

Year-end report 2022

15 February 2023

Presenting today

Ulf Lilius, CEO



Niklas Enmark, CFO



Agenda

- Q4 highlights
- Development during the quarter
- Financial targets
- Growth strategy
- Q&A



Q4 2022 highlights

Favourable sales performance combined with increased earnings

Revenue:

+23%

- Continued solid sales performance
- Growth of 11% for comparable units
- Still no signals of slow-down

EBITA:

+19%

- Organic sales growth
- Stable gross margin
- Cost control
- Positive contribution from acquisitions

EBITA/WC:

61%

Acquisitions:

BPS[®]
BÖRJESSON PIPE SYSTEM

(12 Oct, 2022)

JOKRAB
AUTOMATIK // BYGGNAD

(20 Dec, 2022)

HYDMOS

(after the period)



Development during the quarter

Q4 2022



Group: Sales Q4 2022

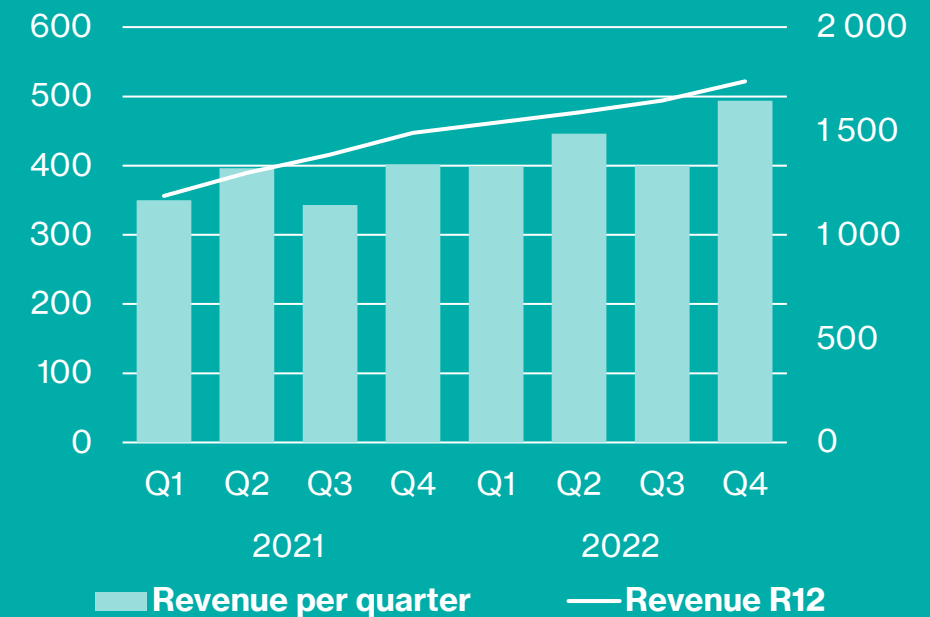
- Revenue increased by 23% to SEK 494 m (402)
- Growth in comparable units of 11%
- Overall positive development in sales and demand
- Still no signals of slow-down
- Global component shortage stabilizing but still long lead times for some product groups
- Proactive work to secure delivery capacity
- Positive contribution from acquisitions adding 12% to revenue growth



