

# Interim Report Q1 2022

27 April 2022

# Presenting today

**Ulf Lilius, CEO**



**Niklas Enmark, CFO**



# Agenda

- Momentum Group in brief
- Q1 highlights
- Strategic position
- Development during the quarter
- Focus in the short to medium term



## Momentum Group in brief

# Develops and acquires successful sustainable companies in the Nordic region

- Leading player that offers sustainable products and services and related value adding services to the industrial sector in the Nordics
- Decentralised business model with strong local presence close to customers
- Growth through development and acquisition of sustainable businesses focused on after market sales, specialist companies (product vertical specialist) and technical services companies

Revenue (SEK million) <sup>1</sup>	EBITA (SEK million) <sup>1</sup>	EBITA- margin <sup>1</sup>	Employees <sup>2</sup>
<b>1,540</b>	<b>178</b>	<b>11.6%</b>	<b>499</b>

<sup>1</sup> R12 until 31 March 2022  
<sup>2</sup> 31 March 2022

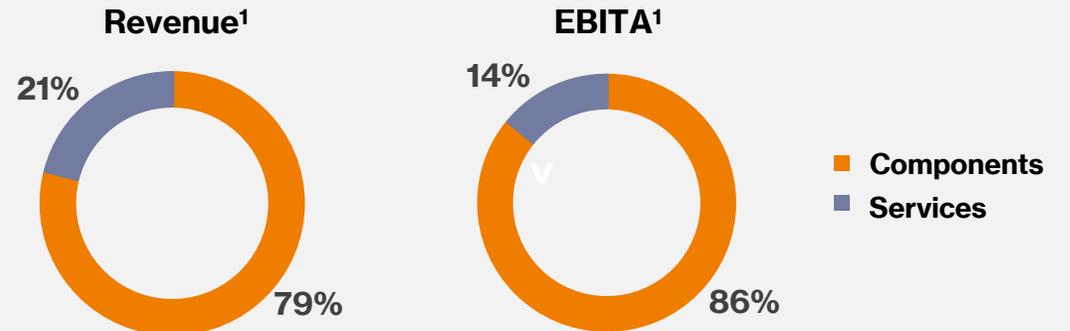
## Two business areas

### Components

Group of companies in industrial components, services and solutions for industry, with expertise in industrial improvement consisting of companies with leading specialist positions in their respective market niches.

### Services

Group of companies in industrial services in Sweden, offering through its services longer life and efficiency of installed machines, new installations. Solutions are also offered for digitised maintenance.



## Q1 2022 highlights

# Stable business situation and positive earnings trend despite global concerns

Net sales:

**+14%**

- Favorable underlying demand in both business areas
- Global component shortage
- Covid-19 related sickness absence

EBITA:

**+19%**

- Organic sales growth
- Cost control
- Well-managed price increases from suppliers

EBITA/WC:

**62%** (53)



NASDAQ STOCKHOLM  
WELCOMES

MOMENTUM GROUP

 momentum  
group

 Nasdaq

# Listing at Nasdaq Stockholm

31 March 2022

WRITER OF TO ALL THE BOYS I'VE LOVED BEFORE  
AUTHOR OF THE NEW YORK TIMES BEST SELLER

ong  
Ride

EGINS TONIGHT

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SOFIA ALVAREZ



Strategic position

**The market's best partner  
for a sustainable industry**

# Strategic direction

## Mission

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**Together for a sustainable industry**

## Vision

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**The customer's best sustainable choice**

## Sustainability

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**Responsible business – a prerequisite for long-term profitability**

## Business concept

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**We will make the everyday lives of our customers easier, safer and more profitable – by offering sustainable products and services**

## Financial targets

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EBITA growth:	>15%
Profitability EBITA/WC:	>45%
Dividends:	>30%



