BRAVIDA Q2 2020

BRINGING BUILDINGS TO LIFE

Mattias Johansson, CEO
Åsa Neving, CFO
17 July 2020

Today’s presenters

Åsa Neving
CFO since 2019

Mattias Johansson
CEO and Group President since 2015*

*With Bravida since 1998

About Bravida

Business highlights

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

Represented in around 160 locations

> 55,000 customers
Top 4 customers represent 14% of sales

> 93%
recurring customers

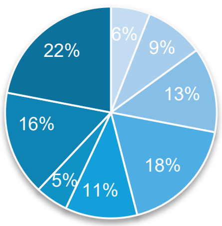
SEK 21.1bn
LTM net sales

SEK 1,290m
LTM EBITA

> 11,900
FTEs

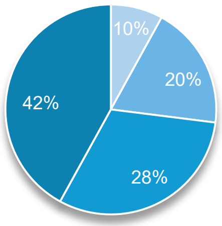
Sales split based on 2019 sales

Net sales by type of facility



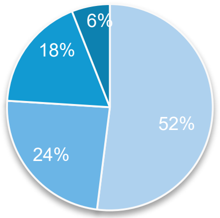
- Infrastructure 6%
- Education 9%
- Industry 13%
- Apartment Buildings 18%
- Healthcare 11%
- Retail 5%
- Office Buildings 16%
- Other 22%

Net sales by order size



- SEK 50m, 10%
- SEK 10-50m, 20%
- SEK 1-10m, 28%
- SEK 0-1m, 42%

Net sales by country



- Finland 6%
- Sweden 52%
- Norway 24%
- Denmark 18%

Source: Company information

Key highlights in Q2 2020

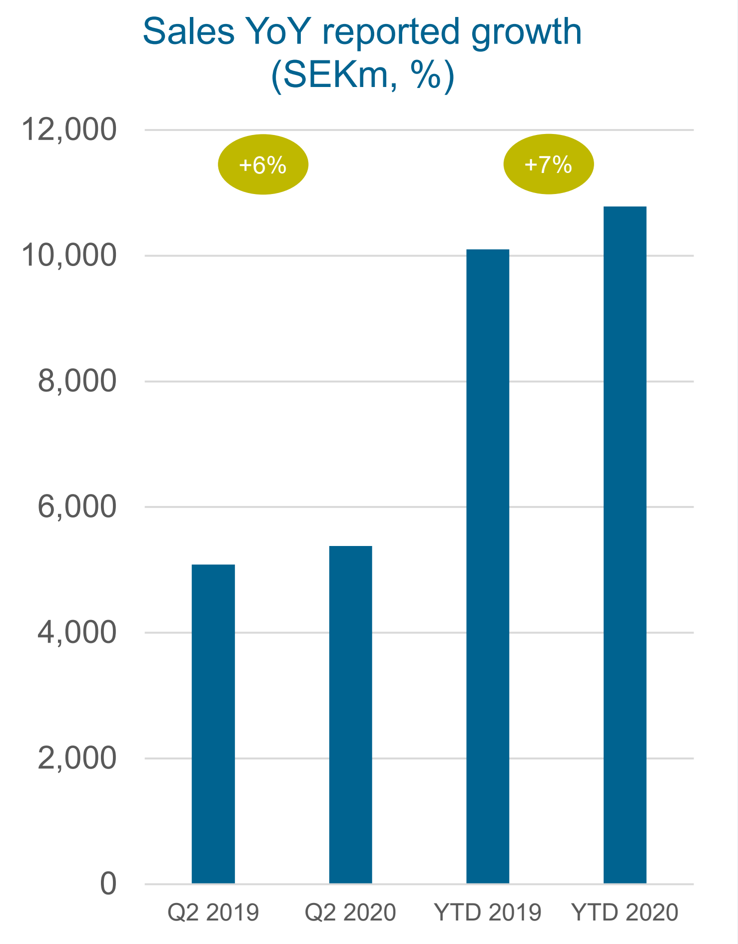
Sales	▪ Net sales grew 6% to SEK 5,382m (5,087), organic growth 3% and M&A 6% ▪ Organic growth in Sweden and Finland ▪ Servicing sales growth -4% and installation sales growth 14%
Order momentum	▪ Order backlog at high level, SEK 14,952m, +8% YoY ▪ Stable order intake SEK 5,346m but weak order intake from servicing ▪ Order intake increased in local currency in Sweden and Norway
EBITA	▪ EBITA increased by 16% to SEK 317m (274), margin improved to 5.9% (5.4) ▪ EBITA-margin improved in Norway, Denmark and Finland
Cash flow	▪ Cash flow from operating activities was improved to SEK 728m (131) and cash conversion 149% (98) ▪ Working capital of SEK -1,709m (-858) or -8.1% (-4.3) of sales ▪ Net debt of SEK -1,185m, 0.7x EBITDA (LTM basis)
M&A	▪ 6 acquisitions completed in Q2 adding SEK 363m ▪ Still a good pipeline

