

RŌKO

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	H1 '21	H1 '22
Net sales RTM¹⁾	490	1,146	3,136	n.a.	4,019
Net sales	23	614	2,083	792	1,889
Organic growth ²⁾	n.a.	10%	13%	n.a.	9%
EBITA RTM¹⁾	106	219	606	n.a.	779
EBITA	-3	125	403	150	348
EBITA margin RTM ¹⁾	22%	19%	19%	19% ³⁾	19%
Interest-bearing net debt	345	343	798	279	1,057
Minority debt	205	368	1,155	791	1,392
# people at HQ	5	5	7	5	7
# of companies	5	9	16	12	19 ⁴⁾

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; 4) As of August 2022, Röko owns 21 companies

- **Röko is a sector agnostic serial acquirer with focus on**
 - High margins
 - Consecutive earnings growth
- **Röko invests in founder-owned and family businesses**
- **Local management remains or becomes shareholders in their companies – local ownership average 30%**

Portfolio company characteristics



Management age structure (CEO, years old) ¹⁾		Organic growth '21 ^{1,2)}		Geographies ¹⁾	
<45	6	<0%	1	UK	7
45-60	14	0-10%	10	Denmark	4
>60	1	>10%	10	Norway	4
				Sweden	4
				Netherlands	2

Source: Company information

Note: 1) As of August 2022; 2) Based on financials from management accounts for companies that were part of Röko at the end of Q4 2021 and including Brownell, ETB, Dorsey, TECCON, Silk-ka. 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

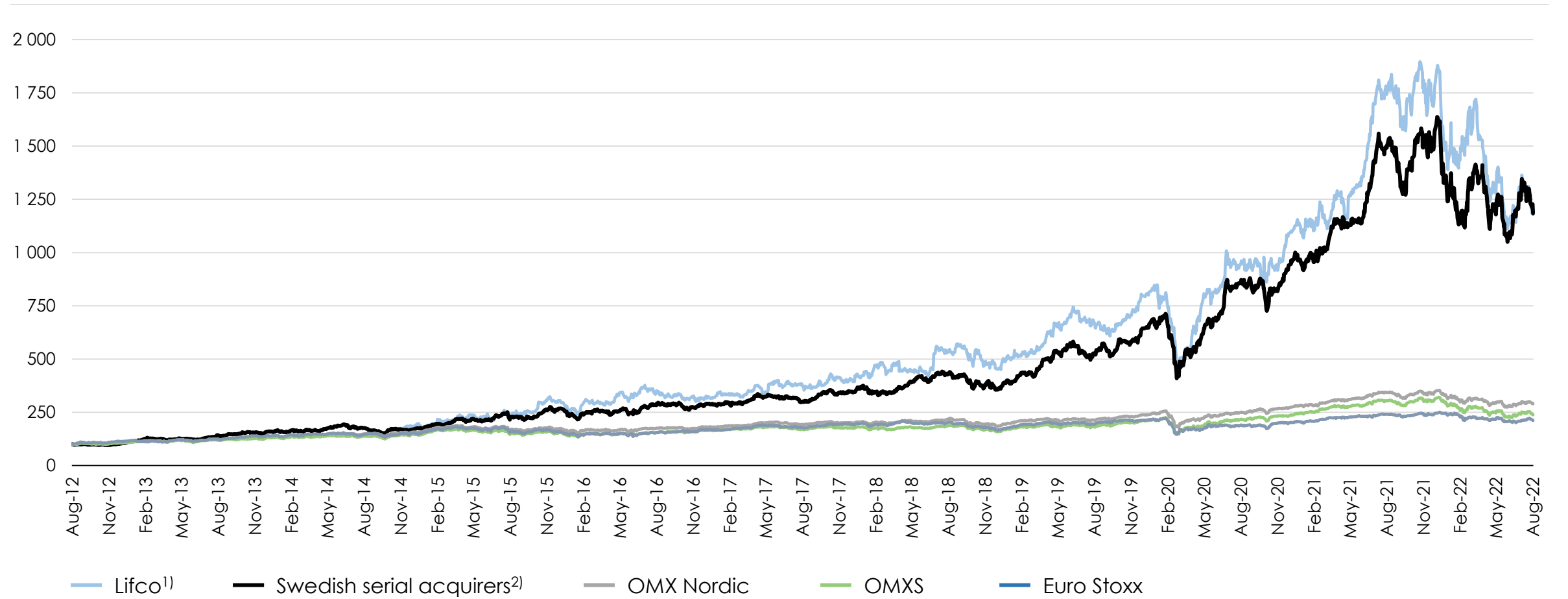
Key investment highlights

- **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**

Share price development for serial acquirers



10y indexed share price performance – up ~12x, vs. benchmark at ~3x



Source: FactSet (as of August 26, 2022)

Note: 1) Rebased to average of peers at IPO of Lifco in November 2014; 2) Simple average for Addtech, Beijer Ref, Indutrade and Lagercrantz

