

INTERIM REPORT JANUARY-MARCH 2023



storskogen

FIRST QUARTER (1 JANUARY–31 MARCH 2023)

- Net sales increased by 33 percent to SEK 9,213m (6,938). Organic sales growth was 3 percent.
- Adjusted EBITA increased by 56 percent to SEK 885m (568), corresponding to an adjusted EBITA margin of 9.6 percent (8.2). Organic EBITA growth was 6 percent.
- Operating profit (EBIT) increased by 77 percent to SEK 832m (470), corresponding to an operating margin of 9.0 percent (6.8).
- Profit for the period increased by 116 percent to SEK 515m (239).
- Earnings per share before/after dilution amounted to SEK 0.28 (0.13).
- Cash flow from operating activities came in at SEK 467m (-184).
- Three acquisitions were completed during the quarter, with combined annual sales of SEK 95m.
- Storskogen extended both of its unsecured credit facility agreements to March and September 2025, respectively, with an option to extend the term by another year.

SIGNIFICANT EVENTS SINCE THE END OF THE PERIOD

- Storskogen has acquired 80 percent of the British company AC Electrical. Half of the purchase price consisted of convertibles that will be converted into B shares in Storskogen Group in April 2024.
- The Annual General Meeting on 12 May will resolve on, among other things, the proposed dividend of SEK 0.08 per share; the new election of Robert Belkic to the Board of Directors and the re-election of Annette Brodin Rampe (Chair of the Board of Directors), Alexander Bjärgård, Louise Hedberg and Johan Thorell; implementation of share-related incentive programmes and authorisation for the Board of Directors to issue shares, warrants or convertibles, and to repurchase treasury shares.

Amounts in parentheses are for the corresponding periods in 2022.

PERFORMANCE MEASURES

SEK m	2023	2022	Change %	12 months until	Full-year
	Jan-Mar	Jan-Mar		31 Mar 2023	2022
Net sales	9,213	6,938	33	36,525	34,250
Adjusted EBITA	885	568	56	3,461	3,143
Adjusted EBITA-margin, %	9.6	8.2		9.5	9.2
Operating profit	832	470	77	2,974	2,613
Operating margin, %	9.0	6.8		8.1	7.6
Profit before tax	638	328	94	2,420	2,111
Profit for the period	515	239	116	1,868	1,592
Interest-bearing net debt/adjusted RTM EBITDA (12 months), x		1.8		2.6	2.6
Total assets (balance day)		38,064		47,203	47,482
Basic and diluted earnings per share, SEK	0.28	0.13	118	1.01	0.86
Return on equity, % (12 months)		8.9		10.0	8.8
Return on capital employed, % (12 months)		8.9		10.7	10.1
Equity/assets ratio, %		44		43	41
Cash flow from operating activities	467	-184		2,278	1,628
Adjusted cash conversion, %	79	15		71	59

Comments from the CEO

We had a good start to the year with net sales of SEK 9.2 billion (6.9) and continued strong earnings momentum resulting in an EBITA margin of 9.6 percent (8.2). While global uncertainty remains elevated, we continue to focus on improving profitability levels and cash flow, both fundamental pillars for enabling sustainable growth.

The first quarter exceeded our expectations, with business area Industry leading the way with good sales and EBITA margin growth. The adjusted EBITA margin of 9.6 percent was a significant year-over-year improvement. We are committed to our efforts to continue improving profitability in our portfolio companies to support sustainable growth amid ongoing global uncertainty.

The positive trend witnessed in 2022 for Industry continued into Q1, driven in part by good demand for industrial automation. Most portfolio companies in Industry had a strong quarter, and the business area recorded increased sales and improved profitability. Compared to the first quarter last year, productivity improvements and price adjustments offset increased costs, which explains the higher adjusted EBITA margin. The order book remained at a high level, and order intake was solid in relation to the fourth quarter.

Rising interest rates and inflation continue to weigh on consumer demand, indirectly affecting most verticals within Trade, although the Health and Beauty vertical showed a robust performance. Within Services, the first quarter is seasonally slower than Q4. However, in comparison to Q1 2022, the business area saw both sales and profitability expand, driven by the Installation vertical, where demand remained high. On the other hand, the Infrastructure vertical was somewhat affected by project delays due to the cold weather, and the Engineering Services vertical is seeing softer demand related to new construction.

In aggregate, our diversified portfolio has a long track record of solid performance through various economic cycles, and we are working in a structured and disciplined way to improve cost efficiency, increase synergies and strengthen our internal processes to ensure readiness in the event of a prolonged economic slowdown.

We continue to focus on cash flow and profitability and remain committed to reducing our leverage towards the lower end of our 2-3x target interval (interest-bearing net debt/RTM adjusted EBITDA) before resuming a higher acquisition pace. The first quarter is seasonally weaker, but cash flow from operating activities improved by SEK 651 million versus last year, keeping our leverage unchanged at 2.6x compared to the fourth quarter. We strive to extend the maturity profile of our debt portfolio and have extended both of our unsecured credit facilities to March and September 2025, respectively, with an option to extend the term by another year. We are continuously evaluating possibilities to optimise the maturity profile of our debt portfolio. Our liquidity position remains strong at SEK 2.6 billion, with an additional SEK 6.4 billion of unutilised credit facilities available.

Our vision is to be the leading international owner of small and medium-sized businesses, through our mission of empowering them to realise their full potential. However, the landscape is in a constant state of flux, as demonstrated by the events of the last 12-18 months. Therefore, we conduct regular reviews of our group companies across all business areas, considering crucial factors such as profitable growth strategies, cash flow, earnings volatility, and sustainability potential.

I am pleased with the performance in the first quarter of 2023 and look forward to a seasonally stronger second quarter. I am proud of all the hard work and progress we have made across all our portfolio companies, and despite continued uncertainty about the economic outlook, we remain committed to delivering value for all of our stakeholders.

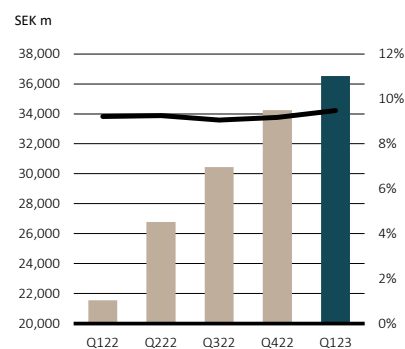
Daniel Kaplan, CEO



"We are committed to our efforts to continue improving profitability in our portfolio companies to support sustainable growth amid ongoing global uncertainty."

Daniel Kaplan, CEO

NET SALES AND ADJUSTED EBITA MARGIN, ROLLING 12 MONTHS



MEDIUM-TERM FINANCIAL TARGETS

ORGANIC EBITA GROWTH

Real GDP growth plus 1-2 percentage points (existing markets)

EBITA GROWTH INCLUDING ACQUISITIONS

Growth in line with historical levels

ADJUSTED EBITA MARGIN

10 percent over time

ADJUSTED CASH CONVERSION

>70 percent (LTM)

INTEREST-BEARING NET DEBT/RTM ADJUSTED EBITDA

2.0-3.0x

The Group's performance

SALES

First quarter 2023

Net sales for the first quarter increased by 33 percent to SEK 9,213 million (6,938). The growth was mainly related to acquisitions, but organic growth for the quarter was positive in all three business areas and amounted to 3 percent for the Group.

RTM (rolling 12 months pro forma)

Had Storskogen owned all subsidiaries throughout the previous 12-month period (RTM), net sales would have amounted to SEK 37,704 million.

EARNINGS

First quarter 2023

In the first quarter, adjusted EBITA increased by 56 percent to SEK 885 million (568), corresponding to an adjusted EBITA margin of 9.6 percent (8.2). Organic EBITA growth for the period was 6 percent.

Items affecting comparability, which are adjusted for in EBITA, amounted to SEK -153 million (-25). Transaction costs, which are not included in items affecting comparability but are distributed per business area, impacted the profit for the quarter by SEK -1 million (-17).

Group functions affected adjusted EBITA by SEK -68 million (-7.4). The combined adjusted EBITA margin for the business areas, excluding Group functions and transaction costs, was 10.4 percent (9.5).

Operating profit (EBIT) increased by 77 percent to SEK 832 million (470) and the operating margin came in at 9.0 percent (6.8).

Net financial items amounted to SEK -194 million (-14), of which SEK 70 million (32) consisted of positive exchange rate effects and other financial income, SEK -226 million (-87) of interest and other expenses for loans and leasing, and SEK -38 million (-87) of negative exchange rate effects and other financial expenses.

Profit before tax increased by 94 percent to SEK 638 million (328). Profit for the period increased by 116 percent to SEK 515 million (239). Earnings per share amounted to SEK 0.28 (0.13).

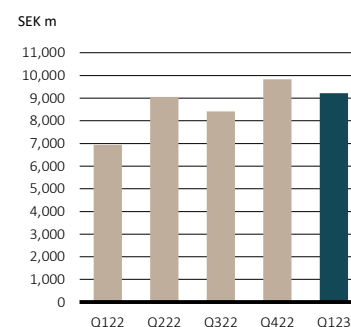
The first quarter was characterised by strong demand within Industry and stability within Services, while Trade faced a more challenging situation in terms of demand. The positive development within Industry and Services, in combination with the implementation of price increases and productivity improvements both in the business units and at the Group level, contributed to a significant increase in the profitability of the Group. The accumulated costs for various cost-savings programmes and productivity improvement measures that have been made in the business units in the past 12 months amounted to SEK 63 million, in addition to previously announced central restructuring costs. Unlike central restructuring costs, restructuring costs in the business units are not defined as items affecting comparability but are considered part of ordinary operations.

