

A large, stylized, grey Eitel logo is visible on a curved, metallic surface in the background. The logo consists of the word 'EITEL' in a bold, sans-serif font, with a thin, curved line arching over the letters 'I' and 'T'.

# Eitel AB

## Q3 2018

# Presentation

7 November

# Today's presenters



**Casimir Lindholm**  
President and CEO

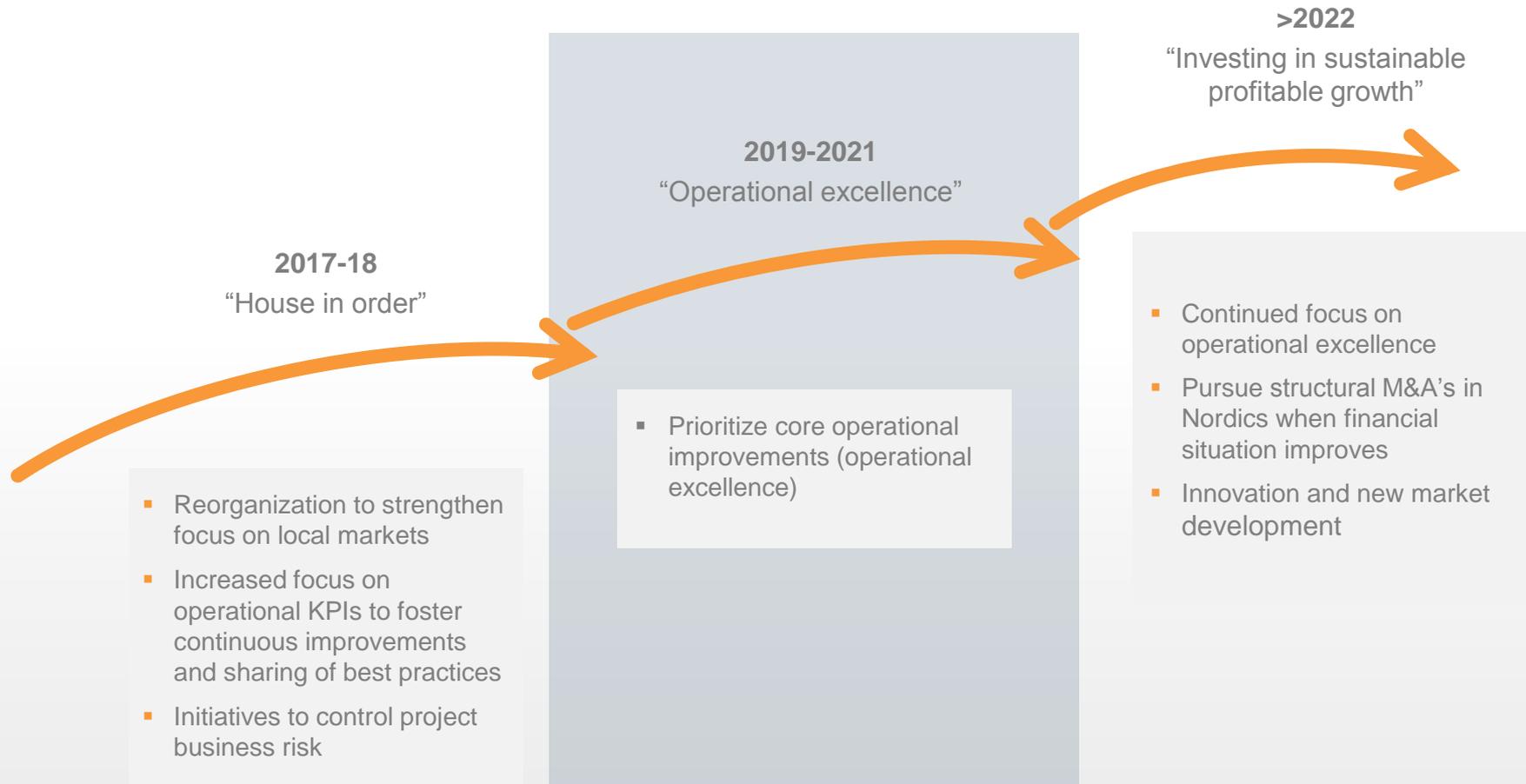


**Petter Traaholt**  
CFO

# Highlights

- New CEO as of September 1
- New strategy focusing on efficiency improvements
- Profitability growth 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



