

The logo for BOREO features the word in a bold, white, sans-serif font. A large, semi-transparent circular graphic composed of fine, parallel lines is centered behind the text. The background of the entire slide is a dark, moody photograph of a coastline at dusk or dawn, with a lighthouse visible on a rocky shore in the lower right.

BOREO

Q1 2022 INTERIM REPORT

Webcast | May 5, 2022



AGENDA

- Q1 2022 HIGHLIGHTS
- Q1 2022 FINANCIALS
- Q&A



HIGHLIGHTS OF Q1 2022

NET SALES GREW BY 30% AND OPERATIONAL EBIT 22%

38m€ net sales (29m€ Q121)

2.0m€ operational EBIT (1.6m€ Q121)



DISCIPLINED EXECUTION OF STRATEGY



Continued successful execution of the acquisition program

Continuous development of operating model and

IMPROVED FINANCIAL POSITION

Net debt / operational EBITDA 1.6x
(2.6x Q421)

Equity ratio 35.9% (24.3% Q421)



UKRAINIAN CRISIS



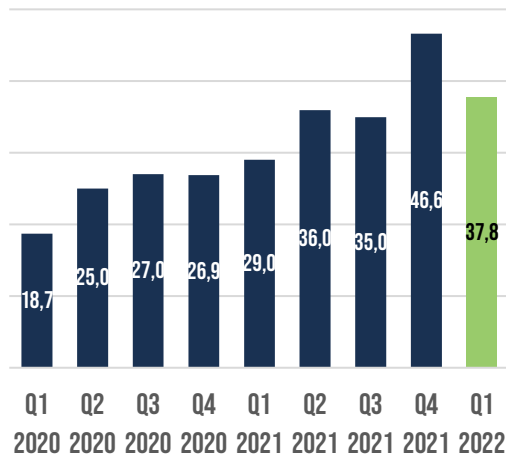
Operating environment shadowed by the impacts of Ukrainian crisis

Measures initiated to exit the component distribution business in Russia

STEADY FINANCIAL PERFORMANCE & IMPROVED FINANCIAL POSITION

STRONG GROWTH IN NET SALES AND OPERATIONAL EBIT CONTINUED

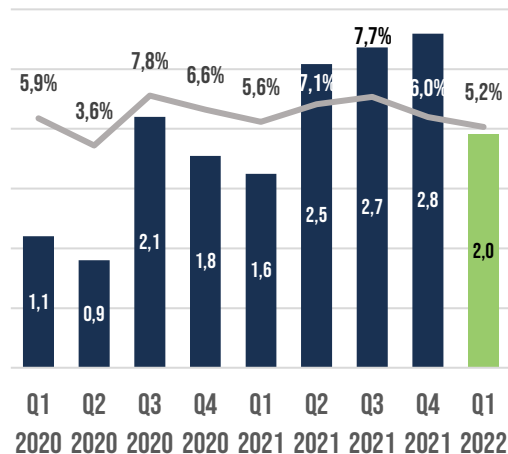
NET SALES, (M€)



GROWTH OF NET SALES
30% VS. Q1 2021

+20 %
P.A.

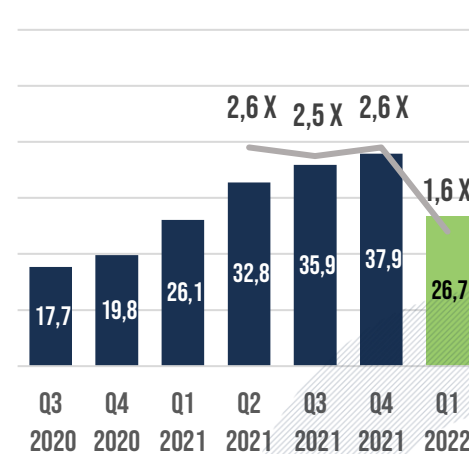
OPERATIONAL EBIT, (M€, %)*



GROWTH OF OPERATIONAL EBIT
22% VS. Q1 2021

> 8%
2023

LEVERAGE



NET DEBT / OPERATIONAL
EBITDA 1.6X

2-3X

#

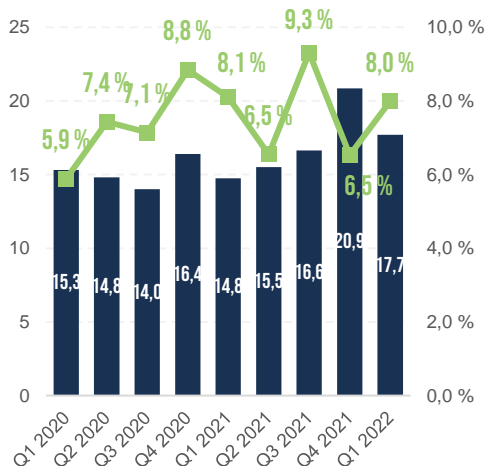
STRATEGIC OBJECTIVE 2021-2023

*From Q1/22 onwards, operational EBIT no longer takes into account the impact of the allocation of acquisition costs. Comparison periods adjusted

