

A scenic landscape featuring a winding asphalt road that curves through rolling hills and valleys. In the background, there are large, dark mountains under a sky with soft, colorful clouds, suggesting a sunset or sunrise. The overall tone is serene and expansive.

Interim Presentation Q3 2021

November 12 2021

Cary group

Today's agenda & presenters

Agenda

Company overview

Q3 Highlights

Financial update

Summary

Speakers



Anders Jensen
CEO



Joakim Rasiwala
CFO

Cary Group at a glance

A market leading solutions provider for sustainable car care

A LEADING EUROPEAN VEHICLE GLASS REPAIR AND REPLACEMENT COMPANY

PROBLEM SOLVER FOR BOTH INSURANCE PROVIDERS AND END CUSTOMERS

with 77% of jobs covered by insurance

MARKET LEADING POSITIONS IN A NON-CYCLICAL MARKET

with structural growth, under-pinned by technology shift

BEST-IN-CLASS PROFITABILITY

with significant scale benefits and operational excellence levers

OUTSTANDING ORGANIC GROWTH

with a strong track record

M&A COMPOUNDER IN A FRAGMENTED MARKET

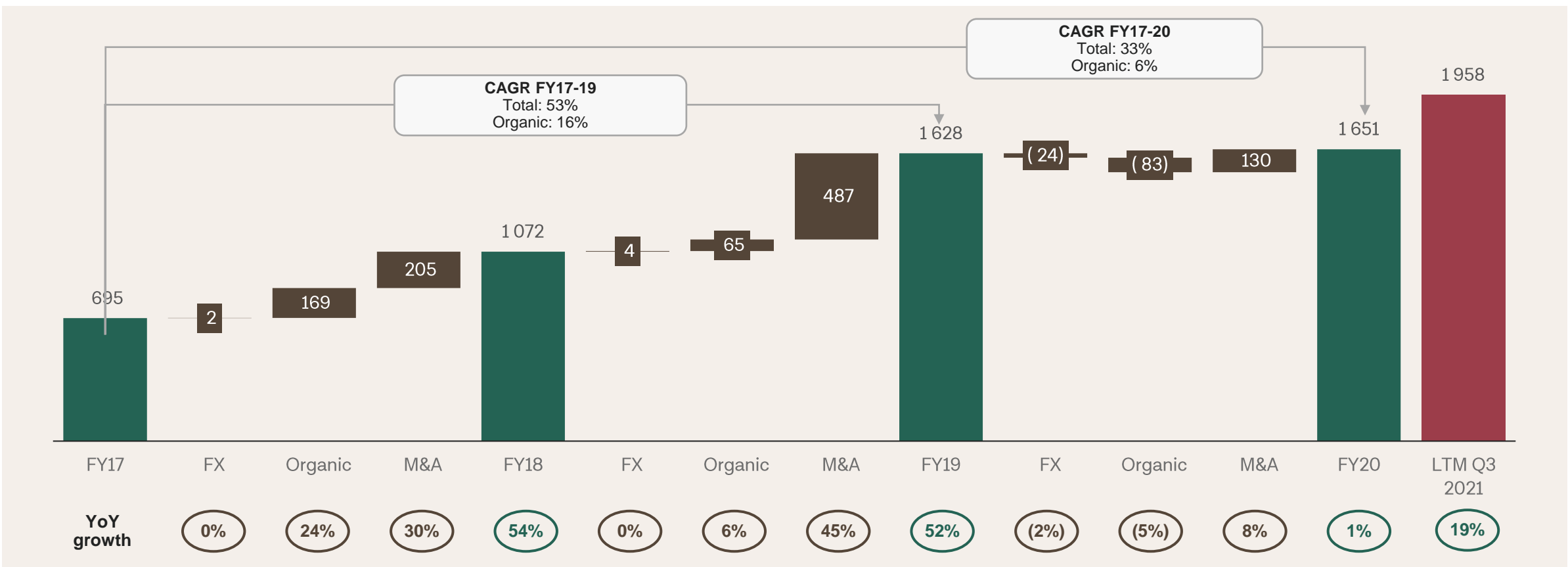
with large outstanding consolidation opportunities

STRONG SUSTAINABILITY FOCUS

the green choice with industry leading climate smart proposition increasingly demanded by insurance providers

