

CAPITAL MARKETS DAY 2025





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My journey to Indutrade

Pre Indutrade

- Industrial Engineering, KTH
- Applied Value
- Karnell



What are we looking for?

Characteristics		
Type	Financials	
• Only B2B companies • Technical trading or manufacturing • A company and market that we can understand • Leading market position in its niche • Limited piece price and repetitive need • Diverse customer and supplier structure	• Sales of 50-500 MSEK • Healthy gross margins • Stable earnings • Sustainable ROWC	
People		
Preferably family owned	Down-to-earth	People that care about their employees, the brand, and the future

Gradually increased focus on

Organic growth potential

Working capital profile

Acquisitions under the hood

What?

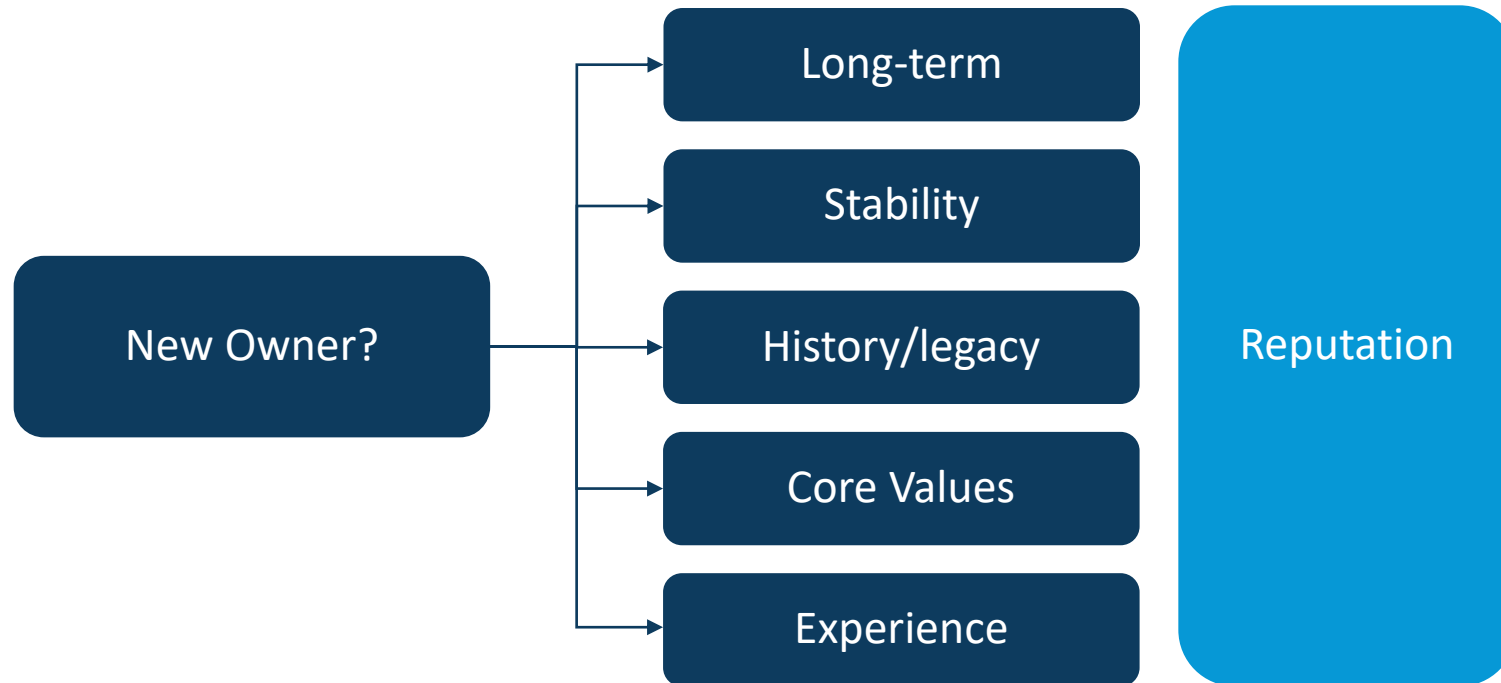
- Clear set of preferred characteristics
- Open minded
- Opportunistic

How?

- Meet with many potential targets
- Focus on people
- Relationships
- Focus on what matters
- Transparent
- Disciplined
- Pragmatic, solution based, flexible
- Brave enough to be different

Get the acquisition done!

Why do entrepreneurs sell to Indutrade?



It was very important to me that the new owner not only cared about our business interests, but also our employees.

