

Mattias Johansson, CEO
Nils-Johan Andersson, CFO

20 July 2018

BRINGING BUILDINGS TO LIFE

Today's presenters

Mattias Johansson, CEO and Group President



✦ CEO since 1 January 2015 and with Bravida since 1998

Nils-Johan Andersson, CFO



✦ Joined Bravida as CFO in October 2014

About Bravida

Business highlights

Bravida is the premier multi-technical service provider in the Nordics

Represented in around 155 locations

> 50,000 customers – Top 5 customers represent 15% of sales

> 90% recurring customers

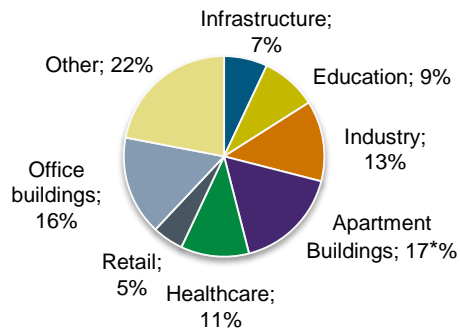
SEK 18.2bn
LTM net sales

SEK 1,119m
LTM EBITA

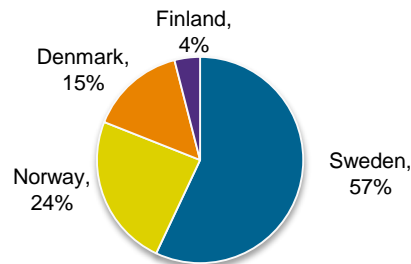
> 10,800
FTEs

Sales split based on 2017 sales

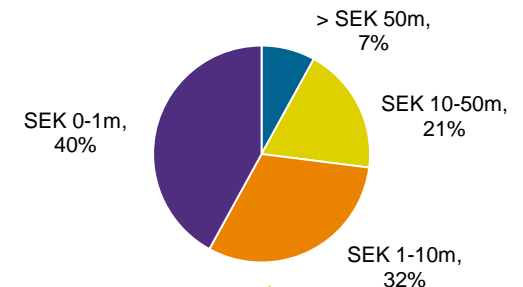
Net sales by type of facility



Net sales by country



Net sales by order size



Key highlights Q2 2018

Sales

- Net sales grew 11% to SEK 4,790m (4,325), organic growth 4% and M&A 5%
- Growth in all countries
- Service sales growth 11% and installation sales growth 10%

Order momentum

- Order backlog at record level, SEK 11,139m, + SEK 315m in Q2
- Continued good momentum with order intake +6% to SEK 5,102m
- Good order intake in Norway, +83%, one large order in Q2

EBITA

- EBITA up to SEK 280m (255), margin unchanged at 5.9%
- EBITA-margin improved in Norway and unchanged in Sweden
- Finland loss making in Q2 due to write-downs in projects

Cash flow

- Cash flow from operating activities SEK 319m (150) and cash conversion 94 (104)%
- Working capital of SEK -939m or -5.2 (-6.2)% of sales
- Net debt of SEK 1,896m (2,343), 1.7x (2.2) adjusted EBITDA (LTM basis)

M&A

- 3 acquisitions completed in Q2 adding SEK 68m
- 2 acquisitions in July adding SEK 81m
- Oras integration according to plan

Market trends

Sweden

Good market: Service and installation activity good

- ✦ Industry confidence indicator at high level
- ✦ Main growth drivers are public investments in buildings and infrastructure, as well as residential buildings
- ✦ Declining production of residential construction will be replaced by projects from other types of facilities

Norway

Good market: public investments and energy efficiency project

- ✦ Overall service and installation activity is good
- ✦ Market drivers are public investments and energy efficiency projects
- ✦ Decreasing activity in residential construction

Denmark

Good market: supported by public investments and residential construction

- ✦ Construction of residential, healthcare and education buildings are driving volumes
- ✦ Construction volumes of commercial buildings increases
- ✦ Construction confidence indicator still somewhat below average

