Vestum's Year-End Report 2021: Continued high acquisition rate

2022-02-24

As of the date of this report, Vestum has announced 42 acquisitions, of which 38 have been completed. The estimated 12-month rolling net sales for all 42 announced acquisitions amount to SEK 5,709 million with an adjusted EBITA of SEK 636 million. Pro forma accounts have been prepared for all acquisitions that were completed during 2021.

Highlights of the period January – December 2021

- Vestum has completed 31 acquisitions during 2021. The acquisitions have been completed from June and onward.
- Net sales amounted to SEK 1,316 million
- EBITA amounted to SEK 100 million
- Cash flow from operating activities before changes in working capital amounted to SEK 124 million
- EBITA per share amounted to SEK 0.28

Highlights of the period October – December 2021

- Vestum has completed 11 acquisitions during the fourth quarter, out of which 7 have affected the result only in December
- Net sales amounted to SEK 987 million
- EBITA amounted to SEK 72 million
- Cash flow from operating activities before changes in working capital amounted to SEK 87 million
- EBITA per share amounted to SEK 0.20
- Strengthened financial position through directed share issue of SEK 2 billion and a senior unsecured bond of SEK 1.5 billion

Summarising comments by CEO Conny Ryk

Vestum continues to deliver strong growth with solid profitability and has entered into agreements to make 42 acquisitions since the Group was publicly announced on March 22, 2021, of which 38 have been completed. The total 12-month rolling net sales for all 42 acquisitions is estimated to be SEK 5,709 million with an adjusted EBITDA of SEK 812 million and adjusted EBITA of SEK 636 million. That corresponds to an adjusted EBITDA margin of 14.2% and adjusted EBITA margin of 11.1%. For all completed acquisitions in 2021, the organic growth was 7.5% compared to the previous year, and the organic EBITA margin increased from 10.8% to 11.1% during the same period. The previously announced process of moving Vestum's listing to Nasdaq Stockholm is proceeding according to plan.

Our acquisition rate remained high during the fourth quarter and we entered into agreements to make a total of eight acquisitions. The strategic acquisition of the Norwegian company Lakers Group, with net sales of approximately SEK 1.2 billion, gives Vestum a foothold in new markets in northern Europe and creates a strong platform for continued strong and profitable growth. Lakers Group provides us with a well-established organisation for making acquisitions, well developed sustainability work and a competent and experienced management team. In connection with the transaction, we carried out a directed share issue of SEK 2 billion and during the last quarter Vestum also issued an unsecured bond loan of SEK 1.5 billion with a framework of SEK 3 billion. The share issue and bond loan have helped strengthen both our financial position and shareholder base and paves the way for continued expansion and growth in both new and existing geographical markets. In connection with the above, we also raised our financial growth target and adjusted our capital structure target.

In summary, we have in a short period of time created a well-diversified Group consisting of 42 specialist companies within the three segments Water, Services, and Infrastructure, driven by an efficient, scalable and proactive acquisition process. With established platforms in Sweden and Norway, strong company management teams and organisations, as well as operations in several geographical markets, we have created a solid platform for continued high and profitable growth, both organically and through acquisitions.

With 2021 behind us, we can conclude that we have generated strong growth with solid profitability despite a year that was marked by challenges connected to the effects of the pandemic as well as high raw material prices and high levels of sick leave. We can still see the continued effects of the pandemic during the start of 2022, but we also see that our companies remain strong and are handling the challenges well and we anticipate a strong 2022 both in our core markets and internationally. We have started the year with 11 acquisitions, which is a higher acquisition rate compared to 2021, and we feel confident in achieving our financial target of an EBITA of SEK 3 billion in 2025. With a competent and driven organisation, combined with our extensive knowledge of the construction and infrastructure industries as well as entrepreneurial led companies, we are convinced that we are the market's leading Group for developing these specialist companies over time.

Responsible Party

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About Vestum

Vestum is a Swedish acquisition-driven company focused on acquiring and developing specialist companies within the segments Water, Services and Infrastructure. Vestum is actively looking for high-quality companies with proven business models, strong market positions and predictable cash flows where Vestum can be involved and contribute to continued positive development.

For additional information, please visit: www.vestum.se

Vestum's share is traded under the short name VESTUM on Nasdaq First North Growth Market and the company's Certified Adviser is G&W Fondkommission: phone: +46 (0)8 503 000 50, e-mail: ca@gwkapital.se.