

A photograph of three workers in a factory or industrial setting. They are wearing safety gear: hard hats (white, yellow, and blue), safety glasses, and high-visibility yellow jackets. They are gathered around a table, looking at and pointing to a large set of blueprints. The background shows industrial equipment and a window.

# Assemblin Q3 2020

Investor presentation, November 5, 2020



**Mats Johansson**

*President and CEO, Assemblin*

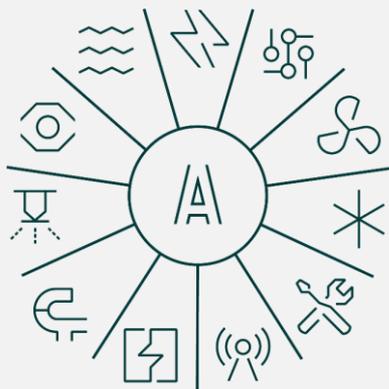


**Philip Carlsson**

*CFO, Assemblin*

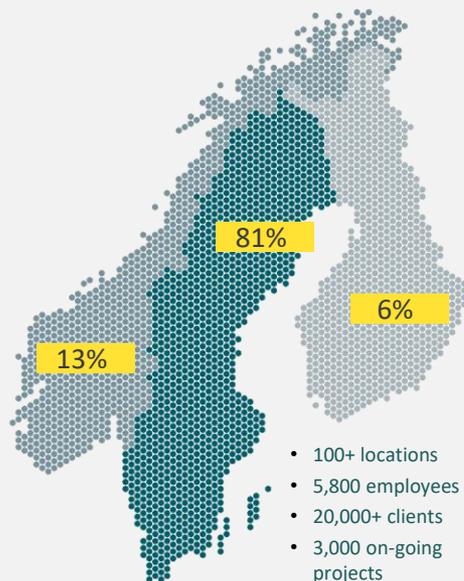
# Assemblin is an end-to-end Nordic installation and service partner

## Excellence in many areas of technology



- Electrical
- Heating and sanitation
- Ventilation
- Automation
- Data and telecom
- Security
- Industrial pipes
- District heating
- Cooling
- Sprinklers
- Electrical workshop and field service

## Strong local presence



- 100+ locations
- 5,800 employees
- 20,000+ clients
- 3,000 on-going projects
- 100,000 service assignments

## Financial performance, LTM Q3 2020

NET SALES	SEK 10.1 bn
ADJ. EBITA-MARGIN	5.6%
CASH CONVERSION	160%
ORDER BACKLOG	SEK 8.2 bn

### SALES PER BUSINESS AREA



Sweden EI	41.0 %
Sweden VS	26.3 %
Sweden Ventilation	13.2 %
Norway	13.4 %
Finland	6.2 %

### SALES PER TYPE OF ASSIGNMENT



Service	39%
Projects	61%





# Our journey so far



## Key highlights Q3 2020:

# ” Continued healthy profitability and record-high cash flow”

### FINANCIAL HIGHLIGHTS

- Net sales SEK 2,168 m
- Order intake SEK 1,988 m
- Adj EBITA SEK 114 m
- Adj EBITA margin 5.3 %
- Cash conversion LTM 160%

-2.6%

-37%

+0.2 pp

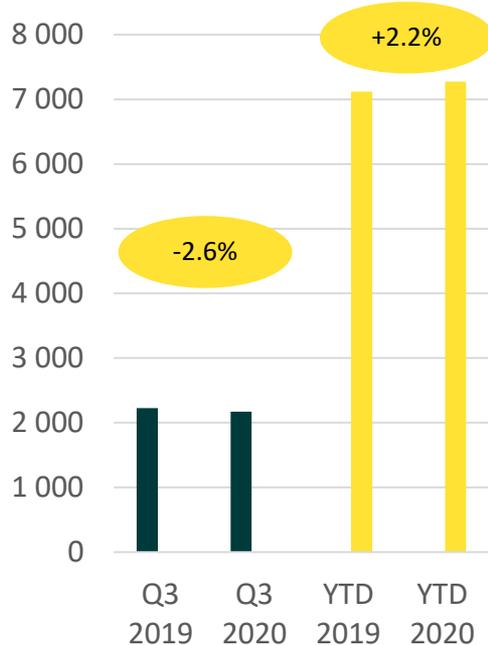
### OPERATIONAL HIGHLIGHTS

- Continued focus on profitability
- Stable sales and strong order intake
- Several acquisitions completed both in Q3 and the beginning of Q4
- Strong cash flow and high liquidity
- A new Climate Agenda launched
- Managing the spread and effects of the Corona virus

