

Interim Report

January-June 2024

Röko AB, Org.nr 559195-4812

April-June

- Net sales increased 8% to MSEK 1,511 (1,395)
- Operating profit increased 10% to MSEK 226 (206)
- Adj. EBITA increased 10% to MSEK 288 (262)
- Adj. EBITA margin was 19% (19%)
- Net profit increased 46% to MSEK 169 (116)
- Earnings per share* increased 33% to SEK 11.40 (8.58)
- Two acquisitions with combined annual sales of MSEK 104 were completed and consolidated during the quarter, one of which was Röko's first acquisition in Germany

January-June

- Net sales increased 10% to MSEK 3,066 (2,782)
- Operating profit increased 17% to MSEK 514 (438)
- Adj. EBITA increased 16% to MSEK 635 (550)
- Adj. EBITA margin was 21% (20%)
- Net profit increased 38% to MSEK 383 (278)
- Earnings per share* increased 25% to SEK 25.81 (20.59)
- Three acquisitions, of which one add-on, with combined annual sales of MSEK 207 was completed during the period

Events after the period

No significant events have occurred after the period.

Rolling twelve months - RTM¹

During the last twelve months, the companies that were consolidated in the Röko Group at the end of the period (referred to as RTM), generated RTM net sales of MSEK 6,137 and RTM Adj. EBITA of MSEK 1,168.

Summary of financial performance

MSEK	Q2		H1		Full year
	2024	2023	2024	2023	2023
Net sales	1,511	1,395	3,066	2,782	5,614
Operating profit	226	206	514	438	821
Earnings per share (SEK)*	11.40	8.58	25.81	20.59	36.48
Adj. EBITA	288	262	635	550	1,047
Adj. EBITA margin	19%	19%	21%	20%	19%
Net profit for the period	169	116	383	278	541

* Per share data for the historical periods have been re-stated based on the 1,000:1 share split. 2023 numbers after the new share issue completed in Q3 2023 have been calculated with the average number of shares for the respective periods.

Röko is a perpetual owner of European small and medium-sized businesses and today we own 26 companies in a variety of industries across Europe. Our team has more than 100 years of combined experience working with owner-managed businesses across markets and in different situations. To date, Röko has only acquired majority stakes in founder-owned companies, and the founders and management teams in our group companies remain invested in their own entity. We believe in empowering local management teams with autonomy and sharing incentives for local management to safeguard alignment of interest.

¹ See definitions on page 23

Comments from the CEO

For the quarter, net sales increased 8% from MSEK 1,395 to MSEK 1,511, driven by acquisitions, organic growth, and exchange rate differences. The companies' organic sales development increased 3% in SEK and 1% in local currency. For the six-month period net sales increased 10% to 3,066 (2,782), driven by acquisitions, organic growth, and exchange rate differences. For the same period organic sales development increased 3% in SEK and increased 2% in local currency.

During the quarter ending 30 June 2024 Adj. EBITA increased from MSEK 262 to MSEK 288. The Adj. EBITA margin was unchanged during the period. We always work with improving margins in all our business units. Cash flow from operational activities increased to MSEK 273 (207) in the first quarter. Cash flow from operational activities increased to MSEK 273 (207) in the first quarter and increased to MSEK 554 (429) for the period January to June.

The relation between interest-bearing net debt and Adj. EBITDA was 0.4x (0.9x) RTM at the end of the period. Financial net debt (including put / call option debt and deferred considerations) amounted to 2.2x (2.8x) RTM Adj. EBITDA at the end of the period, which is low in relation to our target of not exceeding 3.0x over the long term, Röko has a strong financial position with ample opportunities to complete further acquisitions.

Return on capital employed was 13% (12%) for the quarter, which is higher than last year, and is low relative to comparable companies that have been active longer than we have. The lower return is a result of Röko being a new company with high growth, mainly through acquisitions. In the scenario that organic growth amounts to 2% per year, ROCE will increase to above 20% in ten years.

Röko has completed two acquisitions during the quarter. In Germany we have acquired ATEMAG Aggregatetechnologie und Manufaktur AG and MBH GmbH Metallverarbeitung (together "ATEMAG"), a manufacturer of aggregates for CNC machines which is the group's first acquisition in Germany and is consolidated in the B2B segment. In the Netherlands, Snowminds ApS, one of Röko's business units in the B2C segment, have completed an add-on acquisition of Snowlife B.V., a ski-instructor training company. Röko has refinanced the group during the quarter through which we have added an additional bank and replaced previous credit facilities with new ones with more beneficial conditions.

Earnings per share increased by 25% in first six months and amounted to SEK 25.81 (20.59).

Fredrik Karlsson
CEO
Stockholm, 22 July 2024

Group performance in April-June

Net sales increased to MSEK 1,511 (1,395) during the quarter, driven by acquisitions, organic growth, and exchange rate differences. The companies' organic sales development increased 3% in SEK and increased 1% in local currency. Earnings per share for the quarter was SEK 11.40 (8.58). Operating profit increased to MSEK 226 (206) during the period. Adj. EBITA was MSEK 288 (262). The Adj. EBITA margin was unchanged and amounted to 19% (19%).

Net financial items decreased to MSEK -12 (-74). Income tax decreased to MSEK 45 (47). The effective tax rate decreased to 21% (29%) due to a non-recurring tax expense during last year. Net profit for the period increased from MSEK 116 to MSEK 169.

Capital employed increased by 1% during the quarter to MSEK 8,704 (8,640), largely driven by acquisitions that were completed in the period. Return on Capital Employed* (ROCE) amounted to 13% (12%) in the quarter. The lower return is a result of Röko being a new company with high growth, mainly through acquisitions. The lower return is a result of Röko being a new company with high growth, mainly through acquisitions. In the scenario that organic growth amounts to 2% per year, ROCE will increase to above 20% in ten years.