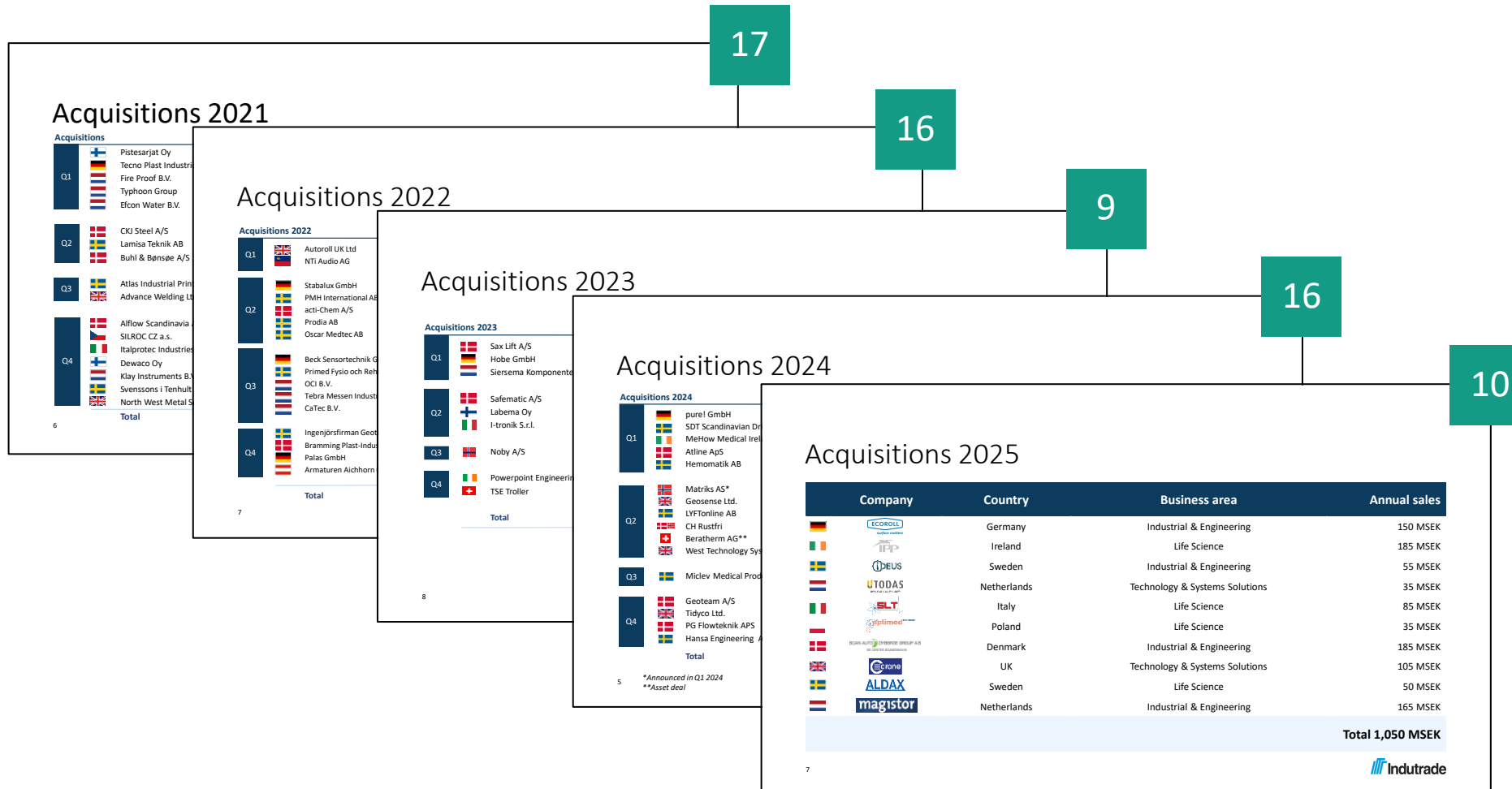


Those of us running Alflow have always been entrepreneurial and as part of Indutrade, we still can be.

