



Mattias Johansson, CEO
7 May 2019

BRAVIDA Q1 2019

WE BRING BUILDINGS TO LIFE

About Bravida

Business highlights

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

Represented in around 160 locations

> 55,000 customers – Top 5 customers represent 13% of sales

> 95% recurring customers

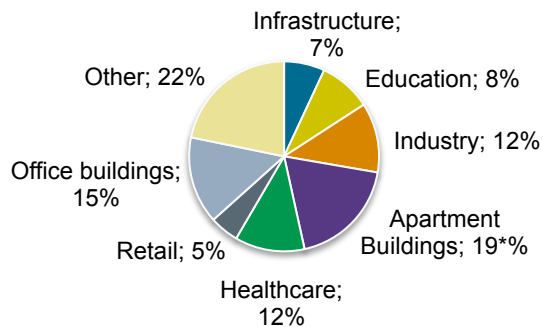
SEK 19.8bn
LTM net sales

SEK 1,237m
LTM EBITA

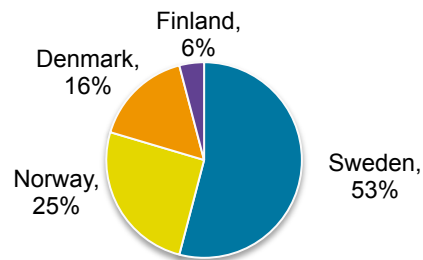
> 11,000
FTEs

Sales split based on 2018 sales

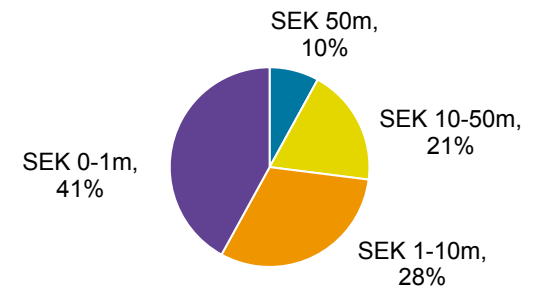
Net sales by type of facility



Net sales by country



Net sales by order size



Key highlights Q1 2019

Sales

- ✦ Net sales grew 10% to SEK 5,013m (4,557), organic growth 5% and M&A 3%
- ✦ Growth in all countries
- ✦ Service sales growth 7% and installation sales growth 12%

Order momentum

- ✦ Order backlog at good level, SEK 13,474m
- ✦ Continued good momentum with order intake SEK 6,465m, whereof Stockholm Bypass Project SEK 1,144m
- ✦ Strong order intake in all countries

EBITA

- ✦ EBITA up 11% to SEK 251m (226), margin stable at 5.0% (5.0)
- ✦ EBITA margin improved in Sweden, Denmark and Finland
- ✦ Norway lower margin due to write-downs in two old Oras projects

Cash flow

- ✦ Cash flow from operating activities SEK 414m (58) and cash conversion 131% (79); excl. IFRS 16, 124%
- ✦ Working capital of SEK -1,048m (-837) or -5.3% (-4.7) of sales
- ✦ Net debt of SEK -2,115m (-1,841), 1.6x (1.6x) adjusted EBITDA (LTM basis), excl. IFRS, 0.9x

M&A

- ✦ 5 acquisitions completed in Q1 adding SEK 345m
- ✦ So far 5 acquisitions in Q2 2019 adding SEK 280m
- ✦ Still a good pipeline

Market trends

Sweden

Still a good market: service and installation activity good

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

Norway

Still a 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

Still a 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 as data centres
- ✦ Construction confidence indicator at normal level

