

## KB Components intends to list its shares on Nasdaq First North Premier Growth Market

**NOT FOR RELEASE, DISTRIBUTION OR PUBLICATION, WHETHER DIRECTLY OR INDIRECTLY, IN OR INTO AUSTRALIA, HONG KONG, JAPAN, CANADA, NEW ZEALAND, SWITZERLAND, SOUTH KOREA, SINGAPORE, SOUTH AFRICA OR THE UNITED STATES OR ANY OTHER JURISDICTION WHERE THE RELEASE, DISTRIBUTION OR PUBLICATION OF THE INFORMATION WOULD BE ILLEGAL OR REQUIRE REGISTRATION OR ANY OTHER ACTION. PLEASE SEE "IMPORTANT INFORMATION" AT THE END OF THE PRESS RELEASE.**

20 November 2024

**KB Components AB (the "Company" or "KB Components") announces its intention to list its shares on Nasdaq First North Premier Growth Market (the "Listing"). In connection with the Listing, a diversification of ownership is expected through an offering of existing shares (the "Offering").**

KB Components was founded in 1947 and has since developed into a global player in advanced polymer component manufacturing with production facilities in Europe, North and Central America, and Asia. With deep expertise in injection moulding, a global presence, and well-invested machinery with a high degree of automation, the Company can deliver complex and customized solutions to more than 1,000 customers in sectors such as heavy and light vehicles, medical technology and general industry. The Company has grown organically through long-term customer relationships and through successful acquisitions. The management team now sees significant opportunities to continue its growth journey in both existing and new markets. The Company's revenue amounted to SEK 2.5 billion with an adjusted EBIT margin of 10.3 per cent during the twelve-month period ending 30 September 2024.

The Company's Board of Directors and main shareholder, with the support of the management team, have made the assessment that the Listing and the Offering is a natural next step in the Company's development. The Listing will increase the awareness of KB Components operations and strengthen KB Components' profile and brand towards investors, partners and customers. The Listing will also give the Company access to the Swedish and international capital markets and expand the shareholder base. The Board of Directors aim to, depending on market conditions, list the Company's shares on Nasdaq Stockholm's main list within 12 months after the Listing on Nasdaq First North Premier is completed.

**Stefan Andersson, CEO of KB Components, comments:**

*"A listing on Nasdaq First North Premier is a natural next step for KB Components on its journey from a family-owned, Nordic-oriented injection moulding company to a globally oriented partner to major OEMs with operations spanning multiple continents. With this listing, we showcase the company in a way that will benefit the journey towards greater scale, more automation, innovation, growth, and increasing profitability, which otherwise in an unlisted environment becomes more difficult to achieve."*

### **The Offering in Brief**

Subject to the Company's decision to proceed with the Listing, the Offering is expected to comprise the following:

- An offering to the general public in Sweden; and
- An offer to institutional investors in Sweden and certain other jurisdictions in accordance with applicable rules and exemptions.

The Offering to institutional investors will only be made to certain institutional investors outside the United States under Regulation S of the U.S. Securities Act (the "**U.S. Securities Act**").

Nasdaq Stockholm AB has announced that KB Components meets the listing requirements for Nasdaq First North Premier Growth Market and that any application for the admission of the Company's shares to trading on Nasdaq First North Premier Growth Market will be approved, provided that certain customary conditions are met. Depending on market conditions and the approval of Nasdaq Stockholm AB, the Offering and Listing are expected to be completed during the fourth quarter 2024.

The Offering is expected to consist of existing shares offered by BrA Invest CKS AB (the "**Main Shareholder**"), Lars Holtskog AB, and Deebrade AB (together with the Main Shareholder, the "**Selling Shareholders**"). Therefore, the Offering will not include the issuance of new shares. The Main Shareholder intends to commit, with certain exceptions, not to sell its holdings of shares in the Company or undertake certain other dispositions regarding its holdings and, if applicable, other securities for a period of 360 days from the first day of trading. Since the Offering will only consist of existing shares offered by the Selling Shareholders, the Company will not receive any proceeds in connection with the Offering.

Complete terms, conditions, and instructions for the Offering will be included in the prospectus which is expected to be published by the Company in connection with the Listing and the Offering. After approval by the Swedish Financial Supervisory Authority, the prospectus will be available on the Company's website ([www.kbcomponents.com](http://www.kbcomponents.com)).

### **About KB Components**

KB Components was founded in 1947 and has since developed into a global player in advanced polymer component manufacturing with production facilities in Europe, North and Central America, and Asia. Through a global presence, deep expertise in injection moulding technology, and well-invested machinery with a high degree of automation, the Company delivers polymer components to more than 1,000 customers across a wide range of application areas, including heavy and light vehicles, medical technology, and general industry. The Company is headquartered in Örkelljunga and had approximately 1,500 employees as of 30 September 2024.