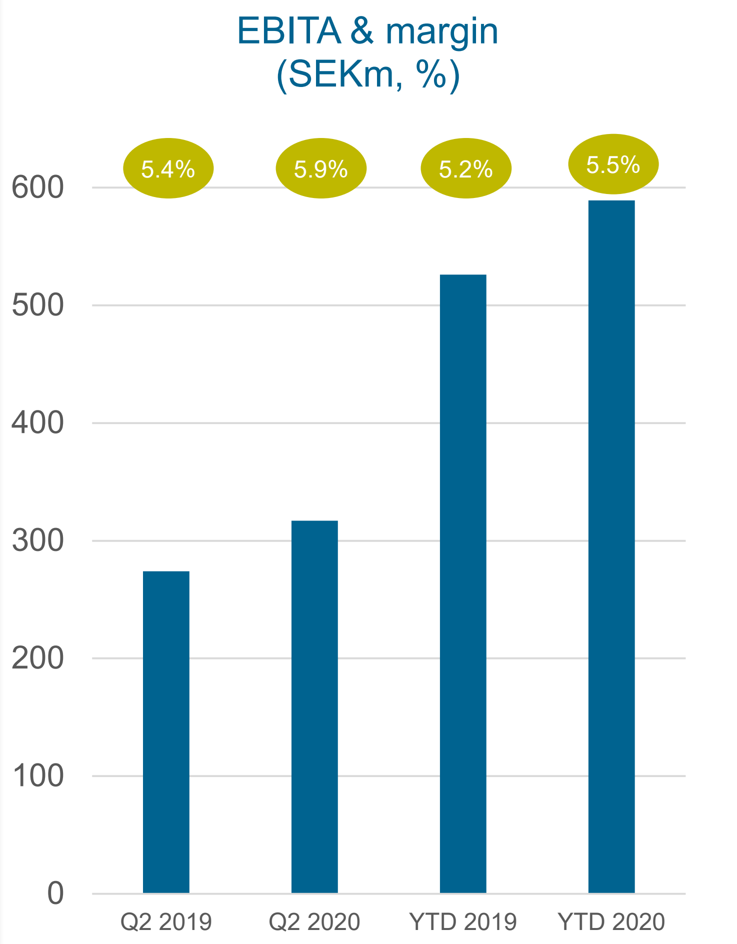
Source: Company information

Impact from covid-19

- Milder impact from Covid-19 in Q2 than expected – Bravida has received limited support from governments
- Negative impact in the servicing business
- Just a few installation sites closed
- High sickness absence in the beginning of Q2 – eased in late April and in May/June at normal level
- We expect in general a stable installation market and successively a normalization of the service market – but uncertain market conditions ahead
- Good order backlog visibility in installation business
- Low fixed costs – possibility to adjust cost
- Margin over volume – we will defend the margin even if the volumes decrease

Group sales & EBITA development





Key highlights in Q2

Good sales growth and organic growth

- Sales growth 6%, of which 6% from M&A and organic growth 3%
- Sales increased in Sweden, Denmark and Finland

EBITA-margin improved

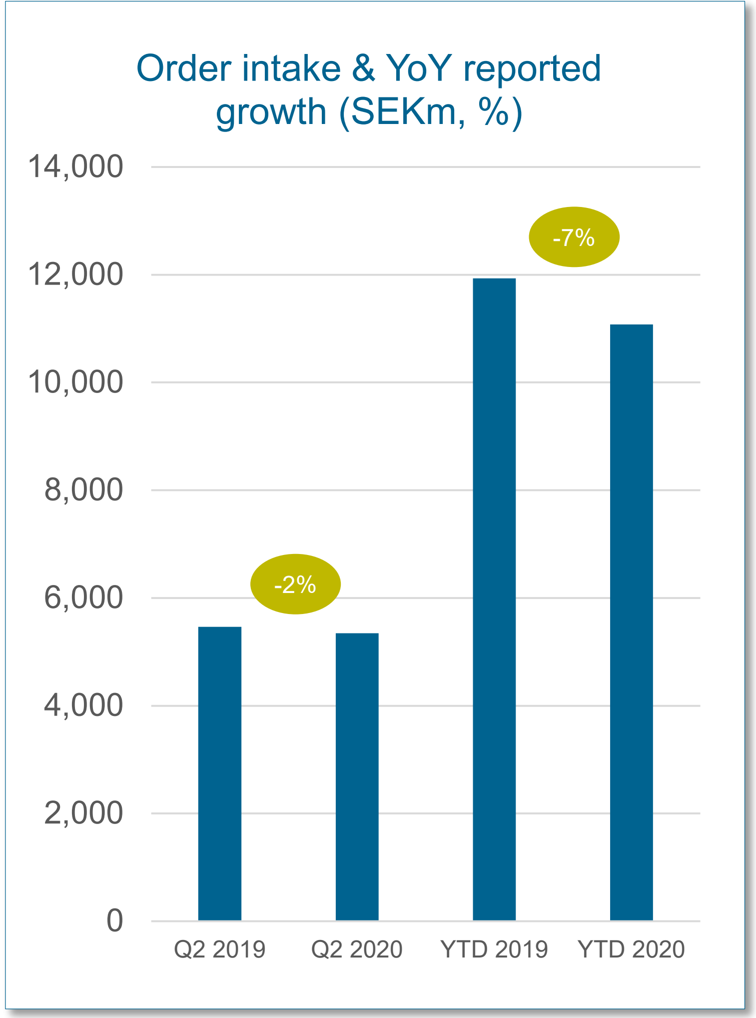
- EBITA +16 % to SEK 317m and margin improved to 5.9%
- EBITA margin improvement in Norway, Denmark and Finland
- Cost of reduction in personnel, SEK 12m

