



Mattias Johansson, CEO
Åsa Neving, CFO
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BRAVIDA Q4 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 4 customers represent 14% of sales

> 93% recurring customers

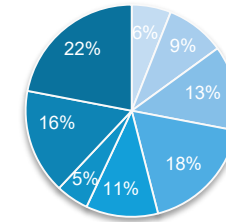
SEK 20.4bn
LTM net sales

SEK 1,226m
LTM EBITA

> 11,500
FTEs

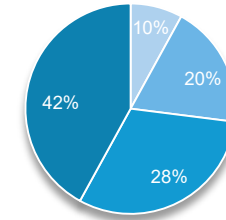
Sales split based on 2019 sales

Net sales by type of facility



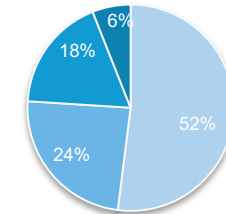
- Infrastructure 6%
- Education 9%
- Industry 13%
- Apartment Buildings 18%
- Healthcare 11%
- Retail 5%
- Office Buildings 16%
- Other 22%

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%

Key highlights in Q4 2019

Sales

- Net sales grew 3% to SEK 5,667m (5,521), organic growth -3% and M&A 5%
- Growth in Sweden and Denmark
- Service sales growth 6% and installation sales growth 0%

Order momentum

- Order backlog at high level, SEK 14,485m, +21% YoY
- Continued good momentum with order intake SEK 5,546m,
- Order intake good in Sweden, Denmark and Norway

EBITA

- EBITA decreased by -3% to SEK 425m (438), margin decreased to 7.5% (7.9)
- Margin in Sweden impacted by restructuring in the Stockholm region, SEK 58m
- EBITA pre-restructuring cost increased by 10% to SEK 483m and the EBITA-margin was 8.5%

Cash flow

- Cash flow from operating activities was improved to SEK 989m (807) and cash conversion 115% (105)
- Working capital of SEK -1,136m (-940) or -5.6% (-4.9) of sales
- Net debt of SEK -2,063m, 1.3x EBITDA (LTM basis)
- Strong cash flow enables increased dividend, +13%, dividend proposal in line with financial target

M&A

- 4 acquisitions completed in Q4 adding SEK 170m
- 20 acquisitions completed in 2019 adding SEK 1,120m
- 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
- Good activity in service
- Construction confidence indicator above normal level

Norway

Still a good market: public investments, service 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 service

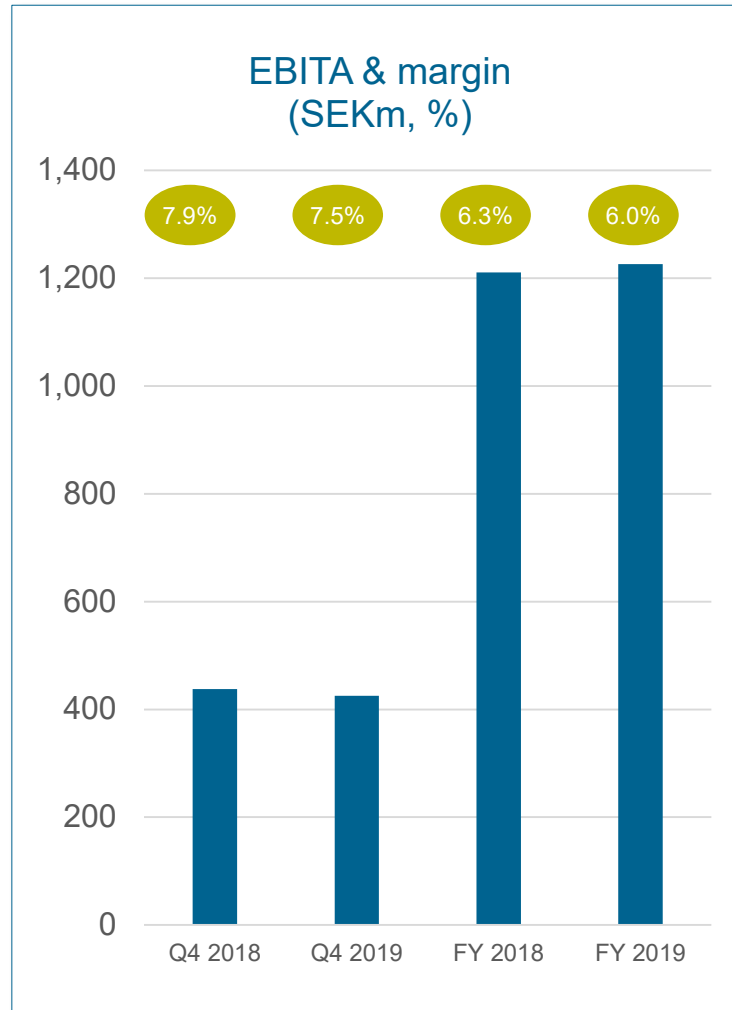
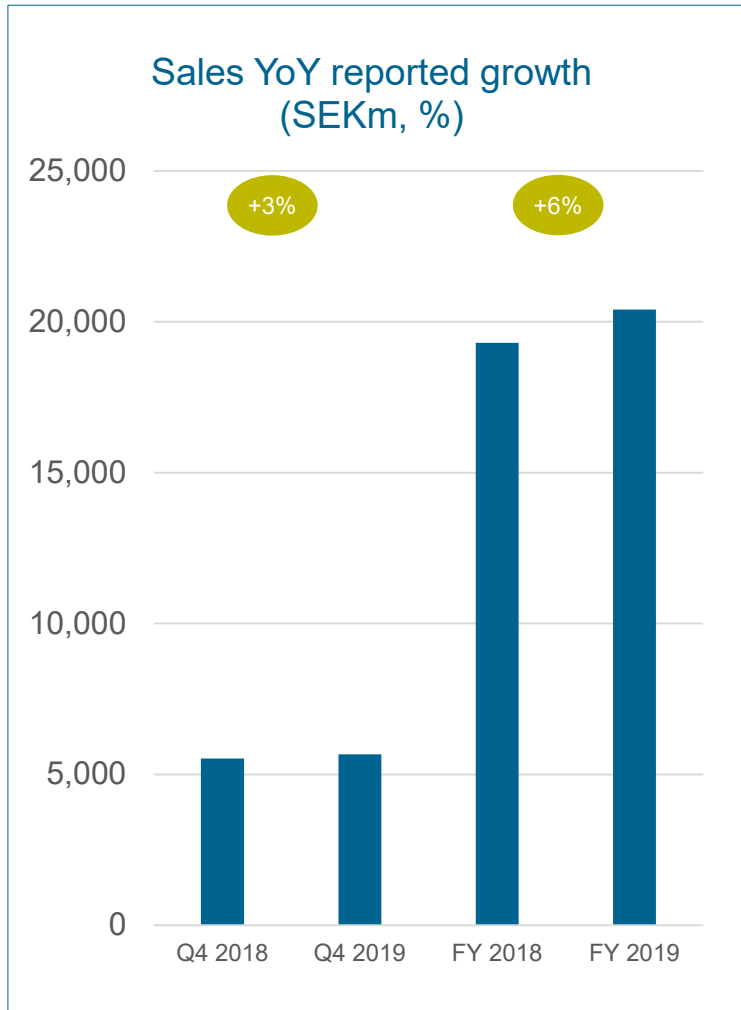
- Construction of residential, healthcare and education buildings are driving volumes
- Good activity in service
- Construction confidence indicator below normal level

