Q2 2017

Mattias Johansson, CEO
Nils-Johan Andersson, CFO

25 July 2017

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

Source: Company information

About Bravida

Business highlights**

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

Represented in around 150 locations

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

> 90% recurring customers

Median contract size: SEK 354,000

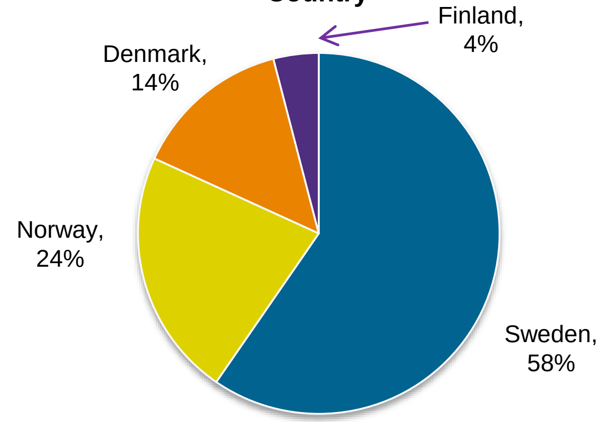
SEK 16.0bn* net sales

SEK 1 022m* adj. EBIT

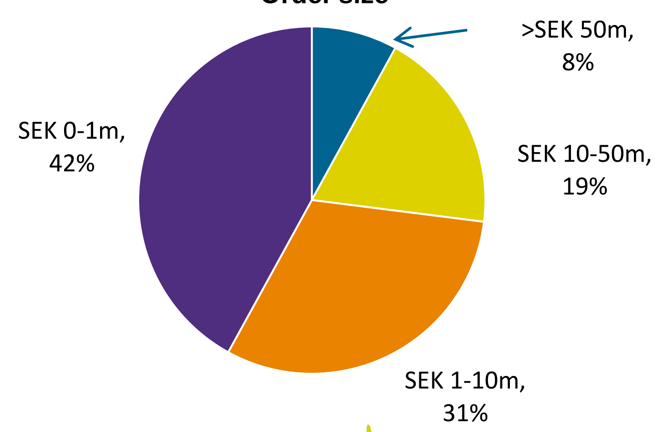
>10,000 FTEs

Net sales

Country



Order size**



* LTM Q2 2017 **2016
Source: Company information

Key highlights Q2 2017

Sales	Net sales grew 14% to SEK 4,325m (SEK 3,800m), organic growth 0% and M&A +12% Estimated negative calendar effect -5–6% due to Easter, organic growth in Sweden and Denmark despite fewer working days Service sales growth 8%
Order momentum	Order backlog at record high level, SEK 10,493m, +32% Continued strong momentum with order intake +9% to SEK 4,937m Strong order intake in Denmark
EBIT	Adjusted EBIT up to SEK 261m (SEK 227m) and margin unchanged 6.0% EBIT margin diluted by Oras, -0.3%, underlying EBIT margin increased to 6.3% Specific cost SEK 8m related to acquisition of Oras
Cash flow	Cash flow from operating activities to SEK 150m (SEK 57m) Working capital of SEK -996m or -6.2% of sales Net debt of SEK 2,343m (SEK 2,577m), 2.2 (2.8)x adjusted EBITDA (LTM basis)
M&A	2 acquisitions completed in Q2 JFE in Denmark add SEK 130m in annual sales Oras in Norway add SEK 1,200m in annual sales

Source: Company information

Market trends

Sweden

Strong market: Building construction activity strong

- Good order backlog in construction companies
- Industry confidence indicator at high level
- Main growth drivers are residential buildings but also public buildings and infrastructure

Norway

Market stable: Increasing residential construction starts and stable market for offices

- Overall building construction activity is up, driven by public investments and residential buildings
- Improved activity for public buildings will balance a decline for commercial buildings

Denmark

Market supported by public investments and residential construction

- Investments in healthcare, infrastructure and residential construction driving volumes
- Activity level for commercial buildings low, vacancy rate still high
- Construction confidence indicator still somewhat below average

Finland

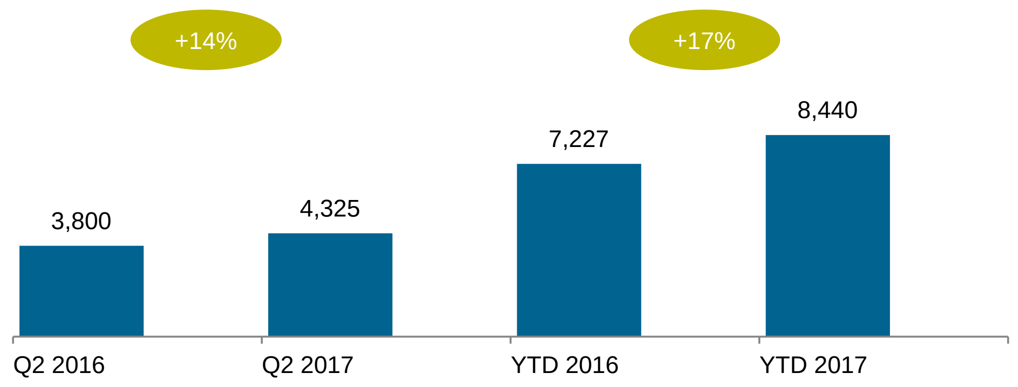
Construction market improving, albeit from low level

- Sales increase for construction companies, increasing building permits for offices and retail
- Growth mainly in larger cities
- Stable confidence indicator

