

RŌKO

The Perpetual Owner

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Presentation Jan-Sep 2022

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- Europe has over 20 million privately owned, small and medium sized businesses¹⁾
 - Approximately 15,000 companies are sold each year²⁾
 - Röko focuses on a small subsection of this large universe – high-quality, sustainable, niche companies with continuous profit growth. Preferably led by an entrepreneur or a family
 - Röko estimates that 1,500 companies (10%) are potential targets. Of these, 300-500 are evaluated each year and Röko is informed about almost all companies in the Nordics and UK that fits its scope
 - Röko acquires 5 to 10 companies per year and is highly selective – only the best get through the needle's eye!

Financial development



SEKm	2019	2020	2021	Jan-Sep 2021	Jan-Sep 2022
Net sales RTM¹⁾	490	1,146	3,136	n.a.	4,811
Net sales	23	614	2,083	1,407	3,046
Organic growth ²⁾	n.a.	10%	13%	n.a.	9%
EBITA RTM¹⁾	106	219	606	n.a.	915
EBITA	-3	125	403	289	572
EBITA margin RTM ¹⁾	22%	19%	19%	21% ³⁾	19%
Interest-bearing net debt	345	343	798	683	1,345
Minority debt	205	368	1,155	820	1,573
# people at HQ	5	5	7	5	7
# of companies	5	9	16	14	21

Source: Company information

Note: 1) Based on rolling twelve months financials from management accounts for companies that were part of Röko at the end of each respective period; 2) Organic growth calculated based on IFRS numbers with fixed currency; 3) Margin based on reported EBITA

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- **Röko is a sector agnostic serial acquirer with focus on**
 - High margins
 - Consecutive earnings growth
 - **Röko invests in founder-owned and family businesses**
 - **Local management remains or becomes shareholders in their companies – local ownership average 30%**

Portfolio company characteristics



Management age structure (CEO, years old) ¹⁾		Organic growth '21 ^{1,2)}		Geographies ¹⁾	
<45	6	<0%	1	UK	7
45-60	14	0-10%	10	Denmark	4
>60	1	>10%	10	Norway	4
				Sweden	4
				Netherlands	2

Source: Company information

Note: 1) As of August 2022; 2) Based on financials from management accounts for companies that were part of Röko at the end of Q4 2021 and including Brownell, ETB, Dorsey, TECCON, Silk-ka. Calculated as Net sales during the period January 1 to December 31 2021 compared to the same period in 2020 with fixed currency from 2021

