

Inwido Capital Markets day 2021

Tips & house rules during the meeting

- You can download the presentation from inwido.com
- Presentations will start at 08:30 CET – program ends 11:30
- To ask a question during Q&A
 - On site Stockholm – raise hand
 - On webcast via Financial Hearings

Participants in Stockholm – please consider social distancing during meeting



Windows & doors

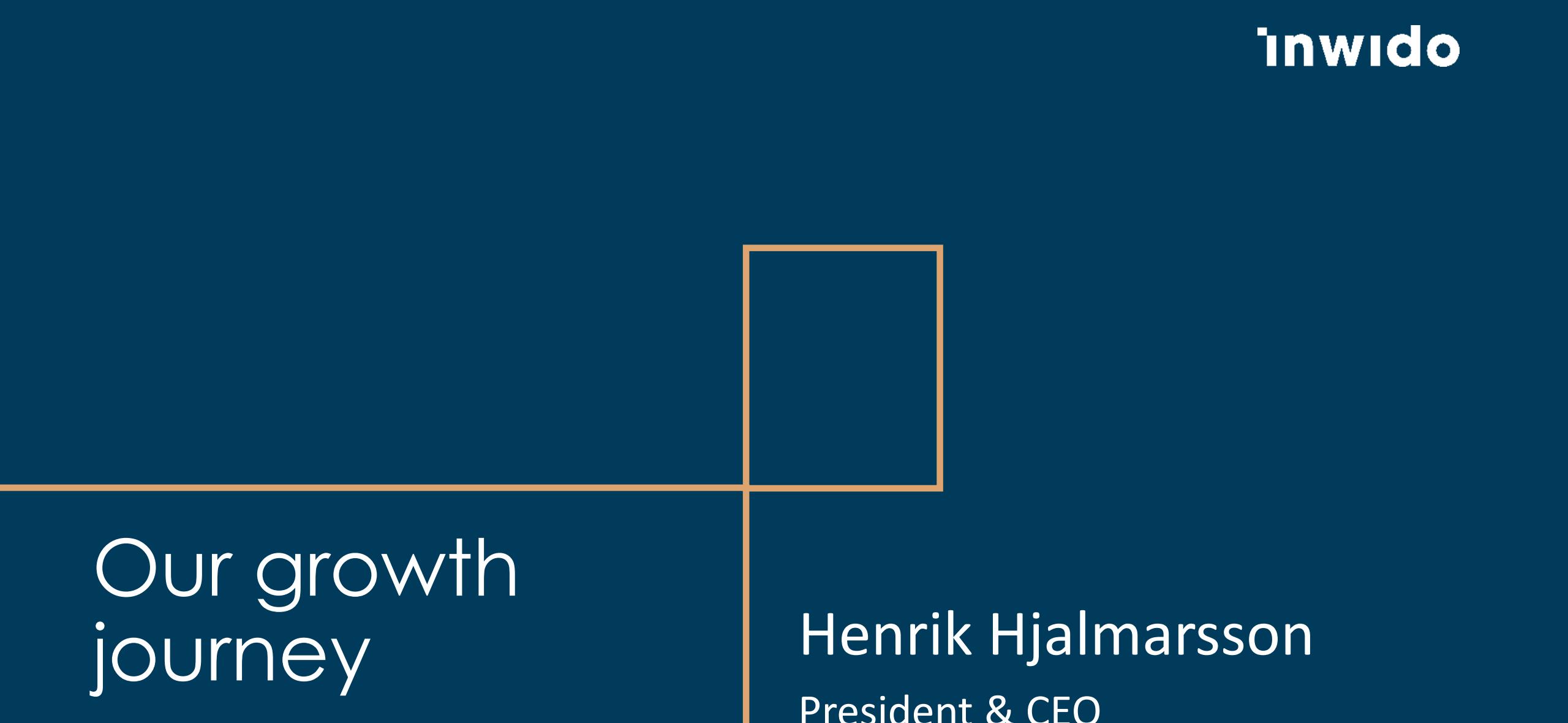


Capital Markets Day agenda

08:30	CMD 2021 opening	
08:35	Inwido's growth journey	Henrik Hjalmarsson
	For a sustainable Inwido	Lena Wessner
09:45	Break	
10:05	Panel talk "from small to big"	Jonna Opitz & Antti Vuonokari
	The numbers that matter	Peter Welin
11:05	Q&A and close of program	Inwido Group Mgmt
11:30	Meet Inwido Group Management for lunch	







Our growth
journey



Henrik Hjalmarsson
President & CEO

Topics to cover

- This is Inwido
- Strategic cornerstones & value creation model
- 2021 achievements
- A growth focused strategy
- New long term targets
- Updated reporting structure
- Outlook 2022
- Summary



Clear market leader in the Nordic region

This is Inwido

- Leading window group in Europe
- Clear market leader in the Nordic region with strong presence in the UK & Ireland
- Net sales of SEK 7.3 billion LTM Q3 2021
- Operating EBITA margin of 12.2% LTM Q3 2021
- Approx. 4,600 employees



Our cornerstones for sustainable and profitable growth

1

A decentralized structure drives customer and results focus

3

Sustainable growth driven through acquisitions

2

Focus on consumer driven markets for profitable growth

4

Synergies drive structural improvements

A clear and proven value creation model

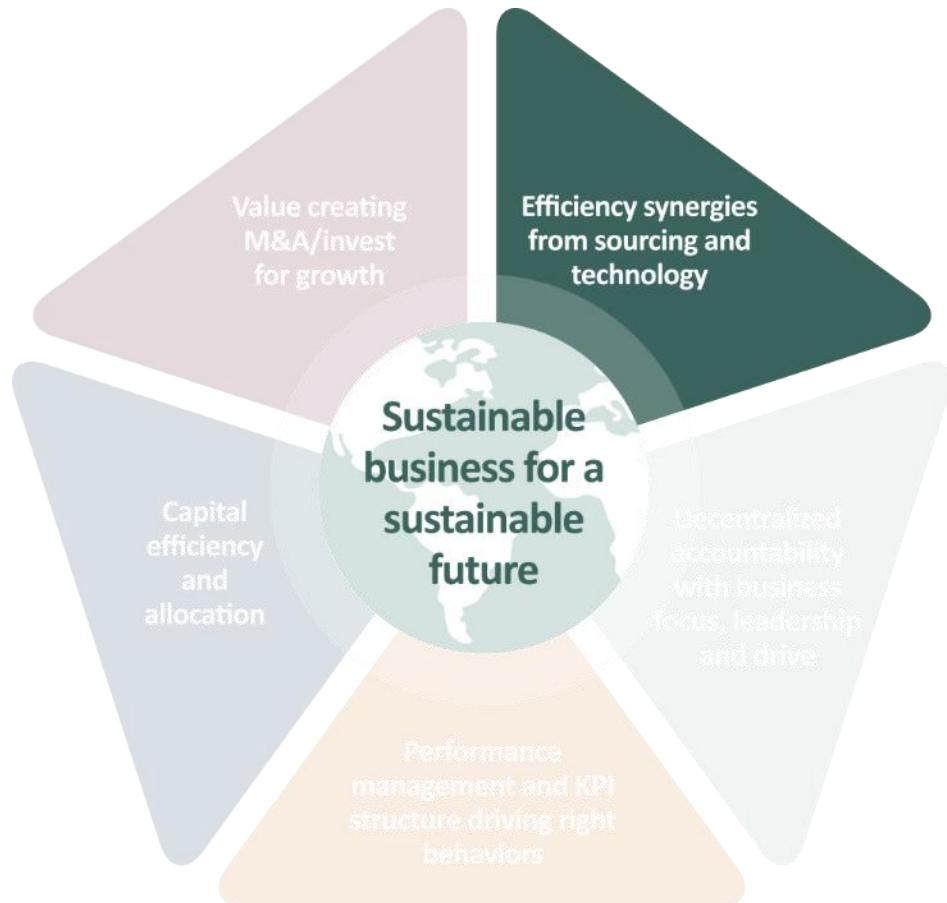
Our approach to drive sustainable shareholder value

- Five elements that are the basis for Inwido's value creation model
- Ensures that we deliver long-term cost-efficient customer and employee value, in a sustainable way, and hence drives shareholder value
- Based on our proven ability to improve businesses to drive profit
- Plug in acquired businesses, but being sensitive to their starting point to protect base and maximize incremental value



The value creation model put into action

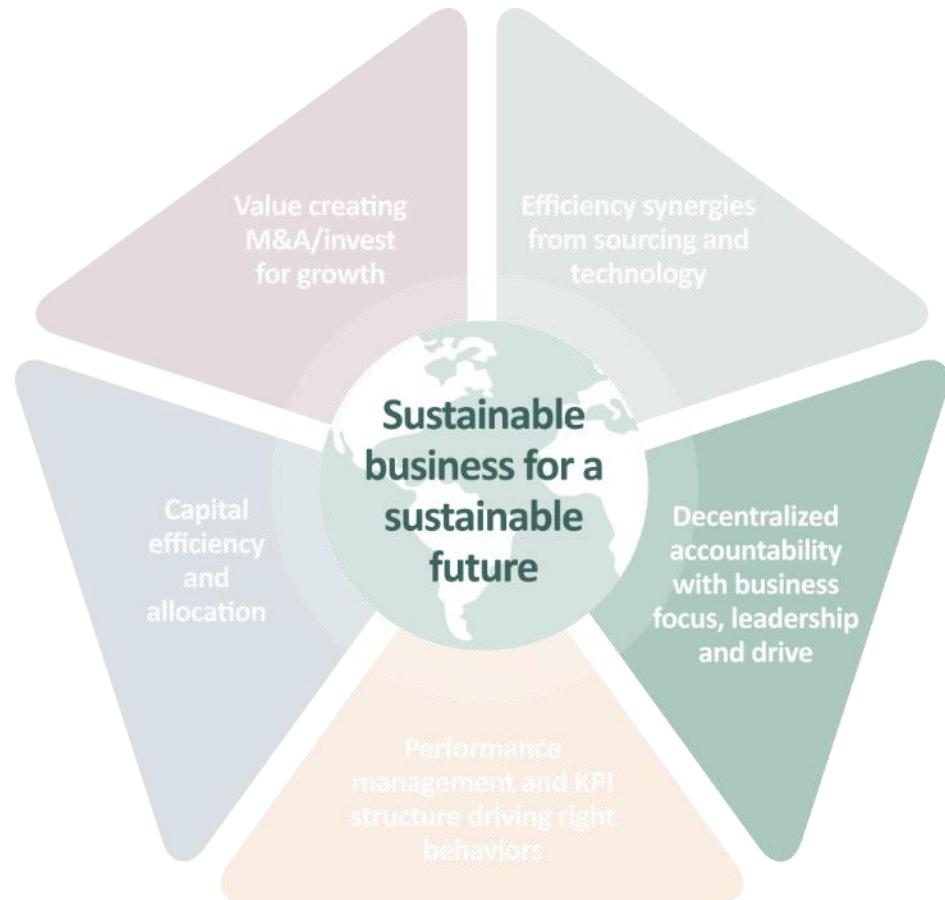
Facilitates profitable growth with sustainability at its core



- Joint sourcing delivers savings on direct materials which improves profitability, while pushing suppliers to improve and innovate
- Best practice in technology improving supply chain efficiency and customer proposition across the group