GROWTH IN ALL BUSINESS AREAS

NET SALES GREW IN ALL BUSINESS AREAS Q1 2022 VS Q1 2021

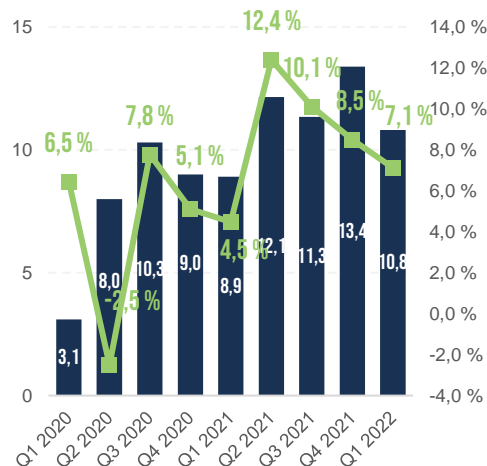
ELECTRONICS, (M€,%)



8.0% IN Q1 2022 (VS. 8.1% IN Q1 2021)

- Strong performance continued
- Operating environment impacted by component shortages and long delivery times
- Infradex consolidated from 3/22

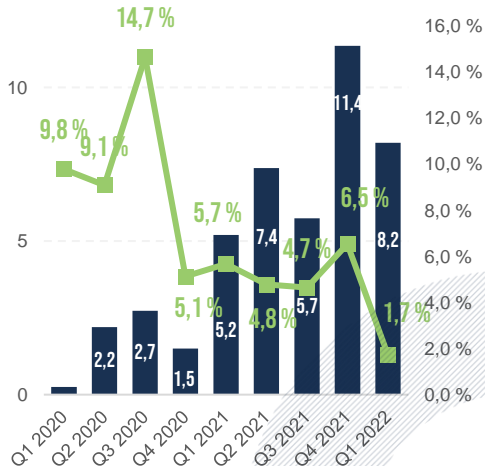
TECHNICAL TRADE, (M€,%)



7.1% IN Q1 2022 (VS. 4.5% IN Q1 2021)

- Strong start in the year driven by Machinery's Power business
- Outlook impacted by Ukrainian crisis
- Pronius consolidated from 3/22

HEAVY MACHINES, (M€,%)



1.7% IN Q1 2022 (VS. 5.7% IN Q1 2021)

- Financial performance below expectations
- Delays of deliveries to next quarters
- Outlook supported by strong orderbooks

DIVERSE IMPACTS ON BUSINESSES DUE TO DECENTRALIZED MODEL

OPERATING ENVIRONMENT SHADOWED BY THE IMPACTS OF UKRAINIAN CRISIS

MEASURES INITIATED TO EXIT THE COMPONENT DISTRIBUTION BUSINESS IN RUSSIA, INC. DIVESTITURE PROCESS

I.

DIRECT IMPACT ON OUR RUSSIAN COMPONENT DISTRIBUTION BUSINESS

II.

**IMPROVED DEMAND OUTLOOK FOR COMPANIES SERVING E.G. THE DEFENCE INDUSTRY (MILCON)
AND BENEFITTING FROM INCREASED FOCUS ON SECURITY OF SUPPLY (MACHINERY POWER)**

III.

**UNCERTAINTY INCREASED IN INVESTMENTS DRIVEN BUSINESSES (MACHINERY'S MACHINE TOOL
OPERATIONS AND PRONIUS)**

IV.

