

# Interim report Q3 2023

27 October 2023

# Q3 23

# Presenting today



**Ulf Lilius**  
President and CEO



**Niklas Enmark**  
CFO



# Agenda

- **Q3 highlights**
- **Development during the quarter**
- **Growth strategy**
- **Q&A**



# Strong earnings and revenue growth in the quarter

## Revenue:

**+45%**

- Strong sales development with 8% organic growth.
- Demand still generally stable. Some customers show signs on lower level of activity.
- Contribution from acquisitions.

## EBITA:

**+40%**

- Organic growth.
- Cost control.
- Clear positive contribution from acquisitions.

## EBITA/WC:

**60%**

- Profitability remains high.
- Focus on keeping low and stable working capital within all operations.
- Strong cash flow.

## Acquisitions in Q3:



# Q3 2023

**Development during the quarter**



# Group: Sales Q3 2023

- Revenue increased by 45% to SEK 580 m (400).
- Growth in comparable units of 8%.
- Demand still generally stable. Some customers show signs on lower level of activity.
- Global component shortage less noticeable.
- More moderate increase in purchase prices and costs.
- Still no major impact from the weak SEK.
- Positive contribution from acquisitions adding 39%.
- One less trading day vs last year.

## Revenue growth in comparable units vs Q3 2022

**+8%**

## Revenue, SEK million



## Sales performance

	Q3 2023	Jan-Sep 2023
Comparable units in local currency	7.8%	8.3%
Currency effects	1.0%	0.6%
Number of trading days	-2.3%	-0.7%
Acquisitions	38.5%	22.8%
<b>Total change</b>	<b>45.0%</b>	<b>31.0%</b>



# Group: Earnings Q3 2023

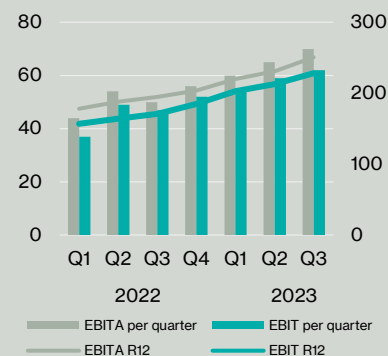
- Earnings growth due to:
  - Organic revenue growth
  - Clear contribution from acquisitions
  - Cost control and well-managed price/cost increases
- Operating profit rose by 32% to SEK 62 m (47).
- EBITA increased by 40% to SEK 70 m (50).
  - EBITA margin 12.1% (12.5).
- Net profit SEK 44 m (36).
- Earnings per share SEK 0.85 (0.70).

## EBITA growth

vs Q3 2022

# +40%

## Earnings, SEK m



	Q3		
	2023	2022	Δ
Revenue	580	400	45%
Operating profit	62	47	32%
of which: Items affecting comparability	-	-	
of which: Amortisation of intangible assets in connection with acquisitions	-8	-3	
EBITA	70	50	40%
Net profit	44	36	22%
Earnings per share before and after dilution, SEK	0.85	0.70	21%
Operating margin	10.7%	11.8%	
EBITA margin	12.1%	12.5%	





# Group: 1 Jan-30 Sep 2023

- Revenue increased by 31% to SEK 1,631 m (1,245).
- Growth in comparable units of 8%.
- Operating profit rose by 32% to SEK 176 m (133).
- EBITA increased by 32% to SEK 195 m (148).
- EBITA margin of 12.0% (11.9).
- Net profit SEK 129 m (101).
- Earnings per share SEK 2.60 (1.95).

## Revenue growth

in comparable units vs Jan-Sep 2022

**+8%**

## EBITA growth

vs Jan-Sep 2022

**+32%**

	Jan-Sep			R12 Sep		
	2023	2022	Δ	2023	2022	Δ
Revenue	1,631	1,245	31%	2,125	1,647	29%
Operating profit	176	133	32%	228	171	33%
of which: Items affecting comparability	-	-6		-	-12	
of which: Amortisation of intangible assets in connection with acquisitions	-19	-9		-23	-12	
EBITA	195	148	32%	251	195	29%
Net profit	129	101	28%	168	129	30%
Earnings per share before and after dilution, SEK	2.60	1.95	33%	3.35	2.50	34%
Operating margin	10.8%	10.7%		10.7%	10.4%	
EBITA margin	12.0%	11.9%		11.8%	11.8%	





# Components business area

## Momentum Industrial

- Healthy volume growth, primarily in the automotive, paper & pulp and mining customer segments.
- A number of project deals adding to volume.
- Earnings on stable level vs previous year despite some impact from weak SEK.