KB Components' strategy and business model revolve around three main themes: global presence, technological leadership, and operational excellence.

## **Strengths and Competitive Advantages**

### **Global player with renowned international customers**

KB Components has established a global position with a broad base of internationally renowned customers. The customer portfolio includes companies such as Volvo Cars, Volkswagen, Nibe, and Thule. Since global customers often require global suppliers to optimize lead times and costs, KB Components believes it has a significant competitive advantage with its global presence, which takes considerable time, knowledge, and resources to replicate. The Company has many long-standing relationships where quality and delivery capability have been proven over time, strengthening the relationship and reducing the likelihood of another player taking over the customer.

### **Historically successful acquisition journey with great future potential**

KB Components has undertaken a successful acquisition journey, which according to management has led to the Company's faster growth in revenue compared to many of the competitors the Company identifies, as well as maintained solid profitability given the industry they operate in. The successful acquisition journey is a testament of proven competence in identifying, acquiring, and integrating new businesses. Acquisitions are typically made at limited valuations corresponding to a premium of SEK 1–5 million over the book value of equity and are, according to the Company's view, quickly turned into profitable production through the rollout of KB Components existing working methods. The acquisitions also contribute to new customer relationships, which increase revenue and operating profit while diversifying the business and making it less affected by cycles within each customer's specific sector. Management sees continued strong potential to grow through acquisitions in the future and estimate that there are around 10,000 potential acquisition candidates in North America and Europe with revenues of approximately EUR 5-15 million.

### **The KB Method: High level of efficiency, quality, and innovation**

The Company has over a long period built up extensive experience and considers itself to have a high level of expertise in its current niche. The centralized structure ensures that the best solutions are applied at all facilities and continuously improved. All key competencies exist in-house to offer an efficient overall solution and to constantly optimize processes and identify improvement potential.

### **Exposure to customer segments with underlying growth**

KB Components has strategically positioned itself in markets that exhibit stable growth. The Company also benefits from the general development within industrial production, primarily in North America and Europe, which is expected to be driven by continued technological advancements, increased investments in automation, and the growing importance of sustainability for end customers. In the automotive industry, the use of plastic components in produced vehicles is increasing due to the advantages of plastic components compared to the alternatives used today, such as metals.

### **Significant expansion potential in existing and new geographies**

KB Components' establishments in North America have provided the Company with access to a large market, particularly within the automotive industry. For the period October 2023 to September 2024, North America accounted for 58 per cent of the Company's total revenue, which can be compared to the fact that the Company a few years ago was not active in this geographical area at all. The Company believes there is untapped growth potential in the region, both by attracting new customers and expanding collaborations with existing ones. This assessment is inter alia based on protectionist

industry trends, where production chains are being relocated back to the region after previously being outsourced to entities with production facilities outside the region. The Company is actively evaluating new acquisition opportunities, including in India, which is highly prioritized in the Company's geographical expansion.

### Strong financial development

The Company has a solid financial history with strong revenue growth and high margins relative to the industry as a whole. Between 2021 and 2024 R12 (R12 refers to the period from October 2023 to September 2024), the Company exhibited an average annual revenue growth rate of 31 per cent with an average adjusted operating margin of 10 per cent. Thanks to an efficient acquisition strategy with conservative valuations of potential acquisition targets and a short integration period for the acquired businesses, the Company has had a limited need for external financing. During 2021–2023, the average net debt in relation to adjusted EBITDA was 2.1 times.

### Selected financial information

The table below shows selected key figures for KB Components for the fiscal years 2022 and 2023, as well as for the three quarters for 2023 and 2024.

Million SEK (unless otherwise stated)	Fiscal Year 2022	Fiscal Year 2023	Jan-Sep 2023	Jan-Sep 2024
	1 Jan 2022 – 31 Dec 2022	1 Jan 2023 – 31 Dec 2023	1 Jan 2023 – 30 Sep 2023	1 Jan 2024 – 30 Sep 2024
Net revenue	1,839	2,333	1,706	1,903
Net revenue growth	55.4%	26.9%	30.5%	11.6%
Adjusted EBITDA margin	14.6%	16.5%	16.6%	16.5%
Adjusted EBIT margin	8.6%	10.6%	10.8%	10.3%
Reported EBITDA margin	14.2%	13.8%	16.5%	15.4%
Reported EBIT margin	7.6%	8.0%	10.7%	9.2%
Net debt	680	718	696	761

### Financial targets

KB Components' Board of Directors has adopted the following financial goals for the Company:

- **Growth:** KB Components aims to achieve an annual revenue growth of ten per cent, both organically and through acquisitions.
- **Profitability:** KB Components' long-term goal is to maintain an EBIT margin of at least 10 per cent over a business cycle.
- **Leverage:** KB Components' long-term goal is to ensure that net debt does not exceed a multiple of 2.5 times EBITDA. However, a temporary increase in connection with acquisitions will be accepted.
- **Dividend Policy:** KB Components aims to pay a dividend of 50 per cent or more of net income. When deciding on the dividend, the Company's financial position, cash flow, and future prospects will be taken into account.