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)	H1 '21	H1 '22	Change	FY 2021
Net sales RTM ¹⁾	n.a.	2,825	n.a.	2,020
Net sales	446	1,256	182%	1,177
EBITA RTM ¹⁾	n.a.	573	n.a.	399
EBITA	100	254	154%	242
EBITA margin	22%	20%	-2.0 p.p.	21%
B2C (SEKm)	H1 '21	H1 '22	Change	FY 2021
Net sales RTM ¹⁾	n.a.	1,194	n.a.	1,115
Net sales	346	634	83%	906
EBITA RTM ¹⁾	n.a.	239	n.a.	235
EBITA	64	112	75%	190
EBITA margin	19%	18%	-1.0 p.p.	21%
Central functions (SEKm)	H1 '21	H1 '22	Change	FY 2021
EBITA	-13	-18	38%	-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	H1 '21	H1 '22	FY 2021
Operating cash flow	120	212	248
EBITA	150	348	403
Cash conversion¹⁾	80%	61%	62%

Capital employed and ROCE

SEKm	H1 '21	H1 '22	FY 2021
Equity	1,701	2,703	1,991
Interest-bearing debt	980	1,402	1,087
Leasing	235	409	316
Put/call debt for non-controlling shares and earn-out debt	791	1,392	1,155
(-) Cash and cash equivalents	-701	-345	-290
Capital employed	3,006	5,561	4,259
Average capital employed	2,339	4,910	2,965
EBITA	150	348	403
Annualised EBITA	300	696	403
ROCE, %²⁾	13%	14%	14%

Source: Company information

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

KPIs



SEKm	H1 '21	H1 '22	Change	FY 2021
Net sales	792	1,889	139%	2,083
Net sales RTM ¹⁾	n.a.	4,019	n.a.	n.a.
EBITA	150	348	132%	403
EBITA margin, %	19%	18%	-1 p.p	19%
EBITA RTM ¹⁾	n.a.	779	n.a.	n.a.
EBITA RTM ¹⁾ margin, %	n.a.	19%	n.a.	n.a.
EBITDA	175	399	128%	462
EBITDA margin, %	22%	21%	-1 p.p	22%
Capital employed	n.a.	5,561	n.a.	4,259
Return on capital employed, %	13%	14%	1 p.p	14%
Return on equity, %	13%	17%	4 p.p	16%
Financial net debt ²⁾	1,070	2,477	131%	1,952
Interest-bearing net debt	279	1,057	279%	798
Financial net debt ²⁾ /EBITDA RTM ¹⁾	n.a.	2.8x	n.a.	n.a.
Equity/assets ratio	40%	39%	-1 p.p	35%
Number of employees, end of the period	603	1,028	70%	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			H1	H1
	2019	2020	2021	2021	2022
Net sales	23	614	2,083	792	1,889
Cost of goods sold	-15	-310	-1,293	-514	-1,163
Gross profit	8	304	790	277	727
Sales and marketing expenses	-5	-109	-203	-50	-207
Administrative expenses	-4	-98	-248	-92	-212
Other operating income and expenses	-9	-8	-28	-24	-36
Operating profit	-11	89	312	111	271
Financial income	0	1	34	16	49
Financial expenses	-1	-15	-60	-23	-68
Profit before tax	-12	74	286	104	253
Tax	0	-18	-68	-23	-53
Net profit for the period	-12	56	217	82	199

Balance sheet



SEKm	Dec-31			Jun-30
	2019	2020	2021	2022
ASSETS				
Fixed assets				
Intangible assets	955	1,506	3,984	4,838
Tangible assets	197	251	506	610
Financial assets	1	4	14	16
Total non-current assets	1,152	1,761	4,504	5,463
Current assets				
Inventories	36	86	424	626
Current receivables	63	146	467	581
Cash and cash equivalents	112	192	290	345
Total current assets	211	424	1,180	1,552
TOTAL ASSETS	1,363	2,186	5,684	7,015

SEKm	Dec-31			Jun-30
	2019	2020	2021	2022
EQUITY AND LIABILITIES				
Equity				
Shareholders' equity	350	719	1,991	2,699
Total equity attributable to Röko's shareholders	350	719	1,991	2,699
Non-current liabilities				
Long-term borrowings incl. leasing liabilities	384	160	285	376
Other L-T liabilities including contingent considerations	191	368	1,050	1,363
Deferred tax liability	93	146	365	439
Other long-term provisions	0	0	1	1
Total non-current liabilities	668	675	1,702	2,179
Current liabilities				
Short-term borrowings incl. leasing liabilities	231	538	1,118	1,435
Other short-term liabilities incl. minority debt & CC ¹⁾	22	122	382	116
Other short-term liabilities	92	133	492	587
Total current liabilities	345	792	1,992	2,137
TOTAL EQUITY AND LIABILITIES	1,363	2,186	5,684	7,015

