



Q4 Report 2018

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February 8th 2019



Polygon in figures

300,000

yearly assignments

3

continents

13

countries

300

depots

4,000

employees

620

million € sales

24/7

service

>60

years' experience

Financial Highlights Q4 2018

Continuous Progress

Q4 2018

- Sales increased by 19% compared to Q4 2017
 - Adjusted organic growth contributed with >6%
 - Acquisition growth contributed with >12%
 - Limited currency effect
- The adjusted EBITA increased by 11% (EUR 1.1 million) compared to Q4 2017

EUR million	Q4			Q1-Q4		
	2018	2017	Diff	2018	2017	Diff
Sales	165,8	139,8	18,6%	619,3	512,4	20,9%
<i>Adj. Organic growth</i>	<i>6,4%</i>	<i>-2,0%</i>	<i>8,4%</i>	<i>7,4%</i>	<i>5,6%</i>	<i>1,8%</i>
EBITDA	9,7	10,8	-1,1	46,0	40,1	5,9
<i>EBITDA %</i>	<i>5,9%</i>	<i>7,7%</i>	<i>-1,8%</i>	<i>7,4%</i>	<i>7,8%</i>	<i>-0,4%</i>
Adj. EBITDA	14,3	12,3	2,0	53,0	43,0	10,0
<i>Adj. EBITDA %</i>	<i>8,6%</i>	<i>8,8%</i>	<i>-0,2%</i>	<i>8,6%</i>	<i>8,4%</i>	<i>0,2%</i>
EBITA	6,1	8,0	-1,9	32,0	30,1	1,9
<i>EBITA %</i>	<i>3,7%</i>	<i>5,7%</i>	<i>-2,0%</i>	<i>5,2%</i>	<i>5,9%</i>	<i>-0,7%</i>
Adj. EBITA	10,6	9,5	1,1	39,6	33,0	6,6
<i>Adj. EBITA %</i>	<i>6,4%</i>	<i>6,8%</i>	<i>-0,4%</i>	<i>6,4%</i>	<i>6,4%</i>	<i>0,0%</i>

Business Highlights Q4 2018

1. Continued strong sales growth compared to Q4 2017
 - Organic growth >6%
 - Acquisition >12%
 - Currency effect ~0%

19%
2. Adjusted EBITA increase by +11% compared to Q4 2017
 - Strong comparable figures from last year
 - Performance hurt by “the Christmas effect”
3. Stable order intake in Q4 2018
4. Integration of acquisitions overall on track
5. Polygon introduced by an acquisition a new service in UK (REC). Contract signed after closing to acquire a company in Switzerland
6. Agenda unchanged



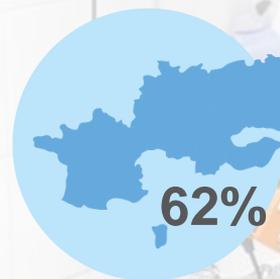
Continental Europe

Continued strong sales growth

EUR million	Q4			Q1-Q4		
	2018	2017	Diff	2018	2017	Diff
Sales	98,3	87,5	12,3%	382,7	335,9	13,9%
Adj. EBITA	4,5	4,3	4,7%	21,3	19,8	7,6%
%	4,6%	4,9%	-0,3%	5,6%	5,9%	-0,3%

- Continued strong growth in Q4 by 12% (organic 10%) driven mainly by Germany
- Adjusted EBITA of EUR 4.5 million, slightly up compared to 2017
- Growth in full year sales of 14%, all countries reported increased sales except Austria
- Adjusted EBITA amounted to EUR 21.3 million (19.8), Germany was up slightly compared to the preceding year
- Polygon Netherlands acquired Tiedema after closing
- Polygon signed a contract to acquire a company in Switzerland

Share of group sales



Nordics & UK

Strong growth fuelled by acquisitions

EUR million	Q4			Q1-Q4		
	2018	2017	Diff	2018	2017	Diff
Sales	57,3	44,2	29,6%	202,7	144,1	40,7%
Adj. EBITA	3,4	3,5	-2,9%	8,4	6,0	40,0%
%	5,9%	7,9%	-2,0%	4,1%	4,2%	-0,1%

- Q4 sales growth in Nordics & UK of close to 30% in Q4 compared with last year, driven by acquisitions in Denmark and Norway
- Adjusted EBITA at level with last year, December was in the Nordics hurt by the limited amount of working “the Christmas effect”, partly compensated by strong performance in the UK
- Full year sales growth of over 40%, driven mainly by acquisitions in the Nordics and a reported growth of 15% in the UK
- Adjusted EBITA up 40%, with strong performance in Denmark and in the UK
- Sweden and UK broadened their service line scopes through acquisitions (Sweden Q2 and Q4, UK Q4)