+6%
Q2 2020 Sales

+16%
Q2 2020 EBITA

Source: Company information

Order momentum



Key highlights in Q2

Order backlog at high level: SEK 14,952m

- Order backlog +8% higher YoY
- Order backlog - SEK 33m in Q2
- Increasing order backlog YoY in Sweden, Denmark and Finland
- Order intake declined by -2% explained by lower orders from the servicing business and currency effects
- Mainly medium and small orders

+8%
order backlog growth

SEK
15.0bn
order backlog

* Backlog includes installation business only

Source: Company information

Acquisitions 2020

1 bolt-on, annual sales SEK 21m

4 bolt-on, annual sales SEK 294m

1 bolt-on, annual sales SEK 96m

7 bolt-ons, annual sales SEK 314m

Key highlights 2020

- 4 acquisition completed in Denmark adding approx. SEK 294m in annual sales
- 7 acquisitions completed in Sweden adding approx. SEK 314m annual sales
- 1 acquisition completed in Norway adding approx. SEK 21m annual sales
- 1 acquisition completed in Finland adding approx. SEK 96m annual sales
- Continued strong pipeline
- Acquisitions still at attractive multiples
- Covid-19 pandemic will delay acquisitions

13
acquisitions 2020

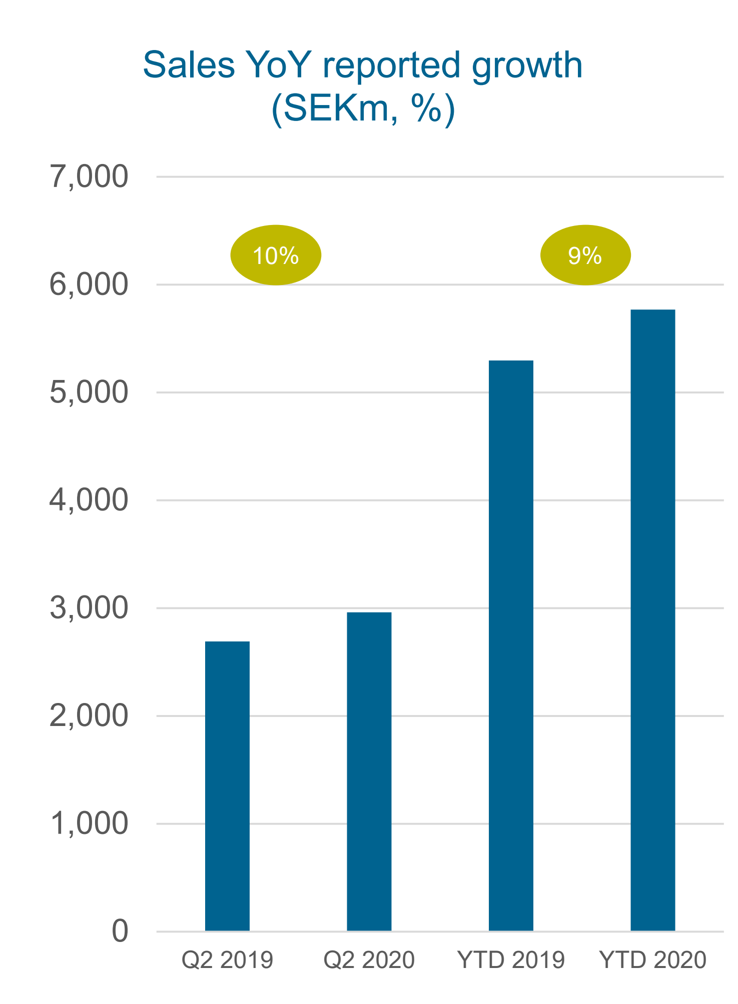
SEK
~725m
acquired sales 2020

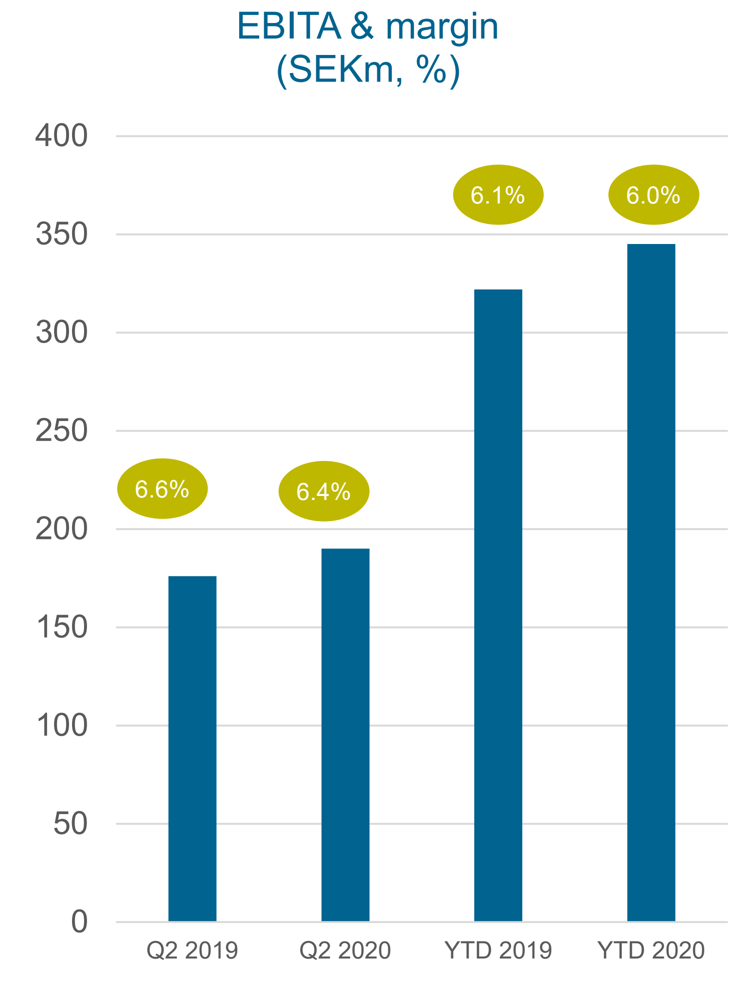
Source: Company information

Electric and ventilation installation in center for smart technologies in Finland

Solar panel installation in Norway

Sweden





Key highlights Q2 2020

Higher sales and stable EBITA margin

- Sales +10% explained by organic growth and acquisitions
- Organic growth 5%
- EBITA margin 6.4% (6.6)
- Cost of reduction in personnel, SEK 6m
- Acquisition of solar cell company in April

A stable installation market but a weaker servicing market in Q2

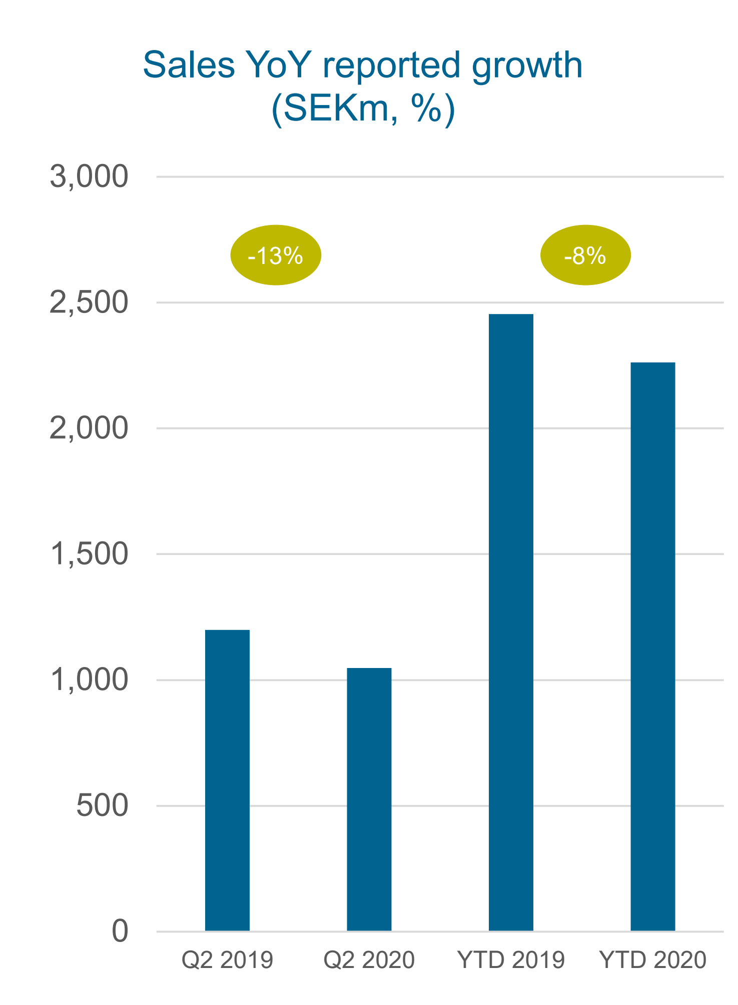
- Order intake +9% although weaker demand from servicing
- Order backlog +14% YoY
- Order backlog increased by SEK 135m in Q2

