

Investor presentation
Acquisition of Thebalux
October 2023



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Today's presenters



Per-Arne Andersson
CEO Svedbergs Group

Joined in 2019

Previously CEO at
Kinnarps Group and
CC Höganäs Byggkeramik AB



Mats Lundmark
CFO Svedbergs Group

Joined in 2021

Previously CFO at
Barnes FMC/Strömsholmen AB,
Isaberg Rapid and Recticel



Svedbergs acquires well-established Dutch bathroom furniture supplier

Acquisition of Netherlands based Thebalux, a well-established supplier of bathroom furniture active in the Dutch market and beyond

Continuing strategic expansion into new geographies, widening Svedbergs' geographical reach in northern Europe

Adding two premium brands to the portfolio with SEK 376m¹ in net sales and SEK 95m¹ in EBITA², which corresponds to an EBITA margin³ of 25.3 percent

Purchase price⁴ based on an enterprise value, on cash and debt free basis, of a maximum of EUR 44.5m⁵, corresponding to approximately SEK 526m⁶

To partially amortise the Group's credit facilities and to strengthen its capital structure after the acquisition of Thebalux, Svedbergs Group intends to carry out a rights issue of a maximum of approximately SEK 400m



Note: 1) June LTM 2023 with a EUR/SEK exchange rate of 11.0418, average for the period. The financial information for the last twelve months has not been audited or otherwise reviewed by the company's auditor. 2) For Thebalux, EBITA is equivalent to operating profit. 3) EBITA as a percentage of net sales. 4) Preliminarily calculated as of the contract date. Final purchase price is determined based on enterprise value upon completion of the Transaction. 5) In addition, an earn-out of a maximum of EUR 2.7m has been agreed on. The size of the earn-out is based on Thebalux's financial performance during 2023-2026 and will be paid out in 2026. 6) EUR/SEK exchange rate of 11.8076 as of 26 October 2023.

Source: Svedbergs Group, Thebalux and Sveriges Riksbank.

Strategic rationale



In line with Svedbergs' strategy to combine organic growth with strategic acquisitions of independent, innovative brands that complement the group

A well-established and very profitable company with inhouse design and production, similar in nature to the other brand companies of the Svedbergs Group

Entering the large and attractive Dutch bathroom market, with certain reach to adjacent geographies

Through the acquisition, Svedbergs Group takes an important step towards the goal of becoming the leading bathroom group in northern Europe

Thebalux – A Dutch well-established bathroom furniture supplier

Company description

- Operates in design, production, and sale of bathroom furniture, all under its own brands
- High focus on innovative designs and high-quality products
- Product offering include: furniture, washbasins, mirrors, mirror cabinets, mixers, lights and other various bathroom accessories
- Products mainly sold to longstanding B2B clients in the Netherlands with some export to adjacent countries (Germany, Belgium, Austria and Luxembourg)
- Sales through two brands, Thebalux and Primabad (acquired in 2005)

Net sales splits

Per end market



Per end customer type



Per product type



1996
founded¹

Zutphen, NLD
HQ

 **primabad**
2 innovative brands

~100 FTEs
at 3 locations

+700
of retailers

SEK 374m²
net sales 2022

SEK 98m²
EBITA 2022

Note: 1) Through spin-off from Themans B.V. 2) FY 2022 with a EUR/SEK exchange rate of 10.6317, average for the year. 3) Renovation Maintenance Improvement.
Source: Thebalux and Sveriges Riksbank.

Two innovative and carefully positioned brands



Key products

Faucets Build-up bowls Sinks Mirrors & cabinets Furniture



~31%¹ of net sales

Brand positioning

Sustainable materials

Value-for-money quality

Design & durability

Low

High

Price



Key products

Build-up bowls Furniture Mirrors & cabinets Lights Cabinet programs



~69%¹ of net sales

Brand positioning

Exceptional quality

Exclusivity & diversity

Flexibility & functionality

Low

High

Price

Note: 1) FY 2022.
Source: Thebalux.