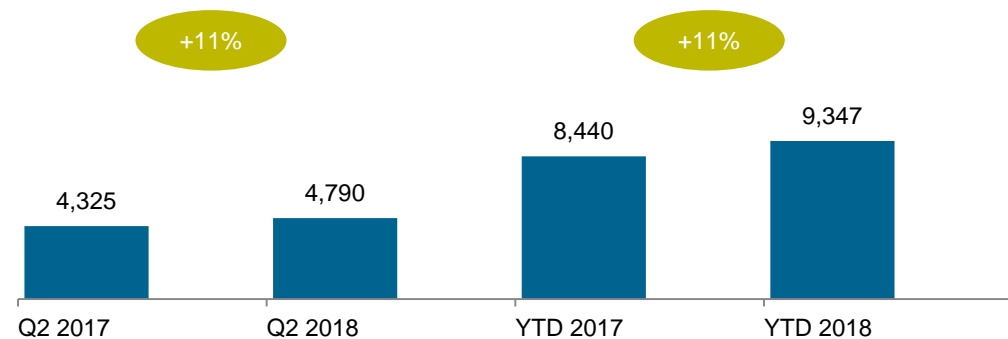
Finland

Stable market: construction market improving

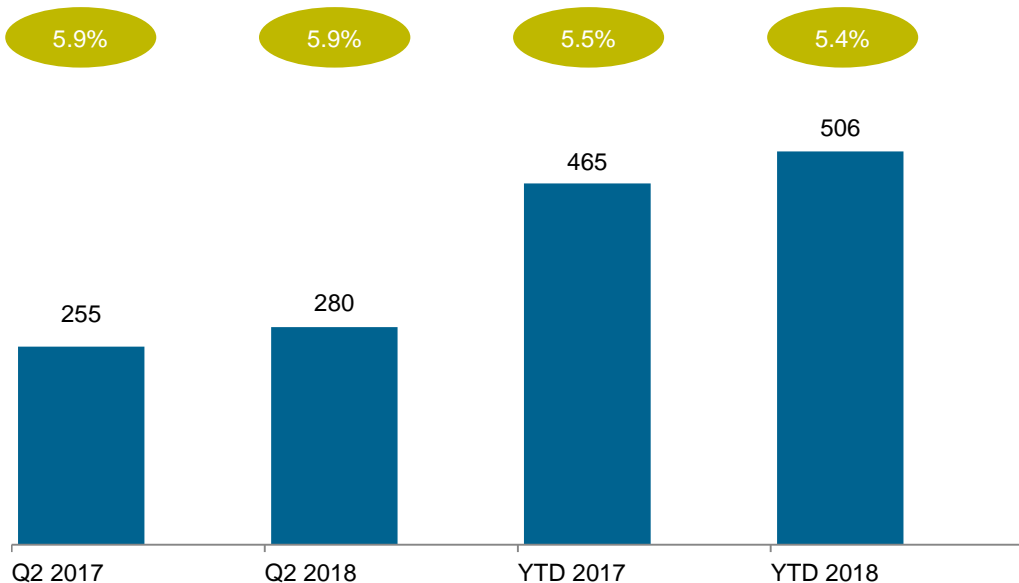
- ✦ Sales increase for construction companies
- ✦ Stable service and installation market
- ✦ Improved industry confidence indicator

Group sales & EBITA development

Sales & YoY reported growth (SEKm, %)



EBITA & margin (SEKm, %)



Key highlights Q2

Strong sales growth

- Sales growth 11%, of which 4% organic and 5% from M&A
- Sales growth in all countries

EBITA improving

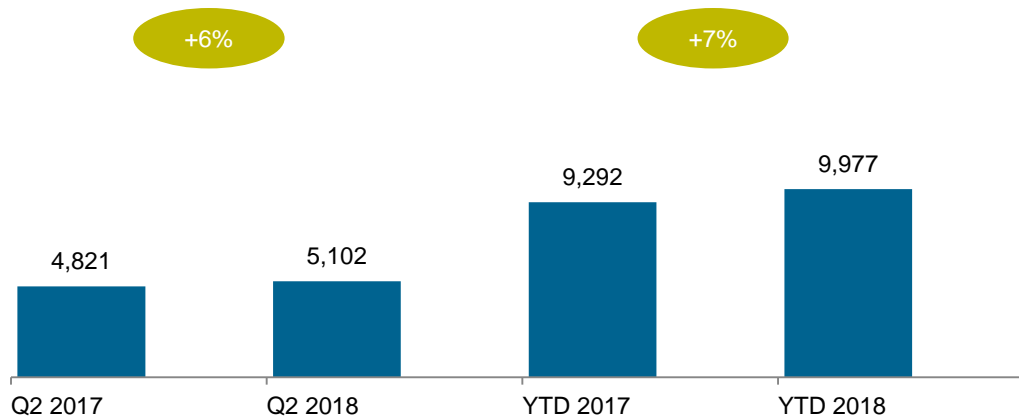
- Reported EBITA +10% in Q2 to SEK 280m (SEK 255m) and margin unchanged at 5,9%
- Oras profitable in Q2
- EBITA improvement in Norway, Sweden and Denmark but negative in Finland
- EPS +14% in Q2

+11%
Q2 2018
sales

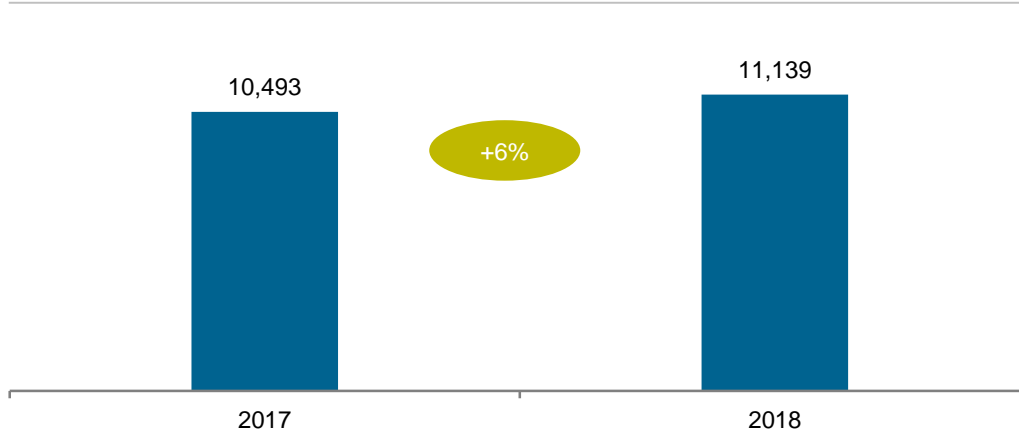
+10%
Q2 2018
EBITA

Order momentum

Order intake & YoY reported growth (SEKm, %)



