



humble  
group.<sup>TM</sup>

INVESTMENT  
PRESENTATION

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2021 H2

# Strategy Meeting



**SIMON PETRÉN**

CEO Humble Group

**PREVIOUS EXPERIENCE:**

Founder and former CEO of Pändy Foods AB, entrepreneur and investor

**EDUCATION:**

M.Sc. at KTH Mechanical Engineering,  
Product Innovation  
B.Sc. at KTH Industrial Management  
B.Sc. at SBS Business Administration

- 01** | Introduction
- 02** | Business overview
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- 04** | Financials
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# Introduction

01

# Humble Group at a glance

A leading FMCG group in the forefront of functional foods and sustainable products

- Humble Group is a Sweden-based FMCG group that supplies cutting edge and healthy sugar reduction and vegan products as well as eco-friendly- and sustainable products for the broader FMCG market
- Humble Group consists of a group of companies and well-recognized brands that refine, develop and distribute functional and sustainable fast-moving consumer products on a global scale
- The Company's business model is to actively identify, evaluate and acquire profitable, cash generative and market-leading FMCG companies within Humble Group's niche
- Humble Group is listed on Nasdaq Stockholm First North Growth Market since November 2014

## KEY HIGHLIGHTS

**3,749<sub>m</sub>**

SEK total net sales, LTM  
Q4 2021 pro forma

**479<sub>m</sub>**

SEK adj. EBITA LTM  
Q4 2021 pro forma

**4.65<sub>bn<sup>1)</sup></sub>**

Market cap,  
SEK

**13%**

Adj. EBITA margin

**5.77<sub>bn<sup>2)</sup></sub>**

EV fully diluted as per  
Q4 and all upcoming  
transactions pro forma

**29**

Acquisitions since  
new strategy,  
April 2020

Source: Company information. Note: 1) As of 11 March 2022. 2) As of 24 February 2022.





**HUMBLE GROUP IS A  
FUTURE-FMCG  
POWERHOUSE  
COMMITTED TO  
ENABLE PRODUCTS  
AND BRAND  
POTENTIAL, WITH A  
FUNDAMENTAL  
POSITION IN GLOBAL  
MEGA TRENDS;  
FUNCTIONAL FOOD,  
ECO-FRIENDLY AND  
SUSTAINABILITY, AND  
VEGAN PRODUCTS**

# Humble Group

On a path to disrupt the industry



# We must change the way we live

Humble Group addresses the largest challenges to our society and environment

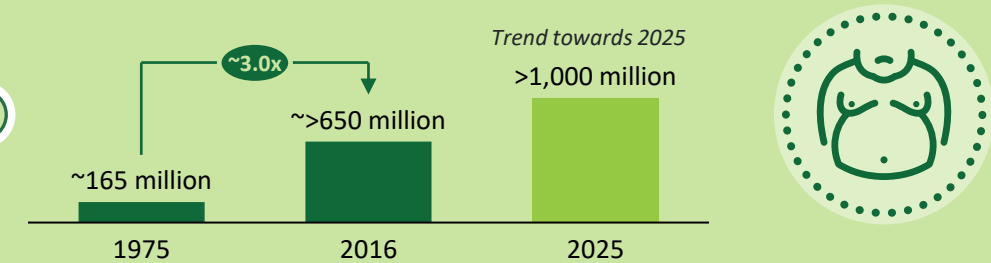
## PROCESSED FOODS ARE ONE OF THE LARGEST HEALTH THREATS TO MANKIND



- Obesity has nearly tripled worldwide since 1975 due to increased intake of processed foods
- More than 1.9bn adults are overweight, of which 650m obese
- For the majority of the global population, overweight and obesity takes more lives than underweight
- If current trends continue, it is estimated that 2.7 billion adults will be overweight, of which 1 billion affected by obesity by 2025



GLOBAL OBESITY, # PERSONS



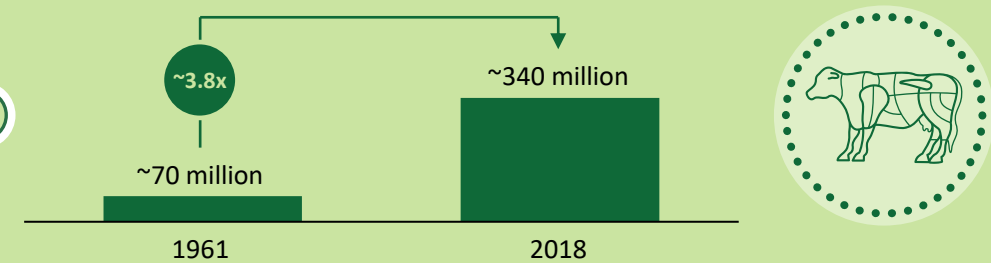
## EXCESS CONSUMPTION OF MEAT AND DAIRY PRODUCTS DRIVES CLIMATE CHANGE



- Animal agriculture is estimated to cause emissions of 7.1 gigatons CO2 eq. per annum
- The livestock sector represents 14.5% of human-induced green house gas emissions
- Milk, meat and eggs accounts for the majority of emissions



GLOBAL MEAT PRODUCTION PER YEAR, TONNES



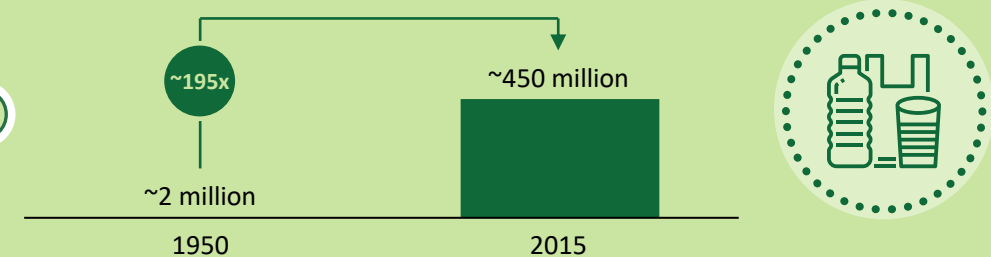
## UNSUSTAINABLE USE OF PLASTICS DESTROYS OUR PLANET



- >450m tonnes of plastics are produced each year
- Global plastic waste is estimated to 275m each year
- 8m tonnes of plastics ends up in our oceans every year
- Only 20% of plastic waste is recycled

