

CAPITAL MARKETS DAY



**Welcome to Bravida's
Capital Markets Day!**

March 4, 2020



Bravida's Capital Markets Day

Agenda

- | | |
|-------|--|
| 13:00 | Bravida: Today and Tomorrow
<i>Mattias Johansson - CEO and Group President</i> |
| 13:50 | Financial review: Continued strong value creation
<i>Åsa Neving - CFO</i> |
| 14:10 | M&A Strategy: Proven growth engine
<i>Magnus Liljefors - Head of M&A</i> |
| 14:40 | Q&A and Break |
| 15:20 | E4 The Stockholm Bypass Project: Expanding the infrastructure is inevitable
<i>Mika Sundholm - Project Director</i> |
| 15:40 | Services: Positioned to accelerate
<i>Johnny Hey - Head of Division Denmark</i> |
| 16:00 | Q&A and closing remarks
<i>Mattias Johansson - CEO and Group President</i> |

Today's presenters



Mattias Johansson
CEO and Group President



Åsa Neving
CFO



Magnus Liljefors
Head of M&A



Mika Sundholm
Project Director



Johnny Hey
Head of Division Denmark

CAPITAL MARKETS DAY



Bravida: Today and Tomorrow

Mattias Johansson, CEO and Group President



We provide end-to-end technical solutions for our customers

Established track-record across a range of technical offerings...



...with increasing focus on services

24 Services



Installation 



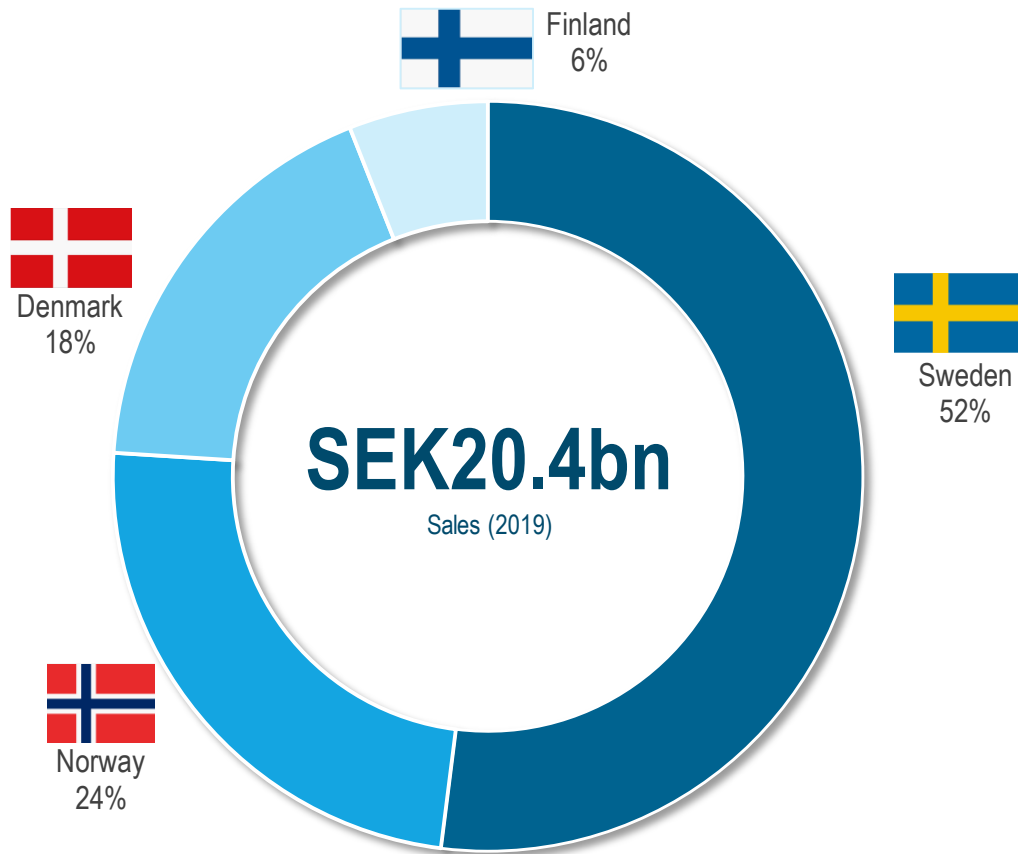
47%
of 2019 sales

53%
of 2019 sales

Maintenance	47% ¹	Refurbishment	14% ¹	New-builds	39% ¹
-------------	------------------	---------------	------------------	------------	------------------

We are No. 1 in the Nordics

Nordic focused with strong presence...

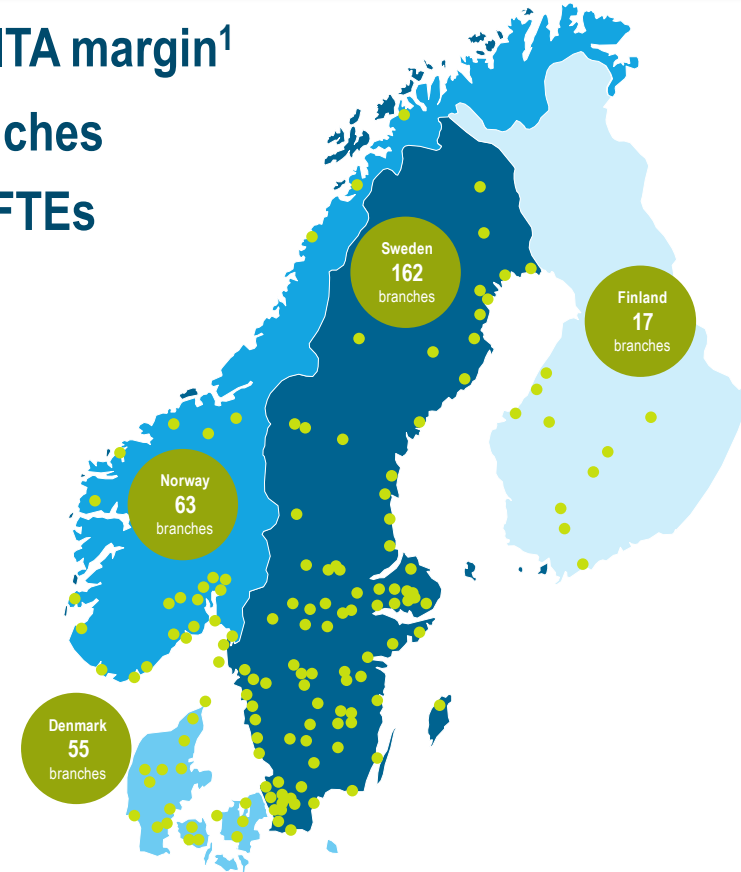


...through our unparalleled branch network (values as of 2019)

6.3% EBITA margin¹

297 branches

~11,700 FTEs



1. Adjusted for cost of restructuring the Stockholm business for SEK58m

Our people are key to our continued success

Focus on talent development and recruitment



1,345

Apprentices worked at Bravida during 2019



35

Trainees completed our trainee programme 2019



Top 10

Most attractive employer in Sweden (voted in 2019)¹

We combine customer proximity with scale benefits

Delivering the best of both worlds to our customers



Local presence



Close to our customers



Specialised local branches



Cooperation between branches

Group

7

Divisions

38

Regions

297

Branches

Large company



One brand and shared values



Shared methods and support functions



Combined purchasing / scale benefits



>55,000

Customers



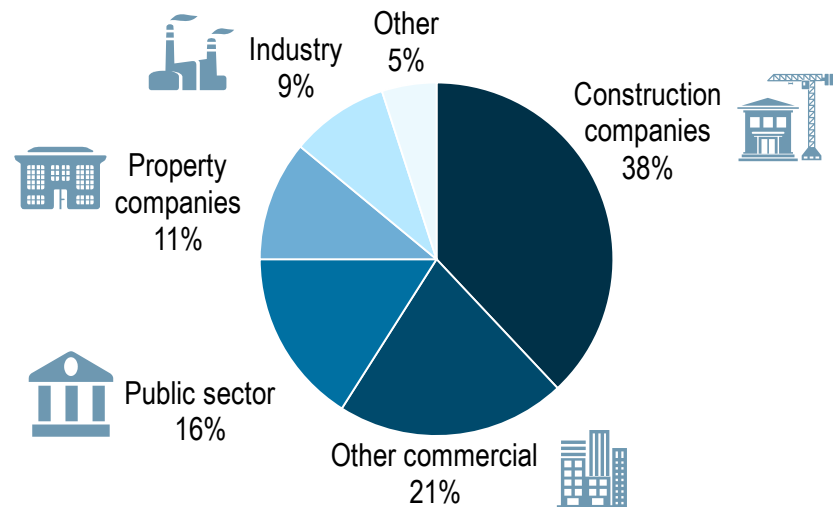
We are diversified and low risk

Diverse customer base...

...with focus on small, recurring jobs

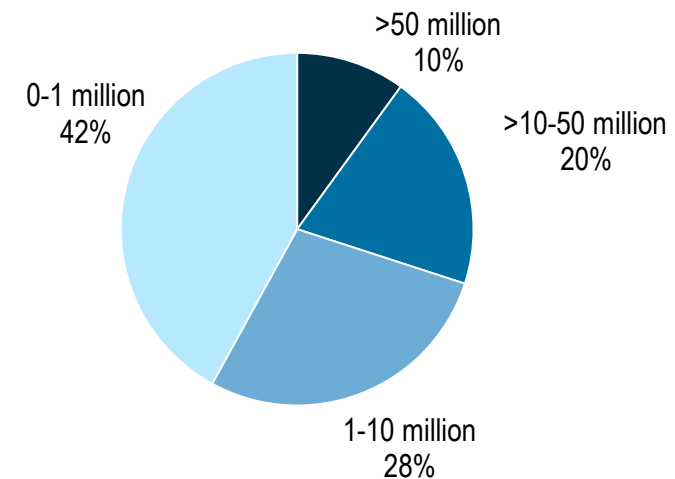
Customer groups

% of 2019 sales



Sales by project size

SEK (based on 2019 sales)

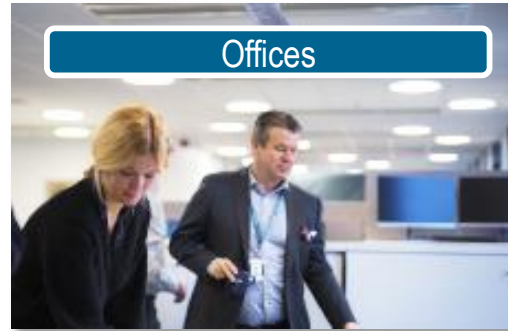


>55,000 customers of which **>93%** recurring

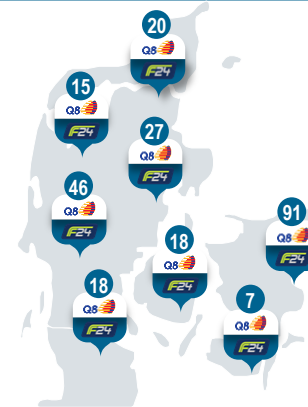
(As of 2019)

We are experts in managing small and large projects

Many local assignments at our branches



Large service agreements and installation projects



107
Q8 gas stations

139
Unmanned F24 gas stations

38
Unmanned IDS truck stations

3 year (+ 2 years)
Service agreement from Mar-20



E4 The
Stockholm
Bypass Project



21 / 18 km
Length / of which tunnels

140,000
Vehicles per day (year 2035)

80 / 100 km/h
Maximum speed

SEK 38bn
Construction cost

**PROVEN OPERATING MODEL TO
DRIVE PROFITABLE GROWTH**

We have a proven operating model – Bravida Way

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



Our entrepreneurial approach drives profitability and growth from a branch level



Branch Managers are incentivised to operate as an owner

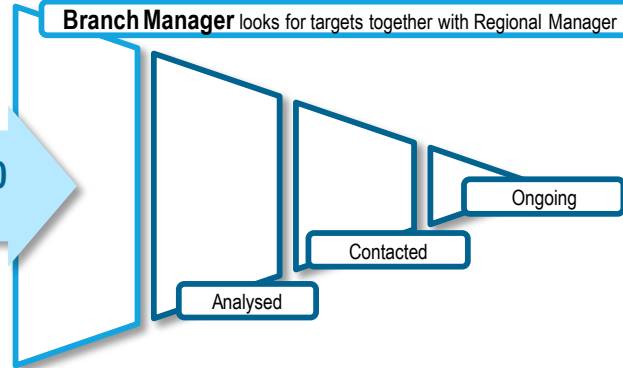
Each Branch Manager plays a key role...



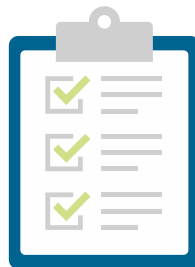
...identifying new branches...

Branch Manager looks for targets together with Regional Manager

>25,000 companies



...while developing existing branches...



- ✦ Implementing central initiatives
- ✦ Driving growth
- ✦ Improving profitability

...driving profitable growth

11%
Sales CAGR
(2014-2019)