Order backlog* & YoY reported growth (SEKm, %)



Key highlights in Q2

Order backlog at record level: SEK 11,139m

- Order backlog +6% higher YoY
- Growth in order backlog in Q2, SEK 315m
- Mainly many small and mid-sized projects in Q2
- One large order in Norway, multi installation project in a food industry building

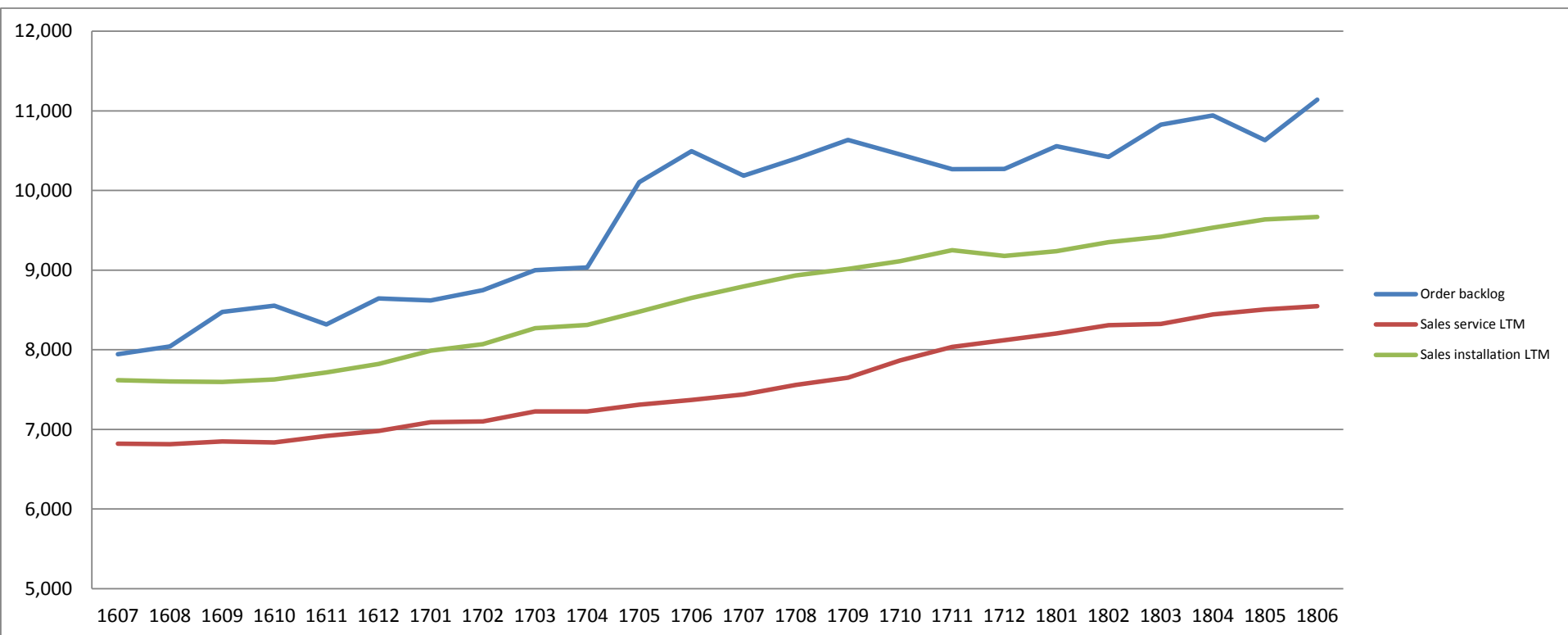
+6%
order intake
growth

**SEK
11.1bn**
order backlog

* Backlog includes installation business only
Source: Company information

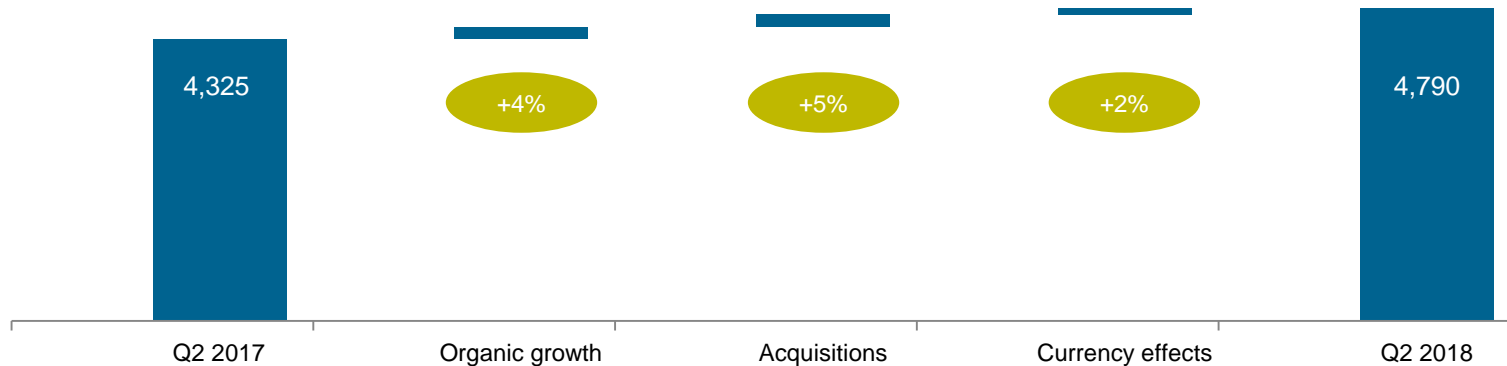
Order backlog still above net sales installation LTM

