



Year end presentation

Q4 2021

February 11 2022

Cary group

Today's agenda & presenters

Agenda

Company overview

Q4 and 2021 performance

Acquisition update

Financial update

Summary

Presenters



Anders Jensen
CEO



Joakim Rasiwala
CFO

Our offering

A leading European vehicle glass repair and replacement company



Vehicle glass repair and replacements

European market leader in vehicle glass repair, replacement and recalibration.



Bus and coach glass repair and replacements

Market leader in repair and replacement of bus glass.



SMART repair and collision

Nordic market leader within SMART (Small to Medium Area Repair Techniques) repair and collision.



A proven business model

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

OUTSTANDING ORGANIC GROWTH

with a strong track record

STRATEGIC ACQUISITIONS IN A FRAGMENTED MARKET

with large outstanding consolidation opportunities

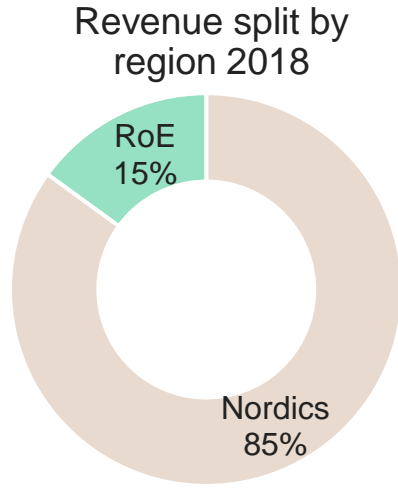
BEST-IN-CLASS PROFITABILITY

with significant scale benefits and operational excellence levers

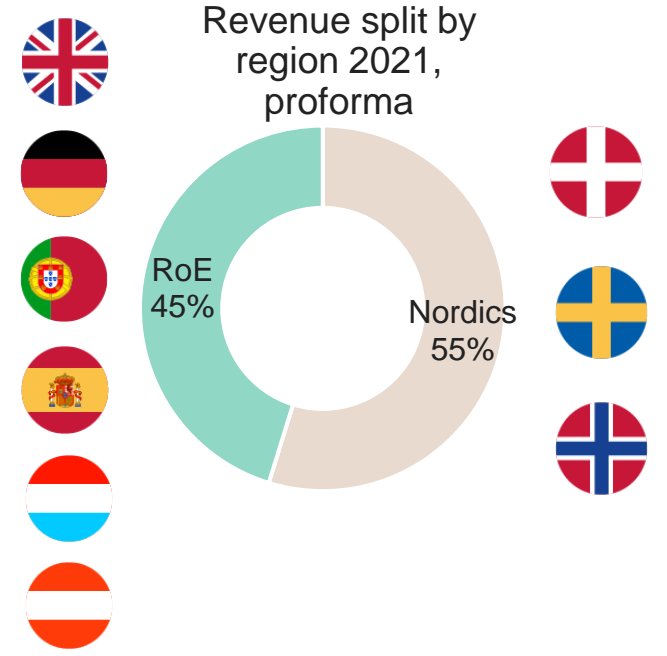
STRONG SUSTAINABILITY FOCUS

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

From a Nordic market leader...



To a pan-european leading vehicle glass repair and replacement company with presence in 9 countries



Q4 and 2021 performance

Key highlights 2021 and Q4 2021

Strong organic and acquisitive growth

- Net sales growth of 30% for 2021 and 53% for Q4
- Organic growth of 6% for 2021, 8% for Q4, despite Covid-19 mobility restrictions



Continued European expansion

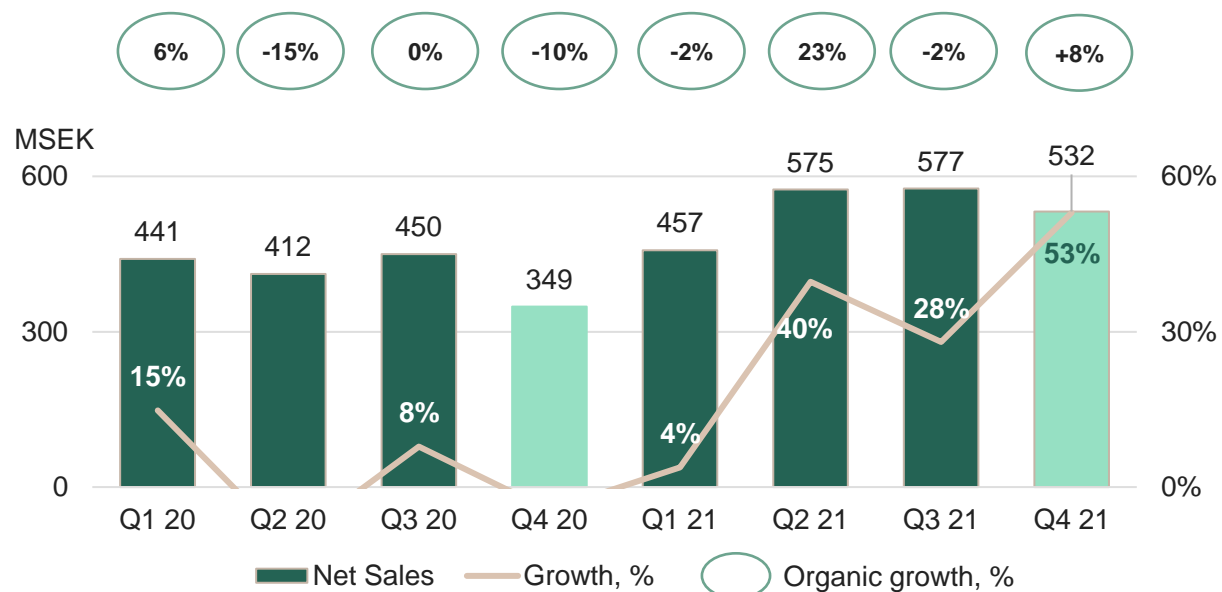
- Consolidating a fragmented market, targeting to become a leading European player
- 19 acquisitions announced in 2021
 - Adding 1 bn SEK in sales
- Important market entries in Spain, Germany and Portugal
- Important add-on acquisitions in the Nordics
- Opportunities to extract scale benefits, synergies, and increasing operational efficiency leading to improved profitability

