

Interim Report Q3 2022

27 October 2022

Presenting today

Ulf Lilius, CEO



Niklas Enmark, CFO



Agenda

- Q3 highlights
- Development during the quarter
- Financial targets
- Growth strategy
- Shareholders
- Q&A



Q3 2022 highlights

Activity level remains high, with increased revenue and favourable profit growth

Revenue:

+17%

- Continued solid sales performance
- Growth of 8% for comparable units
- Still no signals of slow-down

EBITA:

+16%

- Organic sales growth
- Well-managed price increases
- Cost control
- Positive contribution from acquisitions

EBITA/WC:

62%

Acquisitions:

MYTOLERANS (7 Sep, 2022)

BPS[®] (after the period)
BÖRJESSON PIPE SYSTEM



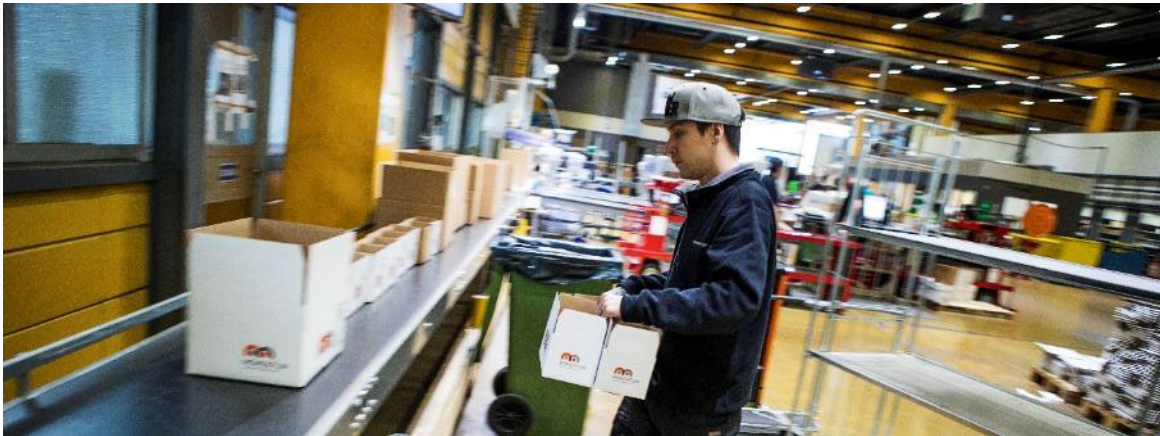
Development during the quarter

Q3 2022



Group: Sales Q3 2022

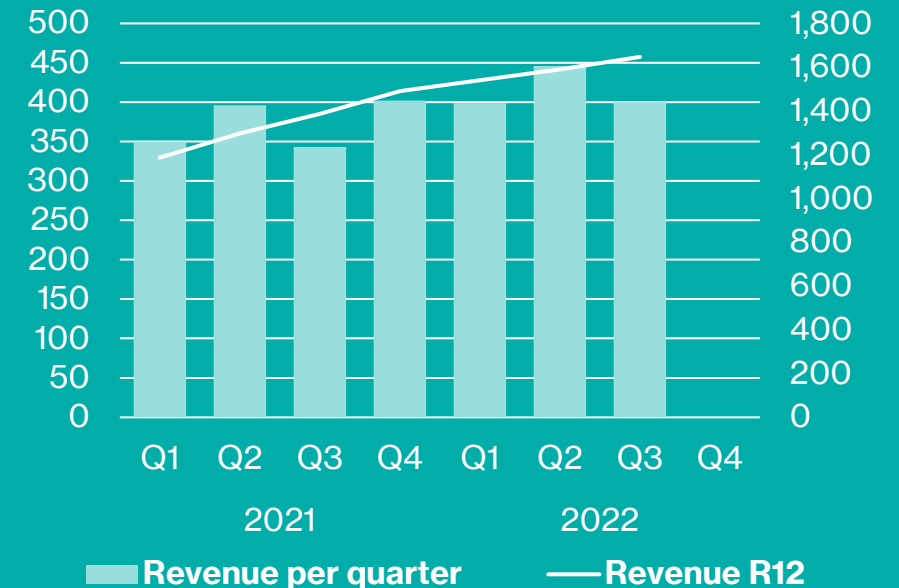
- Revenue increased by 17% to SEK 400 m (343)
- Growth in comparable units of 8%
- Positive sales trend in both business areas
- Still no signals of slow-down
- Global component shortage stabilizing but still long lead times for some product groups
- Proactive work to secure delivery capacity
- Positive contribution from acquisitions adding 8% to revenue growth



