Cary group

Smarter solutions
for sustainable car care

Interim report: **Second quarter 2022**

Rapid sales growth on an expanding market

Second quarter 2022

- Net revenue increased by 81% to SEK 1,050 million (575). Organic growth was 5%.
- Adjusted EBITA increased to SEK 168 million (103), corresponding to a margin of 16.1% (18.0).
- Profit for the period totalled SEK 100 million (26) and earnings per share, basic and diluted, amounted to SEK 0.75 (1.15). Adjusted earnings per share, basic and diluted, totalled SEK 0.76 (1.50).
- Cash flow from operating activities increased to SEK 199 million (53).

First half 2022

- Net revenue increased by 74% to SEK 1,805 million (1,032). Organic growth was 6%.
- Adjusted EBITA increased to SEK 255 million (176), corresponding to a margin of 14.2% (17.1).
- Profit for the period increased to SEK 133 million (58) and earnings per share, basic and diluted, amounted to SEK 0.99 (2.48). Adjusted earnings per share, basic and diluted, totalled SEK 1.07 (2.94).
- Cash flow from operating activities increased to SEK 276 million (164).

Significant events during the second quarter

- On 1 April, the acquisition was completed of GlassCo S.A., owner of “ExpressGlass”, which operates a vehicle glass repair and replacement business in Portugal.
- On 4 May, the acquisition was completed of Charles Pugh Holdings Ltd, which operates a vehicle glass repair and replacement business in the UK.
- On 29 June, CVC Fonder and Nordic Capital, through Teniralc BidCo AB (“Teniralc”), announced a public cash offer to the shareholders of Cary Group Holding AB (publ) to transfer all of the shares in Cary Group to Teniralc for a cash sum of SEK 65 per share. The independent members of Cary Group’s Board of Directors have been appointed the bid committee, which will publish its opinion on the offer no later than 8 August, i.e. two weeks before the closing date of the acceptance period for the bid. The independent bid committee has appointed financial and legal advisers and will also obtain an independent fairness opinion.

Financial summary

	Q2			Q1-2				Full-year
SEKm	2022	2021	∆%	2022	2021	∆%	LTM	2021
Net sales[2]	1,050	575	81%	1,805	1,032	74%	2,914	2,141
Organic growth	29	90	5%	61	80	6%	61	100
Acquisitions and divestments	424	73	74%	677	111	66%	677	392
Exchange rate effects	12	-1	2%	25	-11	3%	25	-2
EBITA	166	94	77%	242	164	48%	293	215
EBITA-margin, %	15.8%	16.3%	-	13.4%	15.9%	-	10.0%	10.0%
Adjusted EBITA[1]	168	103	62%	255	176	45%	373	294
Adjusted EBITA-margin, %[1]	16.1%	18.0%	-	14.2%	17.1%	-	12.8%	13.7%
Profit for the period	100	26	277%	133	58	127%	104	29
Adjusted profit for the period[1]	101	34	198%	143	68	111%	167	92
Earnings per share before and after dilution, SEK	0.75	1.15	-	0.99	2.48	-	0.76	0.21
Adjusted earnings per share before and after dilution, SEK	0.76	1.50	-	1.07	2.94	-	1.24	0.81
Cash flow from operating activities	199	53	277%	276	164	68%	286	175
Cash conversion[1]	91.4%	95.0%	-	91.2%	93.6%	-	92.3%	94.0%
Net Debt/EBITDA[1]	4.3	4.7	-	4.3	4.7	-	4.3	2.5

[1]These are alternative performance measures. Refer to Note 9, Alternative performance measures, page 20-21 for reconcilliation and page 23 for definitions.

[2]Includes non-recurring income of 11 MSEK in the current quarter attributable to write-down of earnout.

CEO's comments

Strong performance in an expanding market

The second quarter, which is seasonally Cary Group's strongest, developed very well, with high levels of business activity and good underlying growth. Demand was particularly strong at our newly acquired companies in Spain and Germany, but the Swedish market also experienced very high levels of demand and it is pleasing to see our market position continue to strengthen. Sales during the quarter increased by a total of 81% and amounted to SEK 1,050 million (575). Acquired companies accounted for 74% of the increased sales and organic growth amounted to 5%. Organic sales were affected by there being fewer workdays this year compared with the same period last year and this was particularly noticeable in our UK operations. Adjusted for the number of workdays, organic growth for the quarter was 7%. In an increasingly uncertain world, it is good to see that the underlying market trends remain positive, as evidenced by the continued strong organic growth.

Continued expansion

The acquisitions of ExpressGlass in Portugal and Charles Pugh Holdings in the UK were completed during the quarter. The acquisition of ExpressGlass, together with the acquisition of Ralarsa in Spain, strengthens our presence on the Iberian peninsula. Ralarsa continued to grow on its market during the quarter, both organically and through a number of franchised workshop acquisitions, increasing the company's business volume and contributing to long-term economies of scale.

The acquisition of UK company Charles Pugh Holdings is an important part of our strategy to strengthen our market position in the United Kingdom, where we now occupy a solid second place. Through synergies and economies of scale between Charles Pugh Holdings and our existing business in the United Kingdom, Mobile Windscreens, we envisage good opportunities for increasing profitability in our UK operations.

In total, we completed acquisitions in the second quarter corresponding to revenue of SEK 424 million and in the last 12 months totalling SEK 1.9 billion.

Focus on improving profitability

Adjusted EBITA increased by 62% in the second quarter of 2022 and amounted to SEK 168 million (103), corresponding to an adjusted EBITA margin of 16.1% (18.0%). The acquisitions we have made over the past year have had a dilutive effect on our margins, as expected. As we expand in Europe, the Nordic market, which is historically our most profitable region, is becoming a smaller part of the group.

It is important going forward that the newly acquired businesses are properly integrated if we are to increase profitability. Cary Group has well-developed processes for structural profitability improvement and integration, including central coordination of purchasing, marketing initiatives and IT support to achieve synergies. The strong growth of our Rest of Europe business area also gives us further opportunities for economies of scale.

We are also taking active measures to improve profitability in Norway and the UK. In Norway, we have closed unprofitable workshops and are consolidating administrative functions between existing and acquired units. In the UK, our focus is on operational efficiency that leads to savings, while also exploiting synergies following the acquisition of Charles Pugh Holdings.

A changing world

The macroeconomic environment is bringing challenges, among them increased prices for purchasing. Our aim is to offset these cost increases in full. During the quarter, we were largely successful in compensating for the inflation we have experienced to date. We are also actively working to improve efficiency and control costs to continuously improve our profitability.

Our leverage amounted to 4.3x as of 30 June, as a result of continued acquisitions in line with our strategy. Our financial target allows us to temporarily have a higher debt level and the strong cash flows generated by our business will enable us to gradually reduce the debt ratio over the course the coming year. At the beginning of the second quarter, we entered into interest rate swaps for a greater portion of the company's interest rate exposure In order to make Cary Group's future interest expenses more predictable.

A sustainable strategy with good prospects

Cary Group strives to lead the way within the independent vehicle servicing industry with regard to climate impact and digitisation. During the quarter, we repaired, instead of replacing, over 50,237 (42,777) windscreens, saving around 2,210 (1,882) tonnes of CO_2 in direct emissions.

During the second quarter, we continued to increase our growth by providing customers at our workshops with services that have the industry's highest Net Promoter Score, something that gives us a great feeling of pride.

We believe there is good underlying demand for our services, driven by a trend for larger glass surfaces on vehicles and more technologically advanced glass, coupled with increasing demand for the calibration of safety systems. Despite the uncertainty that prevails in many industries, we can see that demand for vehicle glass repair and replacement is historically a non-cyclical industry that experiences steady growth. We will continue to implement our strategy and work hard to achieve our financial targets.

Group performance
Second quarter 2022

Net revenue
Net revenue increased by 81% during the second quarter, compared with last year, to SEK 1,050 million (575). Organic growth was 5% while growth through acquisitions totalled 74%. Exchange rate fluctuations had an effect of 2%. Adjusted for the number of workdays, organic growth was 7%.