Strategic milestones achieved

- Listing on Nasdaq Stockholm in September 2021
- Climate neutral based on emissions for 2021

Sales development Q4

Growth, net sales per quarter



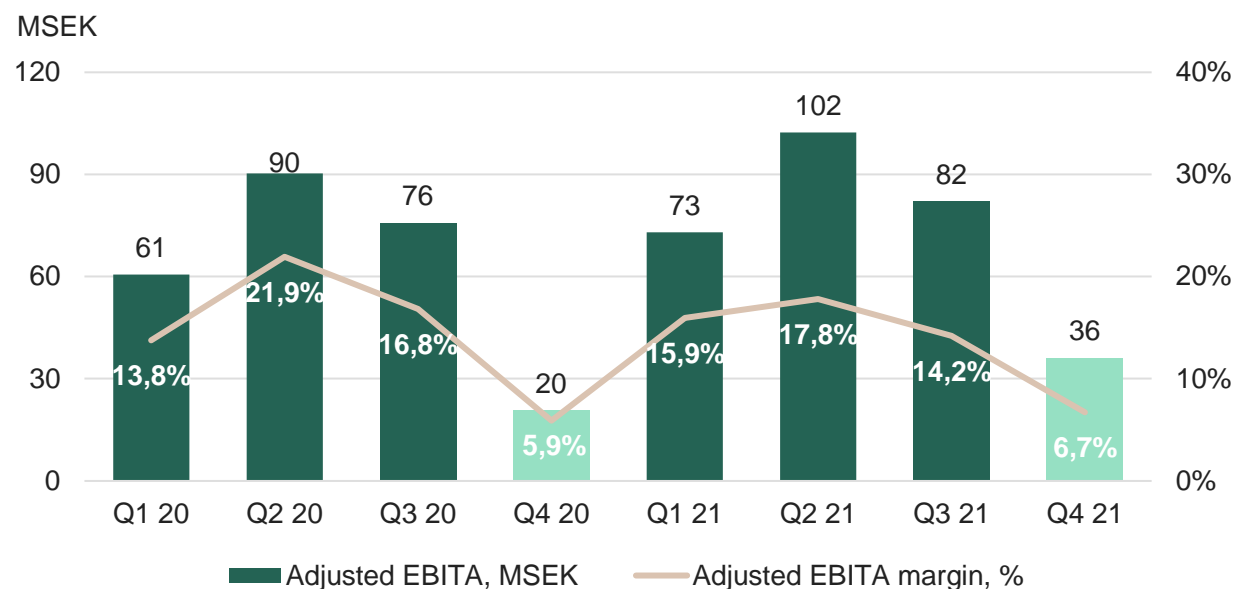
MSEK	Q4 20	Q4 21	Change	FY 2020	FY 2021	Change
Net sales	349	532	+53%	1,651	2,141	+30%
Organic growth	-1	30	+8%	-84	100	+6%
Acquisitions	39	148	+42%	130	392	+24%
Currency effects	-6	6	+2%	-23	-2	0%

Comments

- Net sales increased by 53% to 532 MSEK (349)
 - M&A growth of 42% driven by the acquired businesses in the Nordics and Ralarsa in Spain
 - Organic growth of 8% driven by Sweden
 - Pandemic related lockdowns affected sales negatively in Norway and UK
 - Sales in the UK impacted by IT incident

Adjusted EBITA-development Q4

Adjusted EBITA and EBITA margin, per quarter



Comments

- Adjusted EBITA increased by 75% to 36 MSEK (20)
- Adjusted EBITA margin of 6,7% (5,9)
 - Higher margin driven by the increased sales, acquired and organic
 - Lower sales in the UK and Norway had a negative impact on profitability
 - Investments in central functions due to our continued expansion amounted to -22 MSEK (-9), affecting the margin
- Focus on increasing profitability through leveraging economies of scale with new acquisitions, extracting synergies and taking specific measures where required.

