



Year-End Report 2015

Mattias Johansson CEO
Nils-Johan Andersson CFO

February 19 2016

BRINGING BUILDINGS TO LIFE

Today's presenters

Mattias Johansson, CEO and Group President



- ✦ CEO since 1 January 2015 with Bravida in 1998
- ✦ 18 years of industry experience

Nils-Johan Andersson, CFO



- ✦ Joined Bravida as CFO in October 2014
- ✦ 15 years of industry experience

About Bravida

Business highlights

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

Represented in around 140 locations

> 50 000 customers , Top 5 customers represents 15% of sales

90% recurring customers

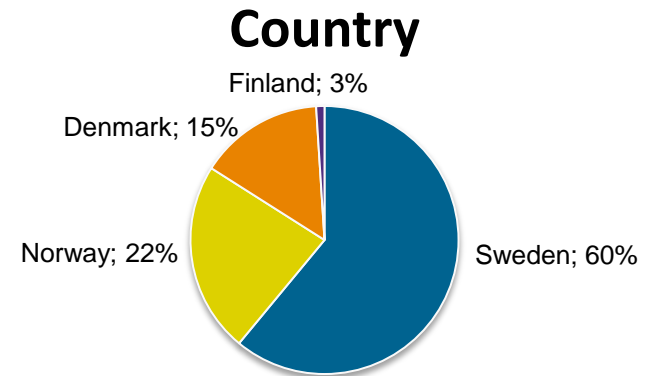
Median contract size 263,000 SEK

SEK 14,2
billion
Net sales

SEK 878
million
Adj EBIT

>9 000
FTEs

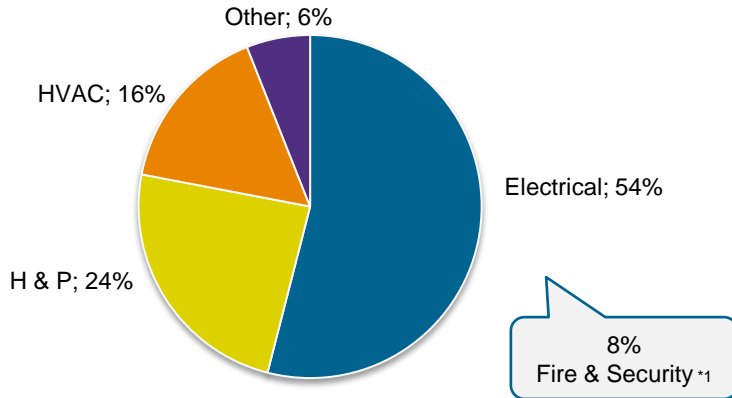
Net sales split by segment



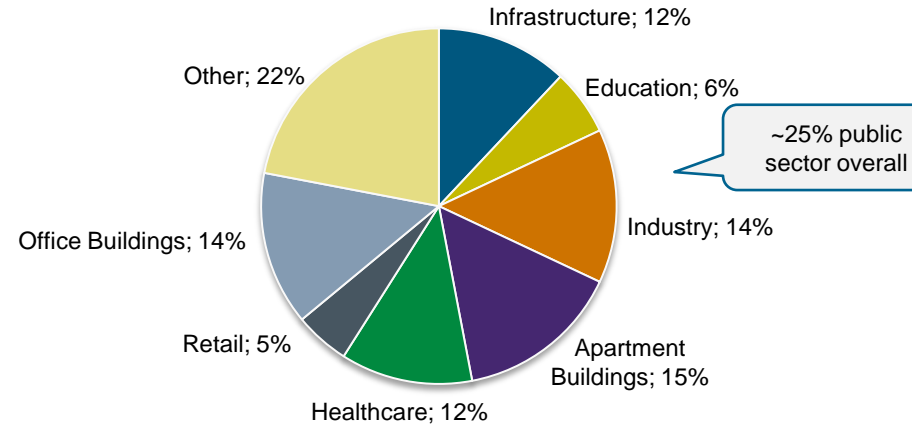
Bravida at a Glance

“Bringing buildings and infrastructure to life”

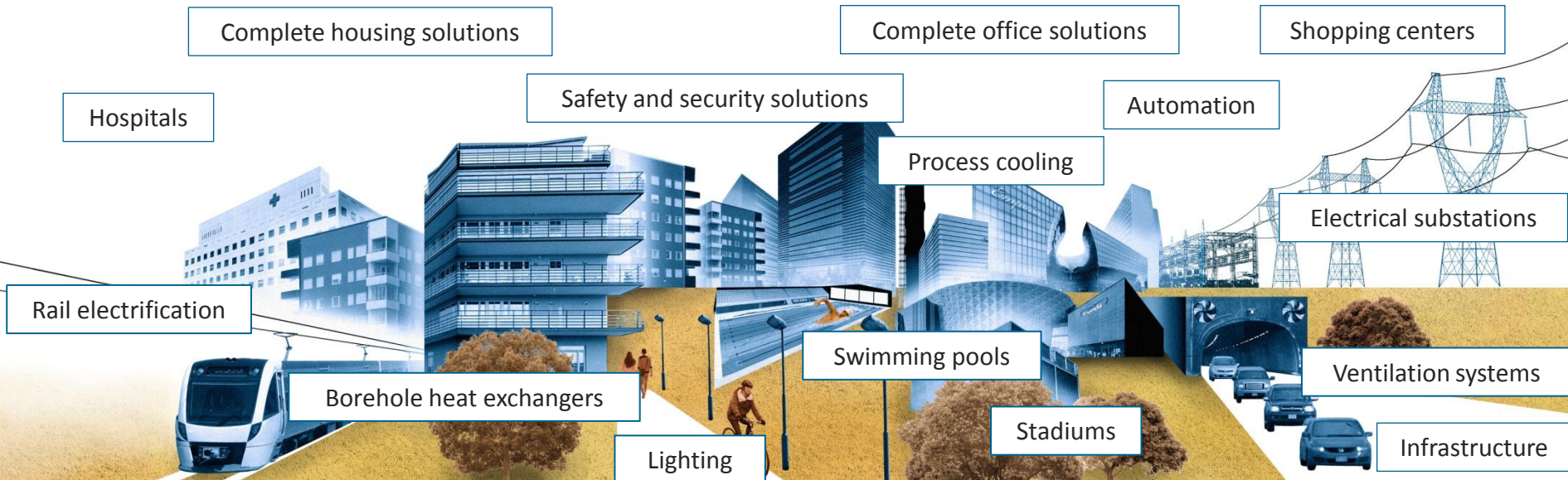
Revenue by technical vertical



Revenue by end-market



Note: Split based on 2015 sales
1. Management estimate



Bravida at a Glance (cont'd)