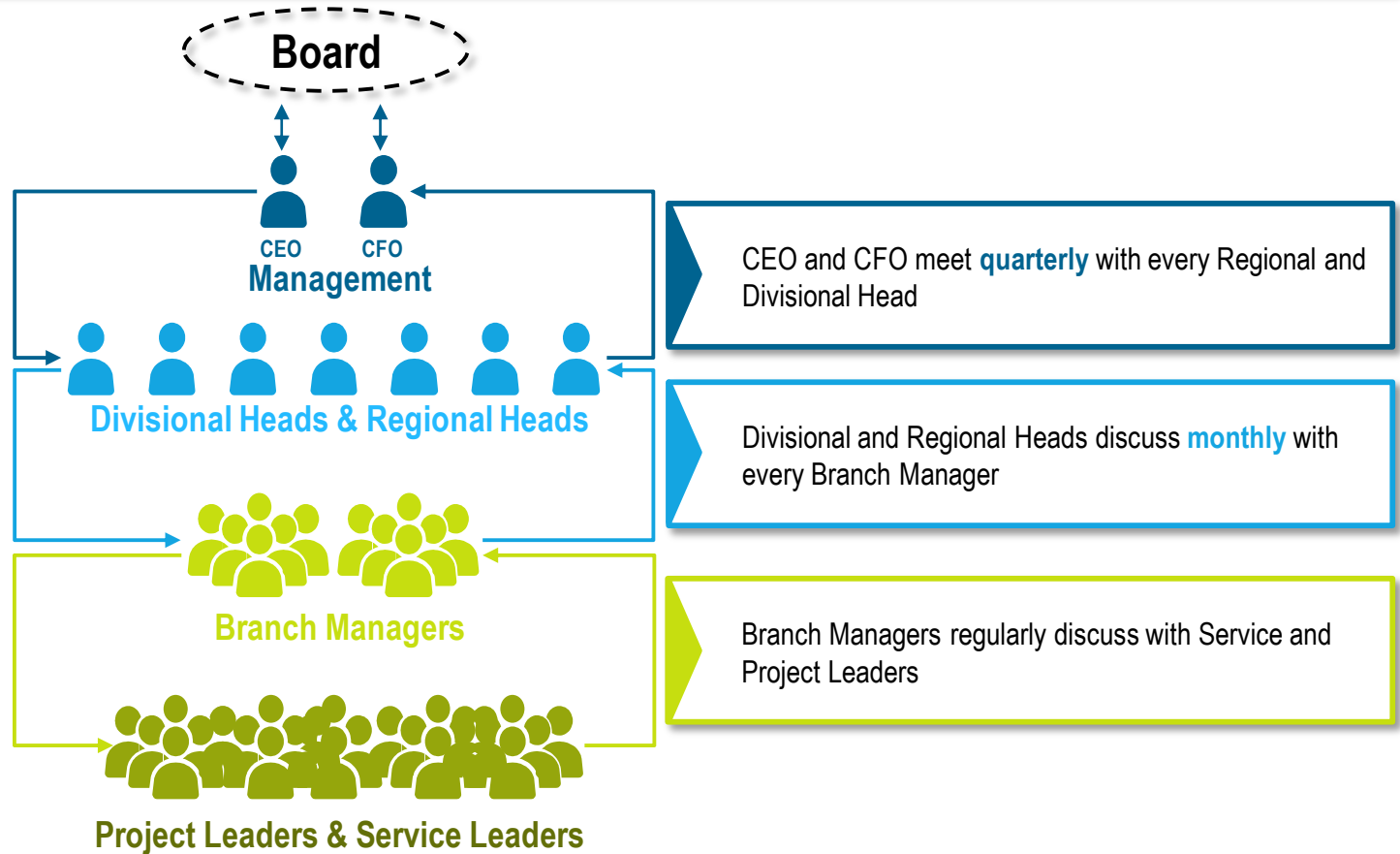
11%
Adj. EBITA CAGR
(2014-2019)¹

1. Adjusted for cost of restructuring the Stockholm business for SEK58m in 2019

We have rigorous regular control and support for our branches



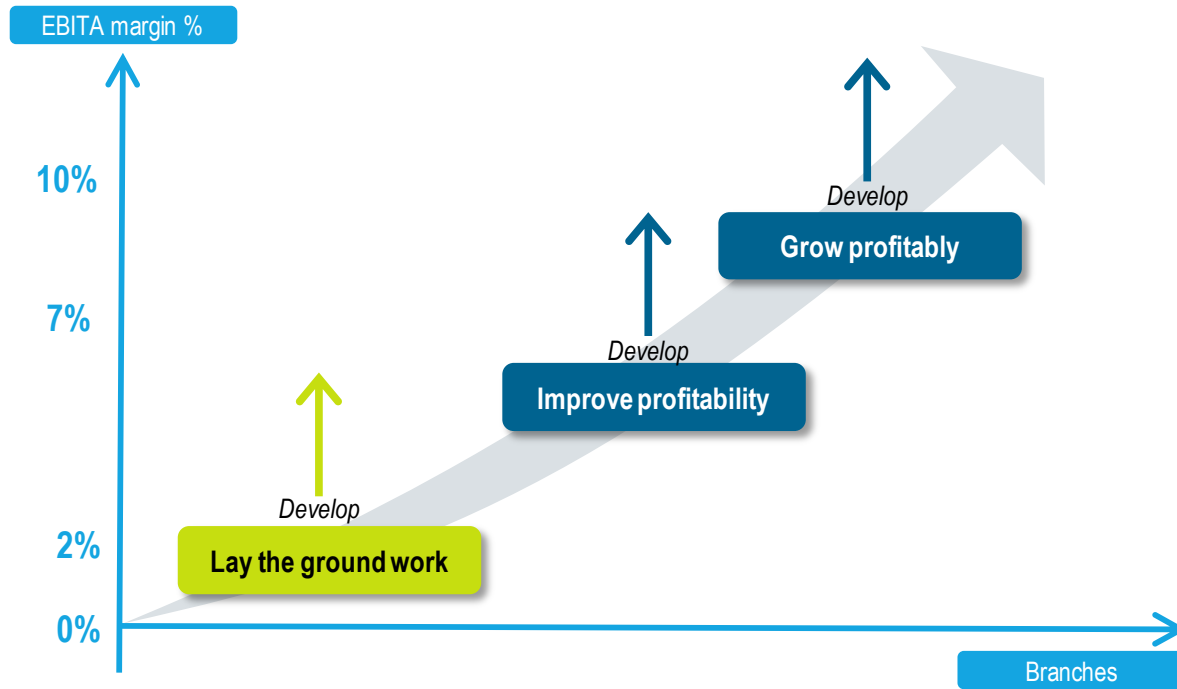
Strong corporate culture, with efficient sharing of best practices and initiatives across the group



We aim to continuously improve branch profitability



Leveraging scale and best practice across existing and new branches



- ✦ Common purchasing platform
- ✦ Service and project management systems
- ✦ IT-plattform & ERP
- ✦ Business development
- ✦ Market leading brand

Rigorous monitoring of branch KPIs

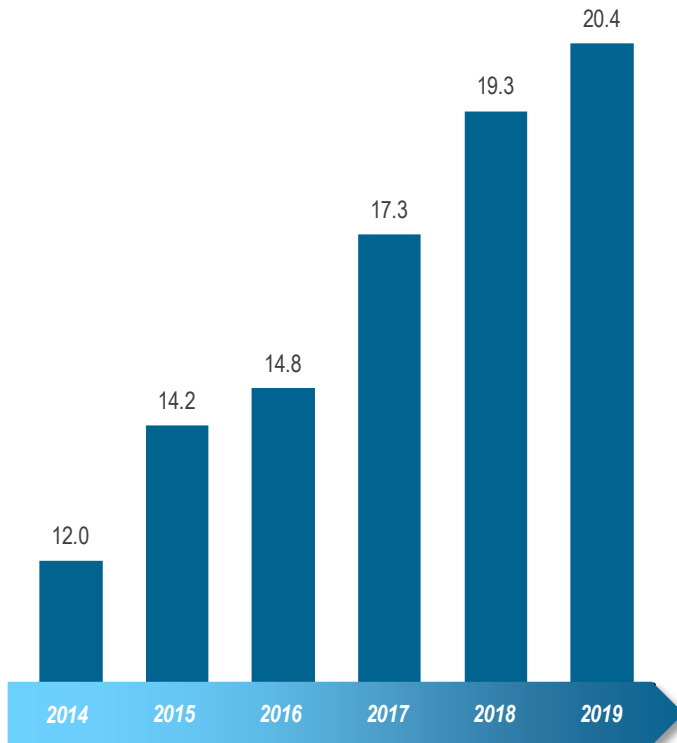
Styrkort	Månad		ACK				R12		Gränsvärde			
	Utfall 1912	Utfall 1812	Utfall 1912	Utfall 1812	status	Måttal 1912	Utfall R12	Utfall R12	ROI	Grönt	Jämfört	
Aktieskador	0	1	10	4	Ⓢ	0	10	4	>fg år	<fg år	R12	
Omsättning	81 182	68 030	939 840	861 317	⬆	102%	917 790	939 840	861 317	<95%	100%	Ack
TGO %	29.9%	28.8%	18.3%	17.7%	⬆	2.1%	16.2%	18.3%	17.7%	<1%	>0	Ack
Aktu kostn inkl prof fru och PL bid%	-18.1%	-19.8%	-15.0%	-15.2%	⬆	-0.5%	-15.1%	-15.0%	-15.1%	<-1%	>0	Ack
EBITA	14 374	11 809	92 117	77 135	⬆	118%	77 336	92 117	77 135	<85%	>100%	Ack
Ebita marginal %	17.7%	17.4%	9.8%	9.0%	⬆	1.9%	8.5%	9.8%	9.0%	<-1%	>0	Ack
SVYA % av R 12 Nettoomsättning	1.52	1.47	1.23	1.24	⬆	1.03	1.19	1.23	1.24	<0.95	>1	Ack
Fakturetingrektion	97.3%	96.5%	96.0%	96.5%	⬆	96.0%	96.5%	96.0%	96.5%	<95%	>96.5%	Ack
Debiteringgrad	6.1%	9.5%	10.3%	13.5%	⬆	10.3%	8.0%	10.3%	13.5%	<15%	>8%	Ack
Förfallna kundfordringar	0	2 416	20 941	7 249	Ⓢ	2.2%	5%	20 941	7 249	<3%	>5%	R12
Förvärvat omsättning	16 692	2 348	-3 898	40 635	90%	-20%	36 737	0	40 635	0%	<20%	R12
Negativ Ebita kv	87	-6	-2 302	-2 302	Ⓢ	0.00	-20%	0	-2 302	0%	<20%	R12
Omsättning (Ebita >10%)	20 080	-36 502	93 229	291 958	Ⓢ	133%	26%	385 187	291 958	<0	>28%	R12
Ebita % (Ebita >10%)	8.7%	11.0%	11.5%	12.7%	Ⓢ	-0.3%	>fg år	12.4%	11.7%	<-0.5%	>0%	R12
Ebita % (Ebita mellan 2-10%)	-1.7%	19.0%	-45.9%	7.9%	Ⓢ	0.5%	8.5%	7.9%	8.5%	<0%	>0.33%	R12
Import (Direktimport)	2.2%	2.0%	2.2%	2.0%	Ⓢ	2.2%	5%	2.2%	2.0%	<2%	>5%	R12
Levståndsindex	15.0	20.8	16.2	19.7	Ⓢ	16.2	14.6%	16.2	19.7	<20	>14	R12
Projektskälningstjänster i % av oms	0	0 030	0	4 712	Ⓢ	0.0%	<0.5% av oms	0	4 712	<1.5%	>0.5%	R12
Bravisanvändning	87%	80%	77%	80%	Ⓢ	77%	78%	77%	80%	58%	78%	R12
Organisk Tillväxt service	-0.9%		3.5%		Ⓢ	3.8%		3.5%		5%	10%	R12

Note: Data for the period 2014-2019

We have a track record of continuous profitable growth and significant cash generation

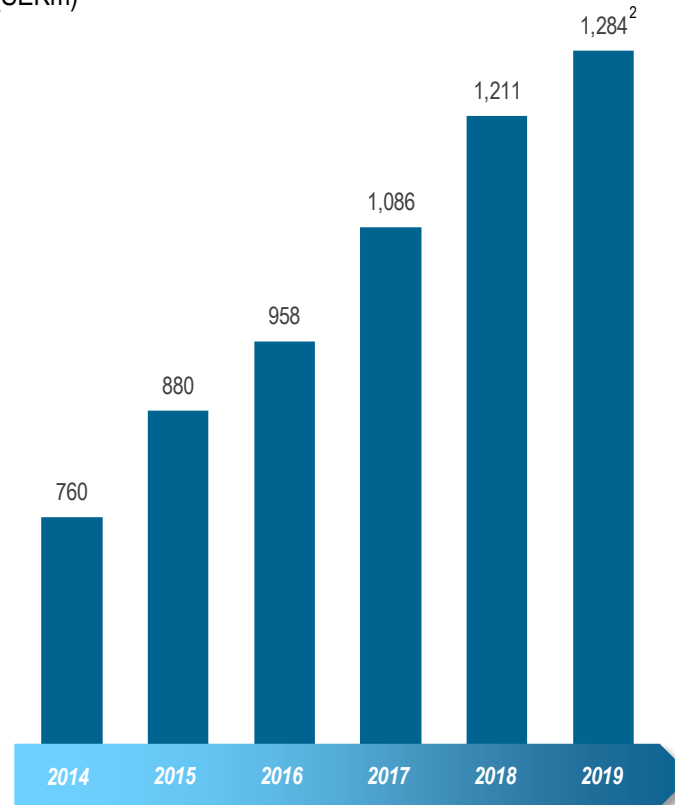
Sales

(SEKbn)



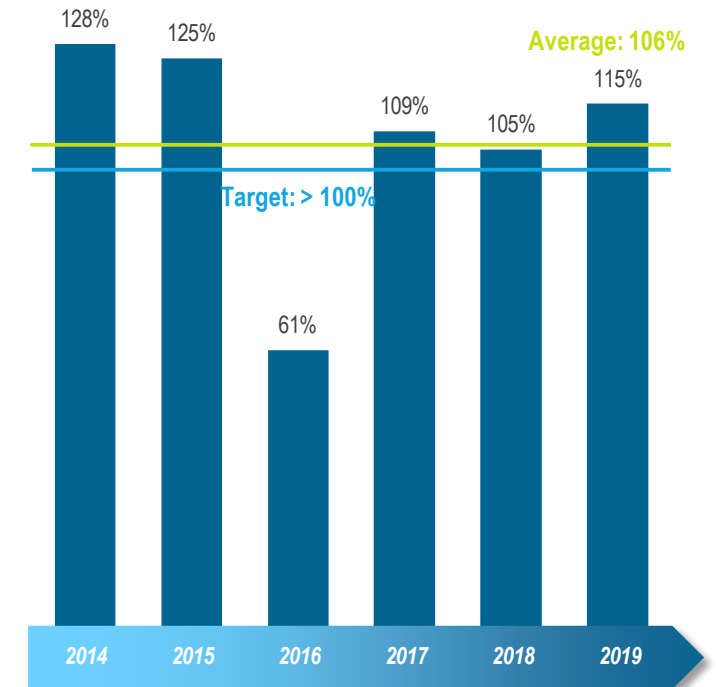
EBITA

(SEKm)



Cash conversion¹

%



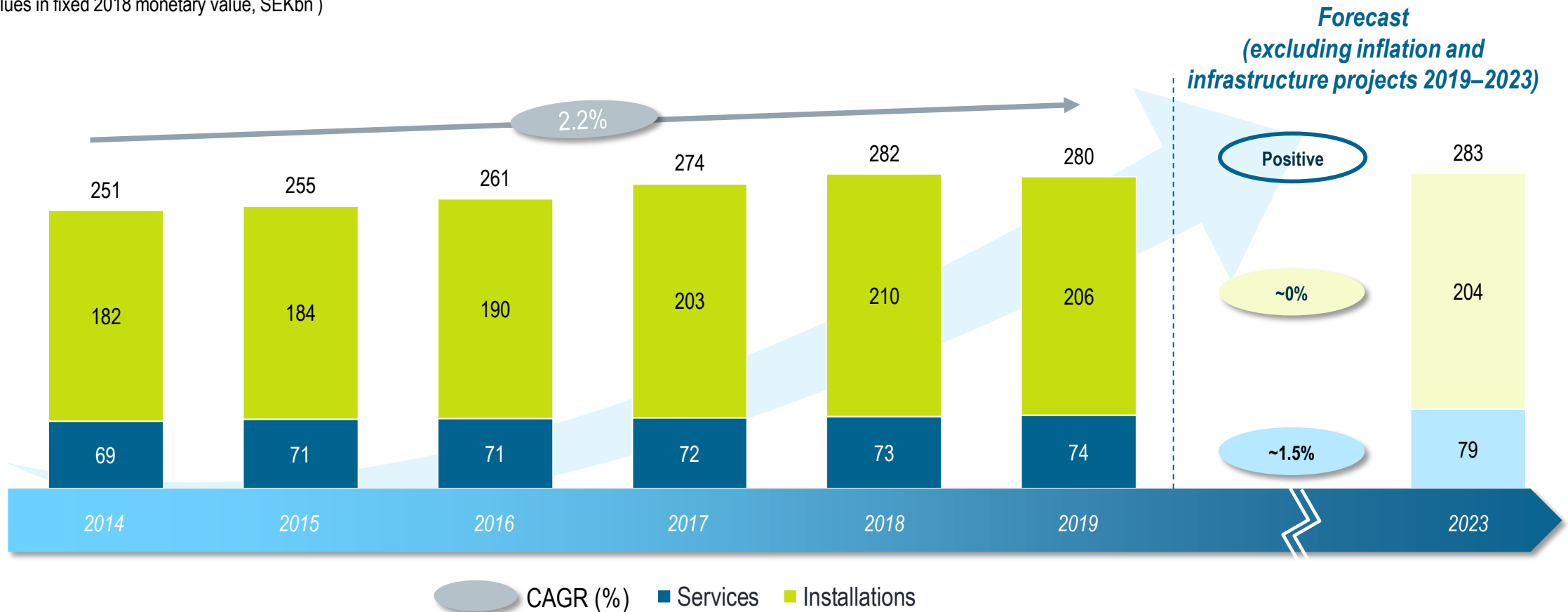
1. Calculated as (EBITDA +/- change in WC - capex) / EBIT
 2. Adjusted for cost of restructuring the Stockholm business for SEK58m

MARKET OUTLOOK AND STRATEGY

Nordic market: continued growth in Services, stability in Installations

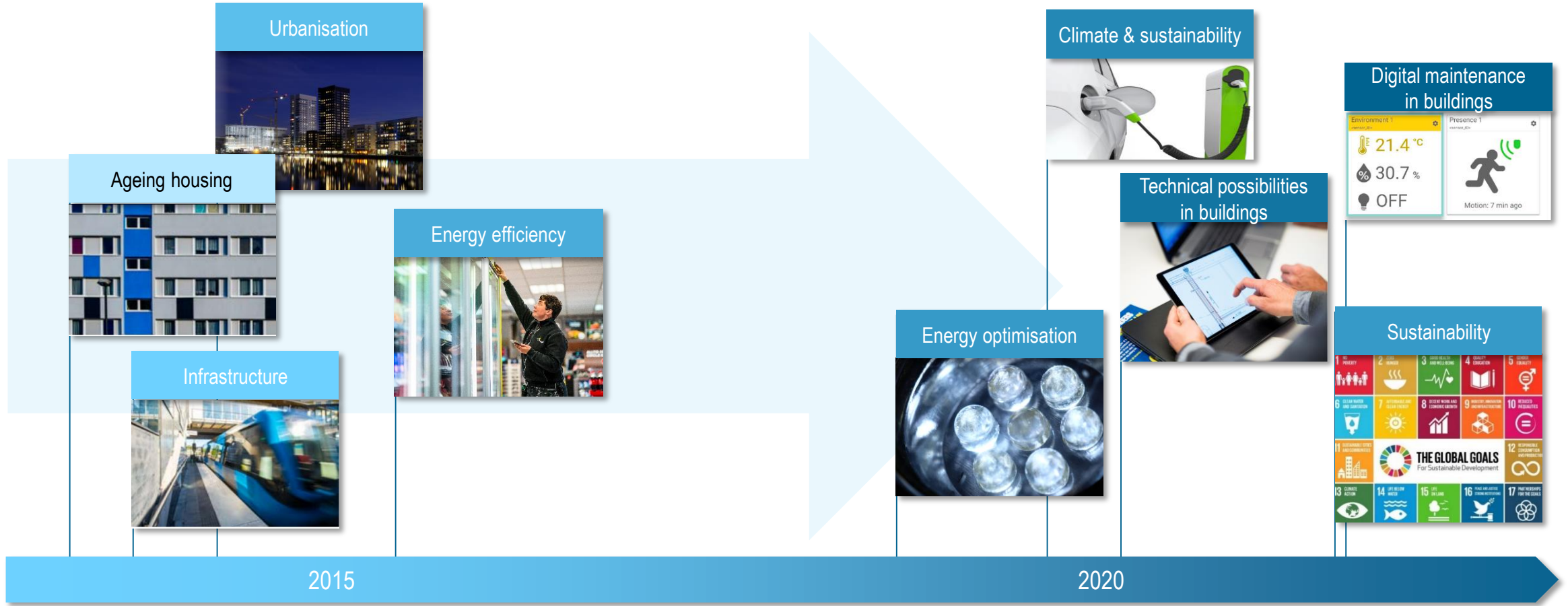
Nordic market growth outlook¹

(Values in fixed 2018 monetary value, SEKbn)



¹ Nordic market includes services and project market and based on the sum of sanitary, ventilation and electricity installations. Excludes volumes linked to industrial processes and the civil engineering sector
 Source: Prognoscentret AB

Strong structural trends support long-term growth



Strategy focused to continue to deliver for our people, customers and shareholders



Supplementing our existing best-in-class service solutions to cater to the demands of tomorrow



Wide range of attractive service solutions....

