

# BOREO

**CONTINUED IMPROVEMENT IN RESULTS -  
BACK TO GROWTH PLAN PROGRESSING WELL**

**Q125 WEBCAST | APRIL 29, 2025**



# AGENDA

- **Q125 HIGHLIGHTS**
  - **Q125 REVIEW**
  - **BACK TO GROWTH -PLAN**
  - **Q&A**
- 

# Q125 | HIGHLIGHTS

CONTINUED IMPROVEMENT IN RESULTS, BACK TO GROWTH PLAN IS PROGRESSING WELL

## SALES 34M€

ORGANIC GROWTH +4% VS. Q124

GROSS MARGIN 32% (29% IN Q124)

## OPERATIONAL EBIT 1.3M€

INCREASE OF +128% VS. Q124

MARGIN OF 3.9% (1.8% IN Q124)

## ORDER BOOKS GREW

COMPARED WITH Q424 & NEW SIZEABLE  
ORDERS IN PUTZMEISTER BUSINESS IN Q225

GEOPOLITICAL & ECONOMIC UNCERTAINTY

## ROCE 8.8%

VS. 7.9% IN Q424

ROTWC\* 27.6% (25.2% IN Q424)

## LEVERAGE 3.1X

NET DEBT / OPERATIONAL EBITDA  
(2.8X IN Q424)

OPERATIONAL NET CASH FLOW 0.3M€ (22%  
CASH CONVERSION)

## TWO ACQUISITIONS SIGNED

SPETSELEKTROODI AS &  
ELFA DISTRELEC SALES ACTIVITIES IN FINLAND  
AND THE BALTICS (1.4.2025)

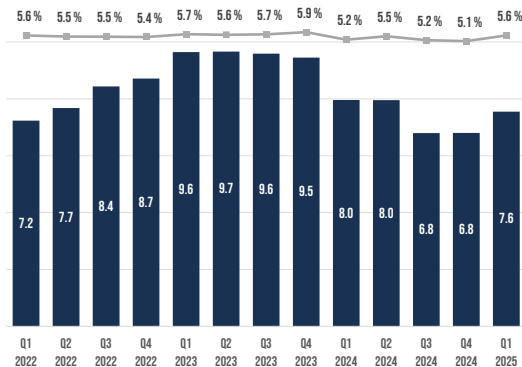
\* ROTWC: Operational EBIT R12 / Average (trade) working capital R12

\*\* Cash conversion: cash conversion before financing items, see for details in the quarterly report

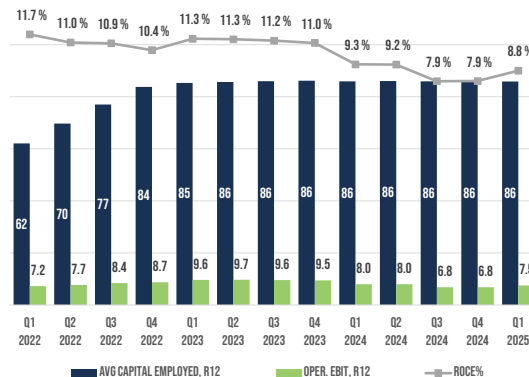
# Q125 | TRENDING IN THE RIGHT DIRECTION

