



Eltel AB

**Q3 2019
Presentation**

7 November 2019

Today's presenters



Casimir Lindholm
President and CEO



Petter Traaholt
CFO



Q3 2019 highlights

- Improved operative EBITA margin, rolling 12-months gross margin and operating cash flow
- Divested Communication Poland with proceeds of EUR 12 million
- Accelerated volume drop in Swedish Communication business and weak backlog in Polish High Voltage business – need for restructuring
- Petter Traaholt, CFO, will leave Eltel at end of February 2020. Recruitment process initiated

Total Group: Q3

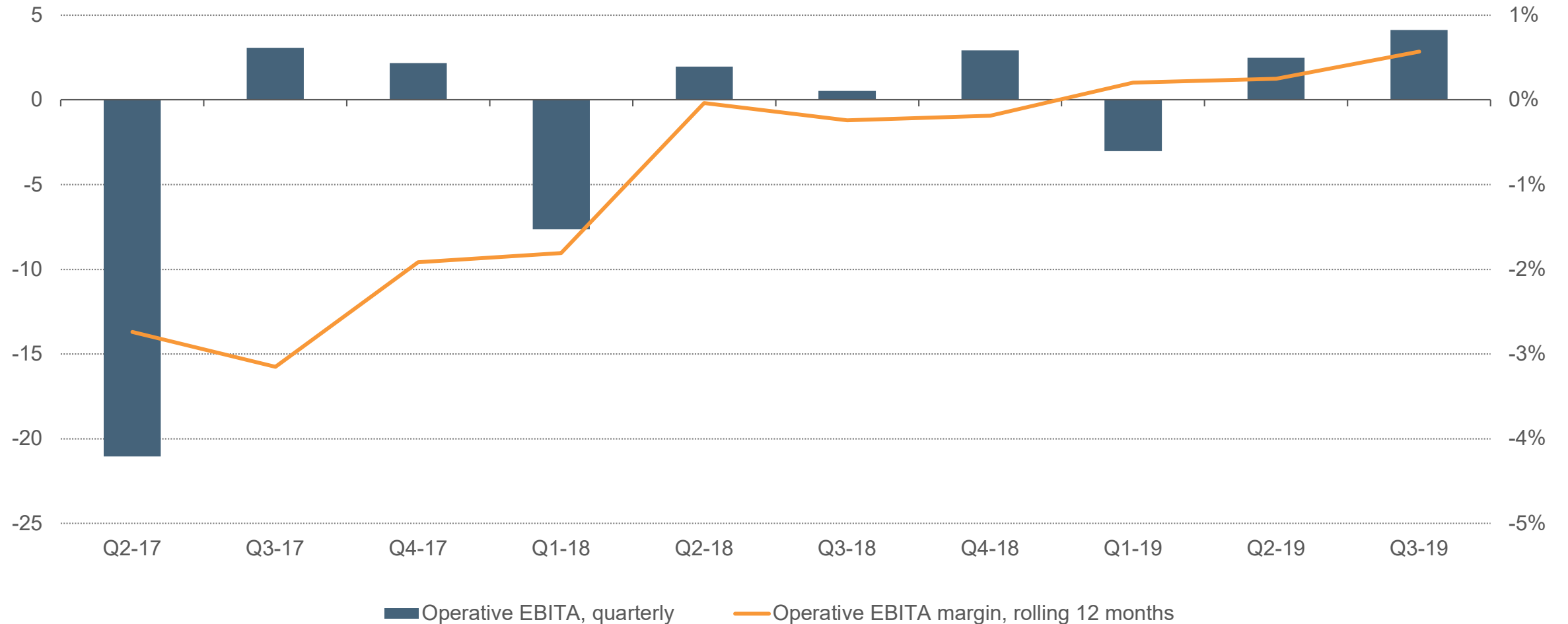
Total Group

- Net sales -4.8% to EUR 281.8 million (295.9)
- Organic growth in Power and Communication* -2.9%
- Operative EBITA EUR 4.1 million (0.5)
- Operative EBITA margin 1.5% (0.2)
- Cash flow from operating activities** EUR -0.1 million (-16.8)

*Adjusted for divested operations and currency effects

**Before IFRS 16 impact

Group: Operative EBITA development



Net sales segments: Q3

Power

- Net sales -7.9% to EUR 103.1 million
 - Lower volumes in Smart Grids
 - Lower activity and write downs in the Swedish business
 - Slightly lower High Voltage activity in the Nordics
 - The decrease is partly offset by Finland, due to wind power projects
- Organic net sales* -7.4%

Communication

- Net sales -2.1% to EUR 176.3 million
 - Accelerated volume drop in Sweden driven by reduced customer investments, write downs and poor project execution
 - Increased volumes in Norway and Denmark
- Organic net sales* -0.2%

Other

- Net sales -58.5% to EUR 3.1 million
 - Relates mostly to Power Transmission International
 - In line with the strategy of divestments and discontinuations of operations

Operative EBITA segments: Q3

Power

- Operative EBITA EUR -3.6 million (0.2)
- Operative EBITA margin -3.5% (0.2)
 - Write downs in High Voltage projects in Poland and Finland
 - Lower net sales in Smart Grids and lower net sales and write downs in Sweden
 - Improved performance in Finland and Denmark