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 Q4

Good sales growth

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

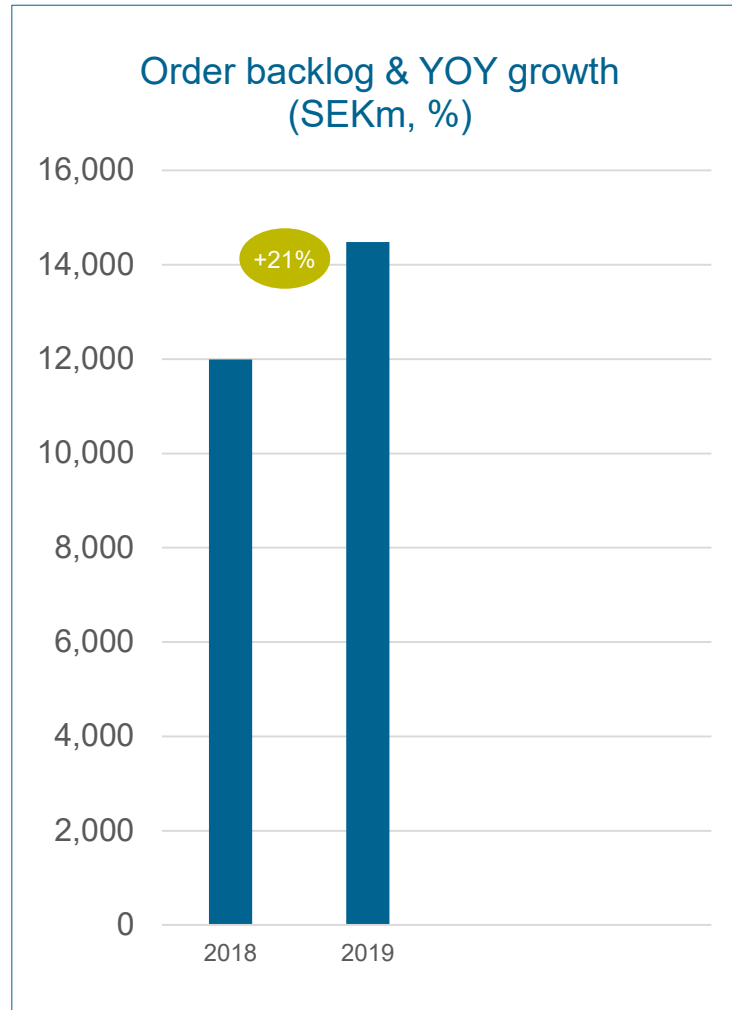
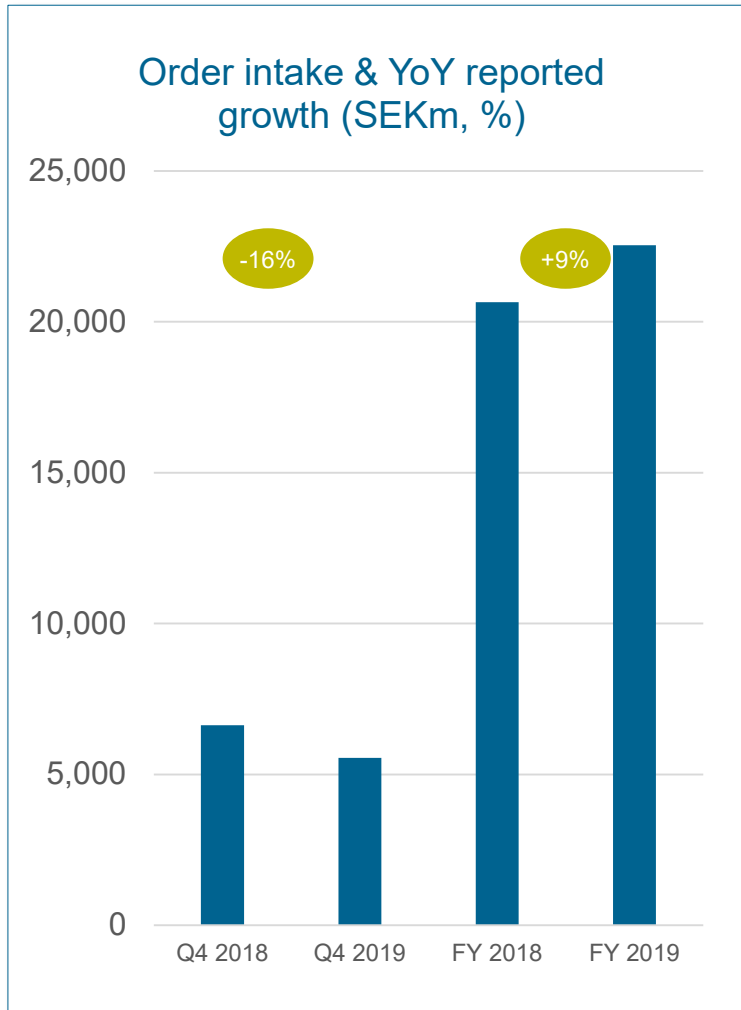
EBITA and margin lower

- EBITA -3% to SEK 425m and margin lower at 7.5%
- EBITA margin improvement in Norway
- EBITA margin lower in Sweden due to restructuring in division Stockholm
- EBITA margin lower in Finland due to write-downs and lower volume in some branches
- EBITA-margin lower in Denmark due to one unprofitable project and the acquisitions completed during 2019

+3%
Q4 2019 Sales

-3%
Q4 2019 EBITA

Order momentum



Key highlights in Q4

Order backlog at high level: SEK 14,485m

- Order backlog +21% higher YoY
- Unchanged order backlog in Q4
- Increasing order backlog YoY in Sweden, Denmark and Finland and unchanged in Norway
- Mainly medium and small orders
- One large order in Sweden, installation in an industrial building, SEK 681m
- A large order received in Q4 2018, Bypass Stockholm SEK 1,597m explains the declining order intake