MSEK	Q4 20	Q4 21	Change	FY 2020	FY 2021	Change
Adj EBITA	20	36	+75%	247	294	+19%
Adj EBITA margin	5,9%	6,7%		15,0%	13,7%	

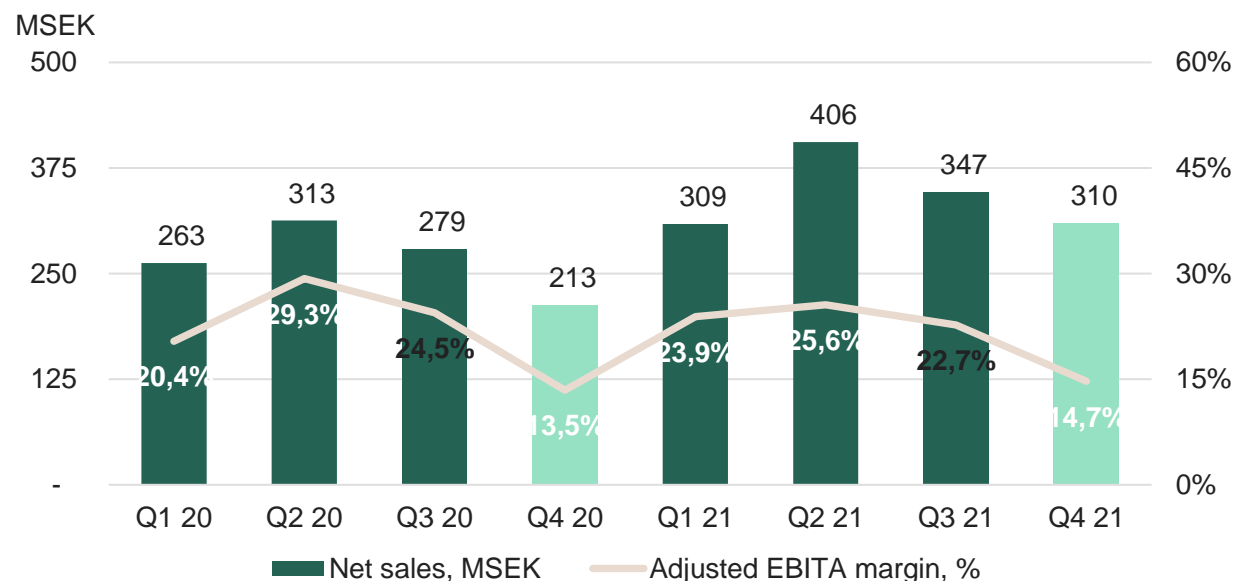
Adjusted EBITA impacted by 9 MSEK (2) in one off costs in Q4 2021 and 79 (8) MSEK for full year 2021.

Business segment Nordics

Share of Group net sales

65%¹⁾

Net sales and adjusted EBITA margin per quarter



MSEK	Q4 20	Q4 21	Change
Revenues	213	310	+46%
Adj EBITA	29	46	+60%
Adj EBITA margin	13,5%	14,7%	

Comments

Strong sales development

- Net sales increased by 46% to 310 MSEK (213)
 - M&A growth of 30% driven by the acquired businesses in Sweden and Norway
 - Organic growth of 15% driven by Sweden
 - The VGRR business in Norway negatively affected by lockdowns due to Covid-19

Increased EBITA and margin

- Adjusted EBITA increased by 59% to 46 MSEK (29)
- Adjusted EBITA margin of 14,7% (13,5)
 - Higher margin driven by the increased sales in Sweden

In January, the Norwegian insurance company Fremtind selected the Norwegian VGRR business Cary Bilglass as one of its strategic partners.