The second quarter is usually seasonally strong, but it should be kept in mind that external factors such as prices of raw materials, exchange rates and continued macroeconomic uncertainty may have an effect. For further information on the business areas, see pages 5-7.

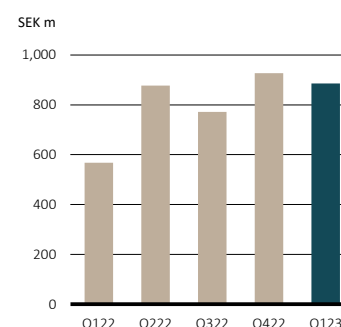
RTM (rolling 12 months pro forma)

Had Storskogen owned all subsidiaries throughout the previous 12-month period (RTM), the Group would have generated adjusted EBITDA of SEK 4,651 million and adjusted EBITA of SEK 3,627 million, corresponding to an adjusted EBITA margin of 9.6 percent.

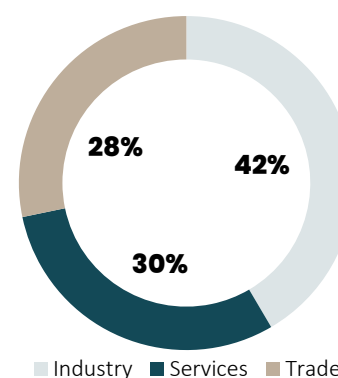
NET SALES BY QUARTER



OPERATING PROFIT (ADJUSTED EBITA) BY QUARTER



BREAKDOWN OF SALES BY BUSINESS AREA, Q1 2023



Net sales by business area and for the Group

SEK m	2023	2022		12 months until	Full-year
	Jan-Mar	Jan-Mar	Change %	31 Mar 2023	2022
Services	2,784	2,294	21	11,841	11,351
Trade	2,608	1,950	34	10,295	9,637
Industry	3,833	2,699	42	14,422	13,288
Operations	9,225	6,943	33	36,558	34,276
Group operations	-12	-5		-33	-26
Net sales, Group	9,213	6,938	33	36,525	34,250

Operating profit (EBIT) by business area and for the Group

SEK m	2023	2022		12 months until	Full-year
	Jan-Mar	Jan-Mar	Change %	31 Mar 2023	2022
Services	250	180	39	1,150	1,079
Trade	219	190	16	953	923
Industry	483	272	78	1,671	1,460
Group operations	-68	-74		-313	-319
Adjusted EBITA	885	568	56	3,461	3,143
Reversal of adjusted items	153	25		290	162
EBITA	1,038	592	75	3,751	3,305
Amortisation of intangible non-current assets	-207	-122		-776	-692
Operating profit, EBIT	832	470	77	2,974	2,613

RETURNS

Return on equity was 10.0 percent (8.9) and return on capital employed was 10.7 percent (8.9). These return metrics improved compared to last year but continue to be negatively affected by the Group's relatively strong acquisition-driven growth in the past few years, since new acquisitions have had limited time to contribute profit growth to the return metrics.

FINANCIAL POSITION

As of 31 March 2023, the Group had equity of SEK 20,215 million (16,821) and an equity/assets ratio of 43 percent (44). As of 31 March 2023, cash and cash equivalents amounted to SEK 2,613 million (2,937). The Group also had unutilised credit facilities of SEK 6,427 million at the end of the period. The Group's interest-bearing net debt decreased during the quarter by SEK 135 million to SEK 12,125 million as of 31 March 2023. Interest-bearing net debt/EBITDA, based on RTM adjusted EBITDA for the last 12-month period, was 2.6x (1.8), meaning it was unchanged from the end of 2022.

CASH FLOW AND INVESTMENTS

Cash flow from operating activities amounted to SEK 467 million (-184) in the first quarter. Cash flow thus improved by SEK 651 million compared to last year owing to higher profit and a lower level of working capital tied up, despite an increase in taxes paid. Changes in working capital affected cash flow by SEK -110 million (-543). Cash flow for the quarter was positively impacted by lower inventory levels and increased trade payables, while increased trade receivables, mainly due to work-in-progress, had a negative effect. Adjusted cash conversion (adjusted EBITDA after changes in working capital and net investments in tangible assets as a percentage of adjusted EBITDA) was 79 percent (15) for the quarter. For the previous 12-month period, adjusted cash conversion was 71 percent (55), which is just above the target of 70 percent.

The Group's net investments in tangible assets, i.e. capex, amounted to SEK 133 million (113) in the quarter, corresponding to 1.4 percent (1.6) of net sales in the quarter. Acquisitions and divestments of shares in subsidiaries, including payments of contingent considerations for acquisitions in previous years, amounted to net SEK 84 million (4,737) in the first quarter.

Business area Services

RESULTS

Net sales in the Services business area increased by 21 percent to SEK 2,784 million (2,294) in the first quarter. Organic sales growth in the quarter was 3 percent.

Adjusted EBITA increased by 39 percent to SEK 250 million (180) in the first quarter. The adjusted EBITA margin was 9.0 percent (7.8) for the quarter. Organic EBITA growth in the quarter was 2 percent.

The result includes transaction costs of SEK 0 million (7) for the quarter. The adjusted EBITA margin excluding transaction costs was 9.0 percent (8.1) for the first quarter.

SEK m	2023		Change %	12 months	Full-
	Jan-Mar	Jan-Mar		until	year
				31 Mar 2023	2022
Net sales	2,784	2,294	21	11,841	11,351
Adjusted EBITA excl. transaction costs	250	187	34	1,164	1,101
Adjusted EBITA-margin excl. transaction costs, %	9.0	8.1		9.8	9.7
Transaction costs	-	-7		-15	-22
Adjusted EBITA	250	180	39	1,150	1,079
Adjusted EBITA-margin, %	9.0	7.8		9.7	9.5
Number of employees, end of period	5,152	4,957		5,152	5,140
Number of business units, end of period	62	58		62	62

The first quarter of the year is normally seasonally weaker for the companies in the Services business area. This was once again the case in the first quarter of 2023, which was weaker than the final quarter of last year. However, the result for the quarter improved in terms of both revenue and profitability compared to the same quarter in 2022. The positive development was driven by generally strong demand in the market, but also by the fact that the comparison period was negatively affected by the fourth Covid-19 wave and associated restrictions.

Most of the verticals in the business area reported profit on a par with or better than in the first quarter of 2022. Installation, one of the largest verticals, which was also severely affected by quarantine restrictions, saw improved results and profitability compared to the comparison period, owing to good demand, a stabilisation of market conditions and high occupancy. Despite somewhat decreased volumes, the companies within Logistics managed to maintain a good profitability level in relation to last year. Digital Services also showed continued strong profitability and sales growth.

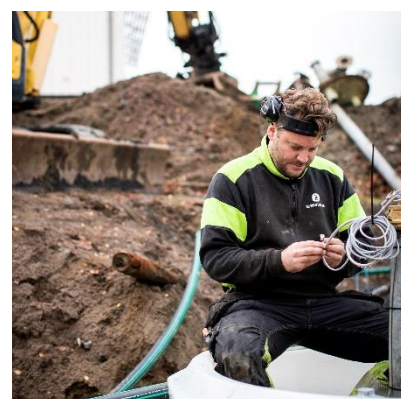
Infrastructure started the year slightly weaker than expected. Companies active early in the value chain in new construction, providing services such as demolition and excavation, were affected by the slowdown in the construction industry. The cold and unpredictable weather for most of the quarter also affected the vertical negatively.

OUTLOOK

Many of the companies are seeing solid demand and have good order books. Although historically the second quarter has been seasonally strong, the continued uncertainty in the market has shifted the timing of some projects, and the long-term visibility remains low.

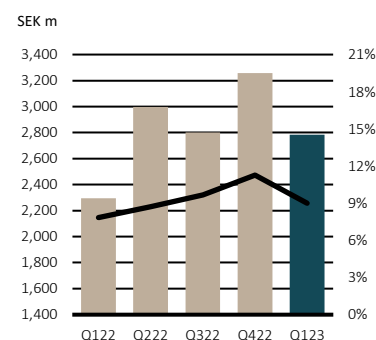
TRANSACTIONS DURING THE QUARTER

During the first quarter of 2023 one small acquisition was completed: Hässleholm Sot & Vent AB, an add-on acquisition to the chimney sweeping group SoVent AB.

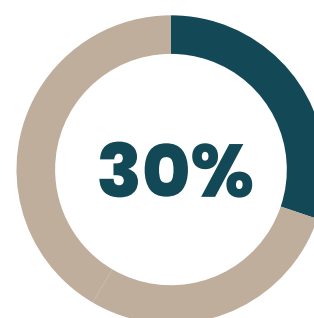


The Services business area comprises service companies with strong positions in specific B2B niche markets. It consists of 62 business units in the following verticals: Contracting Services, Infrastructure, Installation, Logistics, Engineering Services, Digital Services, and HR and Competence.

SALES, SEK M ADJUSTED EBITA MARGIN, %



SHARE OF GROUP SALES, Q1 2023



Business area Trade

RESULTS

Net sales in the Trade business area increased by 34 percent to SEK 2,608 million (1,950) in the first quarter of the year. Organic sales growth was 2 percent.

Adjusted EBITA increased by 16 percent to SEK 219 million (190) for the first quarter. The adjusted EBITA margin was 8.4 percent (9.7) for the quarter. Organic EBITA growth amounted to -14 percent.

