

RŌKO

The Perpetual Owner

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Q1 presentation

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The Perpetual Owner



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- Europe has over 20 million privately owned, small and medium sized businesses¹⁾
 - Approximately 15,000 companies are sold each year²⁾
 - Röko focuses on a small subsection of this large universe – high-quality, sustainable, niche companies with continuous profit growth. Preferably led by an entrepreneur or a family
 - Röko estimates that 1,500 companies (10%) are potential targets. Of these, 300-500 are evaluated each year and Röko is informed about almost all companies in the Nordics and UK that fits its scope
 - Röko acquires 5 to 10 companies per year and is highly selective – only the best get through the needle's eye!

Financial development



SEKm	2019	2020	2021	Q1 '21	Q1 '22
Net sales RTM¹⁾	490	1,146	3,136	n.a.	3,449
Net sales	23	614	2,083	321	896
Organic growth ²⁾	n.a.	10%	13%	n.a.	9%
EBITA RTM¹⁾	106	219	606	n.a.	715
EBITA	-6	125	403	57	175
EBITA margin RTM ¹⁾	22%	19%	19%	18% ³⁾	21%
Interest-bearing net debt	345	343	798	n.a.	889
Minority debt	205	368	1,155	n.a.	1,401
# people at HQ	5	5	7	5	7
# of companies	5	9	16	11	18

Source: Company information

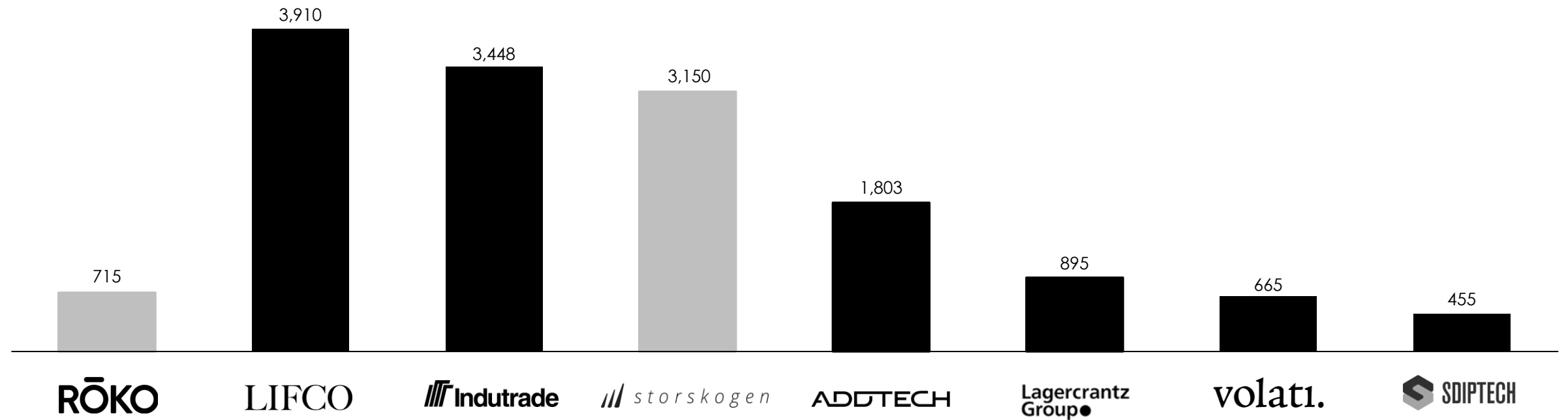
Note: 1) Based on rolling twelve months financials from management accounts for companies that were part of Röko at the end of each respective period; 2) Organic growth calculated based on IFRS numbers with fixed currency; 3) Margin based on reported EBITA

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- **Röko is a sector agnostic serial acquirer with focus on**
 - High margins
 - Consecutive profit growth
 - **Röko invests in family businesses**
 - **Local management remains/becomes shareholders in their businesses – on average about 30%**

Swedish listed serial acquirers – EBITA

SEKm

■ EBITA RTM (Mar-22)
■ EBITA LTM (Mar-22)



Source: Company information and latest available quarterly reports

Portfolio company characteristics



Management age structure (CEO, years old) ¹⁾		Organic growth '21 ²⁾		Geographies ¹⁾	
<45	6	<0%	1	UK	6
45-60	11	0-10%	10	Denmark	4
>60	1	>10%	7	Norway	3
				Sweden	4
				Netherlands	1