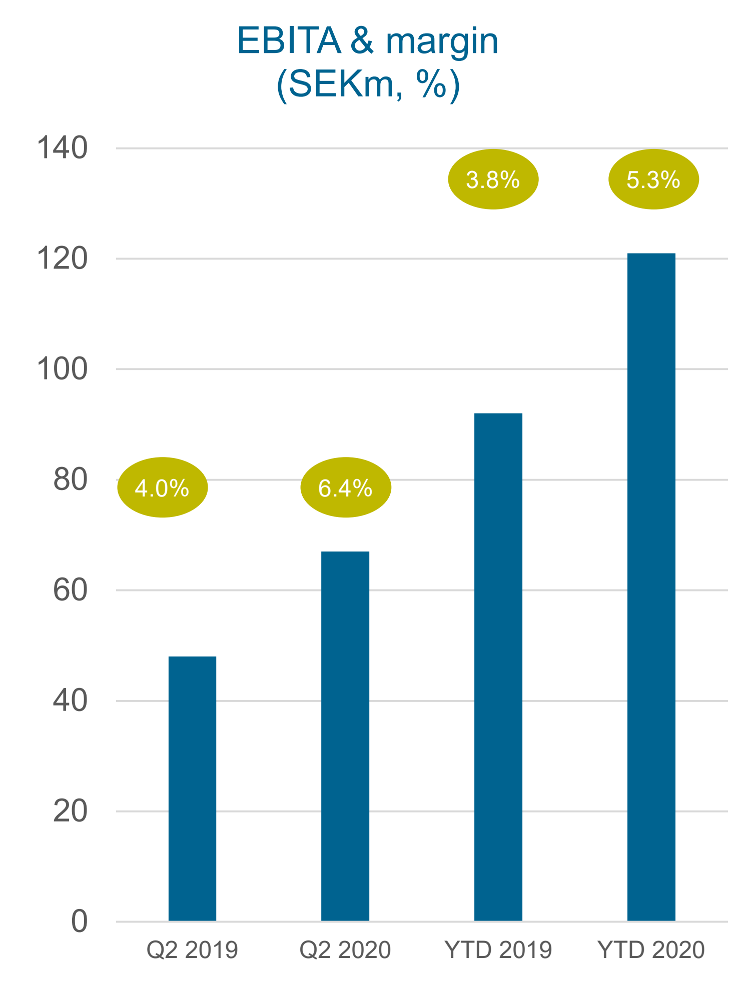
10% Q2 2020 Sales

+8% Q2 2020 EBITA

Source: Company information

Norway





Key highlights Q2 2020

Sales decreased but improved EBITA margin

- Sales decreased by -13%, mainly due to a weaker NOK
- Organic growth -2%
- Decreasing sales from servicing
- EBITA margin improved to 6.4% (4.0)

Order intake and backlog

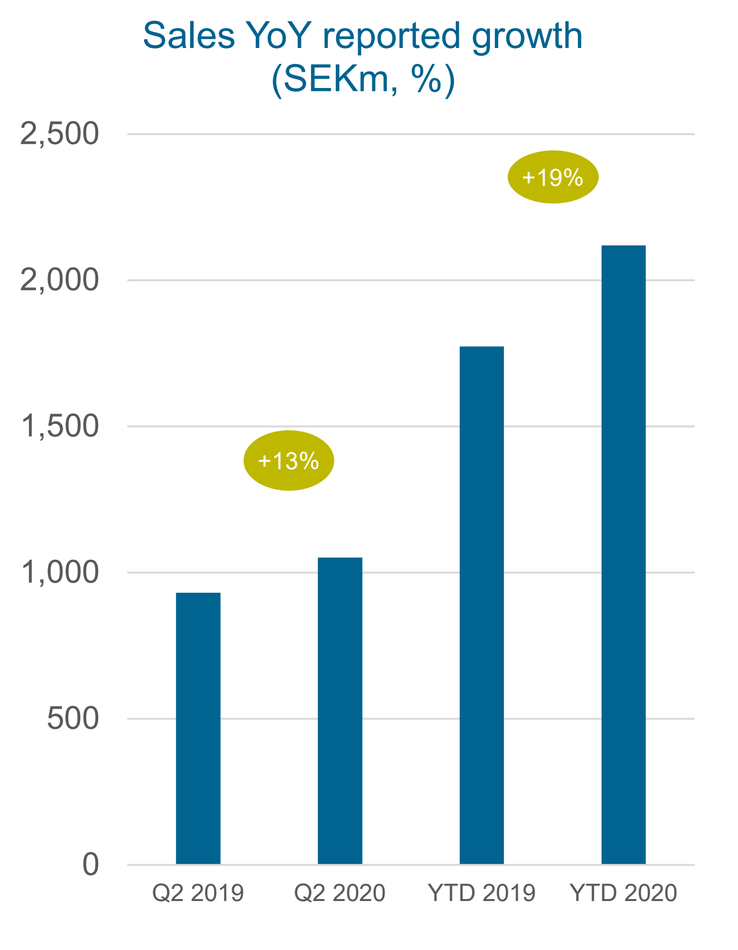
- Order intake -11% YoY but increased in NOK by +4%
- Decreasing order intake from servicing
- Order backlog -21% YoY , in NOK by -10%
- Order backlog increased in Q2 by 20 MSEK

