



Mattias Johansson, CEO
Åsa Neving, CFO
19 July 2019

BRAVIDA Q2 2019

BRINGING BUILDINGS TO LIFE

Today's presenters

Mattias Johansson, CEO and Group President



✦ CEO since 2015 and with Bravida since 1998

Åsa Neving, CFO



✦ Joined Bravida as CFO 2019

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

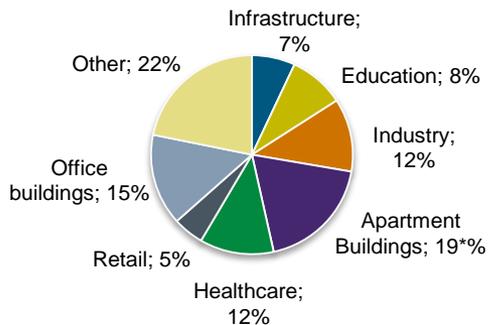
SEK 20.1bn
LTM net sales

SEK 1,230m
LTM EBITA

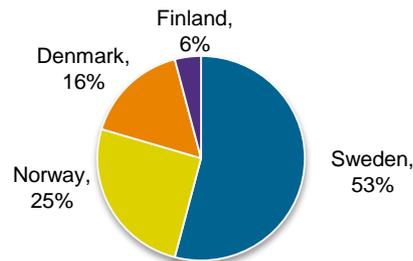
> 11,000
FTEs

Sales split based on 2018 sales

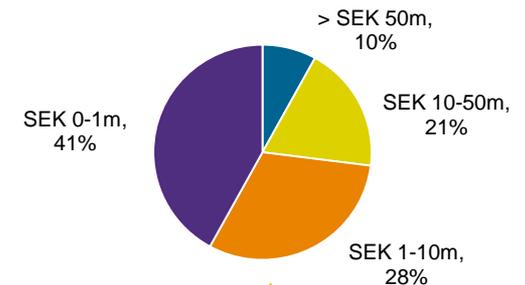
Net sales by type of facility



Net sales by country



Net sales by order size



Key highlights Q2 2019

Sales

- ✦ Net sales grew 6% to SEK 5,087m (4,790), organic growth -1% and M&A 6%
- ✦ Growth in Sweden, Denmark and Norway
- ✦ Service sales growth 11% and installation sales growth 2%

Order momentum

- ✦ Order backlog at record level, SEK 13,905m
- ✦ Continued good momentum with order intake SEK 5,467m
- ✦ Good order intake, especially in Sweden, Denmark and Finland

EBITA

- ✦ EBITA decreased by 2% to SEK 274m (280), margin lower at 5.4% (5.9)
- ✦ EBITA margin improved in Sweden and Finland
- ✦ Norway lower margin due to write-down in 2 old Oras projects
- ✦ Denmark lower margin due to integration costs related to acquisitions

Cash flow

- ✦ Cash flow from operating activities SEK 131m (319) and cash conversion 113% (99); excl. IFRS 16, 98%
- ✦ Working capital of SEK -858m (-939) or -4.3% (-5.2) of sales
- ✦ Net debt of SEK -2,612m (-1,896), 1.8x (1.7x) adjusted EBITDA (LTM basis), excl. IFRS, 1.3x

M&A

- ✦ 7 acquisitions completed in Q2 adding SEK 340m
- ✦ So far 12 acquisitions completed in 2019 adding SEK 685m
- ✦ 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

