



Mattias Johansson, CEO
Åsa Neving, CFO
6 November 2019

BRAVIDA Q3 2019

BRINGING BUILDINGS TO LIFE

Today's presenters

Åsa Neving

CFO since 2019



Mattias Johansson

CEO and Group President since 2015*



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

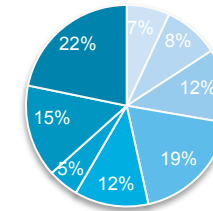
SEK 20.3bn
LTM net sales

SEK 1,240m
LTM EBITA

> 11,500
FTEs

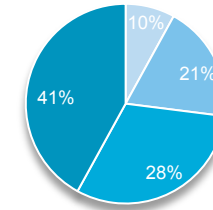
Sales split based on 2018 sales

Net sales by type of facility



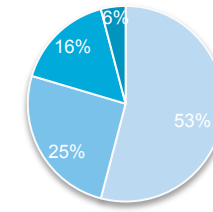
- Infrastructure 7%
- Education 8%
- Industry 12%
- Apartment Buildings 19*
- Healthcare 12%
- Retail 5%
- Office Buildings 15%
- Other 22%

Net sales by order size



- SEK 50m, 10%
- SEK 10-50m, 21%
- SEK 1-10m, 28%
- SEK 0-1m, 41%

Net sales by country



- Finland 6%
- Sweden 53%
- Norway 25%
- Denmark 16%

* 10% new built residential

Summary

- Strong order momentum – order backlog up +35% YoY to SEK 14.5 billion
- Continued high M&A activity – 4 acquisitions completed during Q3 and approximately SEK 1 billion in acquired sales YTD (16 acquisitions)
- 10% growth in service sales – 47% of total sales (45%)
- Improved margin in Norway to 5.9% (5.6%) due to tender selection – "margin over volume" – overall margin stable at 6% (6%)
- Attractive cash flow generation – 104%* cash conversion (98%*)
- Solid financial position – net debt/EBITDA 1.8x (1.4x excl. IFRS 16)
- Bravida well-positioned for continued profitable growth (organic and M&A)

* IAS 17

Stockholm region

- The Stockholm business has experienced negative earnings performance for an extended period, affecting the margin in Sweden
- To improve earnings in Stockholm a number of measures have been taken:
 - new leadership
 - restructuring
 - a greater emphasis on project management and control
 - training and education
 - closing unprofitable departments in Q3
- These efforts have not improved the business in Stockholm as expected
- We still see a good demand in the market and in order to have a competitive position going forward we have decided to restructure
- This has resulted in a plan calling for layoffs
- The Management's estimate of the total cost is SEK 60 million in Q4

Key highlights in Q3 2019

Sales

- Net sales grew 5% to SEK 4,638m (4,437), organic growth -3% and M&A 7%
- Growth in Sweden, Denmark and Finland
- Service sales growth 10% and installation sales growth 0%

Order momentum

- Order backlog at record level, SEK 14,507m, +35% YoY
- Continued good momentum with order intake SEK 5,055m, +25% YoY
- Strong order intake in Sweden, Denmark and Finland

EBITA

- EBITA increased by 3% to SEK 276m (267), margin unchanged at 6.0% (6.0)
- EBITA margin improved in Norway and was unchanged in Denmark but lower in Sweden and Finland
- Lower margin in Sweden due to project write-downs in the Stockholm region
- Finland lower margin due to lower volume in some branches and write-downs in projects

Cash flow

- Cash flow from operating activities SEK 65m (-132) and cash conversion 104% (98)
- Working capital of SEK -640m (-583) or -3.2% (-3.1) of sales
- Net debt of SEK -2,735m (-2,062), 1.8x (1.7x) adjusted EBITDA (LTM basis), excl. IFRS, 1.4x

M&A

- 4 acquisitions completed in Q3 adding SEK 265m
- So far 16 acquisitions completed in 2019 adding SEK 950m
- 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 above 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

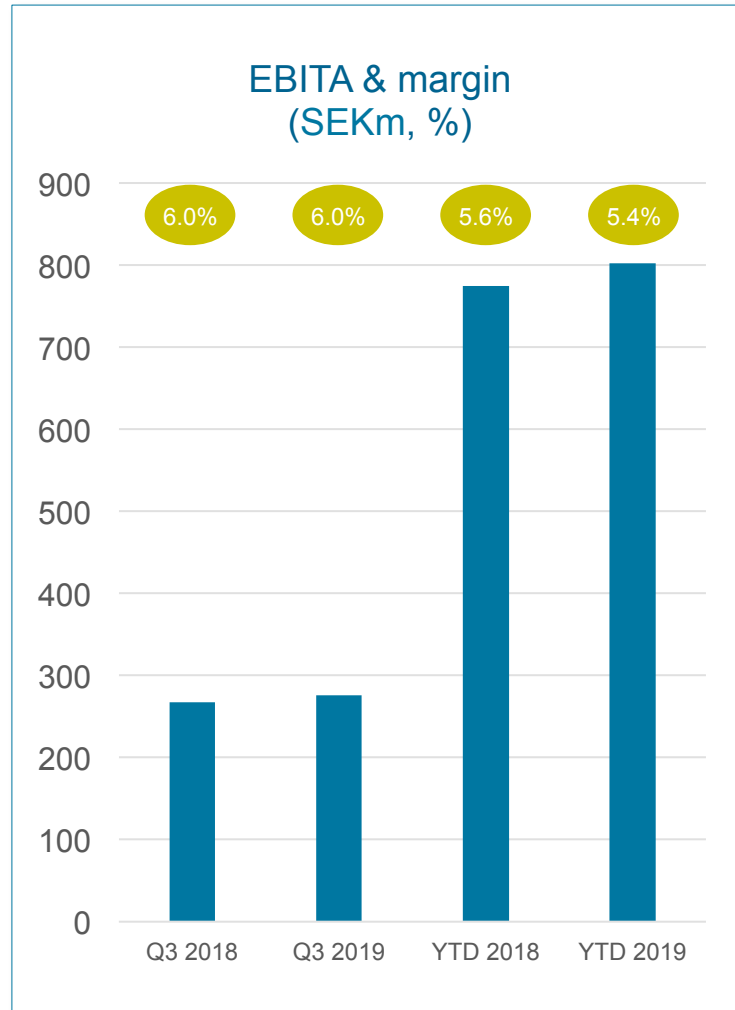
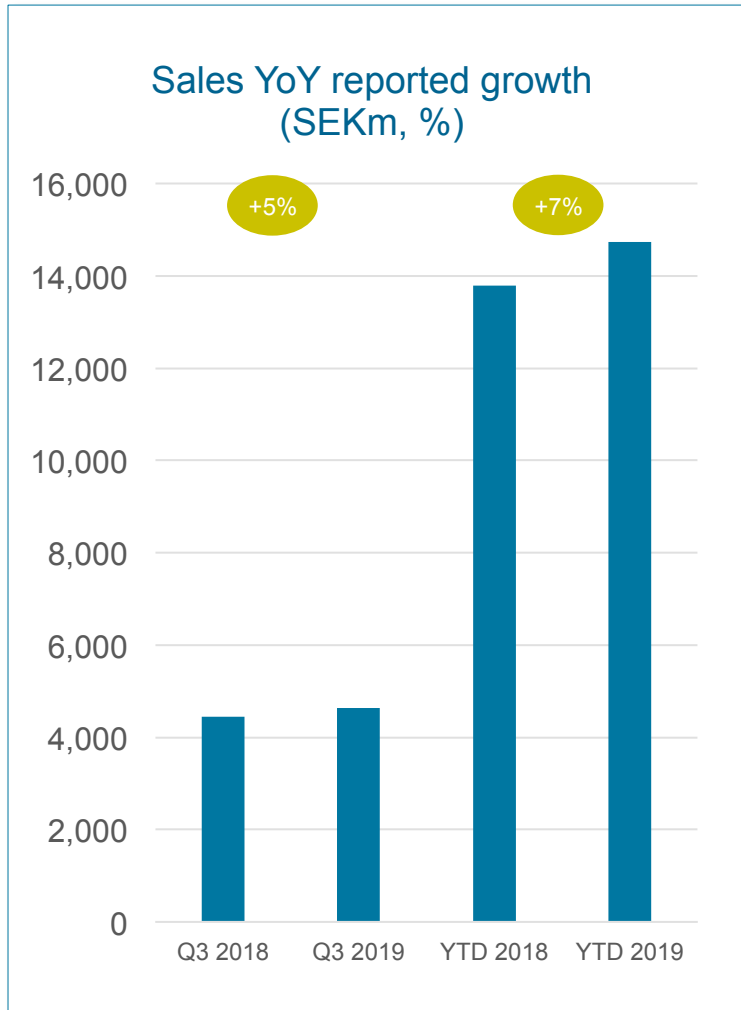
- Construction of residential, healthcare and education buildings are driving volumes
- Construction volumes of commercial buildings, as data centres, increases
- Construction confidence indicator below normal level