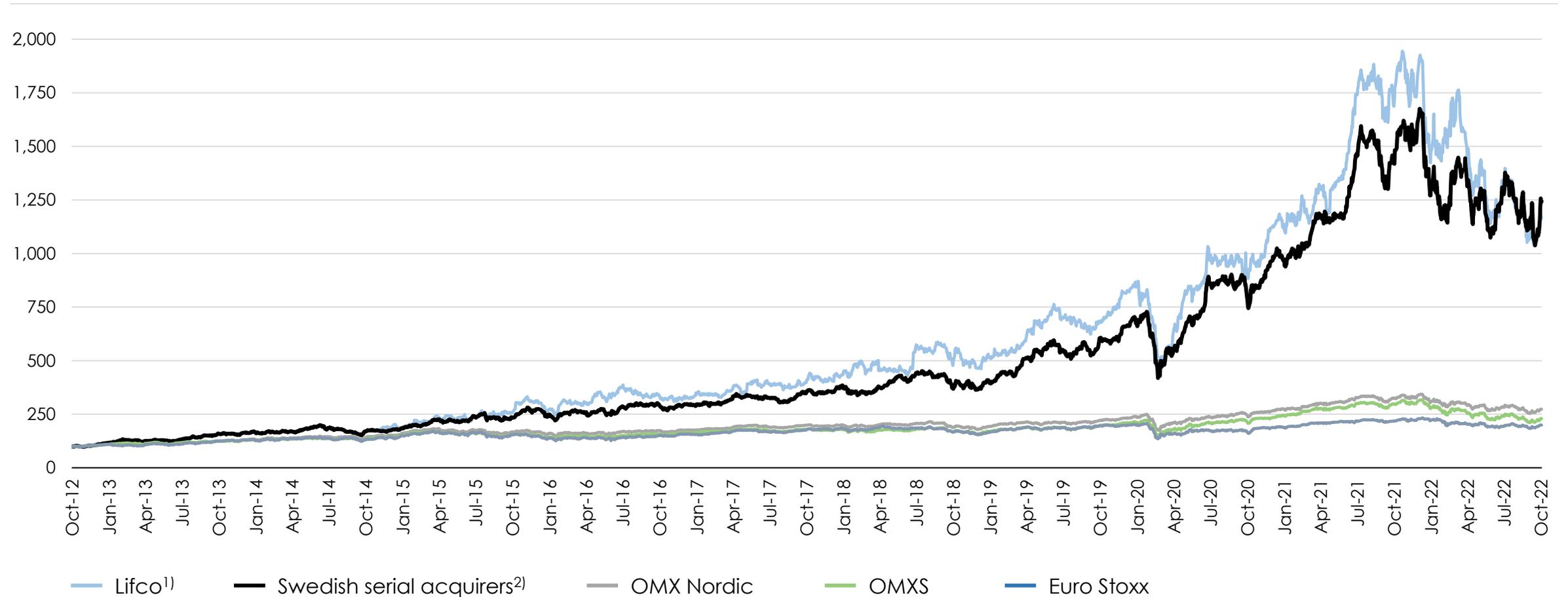
Key investment highlights

- **Highly experienced acquisitive management team**
- **Stringent investment criteria safeguarding quality investments**
- **Perpetual ownership and decentralised structure is very attractive to private family businesses**
- **The diversified portfolio of European companies creates a very resilient business model**
- **Continuous profit growth with high double-digit EBITA margins**

Share price development for serial acquirers



10y indexed share price performance – up ~12x, vs. benchmark at ~2-3x



Source: FactSet (as of October 28, 2022)

Note: 1) Rebased to average of peers at IPO of Lifco in November 2014; 2) Simple average for Addtech, Beijer Ref, Indutrade and Lagercrantz

Financial targets



Growth	<ul style="list-style-type: none">• Achieve EBITA growth each year (excluding the impact of acquisitions)
Profitability	<ul style="list-style-type: none">• EBITA margin of more than 15%
Capital structure	<ul style="list-style-type: none">• Net debt¹⁾ in relation to EBITDA RTM²⁾ should be below 3.0x. The net debt may temporarily exceed the target as a result of acquisitions
Dividend policy	<ul style="list-style-type: none">• Distribute 0-20% of net profit for the year as dividend to shareholders• The Board of Directors <u>do not</u> intend to propose a dividend for the fiscal year 2022 (payable in 2023)

Source: Company information

Note: 1) Including minority debt; 2) Based on rolling twelve months financials from management accounts for companies that are part of Röko at the end of the period

Appendix

Segment financials



B2B (SEKm)	Jan-Sep 2021	Jan-Sep 2022	Change	FY 2021
Net sales RTM ¹⁾	n.a.	3,347	n.a.	2,020
Net sales	772	2,037	164%	1,177
EBITA RTM ¹⁾	n.a.	627	n.a.	399
EBITA	179	402	124%	242
EBITA margin	23%	20%	-3 p.p.	21%
B2C (SEKm)	Jan-Sep 2021	Jan-Sep 2022	Change	FY 2021
Net sales RTM ¹⁾	n.a.	1,464	n.a.	1,115
Net sales	635	1,009	59%	906
EBITA RTM ¹⁾	n.a.	324	n.a.	235
EBITA	129	200	55%	190
EBITA margin	20%	20%	0 p.p.	21%
Central functions (SEKm)	Jan-Sep 2021	Jan-Sep 2022	Change	FY 2021
EBITA	-19	-29	51%	-29

Source: Company information

Note: 1) Based on rolling twelve months financials from management accounts for companies that were part of Röko at the end of each respective period

Cash flow and capital efficiency



Operating cash flow and cash conversion

SEKm	Jan-Sep 2021	Jan-Sep 2022	FY 2021
Operating cash flow	203	305	248
EBITA	289	572	403
Cash conversion¹⁾	70%	53%	62%

Capital employed and ROCE

SEKm	Jan-Sep 2021	Jan-Sep 2022	FY 2021
Equity	1,786	3,575	1,991
Interest-bearing debt	951	1,747	1,087
Leasing	312	497	316
Put/call debt for non-controlling shares and earn-out debt	820	1,573	1,155
(-) Cash and cash equivalents	-268	-402	-290
Capital employed	3,602	6,991	4,259
Average capital employed	2,636	5,625	2,965
EBITA	289	572	403
Annualised EBITA	385	763	403
ROCE, %²⁾	15%	14%	14%

