

Q1 24

Momentum Group
Interim Report
January–March 2024

Presenting today



Ulf Lilius
President and CEO



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Group Accounting Manager



Agenda

- **Q1 highlights**
- **Development during the quarter**
- **Going forward**



Q1 highlights

Stable start to the year despite continued economic downturn

Revenue:

+32%

- Favourable sales development with 5% organic growth.
- Business climate remained satisfactory.
- Strong contribution from acquisitions.

EBITA:

+25%

- Fueled by organic sales growth.
- Cost control.
- Contribution from acquisitions.

EBITA/WC:

59%

- High level of profitability.
- Strong cash flow.

Acquisitions in Q1 and after the period:



Development during the quarter

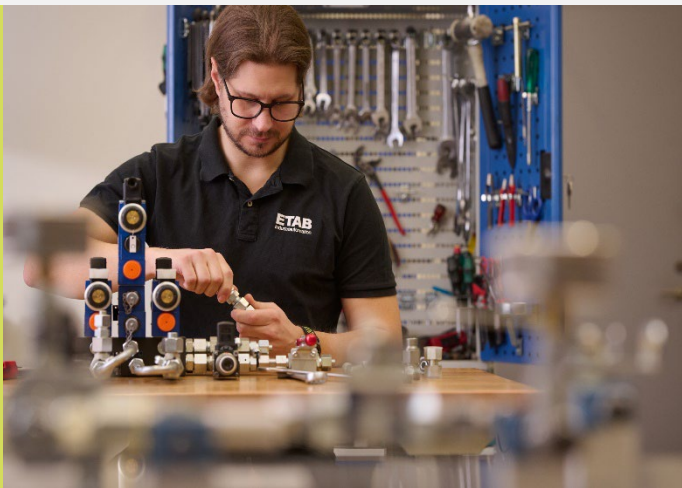
Group: Sales Q1 2024

- Revenue increased by 32% to SEK 661 m (502).
- Growth in comparable units of 5%.
- The business climate remained satisfactory.
- Lower level of activity in some product segments and for export-oriented customers – compensated by more positive development in other sectors.
- Generally good delivery capacity.
- More moderate increase in purchase prices and costs.
- Positive contribution from acquisitions adding 29% to net sales.
- One less trading day vs last year.

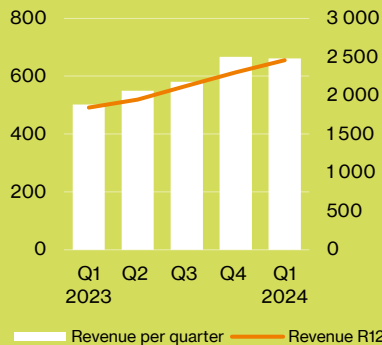
Revenue growth

in comparable units vs Q1 2023

+5%



Revenue, SEK million



Sales performance

%	Q1 2024
Comparable units in local currency	5.4%
Currency effects	0.0%
Number of trading days	-2.4%
Acquisitions	28.7%
Total change	31.7%



Group: Earnings Q1 2024

- Earnings growth due to:
 - Organic revenue growth.
 - Contribution from acquisitions.
 - Overall stable or increasing gross margins.
- Operating profit rose by 18% to SEK 65 m (55).
 - Increase in amortisation due to acquisitions.
- EBITA increased by 25% to SEK 75 m (60).
 - EBITA margin 11.3% (12.0).
- Net profit SEK 43 m (42).
 - Increase in financial costs due to acquisitions and higher interest expenses.
- Earnings per share SEK 0.85 (0.85).

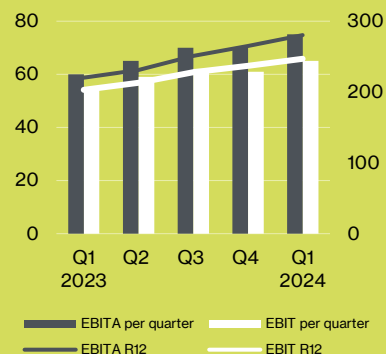
EBITA growth

vs Q1 2023

+25%



Earnings, SEK m



	Q1		
	2024	2023	Δ
Revenue	661	502	32%
Operating profit	65	55	18%
of which: Items affecting comparability	-	-	
of which: Amortisation of intangible assets in connection with acquisitions	-10	-5	
EBITA	75	60	25%
Net profit	43	42	2%
Earnings per share before and after dilution, SEK	0.85	0.85	-
Operating margin	9.8%	11.0%	
EBITA margin	11.3%	12.0%	