From 2024-03-31 to 2024-06-30, the Group's interest-bearing net debt increased by MSEK 119 to MSEK 484. In the period, the Group's put/call option debt for shares relating to non-controlling interests and earn-out obligation decreased to MSEK 2,396 (2,506), driven by purchases of shares in accordance with put/call option agreements, partly offset by exchange rate differences and acquisitions.

The cash flow from operational activities increased to MSEK 273 (207) and cash amounted to MSEK 234 at the end of the period.

Group performance in January-June

Net sales increased to MSEK 3,066 (2,782) during the six-month period, driven by acquisitions, organic growth, and exchange rate differences. Organic sales development increased 3% in SEK but decreased 2% in local currency. Earnings per share for the period was SEK 25.81 (20.59), with positive contribution from acquisitions and a negative impact from the new share issue. Operating profit increased to MSEK 514 (438) during the period. Adj. EBITA increased to MSEK 635 (550). The Adj. EBITA margin increased to 21% (20%).

Net financial items decreased to MSEK -29 (-74). Income tax increased to MSEK 102 (86). The effective tax rate decreased to 21% (24%) due to a non-recurring tax expense during last year. Net profit for the period increased to MSEK 383 (278).

Capital employed increased 8% from 2023-12-31 to 2024-06-30 to MSEK 8,704 (8,032). Return on Capital Employed* (ROCE) amounted to 14% (12%) for the year. The lower return is a result of Röko being a new company with high growth, mainly through acquisitions.

From 2023-12-31 to 2024-06-30, the Group's interest-bearing net debt increased by MSEK 317 to MSEK 484. In the period, the Group's put/call option debt for shares relating to non-controlling interests and earn-out obligation decreased by MSEK -44 to MSEK 2,396. The debt increased by MSEK 34 because of acquisitions, decreased MSEK 134 because of options exercised in line with put/call options and increased MSEK 59 due to exchange rate differences.

The cash flow from operational activities increased to MSEK 554 (429) and cash amounted to MSEK 234 at the end of the period.

The Group's Interest-bearing net debt in relation to RTM Adj. EBITDA is 0.4x. Total financial net debt (Including put/call option debt for non-controlling interest and earn-out obligations) to RTM Adj. EBITDA is 2.2x, which is in line with our long-term target of not exceeding 3.0x. Short-term the group's leverage can exceed 3.0x depending on timing of acquisitions.

During the year Röko completed three acquisitions: Baymax, with the operational company Siderius, is a manufacturer of cleaning products such as cleaning detergents and hand soaps in The Netherlands, ATEMAG Aggregatetechnologie und Manufaktur AG and MBH GmbH Metallverarbeitung (together "ATEMAG"), a manufacturer of aggregates for CNC machines which is the group's first acquisition in Germany, and Snowlife B.V., a ski-instructor training provider based in The Netherlands which was acquired by Röko's subsidiary Snowminds. The transactions were mainly financed with cash.

*) Return on capital employed in the quarter has been calculated based on the opening and closing balance for the period and by calculating the Adj. EBITA for the last twelve months. Please refer to Reconciliation of alternative key performance indicators on page 24-25.

Segment Overview

Net sales MSEK	Q2		H1		Full year
	2024	2023	2024	2023	2023
Segment B2B	995	911	1,953	1,785	3,698
Segment B2C	516	485	1,113	997	1,916
Net sales	1,511	1,395	3,066	2,782	5,614
Adj. EBITA MSEK	Q2		H1		Full year
	2024	2023	2024	2023	2023
Segment B2B	196	172	385	337	696
Segment B2C	101	100	268	231	386
Adj. EBITA*	297	272	653	568	1,082
Central costs	-9	-10	-18	-19	-35
Group Adj. EBITA*	288	262	635	550	1,047

*) Segmental Adj. EBITA does not include the amortization of intangible assets arising from acquisitions, acquisition costs, or other acquisition-related items which are reported as part of the operating income in the consolidated financial statements. The amortization of intangible assets related to acquisitions amounted to MSEK 58 (52), and the acquisition costs were MSEK 4 (2) in the quarter. For the first six months, the amortization of intangible assets related to acquisitions amounted to MSEK 114 (102), and the acquisitions costs were MSEK 7 (6) for the period.

The Röko Group consists of 26 business units in different industries and no single customer or industry is individually significant to the group.

Quarterly Adj. EBITA increased to MSEK 196 (172) for Segment B2B and increased to MSEK 101 (100) for Segment B2C before the allocation of central group costs. Central group costs amounted to MSEK 9 (10) in the quarter. For the first six months, Adj. EBITA increased to MSEK 385 (337) for Segment B2B and increased to MSEK 268 (231) for Segment B2C before the allocation of central group costs. Central group costs amounted to MSEK 18 (19) for the period.

B2B performance in April-June

The B2B segment includes 17 business units of which one was acquired and consolidated during the quarter. Net sales increased to MSEK 995 (911) during the quarter, driven by acquisitions, organic growth and with positive contribution from exchange rates. Adj. EBITA increased in the quarter, driven by acquisitions and with positive contribution from exchange differences. The B2B companies have worked with pricing initiatives to improve profit margins, partly at the expense of slower organic growth. The segment Adj. EBITA is stated before central costs.

B2C performance in April-June

The B2C segment includes nine business units of which all were included at the start of the quarter. Net sales increased to MSEK 516 (485) during the period, driven by acquisitions, organic growth and with positive contribution from exchange rates. The segment has seasonal variations which impacts Adj. EBITA positively during the second quarter. Some of the businesses in the segment experience weaker demand and have difficulties transferring cost increases to customers. Adj. EBITA is stated before central costs.

B2B performance in January-June

The B2B segment includes 17 business units of which two was consolidated at the end of the period. Net sales increased to MSEK 1,935 (1,785) during the period, driven by acquisitions, organic growth and with positive contribution from exchange rates. The input-cost increases for our B2B segment are still high and some companies have not been passing these on to customers in full. The segment Adj. EBITA is stated before central costs.

