



BOREO

STRONG RESULT & UPDATE OF STRATEGY

Q3 2022 Interim Report | Webcast | November 3, 2022



AGENDA

- Q3 2022 HIGHLIGHTS
- Q3 2022 FINANCIALS
- Q&A



STRONG FINANCIAL PERFORMANCE CONTINUED

NET SALES GREW BY 50%

43.3m€ net sales (28.8m€ Q321)

Organic growth 7.4m€*

Growth via acquisitions 7.3m€



OPERATIONAL EBIT GREW BY 38%

3.0m€ (6.8%) operational EBIT
(2.2m€ Q321)

New strategic target: minimum 15% average
annual operational EBIT growth



STABLE FINANCIAL POSITION

Net debt / operational EBITDA 2.5x

Equity ratio 35.1%



RETURN ON CAPITAL EMPLOYED (ROCE) AT 10.8%

New strategic target: minimum 15% ROCE



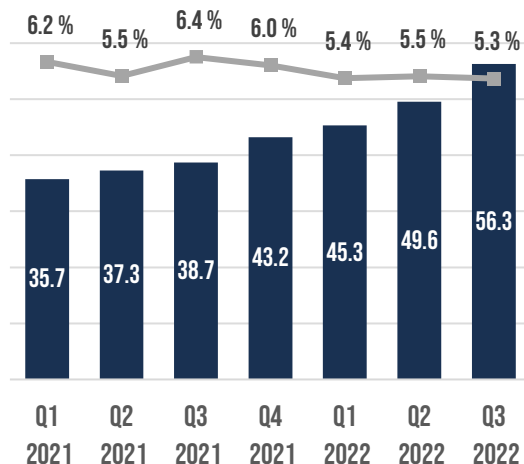
* Figures adjusted for continued operations

** With comparable FX rates

PROFITABILITY DRIVEN BY ELECTRONICS & TECHNICAL TRADE

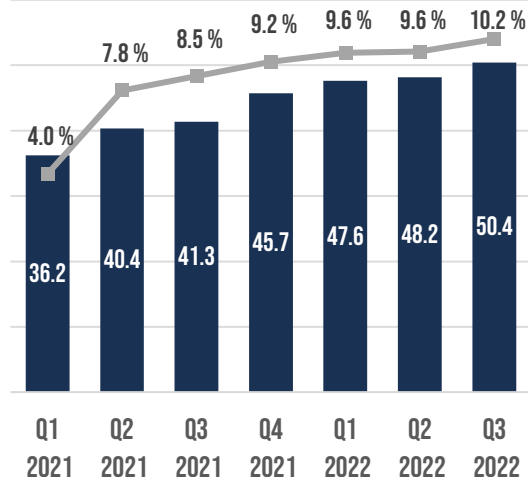
OUTLOOK BROADLY STABLE IN SPITE OF UNCERTAINTIES IN THE GENERAL OPERATING ENVIRONMENT

ELECTRONICS (CONT.OPER.), (M€, %), R12*



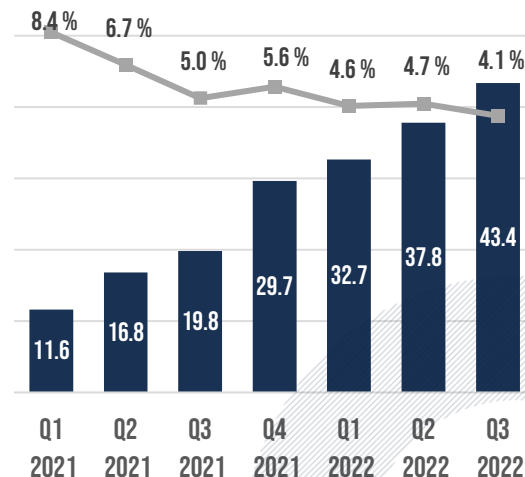
6.3% YTD22 (6.9% YTD21)

TECHNICAL TRADE, (M€, %), R12



10.6% YTD22 (9.5% YTD21)

HEAVY MACHINES, (M€, %), R12



3.3% YTD22 (5.6% YTD21)

OUTLOOK

- Outlook for our companies' performance in the near future remains broadly stable
- Focus on earnings generation and efficient use of capital - aim is to reduce the levels of working capital over the next quarters
- Due to decentralized operating structure, we are able adapt quickly, if need be

*Adjusted for continued operations

UPDATED STRATEGY & TARGETS PAVE THE WAY FOR VALUE CREATION

CONTINUATION OF WORK TO CREATE A LONG-TERM SUCCESSFUL COMPANY

1

STRATEGY UPDATE

CRYSTALLIZED STRATEGY

LESSONS LEARNED

Capital allocation, decentralization, simplicity

BUSINESS MODEL

Crystallization of focus

FOCUS ON GROWTH IN OUR BUSINESS AREAS

Strong industry focus and building platforms within current Business Areas

NEW STRATEGIC FINANCIAL TARGETS

EARNINGS GROWTH

Minimum 15% annual average operational EBIT growth

CAPITAL EFFICIENCY

Minimum 15% Return on Capital Employed (ROCE)

FINANCIAL POSITION

Net debt / Operational EBITDA 2-3x

DIVIDEND POLICY

Target to annually increase dividend per share, taking into consideration capital allocation priorities