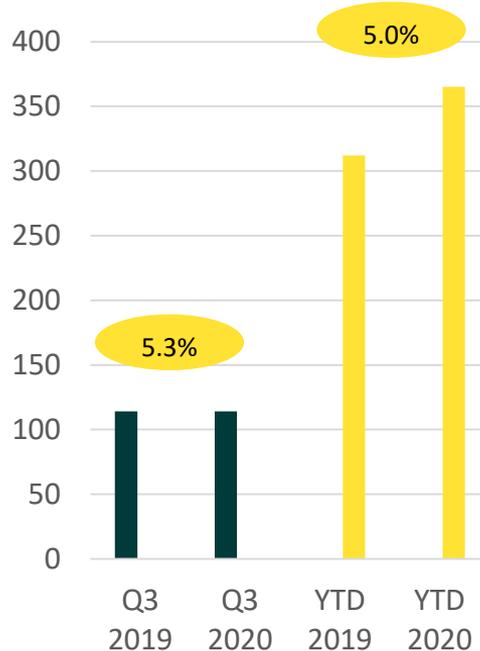


# Group development: Net sales and adjusted EBITA margin

SALES SEKm / GROWTH %



ADJ EBITA SEKm / ADJ EBITA MARGIN %



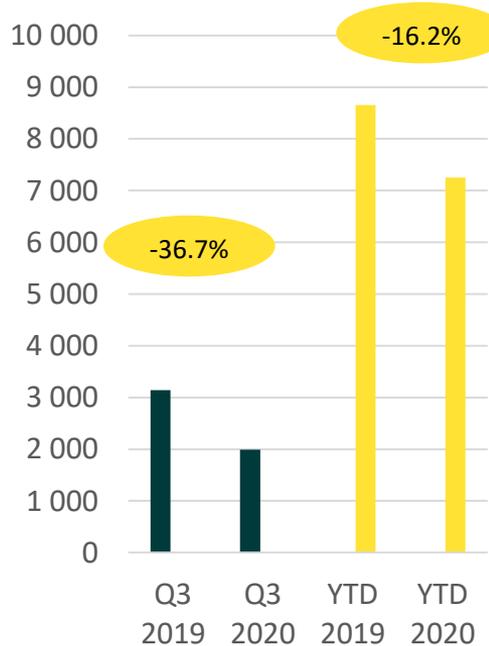
COMMENTS

- Growth continues despite closed branches and Corona (-0.6% excluding FX effects)  
-4.5 % organic  
+4.0 % acquired  
-2.0 % FX effect
- Share of service assignment YTD increased to 39 (38) per cent
- Margin increase driven by the accelerated profitability programme and acquisitions
- Restructuring of Stockholm operations in Assemblin VS and Assemblin EI

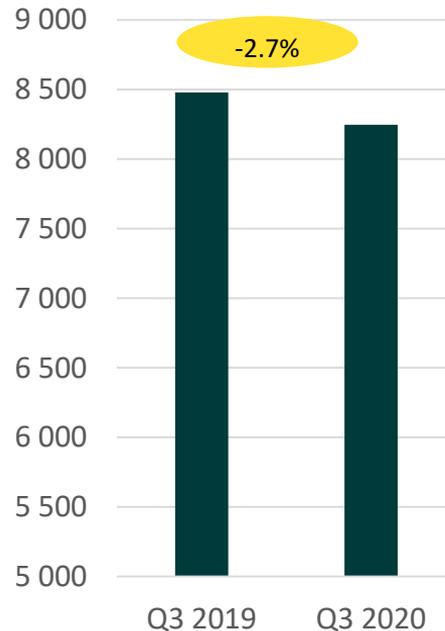


# Group development: Order intake and order backlog

ORDER INTAKE SEKm / GROWTH %



ORDER BACKLOG SEKm / GROWTH %



COMMENTS

- The YTD comparison skewed by the Bypass project in Q1-19 and the Malmö Hospital campus as well as Kiruna Center projects in Q3-19 (in total SEK 1 130 in Q3 and SEK 1 650 m YTD)
- Order intake stable in Q3 leveraging strong market presence
- Several orders in pipeline but mixed market signals