B2C performance in January-June

The B2C segment includes eight business units of which all were included at the start of the period. Net sales increased to MSEK 1,113 (997) during the period, driven by acquisitions, organic growth and with positive contribution from exchange rates. Adj. EBITA increased during the period. The segment contains companies with seasonal variations in which the two first quarters are stronger. Several companies in the segment experienced slower demand in the period, while some companies experience strong demand and has been able to increase their margins. In most companies we see improvements in gross margin. The segment Adj. EBITA is stated before central costs.

Other financial information

Parent Company

Röko AB is a perpetual owner of niche businesses across a variety of industries. Röko AB has 7 employees and recorded a net profit of MSEK 215 (16) in the first six months of 2024, of which 170 (58) in the second quarter. Röko AB received MSEK 285 (257) in dividends during the first half year and MSEK 146 (240) during the second quarter. Röko AB received MSEK 90 (118) in repayments of loans from the companies in the group during the first half-year 2024. Röko AB completed its re-financing during the quarter at more favorable terms for Röko and with one additional bank as credit provider.

Employees

At the end of the period, the number of employees in the Group was 1,468 (1,426 in December 2023). Acquisitions have added 82 employees since the beginning of the year.

Events after the end of the period

No significant events have occurred after the period.

Related party transactions

Transactions between Röko AB and the other Group companies have been eliminated in the consolidated financials as presented in this report. Any sale of goods or services between Group companies are done on market terms and at arm's length. Intragroup sales amounted to MSEK 128 in the quarter. Röko has not entered into commercial agreements with related parties to the companies in the Group. The related party transactions are mostly relating to lease of properties for the companies' facilities. Loans from related parties, minority owners in the Röko subsidiaries, arising from acquisitions amount to MSEK 2.

Risks and uncertainties

The risk factors which have the largest impact on Röko are the competitive situation, structural changes in the market, and general level of economic activity. The Röko Group is still experiencing high inflation and weaker demand for some companies in both business segments. The Röko Group has interest-bearing net debt of MSEK 484, which equals 0.4x RTM Adj. EBITDA. An increase of the interest rate with 1% on Röko's interest-bearing debt would impact our net profit with MSEK -5 for the next 12-month period. The M&A market is volatile, and the number of opportunities can be low during uncertain periods. We believe that there is a risk for lower transaction volumes in the near term. Röko is also exposed to financial risks, including currency risks, interest rate risks, credit, and counterparty risks. At the end of the period the Group had MSEK 234 in cash and credit facility of SEK 350 million to Röko AB, of which MSEK 333 was unutilized.

The Parent Company is affected by the above risks and uncertainties in its capacity as owner of the subsidiary companies. For further information on Röko's risks and risk management, Röko refers to page 14 and Note 3 and 4 in the Annual Report for 2023.

Seasonal variations

The group's income exhibits seasonal variations, in particular relating to the B2C segment. The first and second quarter are normally stronger, and the third quarter weaker, on a comparable basis.

Accounting policies

The group applies International Financial Reporting Standards (IFRS) and interpretations from IFRIC, as adopted by the European Union, the Swedish Financial Reporting Board's standard RFR 1 Supplementary Accounting Rules for Groups and related interpretations and the Swedish Annual Accounts Act.

The Group's interim report has been prepared in accordance with IAS 34 Interim Financial Reporting and the Swedish Annual Accounts Act. In respect of the Parent Company, the report has been prepared in accordance with the Annual Accounts Act and Recommendation RFR 2 Financial Reporting for Legal Entities of the Swedish Financial Reporting Board. The accounting policies have been applied in accordance with those which are presented in Note 2 on pages 24-28 in the 2022 Annual Report and should be read in conjunction with these.

The interim information on pages 1-6 is an integrated part of this financial report. This English report is an unofficial translation. In case of any discrepancy between the English and the Swedish version, the Swedish shall prevail. This interim report has not been reviewed by the company's auditors.

Declaration of the Board of Directors

The Board of Directors and the Chief Executive Officer warrant and declare that this interim report gives a true and fair view of the Parent Company's and the Group's operations, financial positions and results, and that it describes significant risks and uncertainties faced by the Parent Company and the companies in the Group.

Stockholm, 22 July 2024

Tomas Billing
Chairman of the Board

Peter Sterky
Director

Fredrik Karlsson
Director and CEO

Lilian Fossum Biner
Director

Angela Langemar Olsson
Director

Financial statements

Condensed Consolidated Income Statement

MSEK	Q2		H1		Full year
	2024	2023	2024	2023	2023
Net sales	1,511	1,395	3,066	2,782	5,614
Cost of goods and services sold	-876	-842	-1,727	-1,655	-3,343
Gross profit	635	554	1,339	1,127	2,271
Sales and marketing expenses	-180	-143	-361	-298	-634
Administrative expenses	-198	-179	-398	-336	-714
Other operating income and expenses	2	0	2	1	2
Other operating expenses	-32	-26	-68	-56	-105
Operating profit	226	206	514	438	821
Financial income	6	-22	18	6	26
Financial expenses*	-14	-16	-38	-70	-110
Interest expenses for leasing	-4	-5	-9	-11	-21
Profit before tax	214	163	485	364	716
Tax	-45	-47	-102	-86	-175
Net profit for the period	169	116	383	278	541
Profit attributable to:					
Parent Company shareholders	169	116	383	278	541
Non-controlling interests	-	-	-	-	-
Profit for the period	169	116	383	278	541
Earnings per share before and after dilution for the period, attributable to Parent Company shareholders (SEK)**	11.40	8.58	25.81	20.59	36.48

* Excludes interest on leasing obligations

** Per share data for the historical periods have been re-stated based on the 1,000:1 share split. 2023 numbers after the new share issue completed in Q3 2023 have been calculated with the average number of shares for the respective periods.