Green installations



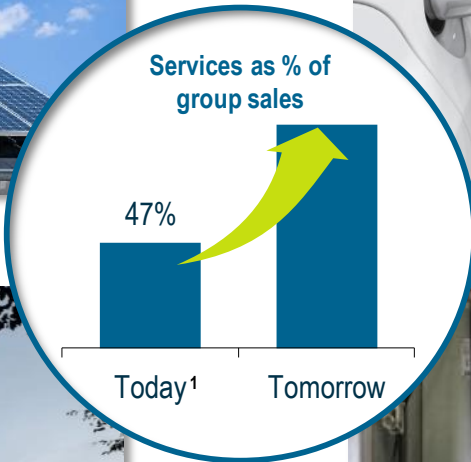
Renewable energy solutions






Energy optimisation

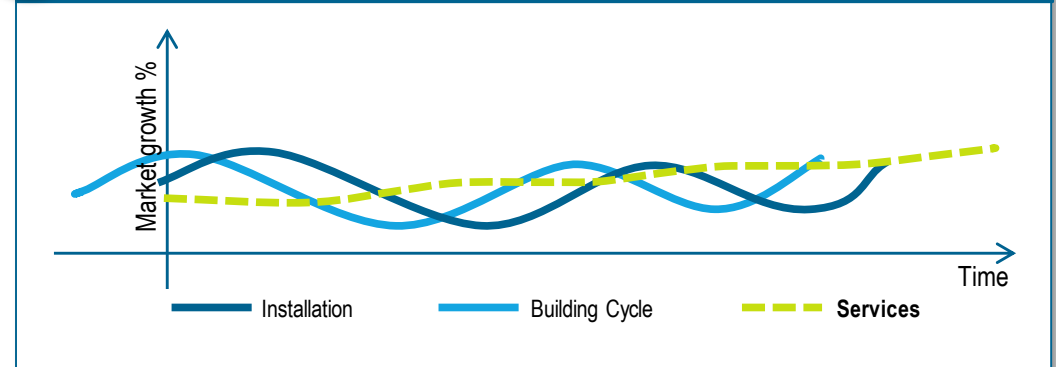


Digitalisation & Proactive maintenance



...delivering benefits to our customers and to us

- 
Significant growth potential
- 
Increased stability and higher margins (+100bps) compared to installations
- 
Stable growth



Delivering sustainable services to our customers and for society



Health and Safety



Consistent and steady reduction of work place accidents

Sustainable use of resources



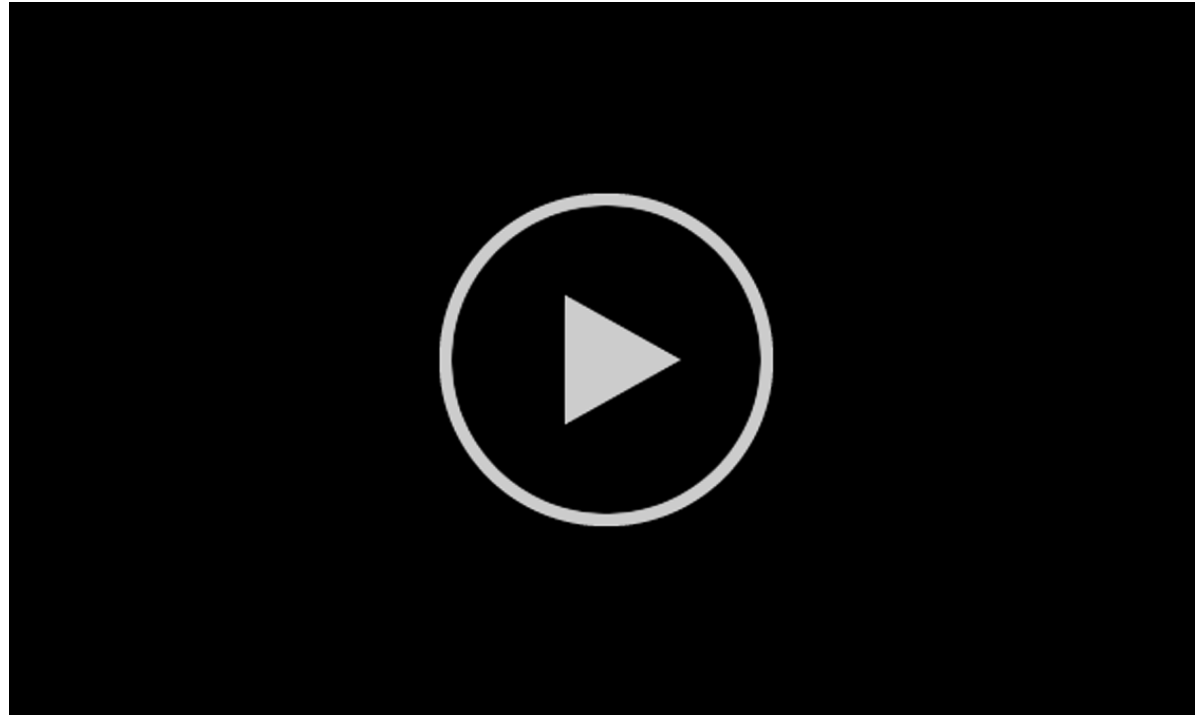
30% of fleet driven by non-fossil energy by 2025

Business ethics



All suppliers to adhere to our code of conduct

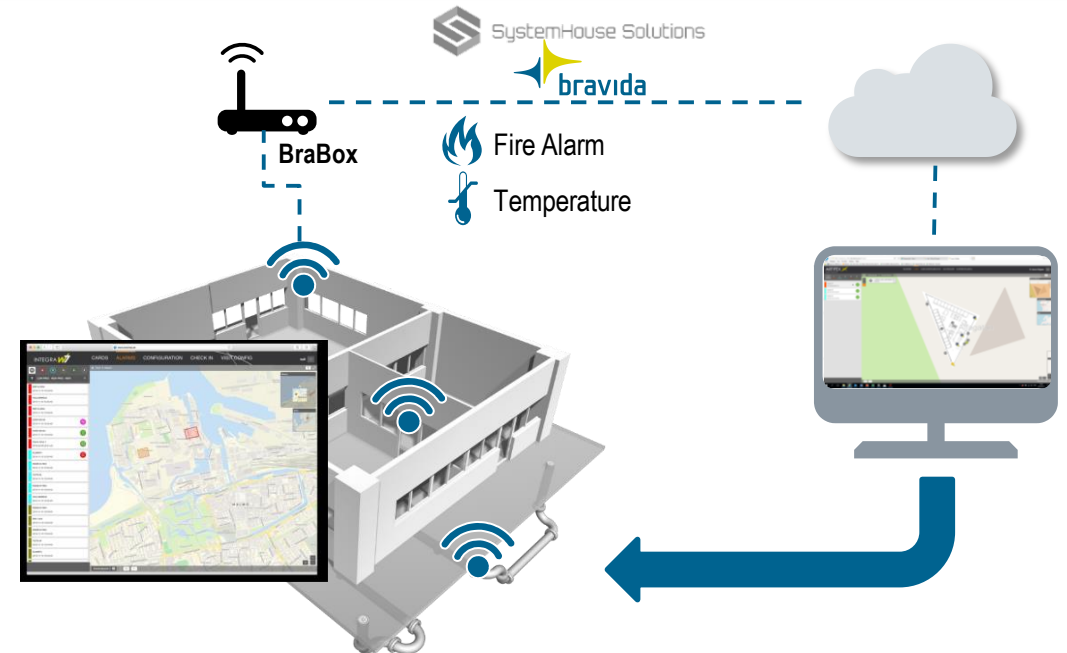
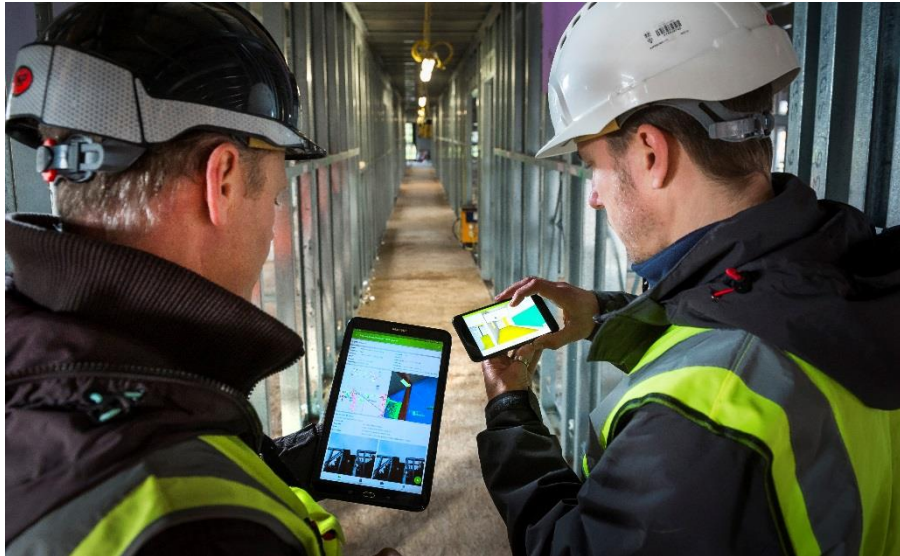
We bring buildings to life throughout the Nordics



Driving innovation through digitalisation



Expanding our technical offering with innovative solutions developed in partnership with our customers



✓ Improved customer service

✓ Expanded service offering

✓ Improved cost efficiency

✓ Increased productivity

✓ Reduced carbon footprint

Continued profitability through Bravida Way and M&A



Bravida Way



Disciplined M&A strategy



Continuous value creation







CAPITAL MARKETS DAY



Financial review: Continued strong value creation

Åsa Neving, CFO

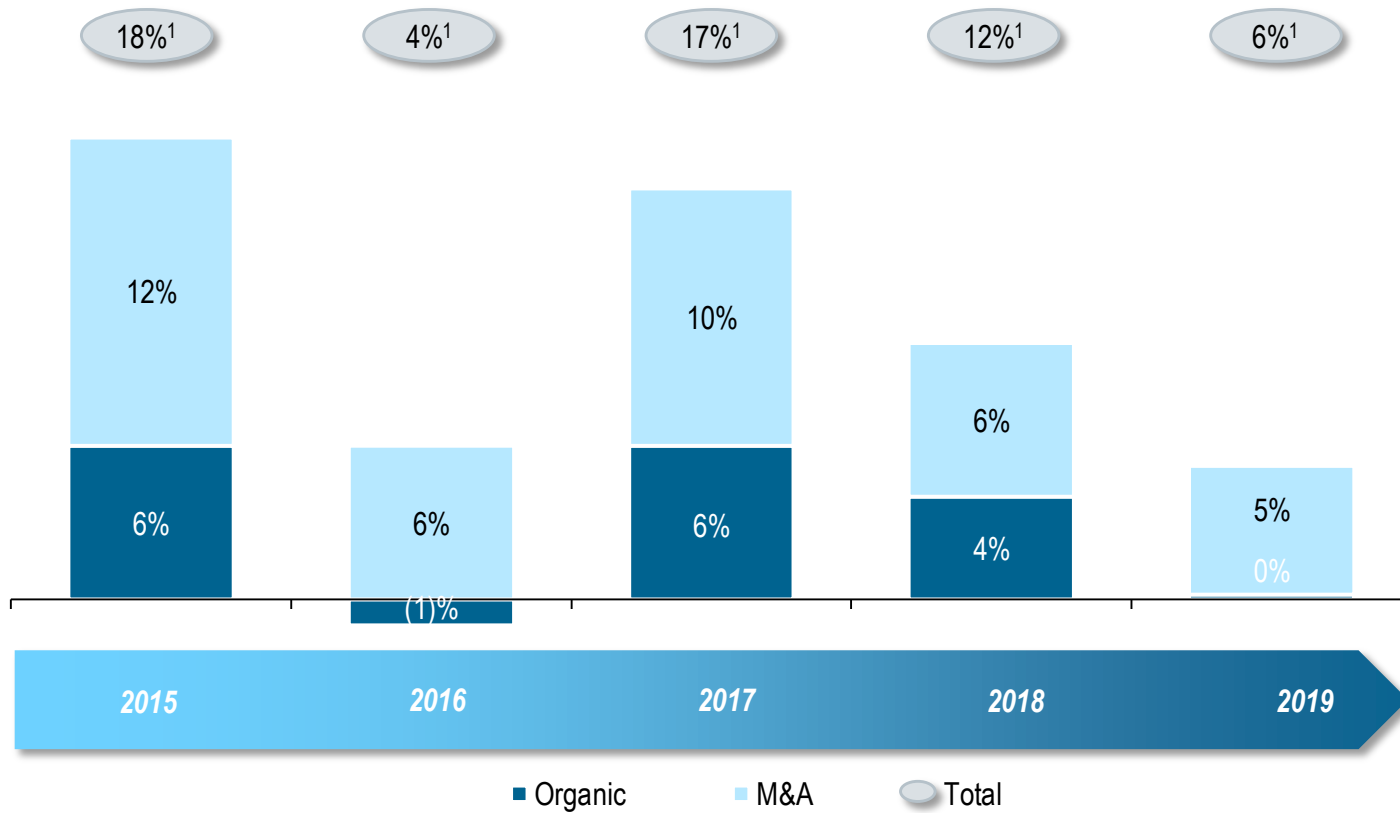
Track record of profitable growth and value creation

SEK	Metric	2014	2019	Performance	Value creation
Profitable growth	 Sales	12.0bn	20.4bn	✓ 1.7x	11% Sales CAGR
	 Adj. EBITA	760m	1,284m ¹	✓ 1.7x ¹	11% EBITA CAGR ¹
Value creation	 Share price	40 ² At IPO 2015	97 ³	✓ 11.7bn Increase in market cap ³	+12.9bn Increase in market cap + dividends ^{3,4}
	 Dividends	na	404m	✓ 1.2bn Paid out in dividends since IPO ⁴	+160% Total shareholder return ^{3,5}

1. Adjusted for cost of restructuring the Stockholm business for SEK58m
 2. IPO price of SEK40 in Oct-15
 3. Based on SEK 97.35 Share price as of 21-Feb-2019
 4. Cumulative dividends paid out since IPO in Oct-2015
 5. Total shareholder return (TSR) calculated as the sum of increase in market cap and total dividends paid out since IPO, divided by market cap at IPO (based on IPO price of SEK40)-1

Strong delivery of total growth

Organic and inorganic growth working together...