SHORT-TERM FOCUS AREAS

Focus on steering the ship towards strategic targets & developing the Boreo way

2

M&A

EXECUTION

LACKMÄSTARN ADD-ON

Add-on to FNB – a specialist in painting and surface treatment

EXIT FROM RUSSIA

Completed exit from electronics distribution business

DEVELOPMENT

STRONG & GOOD QUALITY ACQUISITION PIPELINE

Continued active work with acquisitions

DEVELOPMENT WORK & BOREO BRAND RECOGNITION

Contributing to deal sourcing

WE CONTINUE TO BUILD A LONG-TERM SUCCESSFUL COMPANY

PHASE 1 | 2020-H1/2022

BUILDING THE FOUNDATION

SALES (M€) AND OPERATIONAL EBIT (%)



Transformation – 13 acquisitions - Growth of earnings – Diversification

Figures adjusted for continued operations

PHASE 2 | H2/2022 AND BEYOND

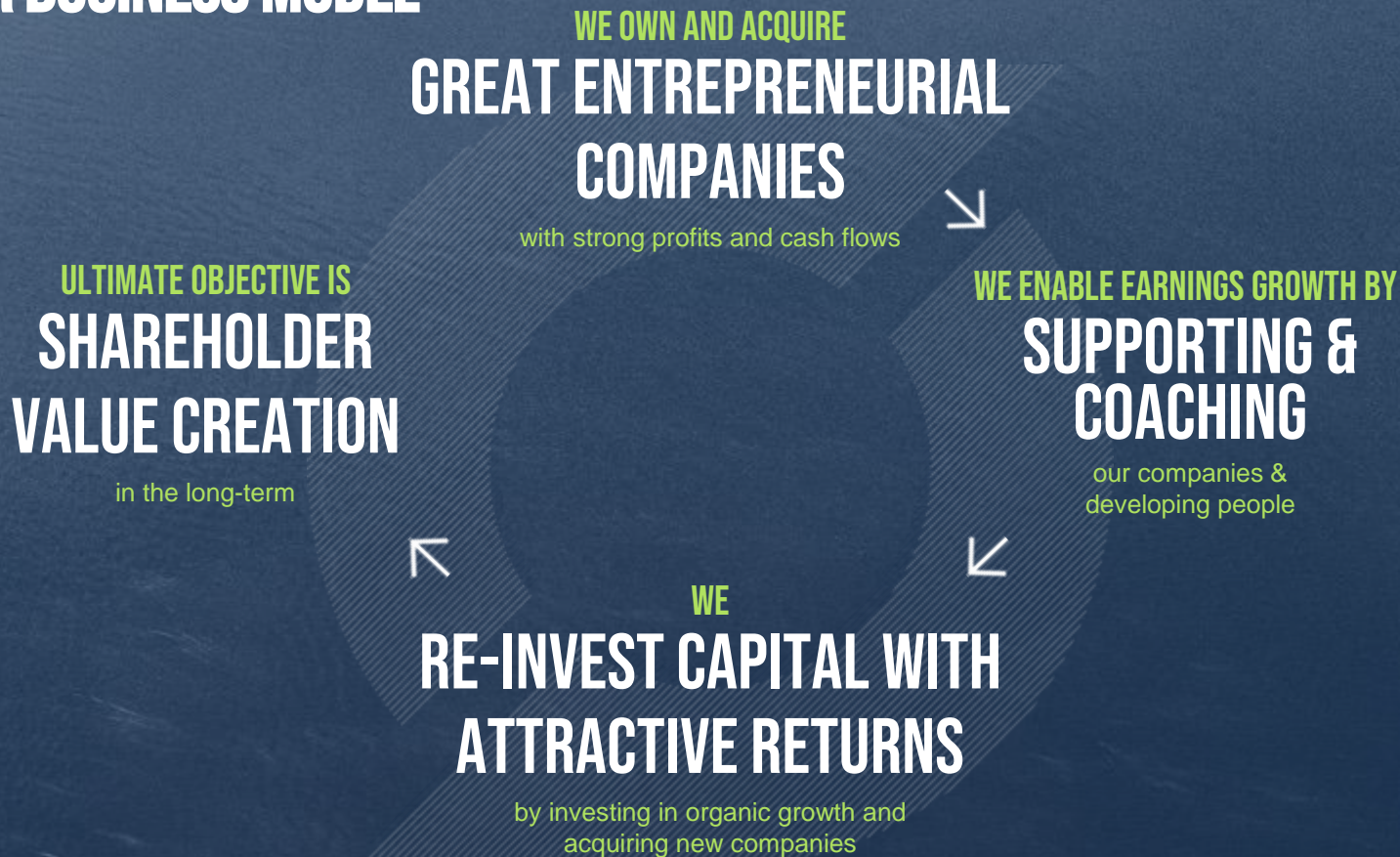
FOCUSED LONG-TERM VALUE CREATION

SALES (M€) AND OPERATIONAL EBIT (%)



Earnings growth with attractive returns on capital – Continued transformation of financial profile - Developing operating structure

OUR BUSINESS MODEL



FOCUS ON EARNINGS GROWTH AND RETURN ON CAPITAL

Updated long-term strategic financial targets to better reflect shareholder value creation

15%

minimum annual
average operational
EBIT growth

15%

minimum
ROCE

2-3X

net debt / operational
EBITDA

Dividend policy

target to annually increase dividend per share,
taking into consideration capital allocation priorities