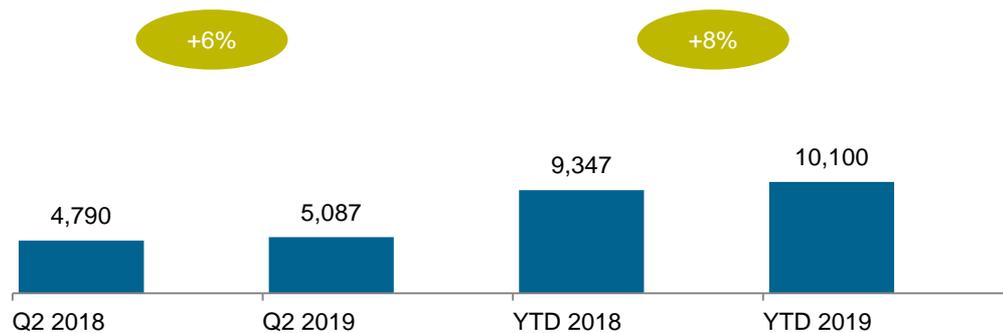
Finland

Stable market: construction market stable

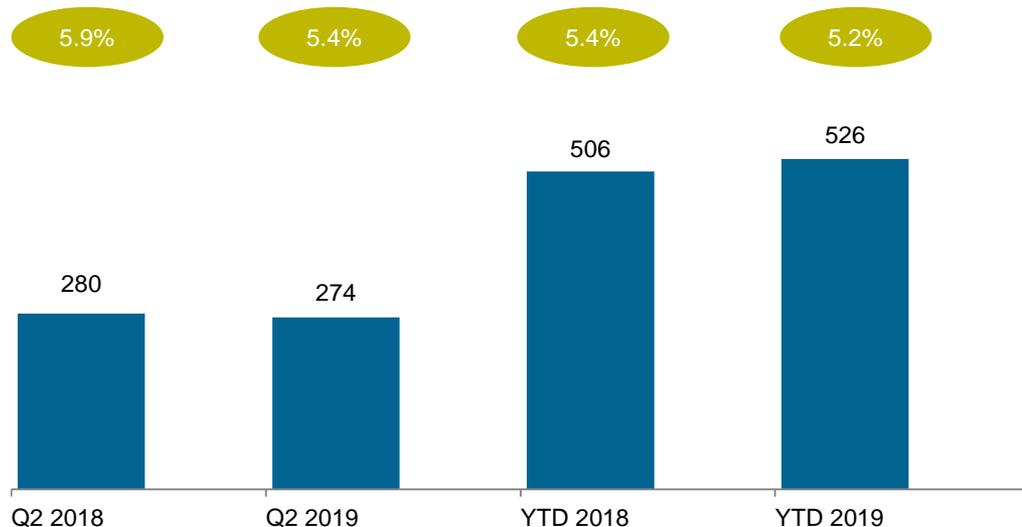
- Refurbishment and public investments at good level
- Stable service and installation market
- Construction confidence indicator at normal level

Group sales & EBITA development

Sales & YoY reported growth (SEKm, %)



EBITA & margin (SEKm, %)



Key highlights in Q2

Good sales growth

- Sales growth 6%, of which 6% from M&A, negative organic growth
- Sales growth in Sweden, Norway and Denmark
- Organic growth in Norway

EBITA lower and margin declined

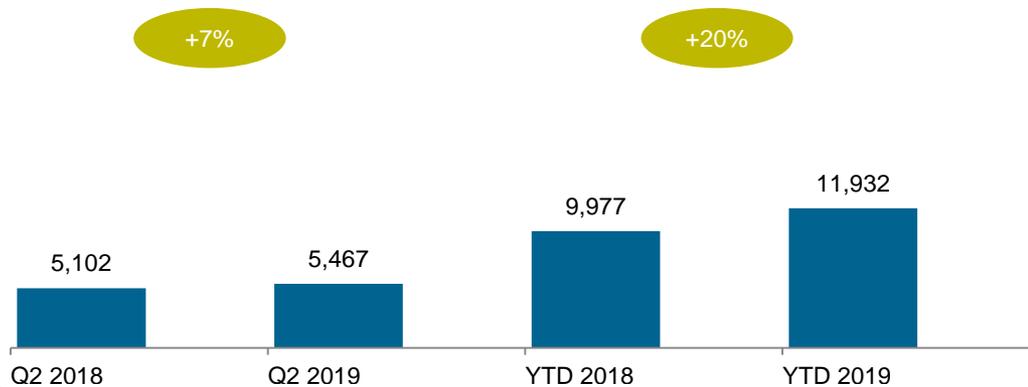
- EBITA -2% in Q2 to SEK 274m and margin decreased to 5.4%
- EBITA margin improvement in Sweden and Finland
- EBITA lower in Norway due to write-downs in 2 old Oras projects
- EBITA margin lower in Denmark due to integration costs