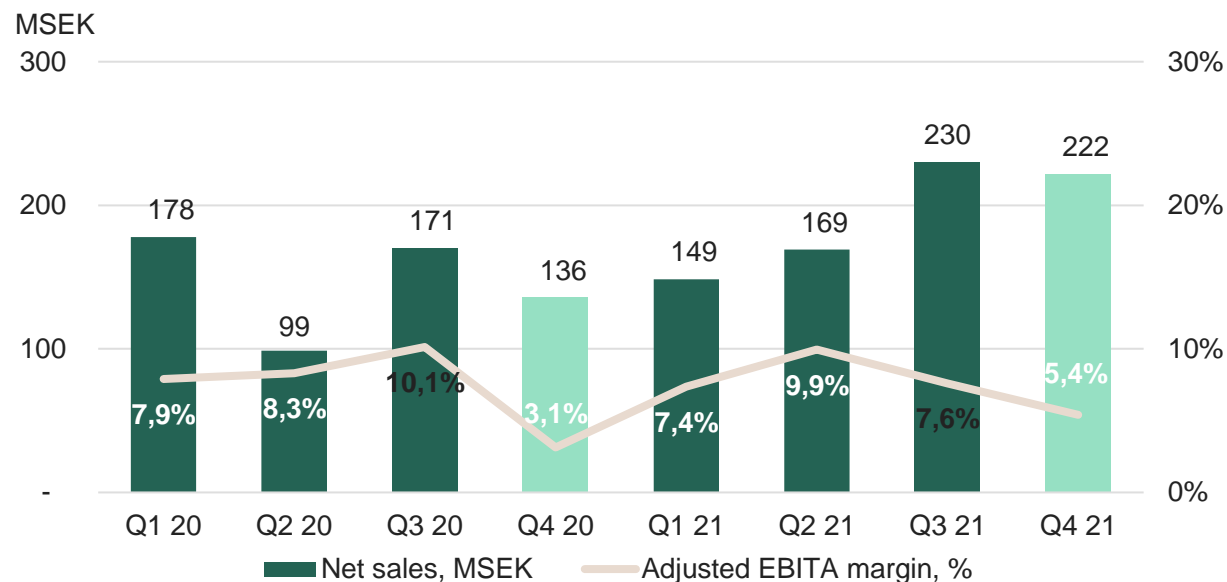
1) Full year 2021

Business segment Rest of Europe

Share of Group net sales

35%¹⁾

Net sales and adjusted EBITA margin per quarter



MSEK	Q4 20	Q4 21	Change
Revenues	136	222	+64%
Adj EBITA	4	12	+182%
Adj EBITA margin	3,1%	5,4%	

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

Net sales for the fourth quarter includes an expected insurance compensation of 12 MSEK.

One off costs in the fourth quarter 2021 amounts to -8 MSEK of which -4 MSEK relates to the IT intrusion in the UK.

Comments

Strong sales development

- Net sales increased by 64% to 222 MSEK (136)
 - M&A growth of 59% mainly driven by the acquired business in Spain

