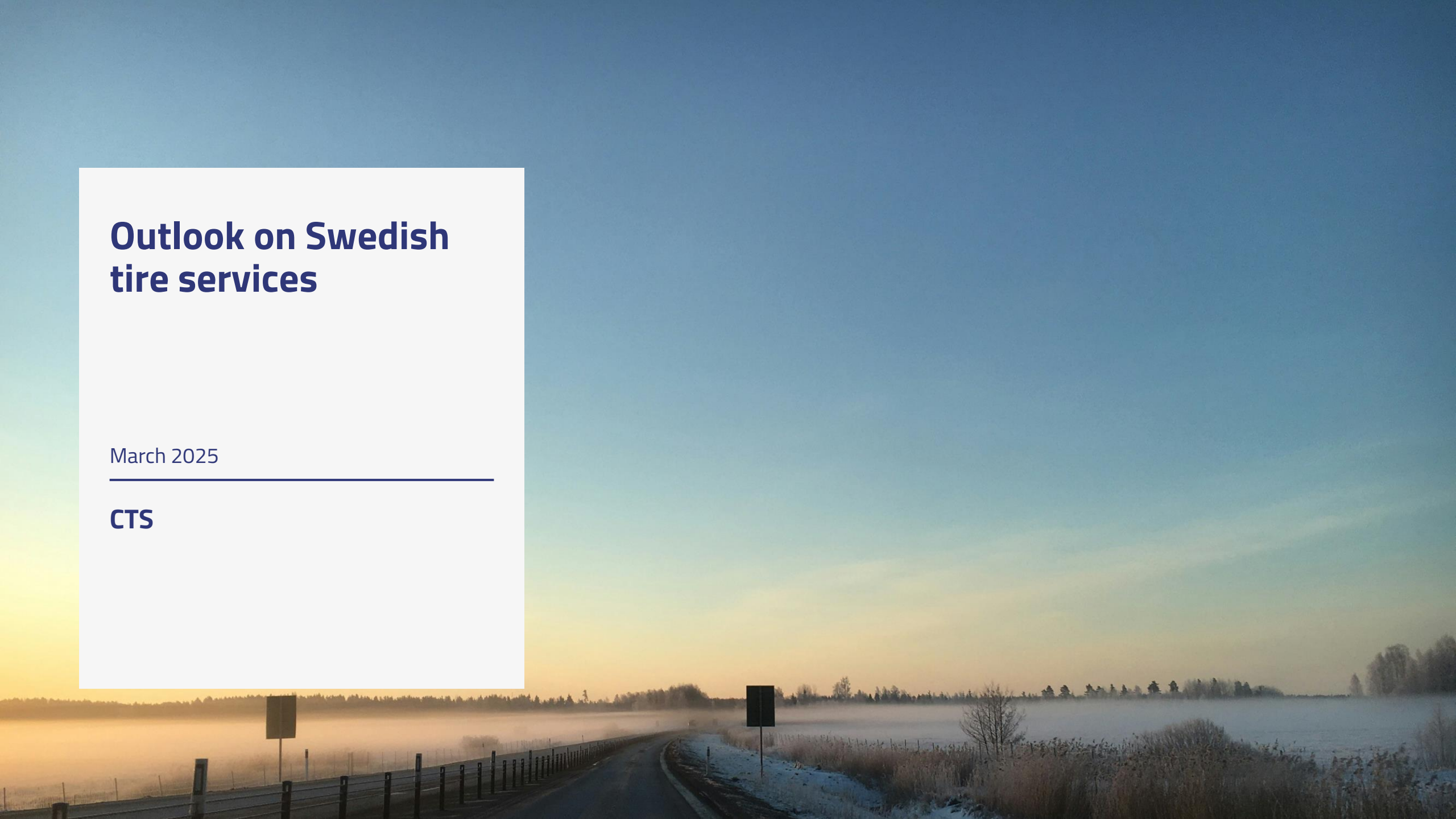


Outlook on Swedish tire services

March 2025

CTS



An aerial, high-angle photograph of a multi-lane highway at night. The road is illuminated by overhead lights, and two cars are visible traveling in the same direction. The background is a dark, textured surface, possibly water or a dark landscape.

CTS is a **tire life cycle service** company

We sell new tires, service tires during their useful life, and collect & retread worn-out tires

We are a fast-growing EUR 250m+ tire services company across the Nordics and Poland

In numbers

EUR 250m+
Pro-forma revenue LTM Dec 24

700+
FTEs

51+
Own tire shops

5
retreading sites, restoring end-of-life tires

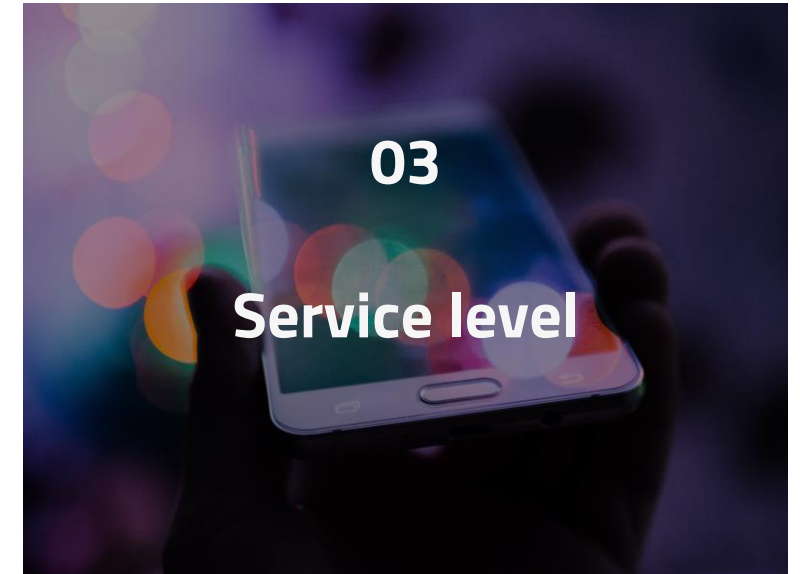
Where we are



Revenue by country

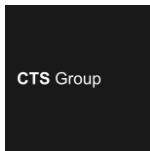


3 themes will shape tire services in the years to come



Private equity will redefine the way our industry operates – adding capital and expertise in swiftly building businesses