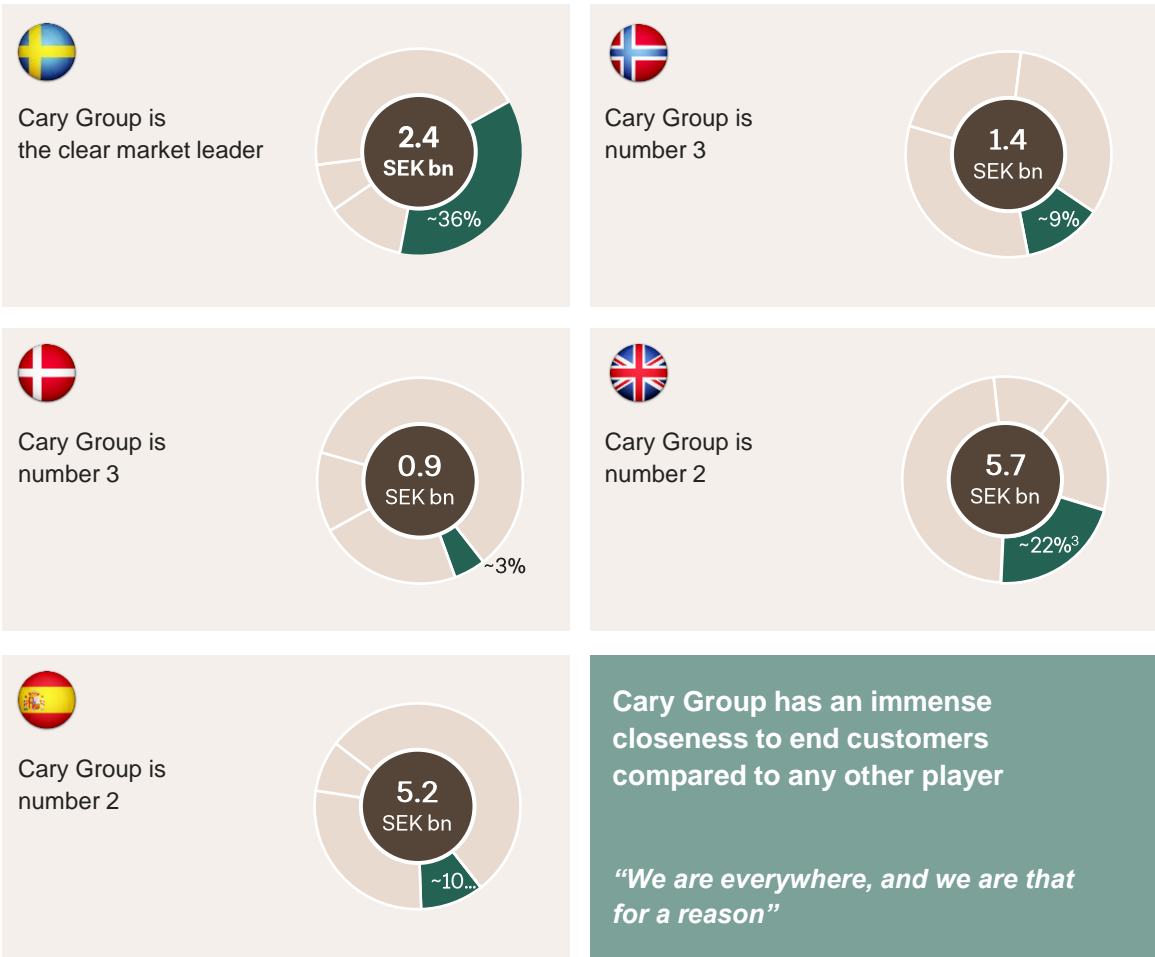
History of geographical M&A expansion and densification of workshops, coupled with strong organic growth

Group revenue development FY17-FY20 (MSEK)

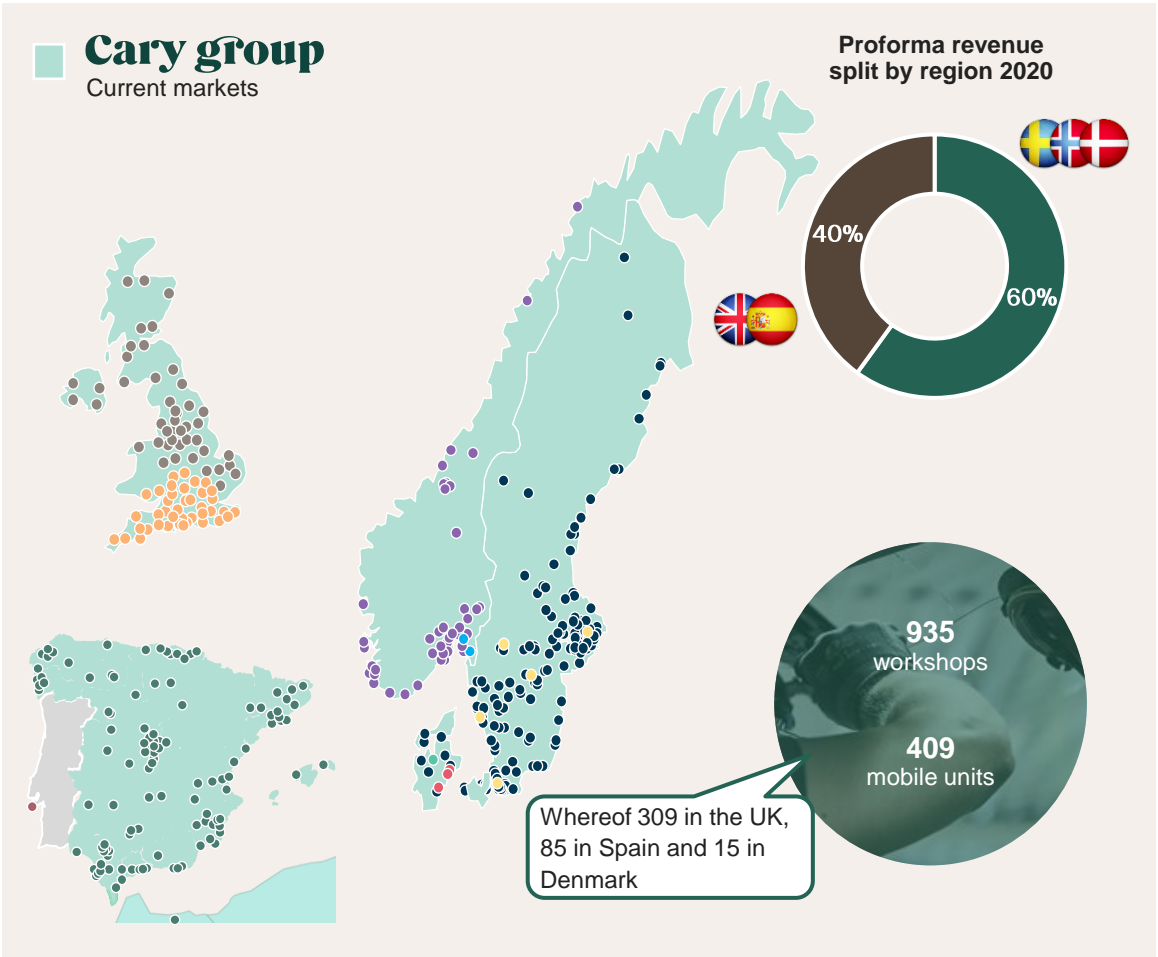


Leading positions in all geographies and clear #1 in Sweden

Strong positions in all markets driven by geographical closeness to end customers ...