Service

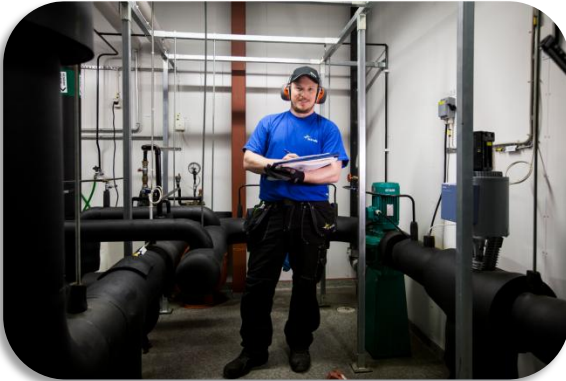
46% of sales



Monitoring / supervision on-site operations and improvements

Renovation & redevelopment

18% of sales



Renovation or larger maintenance projects

New build

36% of sales



New build or major redevelopment

Note: Split based on 2015 sales

Key highlights Q4 2015

Sales

- ✦ Net sales up 16% to SEK 3,919 million (3,389)
- ✦ Organic growth at 4%

Order momentum

- ✦ Strong momentum with order intake up 16% to SEK 3,886 million
- ✦ All countries contributed – Strong order intake in Denmark

Adj, EBITA

- ✦ Adj EBIT up **10%** to SEK 308 million margin at 8.1% (8.3) excluding Finland
- ✦ Adj EBIT including Finland 7.9% (8.3)
- ✦ SEK 33 million adjustment mainly related to IPO process
- ✦ Last year SEK 29 million repayment from pension fund

Cash flow

- ✦ **Strong operating cash flow** SEK 658 million (550)
- ✦ Net debt SEK 2,433 million (2,595), 2.7 X adjusted EBITDA LTM basis
- ✦ Cash conversion remains strong at 125% on LTM basis

M&A

- ✦ **6 acquisitions completed in Q4** bringing total to 16 in 2015
- ✦ 4 in Sweden, 1 Norway and 1 in Denmark added sales SEK 229 million

Market trends

Sweden

Strong market: construction activity +15% YoY

- ✦ Strong order backlog of construction companies
- ✦ Industry confidence indicator strong at above historical average, at 113.1 points

Norway

Public investments offset soft commercial building market

- ✦ Commercial building activity down 5% YoY but residential building up +13%
- ✦ Oil price uncertainty - so far limited impact from lower oil price

Denmark

Market supported by public investments

- ✦ Investments in healthcare education and infrastructure driving volumes
- ✦ Difficult to find skilled employees
- ✦ Construction confidence indicator still below LT average

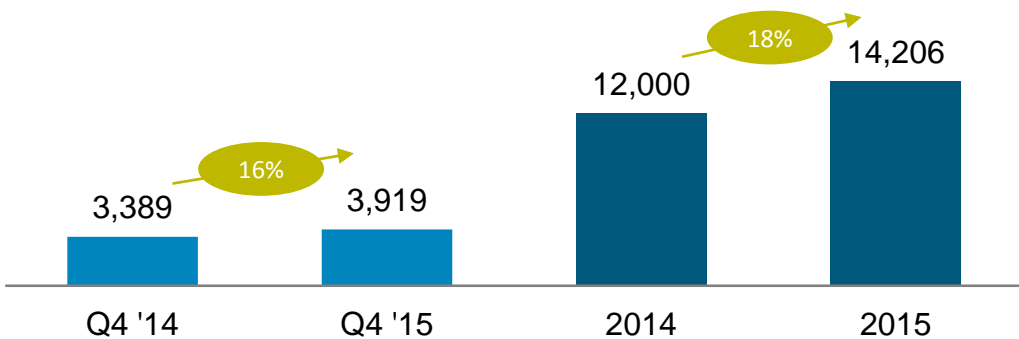
Finland

Construction market improving albeit from low level

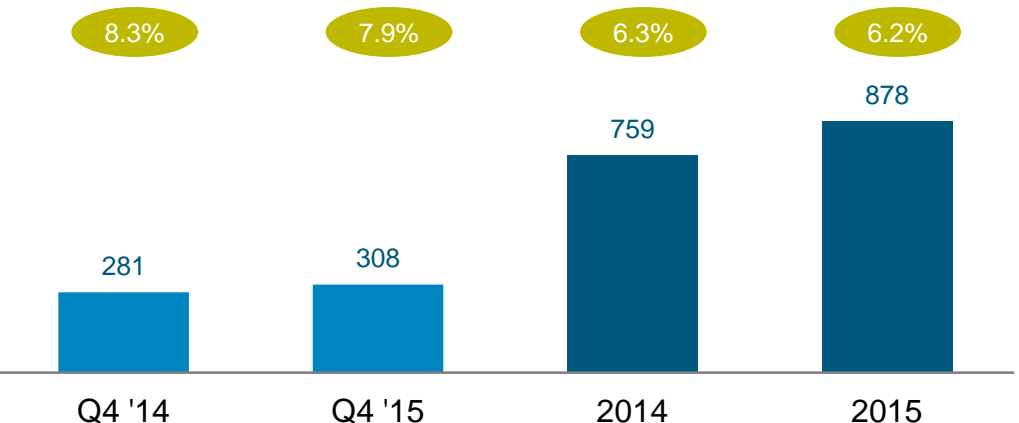
- ✦ Encouraging trends in public spending
- ✦ Focus on integration of acquired businesses and develop service business