Finland

Stable market: construction market stable

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

Group sales & EBITA development



Key highlights in Q3

Good sales growth

- Sales growth 5%, of which 7% from M&A, negative organic growth -3%
- Sales growth in Sweden, Denmark and Finland
- Organic growth in Denmark

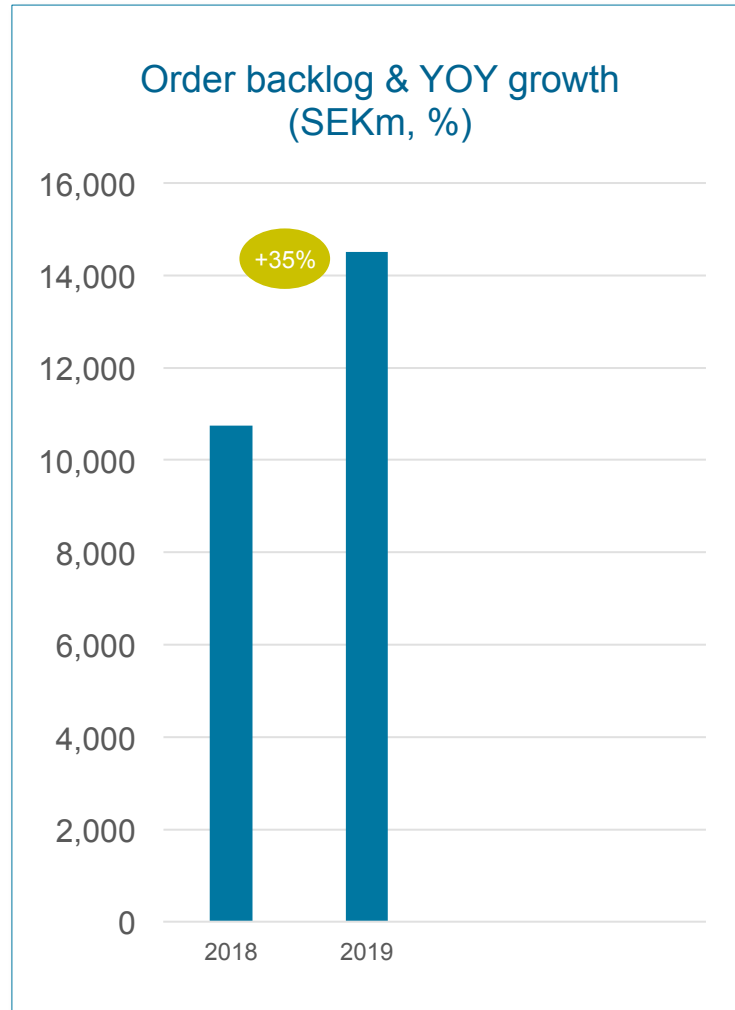
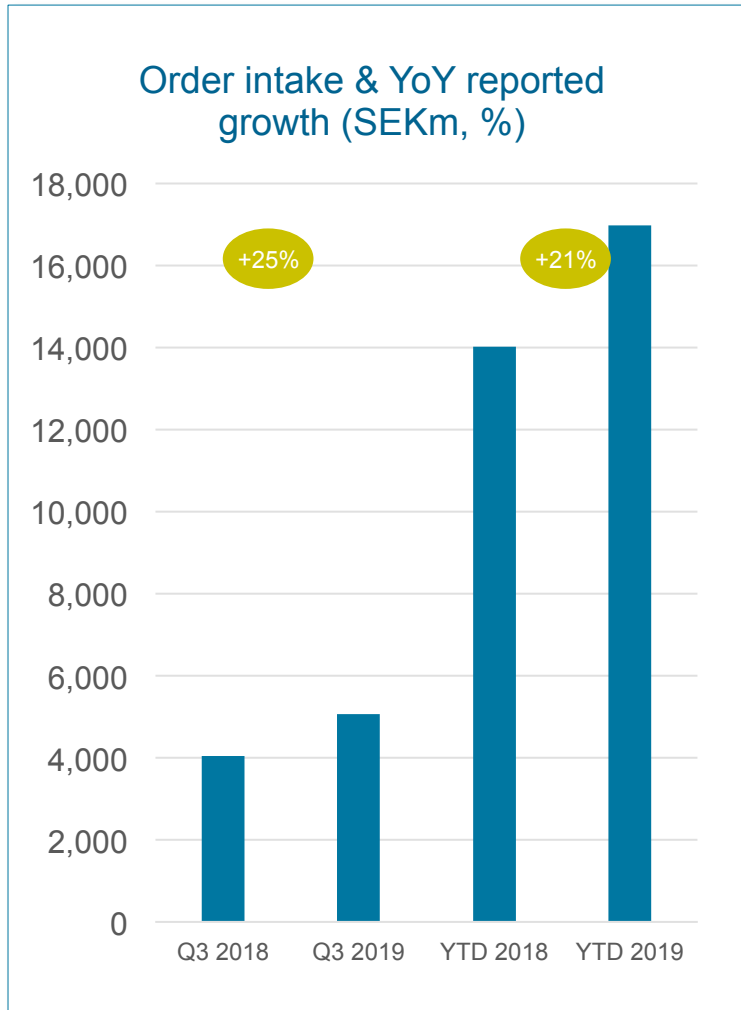
EBITA higher and margin unchanged