**Advisors**

Svenska Handelsbanken AB (publ) is Sole Global Coordinator and Joint Bookrunner. Carnegie Investment Bank AB (publ) is Joint Bookrunner. Öhrlings PricewaterhouseCoopers AB is financial and legal advisor to the Company. Roschier Advokatbyrå AB is legal advisor to the Sole Global Coordinator and Joint Bookrunners. Svensk Kapitalmarknadsgranskning AB is the Certified Adviser.

**For further information, please contact:**

Stefan Andersson, CEO

Phone: +46 70 249 97 60

Email: [stefan.andersson@kbcomponents.com](mailto:stefan.andersson@kbcomponents.com)

Maria Gumabon, CFO

Phone: +46 735 95 51 37

Email: [maria.gumabon@kbcomponents.com](mailto:maria.gumabon@kbcomponents.com)

**Important information**

The publication, announcement, or distribution of this press release may be subject to legal restrictions in certain jurisdictions, and individuals in jurisdictions where this press release has been published or distributed should inform themselves of and comply with such legal restrictions. The recipient of this press release is responsible for using this press release and the information contained herein in accordance with applicable rules in each jurisdiction. This press release does not constitute an offer to acquire or subscribe for any securities in the Company in any jurisdiction, either from the Company or from anyone else.

This press release does not constitute an offer or solicitation to acquire or subscribe for securities in the United States. The securities referred to herein have not been registered and will not be registered under the U.S. Securities Act of 1933 (the "**U.S. Securities Act**") or under the securities laws of any state or other jurisdiction in the United States, and may not be offered or sold in the United States absent registration or an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and in accordance with the securities laws of the relevant state or other jurisdiction in the United States. There is no intention to register any securities referred to herein in the United States or to make a public offering of such securities in the United States. The information in this press release may not be published, announced, copied, reproduced, or distributed, directly or indirectly, in whole or in part, in or into Australia, Hong Kong, Japan, Canada, New Zealand, Switzerland, South Korea, Singapore, South Africa, the United States, or any other jurisdiction where such publication, announcement, or distribution of this information would be contrary to applicable law and regulation or where such action is subject to legal restrictions or would require additional registration or other measures beyond what is required under Swedish law. Actions in violation of this instruction may constitute a breach of applicable securities laws.

This press release is not a prospectus within the meaning of Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017 on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market, and repealing Directive 2003/71/EC (together with related delegated regulations and implementing regulations, the "**Prospectus Regulation**") and has not been approved by any regulatory authority in any jurisdiction. A prospectus is intended to be prepared in connection with the Offering, which will be reviewed and approved by the Swedish Financial Supervisory Authority, the competent authority in Sweden under

the Prospectus Regulation, and subsequently published by the Company. Any investment decision regarding the Company's shares should only be made based on information in a prospectus published by the Company.

In the EEA member states, other than Sweden, this press release is only intended for and directed to "qualified investors" as defined in the Prospectus Regulation.

In the United Kingdom, this document and any other materials relating to the securities described herein are being distributed and directed only to, and any investment or investment activity to which this document relates is available only to, and will be engaged in only with, "qualified investors" (as defined in the UK version of Regulation (EU) 2017/1129 which is part of UK law by virtue of the European Union (Withdrawal) Act 2018) who are (i) persons having professional experience in matters relating to investments who fall within the definition of "investment professionals" in Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (the "**Order**"); or (ii) high net worth entities falling within Article 49(2)(a)-(d) of the Order (all such persons together being referred to as "**relevant persons**"). In the United Kingdom, any investment or investment activity to which this communication relates is available only to, and will be engaged in only with, relevant persons. Persons who are not relevant persons should not take any action based on this press release and should not act or rely on it.

This press release does not identify or purport to identify the risks (direct or indirect) that may be associated with an investment in the securities. Any investment decision to acquire or subscribe for securities in the Offering must be made solely on the basis of publicly available information about the Company or the Company's securities, which has not been independently verified by Svenska Handelsbanken AB (publ) and Carnegie Investment Bank AB (publ) ("**Managers**"). The Managers are acting on behalf of the Company in connection with the Offering and not on behalf of anyone else. The Managers are not responsible to anyone other than the Company for providing the protections afforded to their respective clients or for providing advice in relation to the Offering or any other matter referred to herein.