Consolidated Statement of Comprehensive Income

MSEK	Q2		H1		Full year
	2024	2023	2024	2023	2023
Net profit for the period	169	116	383	278	541
Other comprehensive income					
Items that can later be reclassified to profit or loss:					
Hedge of net investments	3	-38	9	-38	-52
Hedge of debt	3	-65	-25	-65	-24
Translation differences	-23	318	172	329	-4
Other comprehensive income	-16	215	155	226	-80
Total comprehensive income for the period	153	331	538	504	461
Comprehensive income attributable to:					
Parent Company shareholders	153	331	538	504	461

Condensed Consolidated Balance Sheet

MSEK	2024-06-30	2023-06-30	2023-12-31
ASSETS			
Non-current assets			
Intangible assets	7,910	7,779	7,481
Tangible assets	280	240	228
Right of use leasing assets	411	534	469
Other long-term securities and receivable	35	16	38
Total non-current assets	8,636	8,570	8,216
Current assets			
Inventories	926	958	874
Accounts receivable	705	657	642
Other current receivables	38	36	59
Prepaid expenses/accrued Income	88	57	84
Cash and cash equivalents	234	1,042	744
Total current assets	1,992	2,750	2,403
TOTAL ASSETS	10,628	11,319	10,619
EQUITY AND LIABILITIES			
Equity			
Share capital	1	1	1
Other contributed capital	4,443	4,140	4,443
Translation reserve	248	399	93
Non restricted equity incl. net income	701	386	406
Equity attributable to parent company shareholders	5,393	4,926	4,942
Non-controlling interest	-	-	-
Total equity	5,393	4,926	4,942
Non-current liabilities			
Non-current interest-bearing liabilities	14	10	14
Non-current leasing liabilities	346	453	403
Other non-current liabilities, put/call debt and earn-out liabilities	2,259	2,209	2,346
Deferred tax liability	776	761	742
Other provisions, non-current	6	5	3
Total non-current liabilities	3,402	3,440	3,507
Current liabilities			
Current interest-bearing liabilities	704	2,019	896
Current leasing liabilities	85	81	80
Accounts payable	383	361	321
Advances from customers	34	23	261
Current tax liabilities	79	60	83
Other current liabilities, put/call debt and earn-out liabilities	289	214	276
Accrued expenses and prepaid Income	259	195	251
Total current liabilities	1,833	2,953	2,169
TOTAL EQUITY AND LIABILITIES	10,628	11,319	10,619

Condensed Consolidated Statement of Changes in Equity

MSEK	Share capital	Other contributed capital	Translation reserve**	Non. Restr equity	Total
Opening balance 2023-01-01	1	3,254	173	226	3,653
Net profit for the period	-	-	-	278	278
Other comprehensive income					
Items which can later be reclassified to profit or loss					
Hedge of net investments	-	-	-38	-	-38
Hedge of debt	-	-	-65	-	-65
Translation differences	-	-	329	-	329
Total other comprehensive income	-	-	226	278	504
Total comprehensive income for the period	-	-	226	278	504
Transactions with owners					
Revaluation of liabilities to non-controlling interests*	-	-	-	-117	-117
Closing balance 2023-06-30	1	4,140	399	386	4,926
Opening balance 2024-01-01					
Opening balance 2024-01-01	1	4,443	93	406	4,942
Net profit for the period	-	-	-	383	383
Other comprehensive income					
Items which can later be reclassified to profit or loss					
Hedge of net investments	-	-	9	-	9
Hedge of debt	-	-	-25	-	-25
Translation differences	-	-	172	-	172
Total other comprehensive income	-	-	155	383	538
Total comprehensive income for the period	-	-	155	383	538
Transactions with owners					
Revaluation of liabilities to non-controlling interests*	-	-	-	-87	-87
Closing balance 2024-06-30	1	4,443	248	701	5,393

*Revaluation of put/call options for shares relating to non-controlling interests

**Translation differences amount to MSEK 340, hedge of net investments to MSEK -43 and hedge of debt to -49 at 2024-06-30

Condensed Consolidated Statement of Cash Flows

MSEK	Q2		H1		Full year
	2024	2023	2024	2023	2023
Operating activities					
Operating profit	226	206	514	438	821
Non-cash items	99	87	191	173	358
Other financial items	-1	-2	1	-1	-13
Interest received	3	4	9	5	19
Interest paid	-18	-35	-41	-66	-111
Tax paid	-60	-36	-120	-110	-224
Cash flow before changes in working capital	249	225	554	439	848
Changes in working capital					
Increase/decrease in inventory	21	16	16	38	75
Increase/decrease in receivable	26	10	-19	48	0
Increase/decrease in accounts payable	-23	-43	2	-97	9
Total change in working capital	23	-18	-1	-11	84
Cash flow from operating activities	273	207	554	429	932
Investing activities					
Investments in intangible assets	-2	-18	-3	-18	-18
Divestments of intangible assets	0	2	0	2	1
Investments in tangible assets	-11	-16	-29	-33	-70
Divestments of tangible assets	0	1	2	4	12
Acquisition of subsidiaries after subtracting cash	-236	-98	-463	-301	-339
Divestments of subsidiaries	-	1	-	1	3
Changes in non-current assets	-5	-0	-5	0	-5
Cash flow from investing activities	-253	-128	-499	-344	-416
Financing activities					
Shareholder's contribution	-	886	-	886	1,189
Debt issued	717	-	717	-	1
Debt repayment	-902	-120	-949	-181	-1,267
Other financing activities	-82	-93	-259	-213	-74
Payments to non-controlling interests	-45	-105	-87	-117	-182
Cash flow from financing activities	-312	567	-577	375	-334
Cash flow of the period	-293	646	-522	460	183
Cash and cash equivalents at beginning of period	528	375	744	558	558
Translation differences	-1	21	12	24	3
Cash and cash equivalents at end of period	234	1,042	234	1,042	744

Business Segments

MSEK	Q2		H1		Full year
	2024	2023	2024	2023	2023
Segment B2B	995	911	1,953	1,785	3,698
Segment B2C	516	485	1,113	997	1,916
Net sales	1 511	1,395	3,066	2,782	5,614
Segment B2B	196	172	385	337	696
Segment B2C	101	100	268	231	386
Central costs	-9	-10	-18	-19	-35
Adj. EBITA*	288	262	635	550	1,047
Amortization of intangible assets arising from acquisitions	-58	-54	-114	-106	-219
Acquisition related costs	-4	-2	-7	-6	-7
Operating profit	226	206	514	438	821
Net financial items	-12	-43	-29	-74	-104
Profit before tax	214	163	485	364	716

*) Segmental Adj. EBITA does not include the amortization of intangible assets (including from assets arising from the acquisitions), acquisition costs, or other acquisition-related items which are reported as part of the operating income in the consolidated financial statements. They amount to MSEK 62 (56) in the quarter and MSEK 114 (112) for the first six months.