- EBITA +3% in Q3 to SEK 276m and margin unchanged at 6.0%
- EBITA margin improvement in Norway
- EBITA margin lower in Sweden due to write-downs in the Stockholm region
- EBITA margin lower in Finland due to write-downs and lower volume in some branches

+5%
Q3 2019 Sales

+3%
Q3 2019 EBITA

Order momentum



Key highlights in Q3

Order backlog at record level: SEK 14,507m

- Order backlog +35% higher YoY
- Increasing order backlog in Q3, SEK 602m
- Increasing order backlog YoY in Sweden, Denmark and Finland
- Mainly medium and small orders
- One large order in Denmark, multi-technical installation in a public building, SEK 350m

+25%
order intake growth

**SEK
14.5bn**
order backlog

* Backlog includes installation business only

Acquisitions 2019



Key highlights

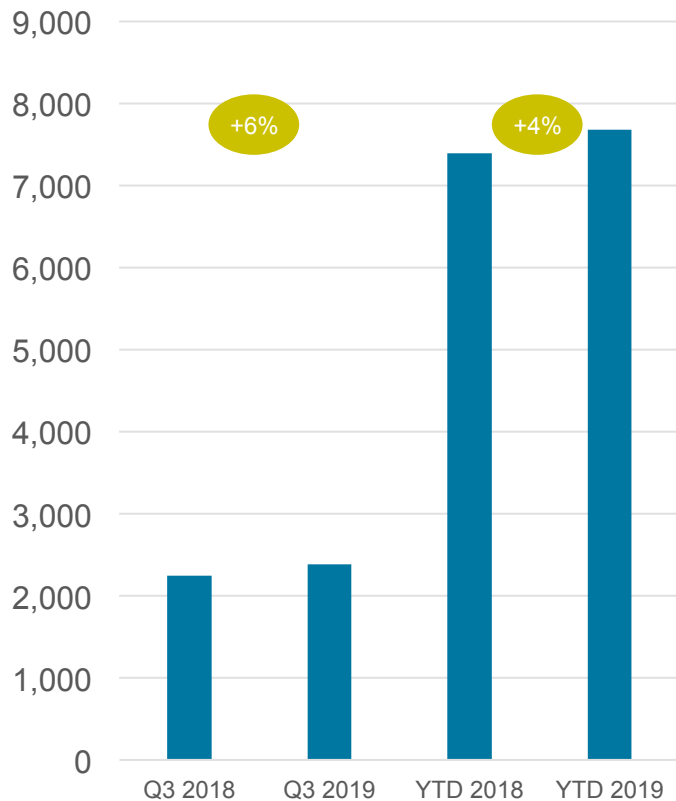
- 5 acquisitions completed in Denmark adding approx. SEK 430m in annual sales
- 10 acquisitions completed in Sweden adding approx. SEK 500m annual sales
- 1 acquisition completed in Finland adding approx. SEK 20m annual sales
- 3 acquisitions signed, adding approx. SEK 265m in annual sales
- Continued strong pipeline
- Acquisitions still at attractive multiples

16
acquisitions 2019

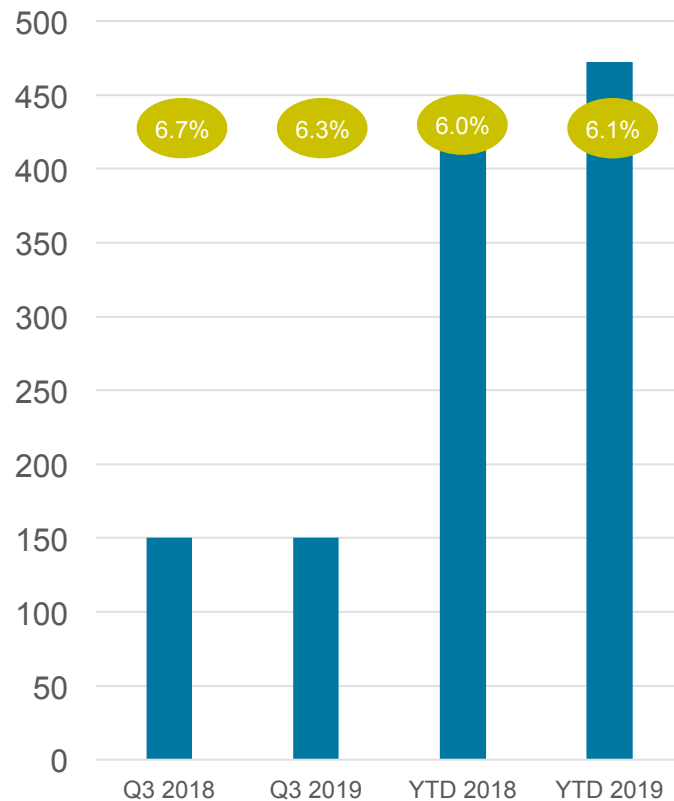
SEK
~950m
acquired sales 2019

Sweden

Sales YoY reported growth
(SEKm, %)



EBITA & margin
(SEKm, %)



Key highlights Q3 2019

Higher sales but lower EBITA margin

- Sales +6% due to acquisitions
- Organic growth -1%
- EBITA margin 6.3% (6.7)
- Challenges in the Stockholm region