## Specialist

- Generally stable demand and growth in both sales and earnings. Strong contribution from several acquired businesses, especially Askalon, BPS, Hydmos, Regal and iTEMS.
- Etab established local presence in Luleå. Positive development for the operations in Denmark.
- Acquisitions of iTEMS and Conclean completed in Q3.

### Revenue growth

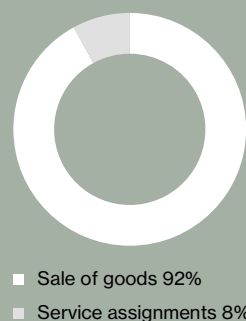
in comparable units vs Q3 2022

**+10%**

### EBITA, SEK m



### Revenue R12



### Key figures

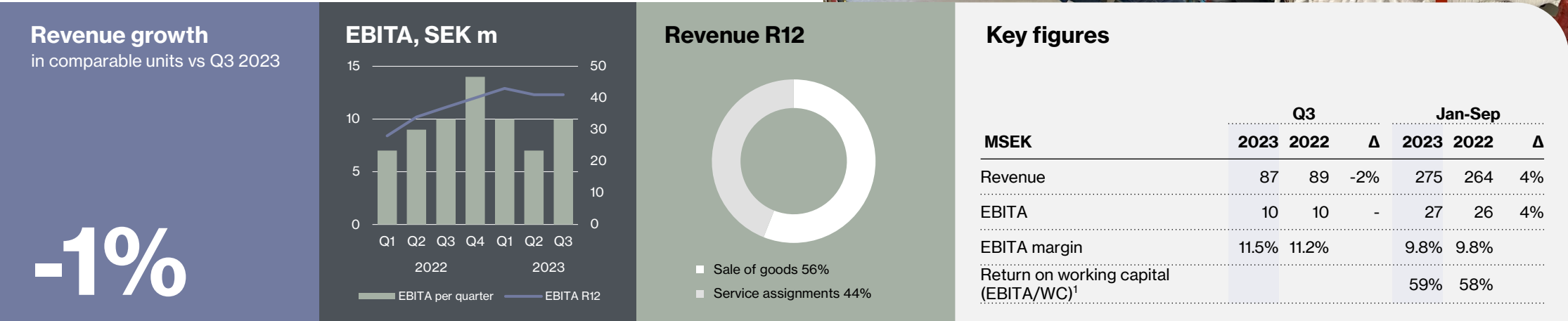
MSEK	Q3			Jan-Sep		
	2023	2022	Δ	2023	2022	Δ
Revenue	496	315	57%	1,367	995	37%
EBITA	64	46	39%	186	138	35%
EBITA margin	12.9%	14.6%		13.6%	13.9%	
Return on working capital (EBITA/WC) <sup>1</sup>				68%	71%	

<sup>1</sup> R12 until 30 September 2023.



# Services business area

- Generally good occupancy levels, but weaker volume in some workshops with slightly more restrained customers.
- Lower share of component sales affected volume and profitability.
- Some adjustments in workforce due to customer focus.
- Intertechna and Mytolerans showed increased customer activity and improved demand.

