



CAPITAL MARKETS DAY
2022





Bo Annvik
President and CEO
Board member



Group Management



Strong development last 5 years

Net sales

26

Billion SEK, R12Q3

Organic growth

+4%

p.a. last 5 years

No of companies added

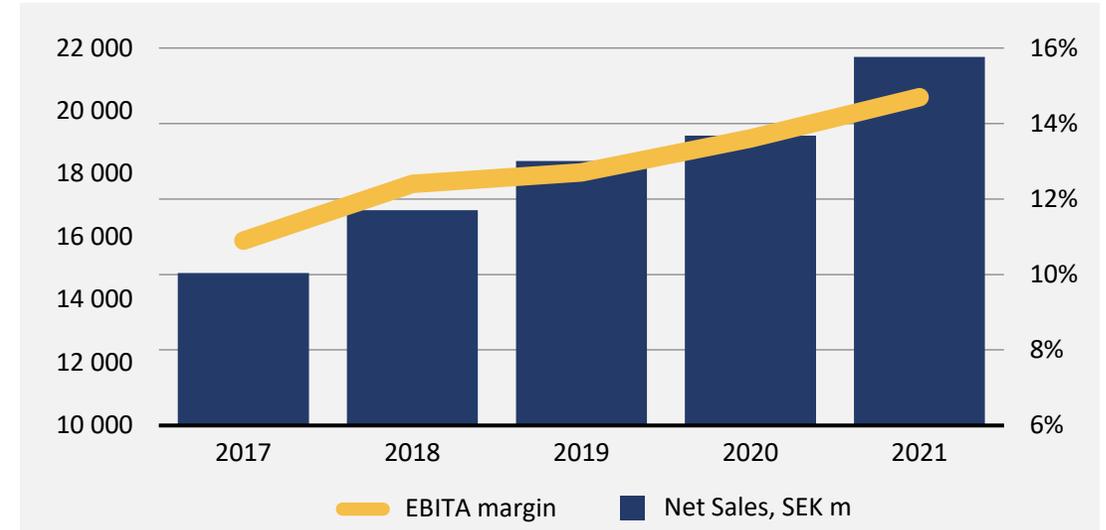
+60

2017-2021

EBITA margin

12.9%

5 year average



Annual growth last 5 years:

Sales
+11% p.a.

EBITA
+17% p.a.