SEKm

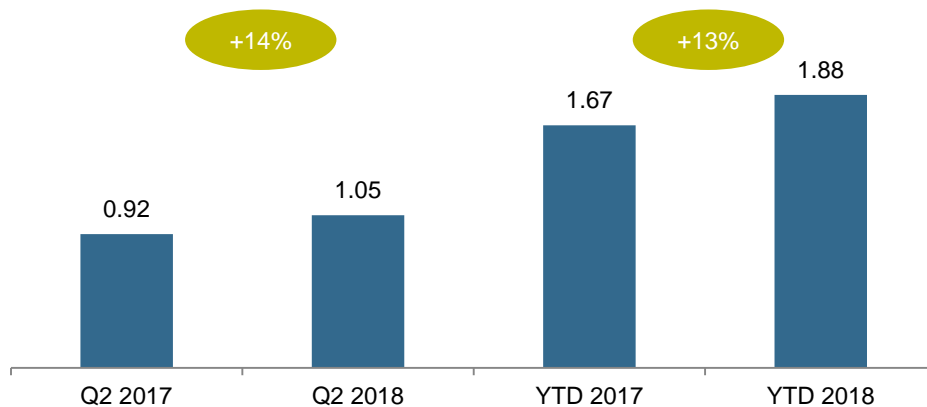


Financial performance Q2 2018

Sales bridge (SEKm, %)



Earnings per share (SEK, %)



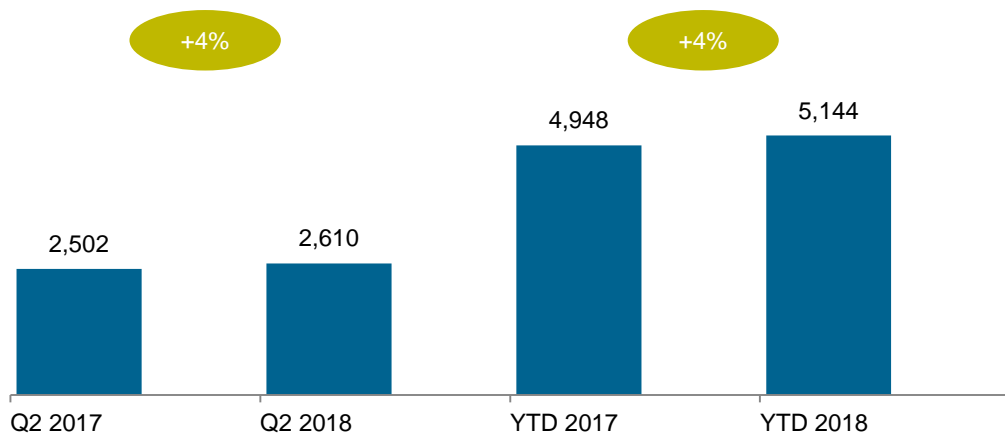
Key highlights in Q2

- ✦ Organic growth 4%
- ✦ Service growth 11%
- ✦ LTIP costs higher + SEK 5m
- ✦ Reported EBITA-margin unchanged, 5.9%
- ✦ Finance net improved to SEK -7m (-13)
- ✦ Earnings per share increased by 14%

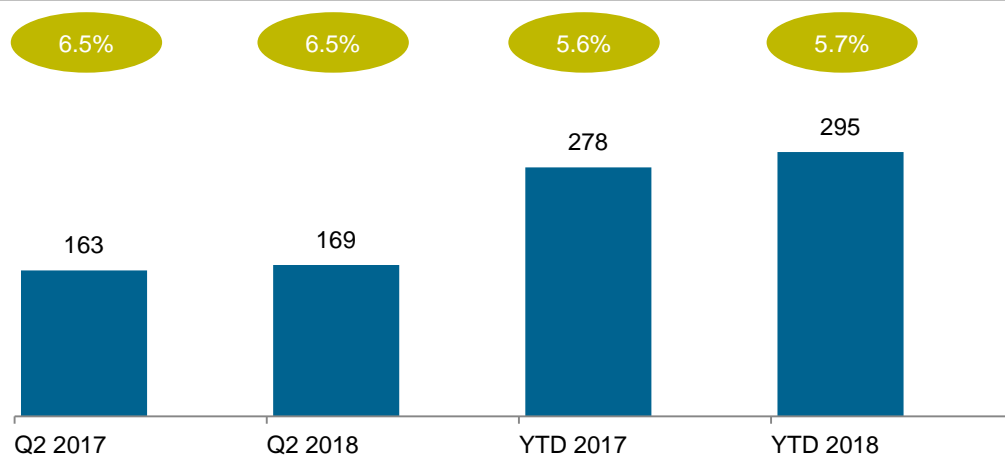
Source: Company information

Sweden

Sales & YoY reported growth (SEKm, %)