+21%
order backlog growth

**SEK
14.5bn**
order backlog

* Backlog includes installation business only

Acquisitions 2019



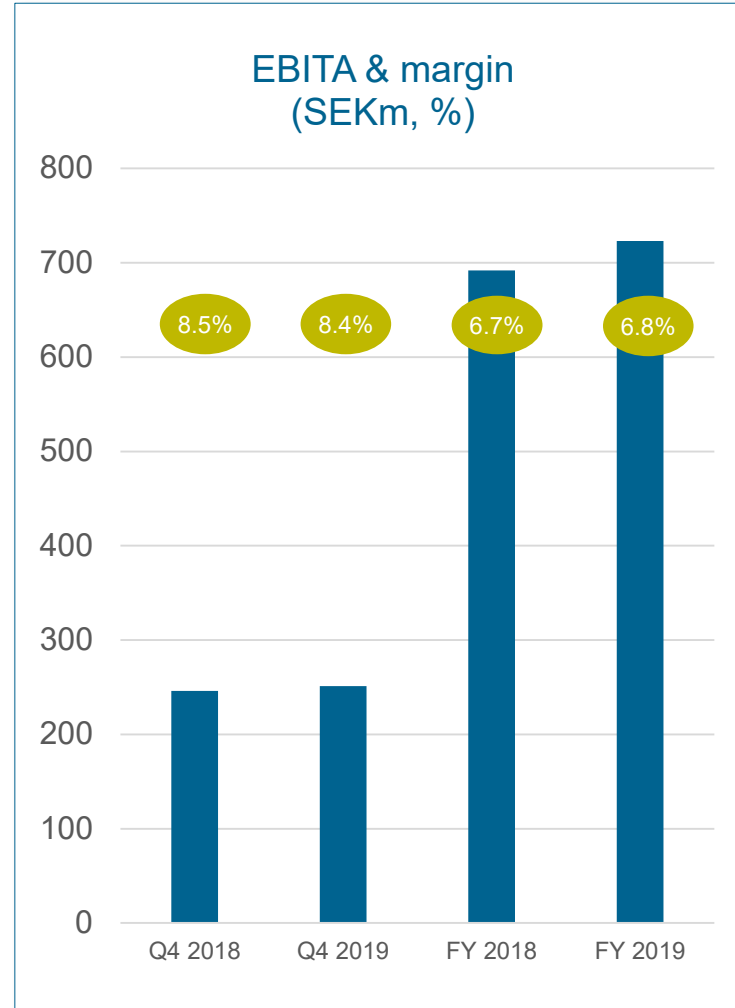
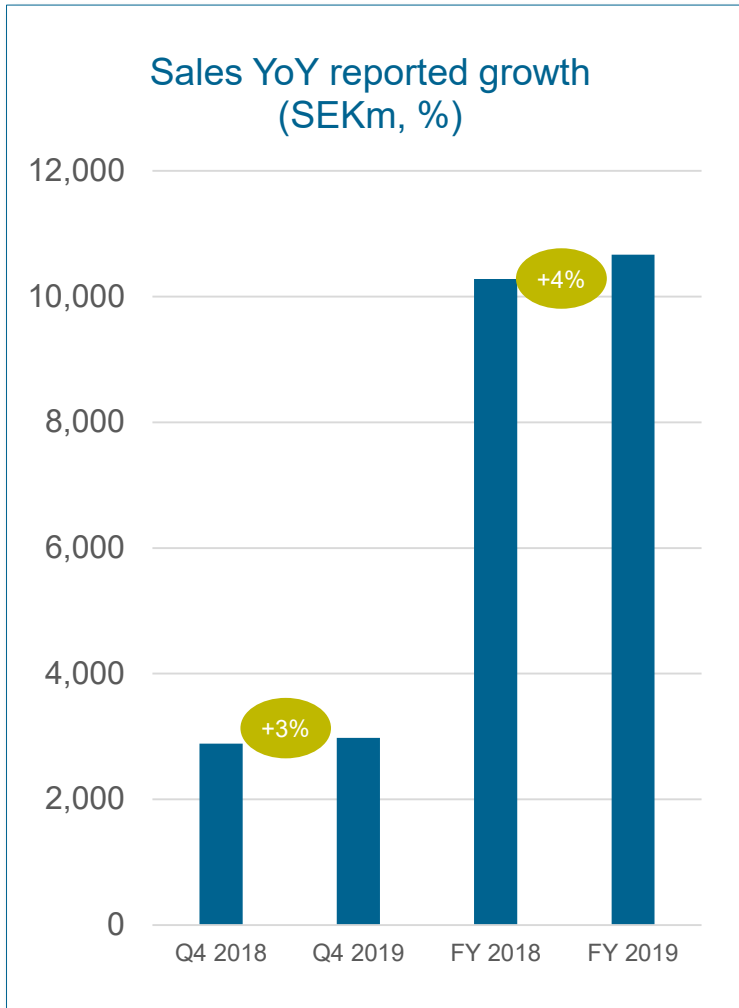
Key highlights

- 6 acquisitions completed in Denmark adding approx. SEK 485m in annual sales
- 12 acquisitions completed in Sweden adding approx. SEK 595m annual sales
- 1 acquisition completed in Finland adding approx. SEK 20m annual sales
- 1 acquisition completed in Norway adding approx. SEK 20m annual sales
- Continued strong pipeline
- Acquisitions still at attractive multiples