**NEGATIVE IMPACT ON THE DEMAND OUTLOOK FOR THE BALTIC COMPONENT DISTRIBUTION
BUSINESS**

SUCCESSFUL EXECUTION OF ACQUISITIONS CONTINUES

PRONIUS

PRONIUS



Add-on to Technical Trade BA

Distributor of welding machines and equipment



6m€ Sales 2021



5 employees



~4x EV/EBITDA¹⁾



INFRADEX



Add-on to Electronics BA

Distributor of thermal imaging cameras, measuring devices and solutions



2m€ Sales 2021



4 employees



~3x EV/EBITDA¹⁾

Vesterbacka Transport %

VESTERBACKA TRANSPORT



Add-on to ESKP

Specializes logistics provider in the Finnish market



0.5m€ Sales 2021



2 employees

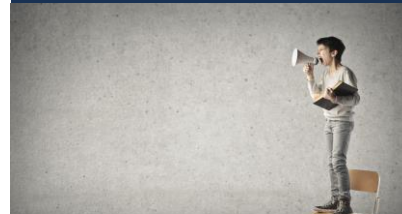


~4x EV/EBITDA²⁾



Signed May 2, 2022

SIGNAL SOLUTIONS



Add-on to Electronics BA

One-stop-shop for wireless, fiber optics and EMC needs



13³⁾m€ Sales 2021



13 employees

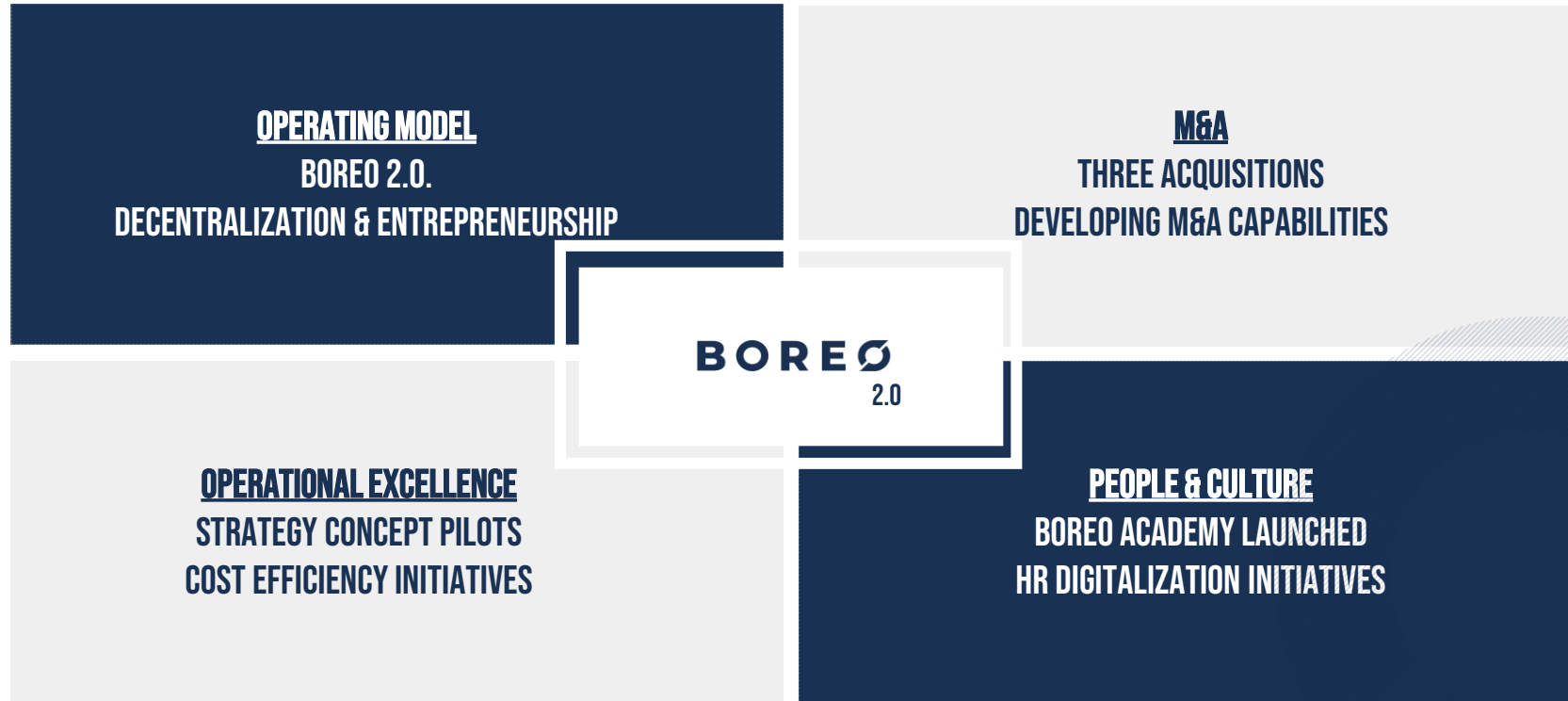


~4x EV/EBITDA^{1) 4)}

1) Excluding earn-outs
2) Stand-alone adjusted EBITDA
3) Excluding 4.2 M€ of sales from 50/50 owned Polish operations
4) EBITDA based on illustrative "Owners EBITDA", with subsidiary EBITDA consolidated on the basis of ownership %

CONTINUOUS IMPROVEMENT OF THE BUSINESS MODEL

SIGNIFICANT STEPS TAKEN IN DEVELOPING OUR COMPOUNDER BUSINESS MODEL





AGENDA

- Q1 2022 HIGHLIGHTS
- Q1 2022 FINANCIALS
- Q&A



Q1 2022 | KEY FIGURES

STRONG GROWTH IN NET SALES AND OPERATIONAL EBIT CONTINUED

EUR million	Q1 2022	Q1 2021	Change	2021
Net sales	37.8	29.0	30%	146.5
Operational EBIT*	2.0	1.6	22%	9.6
relative to net sales, %	5.2%	5.6%	-	6.6%
EBIT	1.4	2.2	-37%	8.1
Profit before taxes	1.3	2.0	-33%	6.8
Profit for the period	1.0	1.6	-35%	5.5
Free cash flow	0.9	-0.1	-	1.1
Equity ratio, %	35.9%	26.0%	-	24.3%
Interest-bearing net debt	27.1	26.1	-	37.9
Interest-bearing net debt relative to operational EBITDA of the previous 12 months	1.6	2.5	-	2.6
Average number of personnel	424	345	23%	408
Personnel at end of the period	423	343	23%	415
Operational EPS, EUR**	0.48	0.45	6%	2.45
EPS, EUR**	0.30	0.61	-51%	1.99
Free cash flow per share, EUR	0.34	0.00	-	0.42