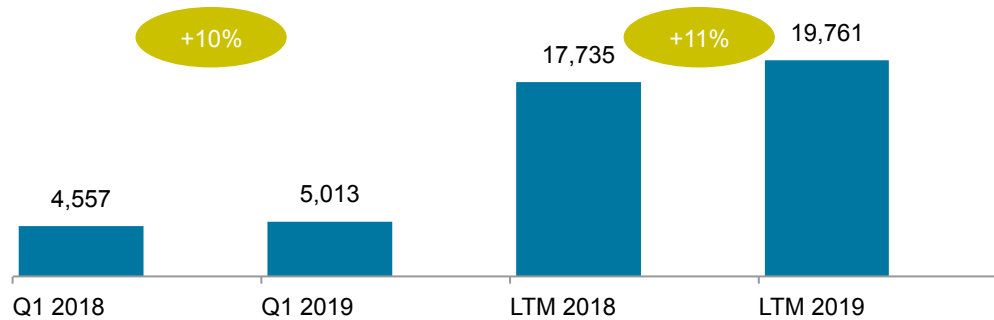
Finland

Stable market: construction market improving

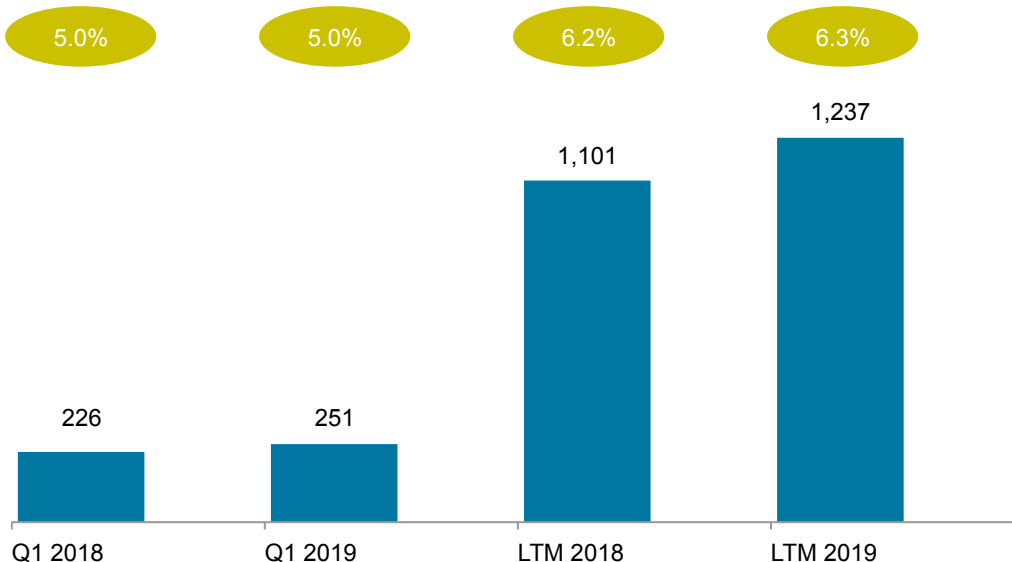
- ✦ Refurbishment and public investments at good level
- ✦ Stable service and installation market
- ✦ Construction confidence indicator at normal level

Group sales & EBITA development

Sales & YoY reported growth (SEKm, %)



EBITA & margin (SEKm, %)



Key highlights Q1

Good sales growth

- Sales growth 10%, of which 5% organic and 3% from M&A
- Sales growth in all countries
- Organic growth in Norway, Denmark and Finland

EBITA improved and margin stable

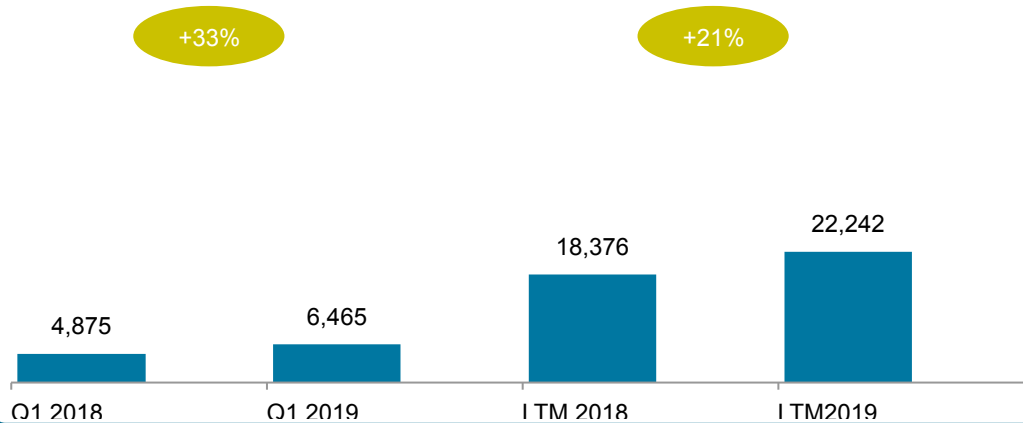
- EBITA +11% in Q1 to SEK 251m and margin unchanged at 5.0%
- EBITA margin improvement in Sweden, Denmark and Finland
- EBITA lower in Norway mainly due to write-downs in two old Oras' projects

+10%
Q1 2019
sales

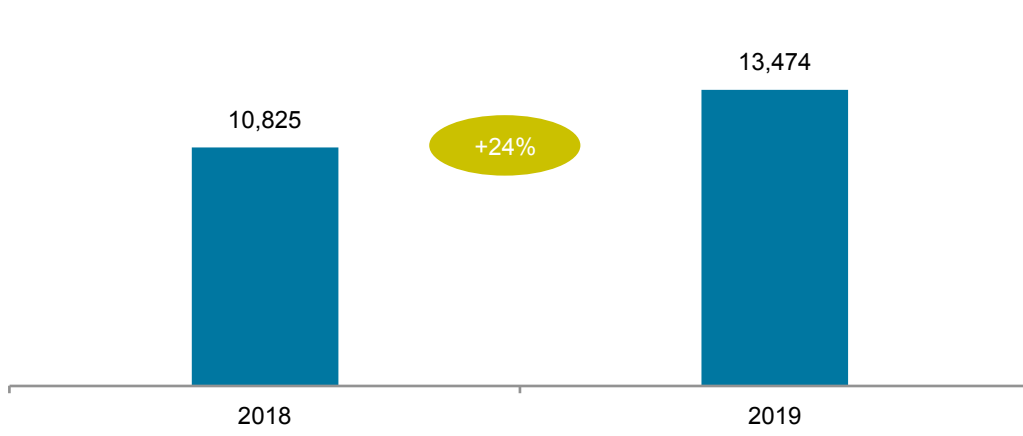
+11%
Q1 2019
EBITA

Order momentum

Order intake & YoY reported growth (SEKm, %)