20
acquisitions 2019

SEK
~1,120m
acquired sales 2019

Sweden



Key highlights Q4 2019

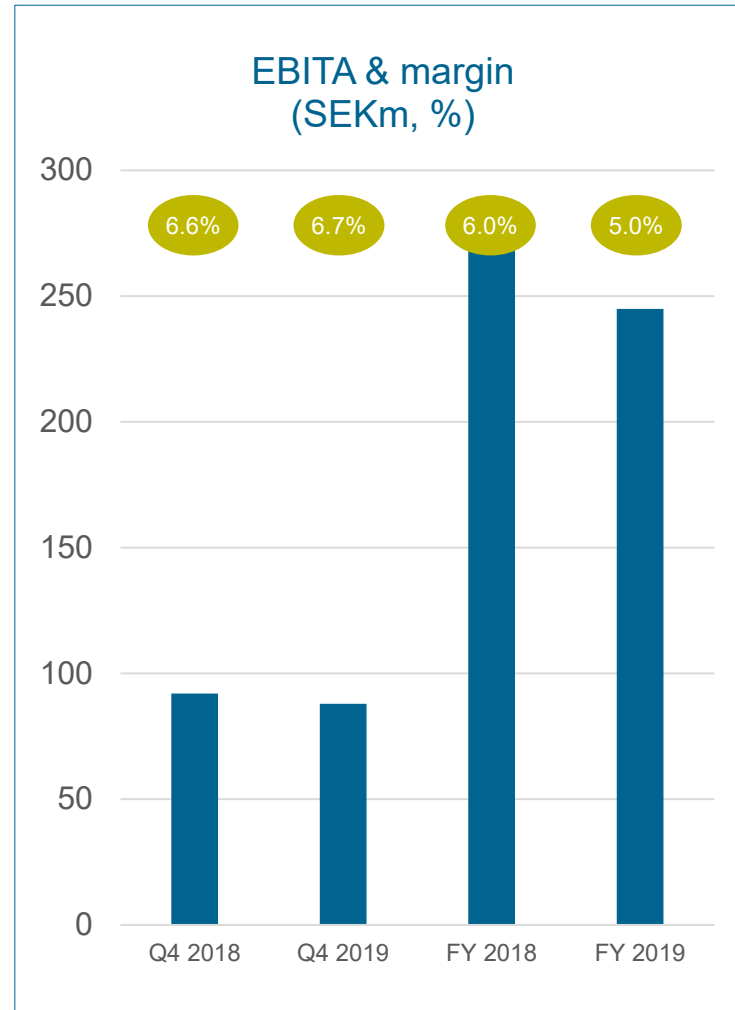
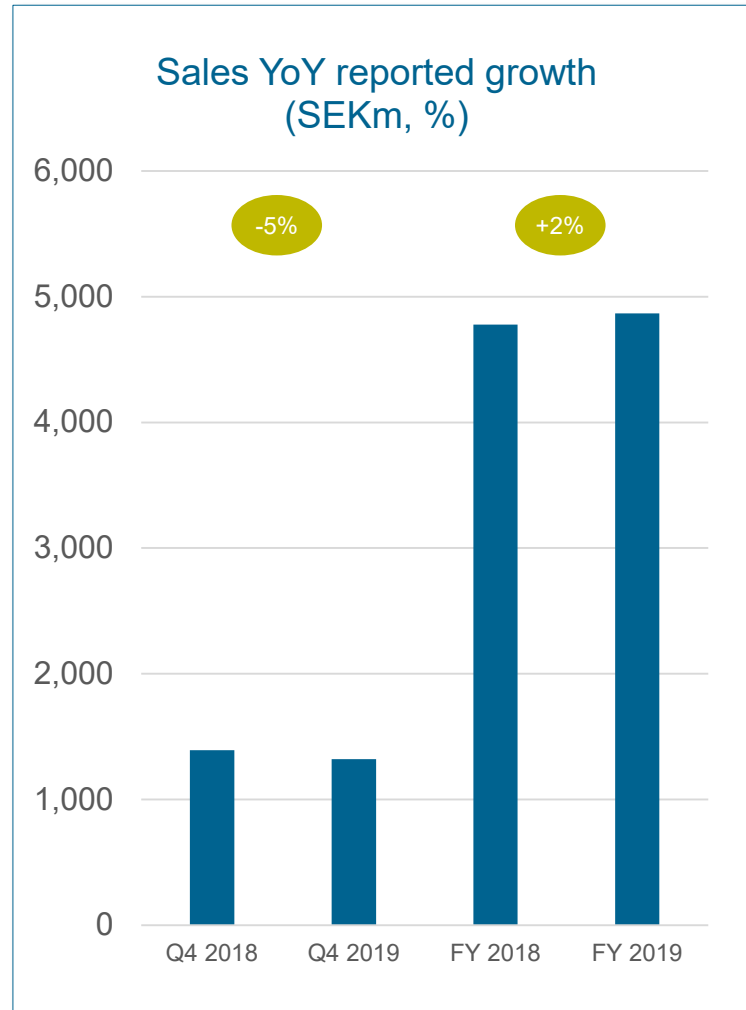
Higher sales but somewhat lower EBITA margin

- Sales +3% due to acquisitions
 - Organic growth -2%
 - EBITA margin 8.4% (8.5)
 - Restructuring cost in Stockholm, 58 MSEK
- Still a good market**
- Order intake lower explained by the Stockholm Bypass order in Q4 2018, SEK 1,597m
 - One large order SEK 681m, industry building
 - Order backlog +27% YoY and excl Stockholm Bypass order +15%
 - Order backlog increased by SEK 640m in Q4

+3%
Q4 2019
Sales

+2%
Q4 2019
EBITA

Norway



Key highlights Q4 2019

Sales lower but improved EBITA margin

- Sales declined by -5%, organic growth -4%
- Sales lower due to lower production in the installation business
- Growth in the service business
- EBITA margin improved to 6.7% (6.6)

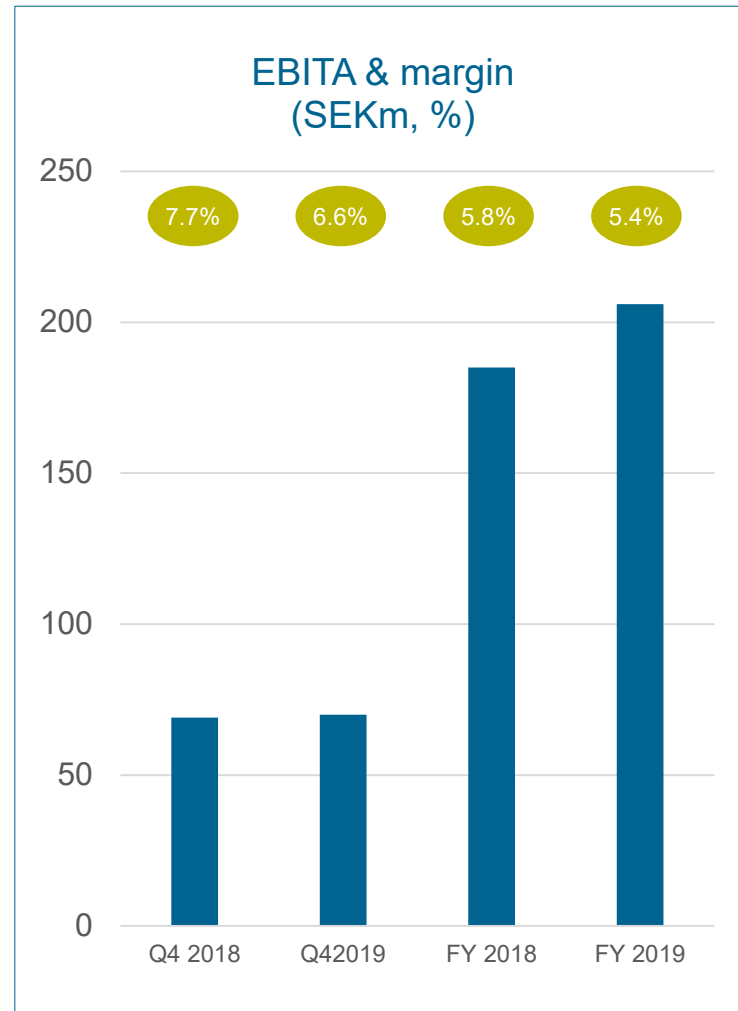
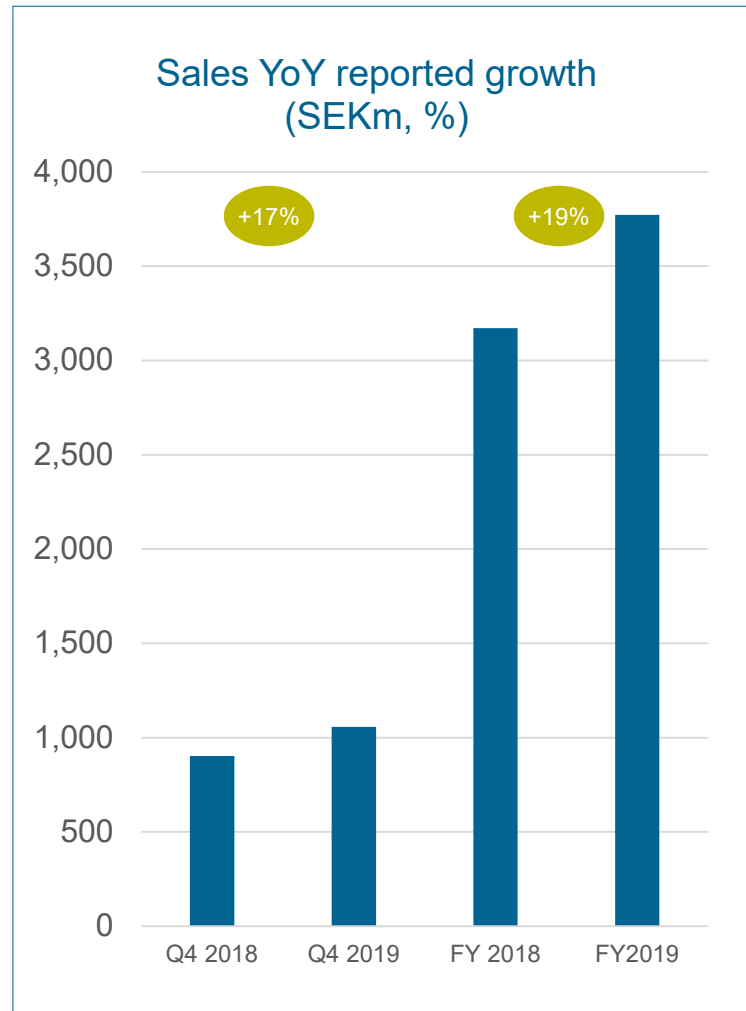
Order intake and backlog