Group sales & adjusted EBIT development

Sales & YoY reported growth (SEKm %)



Adjusted EBIT & margin (SEKm %)



Key highlights

Strong sales performance continues

- ✦ 16% sales growth in quarter in line with YTD trend
- ✦ Organic growth at 4%, 7% YTD
- ✦ Strong performance across countries

EBIT up 10% in Q4 and 16% 2015

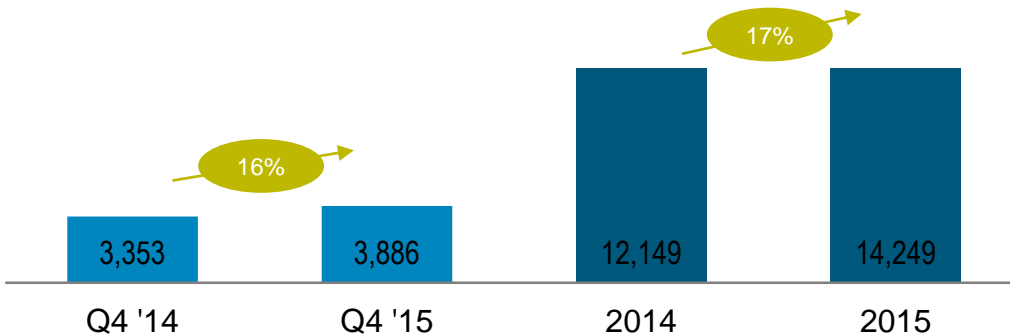
- ✦ Strong performance in Norway +49% in Q4 and +33% in 2015
- ✦ Temporary margin dilution due to Finland (~20bps)

+18%
2015 sales

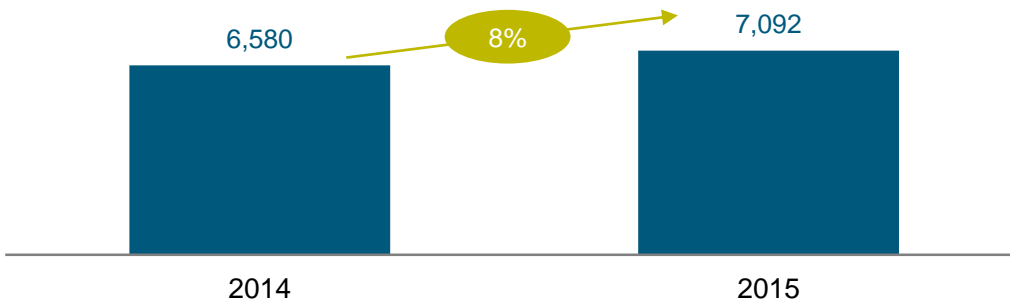
+16%
2015 EBIT

Order momentum

Order intake & YoY reported growth (SEKm %)



Order backlog¹ & YoY reported growth (SEKm %)



Note:
1. backlog includes installation business only

Selected contract wins

- ✦ Sweden: Several orders from hospitals
- ✦ Norway: Tromso hospital (NOK 277 million)
- ✦ Denmark: Viborg Hospital
- ✦ Finland: Service agreement signed with Valio, Fortum, Sponda

+17%
intake
growth

>7
SEKbn
order backlog

Operational efficiency: All 3 initiatives on track

	1 Pricing & productivity	2 Procurement excellence	3 Service growth
Status	<ul style="list-style-type: none"> ➤ Launched in Q2-13 full roll-out Q4-14 ➤ 80% compliance today ➤ Reduction in loss-making branches achieved to date 	<ul style="list-style-type: none"> ➤ Historical focus on 2,2 SEKbn purchasing with >80% compliance ➤ Significant expansion of scope ➤ New framework agreement in place 	<ul style="list-style-type: none"> ➤ Successful pilot phase ➤ Implementation being rolled out ➤ Higher margin than Installation
Priority	<ul style="list-style-type: none"> ➤ Drive compliance ➤ Drive P&L impact 	<ul style="list-style-type: none"> ➤ Complete roll-out ➤ Drive P&L impact 	<ul style="list-style-type: none"> ➤ Complete pilot phase ➤ Complete roll-out

Key highlights 2015

Sales

- ✦ **Net sales up 18%** to SEK 14,206 million (12,000)
- ✦ **Organic growth at 7%** continuing strong trend from 2014

Order momentum

- ✦ Strong momentum with **order intake up 17%**
- ✦ **Order backlog above SEK 7 billion**

Adj, EBITA

- ✦ **Adj EBIT up 16%** to SEK 878 million (759) margin at 6.4% (6.3) excluding Finland
- ✦ Adj EBIT including Finland 6.2% (6.3)