... through 935 workshops and 409 mobile units



Important milestone on
our expansion reached,
resulting in strong growth
in the quarter

Q3 2021 Highlights

Successful IPO in September

Strengthened balance sheet for future M&A

Continued execution of our M&A strategy and an active M&A pipeline

Important step on our expansion journey reached, Spanish Ralarsa is off to a strong start in Cary Group

The market, and demand for our services, continued to stabilize as mobility restrictions ease

As the pandemic seemingly is reducing the impact on everyday life, we are positive on our future organic growth outlook

Increased EBITA and improved cashflow

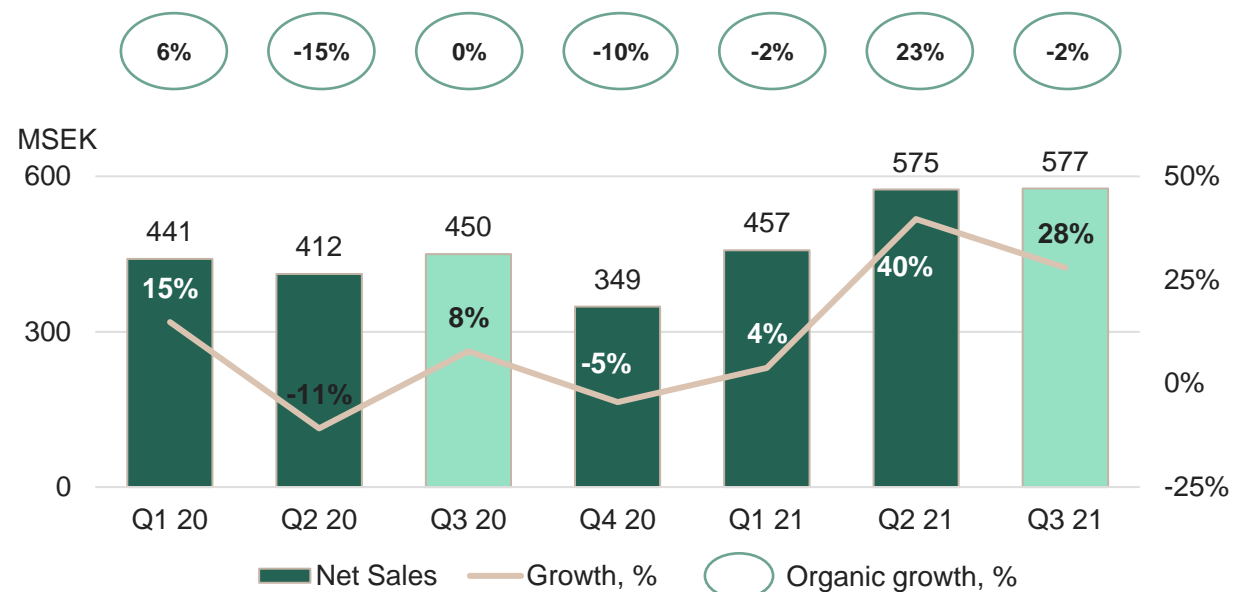
With growing scale our Rest of Europe segment and the eased mobility restrictions, we now intensify our efforts to extract synergies and improve operational efficiencies

Further steps taken to reduce climate impact and improve our digital offering

100% climate-compensated glass services in the Nordics, a step towards our ambition to become climate-neutral as a group

Sales development Q3

Growth, net sales per quarter



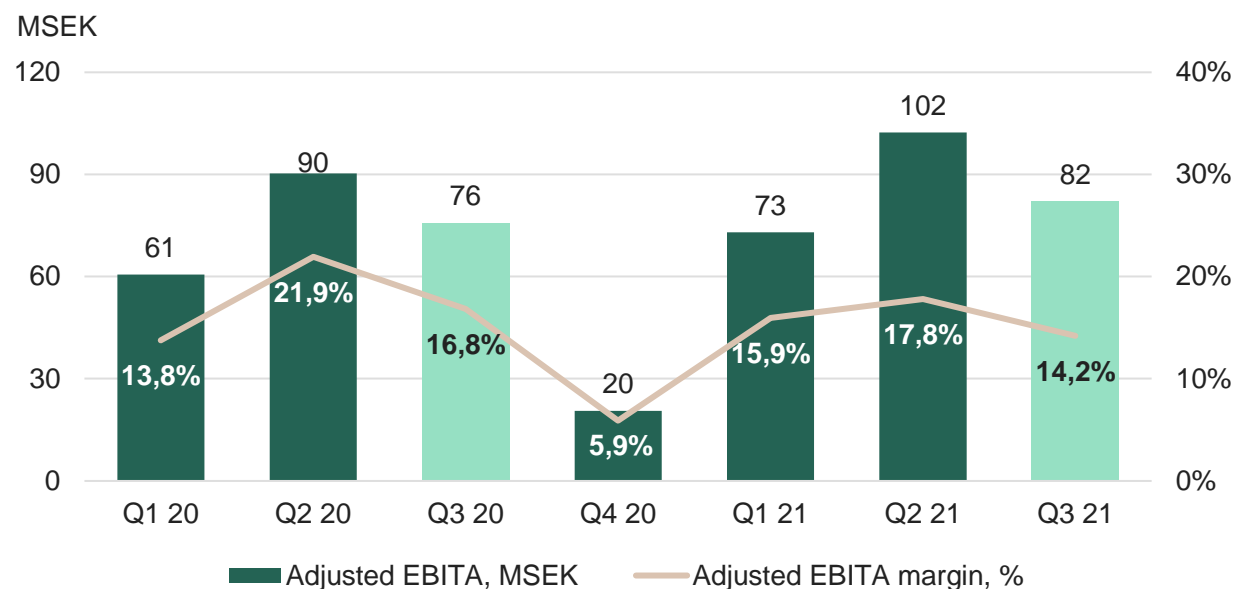
Comments

- Net sales increased by 28% to 577 MSEK (450)
 - Growth driven by strategic acquisitions
 - Strong start for the Spanish acquisition Ralarsa
- Organic growth in amounted to Q3 -2%, YTD +5%
 - Normal seasonality trend in Q3 2021, vs strong rebound in Q3 2020
 - Effects of pandemic related measures in Norway and UK still visible whereas Sweden is less impacted