The Nordics segment increased its net revenue by 30% during the second quarter to SEK 538 million (406). Net revenue in the Rest of Europe segment rose 203% to SEK 512 million (169).

The number of jobs performed within the Group increased by 57% in the second quarter compared with the same period last year, mainly attributable to Sweden and the acquisitions of Ralarsa in Spain, Zentrale Autoglas in Germany, ExpressGlass in Portugal and Charles Pugh Holdings in the UK. The number of workdays decreased to 62 (63) and the number of employees increased to 2,069 (1,118).

Profit
The gross margin increased in the second quarter compared with the same quarter last year, amounting to 66.3% (66.0). This improvement was mainly driven by acquired companies. Calibration's share also increased compared with the previous year and this is a service with a high gross margin.

Adjusted EBITA rose to SEK 168 million (103) in the second quarter, corresponding to a margin of 16.1% (18.0). Reported EBITA amounted to SEK 166 million (94) and was affected by costs affecting comparability of SEK 2 million (9).

Adjusted EBITA in the Nordics segment rose to SEK 141 million (104), corresponding to a margin of 26.7% (25.6). Adjusted EBITA in the Rest of Europe segment rose to SEK 49 million (17), corresponding to a margin of 9.6% (9.9). Cary Group's Group-wide costs amounted to SEK -22 million (-17).

Operating profit (EBIT) amounted to SEK 148 million (85) during the second quarter. Costs affecting comparability had an effect on EBIT of SEK 2 million (9). These costs relate mainly to the acquisition of operations in the United Kingdom.

Net financial items and income tax
Net financial items during the period totalled SEK -26 million (-31). Tax on profit for the period totalled SEK -22 million (-27).

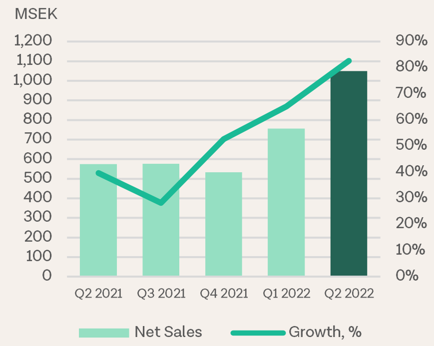
Profit and earnings per share for the period
Profit for the quarter amounted to SEK 100 million (26), equivalent to earnings per share, basic and diluted, of SEK 0.75 (1.15). Adjusted for costs affecting comparability, profit totalled SEK 102 million (43) and earnings per share, basic and diluted, amounted to SEK 0.76 (1.50).

Cash flow
Cash flow from operating activities increased to SEK 199 million (53) in the second quarter. Cash flow improved mainly as a result of increased profit.

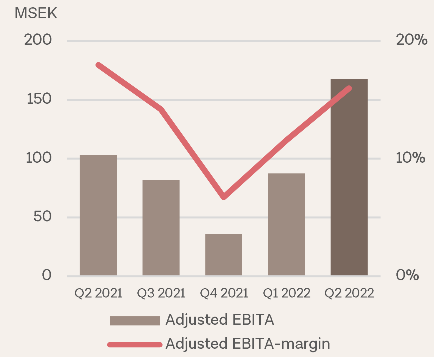
Cash flow after investments and acquisitions amounted to SEK -720 million (3). Investments in subsidiaries and asset transactions totalled SEK 900 million (44), relating mainly to the acquisitions of Charles Pugh Holdings and ExpressGlass. Investments, excluding acquisitions, totalled SEK 19 million (7).

Depreciation of property, plant and equipment totalled SEK 56 million (31). Net cash flow after cash received in connection with acquisitions amounted to SEK 93 million (-9). Contingent considerations for previous acquisitions amounted to SEK 130 million (131) as at 30 June 2022.

Net revenue and growth (quarter)



Adjusted EBITA and adjusted EBITA margin (quarter)



Group performance

First half 2022

Net revenue

Net revenue increased by 74% during the first six months, compared with last year, to SEK 1,805 million (1,032). Organic growth was 6% while growth through acquisitions totalled 66%. Exchange rate fluctuations had an effect of 3%. Adjusted for the number of workdays, organic growth was 8%.

Net revenue in the Nordics segment increased by 33% during the period to SEK 959 million (715).

During the first six months, net revenue in the Rest of Europe segment increased by 166% year-on-year, to SEK 846 million (318).

The number of jobs performed within the Group increased by 48% during the period, mainly attributable to Sweden and the acquisitions of Ralarsa in Spain, Zentrale Autoglas in Germany, ExpressGlass in Portugal and Charles Pugh Holdings in the UK. The number of workdays totalled 125 (127) and the number of employees rose to 2,069 (1,118).

Profit

The gross margin increased slightly during the first six months to 66.1% (65.7). This improvement was mainly driven by acquired companies. Calibration's share also increased compared with the previous year and this is a service with a high gross margin.

Adjusted EBITA totalled SEK 255 million (176) during the period, corresponding to a margin of 14.2% (17.1). Adjusted EBITA for the Nordics segment increased to SEK 225 million (178) and for the Rest of Europe segment to SEK 71 million (28). Cary Group's Group-wide costs amounted to SEK -41 million (-29).

Operating profit (EBIT) amounted to SEK 208 million (146) during the first six months. Operating profit for the period includes costs affecting comparability of SEK 13 million (12), which mainly relate to transaction costs for acquisitions.

Net financial items and income tax

Net financial items during the period totalled SEK -35 million (-53). Tax on profit for the period totalled SEK -40 million (-35).

Profit and earnings per share for the period

Profit for the period amounted to SEK 133 million (58), equivalent to earnings per share, basic and diluted, of SEK 0.99 (2.48). Adjusted for costs affecting comparability, profit for the period totalled SEK 143 million (68), which corresponds to earnings per share, basic and diluted, of SEK 1.07 (2.94).

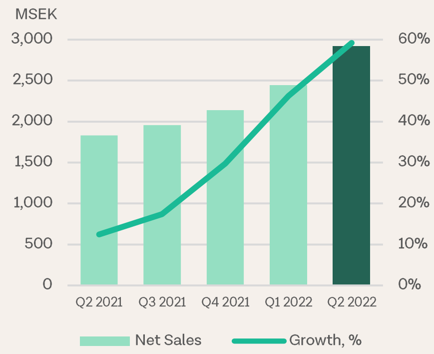
Cash flow

Cash flow from operating activities increased during the first six months and amounted to SEK 276 million (164).

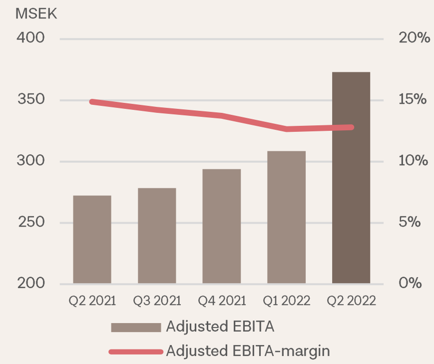
Cash flow after investments and acquisitions amounted to SEK -1,144 million (5). Investments in subsidiaries and asset transactions totalled SEK 1,390 million (154), relating mainly to the acquisitions of Charles Pugh Holdings, MPS Bilskade, Zentrale Autoglas and ExpressGlass. Investments, excluding acquisitions, totalled SEK 30 million (15).

Depreciation of property, plant and equipment totalled SEK 98 million (58). Net cash flow after cash received in connection with acquisitions amounted to SEK 122 million (96). Contingent considerations for previous acquisitions amounted to SEK 130 million (131) as at 30 June 2021.

Net revenue and growth (LTM)



Adjusted EBITA and adjusted EBITA margin (LTM)



The transition to IFRS 16 has affected the periods up to and including the fourth quarter of 2019.

Performance by business segment

Cary Group reports its business in two business segments, Nordics and Rest of Europe.