Still a good market

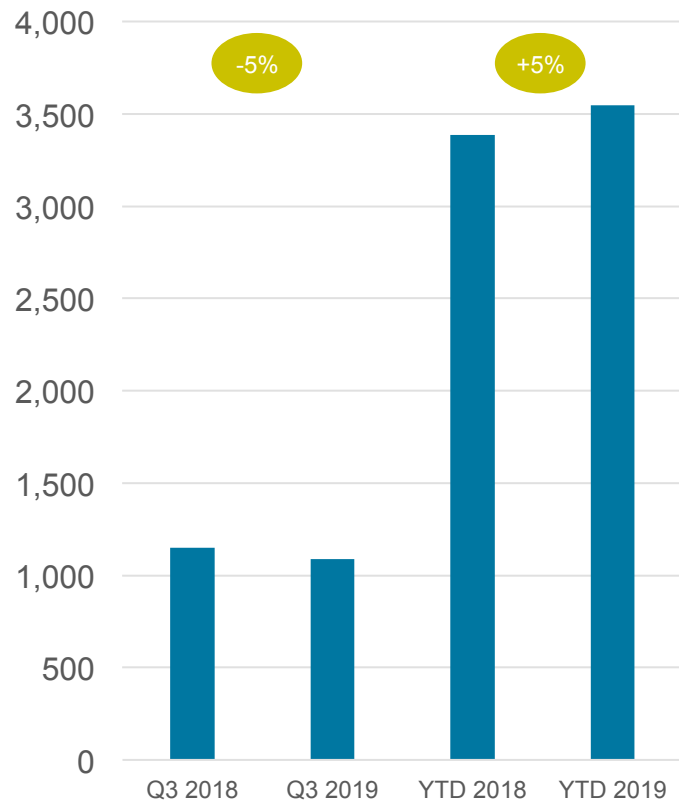
- Order intake +23% YoY
- Order backlog +61% YoY
- Order backlog increased by SEK 264m in Q3

+6%
Q3 2019
sales

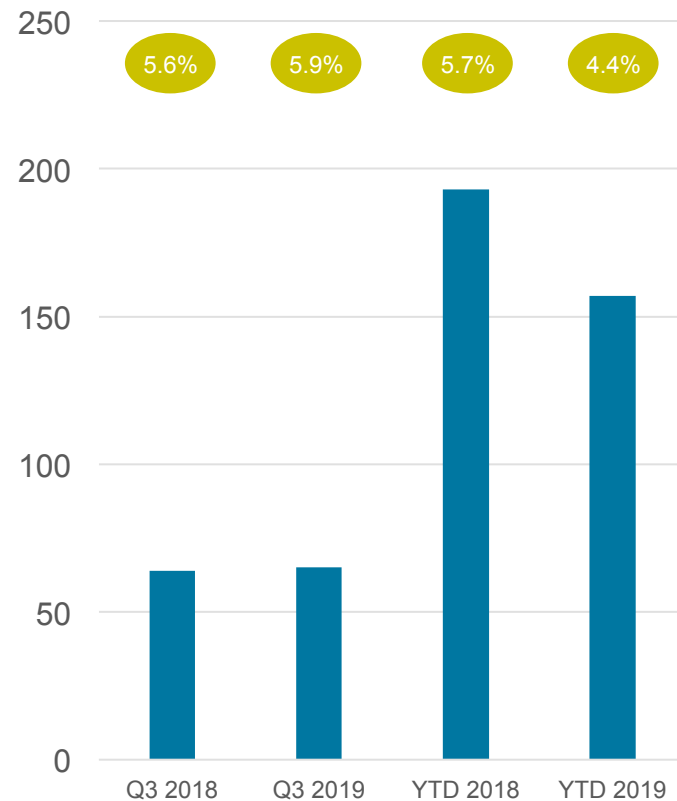
0%
Q3 2019
EBITA

Norway

Sales YoY reported growth
(SEKm, %)



EBITA & margin
(SEKm, %)



Key highlights Q3 2019

Sales lower but improved EBITA margin

- Sales declined by -5%, organic growth -5%
- Sales lower due to tender selection in the Oras business
- EBITA margin improved to 5.9% (5.6)

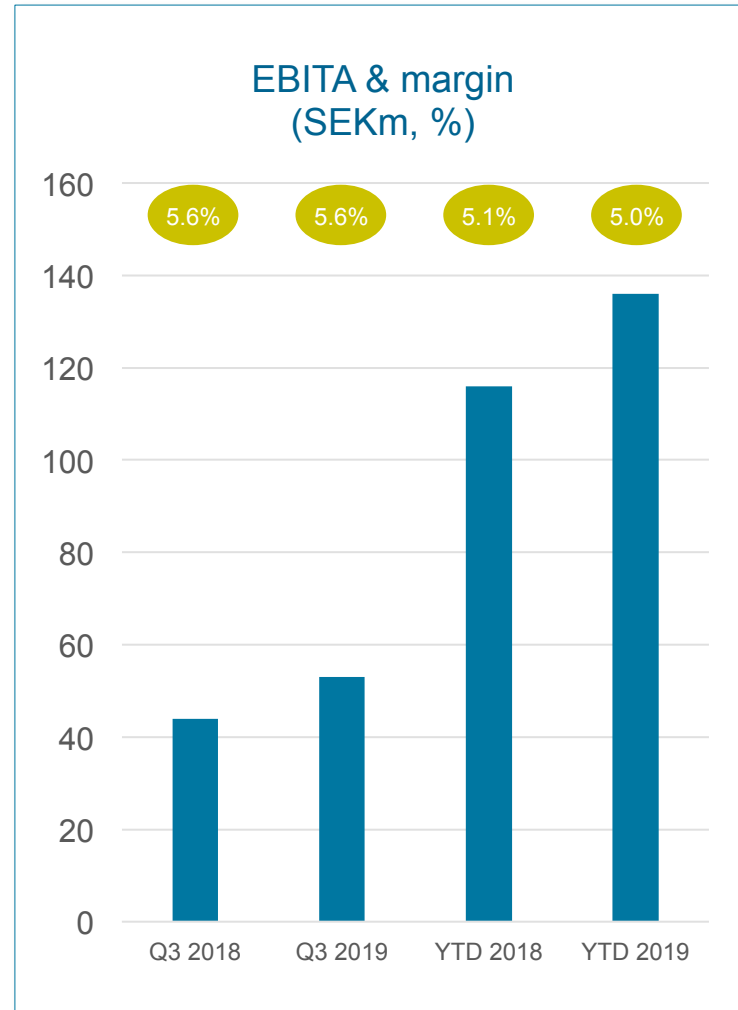
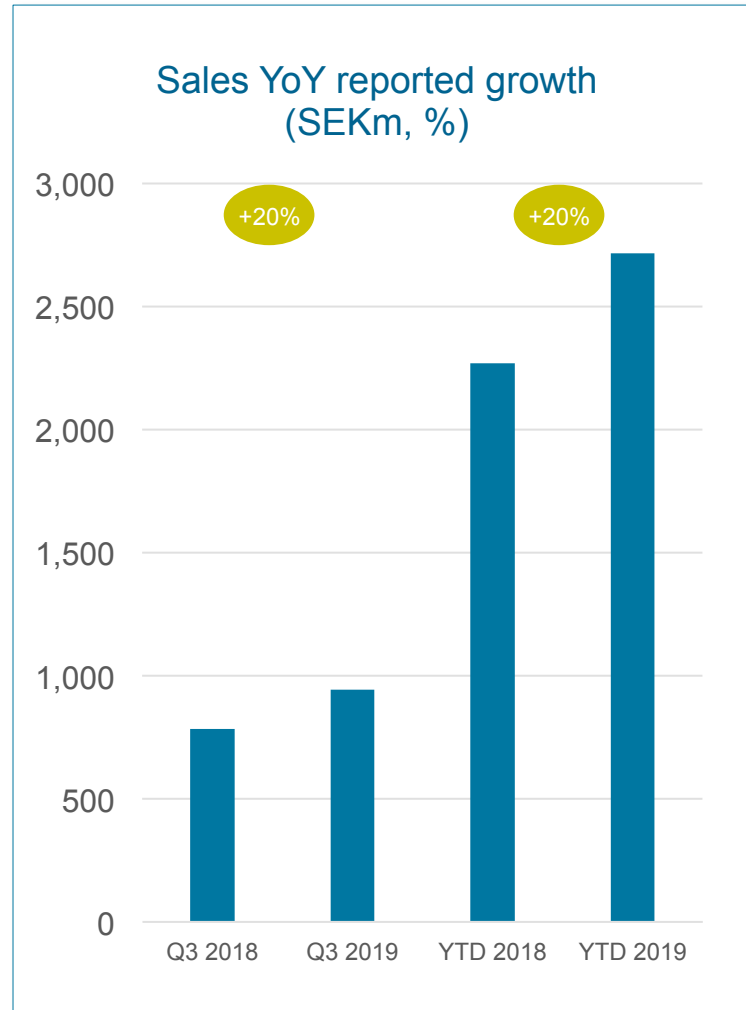
Lower order intake and backlog

