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Åsa Neving, CFO
6 November 2020

BRAVIDA Q3 2020

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 170 locations

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

> 93% recurring customers

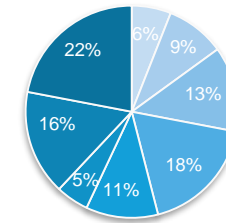
SEK 21.2bn
LTM net sales

SEK 1,297m
LTM EBITA

> 11,900
FTEs

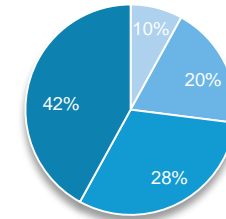
Sales split based on 2019 sales

Net sales by type of facility



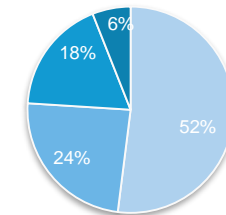
- Infrastructure 6%
- Education 9%
- Industry 13%
- Apartment Buildings 18%
- Healthcare 11%
- Retail 5%
- Office Buildings 16%
- Other 22%

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%

Key highlights in Q3 2020

Sales

- Net sales grew +2% to SEK 4,750m (4,638), organic growth +1%, M&A +4%, currency -3%
- Organic growth in Sweden and Finland
- Service sales growth was negative -4% and installation sales growth +8%

Order momentum

- Order backlog at lower level, SEK 14,274m, -2% YoY, organic growth 0%, M&A 1% and currency -3%
- Weak order intake, SEK 4,024m (5,055), -20% YoY, whereof currency impact -3%

EBITA

- EBITA increased by +3% to SEK 284m (276), margin unchanged at 6.0%
- 8 MSEK of temporary lay-off cost accounted for in Q3 (due to decision on dividend pay-out for 2019)
- EBITA-margin improved in Sweden and Finland mainly explained by earlier restructuring
- EBITA-margin lower in Denmark and Norway

Cash flow

- Cash flow from operating activities was SEK 10m (65) and cash conversion 167% (104)
- Working capital of SEK -1,424m (-633) or -6.7% (-3.1) of sales
- Net debt of SEK -1,230m, 0.7x EBITDA (LTM basis)

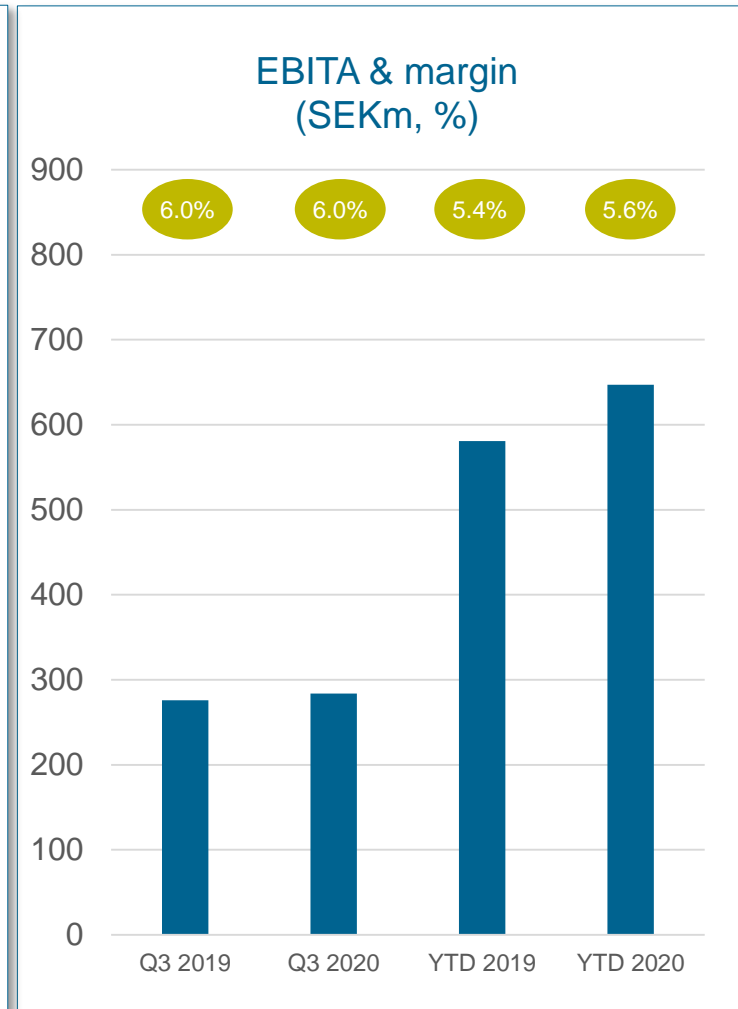
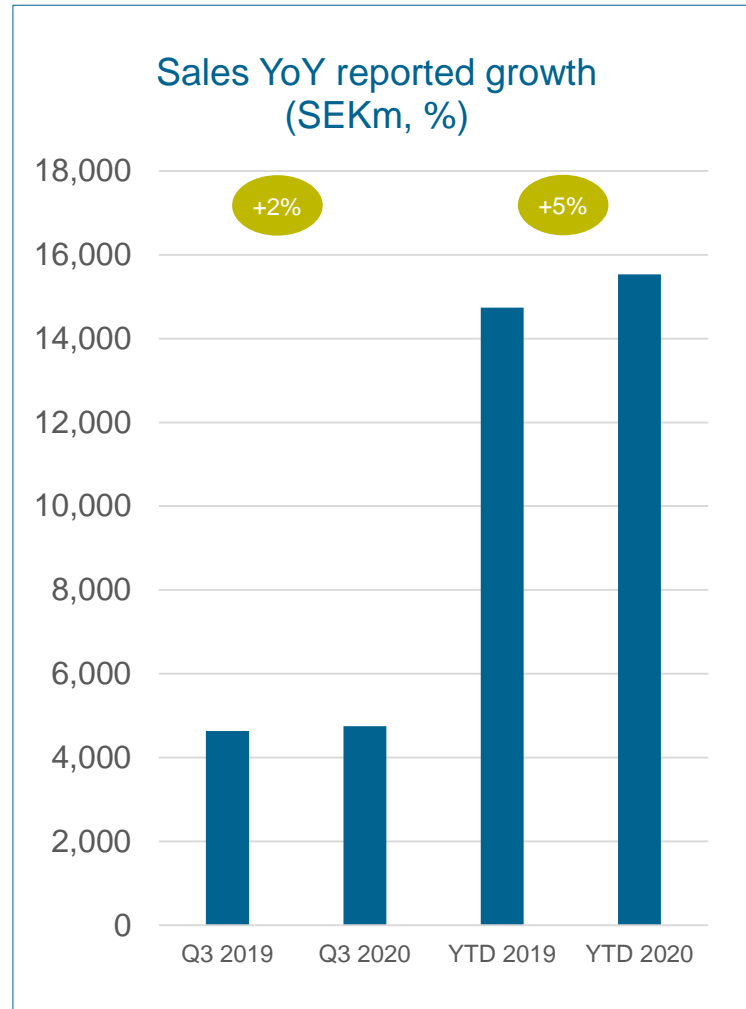
M&A