Source: Company information
Note: 1) Contingent considerations

Cash flow statement



SEKm	Full-year			H1	H1
	2019	2020	2021	2021	2022
Operating activities					
Operating profit	-11	89	312	111	271
Adjustment for non-cash items	2	44	107	59	114
Net financial items	-1	-14	-26	-9	-20
Paid tax	0	-40	-86	-22	-68
Cash flow from operating activities before changes in working capital	-10	79	307	139	298
Cash flow from changes in working capital					
Change in inventory	-4	-10	-16	-10	-72
Change in current assets	7	-8	-62	-10	-15
Change in current liabilities	6	1	19	0	1
Cash flow from operating activities	-1	62	248	120	212
Investing activities					
Acquisitions	-694	-365	-1,735	-914	-888
Investments in intangible assets	0	-1	-2	0	-1
Investments in tangible assets	0	-14	-51	-23	-25
Cash flow from investing activities	-695	-381	-1,788	-936	-914
Financing activities					
Shareholder contribution	360	334	1,140	924	535
New loans with credit institutions	448	124	625	544	375
Repayment of loans	-2	-59	-83	-110	-76
Translation debt-call option	0	0	-49	-31	-72
Other financing activities	0	0	0	-6	-6
Cash flow from financing activities	807	399	1,632	1,321	757
Cash flow for the period	112	80	93	504	55
Cash and cash equivalents at the beginning of the period	0	112	192	192	290
Exchange rate differences in cash and cash equivalents	0	0	5	5	0
Cash and cash equivalents at the end of the period	112	192	290	701	345

Source: Company information

Board of Directors – all Directors are shareholders in Röko



Tomas Billing
Chairman and co-founder

Previous experience: CEO Nordstjernan, CEO Hufvudstaden, Chairman NCC. Education: MSc in Business Administration (SSE), Scholarship to Luther College, USA, Other engagements: Co-owner and board member Hjertmans group. Board member Centrum För Rättvisa and Hilma af Klint Foundation

Fredrik Karlsson
CEO and co-founder

Previous experience: CEO Lifco, CEO Mercatura. Education: MSc in Engineering Physics (KTH), MSc in Business Administration (SSE). Other engagements: Co-owner and board member Hjertmans group. Board member German-Swedish Chamber of Commerce

Lilian Fossum Biner
Board member

Previous experience: Chairman of Cloetta and board member of Nobia, Oriflame and Thule. Education: MSc from SSE. Other engagements: Board member of Alfa Laval, Carlsberg and Givaudan

Stina Andersson
Board member

Previous experience: CEO Bonnier Group, COO Axel Johnson and board member of Axfood, Axel Johnson International and Novax. Education: MSc from SSE and HEC. Other engagements: Board member of Dustin and Bonnier Fastigheter

Peter Sterky
Board member

Previous experience: CFO and COO Spotify, CFO Pharmadule. Education: MSc in Engineering Physics (Chalmers), MSc in Business Administration (Gothenburg). Other engagements: CEO of Triff Capital

The Röko team – all full-time employees are shareholders in Röko



	Previous experience	Education	Type	Started
Tomas Billing ¹⁾ <i>Chairman and co-founder</i>	CEO Nordstjernan, CEO Hufvudstaden, Chairman NCC	MSc in Business Administration (SSE), Scholarship to Luther College, USA	Full-time assignment	2019
Fredrik Karlsson ²⁾ <i>CEO and co-founder</i>	CEO Lifco, CEO Mercatura	MSc in Engineering Physics (KTH), MSc in Business Administration (SSE)	Full-time employment	2019
Johan Bladh ³⁾ <i>Deputy CEO, CFO and B2C area manager</i>	Bridgepoint, BC Partners, Altor	BSc in Accounting and Finance (SSE)	Full-time employment	2019
Anders Nordby <i>Investment Manager Norway and UK, B2B area manager</i>	Director at Saga Corporate Finance (M&A)	MSc in International Banking and Finance (Strathclyde)	Full-time employment	2019
Fabian Speiser <i>Investment Manager DACH and Italy</i>	Porterhouse Group, Deutsche Bank	MSc in Management (WHU)	Full-time employment	2022
Petter Blichfeldt <i>Finance Manager</i>	Öhman Fonder, Tapwell	BSc in Business and Economics (Lund University)	Full-time employment	2021
Douglas Kressner <i>Group Financial Controller</i>	Öhman Fonder, Swedish Match	BSc in Business and Economics (SSE)	Full-time employment	2022
Gunnar Samuelsson <i>IFRS Expert</i>	CFO Lifco	MSc in Accounting (Uppsala University)	Consultant	2020
Andreas Larsson <i>Investor Relations</i>	Senior IR Officer, Nordea	BSc in Business Administration (SSE)	Consultant	2022

Source: Company information

Note: 1) Tomas Billing's other engagements include: Co-owner and board member Hjertmans group. Board member Centrum För Rättvisa and Hilma af Klint Foundation; 2) Fredrik Karlsson's other engagements include: Co-owner and board member Hjertmans group. Board member German-Swedish Chamber of Commerce; 3) Johan Bladh's other engagements include: Board member Chimi Eyewear

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