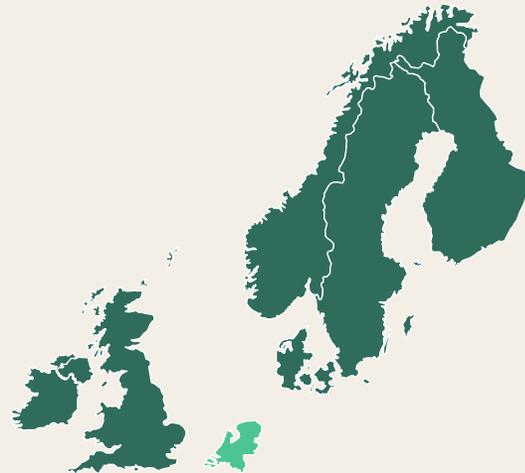
Svedbergs Group - A European bathroom group

New group structure

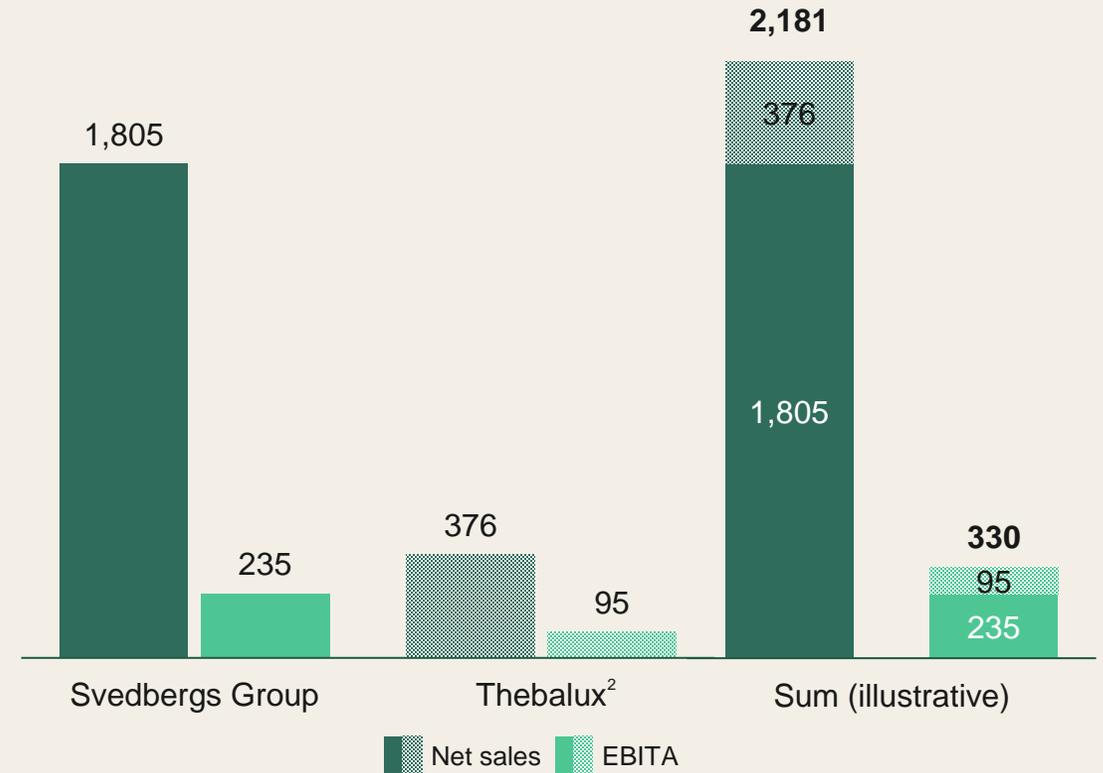


Increased geographical reach

- Existing home markets
- New home market



Net sales and EBITA¹ June LTM 2023 (SEKm)