Growth in comparable units
vs Q3 2021

+8%

Revenue, SEK million



Group: Earnings Q3 2022

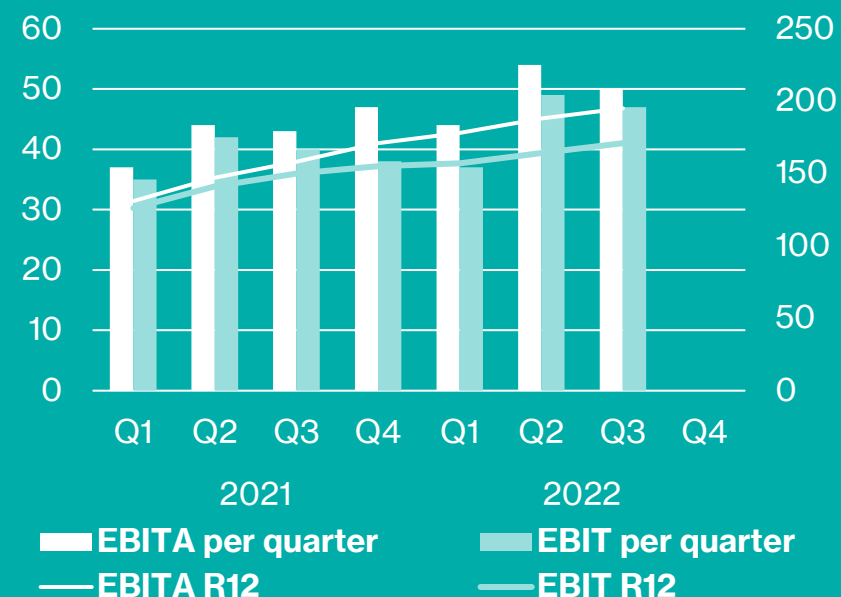
- Earnings growth due to:
 - Organic sales growth
 - Cost control
 - Well-managed price increases
 - Acquisitions
- Operating profit rose by 18% to SEK 47 m (40)
 - depreciation of right-of-use assets and tangible non-current assets of SEK -15 m (-12)
- EBITA increased by 16% to SEK 50 m (43)
 - EBITA margin 12.5% (12.5)
- Profit after tax SEK 36 m (32)
- Earnings per share SEK 0.70 (0.60)

	Q3		
	2022	2021	Δ
Revenue	400	343	17%
Operating profit	47	40	18%
of which: Items affecting comparability	-	-	
of which: Amortisation of intangible assets in connection with acquisitions	-3	-3	
EBITA	50	43	16%
Net profit	36	32	13%
Earnings per share before and after dilution, SEK	0.70	0.60	17%
Operating margin	11.8%	11.7%	
EBITA margin	12.5%	12.5%	

EBITA
vs Q3 2021

+16%

EBITA and operating profit, SEK m



Group: 1 Jan-30 Sep 2022

- Revenue increased by 14% to SEK 1,245 m (1,089) – for comparable units an increase of 9%
- Operating profit rose by 14% to SEK 133 m (117) including expenses affecting comparability of SEK –6 m (–) related to the listing (total cost SEK 12 m for 2021-2022)
- EBITA increased by 19% to SEK 148 m (124), EBITA margin of 11.9% (11.4)

	Jan-Sep			R12 Sep		
	2022	2021	Δ	2022	2021	Δ
Revenue	1,245	1,089	14%	1,647	1,386	19%
Operating profit	133	117	14%	171	150	14%
of which: Items affecting comparability	-6	-		-12	-	
of which: Amortisation of intangible assets in connection with acquisitions	-9	-7		-12	-8	
EBITA	148	124	19%	195	158	23%
Net profit	101	89	13%	129	114	13%
Earnings per share before and after dilution, SEK	1.95	1.75	11%	2.50	2.25	11%
Operating margin	10.7%	10.7%		10.4%	10.8%	
EBITA margin	11.9%	11.4%		11.8%	11.4%	

