



**NORTHERN EUROPEAN LEADER IN MODULAR SPACE**

**ADAPTEO GROUP**

**10 June 2019**

**Adapteo.**



# Today's speakers



**Philip Isell Lind af Hageby**  
*CEO, EVP Rental Space*

- Joined Adapteo in 2017
- M.Sc. in Economics
- Previously SVP, Business Area Norway and MD of Inwido Norway, and several positions at SCAN COIN



**Timo Pirskanen**  
*CFO*

- Joined Adapteo in 2019
- M.Sc. in Economics
- Previously CFO at Kotipizza and SVP, Head of Investor Relations at Rautaruukki



**Björn Kölerud**  
*Interim EVP, Permanent Space*

- Joined Adapteo in 2019
- B.Sc. in Business Administration
- Previously CEO at Hästens Group and Hästens Beds, and Director and Partner at Capacent



**Camilla Hensäter**  
*Managing Director, Sweden*

- Joined Adapteo (Cramo) in 1991
- M.Sc. from IHM Business School
- Has held several positions in Cramo's subsidiaries



**Juha Kalliokulju**  
*Managing Director, Finland*

- Joined Adapteo in 2017
- M.Sc. in Electronics
- Previously at Kairos Insights, Microsoft and Nokia

# AGENDA

	TOPIC	SPEAKER	TIME (approx)
1	Adapteo investment case and strategy	Philip Isell Lind af Hageby, CEO and EVP Rental Space	12:30-13:30
2	Break		13:30-13:45
3	Business area Rental Space	Philip Isell Lind af Hageby, CEO and EVP Rental Space	13:45-14:30
4	Business area Permanent Space	Björn Kölerud, Interim EVP Permanent Space	14:30-15:00
5	Break		15:00-15:15
6	Financials	Timo Pirskanen, CFO	15:15-16:00
7	Conclusions	Philip Isell Lind af Hageby, CEO and EVP Rental Space	16:00

# Adapteo investment case and strategy

**Philip Isell Lind af Hageby**  
CEO and EVP Rental Space



# **Adapteo.**

movie

# A leading modular space provider

## Adapteo key highlights



**#1 player in Northern Europe<sup>1)</sup>**  
13% market share in ~€1.3bn market with 9% CAGR<sup>1)</sup>



**~32,400 modules (~1M sqm)**  
Fleet utilisation ~85%<sup>2)</sup>



**Net sales €221M<sup>3)</sup>**  
Organic rental growth 11%<sup>4)</sup>



**Comparable EBITDA €84M<sup>3)</sup>** (38% margin)  
**Operating profit (EBIT) €35M<sup>3)</sup>** (16% margin)



**Operative ROCE 12%<sup>3)</sup>**



**Cash conversion before growth capex**  
**88%<sup>5)</sup>**

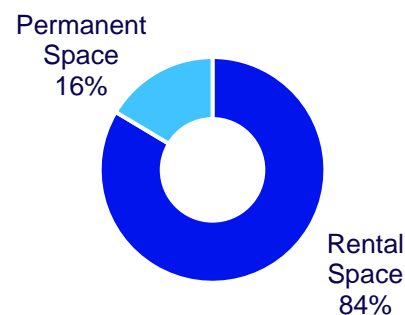
## Rental model in brief



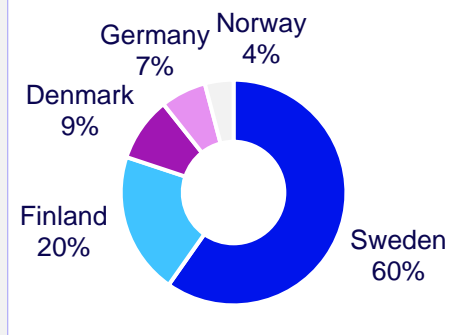
- Rental of modular units used as **flexible temporary solutions**
- **Contracts spanning up to 5 years**, on average, including extensions
- Mainly **public customers** within the **social infrastructure<sup>6)</sup>** segment
- **Strong cash generation** from installed base with **discretionary growth capex**