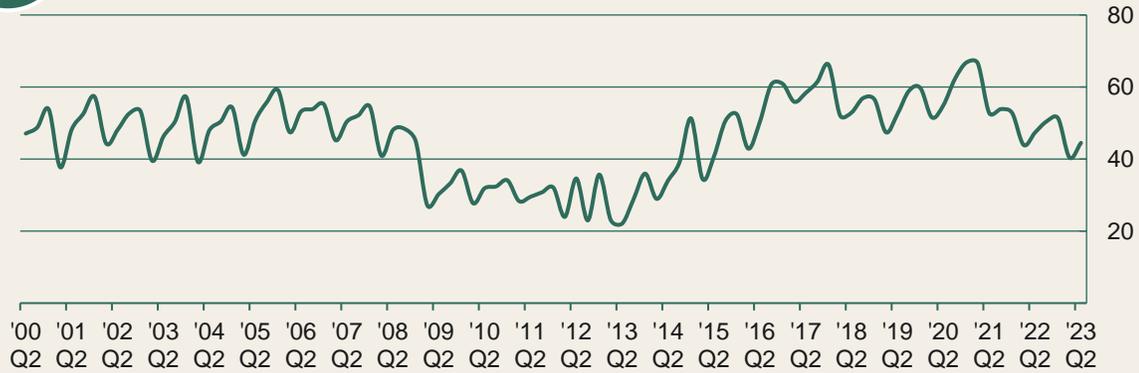


Note: 1) Operating profit after depreciation and impairment but before deductions for impairment of goodwill and amortisation and impairment of other intangible assets arising from business combinations, adjusted for items affecting comparability (definition from Svedbergs Group's quarterly report for the second quarter 2023). For Thebalux, EBITA is equivalent to operating profit. 2) June LTM 2023 with a EUR/SEK exchange rate of 11.0418, average for the period. Source: Svedbergs Group, Thebalux and Sveriges Riksbank.

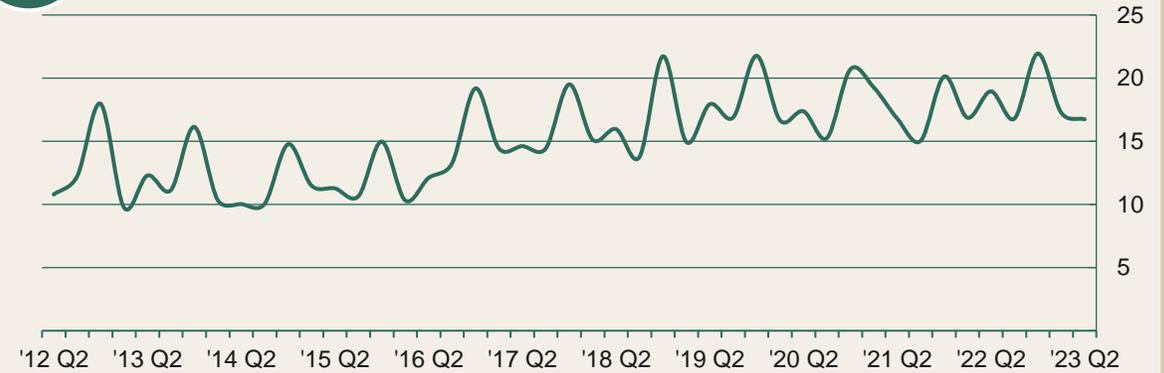
The Netherlands - A large and attractive market to enter with favorable outlook



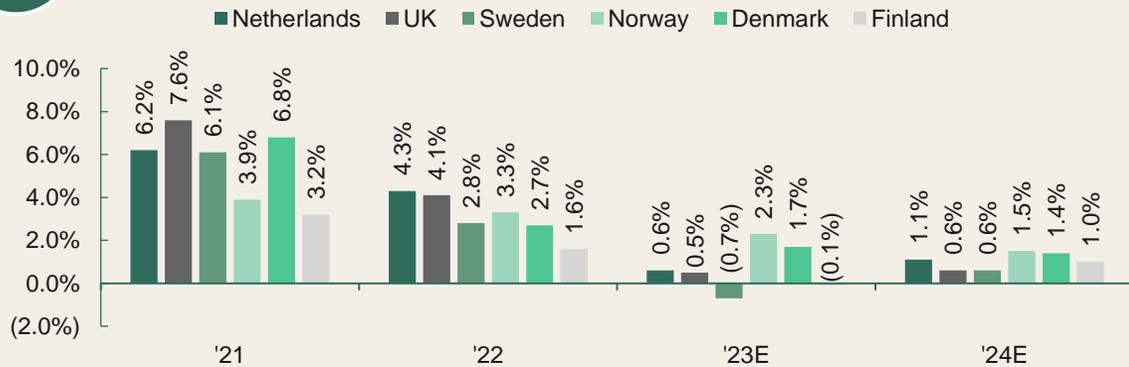
of residential flats and houses transactions (thousands)