+6%
Q2 2019 sales

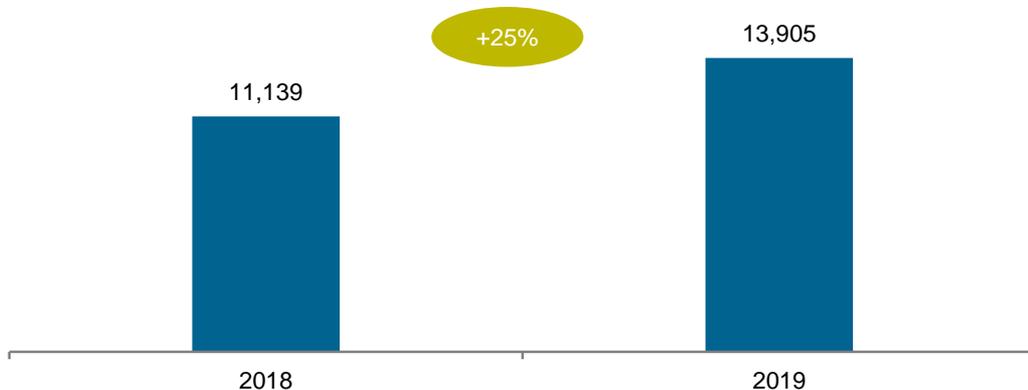
-2%
Q2 2019
EBITA

Order momentum

Order intake & YoY reported growth (SEKm, %)



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



Key highlights in Q2

Order backlog at record level: SEK 13,905m

- ✦ Order backlog +25% higher YoY
- ✦ Increasing order backlog in Q2, SEK 431m
- ✦ Increasing order backlog YOY in Sweden, Denmark and Finland
- ✦ Mainly medium and small orders
- ✦ One large order in Sweden, multi-technical installation in a hospital

+7%
order intake
growth

SEK
13.9bn
order backlog

Acquisitions in 2019



Key highlights

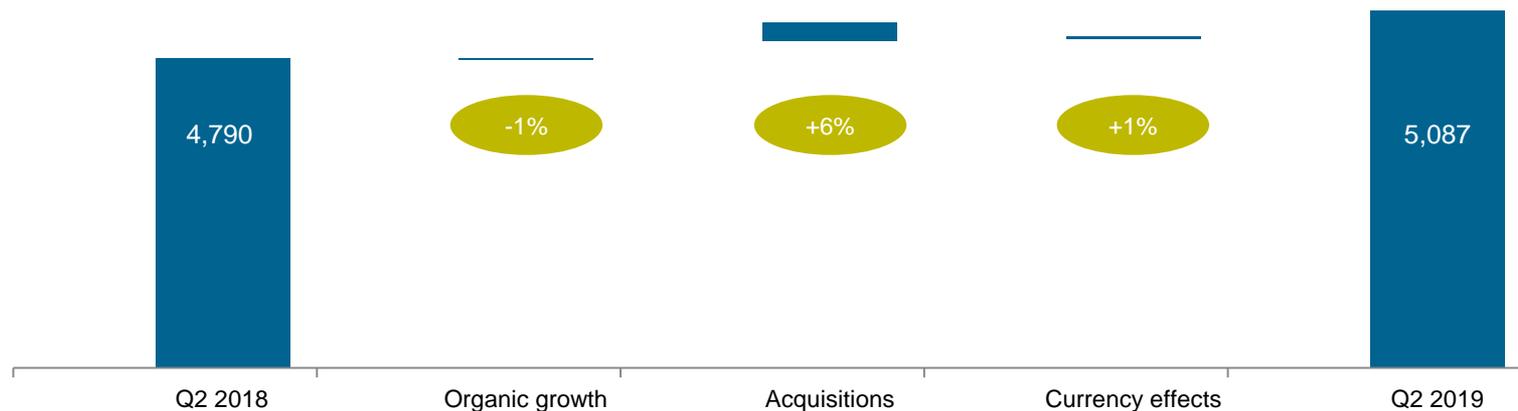
- ✦ 5 acquisitions completed in Denmark adding approx. SEK 430m in annual sales
- ✦ 6 acquisitions completed in Sweden adding approx. SEK 235m annual sales
- ✦ 1 acquisitions completed in Finland adding approx. SEK 20m annual sales
- ✦ Continued strong pipeline
- ✦ Acquisitions still at attractive multiples

12
acquisitions
2019

SEK
~685m
acquired sales
2019

Financial performance Q2 2019

Sales bridge (SEKm, %)



Earnings per share (SEK, %)