DEVELOPMENT | SHORT-TERM FOCUS AREAS

FOCUS ON STEERING THE SHIP TOWARDS STRATEGIC TARGETS & DEVELOPING THE BOREO WAY

1

WAYS OF WORKING



Operating model & governance

- Boreo management playbook
- Roadmap for governance development
- Increased focus on ESG

2

COMMON FINANCIAL KPIS



Measuring shareholder value drivers

- From business specific KPIs to common finance KPIs and Group strategic financial targets
- Increased focus on earnings growth and capital efficiency (Return on Working Capital)

3

DEVELOPMENT OF OPERATIONS



Simple, efficient, standardized

- Common view
- Capabilities and resources
- Visibility

M&A | EXECUTION & DEVELOPMENT

ATTRACTIVE OPPORTUNITIES TO CONTINUE ALLOCATING CAPITAL TO ACQUISITIONS

1

LACKMÄSTARN ADD-ON TO FLOBY NYA BILVERKSTAD

COMPLETED ACQUISITION OF A SPECIALIST IN PAINTING, SURFACE TREATMENT AND VARNISHING OF HEAVY VEHICLES

2

RUSSIAN EXIT

COMPLETED EXIT FROM ELECTRONICS DISTRIBUTION BUSINESS IN RUSSIA

3

STRONG & GOOD QUALITY ACQUISITION PIPELINE

FOCUS ON GROWTH IN OUR BUSINESS AREAS AND AMBITION TO CREATE SUB-SECTORS

4

DEVELOPMENT WORK & BOREO BRAND RECOGNITION

CONTRIBUTING POSITIVELY TO DEAL SOURCING



AGENDA

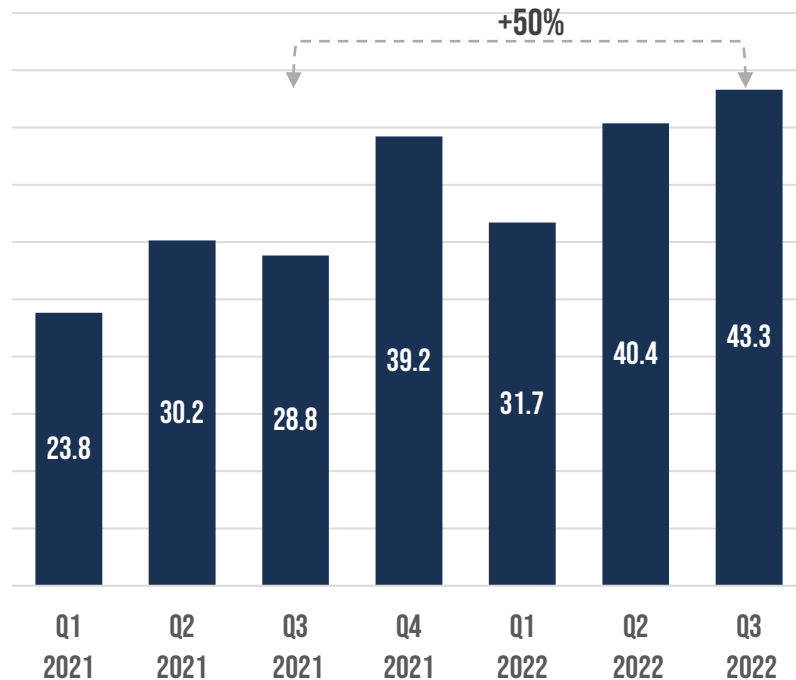
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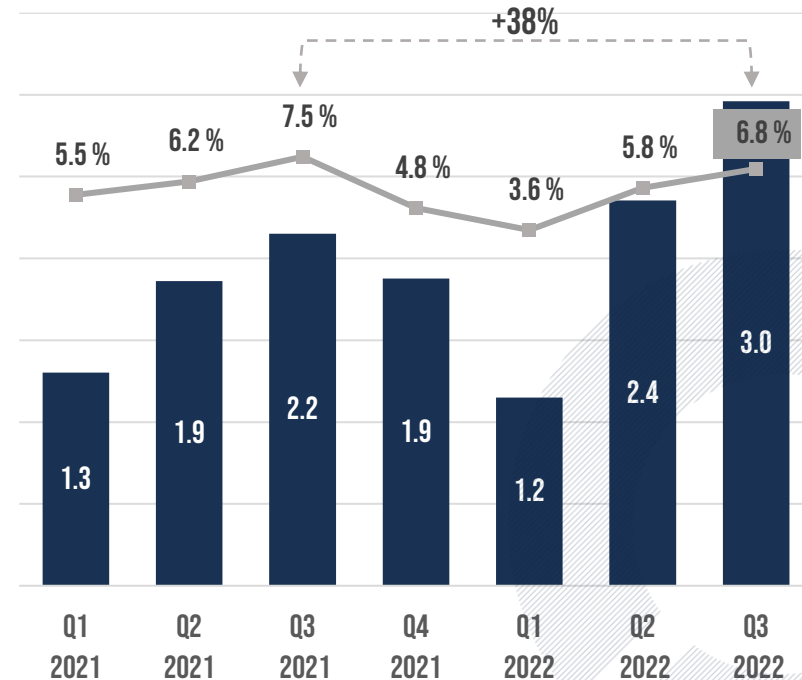
Q3 2022 | NET SALES & OPERATIONAL EBIT

RECORD-LEVEL OPERATIONAL EBIT OF 3M€ (6.8%)

