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Cary Group Holding AB intends to list its shares on Nasdaq Stockholm

Cary Group Holding AB (publ) ("Cary Group" or the "Company"), a leading[1] vehicle glass repair and replacement provider that prolongs the life cycle of vehicles and maintains the safety features, today announces its intention to launch an initial public offering of its shares (the "IPO" or the "Offering") and to list its shares on Nasdaq Stockholm. The Offering is expected to consist of both new shares issued by Cary Group and existing shares in the Company offered by the Principal Shareholder [2] and Rydgruppen Sverige AB.

Cary Group's principal shareholder, Cidron Legion S.à r.l. (the "**Principal Shareholder**"), indirectly controlled by the Nordic Capital VIII[3], and the Company's second largest shareholder, Rydgruppen Sverige AB, controlled by the Ryd family, together with the Company's board and management, believe that a listing of the Company's shares on Nasdaq Stockholm represents a logical and important next stage in the development of the Company. This step will enable the Company to expand its shareholder base and enable Cary Group to access the Swedish and international capital markets, thereby supporting the Company's continued growth and development, and increasing the awareness of Cary Group and its operations among current and potential customers and suppliers. The Offering and listing will further enable Cary Group to strengthen its balance sheet, which will support further M&A consolidation.

Nasdaq Stockholm's listing committee made the assessment that Cary Group fulfils the relevant listing requirements. Nasdaq Stockholm will approve an application for admission to trading of the Company's shares on Nasdaq Stockholm, provided that certain conditions are fulfilled, including that the Company submits such application and fulfils the distribution requirement. Depending on market conditions, the Offering and listing on Nasdaq Stockholm is expected to be completed during the second half of 2021.

Anders Jensen, CEO for Cary Group, comments:

"The European market for vehicle glass repair and replacement is rapidly growing as a result of a new generation of cars with more glass surface, more technical safety features and an increased number of kilometres driven. Thanks to well established local brands and a strong customer offering that provides a fast, simple, and sustainable service, we have established ourselves as a leader in the Nordics and as an attractive partner to insurance companies and end consumers in several countries in Europe. Cary Group has an

ambitious growth agenda and is now ready to take the next big step and accelerate our growth even further. Together with our more than 1,400 dedicated employees, we look forward to leading the European vehicle glass repair and replacement market with our sustainable and caring approach.”

Magnus Lindquist, Chairman of the board of Cary Group, comments:

“In recent years, Cary Group has grown into a market leader in the Nordic region and successfully expanded into Europe. Through a successful M&A strategy, combined with a clear focus on customer satisfaction, digitalised processes, and important initiatives for a reduced climate footprint, the Company has created profitable growth over time and established itself as an industry pioneer in sustainable development. Cary Group has an experienced management team and a solid platform for continued growth. Overall, it makes the Company well equipped to continue to grow as a listed company and we welcome new shareholders in this next important step of Cary Group’s development.”

Joakim Andreasson, Principal at Nordic Capital Advisors and board member of Cary Group, comments:

“Cary Group has during the Nordic Capital stewardship, through successful investments in acquisitions and the organisation, evolved from a leader in Sweden to becoming the leading player in the Nordic region with fast expanding presence in Europe in the leading markets of the UK and Spain and a clear plan for further expansion. We are very pleased with the interest shown by the financial markets for this listing and to welcome new shareholders joining Nordic Capital on this exciting journey. Nordic Capital looks forward to continuing to support the Company as a significant owner after the IPO.”

The Offering in brief

The Offering is expected to consist of both existing shares offered by the Principal Shareholder and Rydgruppen Sverige AB, and new shares issued by the Company that are expected to provide Cary Group with gross proceeds of approximately SEK 1,250 million. Cary Group intends to use the net proceeds from the Offering to position the Company for future growth, for general corporate purposes, deleveraging and to provide strategic flexibility for acquisitions. General corporate purposes may include, among other things, unexpected expenses or investments. In connection with the Offering, the Company also intends to repay outstanding debt relating to a shareholder loan from the Principal Shareholder through a set-off issue of new shares.

AMF, Funds managed and advised by Capital World Investors, Funds managed by Öhman Fonder, ODIN Fund Management, SEB Investment Management and Swedbank Robur Fonder have undertaken, subject to certain conditions, to acquire shares in the Offering for an amount of SEK 3,150 million at a price of SEK 70 per share, corresponding to a market value for the outstanding shares in the Company of approx. SEK 9.2 billion.