Share of group sales



North America (including Asia)

Impressive EBITA improvement

EUR million	Q4			Q1-Q4		
	2018	2017	Diff	2018	2017	Diff
Sales	10,3	8,2	25,6%	34,7	32,6	6,4%
Adj. EBITA	1,6	1,0	60,0%	4,4	4,3	2,3%
%	15,5%	12,2%	3,3%	12,7%	13,2%	-0,5%

- Hurricane Florence (US) materialized as predicted in Q4 and last year's hurricane materialized mostly in Q3
- Development in the US have been very strong since the major restructuring in 2015 with substantial EBITA growth (last two years EBITA margin at 13%)
- The positive development in Canada continued in Q4
- Singapore continued to perform on a very high level

Share of group sales



Cash Flow

Q4 2018

- Operative Cash Flow before WC changes EUR 9 million in Q4 (+3 million vs. 2017)
- Improved Working Capital management in H2. “Negative” effects from the activity level. High increase of Contract assets (-11 million)
- Organic growth above expectations driving CapEx (environmental issues / maintenance CapEx in US)

EUR million	Q4			Q1-Q4		
	2018	2017	Diff	2018	2017	Diff
EBIT	3,6	6,8	-3,2	25,3	25,4	-0,1
Non Cash Items	8,6	-0,1	8,7	23,9	8,9	15,0
Income tax paid	-3,2	-0,8	-2,4	-6,3	-3,0	-3,3
Operating Cash Flow before change in working Capital	9,0	5,9	3,1	42,9	31,4	11,5
Change in Working Capital	12,5	16,4	-3,9	-11,7	9,3	-21,0
Operative Cash Flow	21,5	22,3	-0,8	31,2	40,7	-9,5
Investing activities	-7,1	-9,7	2,6	-51,9	-26,3	-25,6
Cash Flow before financing activities	14,4	12,6	1,8	-20,7	14,4	-35,1

Polygon Group

Financial Summary Q1-Q4 2018

Sales

EUR million (Last year)

619 (512)

- Total growth 21%
- Adjusted organic growth 7%
- Growth from acquisition 14%



Adjusted EBITA

EUR million (Last year)

39.6 (33.0)

- Total increase 20%
- EBITA 6.4% (6.4)



Operating Cash Flow

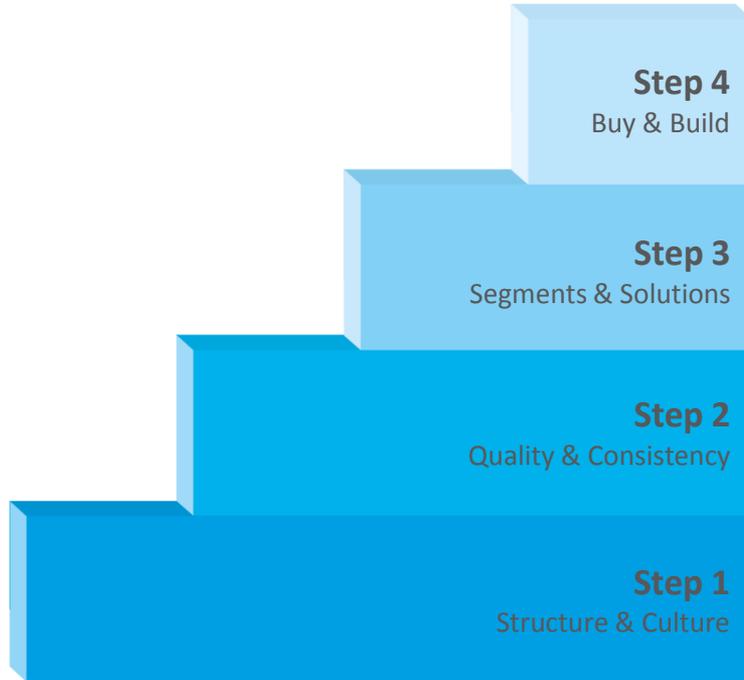
EUR million (Last year)

31.2 (40.7)

- Contract Assets -11.6 (9.9)
- Investing activities -51.9 (-26.3)
- Net Debt 180.6 (141.9)