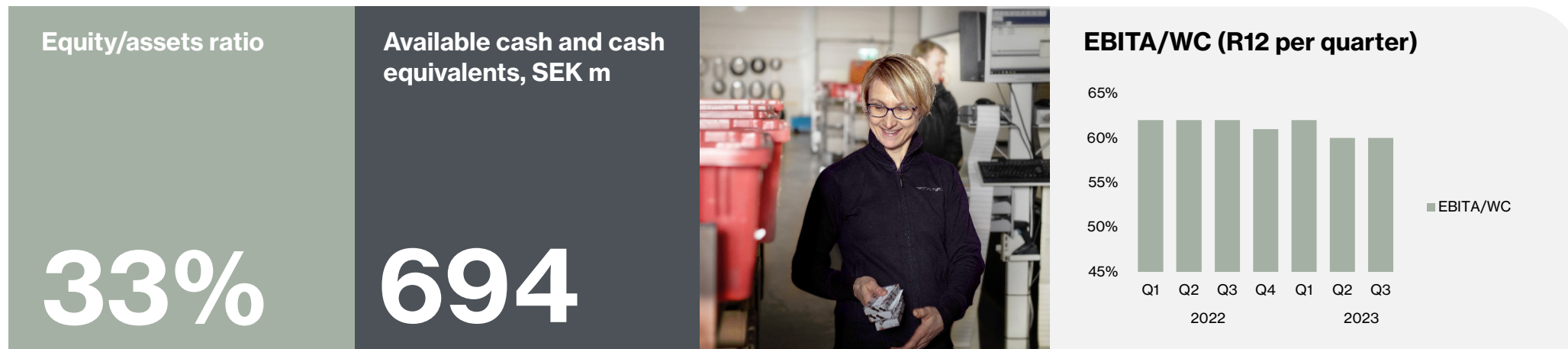


<sup>1</sup> R12 until 30 September 2023.

# Profitability, cash flow and financial position

- EBITA/WC 60% (62).
- Return on equity 32% (28).
- Cash flow from operating activities for the reporting period of SEK 159 m (65)
  - IFRS effects on cash flow<sup>1</sup> SEK 47 m (37).
- Cash flow from investing activities SEK –348 m (–43)
  - of which acquisitions –339 m (–40).
- Cash flow from financing activities SEK 204 m (–81)
  - change in interest-bearing liabilities SEK +240 m (+22)
  - paid dividends SEK –50 m (–).
- Operational net loan liability of SEK 323 m (48 at the beginning of the year)
  - change mainly from cash flow from operating activities, acquisitions and dividends.

<sup>1</sup> Positive effect on cash flow from operating activities, negative effect on financing activities. Net is zero. For previous periods, see appendix.





# Acquisitions in the period



## Processkontroll iTEMS

Leading niche player in instrumentation for demanding operating conditions for customers primarily in the process, gas, biogas, pharmaceutical and manufacturing industries.

Acquired holding: **100%**  
Closing: **July 2023**  
Annual revenue: **SEK 50 million**  
No. of employees: **12**