...to deliver superior performance

Annual sales added from M&A
8%
M&A growth CAGR (Jan-2015 – Dec-2019)



Attractive levels of annual organic growth
3%
Organic sales growth CAGR (Jan-2015 – Dec-2019)

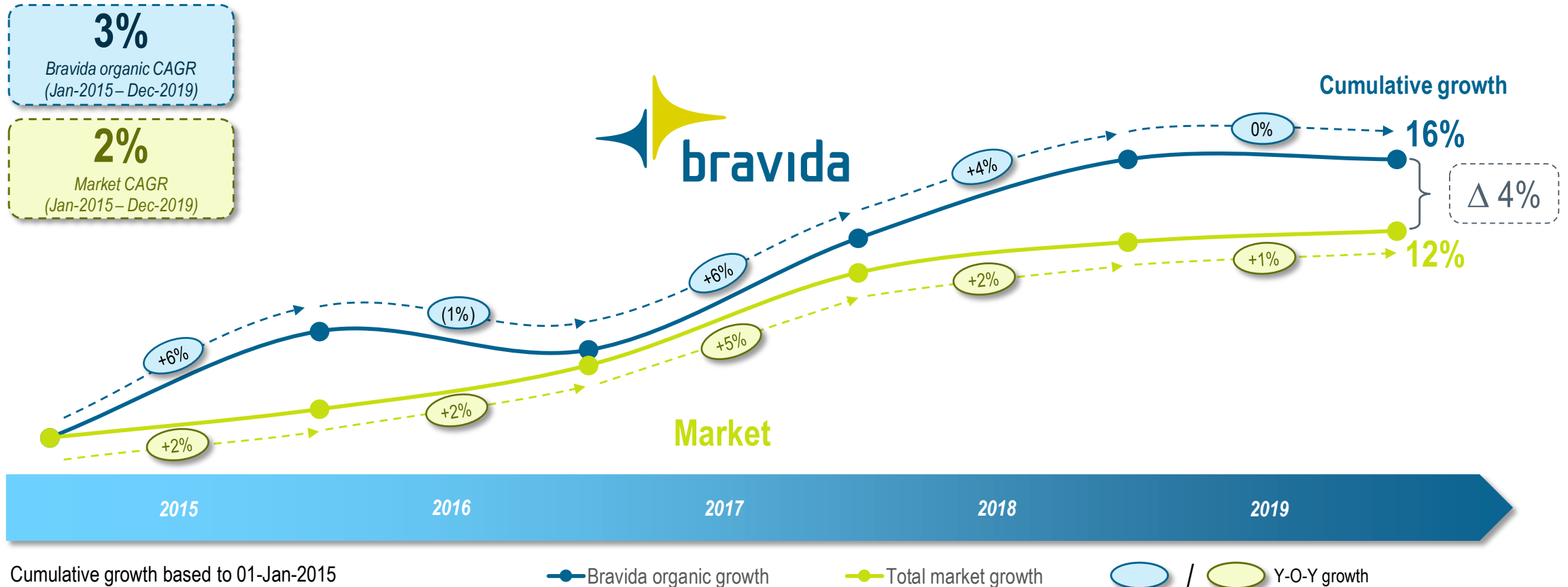


11%
Total sales CAGR (Jan-2015 – Dec-2019)

1. Organic & M&A growth does not add up to total growth due to FX impact and rounding

Superior organic growth outperforming the Nordic market

Bravida organic growth vs Nordic market growth¹ (Jan-2015 – Dec-2019)



¹ Nordic market includes services and project market and based on the sum of sanitary, ventilation and electricity installations. Excludes volumes linked to industrial processes and the civil engineering sector
Source: Prognoscentret AB

Disciplined M&A strategy supporting sales growth

Active across all geographies

Acquired target sales 2014 – 2019

78

Acquisitions completed
(2014 – 2019)

5.0x

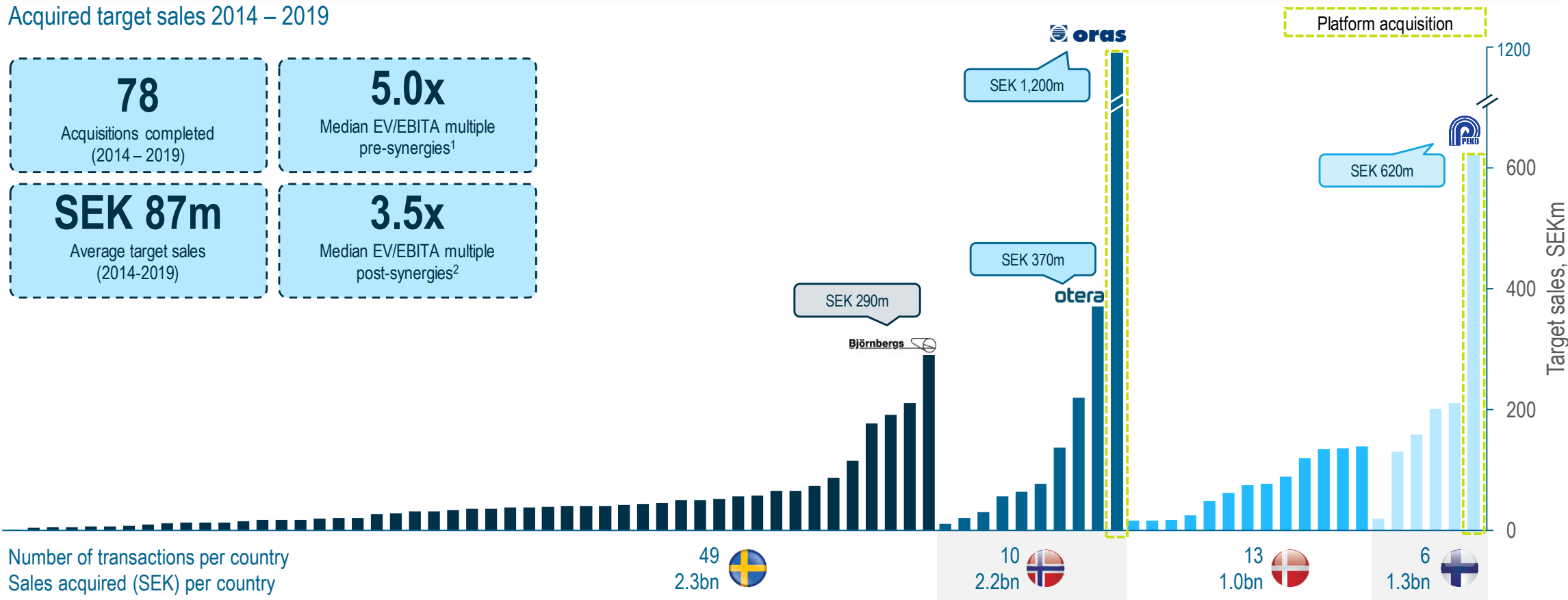
Median EV/EBITA multiple
pre-synergies¹

SEK 87m

Average target sales
(2014-2019)

3.5x

Median EV/EBITA multiple
post-synergies²



Robust EBITA growth with “margin over volume” focus

Adjusted¹ EBITA development 2014–2019 (SEKm)

Adj.¹ EBITA margin (%)

6.3%

6.2%

6.5%

6.3%

6.3%

6.3%²

760

880

958

1,086

1,211

1,284²

11%
CAGR

2014

2015

2016

2017

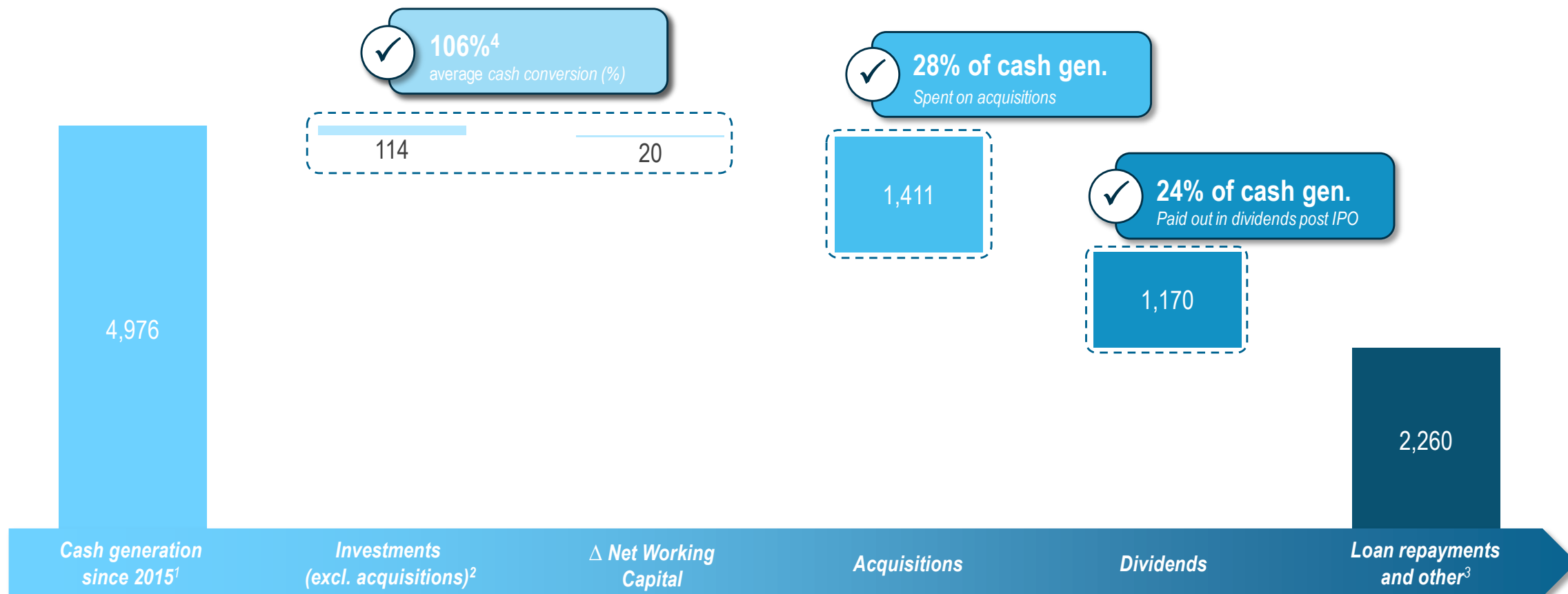
2018

2019

1. Adjusted for specific costs, primarily related to improvement programmes, acquisition costs, IPO and other non-recurring items
2. Adjusted for cost of restructuring the Stockholm business for SEK58m

Strong cash generation funding M&A, dividends and deleveraging

Cumulative cash generation Jan–2015 to Dec–2019 (SEKm)




Our new medium-term financial targets

Updating targets to reflect our size and strategy

 Significantly larger company than at IPO

 Continued "Margin over volume"

 Continued ambition to outperform market

 Continued disciplined M&A strategy

What has changed?

	Old targets	New targets
Sales growth	5% + 5-7% (Organic + M&A)	>5% (Organic and M&A)
EBITA margin	>7% (Adjusted)	>7% (Reported)
Cash conversion (IAS 17)	>100%	>100% (Unchanged)
Dividend pay-out ratio (of net earnings)	>50%	>50% (Unchanged)
Net debt / EBITDA	~2.5x	<2.5x (Incl. IFRS 16)

Key takeaways for financial review



Track record of profitable growth and value creation

Superior organic growth outperforming the Nordic market

Disciplined M&A strategy across all geographies

Robust EBITA growth with “margin over volume” focus

Strong cash generation funding M&A, dividends and deleveraging

Updated targets with continued ambition to create significant value through Bravida Way and M&A

CAPITAL MARKETS DAY

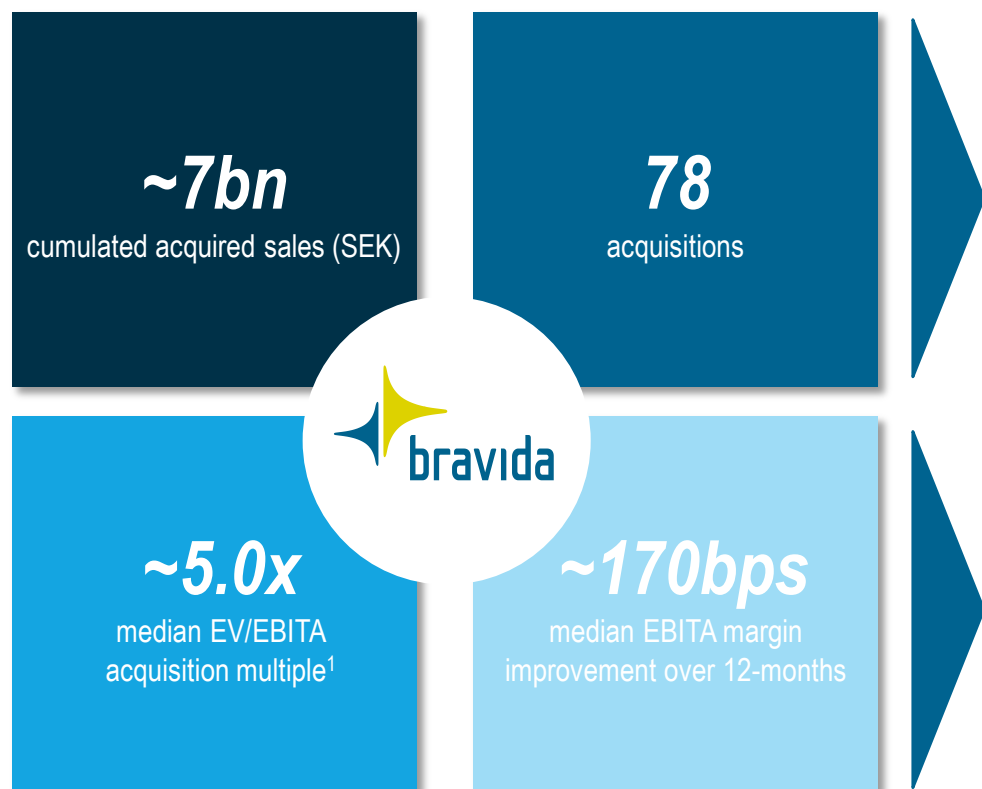


M&A Strategy: Proven growth engine

Magnus Liljefors – Head of M&A

Bravida is the market consolidator

We are leading the consolidation of the fragmented multi-technical services industry and ready to build on these achievements



Proven and tested growth model

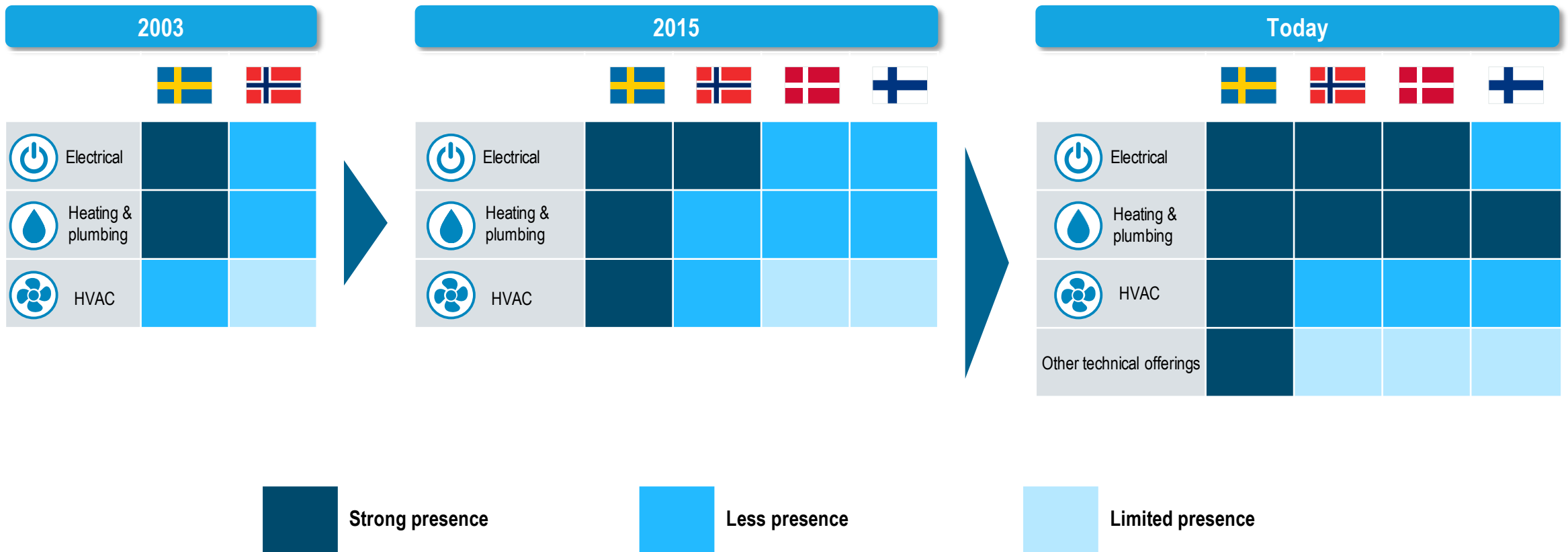
- ✦ *Consistent, regular delivery of M&A growth every year*
- ✦ *Positioned as the “preferred buyer” for family-owned businesses*
- ✦ *Systematic approach to target sourcing, execution and integration*

Track-record of discipline and value creation

- ✦ *Low-risk and self-funded M&A transactions*
- ✦ *Clear ability to maximise synergy potential*
- ✦ *Target selection aiming to be accretive strategically and financially*

