Patrik Johnson
CFO

Short term trends in the right direction

Book-to-bill

102%

Q325-YTD

Organic order intake growth

+3%

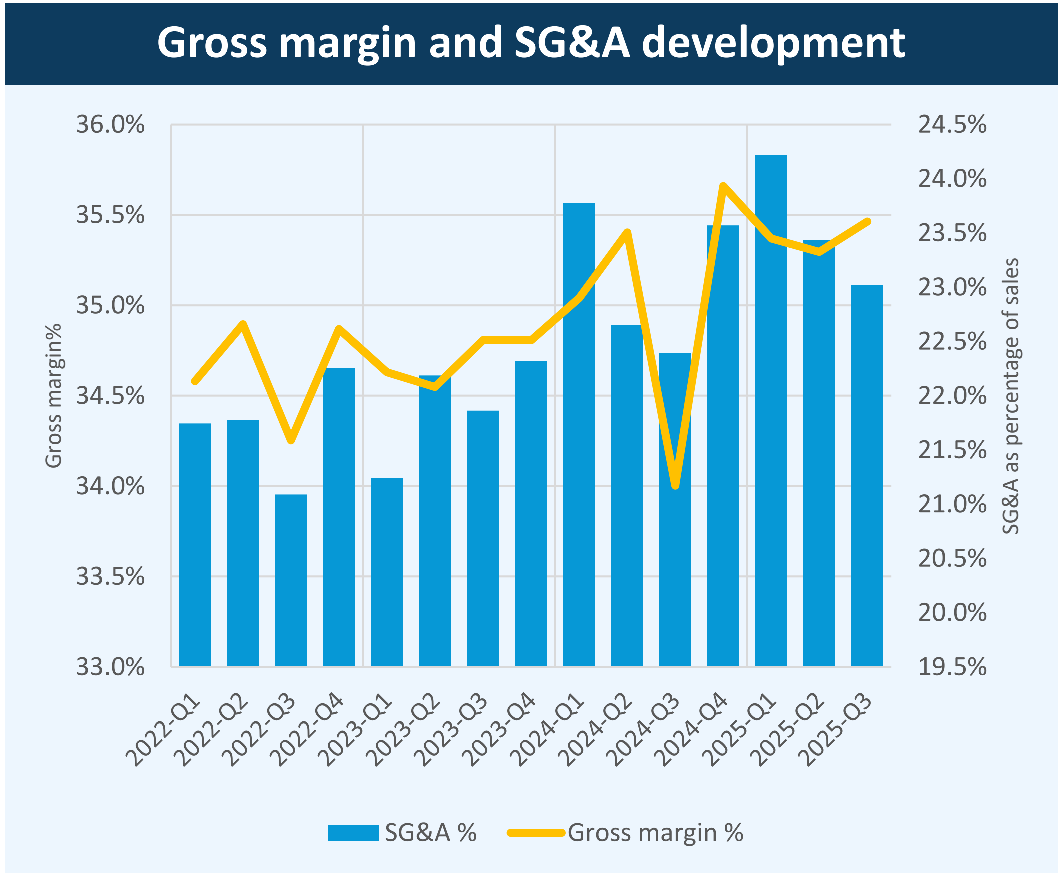
Q325

No of companies growing

>50%

Q325

Continued strong and improved gross margin, with costs under control



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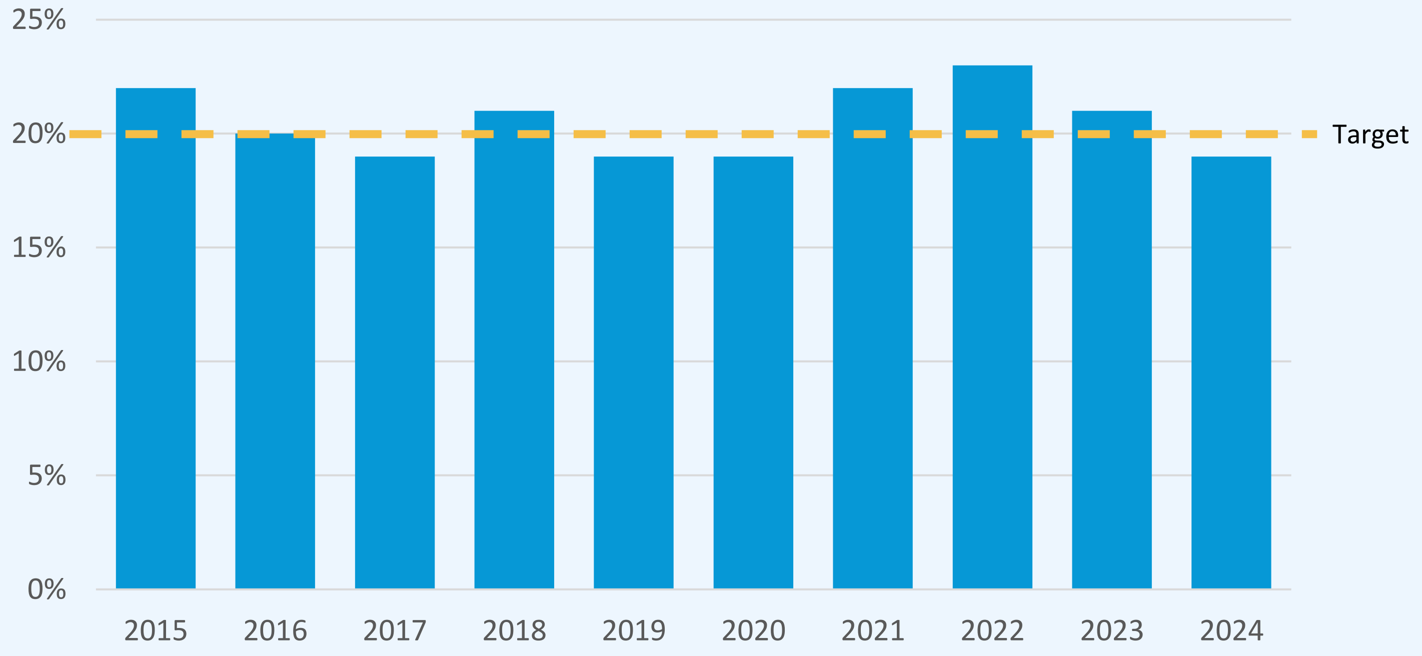
Value creation – growing with stable high return