Finland

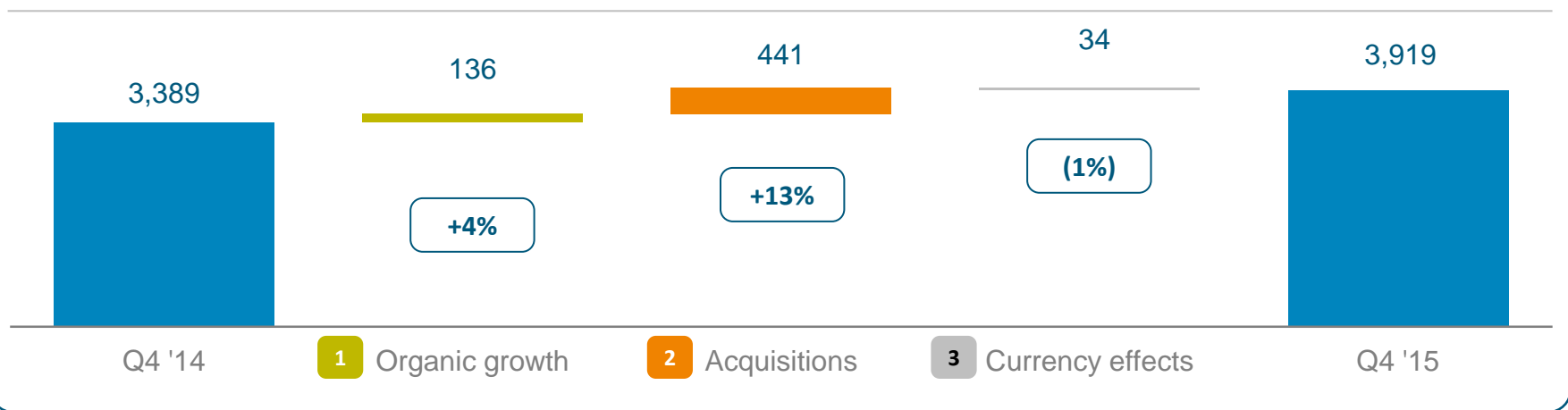
- ✦ Integration on track **fully on Bravida systems since November**
- ✦ Focus on realizing synergies and **implementing the Bravida Way**

M&A

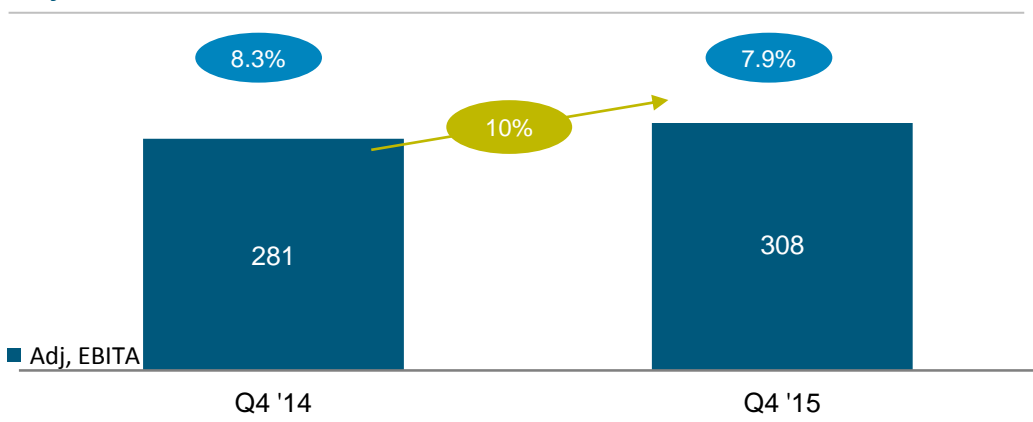
- ✦ **16 acquisitions completed** in 2015
- ✦ Added sales of SEK 1,5 billion

Financial performance Q4 2015

Sales bridge (SEKm %)



Adjusted EBIT

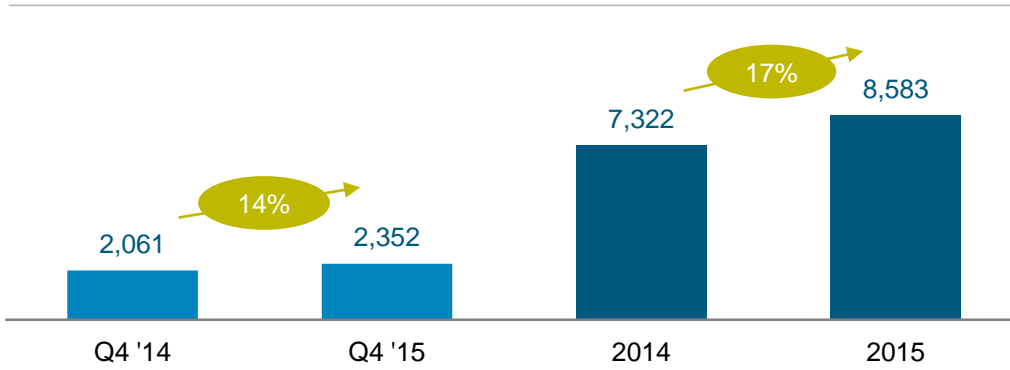


Key highlights

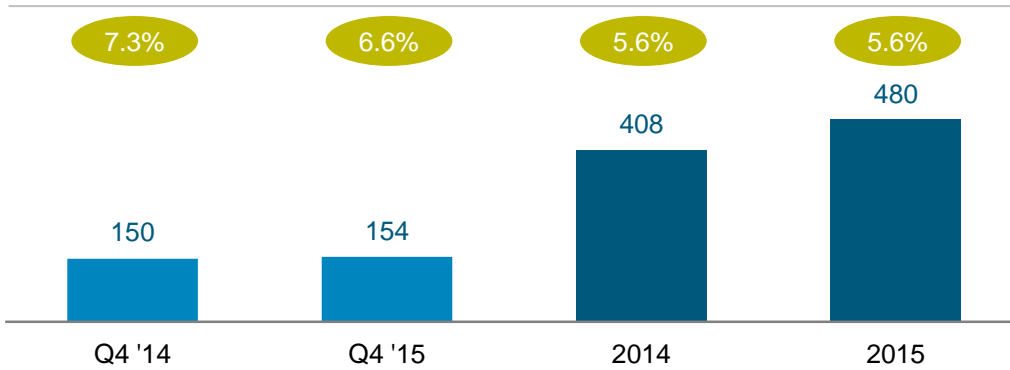
- Continued **good organic growth**
- Margin impacted by Finland entry and repayment of SEK 29 million pension in 2014
- Stable margin ex Finland** but including other acquisitions