TWO CONSECUTIVE QUARTERS WITH GROWTH - MODEST PERFORMANCE COMPARED WITH POTENTIAL OF THE PORTFOLIO

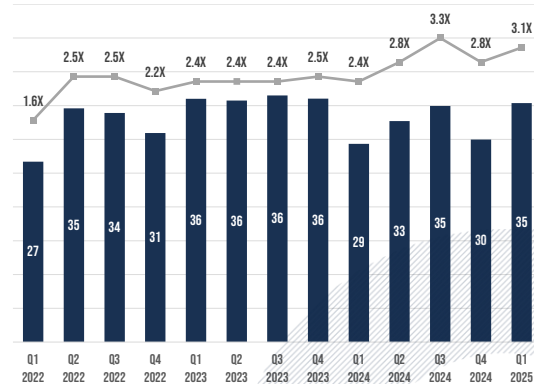
## OPERATIONAL EBIT (€) & EBIT%, R12



## ROCE%



## NET DEBT/OPERATIONAL EBITDA



Q125

**-5%\***

(15%)  
MINIMUM ANNUAL AVERAGE  
OPERATIONAL EBIT GROWTH

**8.8%**

(15%)  
MINIMUM  
OPERATIONAL  
ROCE

**3.1X**

(2-3X)  
NET DEBT /  
OPERATIONAL EBITDA

\*Adjusted for continued operations

# Q125 | TWO CONSECUTIVE QUARTERS WITH SALES GROWTH

ORGANIC GROWTH OF 4% IN Q125 - MARKET CONDITIONS IMPROVED SOMEWHAT



## COMMENTARY

### Sales +4% or 1.4m€ vs. Q124

- Market conditions improved toward the end of the quarter

### Acquisitions & exits

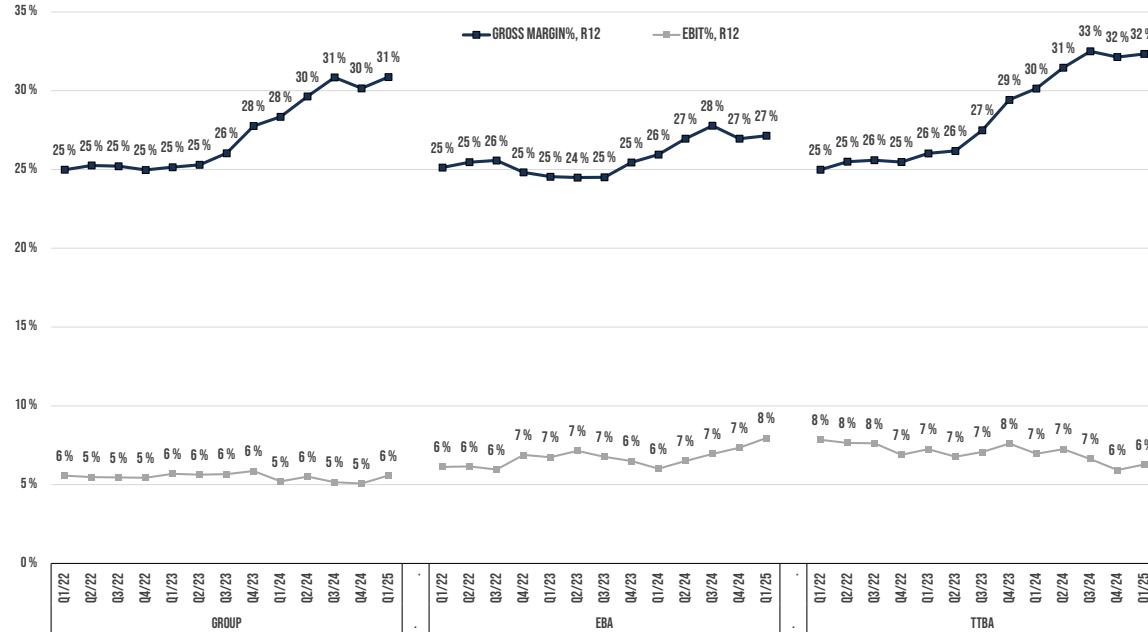
- No impact from acquisitions
- Two signed acquisitions – closing expected in Q2 and Q3

### Company high- & lowlights

- (+) Milcon, SSN, Putzmeister businesses
- (-) Machinery (delays of deliveries) and FNB (challenges with production)

# Q125 | GROSS MARGINS HAVE IMPROVED BY 5% IN 2-YEARS

ACQUISITIONS & 'STOP & ACCELERATE' ACTIONS HAVE IMPROVED GROSS MARGIN PROFILE SIGNIFICANTLY



## COMMENTARY

Gross margins up from 29% in Q124 to 32% in Q125

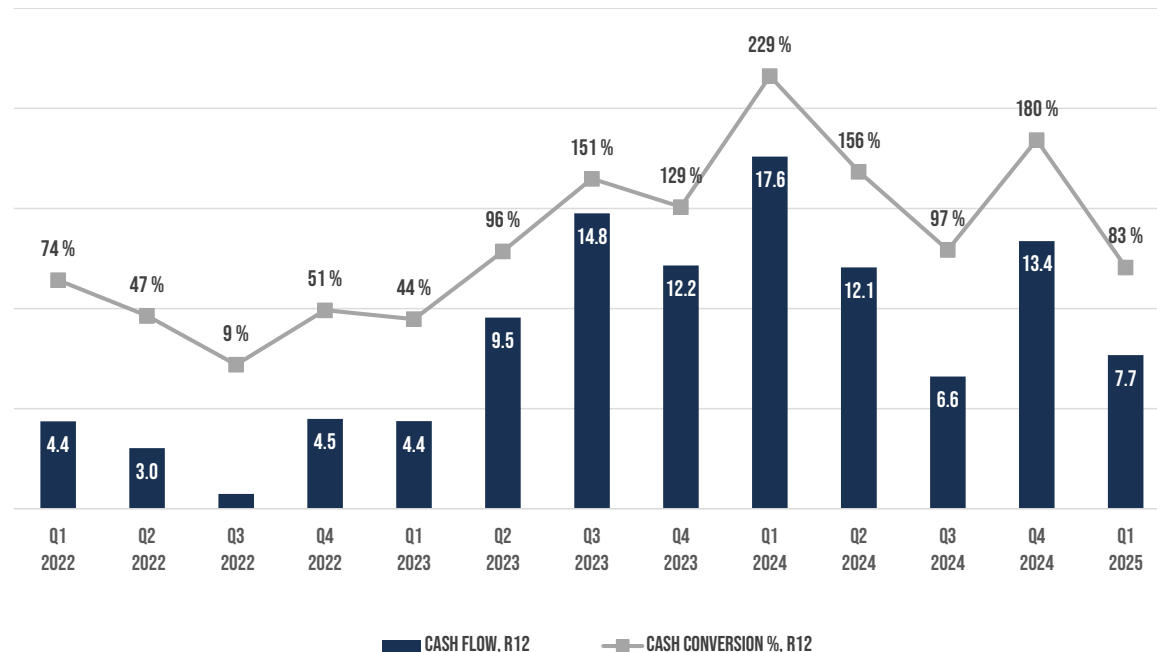
- Impact of acquisitions
- 'Stop & Accelerate' decisions
- Impact of sales mix - support from aftermarket activities
- Recovery of sizeable machine deliveries and resulting change in sales mix will dilute margins but not to historical levels