- 4 acquisitions completed in Q3 adding SEK 129m
- Still a good pipeline

Impact from covid-19

- Delayed project planning and investment decisions – lower demand in some geographic areas and price pressure
- Negative impact in the service business due to temporary lower demand and closed sites
- Just a few installation sites closed
- Again slightly increased sick leave rates
- Good order backlog visibility in installation business
- Low fixed costs – possibility to adjust cost
- Uncertain market conditions ahead
- Margin over volume – we will defend the margin even if the volumes decrease

Group sales & EBITA development



Key highlights in Q3

Sales growth and organic growth

- Sales growth +2%, of which +4% from M&A and organic growth +1%, currency impact -3%
- Sales increased in Sweden, Denmark and Finland

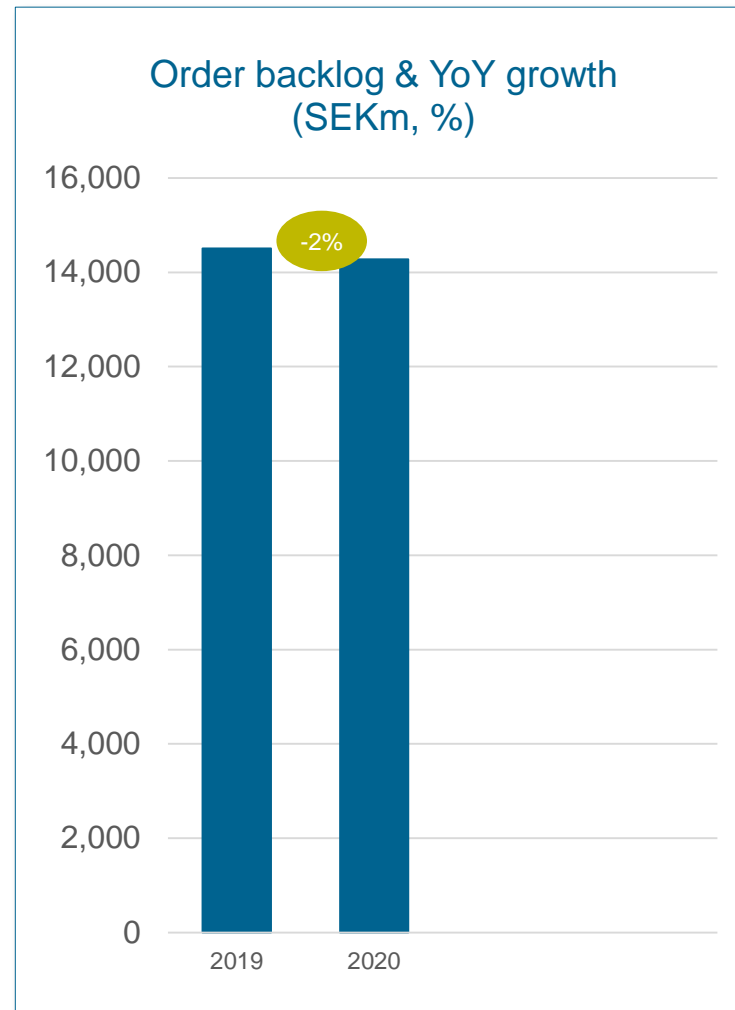
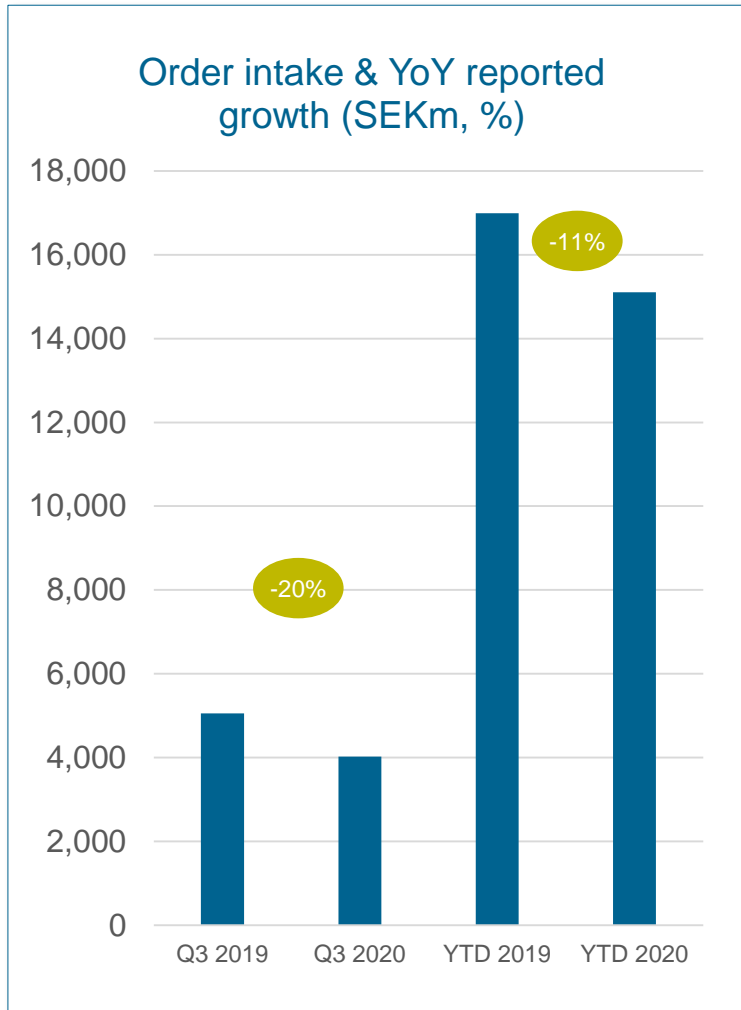
EBITA-margin unchanged

