



Q1 2018

Mattias Johansson, CEO
Nils-Johan Andersson, CFO

3 May 2018

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

About Bravida

Business highlights

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

Represented in around 155 locations

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

> 90% recurring customers

Limited exposure to new built residential in Stockholm and Oslo ~ 1%

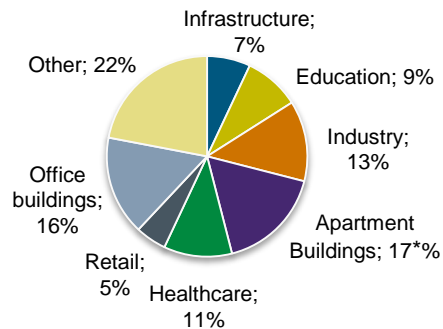
SEK 17.7bn
LTM net sales

SEK 1,101m
LTM adj.
EBITA

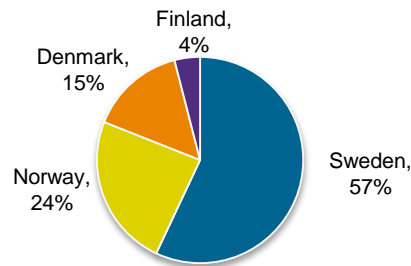
>10,000
FTEs

Sales split based on 2017 sales

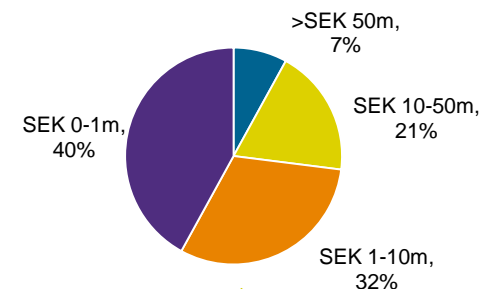
Revenue by end-market



Net sales by country



Net sales by order size



Key highlights Q1 2018

Sales

- ✦ Net sales grew 11% to SEK 4,557m (4,115), organic growth 1% and M&A 9%
- ✦ Growth in all countries
- ✦ Installation sales growth 11% and Service sales growth 11%,
- ✦ Negative impact from Easter

Order momentum

- ✦ Order backlog at record level, SEK 10,825m, +20%
- ✦ Continued good momentum with order intake +9% to SEK 4,875m
- ✦ Good order intake in Denmark, Finland and Norway

EBITA

- ✦ EBITA up to SEK 226m (211) and margin 5.0 (5.1)%
- ✦ EBITA margin diluted by Oras, -0.1%, underlying EBITA margin unchanged at 5.1%
- ✦ Improved margin in Sweden as well as underlying margin in Norway

Cash flow

- ✦ Cash flow from operating activities SEK 58m (381) and cash conversion 75%, payment from customer delayed due to Easter, adjusted cash conversion 99%
- ✦ Working capital of SEK -837m or -4.7 (-6.9)% of sales
- ✦ Net debt of SEK 1,841m (2,058), 1.6x (2.0) adjusted EBITDA (LTM basis)

M&A

- ✦ 3 acquisitions completed in Q1 adding SEK 232m
- ✦ 2 acquisitions in April adding SEK 50m
- ✦ Oras integration according to plan

Market trends

Sweden

Good market: construction activity good

- ✦ Industry confidence indicator at high level
- ✦ Main growth drivers are public investments in buildings and infrastructure, as well as residential buildings
- ✦ Declining production of residential construction will be replaced by projects from other types of facilities

Norway

Good market: public investments and energy efficiency project

- ✦ Overall building construction and installation activity is good
- ✦ Market drivers are public investments
- ✦ Decreasing activity for residential construction

Denmark

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
- ✦ Construction confidence indicator still somewhat below average