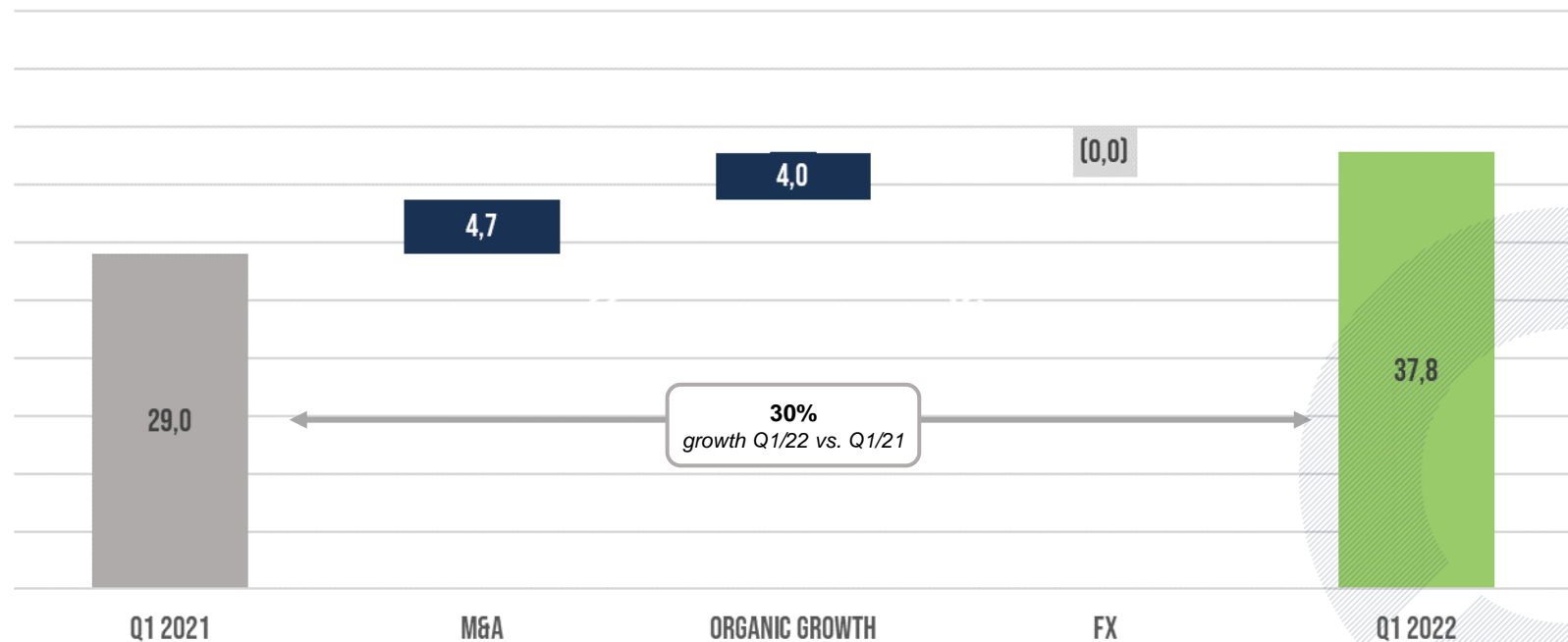
*The impact of the change in calculation due to the allocation of acquisition costs is taken into account in Q1 2022, Q1 2021 and 2021. The impact improved Q1 2022 operational EBIT by EUR 0.3 million, in Q1 2021 by EUR 0.2 million and in 2021 by EUR 0.8 million

**The effect of the interest rate of the hybrid loan recorded in equity adjusted by the tax effect is considered in the calculation of Q1 2022 EPS. In Q1 the net impact was EUR 0.07 per share.