Nordics

The Nordics segment carries out repairs and replacements of automotive glass, as well as some SMART (Small, Medium Area Repair Technology) repairs and bodywork repairs. The segment operates via workshops and mobile units in Sweden, Denmark and Norway, under the brands Ryds Bilglas Sweden, Svenska Bussglas, Autoklinik, Sveaplan, Ryds Bilglas Denmark, Crashpoint, Cary Norway, Quick Car Fix and MPS Bilskade.

	Q2			Q1-2				Full-year
SEKm	2022	2021	Δ%	2022	2021	Δ%	LTM	2021
Net sales[2]	538	406	30%	959	715	33%	1,616	1,371
Organic growth	38	26	9%	66	42	9%	66	73
Acquisitions and divestments	81	67	20%	165	97	23%	165	230
Exhange-rate effects	2	0	1%	4	-1	1%	4	1
EBITA	151	103	46%	236	176	34%	360	300
EBITA-margin, %	28.1%	25.5%	-	24.6%	24.6%	-	22.3%	21.9%
Adjusted EBITA[1]	141	104	36%	225	178	27%	350	302
Adjusted EBITA-margin, %[1]	26.7%	25.6%	-	23.7%	24.8%	-	21.8%	22.0%

[1]These are alternative performance measures. Refer to Note 9, Alternative performance measures, page 20-21 for reconcilliation and page 23 for definitions.

[2]Includes non-recurring income of 11 MSEK in the current quarter attributable to write-down of earnout.

Second quarter 2022

Net revenue increased by 30% to SEK 538 million (406) in the second quarter, with organic growth increasing by 9%. High demand for repairs and replacement of automotive glass, mainly in Sweden, had a positive impact, as did acquisitions, where MPS Bilskade made the greatest contribution.

Adjusted EBITA totalled SEK 141 million (104), 36% higher than in the previous year, driven by higher sales. The adjusted EBITA margin was 26.7% (25.6), an improvement in profitability driven by stronger sales in Sweden and a generally good cost control in Sweden and Norway. Increased purchasing costs were largely offset by price adjustments during the quarter.

In Sweden, the VGRR (Vehicle Glass Repair and Replacement) business reported an extremely good level of demand and strong organic growth in sales.

Sales in the bus business of subsidiary Svenska Bussglas were lower than in the previous year, which had experienced strong demand for driver protection installed on buses to protect against Covid-19.

Sales in Norway increased compared with the previous year, both within the VGRR business and at MPS Bilskade, which operates within minor vehicle damage repair. In order to increase profitability across all Norwegian operations, the companies' group functions are now being coordinated, some workshops co-located and the customer offering broadened. These measures will lead to savings of approximately 5 MSEK of the Norwegian operations by the end of the year and approximately 15 MSEK per year from 2023.

In Denmark, demand and sales within the VGRR business were higher than last year.

Rest of Europe

The Rest of Europe segment provides services in the repair and replacement of vehicle glass and bus glass. The segment operates via workshops and mobile units under the brand National Windscreens in the UK, through the Cary Group-owned companies Mobile Windscreens and Charles Pugh Holdings, and via the companies Ralarsa in Spain, Zentrale Autoglas in Germany and ExpressGlass in Portugal.

	Q2			Q1-2			Full-year	
SEKm	2022	2021	△%	2022	2021	△%	LTM	2021
Net sales	512	169	203%	846	318	166%	1,298	770
Organic growth	-10	65	-5%	-5	38	-1%	-5	27
Acquisitions and divestments	343	7	203%	512	13	161%	512	162
Exhange-rate effects	10	-1	6%	21	-10	7%	21	-2
EBITA	48	15	214%	69	26	165%	91	47
EBITA-margin, %	9.3%	9.0%	-	8.2%	8.2%	-	7.0%	6.2%
Adjusted EBITA[1)]	49	17	192%	71	28	154%	100	57
Adjusted EBITA-margin, %[1)]	9.6%	9.9%	-	8.4%	8.7%	-	7.7%	7.5%

[1)]These are alternative performance measures. Refer to Note 9, Alternative performance measures, page 20-21 for reconcilliation and page 23 for definitions.

Second quarter 2022

Net revenue increased by 203% to SEK 512 million (169) in the second quarter. The improvement in net revenue was driven by acquired Spanish company Ralarsa, German company Zentrale Autoglas, Portuguese company ExpressGlass and the acquisition of Charles Pugh Holdings in the UK. Organic sales growth relates only to UK business Mobile Windscreens, which was also owned last year and had lower sales growth compared with the previous year. Organic sales growth was affected by there being fewer workdays compared with the previous year, as well as by capacity constraints.

Adjusted EBITA increased to SEK 49 million (17) as a result of higher sales. The adjusted EBITA margin was slightly lower in the second quarter compared with last year. Profitability amounted to 9.6% (9.9), having been affected by a weaker profitability trend in the UK as a result of lower sales, although benefiting from the acquisitions made. Increased purchasing costs continued to be offset by price adjustments during the quarter.

In the UK, we are now focusing on improving profitability by increasing the capacity utilisation of the business, streamlining distribution operations and optimising IT. Together with the acquisition Charles Pugh Holdings, savings will amount to approximately 5-10 MSEK this year and approximately 25 MSEK per year from 2023, as communicated by the time of the acquisition.

Ralarsa in Spain increased its organic sales in the second quarter compared with the previous year, driven by strong demand. Six add-on acquisitions were made in Spain during the quarter, which is a good start to our strategy for growth through add-on acquisitions. Portuguese acquisition ExpressGlass also increased its organic sales in the second quarter.

German company Zentrale Autoglas experienced strong organic sales growth of 34% during the second quarter.

Financial position

As of June 30, 2022, net debt amounted to SEK 3,008 million (SEK 2,260 million on March 31, 2022), which corresponds to a leverage ratio in terms of net debt/Adjusted EBITDA (pro forma) of 4.3 times (3.6 times March 31, 2022). A weakening of the Swedish krona against other group currencies increased the net debt in SEK as of June 30, but had a minor impact on pro forma EBITDA, which thus negatively affected the debt ratio.

Long-term credit facilities amounted to SEK 2,422 million and lease liabilities to SEK 701 million. Unused credit facilities amounted to SEK 678 million as at 30 June 2022.

Equity, including non-controlling interests, amounted to SEK 1,699 million as at 30 June 2022 (SEK 1,596 million as at 31 March 2022), corresponding to an equity ratio of 29% (37%). Cash and cash equivalents as at 30 June 2022 amounted to SEK 256 million (31 March 2022: SEK 176 million).

Interest rate hedging

At the beginning of the second quarter Cary Group entered into interest rate swaps for a greater portion of the company's interest rate exposure to make future interest expenses more predictable.

Shares

The total number of shares and votes changed as a result of the new share issue that was made in connection with the listing of the company's shares on the stock exchange on 23 September 2021. As at 30 June 2022, the total number of shares and votes was 131,848,996.

Financial targets

On 17 June 2021, the company adopted the following financial targets and dividend policy:

Revenue growth: Cary Group's target is to achieve average annual total revenue growth of more than 15 per cent in the medium term, at least half of which must be organic.

Profitability: Cary Group's target is to achieve an adjusted EBITA margin of 20 per cent in the medium term.

Capital structure: Cary Group's capital structure must provide a high degree of financial flexibility and enable acquisitions to be made. Cary Group's target is to have a maximum net debt ratio in relation to adjusted EBITDA of 2.5. This ratio can temporarily exceed 2.5, however, in connection with acquisitions.

Dividend policy: Cary Group aims to pay out at least 20 per cent of its net profit. Dividend decisions must take into account Cary Group's investment opportunities and financial position.

Personnel and organisation

The number of full-time employees was 2,096 (1,796 at the end of the first quarter).

Sustainability

Sustainability is at the heart of Cary Group's identity and strategy. The company strives to lead the way within the independent vehicle servicing industry with regard to climate impact and digitisation. Key tools for achieving this include: (i) continuously increasing the repair rate (the number of vehicle glass repairs as a proportion of the total number of vehicle glass jobs; (ii) digitising and automating the customer journey; and (iii) electrifying the courtesy car fleet, including offering electric bikes. Since 2020, Cary Group has offset a portion of its direct emissions, but in 2021 the company went a step further to offset its emissions by becoming climate-neutral. Climate neutrality means that Cary Group uses offsetting to capture the same amount of CO2-equivalent emissions as the company produces, so that the sum total of emissions is zero. Cary Group offsets all Scope 1, 2 and 3 emissions, which means that the company not only takes responsibility for emissions from its own windscreen repair and replacement services, but also offsets the emissions generated by its suppliers.