Growth in comparable units
vs 1 Jan–30 Sep 2021

+9%

EBITA growth
vs 1 Jan–30 Sep 2021

+19%



Components business area

Momentum Industrial

- Increasing sales growth, mainly driven by strong growth in paper/pulp, automotive and steel segments
- Continued effects from component shortage, but situation improving during the quarter
- Extra stock purchases to ensure high delivery capacity

Specialist

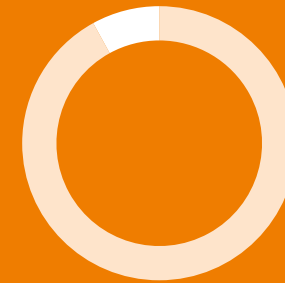
- The specialist companies performed well – especially ETAB and Öbergs
- Successful mitigation of delivery disruptions and material shortages
- Börjesson Pipe Systems was acquired after the period

MSEK	Q3			Jan-Sep			R12 Sep		
	2022	2021	Δ	2022	2021	Δ	2022	2021	Δ
Revenue	315	277	14%	995	897	11%	1,307	1,178	11%
EBITA	46	44	5%	138	130	6%	179	172	4%
EBITA margin	14.6%	15.9%		13.9%	14.5%		13.7%	14.6%	
Return on working capital (EBITA/WC)							71%	76%	

Revenue growth in comparable units
vs Q3 2021

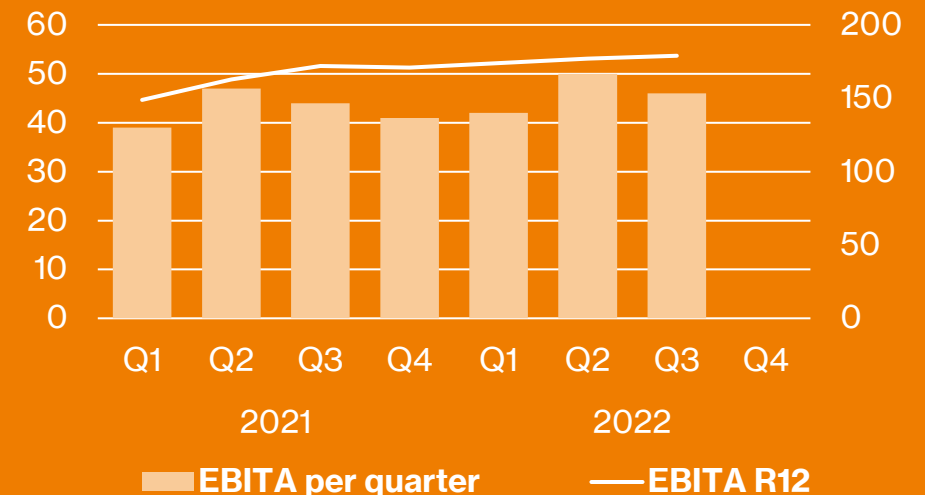
+7%

Revenue R12



- Sale of goods 92%
- Service assignments 8%

EBITA, SEK m



Services business area

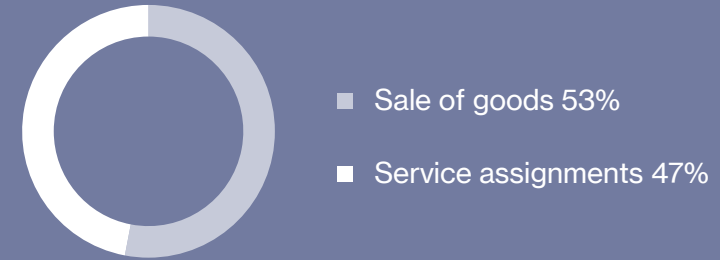
- Positive development in both sales and earnings in Q3
- Strong contribution from Rörick (especially the workshops in Örebro and Köping) and Mekano
- Delivery delays and material shortages gradually subsided during the quarter – Carl A. able to complete some major projects
- The acquisition of Mytolerans completed – positive contribution on earnings for Q3

MSEK	Q3			Jan-Sep			R12 Sep		
	2022	2021	Δ	2022	2021	Δ	2022	2021	Δ
Revenue	89	70	27%	264	202	31%	357	220	62%
EBITA	10	7	43%	26	14	86%	37	17	118%
EBITA margin	11.2%	10.0%		9.8%	6.9%		10.4%	7.7%	
Return on working capital (EBITA/WC)							58%	46%	

