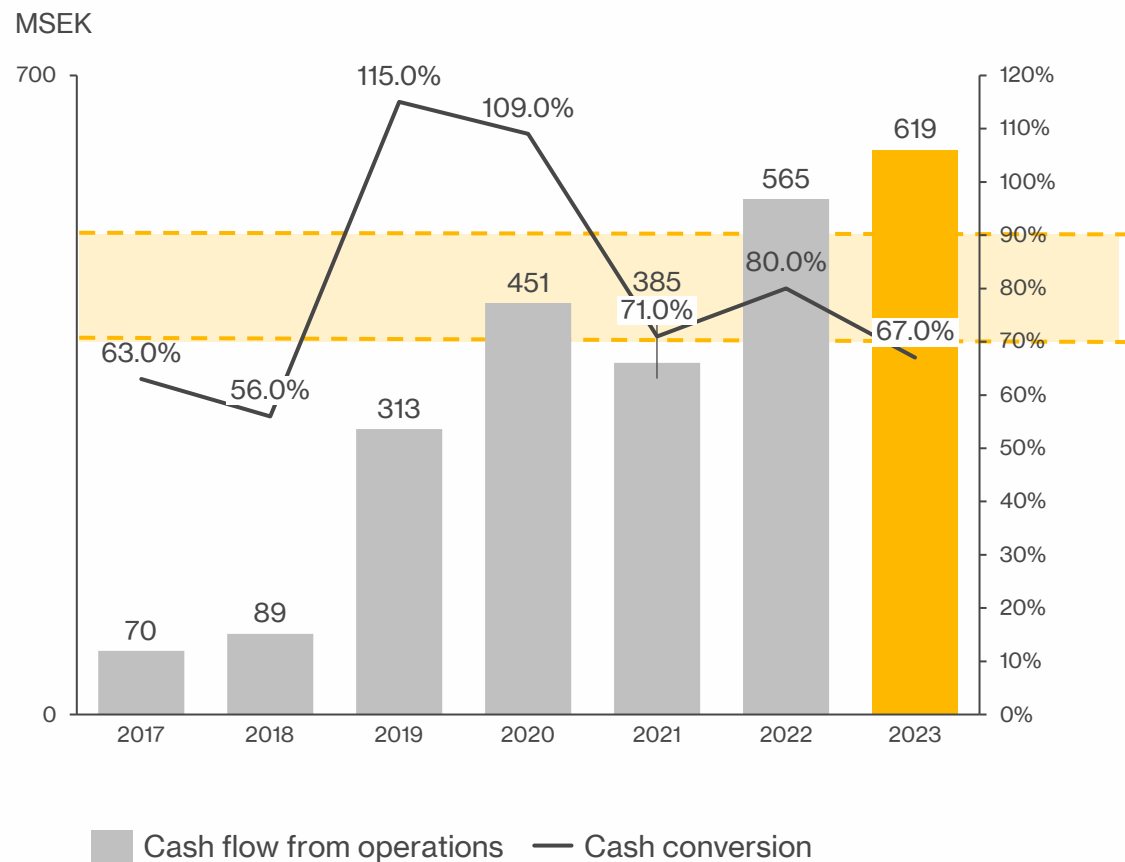


# Acquisitions



- **HeatWork** AS in Norway (Q1-23)
  - **Kemi-tech** ApS in Denmark (Q2-23)
  - **JR Industries** Ltd in UK (Q1-24)
- 
- Great dialogues with qualitative companies
  - Financial position is good
  - Continued slower acquisition pace, but our dialogues carry on and ready to scale up the pace when timing is right

# Cash flow & Cash conversion



## 2023

- 67% cash conversion
- Below normal levels around 80%, improvement from first two quarters

## Second half year

- Working hard to manage accounts receivables and optimize inventories led to **90% in cash conversion for last two quarters**

## Quarter

- Despite increased sales and subsequently increased accounts receivable, cash generation was **strong and amounted to 86%**
- Reduced stocks due to improved access to components and materials