Growth in comparable units
vs Q4 2021

+11%

Revenue, SEK million



Group: Earnings Q4 2022

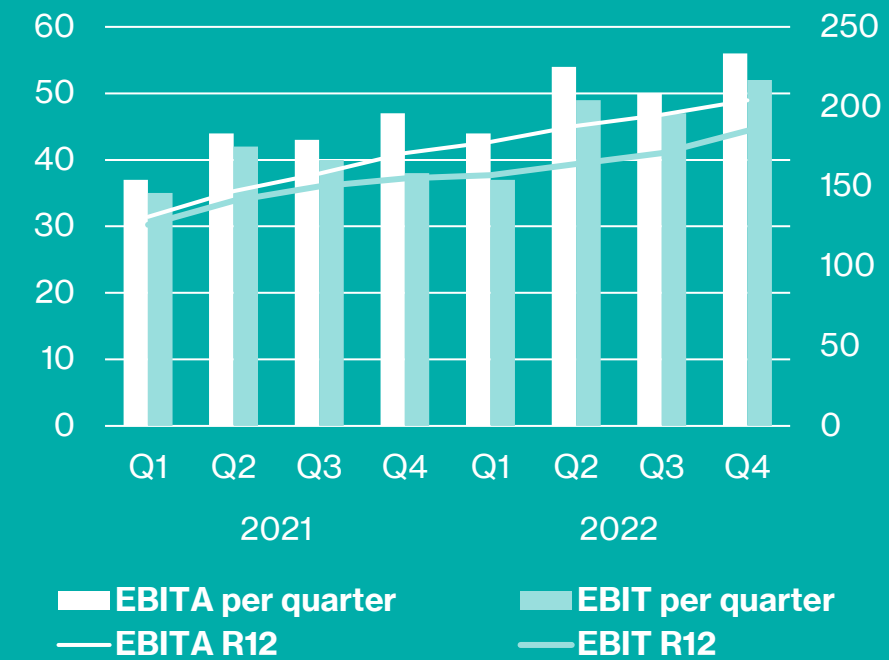
- Earnings growth due to:
 - Organic sales growth
 - Stable gross margins
 - Cost control and well-managed price increases
 - Acquisitions
- Operating profit rose by 37% to SEK 52 m (38)
 - depreciation of right-of-use assets and tangible non-current assets of SEK –4 m (–3)
- EBITA increased by 19% to SEK 56 m (47)
 - EBITA margin 11.3% (11.7)
- Profit after tax SEK 39 m (28)
- Earnings per share SEK 0.75 (0.55)

	Q4		
	2022	2021	Δ
Revenue	494	402	23%
Operating profit	52	38	37%
of which: Items affecting comparability	-	-6	
of which: Amortisation of intangible assets in connection with acquisitions	-4	-3	
EBITA	56	47	19%
Net profit	39	28	39%
Earnings per share before and after dilution, SEK	0.75	0.55	36%
Operating margin	10.5%	9.5%	
EBITA margin	11.3%	11.7%	

EBITA
vs Q4 2021

+19%

EBITA and operating profit, SEK m



Group: Full year 2022

- Revenue increased by 17% to SEK 1,739 m (1,491) – for comparable units an increase of 10%
- Operating profit rose by 19% to SEK 185 m (155) including expenses affecting comparability of SEK –6 m (–6) related to the listing (total cost SEK 12 m for 2021-2022)
- EBITA increased by 19% to SEK 204 m (171), EBITA margin of 11.7% (11.5)
- Earnings per share SEK 2.70 (2.30)
- Dividend (proposal) of 1.00 (-) corresponding to a dividend ratio of 37%

	Jan-Dec		
	2022	2021	Δ
Revenue	1,739	1,491	17%
Operating profit	185	155	19%
of which: Items affecting comparability	-6	-6	
of which: Amortisation of intangible assets in connection with acquisitions	-13	-10	
EBITA	204	171	19%
Net profit	140	117	20%
Earnings per share before and after dilution, SEK	2.70	2.30	17%
Operating margin	10.6%	10.4%	
EBITA margin	11.7%	11.5%	

Growth in comparable units
vs 2021

+10%

EBITA growth
vs 2021

+19%



Components business area

Momentum Industrial

- Healthy revenue growth in all customer segments
- Continued effects from component shortage, but situation improving during the quarter
- Extra stock purchases to ensure high delivery capacity into 2023
- Business system upgrade proceeded according to plan. Planned launch during H1 2023

Specialist

- Good demand and growth in both sales and earnings
- A partly more challenging market in Denmark and Germany – action programme initiated in HNC Group
- Acquisitions of BPS and JOKRAB completed in Q4
- Hydmos Industritechnik acquired after the period

MSEK	Q4			Jan-Dec		
	2022	2021	Δ	2022	2021	Δ
Revenue	400	312	28%	1,395	1,209	15%
EBITA	49	41	20%	187	171	9%
EBITA margin	12.3%	13.1%		13.4%	14.1%	
Return on working capital (EBITA/WC)				69%	74%	