- EBITA +3% to SEK 284m and margin unchanged at 6.0%
- 8 MSEK of temporary lay-off cost accounted for in Q3 (due to decision on dividend pay-out for 2019)
- EBITA margin improvement in Sweden and Finland explained by earlier restructuring measures
- EBITA-margin lower in Denmark and Norway explained by write-downs in Denmark and lower net sales in the service business

+2%
Q3 2020 Sales

+3%
Q3 2020 EBITA

Order momentum



Key highlights in Q3

Order backlog at: SEK 14,274m

- Order backlog -2% lower YoY, currency impact -3%
- Order backlog - SEK 678m in Q3
- Higher order backlog in Sweden and Finland
- Order intake decreased by -20% explained by lower demand in service and price pressure in installation business
- Mainly small and medium-sized orders

-2%
order backlog growth

**SEK
14.3bn**
order backlog

* Backlog includes installation business only

Acquisitions 2020



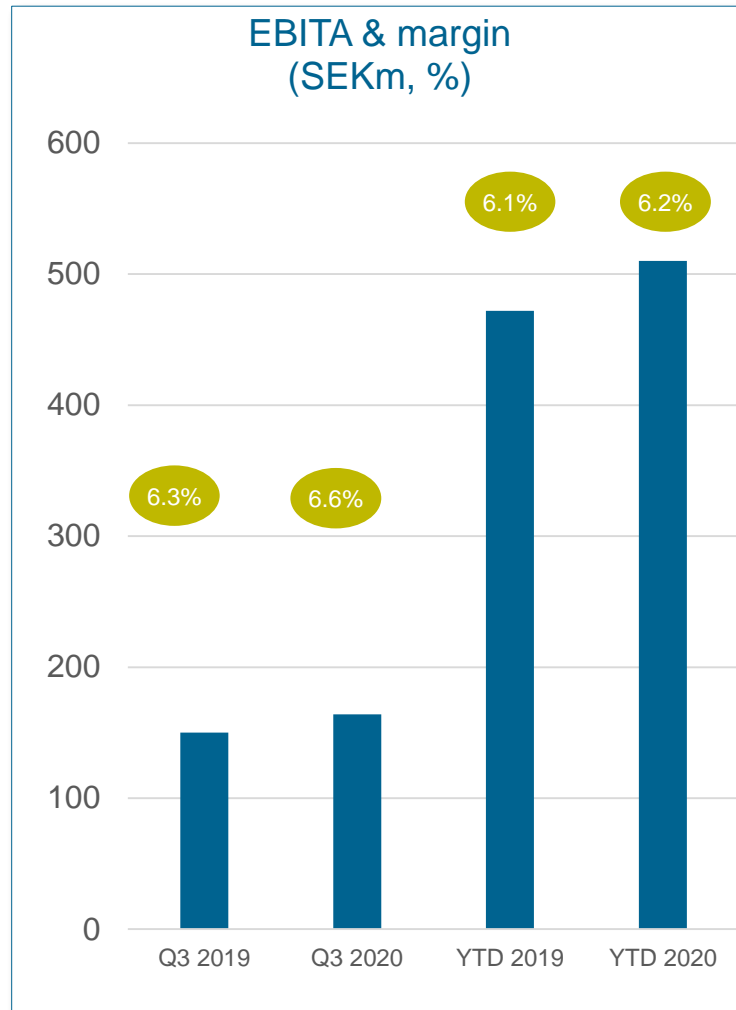
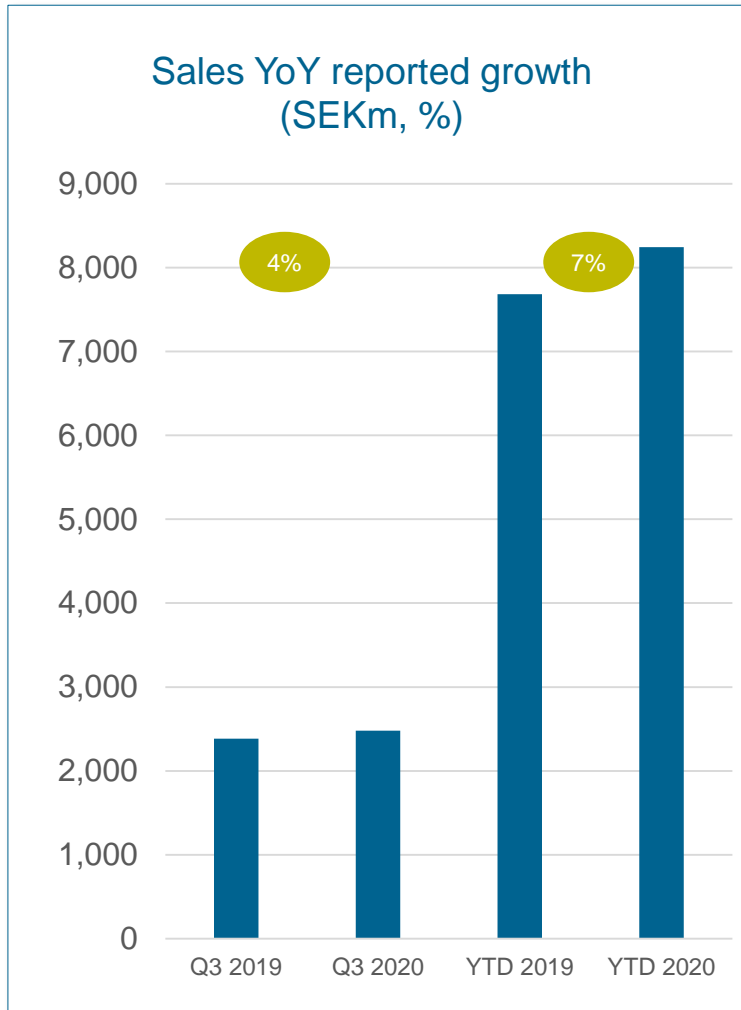
Key highlights 2020