The value creation model put into action

Facilitates profitable growth with sustainability at its core



- Decision making closer to the market and customers drives agility, speed and relevance
- Strong local business ownership and accountability strengthens business and results focus

The value creation model put into action

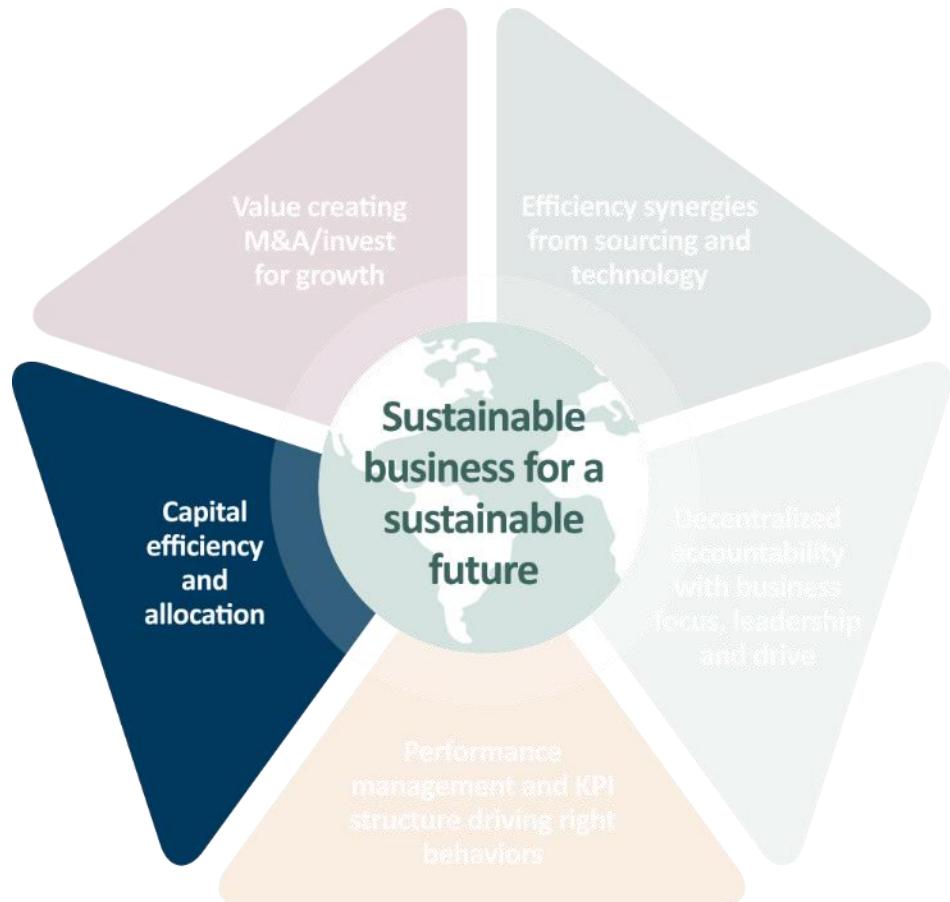
Facilitates profitable growth with sustainability at its core



- Many local P&Ls with strong follow up drives increased transparency and rapid response to deviations
- The Inwido scorecard is a proven way to improve businesses in our industry

The value creation model put into action

Facilitates profitable growth with sustainability at its core



- Strong cash generation allows continuous investments to improve the businesses as well as value creating acquisitions for continuous growth

The value creation model put into action

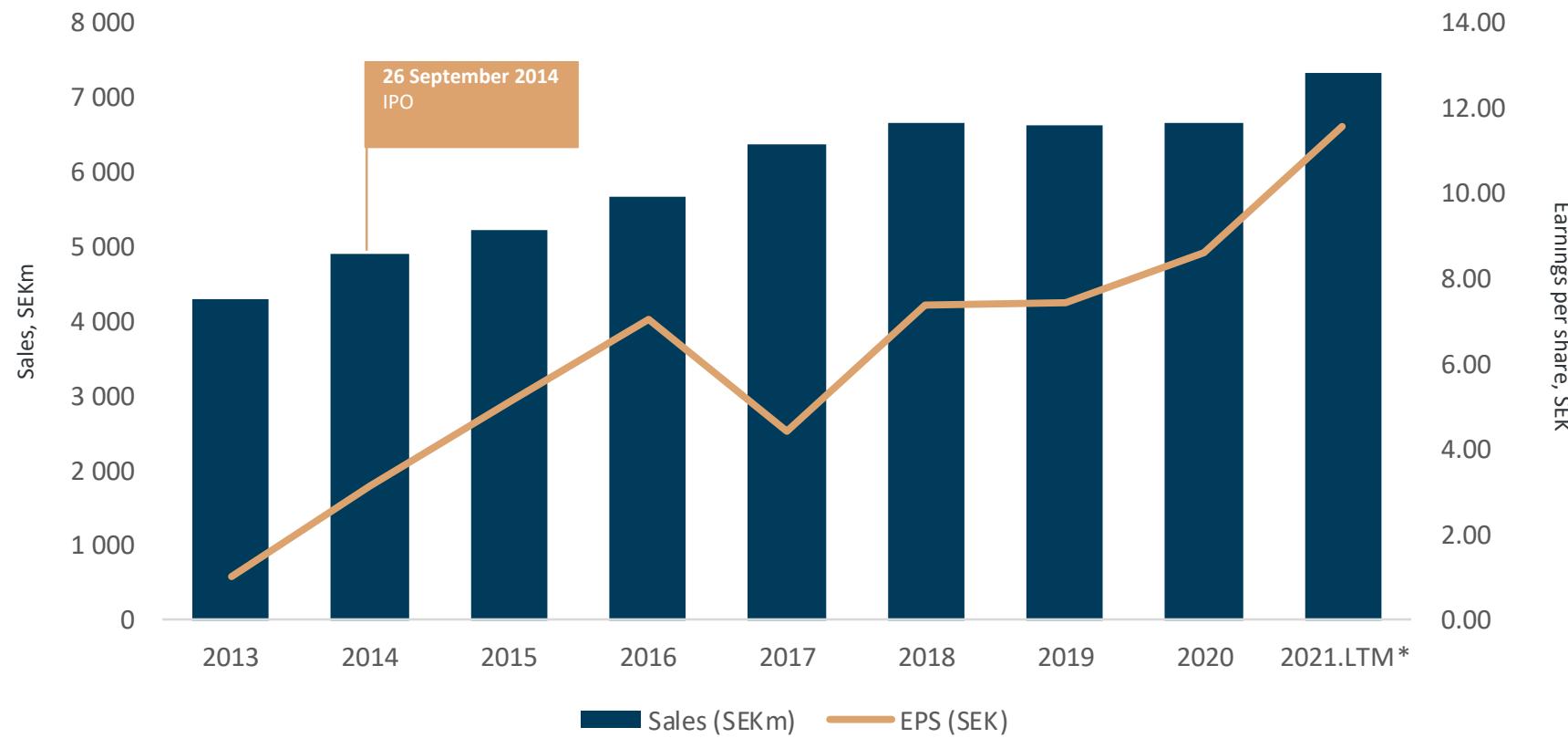
Facilitates profitable growth with sustainability at its core



- Continuous investments for growth and value creating acquisitions are pillars of Inwido's business model
- With cash focus on acquired businesses we generate further resources for growth creating a positive spiral

Consistent shareholder value creation since the IPO

Further strengthened after clarification of the value creation model



* September 2021

2021 achievements

- Q3 2021 – tenth consecutive quarter with strengthened margins and sixth quarter in a row with organic growth
- 2021 has seen favorable markets in general with continued strong order intake for Inwido
- Continuous high price pressure on input materials and transportation
- First nine months sales growth of 14% to SEK 5,550 (organically +15%) and strengthened operating EBITA margin to 11.9% (10.2%)
- We have continued to manage the Covid-19 pandemic responsibly and decisively limiting the impact





A growth focused
strategy

Accelerating our growth ambitions

Three pragmatic elements in our strategy

- Leverage a strong base to take the next steps towards long term profitable growth
- Maintain profit and organic growth momentum while driving M&A more actively





Invest for growth

Dedication and prioritization of resources to drive organic growth

1

Investments for continued growth
in e-Commerce

Because e-Commerce is a considerable growth potential

- Marketing and SEO/SEM
- Supply chain capacity
- Selective entry into new geographies

2

Secure assortment relevance

Because the right assortment drives a sustainable competitive advantage

- Exploit changing consumer preferences, e.g. safety
- Investments in energy efficiency

3

Cement and protect strong
segment positions

**Because the market rewards strong segment/geography positions rather than
overall market leadership**

- Market initiatives and investments
- Unique customer solutions/propositions
- Supply Chain investments



Operational excellence to drive efficiency & margins

Lean businesses with high reliability and resilience wins in the market

1

Step change performance of units lagging in margin

Because profit and margin potential on some larger units is still considerable

- Elaborate customer and segment proposition
- Leverage increased decentralization
- Revamped long term footprint strategies

2

Leverage growth and invest for efficiency to expand margins

Because the right cost level drives market relevance and margin potential

- Exploit Lean by Inwido and operations best practice
- Scrutinize overheads and indirect costs
- Continuous Capex for automation and efficiency

3

Continued development of best practice sharing and pragmatic synergies

Because soft synergies in technology and know-how is a considerable value creator

- Leverage best practice sharing
- Invest in leadership and organization development
- Joint step changed sustainability efforts

Value creating M&A

A key growth driver

- Accelerate M&A activities to deliver material acquired growth annually
- Strive for positive multiple arbitrage and leverage two step acquisitions in the case of stand-alone businesses



A fragmented European industry landscape creates opportunity

- Top four window and door groups have a combined market share of less than 10%
- Many thousands of window and door businesses creates a considerable opportunity for consolidation
- With many family-owned businesses approaching generational shifts there is a clear window of opportunity
- We drive focused efforts to leverage our proven acquisition model to achieve considerable growth





New long-term
targets

Step changing our growth and sustainability ambitions

New long-term targets for Inwido

- Our present financial targets have been in place since the IPO in September 2014 whereas the business and our performance have developed considerably
- In our updated strategy we are increasing our growth ambitions, with considerable opportunity for acquisition driven growth, which should be visible in our long-term targets
- Our contribution to a more sustainable society is a substantial value driver and hence we wish to raise our ambitions in this area