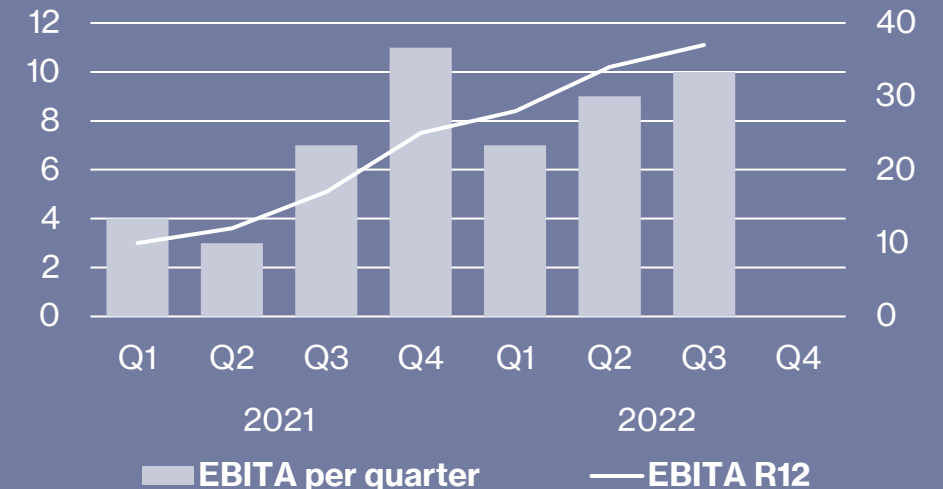
Revenue growth in comparable units
vs Q3 2021

+14%

Revenue R12



EBITA, SEK m



Profitability, cash flow and financial position

- EBITA/WC increased to 62% (60)
- Cash flow from operating activities for the reporting period SEK 65 m (90)
 - Inventory increase of SEK 27 m, due to extra stock purchases
 - Paid tax of SEK -56 m (-29)
- Cash flow from investing activities SEK -43 m (-113), including acquisitions of SEK -40 m (-108)
- Cash flow from financing activities SEK -81 m (96), including share-buy backs of SEK -87 m (-)
- IFRS effects on cash flow¹ SEK 37 m (28)
- Operational net loan liability of SEK 57 m (vs receivable of SEK 61 m at the beginning of the year) affected by acquisitions and share-buy backs

¹ Positive effect on cash flow from operating activities, negative effect on financing activities. Net is zero. For previous periods, see appendix.