The Röko Group consists of 26 business units in different industries and no single customer or industry is individually significant to the group.

Quarterly Adj. EBITA increased to MSEK 196 (172) for Segment B2B and increased to MSEK 101 (100) for Segment B2C, before allocation of central group function costs. Central group costs decreased from MSEK 10 to MSEK 9. Central group function costs decrease as a share of Adj. EBITA. In H1 Adj. EBITA increased to MSEK 385 (337) for Segment B2B and increased to MSEK 268 (231) for Segment B2C, before allocation of central group function costs. Central group costs decreased from MSEK 19 to MSEK 18. Central group function costs decrease as a share of Adj. EBITA.

Recognition of net sales over time

MSEK	Q2		
	B2B	B2C	Total
Over time	90	–	90
At a specific point in time	905	516	1,421
Net sales Q2 2024	995	516	1,511

MSEK	Q2		
	B2B	B2C	Total
Over time	45	–	45
At a specific point in time	866	485	1,351
Net sales Q2 2023	911	485	1,395

MSEK	H1		
	B2B	B2C	Total
Over time	165	–	165
At a specific point in time	1,788	1,113	2,902
Net sales in January-June 2024	1,953	1,113	3,066

MSEK	H1		
	B2B	B2C	Total
Over time	86	–	86
At a specific point in time	1,699	997	2,696
Net sales in January-June 2023	1,785	997	2,782

Segmentation of net sales

MSEK	Q2		
	B2B	B2C	Total
Products	899	485	1,384
Services	96	31	127
Net sales Q2 2024	995	516	1,511

MSEK	Q2		
	B2B	B2C	Total
Products	829	462	1,290
Services	82	23	105
Net sales Q2 2023	911	485	1,395

MSEK	H1		
	B2B	B2C	Total
Products	1,788	1,046	2,834
Services	165	67	232
Net sales in January-June 2024	1,953	1,113	3,066

MSEK	H1		
	B2B	B2C	Total
Products	1,620	952	2,572
Services	165	45	210
Net sales in January-June 2023	1,785	997	2,782

Acquisitions January-June 2024

26 business units were consolidated as per 2024-06-30. During the period, three acquisitions was completed, of which two are new business units. Baymax B.V. in The Netherlands, with the operating company Siderius Zeepfabriek B.V. ("Siderius"), was consolidated in the first quarter. ATEMAG, a company in Germany which was consolidated in the second quarter. Snowlife, a dutch company which was consolidated in the second quarter. The acquisitions were financed with cash from Röko AB. During the period Röko acquired shares in two subsidiaries from non-controlling shareholders in accordance with a put/call option agreement. The purchase price for these shares were MSEK 134 which equals the

corresponding value of the liability for the put / call options in the balance sheet in December 2023. Acquisition-related costs amounted to MSEK 4 (2) in the second quarter.

The table below for acquired net assets includes all the acquisitions completed in the period, and for these acquisitions the analysis is preliminary.

The purchase price allocation includes all acquisitions made during the full year as well as payments made for acquisitions in previous periods.

Acquired net assets

Net assets, MSEK. Preliminary analysis of acquisitions

since January 1st 2024	Carrying amount	Value adjustment	Fair value
Trademarks, customer relationships, licences	0	110	110
Tangible assets	52	-	52
Inventories, accounts receivable and other receivable	58	-	58
Accounts payable and other liabilities	-36	-	-36
Deferred tax	0	-38	-38
Adjustments to previous acquisitions	-	-	-
Cash and cash equivalents	19	-	19
Net assets	92	72	164
Goodwill	-	211	211
Total net assets	92	283	375
Put/call option debt for non-controlling interests	-	100	100
Cash flow effect			MSEK
Purchase price			-475
<i>o/w withheld purchase price</i>			2
Cash in acquired companies			19
Total cash flow effect			-454
Cash paid for acquisitions in previous periods			-9

Acquisitions

Consolidated in month	Acquisitions	Segment	Net Sales RTM (MSEK)	Employees	Röko ownership
February	Baymax B.V.	B2B	103	34	85%
April	Snowlife B.V.	B2B	23	5	100%
May	Atemag Holding GmbH	B2B	81	43	95%

Baymax, with operational company Siderius, is a manufacturer of cleaning products such as cleaning detergents and hand soaps. ATEMAG is a German manufacturer of aggregates to CNC machines. Snowlife, an add-on acquisition of Snowminds, is a Dutch provider of ski-instructor training. The acquisitions completed during the period has added MSEK 49 of sales, MSEK 14 in Adj. EBITA and MSEK 12 of operating profit for the period. If the company had been consolidated since January 1, 2024, it would have added an additional MSEK 56 of sales, MSEK 14 of Adj. EBITA and MSEK 12 to operating profit for the period.

Röko consolidates all subsidiary companies to 100% provided the contractual put and call option agreements regarding outstanding ownership with all minority shareholders in each respective company. The put/call option debt with non-controlling interests is valued based on the expected cash outflow to exercise the options and is based on the metric applied in the agreements.

Goodwill arises from acquisitions due to human resources, key personnel experience and skill in the acquired entity as well as geographical market extension. No part of goodwill arising from acquisitions is tax deductible.