## Majority of revenue is recurring and coming from social infrastructure

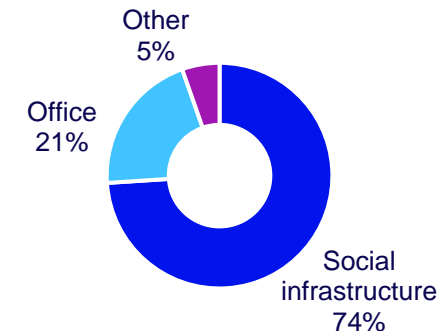
Net sales by business area<sup>3)</sup>



Net sales by geography<sup>3)</sup>



Rental income by customer segment<sup>7)</sup>



1) Rental market for modular space solutions in SE, FI, DK, NO and DE; 2) 2018 Adapteo carve-out basis figures; 3) 2018 pro forma ("2018PF"). All pro forma figures are unaudited; 4) Average organic rental sales growth in 2016-2018 on Adapteo carve-out basis; 5) (Comparable EBITDA – cash flow before growth capex) / Comparable EBITDA, average 2016-2018 on Adapteo carve-out basis figures; 6) Includes daycare, school, elderly care and special accommodation; 7) The customer rental income information has been derived from Adapteo's internal customer invoicing and contract data. Such information has not been prepared in accordance with IFRS and includes certain assumptions made by the management. Accordingly, such data should be considered indicative of Adapteo's customer segmentation and may not be directly comparable to Adapteo's revenue reported in accordance with IFRS; Source: Management Consultant Analyses (Adapteo market share, market size and growth)

# Adapteo's extensive modular space offering





# Comprehensive offering for various customer segments



**C90 – Solution for school, daycare and office use**



**F50 – Solution for event, school, daycare and office use**



**Anneberg – Solution for daycare use**



**Nova – Solution for office use**



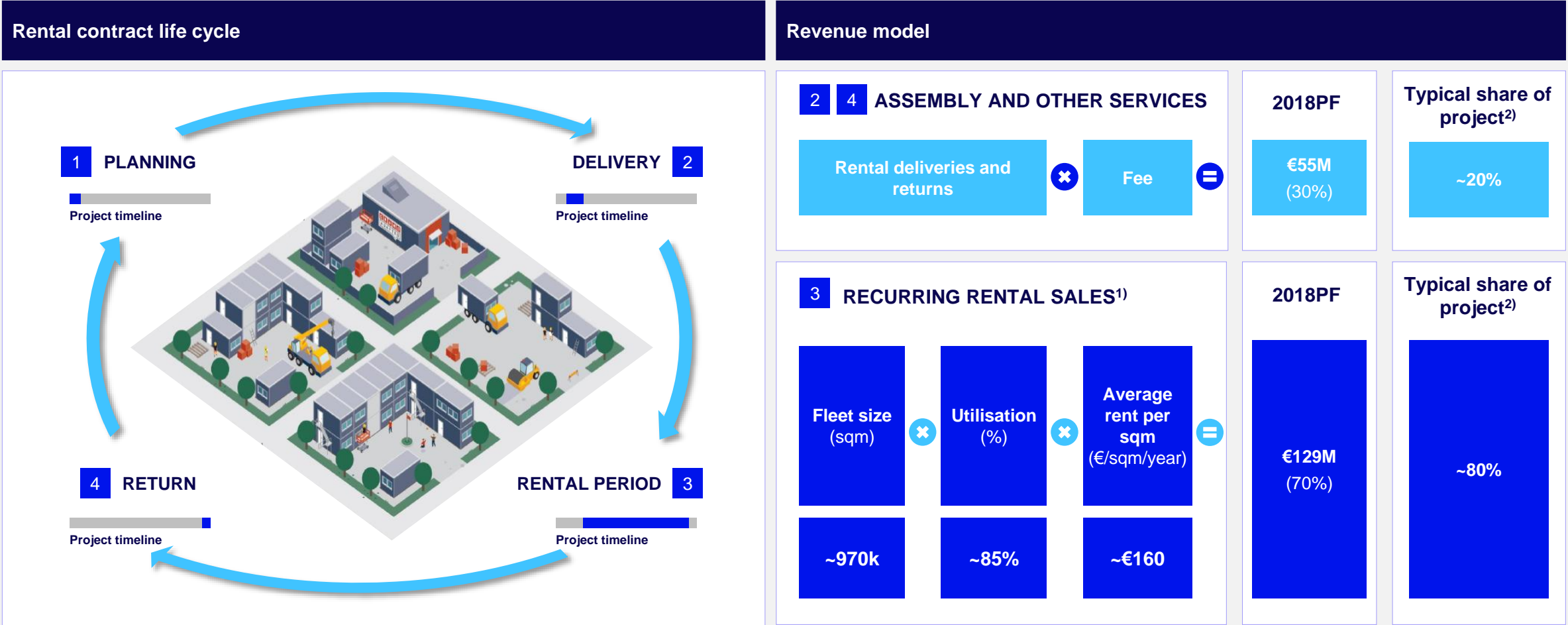
**Kloss – Solution for daycare and school use**