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



Key highlights in Q1

Order backlog at good level: SEK 13,474m

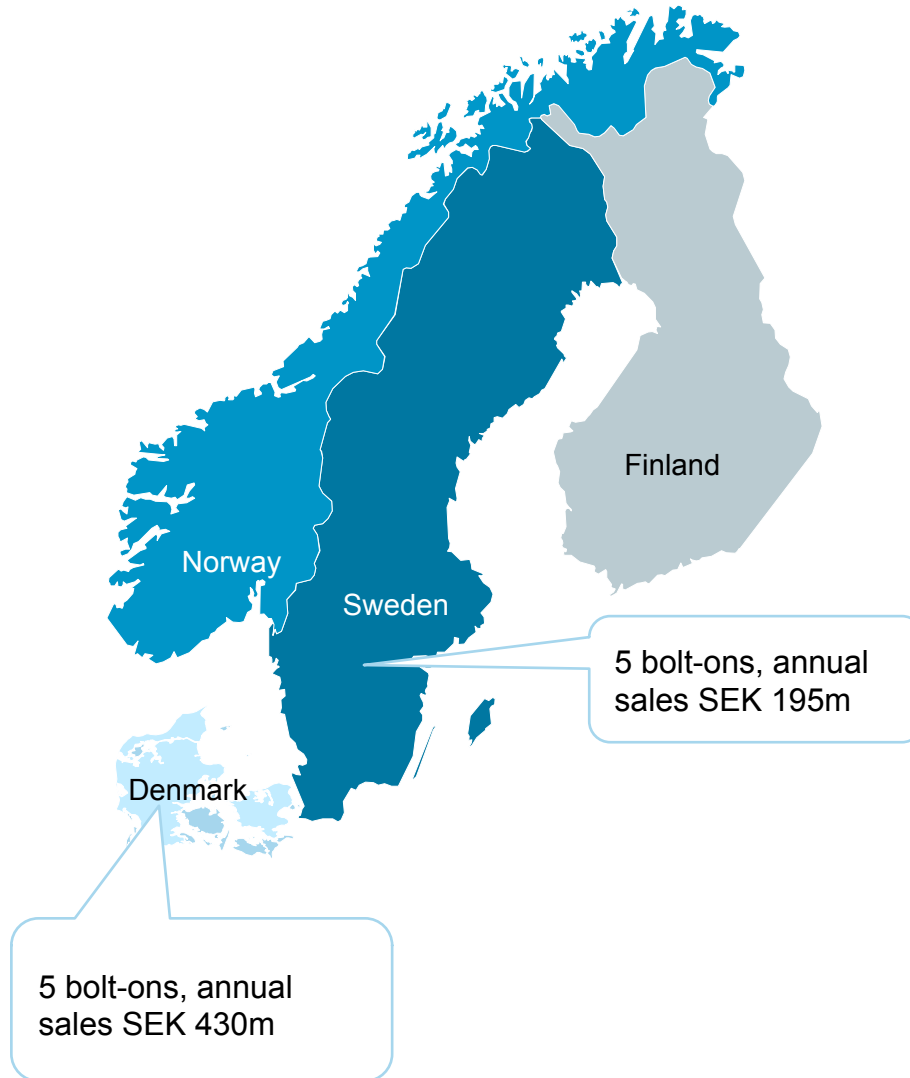
- ✦ Order backlog +24% higher YoY
- ✦ Increasing order backlog in Q1, SEK 1,482m, excluding Stockholm Bypass Project SEK +338m
- ✦ Increasing order backlog in Denmark, Norway and in Sweden
- ✦ One large order in Sweden, Stockholm Bypass project
- ✦ One large order in Denmark, new built hotel at Kastrup airport
- ✦ One large order in Norway new built hospital in Stavanger

+33%
order intake
growth

**SEK
13.5bn**
order backlog

* Backlog includes installation business only
Source: Company information

Acquisitions in 2019



Key highlights

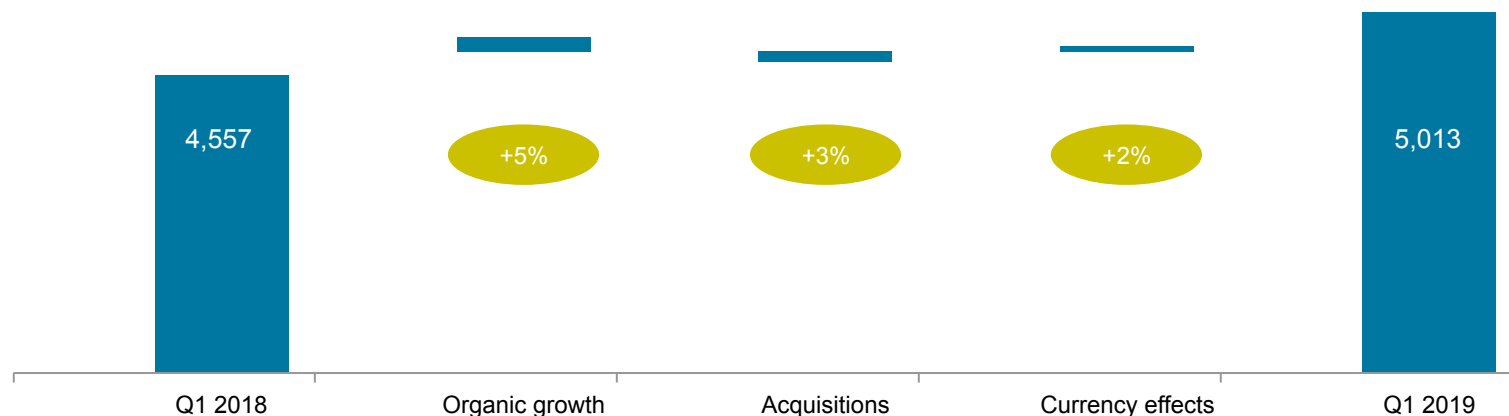
- ✦ 3 acquisitions completed in Denmark in Q1 adding approx. SEK 275m in annual sales
- ✦ 2 acquisitions completed in Sweden in Q1, adding approx. SEK 70m annual sales
- ✦ 2 acquisitions in Denmark in Q2, adding approx. SEK 55m annual sales
- ✦ 3 acquisitions in Sweden in Q2, adding approx. SEK 125m in annual sales
- ✦ Continued strong pipeline
- ✦ Acquisitions still at attractive multiples