# Momentum's core values and focus areas



## “Heart and soul”

**Decentralised responsibility**

**Willingness to improve  
("Better than yesterday")**

**Simplicity**



## “Mind and soul”

**Business development through  
decentralised responsibility and employee  
development**

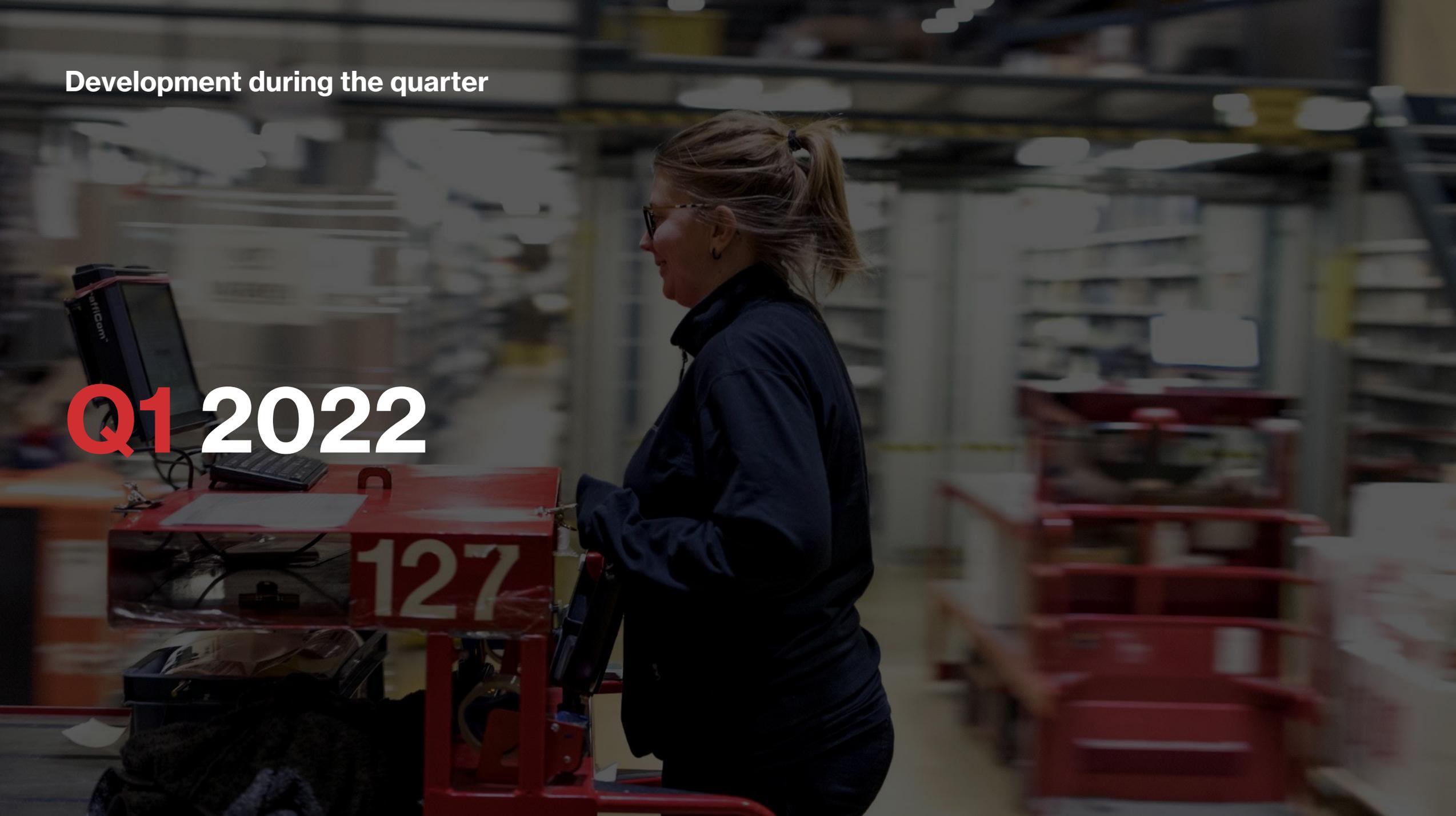
**Business development through active  
ownership.**