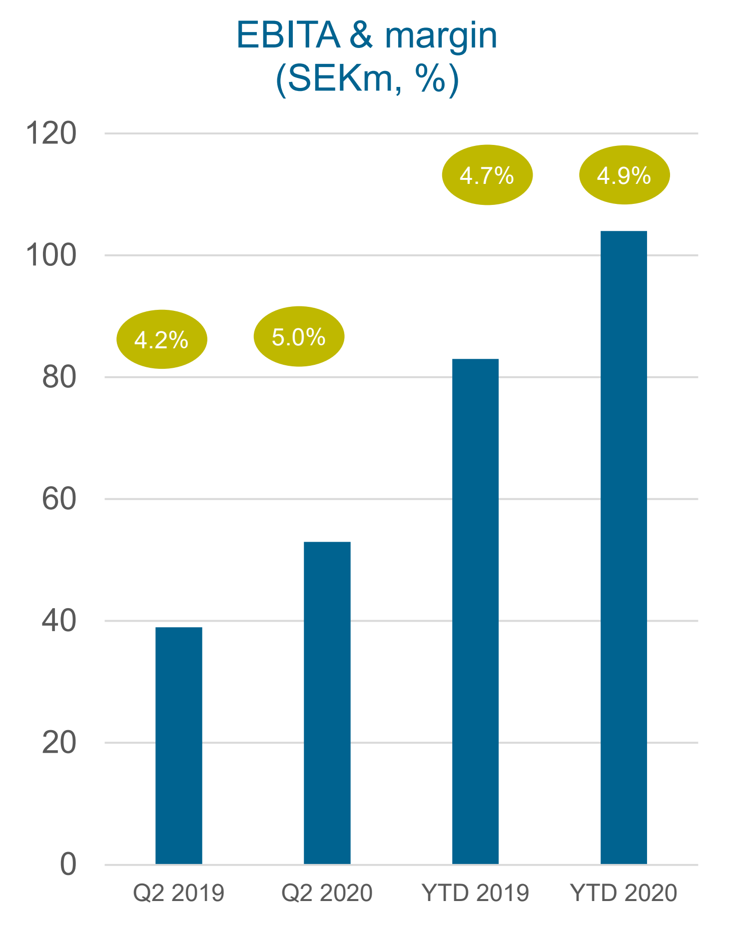
-13%
Q2 2020
Sales

+38%
Q2 2020
EBITA

Source: Company information

Denmark





Key highlights Q2 2020

Good sales growth and improved EBITA margin

- Sales growth +13%, explained by acquisitions but decreasing sales from Servicing
- Organic growth 0%
- EBITA-margin improved to 5,0%

Order backlog at a good level

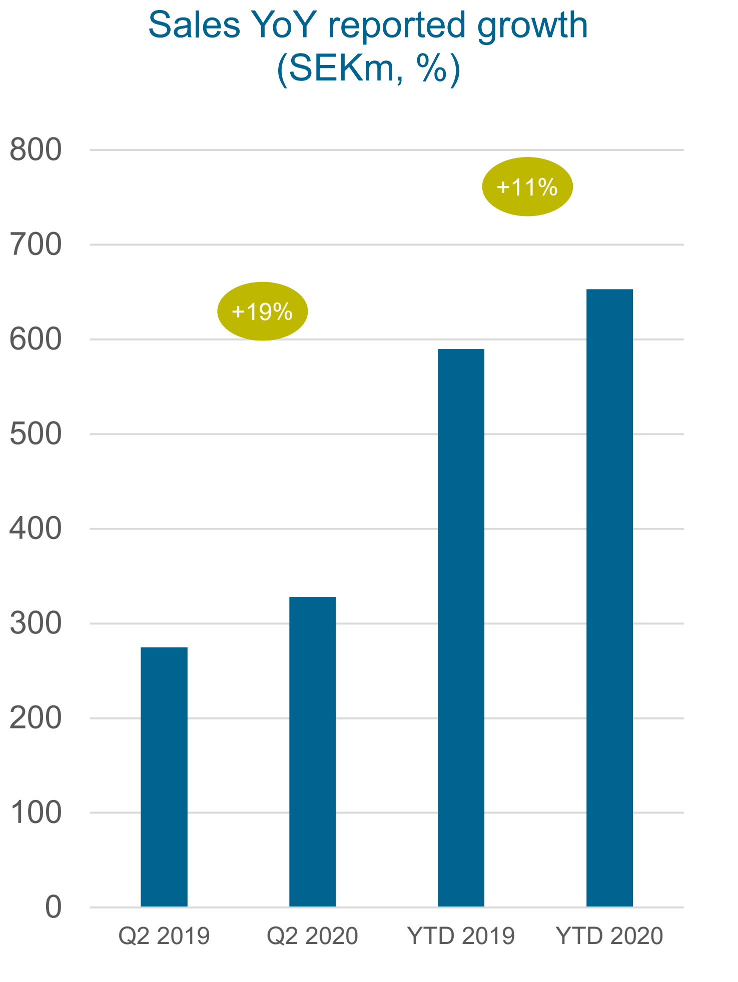
- Order intake -14% YoY, weak demand in the servicing business and negative currency impact
- Order backlog +9% YoY