Q1 2022 | GROWTH OF NET SALES

STRONG ORGANIC GROWTH AS WELL AS GROWTH VIA ACQUISITIONS

GROWTH OF NET SALES Q1 22 VS. Q1 20, (M€)



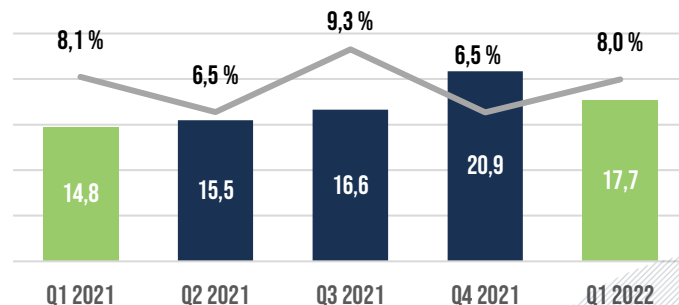
ELECTRONICS

GOOD START FOR THE YEAR, NET SALES CONTINUED IN GROWTH PATH, PROFITABILITY IN PAR WITH LAST YEAR
ALLOCATION SITUATION CONTINUES, MEASURES AND EVALUATION TO EXIT THE RUSSIAN OPERATIONS ONGOING

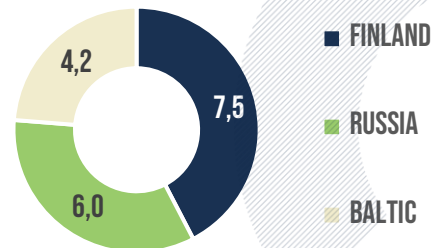
COMMENTS - Q1 2022

- Finnish operations (YE, Noretron, Milcon, Infradex)
 - Solid performance in all Finnish companies, despite the continuing allocation situation and challenges in the availability of components.
 - In Milcon, order book increased due to demand among defense industry customers.
- Baltic operations
 - Net sales grew mainly due to transferred deliveries from 2021.
 - Gradual decrease in order intake seen due to Ukrainian crisis. Expected to impact the business development in coming months.
- Russian operations
 - Ukrainian crisis creates significant direct impact on Russian operations.
 - In Q1, net sales of Russian operations amounted to 6.0m€ and operational EBIT to 0.8m€. Equity 5.2m€ and cash c. 3.3m€.

NET SALES AND OPERATIONAL EBIT % Q1 22 VS. Q1 22, (M€,%)



NET SALES BY GEOGRAPHY, Q1 22, (M€)



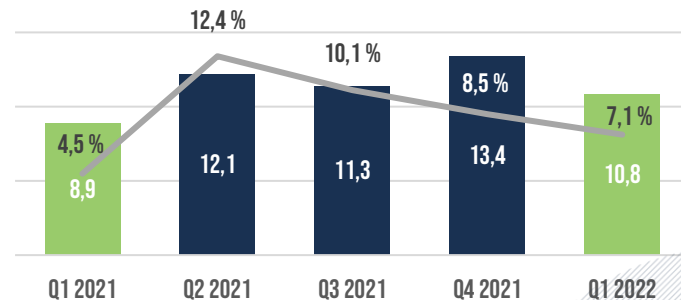
TECHNICAL TRADE

NET SALES GREW AND PROFITABILITY IMPROVED CLEARLY FROM Q1/21
GEOPOLITICAL UNCERTAINTY STARTED TO IMPACT INVESTMENT DECISIONS

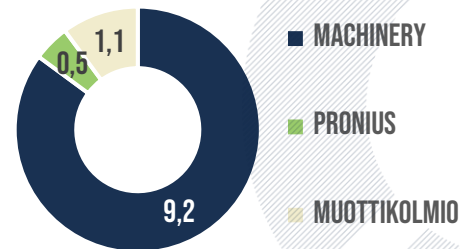
COMMENTS - Q1 2022

- Organic growth continued vs. previous year driven by Machinery's power business.
- Prolonged delivery times and other supply chain disruptions affecting negatively the business.
- The demand for construction equipment also remained strong.
- Worsening geopolitical situation and the resulting increasing uncertainty have started to reflect as delays in customers' investment decisions, especially in Machinery's metal machines business and Pronius. However, Machinery's auxiliary power business supported by increased focus on security of supply.

NET SALES AND OPERATIONAL EBIT Q1 22 VS. Q1 21, (M€,%)



NET SALES BY BUSINESSES, Q1 22, (M€)



