July 17, 2026

Momentum Group

Q2 2026

Speakers

Ulf Lilius
CEO | Momentum Group

Niklas Enmark
EVP and CFO | Momentum Group

Prepared Remarks

Ulf Lilius
CEO | Momentum Group

Welcome to the presentation of Momentum Group's interim report. I am Ulf Lilius, CEO of Momentum Group, and I'm here with my colleague Niklas Enmark, Executive Vice President and CFO. We will guide you through our report today. Our agenda is to give you some information about the highlights from Q2 and the development during the quarter. We will round off with us going forward. To the highlights in the report. Business conditions in the group's main Nordic market improved somewhat during the second quarter. The market continued to be characterized by variations between customer segments and uneven activity levels. The group reported higher revenue, improved margins and increased earnings, driven by positive development in both business areas. Acquisitions contributed to both revenue and earnings, and our decentralized structure, combined with the strong financial position, provides a solid foundation for continued long-term and profitable growth.

Ulf Lilius
CEO | Momentum Group

Overall, the business conditions in our main Nordic market were somewhat more positive during the quarter. In particular, we noted an increased level of activity in Sweden. The improved market picture continued to show significant variation between customer segments. Service operations developed positively, with higher utilization mainly driven by planned maintenance shutdowns and previously postponed service work carried out during the quarter. Several businesses, particularly those with elements of project sales, faced a customer market characterized by caution, continued focus on cost control and restrained investment decisions. As a result, the Danish market continued to develop weakly. The slightly improved organic sales, combined with higher gross margins and continued strong focus on cost control and efficiency improvements, contributed to higher earnings and improved margins during the quarter.

Ulf Lilius
CEO | Momentum Group

Our companies continue to adapt their operation to the current market conditions while investing in sales-promoting and customer-focused activities to strengthen their position ahead of a gradual improvement in demand. We continue to develop the group in line with our long-term strategy, with acquisitions playing a central role. Supported by strong financial position and low leverage, we have completed 6 acquisitions so far this year. Höglandets Kompressorservice, Actuated Solutions in the U.K., Limo, Ceon, and IntentiusGruppen, which comprises of two companies. Together, these businesses add annual revenue of approximately SEK 230 million per annum. We are a long-term owner with no exit horizon, acquiring profitable specialist companies with strong market positions and developing them with a focus on sustainable earnings growth. These acquisitions gradually strengthen the group's offering, broaden our market presence, and create conditions for continued value creation over time.

Ulf Lilius
CEO | Momentum Group

Conditions for Nordic industry remain partly challenging. We expect customers to continue acting with some caution in the near term. At the same time, we see indications of a gradual improvement across more customer segments. We continue to focus on what we can influence. Through decentralized profit responsibility, strong customer proximity, and ongoing efforts in cost control, efficiency improvements, and market development, our companies are well-positioned to meet gradual recovery in demand. Our ambition remains unchanged. By focusing on earnings growth, a controlled balance sheet, and strong cash flow, we create the conditions for continued value-creating acquisitions and investments. That, over time, will contribute to increased earnings growth and higher earnings per share. I will now hand over Niklas for the Q1 report, and I return to discuss Momentum Group's outlook.

Niklas Enmark
EVP and CFO | Momentum Group

Thank you, Ulf. I will start by commenting on some market and sales developments in the latest quarter. The business situation in the group's main markets in the Nordic region was overall slightly more positive during the quarter. In total, net sales increased by 8% and amounted to SEK 886 million, of which acquisitions contributed SEK 53 million. Sales for comparable units were once again, albeit slightly, positive during the quarter, with largely unchanged levels in both the Industry and Infrastructure business areas for comparable units. An increased level of activity was seen in Sweden in several customer segments. Service sales developed well, with solid utilization rates, mainly as a result of planned maintenance stoppages, but also because previously delayed service work was carried out during the quarter.

Niklas Enmark
EVP and CFO | Momentum Group

Norway showed a stable and good sales level, while sales in Finland were stable, if we take into consideration and adjust for some larger deliveries to the power industry during the comparison period. The Danish market was weak in both Industry and Infrastructure, mainly as a result of weak project sales in a continued cautious customer market with a focus on cost control and prudent investment decisions. Despite the slightly improved business situation, the market continued to be characterized by large variations between customer segments and a jerky level of activity. The group's operations, primarily in engineering services in companies with elements of project sales, continued to face a customer market characterized by caution, a strong focus on cost control, and restraint in investment decisions. Now for some comments per business area.

Niklas Enmark
EVP and CFO | Momentum Group

Revenue for the business area Industry increased by 5% to SEK 477 million compared with the same quarter last year. Revenue for comparable units measured in local currency and adjusted for the number of trading days was unchanged compared to the previous year. EBITA increased by 13% to SEK 72 million, corresponding to an EBITA margin of 15.1%. The EBITA margin thus continues to develop positively attributed to higher gross margins and stable costs for comparable units and strong contributions from acquisitions. The business area's profitability measured as return on working capital amounted to 65%. The business unit power transmission sales increased coupled with improved gross margins and thus a higher EBITA and EBITA margin. Demand in the mining and automotive industries saw improvements, whereas demand was weaker in pulp and paper.