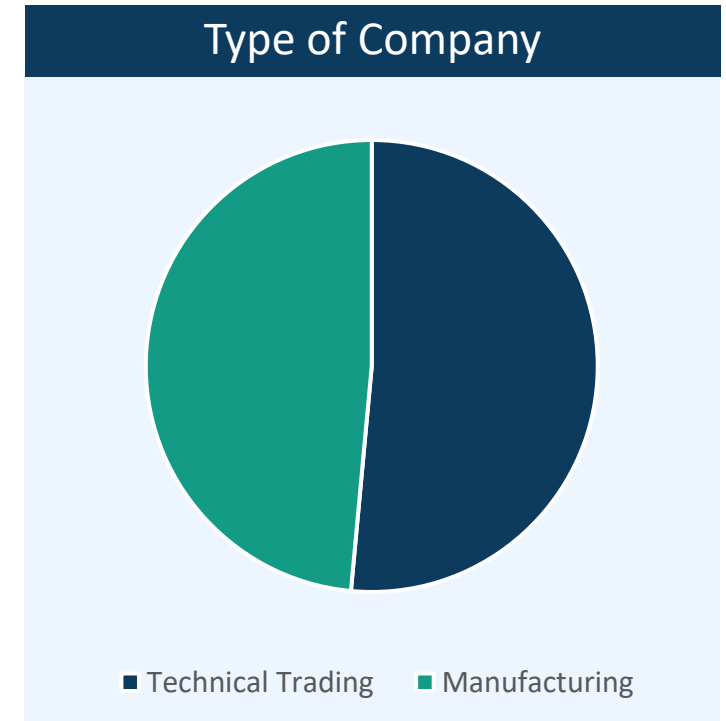
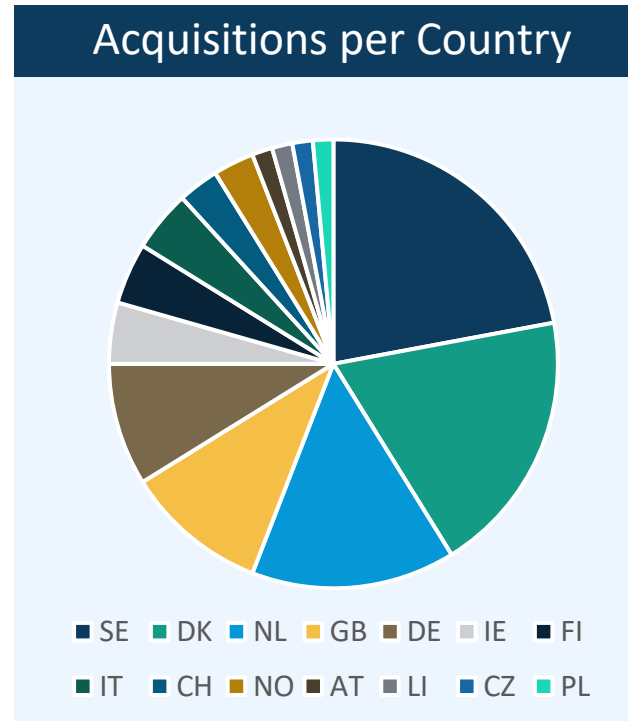
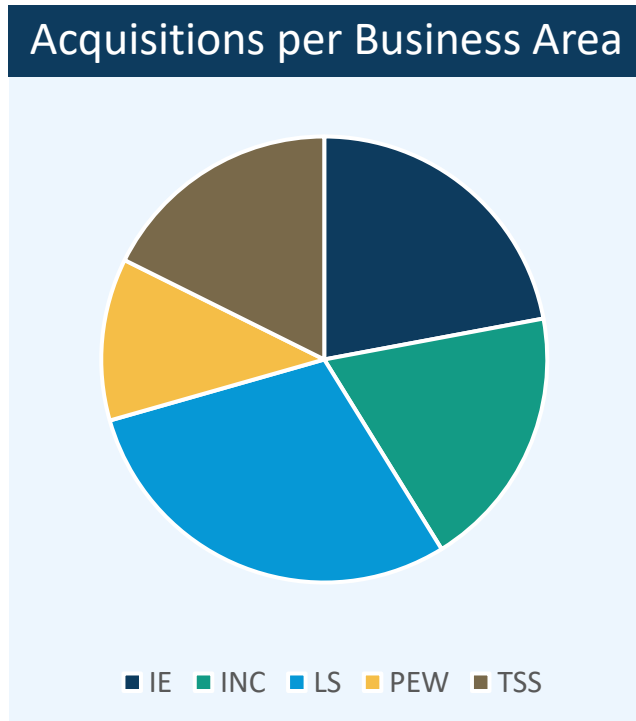


Relationships & trust – people sell to people!