MSEK	Q3 20	Q3 21	Change	YTD Q3 20	YTD Q3 21	Change
Net sales	450	577	+28%	1,302	1,609	+24%
Organic growth	-1	-11	-2%	-47	69	+5%
Acquisitions	39	134	+30%	104	245	+19%
Currency effects	-6	3	+1%	-18	-7	-1%

Adjusted EBITA-development

Adjusted EBITA and EBITA margin, per quarter



MSEK	Q3 20	Q3 21	Change	YTD Q3 20	YTD Q3 21	Change
Adj EBITA	76	82	+8%	226	258	+14%
Adj EBITA margin	16,8%	14,2%		17,4%	16,0%	

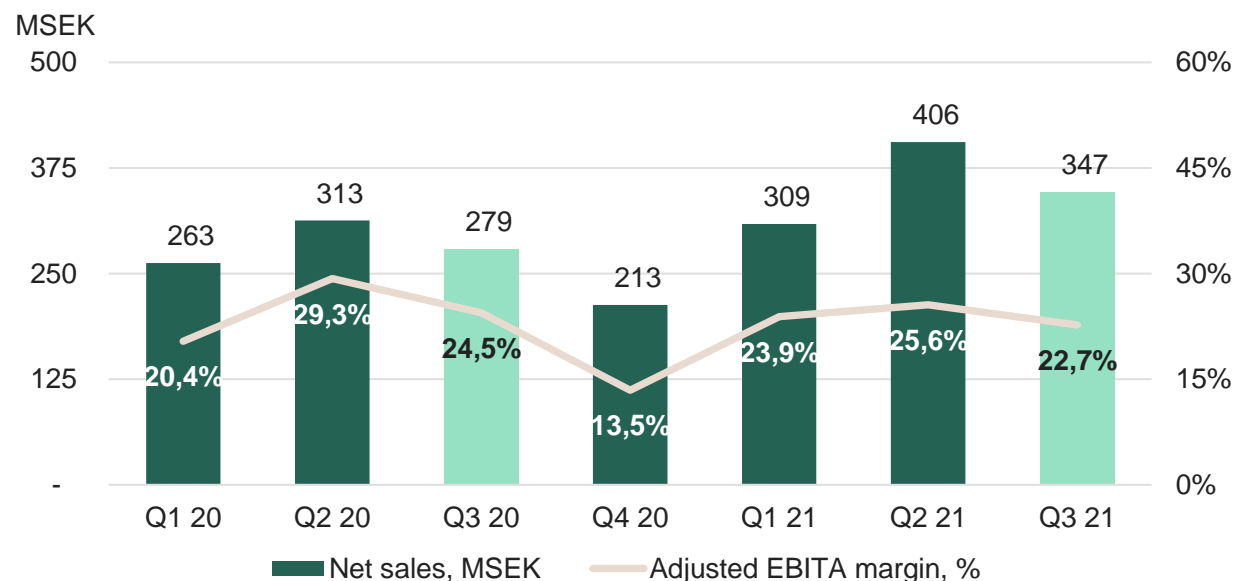
Comments

- Adjusted EBITA increased by 8% to 82 MSEK (76)
- Adjusted EBITA margin affected by
 - Subdued market in Norway and the UK due to pandemic related restrictions
 - Increased marketing spend to satisfy a more active future market
 - Lower cost base last year because of the pandemic
 - Investments in central functions ahead of our continued expansion
- With the rapidly growing scale our Rest of Europe segment and the eased mobility restrictions, we will now further intensify our efforts to extract synergies and improve operational efficiencies

Business segment Nordics

Share of Group net sales
60%¹⁾

Net sales and adjusted EBITA margin per quarter



MSEK	Q3 20	Q3 21	Change
Revenues	279	347	+24%
Adj EBITA	68	79	+15%
Adj EBITA margin	24,5%	22,7%	

Comments

Strong sales development

- Net sales increased by 24% to 347 MSEK (279)
 - Growth driven by the acquired businesses in Norway and Sweden as well as a normalized demand for repairs and replacement of vehicle glass in Sweden
 - The VGRR business in Norway negatively affected by Covid-19