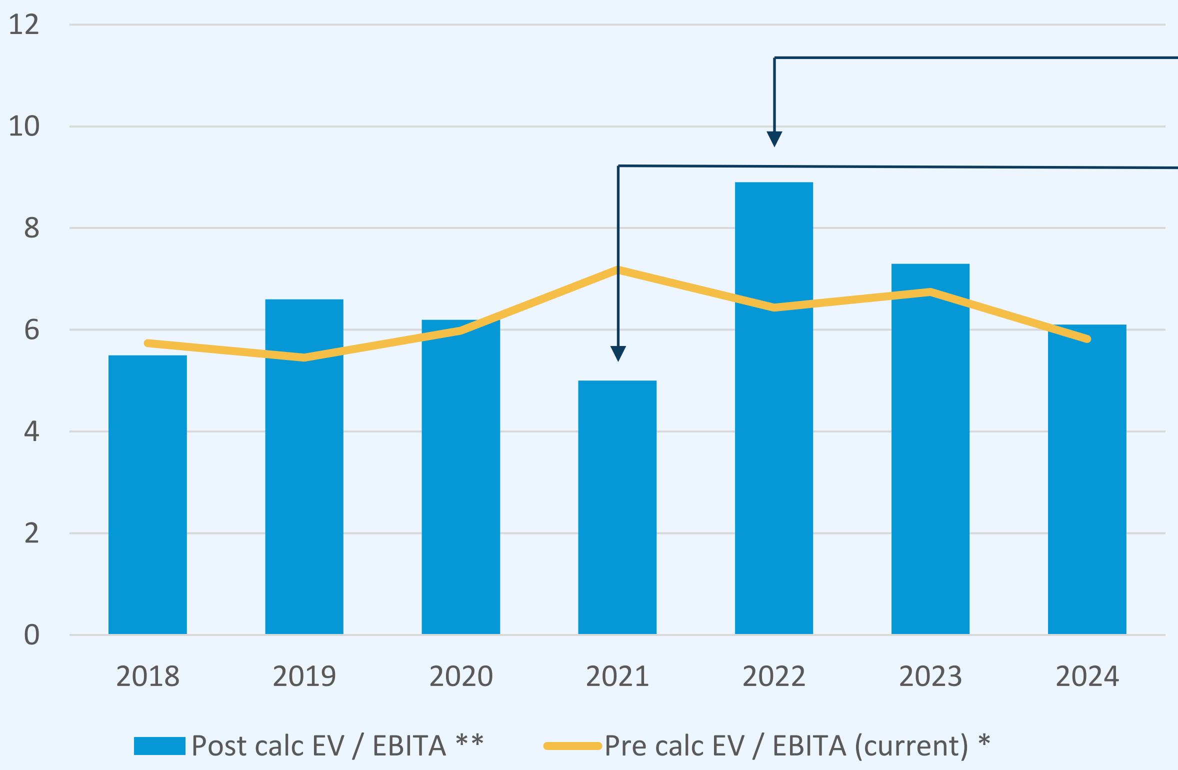
ROCE development



- ✓ Smart capital allocation
- ✓ Balance between acquisition and organic growth
- ✓ Prudent acquisition pricing
- ✓ Organic operational return leverage

Acquisition pricing development

Acquisition multiples



Weak performance in first year in a couple of larger acquisitions create higher post acquisition multiple during 2022

Strong performance in first year in a couple of larger acquisitions create lower post acquisition multiple during 2021

Average pre calc acquisition multiples

stable at **6x-7x**

** Average pre calc multiples at time of acquisition*

*** Purchase price excluding earn-outs less acquired cash in relation to actual EBITA excluding acquisition costs the first year (based on published external reports)*

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A broadened performance perspective

