



CAPITAL MARKETS DAY
2022





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Successful acquirer of value accretive acquisitions



Solid track record

Indutrade has a track record of being a very regular acquirer of both standalone portfolio companies and add-ons.

+60 acquisitions 2017-2021
14 acquisitions 2022



Strong EBITA contribution

*The EBITA contribution, from acquisitions, has been above **SEK 150 million** every year for the last five years.*



Good pipeline generation

*A key activity is to continuously develop a strong pipeline in order to continue being **very selective**, only acquiring high-quality companies.*

Strategic direction acquisitions



Maintaining structured opportunity-oriented approach



Stepwise expanding geographical scope with focus on Western European base



Gradual increase in acquisition capabilities

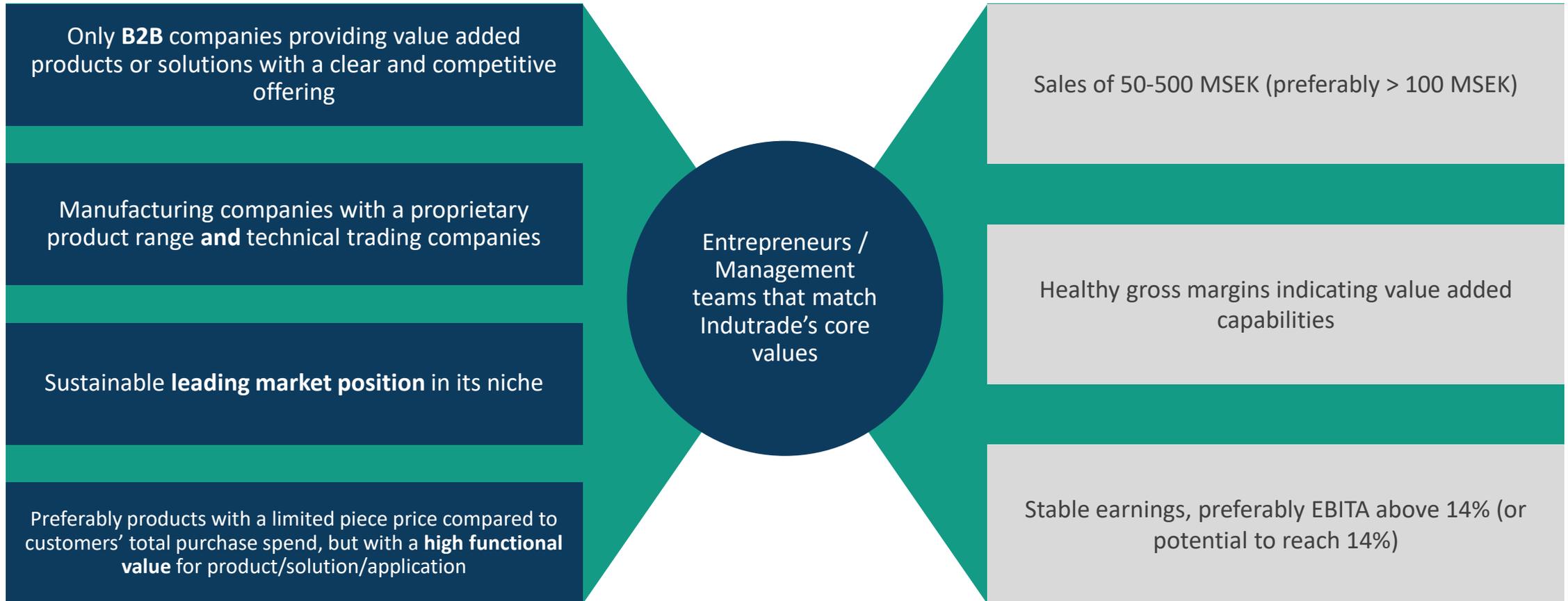


Further strengthening of structured pro-active lead generation



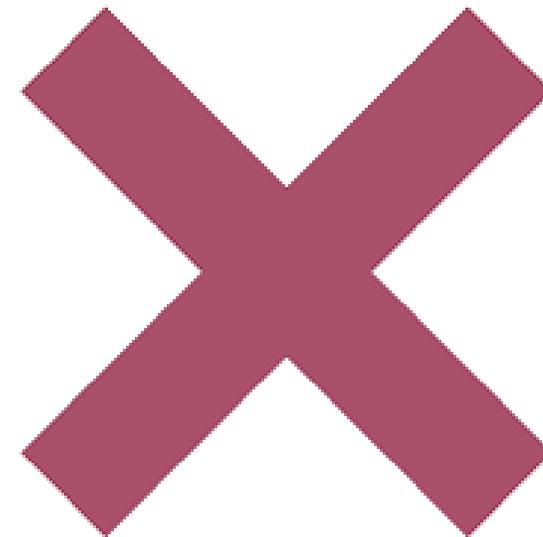
Continue to implement a more differentiated pricing model with stronger link to organic growth potential

What we are looking for



What we are **NOT** looking for

- B2C focused companies
- Too small companies
- Companies with a weak, or unproven, financial history not in line with Indutrade's financial targets
- Turnaround situations
- Start-ups
- Minority investments/expansion capital
- Subcontracting manufacturing companies
- Pure service companies



Type of companies

70%

of Net Sales

Acquisitions
2019-2022



Manufacturing

30%

of Net Sales



Trading

- Indutrade will continue to opportunistically acquire both technical trading and manufacturing companies
- No specific target in terms of split between the two
- Pros and cons with both type of companies
- In recent years the larger acquisitions have often been manufacturing companies