EBITA & margin (SEKm, %)



Source: Company information

Key highlights

Improved net sales and unchanged EBITA-margin

- Sales 4% in Q2
- Good growth in service
- EBITA-margin 6.5% was unchanged

Stable market conditions but no large orders in Q2

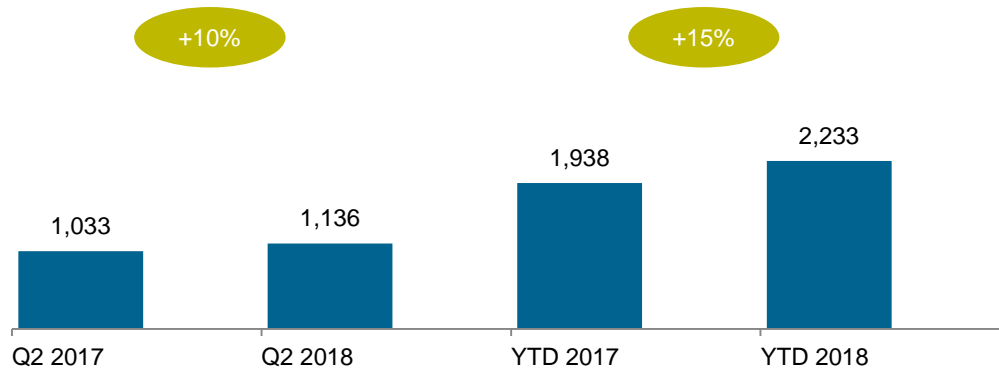
- Order intake -10% YoY explained by a strong order intake in Q2 2017
- Many small and mid-sized orders
- Order backlog -2% YoY, + SEK 116m in Q2

+4%
Q2 2018
sales

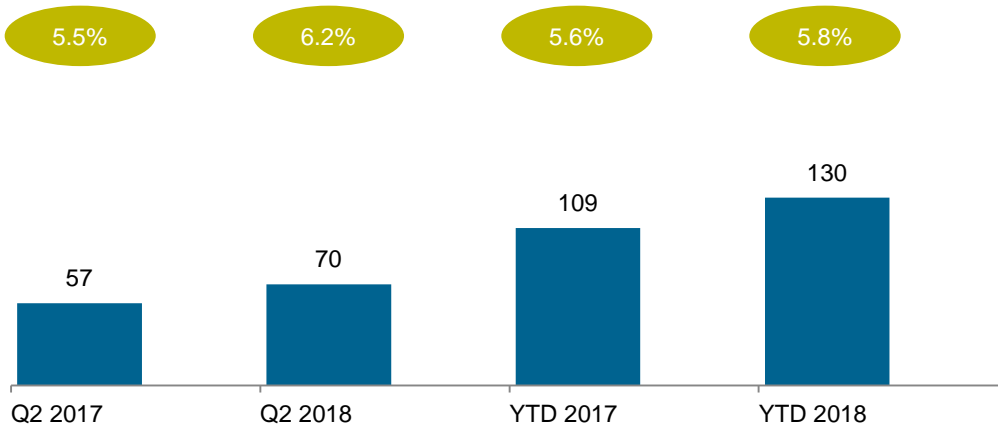
+4%
Q2 2018
EBITA

Norway

Sales & YoY reported growth (SEKm, %)



EBITA & margin (SEKm, %)



Key highlights

Sales growth and improved EBITA-margin

- Sales growth +10% in Q2
- Phasing out poor performing projects in Oras and closing 2 branches had a negative impact on growth but improved EBITA-margin
- Oras continued to report a positive EBITA-margin
- The EBITA-margin improved to 6.2% (5.5)
- The EBITA-margin excluding Oras was 7.6% (6.4)

Good order backlog

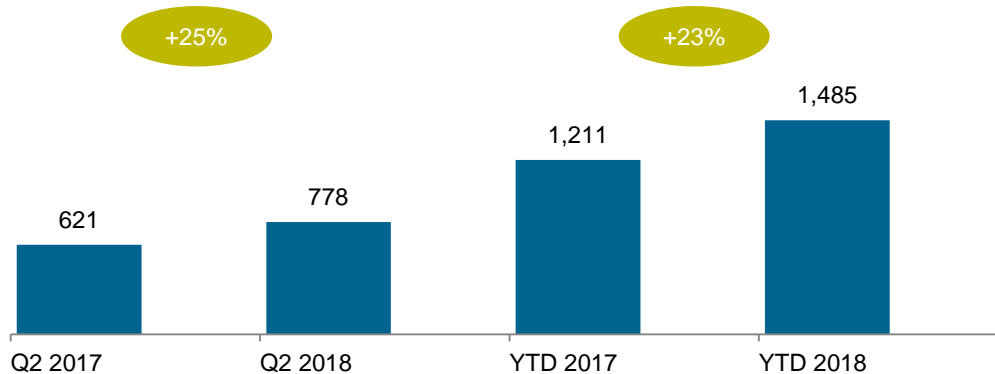
- Order intake +83% YoY, one large order in Q2 from the food industry
- Many small and mid-sized orders
- Order backlog +21% YoY, +SEK 252m in Q2