- Order intake +23% YoY
- Order backlog unchanged YoY
- Many partnering projects in an early stage, not included in the backlog

-5%
Q4 2019
Sales

-4%
Q4 2019
EBITA

Denmark



Key highlights Q4 2019

Strong sales growth but lower EBITA margin

- Sales growth +17%, explained by acquisitions
- Organic growth 0%
- EBITA-margin lower due to one unprofitable project and the acquisitions completed during 2019

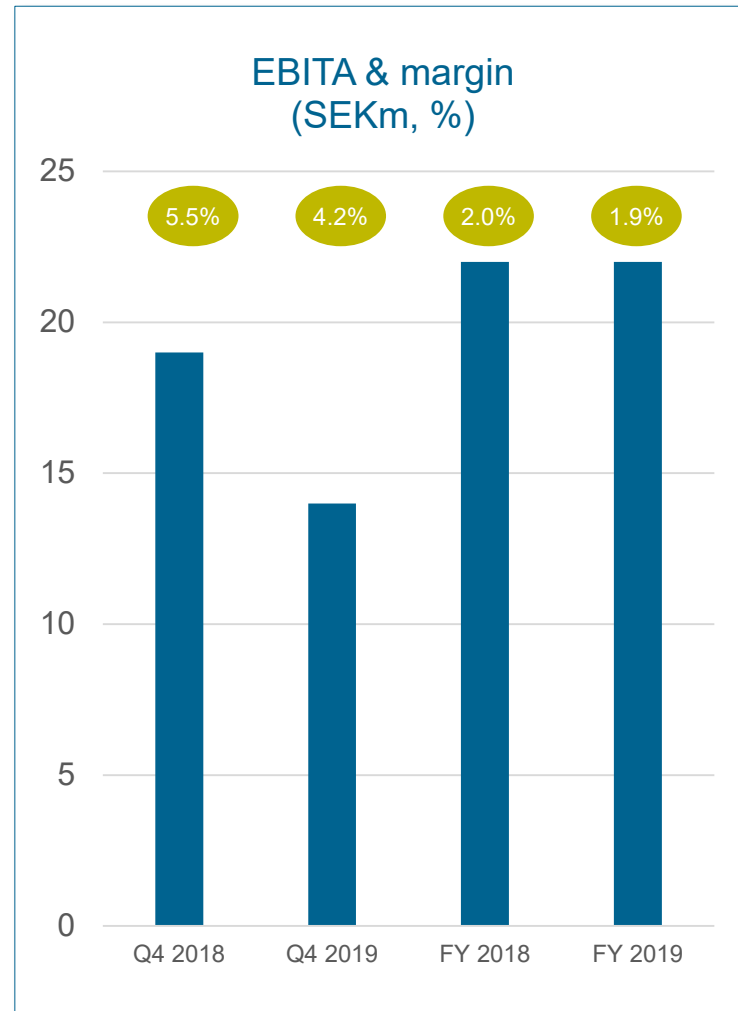
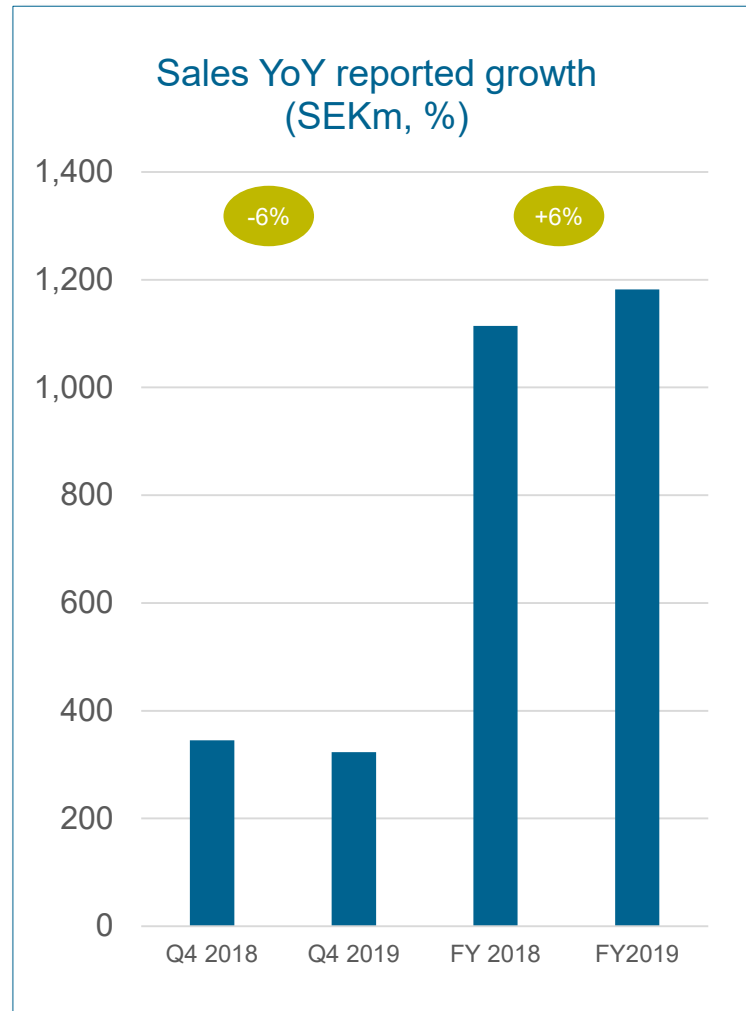
Order backlog at a high level:

- Order intake +1% YoY
- Order backlog +23% YoY

+17%
Q4 2019
Sales

+1%
Q4 2019
EBITA

Finland



Key highlights Q4 2019

Sales decreased and lower EBITA margin

- Sales decreased by -6%, explained by lower production in the installation business
- Organic growth was negative -11% due to low volume in some branches
- EBITA decreased due to project write-downs in one region and low volume in some branches

Lower order intake

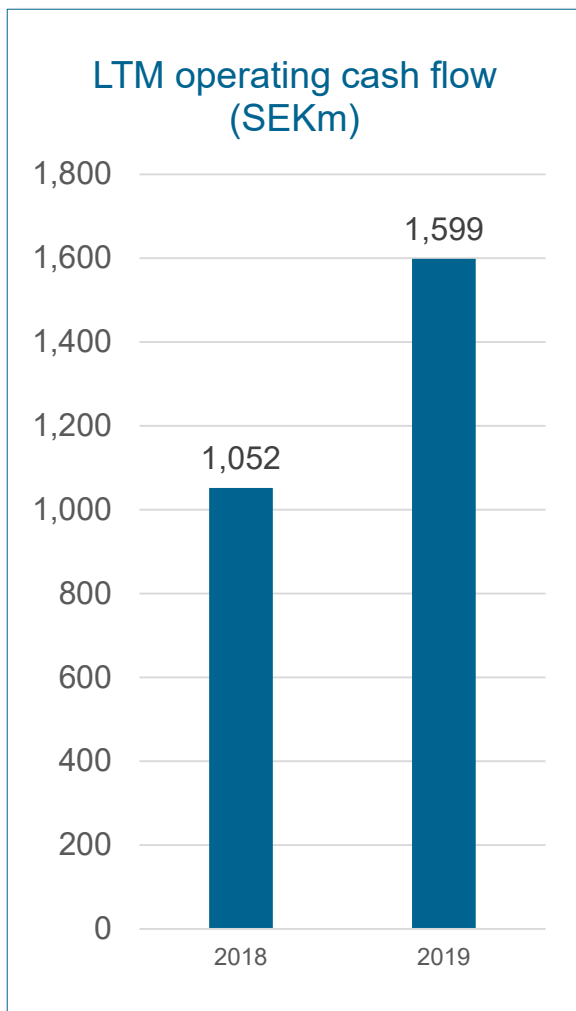
- Order intake -28%
- Order backlog +28% YoY

-6%
Q4 2019
Sales

-29%
Q4 2019
EBITA

Net debt and cash flow


Financial position (SEKm)	Q4 2019
Cash balances	972
Term loan, RCF, Commercial paper	-1,995
Financial leasing, IFRS 16	-1,040
Net debt	-2,063
LTM EBITDA	1,641
Net debt/LTM adjusted EBITDA	1.3x





Key highlights Q4 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 985m issued
- Net debt/LTM adjusted EBITDA excl. IFRS 16 was 0.8x (1.1x)
- Cash conversion 115% (105)

Financial targets

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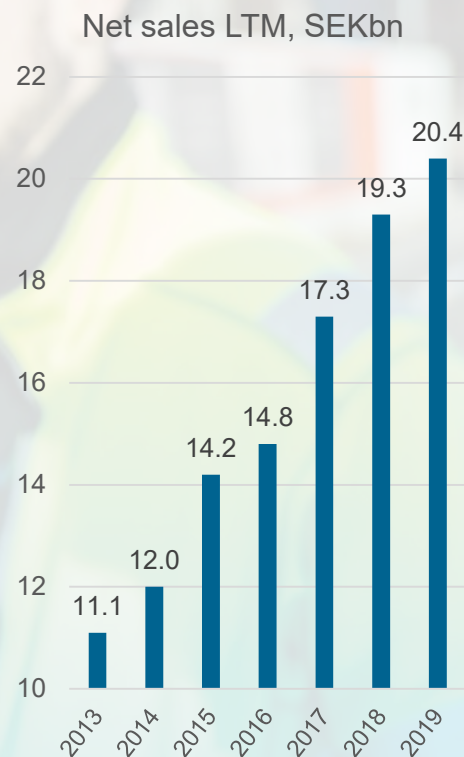
 Adj. EBITA	> 7% Group margin Higher organic margin in existing branches Including dilutive impact of bolt-on acquisitions
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 Cash conversion & dividend	<ul style="list-style-type: none">• Cash conversion above 100%• Target pay-out ratio of at least 50%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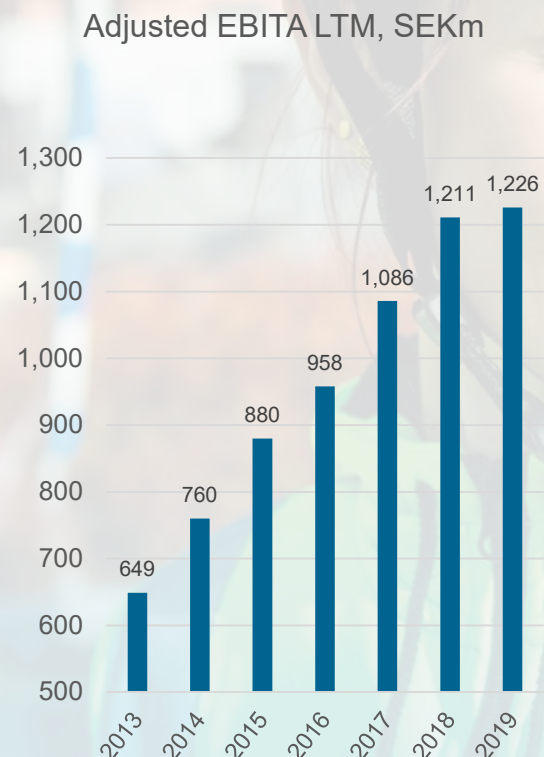
 Net debt	<ul style="list-style-type: none">• Target leverage ratio of ~2.5x Net debt/EBITDA
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Robust and resilient cash flow generator