Sweden

Sales & YoY reported growth (SEKm %)



EBIT & margin (SEKm %)



Key highlights

Strong sales momentum continues in Sweden

- ✦ Sales up 14% yoy
- ✦ 29 MSEK repayment of pensions
- ✦ EBIT up 22% yoy including repayments of pensions

Strong market conditions as reflected in order intake in 2015

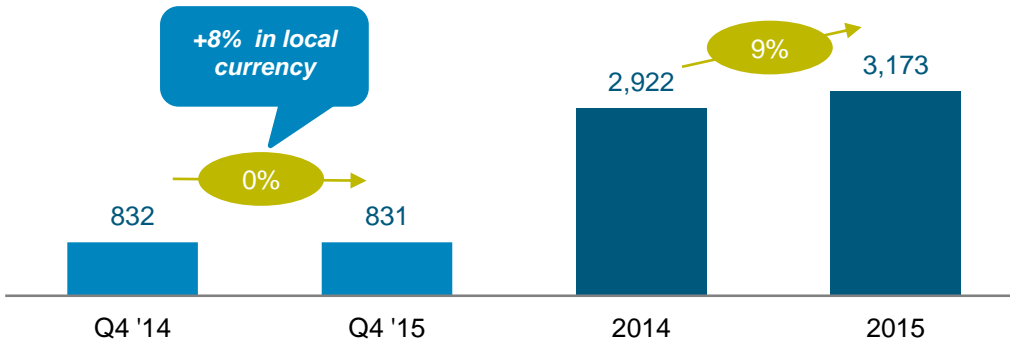
- ✦ Order intake up 19% yoy
- ✦ Backlog up 11% yoy

+17%
2015 sales

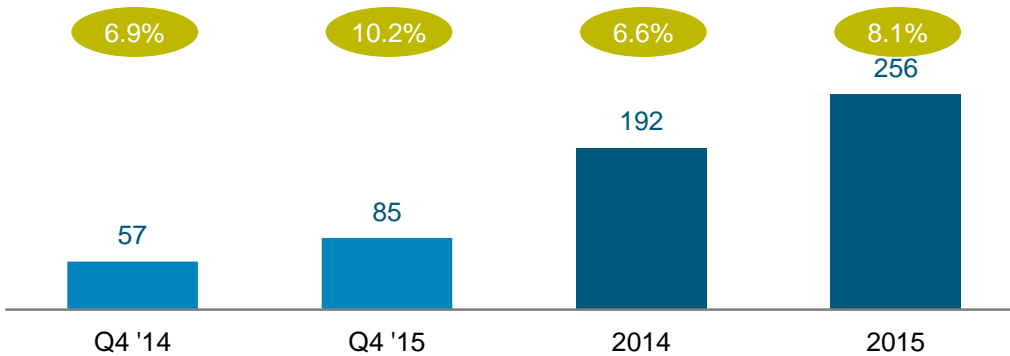
+18%
2015 EBIT

Norway

Sales & YoY reported growth (SEKm %)



EBIT& margin (SEKm %)



Key highlights

EBIT up 49% despite currency headwind

- ✦ Sales up 8% in local currency and unchanged in SEK
- ✦ Positive margin development
- ✦ Order intake up 7% yoy in local currency
- ✦ Backlog unchanged yoy in local currency but down 9% in SEK

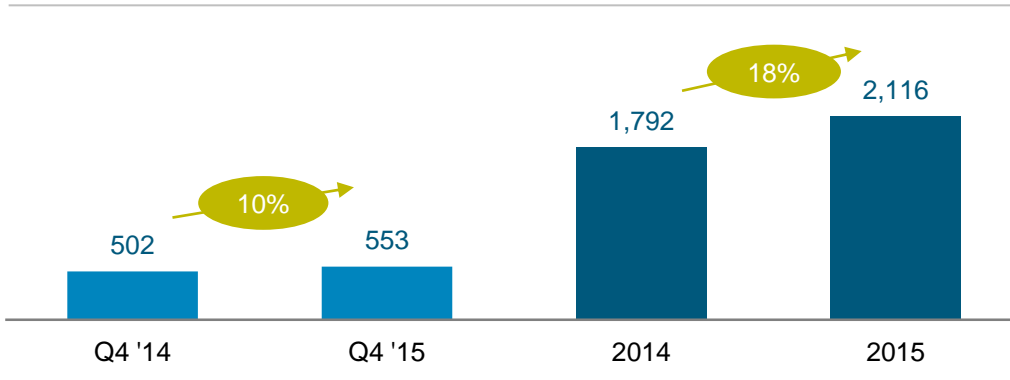
Marginal impact of oil prices so far

+9%
2015 sales

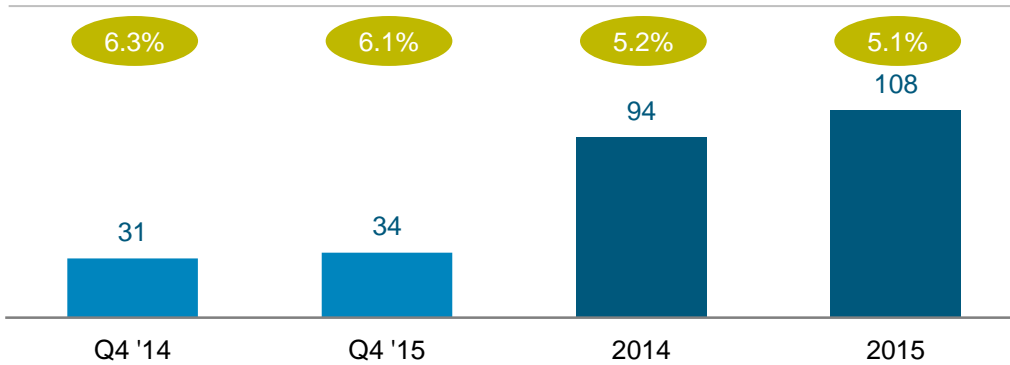
+33%
2015 EBIT

Denmark

Sales & YoY reported growth (SEKm %)