Balanced diversification

No of companies

~200

No of product areas

+14

~8,600 employees in

>30 countries

No of customer segments

+12

10 largest companies

20% of annual sales

57%
of Net Sales 2021

43%
of Net Sales 2021

Companies with Trading brands



Companies with Proprietary brands

Agile through a business cycle



Flexibility to make decisions adapted to the local conditions



Capital light and people light businesses



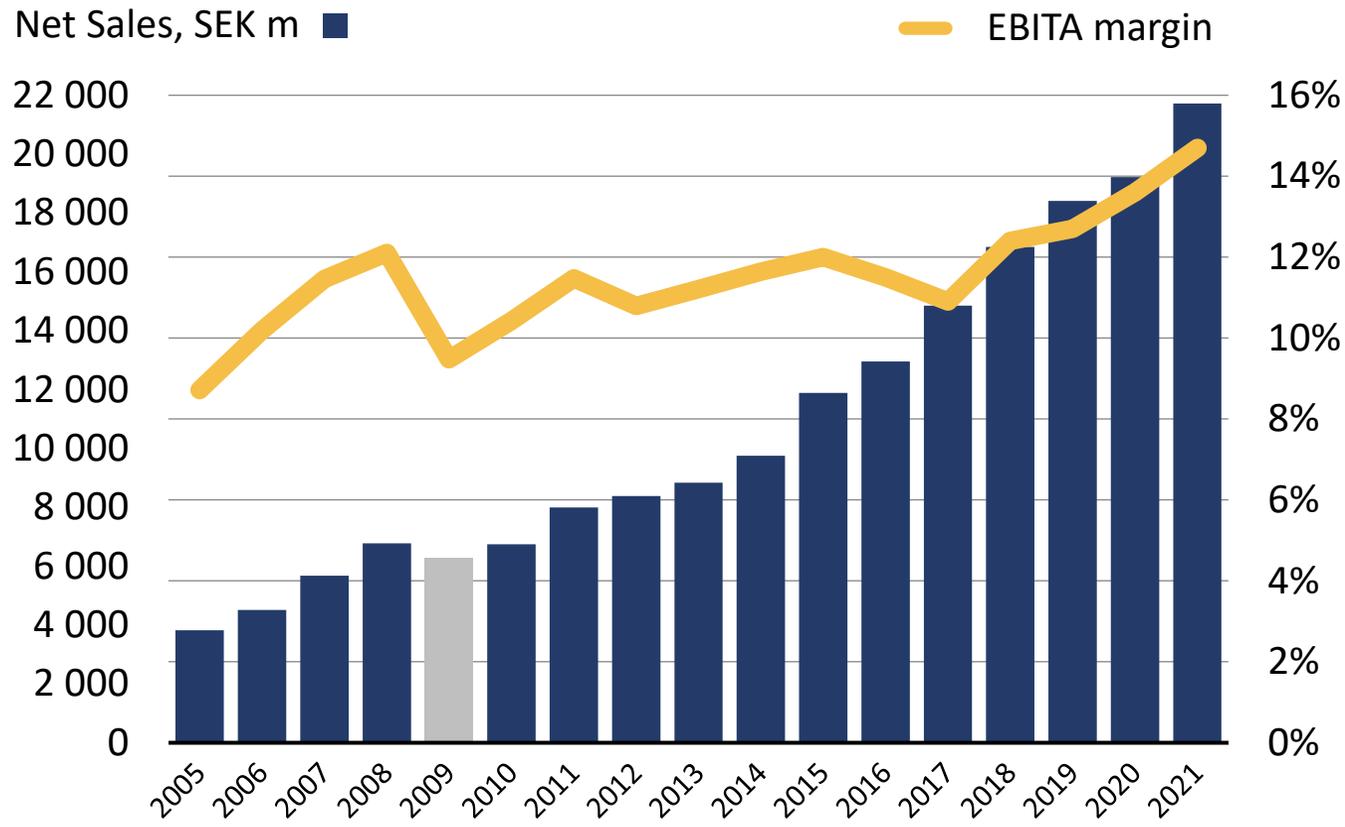
Focus on technically advanced products with a recurring sales pattern



Strong exposure to growth segments

No or low
segment
dependency

Growth and resilience combined

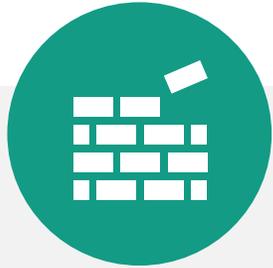


Performance vs Swedish industrials during the financial crisis

KPI	Swedish industrials*	Indutrade
Sales development 08-09, %	-8.8	-7.5
• Organic sales development 08-09, %	-18.5	-15.0
EBIT margin 2009, %	8.1	8.4
• EBIT margin development 08-09, pp	-4.64	-2.80
EPS development 08-09, %	-76.2	-33.1

*Swedish industrials include selected companies Atlas Copco, Sandvik, Assa Abloy, Husqvarna, SKF, Trelleborg, Alfa Laval. Numbers presented for Swedish industrials are straight average. Source: Desktop research, annual reports

The world we operate in



Underinvested infrastructure

- Metro areas
- Water and waste
- Energy



Sustainability & Electrification

- Resources & raw materials
- Circularity
- Regulations



Geopolitical developments

- Demographic and social change
- Regionalisation/ Localisation
- Expanding healthcare