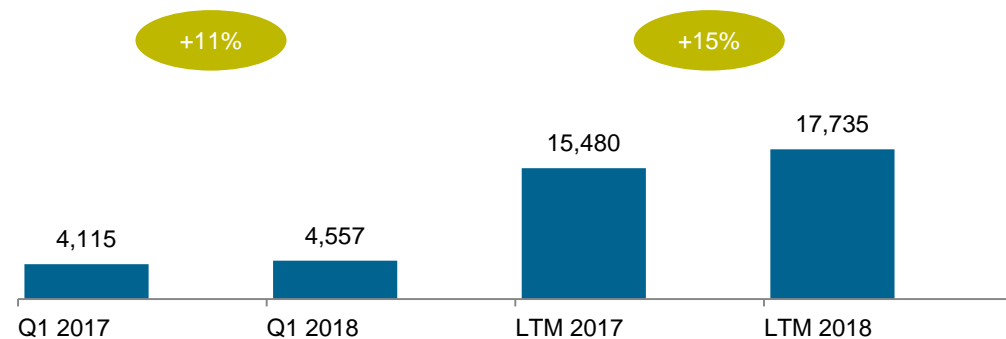
Finland

Stable market: construction market improving

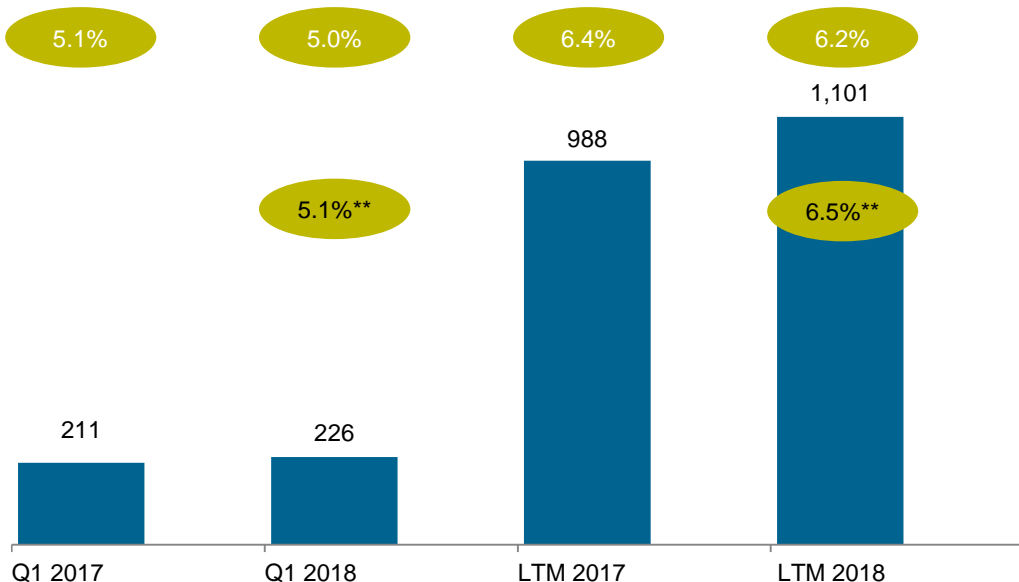
- ✦ Sales increase for construction companies
- ✦ Stable service and installation market
- ✦ Stable industry confidence indicator

Group sales & adjusted EBITA development

Sales & YoY reported growth (SEKm, %)



Adjusted EBITA & margin (SEKm, %)*



*No specific costs in Q1 2018 and Q1 2017

** Adjusted for Oras acquisition in Q2 2017

Source: Company information

Key highlights Q1

Strong sales growth

- ✦ Sales growth 11%, of which 1% organic and 9% from M&A
- ✦ Sales growth in all countries

EBITA margin excluding Oras unchanged at 5.1%

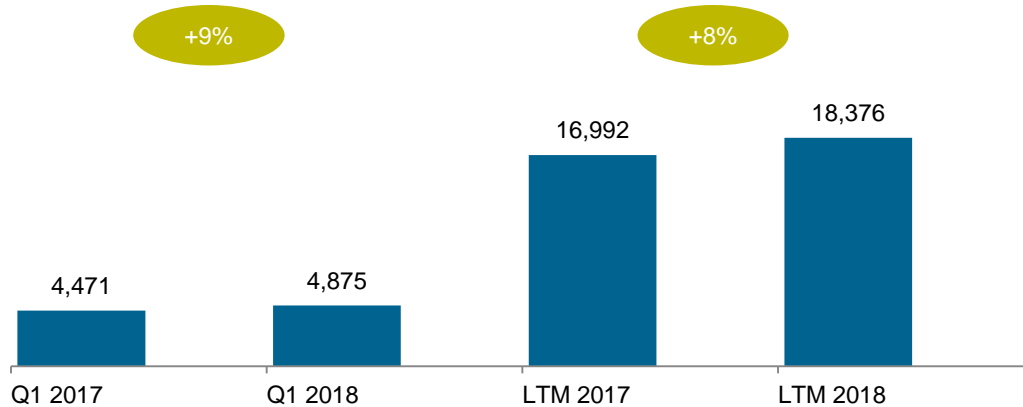
- ✦ Oras profitable in Q1, diluted margin by -0.1%
- ✦ Improvement in Sweden and Norway adjusted for Oras
- ✦ Reported EBITA +7% in Q1 to SEK 226m (SEK 211m)
- ✦ EPS +12% in Q1

+11%
Q1 2018
sales

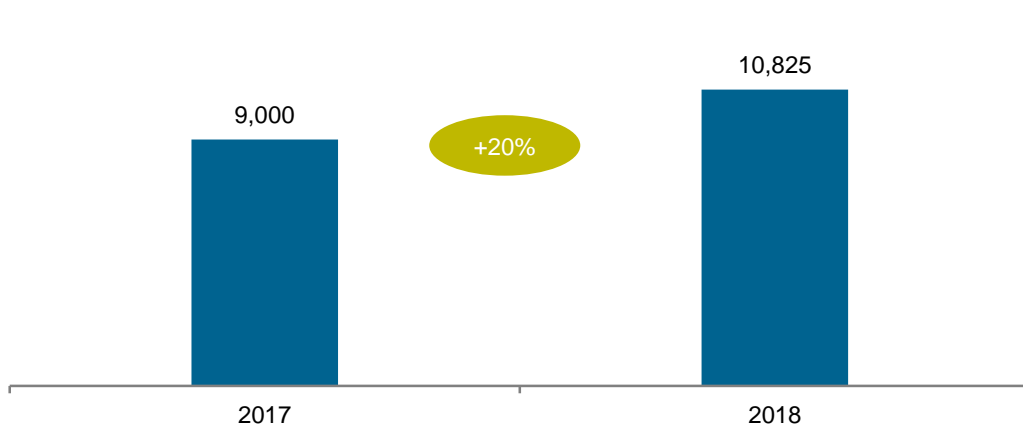
+7%
Q1 2018
EBITA

Order momentum

Order intake & YoY reported growth (SEKm, %)