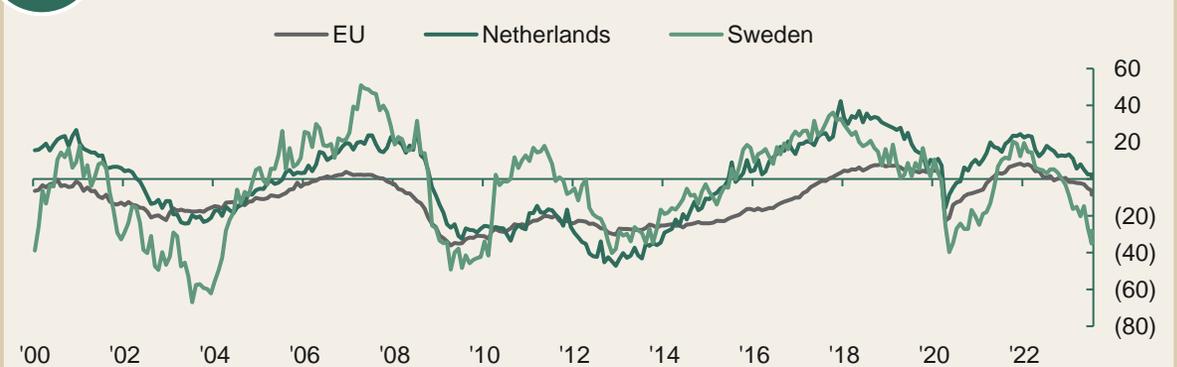
of residential newbuilds (thousands)



Real GDP growth



Construction confidence indicator



Source: Eurostat, IMF and Statistics Netherlands.

Strong value proposition



Design and product offering

- Both Thebalux and Primabad are two well-established brands in the Netherlands, with high focus on innovative designs and high-quality products
- Offering includes a high level of customisation e.g. a wide range of colour options available for clients



Geographical reach

- Large network of retailers making Thebalux's products easy to find and buy in the Netherlands
- Established export channels in Germany, Belgium, Austria and Luxembourg



Customer experience

- Comprehensive customer service through Thebalux's showrooms and customer support
- ~100 FTEs taking care of the company's customers all the way from the design of the bathrooms, to production, to delivery of the bathroom furniture, valued by customers



Long product lifecycle

- Sustainability characterises sourcing and production with focus on locally produced and energy efficient products
- Timeless designs combined with high quality products make the bathroom furniture highly durable and enjoyable for long time

The acquisition of Thebalux supports Svedbergs Group's strategic pillars

Strategic pillars	Growth strategy	Recent acquisitions supports the acquisition agenda	
<p>1 Profitable Growth</p>	<p> Take off 2016 A well-established bathroom supplier in <u>Sweden</u></p> <p>SVEDBERGS</p>	<p>cassøe</p> <ul style="list-style-type: none"> Acquired in December 2020 Supplier of quality products for the bathroom and kitchen in the Danish market Despite challenging market conditions Cassøe has continued to report high profitability 	<p>ROPER RHODES®</p> <ul style="list-style-type: none"> Acquired in December 2021 Well-established UK supplier of bathroom furniture and bathroom products Sales grew 10% during 2022, with continued momentum during 2023 despite challenging market conditions
<p>2 Cooperation without confusion</p>	<p> Expanding in the Nordics A well-established bathroom group in the <u>Nordics</u></p> <p>SVEDBERGS Macro Design. cassøe®</p>	<p>Svedbergs Group's value proposition</p> <ul style="list-style-type: none"> Coordinated procurement Sharing of best-practices within corporate governance Accelerate ESG initiatives Strengthened processes & commercial excellence through digitalisation 	
<p>3 Sales excellence</p>	<p> Expanding in northern Europe A well-established bathroom group in selected markets in <u>Europe</u></p> <p>SVEDBERGS ROPER RHODES® cassøe Macro Design. </p>		
<p>4 Product development excellence</p>	<p>5 Organisation and leadership</p>		

Source: Svedbergs Group.

Financial targets & dividend policy unchanged

Growth

Svedbergs Group should have an average annual net sales growth of 10 per cent over a cycle including acquisitions

Profitability

Svedbergs Group's EBITA margin should exceed 15 per cent in the long-term

Dividend policy

To distribute up to 50 per cent of net profit, considering the company's financial position and growth- and investment strategy



Timetable



Conclusions

Svedbergs Group takes an important step towards the goal of becoming the leading bathroom group in northern Europe

Increasing net sales, profitability and geographical diversification

The Dutch bathroom market – a sizeable and attractive market to enter

Acquisition fully funded through expanded credit facilities with strong shareholder support for the rights issue



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GROUP