- Order intake -1% YoY
- Order backlog -9% YoY due to tender selection in the Oras business
- Many partnering projects in early stage, not included in the backlog

-5%
Q3 2019
Sales

+1%
Q3 2019
EBITA

Denmark



Key highlights Q3 2019

Strong sales growth and stable EBITA margin

- Sales growth +20%, good activity in service
- Organic growth +3%
- EBITA increased 20%, stable margin at 5.6%

Order backlog at high level:

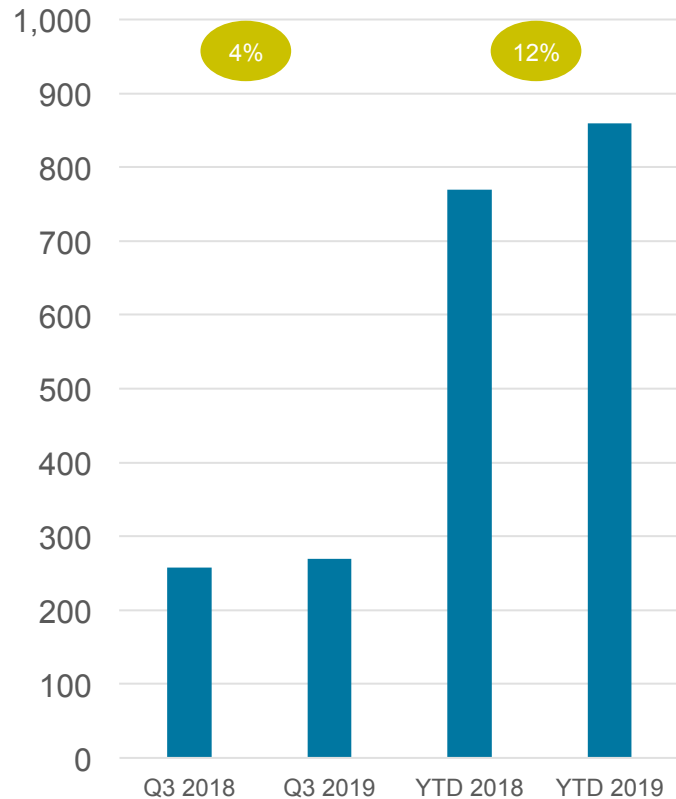
- Order intake +57% YoY
- Order backlog +29% YoY
- One large order, multi technical installation in public building, order value SEK 350m

+20%
Q3 2019
Sales

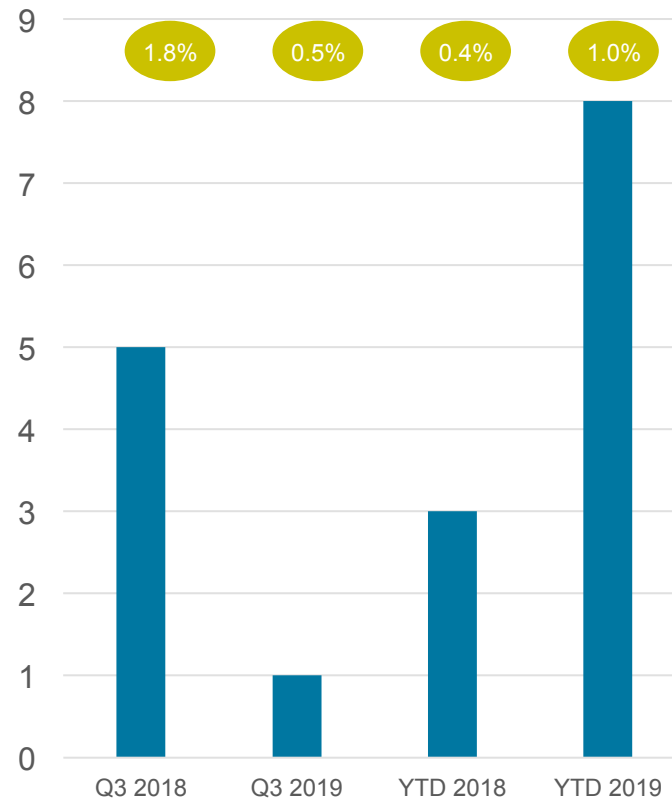
+20%
Q3 2019
EBITA

Finland

Sales YoY reported growth
(SEKm, %)



EBITA & margin
(SEKm, %)



Key highlights Q3 2019

Sales increased but lower EBITA margin

- Sales increased by 4%
- Organic growth was negative -8% due to tender selection and low volume in some branches
- EBITA decreased due to project write-downs and low volume in some branches