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



Selected contract wins

**Order backlog at record level:
SEK 10,825m**

- ✦ Order backlog +20% higher YoY
- ✦ Mainly many small and mid-sized projects in Q1
- ✦ One large hospital order in Aalborg, Denmark, SEK 140m

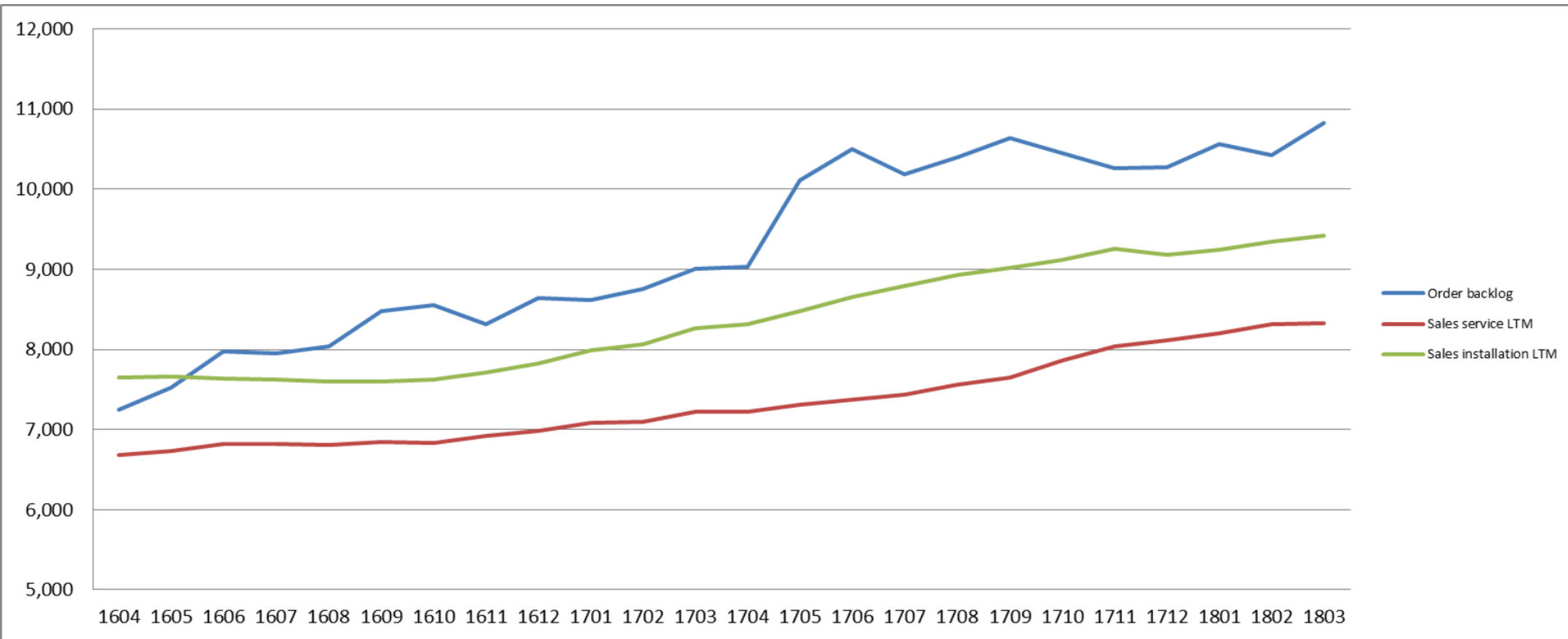
+9%
intake growth

**SEK
10.8bn**
order backlog

* Backlog includes installation business only
Source: Company information

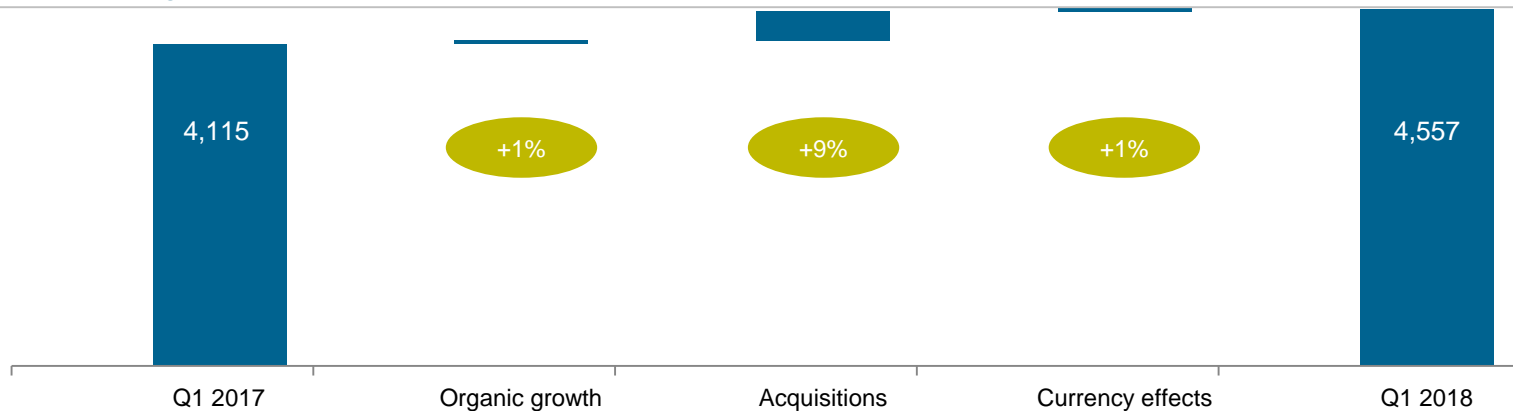
Order backlog still above net sales installation LTM

