

The background of the slide features a close-up, slightly blurred view of a curved, metallic surface. On this surface, the word "EITEL" is printed in a large, bold, sans-serif font. The letters are dark and have a slight shadow, giving them a three-dimensional appearance as if they are embossed or attached to the surface. The lighting is soft, creating a professional and modern aesthetic.

Eitel AB

Investor presentation

November, 2018

Today's presenters



Casimir Lindholm
President and CEO



Petter Traaholt
CFO

Eltel in brief

Northern European market leader

Operations throughout the Nordics, Poland and Germany

Industry with long-term structural growth

Solid customer base and recurring revenues

Net sales EUR 1.3 billion, 7,500 employees

Listed on Nasdaq Stockholm since 2015



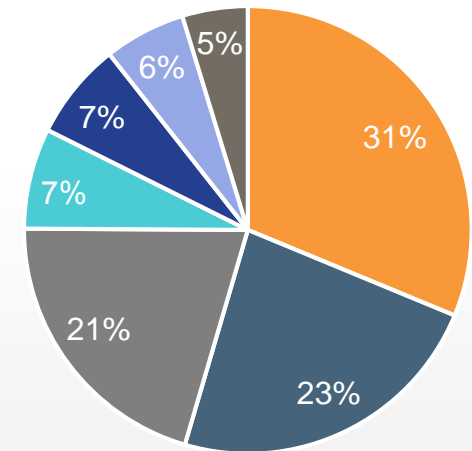
Focus on segments

Power and Communication

The Nordics, Poland and Germany

Grow in line with market, capitalize on trends, improve operational processes, make selective acquisitions, increase efficiency

Net Sales 2017



- Sweden ■ Finland ■ Norway ■ Poland
- Denmark ■ Germany ■ Other

Eltel's business

– driven by stable customers with long term investment needs

Segments

Power

Communication

Drivers

- Regulatory demands
- Outsourcing
- Ageing infrastructure
- Increasing end-customer demands
- Technical shift

A large, semi-transparent Eitel logo is visible on the right side of the slide, appearing to be on a curved surface like a car's body panel. The logo consists of the word 'EITEL' in a bold, sans-serif font, with a stylized swoosh or underline element that loops around the letters.

Eitel AB

Q3 2018

Presentation

7 November

Highlights

- New CEO as of September 1
- New strategy focusing on efficiency improvements
- Profitability has gradually improved

Our plan to win



Summary of Operational Excellence strategy



- 1 Customer satisfaction and SLA precision**
 - **Deliver on our customer promise everyday** i.e., improve our performance, train our people to solve root causes, to create a strong differentiator and be our customers most trusted partner
- 2 Utilization**
 - **Right way, right job, right tools** i.e., maximize share of time spent solving projects and tickets. Training of personnel (e.g., project management, cross-skilling etc.) and increased use of automation.
- 3 Performance management**
 - **High performance teams** i.e., minimize time needed for each ticket and project completion. Create transparency, enhance training and coaching for low performers.
- 4 Cost reduction and quality improvement**
 - **Front-line oriented supporting functions** i.e., invest in productivity and use information technology for better efficiency and control