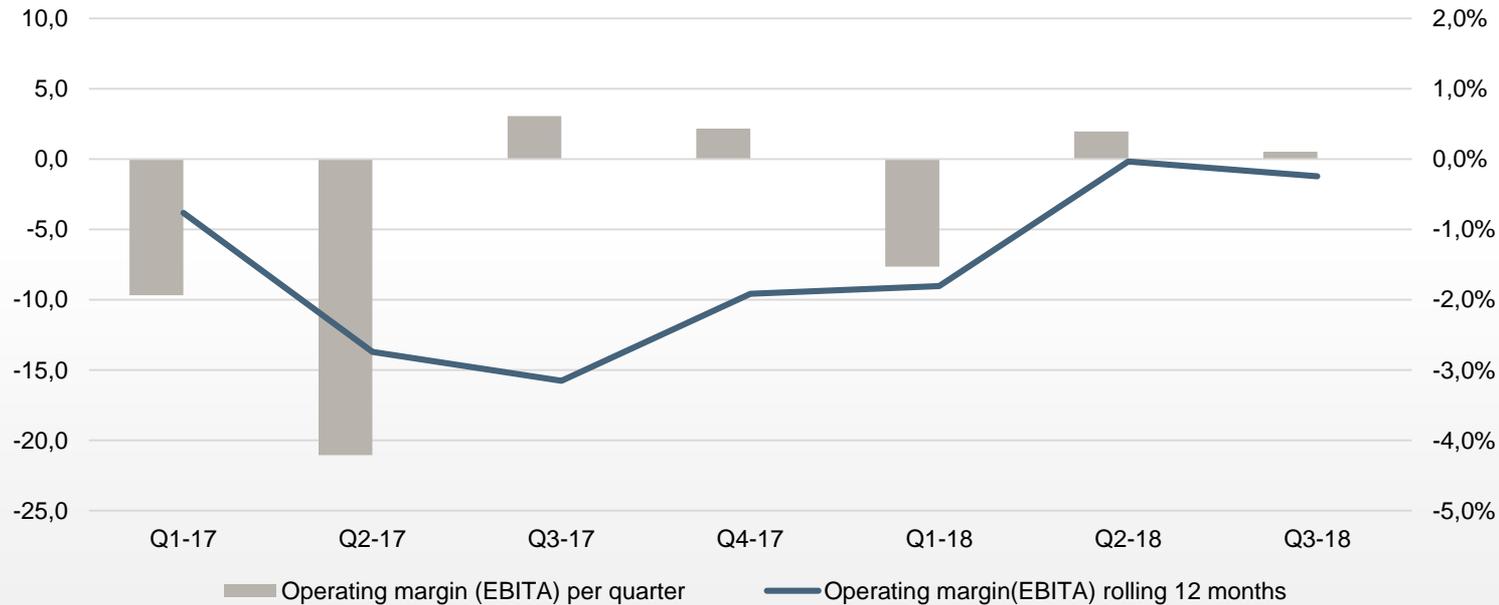
# Total Group: Q3

## 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

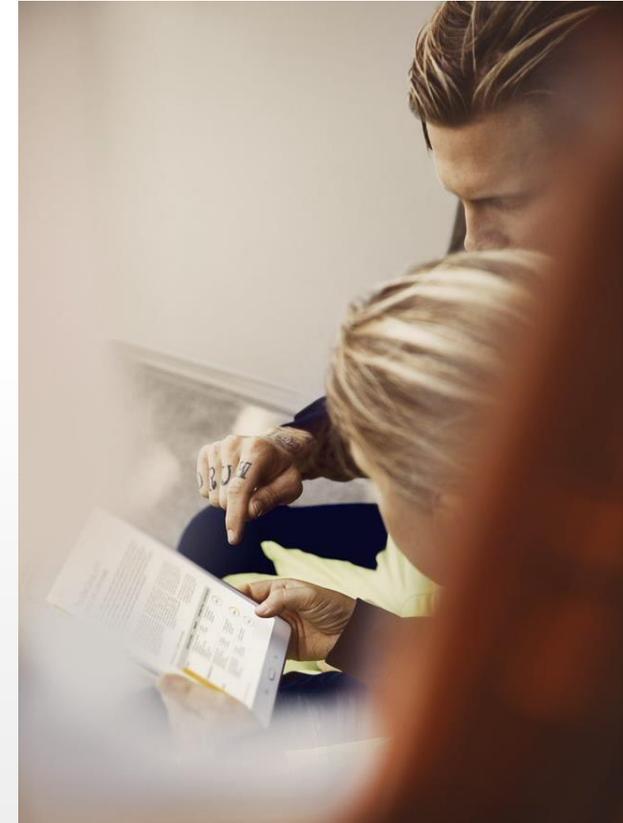
<p><b>Power</b></p>	<ul style="list-style-type: none"> <li>▪ Net sales -4.7 % to EUR 112.0 million           <ul style="list-style-type: none"> <li>▪ Divestments of Baltics</li> <li>▪ Ramp down of certain service contracts in Sweden</li> </ul> </li> <li>▪ Organic growth in current operations* 2.4%</li>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



\*Adjusted for divested operations and currency effects

# Operative EBITA segments: Q3

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



# 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



# Q&A

The Eltel logo is displayed in white on a dark blue, textured fabric background. The logo consists of the word "ELTEL" in a bold, italicized, sans-serif font. A white, curved swoosh underline starts under the 'E' and extends under the 'L', with a small loop at the end.