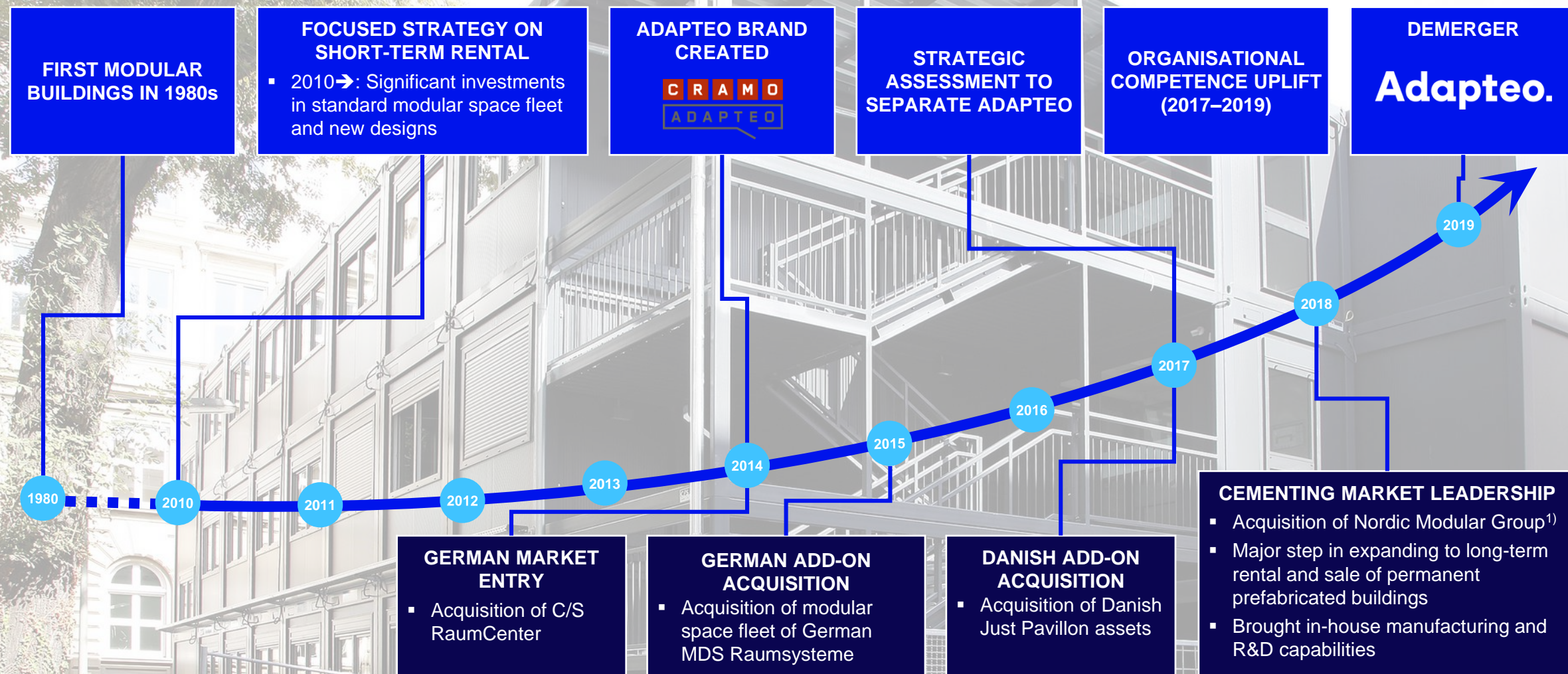
**Sannebo - Solution for student housing**