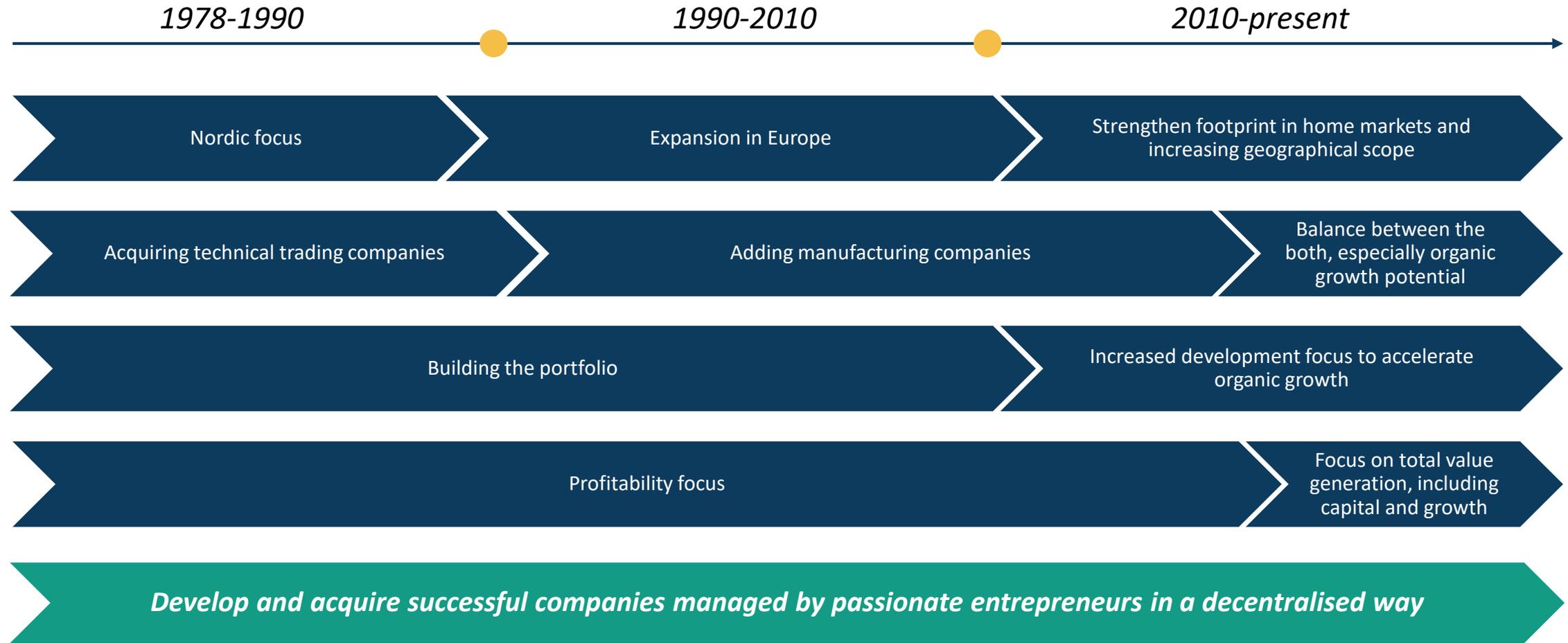


Efficiency and optimisation

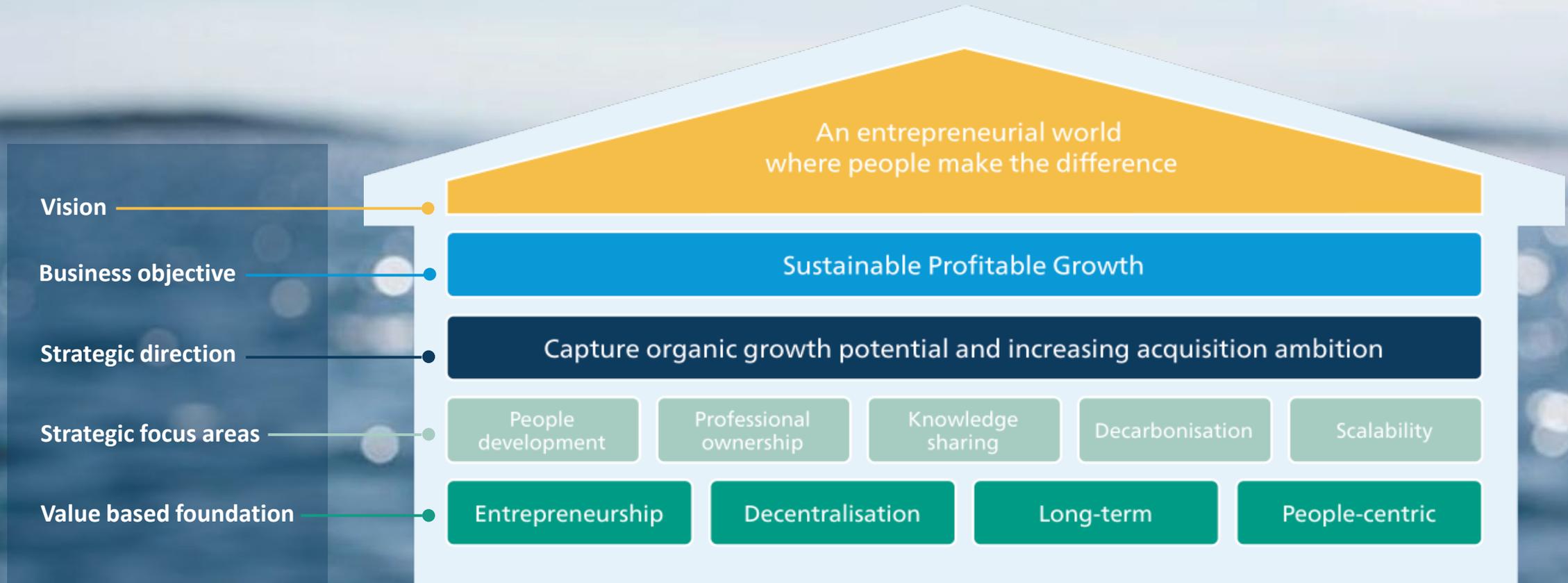
- Digitalisation
- Technological breakthroughs
- Robotisation/Ai

Resilient macro trends supporting continued long-term growth in our customer and product segments

Evolution – not revolution!