- 4 acquisitions completed in Denmark adding approx. SEK 294m in annual sales
- 8 acquisitions completed in Sweden adding approx. SEK 359m annual sales
- 2 acquisitions completed in Norway adding approx. SEK 27m annual sales
- 1 acquisition completed in Finland adding approx. SEK 96m annual sales
- Continued strong pipeline
- Acquisitions still at attractive multiples

15
acquisitions 2020

SEK
~776m
acquired sales 2020

Sweden



Key highlights Q3 2020

Higher sales and improved EBITA margin

- Sales +4% explained by organic growth and acquisitions
- Organic growth +1%
- EBITA margin 6.6% (6.3)
- Improved performance in division Stockholm explained by the restructuring in Q4 2019

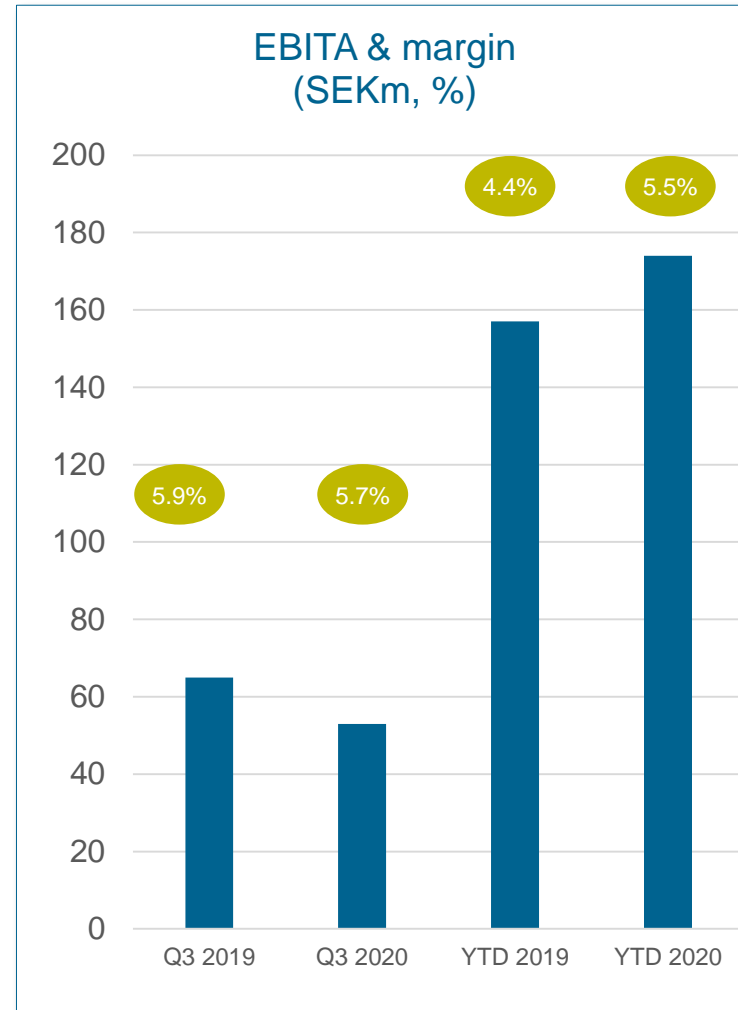
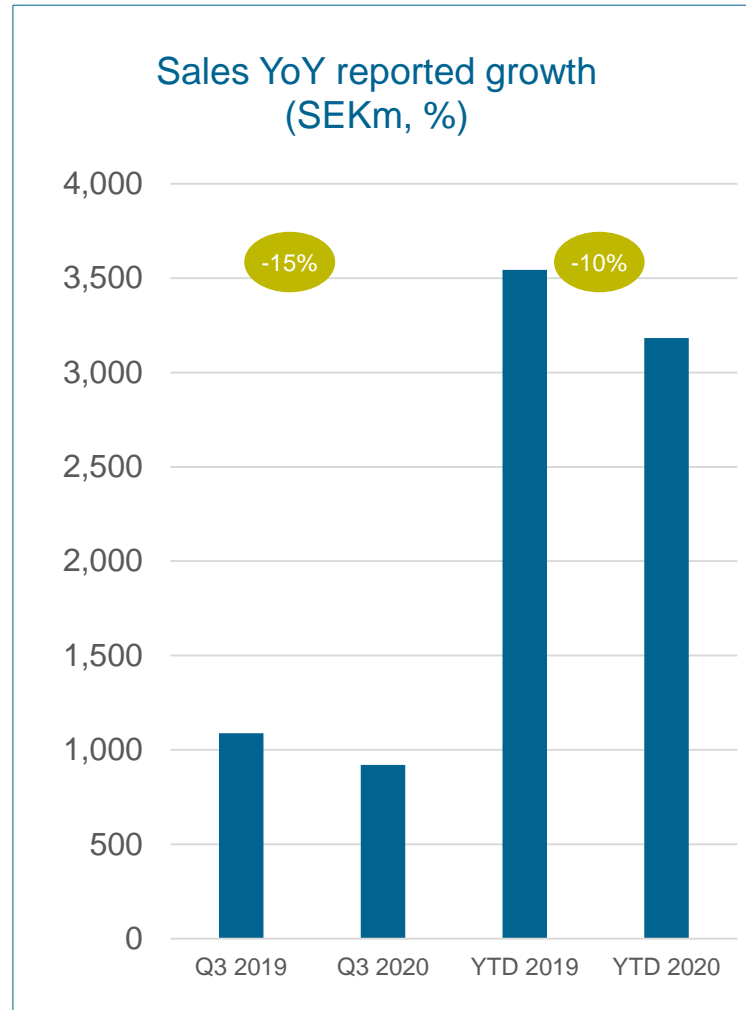
Weak order intake in Q3 explained by the ongoing pandemic

- Order intake -20%
- Order backlog +5% YoY
- Order backlog decreased by SEK 481m in Q3

+4%
Q3 2020
Sales

+9%
Q3 2020
EBITA

Norway



Key highlights Q3 2020

Sales and EBITA margin decreased

- Sales decreased by -15%
- Currency effect -10%
- Organic growth -6%
- Weak demand in Service
- EBITA margin decreased to 5.7% (5.9) explained by lower sales in Service