Source: Company information

Note: 1) As of March 2022; 2) Based on financials from management accounts for companies that were part of Röko at the end of Q4 2021 and including Brownell and ETB. Calculated as Net sales during the period January 1 to December 31 2021 compared to the same period in 2020 with fixed currency from 2021

Key investment highlights

- **Highly experienced acquisitive management team**
- **Stringent investment criteria safeguarding quality investments**
- **Perpetual ownership and decentralised structure is very attractive to private family businesses**
- **The diversified portfolio of European companies creates a very resilient business model**
- **Continuous profit growth with high double-digit EBITA margins**

Financial targets



Growth	<ul style="list-style-type: none">• Achieve EBITA growth each year (excluding the impact of acquisitions)
Profitability	<ul style="list-style-type: none">• EBITA margin of more than 15%
Capital structure	<ul style="list-style-type: none">• Net debt¹⁾ in relation to EBITDA RTM²⁾ should be below 3.0x. The net debt may temporarily exceed the target as a result of acquisitions
Dividend policy	<ul style="list-style-type: none">• Distribute 0-20% of net profit for the year as dividend to shareholders• The Board of Directors <u>do not</u> intend to propose a dividend for the fiscal year 2022 (payable in 2023)

Source: Company information

Note: 1) Including minority debt; 2) Based on rolling twelve months financials from management accounts for companies that are part of Röko at the end of the period

Appendix

Segment financials



B2B (SEKm)	Q1 '21	Q1 '22	Change	FY 2021
Net sales RTM ¹⁾	n.a.	2,291	n.a.	2,020
Net sales	159	607	282%	1,177
EBITA RTM ¹⁾	n.a.	503	n.a.	399
EBITA	36	128	256%	242
EBITA margin	22.6%	21.1%	-1.6 p.p.	20.6%
B2C (SEKm)	Q1 '21	Q1 '22	Change	FY 2021
Net sales RTM ¹⁾	n.a.	1,158	n.a.	1,115
Net sales	162	289	78%	906
EBITA RTM ¹⁾	n.a.	244	n.a.	235
EBITA	24	53	121%	190
EBITA margin	14.8%	18.3%	3.5 p.p.	21.0%
Central functions (SEKm)	Q1 '21	Q1 '22	Change	FY 2021
EBITA	-4	-6	50%	-29

Source: Company information

Note: 1) Based on rolling twelve months financials from management accounts for companies that were part of Röko at the end of each respective period

Cash flow and capital efficiency



Operating cash flow and cash conversion

SEKm	Q1 '21	Q1 '22	FY 2021
Operating cash flow	84	117	251
EBITA	57	175	403
Cash conversion¹⁾	147%	67%	62%

Capital employed and ROCE

SEKm	Q1 '21	Q1 '22	FY 2021
Equity	n.a	2,468	1,991
Interest-bearing debt	n.a	1,310	1,087
Leasing	n.a	427	316
Put/call debt for non-controlling shares and earn-out debt	n.a	1,401	1,155
(-) Cash and cash equivalents	n.a	-421	-290
Capital employed	n.a	5,185	4,259
Average Capital employed	n.a	4,722	2,965
EBITA	57	175	403
Annualised EBITA	228	700	403
ROCE, %²⁾	n.a.	14.8%	13.6%

Source: Company information

Note: 1) Cash Conversion = Operating cash flow / EBITA; 2) ROCE = Annualised EBITA / Average capital employed

KPIs



SEKm	Q1 '21	Q1 '22	Change	FY 2021
Net sales	321	896	179%	2,083
Net sales RTM ¹⁾	n.a.	3,449	n.a.	n.a.
EBITA	57	175	207%	403
EBITA margin, %	18%	19%	1 p.p	19%
EBITA RTM ¹⁾	n.a.	715	n.a.	n.a.
EBITA RTM ¹⁾ margin, %	n.a.	21%	n.a.	n.a.
EBITDA	66	211	220%	462
EBITDA margin, %	21%	24%	3 p.p	22%
Capital employed	n.a.	5,185	n.a.	4,259
Return on capital employed, %	n.a.	15%	n.a.	14%
Return on equity, %	n.a.	19%	n.a.	16%
Financial net debt ²⁾	2,070	2,290	11%	1,952
Interest-bearing net debt	420	889	112%	798
Financial net debt ²⁾ /EBITDA RTM ¹⁾	n.a.	2.9x	n.a.	n.a.
Equity/assets ratio	32%	37%	5 p.p	35%
Number of employees, end of the period	319	962	202%	846