+10%
Q2 2018
sales

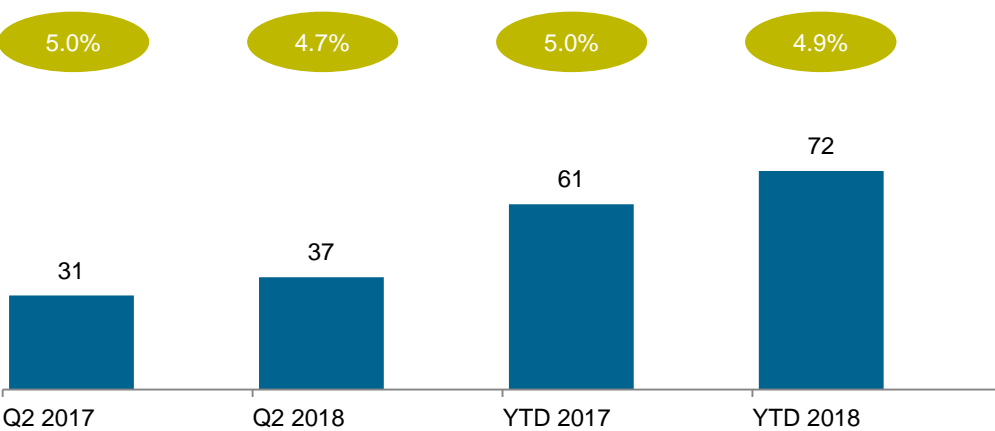
+24%
Q2 2018
EBITA

Denmark

Sales & YoY reported growth (SEKm, %)



EBITA & margin (SEKm, %)



Key highlights

Good sales growth and improved EBITA

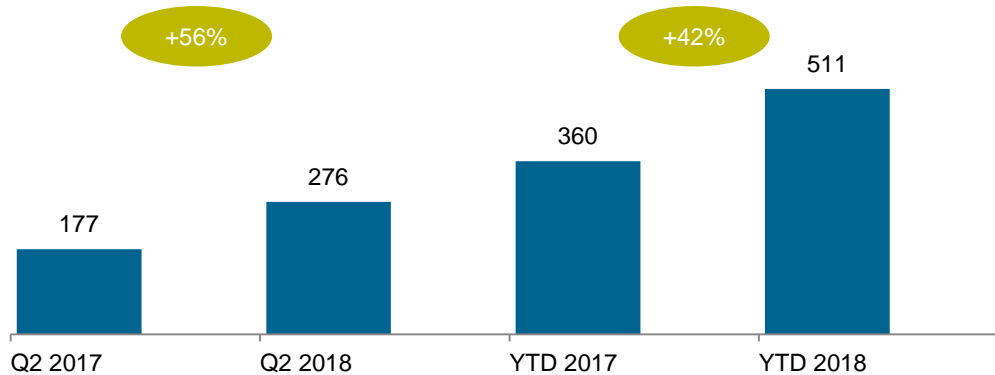
- ✦ Sales growth +25% related to the installation business, 2 large hospital projects in production
- ✦ EBITA improved 18% but lower margin, 4.7%, explained by large projects in an early stage of production
- ✦ **Good order backlog**
- ✦ Order intake -3% YoY
- ✦ Order backlog +4% YoY, +SEK 54m in Q2
- ✦ Many small and mid-sized orders
- ✦ Good activity in Denmark and Bravida's market position is good

+25%
Q2 2018
sales

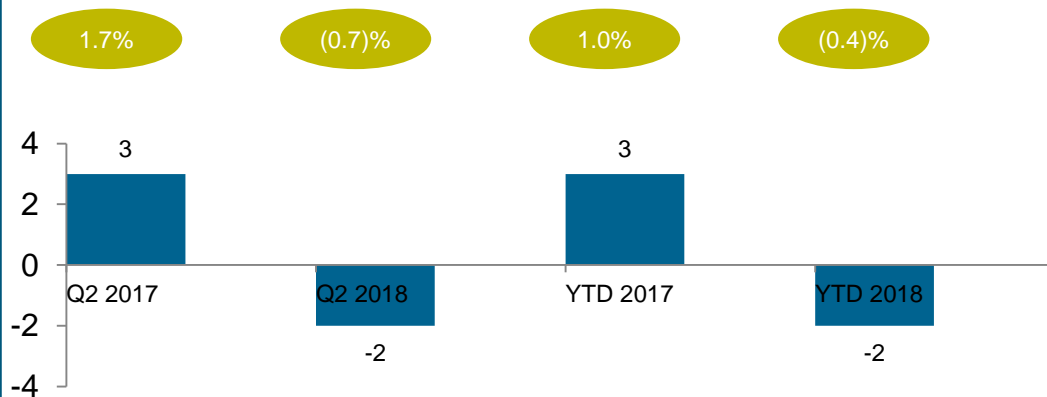
+18%
Q2 2018
EBITA

Finland

Sales & YoY reported growth (SEKm, %)