SEKm

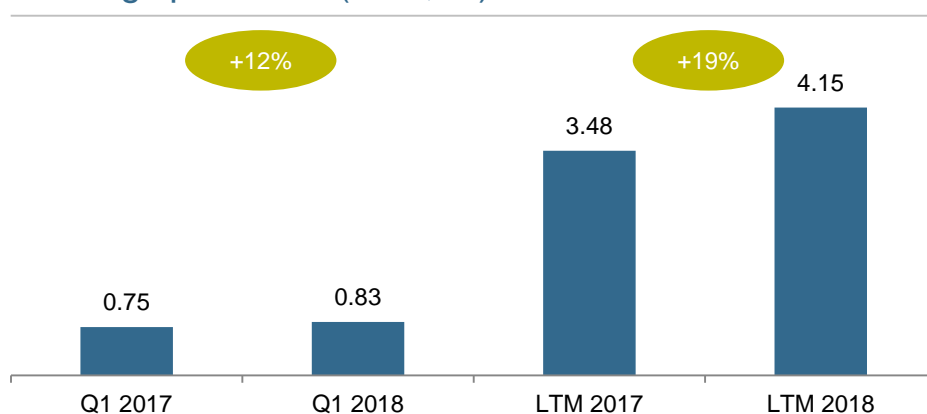


Financial performance Q1 2018

Sales bridge (SEKm, %)



Earnings per share (SEK, %)

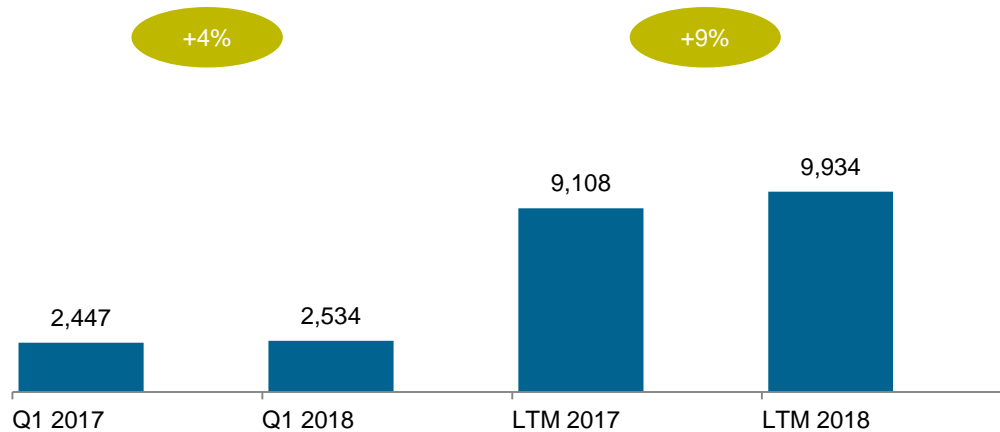


Key highlights in Q1

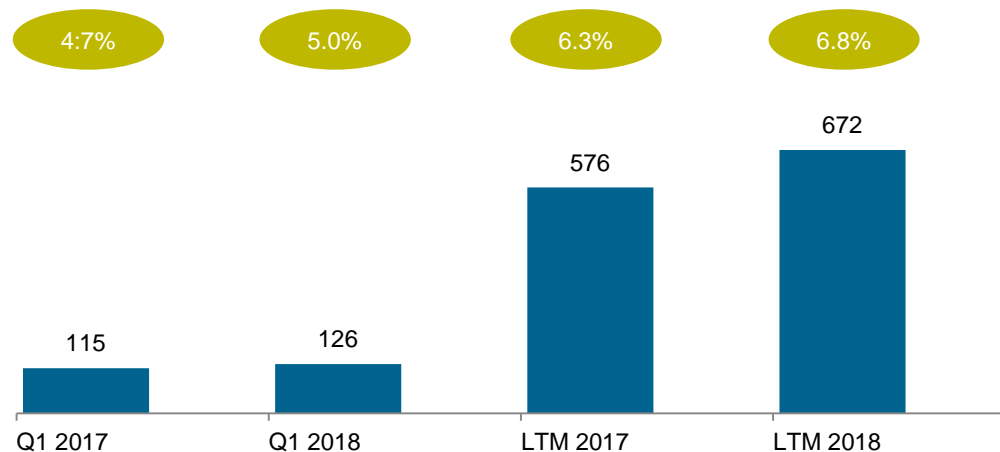
- ✦ Organic growth 1%
- ✦ Service growth 11%
- ✦ EBITA margin adjusted for Oras unchanged at 5.1%, dilution from Oras -0.1%
- ✦ Finance net improved to -9m (-14)
- ✦ Earnings per share increased by 12%

Sweden

Sales & YoY reported growth (SEKm, %)



EBITA & margin (SEKm, %)



Source: Company information

Key highlights

Improved net sales and margin

- ✦ Sales 4% YoY in Q1
- ✦ Good growth in service
- ✦ EBITA margin 5.0%, improved through increased service sales and good cost control