A strong strategic platform to build from



Positioned for continued value-creation

Capture organic growth potential

Strong engagement and support with our companies to capture profitable and value-creating organic growth opportunities

Increasing acquisition ambition

Stepwise increasing acquisition capabilities, targeting companies with good organic growth potential

Capitalising on growth segments

Further growth efforts in segments with sustainable structural growth potential and turning decarbonisation into a business opportunity

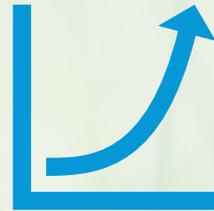
Organic growth – a foundation for long-term value-creation!



Proof of customer value – quality stamp of the offering!



Dynamic workplace growing and attracting talent



Accretive for profits and return



De-risking

Develop

“Strong engagement and support with our companies to capture profitable and value-creating organic growth opportunities”

- *Over time increase the relative share of organic growth*



Success factors

- ✓ Right leadership for each company
- ✓ Ambitious objectives and strategy plans
- ✓ Investments in sustainable business- and product development
- ✓ Access to knowledge and competence
- ✓ Perseverance and long-term approach

Success factors

- ✓ Opportunity oriented
- ✓ Be selective
- ✓ Stable and profitable history
- ✓ Right values and culture
- ✓ Sustainable and leading position
- ✓ Continuous improvements of acquisition resources, processes and organisation
- ✓ Entrepreneurial management to stay on

Acquire

“Continue to increase number of acquisitions, targeting stable and profitable companies with leading positions in niche markets and good prospects for organic growth”

- *Increasing acquisitions to 16-24 companies per year*

Average number of acquisitions last 3 years: 15

Group strategic focus areas

 People development	 Knowledge-sharing	 Decarbonisation as a business opportunity	 Professional ownership	 Scalability
<ul style="list-style-type: none">• Leadership development• Indutrade Academy• Recruitment and onboarding• Diversity and inclusion	<ul style="list-style-type: none">• Indutrade Portal• Networks and clusters• Conferences and events• Awards	<ul style="list-style-type: none">• Company CO₂ reductions• Innovation, products and customers• Strategic climate governance	<ul style="list-style-type: none">• Operational decentralisation• Structured governance• Performance measurements & incentives• Portfolio management	<ul style="list-style-type: none">• Management structures• BA resource and competence plans• Shared ways of working

Clear set of strategic focus areas and priorities for continued value creation

Ensuring scalability



Securing capabilities to identify, acquire, onboard and support a steady inflow of new companies

Management structures

- Business unit structure
- Establishing management teams in companies
- Recruitment and onboarding of key roles

Boards

- Board compositions
- Board training

Shared ways of working in selected areas across the group

Stepwise and proactively improving our capabilities to generate further sustainable profitable organic growth and acquisitions

Decarbonisation – a key priority!

GROUP LEVEL:

Focus on strategic decision making and climate governance

Carbon literacy

Climate risk analysis

“Green” investments & acquisitions

COMPANY LEVEL:

“Biggest emitters”
To address 20 % of total emissions

Climate Guide and tailored emission reduction initiatives

Training and spreading good examples

More focus on sustainable innovation and low carbon products

“Emission cluster”
To address 80 % of total emissions

Climate Guide for
the Indutrade Group

 Indutrade



Financial objectives – new EBITA-margin target

Old

≥12%

- *Through both organic improvements and accretive acquisitions, the EBITA margin has stepwise increased over the recent years*
- **12,9%** (5-year average)

New

≥14%

- *Balance between profitability ambitions and ability to invest in growth initiatives*
- *Target to be achieved through continued organic improvements and profitable acquisitions*

Target measured over a business cycle

Financial objectives



Targets measured over a business cycle

Key takeaways

- 1 Diversified business group with agile and flexible companies, working closely with their customers
- 2 Strong underlying market forces and focus on growth segments
- 3 Increasing ambition for organic growth and acquisitions
- 4 Clear set of strategic focus areas and priorities for continued value creation
- 5 Constantly developing our ability to generate sustainable profitable growth!

New
EBITA margin target

≥14%

Over a business cycle

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

Indutrade