

Vestum completes strategic review

On 29 August 2023, it was announced that the Board of Directors in Vestum AB (publ) ("**Vestum**") had initiated a strategic review with the aim of evaluating opportunities to increase shareholder value. The board has today decided that the purpose of the strategic review has been achieved. The strategic review has therefore been completed.

Within the framework of the strategic review, the following actions have been taken:

- Vestum has announced its intention to redeem the SEK 900 million bond due in October 2024 with bank financing and cash. In connection with this, Vestum has updated the existing credit facility with Danske Bank, SEB and Swedbank by adding another bank, Svensk Exportkredit, and increased the credit facility framework from SEK 1,200 million to SEK 1,800 million. The refinancing is expected to be completed in April 2024. Overall, the refinancing leads to lowered interest costs of approximately SEK 30 million per year and that no credit facilities or bonds are maturing in 2024 or 2025.
- During the strategic review, a number of businesses have been identified whose cash flow generation, profitability level or risk profile no longer meet Vestum's requirements or which for other reasons no longer fit Vestum's strategic direction. For this reason, Vestum has divested the following businesses:
 - Through a press release on 11 December 2023, five divestments were announced – Arctic Infra AB, Kvalitetsmark R AB, Hyrex Holding AB, Powerstruc AB and Amsler Hiss AB – within the Infrastructure and Services segments.
 - In the time since then, an additional company within the Services segment has been divested, Plåtslagaren G.H. Johansson AB. In 2023, the company generated sales of just over SEK 100 million and was the only company within Vestum that was active in roofing work. The divestiture is expected to be completed in April 2024 and is not deemed to lead to any material impact on earnings from profit or loss of divested assets.
- Vestum has no ongoing or planned divestments beyond those communicated above. Furthermore, the intention is to allocate the purchase price received from the sale of Plåtslagaren G.H. Johansson AB to acquisitions of niche companies within selected growth markets.
- Vestum has carried out a reorganisation and an office move during the first quarter. The restructuring leads to a more efficient organisation with around SEK 10 million lower annual costs for central functions that are also better adapted to the business. At the same

time, the measures lead to certain one-off restructuring costs, which will be reported in the interim report for the first quarter. Furthermore, the internal divisions have been streamlined to optimise value creation, where KPIs regarding growth, profitability and capital returns form the core of the governance model.

- Vestum has launched its new website (www.vestum.se/en/) to better reflect the company's strategic direction.

Comment from Vestum's Chairman of the Board, Conny Ryk:

During the past six months, we have carried out a number of activities to address questions about financing, the group's continued business direction and central costs. It is pleasing that we have been successful in this work and can thus conclude the strategic review. The process lasted for two quarters and during this period we succeeded in reducing net financial debt by SEK 466 million, while the net financial debt in relation to EBITDA decreased from 2.9x to 2.5x, which is within our financial target. Vestum is today a streamlined group with increased specialisation, strengthened balance sheet, improved financial profile and reduced operational and financial risks. We are therefore, not least driven by the new capital structure with a significantly larger share of bank financing, once again ready to grow with acquisitions and with a focus on growth markets. Among other things, we see solid opportunities to add acquired growth to the Water segment, where Vestum offers specialised products that improve the water infrastructure and enable the efficiency of energy and water consumption. Overall, the activities within the framework of the strategic review have led to a strengthened ability to generate high and stable cash flows, which over time can be used for both growth and stock dividends.

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About Vestum

Vestum is an industrial group that provides services and products to the infrastructure sector. We have the most prominent specialists with extensive industry experience and strong positions in regional markets. With over 1,800 employees, we operate in Scandinavia and the United Kingdom.

For additional information, please visit: www.vestum.se

Vestum's share is traded under the short name VESTUM on Nasdaq Stockholm.



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Attachments

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