Good market conditions reflected in a stable order backlog

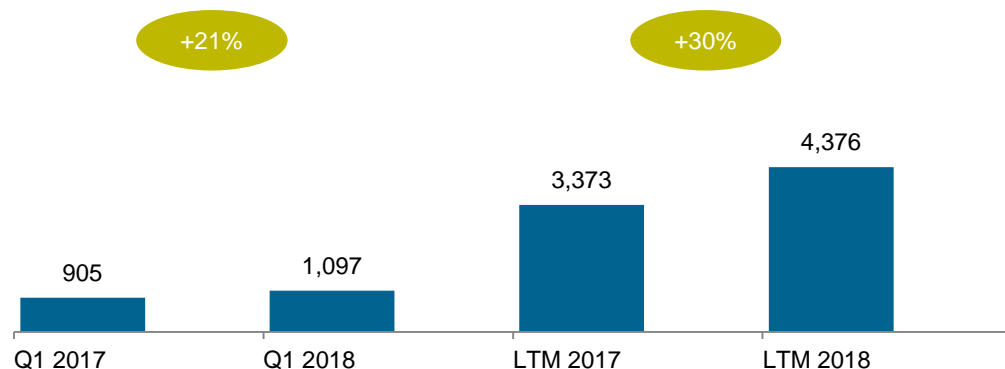
- ✦ Order intake -1% YoY, no large orders in Q1 2018
- ✦ Order backlog +6% YoY

+4%
Q1 2018
sales

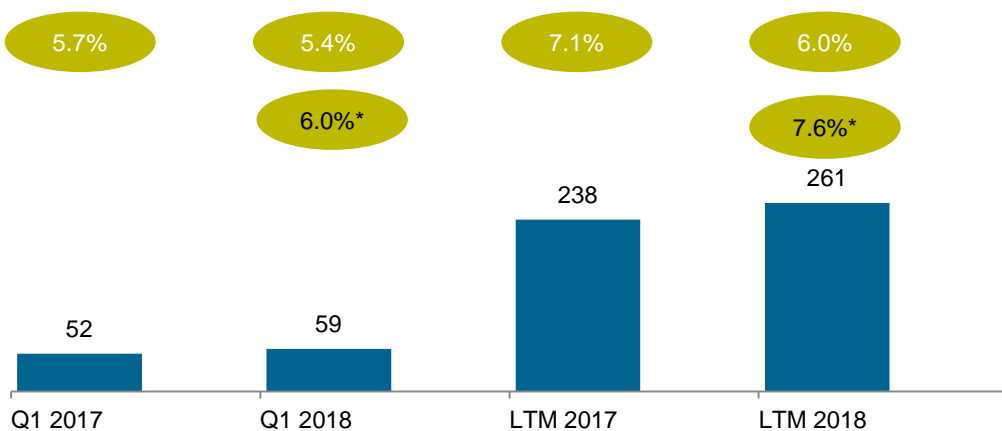
+9%
Q1 2018
EBITA

Norway

Sales & YoY reported growth (SEKm, %)



EBITA & margin (SEKm, %)



Key highlights

Sales growth, improved underlying EBITA margin and strong order backlog

- ✦ Sales growth +21%
- ✦ Underlying EBITA margin improved to 6.0% (5.7)
- ✦ Order backlog +49% YoY to SEK 3,044m explained by Oras (SEK 774m) and organic growth. No large order in Q1
- ✦ Order intake +5%

Oras acquisition

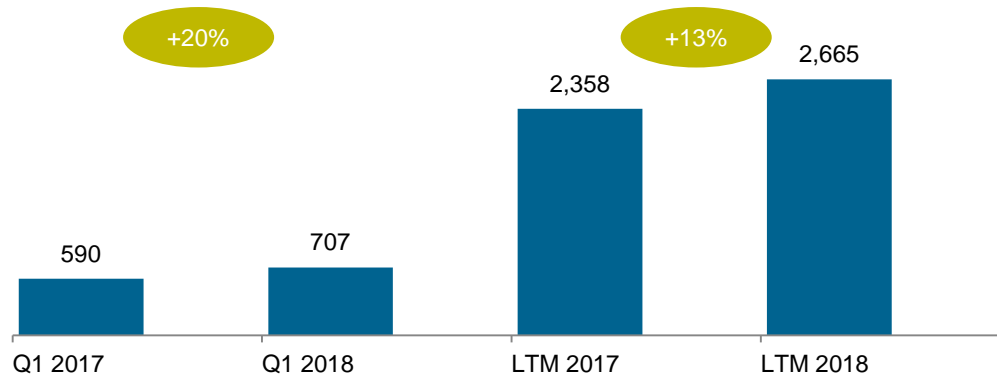
- ✦ Integration according to plan, costs taken in operating result
- ✦ Profitable in Q1
- ✦ Cost and purchasing synergies
- ✦ EBITA margin diluted by 0.6% in Q1, adjusted EBITA margin 6.0%

+21%
Q1 2018
sales

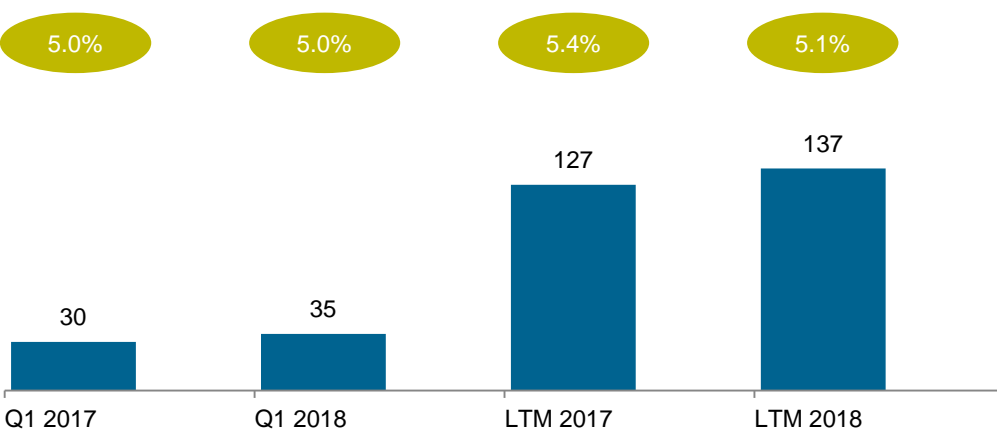
+14%
Q1 2018
EBITA

Denmark

Sales & YoY reported growth (SEKm, %)