Niklas Enmark
EVP and CFO | Momentum Group

The overall level of activity among customers improved gradually during the quarter, albeit with some variations across customer segments continuing to be noted. Within the specialist business unit, for comparable units, sales and EBITA margins declined somewhat. The business unit continued to see a sluggish demand for systems and projects for the manufacturing industry in general and in Denmark in particular. During the quarter, acquired operations contributed revenue of SEK 22 million with a strong contribution to earnings. Revenue for the business area Infrastructure increased by 9% to SEK 415 million compared with the same quarter last year. Revenue for comparable units measured in local currency and adjusted for the number of trading days was stable compared to the previous year. EBITA increased by 33% to SEK 52 million, corresponding to an EBITA margin of 12.5%.

Niklas Enmark
EVP and CFO | Momentum Group

Improvements in gross margins for comparable companies and acquisitions having a strong positive contribution to earnings led to the increased profit and profit margin. The business area's profitability measured as return on working capital amounted to 64%. In flow technology, sales for comparable units increased which in combination with higher gross margins led to an increased EBITA and increased EBITA margins. In Sweden, the business unit saw improved product and service sales. Denmark continued to show a weaker development related to fewer project transactions, and in Finland, sales were lower linked to some larger deliveries during the comparison period. During the quarter, acquired operations contributed revenue of SEK 23 million with a strong contribution to earnings. In technical solutions, sales for comparable units declined somewhat. With increased gross margins and reduced costs, both EBITA and EBITA margins increased nonetheless.

Niklas Enmark
EVP and CFO | Momentum Group

The service operations developed positively, driven by planned maintenance work, previously postponed work, and good development in parts of the measurement and control operations. At the same time, demand was more cautious in the workshop and the more project-oriented metering operations. Acquired operations contributed revenue of SEK 9 million during the quarter with a positive earnings contribution. Coming back to the group, some comments on the earnings performance and the period reporting and some profitability ratios. EBITA during the second quarter increased by 23% to SEK 130 million. The EBITA margin was 12.8% and thus a significant improvement compared to the previous quarter. Both comparable companies and acquisitions contributed in a good way to the profit expansion.

Niklas Enmark
EVP and CFO | Momentum Group

A positive note is that we continue to increase our gross margins for comparable companies, despite the fact that there is a high degree of attention to costs and prices among our customers, and also considering we have seen some price increases from our suppliers with reference to the situation in the Middle East. We had a cost base that was quite stable, adjusted for acquisitions. Operating profit was SEK 97 million, corresponding to an operating margin of 10.9%. Operating profit is affected by a high level of amortization with an effect of SEK 2 million compared to the previous year. For the reporting period, January until June of this year, our revenue increased to SEK 1.62 billion, an increase of 4% in total, and of which minus 2.7% from comparable units after the weak start in Q1.

Niklas Enmark
EVP and CFO | Momentum Group

Rolling 12 months, we continued to increase our revenue now by 5% to SEK 3.16 billion. Per business area for the reporting period, net sales increased by 2% within the industry business area, and in the infrastructure, net sales increased by 7%. Our EBITA increased by 9% to SEK 183 million with an EBITA margin of 11.3%. Per business area, infrastructure increased its EBITA with 19% with increasing EBITA margins, whereas industry saw its EBITA increase by 2% with stable EBITA margins. Earnings per share is at SEK 2.05 per share for the reporting period and SEK 3.95 per share for the rolling 12-month period. Our financial metric of profitability of working capital or EBITA or working capital remained relatively stable at 59%. Our return on equity was at 25%, the same as the previous period.

Niklas Enmark
EVP and CFO | Momentum Group

Cash flow during the quarter saw a significant improvement compared to last year, also from the previous quarter of this year. The increase in working capital during this quarter was lower than last year, compensating for the increase that we saw in working capital in Q1. This quarter, we continued to decrease our inventory levels. Cash flow from operating activities before changes in working capital for the reporting period amounted to SEK 179 million, compared to SEK 160 the previous period. Cash flow was impacted by tax paid of around SEK 50 million. During the period, inventories decreased by SEK 12 million, operating receivables increased by SEK 70 million, and operating liabilities increased by SEK 44 million. Cash flow from operating activities for reporting period thus amounted to SEK 165 million, and for the Q2 isolated to SEK 108 million, compared to SEK 60 million the previous year.

Niklas Enmark
EVP and CFO | Momentum Group

Cash flow from investing activities for the reporting period amounted to SEK 190 million. This cash flow includes acquisitions of SEK 169 million, settlements of acquisitions, that is earn-outs and call options, of SEK 12 million and CapEx investments of SEK 9 million, the same as the year before. Our operational net loan liability amounted to SEK 517 million at the end of the period. The difference compared to the start of the year is mainly explained by the cash flow from operating activities, of course, also dividends paid during the period and acquisitions. Our operation net debt to IFRS-adjusted EBITDA ratio was a bit shy of 1.5 at the end of the period. With that, I hand back to you, Ulf.