Strategic focus areas

Area



- 3B Buy & Build**
 - Grow by acquisitions

- 3B Cross Border Solutions**
 - Sell and deliver Major & Complex Claims

- 3A New Segments & Solutions**
 - Grow Managed Property & Commercial Insurance

- 2B Portfolio Development**
 - Increase SoW with our Key Account Customers

- 2A Productivity & service delivery**
 - Improve operations

- 1 Structure & Culture**
 - Build a better Business
 - Focus on People & Culture

Acquisitions

Closed projects in 2017 and 2018

Polygon acquires Neways Property Care

10/9/2018



Polygon has acquired Neways Property Care in UK, on 3 October 2018. The acquisition enables Polygon to offer its customers a full service of property damage repair and restoration. The acquisition will add 54 employees and annual sales of £5.4 million.

[READ MORE](#)

Polygon acquires Refix Skadesanering AB in Sweden

10/2/2018



Following the acquisition of Caliber Sanering Sverige AB on April 1, Polygon continues to strengthen the fire service line in Sweden with the acquisition of Refix Skadesanering AB on October 1. The acquisition will add 30 permanent employees and a significant numbers of temporary employees and annual sales of 30 million SEK.

[READ MORE](#)

Date	Target	
Mar 2017	Villaklimat OBM	
Sep 2017	Polygon Nord	
Sep 2017	Skadegruppen/Coor	
Oct 2017	Dansk Byggningskontrol	
Oct 2017	Von der Lieck	
Dec 2017	BBN	
Jan 2018	Metodia	
Jan 2018	Franchise Norway (Drammen & Kongsberg) - 20%	
Jan 2018	Franchise Norway (Haugesund)	
Jan 2018	Franchise Norway (Hamar, Brumendal)	
Jan 2018	Caption Data	
Apr 2018	Caliber	
July 2018	Franchise Norway (Drammen & Kongsberg) - 80%	
Oct 2018	Neways	
Oct 2018	Refix	

Acquisitions

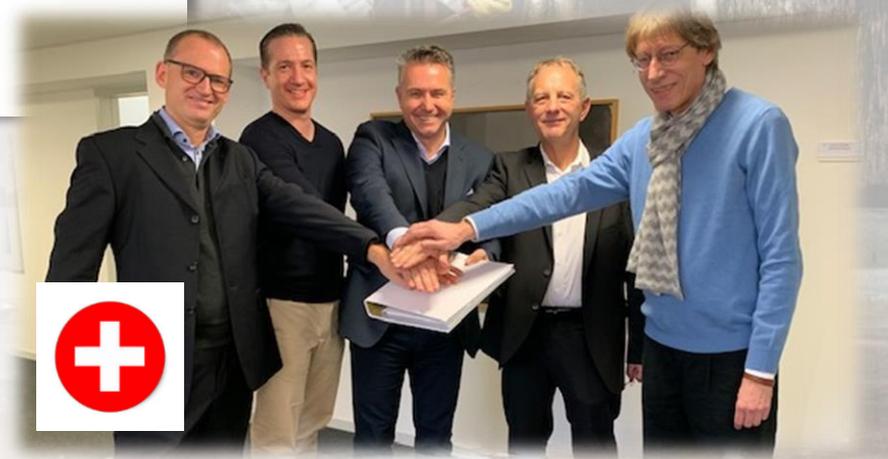
Two targets acquired in Netherlands and in Switzerland
(subsequent events)

Polygon acquires Tiedema in Netherlands

1/8/2019

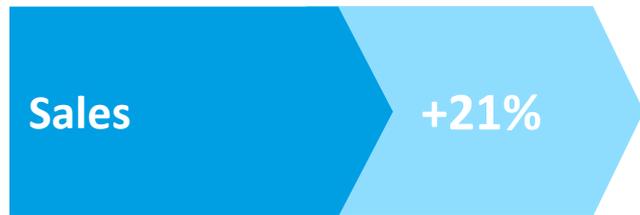


Polygon has acquired Tiedema in Netherlands on January 1, 2019. The acquisition will strengthen Polygon Netherlands position in the areas of Leak detection and Temporary climate solutions.



Summary

After twelve months



- Strong contribution from acquisitions
- Business negatively impacted by process changes in the Nordics (IT), but improvements seen during second half of 2018
- 13 acquisitions closed in total during 2018
- Entrance into new service lines in Sweden and the UK
- Several opportunities left to be explored, e.g. growth of M&CC¹⁾



¹⁾ Major and Complex Claims

Q&A