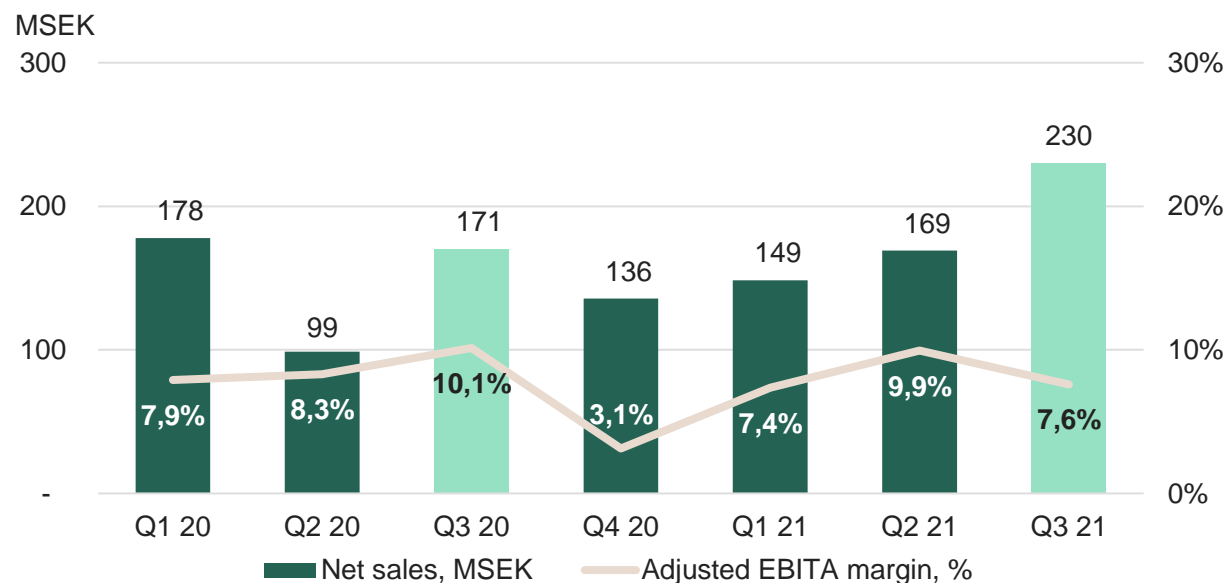
Stable margin

- Adjusted EBITA increased by 15% to 79 MSEK (68)
- Adjusted EBITA margin of 22,7% (24,5). Margin affected by:
 - Continued negative impact of Covid-19 in Norway
 - Increased marketing costs in order to begin to satisfy a more active market in all countries
 - Q3 2020 had a lower cost base in connection with the outbreak of Covid-19

Business segment Rest of Europe

Share of Group net sales
40%¹⁾

Net sales and adjusted EBITA margin per quarter



SEK M	Q3 20	Q3 21	Change
Revenues	171	230	+35%
Adj EBITA	17	18	+2%
Adj EBITA margin	10,1%	7,6%	

Comments

Strong sales development

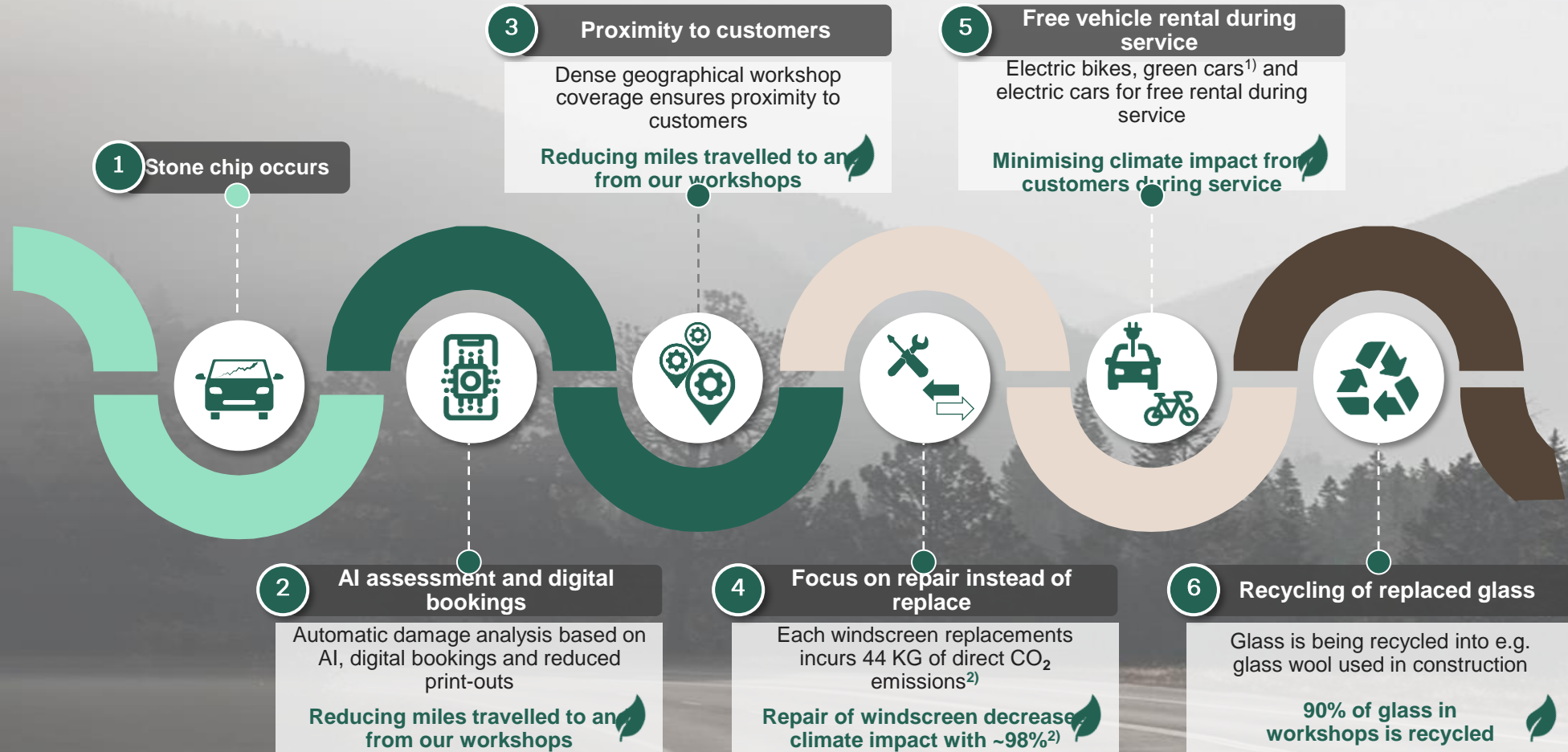
- Net sales increased by 35% to SEK 230m (171)
 - Growth driven by the acquired businesses in Spain

Lower margin

- Adjusted EBITA amounted to SEK 18m (17)
- Adjusted EBITA margin of 7,6% (10,1)
 - Reduced revenue in the UK. Challenges in the market resulting from Covid-19 measures and Brexit
 - Last year's third quarter's margins were positively impacted by short-term layoffs and government support in connection with Covid-19 in the UK
 - IT intrusion in UK led to disruptions in operations. Minor impact on sales in the UK expected in the fourth quarter.