# Additional metrics

	Oct-Dec 2023	Oct-Dec 2022	Jan-Dec 2023	Jan-Dec 2022
<b>Profit before tax, (SEK million)</b>	<b>138.46</b>	<b>132.9</b>	<b>611.5</b>	<b>536.8</b>
<b>Earnings per ordinary share after dilution (SEK)</b>	<b>2.31</b>	<b>2.80</b>	<b>11.33</b>	<b>11.48</b>
Financial net debt <sup>1</sup> /Adjusted EBITDA, multiple	2.02	2.35	2.02	2.35
Net debt <sup>2</sup> /Adjusted EBITDA, multiple	3.07	3.89	3.07	3.89
Return on capital employed, Group level	13.0%	12.2%	13.0%	12.2%
Return on capital employed, Business units	65%	57%	65%	57%

Profit before tax increased despite higher interest rates and a currency loss towards the end of the year

EPS affected by increased nr of shares and increased tax rates

# Additional metrics

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Return on capital employed, Business units	65%	57%	65%	57%

1) Key ratios regarding financial net debt have been changed to include lease liabilities and are based on the liability at the balance sheet date.

2) Key ratios regarding net debt have been changed to be based on the liability at the balance sheet date.

# Additional metrics

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<b>Return on capital employed, Business units</b>	<b>65%</b>	<b>57%</b>	<b>65%</b>	<b>57%</b>



A background image of a city street with buildings, trees, and a traffic light.

# Looking ahead

## Highlights

### **Solid demand in the infrastructure segments where we are present**

- Important solutions for our customers and supported by solid long-term drivers
  - Thrive towards more sustainable, efficient and safe societies
  - Aging and under-dimensioned assets
  - Technical development

### **Lower pace of acquisitions**

- Continue to acquire businesses in strong market positions with high return requirements
- Ongoing dialogues and solid pipeline
- Ready to accelerate when the time is right






### **Strong leadership team and organization with smooth succession**

- Bengt Lejdström new CEO
- Susanna Zethelius starts as CFO in Q2






# Appendix

# Management Team and Board of Directors

## Management

	<b>Bengt Lejdström</b> CEO & tf CFO	83,140 (Class B) 500 (Pref) 87,500 (Warrants) Lagercrantz Group, Interim Justitia, Acando M.Sc. Stockholm School of Economics		<b>Anders Mattson</b> Head of Special Infrastructure Solution	50,533 (Class B) 52,000 (Warrants) Munters, Roland Berger, Bearingpoint M.Sc. Chalmers University of Technology
	<b>Steven Gilsdorf</b> Head of Acquisitions	67,429 (Class B) 62,500 (Warrants) GE Capital, Booz & Co., Bisnode MBA, London Business School		<b>My Lundberg</b> Sustainability & IR Manager	6,937 (Class B) 18,360 (Warrants) Agency, Smartclip, Kärnhuset B.Sc. Università Cattolica del Sacro Cuore
	<b>Fredrik Navjord</b> Head of Resource Efficiency	68,594 (Class B) 50,000 (Warrants) Metric, Addtech, Volvo M.Sc. Chalmers University of Technology			

## Board of Directors

	<b>Jan Samuelson</b> Chairman	326,000 (Class B) Resurs Holding, Stillfront Group, Accent Equity Partners, EF Education M.Sc. Stockholm School of Economics, LL.M. Stockholm University		<b>Birgitta Henriksson</b> Board Member	4,600 (Class B) Fogel & Partner, Stillfront Group, Carnegie B.Sc. Business Administration Uppsala University
	<b>Eola Änggård Runsten</b> Board Member	600 (Class B) AcadeMedia, EQT, SEB, B.Sc. Business Administration Stockholm School of Economics		<b>Urban Doverholt</b> Board Member	150 (Class B) Assa Abloy, BAE Systems Hägglunds, M.Sc. KTH Royal Institute of Technology, IMD Lausanne
	<b>Johnny Alvarsson</b> Board Member	8,000 (Class B) Indutrade, Beijer Alma, Ericsson, Instalco, VBG M.Sc. Engineering Linköping University			