Additional priority areas



Seeking candidates in segments with structural growth

Med Tech & Pharma

Water / Waste water

Sustainability (Cleantech)

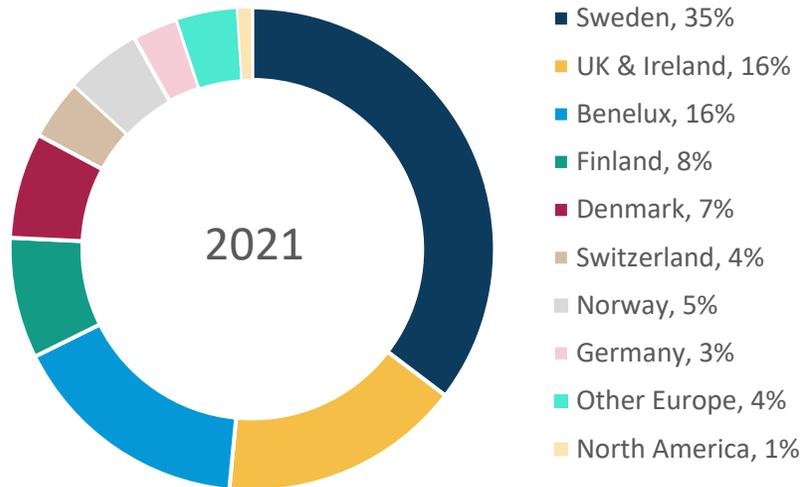


Dare to look at segments / sub-segments less obvious to others

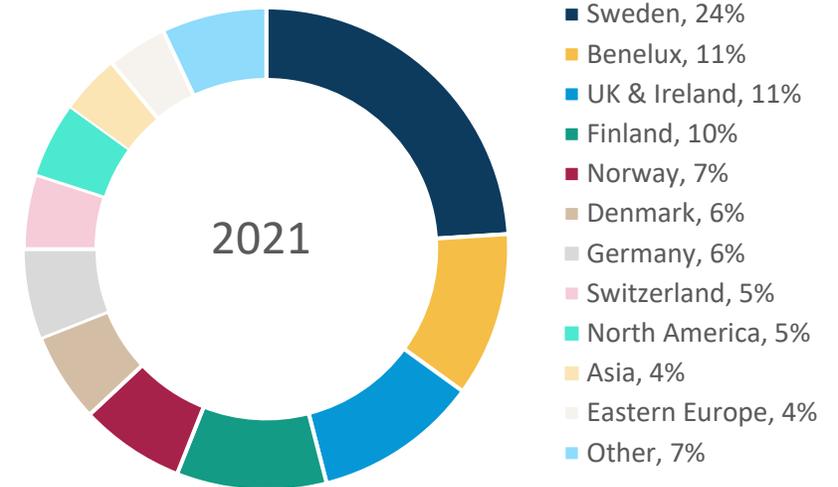
Identify "Hidden champions" in less obvious segments

Geographical focus on current Western European base

HQ locations of our companies



Net sales per market*



Continued additional focus on Germany and Northern Italy and opportunistically interested in the US

Acquisition projects are team efforts by people!

Broad accumulated experience base throughout the Indutrade organisation

**Entrepreneurs/former owners as
our best ambassadors**

Onboarding of increased acquisition resources

Indutrade has during the past 12 months significantly strengthened the dedicated acquisition resources

BUSINESS AREA LEVEL

- Dedicated resources to each business area.
- A combination of 8 full-time and part-time positions.
- The business area resources are responsible for internal lead generation by leveraging the vast network of potential contacts among customers, suppliers and other local business connections.

GROUP LEVEL

- 4 full-time professionals.
- The Central team is primarily leading the external sell-side initiated acquisition processes in the Scandinavian based business areas.
- The Central team is also responsible for maintaining and developing the external network of acquisition advisors.

Seamless cooperation between the Central team and business area resources in getting the transactions over the finish line

Pipeline: Lead generation

Internal lead generation

Leveraging the ~200 portfolio companies' network

External lead generation



Examples of transaction advisors

Close relationships with a vast network of external transaction advisors in all our geographical home markets.

Approach to valuations

Prudent buyer from a valuation perspective

- Continue to implement a more differentiated pricing model with stronger link to organic growth potential and segment attractiveness.
- Sharing the risk through earn-out structures.
- Targets are evaluated through a standard valuation model with focus on their potential total return (ROCE) in combination with historical and future EV/EBITA multiples.
- The objective is to achieve an average EBITA at, or above, 14% for all acquisitions during the calendar year.
- ROCE target of 20% within a three-to-five-year period.



Remain a disciplined buyer with clearly defined walk away price limits.

Our business model and culture has often proved to be a key differentiating factor for many buyers.

Indutrade has over several business cycles generated a premium shareholder value by consistently delivering value accretive transactions

A proven acquisition strategy over time

1

The acquisition strategy is well anchored in the Indutrade business model and values.

2

Indutrade has over several business cycles generated a premium shareholder value by consistently delivering value accretive transactions.

3

The ambition going forward is to increase our acquisition growth, in absolute terms, with maintained scope of high-quality companies providing sustainable profitable growth.

4

Aiming for 16-24 acquisitions per year, corresponding to a net sales growth of at least 5% over a business cycle, with an average EBITA-margin at or above 14%.



The logo for Indutrade features a stylized 'IT' symbol on the left, composed of three parallel, slanted vertical bars of varying heights that merge into a horizontal bar at the top. To the right of this symbol, the word 'Indutrade' is written in a bold, white, sans-serif typeface.

IT Indutrade