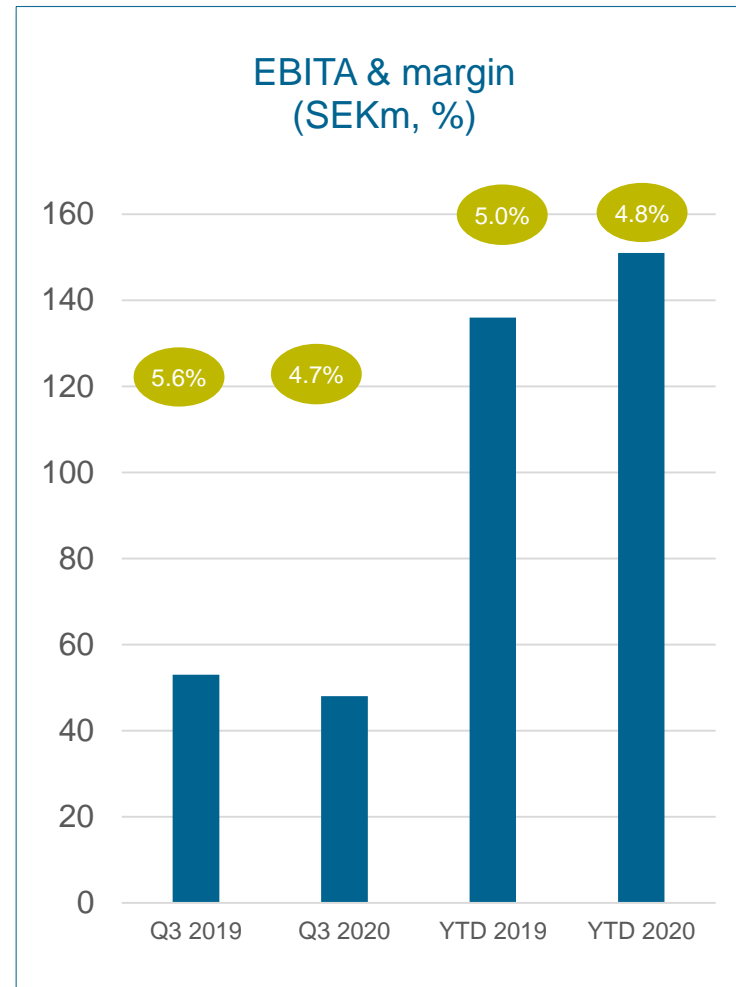
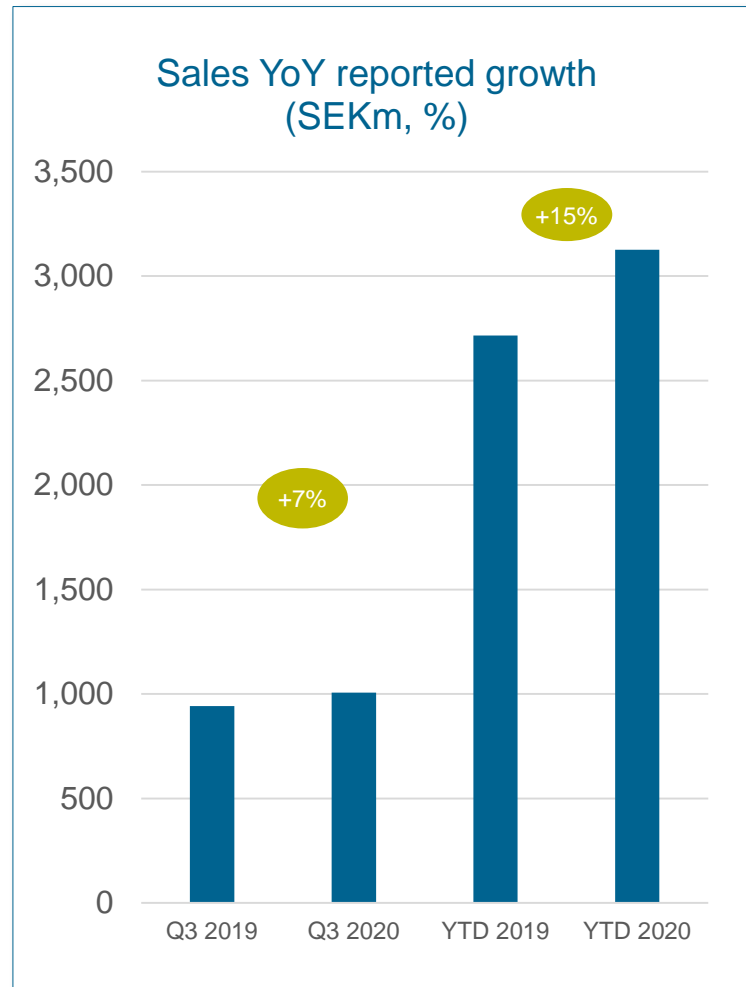
Order intake negatively affected by the ongoing pandemic

- Order intake -5% YoY but increased in NOK by +5%
- Order backlog -18% YoY, in NOK by -7%

-15%
Q3 2020
Sales

-18%
Q3 2020
EBITA

Denmark



Key highlights Q3 2020

Good sales growth but lower EBITA margin

- Sales growth +7%, explained by acquisitions but decreasing sales from Service
- Organic growth -2%
- EBITA-margin lower at 4.7(5.6)% explained by lower earnings in some projects and lower sales in Service