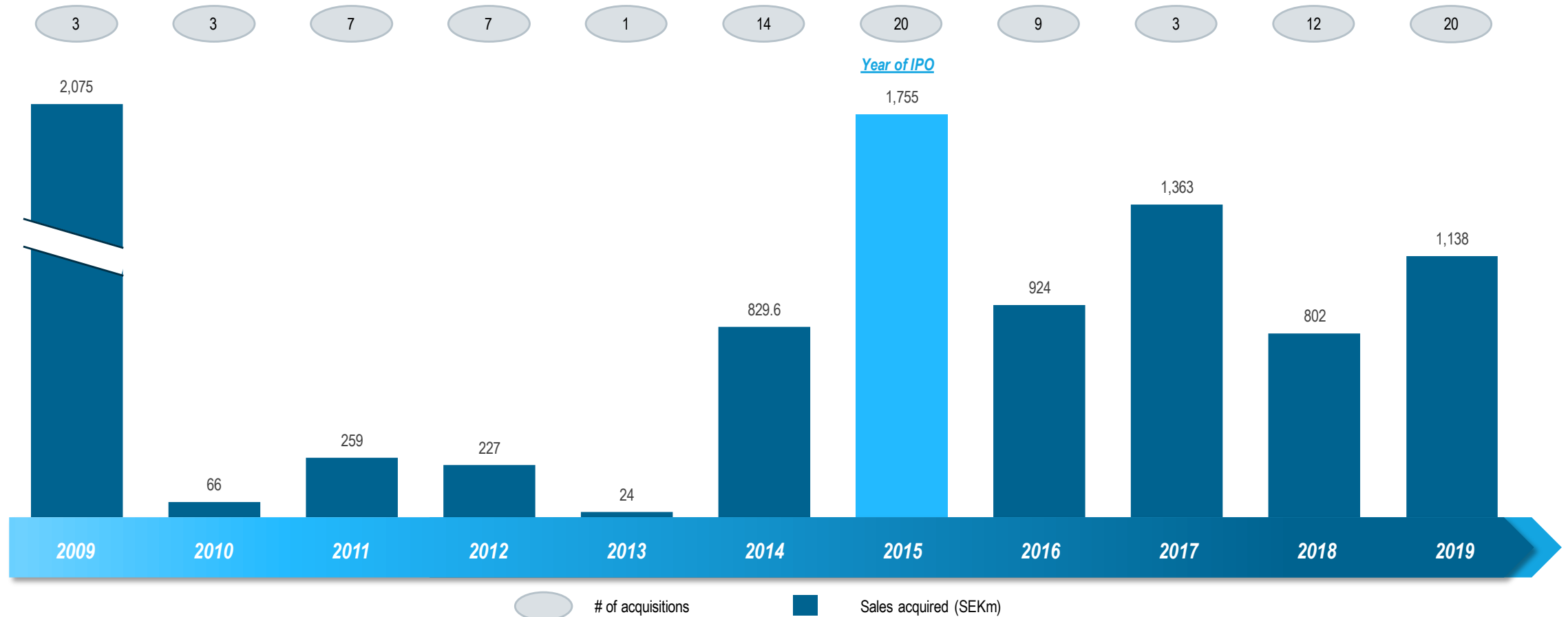
M&A has always been a key pillar of Bravida's story

Bravida's unique market position built from a long track-record of successful acquisitions

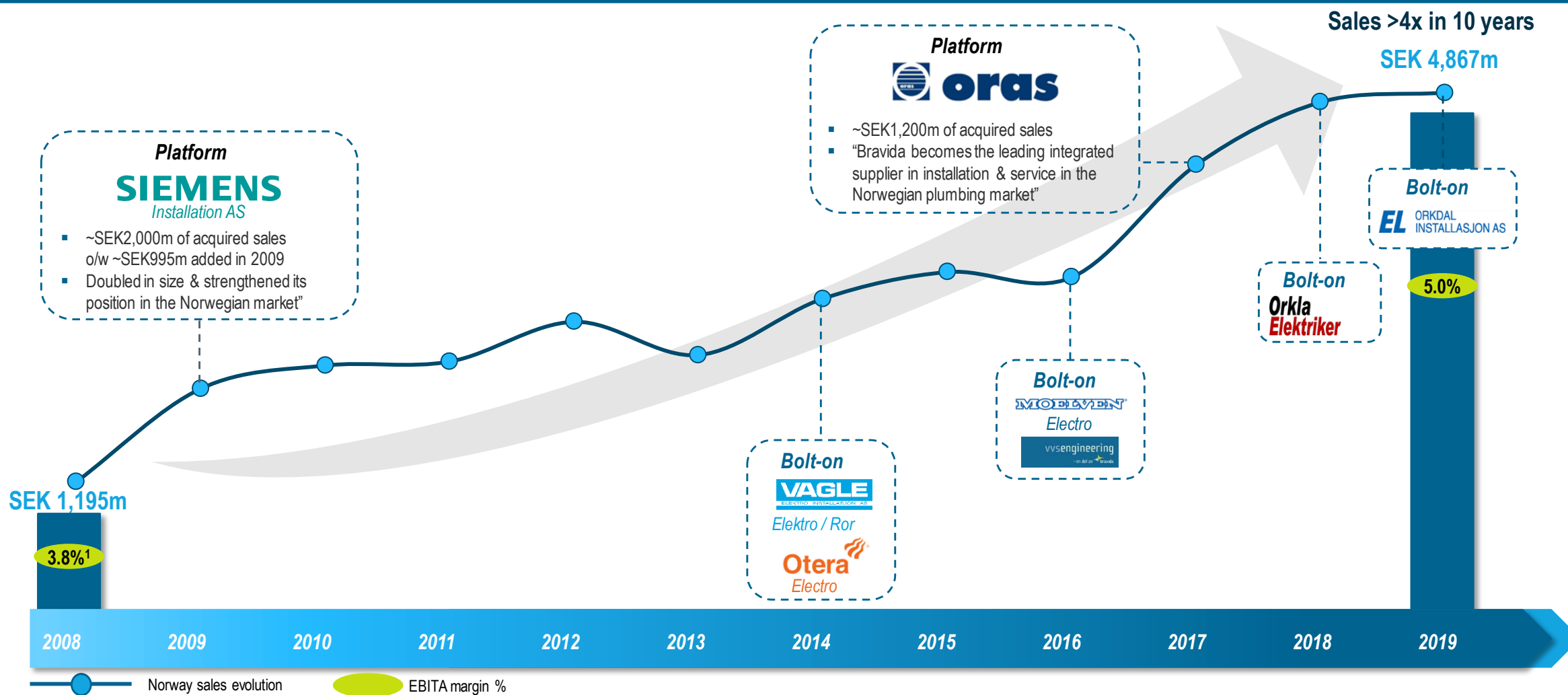


M&A has substantially contributed to our growth since IPO

Acquired sales over the past 10 years: shows proven and tested growth model

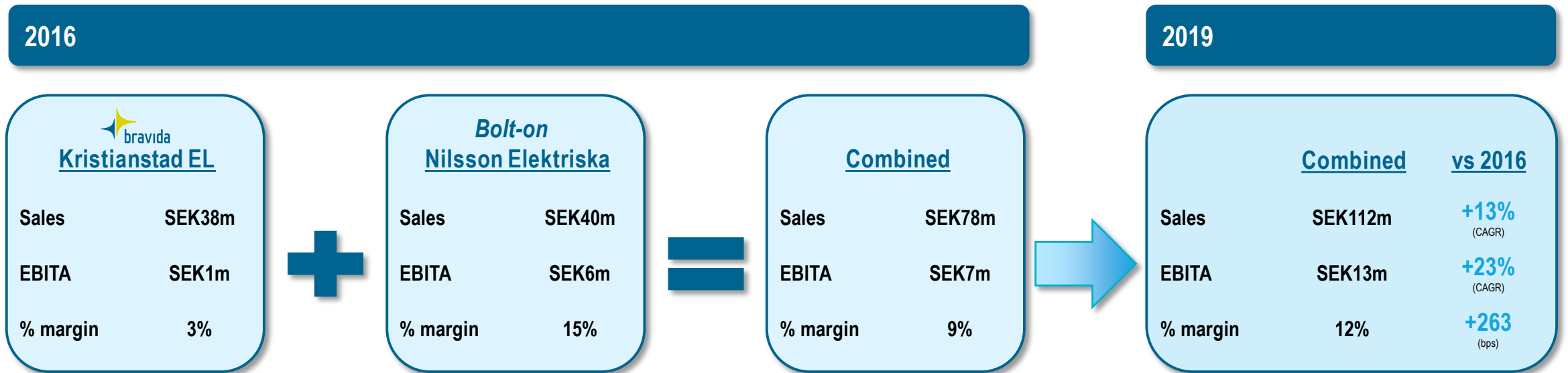


Leading position in Norway established through targeted M&A



1. EBITA margin in 2008 implied from allocating group level amortisation on % sales contribution basis on to reported EBIT

Case study: Kristianstad EL and Nilsson Elektriska (Sweden)



Value creation built on strong strategic rationale and integration abilities

Enhanced branch network density

Strengthen local management

Cross-selling/capability expansion

Cost structure optimisation

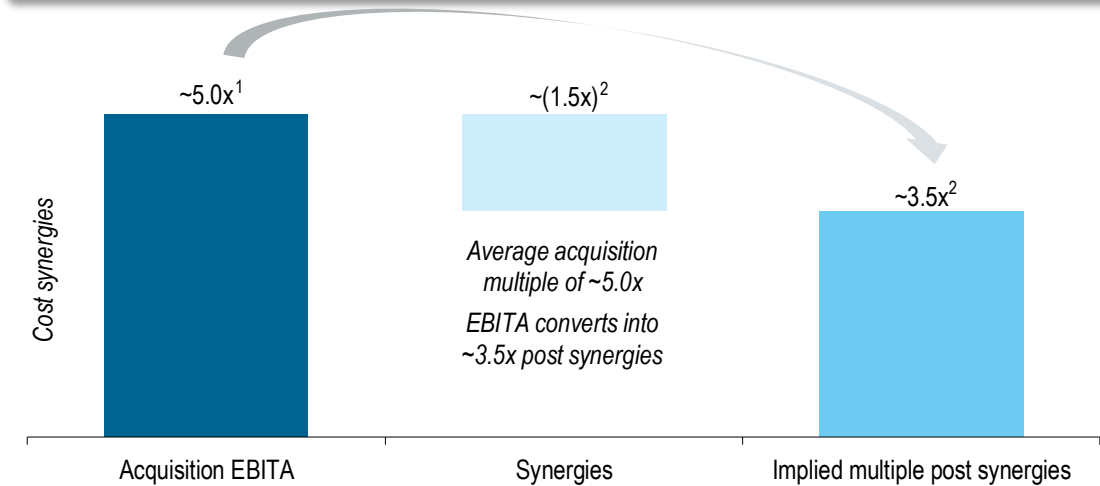
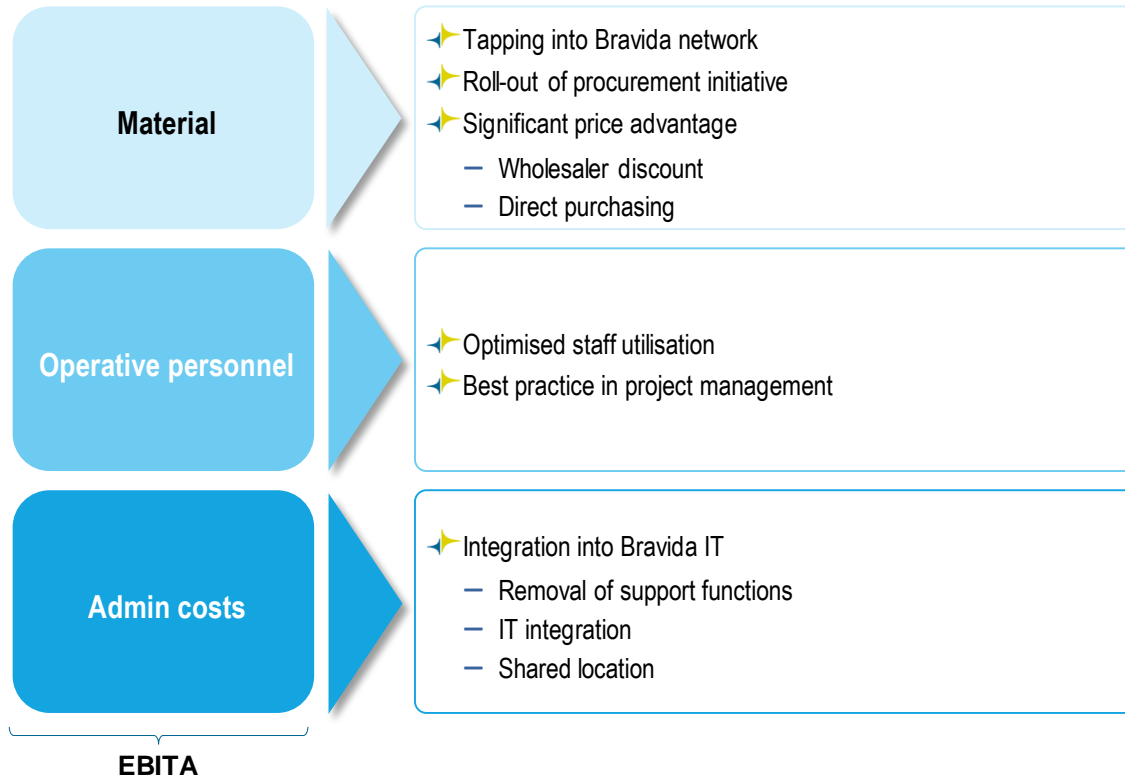
Synergies & operational improvements underpin solid value creation

Attractive economics of growth via acquisitions in the Nordic multi-technical services industry

Cost structure

Synergy drivers

Total value creation



Additional Benefits

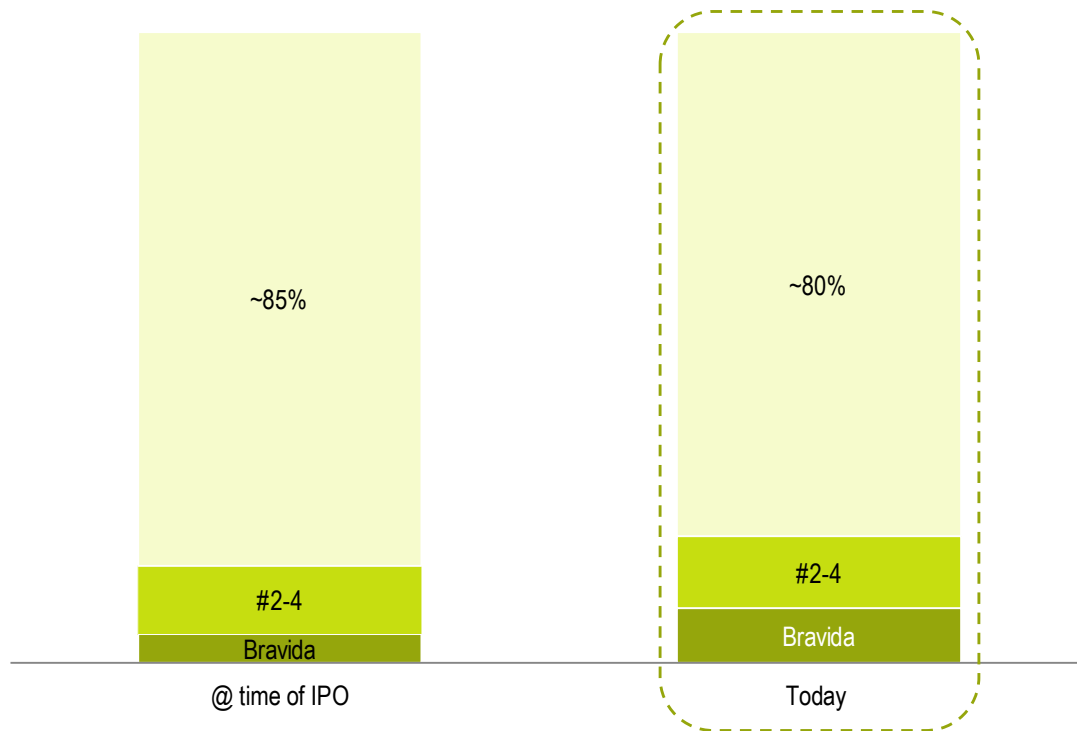
- Net working capital improvement
- Risk management
- Acquire talent and access to new markets
- Pricing
- Cross-selling potential

The M&A potential in our markets remains huge

>25,000 sub-scale players in the Nordics leave substantial potential for bolt-on acquisitions for years to come