Group: Rolling 12 months

- Revenue increased by 33% to SEK 2,457 m (1,842).
 - Growth in comparable units of 6%.
- Operating profit rose by 22% to SEK 247 m (203).
- EBITA increased by 27% to SEK 280 m (220).
- EBITA margin of 11.4% (11.9).
- Net profit SEK 174 m (154).
- Earnings per share SEK 3.45 (3.00).

Revenue growth

in comparable units vs
R12 Mar 2023

+6%

EBITA growth

vs R12 Mar 2023

+27%



	R12 Mar		
	2024	2023	Δ
Revenue	2,457	1,842	33%
Operating profit	247	203	22%
of which: Items affecting comparability	-	-2	
of which: Amortisation of intangible assets in connection with acquisitions	-33	-15	
EBITA	280	220	27%
Net profit	174	154	13%
Earnings per share before and after dilution, SEK	3.45	3.00	15%
Operating margin	10.1%	11.0%	
EBITA margin	11.4%	11.9%	



Industry business area

Power Transmission

- Positive sales trend with volume growth in mainly the automotive customer segment and metal & mining.
- Continued weaker demand in the pulp and paper segment.
- Growth in product area mechanical seals.

Specialist

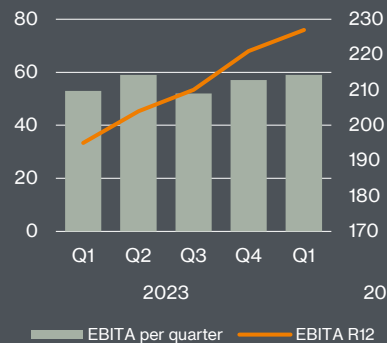
- Positive development with organic growth in both sales and earnings.
- Acquired businesses contributed revenue of SEK 33 m with good margins.
- Generally stable demand. Exposure to various customer segments is a strength for the Group.
- Acquisition of PW Kullager completed in Q1.

Revenue growth

in comparable units vs Q1 2023

+5%

EBITA, SEK m



Revenue R12



Key figures

MSEK	Q1			R12 Mar		
	2024	2023	Δ	2024	2023	Δ
Revenue	441	396	11%	1,655	1,458	14%
EBITA	59	53	11%	227	195	16%
EBITA margin	13.4%	13.4%		13.7%	13.4%	
Return on working capital (EBITA/WC) ¹				69%	68%	

¹ R12 until 31 March 2024.



Infrastructure business area

Flow Technology

- Stable start to the year – Q1 seasonally weaker for companies such as Askalon and Conclean.
- Acquired businesses contributed with revenue of SEK 111 m.
- Sikama was acquired after the end of the quarter.

Technical Solutions

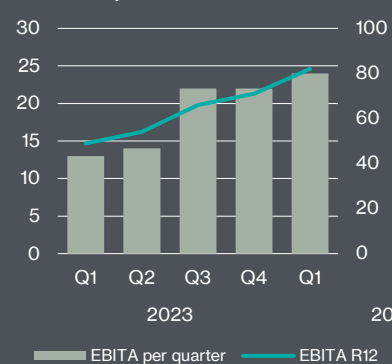
- Generally stable development.
- Rörick's major workshops in Köping and Örebro showed good utilisation and growth in both sales and earnings.
- Slight decrease in sales for Mekano – but increase in EBITA thanks to improved margins and cost control.
- KMK Instrument and ZRS Testing Systems were acquired after the end of the quarter.

Revenue growth

in comparable units vs Q1 2023

+5%

EBITA, SEK m



Revenue R12



Key figures

MSEK	Q1			R12 Mar		
	2024	2023	Δ	2024	2023	Δ
Revenue	224	111	102%	817	403	103%
EBITA	24	13	85%	82	49	67%
EBITA margin	10.7%	11.7%		10.0%	12.2%	
Return on working capital (EBITA/WC) ¹				55%	68%	

¹ R12 until 31 March 2024.