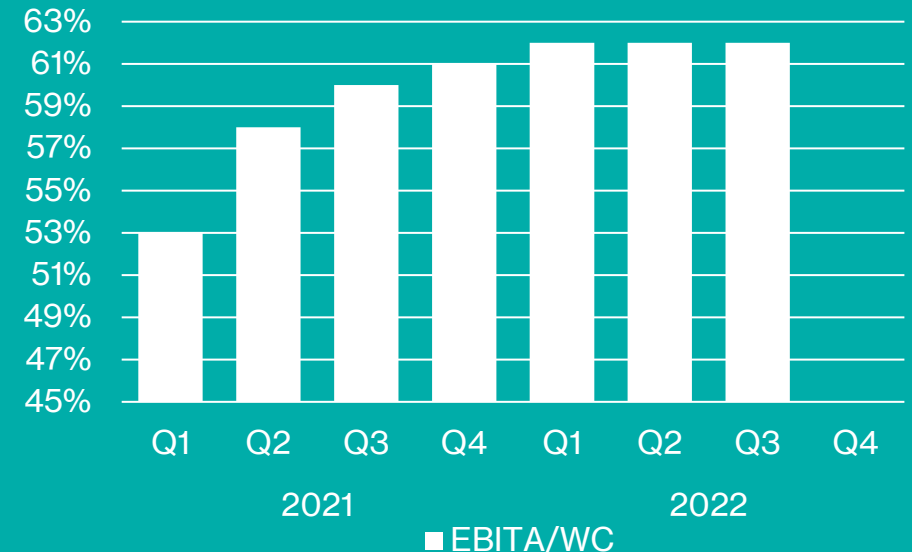
Equity/assets ratio

44%

Available cash and cash equivalents, SEK m

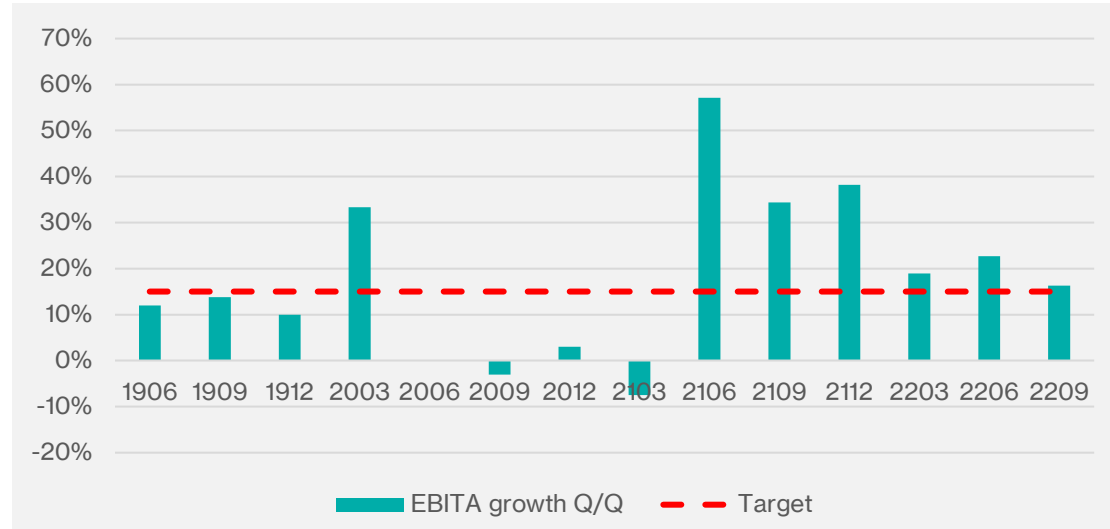
952

EBITA/WC (R12 per quarter)



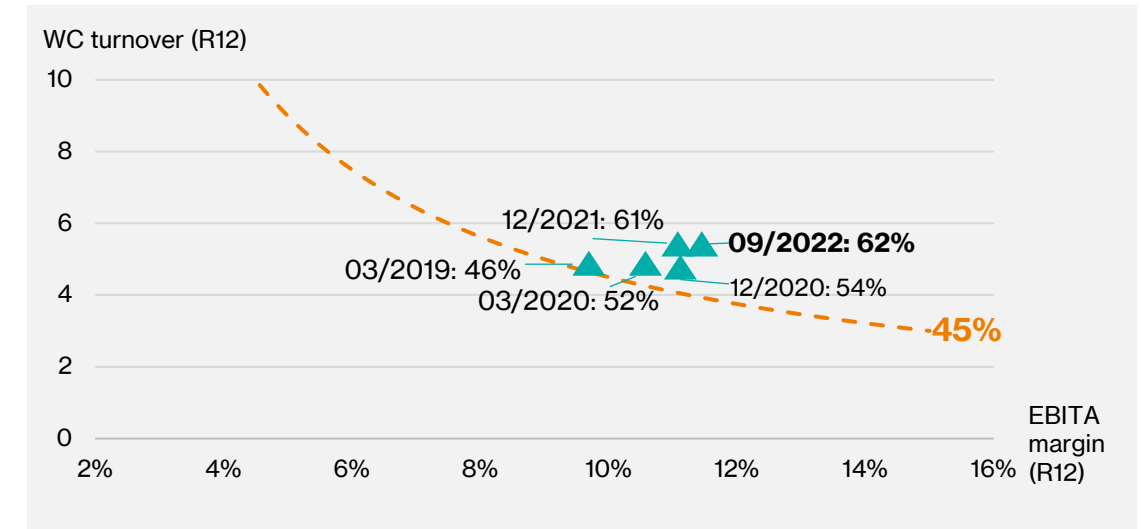
Financial targets performance

EBITA growth



- Target: earnings growth (EBITA) of at least 15% annually over a business cycle
- EBITA growth Q/Q¹ on average 18% for the period June 2019–September 2022

Profitability



- Target: profitability of P/WC of at least 45%, measured as EBITA (P) in relation to utilised working capital (WC)
- EBITA/WC (R12) has increased to 62% (09/2022) from 46% (03/2019) through gradual improvements in EBITA margin and capital turnover

¹ Quarter compared to corresponding quarter previous year.