EBITA & margin (SEKm, %)



Key highlights

Good sales growth but negative EBITA

- ✦ Sales growth +56% mainly explained by the acquisition of Adison
- ✦ EBITA negative due to write-down in projects
- ✦ Marko Holopainen joined as new division manager

Order backlog

- ✦ Order intake -13% YoY
- ✦ Many small and mid-sized orders
- ✦ Order backlog +25% YoY

+56%
Q2 2018
sales

Negative
Q2 2018
EBITA

Acquisitions in 2018



Key highlights

- ✦ 1 acquisition completed in Finland adding approx. SEK 190m in annual sales
- ✦ 4 acquisition completed in Sweden, adding approx. SEK 84m annual sales
- ✦ 1 acquisition completed in Denmark, adding approx. SEK 26m annual sales
- ✦ 2 acquisitions in July adding SEK 81m
- ✦ Continued strong pipeline
- ✦ Acquisitions still at attractive multiples

6
acquisitions
2018

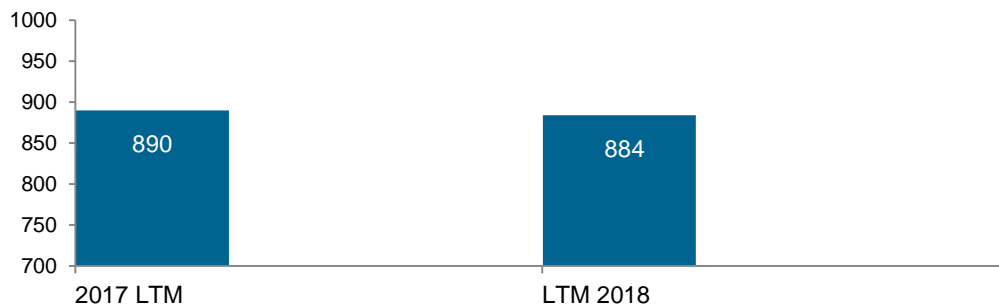
SEK ~300m
acquired sales
2018

Net debt and cash flow

Financial position

SEKm	Q2 2018
Cash balances	604
Term loan, RCF, Commercial paper	-2,500
Overdraft facilities and other	-
Net debt	-1,896
LTM adjusted EBITDA	1,148
Net debt/LTM adjusted EBITDA	1.7x

Operating cash flow (SEKm)



Source: Company information

Key highlights

- ✦ SEK 3.5bn financing package
 - Term loan SEK 1,500m
 - RCF SEK 2,000m
- ✦ STIBOR +1.25% margin
- ✦ Maturity 2020-10-16
- ✦ Commercial paper programme SEK 2,000m whereof SEK1,000m issued

- ✦ Cash conversion 94% (104)
- ✦ Operating cash flow negatively affected by higher tax payments LTM SEK 196m (124)

Financial targets



Sales

> 10% sales growth

5% p.a. organic growth

5%-7% p.a. contribution from bolt-on acquisitions



Adj. EBITA

> 7% Group margin

Higher organic margin in existing branches

Including dilutive impact of bolt-on acquisitions



Cash conversion & dividend

- Cash conversion above 100%
- Target payout ratio of at least 50% of net profit



Net debt

- Target leverage ratio of ~2.5x Net debt/EBITDA
- 5-year financing package maturing in October 2020
 - SEK 1.5bn term loan (Stibor +125 bps subject to ratchet)
 - SEK 2.0bn multi-currency overdraft facility
 - SEK 2.0bn Commercial paper programme

Continued good performance

Summary Q2

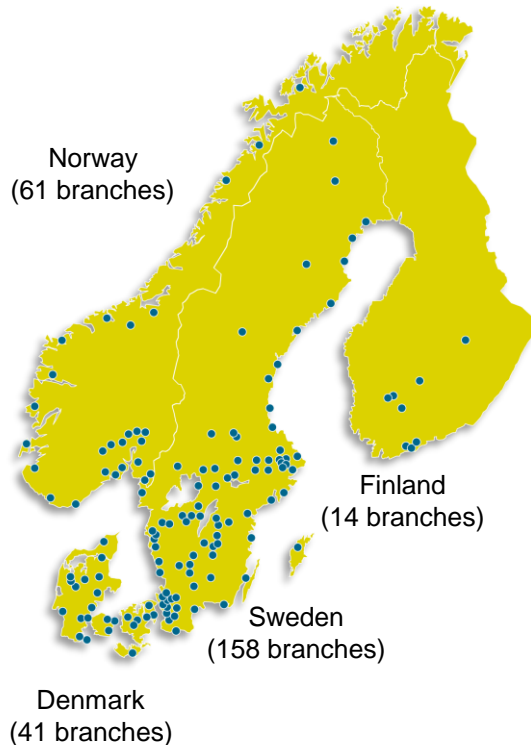
- Sales increase 11%, organic growth 4% and acquisitions 5%
- Sales of service growth +11%
- Installation order backlog at record high level ,SEK 11,1bn, and continued good business momentum for service will support organic growth coming quarters
- Reported EBITA-margin unchanged at 5.9%
- M&A execution on track with a healthy pipeline, SEK 300m added in sales in 2018
- Net debt/adj EBITDA 1.7x
- Strong operating cash flow SEK 418m
- Cash conversion improved in Q2 to 94%
- Stable to good market conditions continue

