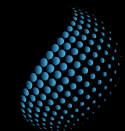
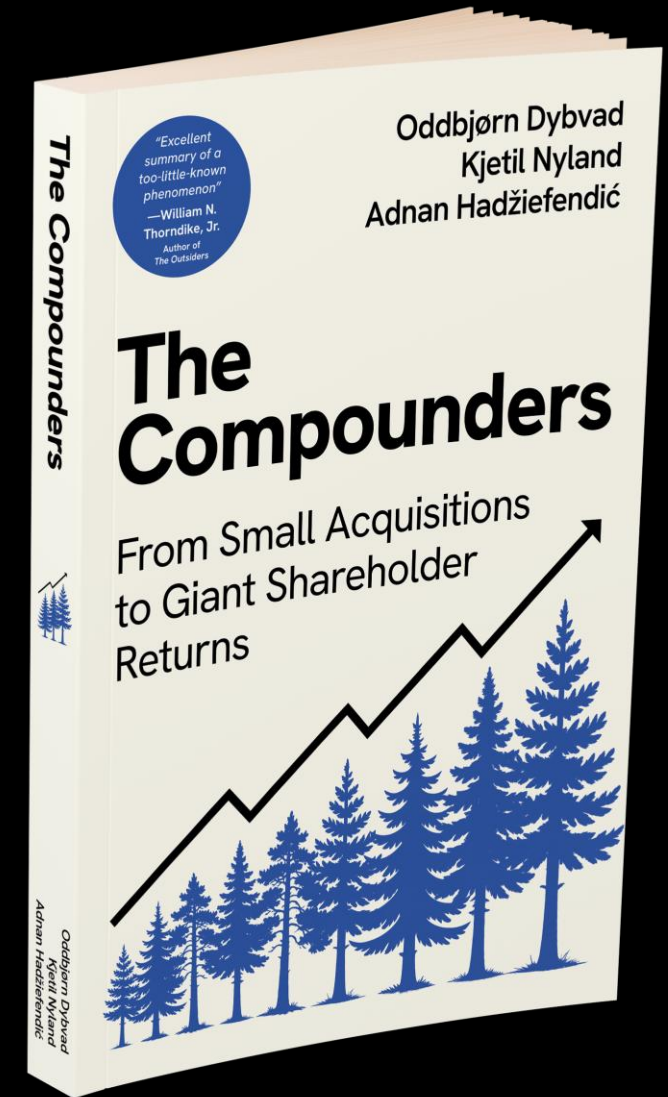


# The Compounders

From Small Acquisitions to Giant Shareholder Returns



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***“If the conglomerate form is used judiciously, it is an ideal structure for maximizing long-term capital growth”***



# Returns That Speak for Themselves

*The Story of 9 Acquisition-Driven Compounders from Around the World*

Company	Total Return	CAGR	IPO Year
<b>Bergman &amp; Beving</b> share price return (+ spin-offs)	7,500×	20%	1976
<b>Addtech</b>	210×	26%	2001
<b>Lagercrantz</b>	120×	23%	2001
<b>Lifco</b>	21×	33%	2014
<b>Indutrade</b>	50×	22%	2005
<b>Constellation Software</b>	375×	37%	2006
<b>Ametek</b>	175×	16%	1990
<b>Heico</b>	1,100×	22%	1990
<b>Judges Scientific</b>	115×	24%	2003