**Growth through acquisition of sustainable  
companies**



Development during the quarter

**Q1** 2022



# Group: Sales Q1 2022

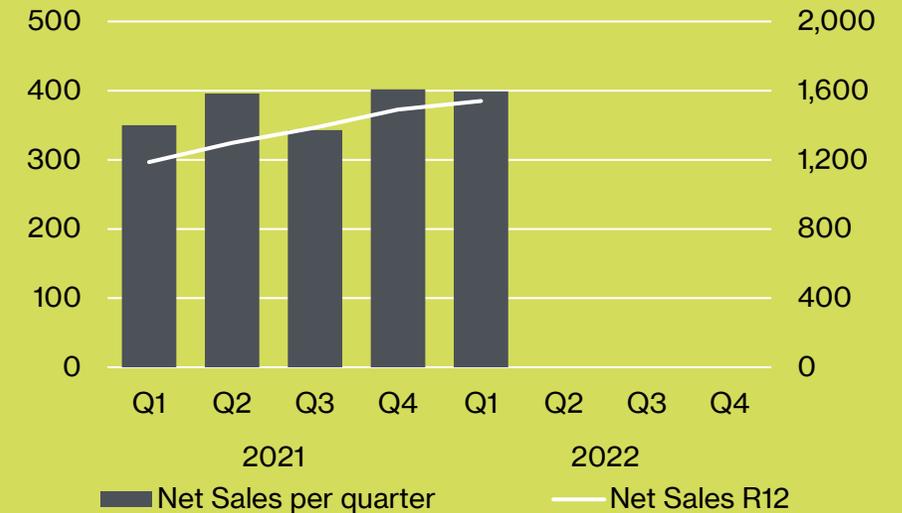
- Revenue increased by 14% to SEK 399 m (350)
- Favorable underlying demand in both business areas – Growth in comparable units 11%
- Global component shortage
- Still no effect on sales from more unstable security situation in Europe
- Covid-19 related sickness absence



Growth in comparable units  
vs Q1 2021

**+11%**

Revenue, SEK m



# Group: Earnings Q1 2022

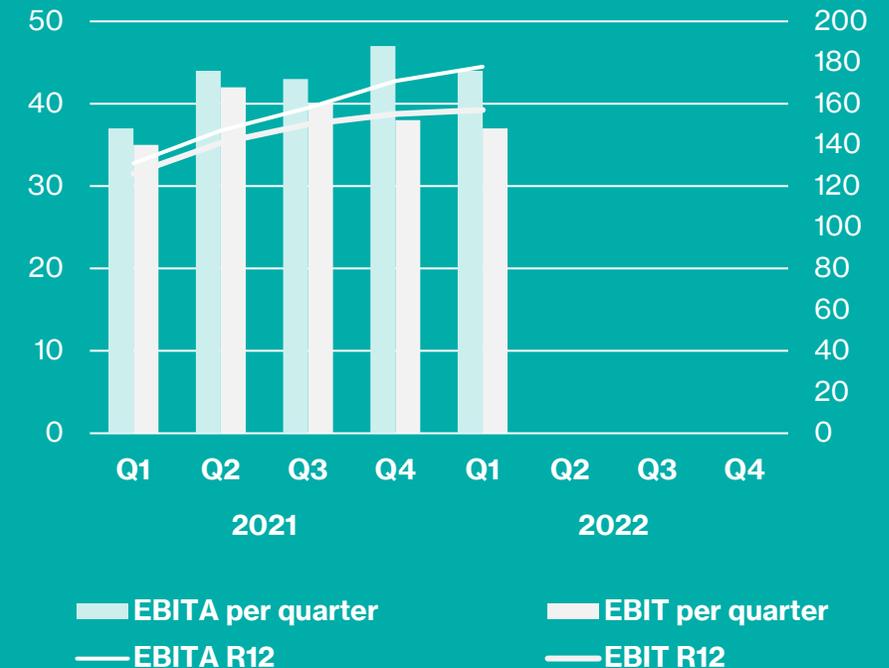
- Earnings growth due to:
  - Organic sales growth
  - Cost control
  - Well-managed price increases from suppliers
- Operating profit included expenses affecting comparability of SEK -4 million (-) related to the listing
- Profit after tax SEK 28 m (27)
- Earnings per share SEK 0.55 (0.55)