Specification of leasing in the balance sheet and income statement

MSEK	2024-06-30	2023-06-30
Reported in the balance sheet		
The following amounts related to leasing agreements are reported in the balance sheet:		
Right of use assets (reported as rights of use assets in the Balance Sheet)		
Properties and premises	411	534
Total	411	534
Lease liabilities		
Long term (reported as non-current liabilities in the Balance Sheet)	346	453
Short term (reported as current liabilities in the Balance Sheet)	85	81
Total lease liabilities	431	534
	H1	
MSEK	2024	2023
Reported in the income statement		
The following amounts related to leasing agreements are reported in the income statement		
Depreciation on right of use assets		
Properties and premises	39	38
Total	39	38
Interest expense	9	11

The total cash flow regarding leasing agreements in the second quarter 2024 was SEK 22 million.

Financial assets in the balance sheet

MSEK	Financial assets at amortised cost
Per 2024-06-30	
Accounts receivable	705
Other non-current financial receivable	35
Cash and cash equivalents	234
Sum	974
Per 2023-12-31	
Accounts receivable	642
Other non-current financial receivable	38
Cash and cash equivalents	744
Sum	1,423
Per 2023-06-30	
Accounts receivable	657
Other non-current financial receivable	16
Cash and cash equivalents	1,042
Sum	1,714

Financial liabilities in the balance sheet

MSEK	Classification in the fair value hierarchy	Liabilities valued at fair value which affect equity*	Financial liabilities at amortised cost	Total
Per 2024-06-30				
Interest-bearing borrowings		–	718	718
Accounts payable - trade		–	383	383
Put/call-option debt*	3	2,306	–	2,306
Deferred considerations*	3	90	–	90
Other liabilities**		–	776	776
Total		2,396	1,878	4,274
Per 2023-12-31				
Interest-bearing borrowings		–	910	910
Accounts payable - trade		–	321	321
Put/call-option debt*	3	2,346	–	2,346
Deferred considerations*	3	94	–	94
Other liabilities**		–	742	742
Total		2,440	1,973	4,413
Per 2023-06-30				
Interest-bearing borrowings		–	2,029	2,029
Accounts payable - trade		–	361	361
Put/call-option debt*	3	2,209	–	2,209
Deferred considerations*	3	65	–	65
Other liabilities**		–	761	761
Total		2,274	3,151	5,426

* Deferred considerations are liabilities which are recognised at fair value over the income statement and put/call option debt is valued at fair value over equity in accordance with IFRS 9.

** Other liabilities consist of acquisition related deferred tax liabilities and other deferred tax liabilities.

Financial instruments are valued at their fair value depending on the classification of fair value in the hierarchy: Quoted prices (level 2) and non-observable market data points (level 3). The liabilities that Röko has which are non-observable are put/call liabilities for non-controlling shares in the subsidiary companies and earn-out obligations. No transfers between the levels have occurred during the quarter, or during last year. Changes in the value of put/call debts are made in equity over the balance sheet while changes in the value of earn-out liabilities occur in the Income Statement. In case the interest-rate impact is deemed to be material an amendment is made in the period. The fair value of short-term borrowing corresponds to the carrying amount, as the discounting effect is not significant.

The tables below display changes and recognitions of deferred considerations and put/call option liabilities.

Deferred considerations

MSEK	2024-06-30	2023-12-31
Per 2024-01-01	94	152
Acquisitions in the period	2	37
Paid purchase prices	-9	-99
Exchange rate differences	3	4
Per 2024-06-30	90	94

Option liabilities

MSEK	2024-06-30	2023-12-31
Per 2024-01-01	2,346	2,034
Acquisitions in the period	34	148
Divestments in the period (management purchases)	-	3
Paid purchase prices	-134	-18
Expense/Reversal via equity in the balance sheet	-	184
Exchange rate differences	59	-4
Per 2024-06-30	2,306	2,346

MSEK 164 of the option liabilities are to be exercised within 12 months, MSEK 1,124 between one and three years and MSEK 1,107 after more than three years.

Condensed Parent Company Income Statement

Röko AB, 559195-4812

MSEK	Q2		H1		Full year
	2024	2023	2024	2023	2023
Other operating income*	-	1	27	25	26
Administrative expenses	-8	-9	-16	-17	-32
Operating profit	-8	-8	11	8	-6
Profit from shares in group companies**	146	240	285	257	412
Financial income	61	41	93	85	309
Financial expenses	-29	-216	-174	-334	-475
Profit after financial items	170	58	215	16	240
Appropriations	-	-	-	-	-
Tax	-	-	-	-	-
Net profit for the period	170	58	215	16	240

* Invoicing of group-wide services.

** Profit from shares in group companies are dividends received from the group companies during each respective period.

Net profit for the period and total comprehensive income for the period are the same and therefore no Comprehensive Income Statement for the Parent company is presented.

Condensed Parent Company Balance Sheet

MSEK	2024-06-30	2023-06-30	2023-12-31
ASSETS			
Non-current assets			
Shares in group companies	7,698	7,157	7,438
Long-term receivables	5	7	5
Total non current assets	7,704	7,163	7,443
Current assets			
Receivables in group companies	870	966	820
Other receivables	7	–	1
Prepaid expenses/accrued Income	2	2	3
Cash and cash equivalents	10	790	387
Total current assets	889	1,758	1,210
TOTAL ASSETS	8,592	8,921	8,654
EGET KAPITAL OCH SKULDER			
Restricted equity			
Equity	1	1	1
Total restricted equity	1	1	1
Non-restricted equity			
Share premium account	708	405	708
Other contributed capital	3,735	3,735	3,735
Non restricted equity incl. net income	898	459	683
Total non-restricted equity	5,341	4,599	5,126
Total equity	5,342	4,600	5,127
Non-current liabilities			
Other non-current liabilities	2,011	1,953	2,080
Total non-current liabilities	2,011	1,953	2,080
Current liabilities			
Debt to credit institutions	714	2,007	886
Accounts payable	1	2	–
Liabilities to group companies	417	293	497
Other current liabilities	108	66	64
Accrued expenses and prepaid Income	0	–	1
Total current liabilities	1,240	2,368	1,447
TOTAL EQUITY AND LIABILITIES	8,592	8,921	8,654