**Average**  
**27 years**  
**25% CAGR**

**(414x)**



# Nordics: Last 20 years

Total sample of 979 Nordic companies

## Total shareholder return – 20 years\*

Best performing in Nordics	TSR 20y
1 Fortnox	43032%
2 Vitec Software Group B	33494%
3 Lagercrantz Group B	19060%
4 Revenio Group Oyj	14591%
5 Protector Forsikring ASA	11779%
6 Addtech B	11460%
7 Kongsberg Gruppen ASA	10536%
8 Hexatronic Group	9852%
9 Vitrolife	8416%
10 Beijer Ref B	7932%
11 BioGaia B	7799%
12 Avanza Bank	6875%
13 Micro Systemation B	6347%
14 Bouvet ASA	6054%
15 Indutrade	5773%
16 Novo Nordisk A/S Class B	5681%
17 G5 Entertainment	5316%
18 OEM International B	5073%
19 Betsson B	5066%
20 Evolution	4962%
21 Addnode Group B	4558%
22 Bure Equity	4511%
23 AQ Group	4087%
24 Sweco B	3884%
25 Atlas Copco B	3795%
26 AF Gruppen ASA Class A	3634%
27 DSV A/S	3564%
28 Hexagon B	3553%
29 Ambu A/S Class B	3383%
30 HMS Networks	3368%

- Out of the best 30 stocks in the Nordics over the last 20 years - acquisition driven compounders constitute 13 names = **43%**

Source: Factset

\* For the period or as long as they have been listed

# Harvesting cash flow, not “growth at all costs”

*A flywheel of compounding*

## Company builders

- Recurring, predictable cash flows
- Dual engines of growth
- Not constrained to one market



## Preferred buyers

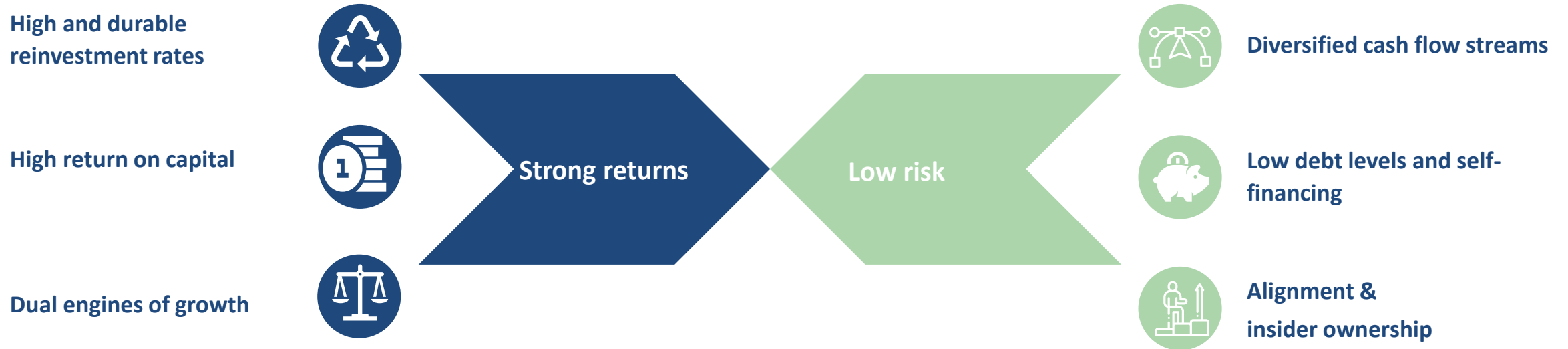
- Buys from founders & families
- Often “off market” transactions
- Highly attractive multiples (5-7x)

## Permanent homes

- Decentralized entrepreneurship
- Smart incentives & Cash Cultures
- Shareholder friendly KPIs