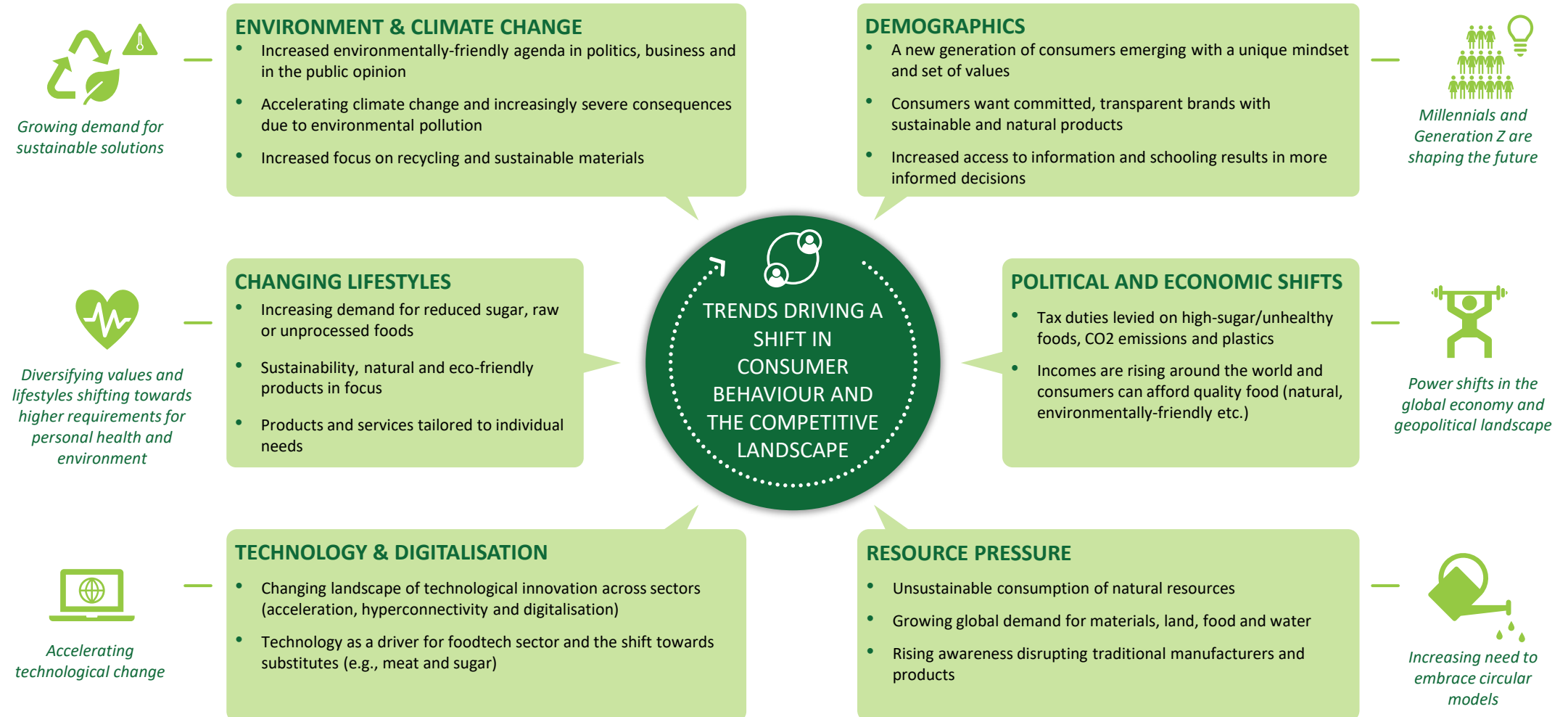


MANUFACTURING OF PLASTICS PER YEAR, TONNES



# Global megatrends are shaping the future of FMCG

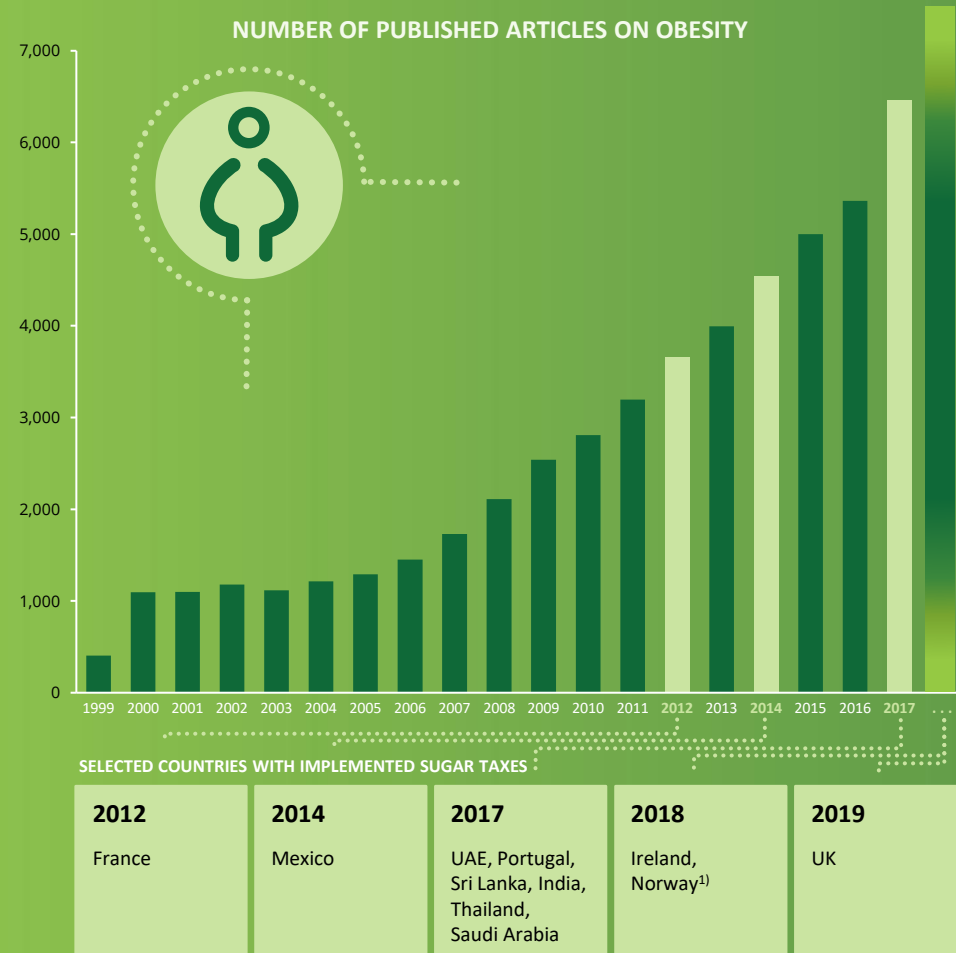
Environmental concerns, shifting demographics and customer behaviour are drastically changing one of the largest industries



# The world is waking up

Public awareness and government attention has shifted towards reduced sugar consumption

## THE PUBLIC AND GOVERNMENTS ARE BECOMING AWARE OF THE PROBLEM



## CONSIDERATIONS FOR THE FUTURE OF FMCG AND THE FUNCTIONAL FOOD INDUSTRY



Tax duties levied specifically on high-sugar/unhealthy foods as well as on CO<sup>2</sup> emission-heavy businesses



Restrictive regulation on the sale and marketing of high-sugar/unhealthy foods



Increased environmentally-friendly agenda in politics, business and in the public opinion



Higher mark-ups possible with functional foods and other premium FMCG



Food industry  
**disruptors** have  
 changed the  
 landscape and  
 become **rock  
 stars** over night

THE ORIGINAL  
**OATLY!**  
 Founded 1994  
 Oat-based products

  
**BEYOND MEAT**<sup>®</sup>  
 Founded 2009  
 Plant-based meat products

**SMART  
 SWEETS**  
 Founded 2016  
 Sugar-reduced candy

**RXBAR**<sup>®</sup>  
 Founded 2013  
 High-protein products

**else**<sup>™</sup>  
 Founded 2012  
 Plant-based baby formula

**HALO TOP**  
 creamery  
 Founded 2012  
 Low-calorie ice cream

**GURU**<sup>®</sup>  
 Organic ENERGY  
 Founded 1999  
 Organic energy drinks

**QUEST**  
 NUTRITION  
 Founded 2010  
 High-protein products

ECO by **Naty**<sup>®</sup>  
 Founded 1994  
 Ecological diapers

**True Gum**  
 Founded 2017  
 Sustainable mouth  
 refreshment products

**TWEK**<sup>™</sup>  
 SWEETS WITH BENEFITS  
 Founded 2015  
 Sugar-reduced candy

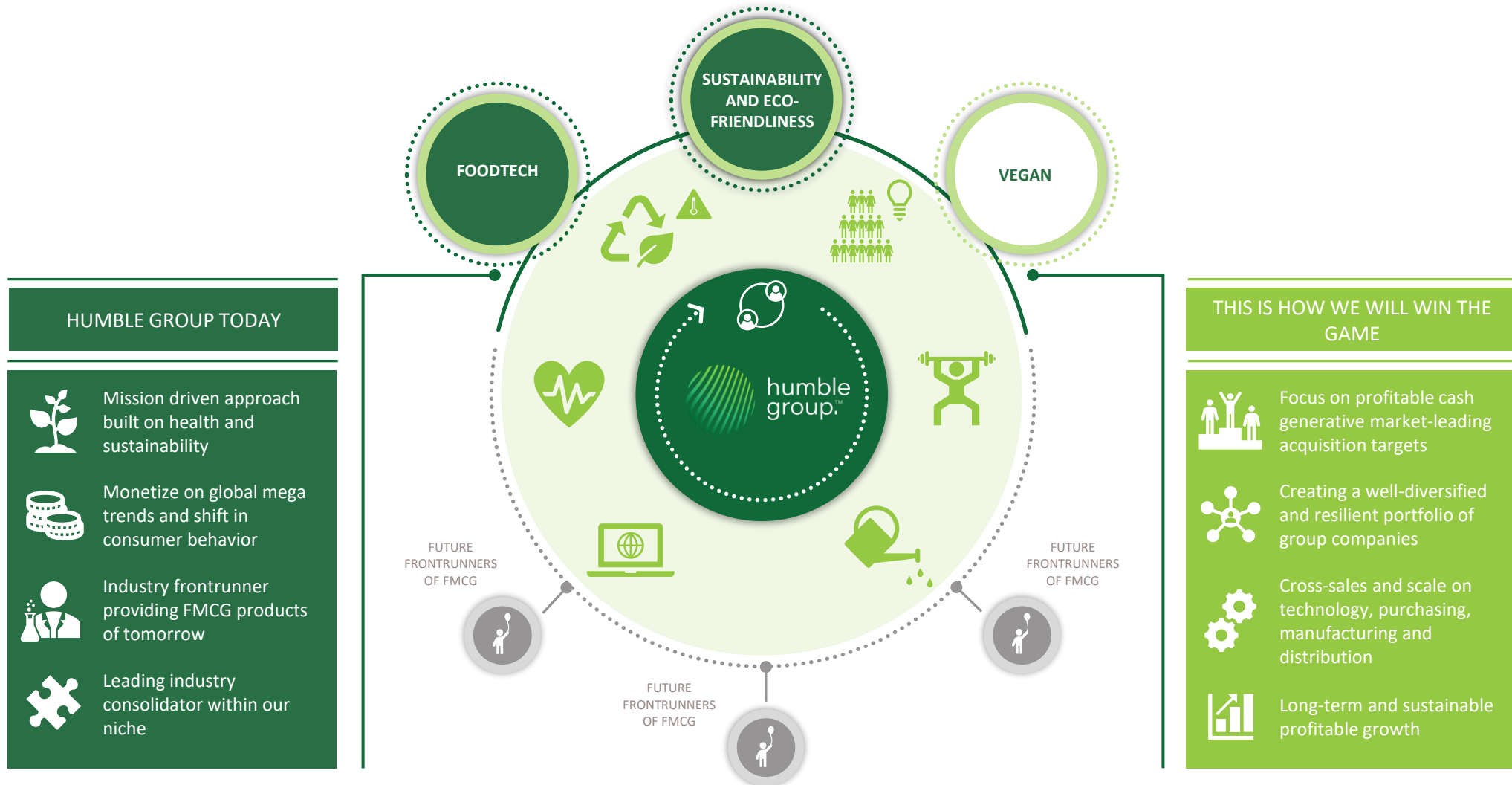
humble  
 group.<sup>™</sup>

## Business overview

02

# Creating the FMCG powerhouse of tomorrow

A Group committed to providing consumers innovative, sustainable and healthy products





# Humble Group's DNA

Committed to providing consumers innovative, sustainable and healthy FMCG products

GLOBAL FORCES...