HEAVY MACHINES

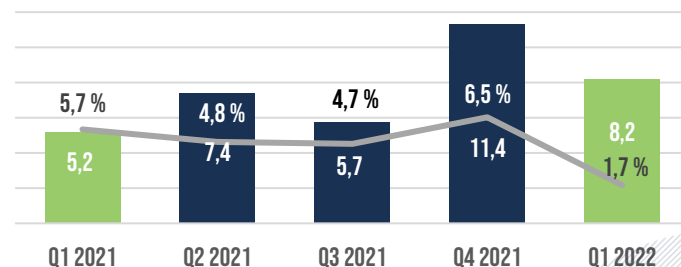
STRONG GROWTH CONTINUED – PROFITABILITY STILL BELOW TARGETS

HIGH LEVEL OF ORDERBOOKS IN PUTZMEISTER BUSINESS

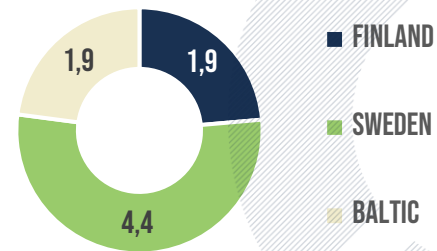
COMMENTS - Q1 2022

- Net sales grew strongly, supported by organic and inorganic growth
- Profitability was negatively impacted by the sales mix and moved deliveries in the Putzmeister business. In addition, still continued investments in the ramp-up of Sany's business in Finland and Sweden weakened profitability.
- Putzmeister-business
 - Completed deliveries of Putzmeister products in Estonia especially contributed to net sales growth
 - Business affected by the significantly extended delivery times and shift in chassis deliveries of concrete industry machinery especially in Finland.
- Sany-business
 - Estonia exceeded expectations, moderate development in Sweden, in Finland performance as expected
- Rising inflation puts pressure on profitability development in coming quarters.
- The order books of the Putzmeister business in Finland and Sweden continued at historically high levels.

NET SALES AND OPERATIONAL EBIT Q1 22 VS. Q1 21, (M€,%)



NET SALES BY GEOGRAPHY, Q1 22, (M€)



OTHER OPERATIONS

GOOD PERFORMANCE IN ESKP DESPITE OF INFLATION

COMMENTS - Q1 2022

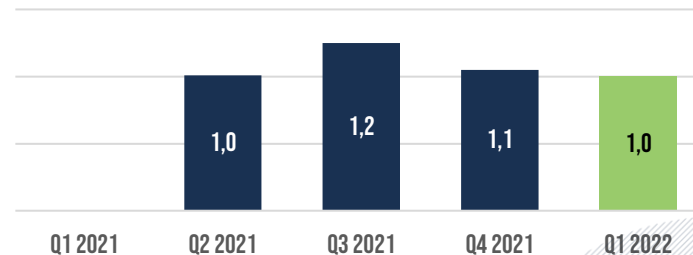


- In spite of increasing costs (e.g. fuel) ESKP's performance continued to be strong
- Net sales of 1.1m€ and operational EBIT 12%
- Despite the cost pressures, profitability is expected to develop positively due to new contracts won.
- Vesterbacka Transport Oy included in the figures from March 22 onwards

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- Group costs of 0.5m€ (0.3 m€)

NET SALES Q1 21 - Q1 22, (M€)



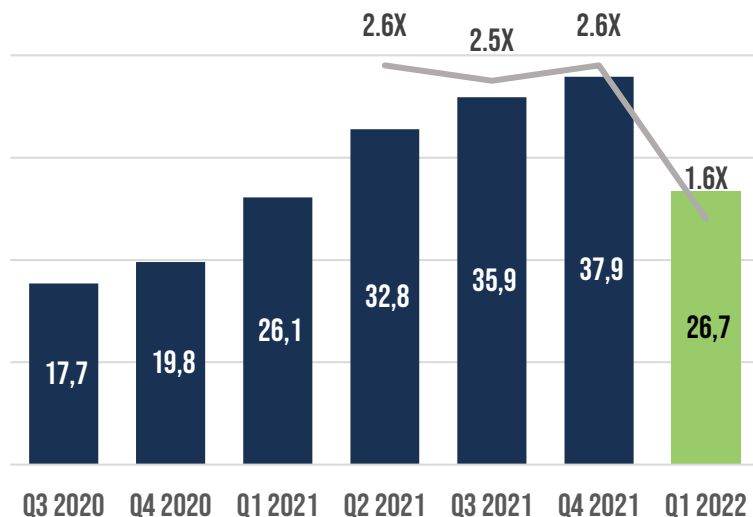
Q1 2022 | NET DEBT AND EQUITY RATIO

NET DEBT / OPERATIONAL EBITDA AT 1,6X – BELOW THE STRATEGIC TARGET RANGE

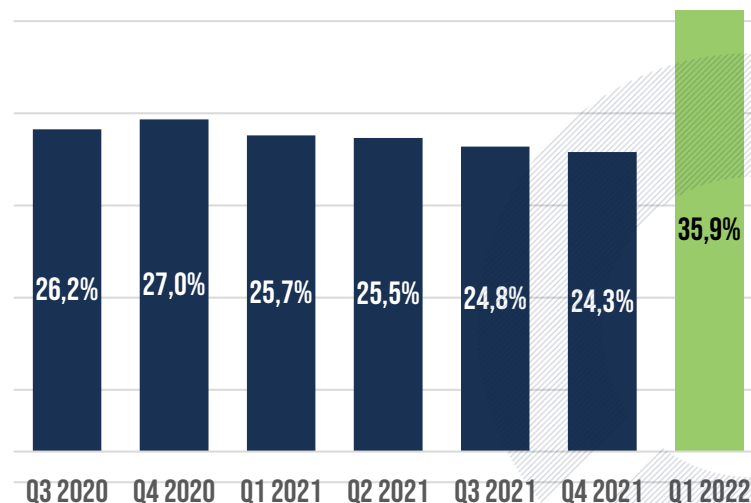
IMPROVED EQUITY RATION DUE TO FINANCING ARRANGEMENTS IN Q1

NET DEBT, (M€) & NET DEBT/OPERATIONAL EBITDA, (X)