The result includes transaction costs of SEK 0 million (5) and the adjusted EBITA margin excluding transaction costs was 8.4 percent (10.0) for the quarter.

SEK m	2023		Change %	12 months until Full-year	
	Jan-Mar	Jan-Mar		31 Mar 2023	2022
Net sales	2,608	1,950	34	10,295	9,637
Adjusted EBITA excl. transaction costs	219	194	13	974	950
Adjusted EBITA-margin excl. transaction costs, %	8.4	10.0		9.5	9.9
Transaction costs	-	-5		-21	-26
Adjusted EBITA	219	190	16	953	923
Adjusted EBITA-margin, %	8.4	9.7		9.3	9.6
Number of employees, end of period	2,372	1,673		2,372	2,417
Number of business units, end of period	33	29		33	35

The trends that could be seen in the second half of 2022 continued in the first quarter of the year as well, with good demand and a strong result within Health and Beauty. However, consumer-related durable goods and some companies with sales to e-commerce customers experienced subdued demand, primarily within the Home and Living and Sports, Clothing and Accessories verticals. The soft demand within Sports, Clothing and Accessories was partly explained by continued high inventory levels among the companies' customers. However, these levels started to come down in the latter part of the quarter.

The business area is still being affected by a challenging macro environment, with inflation and cost increases continuing to impact consumers. The business area has also been negatively affected by the weaker Swedish krona, since a large share of purchases are made in dollars. Although the rise in input costs has partly been compensated for by price increases, the margin was negatively impacted compared to the first quarter of 2022.

The previously high freight costs have now stabilised, which to some extent is also the case for prices of materials in the Home and Living vertical. The business area continued to implement its efficiency and cost measures, as well as efforts related to working capital, which had a positive impact in the quarter, in the form of reduced inventory levels.

OUTLOOK

The uncertain market situation is expected to continue to have a dampening effect on durable goods, for example in Home and Living. Sports, Clothing and Accessories is sensitive to weaker consumer demand, but there is a glimmer of light as the companies' customers continue to decrease their inventory levels. Health and Beauty, which is less sensitive to the business cycle, expects continued strong demand.

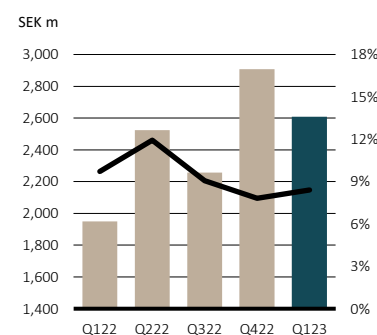
TRANSACTIONS DURING THE QUARTER

No acquisitions were completed in the quarter, but a merger of the separate business units Baldacci, Alba and Frend was carried out, creating the business unit ByWe. This makes it the largest distributor of professional haircare in the Nordic region. In addition, Medkoh, a subsidiary of Hilpert Electronics in Switzerland, was divested.

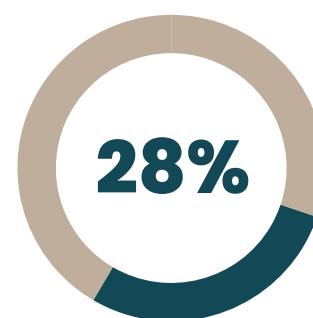


The Trade business area comprises companies selling physical products. The majority are distributors and wholesalers that market both their own and external brands. It consists of 33 business units in the following verticals: Home and Living, Health and Beauty, Sports, Clothing and Accessories, and Niche Businesses.

SALES, SEK M ADJUSTED EBITA MARGIN, %



SHARE OF GROUP SALES, Q1 2023



Business area Industry

RESULTS

Net sales in the Industry business area increased by 42 percent to SEK 3,833 million (2,699) in the first quarter. Organic sales growth amounted to 4 percent for the first quarter.

Adjusted EBITA increased by 78 percent to SEK 483 million (272) in the first quarter and the adjusted EBITA margin was 12.6 percent (10.1). Organic EBITA growth was 24 percent for the first quarter.

The result includes transaction costs of SEK 1 million (5) for the quarter. Excluding these, the adjusted EBITA margin was 12.6 percent (10.3).

SEK m	2023		Change %	12 months	Full-
	Jan-Mar	Jan-Mar		until	year
				31 Mar 2023	2022
Net sales	3,833	2,699	42	14,422	13,288
Adjusted EBITA excl. transaction costs	485	277	75	1,691	1,484
Adjusted EBITA-margin excl. transaction costs, %	12.6	10.3	-	11.7	11.2
Transaction costs	-1	-5		-20	-24
Adjusted EBITA	483	272	78	1,671	1,460
Adjusted EBITA-margin, %	12.6	10.1		11.6	11.0
Number of employees, end of period	5,310	4,329		5,310	5,276
Number of business units, end of period	39	35		39	39

The Industry business area showed strong sales growth and margin expansion in the first quarter. The underlying market remained good, with good demand and stable order intake. Implementation of price increases counteracted higher costs, which combined with ongoing productivity improvements resulted in improved profitability. However, cost inflation continued to affect the companies. For example, prices of steel increased notably again, although the full impact of these is yet to be seen. In addition, several companies, though to a smaller extent, were affected by continued supply chain pressures with long lead times for specific components.

All verticals in the Industry business area developed well in the quarter. Automation reported a strong quarter, as market conditions remained favourable, with high demand for automation solutions from the engineering and wood industries. Industrial Technology also had a good quarter, especially for the metal processing and metal application companies, which saw continued good demand, while the situation was more strained for companies more exposed to the construction industry. Companies within Products also had a generally strong quarter, driven by good demand, though companies with customers that deliver to the consumer market saw subdued demand.

OUTLOOK

The uncertain macro environment makes the market development for Industry companies difficult to assess. The businesses are continuously taking measures to address and manage quick market changes. However, the start of the second quarter indicates a generally good demand with decent order intake and strong order books.

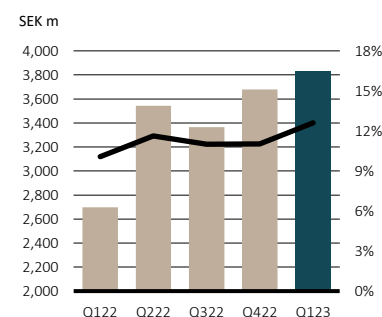
TRANSACTIONS DURING THE QUARTER

During the quarter, the automation company ARAT completed two add-on acquisitions, of Loginor and Höga Kusten, both of which offer automation solutions for the sawmill industry.

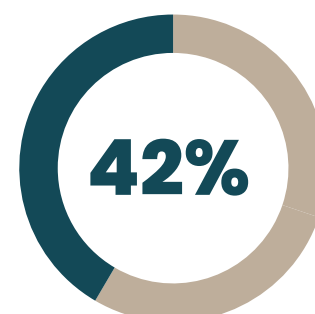


The Industry business area comprises traditional B2B industrial companies in heavy and medium-heavy industry, manufacturing and automation. It consists of 39 business units in the following verticals: Automation, Industrial Technology, and Products.

SALES, SEK M ADJUSTED EBITA MARGIN, %



SHARE OF GROUP SALES, Q1 2023



Transactions

During the first quarter, Storskogen completed three add-on acquisitions with a total of 40 employees, combined annual sales of SEK 95 million and EBITA of SEK 16 million. In the quarter, the Swiss company Medkoh, a subsidiary of Hilpert Electronics, was divested. Medkoh contributed SEK 50 million to Group sales and SEK 0 million to adjusted EBITA in the most recent financial year. The reason for the divestment was that the company was not aligned with Storskogen's financial targets or long-term strategy.

For more information on acquisitions completed during the period 1 January – 31 March 2023, see Note 4 – Business combinations.

ACQUISITIONS DURING THE PERIOD

Breakdown of acquisitions completed in January–March 2023 by Group business area:

Acquisition / divestment	Acquisition date	Annual net sales, SEK m	Number of employees by acquisition	Share of capital/votes, %	Business area
Höga Kusten Teknik Resurs AB	January	61	21	90.1	Industry
Loginor AB	January	22	7	90.0	Industry
HSV Hässleholms Sot & Vent AB, incl. fellow subsidiary	January	12	12	95.7	Services
Divestment Medkoh AG	February	-50	-15	-	Trade
Sum		45	25		

Since the end of the quarter and up until the date of this report, Storskogen has completed three acquisitions with combined annual sales of SEK 304 million. In addition, one divestment has been completed, with annual sales of SEK 130 million. For more information on acquisitions and divestments, see the section "Events since the end of the period".

Other financial information

EMPLOYEES

At the end of the period, the Group had 12,940 employees (11,061). Acquisitions carried out during the quarter added 40 new employees to the Group.

SHARE CAPITAL

On 31 March 2023, the number of shares amounted to 1,664 million, divided into 1,516 million Series B shares and 148 million Series A shares.

Share structure on 31 March 2023

Class of share	Number of shares	Number of votes	Percentage of capital	Percentage of votes
Series A share, 10 votes per share	148,001,374	1,480,013,740	8.9	49.4
Series B share, 1 vote per share	1,515,762,394	1,515,762,394	91.1	50.6
Total number of shares	1,663,763,768	2,995,776,134	100.0	100.0

Ten largest shareholders on 31 March 2023 ¹

	Series A	Series B	Percentage of capital	Percentage of votes
AMF Pension & Fonder	-	144,861,749	8.7	4.8
Futur Pension	-	86,031,465	5.2	2.9
Movestic Pension	-	74,688,466	4.5	2.5
Daniel Kaplan ²	38,270,140	35,405,122	4.4	14.0
Swedbank Robur Fonder	-	73,204,287	4.4	2.4
Alexander Murad Bjärgård	37,539,070	27,691,998	3.9	13.5
Ronnie Bergström ³	38,270,254	18,513,504	3.4	13.4
Peter Ahlgren	33,921,910	15,714,607	3.0	11.8
Vanguard	-	48,419,110	2.9	1.6
Philian Invest AB (Karl-Johan Persson)	-	36,200,000	2.2	1.2
Total largest shareholders	148,001,374	560,730,308	42.6	68.1
Other	-	955,032,086	57.4	31.9
Total	148,001,374	1,515,762,394	100.0	100.0

¹ Source: Monitor by Modular Finance AB.