Profitability improved as a result of:

- Sales growth
- Gross margin improvement
- Cost actions implemented in 2024

# Q125 | MODERATE CASH FLOW AS EXPECTED

OPERATIVE NET CASH FLOW OF 0.3M€ DUE TO INCREASE IN WORKING CAPITAL



## COMMENTARY

- Trade Working Capital increased by c. 1m€ to 26.5m€
- Target to maintain working capital close to current levels considering growth opportunities
- Efficiency to improve in H225 thanks to the favorable working capital profile of the two companies announced to be acquired

1) Cash flow adjusted for continued operations since Q2/22

2) Cash conversion = cash flow / (EBITDA – IFRS16 expenses), where  
Cash Flow = Operational net cash flow + paid interest – organic Capex

# Q125 | RETURNS ON THE RISE THANKS TO PROFIT GROWTH

PROFIT GROWTH AND WELL-MANAGED WORKING CAPITAL RESULTING IN UPWARD TREND IN RETURNS



## COMMENTARY

### Electronics BA

- Improvement of Return on Trade Working Capital from 52% in Q424 to 57% in Q125
- Strong performance of SSN, Milcon and YE

### Technical Trade

- Improvement of Return on Trade Working Capital from 24% in Q424 to 25% Q125
- Companies trending in the right direction and improving profitability