10
acquisitions
2019

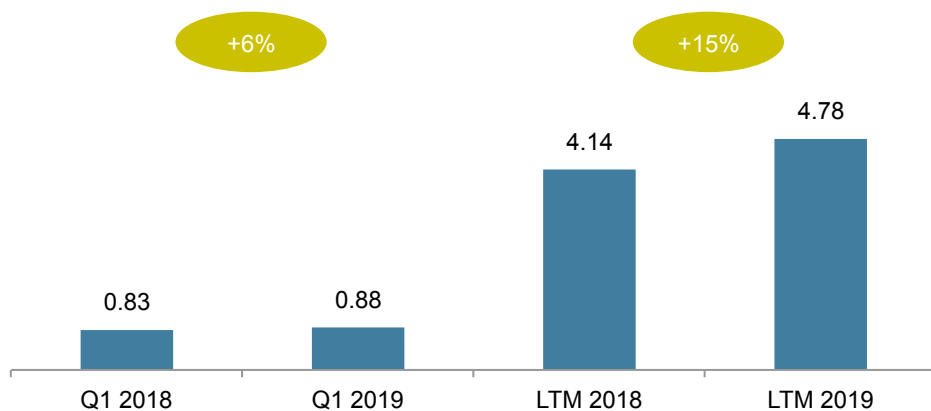
SEK ~625m
acquired sales
2019

Financial performance Q1 2019

Sales bridge (SEKm, %)



Earnings per share (SEK, %)



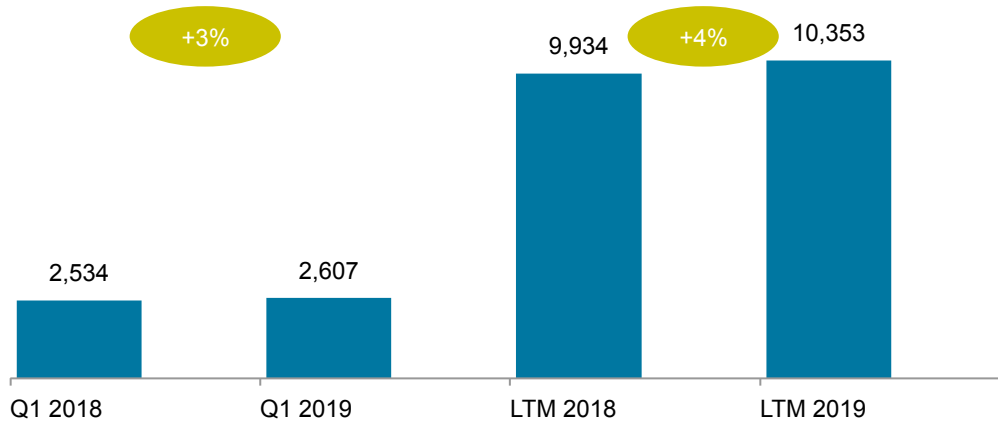
Key highlights in Q1

- Net sales growth 10%
- Organic growth 5%
- EBITA increased by 11%
- EBITA margin unchanged 5.0%
- Finance net -24 (-9), increased due to negative currency effects and IFRS 16 effect
- Earnings per share increased by 6%

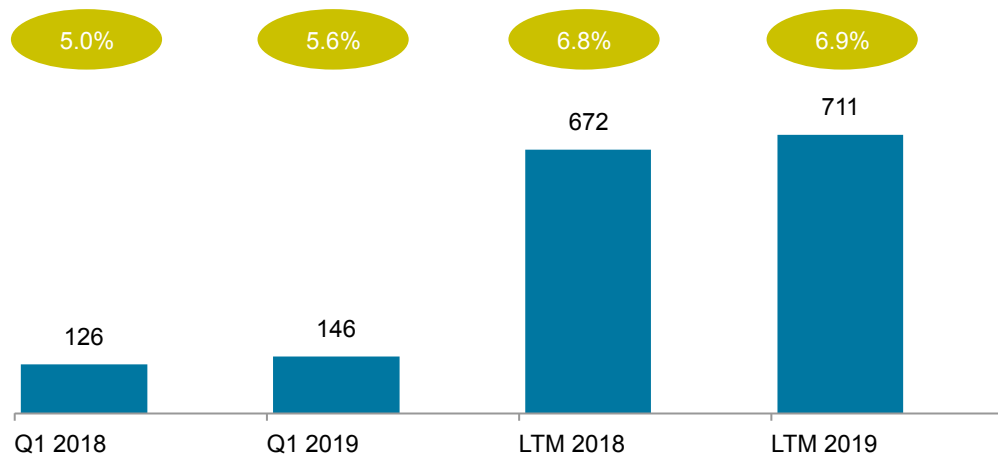
Source: Company information

Sweden

Sales & YoY reported growth (SEKm, %)



EBITA & margin (SEKm, %)



Source: Company information

Key highlights

Higher net sales and improved EBITA margin

- Sales +3%, stable activity in service and installation
- EBITA margin 5.6% (5.0), explained by improved gross profit margin

Still a good market

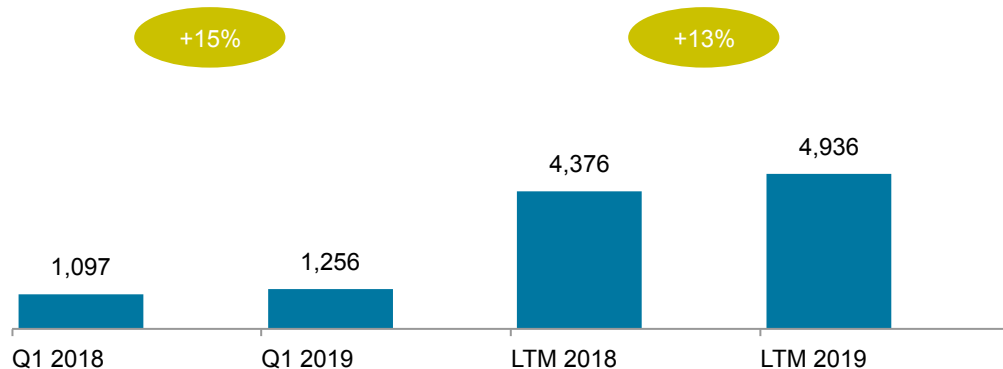
- Order intake +39% YoY, the second Stockholm Bypass Project order entered, SEK 1,144m
- Many small and mid-sized orders
- Order backlog +49% YoY,
- Order backlog increased by SEK 877m in Q1