² Includes shares held by Firm Factory AB and Wombat Investments AB

³ Includes shares held by Ångsmon AB

PARENT COMPANY

The Parent Company generated net sales of SEK 33 million (29) in the first quarter. Profit for the period amounted to SEK 91 million (-47). Net sales consist of management services within the Group. Parent Company profit after financial items was positively affected by intra-Group interest income and exchange rate effects.

RELATED-PARTY TRANSACTIONS

No significant changes have taken place for the Group or the Parent Company in terms of transactions or relationships with related parties, compared with what appears in the Annual Report 2022. All related-party transactions have taken place at market terms.

EVENTS SINCE THE END OF THE PERIOD

Since the end of the period, the Group has completed three acquisitions, of which two are add-on acquisitions and one is a platform acquisition.

The Services business area has completed one platform acquisition in the UK; AC Electrical. The company is specialised in commercial building fit-outs, LED installation, refurbishments, and facility management. Half of the purchase price consisted of convertibles that will be converted into B shares in Storskogen Group in April 2024.

The Trade business area has completed two add-on acquisitions. Vox Hair has acquired Modern Design, a Norwegian chain of hair salons. Båstadgruppen has acquired Guardio Safety, a distributor of helmets and hearing protection for professional use.

Acquisitions completed since the end of the period have combined annual sales of SEK 304 million and EBITA of SEK 72 million.

Since the end of the period, the Group has signed an agreement for one divestment, in the Trade business area. On 28 April, an agreement was signed to divest a company with sales of SEK 130 million and EBITA of SEK 4 million in the most recent financial year. The transaction is expected to be completed in May.

ANNUAL GENERAL MEETING 2023

The Annual General Meeting will be held on 12 May in Stockholm. The Annual General Meeting will resolve on, among other things, the proposed dividend of SEK 0.08 per share; the new election of Robert Belkic to the Board of Directors and the re-election of Annette Brodin Rampe (Chair of the Board of Directors), Alexander Bjärgård, Louise Hedberg and Johan Thorell; implementation of share-related incentive programmes and authorisation for the Board of Directors to issue shares, warrants or convertibles, and to repurchase treasury shares.

The Chief Executive Officer hereby provides assurance that this interim report presents a true and fair view of developments in the Group's and the Parent Company's operations, financial position and results, and describes material risks and uncertainties faced by the Parent Company and the companies in the Group.

Stockholm, 12 May 2023

Storskogen Group AB

Daniel Kaplan
CEO

This report has not been subject to review by the Company's auditors.

Quarterly data

SEK m	Q1 2023	Q4 2022	Q3 2022	Q2 2022	Q1 2022	Q4 2021
Net Sales						
Services	2,784	3,258	2,801	2,998	2,294	2,336
Trade	2,608	2,908	2,256	2,523	1,950	1,794
Industry	3,833	3,680	3,366	3,543	2,699	1,913
Group operations	-12	-9	-7	-6	-5	-4
Group total	9,213	9,836	8,417	9,059	6,938	6,039
Adjusted EBITA						
Services	250	367	271	261	180	243
Trade	219	228	205	301	190	153
Industry	483	406	371	412	272	222
Group operations	-68	-74	-75	-97	-74	-75
Group total	885	927	772	877	568	542
Adjusted EBITA-margin, %						
Services	9.0	11.3	9.7	8.7	7.8	10.4
Trade	8.4	7.8	9.1	11.9	9.7	8.5
Industry	12.6	11.0	11.0	11.6	10.1	11.6
Group operations	-	-	-	-	-	-
Group total	9.6	9.4	9.2	9.7	8.2	9.0
Number of employees, end of period						
Services	5,152	5,140	5,196	5,095	4,957	4,297
Trade	2,372	2,417	2,287	2,064	1,673	1,555
Industry	5,310	5,276	4,924	4,950	4,329	2,786
Group operations	106	112	125	116	102	81
Group total	12,940	12,945	12,532	12,225	11,061	8,719
Number of business units, end of period						
Services	62	62	62	61	58	50
Trade	33	35	35	34	29	25
Industry	39	39	38	37	35	30
Group total	134	136	135	132	122	105

Financial statements

CONSOLIDATED INCOME STATEMENT, CONDENSED

SEK m	2023	2022	12 months until	Full-year
	Jan-Mar	Jan-Mar	31 Mar 2023	2022
Net sales	9,213	6,938	36,525	34,250
Cost of goods and services sold	-7,321	-5,608	-29,188	-27,475
Gross profit	1,892	1,330	7,337	6,775
Selling expenses	-808	-578	-3,120	-2,890
Administrative expenses	-510	-453	-2,089	-2,032
Other operating income	343	255	1,482	1,393
Other operating expenses	-85	-84	-635	-634
Operating profit	832	470	2,974	2,613
Financial income	97	34	541	479
Financial expenses	-290	-176	-1,095	-980
Profit before tax	638	328	2,420	2,111
Tax	-123	-90	-552	-519
Profit for the period	515	239	1,868	1,592
Profit for the year attributable to:				
Owners of the parent company	460	210	1,685	1,436
Non-controlling interests	55	28	184	157
Basic and diluted earnings per share, SEK	0.28	0.13	1.01	0.86

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME, CONDENSED

SEK m	2023	2022	12 months until	Full-year
	Jan-Mar	Jan-Mar	31 Mar 2023	2022
Profit for the period	515	239	1,868	1,592
Other comprehensive income				
Items that will not be reclassified to the income statement				
Remeasurements of defined benefit pension plans	0	-	150	150
Total items that will not be transferred to the income statement	0	-	150	150
Items that have been or may be transferred to the income statement				
Exchange differences, foreign operations	-3	15	547	566
Gains/losses on holding of derivatives for cash flow hedging	4	-2	-9	-16
Total items that have been or may be transferred to the income statement	1	12	538	549
Other comprehensive income for the period, net of tax	1	12	689	700
Comprehensive income for the period	516	251	2,557	2,292
Comprehensive income for the period attributable to:				
Owners of the parent company	453	228	2,291	2,066
Non-controlling interests	63	23	266	226

CONSOLIDATED BALANCE SHEET, CONDENSED

SEK m	31 Mar 2023	31 Mar 2022	31 Dec 2022
Assets			
Intangible assets	25,514	20,263	25,566
Property, plant and equipment	5,262	4,203	5,305
Financial non-current assets	75	40	80
Pension obligation assets	2	-	9
Deferred tax assets	127	91	133
Total non-current assets	30,979	24,597	31,093
Inventories	5,165	4,015	5,203
Trade receivables	4,972	4,210	4,940
Current receivables	3,473	2,299	3,223
Current investments	1	6	1
Cash and cash equivalents	2,613	2,937	3,022
Total current assets	16,224	13,467	16,389
Total assets	47,203	38,064	47,482
Equity and liabilities			
Total equity	20,215	16,821	19,628
Interest-bearing non-current liabilities	13,956	9,425	14,453
Provisions for pensions	203	358	205
Non-interest-bearing non-current liabilities	2,157	2,696	2,343
Provisions	100	92	87
Deferred tax liabilities	1,846	1,327	1,865
Total non-current liabilities	18,263	13,898	18,954
Interest-bearing current liabilities	580	683	625
Trade payables	2,638	2,272	2,563
Non-interest-bearing current liabilities	5,508	4,390	5,713
Total current liabilities	8,726	7,346	8,901
Total equity and liabilities	47,203	38,064	47,482

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY, CONDENSED

SEK m	31 Mar 2023	31 Mar 2022	31 Dec 2022
Opening equity attributable to owners of the parent company	19,594	16,564	16,564
Comprehensive income			
Profit for the period	460	210	1,436
Remeasurements of defined benefit pension plans	0	-	148
Other comprehensive income for the period	-7	18	482
Comprehensive income for the period	453	228	2,066
Transactions with the Group's owners			
Contributions from and value transfers to owners			
Dividends paid	-	-	-116
Share issue, non-cash	-	-	168
Transaction costs on issue of shares, after tax	-	-	0
Share-based payment transactions	7	5	30
Put options attributable to non-controlling interests	134	4	1,050
Total contributions from and value transfers to owners	141	9	1,131
Changes in ownership of subsidiaries			
Acquisition/divestment of non-controlling interests	1	-3	-168
Total changes in ownership of subsidiaries	1	-3	-168
Total transactions with the Group's owners	142	6	964
Closing equity attributable to owners of the parent company	20,189	16,799	19,595
Opening equity in non-controlling interests	34	24	24
Profit for the period	55	28	157
Other comprehensive income for the period	8	-5	69
Comprehensive income for the period	63	23	226
Dividends to non-controlling interests	-5	-2	-123
Acquisition/divestment of non-controlling interests	1	8	24
Non-controlling interests arising on business combinations from before	14	623	1,622
Divestment of business with non-controlling interests, controlling interest ends	0	-	-
Put options attributable to non-controlling interests	-81	-654	-1,739
Closing equity in non-controlling interests	25	23	34
Total equity	20,215	16,821	19,628