# The best of two worlds

Risk and return



# Lifco value creation

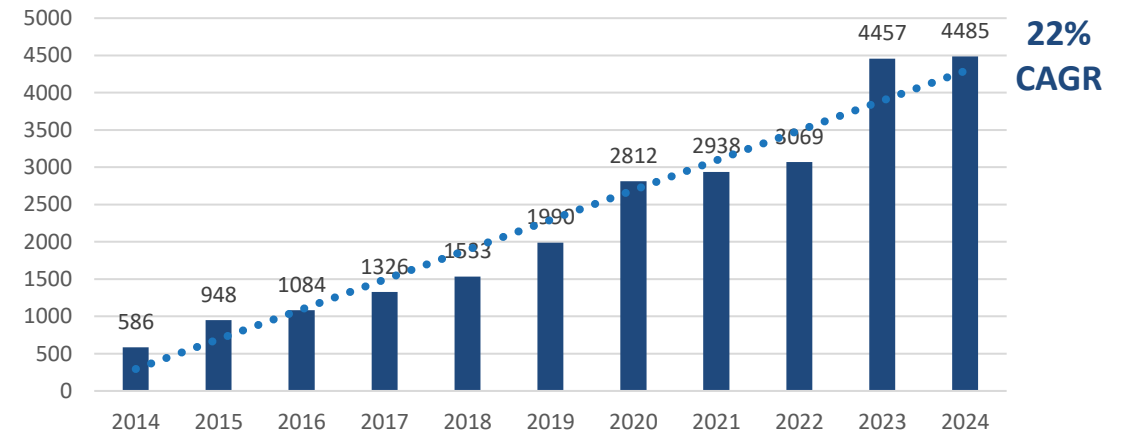
## Reinvestment Rate

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
<b>Reinvestment rate</b>	235%	72%	160%	115%	44%	105%	47%	112%	90%	93%	76%
<b>Average</b>	<b>105%</b>										

## Return on Invested Capital

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
<b>ROIC</b>	19%	20%	19%	19%	21%	20%	20%	23%	23%	23%	21%
<b>Average</b>	<b>21%</b>										