Parent Company Statement of changes in equity

MSEK	Share capital	Other contributed capital	Share premium account	Non. Restr equity	Total
Opening balance per 2023-01-01	1	–	3,254	442	3,697
Net profit for the period	–	–	–	16	16
Other comprehensive income					
Transactions with owners					
Shareholder's contribution	–	–	481	–	481
New share issue	–	–	405	–	405
Transaction costs	–	–	–	–	–
Closing balance per 2023-06-30	1	–	4,140	459	4,600
Opening balance per 2024-01-01	1	708	3,735	683	5,127
Net profit for the period	–	–	–	215	215
Other comprehensive income					
Transactions with owners					
Shareholder's contribution	–	–	–	–	–
New share issue	–	–	–	–	–
Transaction costs	–	–	–	–	–
Closing balance per 2024-06-30	1	708	3,735	898	5,342

Key Performance Indicators

	Q2		H1		Full year
	2024	2023	2024	2023	2023
Net sales for the period, MSEK	1,511	1,395	3,066	2,782	5,614
RTM* Net sales, MSEK	6,137	5,562	6,137	5,562	5,842
Operating profit	226	206	514	438	821
Adj. EBITA*, MSEK	288	262	635	550	1,047
Adj. EBITA* margin	19%	19%	21%	20%	19%
RTM Adj. EBITA*, MSEK	1,168	1,015	1,168	1,015	1,069
RTM Adj. EBITA* margin	19%	18%	19%	18%	18%
Adj. EBITDA*, MSEK	323	296	707	617	1,186
Adj. EBITDA* margin	21%	21%	23%	22%	21%
Capital employed*, MSEK	8,704	8,722	8,704	8,722	8,032
Return on capital employed	13%	12%	14%	12%	13%
Return on capital employed ex intangibles from acquisitions	143%	110%	167%	127%	179%
Return on equity	12%	11%	13%	13%	13%
Financial net debt*, MSEK	2,880	3,261	2,880	3,261	2,607
Interest-bearing net debt*, MSEK	484	987	484	987	167
Financial net debt/RTM Adj EBITDA*, times	2.2x	2.8x	2.2x	2.8x	2.2x
Interest-bearing net debt/RTM Adj EBITDA*, times	0.4x	0.9x	0.4x	0.9x	0.1x
Equity/assets ratio	51%	44%	51%	44%	47%
Number of shares, average	14 832 500	13 484 000	14 832 500	13 484 000	13 949 510
Number of shares, end of the period	14,832,500	13,484,000	14,832,500	13,484,000	14,832,500
Number of employees, end of the period	1,468	1,345	1,468	1,345	1,426

* See definitions on page 23

Definitions and objectives

The report includes financial key ratios that are based on IFRS (e.g. earnings per share) and in addition Röko also uses additional other key ratios (Alternative KPIN - Alternative Key Performance Indicators) to describe and assess the Group's operations. These Alternative metrics and Alternative KPIs are to be considered as a complement to the financial reporting as presented in accordance with IFRS. Note that these definitions may differ somewhat from other companies' definitions of the same terms.

Adj. EBITA	Adj. EBITA is considered a relevant metric for investors who wish to understand the earnings generated by Röko's acquired companies and is the metric used for internal tracking of performance per business segment. Adj. EBITA, defined as earnings before interest, taxes, and amortization as well as acquisition expenses. Adj. EBITA serves as an approximation for the cash flow before tax, under the assumption that capital expenditures mirror depreciation, which is normally the case, as Röko invests in asset-light businesses.
Adj. EBITA margin	Adj. EBITA divided by net sales.
Adj. EBITDA	Adj. EBITDA is considered a relevant metric for investors who wish to understand the earnings generated by Röko's acquired companies. Adj. EBITDA, defined as earnings before interest, taxes, depreciation, and amortization as well as acquisition expenses. Adj. EBITDA serves as an approximation for the cash flow before capital expenditures and tax.
Adj. EBITDA margin	Adj. EBITDA divided by net sales.
RTM	RTM information of net sales and Adj. EBITA is based on the companies' reported figures from the group reporting during the period in the most recent rolling twelve months that the companies have been consolidated in the Group. For companies that have been acquired during the last twelve months the company's own monthly reporting for the months prior to consolidation is included for net sales and Adj. EBITA. The RTM metric is unaudited or otherwise reviewed (IRSE 2410). RTM net sales and Adj. EBITA is based on local GAAP for the not consolidated financial information of the last twelve months for subsidiaries owned on the balance sheet date, for the elimination of internal sales and profits. As the Röko Group is growing rapidly through acquisitions, RTM gives a better understanding of the Group's current sales and earnings potential than the IFRS accounting.
Financial net debt	Röko uses the alternative KPIN total net debt. This allows users of the financial reports to assess the Group's ability to pay dividends, make strategic investments and meet its financial obligations. The KPIN is defined as follows: current and non-current liabilities to credit institutions, bonds, interest-bearing pension provisions, liabilities related to put/call options for non-controlling interests and additional considerations relating to acquisitions less cash and cash equivalents.
Earnings per share	Profit after tax attributable to Parent Company shareholders, divided by the average number of shares outstanding.
Interest-bearing net debt	Röko uses the alternative KPIN interest-bearing net debt. This allows users of the financial reports to assess the Group's ability to pay dividends, make strategic investments and meet its financial obligations. Röko defines the KPIN as follows: current and non-current liabilities to credit institutions, bonds as well as interest-bearing pension provisions less cash and cash equivalents.
Equity/assets ratio	Equity divided by total assets (balance sheet total).
Capital employed	Capital employed is used as a base for calculating returns and for measuring efficiency for the Group. Capital employed is useful in helping users of the financial reports to understand how the Group finances itself. Röko defines capital employed as total assets less cash and cash equivalents, interest-bearing pension provisions and non-interest-bearing liabilities except for liabilities related to put/call options and additional considerations relating to acquisitions.
Return on equity	Net profit for the period for the last twelve months divided by the average equity for the period, calculated as the average between the opening balance and closing balance for the same six-month period.
Return on capital employed	LTM Adj. EBITA for the period according to the consolidated income statement divided by average capital employed for the period, calculated as the average of the opening, and closing balance for the period. The measure is an approximation for the pre-tax cash return.