# The Adapteo rental model



# Adapteo key milestones



■ Strategic initiatives ■ M&A transactions

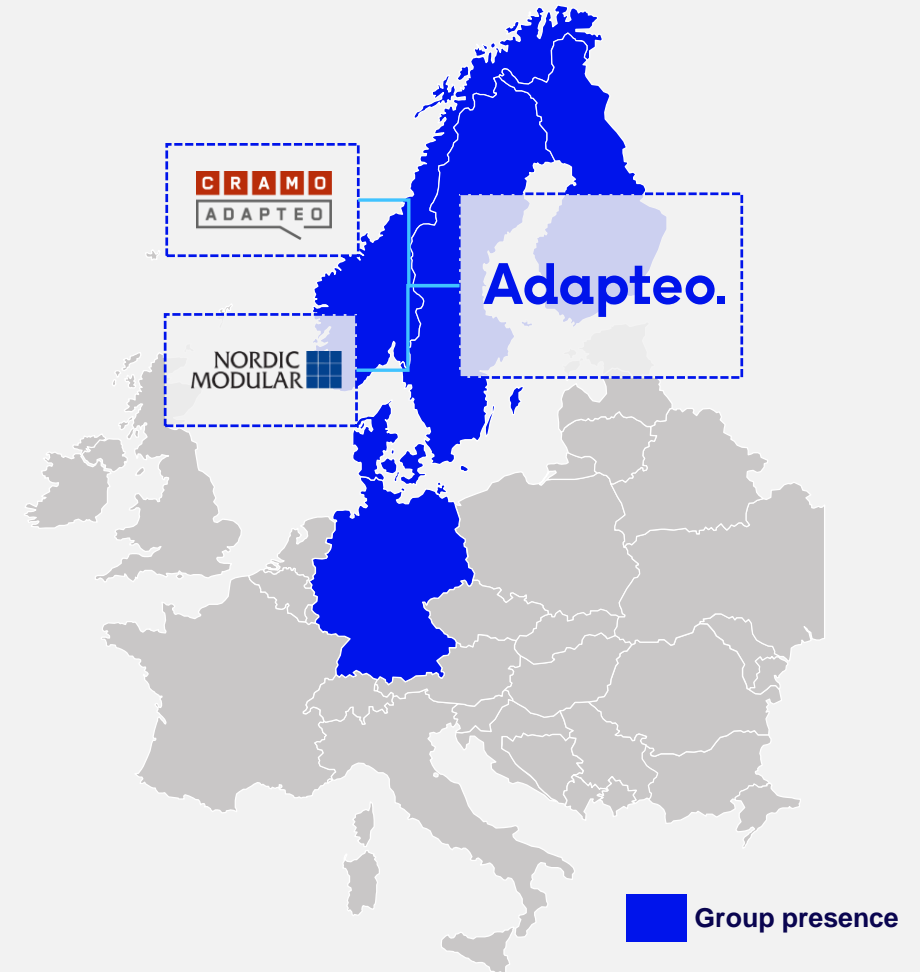
# Acquisition of NMG cementing market leadership

Strengthen position in Northern Europe with adequate size and cost efficiency driving long-term value creation

Form a versatile modular space group with inhouse R&D, design and manufacturing to expand the permanent space business

Penetrate the rental business with optimised and differentiated solutions towards targeted customer segments