+3%
Q1 2019
sales

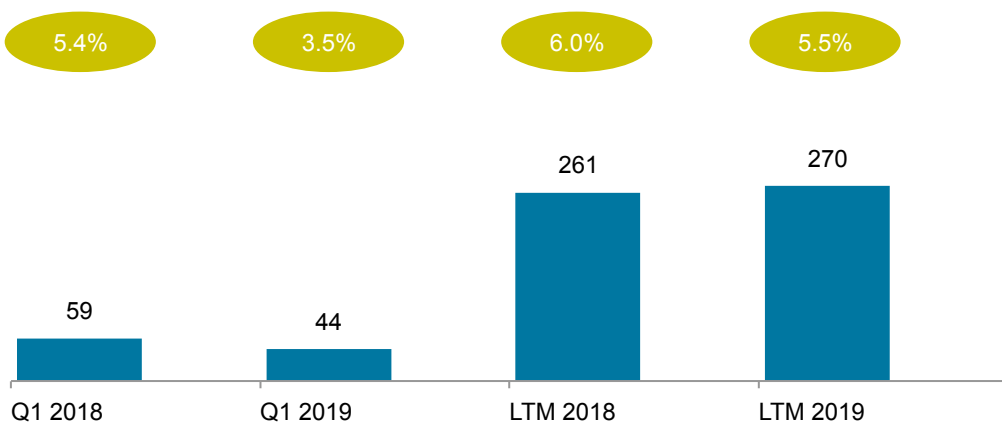
+16%
Q1 2019
EBITA

Norway

Sales & YoY reported growth (SEKm, %)



EBITA & margin (SEKm, %)



Key highlights

Sales growth but lower EBITA

- ✦ Sales growth +15% in Q1, good activity in service and installation
- ✦ Write-downs in two low performing projects in Oras had a negative effect on EBITA margin
- ✦ The two low performing projects will be finalized in Q2
- ✦ The EBITA margin lower at 3.5% (5.4)

Strong order intake

- ✦ Strong order intake +26% YoY, many small and mid-sized orders and one large order in a new hospital in Stavanger
- ✦ Order backlog -2% YoY, but increased in Q1 by SEK 424m
- ✦ Order backlog at good level

+15%
Q1 2019
sales

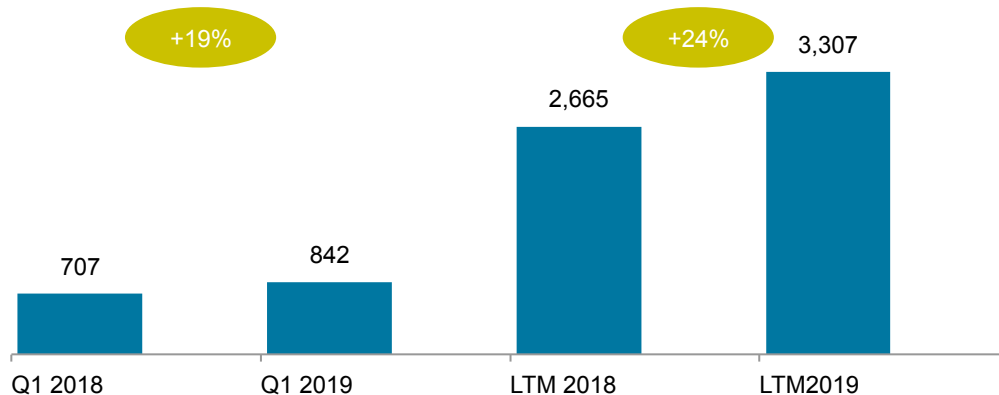
-25%
Q1 2019
EBITA

Oras update

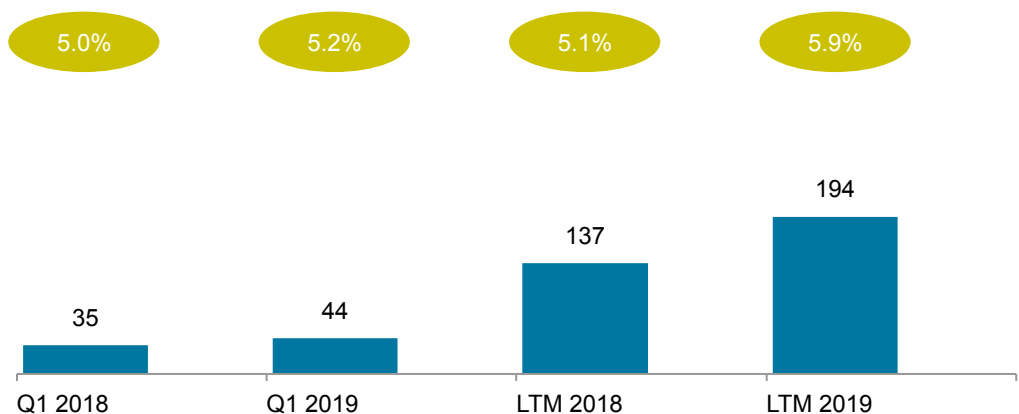
- ✦ Oras was the largest player within service and installation of heating and plumbing (H&P) in Norway
- ✦ Bravida had a weak position within H&P
- ✦ Bravida positioned #1 in the market after the acquisition
- ✦ Bravida offers cross selling in many locations regarding service and installation
- ✦ Synergies from procurement and cost synergies as premises and group functions
- ✦ Acquisition price in total 0,17x sales