CONSOLIDATED CASH FLOW STATEMENT, CONDENSED

SEK m	2023	2022	12 months until	Full-year
	Jan-Mar	Jan-Mar	31 Mar 2023	2022
Profit before tax	638	328	2,421	2,111
Adjustment for non-cash items	370	312	1,408	1,351
Income tax paid	-431	-282	-840	-690
Change in working capital	-110	-543	-711	-1,143
Cash flow from operating activities	467	-184	2,278	1,628
Net investments in non-current assets	-154	-114	-649	-609
Subsidiary/business acquisitions and divestments	-84	-4,737	-4,540	-9,193
Cash flow from investing activities	-238	-4,851	-5,189	-9,802
Dividend to owners of the parent company	-	-	-116	-116
Dividends to minority owners	-5	-2	-126	-123
Proceeds from issues of shares	-	-	0	0
Change in loans	-509	1,929	3,273	5,712
Repayment of lease liability and other financing activities	-123	-123	-533	-533
Cash flow from financing activities	-637	1,805	2,497	4,939
Cash flow for the period	-408	-3,230	-413	-3,235
Cash and cash equivalents at beginning of period	3,022	6,167	2,937	6,167
Exchange rate differences in cash and cash equivalents	-1	1	88	91
Cash and cash equivalents at end of period	2,613	2,937	2,613	3,022

Notes

NOTE 1 – ACCOUNTING POLICIES, ESTIMATES AND ASSUMPTIONS

Accounting policies

Storskogen applies International Financial Reporting Standards (IFRS), as admitted by EU. The Group's interim report has been prepared in accordance with the relevant sections of the Annual Accounts Act and IAS 34 Interim Financial Reporting. The Parent Company's interim report has been prepared in accordance with the Annual Accounts Act, Chapter 9: Interim Reporting. The Parent Company applies RFR 2. The same accounting policies and assumptions have been applied for the Group and the Parent Company as in the most recent Annual Report. No new or amended standards have had or are expected to have any material effect on the Group. All amounts in this report are expressed in millions of Swedish kronor (SEK m) unless otherwise indicated. Rounding differences may occur.

Risks and uncertainties

Storskogen Group's diversified business model, with 134 business units that are active in a variety of industries and have a large number of customers and suppliers, limits the Group's business and financial risks. In addition to the risks described in Storskogen's Annual Report 2022, the Group assesses that the ongoing conflict in Ukraine and associated sanctions against Russia and Belarus may have a certain impact on business units, disruptions in operations and an impaired financial position. Macroeconomic factors such as inflation, interest rate hikes and rising commodity prices as well as disruptions in distribution chains may also have an impact on the Group's profits. The risks are deemed to be limited due to the Group's diversified operations and are managed through the Group's finance function and operational activities.

Estimates and assessments

The preparation of the interim report has required management to make assessments, estimates and assumptions that affect the application of the accounting policies and the carrying amounts of assets, liabilities, revenue and expenses. Actual outcomes may differ from these estimates and assessments. The critical assessments and sources of uncertainty in estimates are the same as in the most recent Annual Report.

NOTE 2 – ITEMS BY SEGMENT AND BREAKDOWN OF REVENUE

2023

Jan-Mar, SEK m	Services	Trade	Industry	Group operations	Total
Net sales	2,784	2,608	3,833	-12	9,213
Cost of goods and services sold	-2,193	-2,105	-2,965	-58	-7,321
Gross profit	592	503	868	-70	1,892
Selling expenses	-248	-278	-264	-18	-808
Administrative expenses	-187	-113	-230	20	-510
Other operating income	73	136	113	21	343
Other operating expenses	-4	-20	-61	-0	-85
Operating profit	226	228	425	-47	832
Financial income	2	4	22	70	97
Financial expenses	-18	-20	-34	-218	-290
Profit before tax	210	211	413	-196	638
Reversal of financial income/expenses	16	17	13	148	194
Reversal of amortisation and impairment of intangible assets	72	58	77	0	207
EBITA	297	286	502	-47	1,038
Items affecting comparability	-47	-66	-19	-20	-153
Adjusted EBITA	250	219	483	-68	885

Net sales, geographical distribution

2023

Jan-Mar, SEK m	Services	Trade	Industry	Group operations	Total
Sweden	2,145	1,343	982	-12	4,459
Denmark	113	72	117	-	301
Finland	20	53	85	-	158
Germany	91	113	502	-	706
Other countries within the EU	19	161	476	-	655
Norway	169	384	131	-	683
Switzerland	161	185	114	-	459
UK	26	293	622	-	940
USA	4	0	502	-	506
Other countries outside the EU	38	6	302	-	345
Total net sales	2,784	2,608	3,833	-12	9,213

ITEMS BY SEGMENT AND BREAKDOWN OF REVENUE

2022

Jan-Mar, SEK m	Services	Trade	Industry	Group operations	Total
Net sales	2,294	1,950	2,699	-5	6,938
Cost of goods and services sold	-1,824	-1,579	-2,151	-55	-5,608
Gross profit	470	372	547	-59	1,330
Selling expenses	-198	-164	-200	-16	-578
Administrative expenses	-163	-86	-197	-7	-453
Other operating income	32	102	110	10	255
Other operating expenses	-25	-15	-41	-1	-84
Operating profit	116	209	219	-74	470
Financial income	0	3	12	19	34
Financial expenses	-18	-9	-23	-126	-176
Profit before tax	98	203	208	-181	328
Reversal of financial income/expenses	18	6	11	107	141
Reversal of amortisation and impairment of intangible assets	41	31	50	0	122
EBITA	157	239	269	-74	592
Items affecting comparability	22	-50	2	0	-25
Adjusted EBITA	180	190	272	-74	568

Net sales, geographical distribution

2022

Jan-Mar, SEK m	Services	Trade	Industry	Group operations	Total
Sweden	2,029	1,044	930	-5	3,998
Denmark	16	41	114	-	171
Finland	16	63	84	-	163
Germany	33	70	394	-	497
Other countries within the EU	21	145	399	-	565
Norway	87	183	99	-	369
Switzerland	68	140	73	-	280
UK	8	244	125	-	376
USA	4	1	301	-	306
Other countries outside the EU	14	20	179	-	212
Total net sales	2,294	1,950	2,699	-5	6,938

NOTE 3 – REVENUE FROM CUSTOMER CONTRACTS

Net sales by vertical

SEK m	2023	2022	12 months until	Full-year
	Jan-Mar	Jan-Mar	31 Mar 2023	2022
Contracting Services	201	181	933	913
Infrastructure	493	474	2,293	2,273
Installation	944	788	3,790	3,635
Logistics	311	281	1,287	1,257
Engineering Services	403	275	1,901	1,772
Digital Services	196	144	695	643
HR and Competence	240	154	965	879
Intragroup sales within the business area	-5	-2	-23	-20
Total, Services segment	2,784	2,294	11,841	11,351
Home and Living	878	847	3,409	3,378
Niche Businesses	743	691	3,073	3,021
Health and Beauty	650	216	2,299	1,866
Sports, Clothing and Accessories	341	198	1,538	1,395
Intragroup sales within the business area	-4	-3	-23	-22
Total, Trade segment	2,608	1,950	10,295	9,637
Automation	1,280	816	4,597	4,133
Industrial Technology	1,390	899	5,273	4,782
Products	1,175	998	4,609	4,432
Intragroup sales within the business area	-12	-13	-57	-59
Total, Industry segment	3,833	2,699	14,422	13,288
Intragroup sales eliminations	-12	-5	-33	-26
Total	9,213	6,938	36,525	34,250

Timing of revenue recognition

SEK m	2023	2022
	Jan-Mar	Jan-Mar
Goods and services transferred at a point in time	7,413	5,419
Goods and services transferred over time	1,801	1,519
Total	9,213	6,938

NOTE 4 – BUSINESS COMBINATIONS

Preliminary acquisition analysis for the period

Refers to acquisitions completed during the period January to March 2023:

SEK m	Services	Trade	Industry	Total
Intangible assets	46	-	25	71
Other non-current assets	0	-	6	6
Inventories	-	-	21	21
Other current assets	2	-	21	24
Cash and cash equivalents	2	-	25	27
Deferred tax assets/tax liabilities	-9	-	-7	-16
Liabilities to credit institutions	-	-	-	-
Other liabilities	-2	-	-43	-45
Acquired net assets	40	-	48	88
Goodwill	-30	0	69	39
Non-controlling interests	-	-	-14	-14
Purchase price including contingent consideration	10	0	104	114
Less cash and cash equivalents in acquired operations	-2	-	-25	-27
Less unpaid purchase consideration	-2	-	-	-2
Effect on consolidated cash and cash equivalents	6	0	79	86

Purchase considerations and assessments

Purchase considerations for acquisitions for the year totalled SEK 114 million, of which SEK 39 million has been recognised as goodwill (including adjustments of preliminary acquisition analyses from previous years). The impact of business acquisitions on the Group's cash and cash equivalents is SEK 86 million. Cash and cash equivalents are also affected by acquisitions of minority shares during the period with payments of purchase considerations amounting to SEK 0 million, divestment of minority shares contributes with a received purchase consideration of SEK 2 million, payments of contingent considerations for acquisitions from previous years amounts to SEK 1 million and divestment of operations decreases cash and cash equivalents by SEK 0 million. Had the period's acquisitions been made with effect from 1 January 2023, it is estimated that they would have contributed SEK 44 million to the Group's net sales and the impact on the Group's profit after tax would have been around SEK 9 million. No material changes were made during the quarter to the Group's acquisition analyses for previous years' acquisitions. The acquisition analyses for acquisitions from the second quarter 2022 to the first quarter 2023 are preliminary, as the Group has not received final audited information from the acquired companies. The decrease in goodwill within business area Services is attributable to adjustments of the preliminary acquisition analyses from acquisitions completed in the previous year. All acquisitions have been reported using the acquisition method.