~70 acquisitions in the past five years

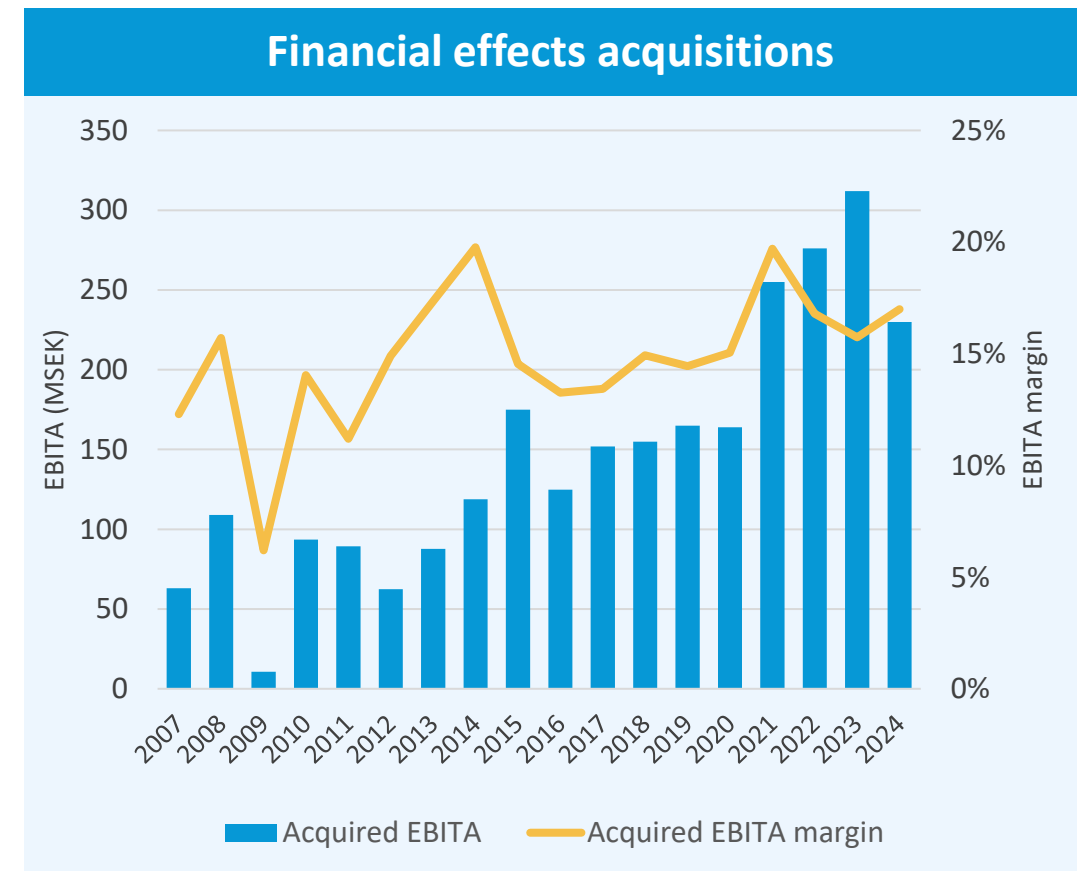
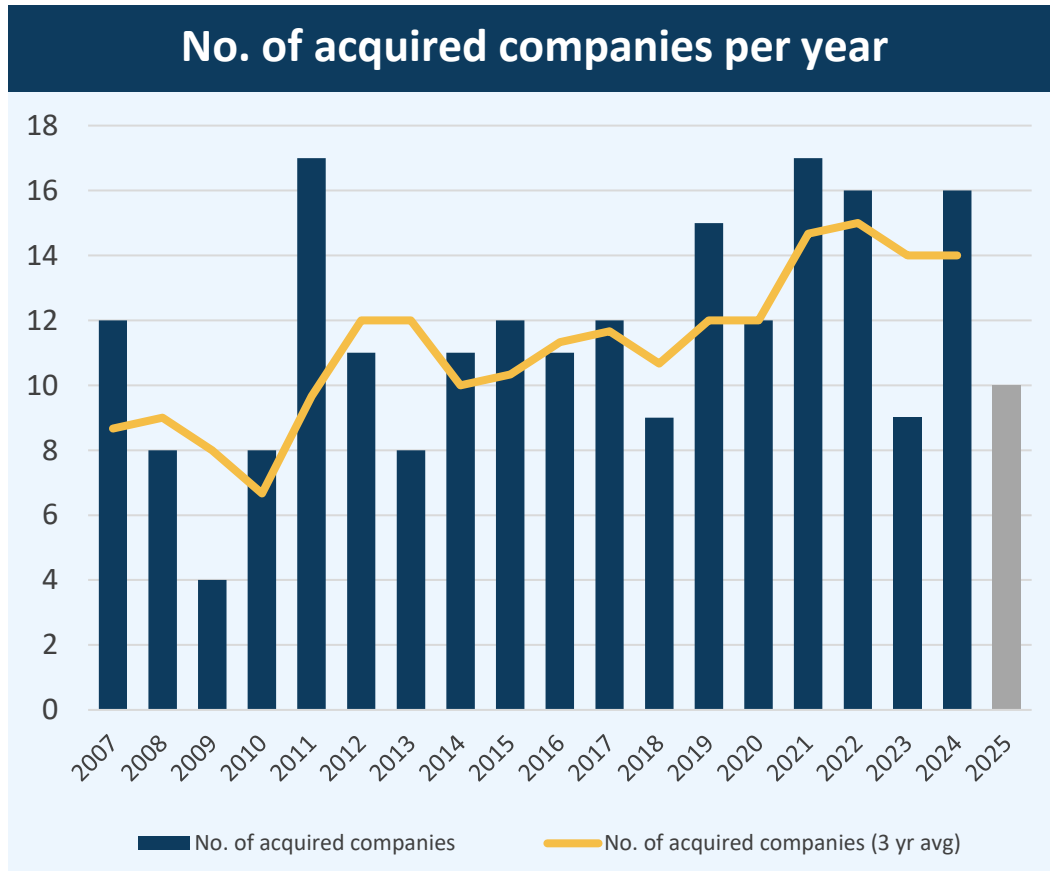