Sustainable value through sustainable business

Long-term targets for Inwido

Revenue

SEK 20 billion by 2030

Profitability

>15% Return On Operating Capital

Capital

Net Debt in relation to Operating EBITDA <2.5x

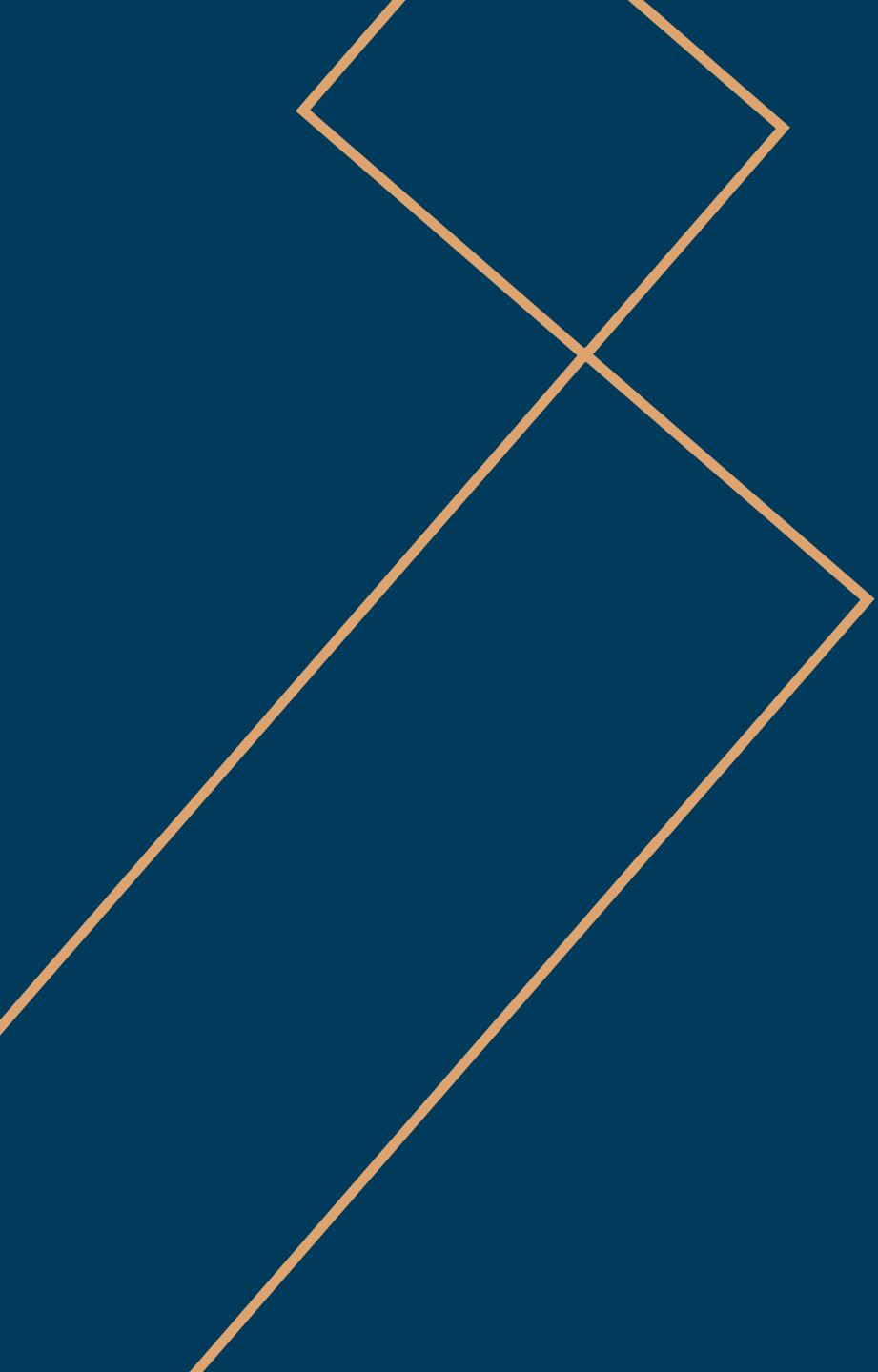
Dividend

Approximately 50% of Net Profit

Sustainable development

Meet the 2030 Science Based Targets for reduction of greenhouse gas emissions

>75% of Group window and door sales EU Taxonomy aligned by 2030



Updated reporting
structure

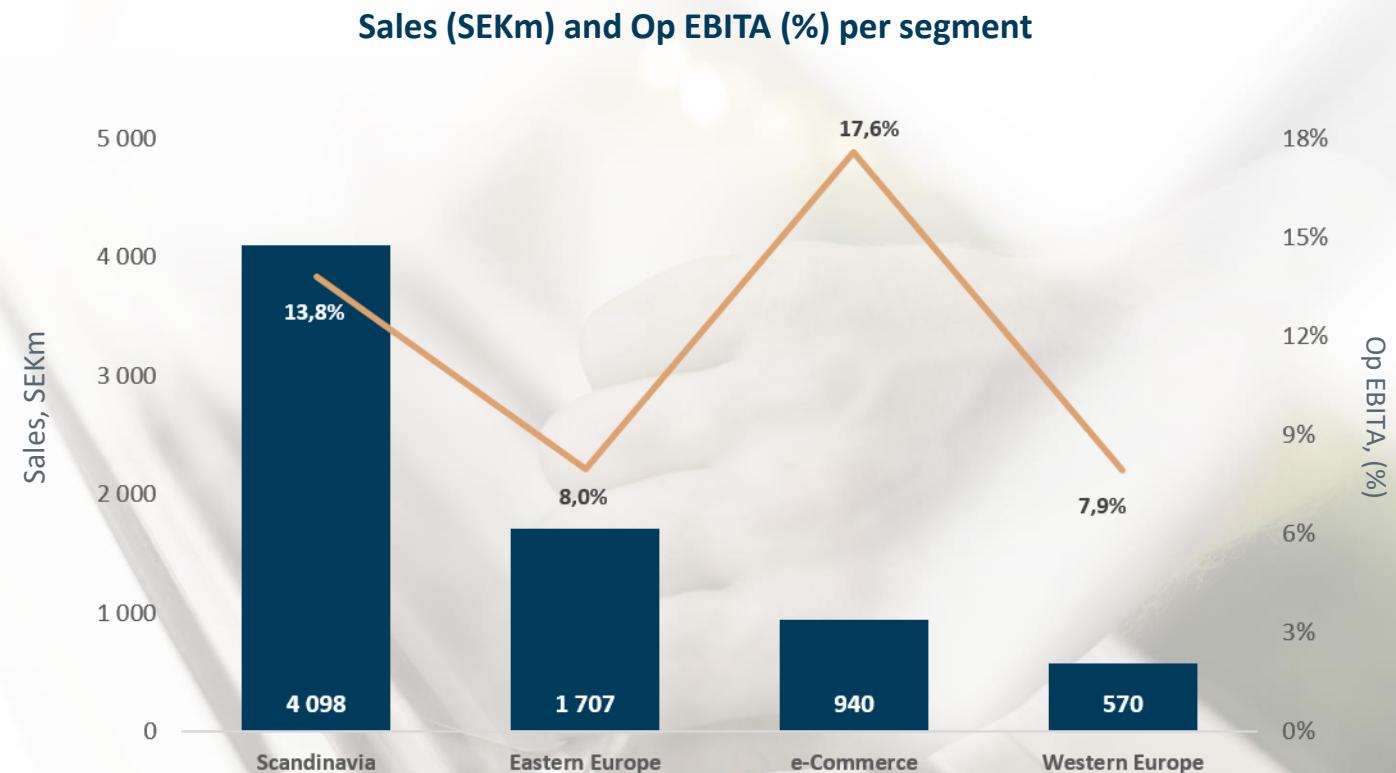
Increased transparency and stronger growth focus

A new reporting structure and organization supporting long term targets

- Increasing the granularity of reporting to improve overall transparency
- Clearly highlighted growth segments, signaling our intent to drive growth more aggressively
- Reporting the e-Commerce business separately more clearly displays the growth trajectory, and the contribution to value creation
- By relieving the CEO from the operational responsibility for the largest Business Area, more senior focus and attention is devoted to the M&A agenda
- Improved ability for stakeholders to understand and analyze the business

From two to four reported Business Areas

Increases transparency and more relevant for understanding the business



Stronger focus on growth and sustainable development

Lean and business minded group management leading the new organization



CFO & deputy CEO
Peter Welin



President & CEO
Henrik Hjalmarsson

ALLAN BROS.
Crafters of Better Windows & Doors



Executive Vice President
Human Resources,
Organization & Sustainability
Lena Wessner



Executive Vice President
Eastern Europe
Antti Vuonokari



Executive Vice President
Communications & Premium
Jonna Opitz



Executive Vice President
Scandinavia
Mads Storgaard Mehlsen,
as of June 1, 2022



Executive Vice President
e-Commerce
Bo Overgaard Christensen





Outlook 2022
and summary

Outlook

- Entering Q4 2021 with a strong order backlog and strengthened positions
- Near term healthy activity levels on both consumer and industry markets
- Hard to predict if/when input material inflation, transportation costs as well as lifted Covid restrictions will impact market demand in 2022
- Continued long term optimistic outlook with increasing demand for energy-efficient windows and doors
- Continuously increasing activity level on M&A to accelerate growth



Summary

- A stable base with improved margins and a solid balance sheet as a platform for growth
- Accelerated growth ambitions, organic and through acquisitions
 - Considerable consolidation opportunity on the European market
- New long term targets highlighting focus on growth and sustainable development
- New reporting structure, aligned with strategy and increasing transparency
- New organization supporting delivery of strategy and long term targets



HENRIK HJALMARSSON
PRESIDENT & CEO



For a sustainable
Inwido



Lena Wessner
SVP HR, Organisation & Sustainability

We give more than we take

Why?

Sustainable business drives sustainable value

Today and for future generations



Sustainability is the heart of our business model

- Improving energy efficiency of buildings by supplying high quality windows and doors
- Increased expectations on sustainability, for our products and the impact of our business
- Our Sustainability Compass supports our ambitions as a responsible corporate citizen and helps us prioritize and highlight sustainability efforts



Inwido long term ambition – carbon footprint

*"We will reduce our
carbon dioxide emissions with
50 percent by 2030
&
be carbon neutral by 2050"*

Sustainable business drives sustainable value



Be an environmental friend



We need natural resources to do responsible business

Be a good place to work



Empowered colleagues make a difference

Be a responsible business



Aligning with society creates more opportunities

Inwido's sustainability compass

Be an environmental friend

Why?

We need natural resources to do responsible business

How?

- We provide products that drive energy efficiency and savings
- We decrease climate and environmental impact from our operations and suppliers
- We use wood from sustainable forestry
- We reuse, recycle and choose sustainable materials while reducing waste

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Färdplan 2045

EPD®



Inwido's sustainability compass

Be a good place to work

Why?

Empowered colleagues make a difference

How?

- We develop our employees and make them feel involved and valued
- We invest in health and safety
- We strive for equal opportunities
- We actively work to improve employee satisfaction

Inwido's sustainability compass

Be a good place to work

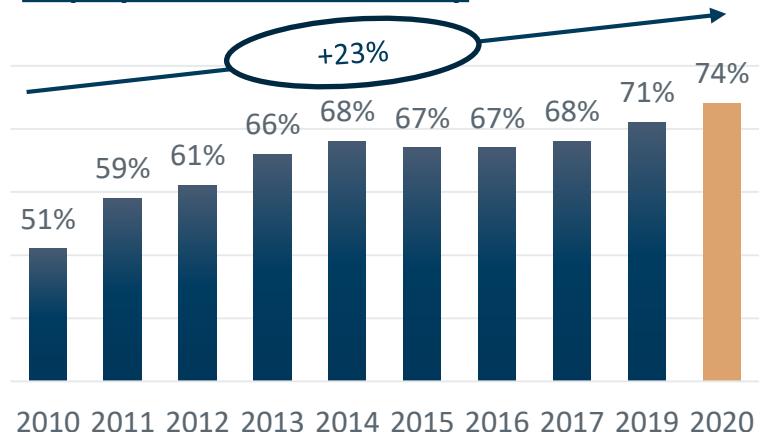
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Employee satisfaction survey



Inwido's sustainability compass

Be a responsible business

Why?