Continuously increasing the repair rate

Cary Group always aims to repair the customer's windscreen as far as possible, as replacing a windscreen involves total CO2 emissions of approximately 44 kg, including production, transport and recycling. During the second quarter, Cary Group's repair rate in Sweden was 37% (35%). Cary Group sends 100% of its windscreens for recycling. Of all the windscreens that are replaced, around 90% can be recycled and reused for other purposes, mainly as insulation products for the construction industry in Sweden and as glass bottles in the rest of Europe.

Digitising and automating the customer journey

In the event of a stone chip, Cary Group's customers can analyse the damage caused using a service developed on the basis of artificial intelligence ("AI"). Whether the windscreen needs repairing or replacing, it is easy to book an appointment online for one of the workshops in Cary Group's dense workshop network. The AI-based assessment technology, combined with the dense workshop network and digital booking systems, reduces the number of kilometres driven to and from the workshops, which in turn reduces carbon emissions. More than 250 customers per day use the AI service in the Nordics and the UK.

Electrifying the vehicle fleet

Cary Group has decided to offer electric courtesy cars to reduce the climate impact of customers while their vehicle is being serviced. We now have a total of 84 electric courtesy cars, which corresponds to 26% of our total courtesy car fleet in Sweden and Norway. Our aim is to have a completely fossil-free vehicle fleet in the Nordics.

On page 22, there is a diagrammatic overview of our sustainable offering.

Other information

Seasonal variations

Cary Group's net sales earnings fluctuate across the seasons and this should be taken into consideration when making assessments based on quarterly financial information. The seasonal variations are attributable to the increased demand for Vehicle Glass Repair and Replacement services late in the first quarter and throughout the second quarter.

Parent company

The main functions of Cary Group Holding AB consist of business development, acquisitions, financing and business control and analysis.

The parent company's total revenue in the second quarter amounted to SEK 4 million (0). The parent company incurred other external expenses and personnel costs of SEK -9 million (-2) in the second quarter. The increase in costs is the result of investments in the central organisation as the company grows.

Significant events during the quarter

On 29 June, CVC Fonder and Nordic Capital, through Teniralc BidCo AB ("Teniralc"), announced a public cash offer to the shareholders of Cary Group to transfer all of the shares in Cary Group to Teniralc for a cash sum of SEK 65 per share. The independent members of Cary Group's Board of Directors have been appointed the independent bid committee, which will publish its opinion on the offer no later than 8 August, i.e. two weeks before the closing date of the acceptance period for the bid, which is 22 August.

On 1 April, the acquisition was completed of GlassCo S.A., owner of "ExpressGlass", which operates a vehicle glass repair and replacement business in Portugal.

On 4 May, the acquisition was completed of Charles Pugh Holdings, which operates a vehicle glass repair and replacement business in the United Kingdom.

Acquisitions

Company	Business segment	Included from	Acquired share	Net sales (SEKm)	Acquisition-related intangible assets
AB Vetlanda Glas	Nordics	2022-01-01	80%	5	4
Zentrale Autoglas GmbH	Rest of Europe	2022-01-01	75%	277	273
MPS Bilskade AS	Nordics	2022-01-01	100%	162	269
HW Glas Autoruder ApS	Nordics	2022-01-01	100%	8	2
Nya Glasmästeriet Jan Eklund AB	Nordics	2022-03-01	Asset	7	5
Hedlunds Glas i Katrineholm AB	Nordics	2022-03-01	Asset	4	4
Ralarsa Osuna-Sevilla	Rest of Europe	2022-03-01	Asset	1	0
Ralarsa Los Remedios-Sevilla	Rest of Europe	2022-03-01	Asset	1	0
Bærum Lack & Karosseri AS	Nordics	2022-03-31	100%	13	13
Total acquisitions January-March 2022				**477**	**570**
JH Glas Söderhamn	Nordics	2022-04-01	Asset	1	1
Sveaplan Bil, Plåt & Lack AB	Nordics	2022-04-01	100%	30	36
Express Glass SA	Rest of Europe	2022-04-01	100%	109	113
Rutglas AB	Nordics	2022-04-15	100%	7	13
Charles Pugh Holdings Ltd	Rest of Europe	2022-05-01	100%	656	680
Skogsnäs Glas AB	Nordics	2022-05-01	Asset	4	5
Ralarsa Mostoles-Madrid	Rest of Europe	2022-05-01	Asset	4	2
Ralarsa Elche-Alicante	Rest of Europe	2022-05-01	Asset	2	1
Ralarsa Cordoba	Rest of Europe	2022-05-01	Asset	2	1
Ralarsa Villagarcia de Arousa	Rest of Europe	2022-05-01	Asset	1	0
Ralarsa Coslada-Madrid	Rest of Europe	2022-05-01	Asset	2	2
Glassdrive Boadilla & Guadalajara	Rest of Europe	2022-06-01	Asset	11	9
Total acquisitions April-June 2022				**827**	**863**
Total acquisitions January-June 2021				**1,305**	**1,434**

Financial statements

Condensed consolidated income statement

SEKm	Q2 2022	Q2 2021	Q1-2 2022	Q1-2 2021	Full-year 2021
Net sales	1,036	575	1,788	1,032	2,128
Other operating income	14	-	17	-	13
Revenue	**1,050**	**575**	**1,805**	**1,032**	**2,141**
Goods for resale	-350	-195	-608	-354	-744
Other external costs	-155	-84	-282	-146	-376
Employee benefit expense	-322	-171	-576	-310	-679
Depreciation, amortization and impairment	-75	-40	-132	-76	-172
Operating expenses	**-902**	**-490**	**-1,597**	**-886**	**-1,971**
Operating profit*	**148**	**85**	**208**	**146**	**171**
Finance income	-1	-7	4	17	18
Finance costs	-25	-24	-39	-69	-149
Finance costs - net	**-26**	**-31**	**-35**	**-53**	**-131**
Profit before income tax	**122**	**53**	**173**	**93**	**39**
Income tax expense	-22	-27	-40	-35	-10
Profit for the period	**100**	**26**	**133**	**58**	**29**
Other comprehensive income					
Items that may be reclassified to profit or loss					
Exchange differences on translation of foreign operations	4	-9	5	2	3
Items that will not be reclassified to profit or loss					
Remeasurements of post-employment benefit obligations	-	-	-1	-	-1
Other comprehensive income for the period, net of tax	**4**	**-9**	**4**	**2**	**2**
Total comprehensive income for the period	**104**	**18**	**137**	**61**	**31**
Profit/loss for the period attributable to:					
Owners of the parent	99	25	131	54	24
Non-controlling interest	1	1	2	5	5
Earnings per share before and after dilution, SEK	0.75	1.15	0.99	2.48	0.21
Operating profit includes:					
Depreciation	-56	-31	-98	-58	-128
Amortization of other intangibles	-0	-1	-1	-2	-4
Amortization of right-of-use assets	-18	-8	-33	-15	-40
Depreciation and amortization	**-75**	**-40**	**-132**	**-76**	**-172**