Denmark

Sales & YoY reported growth (SEKm, %)



EBITA & margin (SEKm, %)



Key highlights

Good sales growth and improved EBITA

- Sales growth +19%, good activity in service and installation
- EBITA improved 24% to SEK 44m and margin to 5.2% due to relative lower administration cost

Order backlog at a strong level

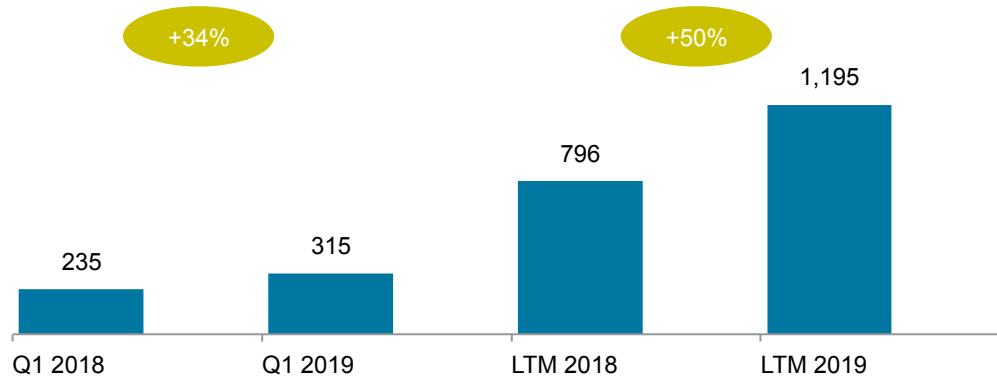
- Order intake +24% YoY
- Order backlog +7% YoY
- Many small and mid-sized orders
- One large installation order in new hotel at Kastrup airport

+19%
Q1 2019
sales

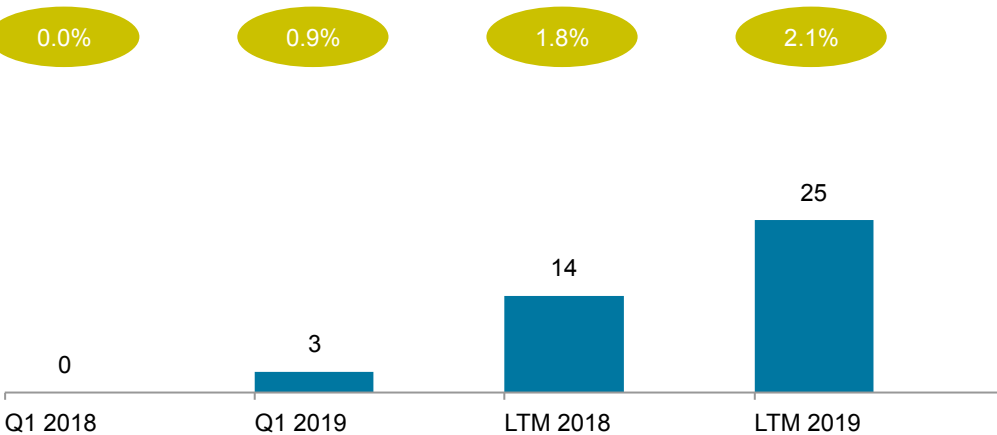
+24%
Q1 2019
EBITA

Finland

Sales & YoY reported growth (SEKm, %)



EBITA & margin (SEKm, %)



Source: Company information

Key highlights

Good sales growth and improved EBITA

- Sales growth +34% explained by organic growth and the acquisition of Hangö Elektriska
- Hangö Elektriska was acquired October 1, 2018
- EBITA improved to SEK 3m and margin improved to 0.9%

Good order intake

- Order intake +24% YoY
- Many small and mid-sized orders
- Order backlog -9% YoY

+34%
Q1 2019
sales

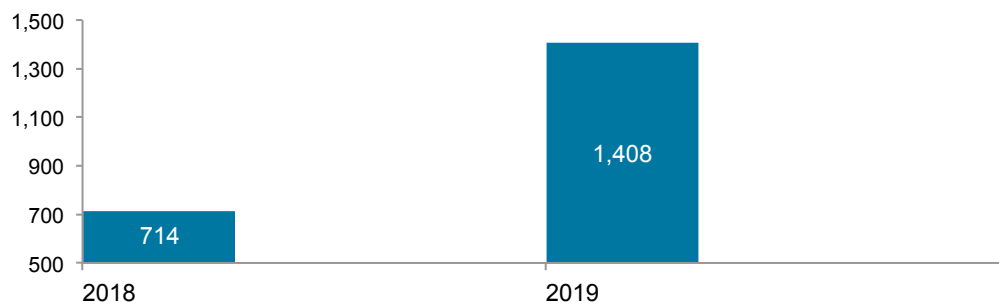
SEK +3m
Q1 2019
EBITA

Net debt and cash flow

Financial position

SEKm	Q1 2019
Cash balances	595
Term loan, RCF, Commercial paper	-1.730
Financial leasing, IFRS 16	-980
Net debt	-2,115
LTM EBITDA	1,358
Net debt/LTM adjusted EBITDA	1.6x

LTM operating cash flow (SEKm)



Source: Company information

Key highlights

- ✦ SEK 2,700m financing package
 - Term loan SEK 1,100m
 - RCF SEK 1,500m
 - Overdraft SEK 100m
 - ✦ STIBOR +1.25 -1.46% margin
 - ✦ Maturity 2020-10-16
 - ✦ Commercial paper programme SEK 2,000m whereof SEK 630m issued
- ✦ Cash conversion 131% (79)