# Q125 | SIGNIFICANT IMPROVEMENT POTENTIAL AS MARKET CONDITIONS IMPROVE

TENSIONS IN TRADE- AND GEOPOLITICS CREATE UNCERTAINTY

# 1

## A WELL-FUNCTIONING FIRM

**LONG-TERM**  
DECENTRALIZED OPERATING MODEL, SOLID  
RETURNS FOR ACQUISITIONS

**SHORT-TERM**  
STRONG EXECUTION OF THE BACK TO  
GROWTH PLAN

# 2

## POTENTIAL OF THE PORTFOLIO

SIGNIFICANT IMPROVEMENT POTENTIAL IN A  
STRONGER DEMAND ENVIRONMENT



# 3

## ORDER BOOKS GREW

INCREASE OF ORDER BOOKS FROM Q424 -  
NEW SIZEABLE PUTZMEISTER ORDERS IN 4/25





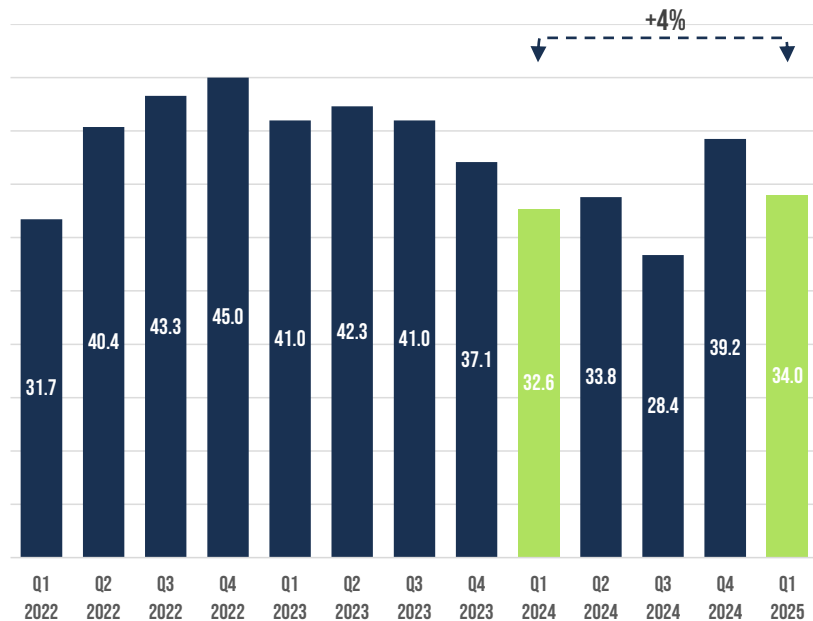
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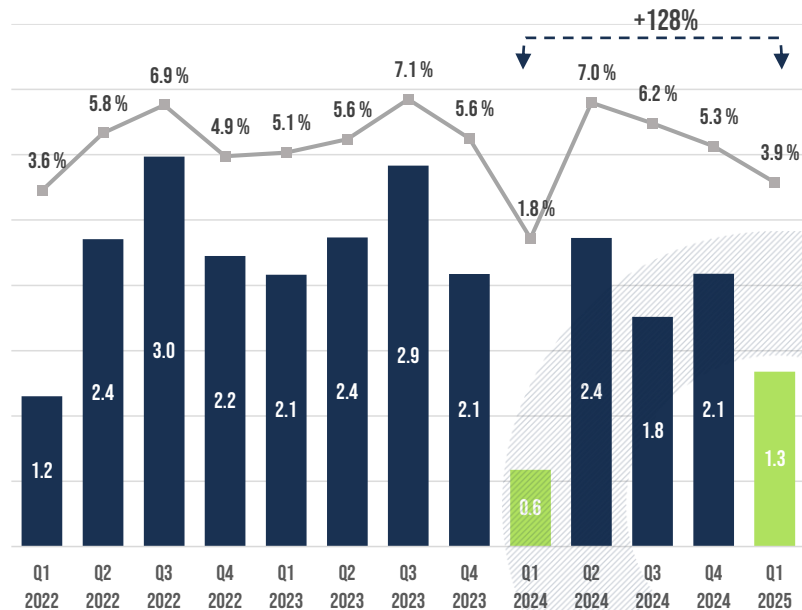
# Q125 | GROWTH OF SALES & PROFITS

TWO CONSECUTIVE QUARTERS WITH GROWTH – SEASONALLY SLOW Q1

## NET SALES \*



## OPERATIONAL EBIT & EBIT% \*



\*Adjusted for continued operations

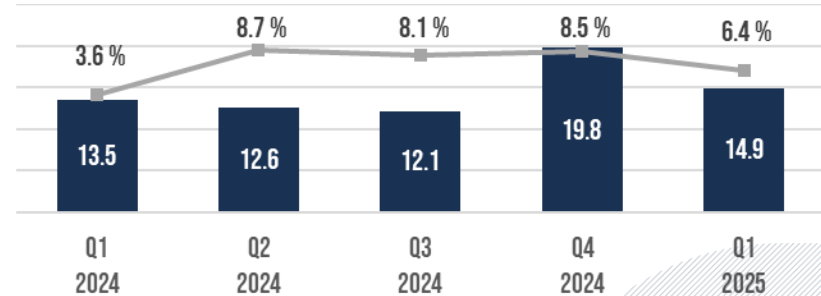
# Q125 | ELECTRONICS

OPERATIONAL EBIT DOUBLED FROM 0.5M€ IN Q124 TO 1.0M€ IN Q125

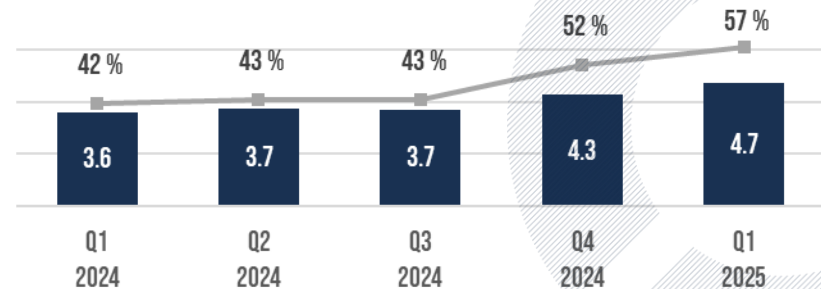
## COMMENTS - Q1 2025

- Continued strong performance in Q1 with 10% Q-on-Q sales growth
- Operational EBIT improved significantly (+96%) to 1.0m€
- Working capital management successful, ROTWC supported by strong Q1 result, increased to 57%
- Excellent performance by SSN, strong demand continued through significant investments by its largest customer
- Strong quarter by Milcon with sales exceeding comparison period and orderbooks developing positively as defence industry demand continues
- YE Finland Sales performed in line with expectations in Q1, with profitability supported by cost measures taken in 2024.
- Sales of the Baltic companies were impacted by continued challenging market conditions and remained below the comparison period.