Good order intake and improved backlog

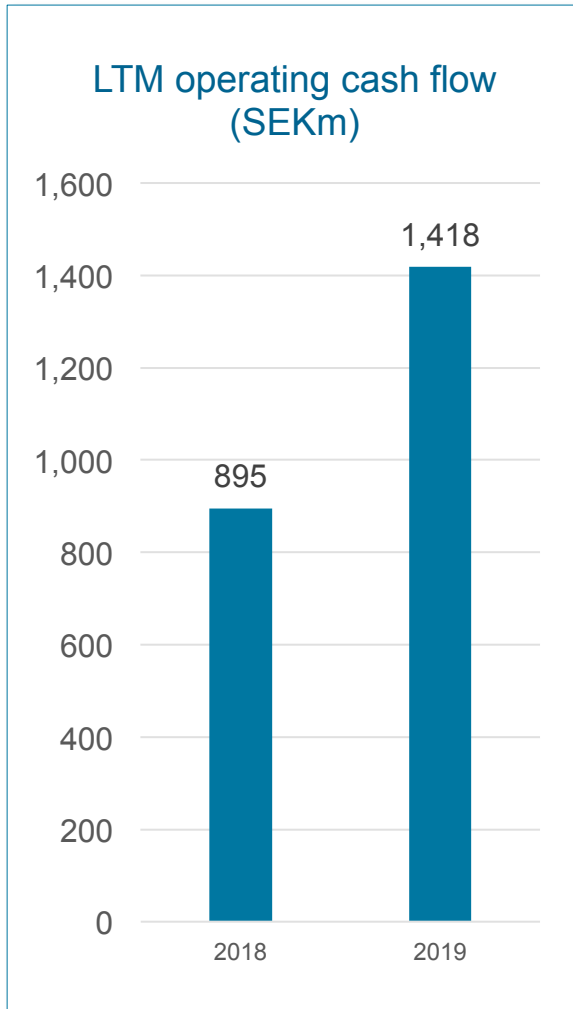
- Order intake +48%
- Mainly medium and small orders
- Order backlog +63% YoY

+4%
Q3 2019
Sales

-71%
Q3 2019
EBITA

Net debt and cash flow


Financial position (SEKm)	Q3 2019
Cash balances	467
Term loan, RCF, Commercial paper	-2,280
Financial leasing, IFRS 16	-922
Net debt	-2,735
LTM EBITDA	1,551
Net debt/LTM adjusted EBITDA	1.8x





Key highlights Q3 2019

- New financing in place from October 14, 2019 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 1,180m issued
- Net debt/LTM adjusted EBITDA excl. IFRS 16 was 1.4x
- Cash conversion 104% (98)

Financial targets

 Sales	> 10% sales growth 5% p.a. organic growth 5%-7% p.a. contribution from bolt-on acquisitions
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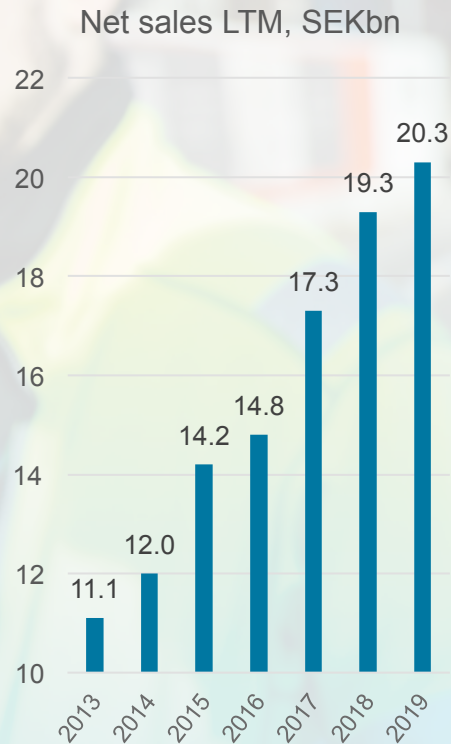
 Adj. EBITA	> 7% Group margin Higher organic margin in existing branches Including dilutive impact of bolt-on acquisitions
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 Cash conversion & dividend	<ul style="list-style-type: none">• Cash conversion above 100%• Target pay-out ratio of at least 50% of net profit
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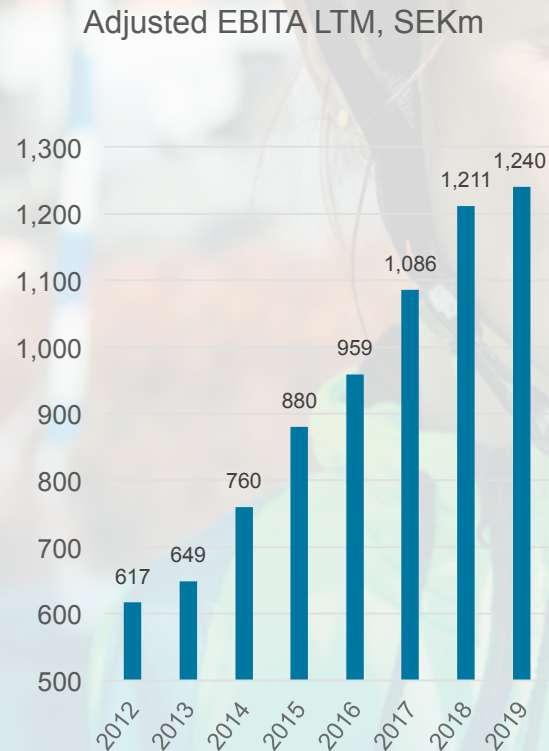
 Net debt	<ul style="list-style-type: none">• Target leverage ratio of ~2.5x Net debt/EBITDA
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Robust and resilient cash flow generator

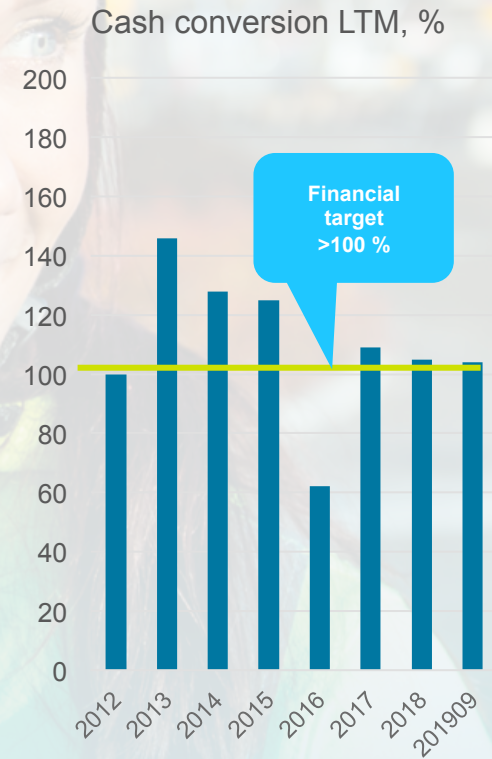
Net sales, growth



Stable profitability



Good cash conversion*



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

Stable performance

Summary Q3 2019

- Sales increase 5%, growth from acquisitions 7%, organic growth -3%
- Installation order backlog at record level, SEK 14,507m, and continued good business momentum for service will support growth coming quarters
- EBITA margin 6.0%
- EBITA margin improved in Norway
- M&A execution on track with a healthy pipeline, 16 acquisitions completed so far in 2019 and SEK 950m added in sales
- 3 acquisitions signed, adding SEK 265m in annual sales
- Net debt/EBITDA 1.8x
- Strong operating cash flow, LTM SEK 1,418m
- Cash conversion LTM above financial target at 104%