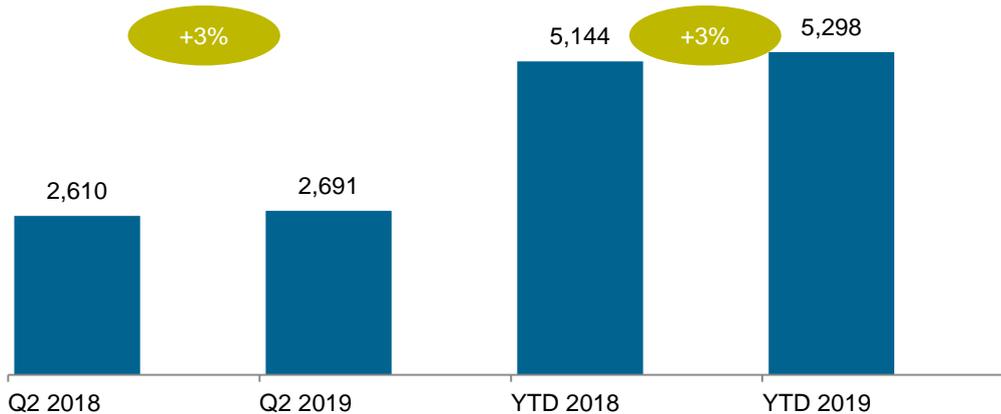


Key highlights in Q2

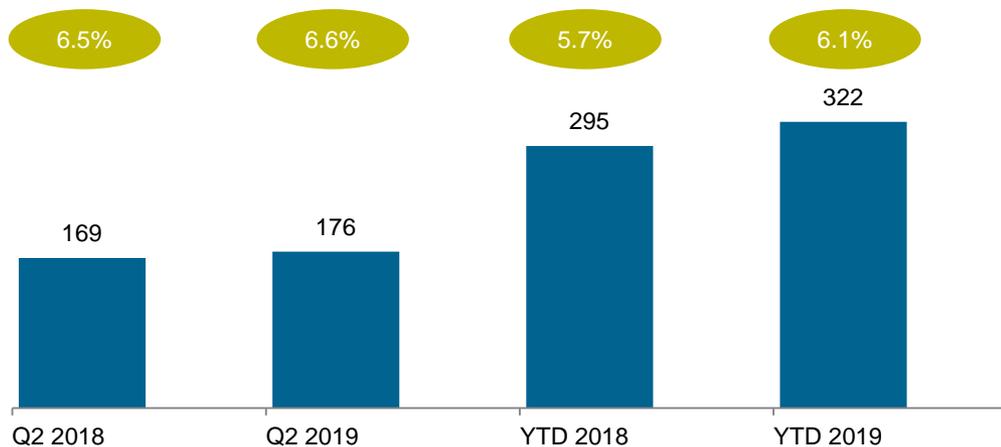
- ✦ Net sales growth 6%
- ✦ Organic growth -1%
- ✦ EBITA decreased by -2%
- ✦ EBITA margin decreased to 5.4%
- ✦ Finance net -16 (-7), mainly due to IFRS 16 effect
- ✦ Earnings per share decreased by -5%

Sweden

Sales & YoY reported growth (SEKm, %)



EBITA & margin (SEKm, %)



Key highlights

Higher net sales and improved EBITA margin

- Sales +3%, good activity in service
- EBITA-margin 6.6% (6.5)

Still a good market

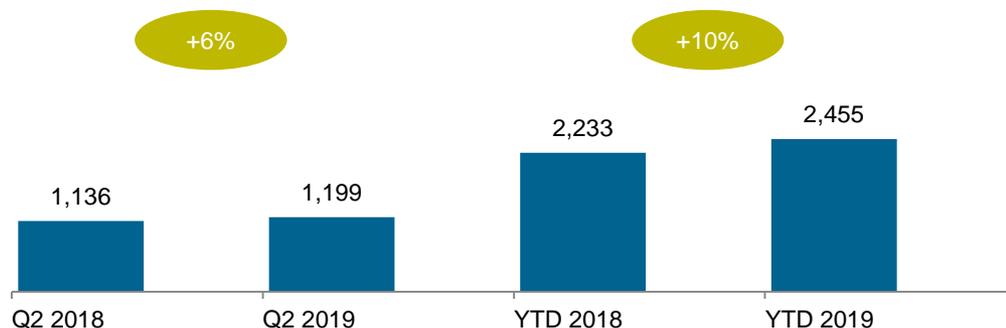
- Order intake +4% YoY
- Many small and mid-sized orders
- One large multi-technical installation order in a hospital
- Order backlog +49% YoY
- Order backlog increased by SEK 144m in Q2