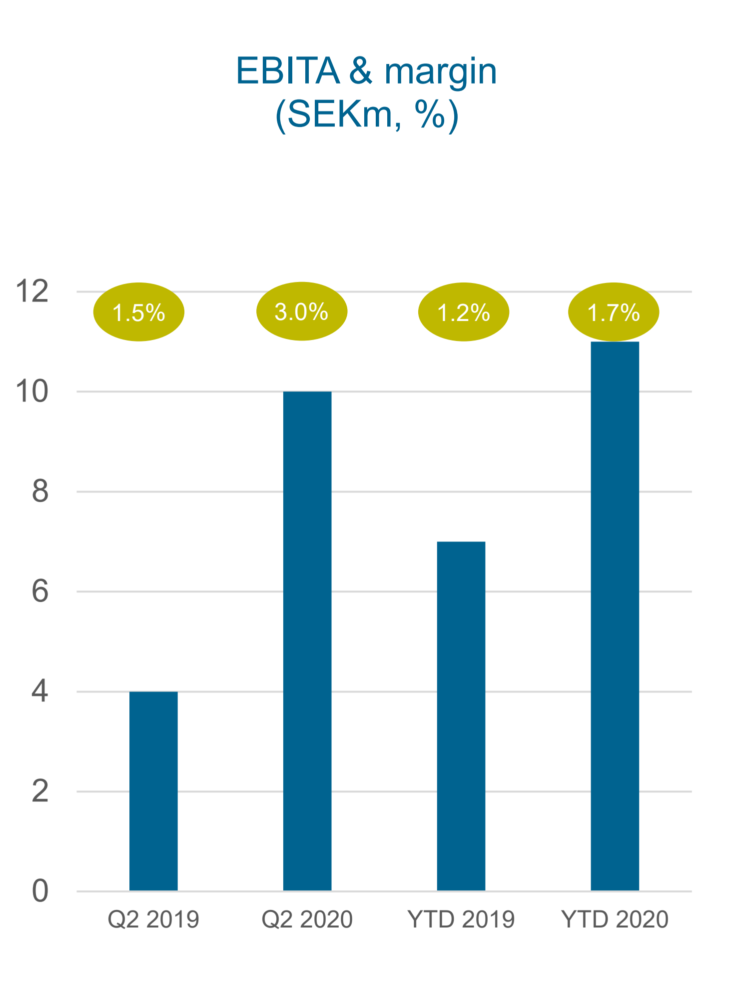
+13%
Q2 2020
Sales

+35%
Q2 2020
EBITA

Source: Company information

Finland





Key highlights Q2 2020

Sales increased and improved EBITA margin

- Sales increased by 19% explained by acquisitions and organic growth
- Organic growth was 12%
- EBITA margin improved to 3.0%
- Acquisition of solar cell company in May

Good order backlog

- Order intake -26%
- Order backlog +55% YoY

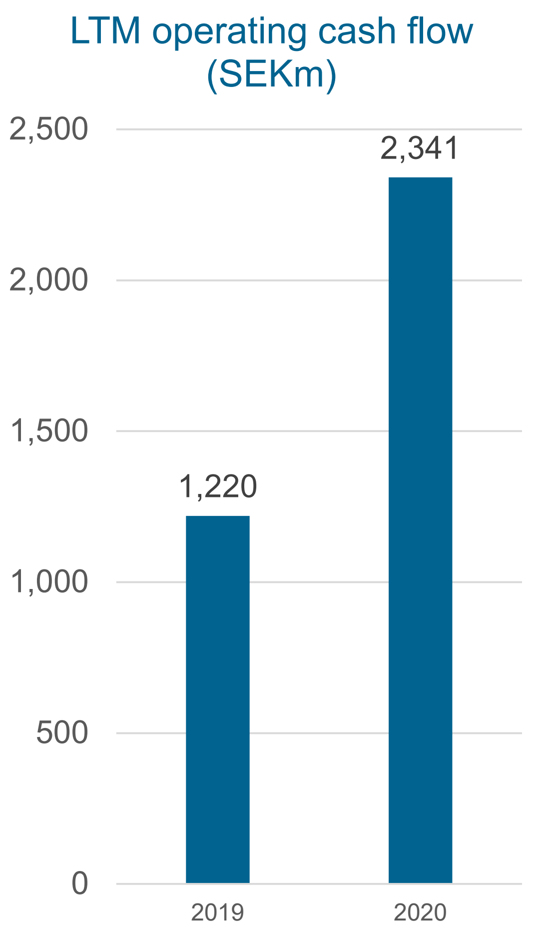
+19%
Q2 2020
Sales

+138%
Q2 2020
EBITA

Source: Company information

Net debt and cash flow

Financial position (SEKm)	Q2 2020
Cash balances	1,103
Term loan, RCF, Commercial paper	-1,339
Financial leasing, IFRS 16	-949
Net debt	**-1,185**
LTM EBITDA	1,714
Net debt/LTM adjusted EBITDA	**0.7x**



Key highlights Q2 2020

- SEK 2,500m financing package (RCF)
  – Loans and drawn facility SEK 1,100m
  – Average interest rate STIBOR +90 bps
  Maturity 2022-10-14 (incl. option prolong 1+1 year)
- Commercial paper programme SEK 2,000m whereof SEK 120m issued
- 1-year term loan facility signed in April, SEK 500m

- Cash conversion 149% (98)