From the first of August 2021, the acquired company Ralarsa in Spain are included in the figures for the business segment Rest of Europe.

Sustainability is integrated in each step of the windscreen's journey



Continued expansion journey

Execution of our M&A strategy

Acquisitions in line with Cary's strategy

- Increased workshop density
 - proximity to the customer key to both car owners and insurance companies
- Broadened service offering
 - New verticals
- New geographical markets
 - European consolidator

Good position to take on new acquisitions

- Active M&A pipeline
- Good leverage position and 1,4 bn in cash and other available funds to support M&A

Four acquisitions completed in the quarter

Platform acquisition

- Acceleration of pan European expansion with the acquisition of Ralarsa in Spain

Add on acquisition

- Autoklinik i Malmö AB, specialises in auto body repair and service – complimentary to Crashpoint
 - Establishment of adjacent services in the Nordic Region – potential to develop service offering over time
- Phoenix Windscreens Ltd. in UK, Vehicle Glass Repair and Replacement

Smaller mom-and-pops

- Smaller workshop in Sweden

4 acquisitions in Q3
totalling 300 MSEK in
annual sales

300 MSEK

500 MSEK

15 acquisitions YTD
totalling 500 MSEK in
annual sales

Acceleration of pan-European expansion strategy with the acquisition of Spanish Ralarsa

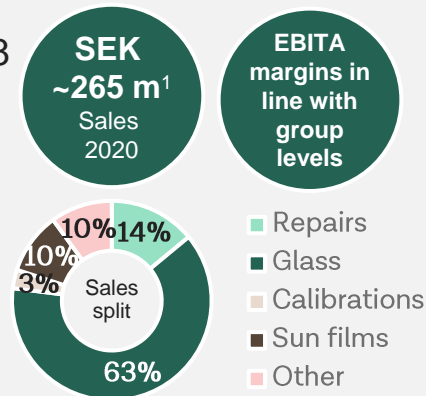
Strong strategic rationale

Key criteria for entering Spain:



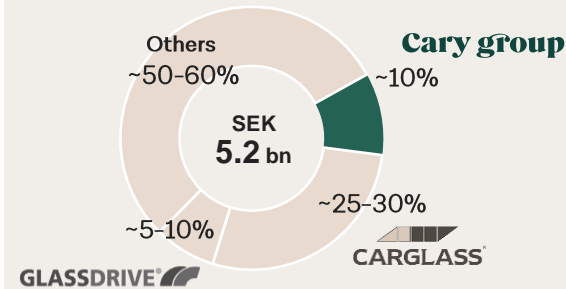
Ralarsa in brief

- Family-owned company founded in 1978
- Own distribution and logistics
- Strong sales team of ~20 FTEs across 8 regions
- Good momentum in calibration



Strong market position with a dense network of workshops and favorable relationships with top insurance companies

Positioned as the #2 glass specialist in the SEK 5.2 bn Spanish market

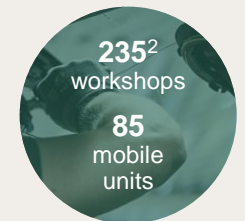
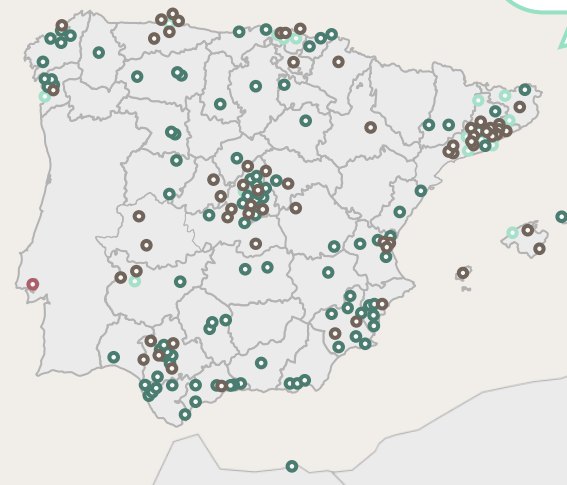


Strong relationships with top insurance customers:

- Partner to 8 of the top 10 insurance companies
- Preferred partnerships with top 1 and 3 insurance providers:



Dense network of 235² workshops



- 80 own workshops
- 155 franchised workshops
- 85 mobile units
- 1 Ralarsa Portugal

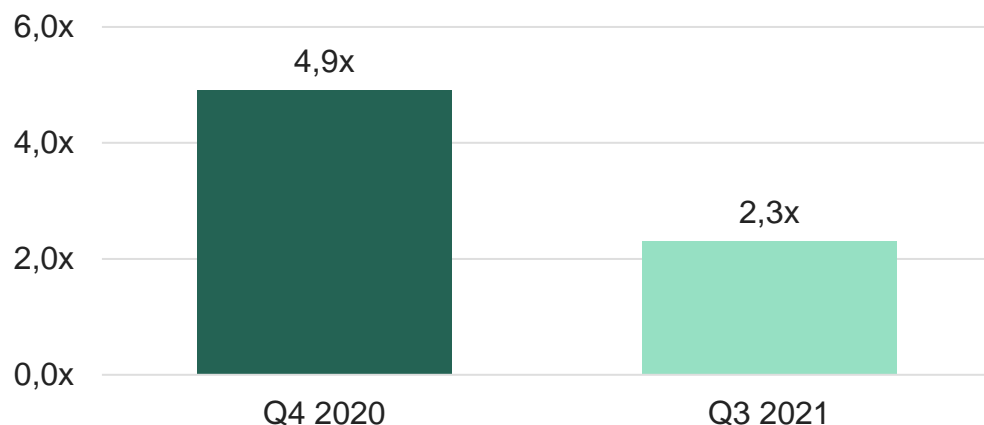
¹⁴ 1) Excluding franchise. SEK ~535 m in total sales incl. franchise. 2) Includes 155 franchised workshops
Source: Company information, The Market Study