Focus on working capital and investments

Profit

EBITA

/

Capital

Operating working capital + Machinery & Equipment

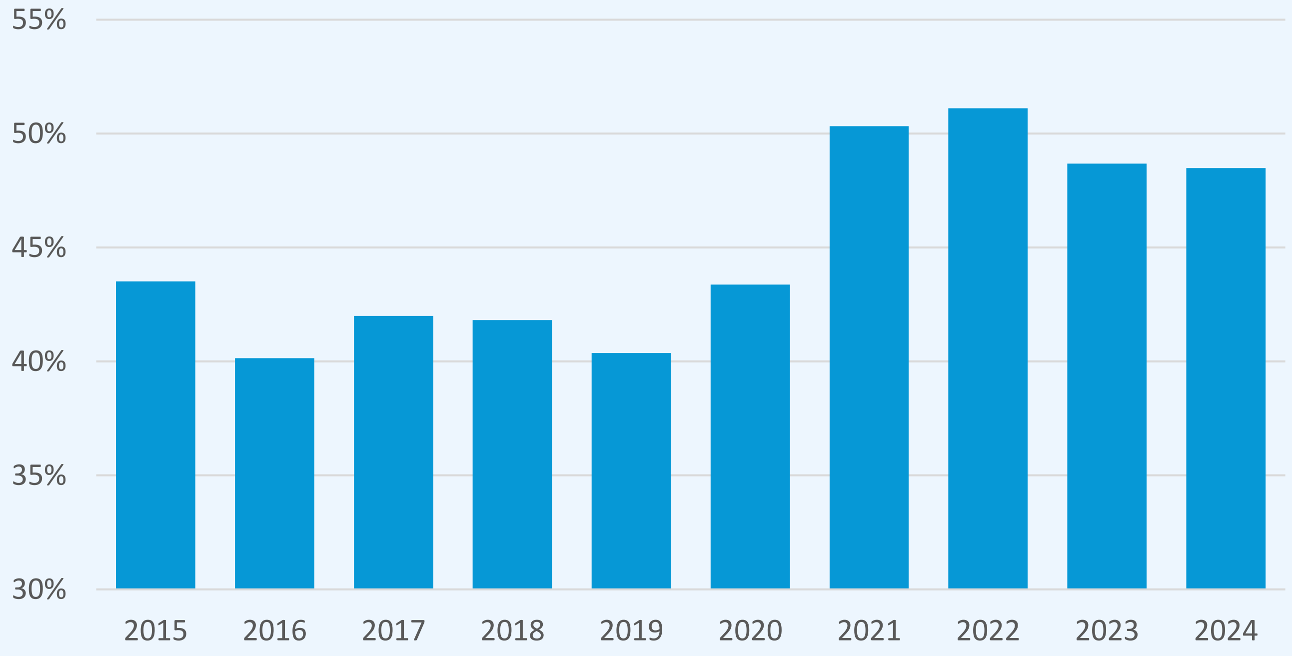
=

Value

The Indutrade measurement ROWC

Generating more operational return

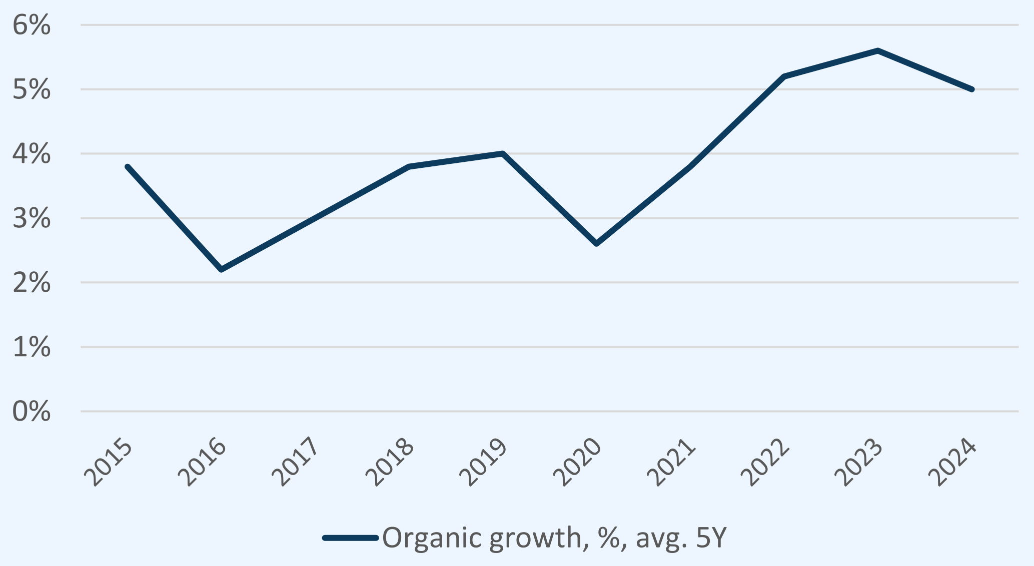
ROWC development



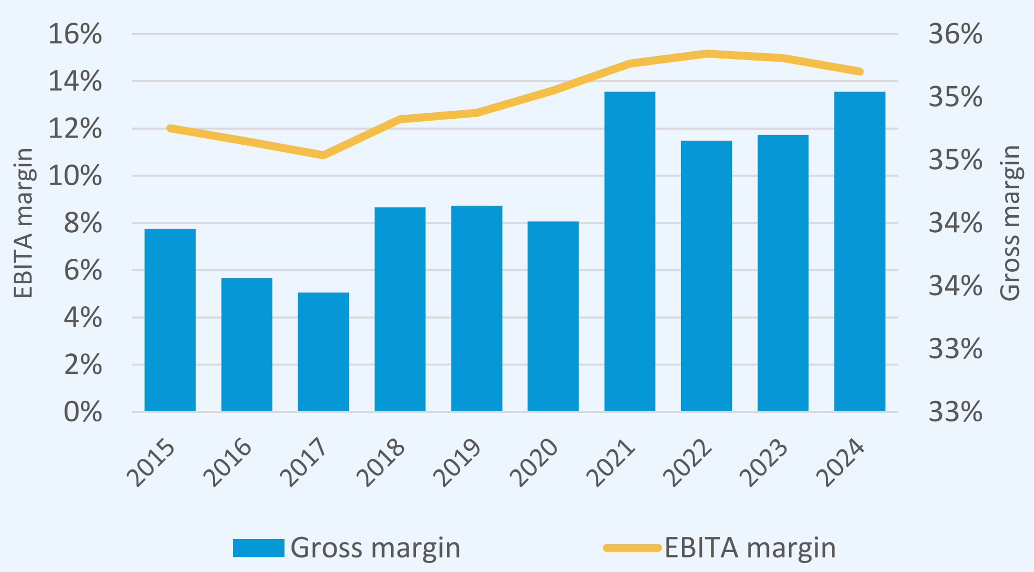
- ✓ Internal follow up