## HUMAN HEALTH



Reduces the risk of obesity, diabetes and other potential diseases based on nutrition from food and beverage consumption

.....

38%

Increased risk of dying from heart diseases due to high sugar consumption<sup>1)</sup>

.....

## GLOBAL SUSTAINABILITY



Focus on ensuring a sustainable food system that maintains ecosystems and consider climate change through minimizing waste

.....

33%

Amount of produced food that goes to waste globally

.....

...ENABLED BY SUCCESS FACTORS

## INNOVATION



Challenge, innovate and develop the FMCG industry by offering the best modern FMCG-products in the world

.....

25+

Innovative companies, offering products that are good for people and good for the planet

.....

## ENTREPRENEURSHIP



Run by entrepreneurs for entrepreneurs. Offers a platform and to enable continued growth in entrepreneurial businesses whilst fostering innovation

.....

ENTREPRENEURSHIP

Autonomous and decentralised structure that promotes innovation

.....



# Driven and committed management team

Highly experienced board of directors with strategic support from senior advisors

## MANAGEMENT & OPERATIONS



**SIMON PETRÉN**  
CEO

Founder and former CEO of Pandy Foods AB, entrepreneur and investor. M.Sc. from KTH Royal Institute of Technology



**NOEL ABDAYEM**  
VP AND COO

Entrepreneur and founder of The Humble Co., investor, and licensed dentist



**JOHAN LENNARTSSON**  
CFO

Chartered accountant, experience from PwC



**MARCUS STENKIL**  
Head of M&A

Ex. CFO The Humble Co. Previous experience as an auditor at EY



**KRISTOFFER ZINN**  
CAO

Experience from leading Analytic roles at Pierce Group and Nordea



**JULIANA BAMBRIDGE**  
Head of Sustainability

7+ experience from leading roles within Brand Business Management at L'Oréal



**CAROLINE PERMAN**  
Head of Marketing

10+ years of experience in marketing for leading consumer brands, most recently at The Absolut Company



**DANIEL WARENCE**  
Operating Director – Food & Snacks

Comes most recently from Orkla, has 7+ years experience as Business Area Manager



**SARA LYCKEBERG**  
Operating Director

Solid background within FMCG, has experience from roles at Unilever



**TOBIAS LEVIN**  
Operating Director – Ingredients & Sports Nutrition

Broad competence within business development, experience from Unilever



**PATRIK EDSTRÖM**  
Head of R&D and Operating Director - Products

Ex. CEO of Bayn Europe and R2 Group Sweden AB

## BOARD OF DIRECTORS



**PETER WERME**  
Chairman

30 years experience as hedge fund manager. Runs the fund "First Venture"



**THOMAS PETRÉN**

Serial entrepreneur and start-up-investor



**HANS SKRUVFORS**

CEO of Foodora. Experience from leading roles at P&C, Nepa and Accenture.



**BJÖRN WIDEGREN**

Ex. CFO of Atria, food company with market cap of 600 million EUR, vast M&A experience



**DAJANA MIRBORN**

Previous experience include M&A at MTG and M&A and ECM at Carnegie Investment Bank. Currently Investment Responsible at Bonnier Ventures



**HENRIK PATEK**

Previously held several senior positions within the ICA Group. Currently Investment Manager at RoosGruppen AB



**JÖRGEN LARSSON**  
Senior advisor

CEO and founder of Stillfront (Nasdaq Sweden), M&A group with EUR ~3 billion market cap



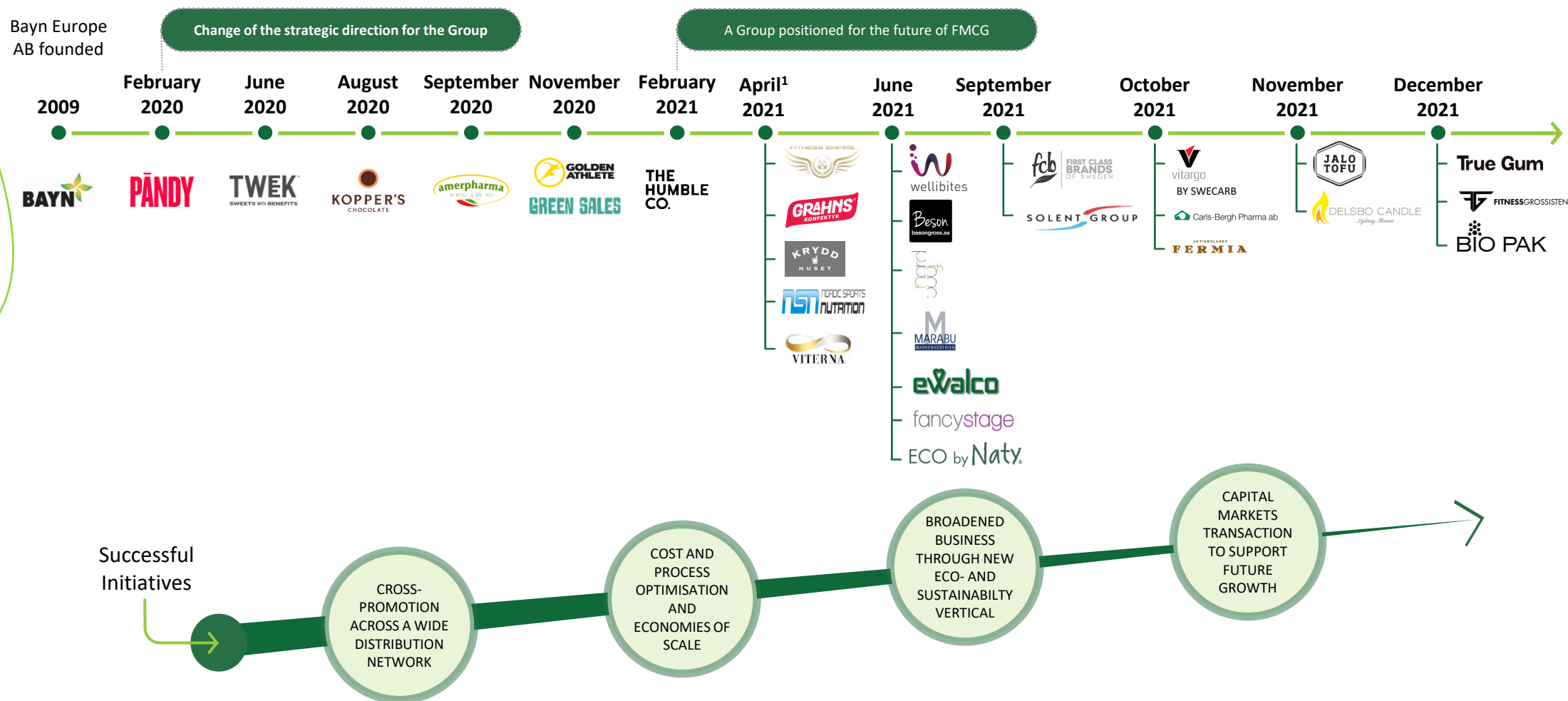
**HÅKAN ROOS**  
Senior advisor

CEO, founder and owner of the M&A group RoosGruppen

## STRATEGIC SUPPORT

# M&A journey – the creation of the Humble Group

Swift transformation with 29 acquisitions during 2020/2021



# COMPANY MATRIX

Manufacturers of healthy alternatives are able to charge about **4x** as much compared to traditional alternatives

Large value-add enables high marketing spending that result in **strong brand awareness** and exclusivity

Benefit from cross promotion of products in a **wide distribution network**

## Manufacturing

## Brands

## Distribution



### Ingredients & Sports Nutrition

- Sugar Substitutes
- EUREBA®
- NAVIA
- Stevia
- Protein Powder
- Protein Bars
- Energy Bars
- Vitamins
- Creatine



### Food & Snacks

- Sugar Free Candy
- Vegan Food & Snacks
- Healthy Beverages



### Personal Care & Household

- Oral Care
- Diapers & wipes
- Skincare
- Hair Care
- Body Care
- Household



# GLOBAL SALES NETWORK

Additional distribution with A-level partners in 50+ countries

- Operating entities in 11 key markets
- Reaching 100 000 POS
- Additional strategic distribution in +50 countries
- Access to sport nutrition distribution in 26 different countries

~5 years<sup>1)</sup>

Average time to reach 30 markets for a brand

<6 months<sup>1)</sup>

Humble Group's time to market

- Countries where Humble Group was present as of Q2 2021
- Geographies added by the SFG and Solent Group