Characteristics of the acquisitions in 2021-2025

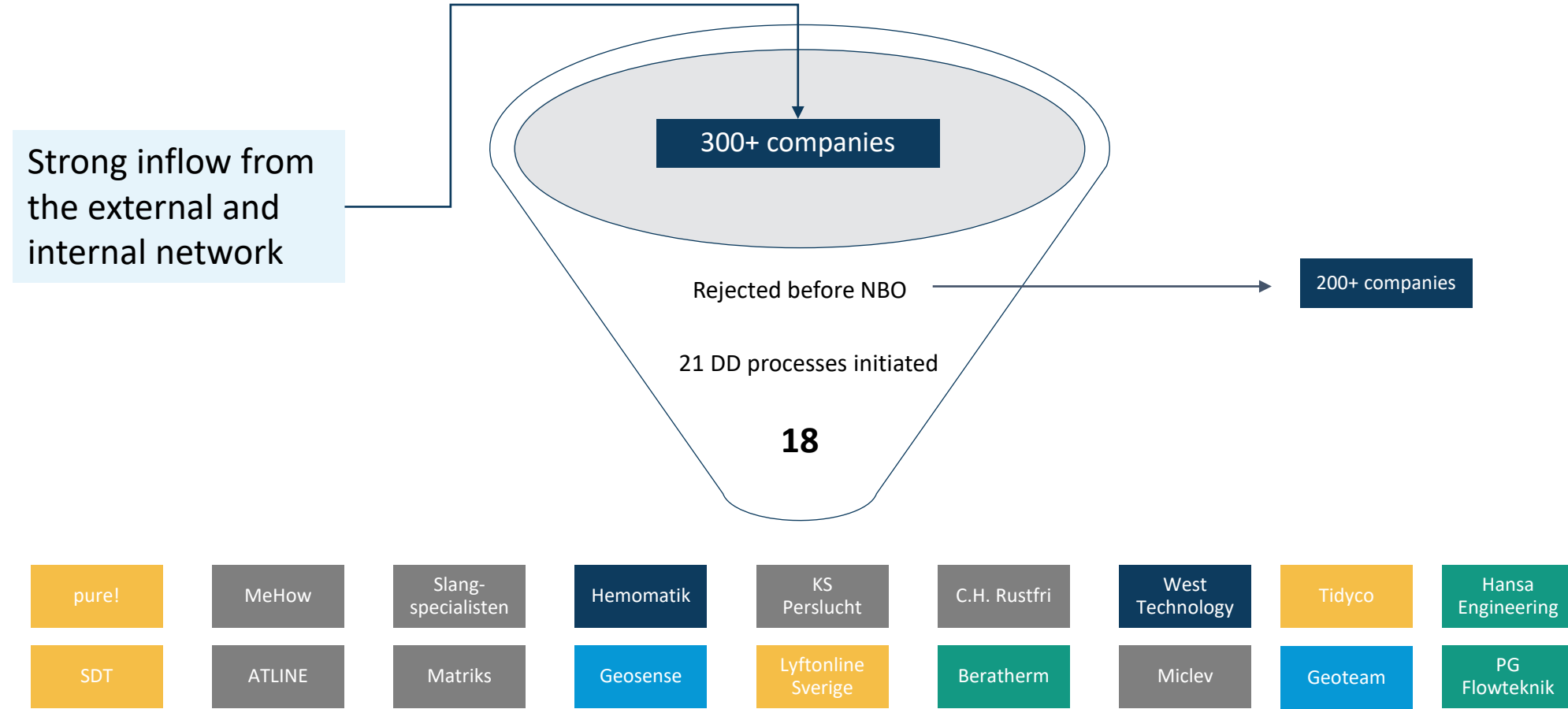


Potential and activity high in all areas

Stepwise increasing pace and contribution



High hit rate when we are interested

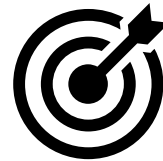


Our approach to valuations



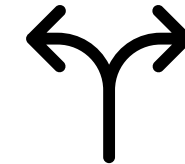
Standardized valuation model

- Straight forward and standardized valuation model
- Seller's financial plan scrutinized
- Focus on a few key metrics
 - EV/EBITA in the range 5-8x
 - ROCE target of 20% within 3-5 years
 - EPS accretive