## Net operating cash flow



Reinvestment Rate

**105%**

**X**



Return on Invested Capital

**21%**

**≈**



Growth in cash flow

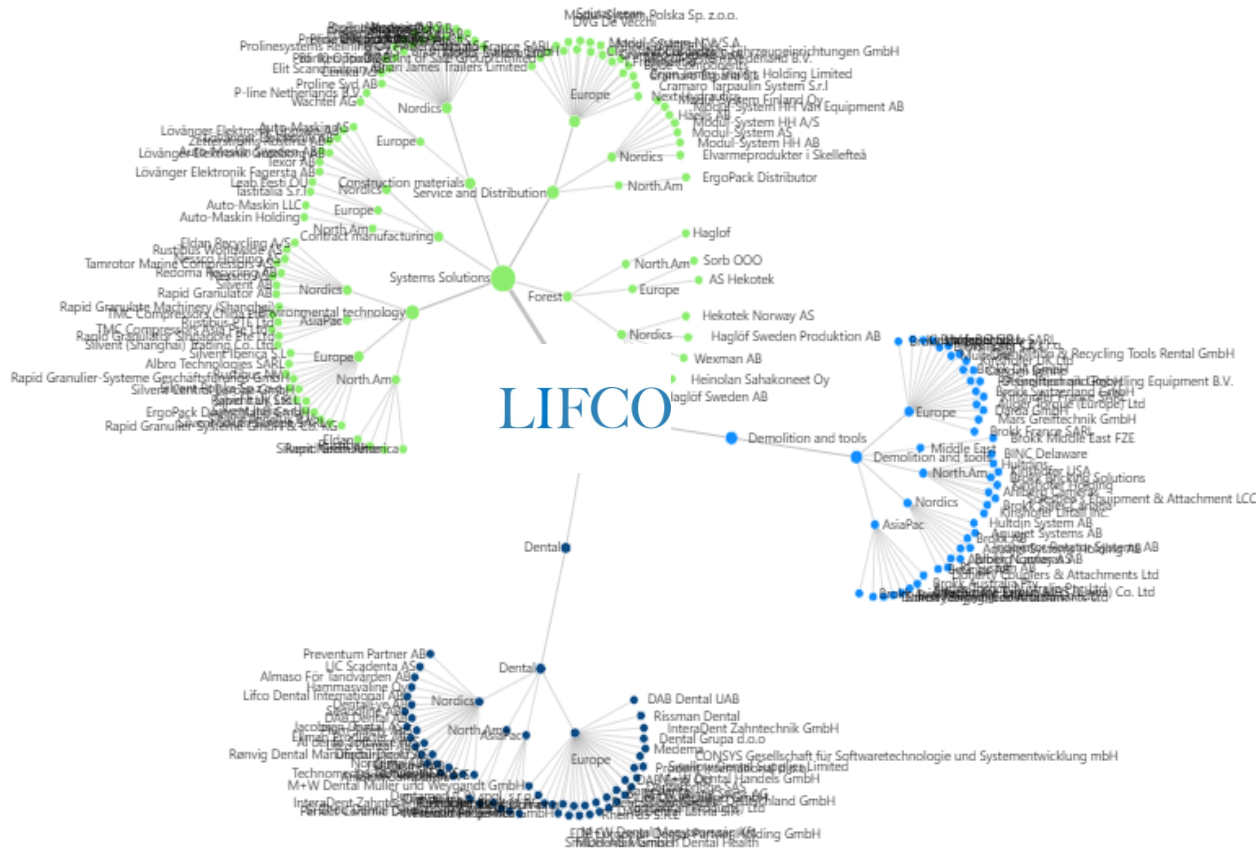
**22%**



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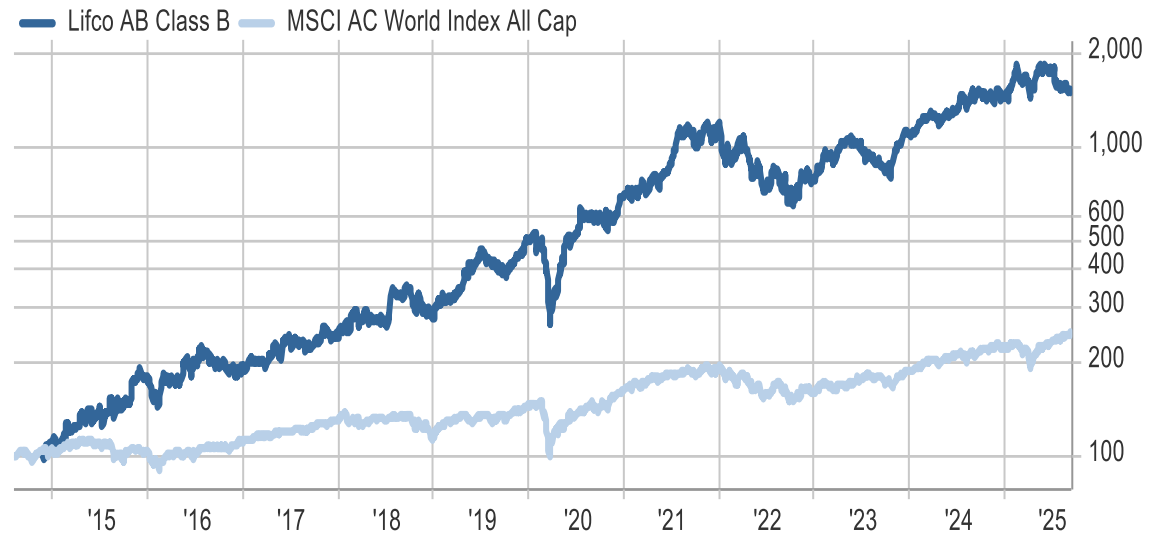
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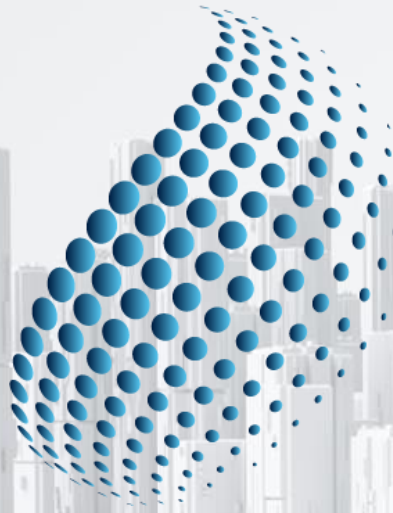
# Case study: Lifco (IPO in 2014)



**Lifco AB Class B**  
Indexed Price Performance

Price (Indexed to 100)





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