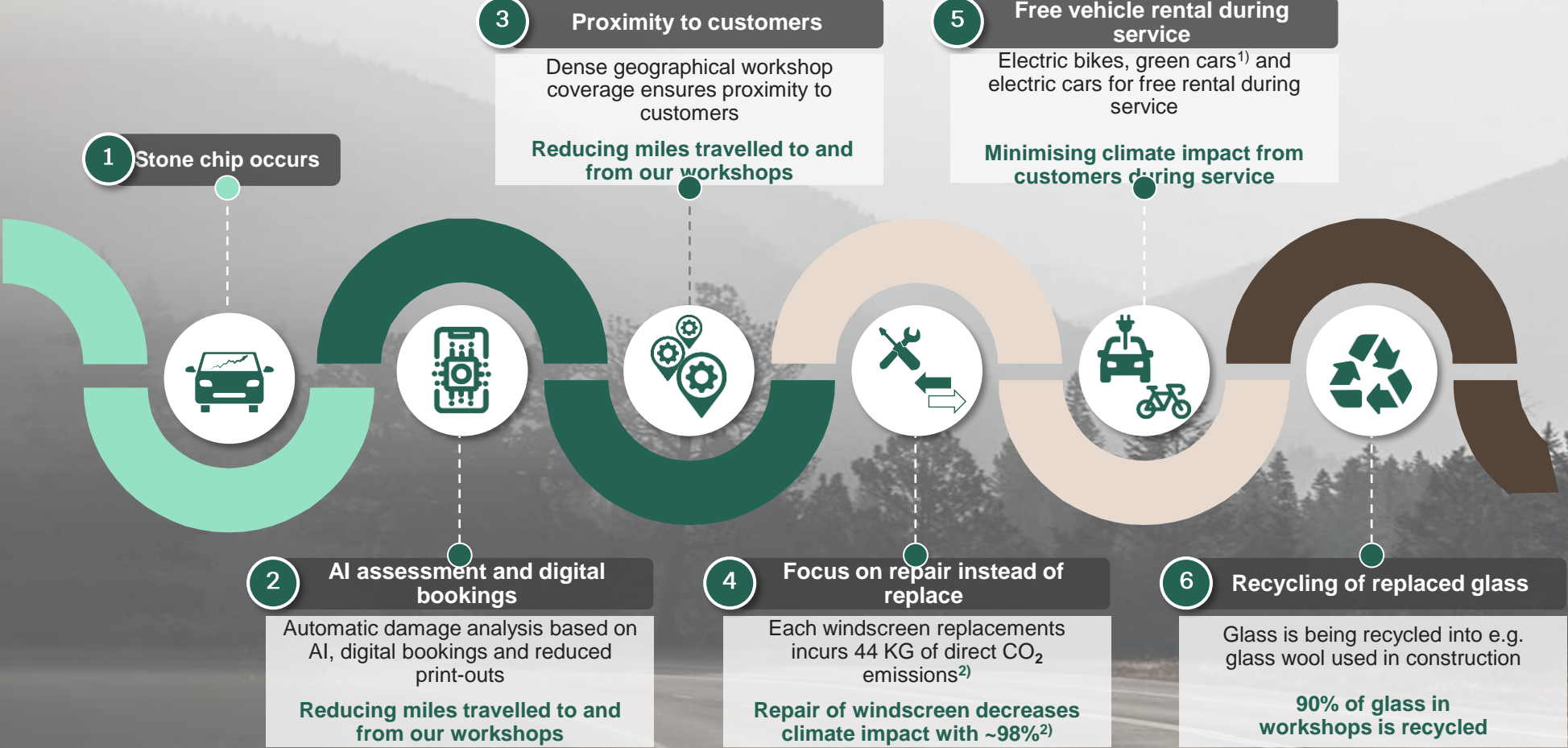
Higher margin

- Adjusted EBITA increased to 12 MSEK (4)
- Adjusted EBITA margin of 5,4% (3,1)
 - Higher sales impacted profitability positively
 - IT incident in UK led to disruptions in operations and impacted sales and earnings
 - Total effect on EBITA -15 MSEK
 - Insurance compensation of +12 MSEK
 - One off costs of -4 MSEK

1) Full year 2021

Sustainable strategy

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



3 Proximity to customers
Dense geographical workshop coverage ensures proximity to customers
Reducing miles travelled to and from our workshops

5 Free vehicle rental during service
Electric bikes, green cars¹⁾ and electric cars for free rental during service
Minimising climate impact from customers during service

2 AI assessment and digital bookings
Automatic damage analysis based on AI, digital bookings and reduced print-outs
Reducing miles travelled to and from our workshops

4 Focus on repair instead of replace
Each windscreen replacements incurs 44 KG of direct CO₂ emissions²⁾
Repair of windscreen decreases climate impact with ~98%²⁾

6 Recycling of replaced glass
Glass is being recycled into e.g. glass wool used in construction
90% of glass in workshops is recycled

14 Note: 1) With a maximum environmental impact of 115 CO₂e g/km. 2) Based on Nordic estimate of direct emissions

Climate neutral from 2021

Climate neutral by CO2 compensation

- Captures and binds the same amount of CO2 as we produce.
- Compensate for all emissions in the product life cycle (Scope 1, 2 and 3)
 - Takes responsibility for emissions from our own windscreen repair and replacement services, but also compensates for the emissions that our suppliers generate.
- The calculation of emissions is done in accordance with the ISO 14021 standard and are verified by a third party.
- Compensation takes place through various tree-planting projects, certified in accordance with Plan Vivo.

Additional platforms- and
add-on acquisition signed
in the fourth quarter

Value creating acquisition strategy

Acquisition strategy across three main categories



Zentrale Autoglas, Germany



Strategic rationale

Key criteria for acquiring Zentrale Autoglas:

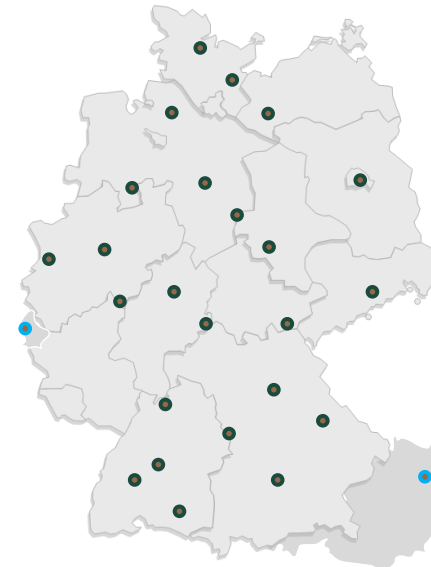
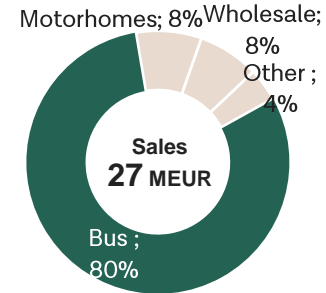


Zentrale Autoglas in brief

- Founded in 1988, CEO remains on board and as shareholder
- Market leading in Germany. Operations in Austria and Luxemburg.
- Own wholesale business with external sales throughout Europe
- 200 employees at 25 locations in Germany, 1 in Austria and 1 in Luxemburg

27 MEUR
Sales
2020

Strong market position



Market leading position:

- Fragmented market, further opportunities for add-ons
- Market driven by local traffic bus operators and tourist buses
- Potential for synergies on customer side as well as purchasing with Cary's existing businesses

25
Workshops
in DE, 1 in
LUX, 1 in AU

- Workshops in Austria and Luxemburg
- Workshops in Germany

ExpressGlass, Portugal



Strategic rationale

Key criteria for acquiring ExpressGlass:



ExpressGlass in brief

- High quality business founded in 2004
- Management committed to stay on board
- Own wholesale business
- 200 employees at 90 locations in Portugal, of which 44 owned by ExpressGlass
- One of the market leaders
- Potential for synergies in distribution and insurers with Ralarsa

11 MEUR
Sales
2021

Strengthened position on the Iberian Peninsula

Leading Portuguese VGRR company with national coverage

Strong relationships with top insurance customers:

- Strong position with fleet companies and car rental providers
- Strong position with the majority of the top insurance companies