Financial targets

Medium to long – term target

Growth



Annual growth of 2-4%, including selective acquisitions

EBITA-margin



EBITA-margin of at least 5%

Cash conversion



Cash conversion of 95-100% of EBITA

Capital structure



Leverage of 1.5-2.5x net debt/EBITDA



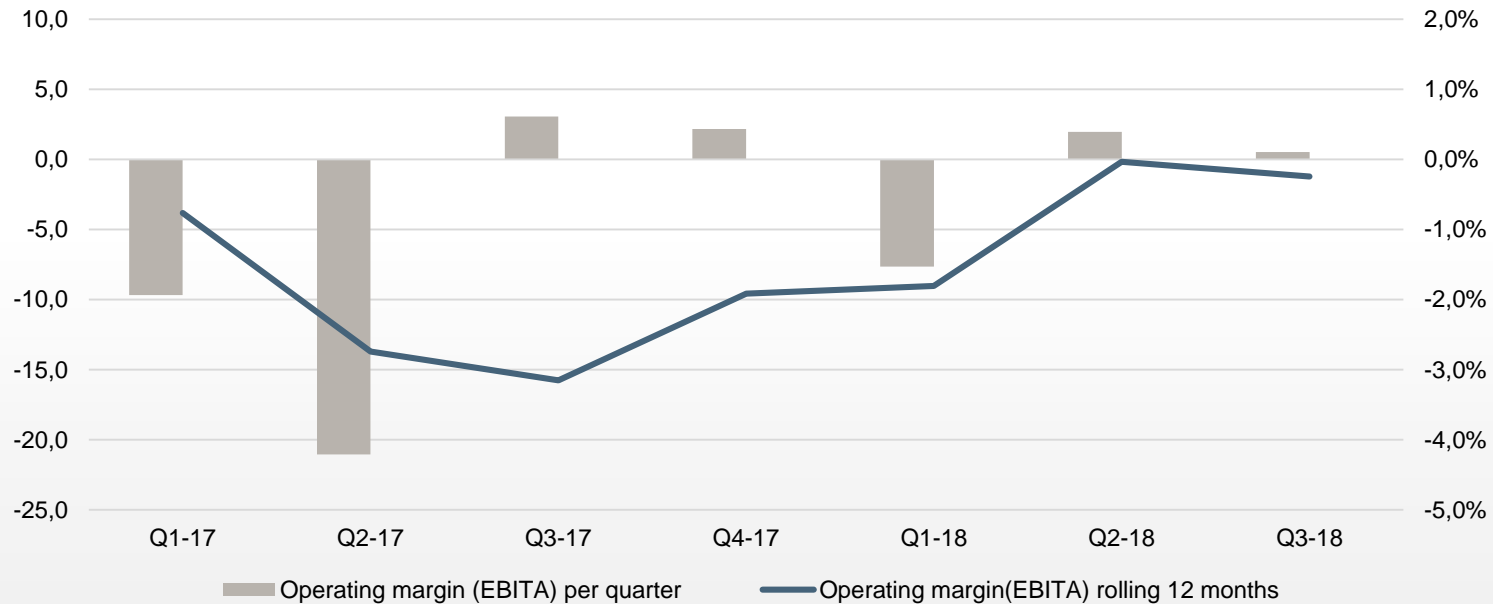
Total Group: Q3

Total Group

- Net sales -9.8% to EUR 295.9 million
- Organic growth in Power and Communication* 1.4%
- Operative EBITA EUR 0.5 million (3.1)
- Operative EBITA margin 0.2% (0.9%)

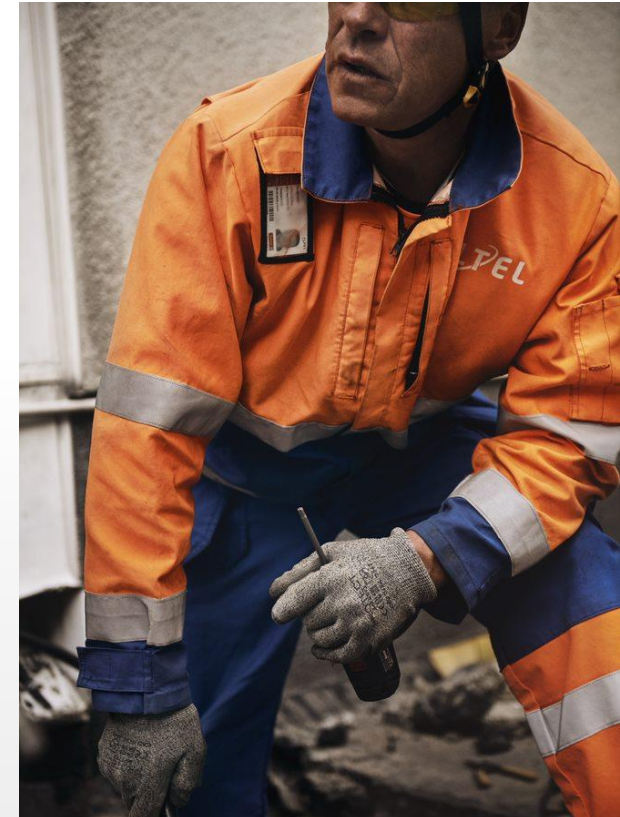
*Adjusted for divested operations and currency effects