Growth strategy

Continued growth through
development and acquisition
of sustainable businesses

Completed acquisitions during 2022 – add almost SEK 150 million in annual turnover



HNC Group

Acquired share: 70%

Closing: June 2022

About: HNC Group is a leading player in solutions for industrial automation in Denmark.

Annual sales: SEK 60 million

No of employees: 30



Mytolerans

Acquired share: 70%

Closing: September 2022

About: Mytolerans offers products and services in measurement technology for Swedish industry.

Annual sales: SEK 35 million

No of employees: 10



Börjesson Pipe Systems (BPS)

Acquired share: 100%. Partially paid for by own B shares.

Closing: after reporting period

About: BPS is a leading player in sustainable flow technology solutions and products.

Annual sales: SEK 50 million

No of employees: 7



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

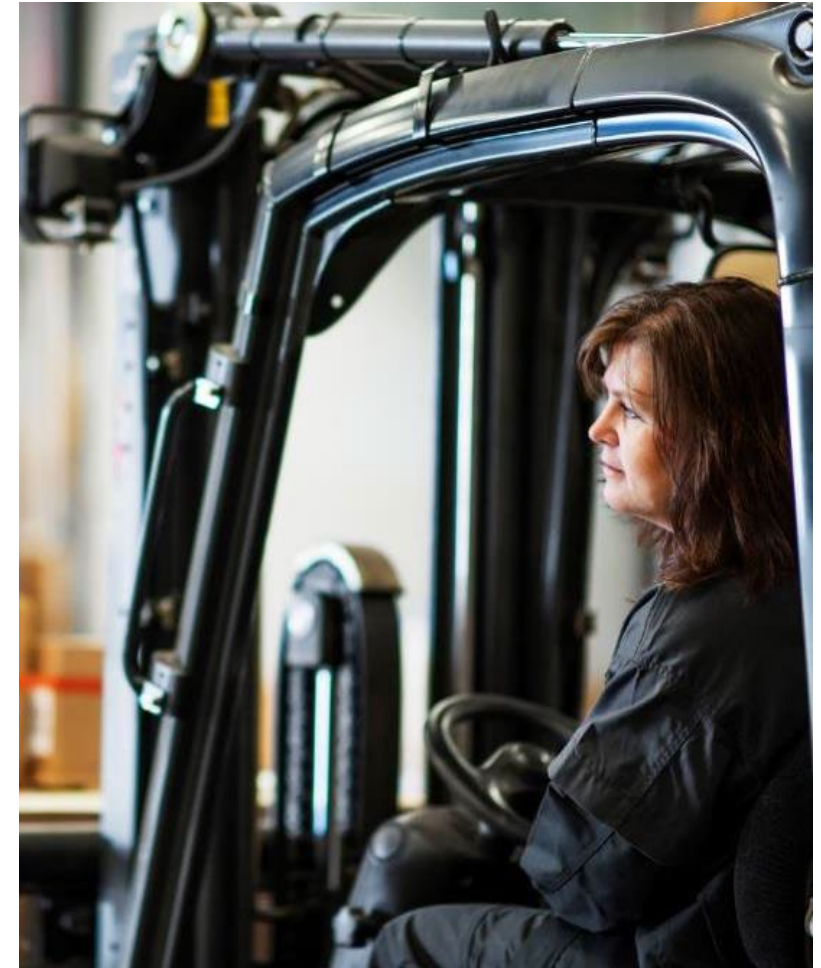
Processes and resources in place to evaluate and implement acquisitions