This press release does not constitute an invitation to underwrite, subscribe for, or otherwise acquire or transfer securities in any jurisdiction. This press release does not constitute a recommendation for any investors' decisions regarding the Offering. Each investor or potential investor should conduct their own investigation, analysis, and evaluation of the business and the information described in this press release and all publicly available information. The price and value of securities can decrease as well as increase. Past performance is not indicative of future results. Neither the content of the Company's website nor any other website accessible through hyperlinks on the Company's website is incorporated into or forms part of this press release.

### **Forward-looking statements**

This press release contains forward-looking statements regarding the Company's intentions, assessments, or expectations concerning the Company's future results, financial position, liquidity, development, prospects, expected growth, strategies, and opportunities, as well as the markets in which the Company operates. Forward-looking statements are statements that do not relate to historical facts and can be identified by the use of terms such as "believes," "expects," "anticipates," "intends," "estimates," "will," "may," "assumes," "should," "could," and, in each case, their negatives, or similar expressions. The forward-looking statements in this press release are based on various assumptions, many of which are based on additional assumptions. Although the Company believes

that the assumptions reflected in these forward-looking statements are reasonable, it cannot be guaranteed that they will occur or that they are correct. As these assumptions are based on estimates or assumptions and are subject to risks and uncertainties, the actual result or outcome may differ materially from what is stated in the forward-looking statements for many different reasons. Such risks, uncertainties, contingencies, and other important factors could cause the actual development of events to differ materially from the expectations expressed or implied in this press release by the forward-looking statements. The Company does not guarantee that the assumptions underlying the forward-looking statements in this press release are correct, and each reader of the press release should not unduly rely on the forward-looking statements in this press release. The information, opinions, and forward-looking statements expressly or implicitly contained herein are provided only as of the date of this press release and may be subject to change. Neither the Company nor anyone else undertakes to review, update, confirm, or publicly announce any revision of any forward-looking statement to reflect events that occur or circumstances that arise concerning the content of this press release, unless required by law or the Nasdaq First North Growth Market Rulebook (Premier segment).

### **Information to distributors**

To comply with the product governance requirements contained in: (a) Directive 2014/65/EU of the European Parliament and of the Council on markets in financial instruments ("**MiFID II**"); (b) Articles 9 and 10 of Commission Delegated Directive (EU) 2017/593 supplementing MiFID II; and (c) national implementing measures (together, the "**MiFID II Product Governance Requirements**") and to disclaim all and any tortious, contractual, or other liability to any "manufacturer" (within the meaning of the MiFID II Product Governance Requirements) that might otherwise be asserted with respect thereto, the securities subject to the offering have been subject to a product approval process, which has determined that such securities are: (i) suitable for a target market of retail investors and investors who meet the criteria of professional clients and eligible counterparties, each as defined in MiFID II; and (ii) suitable for distribution through all distribution channels as are permitted by MiFID II (the "**EU Target Market Assessment**"). In order to comply with the product approval process of each manufacturer in the United Kingdom, the target market assessment for the Company's securities has led to the conclusion that: (i) the target market for such securities is only eligible counterparties, as defined in the FCA Handbook Conduct of Business Sourcebook, and professional clients, as defined in Regulation (EU) 600/2014 as it forms part of UK law by virtue of the European Union (Withdrawal) Act 2018 ("**UK MiFIR**"); and (ii) all channels for distribution of such securities to eligible counterparties and professional clients are appropriate (the "**UK Target Market Assessment**" and, together with the EU Target Market Assessment, the "**Target Market Assessment**"). Notwithstanding the Target Market Assessment, distributors should note that: the value of the Company's securities may decline and investors could lose all or part of their investment; the Company's securities offer no guaranteed return or capital protection; and an investment in the Company's securities is only suitable for investors who do not need a guaranteed return or capital protection, who (either alone or in conjunction with an appropriate financial or other adviser) are capable of evaluating the merits and risks of such an investment and who have sufficient resources to bear any losses that may result from such an investment. The Target Market Assessment does not affect any other requirements of contractual, legal, or regulatory sales restrictions in relation to the Offering and Listing.

For the avoidance of doubt, the Target Market Assessment does not constitute: (a) an assessment of suitability or appropriateness for the purposes of MiFID II or UK MiFIR; or (b) a recommendation to any investor or group of investors to invest in, or purchase, or take any other action whatsoever with respect to the Company's securities.

Each distributor is responsible for undertaking its own Target Market Assessment in respect of the Company's securities and determining appropriate distribution channels.

**For additional information, please contact:**

Stefan Andersson, CEO +46 (0) 70 249 97 60

Maria Gumabon, CFO +46 (0) 735 95 51 37, maria.gumabon@kbcomponents.com

**Attachments**

[KB Components intends to list its shares on Nasdaq First North Premier Growth Market](#)