STRATEGIC TARGET 2-3X



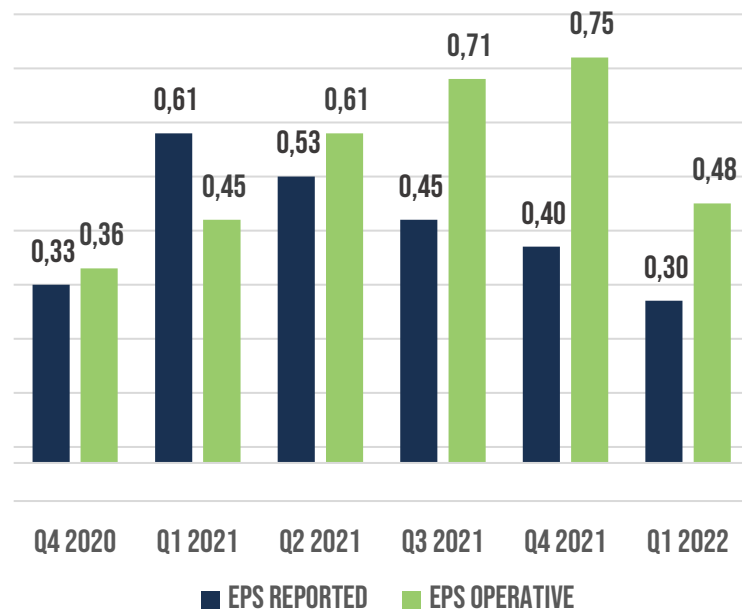
EQUITY RATIO, (%)



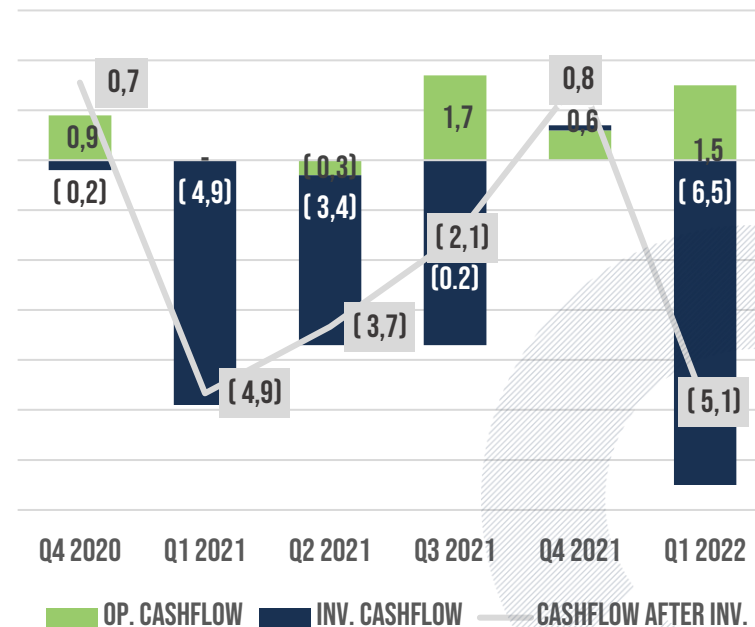
Q1 2022 | CASH FLOW AND EPS

EPS GREW, SOLID CASH FLOW GENERATION AS NET WORKING CAPITAL INTACT

EARNINGS PER SHARE, (€)



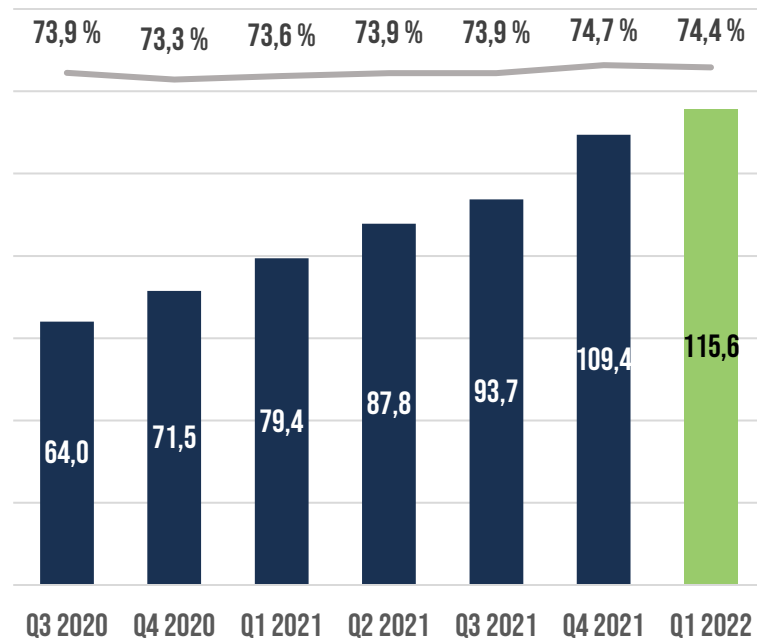
CASH FLOW, (M€)