Profitability, cash flow and financial position

- EBITA/WC 59% (62).
- Return on equity 29% (31).
- Cash flow from operating activities for the reporting period of SEK 61 m (58)
 - IFRS effects on cash flow¹ SEK 19 m (14).
- Cash flow from investing activities SEK –19 m (–18)
 - of which acquisitions –6 m (–17).
- Cash flow from financing activities SEK –46 m (–20)
 - refers to change in interest-bearing liabilities.
- Operational net loan liability of SEK 293 m (326 at the beginning of the year)
 - change mainly from cash flow from operating activities and acquisitions.

¹ Positive effect on cash flow from operating activities, negative effect on financing activities.
Net is zero.

Equity/assets ratio

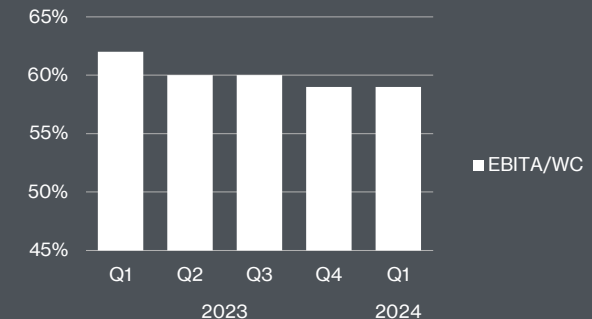
35%

Available cash and cash equivalents, SEK m

713



EBITA/WC (R12 per quarter)







Q1
24

Going forward

Develops and acquires successful sustainable companies in the Nordic region

- Leading listed group offering sustainable products, services and solutions for customers in industry and industrial infrastructure.
- An active owner that focuses on developing and acquiring companies in the product and service verticals where we have knowledge, expertise and experience.
- Momentum Group has its origins in Bergman & Beving, which has built a number of successful businesses for over 100 years.

Revenue (MSEK) ¹	EBITA growth ¹	Profitability EBITA/WC ¹	Employees ²
2,457	27%	59%	746
¹ R12 until 31 March 2024. ² 31 March 2024.			

Industry Business area		Infrastructure Business area	
Power Transmission	Specialist	Flow Technology	Technical Solutions
<p>Services and solutions for repair and maintenance with a focus on industrial improvements for the aftermarket in the Nordics.</p> <p>Revenue: SEK 1,285 million¹</p> 	<p>Leading specialists in selected product verticals such as hydraulics, pneumatics and automation.</p> <p>Revenue: SEK 325 million¹</p> 	<p>Focus on critical functions for processes and to society where media such as steam, gas and water play a key role.</p> <p>Revenue: SEK 325 million¹</p> 	<p>Products and services that control and enhance the efficiency of plant operation, while also extending the service life and improving the efficiency of machinery.</p> <p>Revenue: SEK 380 million¹</p> 

¹ Revenue refers to net sales 2023 (proforma).

Closings in Sikama, KmK and ZRS are expected to take place in Q2.