Aligning with society creates more opportunities

How?

- We have zero tolerance regarding corruption and unethical business behavior
- We demand responsible behavior from all suppliers and partners
- We comply with strict codes of conduct
- We support our local communities

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Inwido's 8 sustainability KPI's

The result of our work in 2020

- Energy consumption
- Co2 emissions (scope 1 and 2)
- Wood from sustainable forestry
- Employees in rural areas
- Equality in management
- Accidents (with lost working days)
- CoC for suppliers (direct material)
- Sick leave



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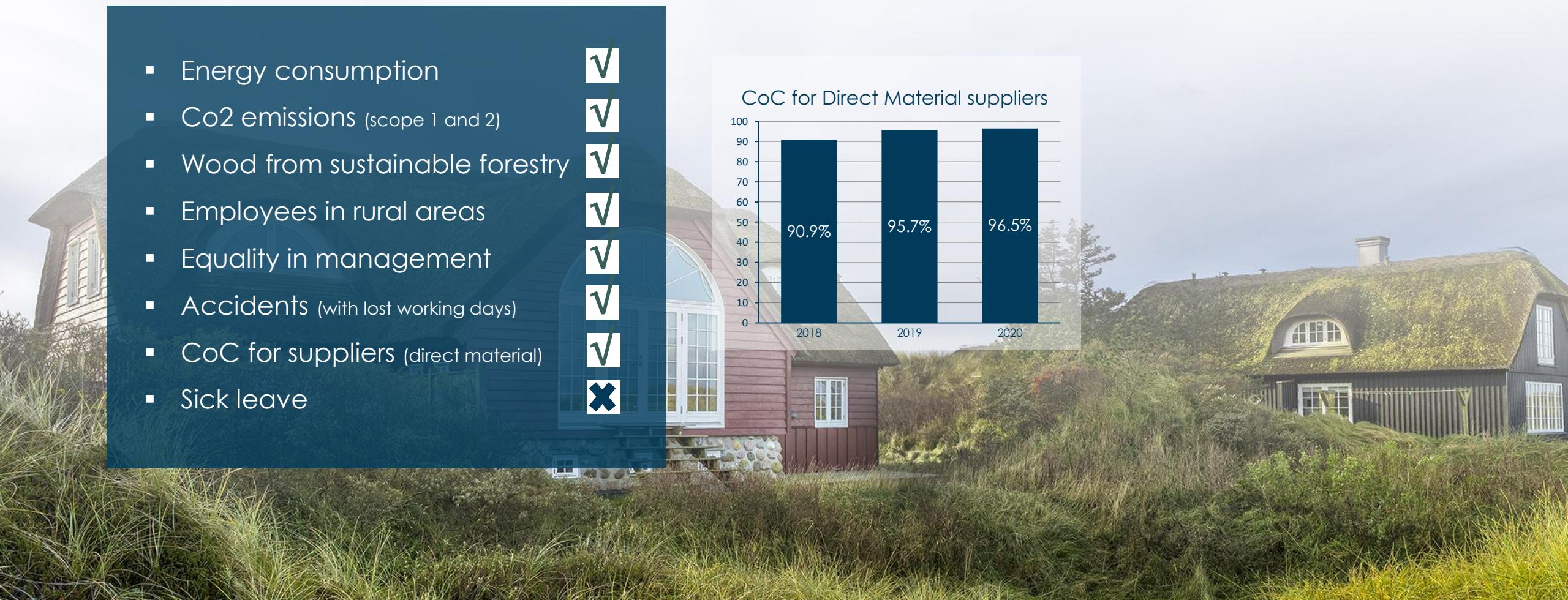
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Raising the bar on our sustainability journey

- Introduce two new public KPIs
 - Hazardous and non-hazardous waste
 - Number of discrimination and harassment cases
- Committing to Science Based targets to meet the Paris agreement 2050
- We have an ambition to be 75% Taxonomy aligned on windows and doors sales by 2030



SCIENCE
BASED
TARGETS

DRIVING AMBITIOUS CORPORATE CLIMATE ACTION

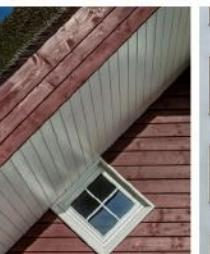


Sustainability summary

- Good trend on our KPI's and added two new
- Long term ambition – our carbon footprint
- Science based target commitment
- Taxonomy alignment



Windows & doors



Coffee-break

Program starts 10:05

Capital Markets Day agenda - Part 2

10:05 Panel talk "from small to big" **Jonna Opitz & Antti Vuonokari**
The numbers that matter **Peter Welin**

11:05 Q&A and close of program **Inwido Group Mgmt**

11:30 Meet Inwido Group Management for lunch



Inwidos recipe for success “from small to big”

Three themes for panel talk:

- The Inwido world of big & small
- In the Inwido model we trust
- The future success model