EBITA & margin (SEKm, %)



Key highlights

Good sales growth and stable margin

- ✦ Sales growth related to installation business
- ✦ Stable margin, 5.0%

Increasing order backlog

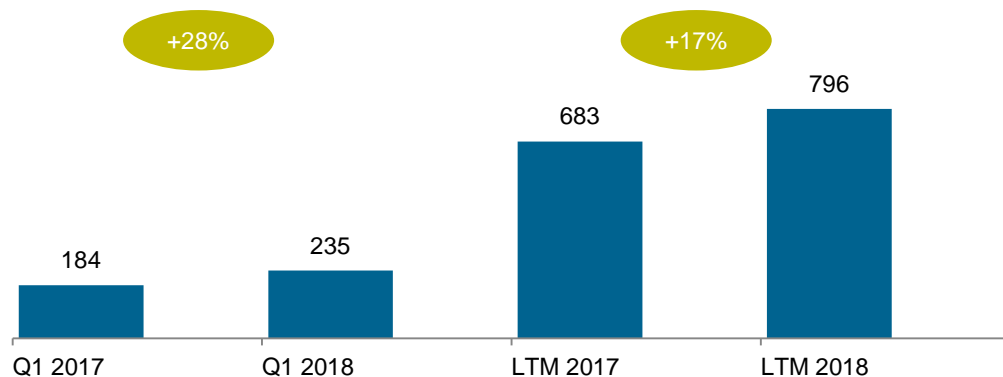
- ✦ Order intake +70% YoY
- ✦ Order backlog +18% YoY
- ✦ Large hospital order in Aalborg, SEK 140m
- ✦ Many mid-sized orders
- ✦ Good activity in Denmark and Bravidas market position is good

+20%
Q1 2018
sales

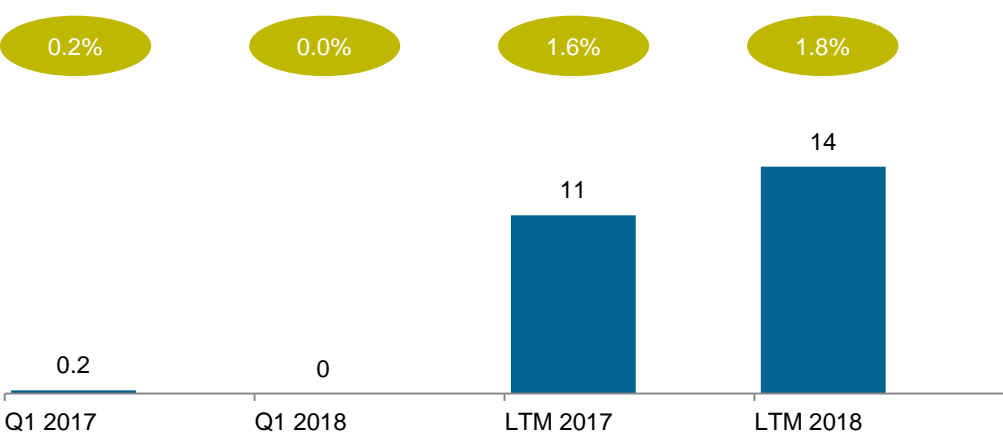
+19%
Q1 2018
EBITA

Finland

Sales & YoY reported growth (SEKm, %)



EBITA & margin (SEKm, %)