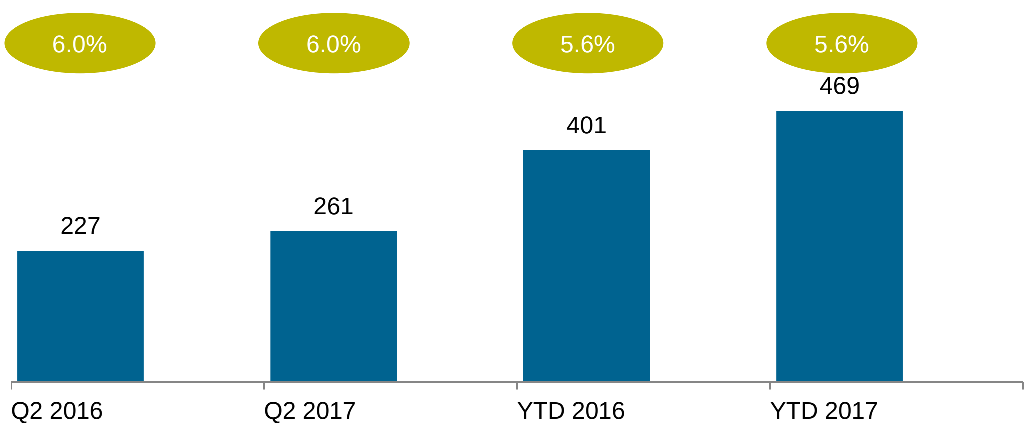
Source: Company information

Group sales & adjusted EBIT development

Sales & YoY reported growth (SEKm, %)



Adjusted EBIT & margin (SEKm, %)*



Key highlights Q2

Strong sales growth

- Sales growth 14%, of which 12% from M&A
- Sales growth in all countries but negatively affected by calendar effect due to Easter
- Organic growth in Sweden and Denmark

Adj. EBIT margin unchanged 6.0%

- Oras break even result in Q2, diluted margin by 0.3%
- Improvement in Finland and Denmark
- Reported EBIT +12% in Q2 to SEK 253m (SEK 227m)

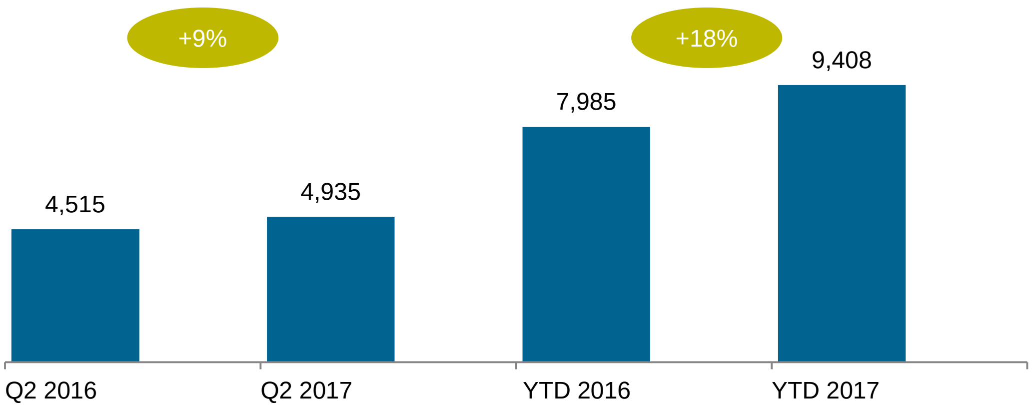
+14%
Q2 2017 sales

+15%
Q2 2017 adj EBIT

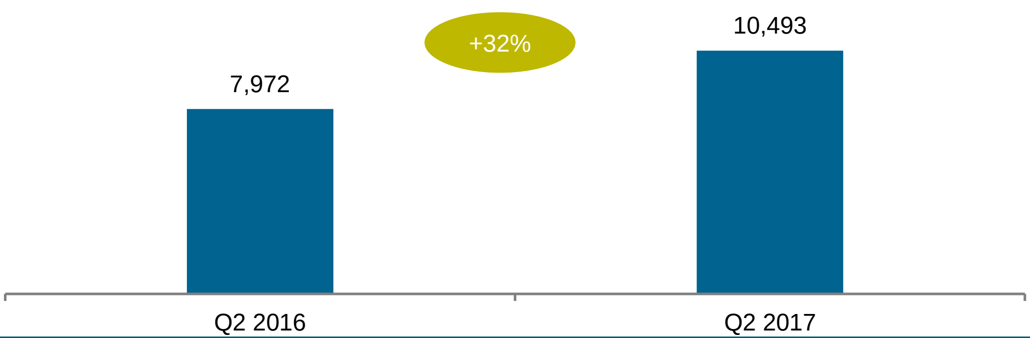
*No specific costs in Q2 2016
Source: Company information

Order momentum

Order intake & YoY reported growth (SEKm, %)