Disciplined buyer

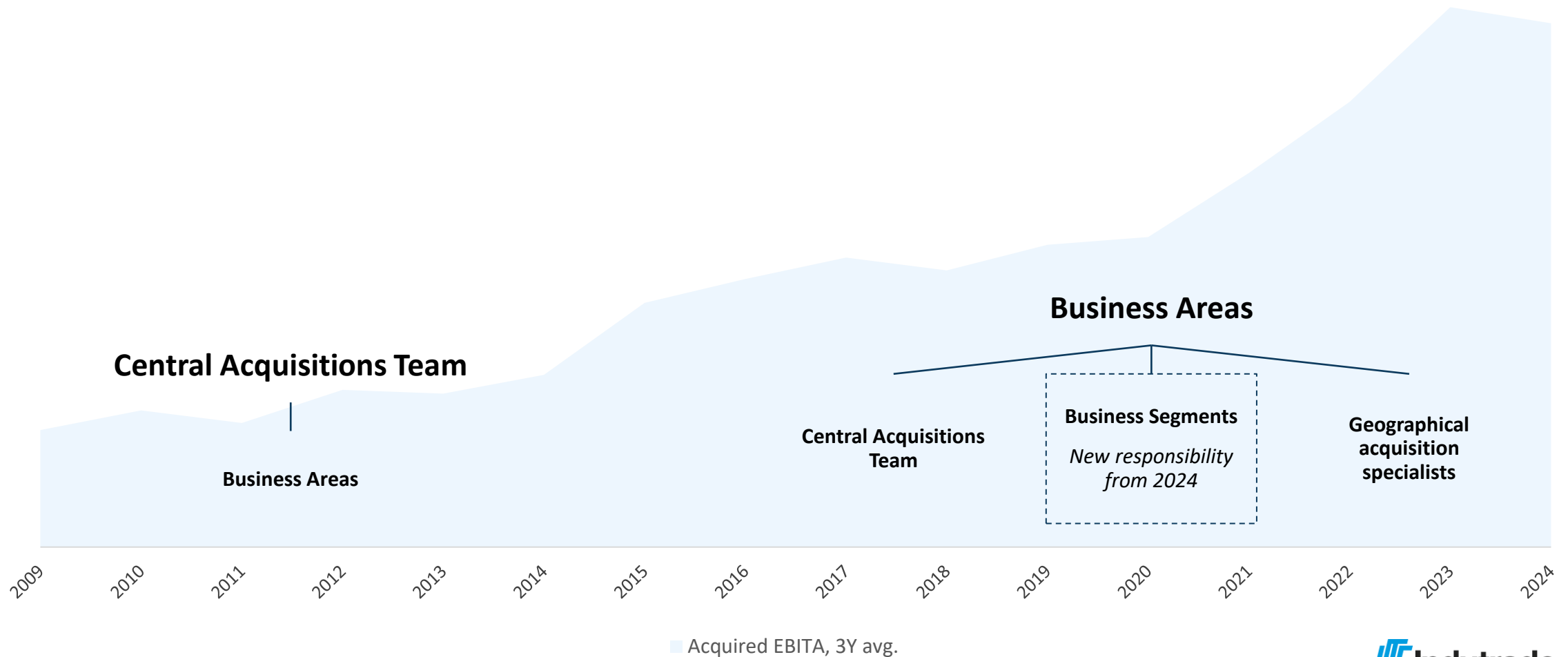
- Relevant benchmarks from 200+ acquisitions
- Earn-Out bridges value expectation gap and protects downside
- Clearly defined walk away price but also pragmatic to reach the finish line
- Our business model, support and culture/people key differentiating factors



Differentiated pricing

- Not the same multiples for all acquisitions
- Differentiation based on
 - Size
 - Type of industry
 - Organic growth potential
 - Working capital levels
 - CAPEX requirements
 - Situation

Acquisition capability step-up



Acquisition organisation

Group

- Drive and coordinate pipeline management – external and internal leads
- Lead acquisition projects
- Develop acquisition process and toolbox
- Assure quality throughout the acquisition process

Business Areas

- Generate internal leads from Business Segments and portfolio companies
- Business owner
- Lead acquisition projects
- Support acquisition process development

Business Segments

- Generate internal leads
- Business owner
- Support acquisition projects

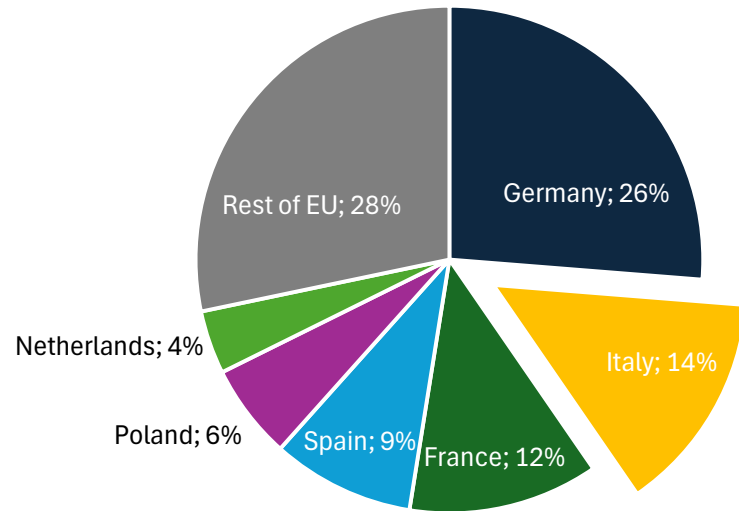
Countries

- Drive the effort to generate external leads
- Support internal lead generation
- Lead acquisition projects
- Support in projects where local knowledge and touch is helpful