Goodwill

At the time of acquisition, where transferred compensation exceeds the fair value of acquired assets and gained liabilities reported separately, the difference is recognised as goodwill. The goodwill is justified by the companies' future earnings potential. On 31 March 2023, the Group recognised total goodwill of SEK 19,029 million (15,621). The Group's goodwill is tested for impairment as required, and at least annually, by cash-generating unit.

Change in the Group's goodwill, SEK m	Opening balance	Acquisitions	Impairment	Divestments	Currency effects	Closing balance
Goodwill	18,989	39	-	-	1	19,029

Other identified surplus values

The amounts recognised for intangible non-current assets, such as customer relationships and brands, have been measured at the discounted value of future cash flows. Customer relationships are generally written down over a period between three to ten years. The amortisation period is based on historical customer attrition, competition in the market, degree of integration with the customer's business, and importance of the aftermarket (such as servicing and warranties). Trademarks are not amortised except from when they have a determinable useful life. Trademarks that are not amortised are tested annually for impairment in accordance with IAS 36. Other step-ups identified in acquisitions relate to buildings, inventories and technology. Buildings are generally depreciated over 25 years, technology is generally depreciated over three to ten years, while inventories are depreciated on the basis of the inventory turnover rate.

Acquisition-related expenses

Acquisition-related expenses consist of fees to advisers in connection with due diligence. These expenses are recognised as administrative expenses in the income statement and the statement of comprehensive income. Acquisition-related expenses for acquisitions during the period totalled SEK 1 million (18).

Contingent considerations

A contingent consideration, or earn-out, is a conditional additional purchase payment that is normally based on the acquired company's results during the first few years, either as a binary outcome if a certain level of earnings is achieved, or on a scale where the amount rises with the earnings of the acquired company in a predetermined future accounting period. This liability generally crystallises if the criteria are met, one to three years from the date of acquisition. At the time of the transaction, a contingent consideration is measured at fair value by calculating the present value of the likely outcome using a discount rate of 10.6 percent (9.6). The likely outcome is based on the Group's projections for the

respective entity and dependent on future earnings generated by the entity, with a set maximum. The discounted value of unpaid contingent considerations for the period's acquisitions is SEK 2 million (390), while the total liability recognised for discounted contingent considerations on 31 March 2023 was SEK 837 million (1,261).

Non-controlling interests

The Group measures holdings where it does not have a controlling interest at fair value based on full goodwill using the latest known market value, which is defined as the purchase price in respective acquisition.

Acquisition-related disclosures

All acquisitions during the period have been carried out through purchase of shares.

EFFECT OF ACQUISITIONS ON THE CONSOLIDATED STATEMENT OF PROFIT OR LOSS FOR JANUARY-MARCH 2023

SEK m	Services	Trade	Industry	Total
Effect after the acquisition date included in consolidated income statement				
Sales	3	-	41	44
Profit for the period	1	-	8	9
Effect if the acquisitions had been completed on 1 January				
Sales	3	-	41	44
Profit for the period	1	-	8	9

Acquisitions completed during the period January to March 2023 increased the Group's net sales by SEK 44 million, EBITA by SEK 11 million and profit for the period by SEK 9 million. Transaction costs for these acquisitions came to SEK 1 million and are included in administrative expenses in the consolidated income statement.

NOTE 5 – THE GROUP'S MEASUREMENT OF FINANCIAL ASSETS AND LIABILITIES

	31 Mar 2023				31 Mar 2022			
	Financial assets measured at amortised cost	Financial assets measured at fair value through profit or loss	Financial assets measured at fair value through OCI	Total carrying amount	Financial assets measured at amortised cost	Financial assets measured at fair value through profit or loss	Financial assets measured at fair value through OCI	Total carrying amount
Financial assets, SEK m								
Financial non-current assets	40	8	27	75	32	8	0	40
Trade receivables	4,972	-	-	4,972	4,210	-	-	4,210
Current receivables	1,022	-	41	1,063	881	-	9	890
Current investments	-	1	-	1	-	6	-	6
Cash and cash equivalents	2,613	-	-	2,613	2,937	-	-	2,937
Total	8,647	9	68	8,724	8,060	14	9	8,083

	31 Mar 2023				31 Mar 2022			
	Financial liabilities measured at amortised cost	Financial liabilities measured at fair value through profit or loss	Financial liabilities measured at fair value through OCI	Total carrying amount	Financial liabilities measured at amortised cost	Financial liabilities measured at fair value through profit or loss	Financial liabilities measured at fair value through OCI	Total carrying amount
Financial liabilities, SEK m								
Interest-bearing non-current liabilities	12,789	-	1	12,789	8,454	-	1	8,455
Non-interest-bearing non-current liabilities	23	269	-	292	17	734	-	751
Interest-bearing current liabilities	117	-	47	164	310	-	3	313
Trade payables	2,638	-	-	2,638	2,272	-	-	2,272
Non-interest-bearing current liabilities	2,849	598	-	3,447	2,566	527	-	3,093
Total	18,416	867	48	19,331	13,619	1,261	5	14,885

Fair value measurement

Fair value is the price that would be received to sell an asset, or paid to transfer a liability, in an orderly transaction between market participants at the measurement date. The table below shows how financial instruments are measured at fair value in accordance with the fair value hierarchy. The various levels in the hierarchy are defined as follows:

Level 1 – Quoted prices (unadjusted) in active markets for identical assets or liabilities

Level 2 – Input data other than quoted prices included in level 1 that are observable for the asset or liability, either directly (i.e. as price quotations) or indirectly (i.e. originating from price quotations)

Level 3 – Input data for the asset or liability that are not based on observable market data (i.e. unobservable input data)

Fair value for informational purposes

The carrying amounts of assets and liabilities measured at amortised cost are considered an accurate approximation of their fair values. Given the short fixed interest-rate periods and the maturity of the items, calculations indicate that the difference between amortised cost and fair value is not significant.

	31 Mar 2023					Total carrying amount	31 Mar 2022					Total carrying amount
	Level 1	Level 2	Level 3	Other ¹	Difference in fair value and book value, related to market quoted bonds		Level 1	Level 2	Level 3	Other ¹	Difference in fair value and book value, related to market quoted bonds	
Financial assets, SEK m												
Financial non-current assets	-	27	-	48	-	75	-	0	-	40	-	40
Trade receivables	-	-	-	4,972	-	4,972	-	-	-	4,210	-	4,210
Current receivables	-	41	-	1,022	-	1,063	-	9	-	881	-	890
Current investments	1	-	-	-	-	1	6	-	-	-	-	6
Cash and cash equivalents	2,613	-	-	-	-	2,613	2,937	-	-	-	-	2,937
Total	2,613	68	-	6,042	-	8,724	2,943	9	-	5,131	-	8,083

	31 Mar 2023						31 Mar 2022					
Financial liabilities, SEK m	Level 1	Level 2	Level 3	Other ¹	Difference in fair value and book value, related to market quoted bonds	Total carrying amount	Level 1	Level 2	Level 3	Other ¹	Difference in fair value and book value, related to market quoted bonds	Total carrying amount
Interest-bearing non-current liabilities	-	5,641	-	6,823	326	12,789	-	5,914	-	2,509	33	8,455
Non-interest-bearing non-current liabilities	-	-	269	23	-	292	-	-	734	17	-	751
Interest-bearing current liabilities	-	47	-	117	-	164	-	3	-	310	-	313
Trade payables	-	-	-	2,638	-	2,638	-	-	-	2,272	-	2,272
Non-interest-bearing current liabilities	-	31	567	2,849	-	3,447	-	-	527	2,566	-	3,093
Total	-	5,719	837	12,450	326	19,331	-	5,917	1,261	7,673	33	14,885

¹ To be able to reconcile the financial instruments with the balance sheet items, financial instruments not measured at fair value together with other assets and liabilities are presented in the Other column.

Level 2 derivatives have been measured at fair value based on data from counterparty.

Bonds and convertibles in level 2 have been valued at fair value via derivation from price quotations.

Change in financial liabilities Level 3, SEK m	OB	Aquisition	Paid	Remeasured / present value	Exchange difference	CB
Contingent considerations	997	2	-	-157	-5	837

The fair value of contingent considerations has been calculated on the basis of expected outcome against the targets set out in the contracts, using a discount rate of 10.6 percent (9.6).

NOTE 6 – EARNINGS PER SHARE

Basic earnings per share is calculated by dividing the net profit for the period attributable to the owners of the Parent Company by the weighted average number of shares outstanding during the period.

When calculating earnings per share after dilution, the dilution effect of potential shares and the weighted average of the additional shares that would have been outstanding in a conversion of all potential shares are taken into account.

In accordance with the Company's Articles of Association, each share of Series A and Series B carry equal rights to the Company's assets and profits.

In October 2021, 51,335,798 Series A shares were redeemed without payment so that the remaining Series A shares had a value corresponding to 20 percent of the Company's value immediately before the initial public offering. The redemption of these shares has been adjusted retroactively when calculating the number of ordinary shares outstanding, in the comparison periods.