Group: EBITA margin development



Net sales segments: Q3

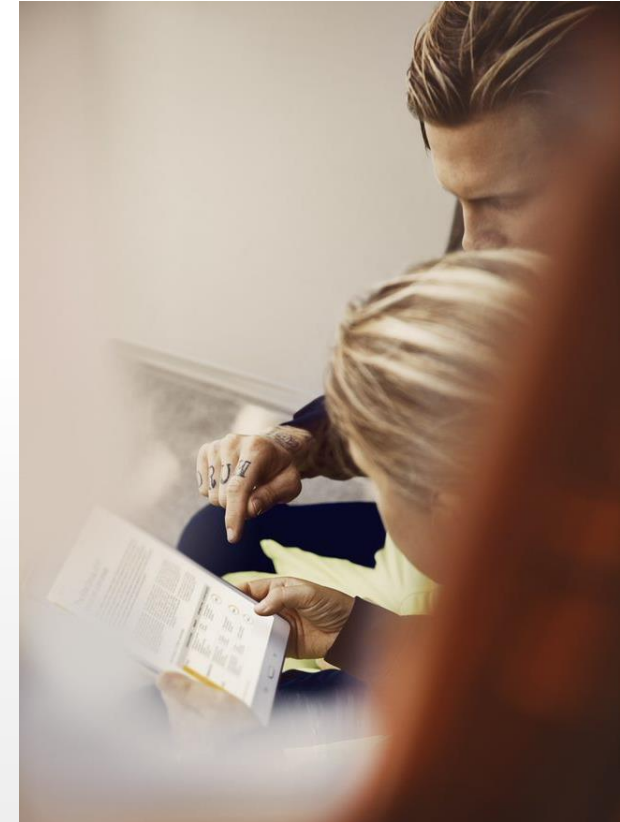
<p>Power</p>	<ul style="list-style-type: none"> ▪ Net sales -4.7 % to EUR 112.0 million <ul style="list-style-type: none"> ▪ Divestments of Baltics ▪ Ramp down of certain service contracts in Sweden ▪ Organic growth in current operations* 2.4%
<p>Communication</p>	<ul style="list-style-type: none"> ▪ Net sales -3.5 % to EUR 180.2 million <ul style="list-style-type: none"> ▪ Currency rate effects in Sweden ▪ Delayed projects and lower activity in Norway ▪ Organic growth in current operations* 0.9%
<p>Other</p>	<ul style="list-style-type: none"> ▪ Net sales -69.9 % to EUR 7.5 million <ul style="list-style-type: none"> ▪ In line with the strategy of divestments and discontinuing of operations



*Adjusted for divested operations and currency effects

Operative EBITA segments: Q3

<p>Power</p>	<ul style="list-style-type: none"> ▪ Operative EBITA EUR 0.2 million (0.9) ▪ Operative EBITA margin, 0.2% (0.7%) <ul style="list-style-type: none"> ▪ Restructuring and write-downs in High Voltage in Norwegian and Swedish projects ▪ Challenges with utilisation and cost in Finnish Service and Build
<p>Communication</p>	<ul style="list-style-type: none"> ▪ Operative EBITA EUR 6.8 million (11.5) ▪ Operative EBITA margin, 3.8% (6.2%) <ul style="list-style-type: none"> ▪ Low efficiency and higher cost in Service Sweden ▪ Loss of revenue and cost of closing one contract in Norway ▪ Ramp up in Finland to meet new demand
<p>Other</p>	<ul style="list-style-type: none"> ▪ Operative EBITA EUR -3.2 million (-6.1) ▪ Operative EBITA margin, -43.4% (-24.4) <ul style="list-style-type: none"> ▪ Majority of Rail business discontinued ▪ Discontinuation of Power Transmission International according to plan



Focus coming quarters

- Focus on Operational Excellence
 - Efficiency improvements
 - Customer focus
 - Measuring and tracking relevant KPIs
 - Simplifying the daily operations for our technicians
 - Improve competence level
 - Recruitment