Q&A



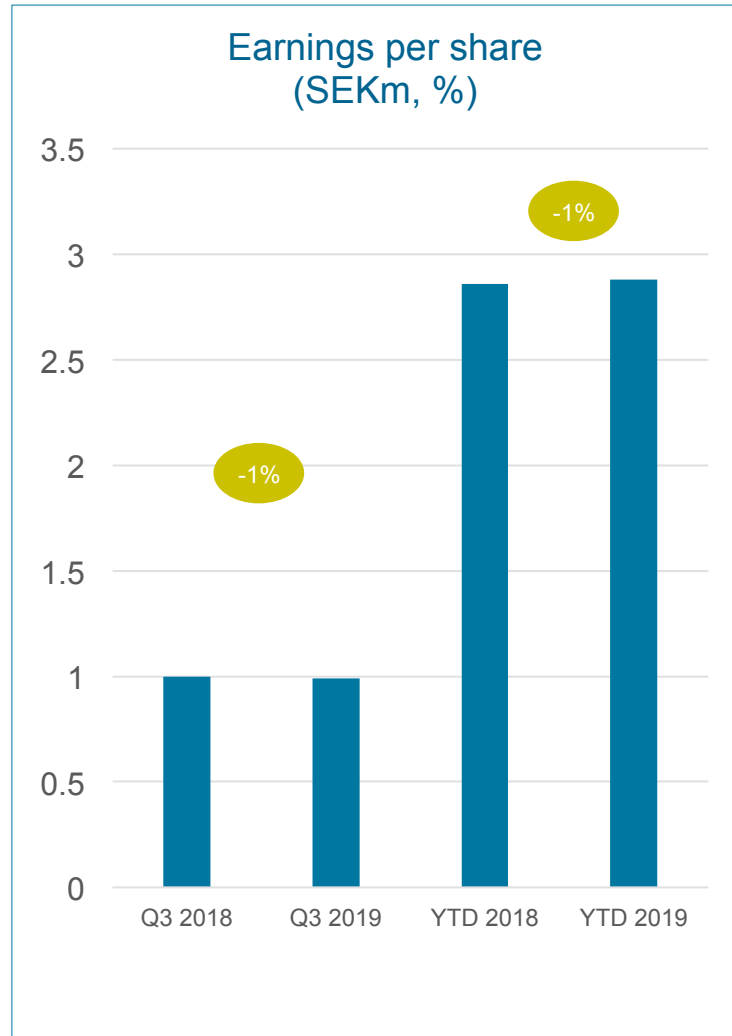
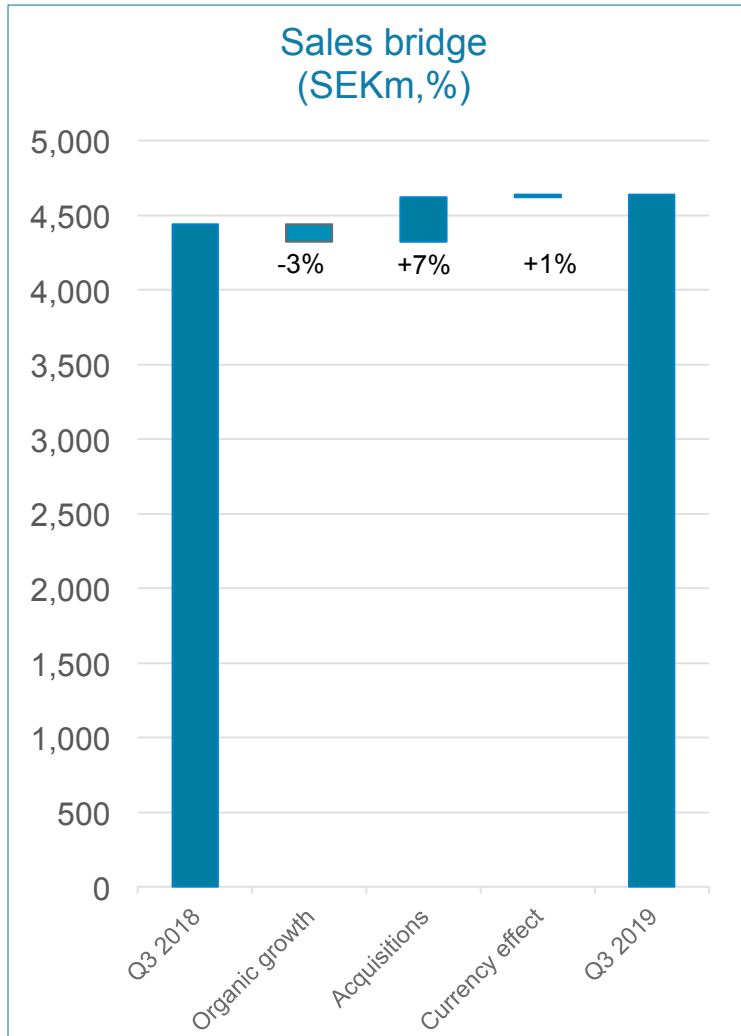
A broad-based business with end-to-end solutions

Possibilities for cross sales

Sustainable service and installation of the functions that bring buildings to life



