

The background of the slide is a grayscale photograph of a train, likely a high-speed train, with the word "ETEL" printed in large, bold, italicized letters on its side. The train is moving, as indicated by the blurred lights in the background.

# Eltel AB

## Q2 2019

## Presentation

24 July 2019

# Today's presenters




**Casimir Lindholm**  
President and CEO



**Petter Traaholt**  
CFO



# Q2 2019 highlights

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- A high-angle photograph of a worker in an orange high-visibility safety suit and a blue helmet with a headlamp, walking on a dark, gravelly surface. The worker's shadow is cast to the left.
- Close to reaching a positive result after H1
  - Improved Operative EBITA margin and cash flow
  - Letter of intent to divest Aviation & Security
  - Strategic evaluation of our Polish and German operations continues



# Total Group: Q2

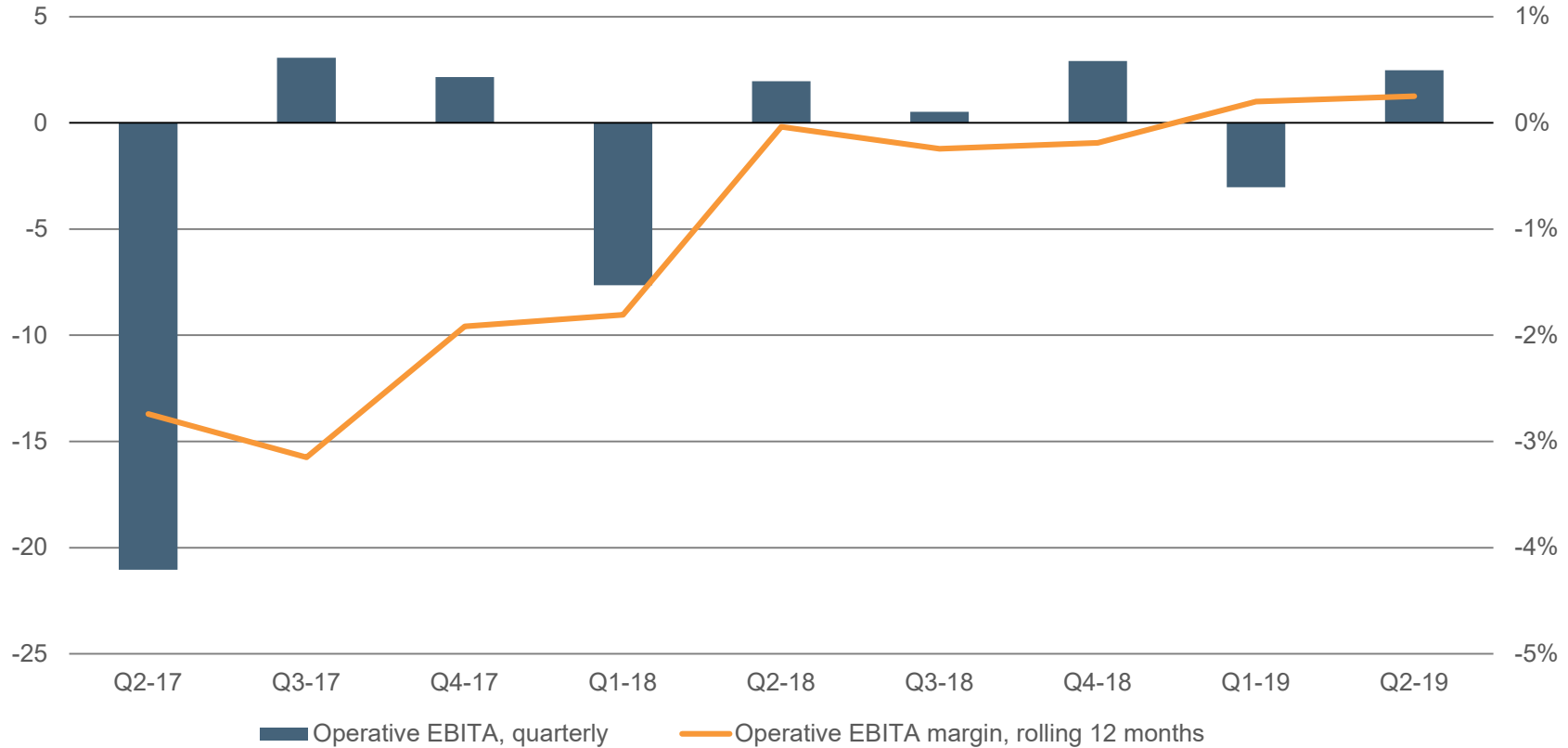
## Total Group

- Net sales -6,6% to EUR 276.0 million (295.5)
- Organic growth in Power and Communication\* -6.4%
- Operative EBITA EUR 2.5 million (2.0)
- Operative EBITA margin 0.9% (0.7%)
- Cash flow from operating activities\*\* EUR 6.9 million (-14.3)

\*Adjusted for divested operations and currency effects

\*\*Before IFRS 16 impact

# Group: Operative EBITA development



# Net sales segments: Q2

Power	<ul style="list-style-type: none"> <li>Net sales -18.4% to EUR 94.7 million           <ul style="list-style-type: none"> <li>Lower volumes in Smart Grids</li> <li>Business reduction and project phasing in High Voltage</li> <li>Decreased volumes in Finland</li> </ul> </li> <li>Organic net sales* -18.1%</li> </ul>
Communication	<ul style="list-style-type: none"> <li>Net sales 0.0% to EUR 177.8 million           <ul style="list-style-type: none"> <li>Increased volumes in Norway and Denmark</li> <li>Lower volumes in Sweden and reduced customer investment levels</li> </ul> </li> <li>Organic growth* 1.2%</li> </ul>
Other	<ul style="list-style-type: none"> <li>Net sales 52.2% to EUR 3.9 million           <ul style="list-style-type: none"> <li>Relates mostly to Power Transmission International</li> <li>In line with the strategy of divestments and discontinuations of operations</li> </ul> </li> </ul>