- ✓ Benchmark
- ✓ Training
- ✓ STI
- ✓ Acquisition criteria

Continuous improvement mindset

Organic growth trend



Margin trends



- ✓ Individual ambitious target setting
- ✓ Focus on Y-o-Y improvements
- ✓ Incentives & benchmarking

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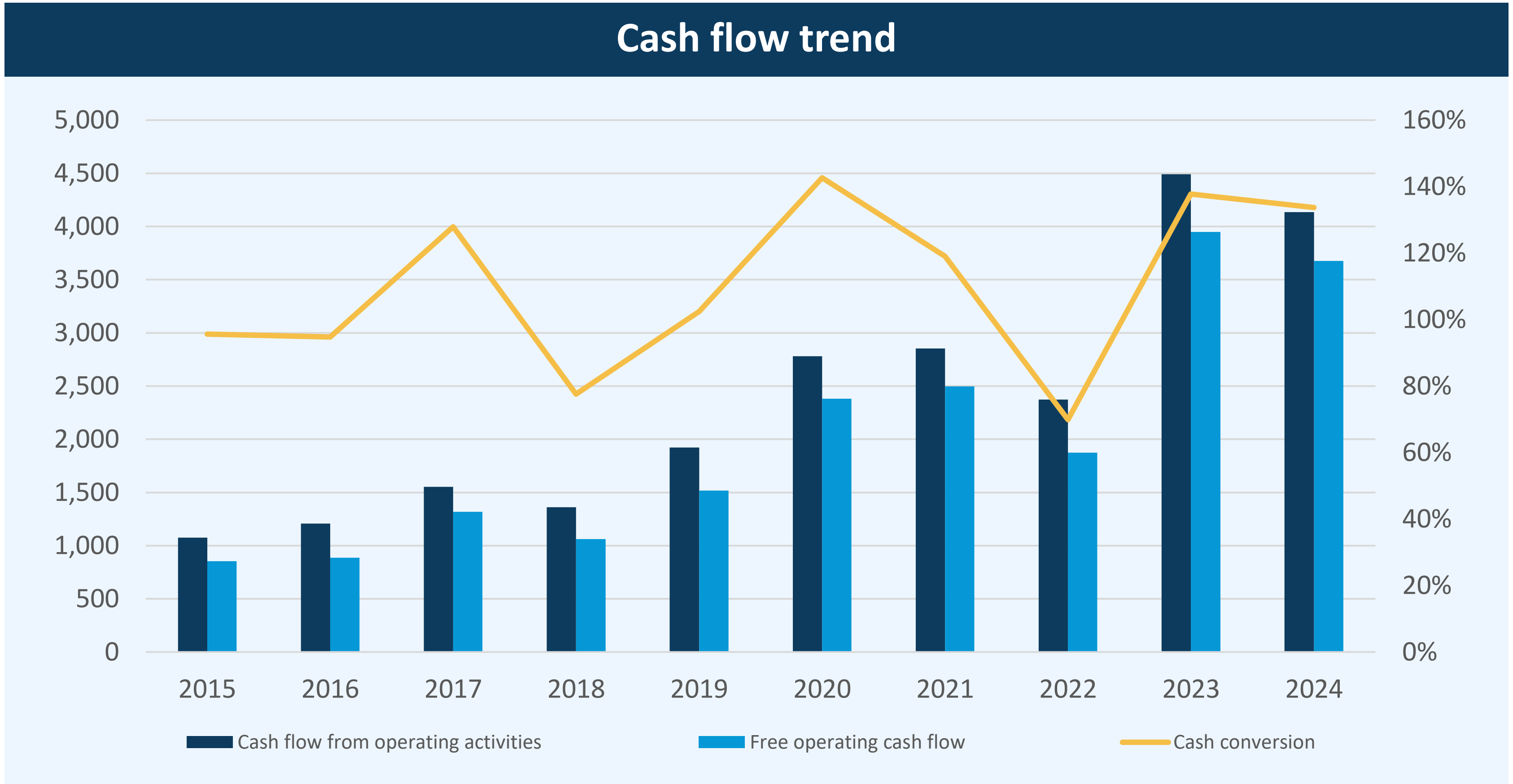
Strong cash flow generation