90
Workshops
in Portugal

- 44 own workshops
- 46 workshops operated by independent partners

MPS Bilskade, Norway



Strategic rationale

Key criteria for acquiring MPS Bilskade:



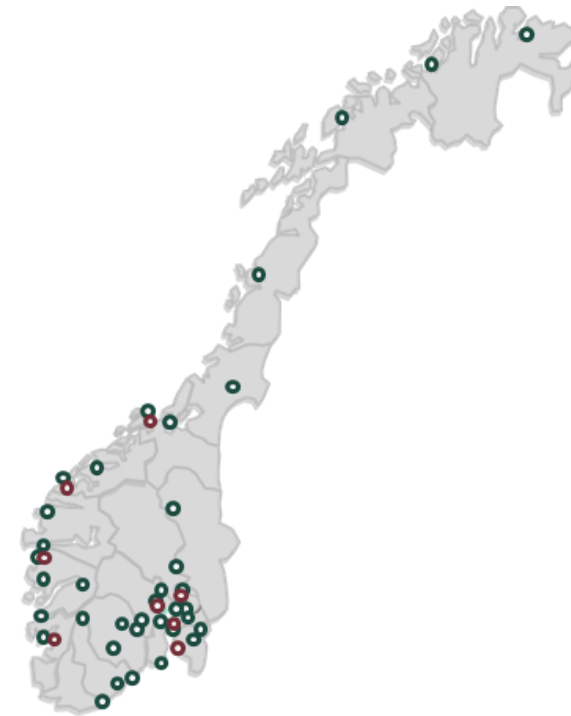
MPS Bilskade in brief

- One of the leading Norwegian chains within small body repair / Smart repair
- Strong position with insurers and leasing companies
- 63 workshops, owns 9
- 55 employees
- High degree of innovation in sales and marketing

160 MNOK
Sales
2021

Nationwide coverage in Norway

MPS is one of the leading Smart Repair / body repair damage chains in Norway



Strong platform, complementary to Cary:

- Well established Smart Repair business with strong relationships with insurers and lease companies
- Network of workshops that provide opportunity for synergies



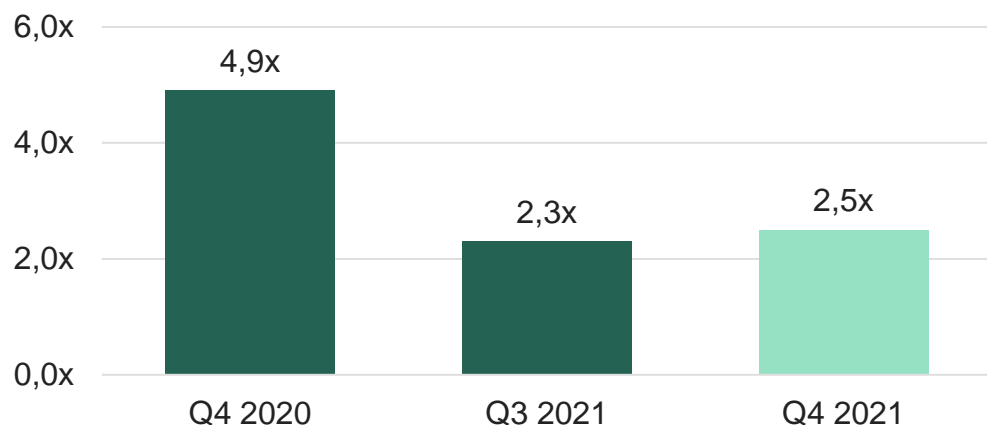
- 9 own workshops
- 54 workshops operated by independent partners

Financial position

Financial position

Leverage and net debt

- Leverage ratio at 2.5x (Net Debt/Adjusted EBITDA LTM)
- Net debt amounted to 1,222 MSEK (1,115 MSEK on September 30, 2021)