Financial position

Financial position

Leverage and net debt

- Leverage ratio at 2.3x (Net Debt/Adjusted EBITDA LTM), down from 4.9x at year end
- Lower leverage a result of a new issue in connection with the IPO
- Net debt amounted to 1,115 MSEK (2,139 MSEK on September 30, 2020)



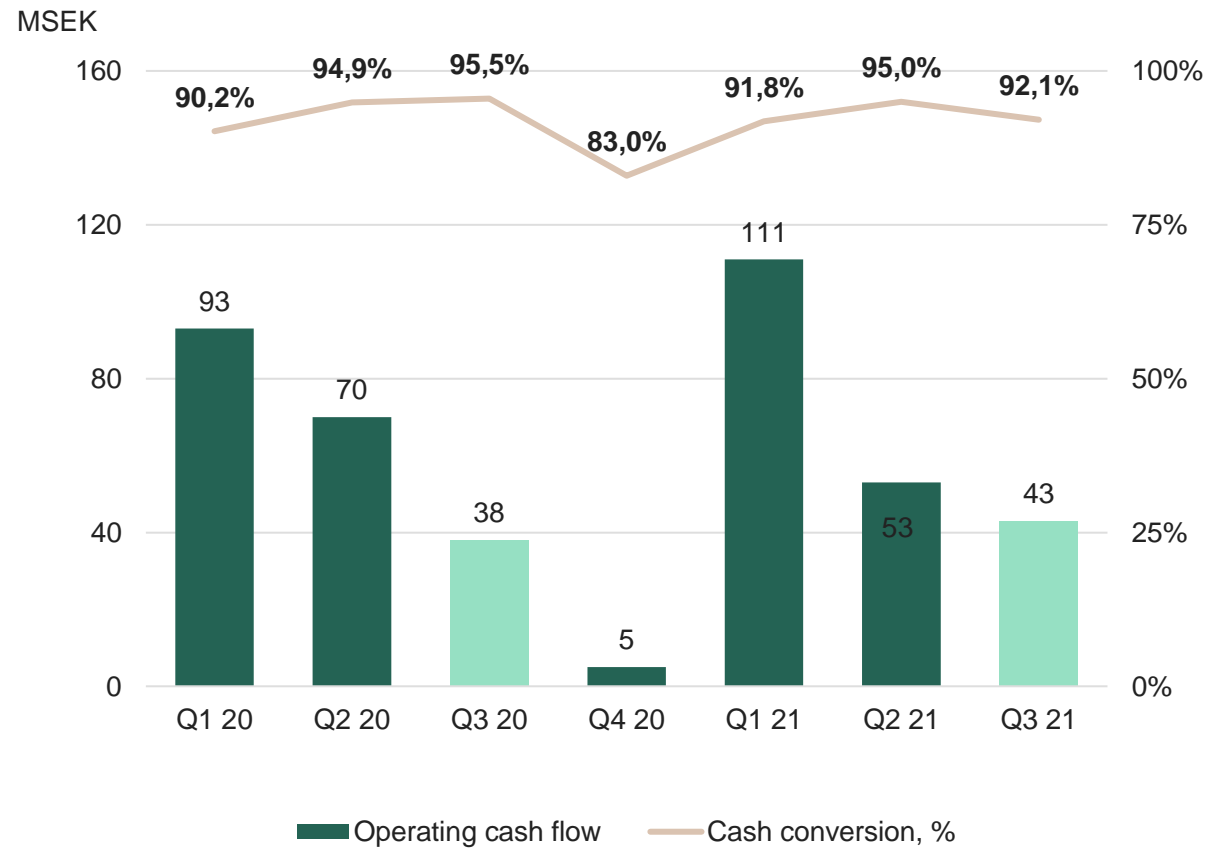
Net debt includes 416 MSEK of long- and short-term lease liabilities (353 MSEK at year-end 2020).
Net debt defined as: Interest-bearing liabilities (amounts due to credit institutions and lease liabilities) minus cash and cash equivalents.

Credit facilities and capitalisation

- Refinancing in connection with IPO
 - New issue of shares, 1,250 MSEK, pre transaction costs
 - Repayment of debt from previous credit facility
 - New credit facility in place with a total available amount of 2,050 MSEK
 - Unutilized part amounted to 1,157 MSEK at end of the third quarter
- Equity at end of quarter amounted to 1,565 MSEK
- Cash in bank amounted to 233 MSEK

Operating Cash flow

Operating cash flow and cash conversion



Comments

Increased operating cash flow

- Cash flow from operating activities increased in Q3 to 43 MSEK (38)
- The increase in cash flow was driven by improved working capital, although payments relating to listing costs had a negative impact
- Net cash flow in the quarter amounted to 42 MSEK (-14)
- Net cash at the end of Q3 was 233 MSEK (138)

Cash conversion

- Highly cash-generative business with cash conversion amounting to 92.1% in the third quarter
- Limited underlying capex and net working capital need resulting in strong cash generation
- This enables Cary Group to redeploy cash flow from operations into organic growth initiatives and M&A Investments