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



Selected contract wins

Order backlog at record high level:
SEK 10,493m

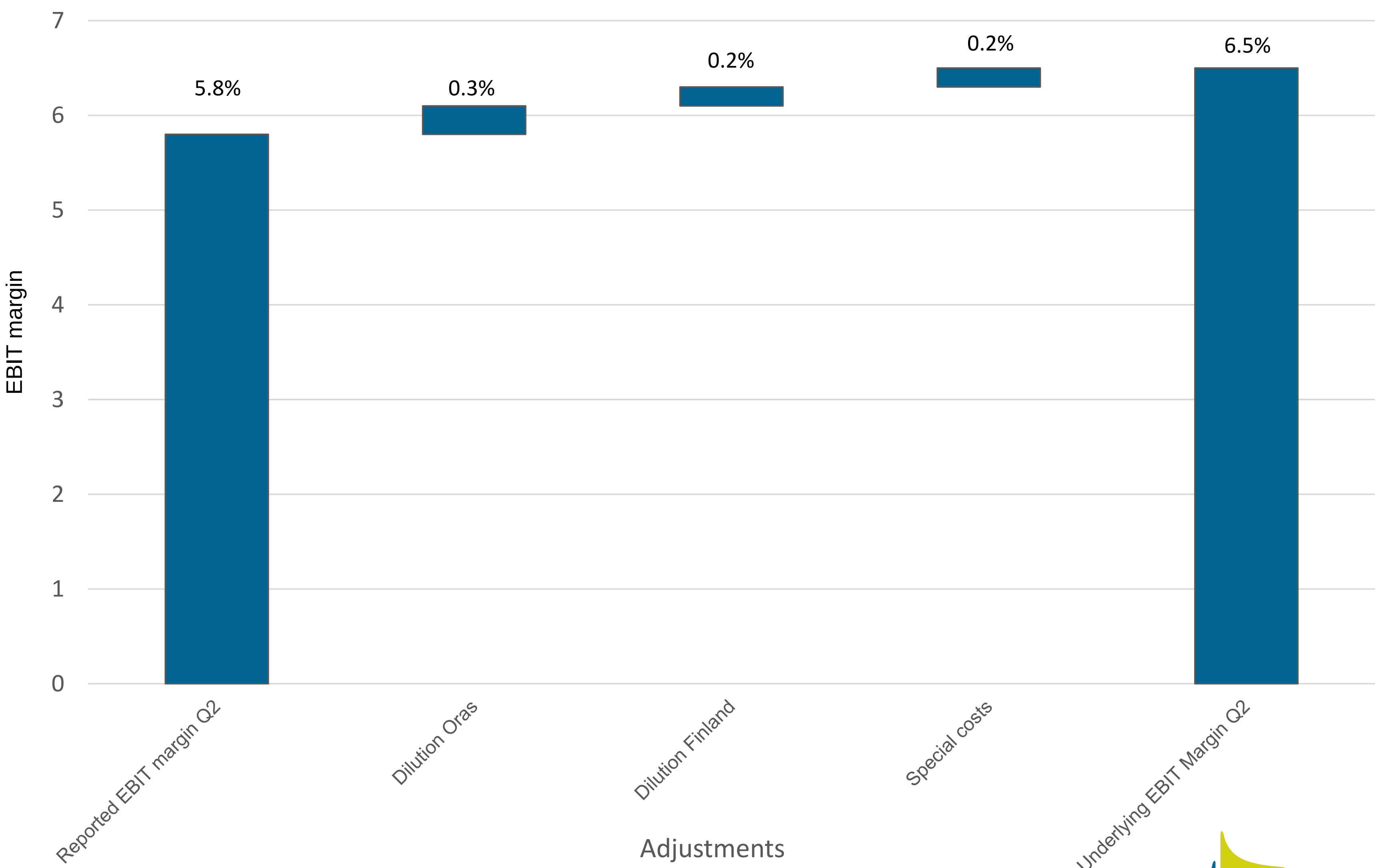
- Order backlog increased by +32% in Q2 YoY and includes a couple of larger orders:
  - Sweden: hospital, education, mining industry, and cooling storages
  - Norway: small and mid sized projects and Oras SEK 875m
  - Denmark: administration and logistic building
  - Finland: small and mid sized projects