Industrial production in Europe and Italy

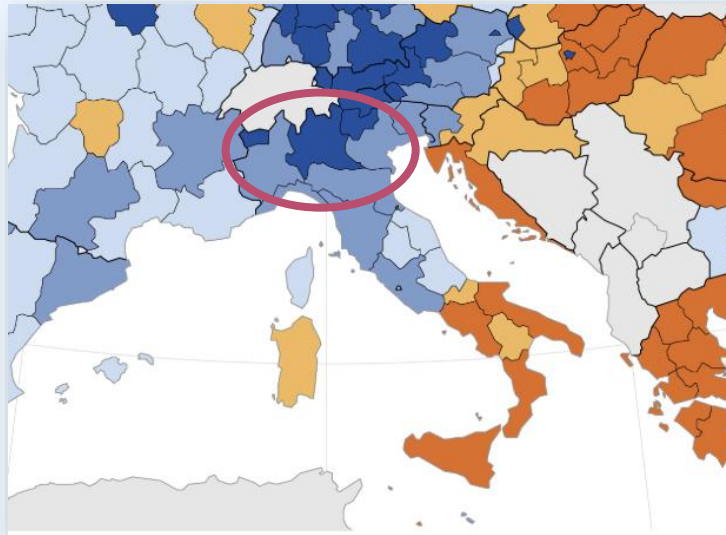
EU Value of sold industrial production, by country, 2024
(% of total value of sold production)*



Italy is the second industrial economy in Europe with 14% of the overall production

Focus on Northern Italy

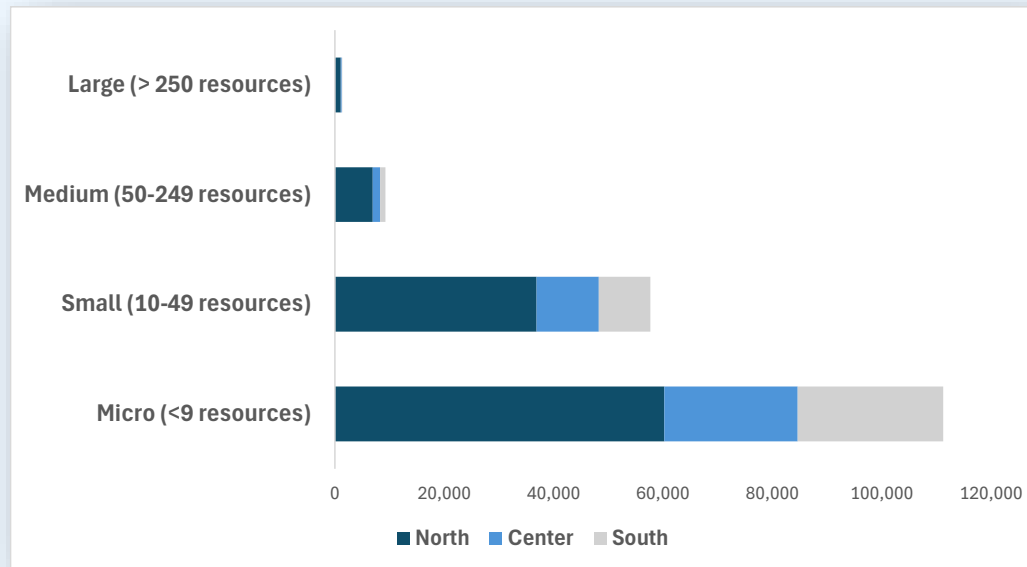
GDP per capita in EU regions, 2019*
(in PPS, EU=100)



- Italy is divided into 20 regions, with the highest GDP in the Northern regions
- The regions with highest number of mid-size industrial companies are Lombardy (Milan), Emilia Romagna (Bologna) and Veneto (Venice)

Opportunities for Indutrade in Italy

Number of Industrial companies in Italy, 2022*



- There are a total of about 180,000 manufacturing companies in Italy
- Out of 67,000 Small Medium Enterprises (SME's), 44,000 are located in Northern Italy
- 77% of the manufacturing SME's are family owned

Approach to acquisitions in Italy

Business Areas and Segments

- Regular contact with Business Areas
- Work with Business Segment Leaders to identify potential targets in Italy
- Involvement of the Business Areas and Segments in the analysis of potential acquisitions