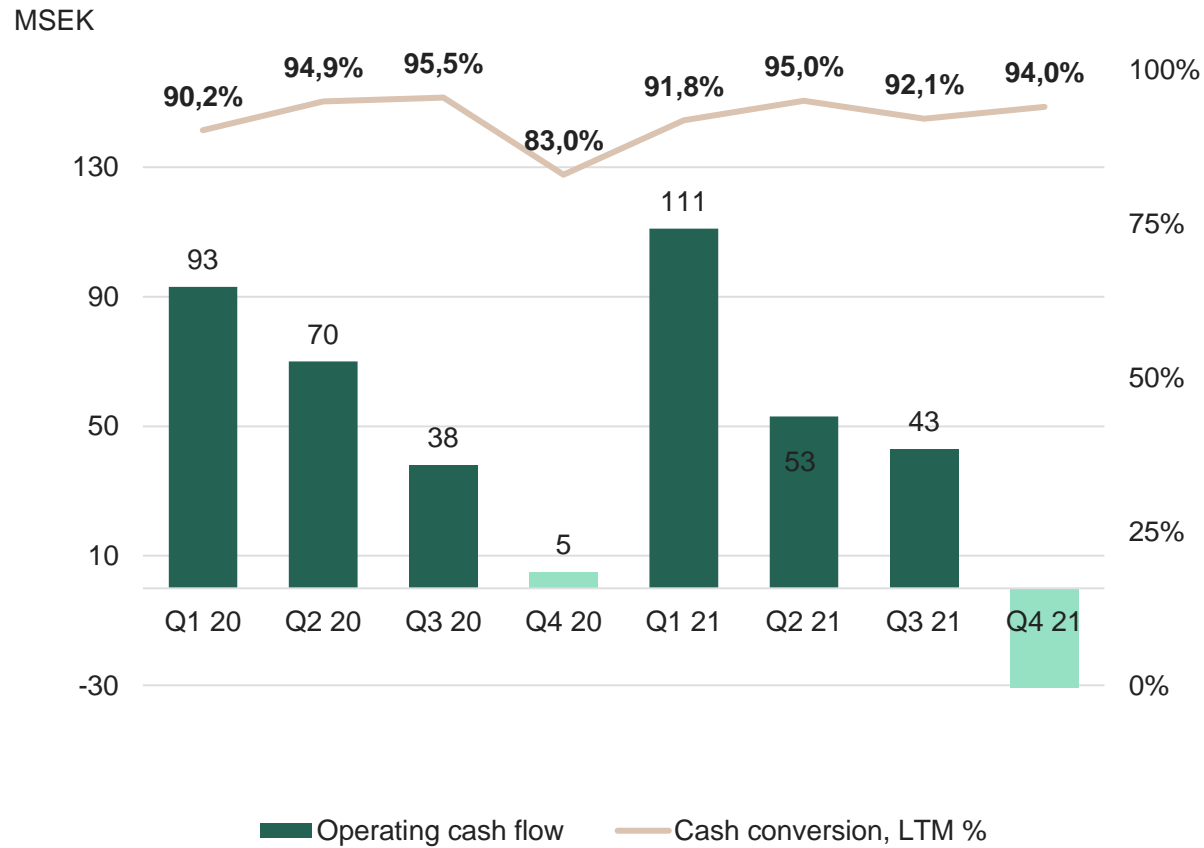
Net debt includes 419 MSEK of long- and short-term lease liabilities (416 MSEK at Q3 2021). Net debt defined as: Interest-bearing liabilities (amounts due to credit institutions and lease liabilities) minus cash and cash equivalents.

Credit facilities and capitalisation

- Credit facility at year end had a total available amount of 2,050 MSEK
 - Unutilized part amounted to 1,150 MSEK at year end
- To safeguard financial capacity for further expansion opportunities, credit facility has been extended by 1,050 MSEK in February 2022. The total credit facility now amounts to 3,100 MSEK.
- Equity at end of quarter amounted to 1,561 MSEK
- Cash in bank amounted to 146 MSEK

Operating Cash flow

Operating cash flow and cash conversion



Comments

Increased operating cash flow

- Cash flow from operating activities increased in Q4 to -33 MSEK (5)
- Cash flow was affected negatively by payments relating to listing costs
- Net cash flow in the quarter amounted to -93 MSEK (-46)
- Net cash at the end of Q4 was 146 MSEK (96)
- All IPO costs paid as of the end of the fourth quarter

Cash conversion

- Highly cash-generative business with cash conversion amounting to 97.9% in the fourth quarter (92.1), 94.0% LTM
- Limited underlying capex and net working capital need resulting in strong cash generation

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	51
Total acquisitions January-March 2021				133	
Skadevekk Holding AS	Nordics	2021-04-01	80%	55	54
Bilvård i Handen AB	Nordics	2021-05-01	75%	10	7
Rehnglas AB Tyresö	Nordics	2021-06-01	Asset	4	3
Borås Glas	Nordics	2021-06-01	Asset	1	1
GK Glas AB Nacka	Nordics	2021-06-01	Asset	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	47
Falköpings Glasmästeri AB	Nordics	2021-07-01	Asset	3	2
Phoenix Windscreens Ltd	Rest of Europe	2021-08-01	100%	19	10
Ralarsa S.U.	Rest of Europe	2021-08-01	100%	265	301
Total acquisitions July-September 2021				326	
Total acquisitions October-December 2021				-	564
Amortization of acquisition-related intangible assets					-14
Closing balance					551

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

- No additional acquisitions were closed in the fourth quarter
- For the year 2021, announced acquisitions adds 1 bn SEK in net sales
- Total acquisition-related intangible assets of 564 MSEK in 2021

Financial targets

Medium term financial targets

Target	Description	Outcome 2021
Growth	<p>15% growth p.a. whereof at least half organic</p> <p><i>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</i></p>	<p>Total growth of 30%</p> <p><i>Organic growth 6%</i></p> <p><i>Acquired growth 24%</i></p>
Margin	<p>20% Adj. EBITA margin in the medium term</p> <p><i>Target to achieve an adjusted EBITA margin of 20% in the medium term.</i></p>	<p>Adjusted EBITA-margin of 13,7%</p>
Capital structure	<p>2.5x Net debt / Adj. EBITDA</p> <p><i>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.</i></p>	<p>2.5x Net debt / Adj. EBITDA</p>
Dividend policy	<p>Pay a dividend of at least 20% of Net income</p> <p><i>Decisions on dividends shall take Cary Group's investment opportunities and financial position into consideration</i></p>	<p>In light of the company's high acquisition rate, the Board proposes no dividend for 2021</p>