+9%
intake growth

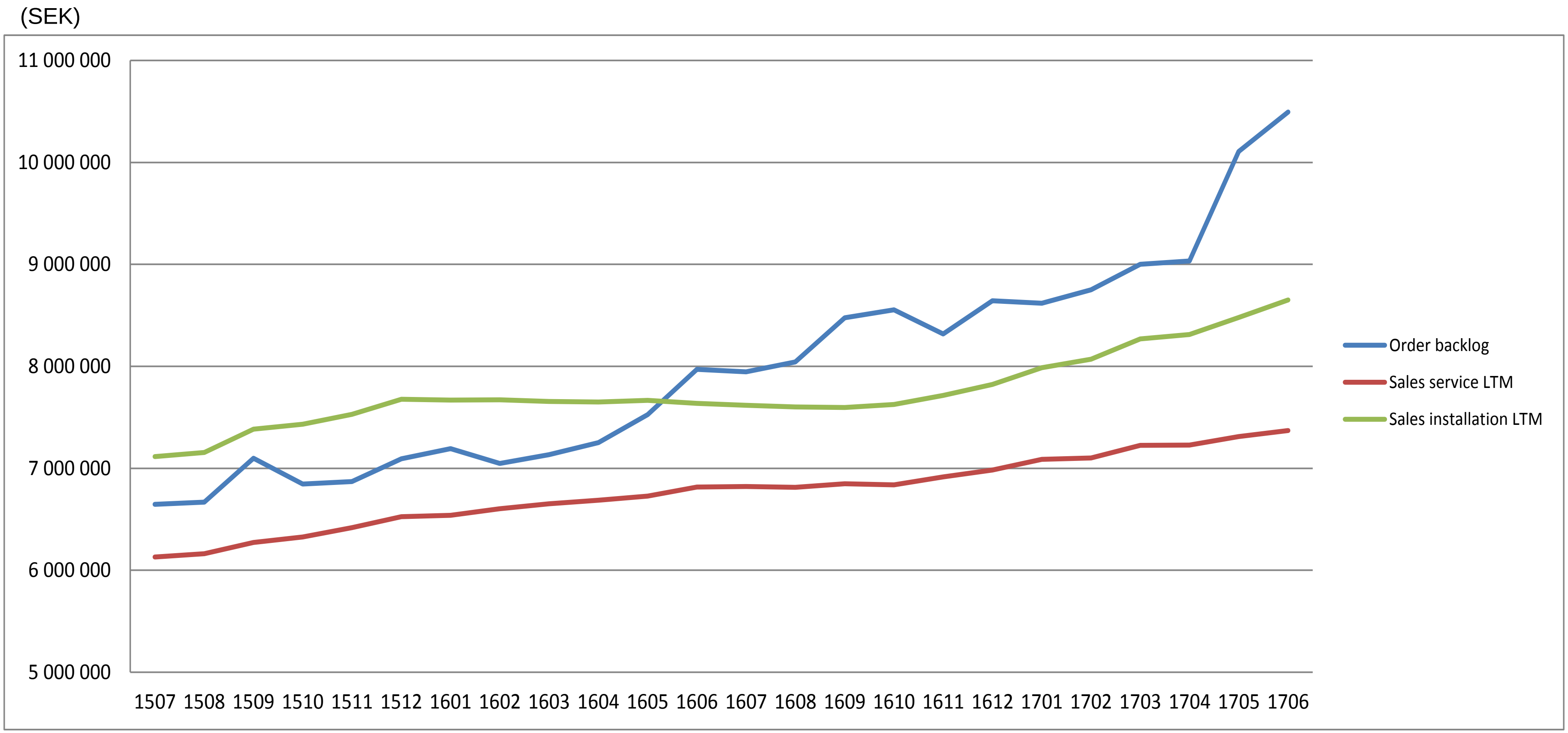
SEK 10.5bn
order backlog

* Backlog includes installation business only
Source: Company information

EBIT margin dilution – improved underlying EBIT margin



Order backlog still above net sales installation LTM

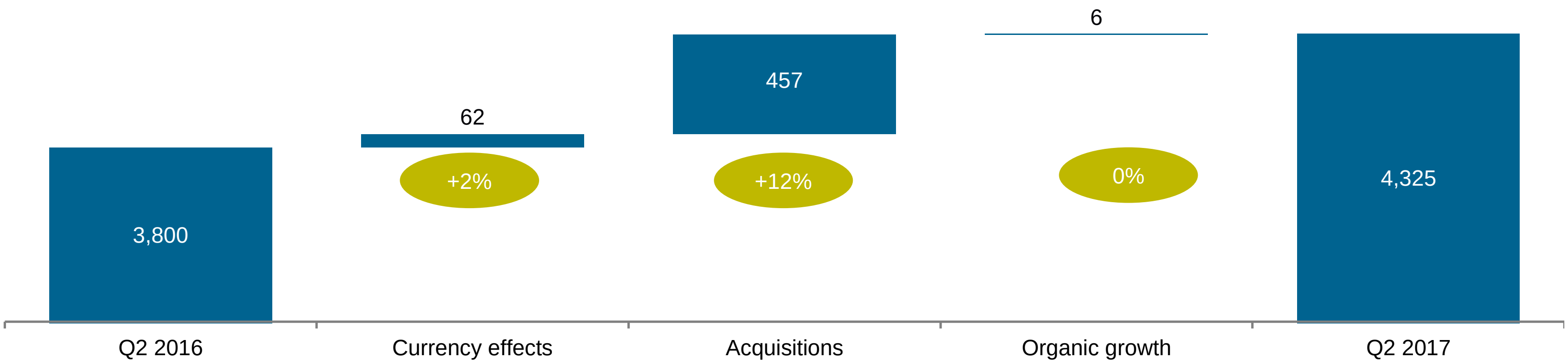


Acquisition of Oras added SEK 875m to the order backlog in Q2

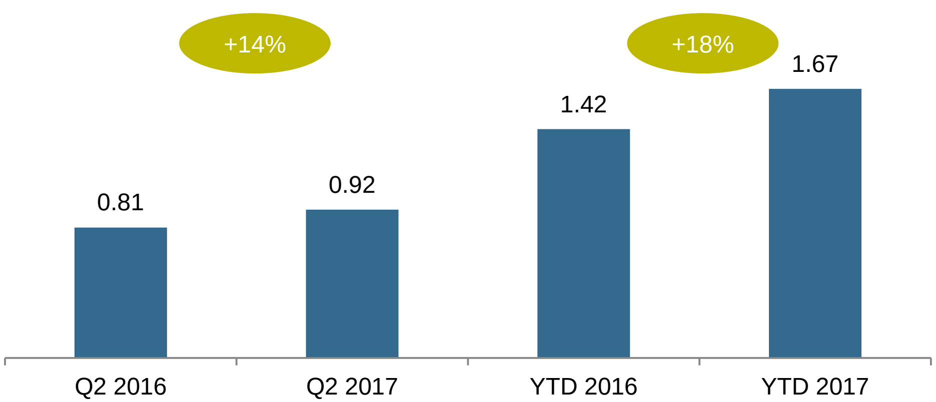
Source: Company information

Financial performance Q2 2017

Sales bridge (SEKm, %)



Earnings per share (SEK, %)



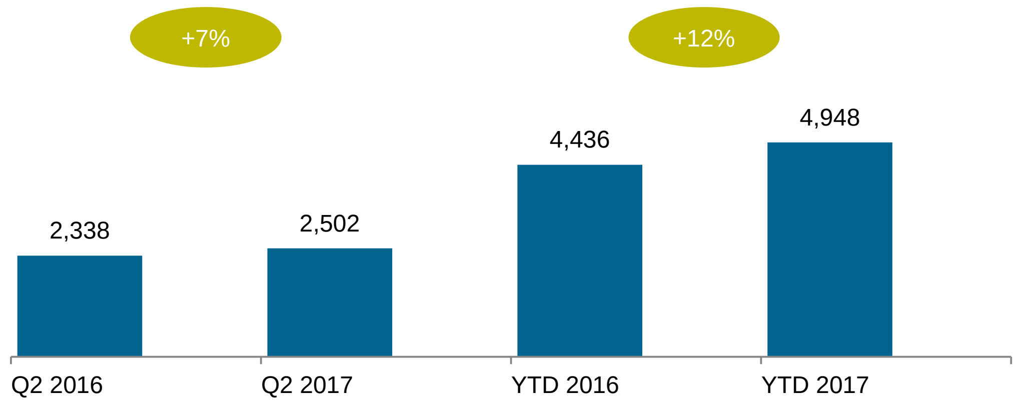
Key highlights in Q2

- Earnings per share increased by 14%
- Organic growth 0% negatively effected by Easter -5–6%
- Adjusted EBIT margin unchanged, dilution from Oras -0.3%
- Specific cost in Q2 SEK 8m related to acquisition of Oras

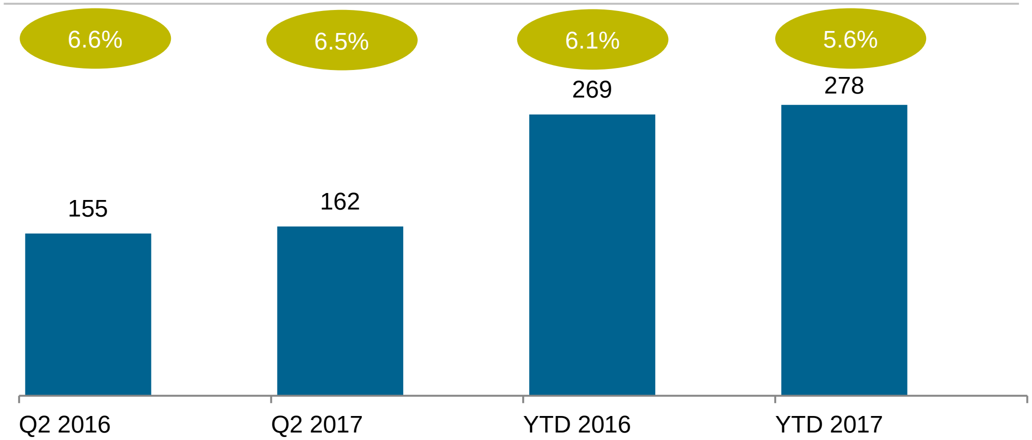
Source: Company information

Sweden

Sales & YoY reported growth (SEKm, %)