+3%
Q2 2019
sales

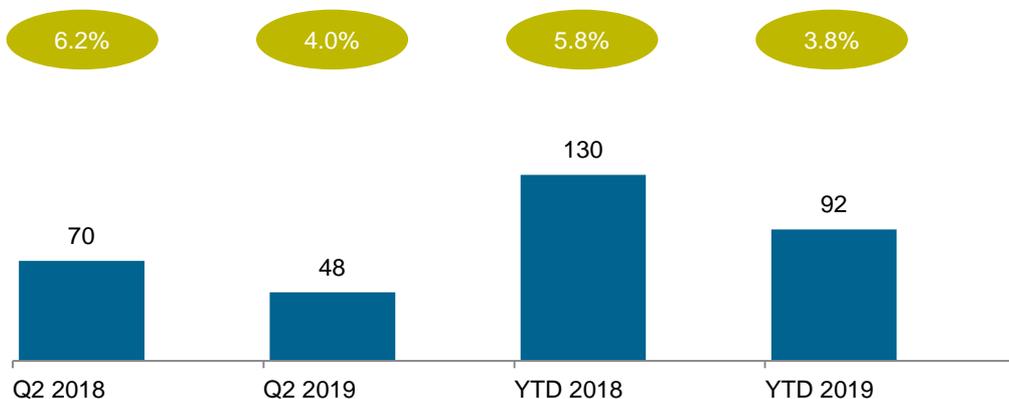
+4%
Q2 2019
EBITA

Norway

Sales & YoY reported growth (SEKm, %)



EBITA & margin (SEKm, %)



Key highlights

Sales growth but lower EBITA

- ✦ Sales growth +6% in Q2, good activity in service and installation
- ✦ EBITA decreased by -31%
- ✦ Write-downs in 2 low performing projects in Oras had a negative effect on EBITA
- ✦ The 2 low performing projects was settled in Q2
- ✦ The EBITA margin lower at 4.0% (6.2)
- ✦ Excluding the 2 Oras projects, the EBITA margin was in line with Q2 2018

Lower order intake

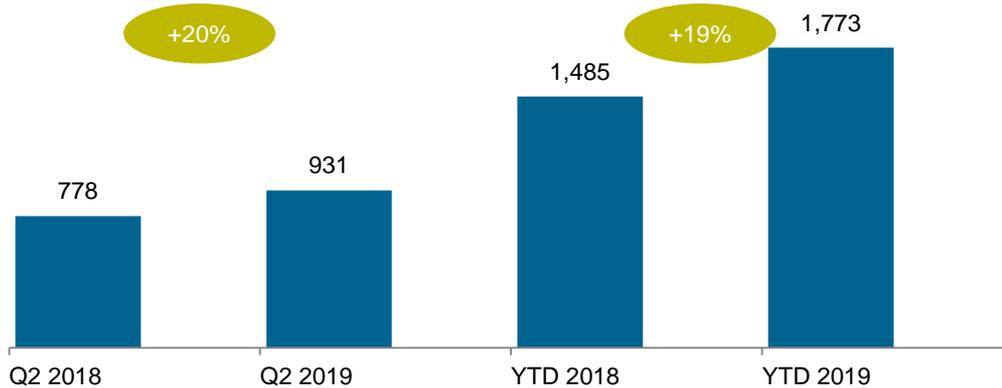
- ✦ Lower order intake -13% YoY, many small and mid-sized orders
- ✦ Order backlog -10% YoY, but unchanged in Q2
- ✦ Order backlog at good level

+6%
Q2 2019
sales

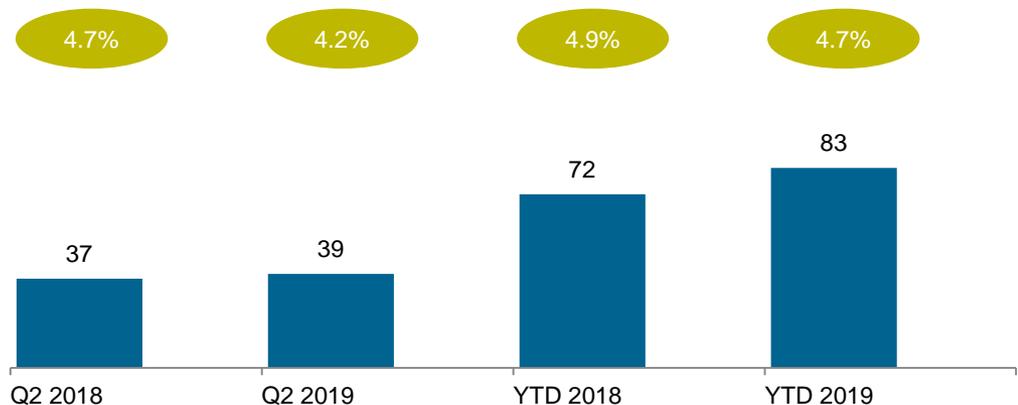
-31%
Q2 2019
EBITA

Denmark

Sales & YoY reported growth (SEKm, %)