Condensed consolidated balance sheet

SEKm	6/30/2022	6/30/2021	12/31/2021
Assets			
Non-current assets			
Goodwill	2,931	1,800	1,982
Other intangible assets	780	114	280
Right-of-use assets	689	339	410
Property, plant and equipment	264	80	91
Other long-term receivables	10	0	3
Deferred tax assets	4	3	22
Total non-current assets	**4,678**	**2,336**	**2,788**
Current assets			
Inventories	277	59	95
Accounts receivable	536	227	253
Other receivables	17	28	37
Prepaid expenses and accrued income	139	47	98
Cash and cash equivalents	256	191	146
Total current assets	**1,225**	**552**	**629**
Total assets	**5,903**	**2,888**	**3,417**
Equity and liabilities			
Equity attributable to Parent Company shareholders			
Share capital	1	0	1
Additional paid-in capital	1,867	209	1,867
Reserves	2	-2	-2
Retained earnings (incl. Profit/loss for the period)	-178	-255	-307
Total equity attributable to the shareholders of the parent company	**1,692**	**-48**	**1,557**
Equity attributable to minority	**7**	**8**	**4**
Non-current liabilities			
Liabilities to credit institutions	2,422	1,662	909
Lease liabilities	525	243	309
Deferred tax liabilities	189	51	100
Other interest-bearing liabilities	122	449	29
Total non-current liabilities	**3,258**	**2,406**	**1,347**
Current liabilities			
Liabilities to credit institutions	19	-	11
Lease liabilities	176	97	110
Accounts payable	369	165	171
Current tax liability	11	36	12
Other current liabilities	185	83	79
Accrued expenses and deferred income	186	141	126
Total current liabilities	**946**	**522**	**509**
Total liabilities	**4,204**	**2,928**	**1,856**
Total equity and liabilities	**5,903**	**2,888**	**3,417**

Consolidated statement of changes in equity

SEKm	Share capital	Other paid-in capital	Translation reserves	Retained earnings	Total	Non-controlling interests	Total Equity
Opening balance 2022-01-01	**1**	**1,867**	**-3**	**-307**	**1,557**	**4**	**1,561**
Profit for the period	-	-	-	131	131	2	133
Other comprehensive income	-	-	5	-1	4	-	4
Total comprehensive income for the year	**0**	**-**	**5**	**130**	**135**	**2**	**137**
Transactions with owners:							
Transactions with non-controlling interests	-	-	-	-	-	1	1
	0	-	-	-	-	1	1
Closing balance 2022-06-30	**1**	**1,867**	**2**	**-177**	**1,692**	**7**	**1,699**

SEKm	Share capital	Other paid-in capital	Translation reserves	Retained earnings	Total	Non-controlling interests	Total Equity
Opening balance 2021-01-01	**0**	**209**	**-4**	**-316**	**-111**	**5**	**-106**
Profit for the period	-	-	-	54	54	5	58
Other comprehensive income	-	-	-	-	-	4	4
Translation difference	-	-	2	-	2	0	2
Total comprehensive income for the year	**-**	**-**	**2**	**54**	**55**	**9**	**65**
Transactions with owners							
Transactions with non-controlling interests	-	-	-	7	7	-6	2
	-	-	-	7	7	-6	2
Closing balance 2021-06-30	**0**	**209**	**-2**	**-255**	**-48**	**8**	**-40**

Condensed consolidated statement of cash flows

SEKm	Q2 2022	Q2 2021	Q1-2 2022	Q1-2 2021	Full-year 2021
Profit after financial items	122	53	173	93	39
Adjustments to cash flow	75	50	133	88	250
Income taxes paid	-8	2	-36	-24	-67
Cash flow before changes in working capital	**189**	**105**	**270**	**157**	**222**
Decrease(+)/increase(-) in inventories	-12	-3	-16	-6	-8
Decrease(+)/increase(-) in other current receivables	2	-19	-63	-18	-2
Decrease(-)/increase(+) in other current liabilities	21	-31	85	32	-38
Cash flow from changes in working capital	**10**	**-53**	**6**	**7**	**-48**
Cash flow from operating activities	**199**	**53**	**276**	**164**	**175**
Investments in intangible assets	-4	-	-9	-1	-4
Investments in tangible assets	-17	-7	-24	-14	-21
Disposal of tangible assets	2	-	2	-	-
Investments in subsidiaries, net received	-900	-44	-1,390	-154	-528
Cash flow from investing activities	**-919**	**-50**	**-1,421**	**-169**	**-554**
New share issue	-	-	-	-	1,209
Transactions with non-controlling interests in subsidiaries	-1	9	-	9	-6
Paid borrowing costs	-8	-	-8	-	-
Borrowings	877	2	1,409	134	1,392
Amortizations of borrowings	-55	-23	-135	-43	-2,192
Short-term investments	-	-	-	-	19
Cash flow from financing activities	**813**	**-12**	**1,267**	**100**	**424**
Cash flow for the period	**93**	**-9**	**122**	**96**	**45**
Cash and cash equivalents at beginning of period	176	198	146	96	96
Translation difference	-13	3	-12	-	5
Cash and cash equivalents at end of period	**256**	**191**	**256**	**191**	**146**

Condensed parent company income statement

SEKm	Q2 2022	Q2 2021	Q1-2 2022	Q1-2 2021	Full-year 2021
Revenue	**4**	**-**	**4**	**-**	**3**
Other operating expenses	-2	-2	-9	-2	-91
Employee benefit expense	-7	-	-15	-	-8
Operating profit	**-6**	**-2**	**-20**	**-2**	**-96**
Finance cost - net	11	1	14	-6	-13
Profit or loss after financial items	**-6**	**-8**	**-6**	**-8**	**-109**
Appropriations	-	-	-	-	186
Tax on profit for the period	-1	-	1	-	-15
Profit or loss for the period	**5**	**-0**	**-5**	**-8**	**62**

Condensed parent company balance sheet

SEKm	6/30/2022	6/30/2021	12/31/2021
Other intangible assets	1	-	0
Shares in subsidiary	1,680	703	1,680
Long term receivables from Group companies	3,522	-	2,091
Derivatives	3	-	-
Total non-current assets	**5,206**	**703**	**3,771**
Current receivables from group companies	250	-	215
Other current receivables	0	1	19
Prepaid expenses and accrued income	3	-	2
Cash and cash equivalents	-36	38	0
Total current assets	**217**	**39**	**236**
Total assets	**5,423**	**742**	**4,008**
Share capital	1	0	1
Additional paid-in capital	1,867	209	2,807
Retained earnings	1,154	122	152
Profit or loss for the period	-5	-8	62
Total equity	**3,017**	**323**	**3,021**
Liabilities to credit institutions	2,343	-	899
Other interest-bearing liabilities	-	419	-
Deferred tax liabilities	7	-	7
Total non-current liabilities	**2,351**	**419**	**907**
Liabilities to credit institutions	0	-	-
Accounts payable	1	-	2
Current liabilities to group companies	41	-	59
Current tax liability	3	-	5
Other current liabilities	2	-	1
Accrued expenses and deferred income	9	-	13
Total current liabilities	**56**	**-**	**79**
Total equity and liabilities	**5,423**	**742**	**4,008**

Key performance indicators – Group

SEKm	Q2 2022	Q2 2021	Q1-2 2022	Q1-2 2021	LTM	Full-year 2021
Net sales[2]	1,050	575	1,805	1,032	2,914	2,141
Organic growth	29	90	61	80	61	100
Acquisitions and divestments	424	73	677	111	677	392
Exchange-rate effects	12	-1	25	-11	25	-2
Operating result (EBIT)	148	85	208	146	232	171
Adjusted EBIT[1]	149	94	221	159	313	250
EBITDA[1]	222	125	340	222	461	343
EBITDA-margin, %[1]	21.2%	21.7%	18.8%	21.5%	15.8%	16.0%
Adjusted EBITDA[1]	224	134	353	234	541	422
Adjusted EBITDA-margin, %[1]	21.5%	23.4%	19.7%	22.7%	18.6%	19.7%
EBITA	166	94	242	164	293	215
EBITA-margin, %	15.8%	16.3%	13.4%	15.9%	10.0%	10.0%
Adjusted EBITA[1]	168	103	255	176	373	294
Adjusted EBITA-margin, %[1]	16.1%	18.0%	14.2%	17.1%	12.8%	13.7%
Profit for the period	100	26	133	58	104	29
Adjusted profit for the period[1]	101	34	143	68	167	92
Capital employed[1]	4,963	2,411	4,963	2,411	4,963	2,929
ROCE[1]	7.5%	12.2%	7.5%	12.2%	7.5%	10.0%
Shareholders' equity	1,699	-40	1,699	-40	1,699	1,561
ROE[1]	6.1%	-61%	6.1%	-61%	6.1%	1.9%
Net Debt[1]	3,008	2,260	3,008	2,260	3,008	1,222
Net Debt/Equity ratio[1]	1.8	-56.4	1.8	-56.4	1.8	0.8
Net Debt/Adjusted LTM EBITDA (Pro forma)[1]	4.3	4.7	4.3	4.7	4.3	2.5
Number of acquisitions	12	6	21	11	25	15
FTE's at end of period	2,069	1,118	2,069	1,118	2,069	1,431
Number of workdays	62	63	125	127	257	259
Number of jobs	233,639	148,741	419,393	284,416	673,463	588,565
Number of workshops (incl. Mobile units)	1,354	601	1,354	601	1,354	929

[1]These are alternative performance measures. Refer to Note 9, Alternative performance measures, page 20-21 for reconcilliation and page 23 for definitions.