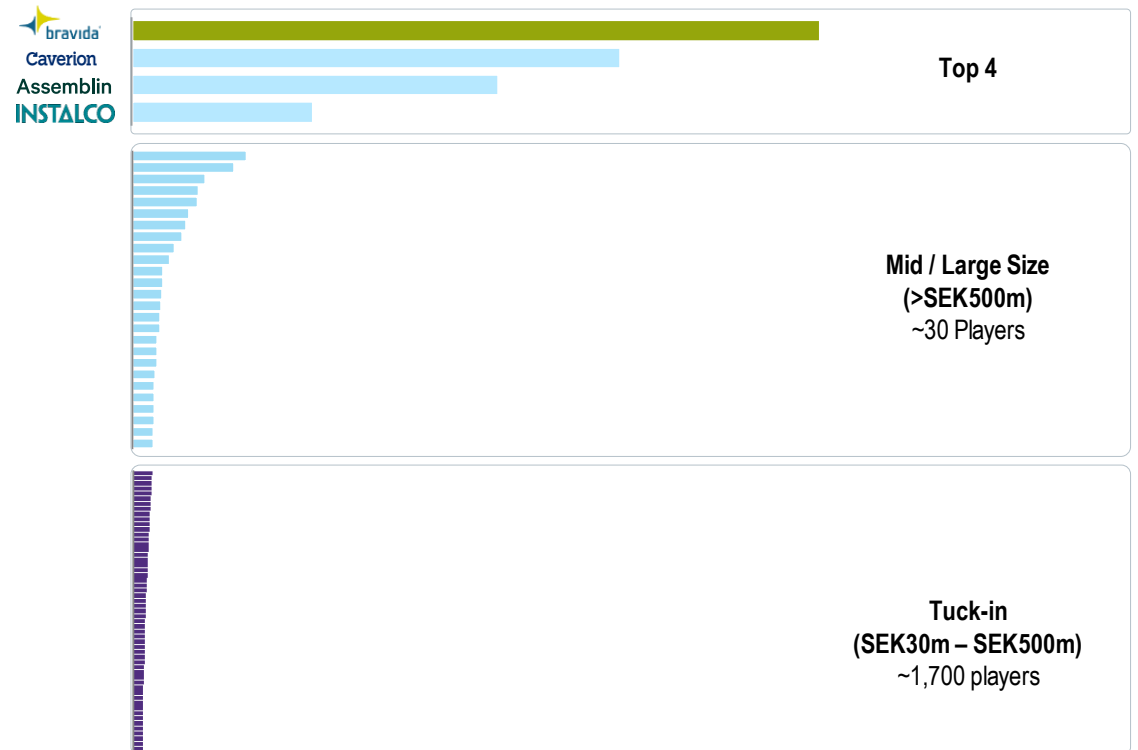
Fragmentation remains high...

Market share of top players vs. others %



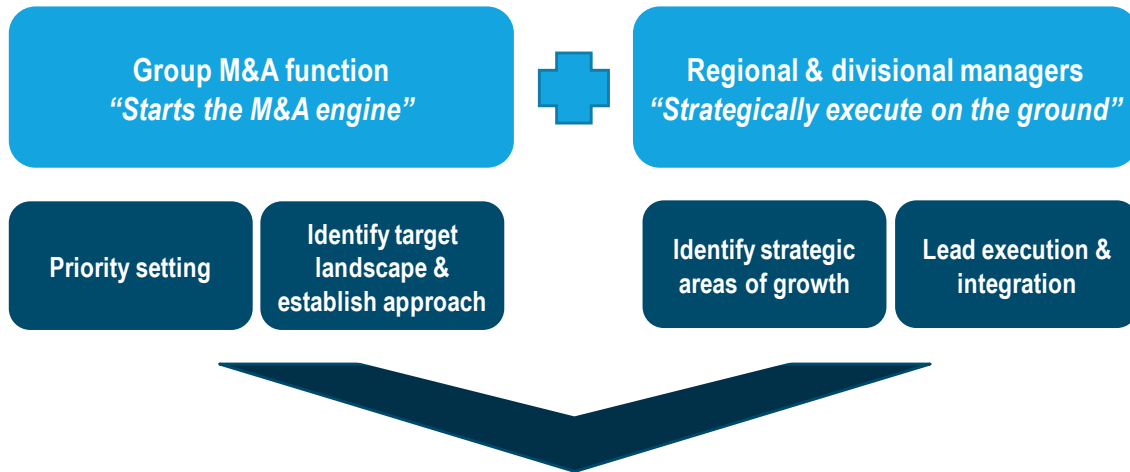
...with a long tail of small players

SEKbn (illustrative)¹



Experienced team & defined processes enable steady flow of M&A

Systematic approach to pipeline development



- ✦ Acquisition strategy tailored to regional needs
- ✦ Annual review of target list & pipeline for each region
- ✦ Continued value creative growth through M&A

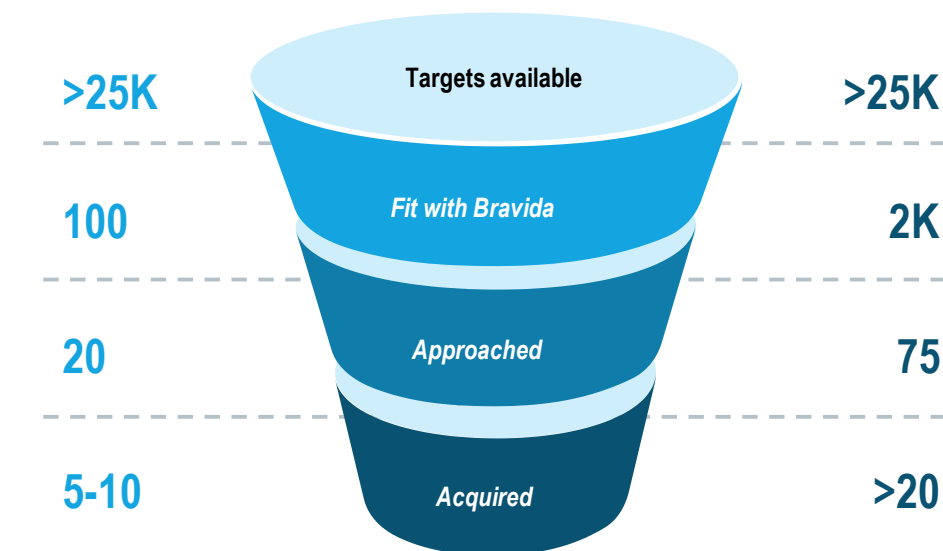
Structured integration process core to track record of success

Process optimisation since IPO

- ✦ Proactive approach setting out integration plan at SPA phase
- ✦ Increased standardisation in integration process
- ✦ Target selection emphasis on cultural fit
- ✦ Track record of outperforming top-line growth & margin plan within 12 months

Investments in M&A capabilities have grown the pipeline

Robust near-term pipeline driven by internal focus on M&A



IPO¹ → Today

What has changed at Bravida?

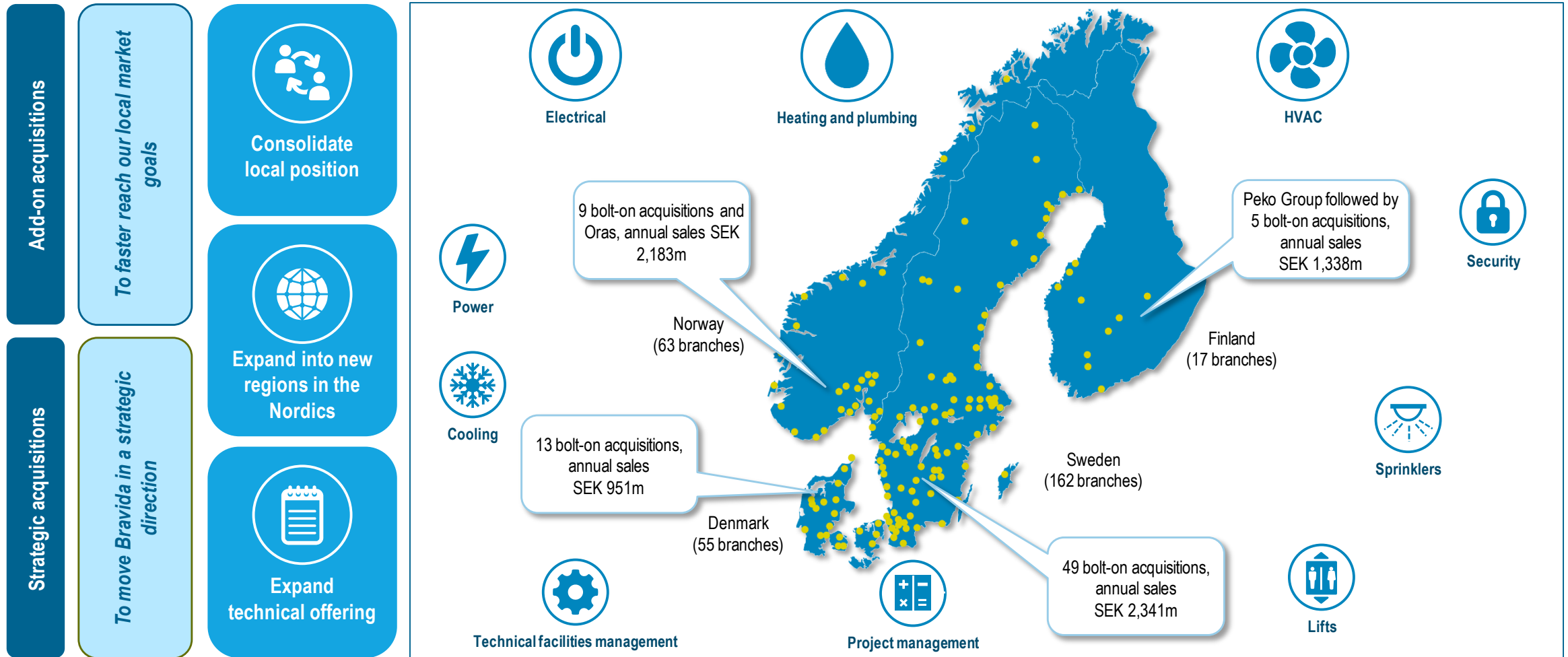
- Proactive process
- Regional management
- Institutionalised M&A team

Pipeline growth underpinned by macro and market drivers



1. Normalised M&A for the period 2009-2015

Targeted M&A has enhanced strategic positioning for the long-term



Note: Data for the period 2014-2019

Key takeaways for M&A



M&A is core to the Bravida story

Bravida has successfully delivered on the inorganic potential of the business since IPO

Bravida has a tested and constantly improving origination and integration model

Each acquisition is met and reviewed by CEO and/or Head of M&A to ensure strategic and cultural fit

Acquisitions have delivered significant value through synergies generated

The market still remains highly fragmented providing the opportunity to keep building on the M&A momentum

Near / medium term pipeline is robust

CAPITAL MARKETS DAY



Q&A and Break



CAPITAL MARKETS DAY



E4 The Stockholm Bypass Project: Expanding the infrastructure is inevitable

Mika Sundholm – Project Director

One of the largest infrastructure projects in Sweden

E4 The Stockholm Bypass Project in brief

- ✦ A new route for the European highway (E4) past the Swedish capital
- ✦ The new link will connect the southern and northern parts of the Stockholm county, relieve the arterial roads and the inner city and reduce the vulnerability of the Stockholm traffic system
- ✦ It will be one of the longest urban road tunnels in the world

21 / 18 km

Length / of which tunnels

140,000

Vehicles per day (year 2035)

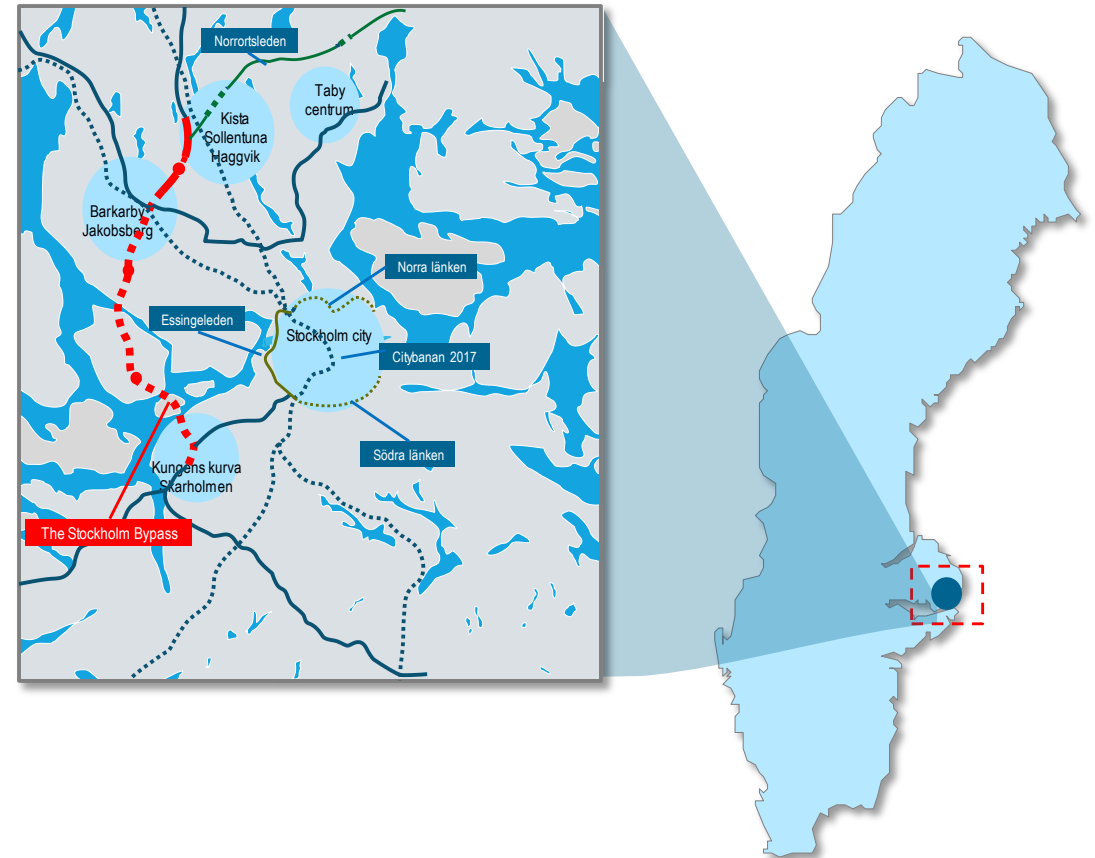
80 / 100 km/h

Maximum speed

SEK 38bn

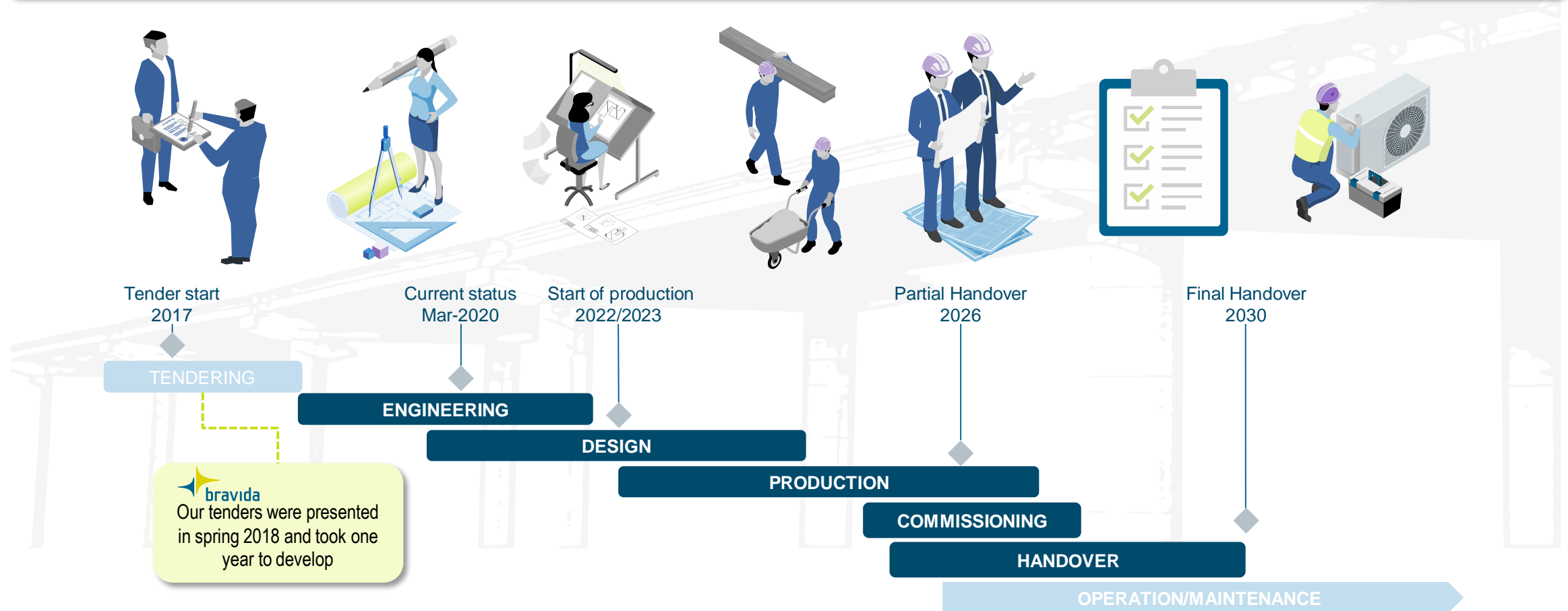
Construction cost

Overview of route



Planned for completion by 2030

Illustrative timeline



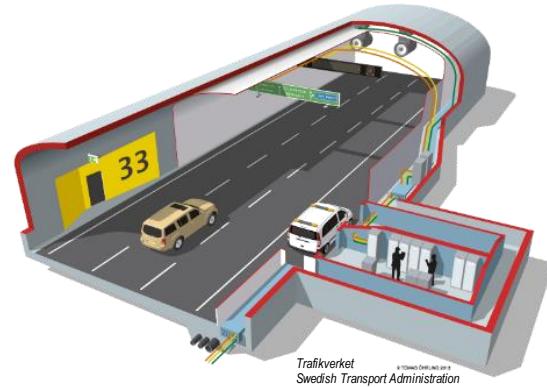
Bravida has been awarded two contracts in relation to E4 The Stockholm Bypass Project