Organic growth	Net sales for companies that have been consolidated in the group for the entire period as well as for the entire comparable period. FX from the prior period has been used for both periods to calculate the fixed currency growth and the organic growth is calculated as an arithmetic mean.
Net sales	Net sales are the sum of gross sales less its returns, allowances, and discounts.
Put/call options for shares relating to non-controlling interests	Put/call options for shares relating to non-controlling interests is the sum of obligations to exercise put and call options to purchase the outstanding shares held by non-controlling interest. The value of the put/call liability is the current estimate of the future outflows to acquire the shares in accordance with agreements with all non-controlling interests.

Reconciliation of alternative metrics

The interim report presents alternative metrics (KPIs) for assessing the Group's performance. The primary alternative KPIs presented in this interim report are Adj. EBITA, Adj. EBITDA, net debt, and capital employed. Definitions of the alternative KPIs are presented on page 23.

Adj. EBITA compared with financial statements in accordance with IFRS

MSEK	Q2		H1		Full year
	2024	2023	2024	2023	2023
Operating profit	226	206	514	438	821
Amortisation of intangible assets related to acquisitions	58	54	114	106	219
Acquisition costs	4	2	7	6	7
Adj. EBITA	288	262	635	550	1,047

Adj. EBITDA compared with financial statements in accordance with IFRS

MSEK	Q2		H1		Full year
	2024	2023	2024	2023	2023
Operating profit	226	206	514	438	821
Depreciation of tangible assets	34	34	71	67	138
<i>of which Depreciation of leasing rights</i>	18	19	39	38	77
Amortisation of intangible assets	59	54	115	106	221
<i>of which Amortisation of intangible assets from acq.</i>	58	54	114	106	219
Acquisition costs	4	2	7	6	7
Adj. EBITDA	323	296	707	617	1,186

Net debt compared with financial statements in accordance with IFRS

MSEK	2024-03-31	2023-03-31	2024-06-30	2023-06-30	2023-12-31
Non-current interest-bearing liabilities	13	12	14	10	14
Current interest-bearing liabilities	879	2,070	704	2,019	896
Cash and cash equivalents	-528	-375	-234	-1,042	-744
Interest-bearing Net Debt	365	1,707	484	987	167
Put/call debt for non-controlling shares and earn-out debt	2,506	2,264	2,396	2,274	2,440
Total Financial net debt	2,871	3,971	2,880	3,261	2,607

RTM Net Sales and RTM Adj. EBITA

MSEK	H1		Full year
	2024	2023	2023
LTM Net sales according to consolidated IS	5,898	5,209	5,614
Addition of non-consolidated Net Sales from			
1 July to the acquisition date			
Segment B2B	209	220	194
Segment B2C	30	133	34
RTM Net sales	6,137	5,562	5,842
LTM Adj. EBITA according to consolidated IS	1,131	988	1,047
Addition of non-consolidated Adj. EBITA from			
1 July to the acquisition date			
Segment B2B	39	19	24
Segment B2C	-3	8	-2
Adj. RTM EBITA	1,168	1,015	1,069

Capital employed

MSEK	2024-03-31	2023-03-31	2024-06-30	2023-06-30	2023-12-31
Constituents of Capital employed					
Equity	5,285	3,814	5,393	4,926	4,942
Interest-bearing debt	892	2,081	718	2,029	910
Leasing	484	527	431	534	483
Put/call debt for non-controlling shares and earn-out debt	2,506	2,264	2,396	2,274	2,440
Less cash	-528	-375	-234	-1,042	-744
Capital employed	8,640	8,312	8,704	8,722	8,032
Average capital employed	8,336	8,128	8,368	8,333	7,988
Goodwill, customer relations, trademarks	7,859	7,460	7,903	7,774	7,476
Capital employed ex goodwill, customer relations, trademarks	781	852	801	948	556
Average capital employed	668	731	679	780	584

Return on capital employed

MSEK	Q2		H1		Full year
	2024	2023	2024	2023	2023
Constituents of ROCE					
LTM Adj. EBITA	1,131	988	1,131	988	1,047
Average capital employed	8,672	8,517	8,368	8,333	7,988
Return on capital employed	13%	12%	14%	12%	13%
Capital employed ex intangibles from acquisitions	791	900	679	780	584
Return on capital employed ex intangibles from acquisitions	143%	110%	167%	127%	179%

Organic growth

MSEK	Q2		H1		Full year
	2024	2023	2024	2023	2023
Net sales, including sales for comparable companies*	1,431	1,395	2,796	1,387	3,651
FX impact	-19		-30		-154
Organic sales in constant currency	1,412		2,766		3,497
<i>Growth comparable companies (actual currency)</i>	3%		3%		-2%
<i>Organic growth constant currency</i>	1%		2%		0%

* Includes companies that were owned by Röko for the entire current period as well as for the full comparable period.

Financial calendar

Third-quarter 2024	25 October 2024
Year-end quarter 2024	14 February 2025
First quarter 2025	23 April 2025
Annual General Meeting	23 April 2025

Questions

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Röko in brief

Röko is a perpetual owner of European small-and medium-sized businesses and today we own 26 companies in a variety of industries across Europe. We are a Swedish company, and our team has more than 100 years of combined experience working with owner-managed businesses across markets and in different situations.