Source: Company information

Note: 1) Based on rolling twelve months financials from management accounts for companies that were part of Röko at the end of each respective period; 2) Including minority debt

Profit and loss statement



SEKm	Full-year			Q1	Q1
	2019	2020	2021	2021	2022
Net sales	23	614	2,083	321	896
Cost of goods sold	-15	-310	-1,293	-198	-553
Gross profit	8	304	790	123	343
Sales and marketing expenses	-5	-109	-203	-36	-105
Administrative expenses	-4	-98	-248	-37	-98
Other operating income and expenses	-9	-8	-28	-5	-5
Operating profit	-11	89	312	44	135
Net financial items	-1	-14	-26	-2	-4
Profit before tax	-12	74	286	42	130
Tax	0	-18	-68	-9	-26
Net profit for the period	-12	56	217	33	104

Balance sheet



SEKm	Dec-31			Mar-31
	2019	2020	2021	2022
ASSETS				
Fixed assets				
Intangible assets	955	1,506	3,984	4,519
Tangible assets	197	251	506	622
Financial assets	1	4	14	15
Total non-current assets	1,153	1,761	4,504	5,156
Current assets				
Inventories	36	86	424	563
Current receivables	63	146	467	510
Cash and cash equivalents	112	192	290	421
Total current assets	211	424	1,180	1,494
TOTAL ASSETS	1,364	2,186	5,684	6,650

SEKm	Dec-31			Mar-31
	2019	2020	2021	2022
EQUITY AND LIABILITIES				
Equity				
Shareholders' equity	350	719	1,991	2,468
Total equity attributable to Röko's shareholders	350	719	1,991	2,468
Non-current liabilities				
Long-term borrowings incl. leasing liabilities	384	160	285	332
Other L-T liabilities including contingent considerations	191	368	1,050	1,282
Deferred tax liability	93	146	365	412
Other long-term provisions	0	0	1	4
Total non-current liabilities	668	674	1,701	2,030
Current liabilities				
Short-term borrowings incl. leasing liabilities	231	538	1,118	1,405
Other short-term liabilities incl. minority debt & CC ¹⁾	22	122	382	213
Other short-term liabilities	92	133	492	534
Total current liabilities	345	793	1,992	2,152
TOTAL EQUITY AND LIABILITIES	1,364	2,186	5,684	6,650

Source: Company information
Note: 1) Contingent considerations

Cash flow statement



SEKm	Full-year			Q1	Q1
	2019	2020	2021	2021	2022
Operating activities					
Operating profit	-11	89	312	42	135
Adjustment for non-cash items	2	44	107	16	43
Net financial items	-1	-14	-26	0	-11
Paid tax	0	-40	-86	0	-50
Cash flow from operating activities before changes in working capital	-10	79	307	58	117
Cash flow from changes in working capital					
Change in inventory	-4	-10	-16	-5	-42
Change in current assets	7	-8	-62	2	5
Change in current liabilities	6	1	21	29	38
Cash flow from operating activities	-1	62	251	84	117
Investing activities					
Acquisitions	-694	-365	-1,735	-337	-568
Investments in intangible assets	0	-1	-1	-16	-13
Investments in tangible assets	0	-14	-51	0	-4
Cash flow from investing activities	-695	-381	-1,786	-353	-585
Financing activities					
Shareholder contribution	365	337	1,140	201	399
New loans with credit institutions	439	114	625	142	261
Repayment of loans	-2	-59	-88	-11	-34
Dividend paid	0	0	-49	-10	-7
Cash flow from financing activities	802	393	1,628	322	618
Cash flow for the period	107	74	92	52	151
Cash and cash equivalents at the beginning of the period	0	112	192	192	290
Exchange rate differences in cash and cash equivalents	5	6	6	19	-20
Cash and cash equivalents at the end of the period	112	192	290	263	421

Source: Company information

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