NET SALES *



OPERATIONAL EBIT & EBIT% *

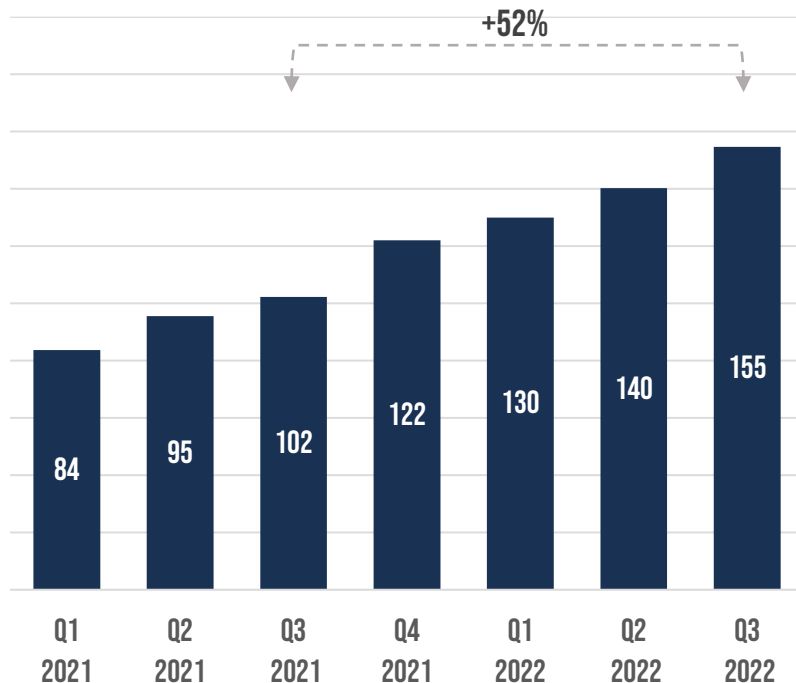


*Adjusted for continued operations

Q3 2022 | ROLLING 12 NET SALES & OPERATIONAL EBIT

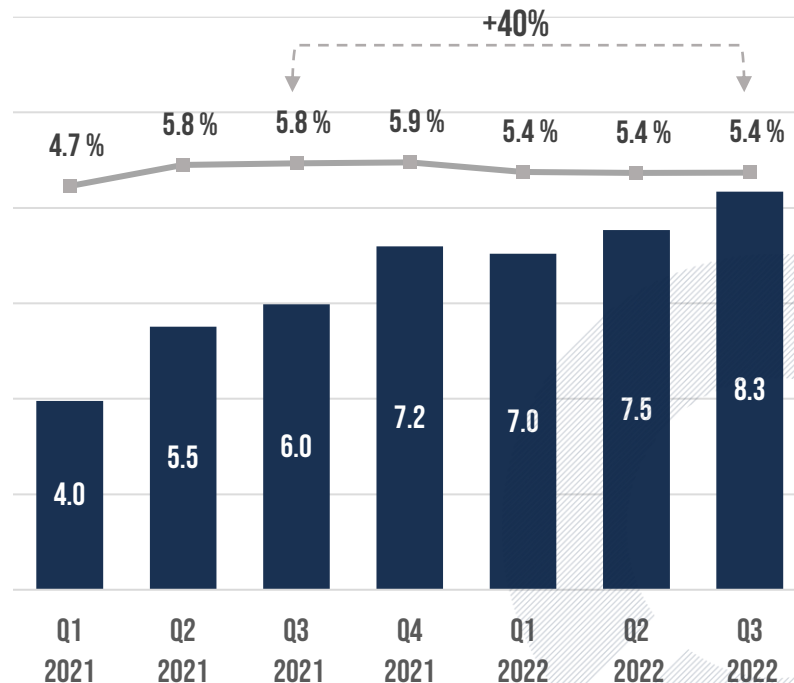
OPERATIONAL EBIT GROWTH CLEARLY ABOVE STRATEGIC TARGET

NET SALES, R12 *



OPERATIONAL EBIT & EBIT%, R12 *

STR TARGET > 15% P.A.