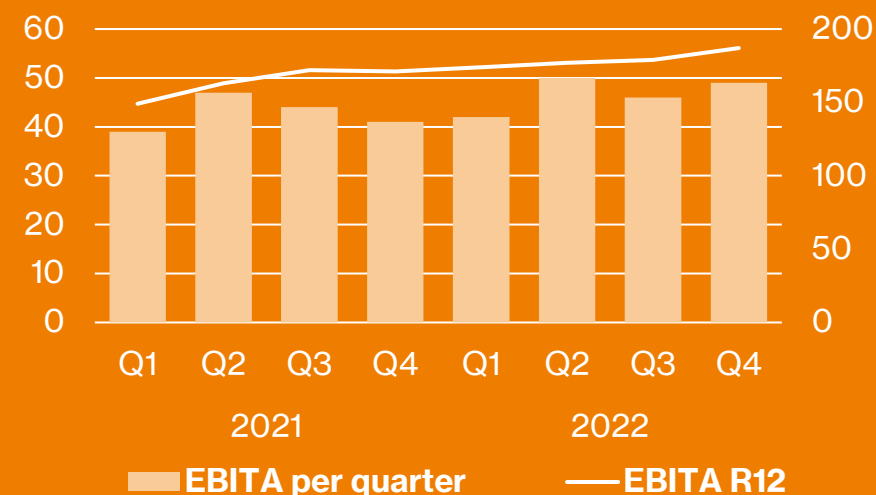
Revenue growth in comparable units
vs Q4 2021

+15%

Revenue R12



EBITA, SEK m



Services business area

- In general, continued good demand for both services and components
- Weaker sales development, -2% for comparable units in the quarter due to sickness leave
- Despite this, strong earnings growth thanks to continued efforts in the companies as well as through acquisitions
- Mytolerans, which was acquired in Q3, contributed positively to the development

MSEK	Q4			Jan-Dec		
	2022	2021	Δ	2022	2021	Δ
Revenue	99	93	6%	363	295	23%
EBITA	14	11	27%	40	25	60%
EBITA margin	14.1%	11.8%		11.0%	8.5%	
Return on working capital (EBITA/WC)				62%	49%	

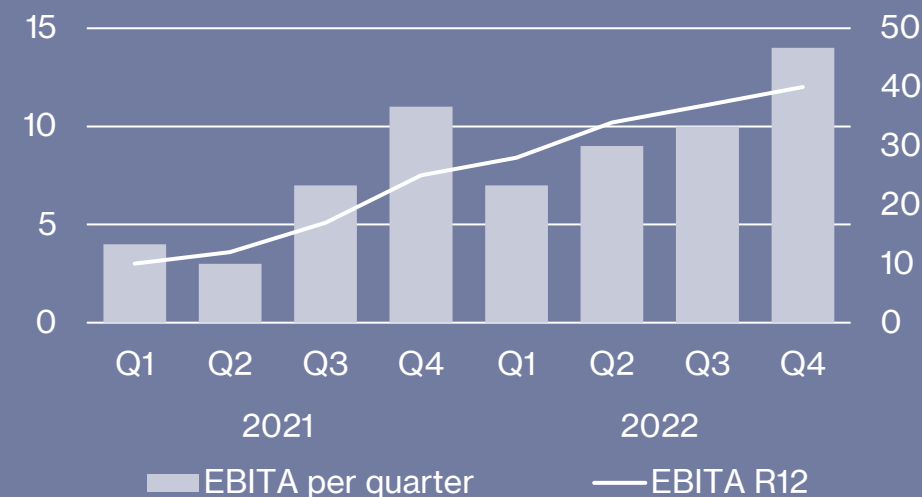
EBITA
vs Q4 2021

+27%

Revenue R12



EBITA, SEK m



Profitability, cash flow and financial position

- EBITA/WC was 61% (61)
- Cash flow from operating activities for the reporting period SEK 135 m (169), affected by
 - Inventory increase of SEK 35 m (11) due to extra stock purchases
 - Paid tax of SEK –59 m (–31)
- Cash flow from investing activities SEK –105 m (–125), including acquisitions of SEK –100 m (–120)
- Cash flow from financing activities SEK –83 m (–119), including share-buy backs of SEK –72 m (–)
- IFRS effects on cash flow¹ SEK 50 m (41)
- Operational net loan liability of SEK 48 m (vs receivable of SEK 61 m at the beginning of the year) affected by acquisitions and share-buy backs