# Operative EBITA segments: Q2

<b>Power</b>	<ul style="list-style-type: none"> <li>▪ Operative EBITA EUR 2.4 million (2.5)</li> <li>▪ Operative EBITA margin 2.5% (2.1) <ul style="list-style-type: none"> <li>▪ Lower net sales in Smart Grids</li> <li>▪ Weaker performance in High Voltage Germany and Poland</li> <li>▪ Improved performance in the Nordics</li> </ul> </li> </ul>
<b>Communication</b>	<ul style="list-style-type: none"> <li>▪ Operative EBITA EUR 2.1 million (7.2)</li> <li>▪ Operative EBITA margin 1.2% (4.1) <ul style="list-style-type: none"> <li>▪ Lower volumes and project write downs in Sweden</li> <li>▪ Slightly weaker performance in Finland</li> <li>▪ Better performance in all other markets, mainly Norway</li> </ul> </li> </ul>
<b>Other</b>	<ul style="list-style-type: none"> <li>▪ Operative EBITA EUR 0.2 million (-3.1)</li> <li>▪ Operative EBITA margin 4.7% (-122.6) <ul style="list-style-type: none"> <li>▪ Result in line with the planned ramp down</li> </ul> </li> </ul>




# Focus in 2019

## Operational focus

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

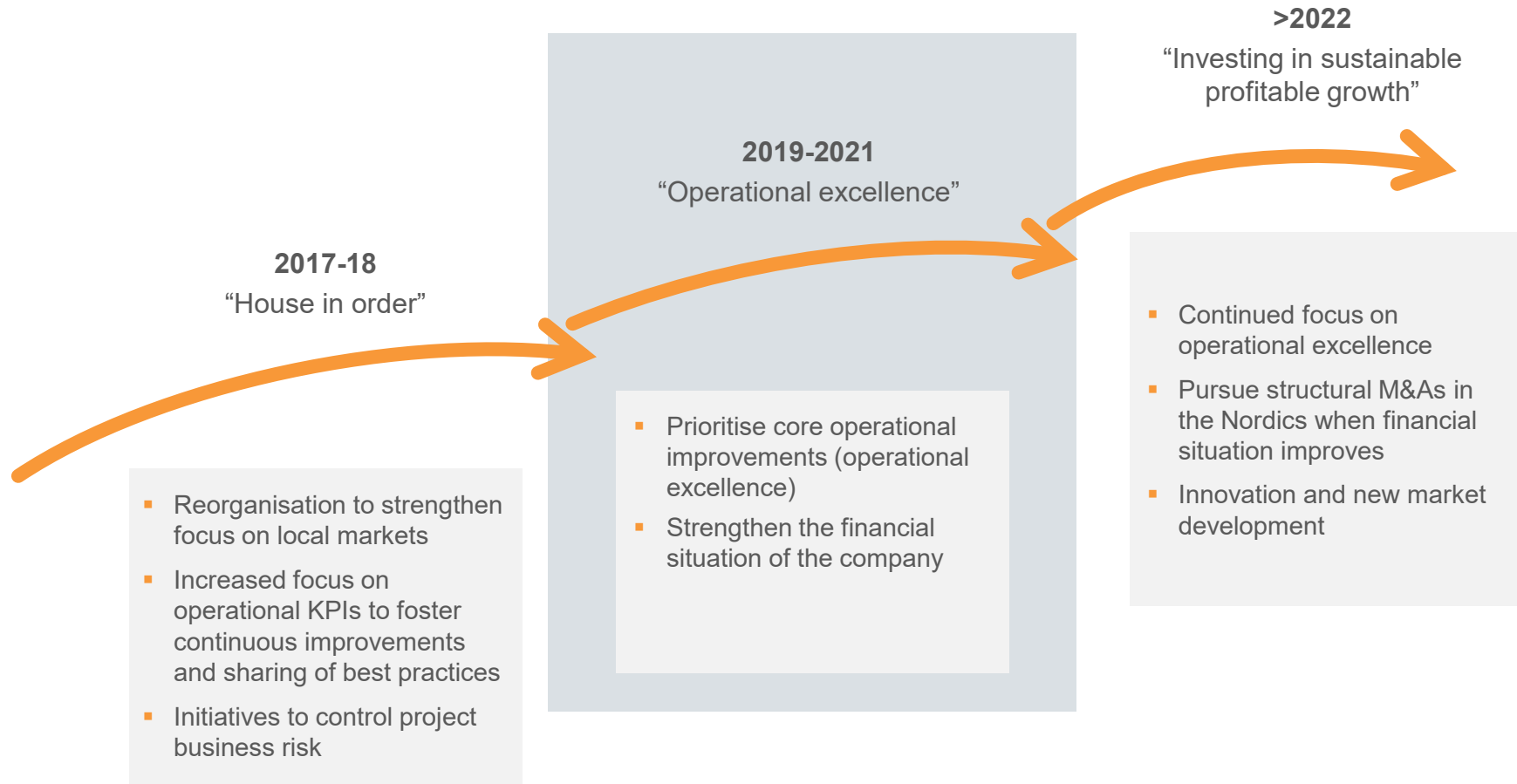
## Strategic focus

- Evaluation of strategic alternatives for the Polish and German operations, including a potential divestment
- Signed Letter of intent to divest Aviation & Security

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- 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