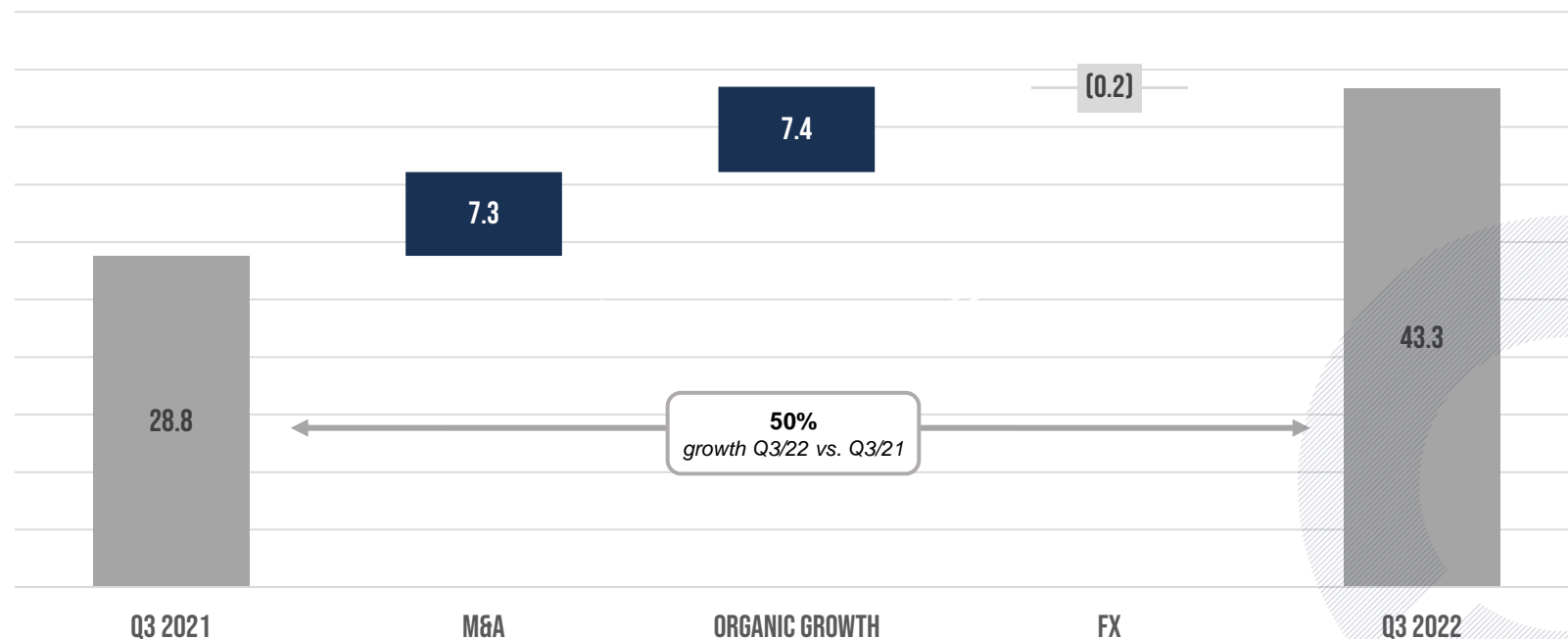


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Q3 2022 | GROWTH OF NET SALES

STRONG ORGANIC GROWTH AS WELL AS GROWTH VIA ACQUISITIONS

GROWTH OF NET SALES Q3/22 VS. Q3/21, (M€), CONTINUED OPERATIONS



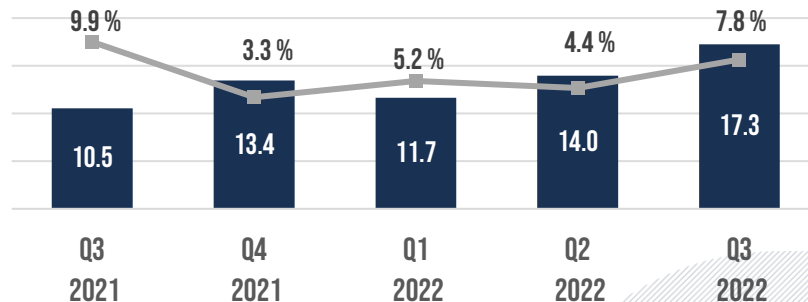
ELECTRONICS (CONTINUED OPERATIONS)

GROWTH IN ALL DIMENSIONS, OPERATIONAL EBIT AT 7.8%

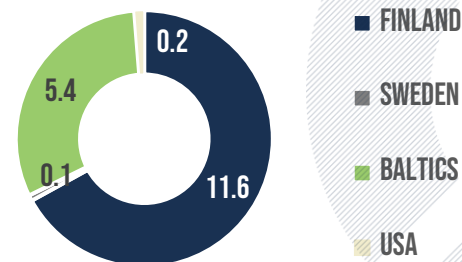
COMMENTS - Q3 2022

- Finnish operations (YE, Noretron, Milcon, Infradex, SSN)
 - Improved operational performance
 - Order book has remained at a good level and no significant changes in outlook
 - Increased demand among defense industry customers
- Baltic operations
 - Better than expected performance
 - Due to crisis in Ukraine, uncertainty is high
- M&A and development initiatives
 - SSN has been integrated well into Boreo's operating model

NET SALES AND OPERATIONAL EBIT% Q322 VS. Q321



NET SALES BY GEOGRAPHY, Q3 22, (M€)