Jonna Opitz



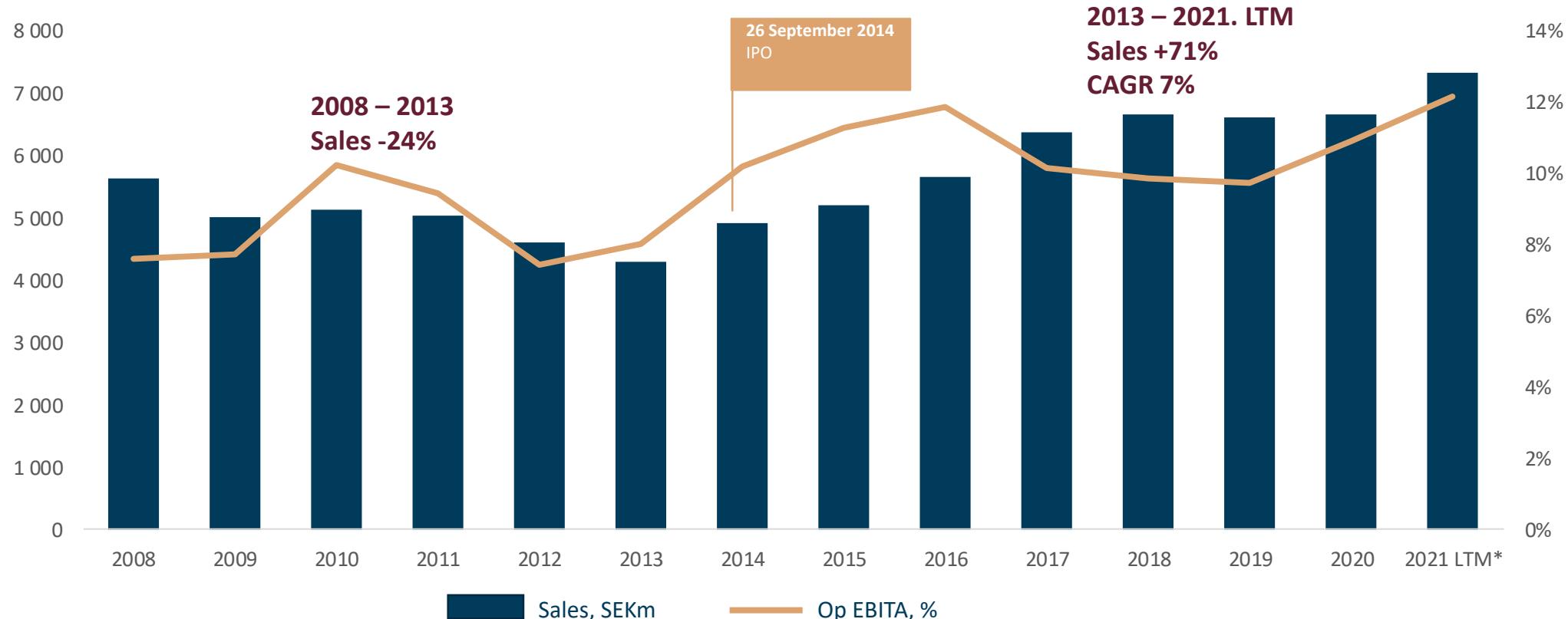
Antti Vuonokari

Finance

Peter Welin
CFO & deputy CEO

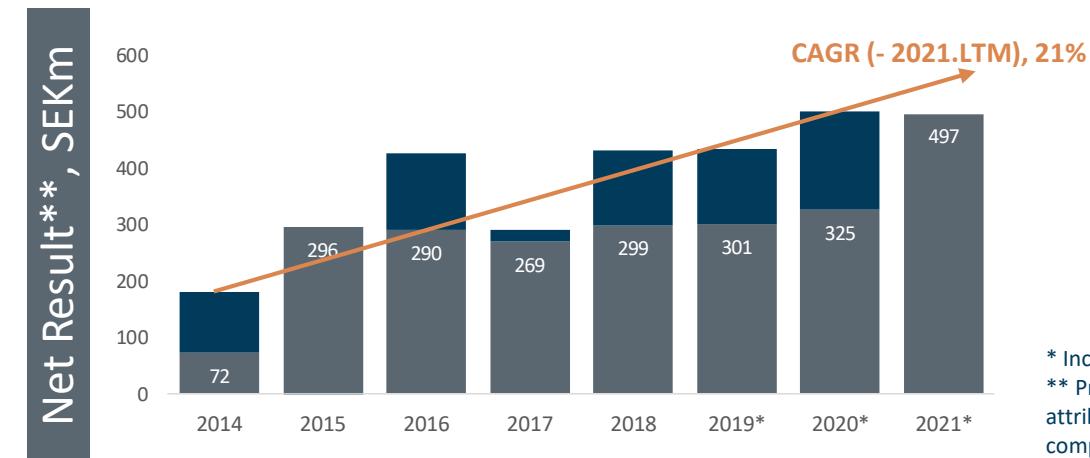
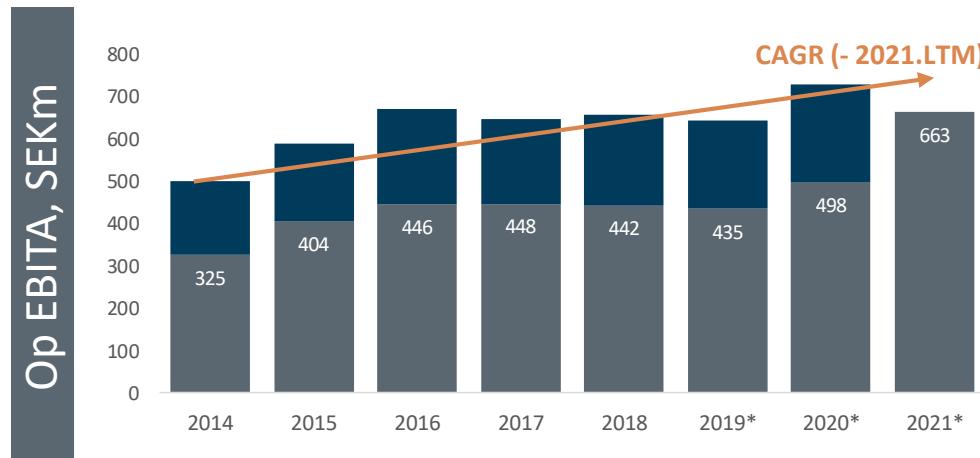
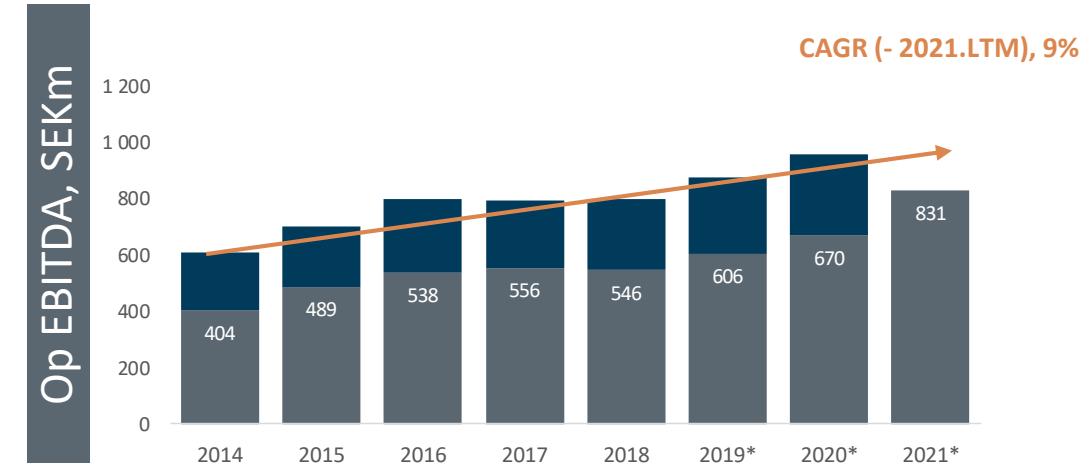
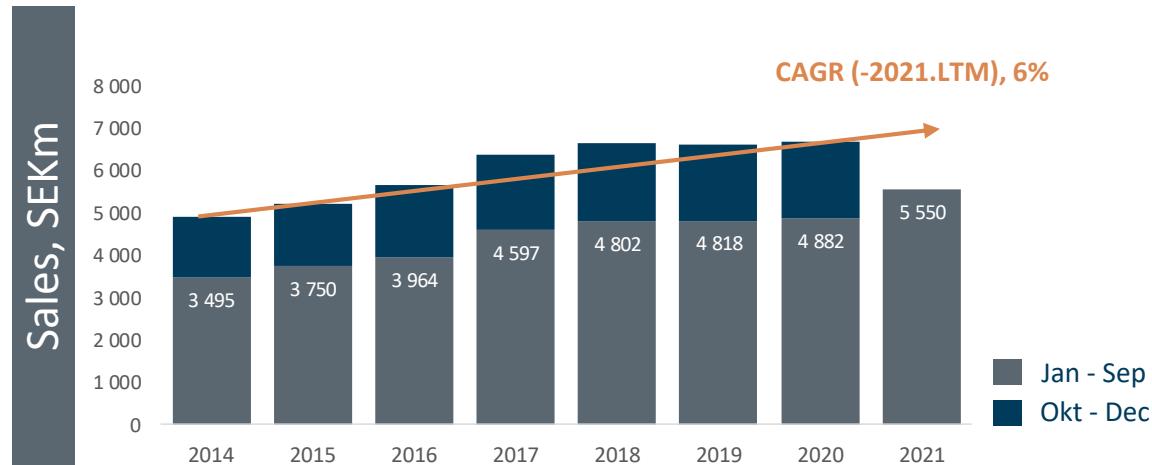
At a historic high margin level – 12.2% LTM

Inwido performance, sales (SEKm) and Op EBITA (%)



2021- a year of improved performance

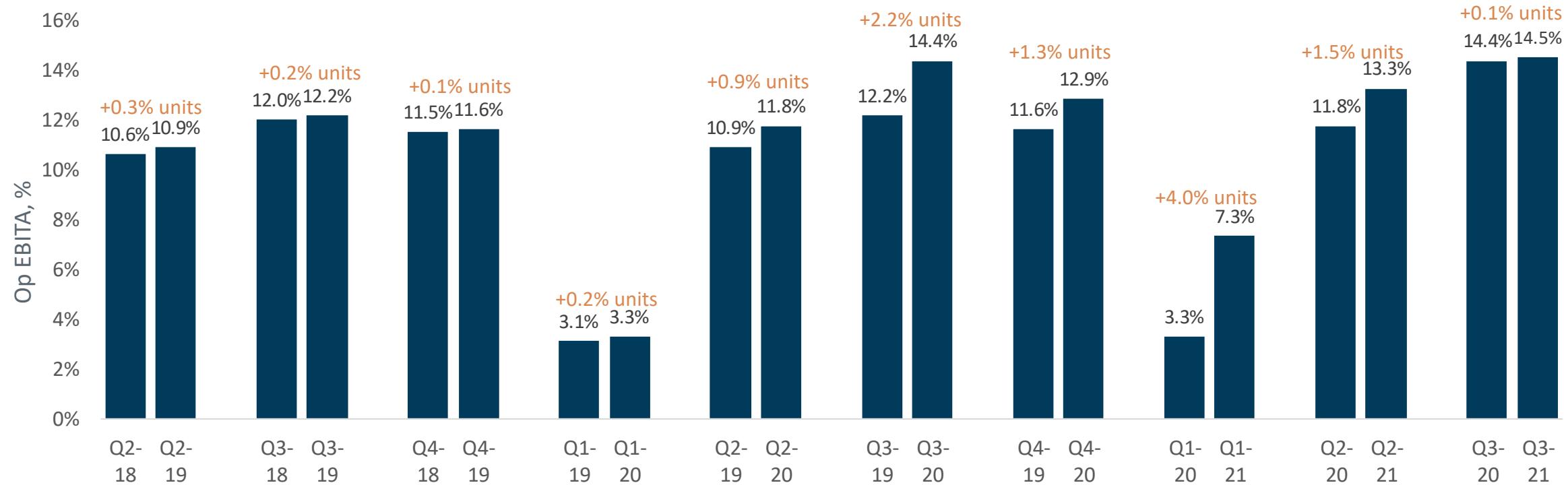
Jan – Sept 2021 best performance ever



* Including IFRS 16
** Profit for the year
attributable to parent
company shareholders

Ten quarters of improved margins – sales growth last six

Op EBITA margin per quarter



Organic sales growth - 4%	- 2%	- 4%	- 1%	+ 1%	+4%	+1%	+18%	+19%	+10%
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Financial Targets

Revenue

SEK 20 billion by 2030
With a further focus on growth, Inwido intends to grow, organically as well as through acquisitions, to reach a total revenue of at least SEK 20 billion by 2030

Outcome September 2021
SEK 7,349m +9.8%, LTM

Profitability

>15% Return on operating capital
Inwido's Return on operating capital shall, over a business cycle, amount to an average of 15%.

16.4%

Capital

Net Debt in relation to Operating EBITDA <2.5x
Inwido's net debt in relation to operating EBITDA shall, excluding temporary deviations, not exceed a multiple of 2.5.

x 1.0

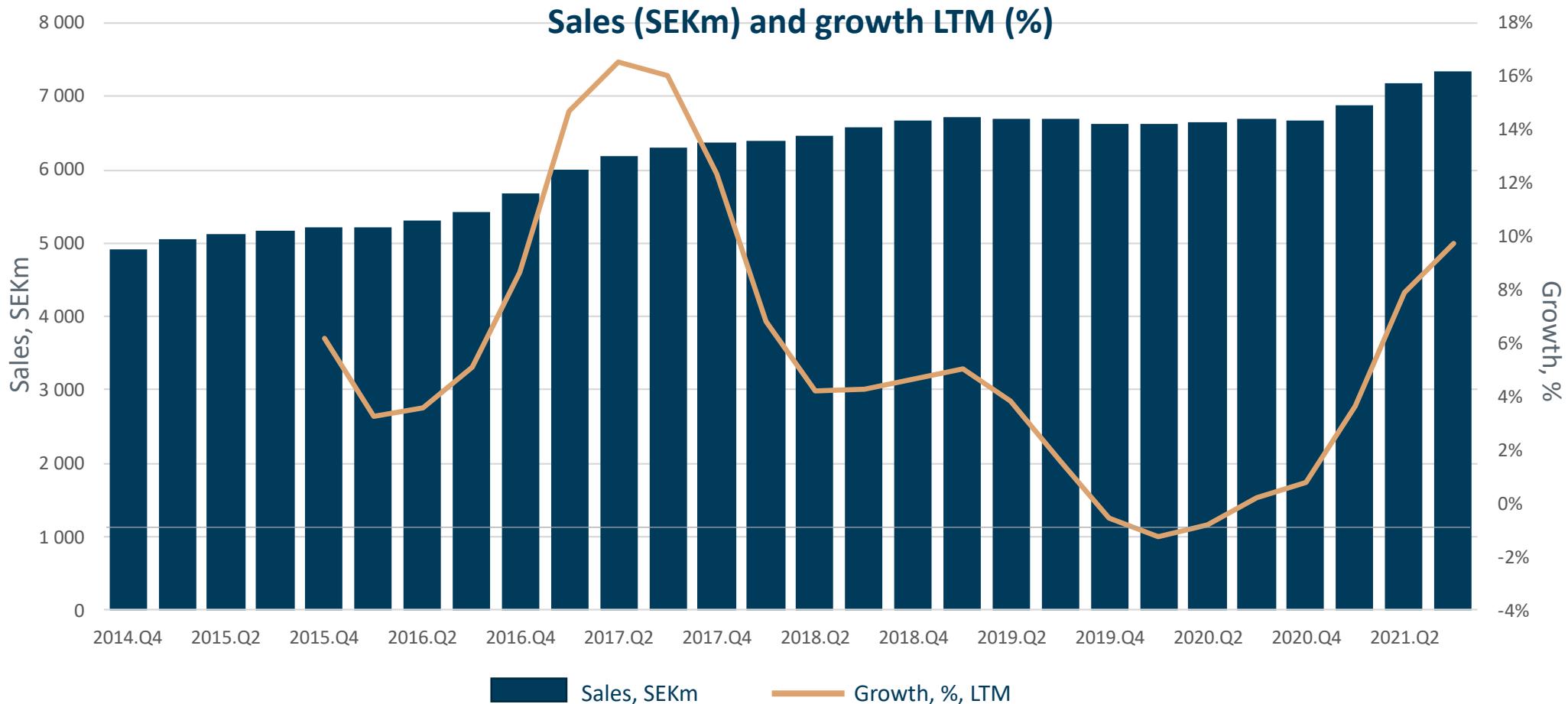
Dividend

Approximately 50% of Net Profit
Inwido's goal is to pay its shareholders an annual dividend corresponding to approximately 50 percent of the net profit. However, consideration must be taken to Inwido's capital structure in relation to the objective, cash flow and future prospects.