Key highlights

Good sales growth and stable margin

- ✦ Sales growth 28%
- ✦ Low but stable margin 0,0%

Increasing order backlog

- ✦ Order intake +77% YoY
- ✦ Order backlog +10% YoY

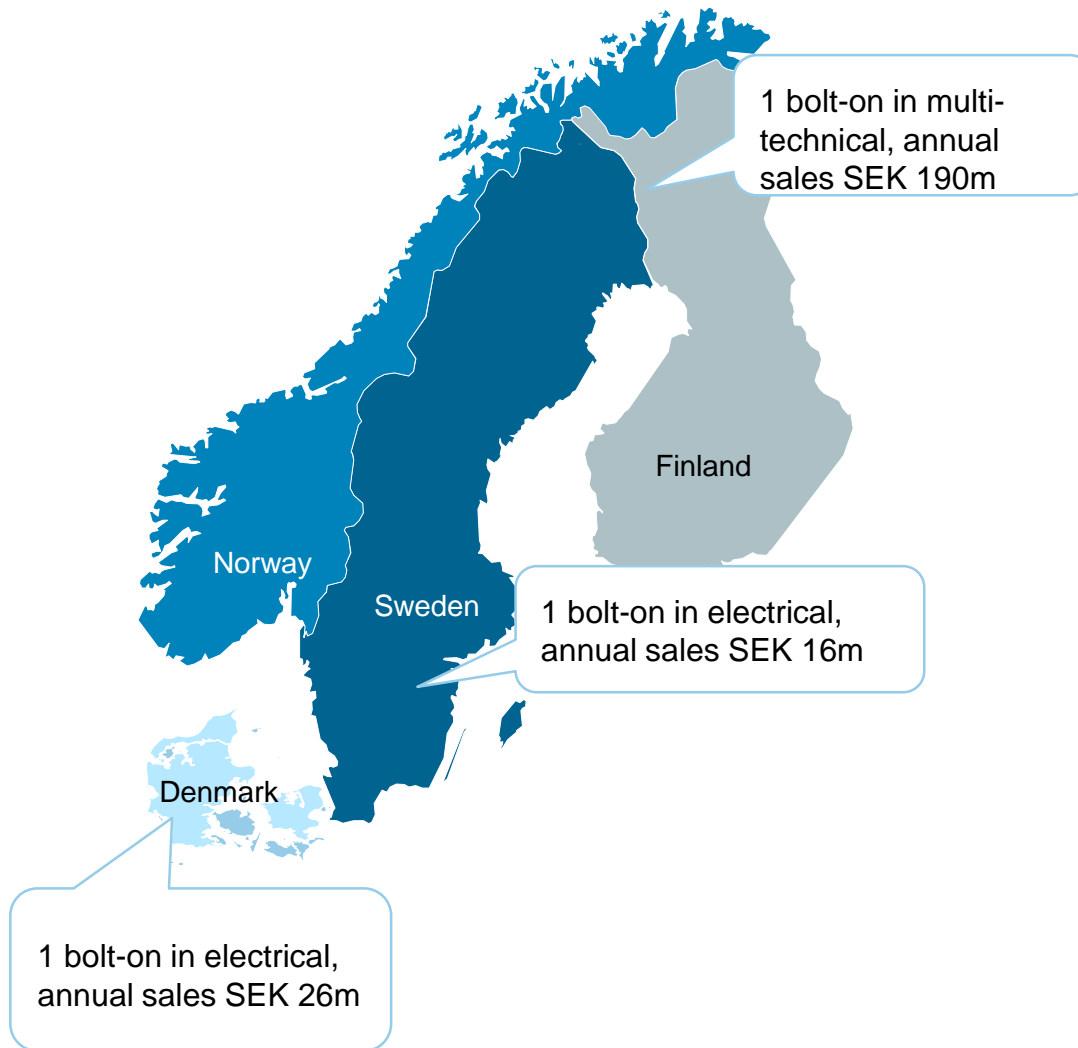
Other

- ✦ Acquisition of Adison Oy adding SEK 190m in annual sales
- ✦ Marko Holopainen joined Bravida at the end of March as new Head of Division Finland

+28%
Q1 2018
sales

0%
Q1 2018
EBITA

Acquisitions in 2018



Key highlights in Q1

- ✦ 1 acquisition completed in Finland adding approx. SEK 190m in annual sales
- ✦ 1 acquisition completed in Sweden, adding approx. SEK 16m annual sales
- ✦ 1 acquisition completed in Denmark, adding approx. SEK 26m annual sales
- ✦ 2 acquisitions in April adding SEK 50m
- ✦ Continued strong pipeline
- ✦ Acquisitions still at attractive multiples

3
acquisitions
2018

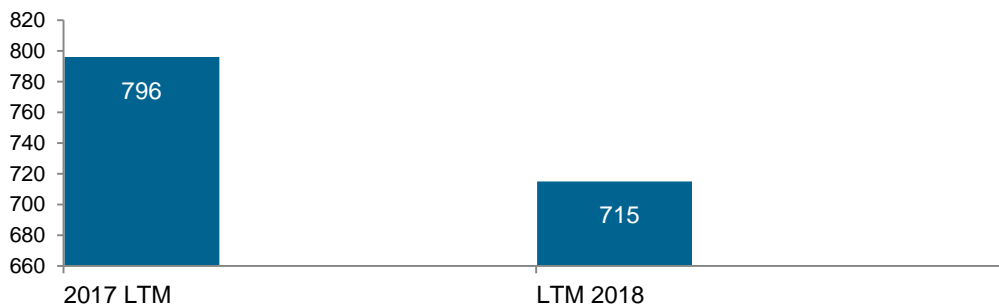
SEK ~232m
acquired sales
2018

Net debt and cash flow

Financial position

SEKm	Q1 2018
Cash balances	660
Term loan, RCF, Commercial paper	-2,500
Overdraft facilities and other	-
Net debt	-1,841
LTM adjusted EBITDA	1,131
Net debt/LTM adjusted EBITDA	1.6x

Operating cash flow (SEKm)



Source: Company information

Key highlights

- ✦ SEK 3.7bn financing package
 - Term loan SEK 1,700m
 - RCF SEK 2,000m
- ✦ STIBOR +1.25% margin
- ✦ Maturity 2020-10-16
- ✦ Commercial paper programme SEK 2,000m whereof SEK1,000m issued

- ✦ Cash conversion 75% (98), delayed payment of invoices due to Easter, adjusted for delayed payments was the cash conversion 99%

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 1.7bn term loan (Stibor +125 bps subject to ratchet)
 - SEK 2.0bn multi-currency overdraft facility
 - SEK 2.0bn Commercial paper programme