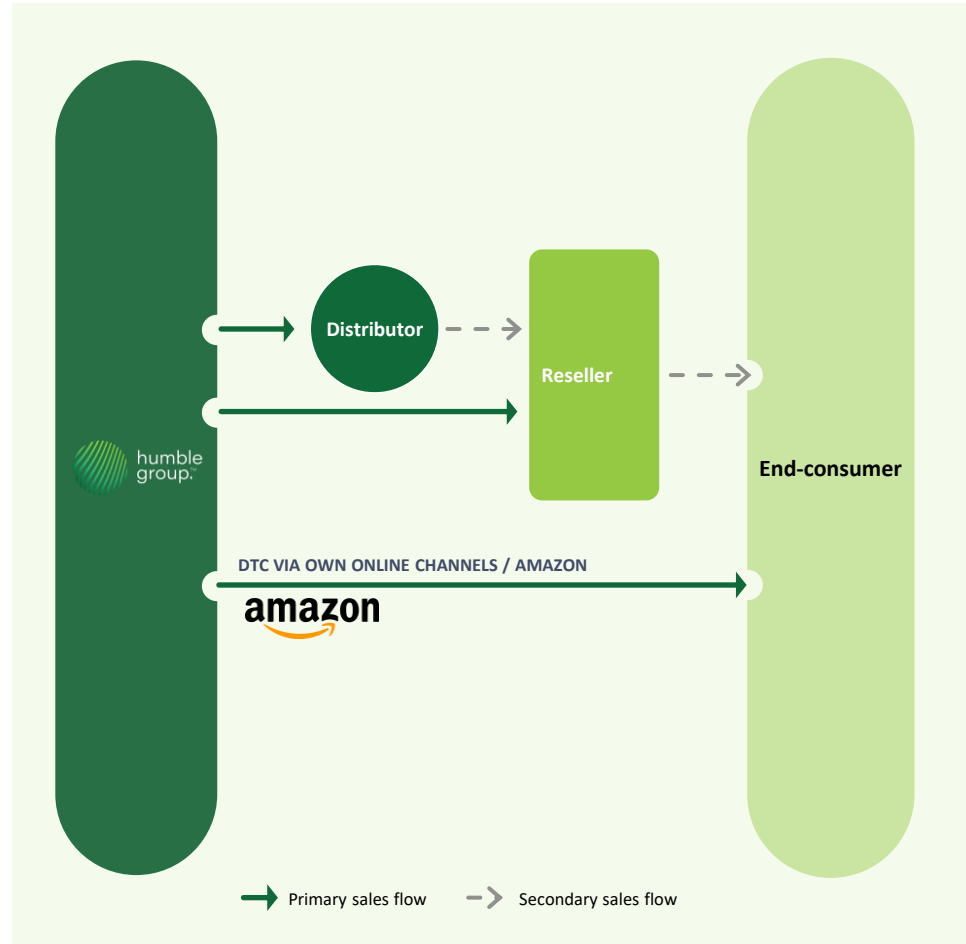




# Data-driven sales strategy

Agile go-to-market strategy with initial listings at all key channel partners and significant remaining whitespace

## OVERVIEW OF SALES CHANNELS



Source: Company information.

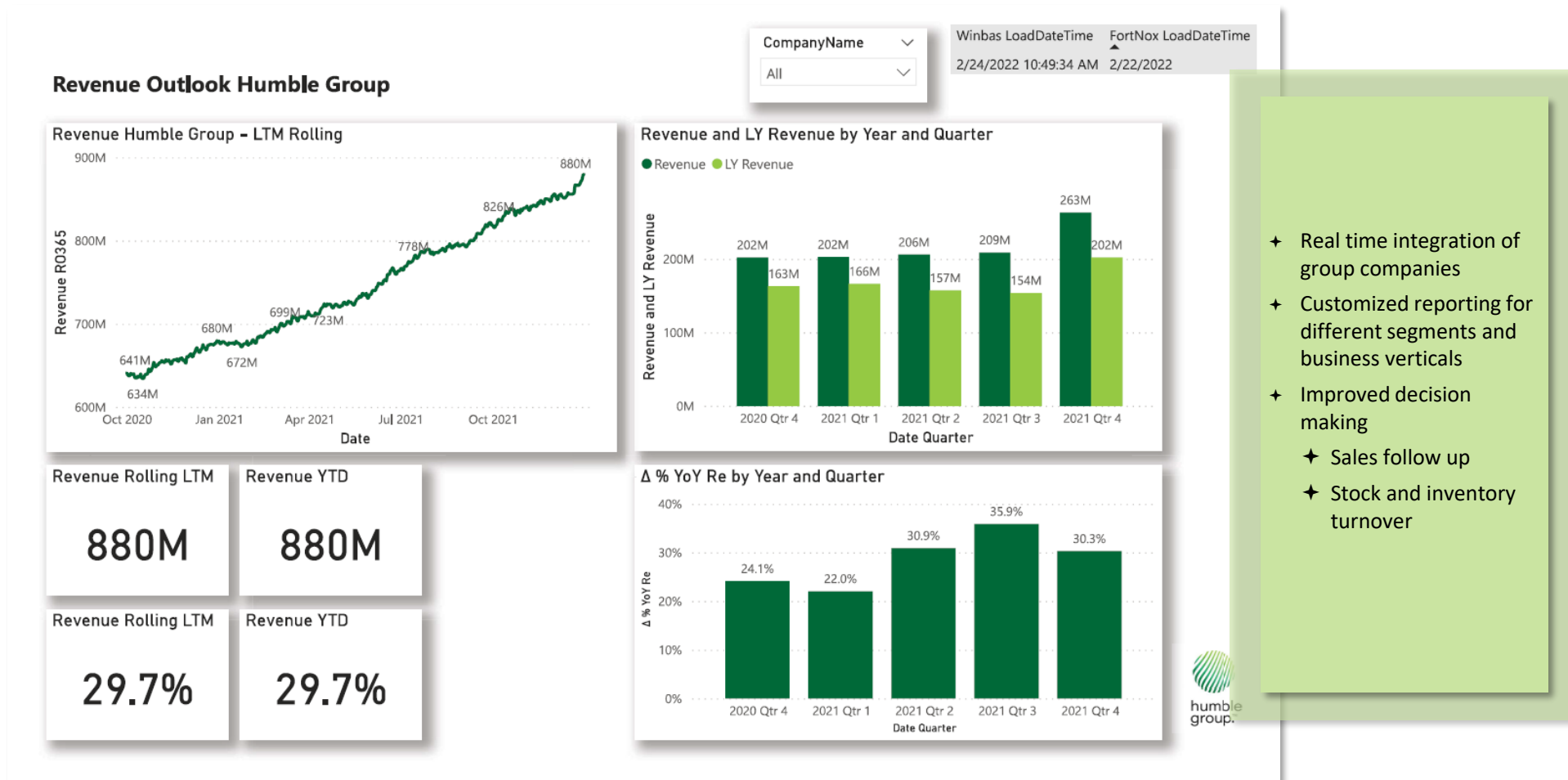
## CUSTOMER GROUPS – HUMBLE CO. EXAMPLE

Customer group	Description
Mass retail	<ul style="list-style-type: none"> <li>Most targeted channel representing nearly ~75% of sales</li> </ul>
Independent retail	<ul style="list-style-type: none"> <li>Historically important channel to build brand and increase awareness</li> </ul>
Pharmacy	<ul style="list-style-type: none"> <li>Primary channel for toothbrushes in certain geographies</li> </ul>
Dental	<ul style="list-style-type: none"> <li>Presence at dental chains and governmental clinics to promote high quality of products and credential for the brand</li> </ul>
Travel Retail	<ul style="list-style-type: none"> <li>Targeting major airlines and hotel chains</li> </ul>
Other	<ul style="list-style-type: none"> <li>Includes own e-com, co-branding and private label</li> </ul>



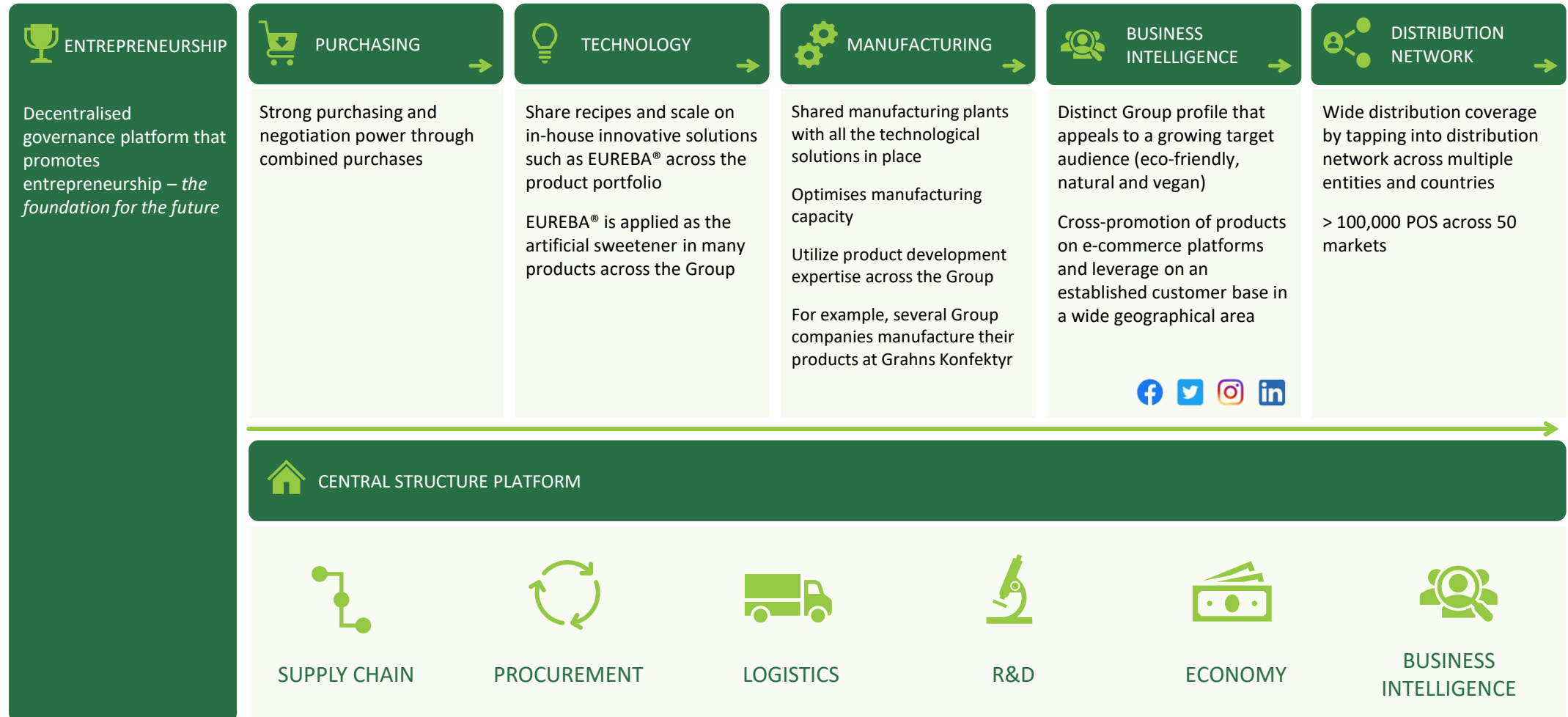
# Real-time follow up on subsidiary and segments