EBITA & margin (SEKm, %)



Key highlights

Good sales growth and improved EBITA

- Sales growth +20%, good activity in service
- EBITA improved 7% to SEK 39m but margin decreased to 4.2% due to integration cost

Order backlog at a good level

- Order intake +27% YoY
- Order backlog +13% YoY
- Many small and mid-sized orders

+20%
Q2 2019
sales

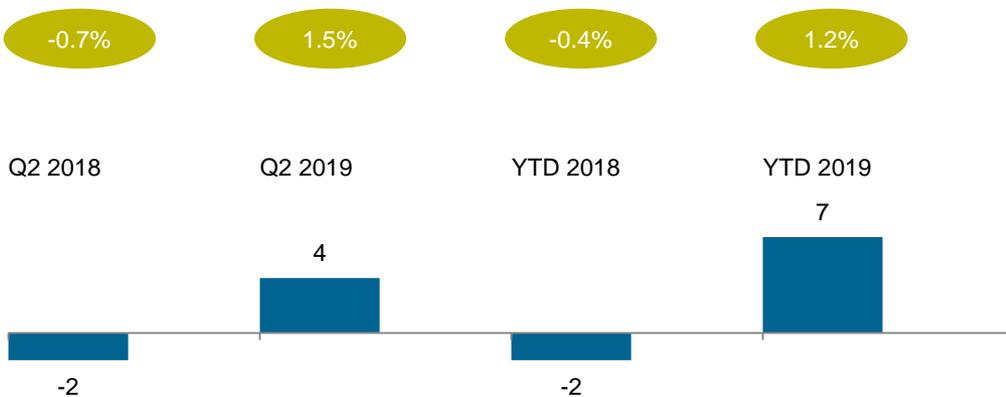
+7%
Q2 2019
EBITA

Finland

Sales & YoY reported growth (SEKm, %)



EBITA & margin (SEKm, %)



Source: Company information

Key highlights

Improved EBITA

- Sales growth 0% explained by negative organic growth
- EBITA improved to SEK 4m and margin improved to 1.5%

Good order intake and improved backlog

- Order intake +132% YoY
- Many small and mid-sized orders
- Order backlog +38% YoY

0%
Q2 2019
sales

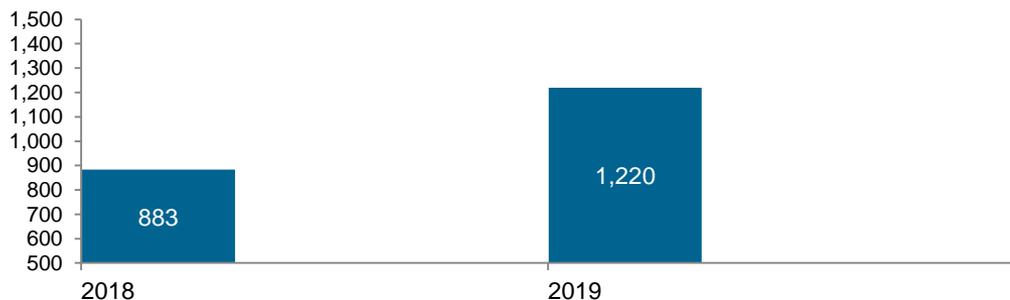
SEK
+4m
Q2 2019
EBITA

Net debt and cash flow

Financial position

SEKm	Q2 2019
Cash balances	545
Term loan, RCF, Commercial paper	-2,200
Financial leasing, IFRS 16	-957
Net debt	-2,612
LTM EBITDA	1,446
Net debt/LTM adjusted EBITDA	1.8x

LTM operating cash flow (SEKm)



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
-
- ✦ Net debt/LTM adjusted EBITDA excl. IFRS 16 was 1.3x
-
- ✦ Cash conversion 113% (99), excl. IFRS 16 was 98%