Bypass will involve about 250,000h of management, 120,000h of design and 650,000h of production work for Bravida

FSE902 – Power Supply, Lightning & HVAC



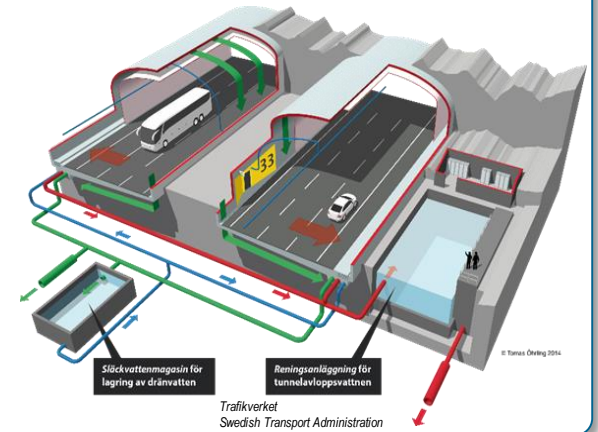
- Includes all installations within power supply and electrical systems, equipment for uninterruptible power supply (UPS), lighting, general power and lightning, general ventilation and cooling
- Recorded in order intake in Q4 2018
- Responsible for operations and maintenance for another two years following completion



FSE905 – Wastewater Systems & Fire Fighting



- Includes all installations within water and wastewater and fixed fire extinguishing
- Recorded in order intake in Q1 2019
- Responsible for operations and maintenance for another two years following completion



Value of contracts

SEK 1.60bn

SEK 1.15bn

Bravida is uniquely positioned for E4 The Stockholm Bypass Project

Unparalleled track-record

 **Vägverket**

Södra länken
1997 – 2004

6km / 4.5km
length / of which tunnels


SEK 7.6bn
total cost (2004 prices)

 **Vägverket**

Norrortsleden
2004 – 2008

16km / 3.3km
length / of which tunnels

SEK 3.2bn
total cost (2010 prices)

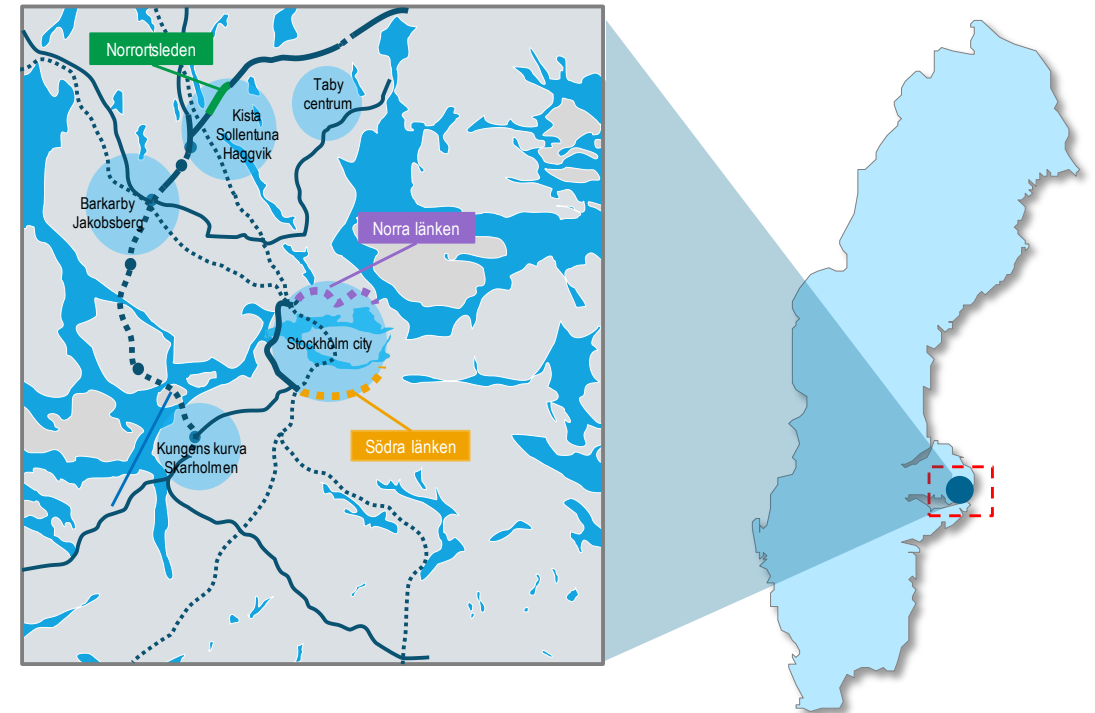
 **TRAFIKVERKET**

Norra länken
2007 – 2015

5km / 4km
length / of which tunnels

SEK 14.8bn
total cost (2014 prices)

Overview of Södra länken, Norrortsleden and Norra länken



✓ Significant experience

✓ Project team continuity

✓ Similar project elements

✓ Client relationship

We have the right experience to manage large projects



Our unrivalled capability to deliver complex solutions is continuously improved by developing our expertise and attracting specialised talent and leaders

 Extensive track-record 


 Significant in-house expertise 

 Cutting-edge solutions 

 Scale and resources 

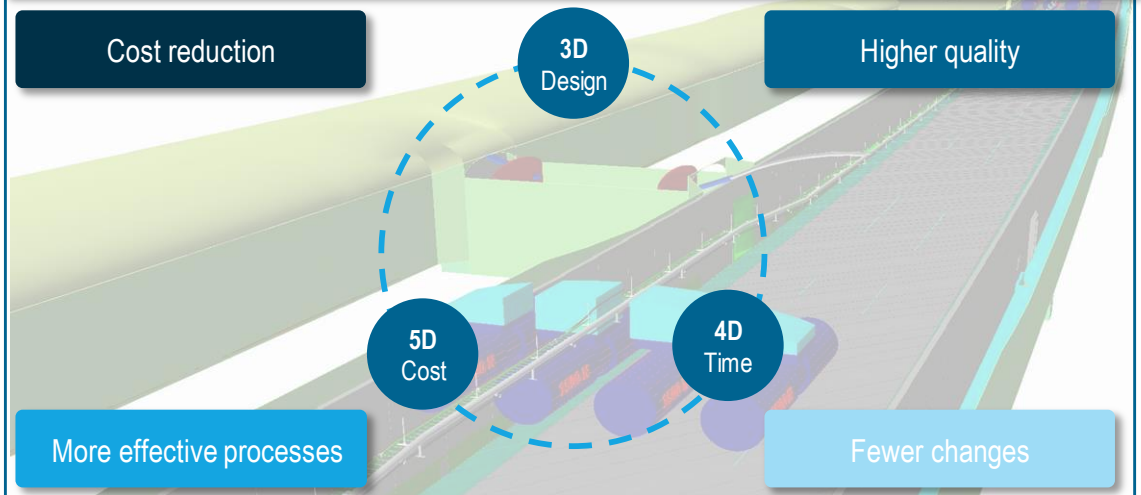
 Bravida Way: Top-quality execution and risk management 

Large projects helps us attract and retain specialised talent and future leaders

 Attracting new talent and leaders for large projects further strengthens our capabilities for future projects



BIM¹ - Multiple dimensions layered to create a shared resource of technical expertise



Key takeaways



One of the largest infrastructure projects in Sweden

Two of the largest contracts within installation of mechanical and electrical systems secured

E4 The Stockholm Bypass Project will involve 250,000 hours of management, 120,000 hours of design and 650,000 hours of production work for Bravida

With our scale and expertise, we are a critical partner in large projects

We closely monitor risks on an ongoing basis and work actively to prevent and address these

Large projects attract specialist talent, further strengthening our capabilities for future contracts

CAPITAL MARKETS DAY

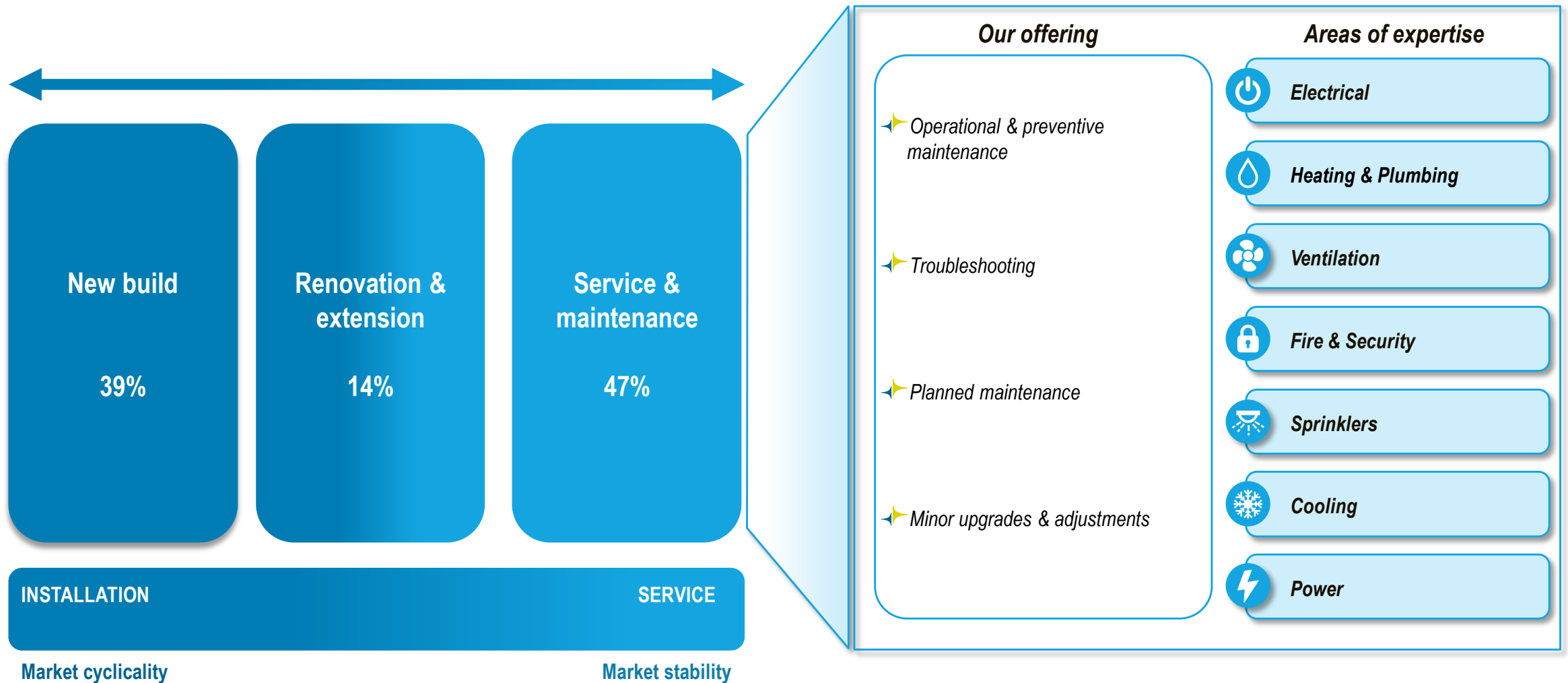


Services:
Positioned to accelerate

Johnny Hey – Head of Division Denmark



Combination of services and installation creates resilience



Services is structurally growing led by long-term megatrends

Increasing building complexity



Market growth impact



- ✦ Increasing adoption of automation systems and smart devices in building stock
- ✦ Technical expertise required to servicing complex systems

Energy efficiency



Market growth impact



- ✦ Regulation and customer preference driven push towards improved efficiency in energy systems
- ✦ Consistent servicing of systems required to achieve efficiency

Digitalisation



Market growth impact



- ✦ Increasing digitalisation expanding service offerings such as monitoring and optimisation of systems
- ✦ Broader customer base with potential direct sales to consumers