[2]Includes non-recurring income of 11 MSEK in the current quarter attributable to write-down of earnout.

Notes to the financial statements

Note 1 – Summary of significant accounting policies

This interim report has been prepared in accordance with the Swedish Annual Accounts Act, RFR 1 and IAS 34 Interim Financial Reporting. The parent company's interim report has been prepared in accordance with the Swedish Annual Accounts Act and the Swedish Financial Reporting Board's recommendation RFR 2.

The accounting policies and methods of calculation applied in the interim financial statements are the same as those applied in the company's Annual Report for 2021.

Note 2 – Risks and uncertainties

Cary Group operates on several European markets and is therefore exposed to risks that can affect the Group's ability to achieve its strategic objectives and financial targets. Having an effective control environment at the company provides protection against risks. Cary Group's risk management involves identifying risks and preparing for potential unknown risks. Clear risk ownership and prioritisation of risks along with continuous evaluation of the control environment are the key to effective risk management. A risk assessment is performed annually in order to identify significant risks. The company has identified risks in several risk areas: strategic, operational, financial, risks concerning sustainability and risks relating to regulations and compliance. Risks are evaluated by the Group management and the Board of Directors and risk work is led by the relevant risk owner. When identifying risks, a risk map is drawn up and then used as a basis for risk mitigation measures developed by the internal control function together with the relevant risk owner. Risk work is presented on a regular basis to the Audit Committee and annually to the Board of Directors.

A more detailed description of the Group's material financial and business risks can be found in the company's Annual Report, which was published on 12 April 2022. The Annual Report is available on the company's website: www.carygroup.com.

Note 3 – Segment and revenue information

Description of segments

The CEO oversees the business from a business area perspective and has identified two operating segments:

1. Nordics
2. Rest of Europe

	2022 Q2				2022 Q1-2			
SEKm	Nordics	Rest of Europe	Group functions	Total	Nordics	Rest of Europe	Group functions	Total
Segment revenue[2)]	538	513	-	1,051	959	848	-0	1,807
Inter-segment revenue	-	-1	-	-1	-	-2	-	-2
Revenue from external customers	**538**	**512**	**-**	**1,050**	**959**	**846**	**-0**	**1,805**
Time of revenue recognition								
At a point in time	538	512	-	1,050	959	846	-0	1,805
Over time	-	-	-	-	-	-	-	-
Adjusted EBITA	**141**	**49**	**-22**	**168**	**225**	**71**	**-41**	**255**
Add-back of depreciation	34	22	-	56	62	36	-	98
Adjusted EBITDA	**174**	**72**	**-22**	**224**	**287**	**107**	**-41**	**353**

[2)]Includes non-recurring income of 11 MSEK in the current quarter attributable to write-down of earnout.

SEKm	2021 Q2 Nordics	Rest of Europe	Group functions	Total	2021 Q1-2 Nordics	Rest of Europe	Group functions	Total
Segment revenue	406	170	-	576	715	320	-	1,034
Inter-segment revenue	-	-1	-	-1	-	-2	-	-2
Revenue from external customers	**406**	**169**	**-**	**575**	**715**	**318**	**-**	**1,032**
Time of revenue recognition								
At a point in time	406	169	-	575	715	318	-	1,032
Over time	-	-	-	-	-	-	-	-
Adjusted EBITA	**104**	**17**	**-17**	**103**	**178**	**28**	**-29**	**176**
Add-back of depreciation	25	6	-	31	47	11	-	58
Adjusted EBITDA	**129**	**22**	**-17**	**134**	**224**	**39**	**-29**	**234**

Sales between segments are carried out on an arm's length basis and are eliminated on consolidation. The amounts reported to the CEO with respect to segment revenue are measured in a manner consistent with that of the financial statements.

Note 4 – Related party transactions

There have been no transactions with related parties that have had a material effect on the Group's profit or position.

Note 5 – Shares and calculation of earnings per share

The average number of shares during the second quarter was 131,848,946, compared with 131,848,946 shares as at 31 March. The company's share capital amounted to SEK 706,000 on 30 June 2022.

Earnings per share are calculated by dividing the profit for the period attributable to the shareholders of the parent company, excluding any interest attributable to preference shares, by the weighted average number of shares outstanding during the period.

SEKm	Q2 2022	Q2 2021	Q1-2 2022	Q1-2 2021	LTM	Full-year 2021
Earnings per share before and after dilution, SEK	0.75	1.15	0.99	2.48	0.76	0.21
share:						
Profit for the period, attributable to owners of the parent	99	25	131	54	102	24
Interest rate on preference shares.	0	(1)	0	(1)	(2)	(3)
Total	**99**	**24**	**131**	**53**	**100**	**22**
Weighted average number of shares	**132**	**21**	**132**	**21**	**132**	**104**

Note 6 – Recognition of financial instruments at fair value

Cary Group's financial assets are essentially non-interest-bearing and interest-bearing receivables, in which cash flows represent only payment for the initial investment and, where applicable, interest. Their value is intended to be held to maturity and is carried at amortised cost, which is a reasonable estimate of fair value. Financial liabilities are for the most part recognised at amortised cost.

Financial instruments measured at fair value on the balance sheet are contingent considerations consisting of liabilities with a value of SEK 130 million (131). Contingent consideration liabilities are recognised at fair value based on management's best estimate of the most likely outcome (level 3, as defined in IFRS 13). Other assets and liabilities are recognised at amortised cost.

Note 7 – Acquisitions

Acquisitions, January–June 2022

Company	Business segment	Included from	Acquired share	Net sales (SEKm)	Acquisition-related intangible assets
AB Vetlanda Glas	Nordics	2022-01-01	80%	5	4
Zentrale Autoglas GmbH	Rest of Europe	2022-01-01	75%	277	273
MPS Bilskade AS	Nordics	2022-01-01	100%	162	269
HW Glas Autoruder ApS	Nordics	2022-01-01	100%	8	2
Nya Glasmästeriet Jan Eklund AB	Nordics	2022-03-01	Asset	7	5
Hedlunds Glas i Katrineholm AB	Nordics	2022-03-01	Asset	4	4
Ralarsa Osuna-Sevilla	Rest of Europe	2022-03-01	Asset	1	0
Ralarsa Los Remedios-Sevilla	Rest of Europe	2022-03-01	Asset	1	0
Bærum Lack & Karosseri AS	Nordics	2022-03-31	100%	13	13
Total acquisitions January-March 2022				**477**	**570**
JH Glas Söderhamn	Nordics	2022-04-01	Asset	1	1
Sveaplan Bil, Plåt & Lack AB	Nordics	2022-04-01	100%	30	36
Express Glass SA	Rest of Europe	2022-04-01	100%	109	113
Rutglas AB	Nordics	2022-04-15	100%	7	13
Charles Pugh Holdings Ltd	Rest of Europe	2022-05-01	100%	656	680
Skogsnäs Glas AB	Nordics	2022-05-01	Asset	4	5
Ralarsa Mostoles-Madrid	Rest of Europe	2022-05-01	Asset	4	2
Ralarsa Elche-Alicante	Rest of Europe	2022-05-01	Asset	2	1
Ralarsa Cordoba	Rest of Europe	2022-05-01	Asset	2	1
Ralarsa Villagarcia de Arousa	Rest of Europe	2022-05-01	Asset	1	0
Ralarsa Coslada-Madrid	Rest of Europe	2022-05-01	Asset	2	2
Glassdrive Boadilla & Guadalajara	Rest of Europe	2022-06-01	Asset	11	9
Total acquisitions April-June 2022				**827**	**863**
Total acquisitions January-June 2021				**1,305**	**1,434**

Acquisitions January–June 2022

Purchase considerations in the period totalled SEK 1,599 million on a cash-free and debt-free basis, excluding any potential contingent considerations.