Acquisitions to date

Completed acquisitions by quarter

Company	Business segment	Included from	Acquired share	Net sales (SEKm)	Acquisition-related intangible assets
Opening balance					
RG Bilglas1 AB ¹⁾	Nordics	2021-01-01	100%	69	73
Bilglasmästarna i Nynäshamn AB ¹⁾	Nordics	2021-01-01	100%	4	5
Ryds Bilglas i Uppland AB ¹⁾	Nordics	2021-01-01	100%	9	6
Ryds Bilglas Malmfälten AB	Nordics	2021-03-01	75%	5	2
Crash Point A/S	Nordics	2021-03-01	80%	47	50
Total acquisitions January-March 2021				133	
Skadevekk Holding AS	Nordics	2021-04-01	80%	55	50
Bilvård i Handen AB	Nordics	2021-05-01	75%	10	7
Rehnglas AB Tyresö	Nordics	2021-06-01	Tillgång	4	3
Borås Glas	Nordics	2021-06-01	Tillgång	1	1
GK Glas AB Nacka	Nordics	2021-06-01	Tillgång	3	2
KG Glasmästeri AB Hammarby	Nordics	2021-06-01	75%	3	2
Total acquisitions April-June 2021				74	
Autoklinik i Malmö AB	Nordics	2021-07-01	90%	39	46
Falköpings Glasmästeri AB	Nordics	2021-07-01	Tillgång	3	2
Phoenix Windscreens Ltd	Rest of Europe	2021-08-01	100%	19	11
Ralarsa S.U.	Rest of Europe	2021-08-01	100%	265	300
Total acquisitions July-September 2021				326	560
Amortization of acquisition-related intangible assets					-6
Closing balance					554

¹⁾RG Bilglas 1 AB, Bilglasmästarna i Nynäshamn AB, Ryds Bilglas i Uppland AB and Ryds Bilglas i Borlänge AB merged with Ryds Bilglas AB during the second quarter 2021.

Comments

- Acquired entities adding 326 MSEK in Net Sales in the quarter, 533 MSEK YTD
- Ralarsa, Spain, added 265 MSEK of the total, consolidated from August 1
- Total acquisition-related intangible assets of 359 MSEK in the quarter, 560 MSEK YTD
- M&A transaction costs of 7 MSEK reported as NRI in the third quarter, 10 MSEK YTD

Financial targets

Medium term financial targets

Growth

15% growth p.a. whereof at least half organic

Target to achieve an average total revenue growth exceeding 15% per annum in the medium term, of which at least half, in constant currency, shall be organic

Margin

20% Adj. EBITA margin in the medium term

Target to achieve an adjusted EBITA margin of 20% in the medium term.

Capital structure

2.5x Net debt / Adj. EBITDA

Cary Group's capital structure shall enable a high degree of financial flexibility and allow for acquisitions. Cary Group's objective is a maximum net indebtedness in relation to Adj. EBITDA of 2.5x for the last 12 months.

However, the ratio may temporarily exceed 2.5x, in connection with acquisitions.

Dividend policy

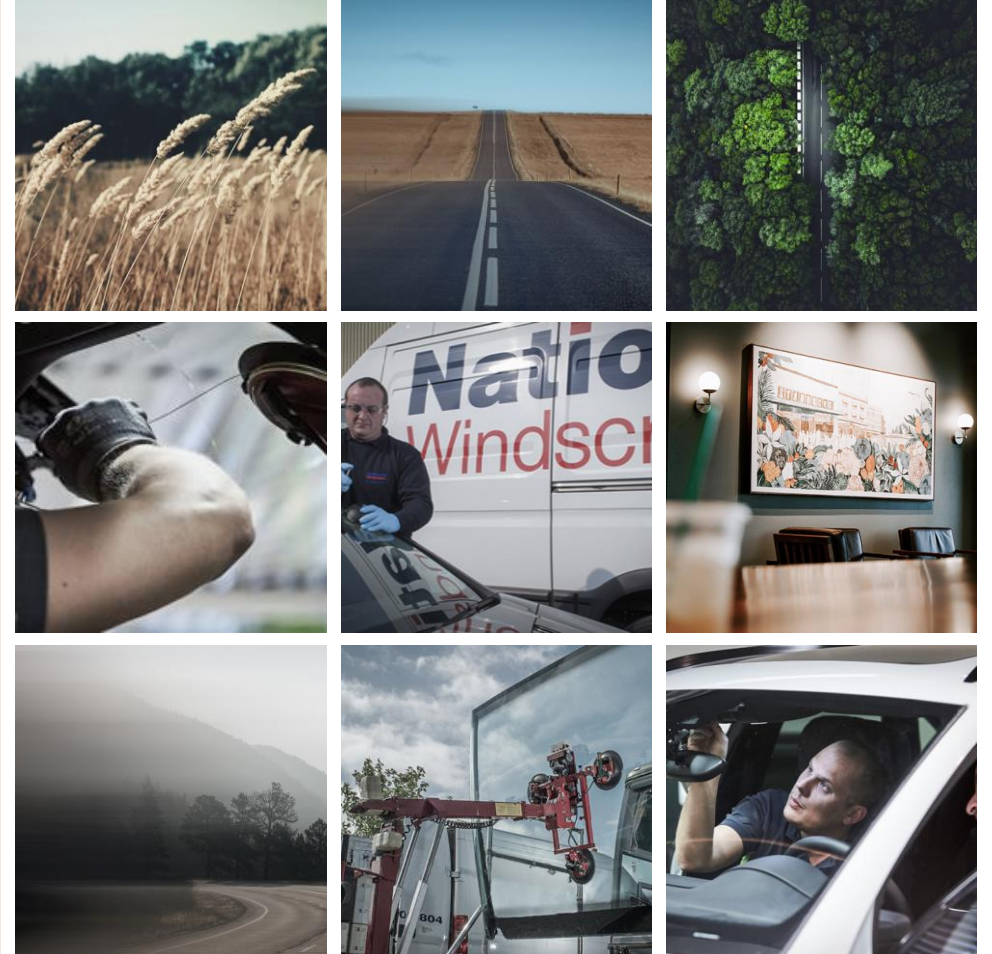
Pay a dividend of at least 20% of Net income

Decisions on dividends shall take Cary Group's investment opportunities and financial position into consideration

Summary Q3

Summary Q3

- The market, and demand for our services, continued to stabilize as mobility restrictions ease
- Increased EBITA and improved cashflow
- Further steps taken to reduce climate impact and improve our digital offering
- Successful IPO in September
- Strong execution of our M&A strategy and an active M&A pipeline



Q&A

Cary group