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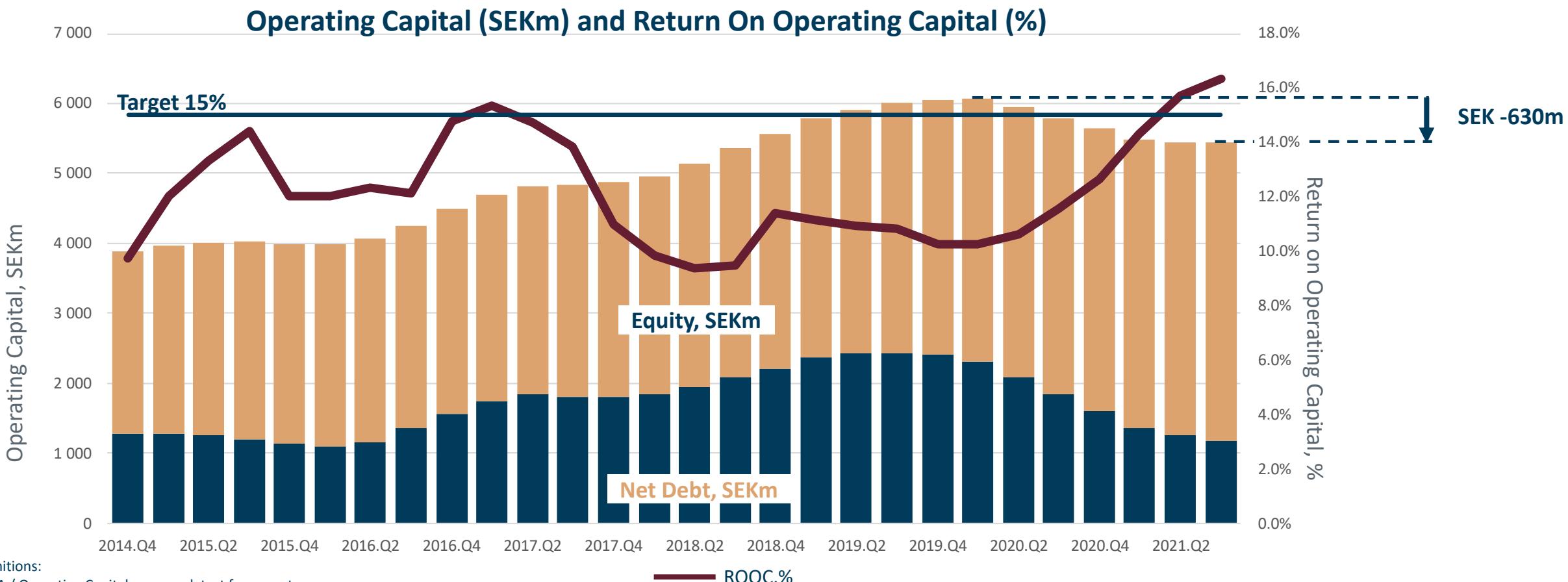
Financial Target: Revenue – Sales growth

CAGR of 6% since the IPO in 2014



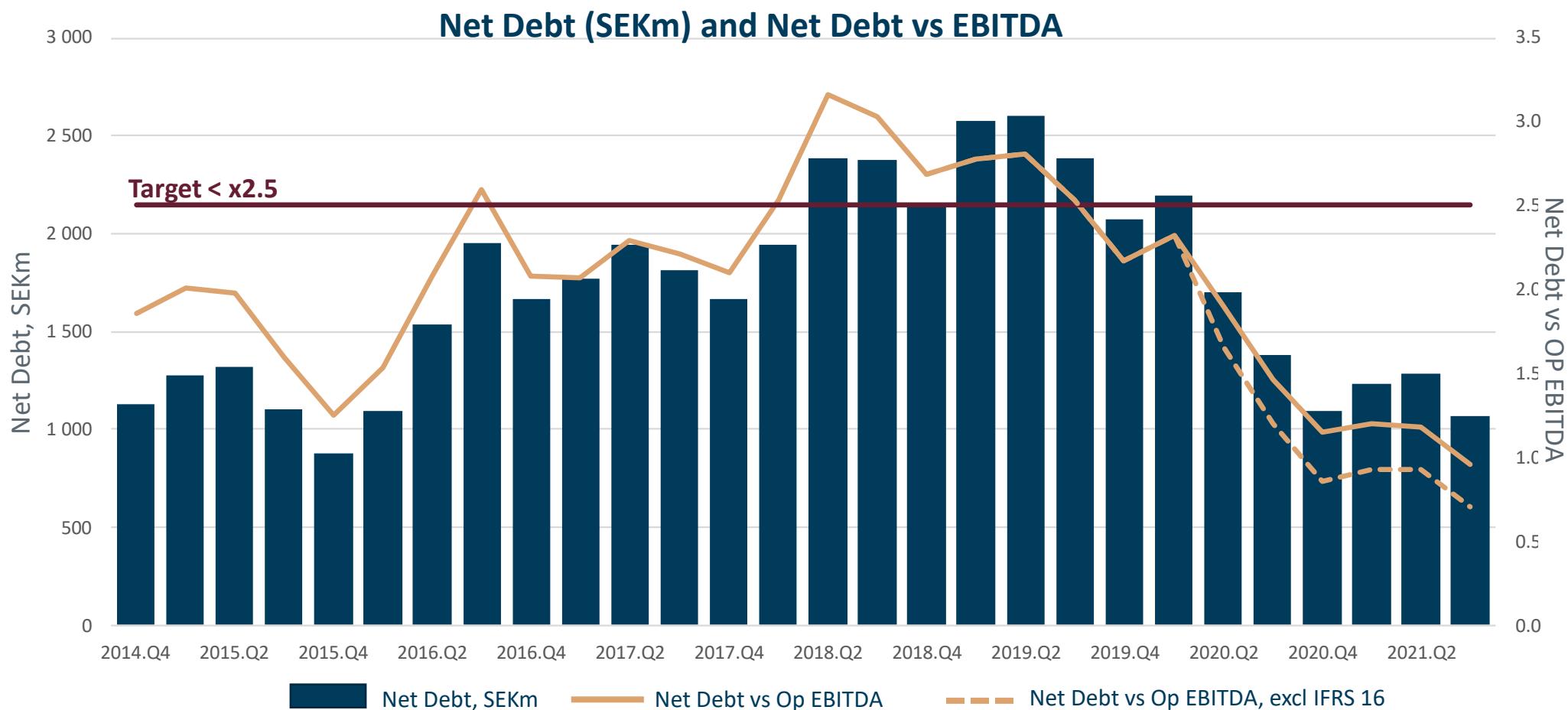
Financial Target: Profit - Return On Operating Capital

Improved EBITA in combination with lower Operating Capital



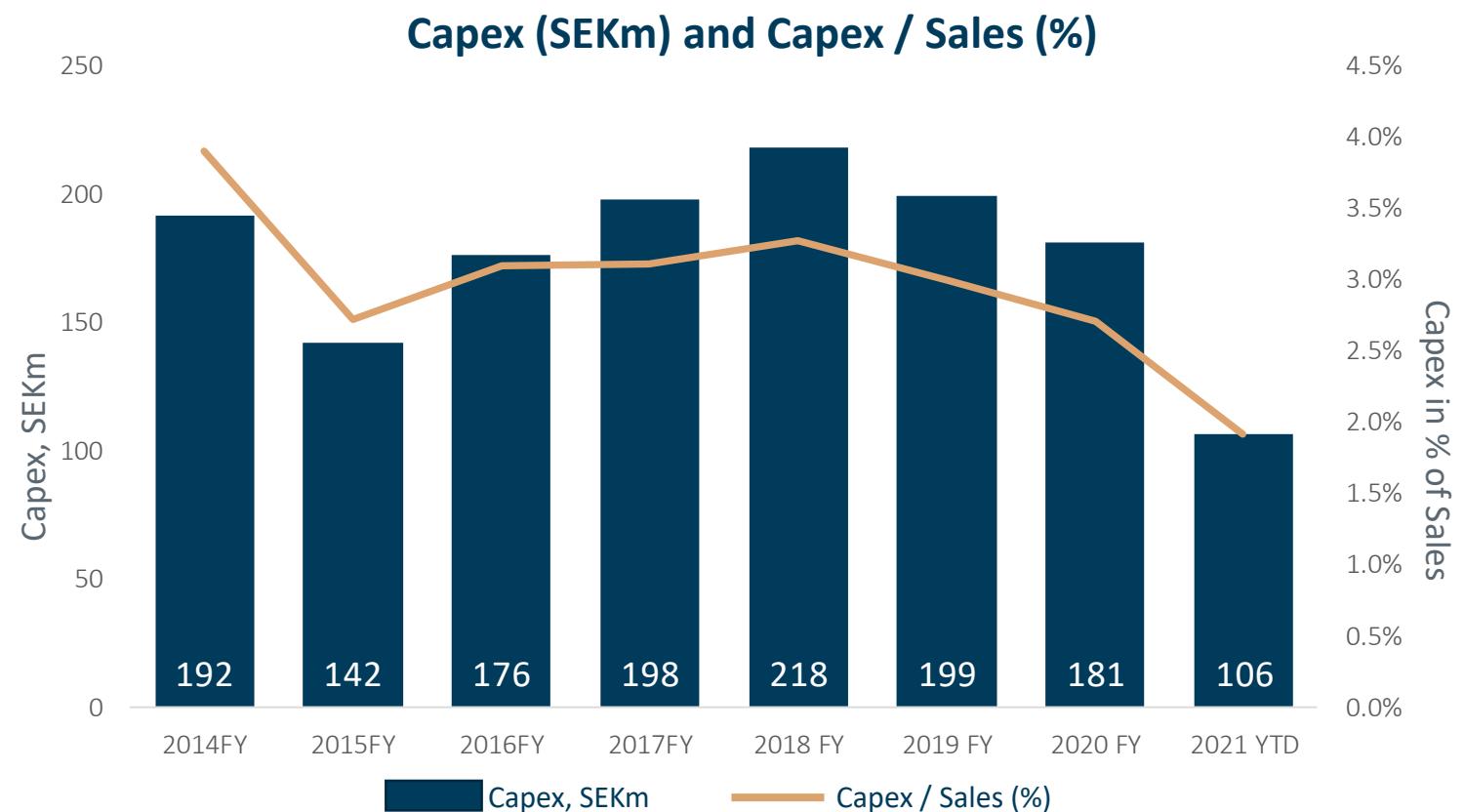
Financial Target: Capital – Net Debt vs Op EBITDA