## NET SALES AND OPERATIONAL EBIT%



## OPER. EBIT (R12) & ROTWC% (R12)



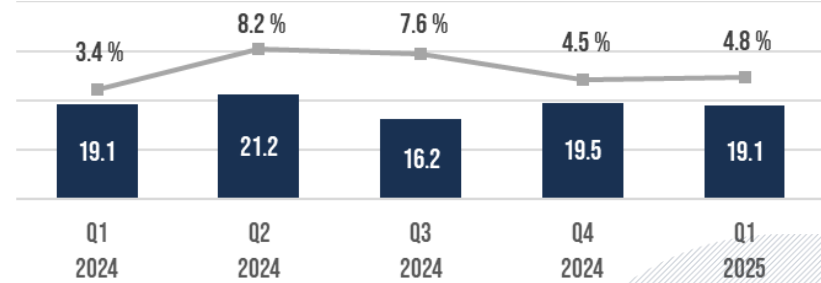
# Q125 | TECHNICAL TRADE

DECENT PROFIT GROWTH IN A CHALLENGING ENVIRONMENT. OPERATIONAL EBIT AT 4.8% & ROTWC AT 25.0%

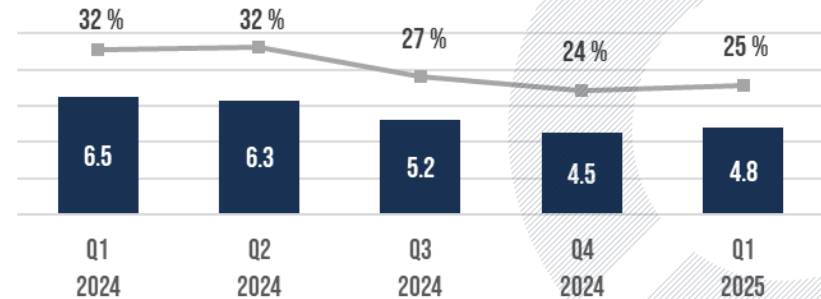
## COMMENTS - Q1 2025

- Sales flat vs. Q1/24, better margins and cost reductions leading to improved profitability
- Working capital management successful across the businesses
- Putzmeister: Strong quarter in Finland and in Sweden, Sweden received sizable new orders in Q2 which will increase the orderbook during Q2
- FNB: fell short of expectations in sales and profitability due to production related challenges. Demand remain stable and orderbook still strong
- Machinery: three out of the four business units had a better start than year ago, but its biggest business unit Motors had some delayed deliveries affecting profitability. Outlook for Q2 is decent but uncertainty is elevated towards the latter half of the year
- Machinery's construction and Muottikolmio still face a tough market environment but managed decently due to good gross margins and reduced costs
- Filterit had a strong start for the year with orderbook growing significantly
- J-Matic had a decent quarter and outlook has clearly improved since the last year
- ESKP performed in line with the expectations. New routes starting at the end of Q1 supporting profit growth going forward

## NET SALES AND OPERATIONAL EBIT%



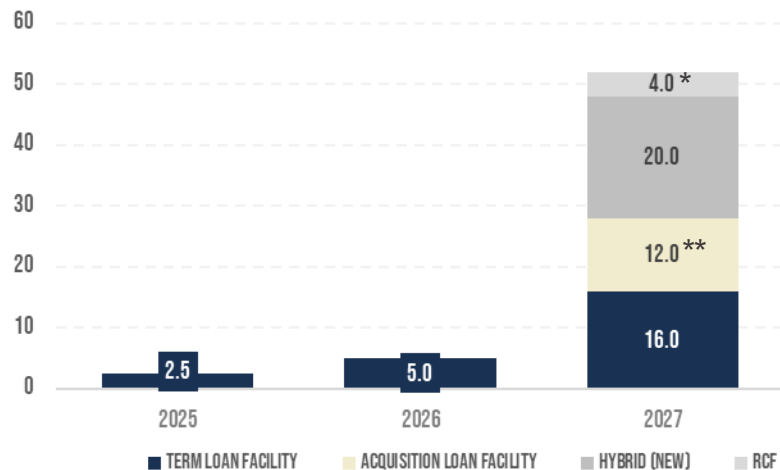
## OPER. EBIT (R12) & ROTWC% (R12)