The shares in the Offering are expected to be offered to the general public in Sweden and institutional investors in Sweden and abroad.

The offer to institutional investors will only be made (i) to certain institutional investors outside the United States, pursuant to Regulation S under the U.S. Securities Act of 1933, as amended (the “**U.S. Securities Act**”); and (ii) in the United States, only to those reasonably believed to be Qualified Institutional Buyers in reliance on Rule 144A under the U.S. Securities Act.

Full terms, conditions and instructions for the Offering will be included in the prospectus to be published by the Company in connection with the Offering and the listing. The prospectus will be published on Cary Group’s website at www.carygroup.com. Further information about the process will be continuously published.

About Cary Group

Cary Group is a leading vehicle glass repair and replacement provider that prolongs the life cycle of vehicles and maintains the safety features. The Company provides services at convenient locations, with a high quality, superior customer experience[4] and smart solutions to make sustainable car care easier. The Company was founded as part of Ryds Glas in 1947. The Company became a separate entity under the name Ryds Bilglas in 2011 and was renamed Cary Group in 2020.

Cary Group has a strong value proposition towards end customers that is well aligned with their key requirements, yielding a market leading group Net Promoter Score (“**NPS**”) of 86, and a higher NPS of 89 in Sweden.[5] Cary Group is an appreciated partner of the insurance providers, as the Company not only handles the contact with the end customers and has an excellent NPS, but also since Cary Group limits the administrative burden for the insurance providers. The Company has a decentralised business model, emphasising the entrepreneurial culture in the workshops. The local workshops managers are the heroes of the Company and are supported by centralised group functions to ensure that they have the tools necessary to provide high quality services in an efficient manner. As per 30 June 2021, the Company had 1,404 full-time equivalent employees.[6]

In total, Cary Group has over 523[7] workshops, of which, 197[8] franchises, and 397[9] mobile units spread across Scandinavia, the UK and Spain. The Company has a national reach in all its markets[10], offering close proximity to its end customers. The total size of the Western European market, which includes Cary Group’s footprint in addition to potential target expansion countries[11], was approximately 78.3 SEK billion in 2019.

Sustainability at the core

Sustainability is at the very core of Cary Group’s identity as well as its strategy. The Company strives to have top of mind brands for sustainable car care in each market and to be an admired frontrunner within the independent car service industry with regards to climate impact and digitalisation. Key levers to achieve this include: (i) continuous increase in the repair rate; (ii) digitalisation and automation of the customer journey; and (iii) electrification of the courtesy cars fleet and including offering of courtesy bikes.

Cary Group always strives to repair the customer’s windshield to the greatest possible extent as replacing a windshield means a total emission of approximately 44 kg CO₂[12], including production, transport and recycling. The Company continuously monitors the repair rate[13] as one of the most important sustainability measures. As of 2020, the repair rate for Cary Group was 41 percent in Sweden, compared to a market average of 34 percent.[14] Approximately 90 percent of the discarded windshield can be recycled.

Key Strengths and competitive advantages

Cary Group considers itself to have a number of strengths and competitive advantages which can realise strategic objectives and achieve financial targets:

- Non-cyclical market with high growth propelled by transformative technologies and long-term drivers.
- Market leading positions in an industry where scale matters.
- Problem solver to the insurance companies, with close and long-term relationships.
- Technology frontrunner with a proven operational set-up.
- The sustainable choice for car care.
- Asset light business model.
- Strong underlying organic growth and healthy margins.
- Well positioned to continue the compounding journey in a highly fragmented market.

Selected financial information

The following table shows selected performance measures[1] of Cary Group, including proforma[2] for the period 1 January to 30 June 2021 and for the financial year 2020:

	1 January – 30 June			Financial year	
	2021	2021PF	2020	2020	2020PF
<i>MSEK if nothing else is specified</i>		<i>IFRS</i>		<i>IFRS</i>	
Net sales	1,032.2	1,220.3	852.2	1,650.8	2,139.5
Sales growth, %[3]	21.1%	n.a.	0.1%	1.4%	n.a.
Organic growth, %[4]	8.1%	n.a.	-7.6%	-6.6%	n.a.
Adjusted EBITA[5]	175.2	212.3	150.8	246.9	314.4
Adjusted EBITA margin, %[6]	17.0%	17.4%	17.7%	15.0%	14.7%

[1] IFRS performance metrics: Net sales derived from the Company's consolidated financial statements audited by Ernst & Young. Remaining metrics are alternative performance measures, which are not defined according to IFRS and extracted from the Company's internal accounts and has neither been audited nor reviewed by the Company's auditor.