Total annual synergy potential €3-4m reached by the end of 2020





# Resilient profitable growth and returns in an attractive market

**Adapteo.**

1

Fast growing and resilient market supported by long-term structural trends

2

A Northern European leader with a scalable platform poised for growth

3

Recurring revenues from a diverse base of primarily public customers

4

Attractive returns on long-lived assets

5

Strong cash generation from installed base with discretionary growth capex

6

Several value creation avenues beyond the underlying market growth

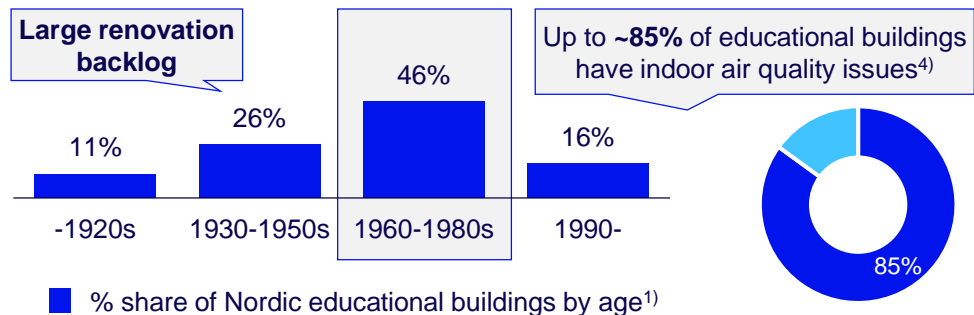
# 1 Fast growing market supported by structural trends

## Growing gap between demand and supply of space

### Growing total population, urbanisation and demographic shift



### Current building stock not adequate to sustain growth



## Modular space is an effective solution

**Flexible customer financing** favoured by both public and private sector

**Flexible use** of space that adapts to changing needs

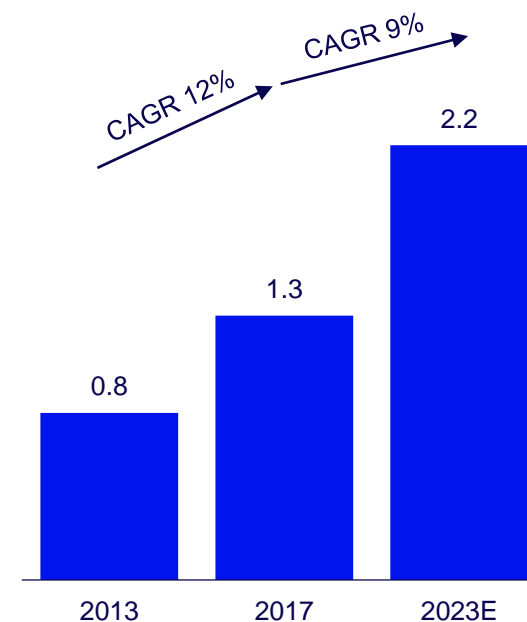
**Permanent building requirements compliance** but faster and more predictable delivery