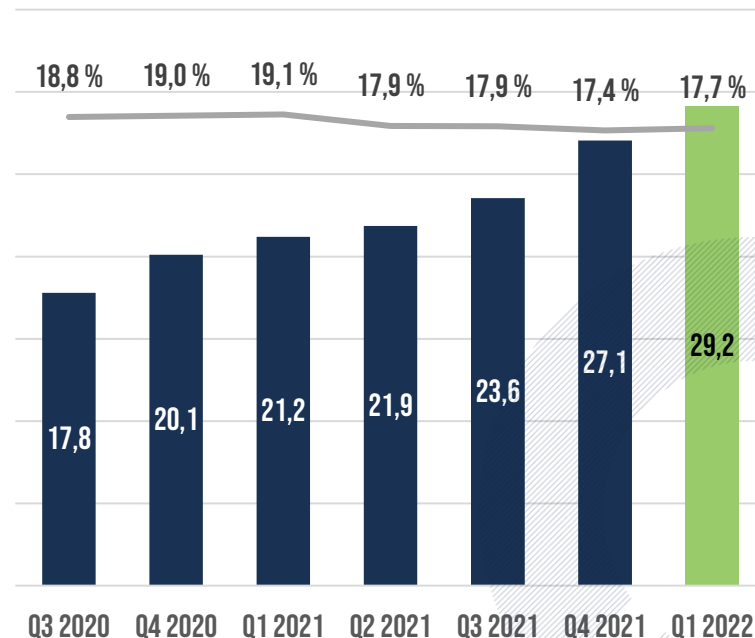
Q1 2022 | COST EFFICIENCY

STABLE DEVELOPMENT OF GROSS MARGIN DURING CHALLENGING MARKET ENVIRONMENT
DEVELOPMENT OF INDIRECT COST RATIO REFLECTS SCALABILITY OF THE BUSINESS MODEL

DIRECT COST RATIO, (R12M)



INDIRECT COST RATIO, (R12M)



FINANCING STRUCTURE AND DEBT MATURITY

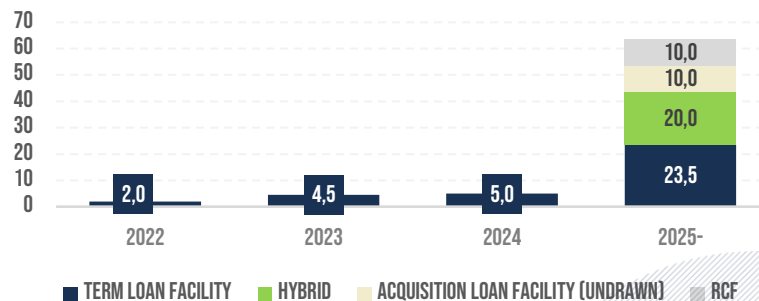
EXECUTED FINANCING ARRANGEMENTS IN Q1/22

- In February 2022, we executed with OP Corporate Bank a facilities agreement concerning a 35m€ term loan facility for refinancing, 10 M€ undrawn acquisition loan facility and 10 M€ revolving credit facility for partial refinancing.
- New bank loans are due 31 January 2025.
- As part of wider financing arrangements, we issued EUR 20m€ hybrid bond in February 2022

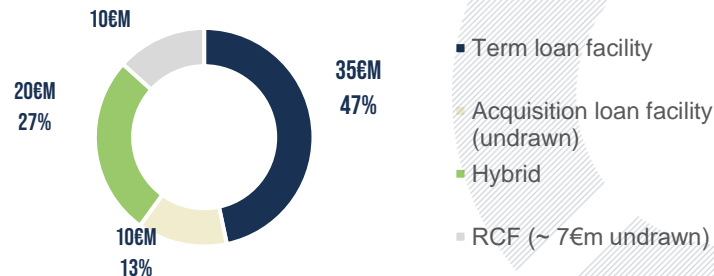
RATIONALE FOR FINANCIAL ARRANGEMENTS

- Securing a strong balance sheet and retaining high financial flexibility.
- Supporting the execution of Boreo's updated strategy of earnings growth.
- The completed financing arrangements resulted in a well-diversified debt portfolio structure, supporting the maturity profile.

DEBT MATURITY STRUCTURE



FINANCING STRUCTURE





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Q&A