On 1 January, Cary Group completed the acquisition of Zentrale Autoglas GmbH, one of Germany's leading providers of vehicle glass repair and replacement, primarily for buses and campervans. Zentrale Autoglas has a total of 25 workshops, mainly in Germany, and around 250 employees.

On 1 January, Cary Group completed the acquisition of MPS Bilskade AS, which operates within both major and minor vehicle damage repair. MPS Bilskade has 63 workshops in Norway, 9 of which it owns, and around 55 employees.

In March, MPS Bilskade acquired Baerum Lack & Karosseri AS. This acquisition gives MPS Bilskade AS a stronger market presence within SMART repair in western Oslo.

In April, Ryds Bilglas acquired Sveaplans Plåt och Lack, which operates within minor vehicle damage repair.

In April, the acquisition was completed of ExpressGlass, which operates a vehicle glass repair and replacement business in Portugal.

In May, the acquisition was completed of Charles Pugh Holdings Ltd, which operates a vehicle glass repair and replacement business in the United Kingdom.

In May, Ralarsa acquired six franchise-owned businesses.

Other companies and assets listed in the table above refer to acquired vehicle glass workshops and businesses in the Swedish, Danish and Spanish markets. These acquisitions give Cary Group improved geographical coverage of the market, thereby providing better access to the company's services for customers.

The table below summarises the considerations paid for the acquisitions made in the period and the fair value at the acquisition date of the assets acquired and liabilities assumed:

SEKm	6/30/2022	12/31/2021
Purchase price		
Cash and cash equivalents	1,455	616
Promissory note	-	-
Additional purchase price	144	26
Total purchase price	**1,599**	**644**

The acquisition analyses are provisional and may be adjusted in future quarters. The acquisition analysis is provisional mainly in relation to the allocation of surplus value. The surplus value recognised as goodwill relates to the future profit generation and profit synergies of the acquired companies that the acquisitions bring and does not meet the conditions for separate reporting. Other intangible non-current assets amount to SEK 508 million and are provisionally allocated mainly to brands and customer relations. As at 30 June 2022, unsettled purchase considerations relate partly to contingent considerations valued on the basis of outcomes and partly to unpaid agreed contingent considerations. The majority of this item relates to the non-controlling interest of Zentrale Autoglas.

SEKm	6/30/2022	12/31/2021
Cash and cash equivalents	65	110
Customer relationships	239	111
Brands	262	126
Other intangible assets	6	-
Tangible fixed assets	168	15
Rights of use	278	152
Inventory	158	38
Accounts receivables and other receivables	274	137
Long-term liabilities (incl. Leasing and Deferred tax)	-502	-217
Accounts payable and other current liabilities	-277	-156
Total assets and liabilities acquired	**672**	**316**
Goodwill	926	327
Acquired net assets	**1,599**	**644**

Acquisition-related expenses of SEK 22 million are included in other external expenses in the consolidated income statement and in operating activities in the statement of cash flows for the period.

Purchase consideration – cash flow

The acquisitions in the first half had an impact of SEK 1,390 million on the Group's cash flow.

SEKm	6/30/2022	12/31/2021
Cash flow information		
Acquired net assets	1,599	644
Acquired cash and cash equivalents	-65	-110
Purchase price, not yet paid	-144	-26
Sum cash flow from investments activities	**1,390**	**508**

Note 8 – Reconciliation of adjusted EBITA to operating profit before income tax for the Group

SEKm	Q2 2022	Q2 2021	Q1-2 2022	Q1-2 2021	LTM	Full-year 2021
Adjusted EBITA	168	103	255	176	373	294
Transaction costs	-11	-1	-19	-1	-27	-9
Consulting costs	-	-	-	-	-1	-1
Rebranding costs	-	-0	-	-2	-0	-3
Non-Recurring Personnel Costs	-1	-3	-1	-3	-4	-6
IPO costs	-	-6	-	-6	-51	-57
Other	11	-	7	-	4	-4
Amortization	-19	-9	-34	-18	-60	-44
Finance costs, net	-26	-31	-35	-53	-114	-131
Profit before income tax	**122**	**53**	**173**	**93**	**119**	**39**

Note 9 – Alternative performance measures

Some of the information provided in this interim report that management and analysts use to assess the Group's performance is not defined in IFRS. Management believes that this information makes it easier for investors to analyse the Group's earnings performance and financial position.

Investors should consider this information as supplementary to, rather than replacing, financial reporting in accordance with IFRS.

Adjusted EBITA and adjusted EBITA margin, %

SEKm	Q2 2022	Q2 2021	Q1-2 2022	Q1-2 2021	LTM	Full-year 2021
Operating result (EBIT)	148	85	208	146	232	171
Amortization	19	9	34	18	60	44
EBITA	**166**	**94**	**242**	**164**	**293**	**215**
Items affecting comparability	2	9	13	12	80	79
Adjusted EBITA	**168**	**103**	**255**	**176**	**373**	**294**
Net sales[2)]	1,050	575	1,805	1,032	2,914	2,141
Adjusted EBITA, %	**16.1%**	**18.0%**	**14.2%**	**17.1%**	**12.8%**	**13.7%**

[2)]Includes non-recurring income of 11 MSEK in the current quarter attributable to write-down of earnout.

Operating cash flow and cash generation, %

SEKm	Q2 2022	Q2 2021	Q1-2 2022	Q1-2 2021	LTM	Full-year 2021
Adjusted EBITA	**168**	**103**	**255**	**176**	**373**	**294**
Depreciation	56	31	98	58	168	128
Adjusted EBITDA	**224**	**134**	**353**	**234**	**541**	**422**
Investments in intangible assets	-4	-	-9	-1	-12	-4
Investments in tangible assets	-15	-7	-22	-14	-30	-21
Operating cash flow	**205**	**128**	**322**	**219**	**499**	**397**
Cash conversion, %	**91.4%**	**95.0%**	**91.2%**	**93.6%**	**92.3%**	**94.0%**

Net debt and net debt/adjusted EBITDA

SEKm	Q2 2022	Q2 2021	Q1-2 2022	Q1-2 2021	LTM	Full-year 2021
Liabilities to credit institutions	2,422	1,662	2,422	1,662	2,422	909
Other interest-bearing liabilities	122	449	122	449	122	29
Non-current lease liabilities	525	243	525	243	525	309
Current lease liabilities	176	97	176	97	176	110
Short-term liabilities to credit institutions	19	-	19	-	19	11
Total interest-bearing liabilities	**3,264**	**2,451**	**3,264**	**2,451**	**3,264**	**1,368**
Cash and cash equivalents	256	191	256	191	256	146
Net debt	**3,008**	**2,260**	**3,008**	**2,260**	**3,008**	**1,222**
Adjusted EBITA	168	103	255	176	373	294
Depreciation	56	31	98	58	168	128
Adjusted EBITDA	**224**	**134**	**353**	**234**	**541**	**422**
Adjusted LTM EBITDA Pro forma	**694**	**480**	**694**	**480**	**694**	**480**
Net debt/Adjusted EBITDA LTM Pro froma	**4.3**	**4.7**	**4.3**	**4.7**	**4.3**	**2.5**

Net debt/equity

SEKm	Q2 2022	Q2 2021	Q1-2 2022	Q1-2 2021	LTM	Full-year 2021
Net debt	**3,008**	**2,260**	**3,008**	**2,260**	**3,008**	**1,222**
Equity attributable to Parent Company shareholders	1,692	-48	1,692	-48	1,692	1,557
Equity attributable to minority	7	8	7	8	7	4
Total shareholders' equity	**1,699**	**-40**	**1,699**	**-40**	**1,699**	**1,561**
Net debt in relation to Shareholder's equity	**1.8**	**-56.4**	**1.8**	**-56.4**	**1.8**	**0.8**

Return on capital employed (ROCE)

Click or tap here to enter text.