Appendices

Our services – in business segments



Power

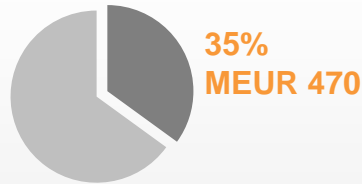
Communication

Other

**FY 2017
Net Sales
(MEUR 1,329)**

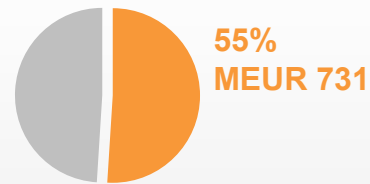
**Geographical
markets**

**Service
offerings**



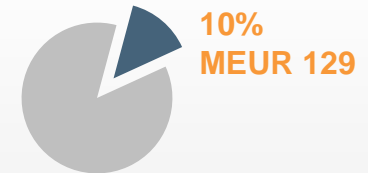
Nordics, Poland, Germany

Design, engineering, installation, commissioning of energy transmission systems



Nordics, Poland, Germany

Installation / maintenance of communication networks

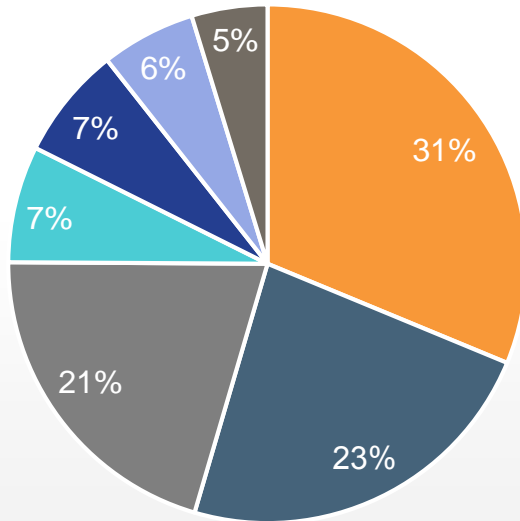


Power Transmission
International, Rail in the Nordics

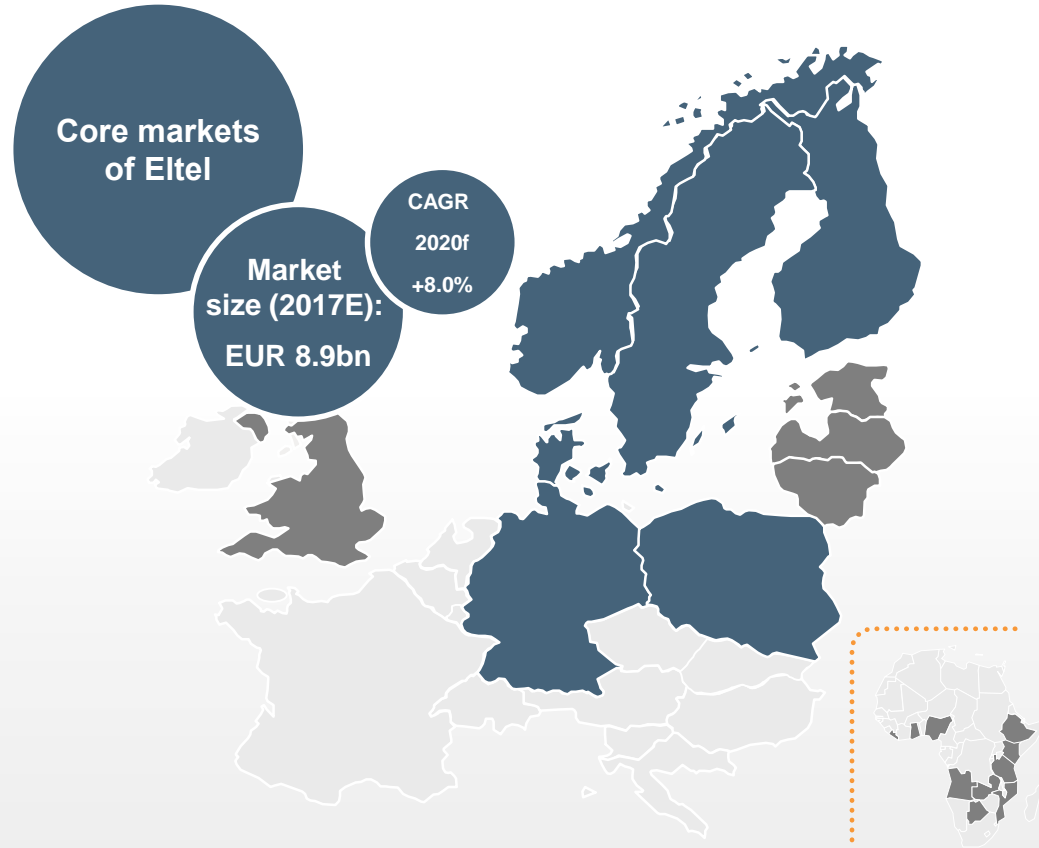
Our core markets with a foreseen market growth of almost 8%