Improved Op EBITDA in combination with lower Net Debt



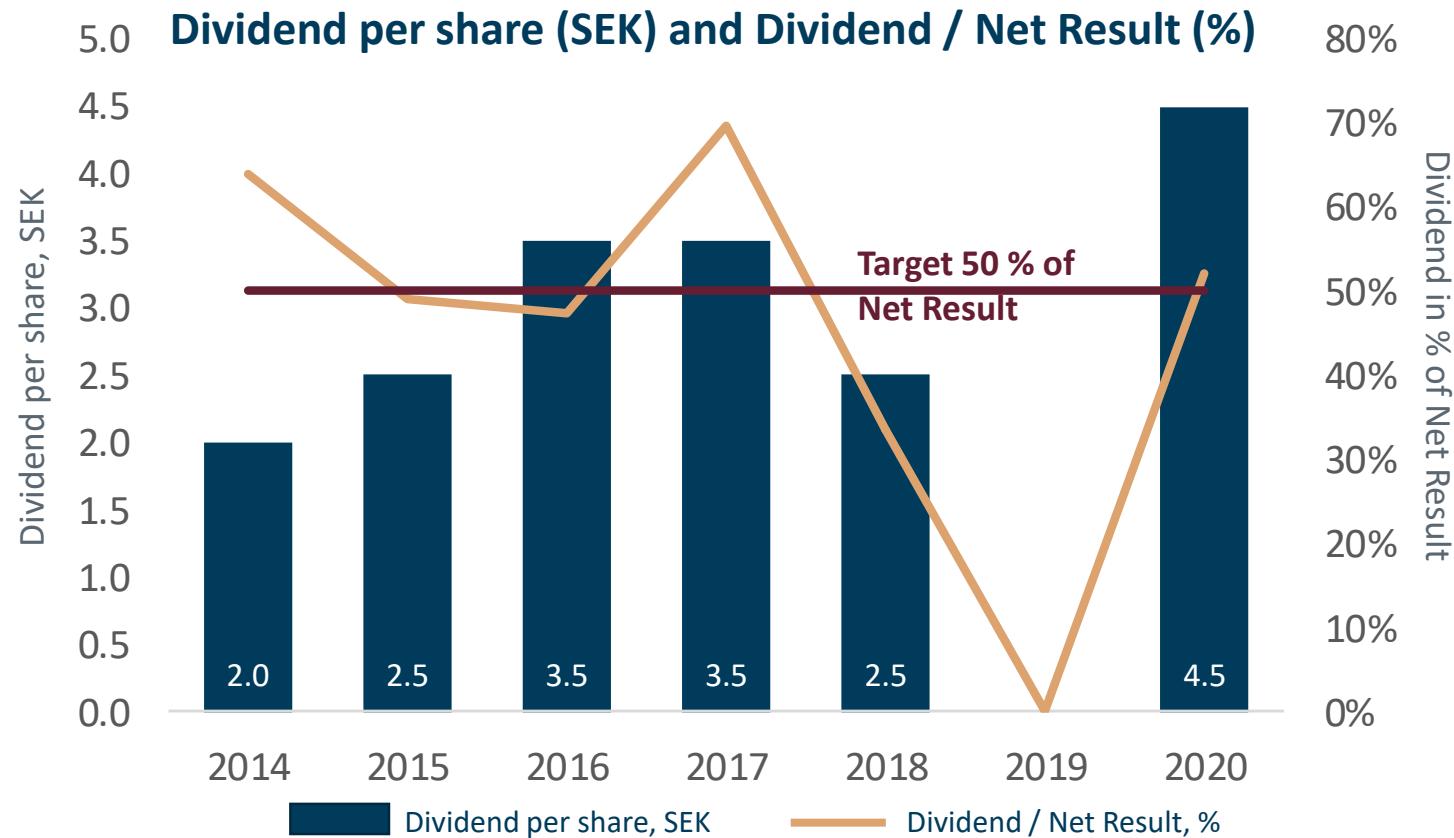
Capex impacted by longer delivery times of machines

Capex 2014 – 2021.Q3



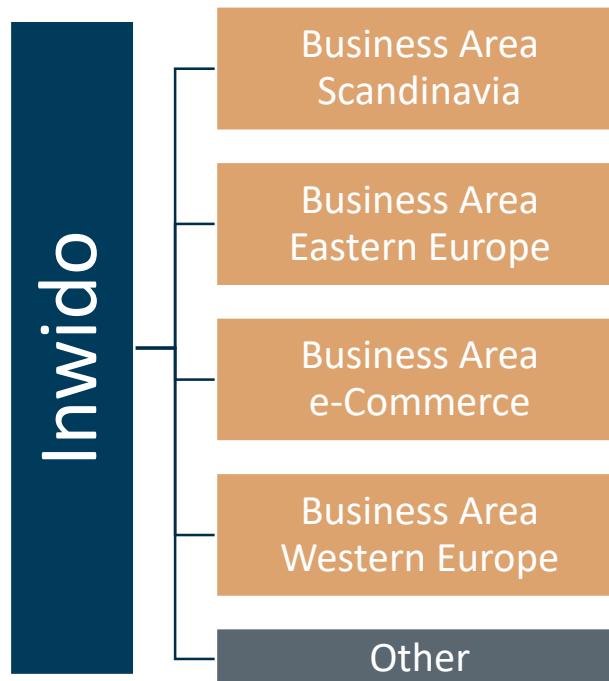
Financial Target: Dividend

Dividend payments of SEK 1,072m (SEK 18.5 per share) since the IPO in 2014

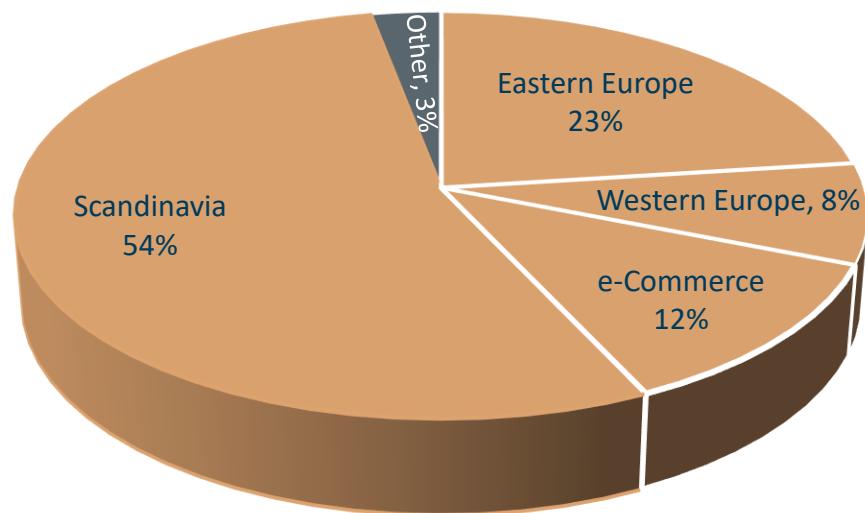


New segment structure from 2022 with four segments

From two segments (North and South) to four segments

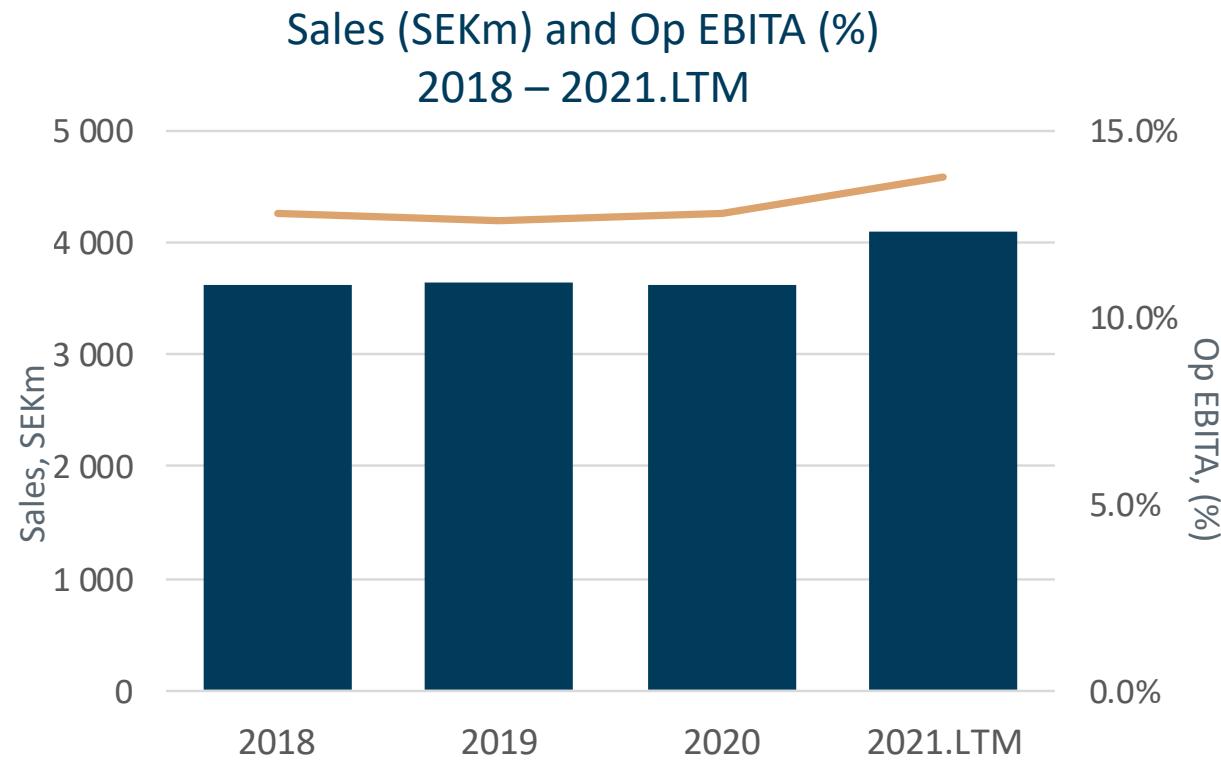


External Sales per Segment
September 2021, LTM



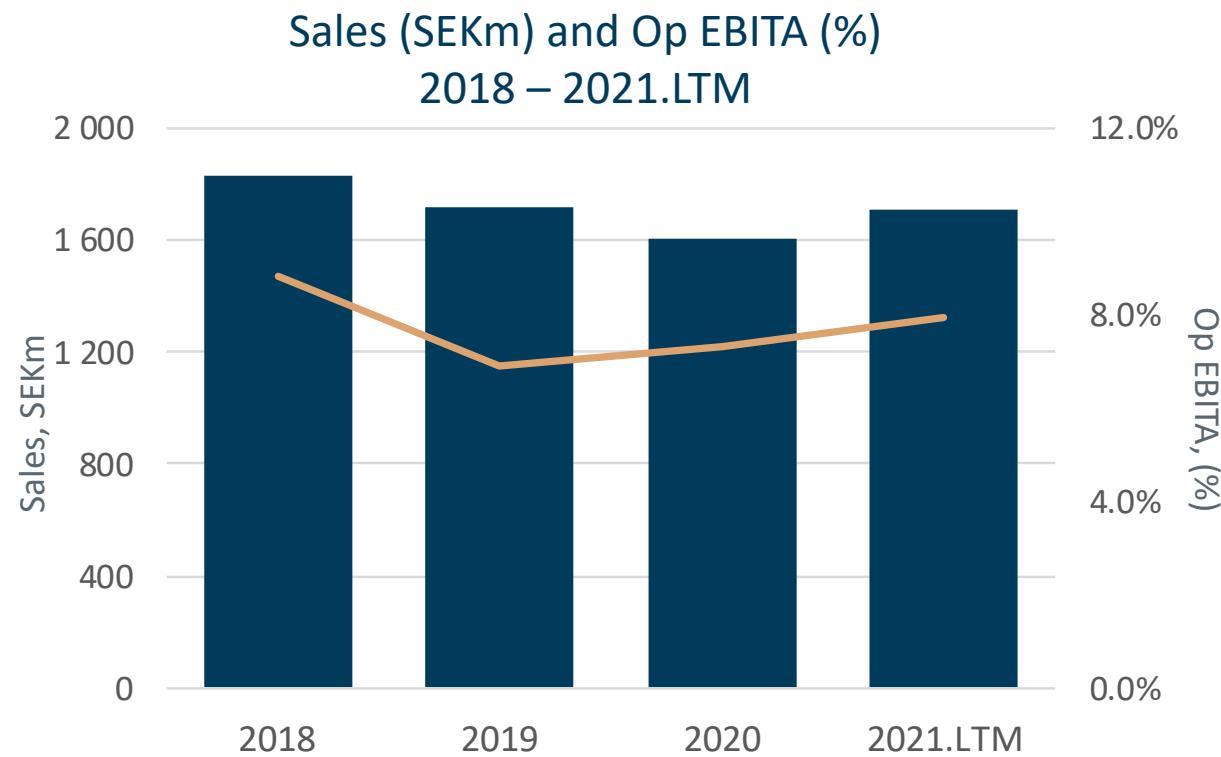
New segment: **Scandinavia**

Information Scandinavia	
Sales, LTM	SEK 4,098m
Op EBITA (%), LTM	13.8%
Number of Business Units	13
Consumer share, external sales	72%
CAGR 2018 – 2021.LTM	5%
Markets 2021	Denmark, Sweden, Norway
	