Source: Company information

Note: 1) Cash Conversion = Operating cash flow / EBITA; 2) ROCE = Annualised EBITA / Average capital employed

KPIs



SEKm	Jan-Sep 2021	Jan-Sep 2022	Change	FY 2021
Net sales	1,407	3,046	116%	2,083
Net sales RTM ¹⁾	n.a.	4,811	n.a.	n.a.
EBITA	289	572	98%	403
EBITA margin, %	21%	19%	-2 p.p	19%
EBITA RTM ¹⁾	n.a.	915	n.a.	n.a.
EBITA RTM ¹⁾ margin, %	n.a.	19%	n.a.	n.a.
EBITDA	329	655	99%	462
EBITDA margin, %	23%	21%	-2 p.p	22%
Capital employed	3,602	6,991	94%	4,259
Return on capital employed, %	15%	14%	-1 p.p	14%
Return on equity, %	17%	15%	-2 p.p	16%
Financial net debt ²⁾	1,503	2,917	94%	1,952
Interest-bearing net debt	683	1,345	97%	798
Financial net debt ²⁾ /EBITDA RTM ¹⁾	n.a.	2.8x	n.a.	n.a.
Equity/assets ratio	39%	41%	2 p.p	35%
Number of employees, end of the period	634	1,141	80%	856

Source: Company information

Note: 1) Based on rolling twelve months financials from management accounts for companies that were part of Röko at the end of each respective period; 2) Including minority debt

Profit and loss statement



SEKm	Full-year			Jan-Sep	Jan-Sep
	2019	2020	2021	2021	2022
Net sales	23	614	2,083	1,407	3,046
Cost of goods and services sold	-15	-310	-1,293	-878	-1,869
Gross profit	8	304	790	529	1,177
Sales and marketing expenses	-5	-109	-203	-137	-328
Administrative expenses	-4	-98	-248	-131	-347
Other operating income and expenses	-9	-8	-28	-34	-62
Operating profit	-11	89	312	227	442
Financial income	0	1	34	21	69
Financial expenses	-1	-15	-60	-34	-110
Profit before tax	-12	74	286	214	401
Tax	0	-18	-68	-51	-88
Net profit for the period	-12	56	217	163	313

Balance sheet



SEKm	Dec-31			Sep-30
	2019	2020	2021	2022
ASSETS				
Fixed assets				
Intangible assets	955	1,506	3,984	6,037
Tangible assets	197	251	506	708
Other long-term securities and receivables	1	4	14	25
Total non-current assets	1,152	1,761	4,504	6,770
Current assets				
Inventories	36	86	424	805
Current receivables	63	146	467	699
Cash and cash equivalents	112	192	290	402
Total current assets	211	424	1,180	1,907
TOTAL ASSETS	1,363	2,186	5,684	8,677

SEKm	Dec-31			Sep-30
	2019	2020	2021	2022
EQUITY AND LIABILITIES				
Equity				
Equity attributable to Röko's shareholders	350	719	1,991	3,575
Total equity	350	719	1,991	3,575
Non-current liabilities				
Long-term borrowings incl. leasing liabilities	384	160	285	449
Other long-term liabilities, put/call- and earn-out debt	191	368	1,050	1,544
Deferred tax liability	93	146	365	558
Other long-term provisions	0	0	1	1
Total non-current liabilities	668	675	1,702	2,551
Current liabilities				
Short-term borrowings incl. leasing liabilities	231	538	1,118	1,795
Other short-term liabilities, put/call- and earn-out debt	22	122	382	152
Other short-term liabilities	92	133	492	604
Total current liabilities	345	792	1,992	2,551
TOTAL EQUITY AND LIABILITIES	1,363	2,186	5,684	8,677