EBIT & margin (SEKm, %)



Key highlights

Improved net sales and margin

- Sales 7% YoY in Q2 due to good growth in Southern Sweden and in Stockholm
- EBIT margin 6.5% somewhat lower due to change in the sales mix towards more installation and early stage in projects
- New division National organisation in place

Good market conditions reflected in an increasing order backlog

- Order intake +8% YoY
- Order backlog +24% YoY

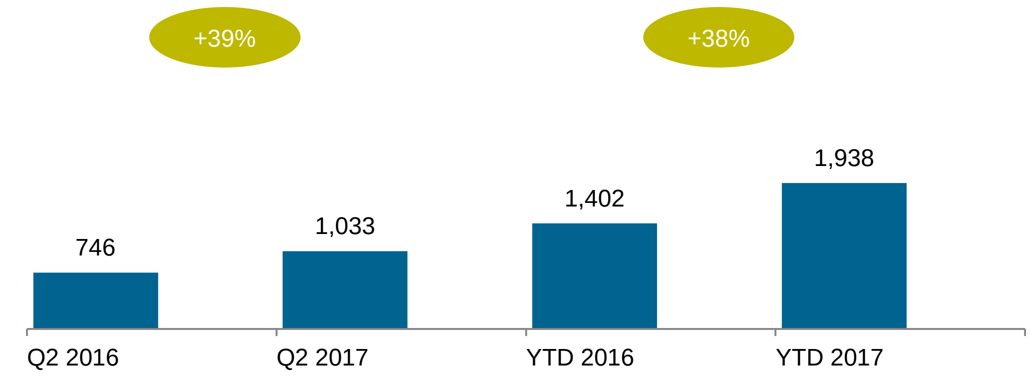
+7%
Q2 2017
sales

+5%
Q2 2017
EBIT

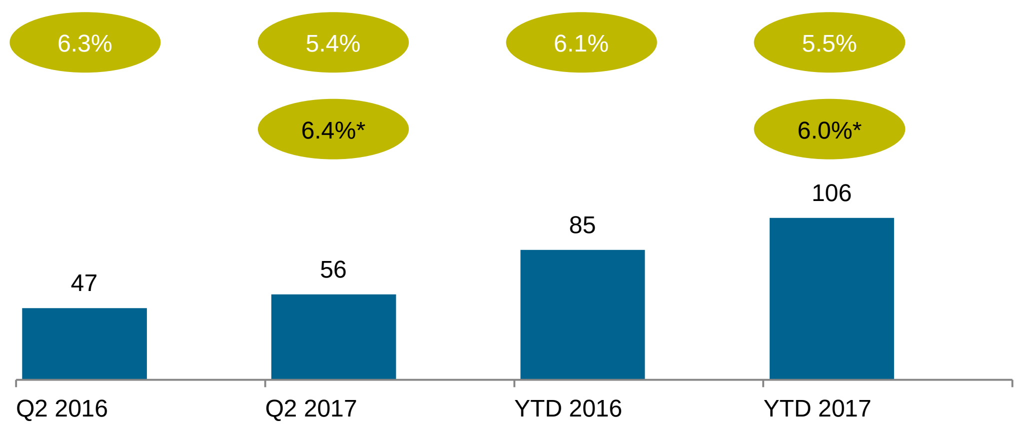
Source: Company information

Norway

Sales & YoY reported growth (SEKm, %)



EBIT & margin (SEKm, %)



Key highlights

Sales growth and strong order backlog

- Sales negatively impacted by calendar effect due to Easter, positive impact from currency 4% and Oras
- Order backlog +68% YoY to SEK 2,724m whereof SEK 875m from Oras

Oras acquired May 8

- Integration follow plan, limited integrations cost in May and June break even result in Q2
- Cost and purchasing synergies
- EBIT margin diluted by 1% in Q2, adjusted EBIT margin 6.4%

+39%
Q2 2017 sales

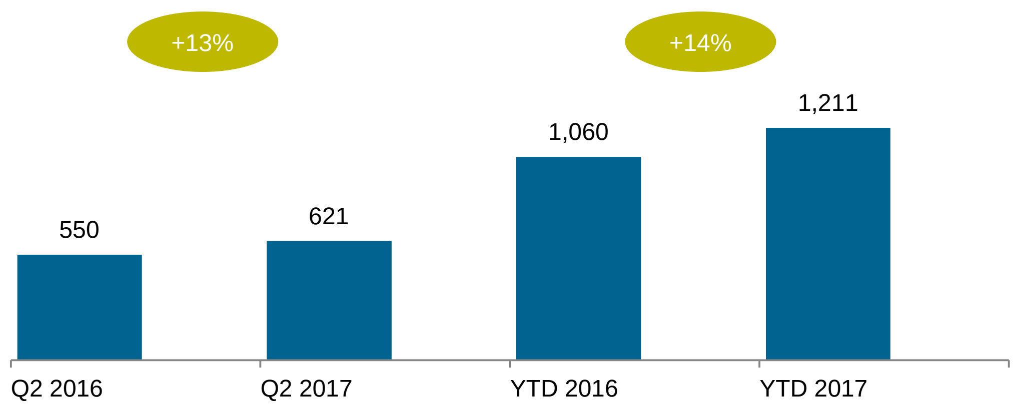
+18%
Q2 2017 EBIT

Source: Company information
* Adjusted for Oras acquisition

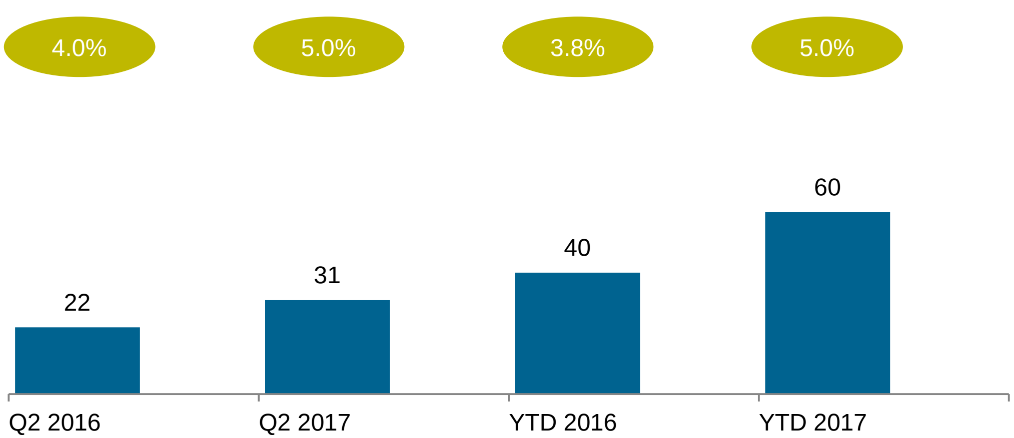
bravida®

Denmark

Sales & YoY reported growth (SEKm, %)