Momentum Group's value chain



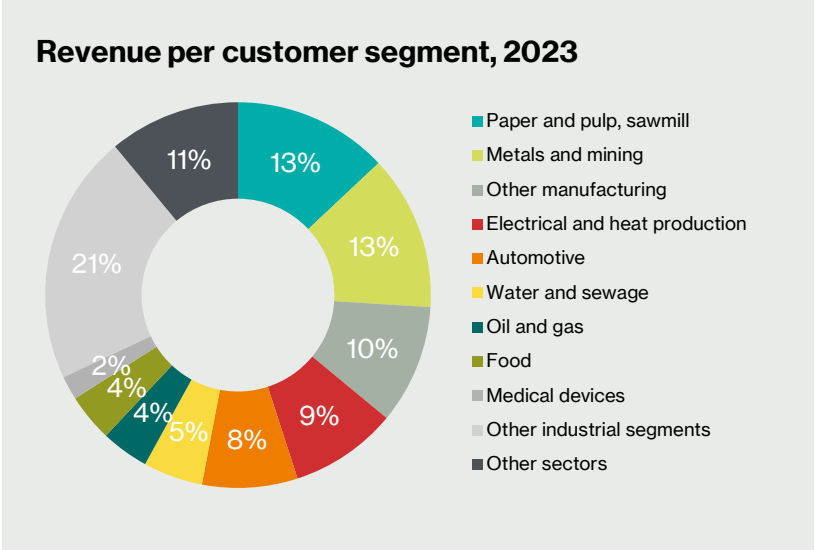
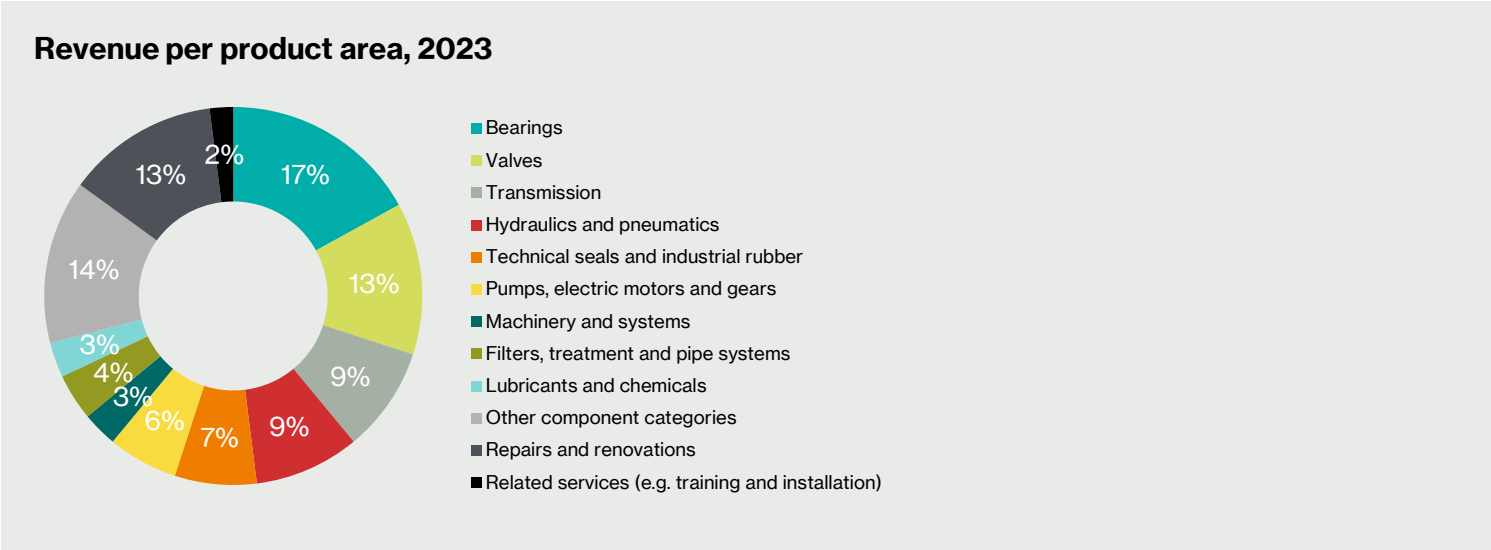
Momentum Group's offering¹

Local manufacturing, assembly, proprietary brands:
~10 %

Value-adding resellers: **~75 %**
Service, repair and maintenance: **~15 %**

Customer distribution¹

After market: **~90 %**
OEMs: **~10 %**



¹ Approximated distribution of revenue



Acquisitions in Q1 and after the period



PW Kullagerteknik

Specialist in ball and rolling bearings for a broad customer base in the industry.

Acquired holding: **100%**

Closing: **February 2024**

Annual revenue: **SEK 12 million**

No. of employees: **3**



KmK Instrument

Specialist in measurement technology, non-destructive testing and material testing for Swedish industry.

Acquired holding: **70%**

Closing: **April 2024**

Annual revenue: **SEK 70 million**

No. of employees: **16**



Sikama

Specialist in gas and fluid handling for industrial customers in Sweden.

Acquired holding: **60%**

Closing: **After Q1**

Annual revenue: **SEK 55 million**

No. of employees: **20**



ZRS Testing Systems

Specialist in material testing and calibration for industrial customers in Sweden and Norway.

Acquired holding: **100%**

Closing: **After Q1**

Annual revenue: **SEK 32 million**

No. of employees: **8**



Contact us

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



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