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

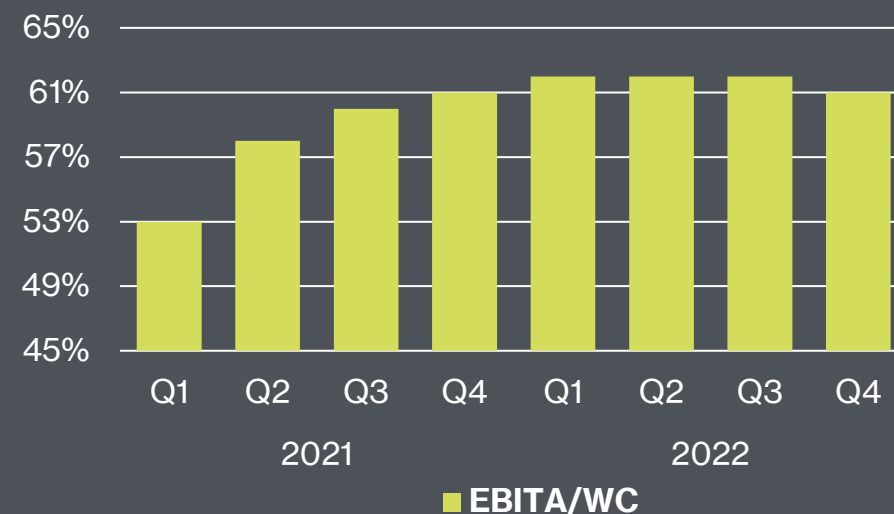
Equity/assets ratio

42%

Available cash and cash equivalents,
SEK m

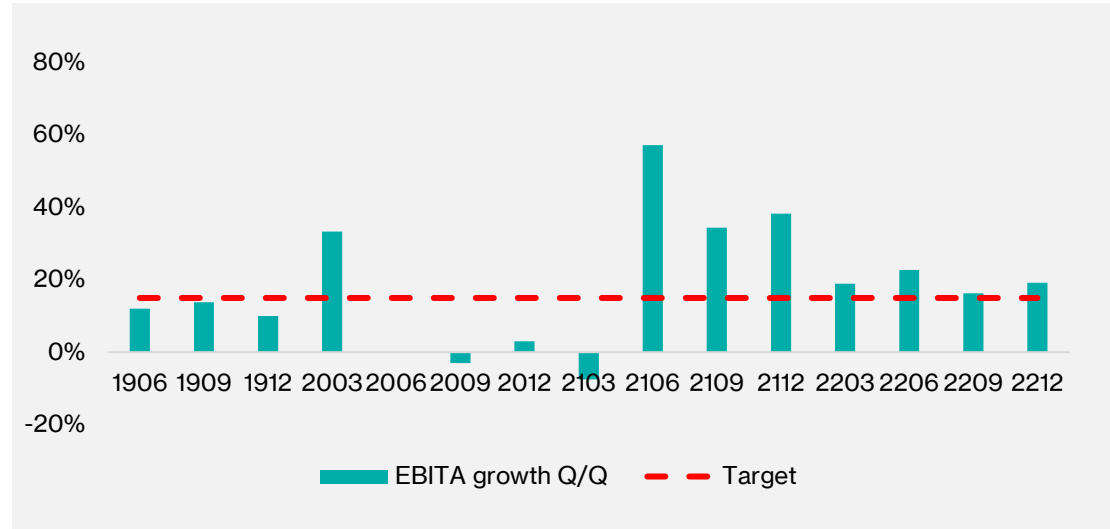
961

EBITA/WC (R12 per quarter)