A solid start to the year

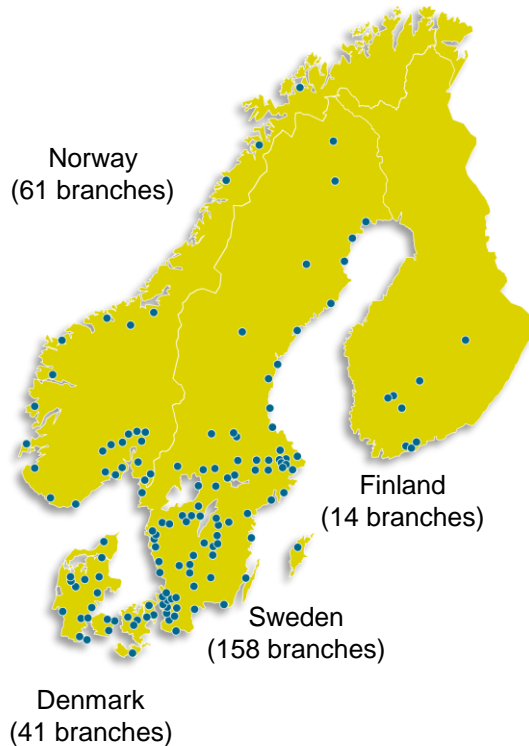
Summary Q1

- ✦ Sales increase 11%, organic growth 1% and acquisitions 9%
- ✦ Installation order backlog at record high level +20% and continued good business momentum for service will support organic growth coming quarters
- ✦ Underlying EBITA margin unchanged at 5.1%
- ✦ M&A execution on track with a healthy pipeline, SEK 232m added in sales in Q1 2018
- ✦ Net debt/adj EBITDA 1.6x
- ✦ Cash conversion affected by delayed payments from customers due to Easter, adjusted for this was the cash conversion unchanged at 99%
- ✦ Stable to good market conditions continue

Q&A



Leadership in a fragmented Nordic market



	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

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

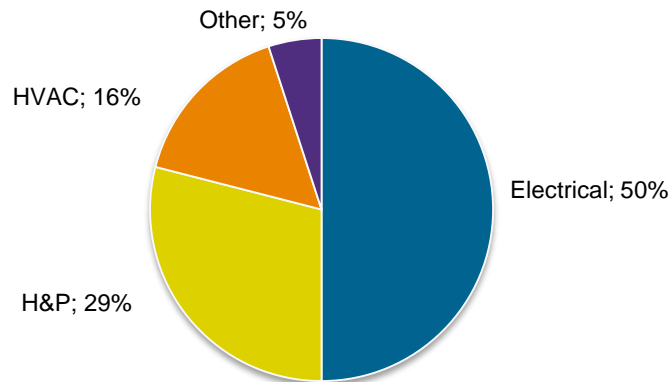
- ✦ Proprietary training and certification programme
- ✦ Best practice sharing
- ✦ Continuous focus on cost and cash

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

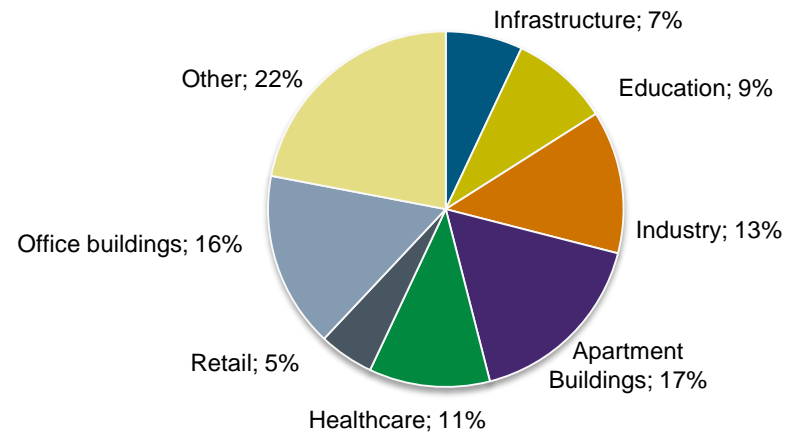
Bravida at a glance

“Bringing buildings and infrastructure to life”

Revenue by technical vertical



Revenue by end-market



Complete housing solutions

Complete office solutions

Shopping centres

Hospitals

Safety and security solutions

Automation

Process cooling

Electrical substations

Rail electrification

Swimming pools

Ventilation systems

Borehole heat exchangers

Stadiums

Infrastructure

Lighting

Note: Split based on 2017 sales
Source: Company information

Bravida at a glance (cont'd)

Service

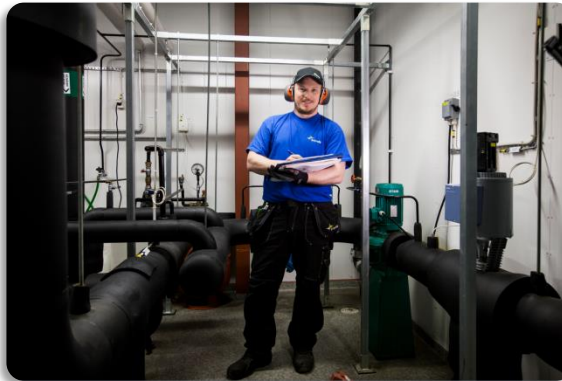
47% of sales



Monitoring / supervision on-site operations and improvements

Renovation & redevelopment

15% of sales



Renovation or larger maintenance projects

New build

38% of sales



New build or major redevelopment

Note: Split based on 2017 sales
Source: Company information