Financial overview Q4 and full year 2021

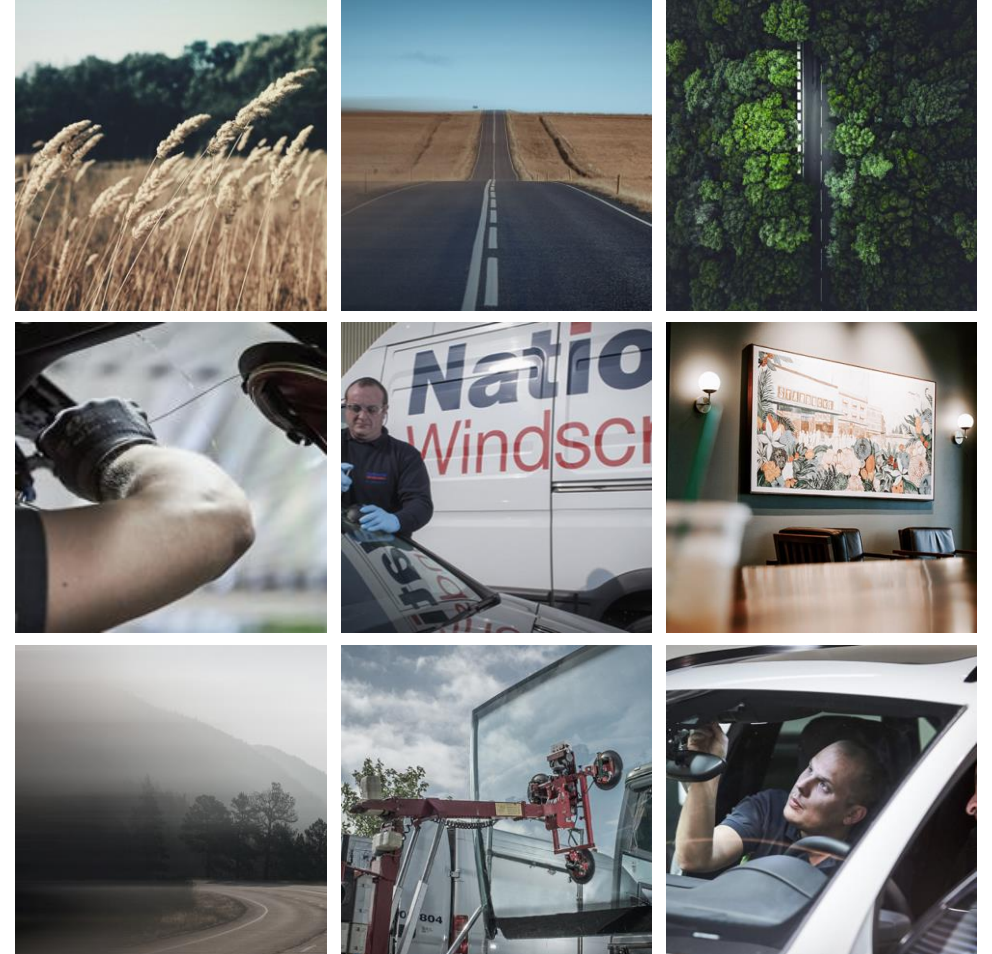
MSEK	Q4 21	Q4 20	Change	FY 2021	FY 2020	Change
Net sales	532	349	+53%	2 141	1 651	+30%
Adjusted EBITA	36	20	+75%	294	247	+19%
Profit for the period	13	-22	NA	29	48	-39%
Adjusted profit for the period	20	-20	NA	92	54	69%
Earnings per share, SEK	0.10	-0.19	NA	0.21	0.45	NA
Cash flow from operating activities	-33	5	NA	175	205	-15%
Key figures						
Organic growth	+8%	-15%		+6%	-5%	
Adjusted EBITA margin	6.7%	5.9%		13.7%	15.0%	

EBITA impacted by -9 MSEK in one off costs in Q4 2021 (-2) and -79 MSEK for full year 2021 (-8).

Q4 and full year 2021 summary

Q4 and full year 2021 summary

- Strong organic growth despite a year affected by Covid-19
 - 8% in Q4, 6% 2021
- Strong total sales growth due to acquired business
 - 53% in Q4, 30% 2021
- European expansion journey continues
 - Market entries in Spain, Germany and Portugal
 - Important add on acquisitions in the Nordics
- Positive outlook as Covid-19 restrictions are eased or removed in most of our markets
- Focus on increasing profitability in 2022
 - Integrating acquisitions to extract operational scale benefits and synergies
 - Cost specific measures in countries with lower profitability





Q&A

Cary group