We provide our entrepreneurs with customized Business Intelligence to help them improve their decision making



# Humble Group operational platform synergies

A FMCG powerhouse that controls and optimise the entire value chain whilst exploiting tangible synergies



# Our Food Tech Vertical

Market leading consolidator within functional foods

## WHAT WE DO

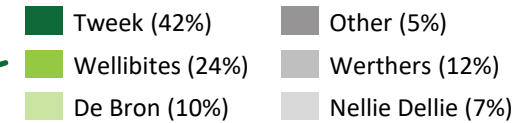
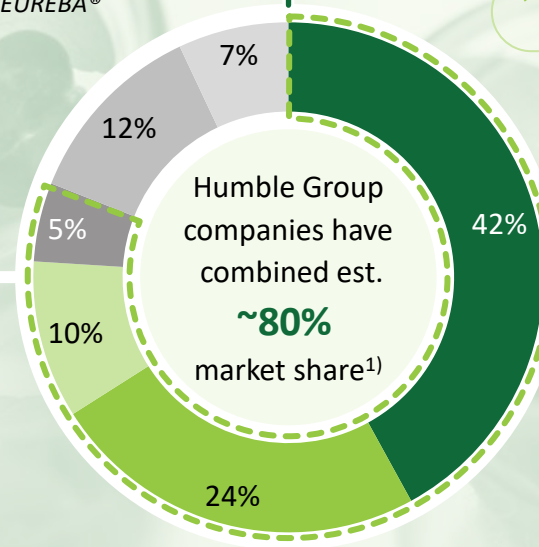
- ✓ Produce and distribute functional food and “Better-for-you” products including sugar- and calorie reduced, vegan and vitamin enriched products
- ✓ Focusing on acquiring companies who are in transition from sugary products to sugar-free products and accelerate the process by replacing sugar with *EUREBA*®
  - Humble Group’s own developed formula, *EUREBA*®, is a solution allowing producers to replace sugar with *EUREBA*® on a 1:1 ratio
- ✓ The functional food industry is fragmented with many small players with high potential, posing great opportunities to scale and benefit from synergies and intelligence sharing

## GROUP COMPANIES



## BENEFITS OF CONSOLIDATING THE FUNCTIONAL FOOD INDUSTRY

- ✓ Increased purchasing and negotiation power
- ✓ Intelligence and technology sharing in production and product development
- ✓ Accelerate transition towards sugar reduction and sugar-free products through the *EUREBA*® formula
- ✓ Leverage on the extensive distribution network stretching over 60 markets



## OUR STRONG POSITION IN THE NEXT SNACK-GENERATION



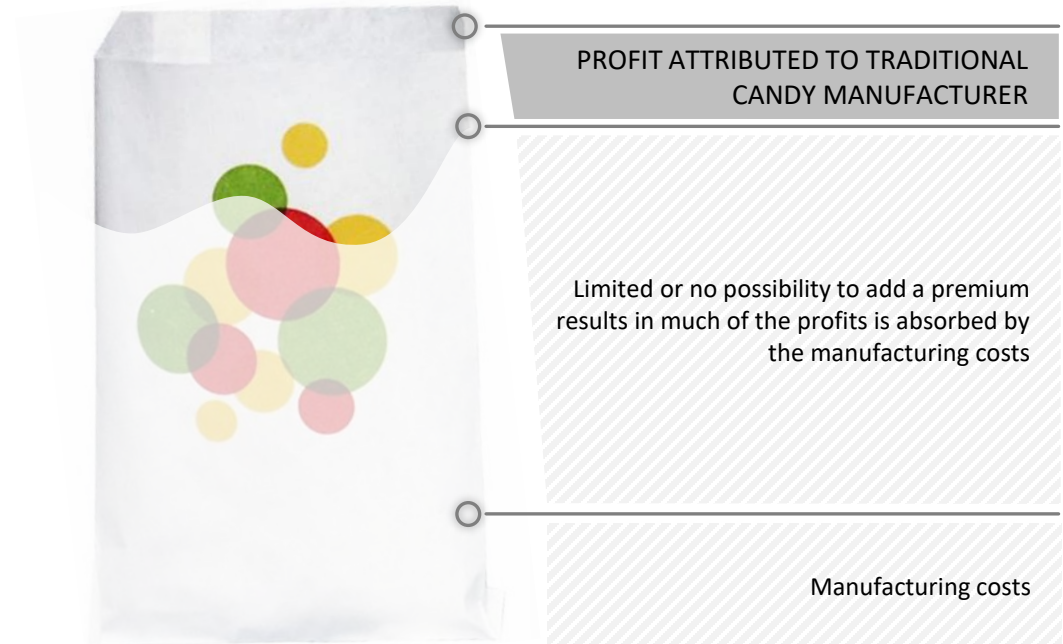
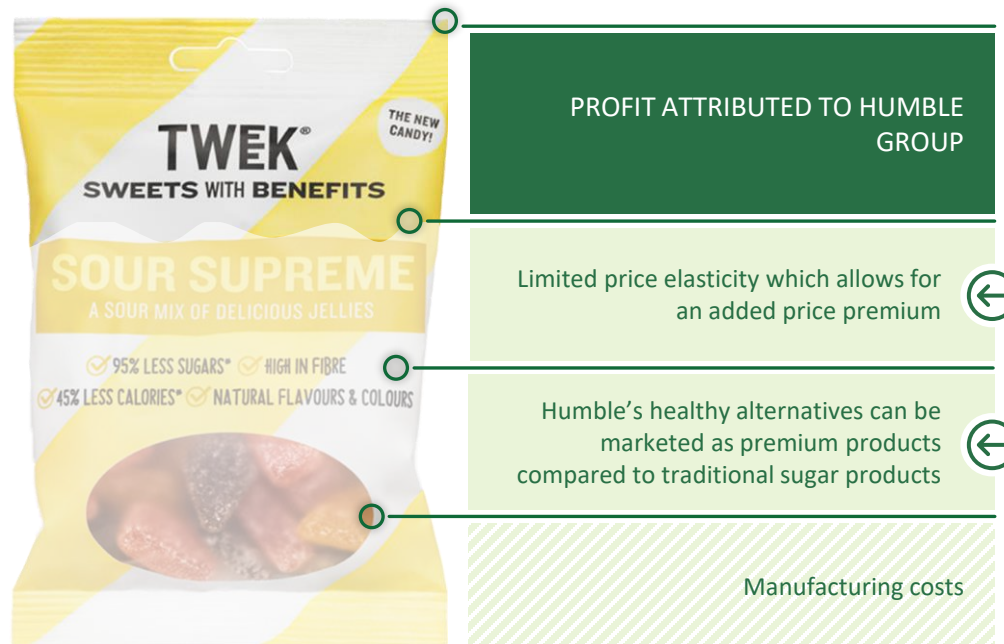


# Health and eco-friendly are high margin products

Humble Groups's products are marketed as premium products compared to traditional low-cost products

ILLUSTRATIVE

## RELATIVE VALUE-ADD OF HEALTHY ALTERNATIVES AND SUSTAINABLE PRODUCTS



Traditional candy

# Our Sport Nutrition and Ingredients Vertical

Market leading consolidator within healthy nutrition & supplements

## WHAT WE DO

- ✓ Produce and distribute Sports Nutrition and Ingredients intended to improve performance in work-outs and sports
- ✓ Focus on acquiring companies with products that both suit professional athletes and the everyday individual work-out needs
- ✓ The Sport Nutrition industry market is reminiscent of the functional food industry in terms of that many small players aggregated own a large portion of the market
- ✓ Hence, this also poses great opportunities to scale and benefit from synergies and intelligence sharing

## SYNERGIES WITHIN THE SPORT NUTRITION & INGREDIENTS VERTICAL

- ✓ Increased negotiation and purchasing power
- ✓ R&D sharing in production and product development
- ✓ Cost synergies within the manufacturing process
- ✓ Leverage on the extensive distribution network stretching over 60 markets