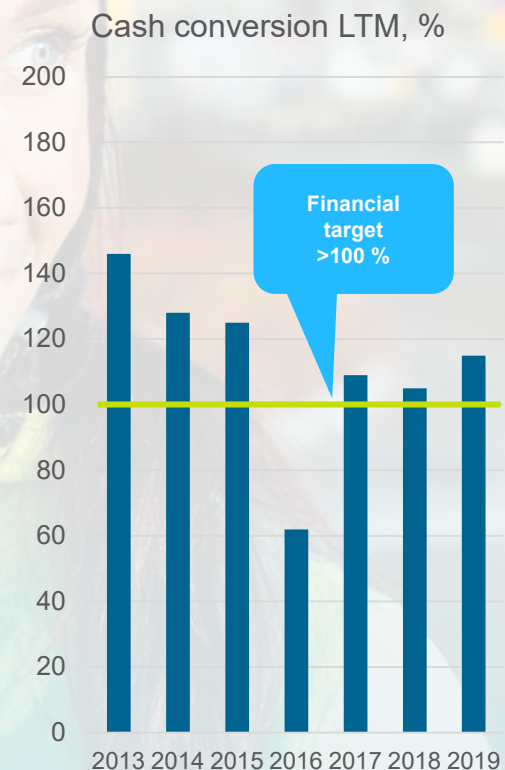
Net sales, growth



Stable profitability



Good cash conversion*



*LTM IAS 17 : (EBITDA +/- change in WC - capex)/ EBIT

Summary Q4 2019

- Sales increase 3%, growth from acquisitions 5%, organic growth -3%
- Installation order backlog at high level, SEK 14,485m, and continued good business momentum for service will support growth coming quarters
- EBITA margin 7.5%
- Restructuring cost in Sweden SEK 58m in Q4
- EBITA margin improved in Norway
- M&A execution on track with a healthy pipeline, 20 acquisitions completed in 2019 and SEK 1,120m added in sales
- Net debt/EBITDA 1.3x
- Strong operating cash flow, LTM SEK 1,599m
- Cash conversion LTM well above financial target at 115%
- Proposed dividend 2.25 SEK per share, 52% of net income and in line with financial target
- Stable to good market conditions continue

Capital Market Day

Time: March 4, 2020, 1pm to 5 pm

Venue: World Trade Center, Stockholm

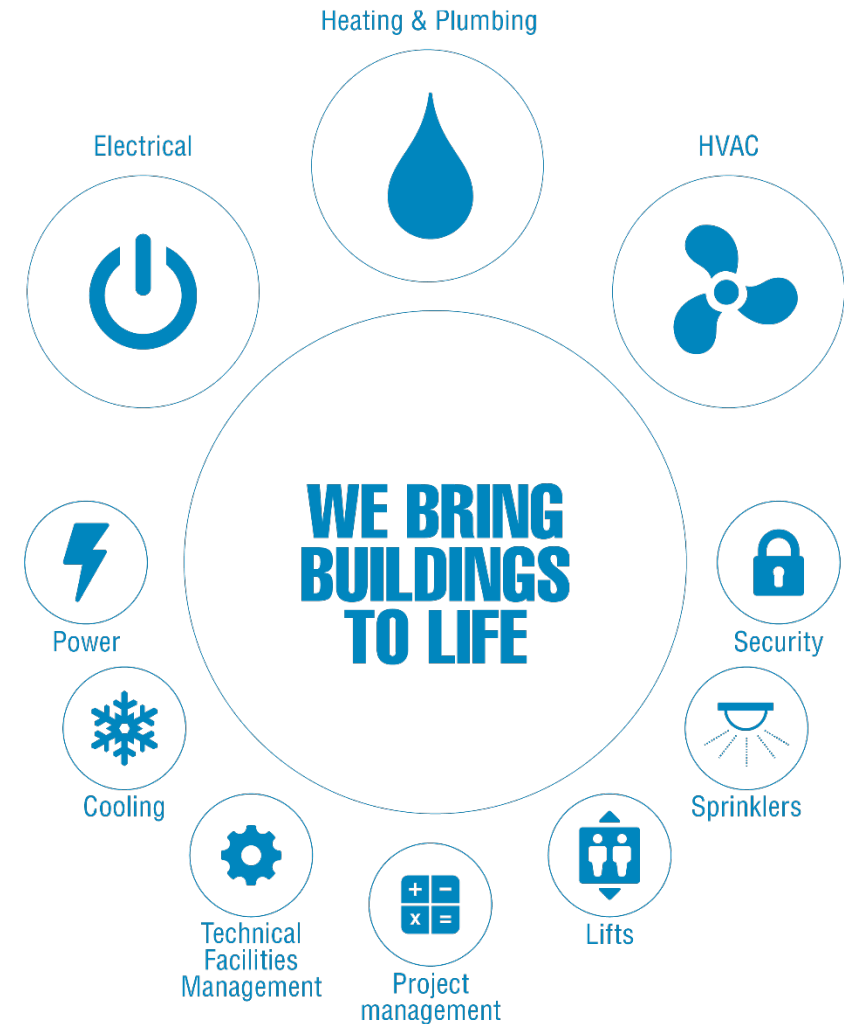
Q&A



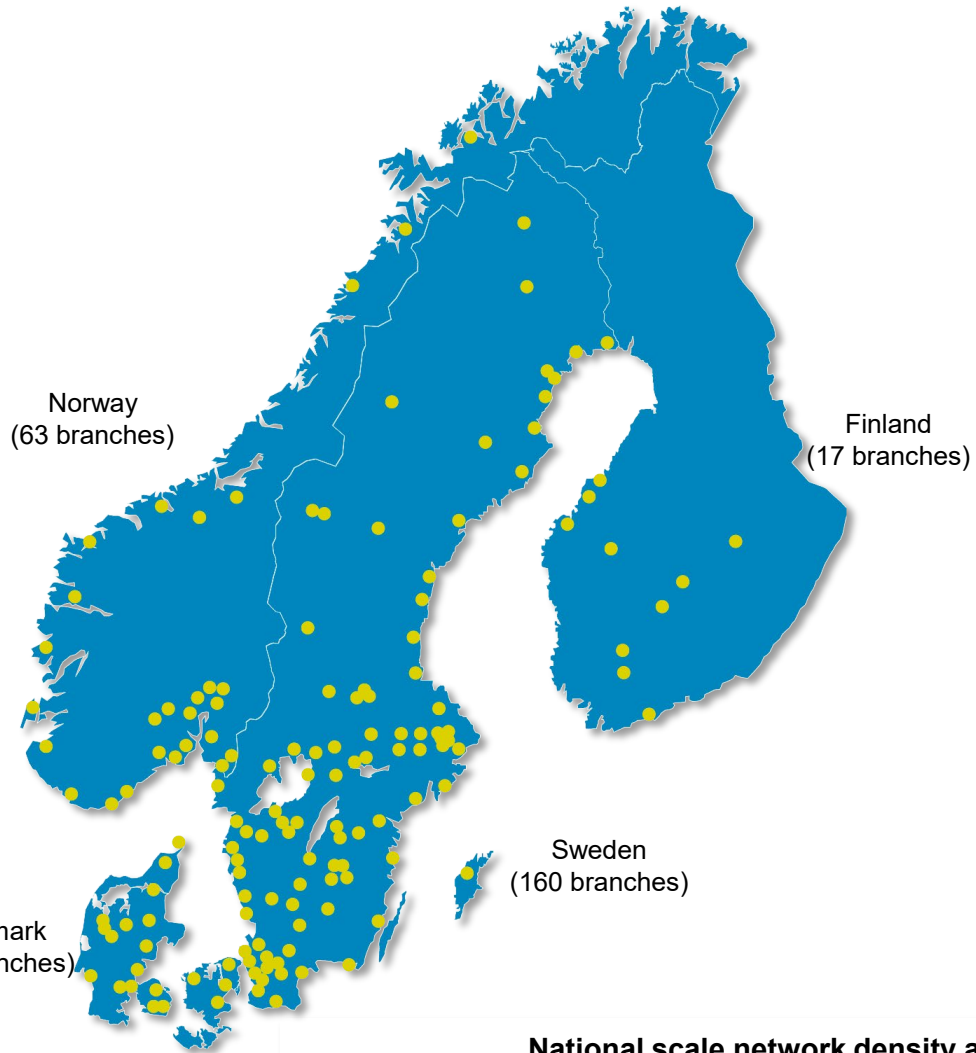
A broad-based business with end-to-end solutions