Scouting

- Scouting of potential targets based on Indutrade's acquisition selection criteria
- Ongoing contact with potential targets, also supported by industrial associations and local network

Brokers

- Built a broker network of 50+ firms, including both local and European-wide networks
- Continuous update with brokers

- **Ongoing inflow of opportunities**
- **Since 2024 signed NDAs to analyse 50+ companies**



Feedback from Entrepreneurs

The long-term investor model in Italy was not known and is a new opportunity for entrepreneurs facing business succession

Positive feedback of Indutrade's values (Entrepreneurship, Decentralisation, Long Term, People) for the future of their family business

Positive perception of the organisation, including the possibility to work with similar companies in the various segments

Entrepreneurs appreciate the presence of an Italian organisation to understand local business culture and needs



Positive feedback
of Indutrade in
Italy

My journey in Indutrade



My acquisition role and objective

2024

Appointed Business Segment Leader

Acquire at least one new company into my segment every year

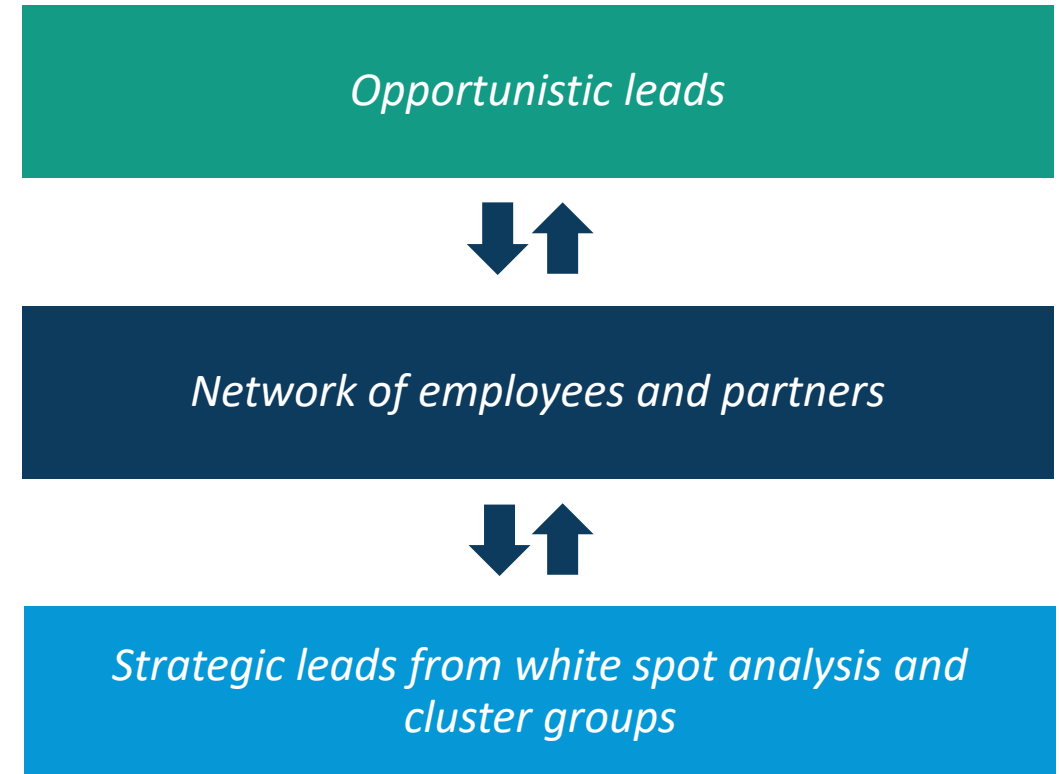
- Strategic acquisition plan and assessment
- Develop and maintain a pipeline of internal leads
- Proactively build relationship with potential targets
- Support the acquisition projects and take ownership of the strategical and cultural evaluation
- Responsible for the company post acquisition

Greatest assets in finding acquisition targets



Building a pipeline of internal leads

- Explore acquisition prospects near our existing companies
- White spot analysis
 - Markets, Products, sub-segments
- Employing AI speed up market analysis and lead generation
- Our employees are our superior quality control mechanism to secure high quality internal leads



Growth example

Analysing aquaculture

- Investigation of what products are used within aquaculture
- Identifying possibilities
- Creating longlist
- Reviewing list together with the team
- Find ways to make further contact and understand the company better

Add-on example

Add-on acquisition Pemac AS

The first interaction between Fagerberg AS and Pemac AS occurred at an exhibition

Complementary product portfolios and covering different areas of the Norwegian market

Contact between owner of Pemac and Fagerberg Managing Director

Business plan was presented to Business Segment Leader

Acquisition finalised in January 2025, 18 months after initial meeting

Summary

- We stay the course!
- Continue to acquire Indutrade type of companies
- Opportunistic and open minded
- Leverage the team
- Strengthen pro-active lead generation
- Stepwise increase no of acquisitions per year