MSEK	Q1			R12 until Mar		
	2022	2021	Δ	2022	2021	Δ
Revenue	399	350	14%	1,540	1,187	30%
Operating profit	37	35	6%	157	126	25%
EBITA	44	37	19%	178	131	36%
Operating margin	9.3%	10.0%		10.2%	10.6%	
EBITA margin	11.0%	10.6%		11.6%	11.0%	

EBITA

**+19%**

EBITA and operating profit, SEK m



# Components business area

## Momentum Industrial

- Strong demand and sales development in all product areas – specially at the end of the quarter
- Increased demand mainly from the steel and other machine manufacturing customer segments

## Öbergs, Etab and JNF

- Overall positive development
- Increased customer activity in system sales and projects
- Delivery delays and material shortages – certain orders delayed

MSEK	Q1			R12 until Mar		
	2022	2021	Δ	2022	2021	Δ
Revenue	322	299	8%	1,232	1,095	13%
EBITA	42	39	8%	174	149	17%
EBITA margin	13.0%	13.0%		14.1%	13.6%	
Return on working capital (EBITA/WC)				75%	65%	

Revenue Q1 2022

+8%

Revenue R12



EBITA, SEK m



# Services business area

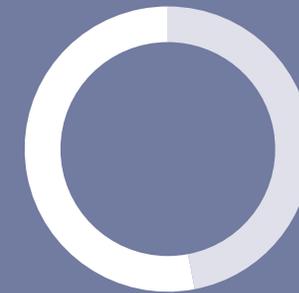
- Positive development in both sales and earnings
- Strong contribution from Rörick
- Good level of incoming orders
- Some impact from Covid-19-related sickness absence, mainly in the beginning of the quarter

MSEK	Q1			R12 until Mar		
	2022	2021	Δ	2022	2021	Δ
Revenue	82	54	52%	323	102	217%
EBITA	7	4	75%	28	10	180%
EBITA margin	8.5%	7.4%		8.7%	9.8%	
Return on working capital (EBITA/WC)				47%	59%	

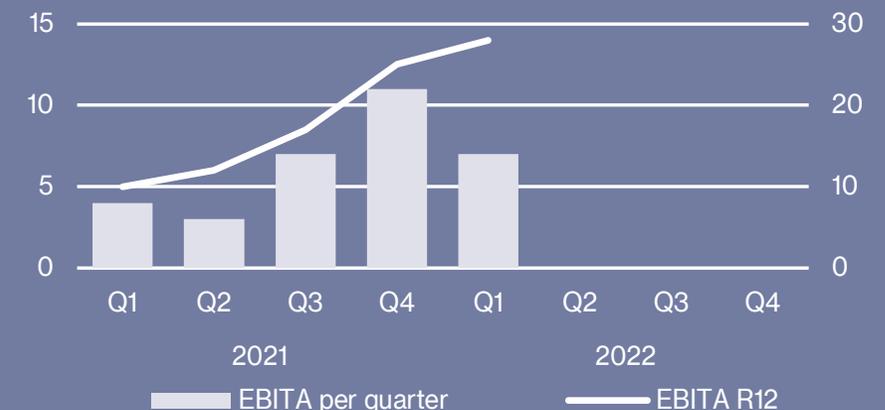
Revenue Q1 2022

**+52%**

Revenue R12



EBITA, SEK m



# Profitability, cash flow and financial position

- EBITA/WC increased to 62% (53)
- Cash flow from operating activities for the reporting period amounted to SEK 8 million (36)
- Operational net loan receivable SEK 57 m (vs SEK 61 m at the beginning of the year)

Equity/assets ratio

50%

Available cash and cash equivalents,  
SEK million

1,066

EBITA/WC (R12 per quarter)



A worker wearing a blue hard hat, safety glasses, and ear protection is walking through a narrow aisle between large industrial machines. He is carrying a black and yellow toolbox. The machines are labeled "Atlas Copco". The scene is dimly lit, with the worker and his toolbox being the central focus.