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



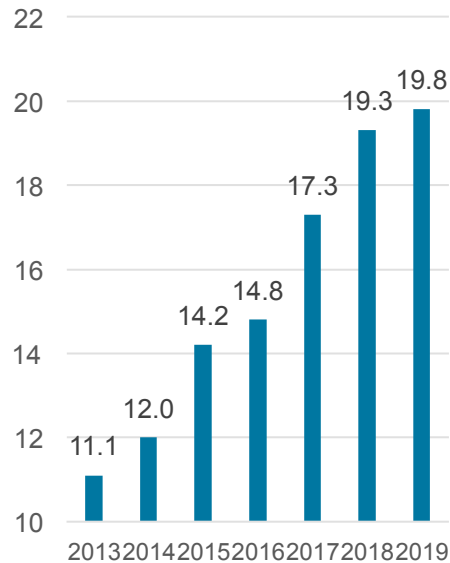
Net debt

- Target leverage ratio of ~2.5x Net debt/EBITDA
- 5-year financing package maturing in October 2020
 - SEK 1.3bn term loan (Stibor +125 bps subject to ratchet)
 - SEK 1.5bn multi-currency overdraft facility
 - SEK 2.0bn Commercial paper programme

Robust and resilient cash flow generator

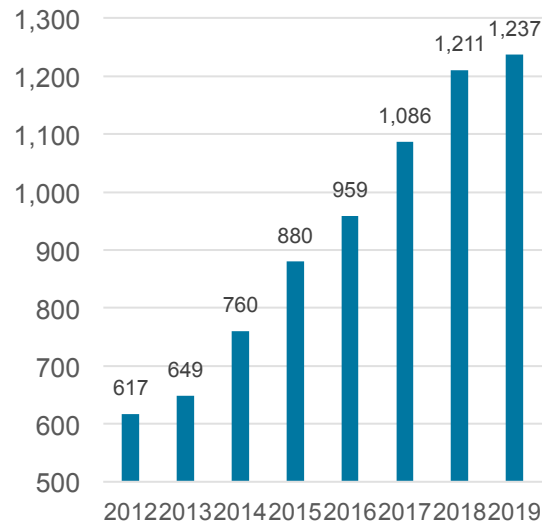
Net sales growth

Net sales LTM, SEKbn



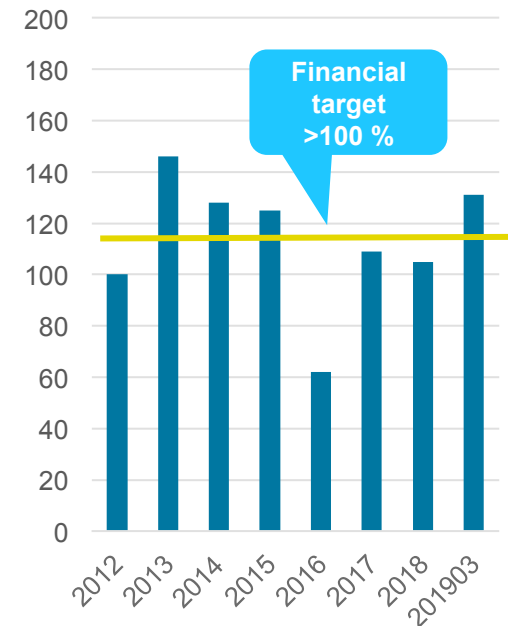
Stable profitability

Adjusted EBITA LTM, SEKm



Good cash conversion*

Cash conversion LTM, %



* LTM : EBITDA+/- change in WC +/- non cash item-capex/ EBIT

Good performance

Summary Q1

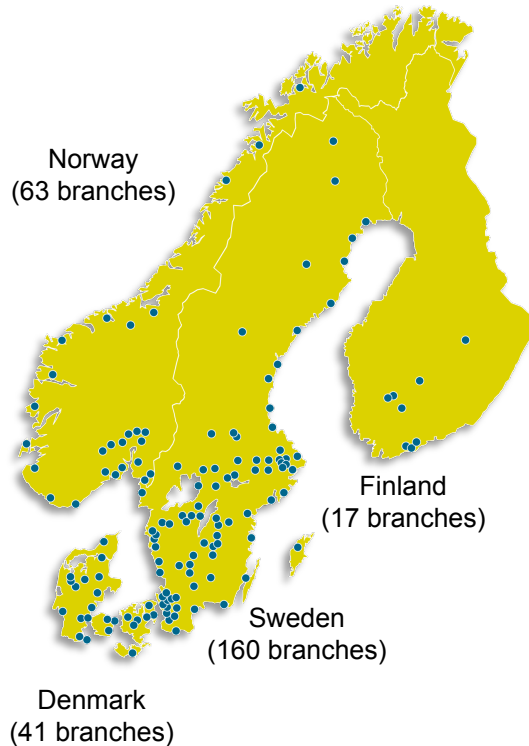
- Sales increase 10%, organic growth 5% and from acquisitions 3%
- Installation order backlog at good level, SEK 13,474m, and continued good business momentum for service will support organic growth coming quarters
- EBITA margin stable at 5.0%
- EBITA margin improved in Sweden, Denmark and Finland
- Phasing out two low performing projects in Norway in Q2
- M&A execution on track with a healthy pipeline, 10 acquisitions so far in 2019 and SEK 625m added in sales
- Net debt/adj. EBITDA 1.6x
- LTM operating cash flow strong, SEK 1,408m
- Cash conversion above financial target at 131%