## GROUP COMPANIES



## OUR PRODUCT RANGE WITHIN THE SPORT NUTRITION & INGREDIENTS SECTOR



# Innovation is at the core and a key differentiator

## Revolutionising technology that replaces sugar on a 1:1 ratio

### THE PRODUCERS' DILEMMA IN SUGAR REDUCTION IS THAT CONSUMERS WANT TO:

- ✓ Reduce the calories intake,
- ✓ Reduce Glucose Index (GI)<sup>1</sup>
- ✓ Maintain the structure and bulk of sugar
- ✓ Maintain the sweet taste

### ALTERNATIVES TO SUGAR:

- ✓ Bulk sweeteners (e.g. Glucose, Fructose and Sweet alcohols)
- ✓ High intensity sweeteners (artificial sweeteners and stevia-extracted substances)

### WHAT

Humble Group develops, produces and markets a unique composition of sweetened fibres under the brand EUREBA® and steviol glycosides under the brand NAVIA®

### HOW

- ✓ Humble helps food producers identify the potential of sweetened fibre through a guided sales process
- ✓ As such, customer becomes an integral part of the sales process – making them “co-innovators”

### THE RESULT / SOLUTION



EUREBA® is an alternative close to the optimal solution as it allows producers to replace sugar with EUREBA® on a 1:1 ratio, decrease kcal/g significantly to almost zero, while having no impact on taste

.....



**None** of the alternatives mentioned above fills the criteria and some bring about additional complications such as increased kcal/GI, changes in taste/sweetness and in some cases a laxative effect

### EUREBA®

#### SUGAR ALCOHOL

Contributes with bulk, taste and mouthfeel

#### HIGH-INTENSITY SWEETENERS

Contributes with sweetness

#### DIETARY FIBRES

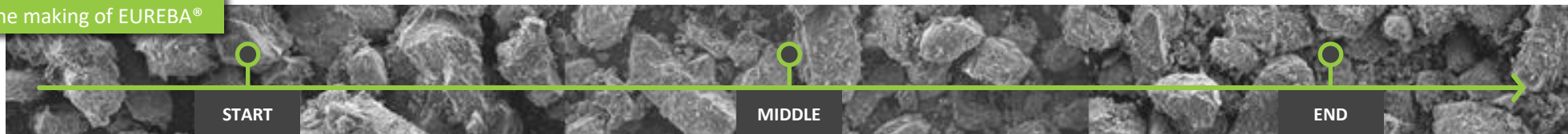
Holds the ingredients together

### NAVIA®

A range of steviol glycosides Reb A and Reb M

Humble Group revolutionises the sweetening industry by replacing sugar with zero calories sweeteners on a 1:1 ratio

### The making of EUREBA®





# Our Personal and Home Care Vertical

Industry disruptor with a mission to induce a more sustainable living

## WHAT WE DO

- ✓ Develop and distribute sustainable, natural and eco-friendly products
- ✓ Mission to offer sustainable and healthy products that maintains ecosystems and reduces carbon footprint through sustainable production, natural raw material and minimising waste and plastic consumption
  - Humble Group targets i.a. Millennials (a.k.a. Generation Y) and Generation Z which have high standards for healthy eco-products and demands an environmental focus for all companies
- ✓ Brands with a strong sustainability and eco-friendly focus including energy and water reduction at production facilities and sustainable raw material



## CASE STUDY: THE HUMBLE CO.

- A high-growth eco-friendly oral care brand targeting millennial consumers with a unique heritage of the world's most sold bamboo toothbrush as well as complementary oral care products
- With more than 60,000 POS in over 30 countries, The Humble Co. operates via a mix of direct and distributor model across markets
- The acquisition of The Humble Co. in March 2021 opened additional sales and distribution channels for the Group, with partially new markets, expected to drive the Group's growth





# Humble Smile Foundation

Our own non-profit organization to give back to children in need



HUMBLE SMILE  
FOUNDATION

52

Active projects worldwide

100,000+

Children helped

20+

Partner universities and  
professional associations

56

Partner organizations  
worldwide

198

Volunteers from around  
the world

1 million+

Toothbrushes donated

## OVERVIEW

- Founded in 2015, Humble Smile Foundation is a non-profit organization that delivers professional and sustainable oral care projects where they are most needed around the globe
- Humble Smile Foundation's mission is to help prevent suffering caused by oral diseases by developing and sharing effective and sustainable models of oral health promotion for communities with high unmet needs
- Applies a holistic and human centered design approach that is unique in each specific location
- Projects are funded by donations from The Humble Co. and the widespread support received from partners
- Led by Dr. Darren Weiss who has spent +20 years as a clinician and is supported by a group of dedicated dental professionals and academics

## HUMBLE SMILE FOUNDATION PROJECTS

### EXAMPLE PROJECT

Gogos Give Smiles (2018-present)

**Location:** Mpumalanga & Soweto, South Africa  
**Issue:** High share of children with tooth decay from consuming products with added sugar on a daily basis and poor oral care  
**Mission:** Improve oral health integration in education and basic health care systems  
**Solution:** Preventive oral health interventions and advocacy  
**Result:** Oral hygiene and nutrition improved in over 3,000 children



### SELECTED PARTNERS



Flagship Projects

Support Projects

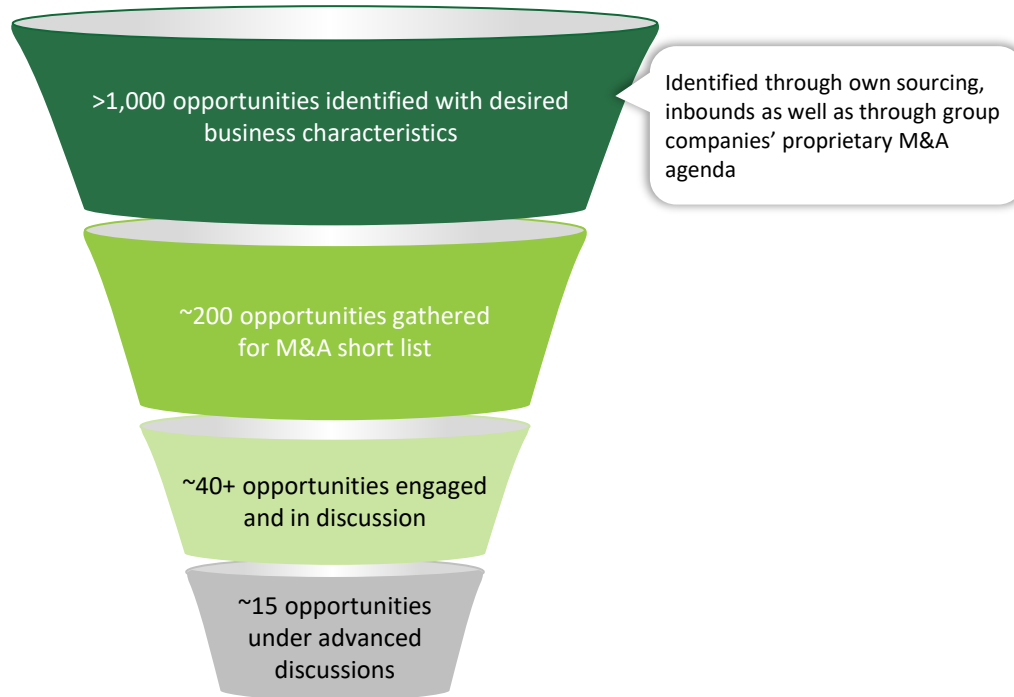
M&A

03

# Fragmented market ripe for consolidation

Market characterised by entrepreneurial driven consolidation and a desire to join our journey

## VAST UNIVERSE OF POTENTIAL TARGETS



## M&A STRATEGY AND INVESTMENT CRITERIA

- ✓ Entrepreneurship at heart and a desire to join our journey
- ✓ Continuously evaluate opportunities with a strategic fit and realisable synergies at attractive multiples
- ✓ High organic growth with positive EBITA and cash flow contribution
- ✓ Payment typically a combination of cash, deferred payments and shares in Humble Group
- ✓ Established acquisition and integration process handled by Group management and the Board

## WHAT WE OFFER



Autonomous and decentralised structure that offers group performance programs and support



Leverage on customer base and distribution network



Strong entrepreneurial platform that build category winners and strong brands



Financial support, risk diversification and tangible cost synergies



Economic incentive through part payment in shares with performance-based earnout structure

## Becoming a supplier across the entire value chain

- Humble has been successful in targeting and acquiring companies that complement our current portfolio and becoming owners across certain segments within the FMCG value chain.
- We have created a strong position within sports nutrition and will consolidate a selection of companies with great expertise within their niche. This creates a sound platform for Humble Group to create material synergies between our subsidiaries by enabling;
  - Cost-efficient private-label and contract manufacturing to improve margins
  - Access to leading brands
  - Larger scale through added distribution and marketing channels
- Our ambition is to continue targeting companies that complement current product portfolios and business areas to create a broadly diversified, low-risk company portfolio.