Urbanisation

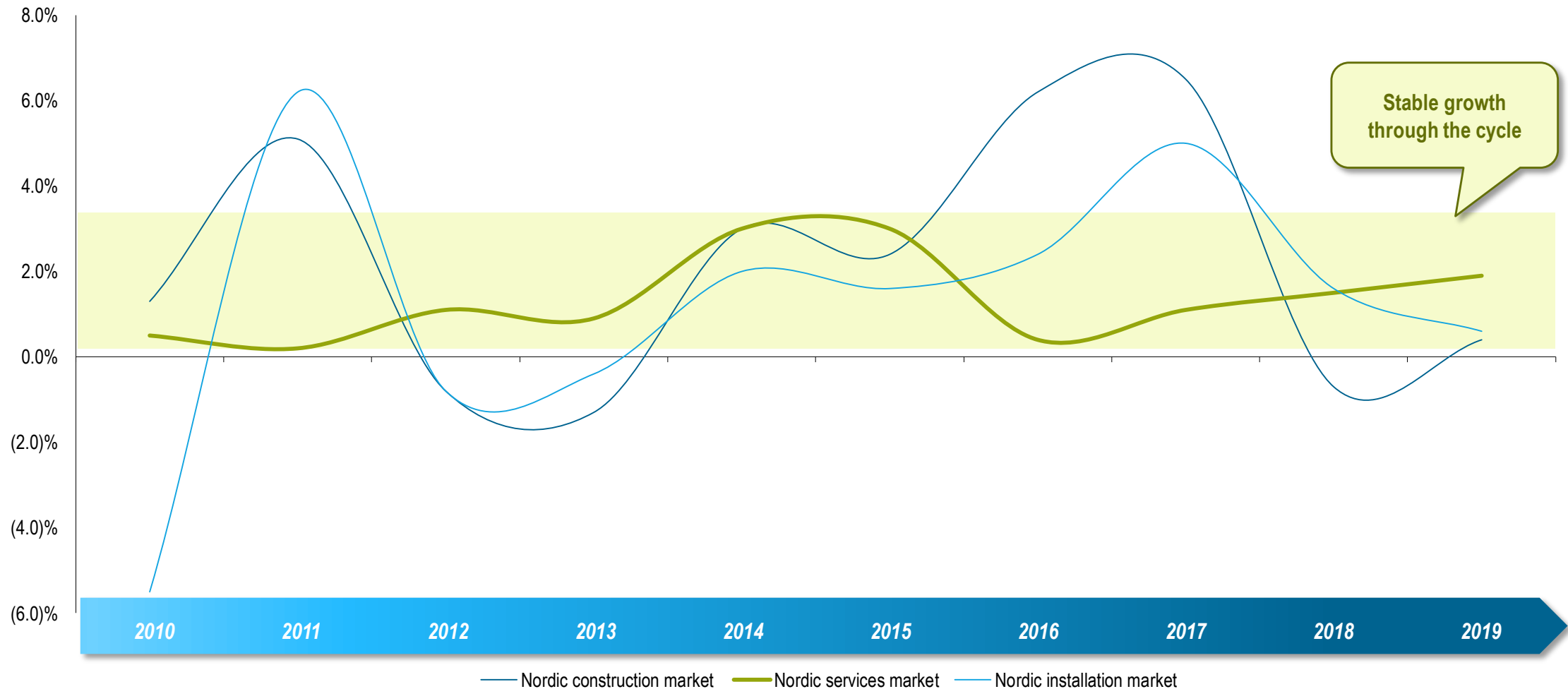


Market growth impact



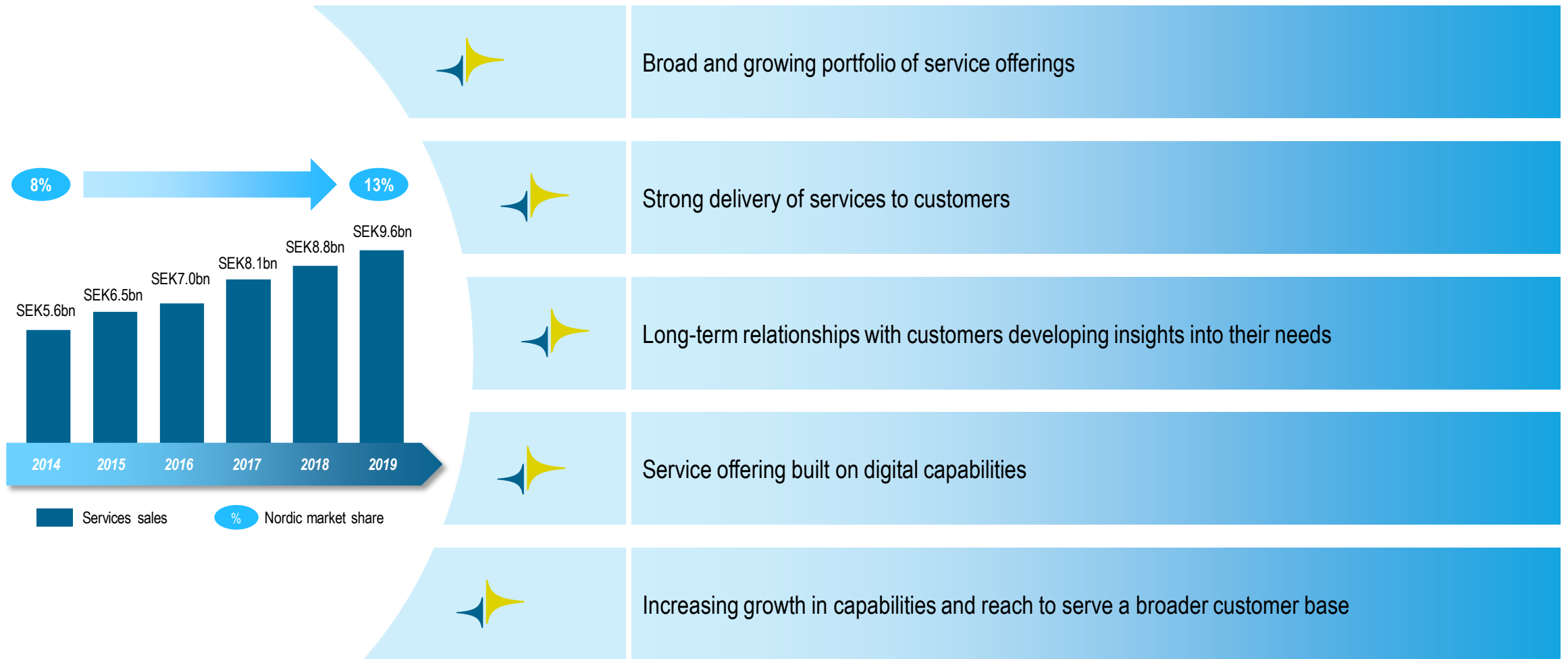
- ✦ Continuing expansion of urban centres being experienced throughout the Nordic region
- ✦ Increasing need to service growing urban infrastructure needs

Services delivers stable growth, resilient to economic cycles



Source: Euroconstruct, Prognoscentret AB

We have grown our market position in services since IPO



Services business supports Bravida's margin target

**+100bps
over installation**
(EBITA-margin)



Attractive pricing dynamics relative to installation



Better ability to manage costs through longer term visibility relative to installation



Lower risk & impact of cost overruns relative to installation projects



Better ability to optimise branch network efficiency



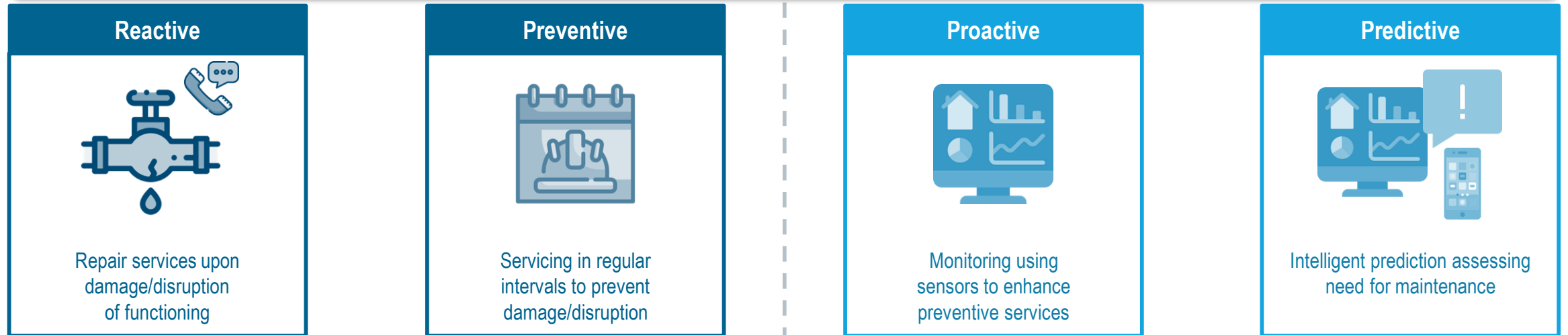
Increasing use of digitalisation supportive to margins

Our success in services is built on a proven model



Digitalisation is transforming the meaning of services and enables us to do more for our clients

Digitalisation is key to support customers in the future



Services of yesterday

Services of today

Services of tomorrow



Work hours



Service as required



Equipment & supply



Digital interface for customers

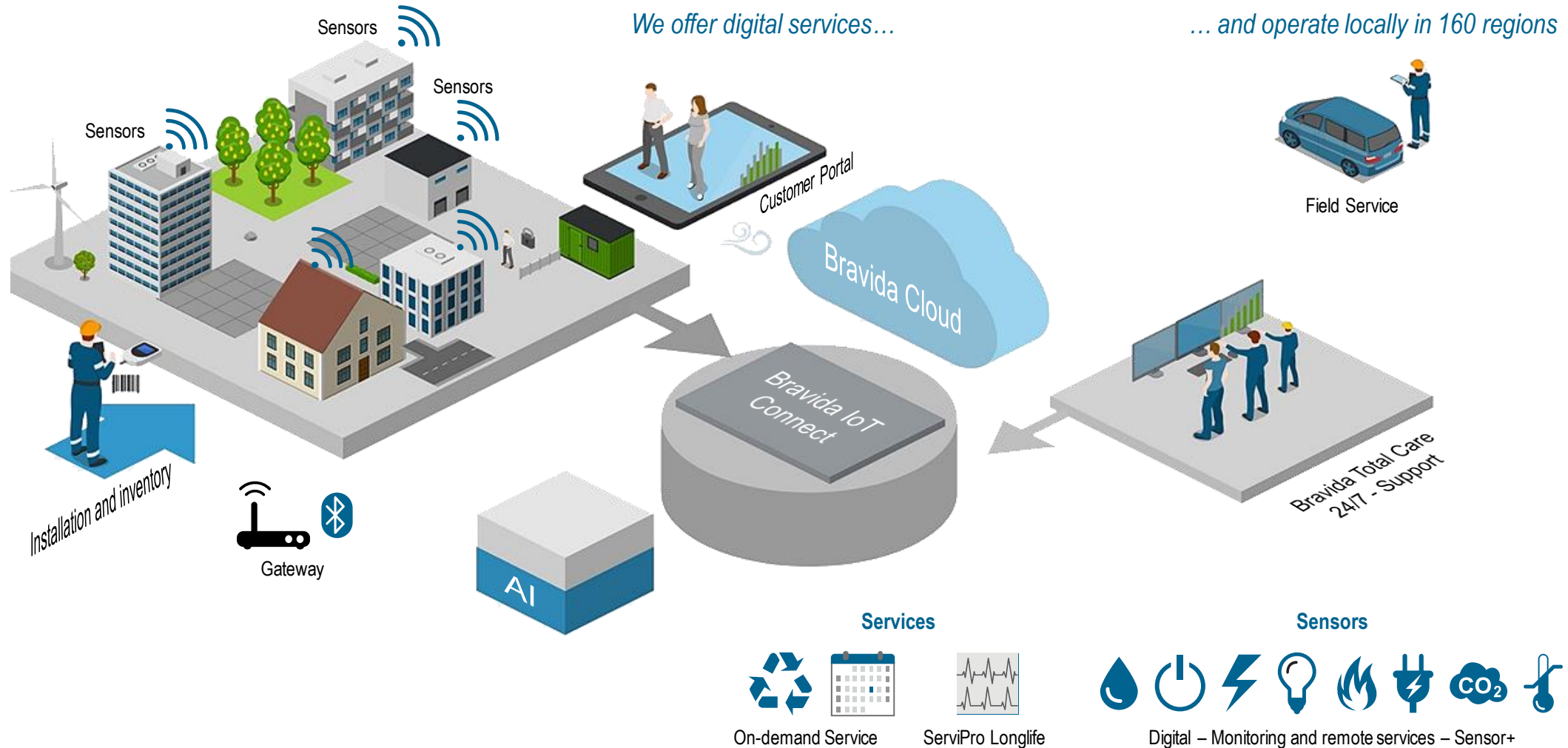


Service as required

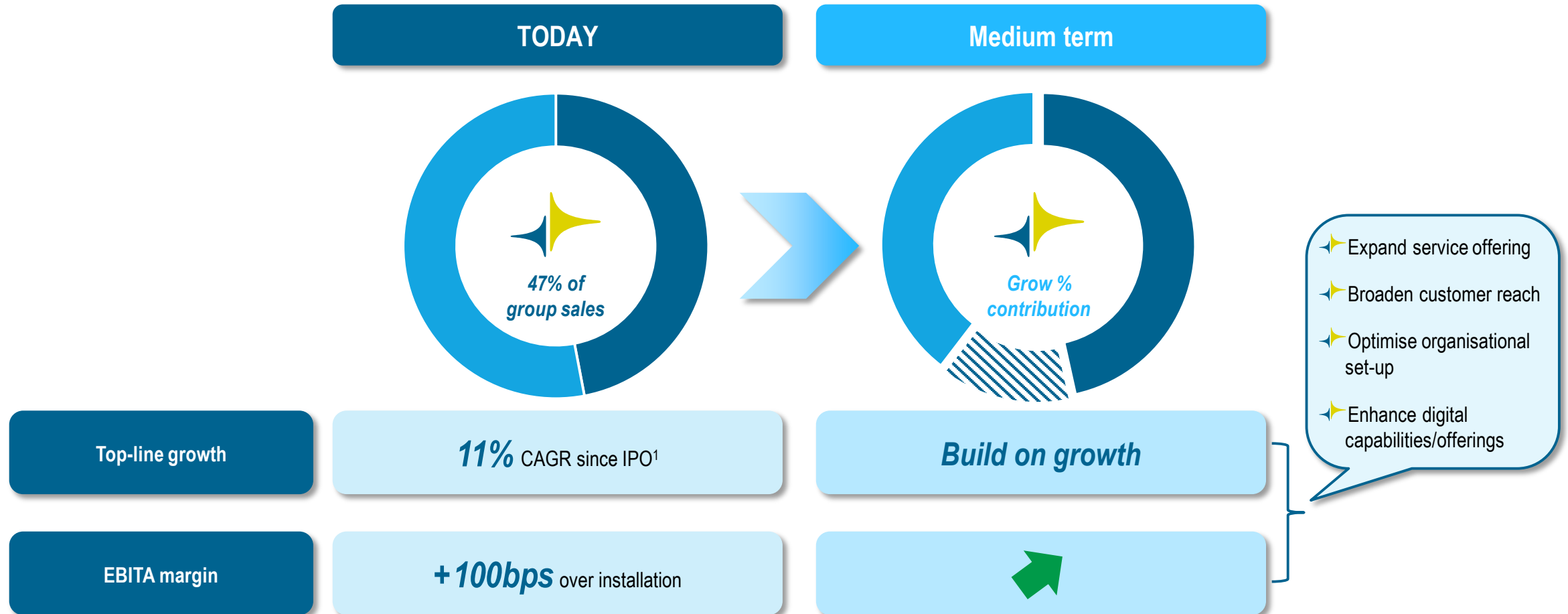


Remote control / data analytics

The future of our service offering will be built on digital capabilities enhancing our technicians and network



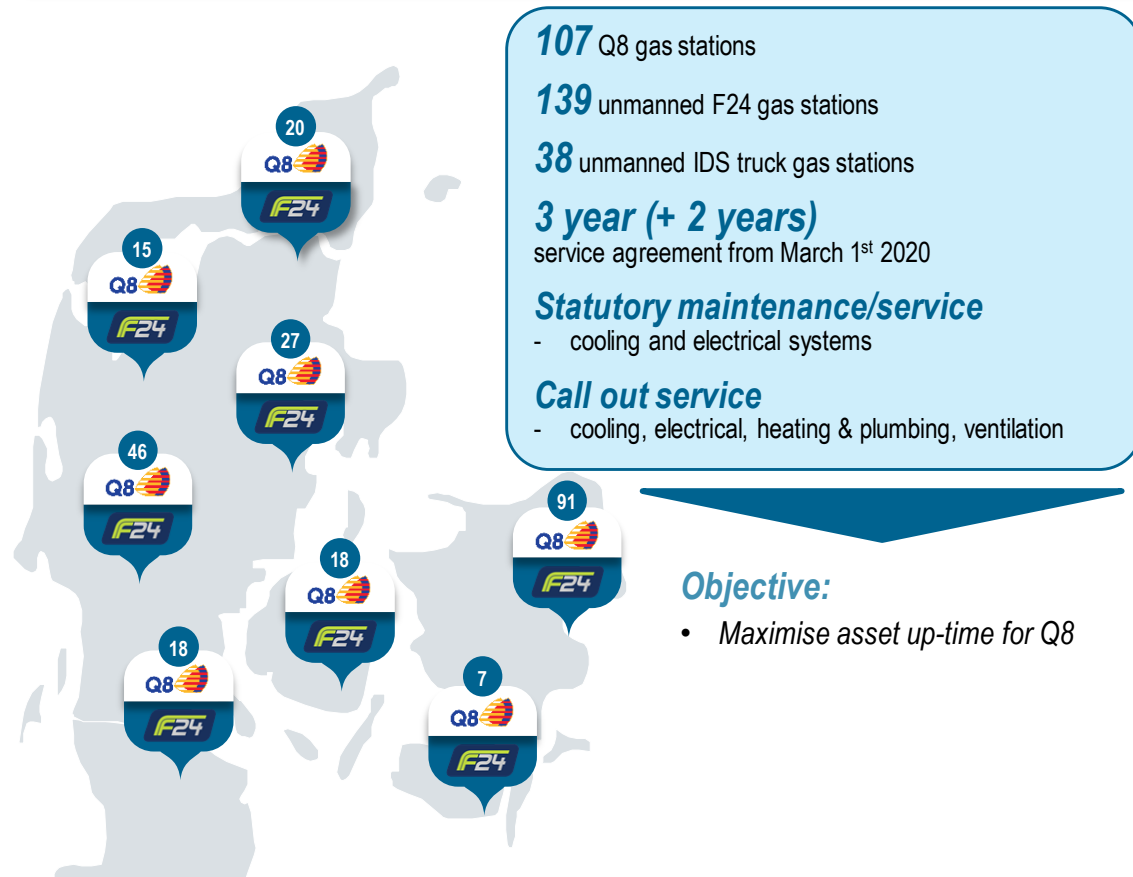
Ambition to accelerate growth in services



1. For the period 2014-2019

Case study: National service agreement with Q8 in Denmark

Key terms of the agreement



Why Bravida is the optimal service partner for Q8

Ability to deliver solution of large scale through network density

Tailored service & maintenance offering with 1 unique provider

Continuous follow-up and assessment of improvement

End-to end solution supported by digital tools

Compatibility with customer focus on safety and professionalism

Key takeaways for Services



Our broad portfolio of service offerings is a critical part of our business

Growth in services is supported by long-term megatrends and is highly resilient to economic cycles

Our customer proposition has allowed us to consistently gain market share

The margin profile of services supports our margin target

We are focused on leading the digitalisation of services for our customers

We intend to accelerate our growth momentum in services

CAPITAL MARKETS DAY



Q&A and closing remarks

Mattias Johansson – CEO and Group President