**Cost efficiency** through standardisation and controlled indoor production

Contribution to **sustainability and circular economy**

## Strong market growth expected to continue

### Northern European Rental market (€bn)<sup>5)</sup>

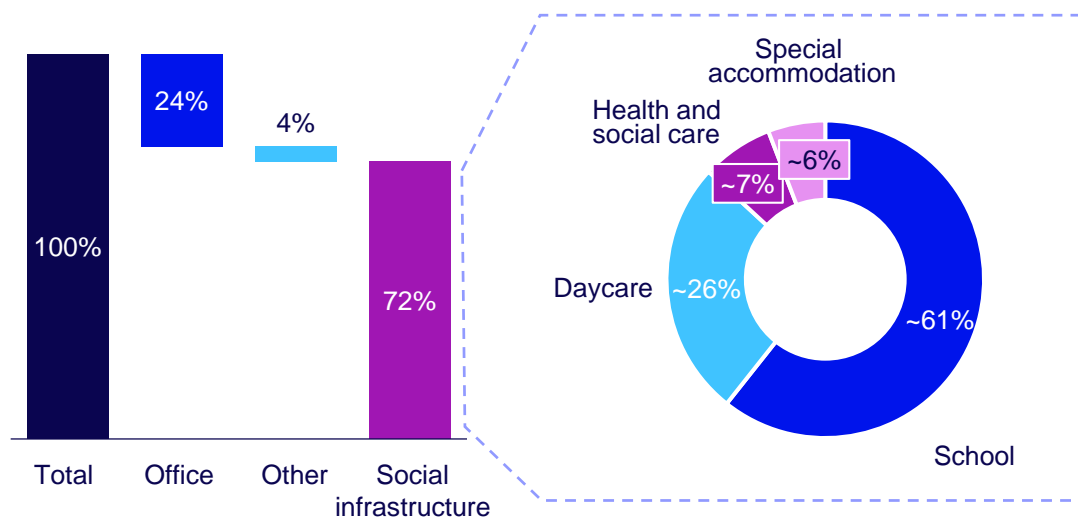


1) Includes SE, DK, NO; 2) Includes Stockholm Urban area, Greater Oslo Region, Helsinki Capital Region and Copenhagen Urban Area; 3) Children aged 1-6 years. Includes SE, FI, and NO, excludes DK due to unavailability of long-term data; 4) 85% educational buildings in Finland (Not representative of the whole building stock. Based on a nationwide survey for education, training and research sector professionals. N=4920), 20% of schools in Sweden, 36% of pupils in Denmark (based on a survey); 5) Includes the rental of MS solutions in FI, SE, DK, NO and DE; Source: Management Consultant Analyses (Market size and growth, Age distribution of Nordic school buildings); The Trade Union of Education in Finland, OAJ (Indoor air quality issues in Finland), Statistics Finland, Sweden, Norway and Denmark (Population growth), Svensk Ventilation (Air quality issues in Sweden), Danish Health Authority (Air quality issues in Denmark)

# 1 Resilient market growth

## Resilient market with ~70% sales to the social infrastructure segment<sup>1)</sup>

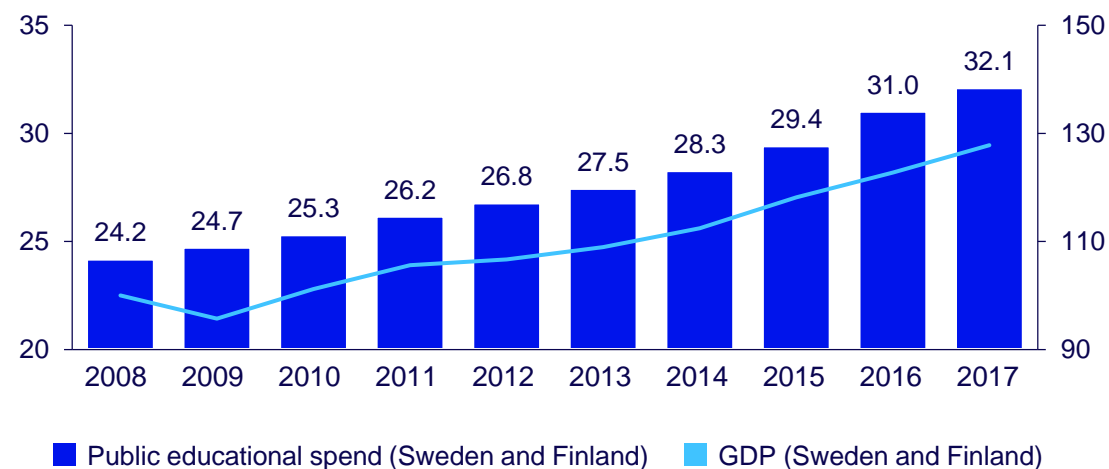
### Northern European Rental market by customer segment (2017)<sup>2)</sup>



- In most cases public sector customers have a **legal obligation to provide social infrastructure**
- Market driven by structural drivers such as urbanisation, demographic changes and renovation needs, largely unaffected by general economy