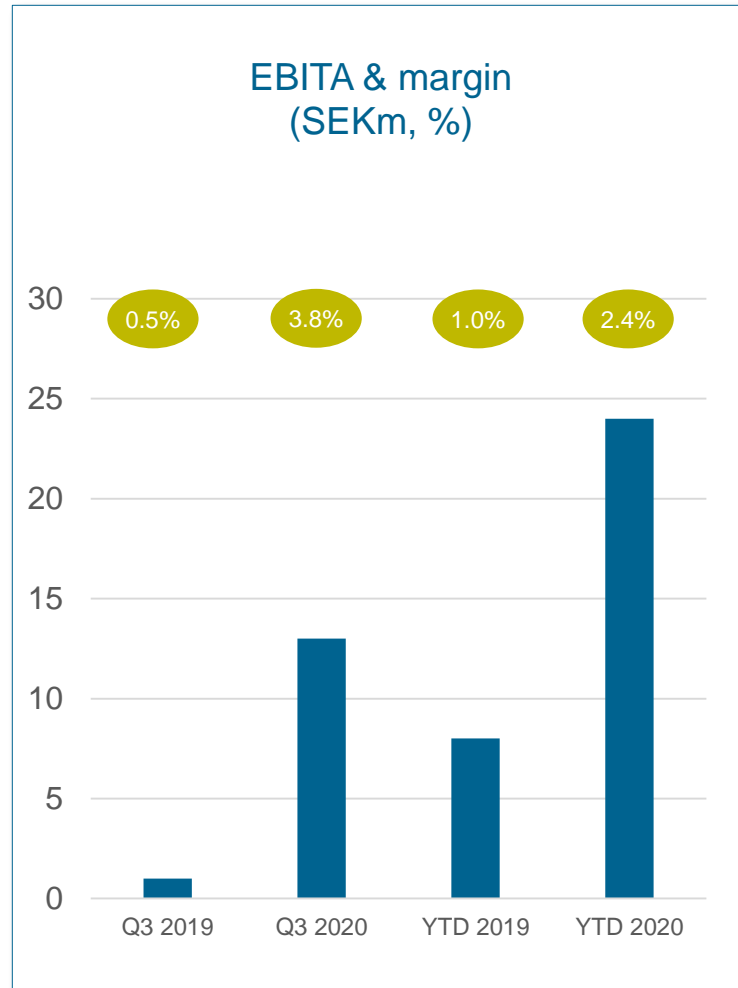
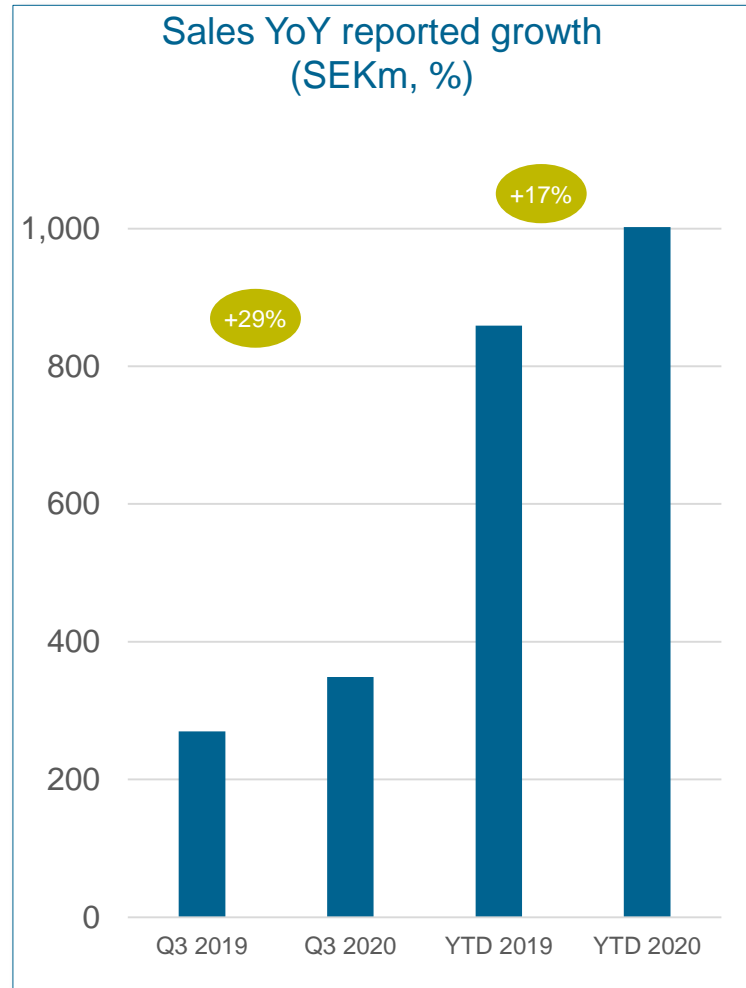
Order intake negatively affected by the ongoing pandemic

- Order intake -28% YoY, weak demand in the service business and a strong comparative figure
- Order backlog -7% YoY

+7%
Q3 2020
Sales

-10%
Q3 2020
EBITA

Finland



Key highlights Q3 2020

Sales increased and improved EBITA margin

- Sales increased by 29% mainly explained by organic growth
- Organic growth was 26%