# Business area development in Q3

## SWEDEN

### ASSEMBLIN EL



### ASSEMBLIN VS



### ASSEMBLIN VENT.



### ASSEMBLIN NORWAY



### ASSEMBLIN FINLAND



	Q3 2020	LTM	Q3 2020	LTM						
Net sales, SEK m	840	4,149	565	2,658	302	1,351	358	1,464	127	605
Growth, %	-4.3	4.5	-8.4	4.4	0.0	-3.4	25.1	16.4	-17.4	3.4
Adj EBITA, SEK m	28	233	23	148	9	78	34	101	0	6
Adj EBITA margin, %	3.4	5.6	4.1	5.6	2.8	5.8	9.4	6.9	0.0	1.0
FTE	2,769	2,809	1,380	1,477	561	556	742	722	304	333

- Q3 typically the weakest quarter in Sweden each year as evidenced in quarterly margins lower than LTM
- Good activity levels across Sweden although lower than last year due to production peaks in Q3-19 in EL and VS (largely handled by subcontractors)
- Temporarily weakened margin due to weak performance in Stockholm for EL and VS

- Sales continuing to grow despite FX headwinds
- Margins strong and stable

- Negative sales growth due to unit closures
- Low margins pressure margins



# Group development: Acquisitions 2020

## Q1

- Projektuppdrag Syd AB (Sweden/Ventilation)

### IN TOTAL

Annual sales: SEK 10 m  
Employees: 8

## Q2

- Elservice i Åmål (Sweden/VS)
- Örestadskyl (Sweden/Ventilation)

### IN TOTAL

Annual sales: SEK 31 m  
Employees: 17

## Q3

- Botkyrka VVS & Fastighetservice AB (Sweden/VS)
- ELIN i Stockholm AB (Sweden/VS)
- SDC Stockholm Design & Construction AB, (Sweden/VS)
- Luftkompaniet Sjöblom AB (Sweden/Ventilation)

### IN TOTAL

Annual sales: SEK 205 m  
Employees: 56

## Q4 YTD

- Mälardalens Fjärrvärme Entreprenad AB\*
- Essén Rör AB (Sweden/VS)
- KK Kylmäpalvelu Oy (Finland)
- Salon Kylmäpojat Oy (Finland)
- Karjan Kylmäpalvelu Oy (Finland)