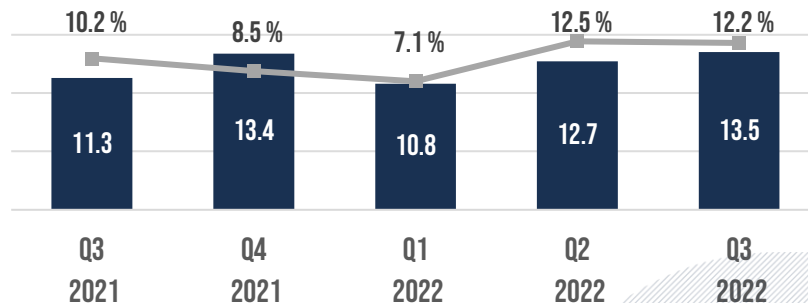
TECHNICAL TRADE

NET SALES GREW AS A RESULT OF PRONIUS ACQUISITION AND ORGANIC DEVELOPMENT
OPERATIONAL EBIT AT 12.2%, STABLE OUTLOOK

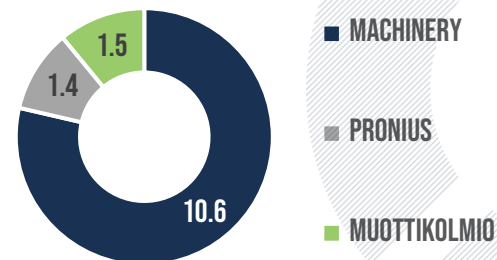
COMMENTS - Q3 2022

- Machinery Power business
 - Machinery's Power business continued to deliver strong result
 - Sales and profitability above good comparison period
- Construction business (Muottikolmio and Machinery Construction equipment)
 - Performance in line with expectations
 - Reasonable outlook in the near future despite current uncertainties
- Metal machines business (Pronius and Machinery Metal Machines)
 - Pronius had a strong quarter both in sales and profitability
 - Investment uncertainty in Machinery's Metal Machines remained high
 - Current project portfolio is good
- M&A and development initiatives
 - Workshop extension to be finished by the end of 2022

NET SALES AND OPERATIONAL EBIT% Q322 VS. Q321



NET SALES BY BUSINESSES, Q3 22, (M€)



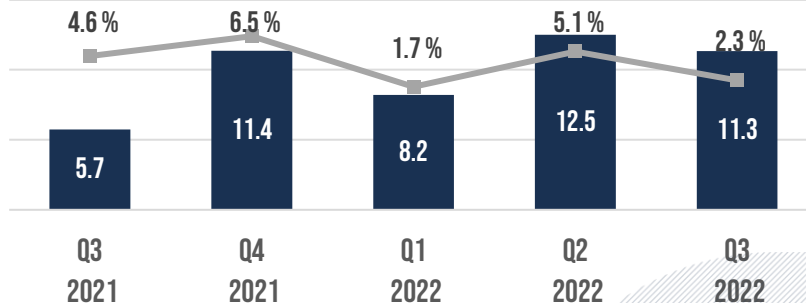
HEAVY MACHINES

SIGNIFICANT SALES GROWTH DRIVEN BY FNB ACQUISITION AND ESTONIAN BUSINESS
PROFITABILITY LACKING, STRONG ORDER BOOKS AND STABLE OUTLOOK

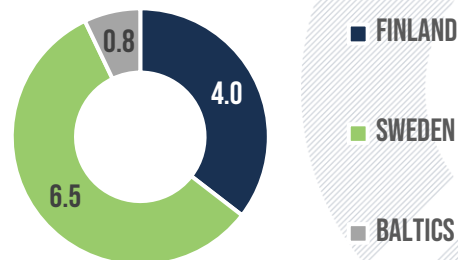
COMMENTS - Q3 2022

- Putzmeister business
 - All countries performed slightly better than expected
 - Long delivery times still in place
- Sany business
 - Estonian performance in line with expectations
 - Finland and Sweden fell short of expectations
 - Overall weak profitability
- FNB
 - Good performance, although supply chain challenges limited the company's delivery capacity
 - No changes in outlook
- M&A and development initiatives
 - After Q3, FNB acquired Lackmästarn
- Outlook is decent although long delivery times cause uncertainty on timing of revenues. In addition, inflation continues to put pressure on profitability in the short-term.

NET SALES AND OPERATIONAL EBIT% Q322 VS. Q321



NET SALES BY GEOGRAPHY, Q3 22, (M€)



OTHER OPERATIONS

GOOD PERFORMANCE IN INFLATORY ENVIRONMENT, SHORT-TERM MARGIN PRESSURES CONTINUE

COMMENTS - Q3 2022

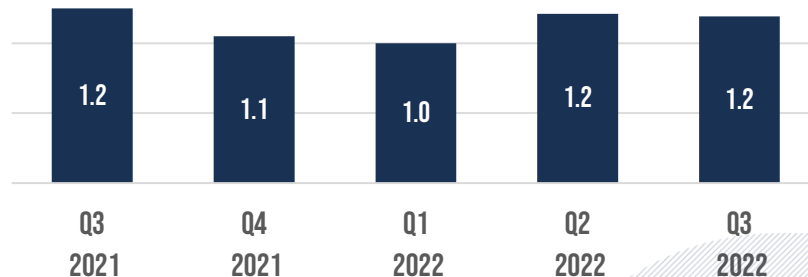


- Despite increasing costs (e.g. fuel) ESKP's and Vesterbacka Transport's performance continued to be strong
- Net sales of 1.2m€ and operational EBIT 14%
- Inflation impacts profitability in the short-term. Outlook remains stable.