- EBITA margin improved to 3.8%, explained by earlier restructuring measures

Weak order intake negatively affected by the ongoing pandemic

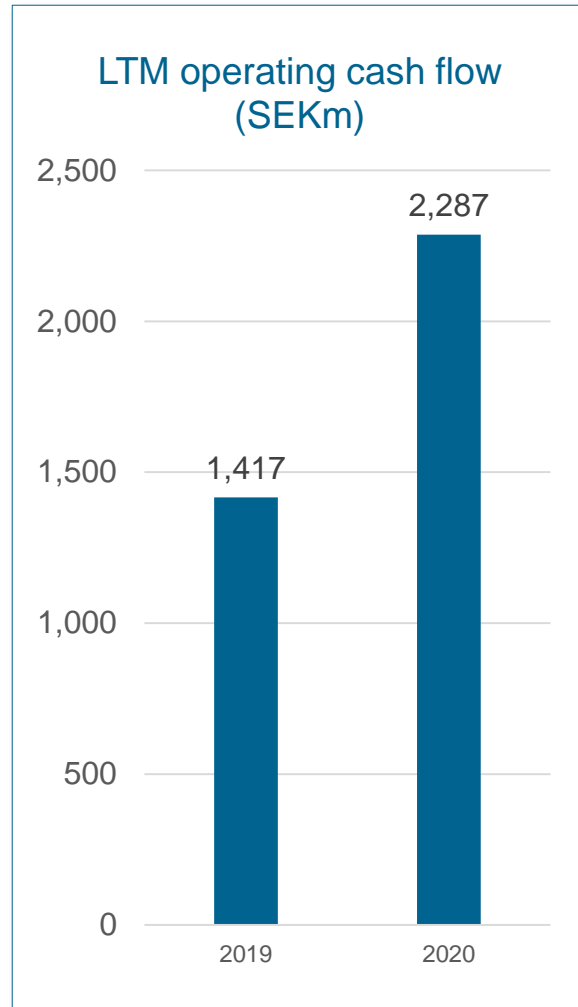
- Order intake -41%
- Order backlog +8% YoY
- The order backlog decreased by SEK 98m in Q3

+29%
Q3 2020
Sales

SEK+12m
Q3 2020
EBITA

Net debt and cash flow


Financial position (SEKm)	Q3 2020
Cash balances	1,129
Term loan, RCF, Commercial paper	-1,477
Leasing, IFRS 16	-882
Net debt	-1,230
LTM EBITDA	1,718
Net debt/LTM EBITDA	0.7x