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



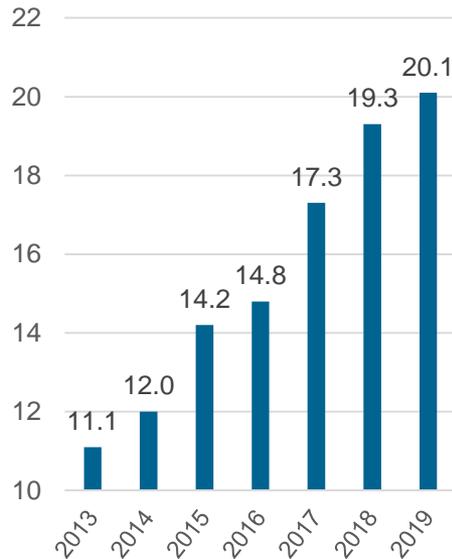
Net debt

- 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

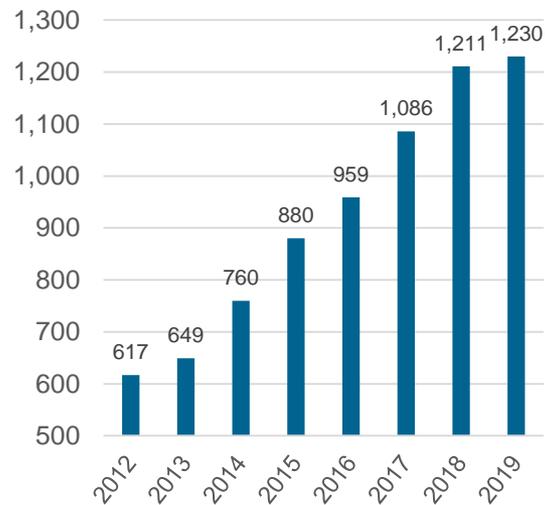
Net sales growth

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 Q2

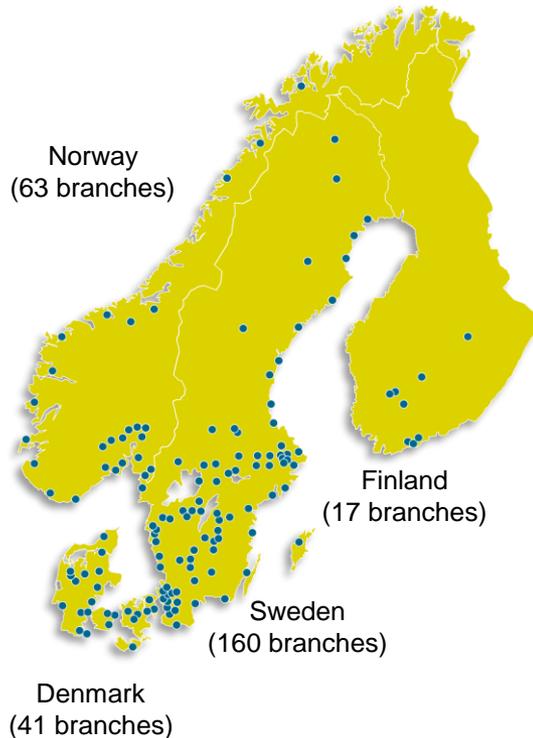
- ✦ Sales increase 6%
- ✦ Installation order backlog at record level, SEK 13,905m, and continued good business momentum for service will support growth coming quarters
- ✦ EBITA margin 5.4%
- ✦ EBITA margin improved in Sweden and Finland
- ✦ 2 low performing projects in Norway in Q2 and integration costs in Denmark
- ✦ M&A execution on track with a healthy pipeline, 12 acquisitions completed so far in 2019 and SEK 685m added in sales
- ✦ Net debt/adj. EBITDA 1.8x
- ✦ Strong operating cash flow, LTM SEK 1,220m
- ✦ Cash conversion LTM above financial target at 113%

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 93bn market)	No. 1	11%	Bravida 11% Assemblin 7% Caverion 5%
Norway (SEK 76bn market)	No. 1	6%	Bravida 6% Caverion 5% Gunnar Karlsen 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

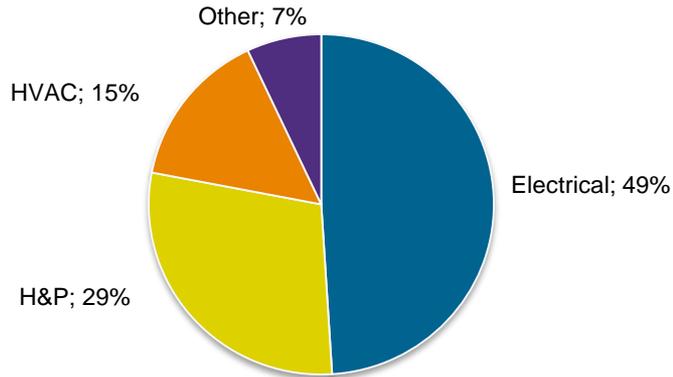
- ✦ Proprietary training and certification programme
- ✦ Best practice sharing
- ✦ Continuous focus on cost and cash