	2023	2022	12 months until	Full-year
SEK	Jan-Mar	Jan-Mar	31 Mar 2023	2022
Earnings per share				
Basic earnings per share, SEK	0.28	0.13	1.01	0.86
Diluted earnings per share, SEK	0.28	0.13	1.01	0.86
SEK k				
Net profit for the period attributable to owners of the parent				
Net profit for the year attributable to owners of the parent	459,861	210,454	1,685,395	1,435,708
Number				
Weighted average number of shares used in calculating earnings per share after dilution				
Weighted average number of shares, Series A shares	148,001,374	148,001,374	148,001,374	148,001,374
Weighted average number of shares, Series B shares	1,523,167,587	1,509,078,413	1,521,150,961	1,517,612,878
Total weighted average number of shares	1,671,168,961	1,657,079,787	1,669,152,335	1,665,614,252

PERFORMANCE MEASURES

	2023	2022	12 months until	Full-year
SEK m	Jan-Mar	Jan-Mar	31 Mar 2023	2022
Net sales	9,213	6,938	36,525	34,250
Adjusted EBITDA	1,133	768	4,444	4,079
Adjusted EBITA	885	568	3,461	3,143
Adjusted EBITA margin, %	9.6	8.2	9.5	9.2
Operating profit	832	470	2,974	2,613
Operating margin, %	9.0	6.8	8.1	7.6
Profit before tax	638	328	2,420	2,111
Profit for the period	515	239	1,868	1,592
Working capital		2,516	5,762	5,102
Return on working capital, % (12 months)		78.9	60.1	61.6
Return on equity, % (12 months)		8.9	10.0	8.8
Return on capital employed, % (12 months)		8.9	10.7	10.1
Equity/assets ratio, %		44.2	42.8	41.3
Interest-bearing net debt		7,524	12,125	12,260
Net debt		10,737	14,909	15,249
Debt/equity ratio, x		0.6	0.7	0.8
Interest-bearing net debt/adjusted RTM EBITDA (12 months), x		1.8	2.6	2.6
Interest coverage ratio, x	3.8	5.3	4.1	4.5
Average number of employees	12,216	9,320		11,263
Number of employees at end of period	12,940	11,061		12,945
Cash flow from operating activities	467	-184	2,278	1,628
Adjusted cash conversion, %	78.5	14.7	71.4	58.8
Basic and diluted earnings per share, SEK	0.28	0.13	1.01	0.86

PARENT COMPANY STATEMENT OF PROFIT OR LOSS, CONDENSED

SEK m	2023	2022	12 months until	Full-year
	Jan-Mar	Jan-Mar	31 Mar 2023	2022
Net sales	33	29	160	156
Administrative expenses	-69	-66	-326	-323
Other operating income	0	0	0	0
Other operating expenses	0	0	0	0
Operating profit	-36	-37	-166	-166
Financial income	395	115	1,749	1,469
Financial expenses	-248	-133	-891	-775
Profit after financial items	111	-55	693	527
Appropriations	-	-	-	-
Tax	-20	8	-70	-43
Profit for the period	91	-47	623	485

PARENT COMPANY BALANCE SHEET, CONDENSED

SEK m	31 Mar 2023	31 Mar 2022	31 Dec 2022
Assets			
Intangible assets	0	0	0
Property, plant and equipment	1	1	1
Financial assets	28,609	21,543	28,343
Total non-current assets	28,610	21,545	28,344
Current receivables	889	2,156	3,956
Cash and cash equivalents	1,558	1,585	1,168
Total current assets	2,448	3,741	5,124
Total assets	31,058	25,286	33,469
Equity and liabilities			
Restricted equity	1	1	1
Unrestricted equity	17,329	16,625	17,238
Total equity	17,330	16,626	17,239
Non-current liabilities	12,536	8,009	12,942
Current liabilities	1,192	651	3,288
Total equity and liabilities	31,058	25,286	33,469

Definitions and calculations

PERFORMANCE MEASURES

Storskogen presents a number of performance measures that are not defined in accordance with IFRS. The Company considers these measures to provide valuable supplementary information for investors and the Company's management, as they allow an evaluation of trends and the Company's performance. As not all companies calculate these measures in the same way, they are not always comparable with those used by other companies. These measures should therefore not be regarded as replacing measures that are defined in accordance with IFRS. Definitions of the measures, most of which are alternative performance measures, are presented below.

RETURN ON EQUITY¹

Profit for the period/year (including profit attributable to non-controlling interests) as a percentage of total equity (including equity attributable to non-controlling interests). Profit is calculated accumulated for the previous 12-month period, and equity as the average for the previous 12-month period. The purpose is to analyse profitability in relation to equity attributable to the shareholders of the Parent Company.

SEK m	12 months until 31 Mar 2023	12 months until 31 Mar 2022	Full-year 2022
Profit for the period	1,868	1,014	1,592
Equity	18,724	11,424	17,999
Return on equity, %	10.0	8.9	8.8

RETURN ON WORKING CAPITAL¹

Adjusted EBITA as a percentage of working capital. Working capital is calculated as the average for the previous 12-month period. The purpose is to analyse profitability in relation to working capital.

SEK m	12 months until 31 Mar 2023	12 months until 31 Mar 2022	Full-year 2022
Adjusted EBITA	3,461	1,984	3,143
Working capital	5,762	2,516	5,102
Return on working capital, %	60.1	78.9	61.6

RETURN ON CAPITAL EMPLOYED¹

Operating profit (EBIT) plus financial income as a percentage of capital employed. EBIT and financial income are calculated accumulated for the previous 12-month period, and capital employed as the average for the previous 12-month period. The purpose is to analyse profitability in relation to capital employed.

SEK m	12 months until 31 Mar 2023	12 months until 31 Mar 2022	Full-year 2022
Operating profit	2,974	1,643	2,613
Financial income	541	183	479
Operating profit including financial income	3,515	1,826	3,091
Capital employed	32,874	20,528	30,753
Return on capital employed, %	10.7	8.9	10.1

EBITA¹

Operating profit (EBIT) before amortisation and impairment of intangible assets. The purpose is to assess the Group's operating activities.

SEK m	2023 Jan-Mar	2022 Jan-Mar	12 months until 31 Mar 2023	Full-year 2022
Operating profit	832	470	2,974	2,613
Amortisation of intangible assets	207	122	776	692
Impairment of intangible assets	0	0	0	0
EBITA	1,038	592	3,751	3,305

EBITDA¹

Operating profit (EBIT) before depreciation, amortisation and impairment. The purpose is to assess the Group's operating activities. EBITDA serves as a complement to operating profit (EBIT).

SEK m	2023	2022	12 months until	Full-year
	Jan-Mar	Jan-Mar	31 Mar 2023	2022
Operating profit	832	470	2,974	2,613
Amortisations and depreciations	454	323	1,760	1,628
Impairment	0	0	0	0
EBITDA	1,286	793	4,734	4,241

FINANCIAL ITEMS¹

Financial income less financial expenses. The purpose is to present developments in the Group's financing activities.

SEK m	2023	2022	12 months until	Full-year
	Jan-Mar	Jan-Mar	31 Mar 2023	2022
Financial income	97	34	541	479
Financial expenses	-290	-176	-1,095	-980
Net financial items	-194	-141	-554	-502

ADJUSTED EBITA¹

Operating profit (EBIT) before amortisation and impairment of intangible assets, excluding items affecting comparability. The purpose is to assess the Group's operating activities. Adjusted EBITA facilitates comparison of EBITA between periods.

SEK m	2023	2022	12 months until	Full-year
	Jan-Mar	Jan-Mar	31 Mar 2023	2022
Operating profit	832	470	2,974	2,613
Items affecting comparability	-153	-25	-290	-162
Amortisations of intangible assets	207	122	776	692
Impairment of intangible assets	0	0	0	0
Adjusted EBITA	885	568	3,461	3,143

ADJUSTED EBITA MARGIN¹

Adjusted EBITA as a percentage of net sales. The purpose is to give an indication of profitability in relation to sales.

SEK m	2023	2022	12 months until	Full-year
	Jan-Mar	Jan-Mar	31 Mar 2023	2022
Adjusted EBITA	885	568	3,461	3,143
Net sales	9,213	6,938	36,525	34,250
Adjusted EBITA-margin, %	9.6	8.2	9.5	9.2

ADJUSTED EBITDA¹

Operating profit (EBIT) before depreciation, amortisation and impairment, excluding items affecting comparability. The purpose is to assess the Group's operating activities. EBITDA serves as a complement to operating profit (EBIT). Adjusted EBITDA facilitates comparison of EBITDA between periods.

SEK m	2023	2022	12 months until	Full-year
	Jan-Mar	Jan-Mar	31 Mar 2023	2022
Operating profit	832	470	2,974	2,613
Items affecting comparability	-153	-25	-290	-162
Amortisations and depreciations	454	323	1,760	1,628
Impairment	0	0	0	0
Adjusted EBITDA	1,133	768	4,444	4,079

ADJUSTED CASH CONVERSION¹

Operating cash flow as a percentage of adjusted EBITDA. The purpose is to analyse cash conversion.

SEK m	2023	2022	12 months until	Full-year
	Jan-Mar	Jan-Mar	31 Mar 2023	2022
Adjusted EBITDA	1,133	768	4,444	4,079
Change in working capital	-110	-543	-711	-1,143
Cash flow from net investments in tangible assets defined as CapEx	-133	-113	-560	-539
Operating Cash Flow	890	113	3,174	2,397
Adjusted EBITDA	1,133	768	4,444	4,079
Adjusted cash conversion, %	78.5	14.7	71.4	58.8

ITEMS AFFECTING COMPARABILITY¹

Items affecting comparability such as remeasurement of contingent considerations, fair value adjustments of acquired assets (for example Inventory Step-up), central restructuring costs, stamp duty at some foreign business combinations, and capital gain/loss from divestment of business. Items affecting comparability are excluded to facilitate comparisons between periods.