## Sustaining a clear acquisition strategy

- It is central to continue with an intense deal flow. Below is a strategic framework for the companies we seek to acquire:





# M&A sourcing through dense network

The Group forms a robust platform for future acquisitions

## DRIVEN AND EXPERIENCED MANAGEMENT

- ✓ Continue to build a founder-lead Group with a strong entrepreneurial spirit
- ✓ Utilize each founder's network
- ✓ Improve operations through active involvement in key areas

## M&A ACCELERATOR

- ✓ Leverage an autonomous group structure with proprietary M&A agendas
- ✓ Build on strategic platform acquisitions with an acquisitive agenda within the eco-friendly personal care and food space
- ✓ Fragmented market with numerous attractive targets and current active dialogues leaving significant room for consolidation

## FUNDAMENTAL GREEN PROFILE

- ✓ Leverage a profiled eco-friendly and sustainable Group that offers health and wellness products that enhances quality of life by improving lifestyle choices and habits
- ✓ Optimally positioned to benefit from global megatrends and capture shifting demographics and consumer preferences
- ✓ Significantly increased financial robustness and ESG profile improves access to capital

1 PLATFORM ACQUISITION

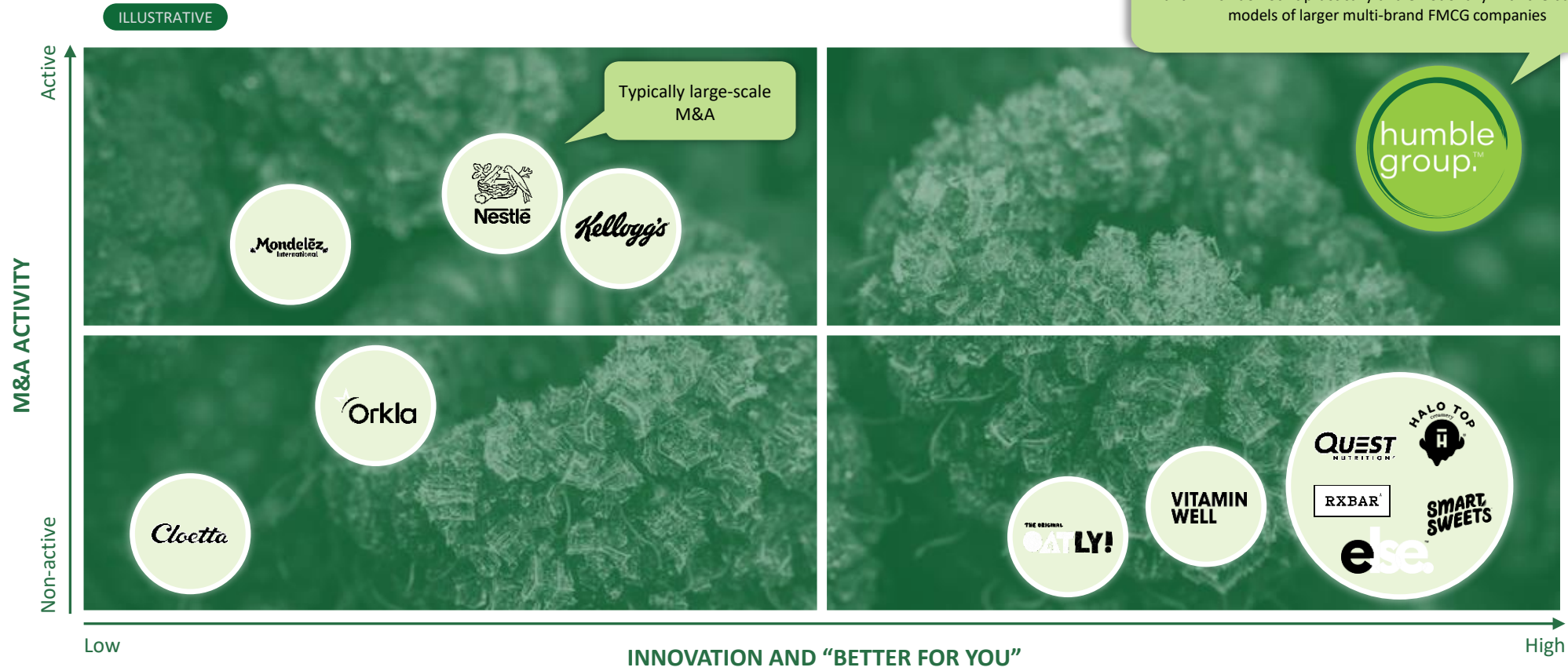
2 ACCELERATED M&A PROCESS

3 BOLT-ON ACQUISITIONS



# Unique market position

Unique position to leverage on our technology core and swift go-to-market process through coverage of the entire value chain