Ulf Lilius
CEO | Momentum Group

Thank you, Niklas. I will give you some input about our journey and priorities coming years. The key factor in achieving our ambition to grow EBITDA by an average of 15% over a business cycle per annum is maintaining a strong pace of acquisitions. To do so, we must continue to generate solid cash flow from operations. Our financial target for profitability and working capital serves as a simplified measure of cash flow. In practice, this means that if we deliver strong after-tax earnings and manage working capital with discipline, we should generate the cash flow needed to support our earnings growth target.

Ulf Lilius
CEO | Momentum Group

This autumn, we transition to the next stage, fostering organic profit growth within our current business by enhancing both value and efficiency, expansion and strengthening our position across the value chain and product verticals, and of course, evaluating opportunities to expand our geographical footprint, as well as building a stronger M&A organization. The objective for the next phase is to achieve a further doubling of EBITDA, targeting approximately SEK 680 million by the end of 2030. This aligns with our goal of expanding profits by 15% annually over a business cycle. Since our listing in 2022, Momentum Group's positive development has been driven by the consistent application of our business culture and operating model. Our ambition is to acquire leading small and medium-sized specialist companies and support their continued growth and development.

Ulf Lilius
CEO | Momentum Group

By reinvesting the cash flow we generate in new well-run and profitable businesses, we finance our growth through our own operations. We have two growth engines: developing our existing operations and making acquisitions. However, achieving average earnings growth of 15% over time while maintaining high profitability is challenging. This is why our operating model is firmly established. It is based on decentralization, clear management by objectives, continuous improvement, and simplicity. We apply it with discipline, with each subsidiary working towards earnings and working capital targets, supported by Momentum Group as an active and committed owner. The model strengthens accountability and encourages our companies to identify opportunities for growth and development at every level. Ultimately, it comes down to optimizing six parameters. Profit growth is driven by three parameters in the income statement: revenue, gross margin, and costs.

Ulf Lilius
CEO | Momentum Group

Profitability reflects how effectively we use our key financial assets to generate results based on three balance sheet parameters: inventory, accounts receivable, and accounts payable. Development means that to secure long-term growth and profitability, both the company and its employees must be willing and enabled to improve over time, what we call being better than yesterday. This is achieved by developing our people as well as developing our offering. If we manage these six parameters well, prioritize customer contact, and above all, lead, motivate, and engage our employees, we will increase our chances of success. Our culture rests on three pillars: decentralized responsibility, the will to improve, better than yesterday, and simplicity. These principles guide how we work and make decisions with the focus on clarity rather than complexity.

Ulf Lilius
CEO | Momentum Group

For us, it means to sell high and get well paid for the value we deliver, buy low and be careful with discounts and charge properly for special items, question and challenge the costs of the business at regular intervals, keep the right inventory to have a high service level, avoid extended credit terms and ensure that customers pay on time, request extended credit terms from suppliers to finance some of the inventory cost. In short, it is simple as that. As mentioned, we are continuing to build on our business model to reach our 2030 goal. The first part is organic development, which I have already discussed. The other two focus areas are expansion across the value chain and selective product verticals, as well as continued geographical expansion beyond the Nordics, while further strengthening our position in the Nordic region.

Ulf Lilius
CEO | Momentum Group

Since the listing, we have established a presence across the Nordics and entered the U.K. market. Within our product verticals, valve had grown from very small base to become one of our largest areas alongside bearings. This growth in valves has also contributed to energy becoming our largest customer segment. We apply our capital allocation model with discipline. Each subsidiary works toward clear earnings and working capital targets, supported by Momentum Group as an active and committed owner. This approach strengthens accountability and encourage our companies to identify opportunities for growth and development at every level. Our acquisition strategy is another important driver of success. In recent years, we have given our business units greater responsibility for acquisitions and strengthened the organization to support transaction at subsidiary level. This has delivered the intended result, reflected in both the number and quality of acquisitions opportunities we now evaluate.

Ulf Lilius
CEO | Momentum Group

We have also seen that our way of developing companies appeals to entrepreneurs and builds confidence in Momentum Group as a permanent owner. Turbulent times require both a warm heart and a cool head, combining compassion with sound judgment and strong culture. We will continue on our established path, focusing on earnings growth, a controlled balance sheet, strong cash flow, and disciplined use of our capital allocation model. This creates the conditions and organizational strength needed for further value-adding acquisitions, supporting growth in profit and earnings per share over time. We must remain disciplined and stay true to our principles over time, in both favorable and challenging conditions. Culture comes first. We must continue to focus on decentralization, simplicity, and efficiency. Acquisitions are a mean to an end to reach our goal. We must keep both growth engines running. Time matters. We are running a marathon, not a 100-meter race.

Ulf Lilius
CEO | Momentum Group

Long-term value creation is what counts, and we must not rush. Efficient capital allocation is critical. We must avoid overpaying and maintain a strong M&A pipeline. We must also keep improving, becoming better than yesterday, and building a learning organization. Our decentralized profit responsibility, customer proximity, and ability to adapt to changes in our operating environment will remain long-term strengths. Thank you for your time and interest in our interim report presentation, which are available together with the report on our website. If you have any questions or specific requests, please do not hesitate to contact us via our email address or by phone.