Key highlights Q3 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 260m issued
 - 1-year term loan facility signed in April, SEK 500m
-
- Cash conversion 167% (104)

Financial targets

 Sales	> 5% sales growth Combination of organic growth and contribution from bolt-on acquisitions
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 EBITA	> 7% Group margin Higher organic margin in existing branches including dilutive impact of bolt-on acquisitions
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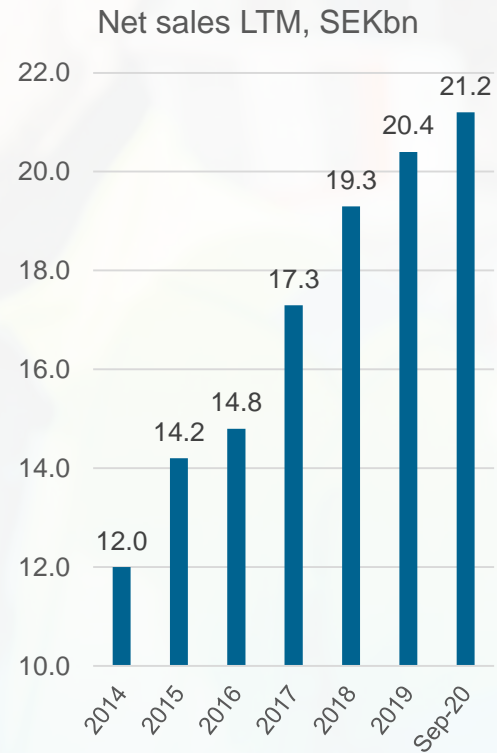
 Cash conversion & dividend	<ul style="list-style-type: none">• Cash conversion >100% (excl. IFRS 16 leases)• Target pay-out ratio >50% of net profit
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 Net debt	<ul style="list-style-type: none">• Target leverage ratio of <2.5x Net debt/EBITDA
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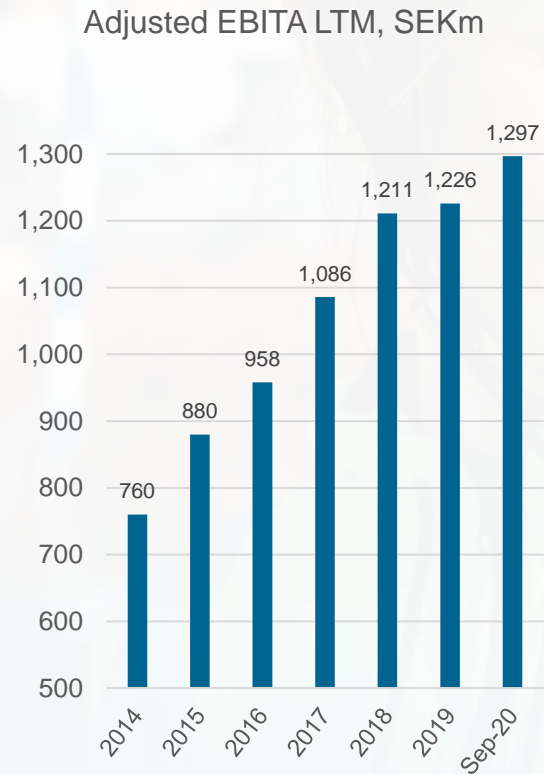
Robust and resilient cash flow generator

bravida

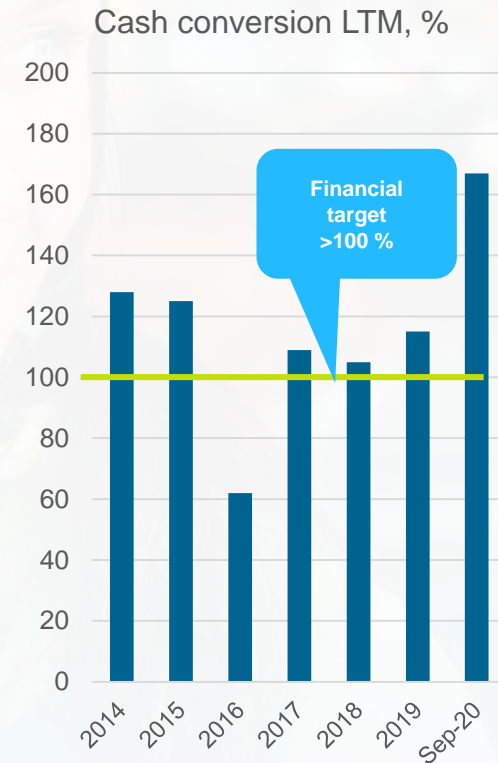
Net sales, growth



Stable profitability



Good cash conversion*



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



New business plan from 2021

- Service growth
- Digitalisation transformation
- Requires investment in systems and resources mainly in 2021

Summary Q3 2020

- Impact from covid-19 in Q3 affected order intake
- Uncertain market conditions ahead
- Sales increase +2%, growth from acquisitions +4% and organic growth +1% and currency -3%
- Service sales decreased by -4%
- Installation order backlog decreased, -2% YoY, from a high level
- EBITA margin unchanged at 6.0%, adjusted for provision of the furlough support in Sweden received in Q2, SEK 8m, 6.1%
- EBITA margin improved in Sweden and Finland
- M&A execution on track with a healthy pipeline, 4 acquisitions completed in Q3 and 15 in total 2020
- Net debt/EBITDA 0.7x, well below financial target < 2.5x
- Cash conversion LTM well above financial target at 167%

Q&A