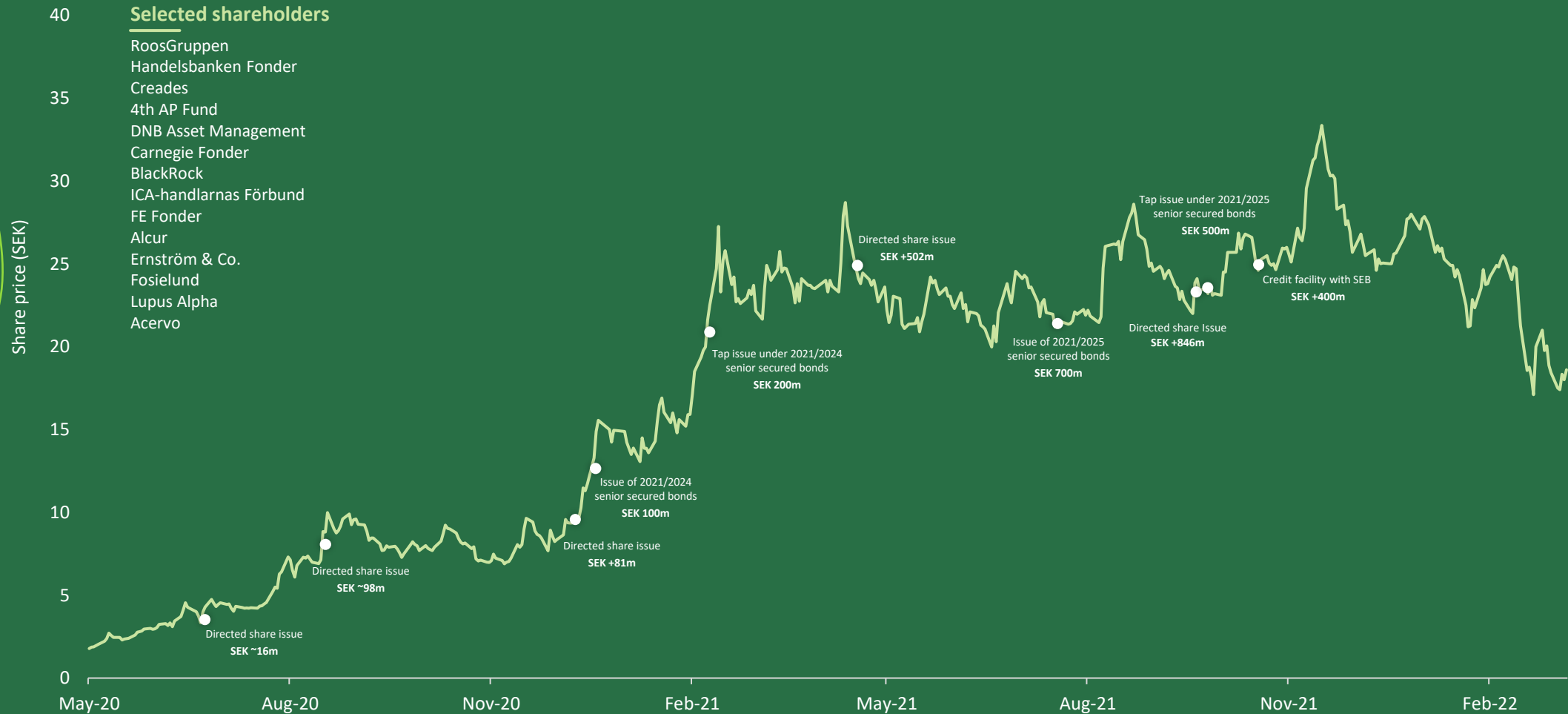


# Financials

04

# Proven access to equity capital and backed by highly reputable investors

## A healthy balance sheet from recent equity issues allows us to continue our growth journey

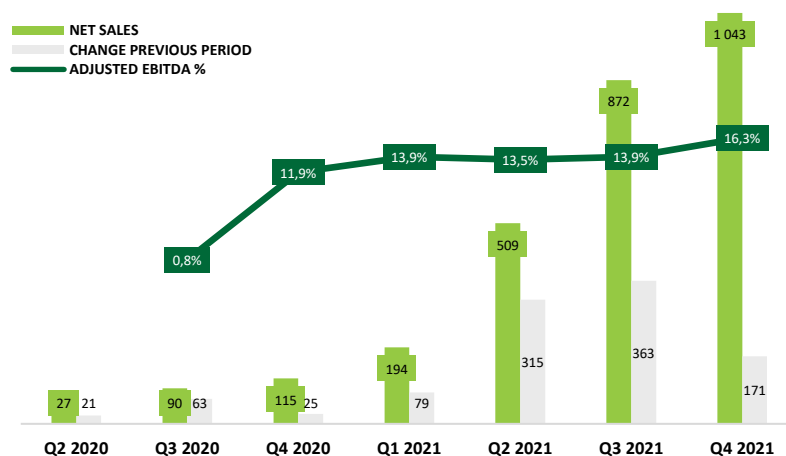




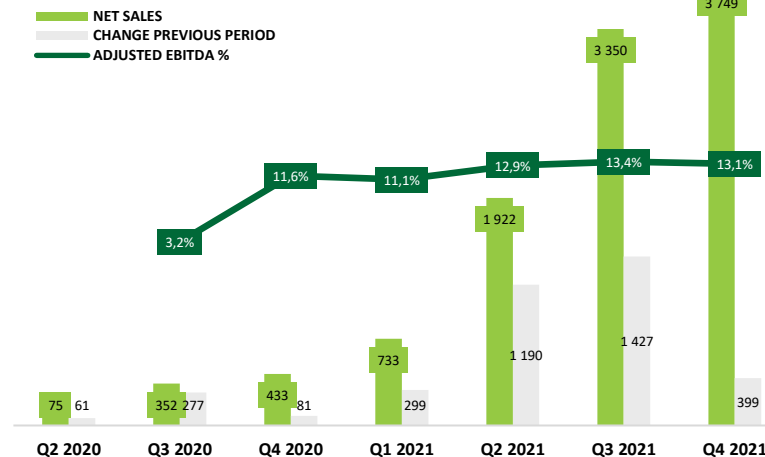
# FINANCIAL DEVELOPMENT

Significant financial improvement in Q4

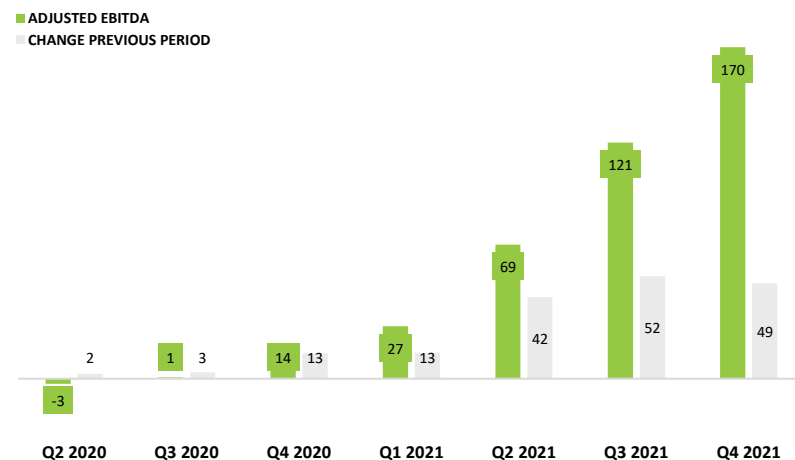
## PROFORMA QUARTERLY NET SALES



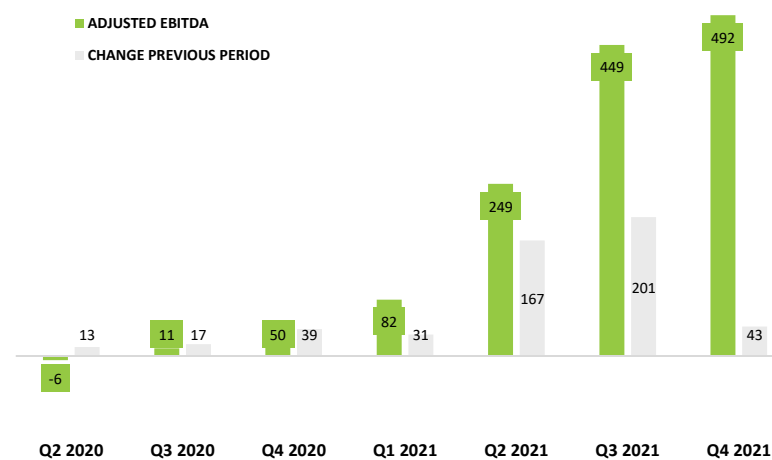
## PROFORMA R12 NET SALES



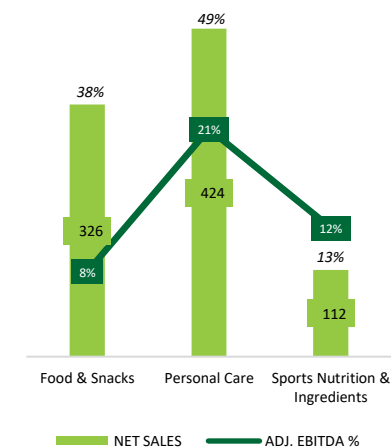
## PROFORMA QUARTERLY ADJUSTED EBITDA



## PROFORMA R12 ADJUSTED EBITDA

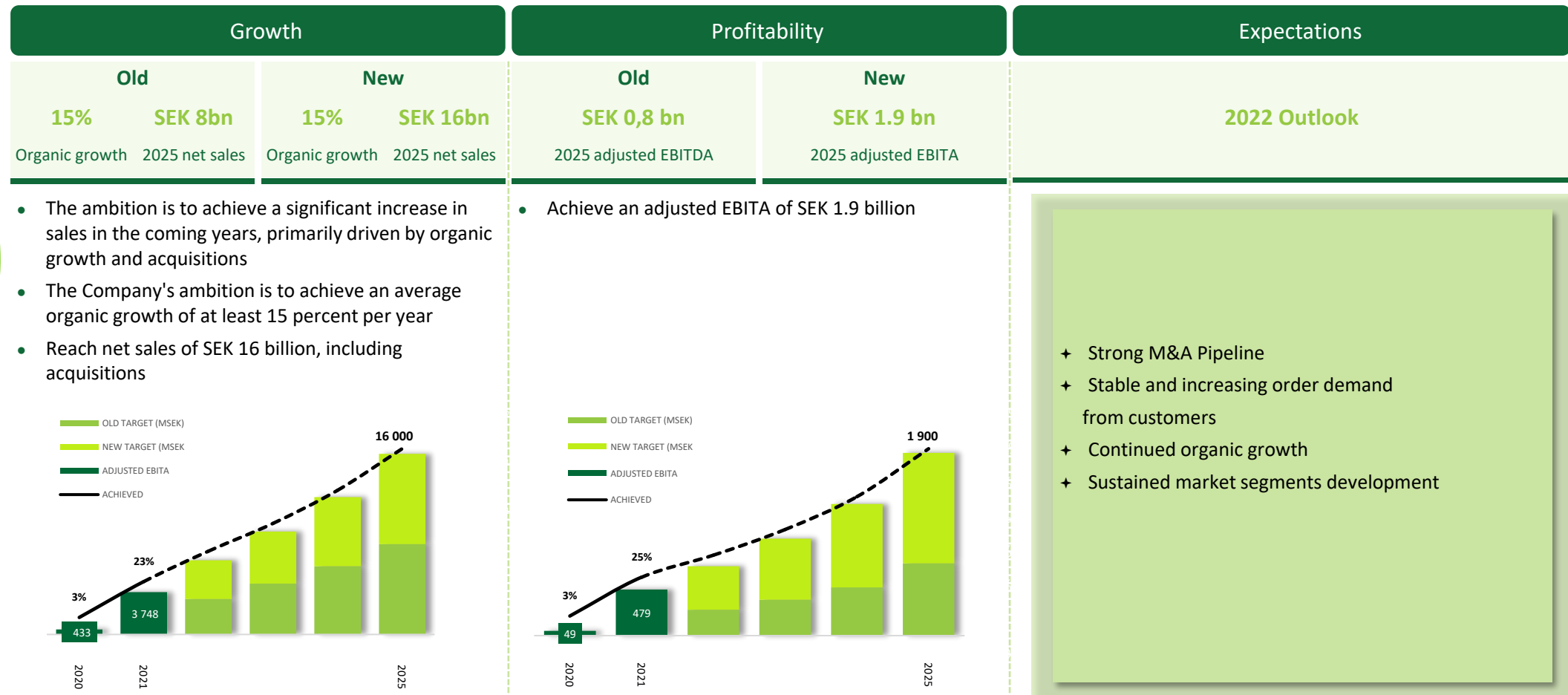


## Q4 SEGMENT OVERVIEW



# Financial targets follow up

On 1 December 2021, Humble Group raised and updated its medium term financial targets (launched 26<sup>th</sup> March 2021) to a net turnover of SEK 16 billion and a fixed adjusted EBITA target of SEK 1.9 billion respectively, following faster than anticipated growth



# Summary

05

# Investment highlights



## **RIDING ON SECULAR GLOBAL MEGA TRENDS – HEALTH AND SUSTAINABILITY**

Optimally positioned to benefit from global megatrends and capture shifting demographics and consumer preferences



## **UNIQUE POSITION – FOODTECH, ECO AND VEGAN**

Uniquely positioned to benefit from tangible synergies and scalability potential by leverage the Group platform, distribution and operations



## **BUILDING A LEADING FMCG GROUP**

Creating a leading FMCG group in the forefront of functional foods and products that are offered with a focus on sustainability



## **STABLE BUSINESS PLATFORM**

Well-diversified, profitable and resilient portfolio of group companies



## **STRONG FINANCIAL PROFILE**

Healthy balance sheet with high financial preparedness for further value accretive add-on acquisitions



## **PROVEN ACCESS TO EQUITY CAPITAL AND BACKED BY REPUTABLE INVESTORS**

Backed by active investors with proven track-record of succeeding in field of M&A and roll-up strategy



## **ENGAGED MANAGEMENT**

Entrepreneurial and experienced management team with extensive experience of innovative products



## Contact

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