5

Proven onboarding model – decentralised performance and business responsibility

6

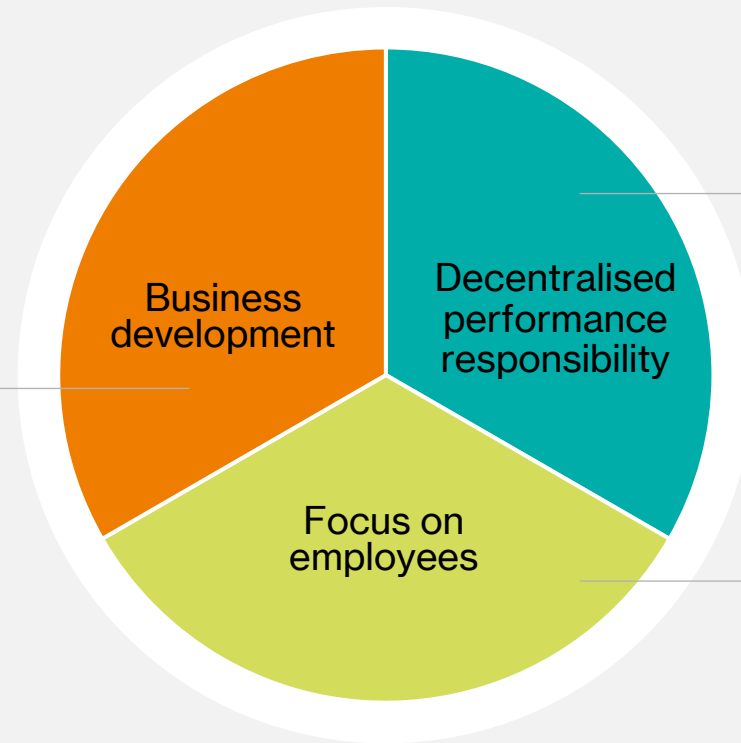
Competence in the field at several levels – board and management



Sustainable development – "We develop employees and sustainable companies"



We operate, develop and acquire profitable companies with strong market positions in the Nordic region, together with our competent and committed employees



The business philosophy is based on a decentralised responsibility for results, with collaboration and partnership between the different companies in the business area, where it is mutually beneficial

For us, decentralised responsibility means investing in people, where commitment, attitude and drive are as important as key figures and market share

A decentralised business model is key to the success and continued development of the business within each subsidiary.



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 1,135 million



Specialist (product verticals)

Focus/ambition

Companies with leading specialist positions in their respective market niches.

Revenue: SEK 200 million



Services business area

Technical service

Focus/ambition

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

Revenue: SEK 360 million



We operate, develop and acquire successful sustainable companies in the Nordic region.

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

Note: Revenue refers to R12 months until September 2022 (approximated).



Momentum Industrial celebrating 25 years 1997-2022



MOMENTUM GROUP

Q&A



Contact us

Please email us at ir@momentum.group
if you have any questions.



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Appendix



IFRS effects on cash flow

MSEK	Reporting period		Full year	
	30 Sep 2022	30 Sep 2021	31 Dec 2021	31 Dec 2020 (9 m)
IFRS effects on cash flow from operations	37	28	41	23
IFRS effects on cash flow from financing activities	-37	-28	-41	-23
Net	0	0	0	0





Our shareholders

Short facts about the shareholders

No of owners **4,483**

15% foreign ownership

of which **4,200**
private individuals

Fund ownership:
22%

10 largest owners hold **81%**

Free float: **41%**



Largest shareholders

Shareholder	A shares	B shares	Capital	Votes
Nordstjernan	213	27 776 641	55,02%	50,00%
Tom Hedelius	513 124		1,02%	9,24%
Handelsbanken Fonder		2 518 326	4,99%	4,53%
Kempen Capital Management		2 200 000	4,36%	3,96%
Carnegie Fonder		1 782 434	3,53%	3,21%
Enter Fonder		1 701 608	3,37%	3,06%
Momentum Group AB ¹		1 259 624	2,50%	2,27%
Sandrew AB		800 000	1,58%	1,44%
Dimensional Fund Advisors		664 440	1,32%	1,20%
Fidelity Investments (FMR)		450 000	0,89%	0,81%
La Financière de l'Echiquier		371 457	0,74%	0,67%
Ulf Lilius	2 688	333 826	0,67%	0,65%
SEB Fonder		284 032	0,56%	0,51%
FE Fonder		259 347	0,51%	0,47%
Torbjörn Börjesson		229 560	0,46%	0,41%
Total largest shareholders	516 025	40 631 295	81,52%	82,42%
Other	48 048	9 285 521	18,48%	17,58%
Total	564 073	49 916 816	100,00%	100,00%

¹Treasury shares

Data as of 30 September 2022 (including changes known by the company by 27 October 2022).

Source: Monitor



Dates for upcoming financial information

Financial reports

15 February 2023

Year-end financial report 2022

27 April 2023

Interim Report for the first quarter of 2023

14 July 2023

Interim Report for the second quarter of 2023

27 October 2023

Interim Report for the third quarter of 2023

Annual General Meeting

9 May 2023 at 16:00 CET

Annual report 2022

31 March 2023