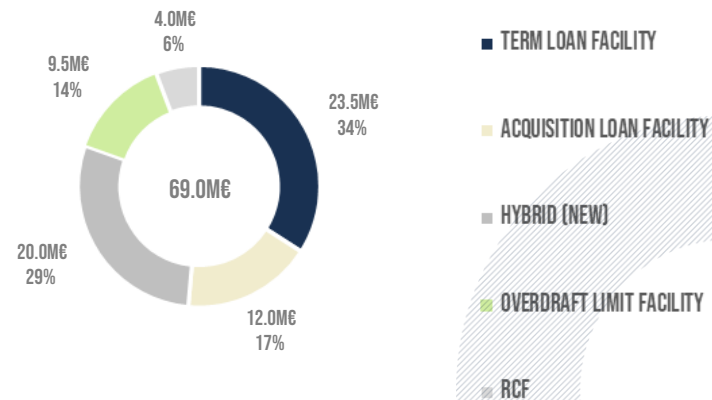
# Q125 | DEBT FACILITIES

THE OLD HYBRID (C. 4M€) & FIRST INTERESTS OF THE NEW HYBRID PAID IN Q125  
 NEW ACQUISITIONS TO BE FUNDED WITH M&A FACILITY WITH LIMITED IMPACT ON LIQUIDITY

DEBT MATURITY STRUCTURE, TOTAL FACILITIES (INCL. UNUSED), M€



TOTAL FACILITIES OF 69.0M€ OF WHICH 53.8M€ USED (Q125)\*\*\*



As per Q125: \*0.0m€ in use, \*\*6.5m€ in use, \*\*\*excluding 2.5m€ guarantee facility and local overdraft limits in Swedish subsidiaries of c. 1.3m€



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- 

# HOW TO RETURN BACK TO GROWTH?

WELL PREPARED FOR SIGNIFICANT EARNINGS IMPROVEMENT ONCE MARKET CONDITIONS IMPROVE

## CURRENT STATE

**20%**

ANNUAL AVERAGE OPERATIONAL  
EBIT GROWTH (2020-2024)

**8.8%**

ROCE Q125

**3.1X**

NET DEBT / OPERATIONAL EBITDA  
Q125 (EXCL. HYBRID)

## 1. ACQUISITIONS

HIGHER MARGINS & RETURNS

SPETSELEKTROODI AS    YE    RS

## 2. ORGANIC GROWTH

OPPORTUNITIES IN THE PORTFOLIO

MILCON    FILTERIT®    pm nordic    Delfin Technologies

## 3. STRATEGIC INITIATIVES

BACK TO GROWTH -PLAN

YEInternational    MACHINERYMT

## 4. MARKET CONDITIONS

REBOUND OF FINLAND & BALTICS

## STRATEGIC TARGETS

**15%**

MINIMUM ANNUAL AVERAGE  
OPERATIONAL EBIT GROWTH

**15%**

MINIMUM  
ROCE

**2-3X**

NET DEBT / OPERATIONAL EBITDA



# YE RS | CREATION OF A GROWTH PLATFORM

CONTINUATION OF A 30-YEAR PARTNERSHIP WITH RS GROUP



## COMMENTARY

### Transaction

- Boreo to acquire Elfa Distrelec sales activities in Finland & Baltics from RS
- Upon completion, plan to create a high-performing, modern & agile 'YE RS'
- YE's current RS Business to be spun-off from YE's component distribution business

### Business

- Plan to create a high-service, digital-led distributor of industrial and MRO products
- YE RS will provide its customers with a significantly wider product offering, improved customer experience, operational efficiencies, and value-add services.
- Operations located in Finland, Estonia, Latvia and Lithuania

## TRANSACTION OVERVIEW

Deal signed 1.4.2025 (expected closing Q325)



15m€ Sales 2024



1.1m€ EBIT 2024



10 employees



~5x EV/EBIT valuation<sup>1)</sup>



5.5m€ Enterprise Value (5M€ EV). 4m€ at closing and 1.5m€ deferred payment.

1) Including deferred payments of 1.5m€ in 3-years from closing

# SPETSELEKTROODI | GREAT ENTREPRENEURIAL FIRM

SPETSELEKTROODI AS



## ADD-ON ACQUISITION OF A DISTRIBUTOR OF PREMIUM WELDING MACHINE AND AUTOMATION PRODUCTS

### COMPANY OVERVIEW

#### Transaction

- Boreo to acquire Spetselektroodi from Indrek Ranne
- Karl Laasik, current Head of the Company's Technical Support, appointed as Managing Director
- Extension of partnership with Fronius and seeking of co-operation opportunities with Fronius and Machinery MT

#### Business

- Founded in 1995, Spetselektroodi acts as the distributor of welding and cutting products and solutions in Estonia.
- The company's suppliers include Fronius, the global technology leader of welding products, Hypertherm, a global leader of plasma cutting solutions and several other well-known international brands.
- The company serves as a partner to its customers throughout the product lifecycle, and engages in import, warehousing, sales and aftermarket services.
- Operations located in Tallinn, Tartu and Haljala, Estonia.