EBIT & margin (SEKm, %)



Key highlights

Strong sales growth and improved margin

- Sales increase explained by high production in installation projects but also growth in service sales
- Improved margin in region Infrastructure

Increasing order backlog

- Order intake +39% YoY
- Order backlog +18% YoY

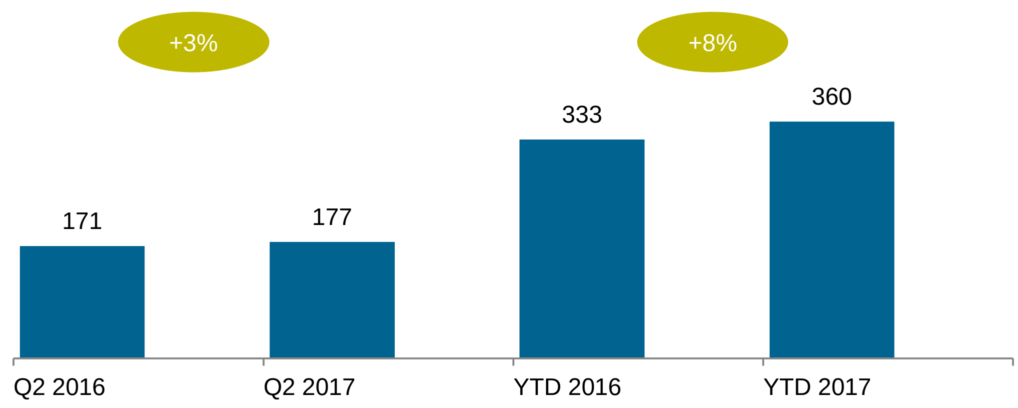
+13%
Q2 2017
sales

+40%
Q2 2017
EBIT

Source: Company information

Finland

Sales & YoY reported growth (SEKm, %)



- Bravida Finland was formed in 2015 through the acquisition of the installation and service divisions of Peko Group in June 2015, Halmesvaara Oy in July 2015 and Asentaja Group in December 2016

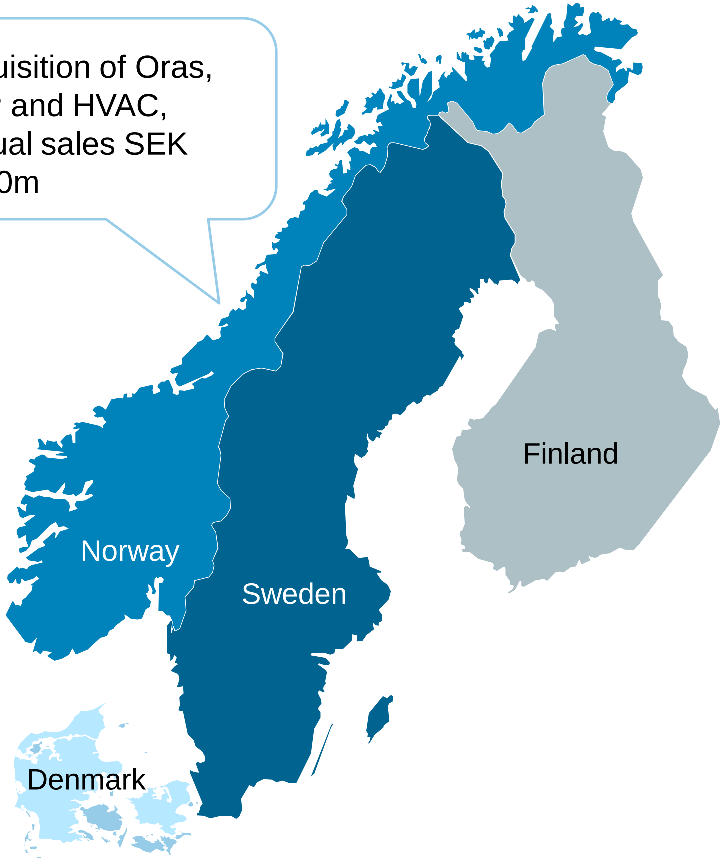
Key highlights

- Improved EBIT in Q2 2017 to SEK 3m (SEK 0m) due to project selection
- Acquisition of Asentaja Group contribute to growth and profitability
- Order backlog growth 16% to SEK 357m
- Top priority to implement "Bravida Way", net sales and order backlog coming down explained by project selection – Bravida Way
- Continued focus on productivity – still room for improvement
- Market improving from low level

Source: Company information

Acquisitions in 2017

- Acquisition of Oras, H&P and HVAC, annual sales SEK 1,200m



- 1 bolt-on in Heating
- SEK 130m in annual sales

Key highlights

- 1 acquisition completed in Denmark April 3, adding approx. SEK 130m in annual sales
- Acquisition of Oras in Norway completed May 8, adding approx. SEK 1,200m in annual sales
- Continued strong pipeline
- Acquisitions still at attractive multiples