BOREO

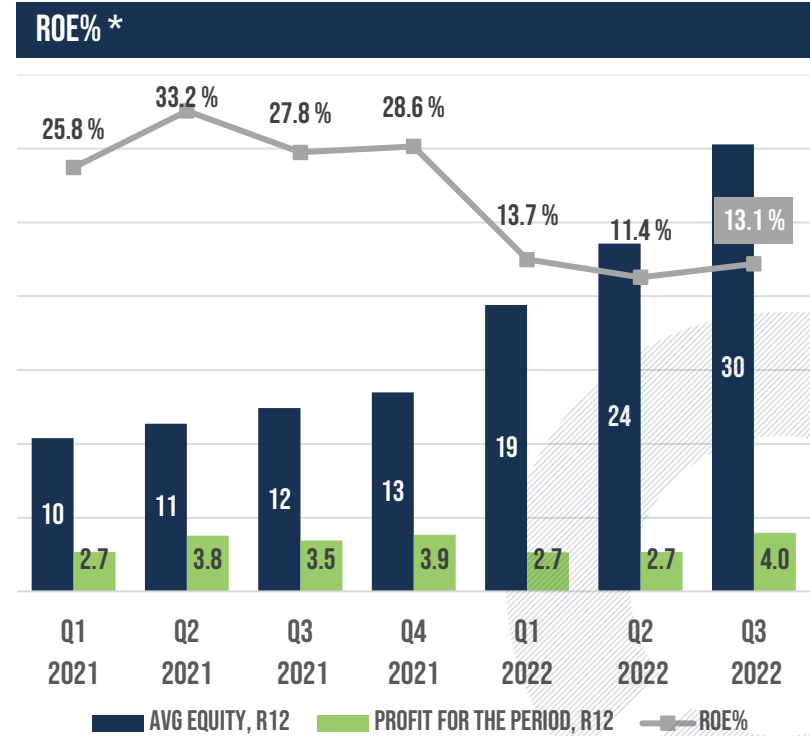
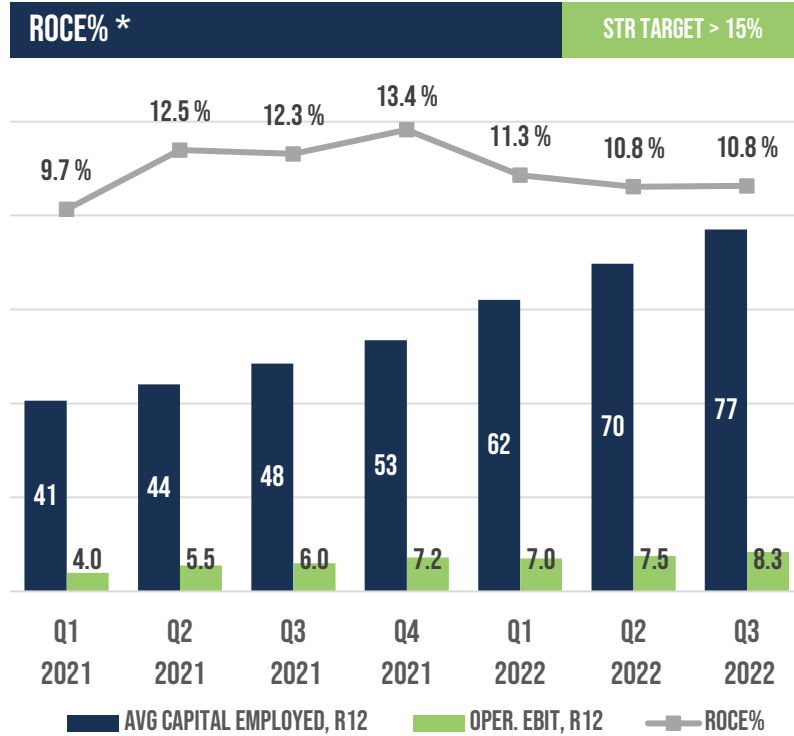
- Group costs of 0.5m€ (0.6m€)

NET SALES Q322 VS. Q321



Q3 2022 | ROCE & ROE

ROOM TO IMPROVE IN CAPITAL EFFICIENCY



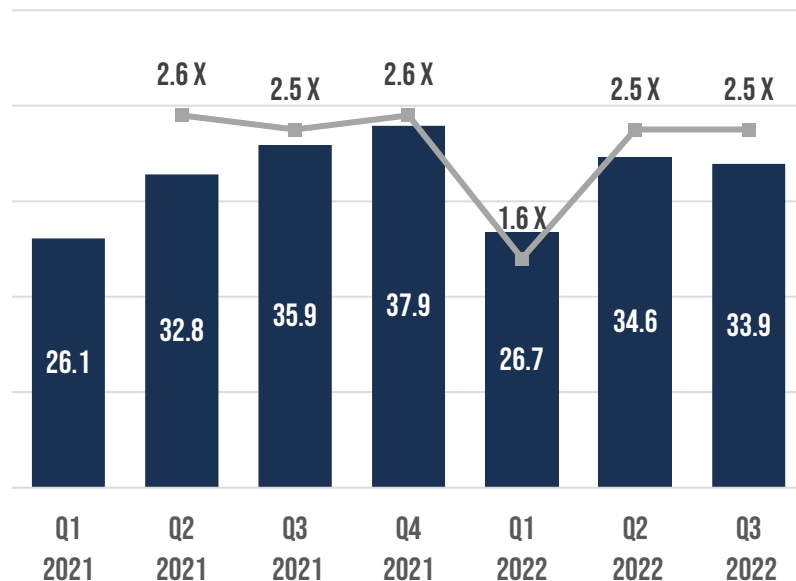
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Q3 2022 | NET DEBT AND EQUITY RATIO