Free operating cash flow, CAGR

+17%

p.a last 10 years

CAPEX/Sales

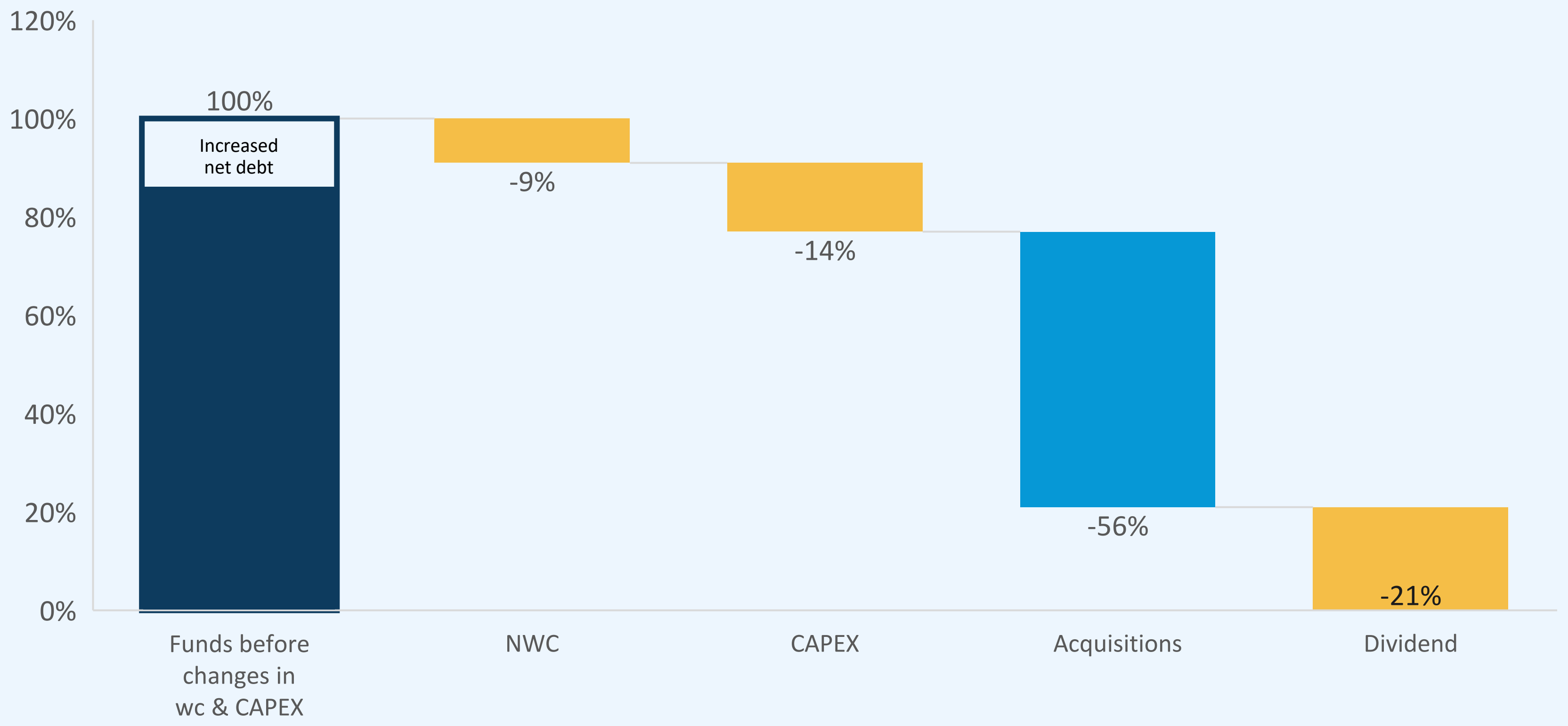
<2%

10Y avg.