## Public educational spend has remained high and stable over time

### Public educational spend (€bn, LHS) and GDP (indexed, RHS)<sup>3)</sup> in Sweden and Finland



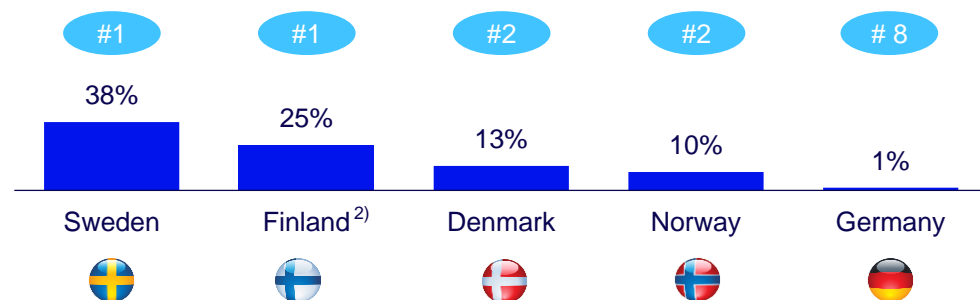
- **Resilient public expenditure for daycares and schools over time**
- Average annual growth of 4% for Sweden and 2% for Finland
- Public educational spend has grown every year



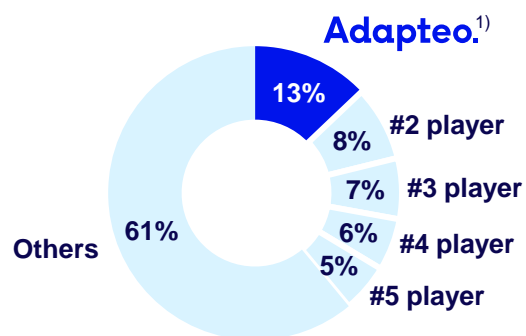
## 2 A Northern European leader

### Northern European market leader

#### Adapteo's market position and shares in the Rental market (2017)<sup>1)</sup>

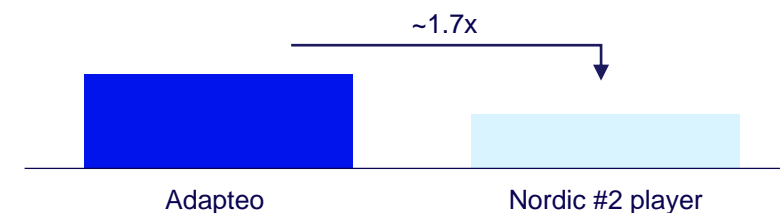


#### Market shares of the Northern European Rental market<sup>3)</sup> (2017)

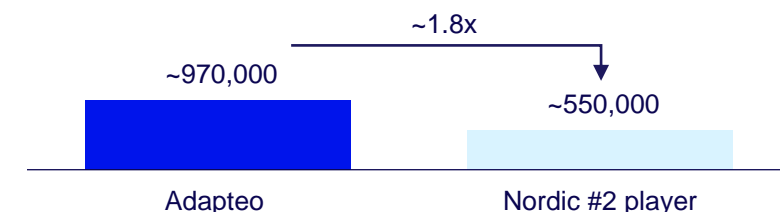


### Nordic market leadership

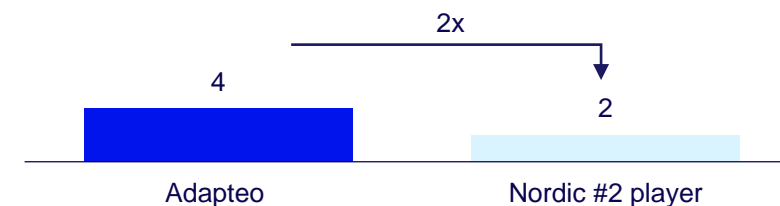
#### Rental sales<sup>4)</sup> (€m)