Cash flow statement



SEKm	Full-year			Jan-Sep	Jan-Sep
	2019	2020	2021	2021	2022
Operating activities					
Operating profit	-11	89	312	227	442
Adjustment for non-cash items	2	44	107	88	187
Net financial items	-1	-14	-26	-16	-44
Paid tax	0	-40	-86	-38	-93
Cash flow from operating activities before changes in working capital	-10	79	307	261	492
Cash flow from changes in working capital					
Change in inventory	-4	-10	-16	-19	-104
Change in current assets	7	-8	-62	7	-14
Change in current liabilities	6	1	19	-46	-68
Cash flow from operating activities	-1	62	248	203	305
Investing activities					
Acquisitions	-694	-365	-1,735	-1,380	-1,902
Investments in intangible assets	0	-1	-2	0	-1
Investments in tangible assets	0	-14	-51	-29	-36
Cash flow from investing activities	-695	-381	-1,788	-1,411	-1,940
Financing activities					
Shareholder contribution	360	334	1,140	924	1,273
New loans with credit institutions	448	124	625	472	762
Repayment of loans	-2	-59	-83	-75	-183
Translation debt call- and put option	0	0	-49	-36	-92
Other financing activities	0	0	0	-10	-16
Cash flow from financing activities	807	399	1,632	1,276	1,744
Cash flow for the period	112	80	93	68	109
Cash and cash equivalents at the beginning of the period	0	112	192	192	290
Translation differences	0	0	5	7	4
Cash and cash equivalents at the end of the period	112	192	290	268	402

Source: Company information

Board of Directors – all Directors are shareholders in Röko



Tomas Billing
Chairman and co-founder

Previous experience: CEO Nordstjernan, CEO Hufvudstaden, Chairman NCC. Education: MSc in Business Administration (SSE), Scholarship to Luther College, USA, Other engagements: Co-owner and board member Hjertmans group. Board member Centrum För Rättvisa and Hilma af Klint Foundation

Fredrik Karlsson
CEO and co-founder

Previous experience: CEO Lifco, CEO Mercatura. Education: MSc in Engineering Physics (KTH), MSc in Business Administration (SSE). Other engagements: Co-owner and board member Hjertmans group. Board member German-Swedish Chamber of Commerce

Lilian Fossum Biner
Board member

Previous experience: Chairman of Cloetta and board member of Nobia, Oriflame and Thule. Education: MSc from SSE. Other engagements: Board member of Alfa Laval, a-connect, Givaudan and L E Lundbergföretagen

Stina Andersson
Board member

Previous experience: COO Axel Johnson and board member of Åhlens, Kicks, Axel Johnson International and Novax. Education: MSc from SSE and HEC. Other engagements: Board member of Dustin and Axfood

Peter Sterky
Board member

Previous experience: CFO and COO Spotify, CFO Pharmadule, Board member Trift Capital and GLD Holding. Education: MSc from Chalmers University of Technology. Other engagements: CEO and CIO of Trift Capital

The Röko team – all full-time employees are shareholders in Röko



	Previous experience	Education	Type	Started
Tomas Billing ¹⁾ <i>Chairman and co-founder</i>	CEO Nordstjernan, CEO Hufvudstaden, Chairman NCC	MSc in Business Administration (SSE), Scholarship to Luther College, USA	Full-time assignment	2019
Fredrik Karlsson ²⁾ <i>CEO and co-founder</i>	CEO Lifco, CEO Mercatura	MSc in Engineering Physics (KTH), MSc in Business Administration (SSE)	Full-time employment	2019
Johan Bladh ³⁾ <i>Deputy CEO, CFO and B2C area manager</i>	Bridgepoint, BC Partners, Altor	BSc in Accounting and Finance (SSE)	Full-time employment	2019
Anders Nordby <i>Investment Manager Norway and UK, B2B area manager</i>	Director at Saga Corporate Finance (M&A)	MSc in International Banking and Finance (Strathclyde)	Full-time employment	2019
Fabian Speiser <i>Investment Manager DACH and Italy</i>	Porterhouse Group, Deutsche Bank	MSc in Management (WHU)	Full-time employment	2022
Petter Blichfeldt <i>Finance Manager</i>	Öhman Fonder, Tapwell	BSc in Business and Economics (Lund University)	Full-time employment	2021
Douglas Kressner <i>Group Financial Controller</i>	Öhman Fonder, Swedish Match	BSc in Business and Economics (SSE)	Full-time employment	2022
Gunnar Samuelsson <i>IFRS Expert</i>	CFO Lifco	MSc in Accounting (Uppsala University)	Consultant	2020
Andreas Larsson <i>Investor Relations</i>	Senior IR Officer, Nordea	BSc in Business Administration (SSE)	Consultant	2022

Source: Company information

Note: 1) Tomas Billing's other engagements include: Co-owner and board member Hjertmans group. Board member Centrum För Rättvisa and Hilma af Klint Foundation; 2) Fredrik Karlsson's other engagements include: Co-owner and board member Hjertmans group. Board member German-Swedish Chamber of Commerce; 3) Johan Bladh's other engagements include: Board member Chimi Eyewear

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