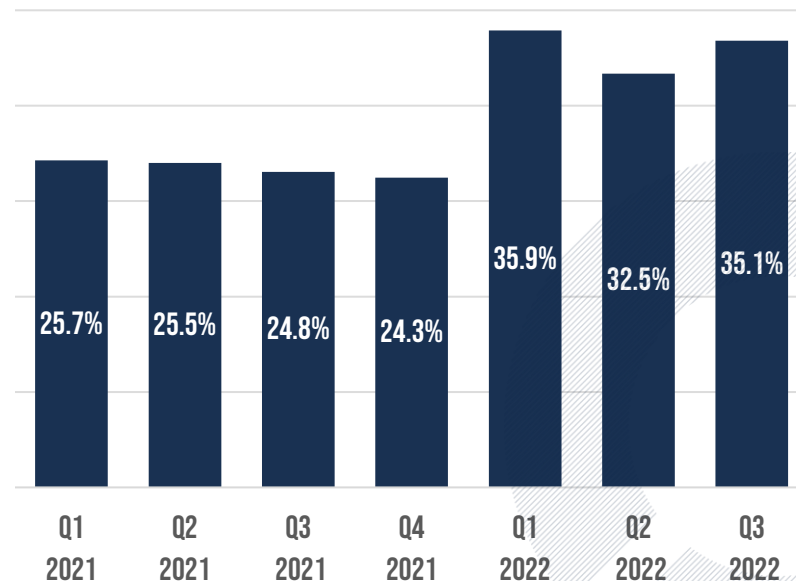
NET DEBT / OPERATIONAL EBITDA STABLE AT 2,5X. EQUITY RATIO IMPROVED FROM Q2.

NET DEBT & NET DEBT/OPERATIONAL EBITDA*

STR TARGET 2-3X



EQUITY RATIO, % *

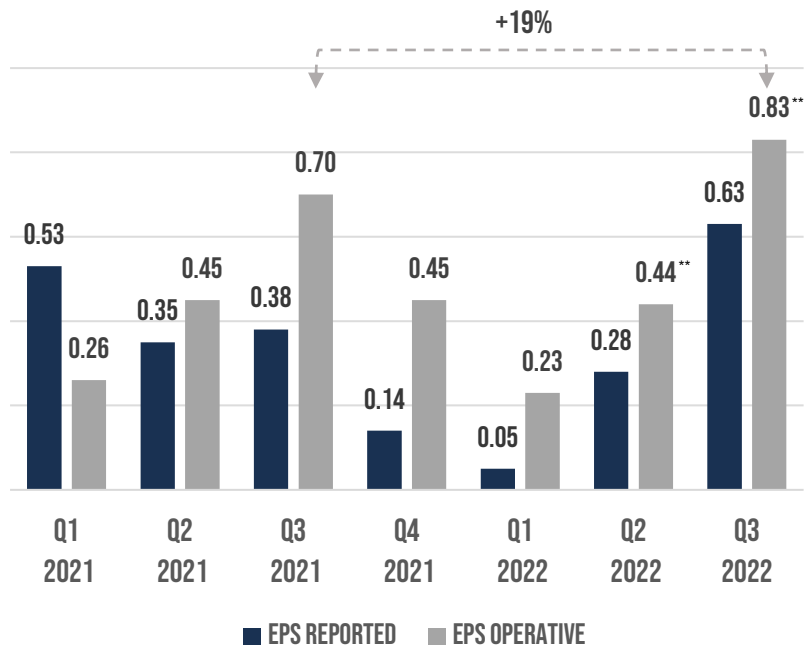


*ND/EBITDA & Equity ratio Q2/22 and Q3/22 adjusted for continued operations

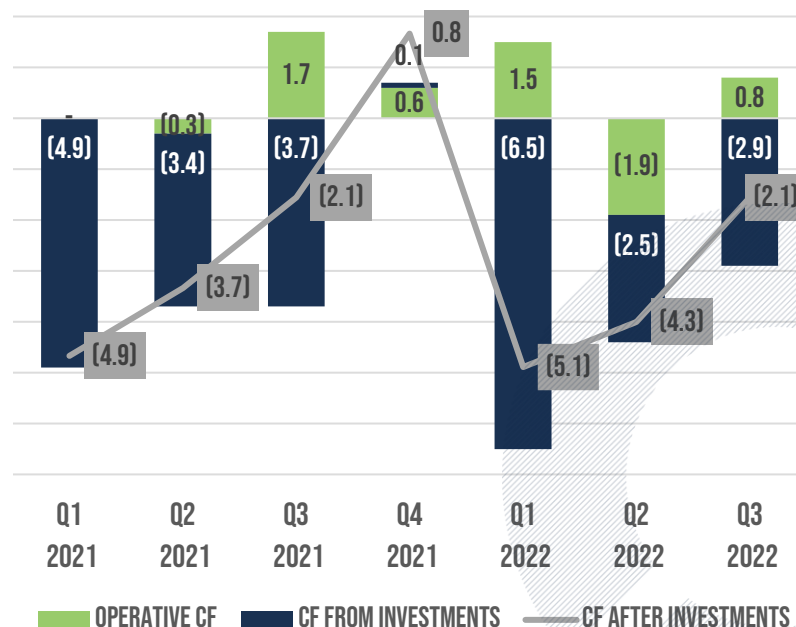
Q3 2022 | EPS AND CASH FLOW

OPERATIONAL EPS CLEARLY ABOVE LY. CASH FLOW GENERATION IMPACTED BY NET WORKING CAPITAL MOVEMENT.

EARNINGS PER SHARE*



CASH FLOW***



*Previous quarters adjusted for continued operations

**The net effect of the interest rate of the hybrid loan (adjusted by tax effect) to EPS:
EUR 0.12 per share in Q3 22 and EUR 0.31 per share in Q1-Q3 22.

***Cash flow includes discontinued operations



BOREO

Q&A



BOREO

GROW & PROSPER