Financial targets performance

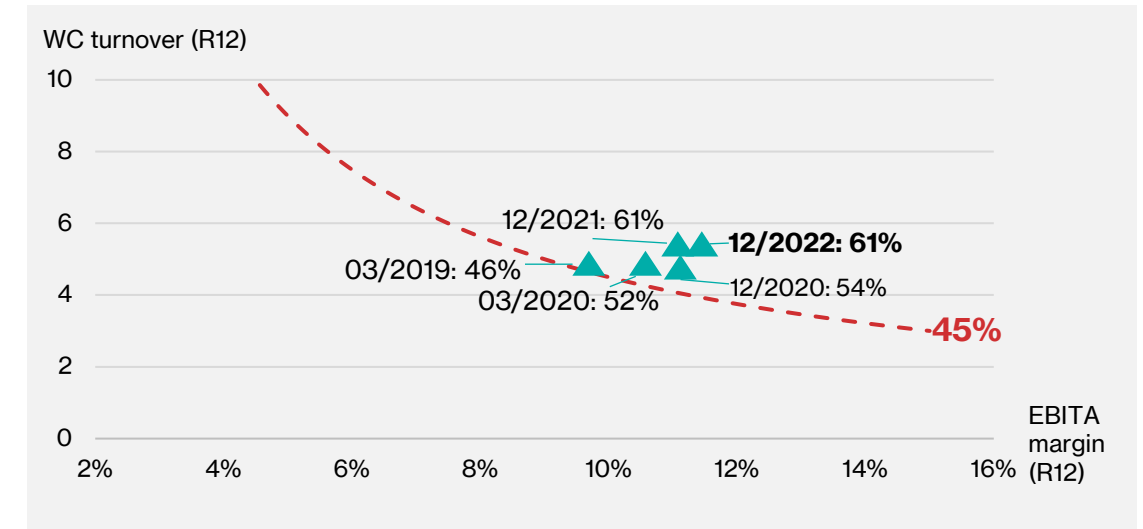
EBITA growth



- Target: earnings growth (EBITA) of at least 15% annually over a business cycle
- EBITA growth Q/Q¹ on average 18% for the period June 2019 – December 2022

¹ Quarter compared to corresponding quarter previous year.

Profitability



- Target: profitability of P/WC of at least 45%, measured as EBITA (P) in relation to utilised working capital (WC)
- EBITA/WC (R12) has increased to 61% (12/2022) from 46% (03/2019) through gradual improvements in EBITA margin and capital turnover



Growth strategy

Continued growth through
development and acquisition
of sustainable businesses

Completed acquisitions during 2022 – add almost SEK 175 million in annual turnover



HNC

Acquired share: 70%
Closing: June 2022
About: HNC Group is a leading player in solutions for industrial automation in Denmark.
Annual sales: SEK 60 million
No of employees: 30



BPS

Acquired share: 100%.
Partially paid for by own B shares.
Closing: October 2022
About: BPS is a leading player in sustainable flow technology solutions and products.
Annual sales: SEK 50 million
No of employees: 7

After year-end:



Mytolerans

Acquired share: 70%
Closing: September 2022
About: Mytolerans offers products and services in measurement technology for Swedish industry.
Annual sales: SEK 35 million
No of employees: 10



JOKRAB

Acquired share: 70%.
Closing: December 2022
About: JOKRAB builds and assembles equipment that regulates processes.
Annual sales: SEK 30 million
No of employees: 6

Hydmos

Acquired share: 70%.
Closing: after reporting period
About: HYDMOS has a leading niche position within special fluid solutions such as gases and liquids.
Annual sales: SEK 17 million
No of employees: 4



Our desired position

Components business area

Aftermarket sales

Focus/ambition

Company in the sale of industrial components, services and solutions for repair and maintenance, with expertise in industrial improvements.

Revenue: SEK 1,180 million



Specialist (product verticals)

Focus/ambition

Companies with leading specialist positions in their respective market niches.

Revenue: SEK 250 million



Services business area

Technical service

Focus/ambition

Technical industrial services company in Sweden with a competitive offer for digitalised maintenance.

Revenue: SEK 365 million



We operate, develop and acquire successful sustainable companies in the Nordic region.

Our decentralised business model is key to the success and continued development of the business within each company.

Note: Revenue refers to R12 months until December 2022 (approximated).



Sustainable development – "We develop employees and sustainable companies"



We operate, develop and acquire profitable companies with strong market positions in the Nordic region, together with our competent and committed employees



The business philosophy is based on a decentralised responsibility for results, with collaboration and partnership between the different companies in the business area, where it is mutually beneficial

For us, decentralised responsibility means investing in people, where commitment, attitude and drive are as important as key figures and market share

A decentralised business model is key to the success and continued development of the business within each subsidiary.