## Conclean

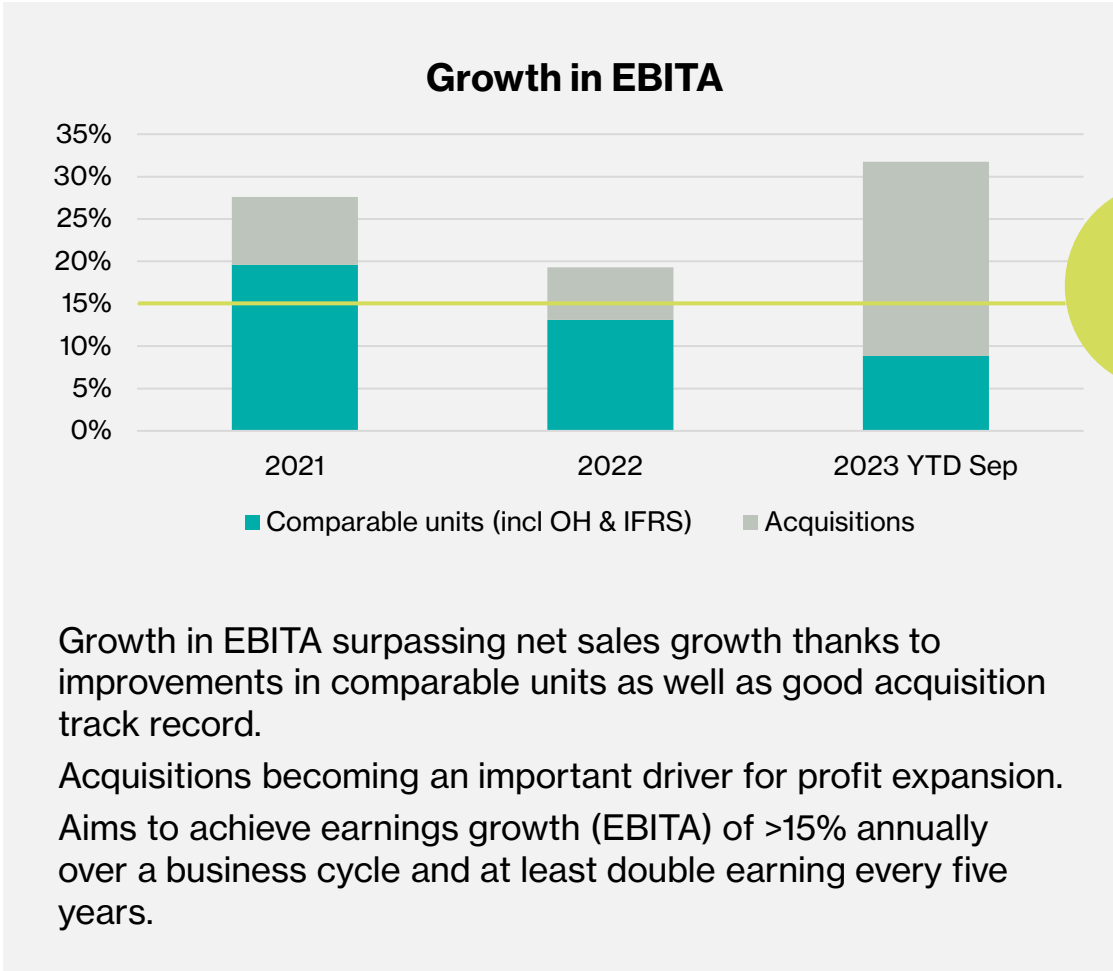
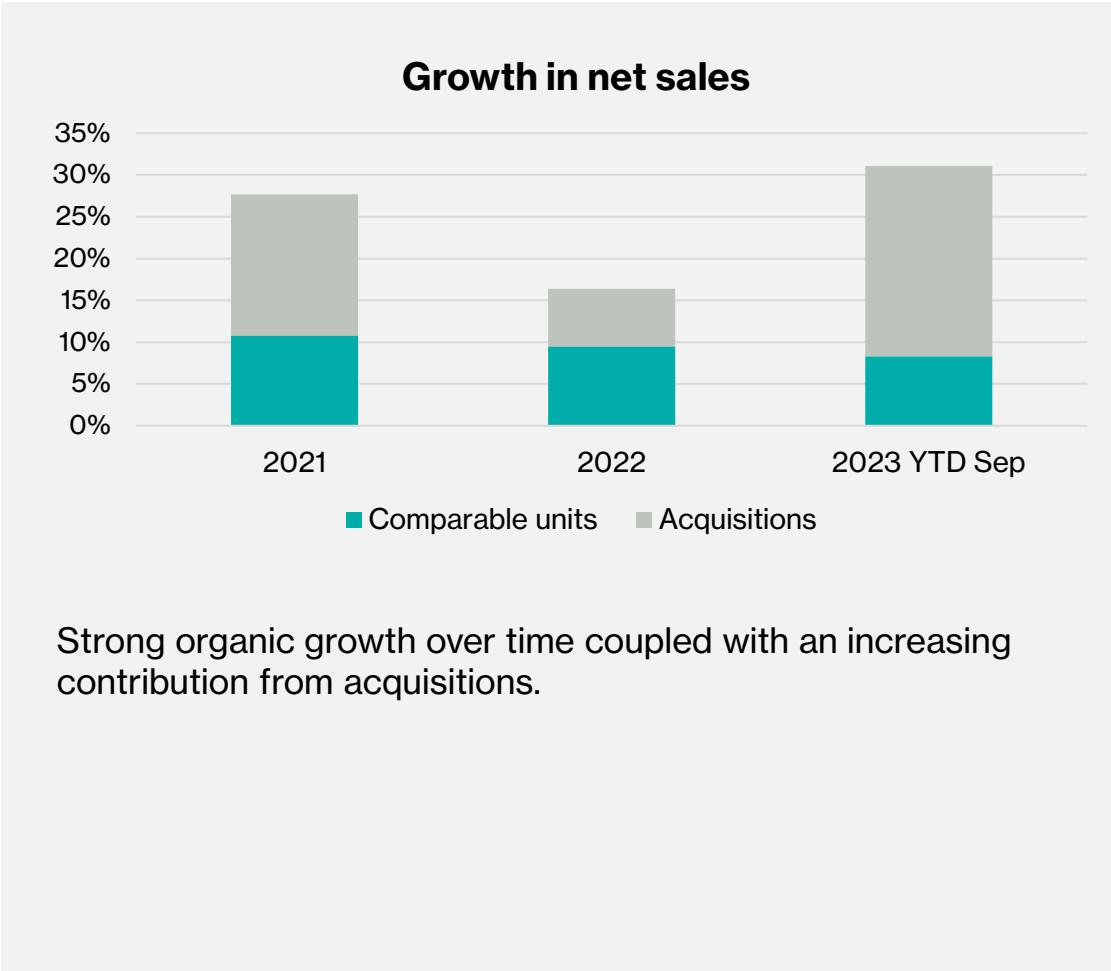
Leading niche player in private sewage, rainwater recycling and stormwater management, primarily for infrastructure companies but also directly to municipalities.