Q&A



 **bravida**[®]
WE BRING BUILDINGS TO LIFE

Leadership in a fragmented Nordic market



	Market position	Market share	Top 3 player market shares
Sweden (SEK 93bn market)	No. 1	11%	Bravida 11% Assemblin 7% Caverion 5%
Norway (SEK 76bn market)	No. 1	6%	Bravida 6% Caverion 5% Gunnar Karlson 5%
Denmark (SEK 49bn market)	No. 2	5%	Kemp & Lauritzen 6% Bravida 5% Wicotec 4%
Finland (SEK 55bn market)	No. 5	2%	ARE 7% Caverion 6% OMG 3%

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

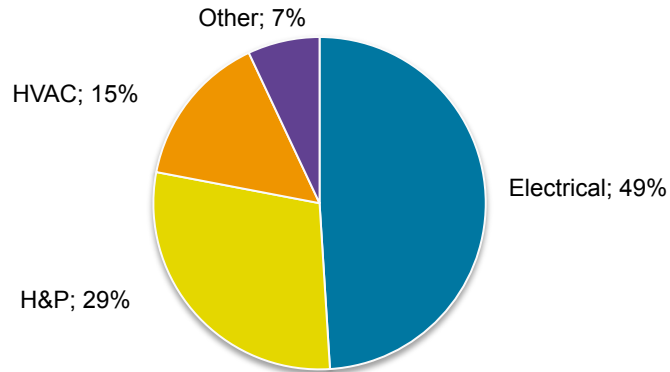
- ✦ Proprietary training and certification programme
- ✦ Best practice sharing
- ✦ Continuous focus on cost and cash

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

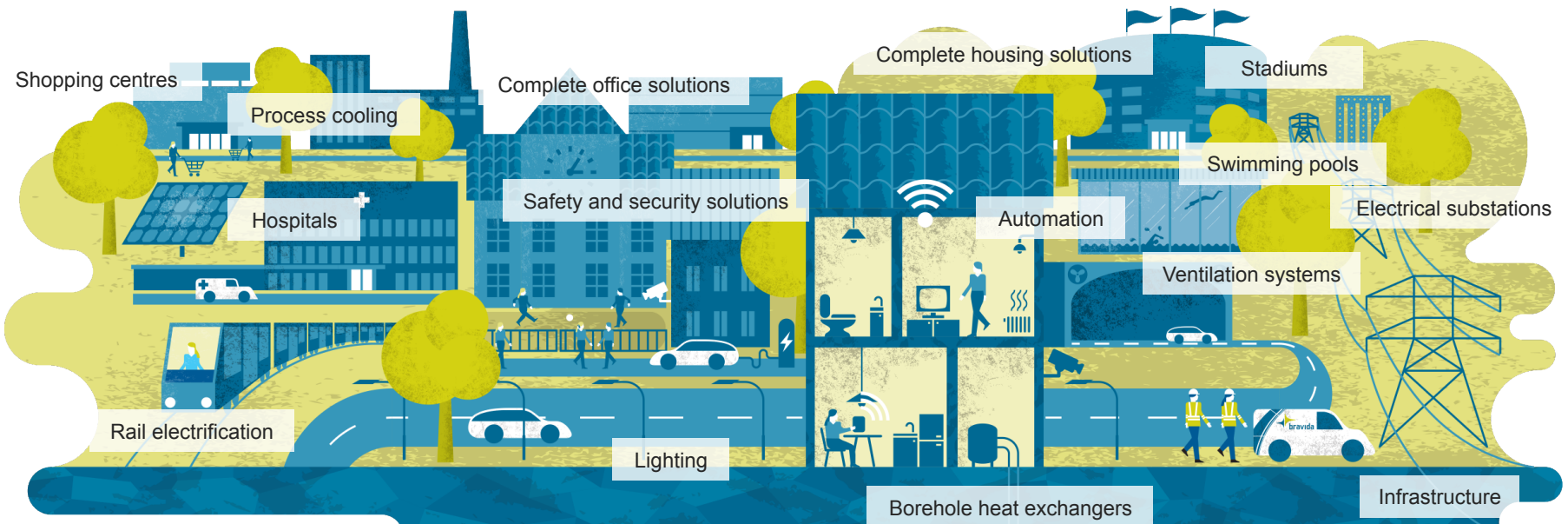
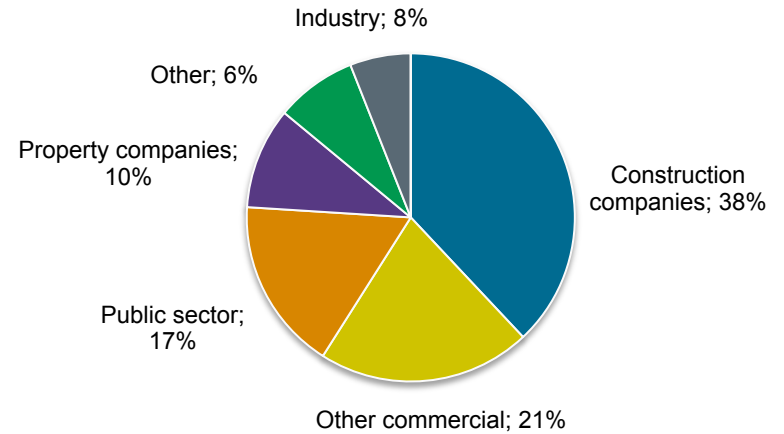
Bravida at a glance

“We bring buildings and infrastructure to life”

Net sales by area of technology



Net sales by customer group



Bravida at a glance (cont'd)

Service

46% of sales

Renovation & redevelopment

16% of sales

New build

38% of sales



Monitoring / supervision on-site operations and improvements



Renovation or larger maintenance projects



New build or major redevelopment

Note: Split based on 2018 sales
Source: Company information