** Cash conversion = Free operating cash flow / net profit*

High reinvestment rate

Capital deployment last 5 years



Acquisition spending

~9.1

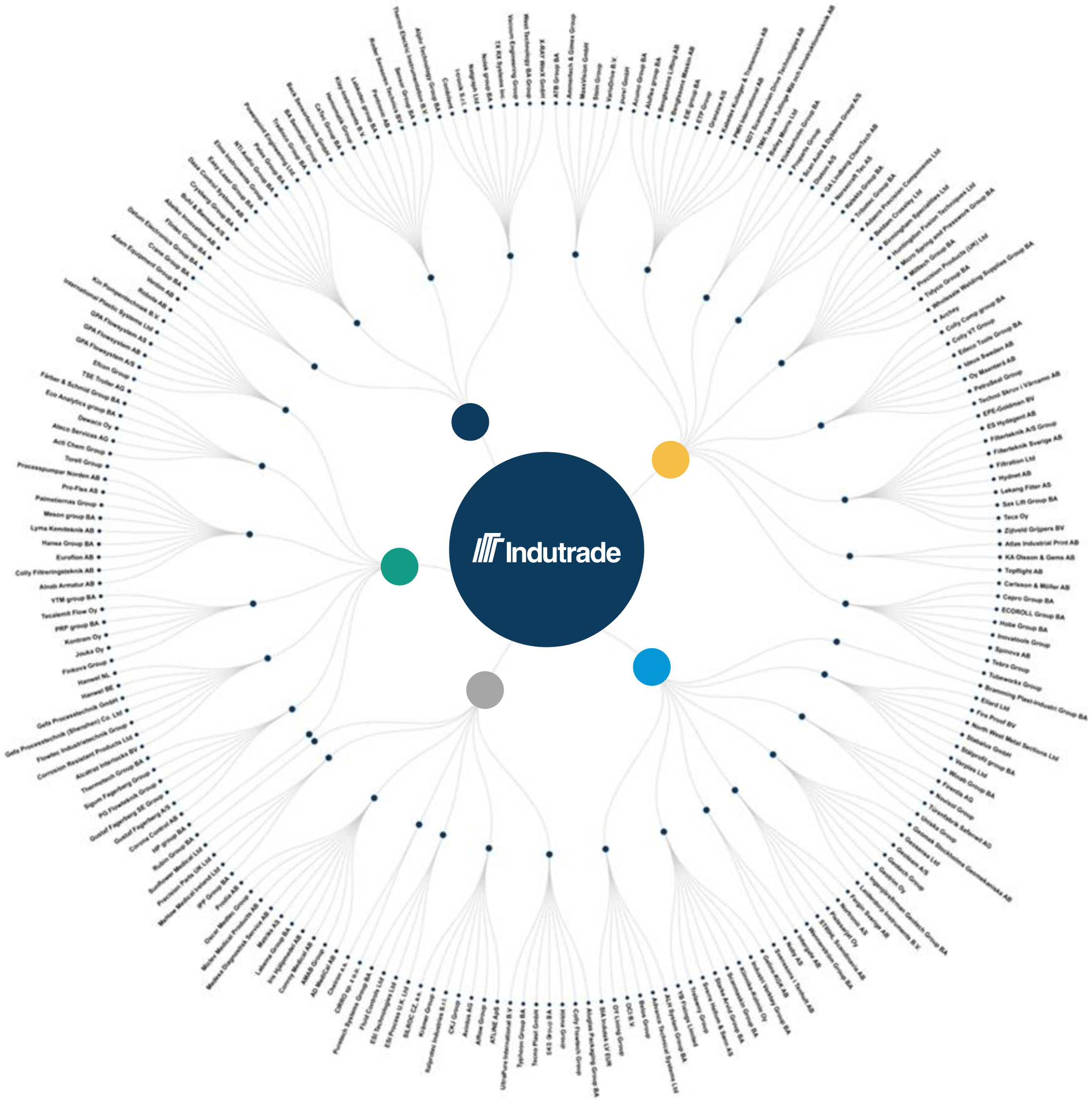
BSEK, last 5 years

Reinvestment rate*

71%

Avg. last 5 years

*Reinvestment rate = Acquisition spending / free operating cash flow



Industrial & Engineering
Infrastructure & Construction
Life Science
Process, Energy & Water
Technology & Systems Solutions

How do we allocate time, resources and capital in an optimal and common way between our companies?