Possibilities for cross sales

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



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

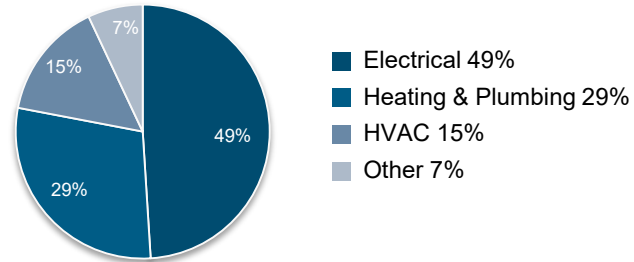
Ongoing training and certification

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

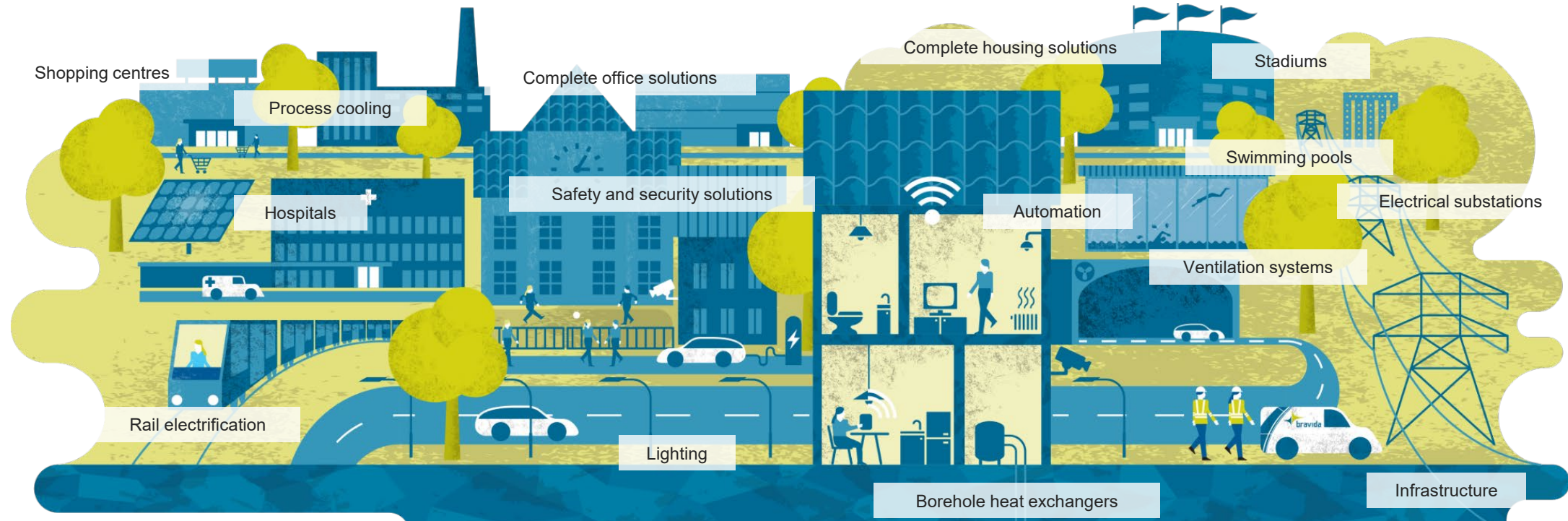
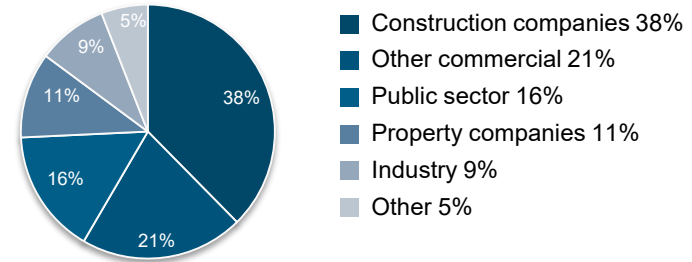
“We do what we have decided to do / We follow up on what we do / We continuously improve what we do”

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

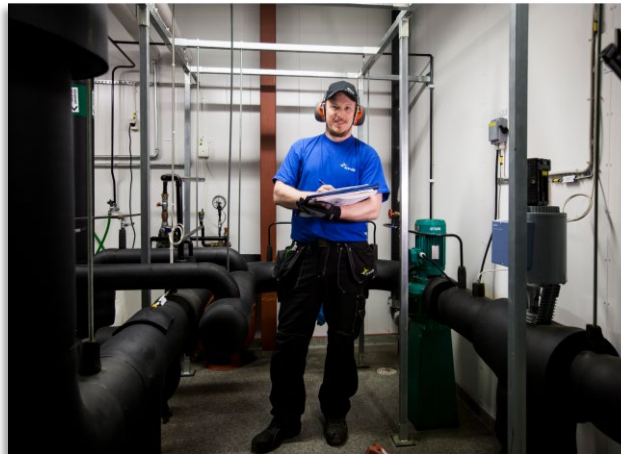
47% of net sales



Monitoring / supervision on-site operations and improvements

Renovation & redevelopment

14% of net sales



Renovation or larger maintenance projects

New-builds

39% of net sales



New build or major redevelopment