[2] The unaudited pro forma financial information describes a hypothetical situation in order to present a hypothetical illustration of how Cary Group acquisition of Carglass Wales Ltd, RG Bilglas 1 AB, Crashpoint, Quick Car fix, Ralarsa S.L and Autoliv i Malmö AB could have affected Cary Group's consolidated income statement for the financial year ended 31 December 2020 and the first six months ended 30 June 2021 if the acquisitions had been completed as of 1 January 2020 and as of 1 January 2021 respectively. The proforma financial information has been prepared solely for illustrative purposes.

[3] Change in reported net sales compared to same period previous year.

[4] Net sales growth adjusted for net sales attributable to acquisitions of operations during the first twelve months after the acquisition date.

[5] Operating profit/loss before amortisation of intangible assets adjusted for items affecting comparability. Proforma Adjusted EBITA defined as proforma operating profit/loss before amortisation of intangible assets adjusted for items affecting comparability.

[6] Adjusted EBITA in relation to the Company's net sales. Proforma Adjusted EBITA margin defined as proforma Adjusted EBITA in relation to the Company's proforma net sales.

Financial targets and dividend policy

Cary Group's board of directors has adopted the following financial targets:

- **Revenue growth:** Cary Group's target is to achieve an average total revenue growth exceeding 15 percent per annum in the medium term, of which at least half, shall be organic.[15]
- **Profitability:** Cary Group's target is to achieve an adjusted EBITA margin[16] of 20 percent in the medium term.
- **Capital structure:** Cary Group's capital structure shall enable a high degree of financial flexibility and allow for acquisitions. Cary Group's target is to have a maximum net indebtedness in relation to adj. EBITDA[17] of 2.5x. However, the ratio may temporarily exceed 2.5x, in connection with acquisitions.
- **Dividend policy:** Cary Group strives to pay dividends of at least 20 percent of net income. Decisions on dividends shall take Cary Group's investment opportunities and financial position into consideration.

About Nordic Capital

Nordic Capital[18] is a leading private equity investor with a resolute commitment to creating stronger, sustainable businesses through operational improvement and transformative growth. Nordic Capital focuses on selected regions and sectors where it has deep experience and a long history. Focus sectors are Healthcare, Technology & Payments, Financial Services, and selectively, Industrial & Business Services. Key regions are Europe and globally for Healthcare and Technology & Payments investments. Since inception in 1989, Nordic Capital has invested more than EUR 19 billion in over 120 investments. The most recent entities are Nordic Capital X with EUR 6.1 billion in committed capital and Nordic Capital Evolution with EUR 1.2 billion in committed capital, principally provided by international institutional investors such as pension funds. Nordic Capital Advisors have local offices in Sweden, the UK, the US, Germany, Denmark, Finland and Norway. For further information about Nordic Capital, please visit www.nordiccapital.com.

Advisors

Carnegie Investment Bank AB (publ), Danske Bank A/S, Danmark, Sverige Filial and Jefferies GmbH are Joint Global Coordinators. ABG Sundal Collier AB, Skandinaviska Enskilda Banken AB (publ) and UBS Europe SE are Joint Bookrunners. STJ Advisors is IPO advisor to the Company and the Principal Shareholder. White & Case LLP is legal advisor to the Company. Advokatfirman Cederquist KB and Milbank LLP are legal advisors to the Joint Global Coordinators and Joint Bookrunners.

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The information was submitted for publication, through the agency of the contact persons set out above, at 07:00 CET on 10 September 2021.

IMPORTANT INFORMATION

This announcement is not an offer to sell or a solicitation of any offer to buy any securities of the Company. The contents of this announcement have been prepared by and are the sole responsibility of the Company. The information contained in this announcement is for background purposes only and does not purport to be full or complete. No reliance may be placed by any person for any purpose on the information contained in this announcement or its accuracy, fairness or completeness.

Any offering of the securities referred to in this announcement will be made by means of a prospectus. This announcement is not a prospectus for the purposes of Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017 on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market, and repealing Directive 2003/71/EC (together with any related implementing and delegated regulations, the "**Prospectus Regulation**"). Investors should not invest in any securities referred to in this announcement except on the basis of information contained in the aforementioned prospectus.

Copies of this announcement are not being made and may not be distributed or sent into the United States of America, Australia, Canada, New Zealand, Japan, Switzerland or South Africa or any other jurisdiction in which such distribution would be unlawful or would require registration or other measures.