### TRANSACTION OVERVIEW



Deal signed 31.3.2025 (expected closing 1.5.)



3.6m€ Sales 2024



0.4m€ EBITDA 2024



12 employees



n/a – payment in two installments: 2/3 at closing, 1/3 Q425



n/a



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**BOREO**

**Q&A**



**BOREO**

**GROW & PROSPER**

# A LONG-TERM OWNER OF GREAT ENTREPRENEURIAL COMPANIES

**134M€**

NET SALES 2024



**6.8M€ (5.1%)**

OPERATIONAL EBIT 2024



**325**

EMPLOYEES

**22**

COMPANIES



Map excluding USA

**7.9%**

RETURN ON CAPITAL EMPLOYED  
2024



**3.1X**

NET DEBT / OPERATIONAL EBITDA  
Q1 2025



# DIVERSIFIED INDUSTRIAL PORTFOLIO IN 7 COUNTRIES

## BOREO



### ELECTRONICS

**58M€**

2024 Sales

**126**

Professionals

**7**

Markets



**YE**leiselektroniikka

**infradex**

**Delfin**  
technologies

**YE**International  
YE GROUP

**noretron**  
COMPONENTS

**MILCON**

**Signal**  
Solutions



### TECHNICAL TRADE

**76M€**

2024 Sales

**194**

Professionals

**3**

Markets



**MACHINERY**

**PRONIUS**

**pm nordic**



**MACHINERY**MT

**automation**

**HM NORDIC**



**MUOTTIKOLMIO**

**TORNO**  
KONE

**FILTERIT®**

**ESKP**

Net sales adjusted for continued operations  
New organizational structure effective as of 1.1.2024

## BOREO

# CAPABLE & COMMITTED LEADERSHIP IN A DECENTRALIZED STRUCTURE

## BOARD OF DIRECTORS




**SIMON HALLQVIST,**  
CHAIRMAN

 1,913,433 shares





**CAMILLA GRÖNHOLM,**  
CHAIR OF REMCO

 1,277 shares





**JOUNI GRÖNROOS,**  
CHAIR OF AUDIT COMMITTEE

 1,433 shares




**RALF HOLMLUND,**  
BOARD MEMBER

 2,244 shares



**NOORA NEILIMO-KONTIO,**  
BOARD MEMBER


 704 shares




**JUSSI VANHANEN,**  
BOARD MEMBER

 5,209 shares

## MANAGEMENT TEAM



**KARI NERG**  
CEO

 42,138 shares




**JESSE PETÄJÄ**  
CFO

 14,560 shares




**MARI KATARA**  
SVP, PEOPLE & SUSTAINABILITY

 5,100 shares



**TOMI SUNDBERG**  
SVP, HEAD OF EBA

 5,728 shares



**RICHARD KARLSSON**  
SVP, HEAD OF TTBA

 24,916 shares

## COMPANIES



**YLEISELEKTRONIIKKA**  
TOMI SUNDBERG



**SIGNAL SOLUTIONS NORDIC**  
TONY AALTONEN



**MACHINERY MT**  
SILJA FRIGÅRD



**FILTERIT**  
JOONAS KORHIAKOSKI



**LACKMÅSTARN**  
RICHARD KARLSSON



**YE INTERNATIONAL AS**  
LAURI EBBERT



**INFRADEX**  
JUSSI AROLA



**MACHINERY**  
JUHA-PEKKA HONKANEN



**TORNOKONE**  
KAJ JÄRVINEN



**ESKP**  
JARMO SEPPÄLÄ



**YE INTERNATIONAL SIA**  
AIVARS LATKOVSKIS



**MILCON**  
HERMANNI LEHTOKYLÄ



**MUOTTIKOLMIO**  
MIKKO AALTO



**PM NORDIC**  
MATTIAS EDVARDSSON



**UAB YE INTERNATIONAL**  
ANDREJ KOLOBOV



**DELFIN TECHNOLOGIES**  
JOUNI NUUTINEN



**PROMIUS**  
VILLE JOKELA



**HM NORDIC**  
MIHKEL TASA



**NORETRON COMPONENTS**  
JUHA-PEKKA TIAINEN



**DELFIN TECHNOLOGIES**  
JAAKKO HÄMÄLÄINEN



**J-MATIC**  
JARKKO LAUKKANEN



**FLOBY NYA BILVERKSTAD**  
RICHARD KARLSSON



# BOREO'S BUSINESS MODEL



# OUR ACQUISITION & OWNERSHIP CRITERIA

ASSET LIGHT INDUSTRIAL BUSINESSES WITH STRONG CASH GENERATION, PROVEN TRACK RECORD AND A MANAGEMENT FIT WITH BOREO CULTURE