Q&A



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BRINGING BUILDINGS TO LIFE

Leadership in a fragmented Nordic market



	Market position	Market share	Top 3 player market shares
Sweden (SEK 88bn market)	No. 1	10%	Bravida 10% Assemblin 7% Caverion 5%
Norway (SEK 72bn market)	No. 1	6%	Bravida 6% Caverion 5% Gunnar Karlsen 4%
Denmark (SEK 46bn market)	No. 2	5%	Kemp & Lauritzen 6% Bravida 5% Wicotec 4%
Finland (SEK 50bn market)	No. 5	1%	ARE 7% Caverion 6% Consti 2%

National scale network density and local leadership drive significant competitive advantages

Bravida Way and operating model

A unique corporate culture



'Branch-first' entrepreneurial culture

- ✦ Branch manager pivotal role
- ✦ Incentivised to operate as owner – profitability and M&A
- ✦ Implements central initiatives

'Margin-first' control

- ✦ *"Margin over volume"*
- ✦ Standard operating model
- ✦ Central approval for M&A and large projects

Ongoing training and certification

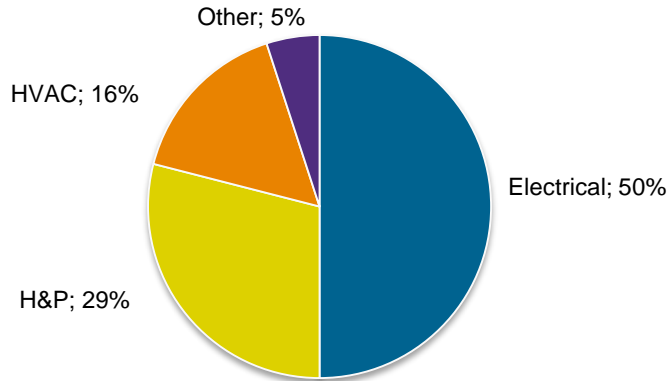
- ✦ Proprietary training and certification programme
- ✦ Best practice sharing
- ✦ Continuous focus on cost and cash

"We do what we have decided to do / We follow up on what we do / We continuously improve what we do"

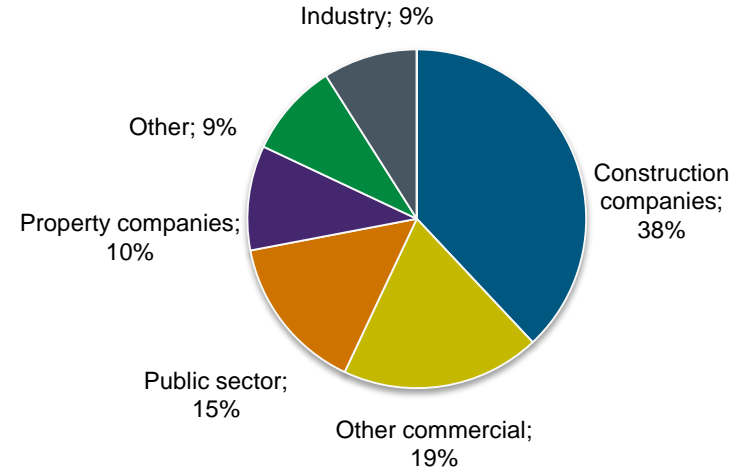
Bravida at a glance

“Bringing buildings and infrastructure to life”

Net sales by area of technology



Net sales by customer group



Complete housing solutions

Complete office solutions

Shopping centres

Hospitals

Safety and security solutions

Automation

Process cooling

Electrical substations

Rail electrification

Swimming pools

Ventilation systems

Borehole heat exchangers

Lighting

Stadiums

Infrastructure

Note: Split based on 2017 sales
Source: Company information

Bravida at a glance (cont'd)

Service

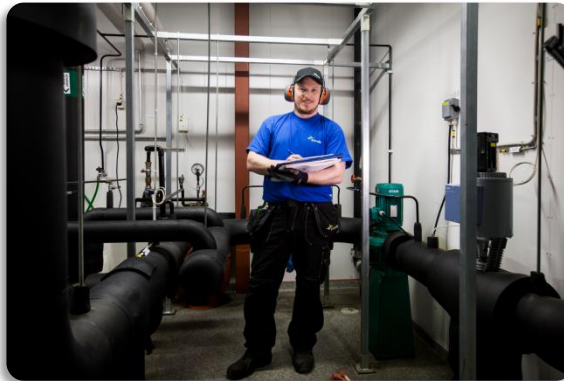
47% of sales



Monitoring / supervision on-site operations and improvements

Renovation & redevelopment

15% of sales



Renovation or larger maintenance projects

New build

38% of sales



New build or major redevelopment

Note: Split based on 2017 sales
Source: Company information