

# Q1 Report 2020

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WATER



FIRE



CLIMATE

All crucial for human life.

At the same time posing an unpredictable  
threat to valuable property.

# Highlights first quarter 2020

- Sales amounted to EUR 187.1 million (160.0) +17%
  - Organic growth +9.7%
  - Acquired growth +7.7%
- Adjusted EBITA amounted to EUR 12.4 million (10.0) +24%
  - Positive volume impact and good contributions from acquisitions
- Operating cash flow amounted to EUR -0.4 million (-2.5)
  - Seasonally weaker quarter
- Net debt EUR 304.1 million as per end of March
  - Liquidity buffer amounting to EUR 66.2 million

# Segments highlights Q1 2020

M€	Continental Europe	Nordics & UK	North America & Asia
Sales	118.2 (98.7)	59.9 (52.6)	9.0 (8.7)
Growth %	+20	+14	+3
Adjusted EBITA	9.7 (7.8)	4.5 (3.8)	0.8 (1.4)

- Organic growth driven by increased share with large insurance companies
- Several new M&CC in Germany and Norway

# Corona outbreak - impact

- Governmental restrictions
  - All countries are up and running
  - Important services (some have special licenses to operate)
- Order intake - Project delays
  - Insurance companies operate partly from home
  - Residential damages delayed by home-owners
  - Technicians: Increased sick ratio and absence to care for children
- Service lines
  - REC in UK, extensive shutdowns
  - Leak detection, can often be delayed
- Temporary lay offs in Q2
  - Approximately 10 % of total employees laid off utilizing available government programs

# Last 12 months – current run rate

- Sales amounted to EUR 704 (631) million +12%
  - Organic growth 3.8%
- Adjusted EBITA amounted to EUR 46.8 (39.8) million +18%
  - Adjusted EBITA-margin of 6.6 (6.3) %
- Operating cash flow amounted to EUR 34.8 (28.6) million +22%
  - Cash conversion to Adjusted EBITA 74%
  - Improvements in working capital (DSO & DIO)

# Acquisitions

- Acquisition of Fire Damage Restoration company in Sweden with annual sales of EUR 2.5 million
- Minority shares in Denmark acquired
- Attractive pipeline, several projects currently on hold

# 4 step strategy to take Polygon to the next level



Operational focus	Proof points	Development phase
<ul style="list-style-type: none"> <li>Build further strength in Europe</li> <li>Opportunistic in North America</li> </ul>	<b>Only companies with great strategic fit acquired</b>	
<ul style="list-style-type: none"> <li>Centres of Excellence (M&amp;CC, Documents &amp; Eurostock)</li> <li>Digital solutions open up new customer segments</li> </ul>	<b>Increased market share in Europe</b>	
<ul style="list-style-type: none"> <li>Clear focus on key customers</li> <li>Customers surveys</li> <li>Benchmarking on Unit level</li> <li>Measure profitability per project</li> </ul>	<b>Driver of above industry organic growth</b>	
<ul style="list-style-type: none"> <li>Polygon Model</li> <li>Polygon Employer Survey</li> <li>Polygon Academy</li> <li>Polygon Learning Zone</li> </ul>	<b>Strong corporate culture in place</b>	

# 2020 – Building a stronger platform

Sales

+17%

- Organic growth 9.7%
- Acquired growth 7.7%

Adjusted EBITA

+24%

- Positive volume impact
- Acquisitions contribute well
- Corona impact from mid-March

Acquisitions

1 Deal

- Attractive pipeline, several deals on hold



# Q&A

 **POLYGON**