SEK m	2023	2022	12 months until	Full-year
	Jan-Mar	Jan-Mar	31 Mar 2023	2022
Remeasurement of contingent considerations	157	59	354	255
Fair value adjustments of acquired assets	-	-28	-29	-56
Stamp tax on foreign business combinations	-	-6	-8	-14
Central restructuring costs	-	-	-18	-18
Capital gain/loss from divestment of business	-4	-	-9	-5
Items affecting comparability	153	25	290	162

INTEREST-BEARING NET DEBT¹

Interest-bearing liabilities (i.e. non-current interest-bearing liabilities, non-current lease liabilities, current interest-bearing liabilities, current lease liabilities and interest-bearing provisions for pensions) less short-term investments and cash and cash equivalents. The purpose is to provide an alternative measure of the Group's debt/equity ratio. The performance measure gives an indication of the Group's financial target with regard to net debt in relation to RTM adjusted EBITDA.

SEK m	31 mar 2023	31 mar 2022	31 Dec 2022
	Interest-bearing liabilities	14,535	10,109
Provisions for pensions	203	358	205
Current investments	-1	-6	-1
Cash and cash equivalents	-2,613	-2,937	-3,022
Interest-bearing net debt	12,125	7,524	12,260

INTEREST-BEARING NET DEBT/RTM ADJUSTED EBITDA (12 MONTH)¹

Interest-bearing net debt in relation to RTM adjusted EBITDA provides a liquidity measure for net debt in relation to cash-generating operating results. Net debt is at the balance sheet date, and RTM adjusted EBITDA is calculated as adjusted EBITDA recorded for the previous 12-month period adjusted for the contribution of the businesses contractually acquired by the Group during that 12-month period. The purpose is to provide an indication of the Group's ability to pay its debts. The performance measure gives an indication of the Group's financial target with regard to net debt in relation to RTM adjusted EBITDA.

SEK m	31 Mar 2023	31 Mar 2022	31 Dec 2022
	Interest-bearing net debt	12,125	7,524
RTM adjusted EBITDA	4,651	4,149	4,658
Interest-bearing net debt/RTM adjusted EBITDA	2.6	1.8	2.6

NET DEBT¹

Interest-bearing liabilities (i.e. non-current interest-bearing liabilities, non-current lease liabilities, current interest-bearing liabilities, current lease liabilities and interest-bearing provisions for pensions) including minority options and contingent consideration liabilities, less current investments, cash and cash equivalents. The purpose is to provide an alternative measure of the Group's debt/equity ratio.

SEK m	31 mar 2023	31 mar 2022	31 Dec 2022
Interest-bearing liabilities	14,535	10,109	15,078
Provisions for pensions	203	358	205
Contingent consideration liabilities	837	1,261	997
Minority options	1,947	1,952	1,991
Current investments	-1	-6	-1
Cash and cash equivalents	-2,613	-2,937	-3,022
Net debt	14,909	10,737	15,249

ORGANIC EBITA GROWTH¹

Change in EBITA, excluding exchange rate, acquisition and divestment effects and adjusted for Group functions, relative to the same period the previous year. Acquired entities are included in organic EBITA growth once they have been part of the Group for the full comparison period, divested companies are excluded from both periods once they have been divested. The purpose is to analyse underlying growth in operating profit.

ORGANIC NET SALES GROWTH (ORGANIC GROWTH)¹

Change in net sales, excluding exchange rate, acquisition and divestment effects, relative to the same period the previous year. Acquired entities are included in organic growth once they have been part of the Group for the full comparison period, divested companies are excluded from both periods once they have been divested. The purpose is to analyse underlying growth in net sales.

INTEREST COVERAGE RATIO¹

Operating profit plus interest income divided by interest expenses. The purpose is to present earnings in relation to interest expenses, which is a measure of the Group's capacity to cover its interest expenses.

SEK m	2023 Jan-Mar	2022 Jan-Mar	12 months until 31 Mar 2023	Full-year 2022
Operating profit	832	470	2,974	2,613
Interest income	26	2	47	23
Operating profit including interest income	858	472	3,021	2,636
Interest expenses	-228	-89	-729	-590
Interest coverage ratio	3.8	5.3	4.1	4.5

WORKING CAPITAL¹

Working capital is calculated as current operating receivables (inventories, accounts receivable and other non-interest-bearing current receivables) less current operating liabilities (accounts payable and other non-interest-bearing current liabilities excluding contingent consideration liabilities). The components are calculated as the average for the previous 12-month period. The purpose is to analyse the capital tied up in the balance sheet by the Group's operating activities.

SEK m	12 months until 31 mar 2023	12 months until 31 mar 2022	Full-year 2022
Inventories	4,924	2,563	4,476
Trade receivables	4,871	2,737	4,461
Other current receivables	2,664	1,093	2,299
Trade payables	-2,763	-1,637	-2,571
Other current liabilities	-3,935	-2,242	-3,563
Working capital	5,762	2,516	5,102

OPERATING MARGIN¹

Operating profit (EBIT) as a percentage of net sales. The purpose is to provide a guide to profitability in relation to sales.

SEK m	2023 Jan-Mar	2022 Jan-Mar	12 months until 31 Mar 2023	Full-year 2022
Operating profit	832	470	2,974	2,613
Net sales	9,213	6,938	36,525	34,250
Operating margin, %	9.0	6.8	8.1	7.6

OPERATING PROFIT (EBIT)

Net sales less cost of goods sold, selling expenses and administrative expenses, plus other operating income less other operating expenses. The purpose is to assess the Group's operating activities.

DEBT/EQUITY RATIO¹

Net debt divided by total equity including equity attributable to non-controlling interests. The purpose is to show the size of debt in relation to equity, i.e. a measure of capital strength and financial risk. A high debt/equity ratio will correspond to a low equity/assets ratio, while a low debt/equity ratio will correspond to a high equity/assets ratio.

SEK m	31 Mar 2023	31 Mar 2022	31 Dec 2022
Net debt	14,909	10,737	15,249
Equity	20,215	16,821	19,628
Debt/equity ratio, x	0.7	0.6	0.8

EQUITY/ASSETS RATIO¹

Total equity including equity attributable to non-controlling interests as a percentage of total assets. The purpose is to show the proportion of assets that are financed with equity.

SEK m	31 Mar 2023	31 Mar 2022	31 Dec 2022
Equity	20,215	16,821	19,628
Total assets	47,203	38,064	47,482
Equity/assets ratio, %	42.8	44.2	41.3

CAPITAL EMPLOYED¹

Total assets less non-interest-bearing liabilities and provisions. The components are calculated as the average for the previous 12-month period. The purpose of this measure is to track the amount of capital that is employed in operations and financed by shareholders and lenders.

SEK m	12 months until 31 Mar 2023	12 months until 31 Mar 2022	Full-year 2022
Total assets	45,396	27,708	42,400
Non-interest-bearing liabilities	-10,473	-6,082	-9,772
Provisions	-2,049	-1,099	-1,876
Capital employed	32,874	20,528	30,753

NUMBER OF SHARES OUTSTANDING¹

Total number of shares outstanding. Defined as total number of shares outstanding less Storskogen's own shares. This number is primarily used to calculate performance measures.

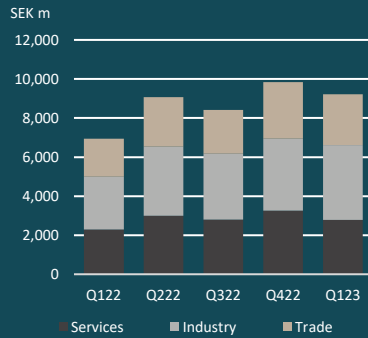
	31 Mar 2023	31 Mar 2022	31 Dec 2022
Serie A shares	148,001,374	148,001,374	148,001,374
Serie B shares	1,515,762,394	1,507,913,753	1,515,762,394
Number of outstanding shares	1,663,763,768	1,655,915,127	1,663,763,768

¹ Classified as an alternative performance measure under ESMA's guidelines.

About Storskogen

Storskogen is an international group of businesses across Trade, Industry, and Services. We are uniquely positioned to identify, acquire, and develop market leaders with sustainable business models over an infinite ownership horizon. Storskogen creates value by providing access to capital and strategic direction combined with active governance and a decentralised operational model. Storskogen has over 12,900 employees, net sales of SEK 36.5 billion (LTM) across a diversified group of businesses and is listed on Nasdaq Stockholm.

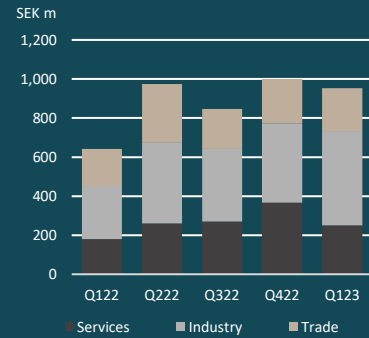
NET SALES



134

business units
in the Services,
Industry and
Trade business
areas

ADJUSTED EBITA



MISSION

Our mission is to empower businesses to realise their full potential.

VISION

Our vision is to be the leading international owner of small and medium-sized businesses.



FINANCIAL CALENDAR

Annual General Meeting – 12 May 2023, Stockholm
Interim Report Q2 2023 – 16 August 2023
Interim Report Q3 2023 – 7 November 2023

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