2
acquisitions
2017

SEK ~1.3bn
acquired sales
2017

Source: Company information

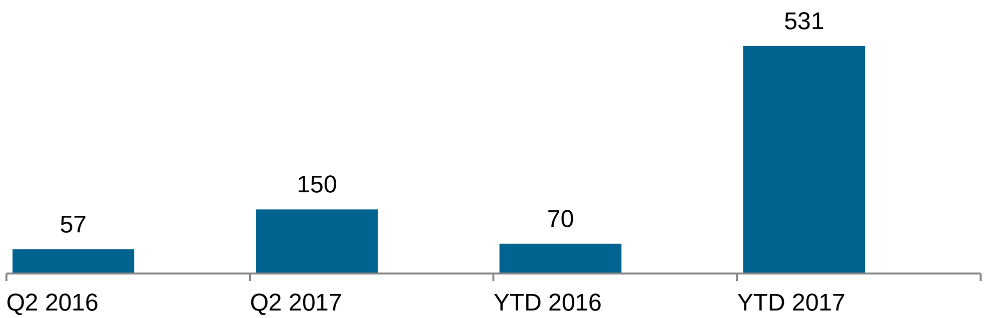
bravida

Net debt and cash flow

Financial position

SEKm	Q2 2017
Cash balances	360
Term loan and RCF	-2,700
Overdraft facilities and other	-3
Net debt	**-2,343**
LTM adjusted EBITDA	1,053
Net debt / LTM adjusted EBITDA	**2.2x**

Operating cash flow (SEKm)



Source: Company information

Key highlights

- SEK 4bn financing package
  - Term loan SEK 2,700m
  - RCF SEK 1,300m
- STIBOR +1.40% margin
- Maturity 2020-10-16

- Improved operating cash flow in Q2 and YTD and cash conversion 104% which was above financial target

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 signed in October 2015
  - SEK 2.7bn term loan (Stibor +140 bps subject to ratchet)
  - SEK 1.3bn multi-currency overdraft facility

Source: Company information

Summary

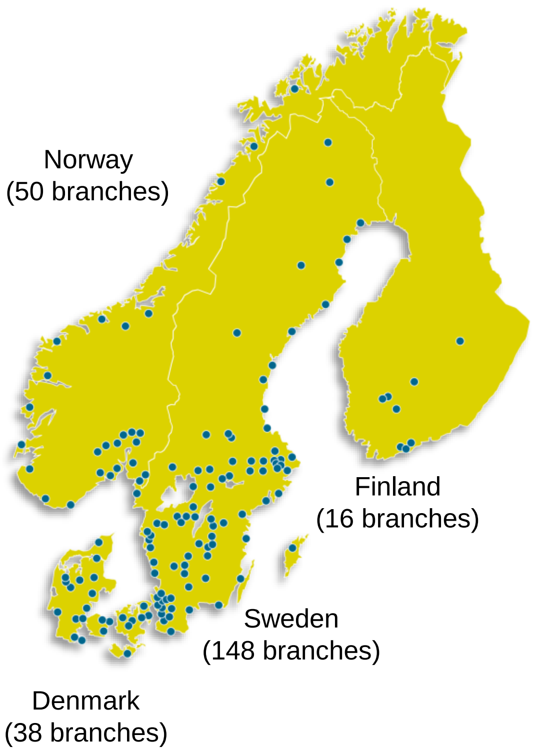
- Stable to good market conditions continue
- Sales increase 17%, organic growth 6%
- Installation order backlog +32% and continued good Service business momentum will support organic growth coming quarters
- Underlying EBIT margin (diluted by Oras) improvement of 0.1 percentage points to 5.7% (5.6) in Jan-June and 0.3 percentage points in Q2 to 6.3% (6.0)
- M&A execution on track with a healthy pipeline, SEK 1,300m added in sales during the first 6 month
- Strong cash flow have strengthen the balance sheet - Cash conversion at 104% and Net debt/adj EBITDA 2.2x

Source: Company information

Q&A

Leadership in a fragmented Nordic market

Dense regional network of branches with recent expansion into Finland



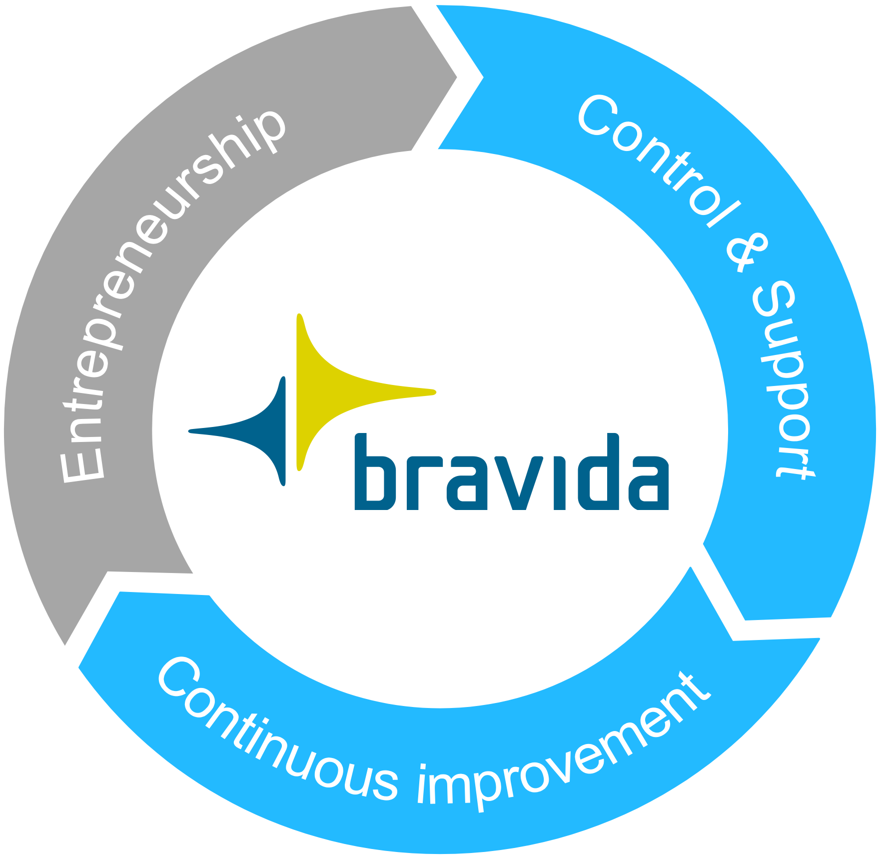
	Market position	Market share	Top 3 player market shares
Sweden (SEK 88bn market)	No. 1	10%	Bravida 10% Assemblin 7% Caverion 5 %
Norway (SEK 72bn market)	No. 1*	6%	Bravida 6% Caverion 5% Gunnar Karlsen 4%
Denmark (SEK 46bn market)	No. 2	5%	Kemp & Lauritzen 6% Bravida 5% Wicotec 4%
Finland (SEK 50bn market)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