EBIT & margin (SEKm %)



Key highlights

EBIT up 10% driven by sales and margin

- ✦ Sales up 10%
- ✦ Strong organic growth

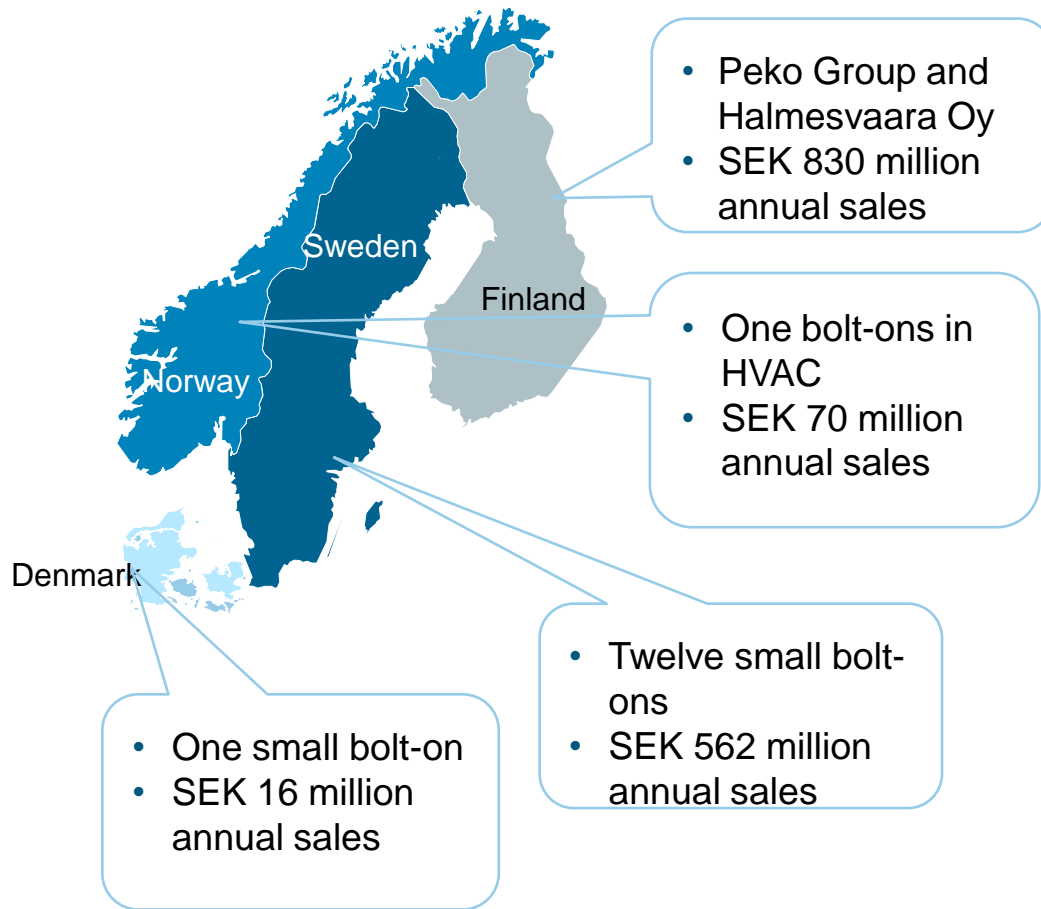
Strong order intake boosted by large order from Viborg Hospital

- ✦ Order intake up 19 %
- ✦ Backlog down 7% but remain well above 1x installation sales

+18%
2015 sales

+15%
YTD EBIT

Acquisitions in 2015



Key highlights

- ✦ 16 acquisitions completed in 2015 adding 1,478 SEKm annual sales
- ✦ 1 additional deal signed in Q4 with take over 1st of January 2016 in Norway (69 NOKm annual sales)
- ✦ If all acquisition had been included from January 1: Sales +590 SEKm and EBIT +20 SEKm

16

acquisitions in
2015 YTD

1,5

SEKbn
acquired sales in
2015 YTD

Net debt & new financing

Financial position

SEKm	Q4 2015
Cash balances	573
Term loan and RCF	(3,005)
Overdraft facilities and other	(2)
Hedges at market value	-
Net debt	(2,433)
LTM EBITDA*	899
Net debt / LTM EBITDA	2.7x

Key highlights

- ✦ Refinancing in October 2015
- ✦ Bond loan nominal value 1,300 SEKm and 225 EURm terminated
- ✦ Hedges connected to the bond loan terminated
- ✦ New 4 SEKbn financing package
 - Term loan 2,700 SEKm
 - RCF 1,300 SEKm
- ✦ STIBOR +1.65 % margin will be reduced to +1.50 % current debt level
- ✦ Maturity 5 years

* Adjusted for IPO initiatives and acquisition expenses

Dividend proposal 2015 : 1 SEK per share

Policy: Payout ratio at least 50% of net profit

Proposal:

	MSEK	SEK/share
Net profit	287,0	1,4238
Adding back hedge ^{*)}	103,8	0,5148
Adjusted net profit	390,8	1,9386

Proposal : 1 SEK gives 70.2% of the net profit and 51.6% of adjusted net profit

^{*)} Hedge effect 133,0 MSEK, adjusted for 22% tax = 103,8 MSEK

Medium term targets

2015

 Sales

> 10% sales growth
5% p,a, organic growth
5-7% p,a, contribution from bolt-on acquisitions