# Ownership 31 December 2023

Owner	SDIP A	SDIP B	PREF	CAPITAL %	VOTES %
Vulcan Value Partners, LLC		4,007,831		10,08%	7,63%
Handelsbanken Fonder		3,233,107		8,14%	6,15%
Swedbank Robur Fonder		3,184,909		8,01%	6,06%
Invesco		2,301,479		5,79%	4,38%
Cliens Fonder		2,043,478		5,14%	3,89%
Ashkan Pouya	1,424,000	592,967		5,08%	28,22%
Nordnet Pensionsförsäkring		1,133,889	64,875	3,02%	2,28%
Avanza Pension		1,008,611	161,699	2,94%	2,23%
SEB Fonder		1,130,845		2,85%	2,15%
Vanguard		1,125,693		2,83%	2,14%
Saeid Esmaeilzadeh		717,200		1,80%	1,36%
Grandeur Peak Global Advisors, LLC		608,411		1,53%	1,16%
Danske Invest		581,082		1,46%	1,11%
Enter Fonder		553,995		1,39%	1,05%
Candriam		534,774		1,35%	1,02%
<b>Total</b>	<b>1,424,000</b>	<b>37 991 938</b>	<b>1,750,000</b>	<b>100.00%</b>	<b>100.00%</b>

# EBITA\* → Net profit

MSEK	2023 Q4	2022 Q4	2023 Full year	2022 Full Year	
Net Sales	1,368.4	1,017.5	4,818.3	3,505.2	
Operational costs	-1,115.8	-821.9	-3,896.7	-2,834.1	
<b>Profit from operations, EBITA*</b>	<b>252.6</b>	<b>195.6</b>	<b>921.6</b>	<b>671.1</b>	<b>EBITA*, best representation of the profits from the ongoing operations</b>
Acquisition costs	-5.9	-6.5	-13.4	-22.2	Direct costs related to acquisitions/divestments
Earn-out debt adjustments	-7.4	0.5	16.9	61.6	Adjustment of debt related to conditional considerations ("earn-out") for acquisitions, booked as other revenue or external cost. Change of discount rate per 30 Sep 2023 and 30 Jun 2022 decreased the booked value.
Items affecting comparability previous year	-	-	-	-4.4	Adjustment for correction for previous years
Add back amortisations non acquisition	10.8	7.2	38.0	22.3	Add back amortisation of intangible non-current asset non acquisition related
<b>EBITA</b>	<b>250.2</b>	<b>197.0</b>	<b>963.0</b>	<b>728.6</b>	
Amortisations & write-downs of intangible fixed assets	-34.1	-25.7	-127.5	-87.4	
<b>EBIT</b>	<b>216,1</b>	<b>171.3</b>	<b>835.5</b>	<b>641.2</b>	
Net financial income/expense	-46.2	-26.7	-158.4	-74.0	
Currency effects	-15.7	-1.4	-14.0	4.9	
Discounted interest	-15.7	-10.4	-51.6	-35.3	Discounted interest on conditional considerations ("earn-out") for acquisitions and discounted interest for leases according to IFRS 16
<b>EBT</b>	<b>138.4</b>	<b>132.7</b>	<b>611.5</b>	<b>536.8</b>	
Tax	-46.8	-25.9	-165.9	-108.7	Tax rate 2023 of 27% increased vs Jan-Dec 2022 (20.2%), because of increased tax rate in UK (25% vs 19%) and increased sales in geographies with higher tax rates than Group average (e.g. Italy and the Netherlands)
<b>Net profit</b>	<b>91.6</b>	<b>107.0</b>	<b>445.6</b>	<b>428.1</b>	