Acquired holding: **80%**  
Closing: **September 2023**  
Annual revenue: **SEK 47 million**  
No. of employees: **11**



# Growth strategy

# Growth in net sales and EBITA







# Corporate Governance

- Organic growth by developing our companies.
- Cash flow EBITA/WC to finance our expansion and development.
- Margin around double digits in order to have EBITA/WC > 45%.
- 3-5 acquisitions every year.
- Aims to at least double earning every five years – increase EBITA to SEK 340 million by latest year-end 2026.
- Reasonable net debt to EBITDA.
- Capital allocation through share buybacks and add-on acquisitions to strengthen the offering or geographical expansion, based on our capital allocation model (our internal Focus Model) which helps each company prioritize their goals and activities to focus on.

With the aim to increase EPS.



# Contact us

Please email us at [ir@momentum.group](mailto:ir@momentum.group)  
if you have any questions.



**Momentum Group**  
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# Appendix



# IFRS effects on cash flow

	Reporting period		R12	
	Jan-Sep 2023	Jan-Sep 2022	Sep 2023	FY 2022
<b>MSEK</b>				
IFRS effects on cash flow from operations	47	37	60	50
IFRS effects on cash flow from financing activities	-47	-37	-60	-50
<b>Net</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>



# Largest shareholders

Shareholder	A shares	B shares	Capital	Votes
Nordstjernan	213	27,776,641	55.02%	50.00%
Tom Hedelius	513,124		1.02%	9.24%
Fidelity Investments (FMR)		3,729,989	7.39%	6.71%
Ampfield Management		3,523,225	6.98%	6.34%
Lannebo Fonder		1,145,915	2.27%	2.06%
Momentum Group AB		1,104,794	2.19%	1.99%
Sandrew AB		800,000	1.58%	1.44%
Foord Asset Management Limited		746,190	1.48%	1.34%
Dimensional Fund Advisors		659,640	1.31%	1.19%
Enter Fonder		625,498	1.24%	1.13%
Handelsbanken Fonder		461,696	0.91%	0.83%
Ulf Lilius	2,688	333,826	0.67%	0.65%
Paradigm Capital AG		352,923	0.70%	0.64%
Carnegie Fonder		323,349	0.64%	0.58%
La Financière de l'Echiquier		300,285	0.59%	0.54%
SEB Fonder		274,898	0.54%	0.49%
Adrigo Asset Management		266,035	0.53%	0.48%
Christina Mörner	10,000	156,647	0.33%	0.46%
<b>Total largest shareholders</b>	<b>526,025</b>	<b>42,581,551</b>	<b>85.39%</b>	<b>86.11%</b>
Other	38,048	7,335,265	14.61%	13.89%
<b>Total</b>	<b>564,073</b>	<b>49,916,816</b>	<b>100.00%</b>	<b>100.00%</b>

<sup>1</sup>Treasury shares

Source: Monitor. Data as of 30 September 2023



# Dates for upcoming financial information

**15 February 2024**

Year-end report 2023

**31 March 2024**

Annual and sustainability report

**26 April 2024**

Interim report Q1 2024

**7 May 2024**

Annual General Meeting 2024

**17 July 2024**

Interim report Q2 2024

**24 October 2024**

Interim report Q3 2024

**14 February 2025**

Year-end report 2024