Source: Company information

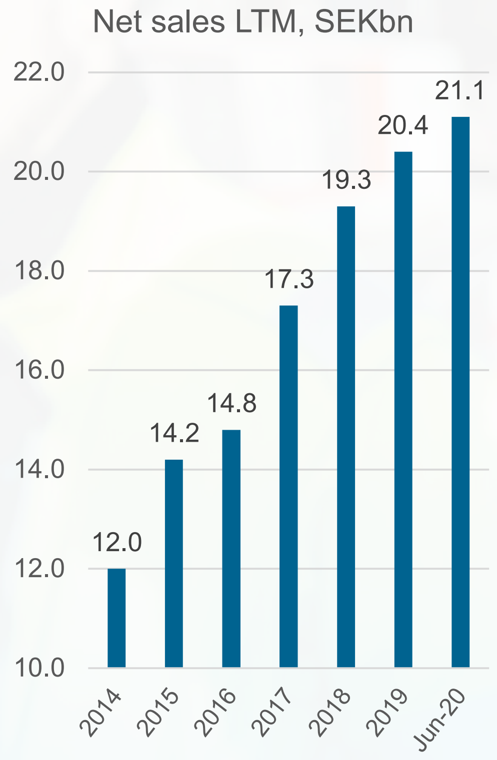
Financial targets

Sales	**> 5% sales growth** Combination of organic growth and contribution from bolt-on acquisitions
EBITA	**> 7% Group margin** Higher organic margin in existing branches including dilutive impact of bolt-on acquisitions
Cash conversion & dividend	• Cash conversion >100% (excl. IFRS 16 leases) • Target pay-out ratio >50% of net profit
Net debt	• Target leverage ratio of <2.5x Net debt/EBITDA

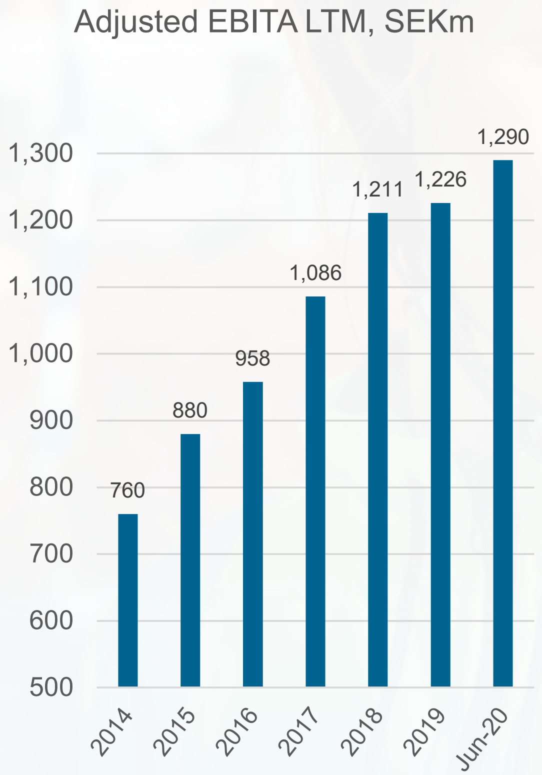
Source: Company information

Robust and resilient cash flow generator

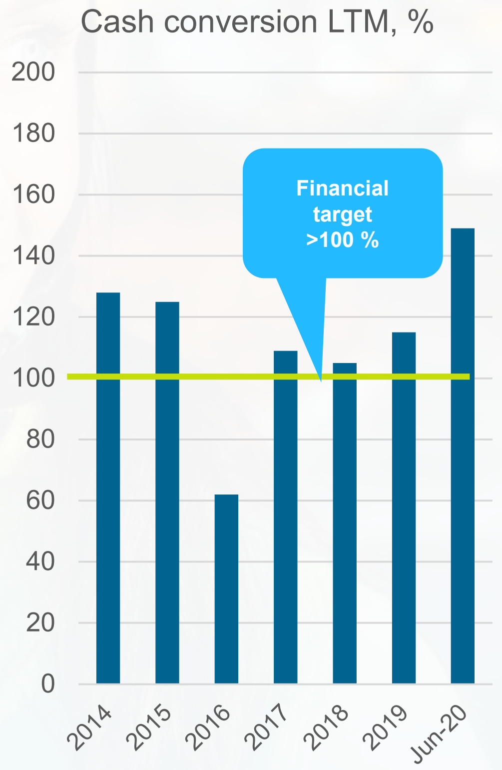
Net sales, growth



Stable profitability



Good cash conversion*



*LTM excl IFRS 16: (EBITDA +/ - change in WC - capex)/ EBIT

Source: Company information

New business plan from 2021

- Service growth
- Digitalisation
- Requires investment from autumn 2020

Summary Q2 2020

- Limited impact from covid-19 in Q2 but uncertain market conditions ahead
- Sales increase 6%, above financial target, growth from acquisitions 6% and organic growth 3%
- Servicing sales decreased by 4% due to impact from Covid19
- Installation order backlog stable at high level at SEK 14,952m
- EBITA margin improved to 5.9%
- EBITA margin improved in Norway, Denmark and Finland
- M&A execution on track with a healthy pipeline, 6 acquisitions completed in Q2 and 13 in total 2020
- Net debt/EBITDA 0.7x , well below financial target < 2.5x
- Strong operating cash flow, SEK 728m
- Cash conversion LTM well above financial target at 149%

Source: Company information

Q&A