National scale network density and local leadership drive significant competitive advantages

Source: Company information
* Including acquisition of Oras and Asentaja

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

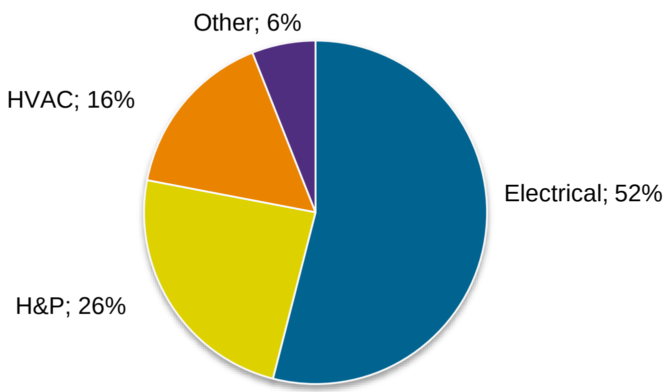
"We do what we have decided to do / We follow up on what we do / We continuously improve what we do"

Source: Company information

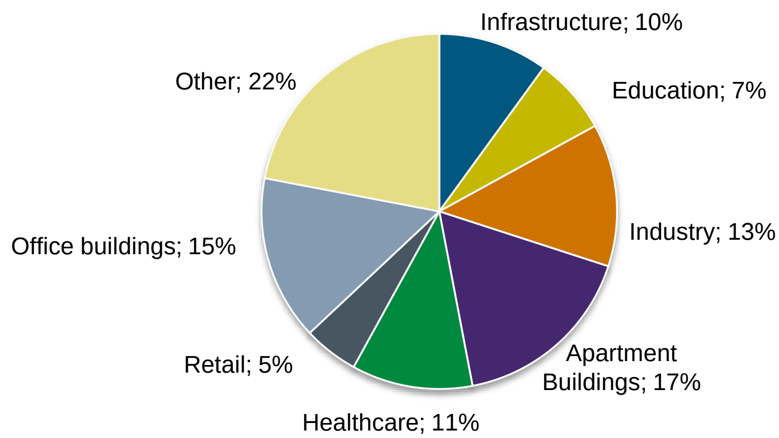
Bravida at a glance

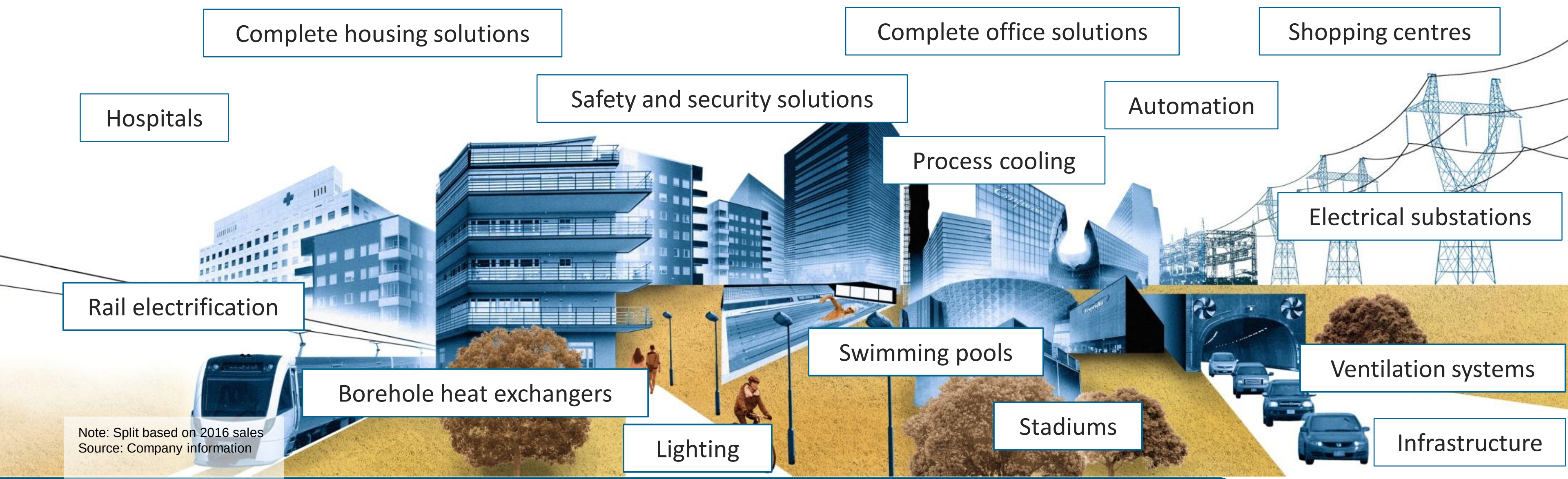
“Bringing buildings and infrastructure to life”

Revenue by technical vertical



Revenue by end-market





Note: Split based on 2016 sales
Source: Company information

Bravida at a glance (cont'd)

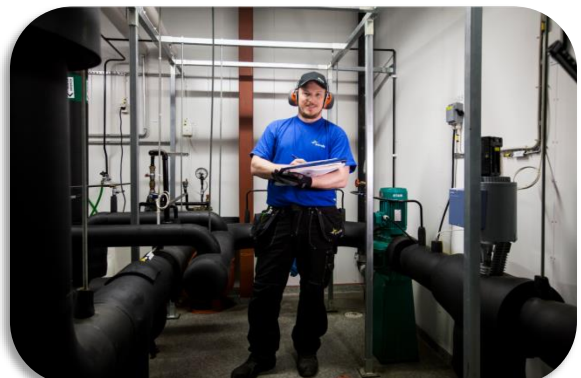
Service

47% of sales

Monitoring / supervision on-site operations and improvements

Renovation & redevelopment

18% of sales



Renovation or larger maintenance projects

New build

35% of sales

New build or major redevelopment

Note: Split based on 2016 sales
Source: Company information