**Focus in the short to  
medium term**

# Our desired position

## Components business area

### Aftermarket sales

#### Focus/ambition

Company in the sale of industrial components, services and solutions for repair and maintenance, with expertise in industrial improvements.

**Revenue:** SEK 1,080 million  
**EBITA:** SEK 160 million



### Specialist (product verticals)

#### Focus/ambition

Companies with leading specialist positions in their respective market niches.

**Revenue:** SEK 130 million  
**EBITA:** SEK 10 million



## Services business area

### Technical service

#### Focus/ambition

Technical industrial services company in Sweden with a competitive offer for digitalised maintenance.

**Revenue:** SEK 300 million  
**EBITA:** SEK 25 million



**A niche compounder with organic and acquired growth.**

**Our decentralised business model is key to the success and continued development of the business within each company.**



# Critical success factors in place for continued acquisition-driven growth

1

**Financially strong with room for acquisitions**

2

**Principal owners who want to grow the group in this area**

3

**Industrial network mainly in Sweden, but also in Denmark, Norway and Finland**

4

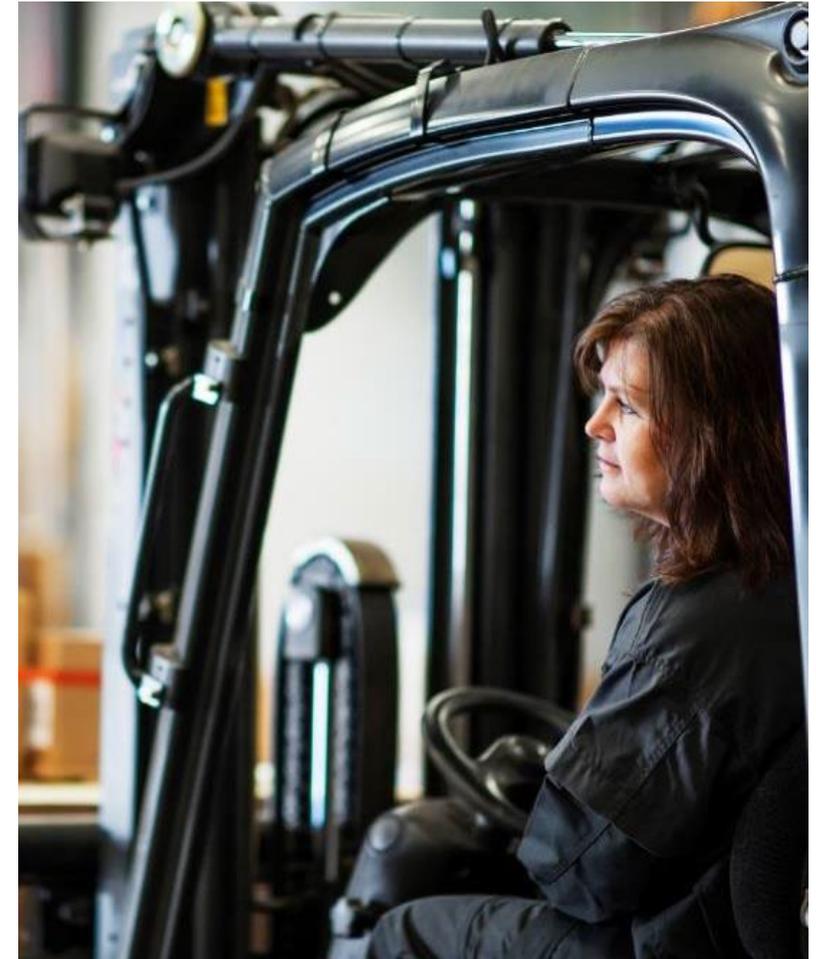
**Processes and resources in place to evaluate and implement acquisitions**

5

**Proven onboarding model – decentralised performance and business responsibility**

6

**Competence in the field at several levels – board and management**



# Contact us

Please email us at [ir@momentum.group](mailto:ir@momentum.group)  
if you have any questions.



**Momentum Group**  
[momentum.group](http://momentum.group)