## INDUSTRIAL CHARACTERISTICS

**B2B**

**DISTRIBUTION**

**INDUSTRIAL SERVICES**

**LIGHT-MANUFACTURING**

## FINANCIAL CHARACTERISTICS

**HIGH CASH CONVERSION**

**ASSET LIGHT  
BUSINESS MODEL**

**PROVEN FINANCIAL  
HISTORY**

**PREDICTABILITY**

## ORGANISATIONAL CHARACTERISTICS

**STRONG MANAGEMENT**

**FIT WITH BOREO CULTURE**

**COMMITTED  
ENTREPRENEUR**

**(OR CREDIBLE CONTINUATION PLAN)**

## INVESTMENT CHARACTERISTICS

**SOLID MARGINS**

**REASONABLE VALUATION**

**DOUBLE-DIGIT CASH FLOW  
BASED RETURNS ON  
CAPITAL**

# OUR PHILOSOPHY – SUSTAINABLE LONG-TERM PROFIT GENERATION

## DECENTRALIZATION

Culture of ownership and release of entrepreneurial energy

Aligned interest of shareholders and employees

Sharing best practices

## CAPITAL ALLOCATION

Focus on earnings and capital efficiency

Broad universe of investment opportunities – discipline in capital allocation decisions

## LONG-TERM VIEW

Supportive long-term owner of SMEs

Focus on small incremental improvements and continuous learning

**BOREO**   
WAY

**BOREO** 

# WHAT'S IN IT FOR THE COMPANIES?

## A LONG-TERM OWNER

- Stability
- Continuation
- Credibility
- Access to funding

## LEADERSHIP DEVELOPMENT

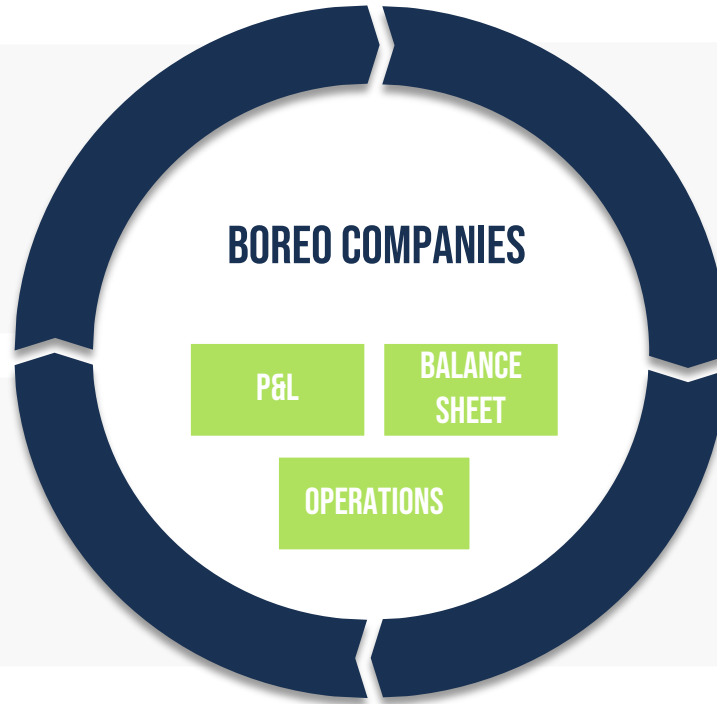
- Best practice sharing
- Support from 'Coaches'
- MD peer group
- Boreo Academy

## BUSINESS DEVELOPMENT

- Board of Directors
- Game Plan
- No bureaucracy
- Data for management
- Sustainability

## PERSONNEL

- Continuity
- Career opportunities
- Employer image



# FOCUS ON EARNINGS GROWTH AND RETURN ON CAPITAL

UPDATED LONG-TERM STRATEGIC FINANCIAL  
TARGETS TO BETTER REFLECT SHAREHOLDER VALUE CREATION



MINIMUM ANNUAL  
AVERAGE OPERATIONAL  
EBIT GROWTH

**15%**



MINIMUM  
ROCE

**15%**



NET DEBT /  
OPERATIONAL EBITDA

**2-3X**

## DIVIDEND POLICY

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



**BOREO**

**GROW & PROSPER**