18% growth
7% organic

 Adj, EBITA

> 7% group margin
Higher organic margin in existing branches
Including dilutive impact of bolt-on acquisitions

6.2% LTM
6.4% ex Finland

 Cash Conversion & Dividend

- Cash conversion above 100%
- Target payout ratio of at least 50% of net profit

Cash conversion 125% LTM
Proposed dividend 52%

 Net Debt

- Target leverage ratio of ~2.5x Net Debt / EBITDA
- New 5-year financing package
 - 2,7 SEKbn term loan (Stibor +165 bps subject to ratchet)
 - 1,3 SEKbn multi-currency overdraft facility

2.7x
Driven by seasonality

Q&A



Financial items in Q4

Financial items in Q4		Comment
Net Interest	-46	Whereof 13 SEKm was redemption cost related to the repayment of the bond loan
Revaluation of hedges	-156	Derivatives were terminated due to repayment of the bond loan. Accounting effect in Q4
Other comprehensive income		
Revaluation of hedges	+156	The revaluation of hedges had no impact on equity or dividend and minor impact on cash flow .

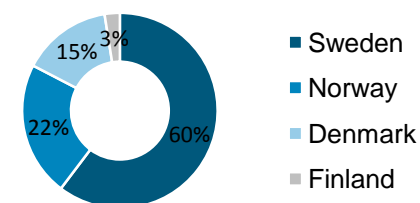
Key financial figures

SEKm	Q4 2015	Q4 2014	FY 2015	FY 2014
Order intake	3,886	3,353	14,249	12,149
Order backlog	7,092	6,580	7,092	6,580
Sales	3,919	3,389	14,206	12,000
Change %	15.6%	8.9%	19.5%	8.3%
Organic %	4%	3%	7%	5%
Acquisitions %	13%	5%	12%	3%
Currency effects %	-1%	1%	-1%	0%
Adjusted EBIT	308*	281	878**	759
Adjusted EBIT margin %	7.9%	8.3%	6.2%	6.3%
Net income	56	158	287	320
EPS	0,20	0,78	1,42	1,59
Operating cash flow	658	550	988	915
Net debt	2,433	2,595	2,433	2,595

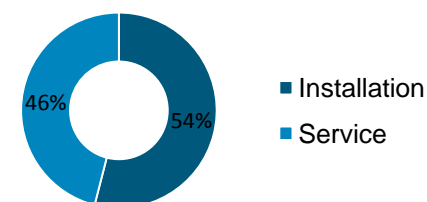
* Adjusted for IPO and acquisition costs (33 SEKm)

** Adjusted for IPO acquisition costs and initiatives (96 SEKm)

Sales by division FY 2015



Sales by business activity FY 2015



Income statement

Consolidated income statement summary

SEKm	Q4 2015	Q4 2014	FY 2015	FY 2014
Net sales	3,919	3,389	14,206	12,000
Production costs	3,272	2,796	12,081	10,173
Gross profit/loss	647	593	2,124	1,827
Administrative and selling expenses	372	345	1,342	1,123
Operating profit/ (EBIT)	275	248	782	705
Adjustment of costs of a specific nature	33	33	96	54
Operating profit/loss after adjustment of costs of a specific nature (Adjusted EBIT)	308	282	878	759
Operating profit (EBIT)	275	248	782	705
Net financial items	-202	-32	-360	-265
Profit/Loss after financial items (EBT)	74	216	422	440
Tax	-18	-58	-135	-120
Profit/loss for the period	56	158	287	320

Balance sheet

Consolidated balance sheet summary

SEKm	31 Dec 2015	31 Dec 2014
Non-current intangible assets	7,211	6,940
Other non-current assets	219	386
Total non-current assets	7,429	7,326
Trade receivables	2,165	1,969
Income accrued but not invoiced	813	655
Other current assets	415	287
Cash and cash equivalents	573	828
Total current assets	3,965	3,739
Total assets	11,395	11,064
Equity	3,555	3,306
Non-current liabilities	2,877	3,862
Trade payables	1,399	1,030
Income invoiced but not accrued	1,287	1,200
Current liabilities	2,277	1,666
Total liabilities	7,840	7,758
Total equity and liabilities	11,395	11,064
Of which interest-bearing liabilities	3,005	3,447
Equity attributable to:		
Equity holders of the parent	3,543	3,293
Non-controlling interests	11	13
Total equity	3,555	3,306