Critical success factors in place for continued acquisition-driven growth

1

Financially strong with room for acquisitions

2

Principal owners who want to grow the group in this area

3

Industrial network mainly in Sweden, but also in Denmark, Norway and Finland

4

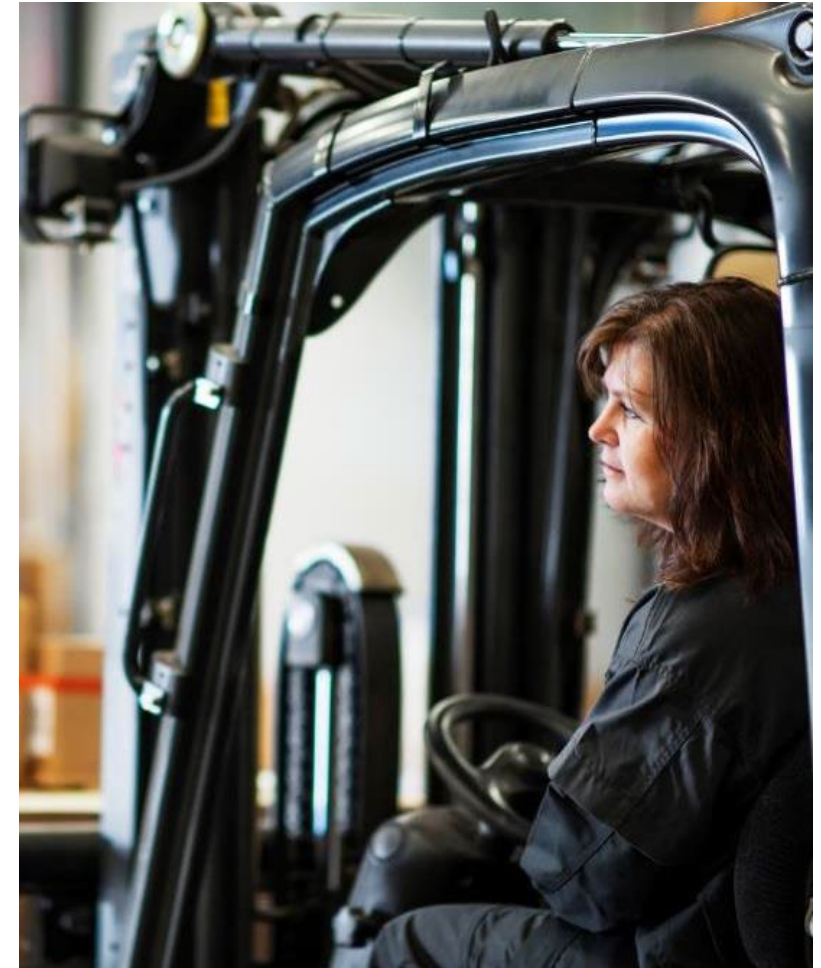
Processes and resources in place to evaluate and implement acquisitions

5

Proven onboarding model – decentralised performance and business responsibility

6

Competence in the field at several levels – board and management



MOMENTUM GROUP

Q&A



Contact us

Please email us at ir@momentum.group
if you have any questions.



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Appendix



IFRS effects on cash flow

MSEK	Reporting period	
	31 Dec 2022	31 Dec 2021
IFRS effects on cash flow from operations	50	41
IFRS effects on cash flow from financing activities	-50	-41
Net	0	0





Our shareholders

Short facts about the shareholders

No of owners **4,483**

15% foreign ownership

of which **4,200**
private individuals

Fund ownership:
22%

10 largest owners hold **81%**

Free float: **41%**



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%
Ampfield Management		3,270,049	6.48%	5.89%
Enter Fonder		1,816,667	3.60%	3.27%
Carnegie Fonder		1,792,949	3.55%	3.23%
Momentum Group AB ¹		1,259,624	2.50%	2.27%
Handelsbanken Fonder		1,135,526	2.25%	2.04%
Lannebo Fonder		857,620	1.70%	1.54%
Sandrew AB		800,000	1.58%	1.44%
Fidelity Investments (FMR)		612,700	1.21%	1.10%
Ulf Lilius	2,688	333,826	0.67%	0.65%
La Financière de l'Echiquier		354,457	0.70%	0.64%
Kempen Capital Management		341,088	0.68%	0.61%
FE Fonder		265,919	0.53%	0.48%
Christina Mörner	10,000	156,647	0.33%	0.46%
SEB Fonder		254,265	0.50%	0.46%
Torholmen AB		229,560	0.45%	0.41%
Total largest shareholders	526,025	41,257,538	82.77%	83.73%
Other	38,048	8,659,278	17.23%	16.27%
Total	564,073	49,916,816	100.00%	100.00%

¹Treasury shares
Source: Monitor. Data as of 31 December 2022



Dates for upcoming financial information

Financial reports

27 April 2023

Interim Report for the first quarter of 2023

14 July 2023

Interim Report for the second quarter of 2023

27 October 2023

Interim Report for the third quarter of 2023

Annual General Meeting

9 May 2023 at 16:00 CET

Annual report 2022

31 March 2023