### IN TOTAL

Annual sales: SEK 145 m  
Employees: 91

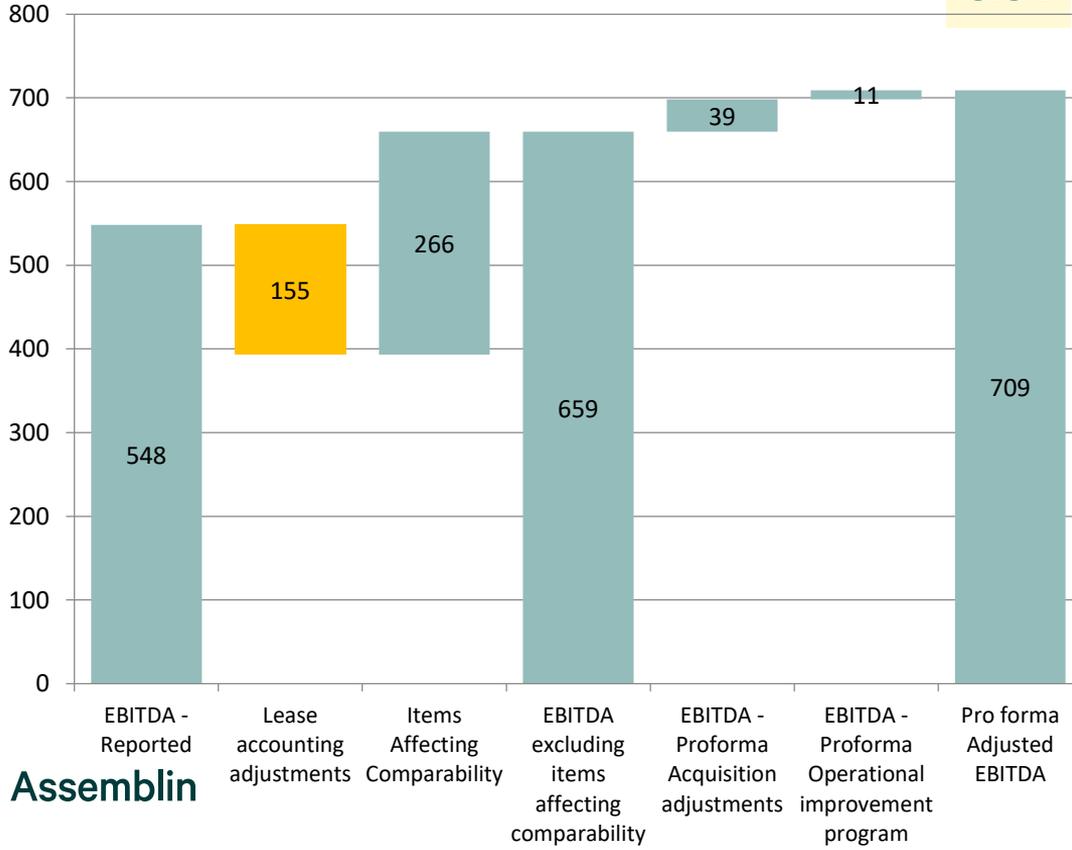
\* Announced in Q3, closed in Q4



# LTM Pro forma adjusted EBITDA

Consolidated net leverage ratio

3.5x



## COMMENTS

- Reported EBITDA adjusted to exclude the effect of implementing IFRS16
- Items affecting comparability of SEK 42m in the quarter (SEK 51m YTD) consist primarily of restructuring in Stockholm.
- Pro forma acquisition adjustments reflects the full twelve-month estimated impact of M&A completed prior to 30 September 2020
- The full year effect of the accelerated profitability program is SEK 11 million