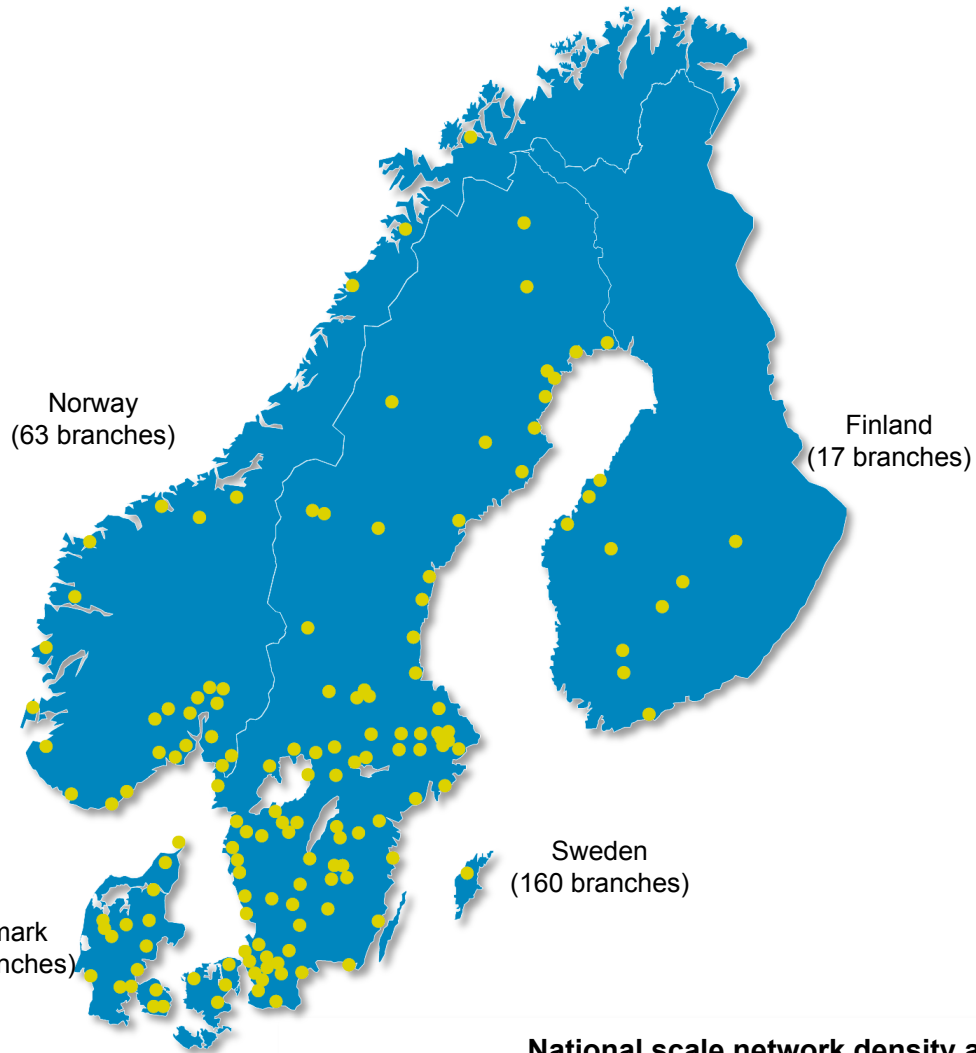
Financial performance Q3 2019



Key highlights in Q3

- Net sales growth 5%
- Growth from acquisitions +7%
- Organic growth -3%
- EBITA increased by 3%
- EBITA margin unchanged at 6.0%
- Finance net -16 (-10), mainly due to IFRS 16 effect
- Earnings per share decreased by -1%

Leadership in a fragmented Nordic market



	Market position	Market share	Top 3 player market shares
Sweden	No. 1	11%	Bravida 11% Assemblin 8% Caverion 5%
Norway	No. 1	6%	Bravida 6% Caverion 5% Gunnar Karlsen 5%
Denmark	No. 2	6%	Kemp & Lauritzen 7% Bravida 6% Wicotec 4%
Finland	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

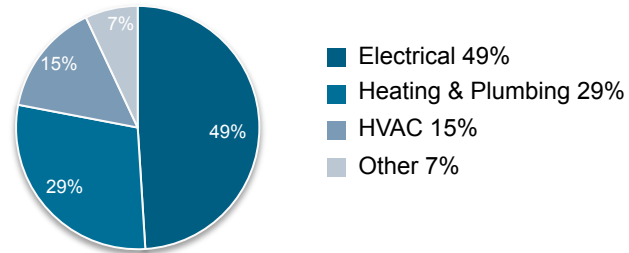
Ongoing training and certification

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

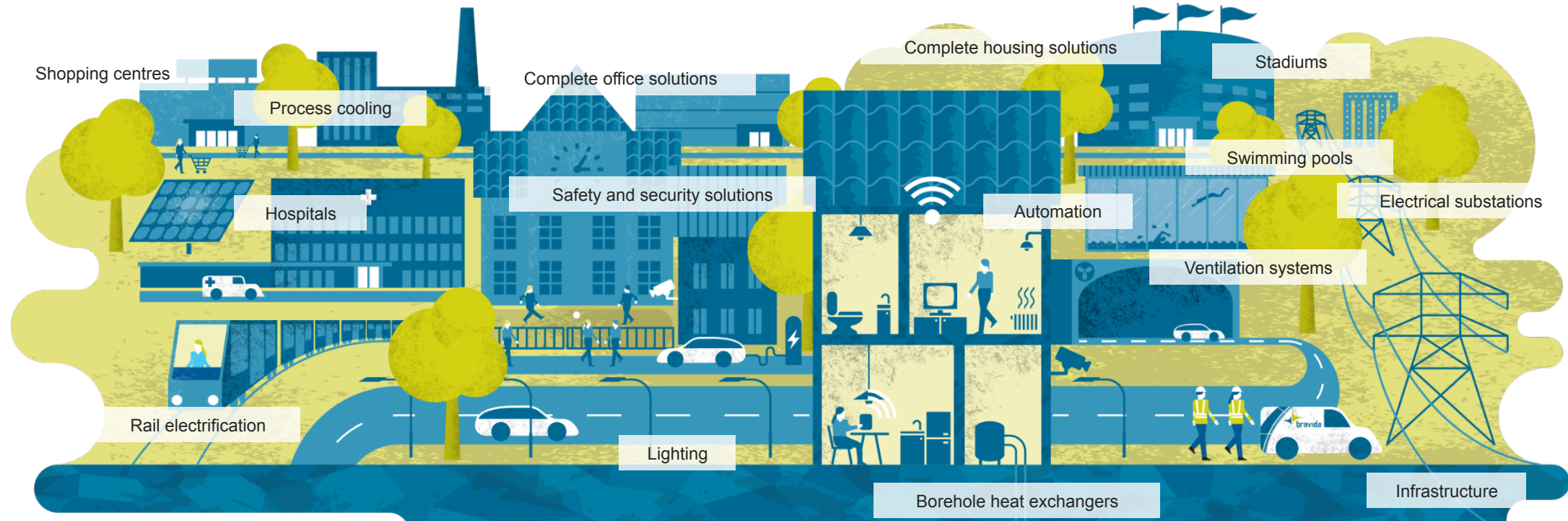
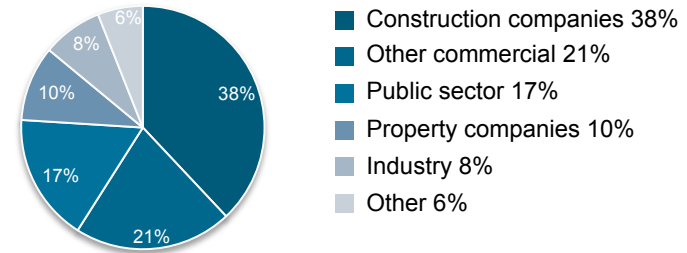
“We do what we have decided to do / We follow up on what we do / We continuously improve what we do”

Bravida at a glance

Net sales by area of technology



Net sales by customer group



Note: Split based on 2018 sales
Source: Company information

Creating stability by combining service and installation

Service

46% of net sales



Monitoring / supervision on-site operations and improvements

Renovation & redevelopment

16% of net sales



Renovation or larger maintenance projects

New-builds

38% of net sales



New build or major redevelopment