Cash flow statement

Consolidated cash flow statement summary

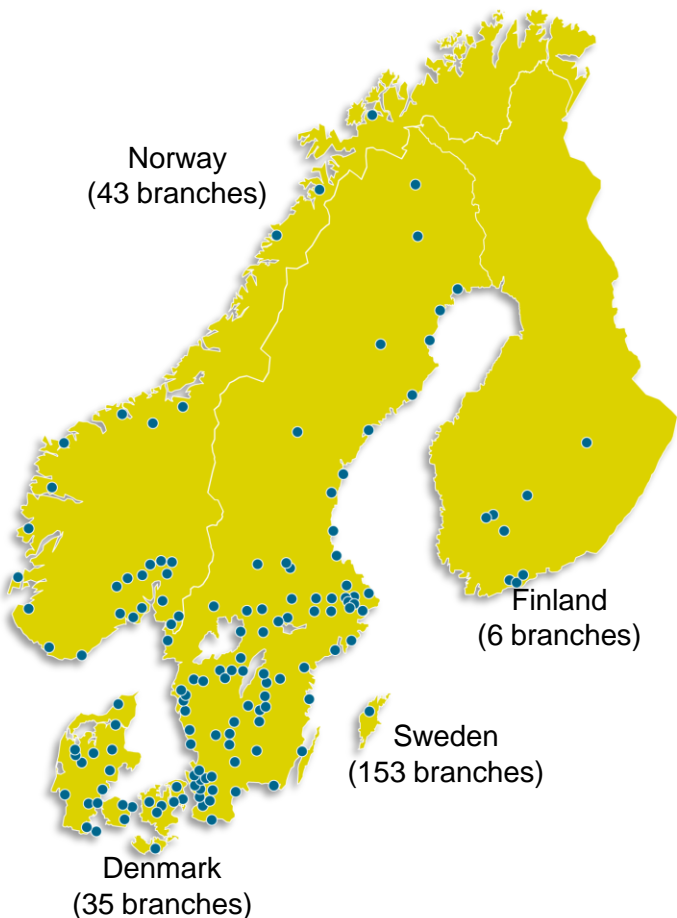
SEKm	Q4 2015	Q4 2014	FY 2015	FY 2014
Cash flow from operating activities				
Profit/loss before tax	74	216	422	440
Adjustment for non-cash items	309	26	278	46
Income taxes paid	-7	-3	-10	-5
Changes in working capital	319	255	150	179
Cash flow from operating activities	694	494	841	659
Acquisition of subsidiaries and businesses	-34	-71	-235	-122
Other	-24	-3	-27	-15
Cash flow from investing activities	-58	-74	-262	-136
Repayment of loan to Group companies	54	45	-	-
Amortization of loan	-3 441	-	-3 441	-
New loan	3 002	-	3 002	-
Payment related to refinancing	-46	-	-	-
Change in utilisation of overdraft facility	-	-	-6	-
Dividend paid	-	-	-277	-500
Group contributions paid	-	-45	-	-45
Cash flow from financing activities	-431	0	-767	-545
Cash flow for the period	205	420	-189	-22
Cash and cash equivalents at start of year	408	423	828	838
Translation difference in cash and cash equivalents	-41	-14	-66	12
Cash and cash equivalents at end of period	573	828	573	828

Operating cash flow

SEKm	Q4 2015	Q4 2014	FY 2015	FY 2014
Operating profit/loss	275	248	782	705
Depreciation and amortisation	6	4	21	15
Other adjustments for non-cash items	83	47	62	31
Capital expenditure	-26	-3	-26	-15
Changes in working capital	319	255	150	179
Operating cash flow	658	550	988	915

Leadership in a fragmented Scandinavian market

Dense regional network of branches with recent expansion into Finland



	Market position	Market share	Top 3 player market shares
Sweden (SEK73bn market)	No. 1	10%	<ul style="list-style-type: none"> Bravida 10% Imtech 8% Caverion 8% 74%
Norway (SEK76bn market)	No. 2	4%	<ul style="list-style-type: none"> Caverion 6% Bravida 4% Gunnar Karlsen 3% 87%
Denmark (SEK50bn market)	No. 2	4%	<ul style="list-style-type: none"> Kemp & Lauritzen 5% Bravida 4% Wicotec Kirkebjerg 3% 88%
Finland (SEK52bn market)	Acquisition of Peko Group in June 2015 with ~SEK 620m of sales followed by bolt-on Halmesvaara with ~SEK 210m of sales		

No. 1 in Electrical¹

National scale network density and local leadership drive significant competitive advantages

Note: Figures represent 2014 sizes; figures under countries represent market size for building (including maintenance and renovation) installation and service market excluding infrastructure market; FX rate used NOK / SEK1,08;

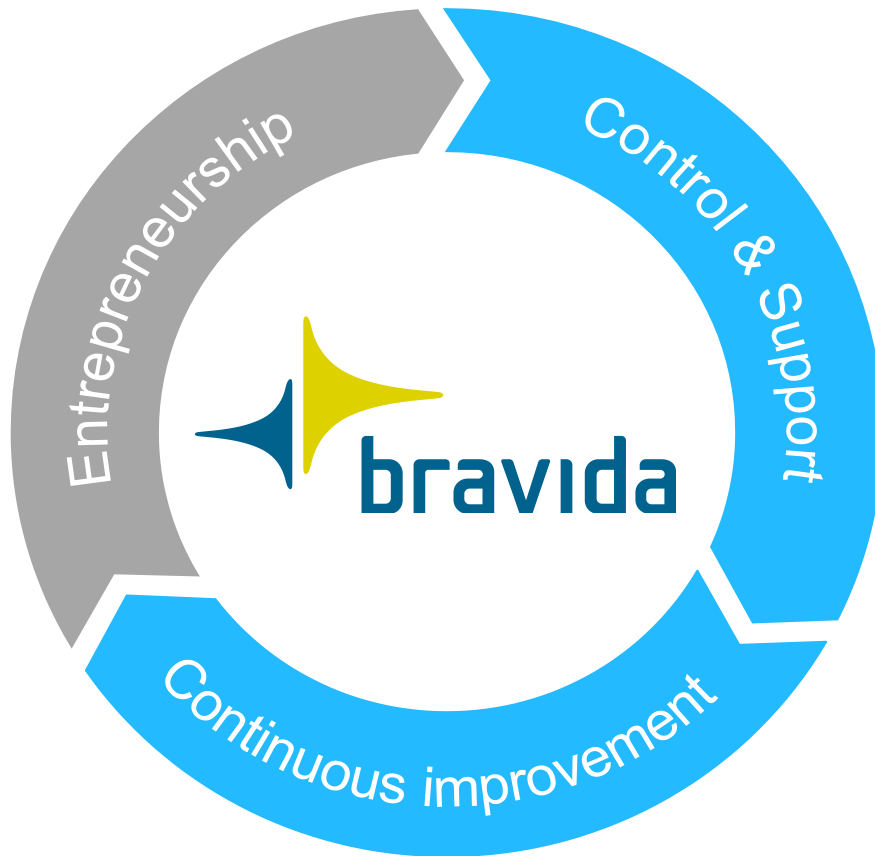
DKK / SEK1,27; EUR / SEK9,09

1, Management estimate 2, 2014 figures

Source: Company information

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"