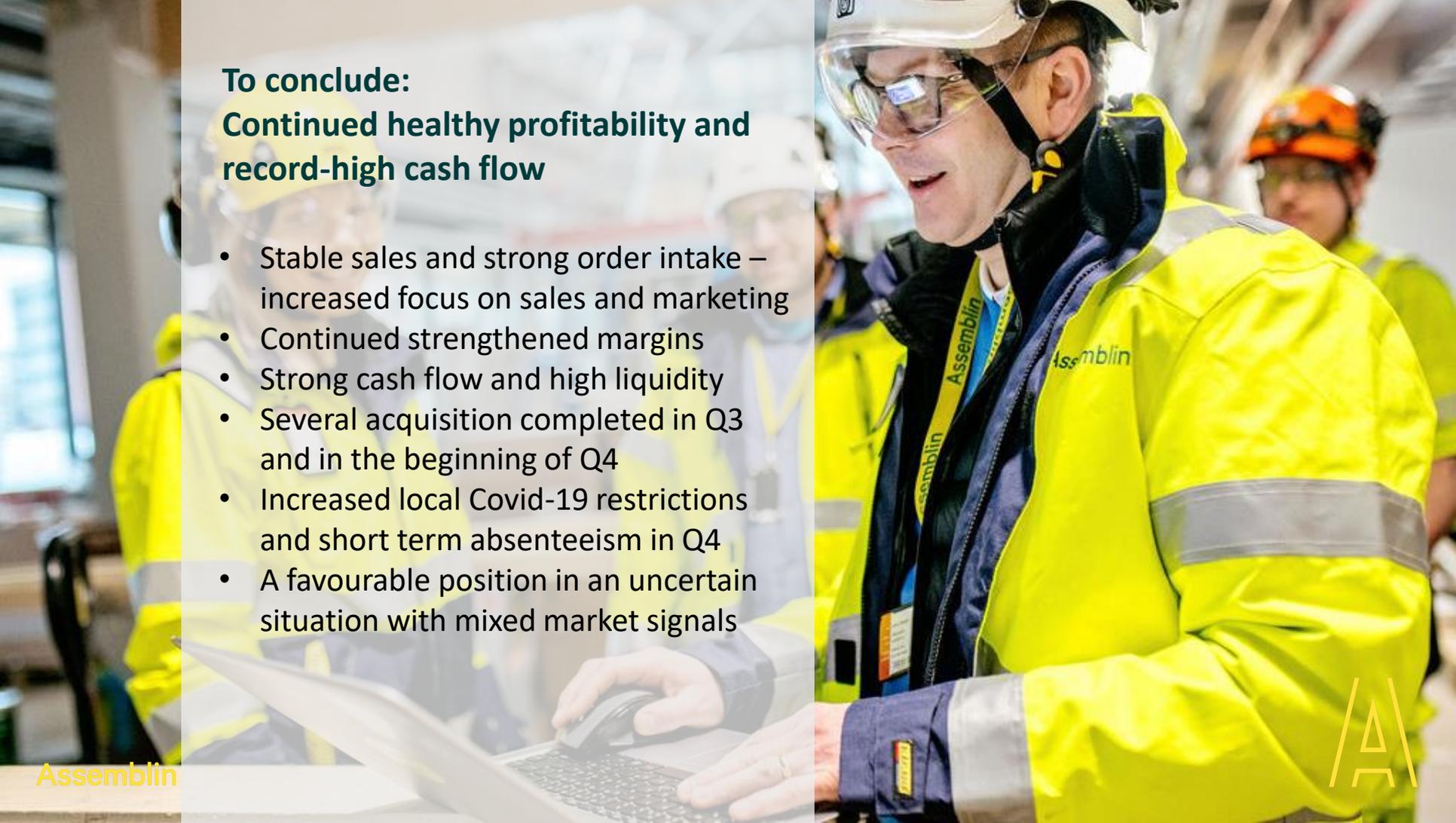


# Cash flow and net debt

SEK m	LTM Q3 2020
<b>Adjusted EBITDA</b>	<b>659</b>
Change to NWC adj for non cash items	337
Net Capex, incl vehicle leasing capex	-84
<b>Free Cash Flow</b>	<b>912</b>
<b><i>Cash conversion (FCF / Adj. EBITA)</i></b>	<b><i>160%</i></b>
<hr/>	
Consolidated net leverage	2,471
Pro forma Adjusted EBITDA	709
<b>Consolidated Net Leverage Ratio</b>	<b>3.5x</b>

COMMENTS
<ul style="list-style-type: none"> <li>Free cash flow especially robust due to increased invoicing/cash focus</li> <li>LTM Q2-20 cash conversion (free cash flow over adjusted EBITA) is 160% as the seasonal increase in NWC has been smaller than typically the case</li> <li>Consolidated leverage decreasing from 4.3x LTM Q3-2019 to 3.5x due to strong cash flow and increasing EBITDA</li> </ul>





**To conclude:**  
**Continued healthy profitability and record-high cash flow**

- Stable sales and strong order intake – increased focus on sales and marketing
- Continued strengthened margins
- Strong cash flow and high liquidity
- Several acquisition completed in Q3 and in the beginning of Q4
- Increased local Covid-19 restrictions and short term absenteeism in Q4
- A favourable position in an uncertain situation with mixed market signals

# Q&A



**Assemblin. So that life runs smoothly everyday.**

We use air, energy and water to make buildings work and make people feel comfortable. That is our mission and our driving force in all our assignments – big and small.



# Our expertise and our commitment are our strengths

- Deep technical skills
- Geographical diversification – close to our customers
- Coordination of installation disciplines
- From design and installation to service
- 5,800 dedicated employees
- Proven processes and methods



Our vision is to create sustainable and smart installations, for people and by people.