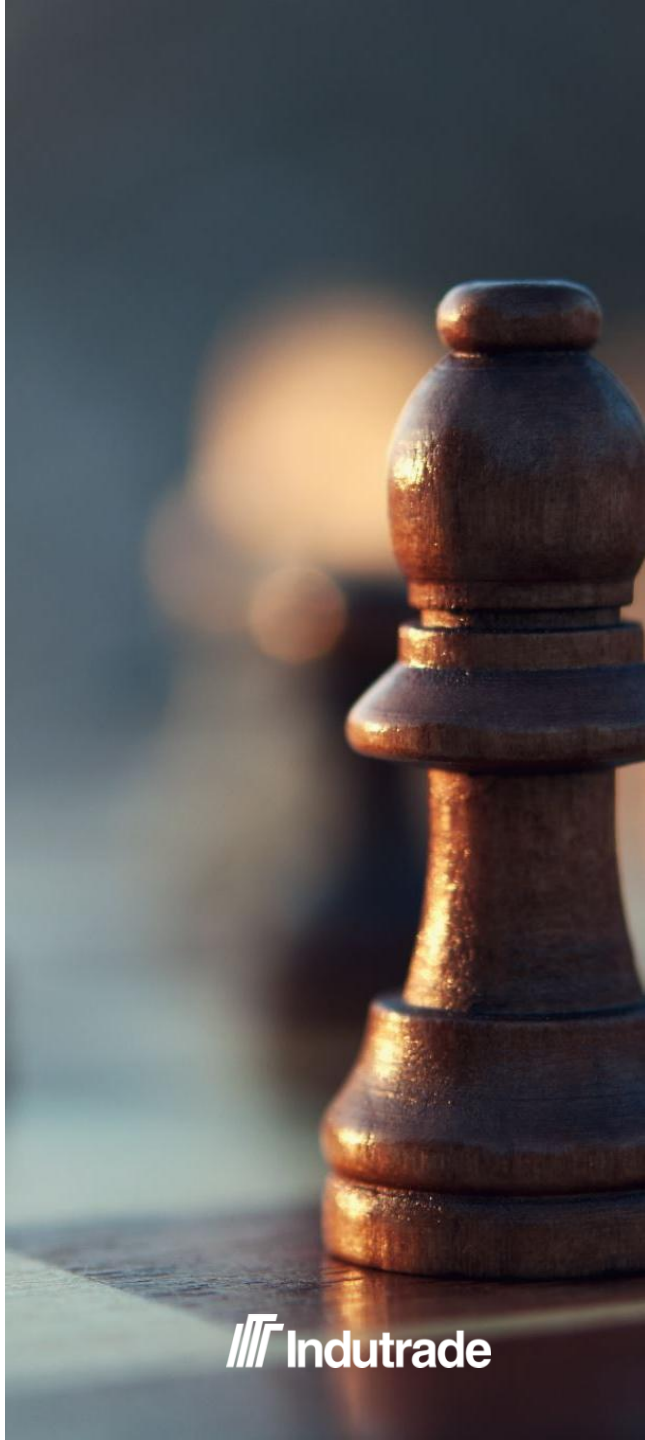
Our portfolio model

- Established common Indutrade framework
  - Categorising our companies in terms of financial and organisational capability
  - Support in **capital allocation** decisions and for adaptation of coaching
- Priority is always to establish reliability in the basics and a good profitability before growth plans and investments should be considered

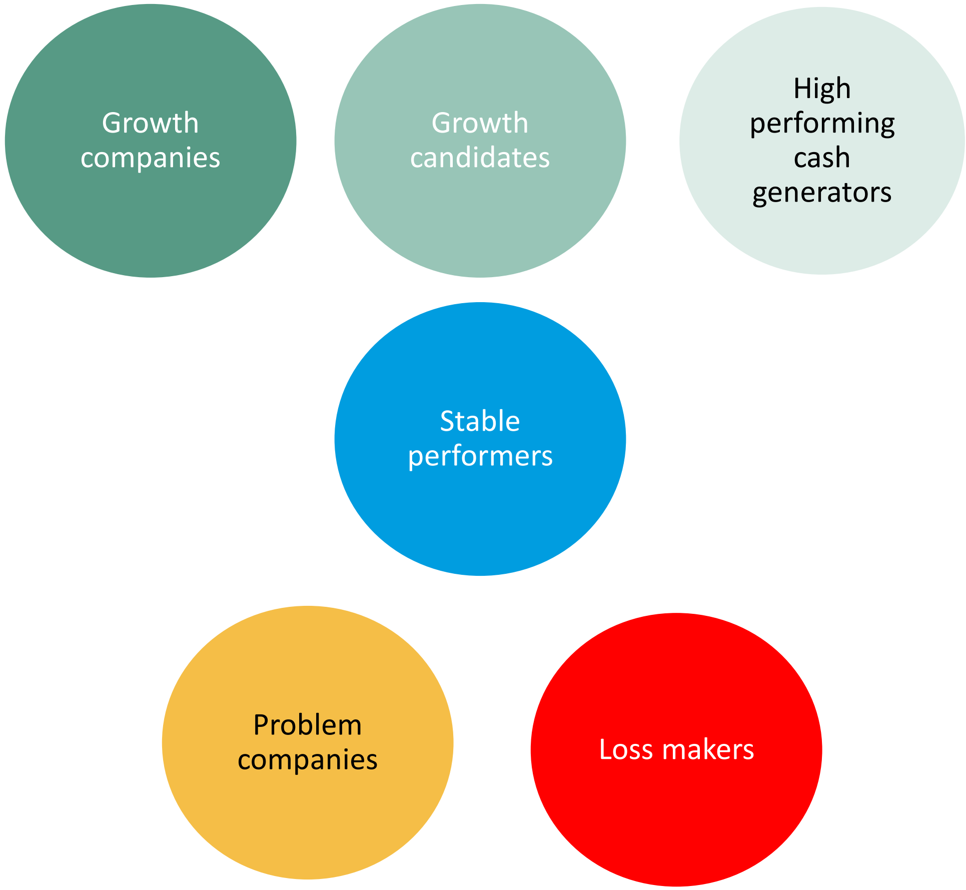
1 Stability

2 Profitability

3 Growth



Overview portfolio model



Companies with stable strong financials, ready to qualify for growth

Companies with stable solid financial performance but further improvements needed to qualify for growth investments

Companies in need of performance improvement

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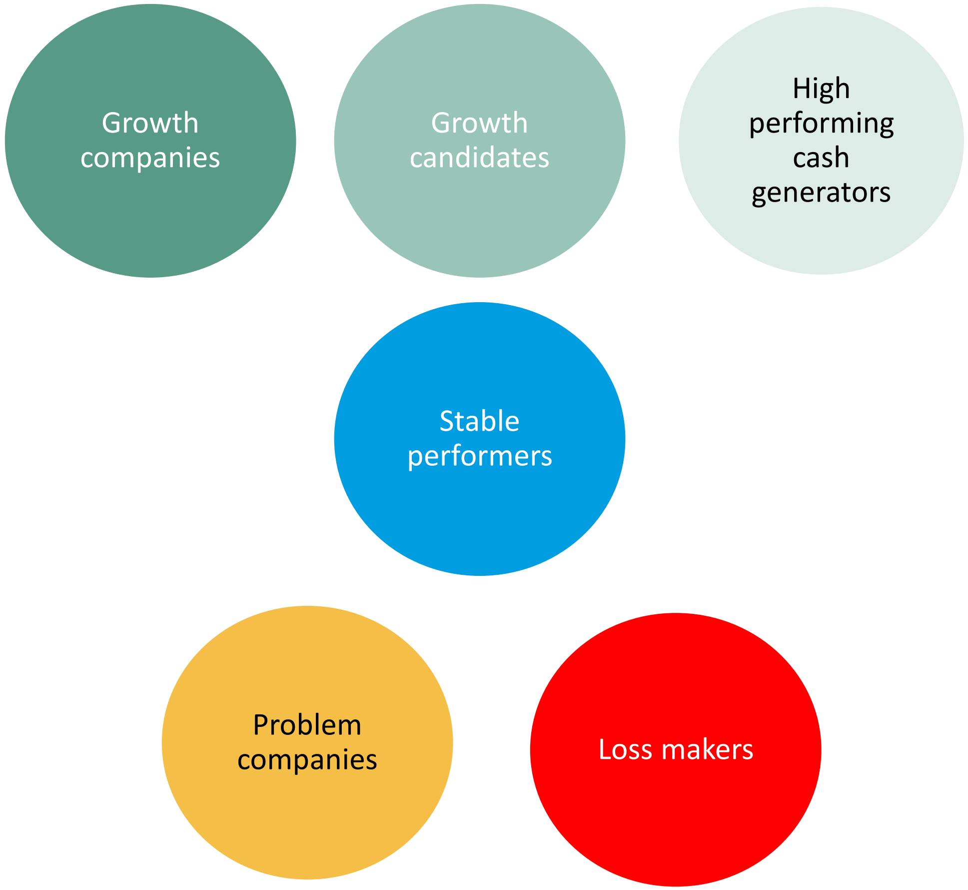
Portfolio model supporting decisions on capital and resource allocation