The shares in the Company have not been registered and will not be registered under the United States Securities Act of 1933 as amended or under the securities laws of any state or other jurisdiction in the United States and may not be offered, sold or otherwise transferred, directly or indirectly, in or to the United States, except in accordance with an applicable exemption from or through a transaction that is not subject to the registration requirements of the Securities Act and in accordance with the securities laws of the relevant state or other jurisdiction in the United States.

Furthermore, the securities mentioned in this press release have not been registered and will not be registered under any applicable securities law in Australia, Hong Kong, Canada, New Zealand, Japan, Switzerland or South Africa and may, with certain exceptions, not be offered or sold to or within, or on behalf of a person or for the benefit of a person who is registered, resident or located in, these countries. The Company does not intend to make an offer to the public to acquire the securities mentioned in this press release other than in Sweden.

In the EEA Member States, with the exception of Sweden, (each such EEA Member State a “**Relevant State**”), this press release and the information contained herein are intended only for and directed to qualified investors as defined in the Prospectus Regulation. The securities mentioned in this press release are not intended to be offered to the public in any Relevant State and are only available to qualified investors except in accordance with exceptions in the Prospectus Regulation. Any invitation, offer or agreement to subscribe for, purchase or otherwise acquire such securities will only be processed for qualified investors. Persons in any Relevant State who are not qualified investors should not take any actions based on this press release, nor rely on it.

In the United Kingdom, this announcement and any other materials in relation to the securities described herein is only being distributed to, and is only directed at, and any investment or investment activity to which this document relates is available only to, and will be engaged in only with, “qualified investors” (within the meaning of the United Kingdom version of the EU Prospectus Regulation (2017/1129/EU) which is part of United Kingdom law by virtue of the European Union (Withdrawal) Act 2018) who (i) have professional experience in matters relating to investments which fall within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (as amended, the “**Order**”), (ii) are persons falling within Article 49(2)(a) to (d) (“high net worth companies, unincorporated associations etc”) of the Order, (iii) are outside the United Kingdom, or (iv) are persons to whom an invitation or inducement to engage in investment activity (within the meaning of section 21 of the Financial Services and Markets Act 2000) in connection with the issue or sale of any securities may otherwise lawfully be communicated or caused to be communicated (all such persons together being referred to as “relevant persons”). This announcement is directed only at relevant persons and must not be acted on or relied on by persons who are not relevant persons. Any investment or investment activity to which this announcement relates is available only to relevant persons and will be engaged in only with relevant persons.

This announcement does not identify or suggest, or purport to identify or suggest, the risks (direct or indirect) that may be associated with an investment in the shares of the Company. Any investment decision to acquire or subscribe for shares in connection with the Offering must be made on the basis of all publicly available information relating to the Company and the Company's shares. Such information has not been independently verified by the Joint Global Coordinators and the Joint Bookrunners.

The Joint Global Coordinators and the Joint Bookrunners are acting exclusively for the Company and no one else in connection with the Offering, and will not regard any other person (whether or not a recipient of this document) as their respective clients in relation to the Offering and will not be responsible to anyone other than the Company for providing the protections afforded to their respective clients, nor for providing advice in relation to the Offering or any transaction, matter, or arrangement referred to in this announcement or the Prospectus to be published in connection with the Offering.

Forward-looking information

Matters discussed in this announcement may constitute forward-looking statements. Forward-looking statements are statements that are not historical facts and may be identified by words such as “believe,” “expect,” “anticipate,” “intends,” “estimate,” “will,” “may,” “continue,” “should” and similar expressions. The forward-looking statements in this release are based upon various assumptions, many of which are based, in turn, upon further assumptions. Although the Company believes that these assumptions were reasonable when made, these assumptions are inherently subject to significant known and unknown risks, uncertainties, contingencies and other important factors which are difficult or impossible to predict and are beyond its control. Such risks, uncertainties, contingencies and other important factors could cause actual events to differ materially from the expectations expressed or implied in this release by such forward-looking statements. The information, opinions and forward-looking statements contained in this announcement speak only as at its date and are subject to change without notice. The Company does not undertake any obligation to review, update, confirm or release publicly any revisions to any forward-looking statements to reflect events that occur or circumstances that arise in relation to the content of this communication.