Recent entrants in the past years



Similar actors in the US and UK



What investors see

- **Large non-cyclical market with stable volumes**
 - 4m tires sold each year in Sweden
 - Stable revenues over the last 20+ years
 - Society will always need tire services
- **Fragmented market with many small players**
 - 90% of Swedish tire services companies have a revenue of less than 15m SEK

What they bring

- **Access to capital & willingness to invest for the long-term**
- **Experience in**
 - Scaling and swiftly building companies
 - Expanding to new geographies and markets
 - Digitalizing and professionalizing companies
- **Access to high-caliber talent and experts**

Examples of companies built by private equity



How our industry will evolve

- The industry will consolidate quickly, towards larger advanced actors
- Smaller actors will struggle to keep pace
- Market dynamics will look very different, as successful entrepreneurs come together to build teams
- People with complementary competence (digitalization, sustainability, logistics, AI & analytics, finance) will enter our industry
 - Working side-by-side with industry veterans

The tire industry has environmental challenges, yet sustainability demands are increasing from large customers and regulators

Tire production brings clear environmental challenges

Massive CO2 emissions in production

18tn tons

Annual global CO2 emissions from new tire production

900kg

Average CO2 emission per new tire produced

Massive waste generation when worn out

300m

Tires are discarded each in the EU each year

<13%

Of those 300m are reused or recycled

At same time large fleets and regulators are increasing demands



ecovadis



KEOLIS



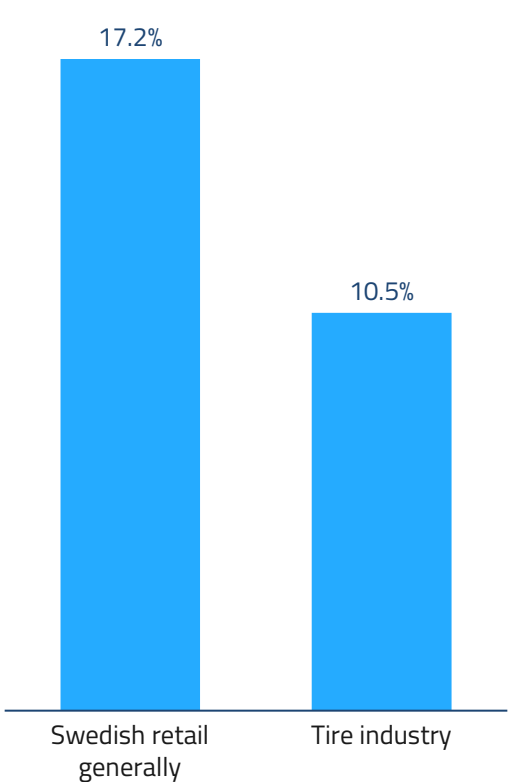
How our industry will evolve

- **The industry will have to ramp up its sustainability efforts**
 - For larger actors, it will be a pre-requisite to operate
 - Mid size and smaller actors will need to ramp up own efforts if they wish to serve larger customers
- **We will need to rethink established business models**
 - Service that extend the life of existing tires will be more important
 - Responsibly taking care of worn out tires will be more important
 - Helping large vehicle fleets improve their sustainability will be a competitive edge
 - Only pushing new tire volume will not be enough

Our industry need to evolve its service level – tomorrow’s winners will digitalize customer experience and provide great in-person service

Tire industry is behind on digitalization

E-commerce share by retail type



Few have successfully combined great online experience with physical service

Proving leading online experience, but without servicing offering

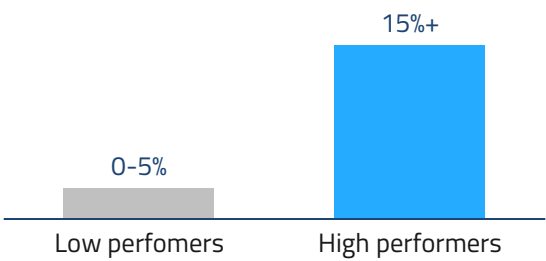


Large tire services actors lacking leading online experience

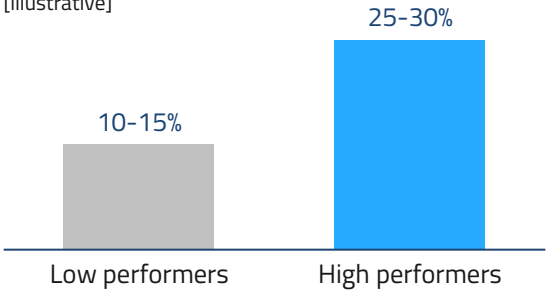


Great in-person service drives clear differences in profitability

Typical workshop shop EBIT-margin [illustrative]



Share of workshop revenue that is service fees [illustrative]



How our industry will evolve

- In an increasingly digitalized society, those that will be successful in tomorrow’s tire industry will effectively integrate online and offline
- They will provide a great customer experience both online and in-person
- It will not be something radically different than what we see in other industries, but will be a revolution in our analogue industry
- Service will not be cheap, but it has to be good

CTS