Sales split 2017

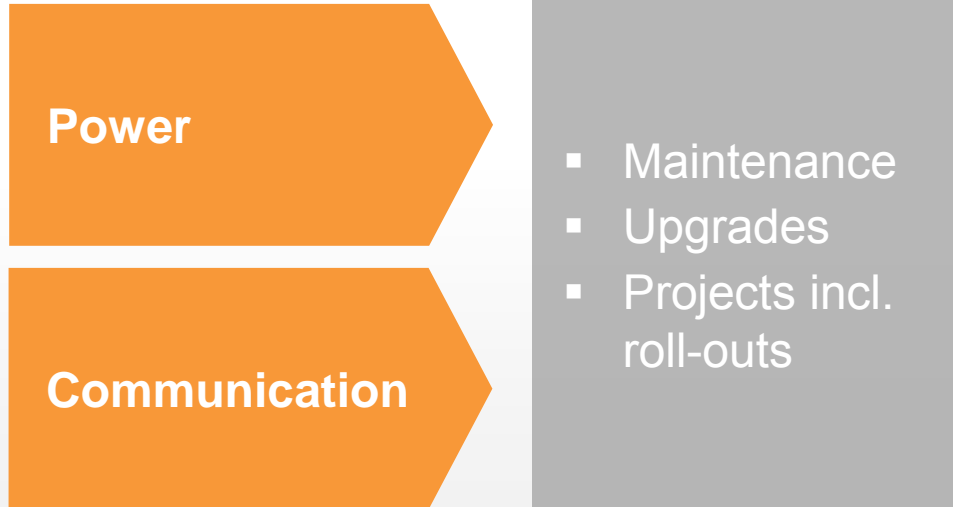


- Sweden
- Finland
- Norway
- Poland
- Denmark
- Germany
- Other

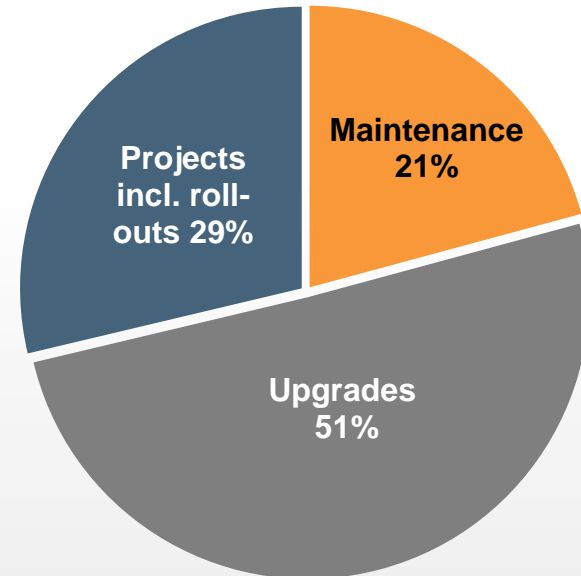


Eltel's segments

– built on core competences with solid market position



Services split (2017A)

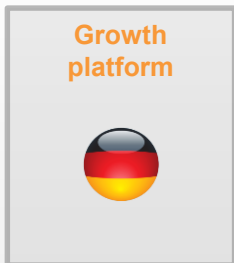


Market size and outlook

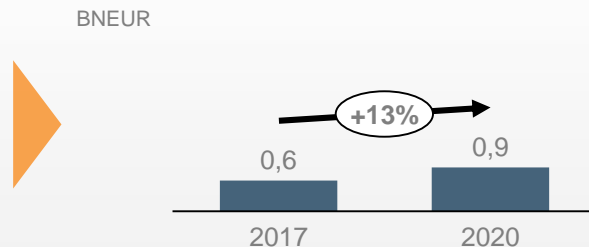
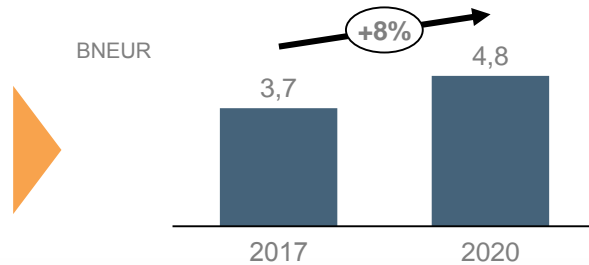
Power



- Investments by both TSOs and DSOs expected to increase
- Network modernisation and robustness together with smart metering important market drivers



- Significant investment in transmission network driven by renewable energy production
- Smart metering with both electricity and gas considered large growth drivers

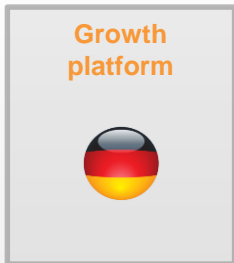


Market size and outlook

Communication



- Strong growth in data traffic within both fixed and mobile communication
- Stable markets with tough competition between telecom operator which puts some price pressure on technical Infranet services



- Telecom operators are expected to continue invest in 4G/LTE
- Low fibre penetration in Germany implies strong growth potential within fixed communication