Information to distributors

Solely for the purposes of the product governance requirements contained within: (a) EU Directive 2014/65/EU on markets in financial instruments, as amended (“MiFID II”); (b) Articles 9 and 10 of Commission Delegated Directive (EU) 2017/593 supplementing MiFID II; and (c) local implementing measures (together, the “MiFID II Product Governance Requirements”), and disclaiming all and any liability, whether arising in tort, contract or otherwise, which any “manufacturer” (for the purposes of the MiFID II Product Governance Requirements) may otherwise have with respect thereto, the shares in the Company have been subject to a product approval process, which has determined that such shares are: (i) compatible with an end target market of retail investors and investors who meet the criteria of professional clients and eligible counterparties, each as defined in MiFID II; and (ii) eligible for distribution through all distribution channels as are permitted by MiFID II (the “EU Target Market Assessment”). Solely for the purposes of each manufacturer's product approval process in the United Kingdom, the target market assessment in respect of the shares in the Company has led to the conclusion that: (i) the target market for such shares is only eligible counterparties, as defined in the FCA Handbook Conduct of Business Sourcebook, and professional clients, as defined in Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 (“UK MiFIR”); and (ii) all channels for distribution of such shares to eligible counterparties and professional clients are appropriate (the “UK Target Market Assessment” and, together with the EU Target Market Assessment, the “Target Market Assessment”). Notwithstanding the Target Market Assessment, distributors should note that: the price of the shares in the Company may decline and investors could lose all or part of their investment; the shares in the Company offer no guaranteed income and no capital protection; and an investment in the shares in the Company is compatible only with investors who do not need a guaranteed income or capital protection, who (either alone or in conjunction with an appropriate financial or other adviser) are capable of evaluating the merits and risks of such an investment and who have sufficient resources to be able to bear any losses that may result therefrom. The Target Market Assessment is without prejudice to the requirements of any contractual, legal or regulatory selling restrictions in relation to the Offering.

For the avoidance of doubt, the Target Market Assessment does not constitute: (a) an assessment of suitability or appropriateness for the purposes of MiFID II or UK MiFIR; or (b) a recommendation to any investor or group of investors to invest in, or purchase, or take any other action whatsoever with respect to the shares in the Company.

Each distributor is responsible for undertaking its own target market assessment in respect of the shares in the Company and determining appropriate distribution channels.

[1] Based on total market share, Cary Group holds top 1-3 positions in all the Company's current markets according to a market study performed for the Company by Strategy&. SE ("**The Market Study**").

[2] Defined below.

[3] References to "Nordic Capital VIII" in this press release refer to Nordic Capital VIII Alpha, L.P. and Nordic Capital VIII Beta, L.P. (acting through its general partner Nordic Capital VIII Limited). References to "Nordic Capital" in this press release refer to Nordic Capital VIII and / or, depending on the context, all, or some, of its previous or subsequent entities and structures and associated entities. For more information, see "About Nordic Capital".

[4] Based on the Company's Net Promoter Score on 86 in March 2021, based on UK and Sweden weighted in relation to revenue. In Sweden the NPS was 89.

[5] Group NPS based on Sweden and UK, weighted according to revenue. Based on internal NPS gathered in March 2021.

[6] Including Ralarsa and Autoklinik.

[7] Excluding partners.

[8] Whereof 155 in Spain, 27 in Norway, 9 in Sweden and 6 in Denmark.

[9] Whereof 297 in the UK, 85 in Spain and 15 in Denmark. Excluding partners.

[10] In the UK, national reach is achieved through the partnership with the National Windscreens consortium.

[11] The Market Study, based on Austria, Belgium, Denmark, Finland, France, Germany, Ireland, Italy, Netherlands, Norway, Poland, Portugal, Spain, Sweden, Switzerland and the UK.

[12] Carbon dioxide equivalents. CO2 emissions based on estimates of direct emissions on the Nordic market.

[13] Proportion of damage repaired by the total number of jobs.

[14] The Market Study.

[15] In constant currency. Growth excluding acquired revenue, which is defined as revenue during the first twelve months after consolidation of the respective acquired entities / workshops.

[16] Adjusted EBITA, Operating profit before amortization of intangible assets adjusted for items affecting comparability.

[17] In the last twelve months. Adjusted EBITDA, Operating profit before depreciation and amortization adjusted for items affecting comparability.

[18] "Nordic Capital" refers to any, or all, Nordic Capital branded entities and vehicles and associated entities. The general partners and/or delegated portfolio manager of Nordic Capital's entities and vehicles are advised by several non-discretionary sub-advisory entities, any or all of which are referred to as "Nordic Capital Advisors".

Attachments

Cary Group Holding AB intends to list its shares on Nasdaq Stockholm