- *Growth objectives and activities*
- *Investments and coaching to support growth capabilities and plans*

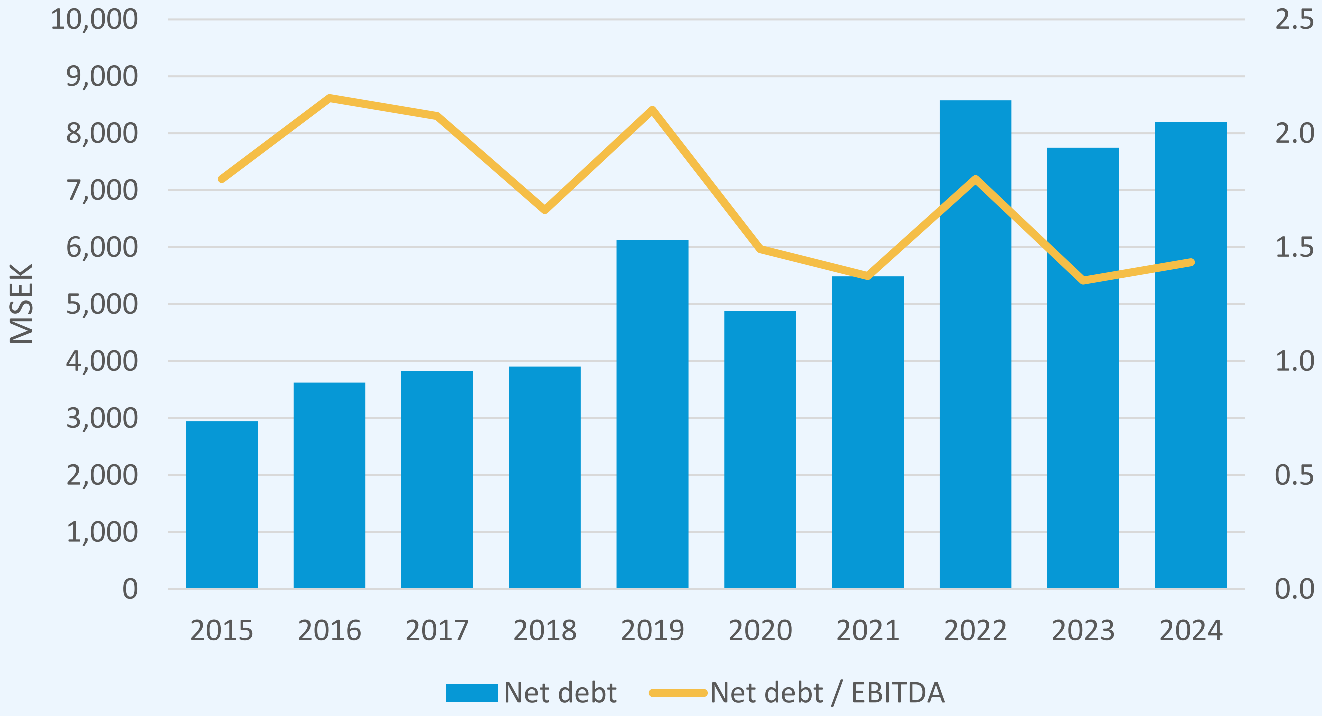
- *Profitability objectives and activities*
- *Investments and coaching to support profitability, productivity and capital efficiency improvements*

- *Turnaround objectives and activities*
- *High and close engagement to ensure quick profitability improvements*

”Alignments within all Business Areas on the categorization and the appropriate plans and activities”

Strong financial position

Net debt development



- ✓ Strong underlying cash flows and a balanced acquisition and investment rate

+

- ✓ Strong and stepwise increased bank group

+

- ✓ Expanded cash pooling

+

- ✓ Investment grade rating by S&P

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Key takeaways

Focus on value creation

Prudent and disciplined buyer

Continuous improvement

Professional owner

Maintain strong underlying cash flow to facilitate smart capital allocation in all levels throughout the Group

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