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

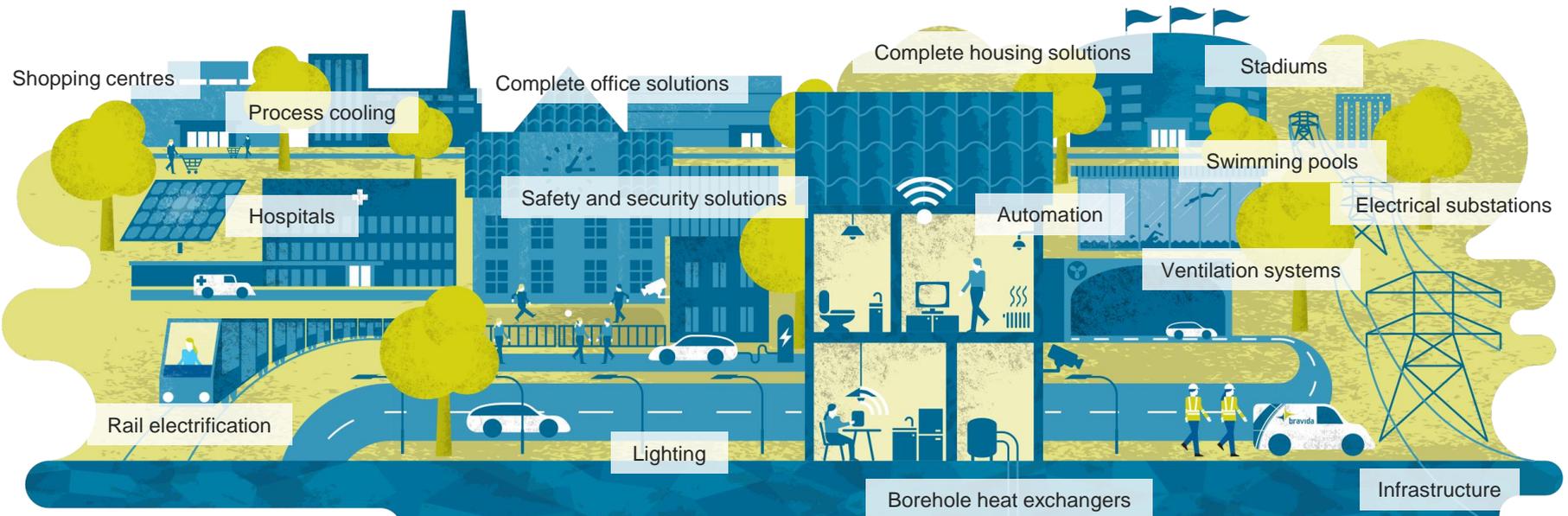
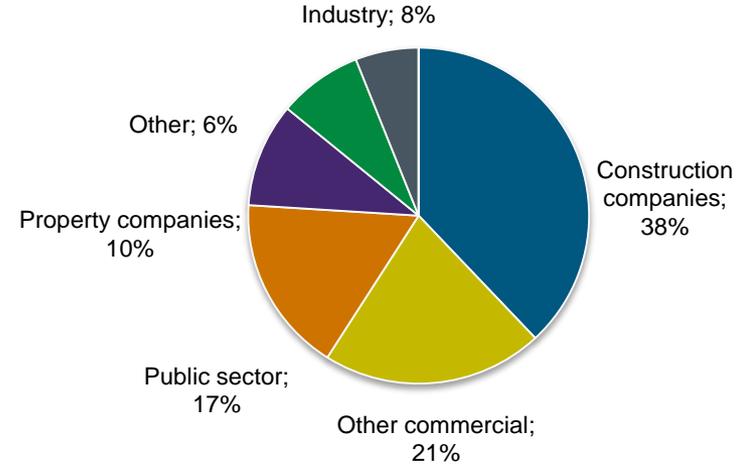
Bravida at a glance

“Bringing 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



Monitoring / supervision on-site operations and improvements

Renovation & redevelopment

16% of sales



Renovation or larger maintenance projects

New build

38% of sales



New build or major redevelopment