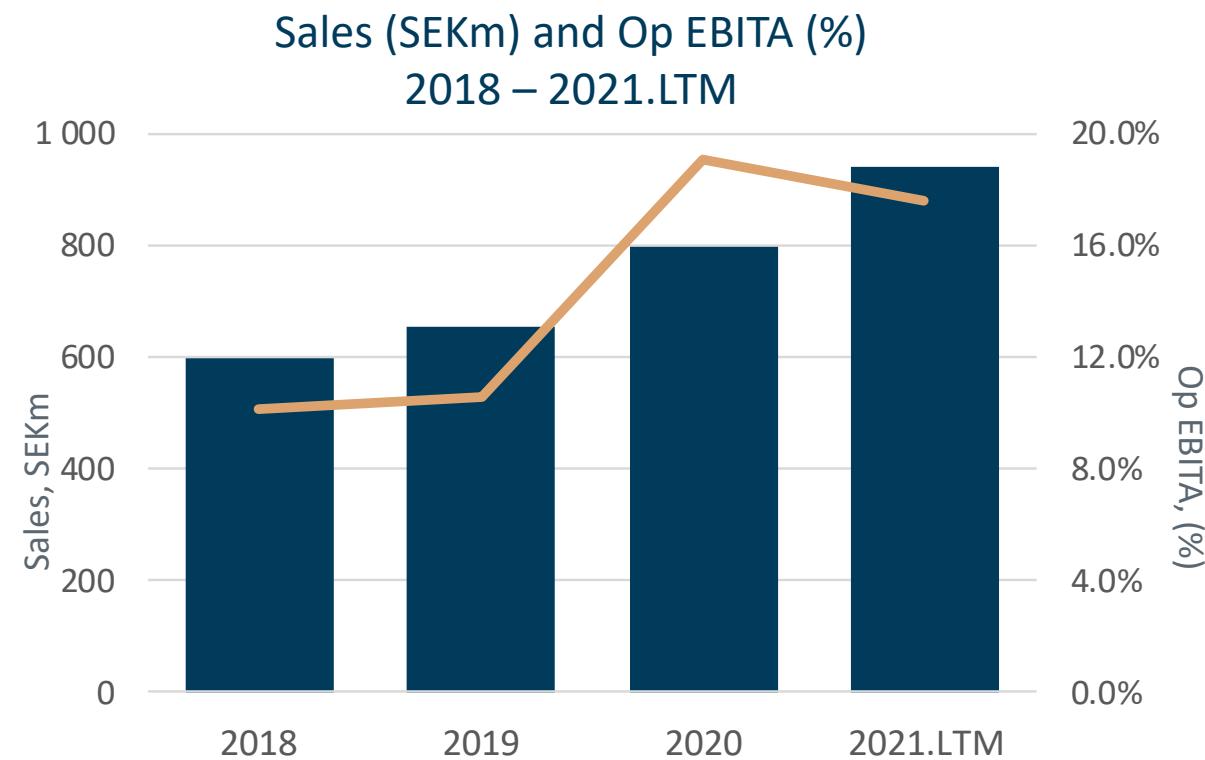
New segment: Eastern Europe

Information Eastern Europe	
Sales, LTM	SEK 1,707m
Op EBITA (%), LTM	8.0%
Number of Business Units	7
Consumer share, external sales	63%
CAGR 2018 – 2021.LTM	-3%
Markets 2021	Finland, Poland
      	



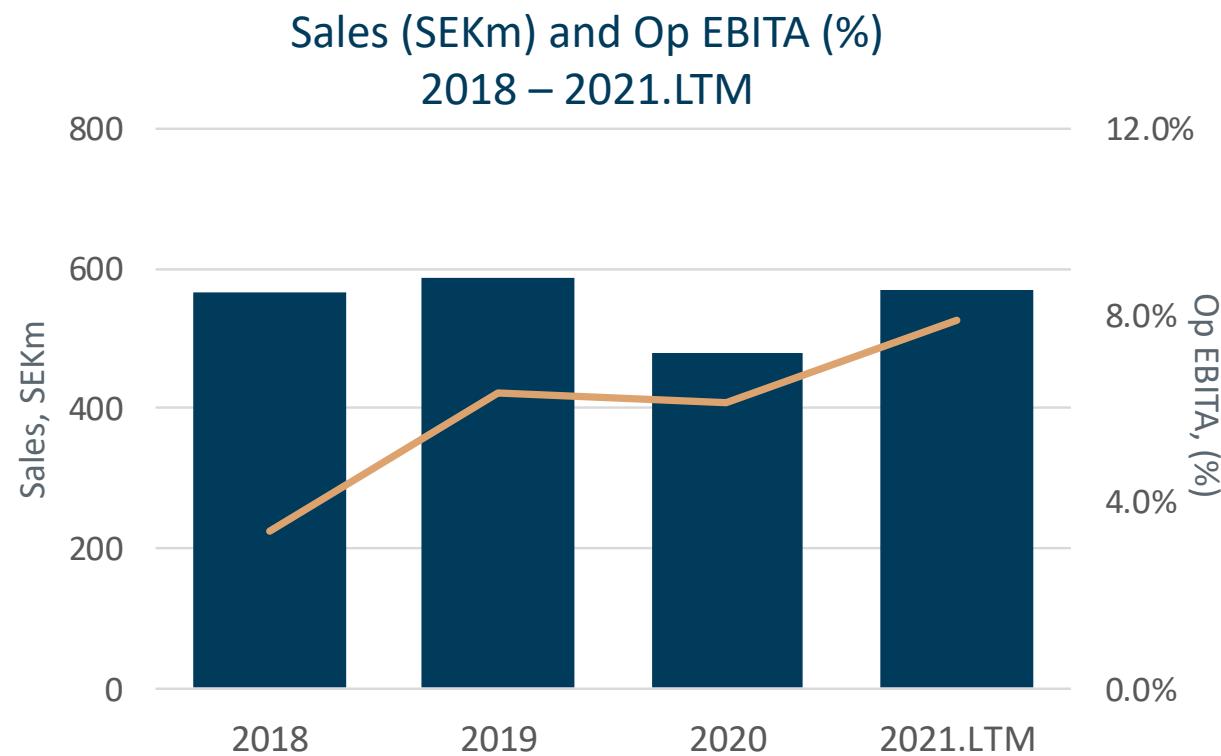
New segment: e-Commerce

Information e-commerce	
Sales, LTM	SEK 940m
Op EBITA (%), LTM	17.6%
Number of Business Units	1
Consumer share, external sales	100%
CAGR 2018 – 2021.LTM	18%
Markets 2021	Denmark, Sweden, Norway, Germany, Finland, UK and Ireland
JNA VINJUD & JØREL	Bedst&Billigst SPARVINDUER
	BonusFönster SPARFENSTER



New segment: Western Europe

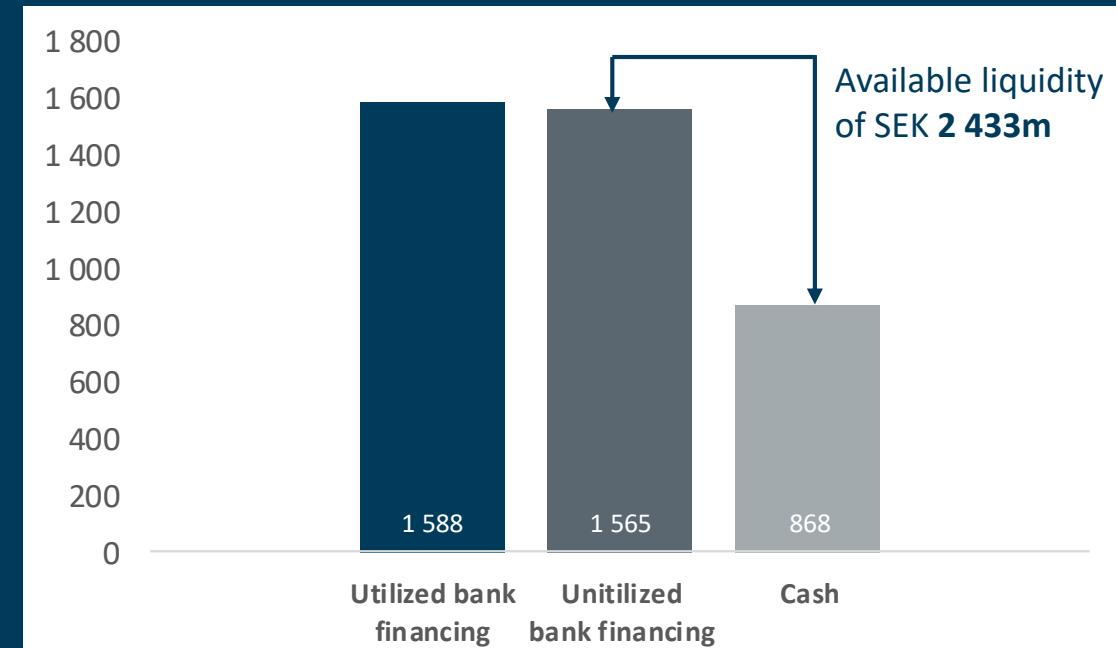
Information Western Europe	
Sales, LTM	SEK 570m
Op EBITA (%), LTM	7.9%
Number of Business Units	4
Consumer share, external sales	81%
CAGR 2018 – 2021.LTM	0%
Markets 2021	England and Ireland
   	



Liquidity to acquire sales of SEK 4bn

- Available liquidity of SEK 2.4 bn
- Liquidity and balance sheet to acquire sales of approx. **SEK 4bn** based on normal profit multiples and margins.
- With acquired sales of SEK 4bn the Net Debt vs EBITDA will be approx. on targeted level of x 2.5, based on the balance sheet September 2021.
- Future cash flows generations in 2022 – 2030 for further acquisitions to, together with organic growth, reach the target of SEK 20bn in sales year 2030.

Utilized and unutilized as per September 2021



Q&A session

In room: Raise hand/use microphone
On Webcast: Write question on platform

Thanks for taking part of
the Inwido 2021
Capital Markets Day

inwido

Annual and Sustainability Report 2020



To learn more about Inwido follow our story on LinkedIn 