Communication

- Operative EBITA EUR 9.4 million (6.8)
- Operative EBITA margin 5.3% (3.8)
 - Improved performance in Norway due to increased net sales, product mix and efficiency improvements
 - All markets contributed positively except for Sweden who had a negative impact due to large volume drop and write downs

Other

- Operative EBITA EUR -0.2 million (-3.2)
- Operative EBITA margin -6.5% (-43.4)
 - Result in line with the planned ramp down

Focus in 2019

Operational focus

- Tender
- Right people
- Implementation & execution
- Production planning
- Training

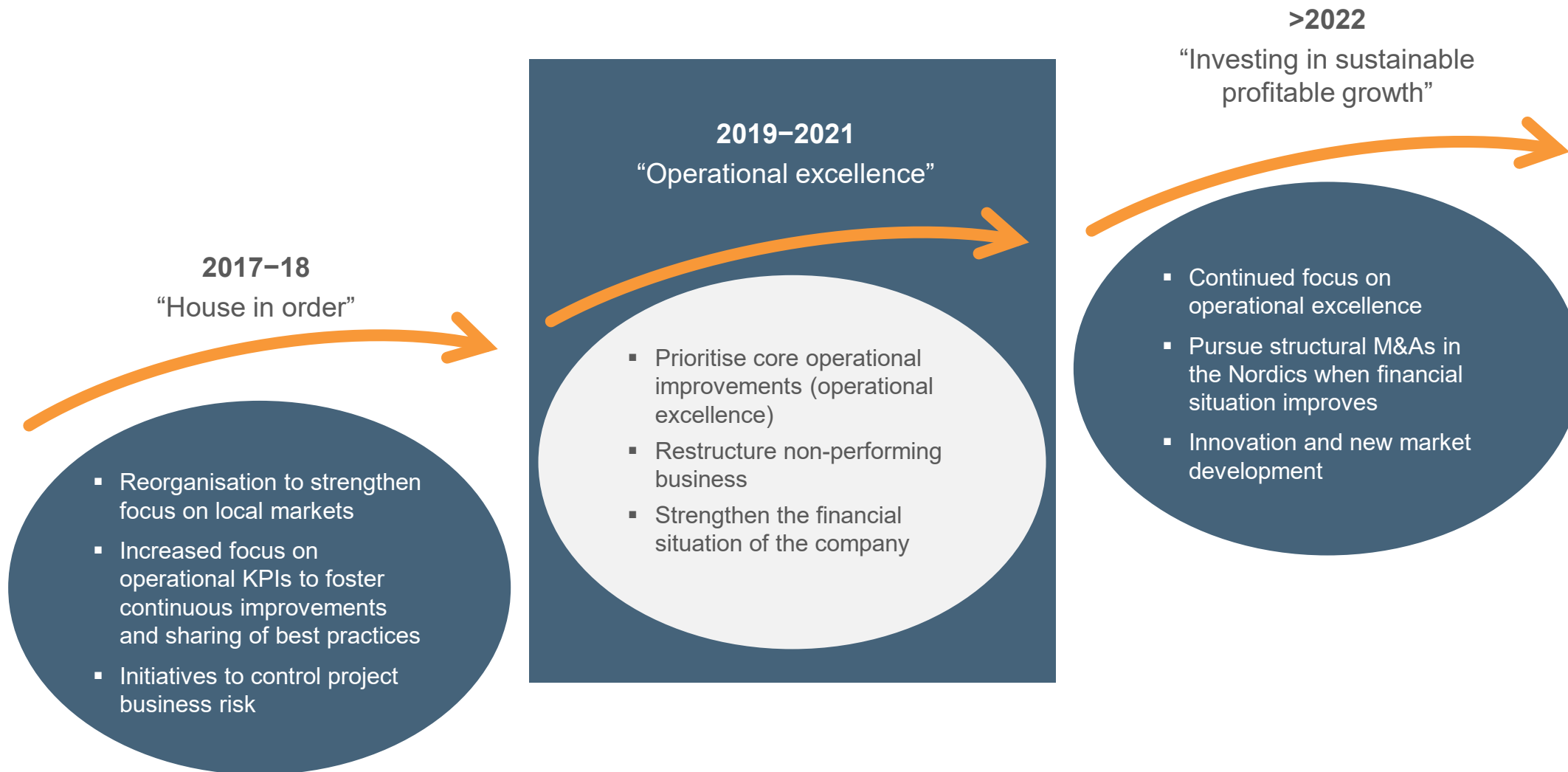
Strategic focus

- Continuous evaluation of the existing portfolio, including the intended divestment of Aviation & Security Q1 2020
- Restructure Swedish Communication business
- Restructure Polish High Voltage business
- Strengthen the balance sheet



- No. 1 Nordic player
- High customer satisfaction
- Engaged employees
- Lower risk and fewer capital intensive projects
- Cash generation
- Lower net debt

Our long-term plan



Q&A

ELTEL



ELTEL

The logo features the word "ELTEL" in a bold, italicized sans-serif font. The letters "ELT" are dark blue, and the letters "EL" are orange. A blue swoosh starts under the "E" and "L" of "ELT", curves under the "T", and then loops back up and over the "E" and "L" of the second "EL". An orange swoosh starts under the "E" and "L" of the second "EL" and curves over the "T" of the first "ELT".