Return on equity (ROE)

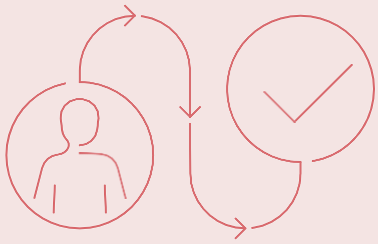
SEKm	Q2 2022	Q2 2021	Q1-2 2022	Q1-2 2021	LTM	Full-year 2021
Profit for the period, LTM	104	29	104	29	104	29
Equity attributable to Parent Company shareholders	1,692	-48	1,692	-48	1,692	1,557
Return on equity, %	**6.1%**	**-60.8%**	**6.1%**	**-60.8%**	**6.1%**	**1.9%**

Sustainability at the heart

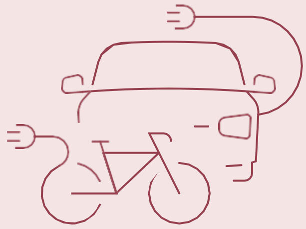
Sustainability is at the heart of Cary Group's identity and strategy. The company strives to have brands that are "top of mind" in each market when it comes to sustainable car care services, and to be at the forefront of digitisation and minimising climate impact within the segment. Key elements for achieving this are:

Increasing the repair rate

Digitising and automating the customer journey



Electrifying the courtesy car fleet



Sustainability is integrated throughout the customer journey

Cary Group always aims to repair the customer's windscreen where possible, as replacing a windscreen involves total CO2 emissions of approximately 44 kg. This includes production, transport and recycling. We continuously measure the repair rate as one of our key sustainability parameters. In 2021, Cary Group's repair rate in Sweden was 40%. Around 90% of a used windscreen can be recycled.

A stone chip is found

Proximity to customers
A geographically dense network of workshops ensures proximity to customers

Reduces the number of kilometres travelled to and from our workshops.

Free courtesy car when the customer's vehicle is being serviced Electric bikes, green vehicles[1] and electric vehicles provided free of charge when the customer's vehicle is being serviced.

Minimises the customer's climate impact while their vehicle is being serviced.

AI damage assessment and digital booking

Automatic AI-based analysis, digital booking and reduced paper printouts.

Reduces the number of kilometres travelled to and from our workshops

Repairing instead of replacing

Every windscreen replacement requires around 44 kg of CO2 emissions[2]..

Repairing the windscreen reduces the climate impact by around 98%.

Recycling used glass

The recycled glass is used to make products such as glass wool for the construction industry.

90% of all glass from the workshops is recycled

Compensating emissions

As part of our efforts to take responsibility for our climate footprint, Cary Group offsets the emissions of all our glass services in the Nordics – whether the windscreen can be repaired or has to be replaced. We do this through tree-planting projects via Plan Vivo.

1) With a maximum environmental impact of 115 CO2e g/km. 2) Based on a calculation of direct emissions in the Nordics.

Definitions

Net revenue growth, %	Change in reported net revenue compared with the same period in the preceding year.
Organic growth, %	Net revenue growth, adjusted for net revenue attributable to businesses acquired in the first twelve months after the acquisition date.
EBITDA	Operating profit before depreciation/amortisation of property, plant and equipment and intangible non-current assets.
EBITDA margin	EBITDA as a percentage of the company's net revenue.
Adjusted EBITDA	Operating profit before depreciation/amortisation of property, plant and equipment and intangible non-current assets, adjusted for items affecting comparability.
Adjusted EBITDA margin	Adjusted EBITDA as a percentage of the company's net revenue.
EBITA	Operating profit before amortisation of intangible assets.
EBITA margin, %	EBITA as a percentage of the company's net revenue.
Adjusted EBITA	Operating profit before amortisation of intangible assets, adjusted for items affecting comparability.
Adjusted EBITA margin, %	Adjusted EBITA as a percentage of the company's net revenue.
Capital employed	The total of equity and interest-bearing liabilities. Average capital employed is calculated as the average of the opening balance and the closing balance for the period concerned.
Return on capital employed (ROCE), %	Adjusted EBITA as a percentage of average capital employed.
Return on equity (ROE)	Profit for the period divided by average equity attributable to the parent company's shareholders. The average is calculated as the average of the opening balance and the closing balance for the period concerned.
Cash generation, %	Operating cash flow divided by Adjusted EBITDA.
Net debt	Interest-bearing liabilities (due to credit institutions and lease liabilities), less cash and cash equivalents.
Net debt/Adjusted EBITDA, LTM pro forma	Net debt as at the balance sheet date divided by Adjusted EBITDA LTM, pro forma (currently owned operations pro forma for a full calendar year)
Number of workdays	Number of workdays per country weighted by the country's share of total sales.
Number of jobs	Total number of jobs carried out by the Group.
Number of workshops (incl. mobile units)	Total number of workshops owned by the Group, franchise-owned and mobile units.
Net Promoter Score (NPS)	The Net Promoter Score (NPS) is a measure of customer loyalty and customer satisfaction. The result is obtained from asking customers how likely, on a scale of 0–10, they are to recommend the company's product or service to others. Cary Group bases its NPS on Sweden and the UK, with a weighting based on its income.
LTM – Rolling 12 months	Refers to the past twelve months reported, including the period reported on in the interim report.

Rounding differences

In some cases, the totals in tables do not add up due to rounding differences. The aim is that each sub-item corresponds to the source and therefore rounding differences may occur.

The Board of Directors and the Chief Executive Officer hereby declare that the first-half report gives a true and fair view of the business, financial position and performance of the parent company and of the Group and describes the significant risks and uncertainties faced by the parent company and the constituent companies of the Group.

Stockholm, 5 August 2022

Cary Group Holding AB (publ)

Juan Vargues, Chair

Joakim Andreasson, Member of the Board

Magdalena Persson, Member of the Board

Ragnhild Wiborg, Member of the Board

Anders Jensen, CEO

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Investor and analyst information

Financial calendar 2022

11 November
Interim report Q3 2022

Telephone conference

A videoconference will be held on 5 August 2022 at 10.00 CET.
To follow the conference call by telephone and to participate in the Q&A session, please call the relevant number below:
SE: +46856642705
UK: +443333009264
US: +16467224903
You can follow the telephone conference at www.carygroup.com and https://tv.streamfabriken.com/cary-group-q2-2022
A recording of the video broadcast will be available afterwards at www.carygroup.com.

This information is such that Cary Group Holding AB (publ) is obliged to make public pursuant to the EU Market Abuse Regulation and the Swedish Securities Markets Act. The information was submitted for publication, through the agency of the contact persons indicated above, on 5 August at 08.00 CET.

The report has not been reviewed by the company's auditors.

Cary Group in brief

Cary Group offers sustainable damage and car care services in Sweden, Denmark, Norway, the UK, Spain, Germany, Austria, Luxembourg and Portugal. We specialise in the repair and replacement of vehicle glass with a complementary range of services in auto body repair. We provide car care services that sustain the life, value and safety features of motorised vehicles by always aiming to repair instead of replace. With workshops in convenient locations, high-quality products and smart solutions, we help our customers make simplified and sustainable choices. For more information, visit www.carygroup.com.

Key performance indicators

Revenue
SEK million, (R12 30 June 2022)

2,914

No. of employees
(30 June 2022)

2,069

No. of workshops
(30 June 2022)

1,354

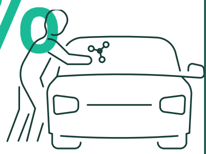
Of which, 255 are franchise-owned
and 642 are mobile units

No. of countries
(30 June 2022)

9

Repair rate
(R12 30 June 2022, Sweden)

43%



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