#### Fleet size (sqm)<sup>5)</sup>



#### # of Nordic countries with Top-3 market position



1) Revenues used in the assessment of Adapteo's market share in the Rental Market are estimates based on information from public sources on the combined 2017 revenue of the operational companies of Cramo's Modular Space business division operating in Sweden, Finland, Norway, Denmark and Germany as well as the Swedish, Finnish, Danish, and Norwegian companies of Temporent; 2) Market share is indicative due to incomparability of Parmaco's revenue resulting from its revenue recognition. Even though Adapteo and Parmaco's revenues are not directly comparable due to different revenue recognition, market interviews indicate that Adapteo has the highest rental fleet and revenue in Finland; 3) Includes SE, FI, DK, NO and DE; 4) Combined Rental sales and Assembly and other services sales of NMG and Adapteo for 2017, Competitor 2017 net sales figure; 5) Adapteo 12/2018 figure, Competitor 2018 figure; Source: Management Consultant Analyses (Market size, shares and positions); Competitor website (Competitor fleet size); Competitor Annual Report (Revenue)

## ② Scalable platform poised for growth



**Largest and most versatile  
fleet in the Nordics**



**In-house manufacturing capabilities coupled  
with external supplier network**



**Future proof and well-invested fleet**



**Design and R&D capabilities, with proven  
track-record of product innovation**



**Wide spread hub network with hubs enabling  
fast and efficient re-rental model**

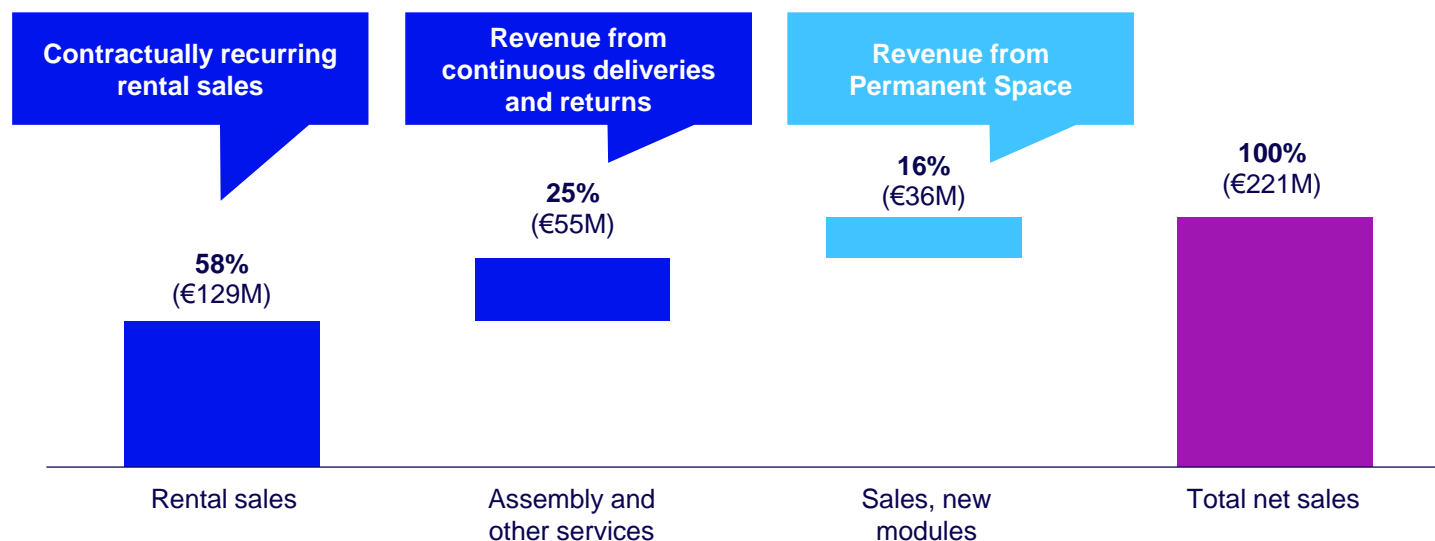


**Public tender expertise and long  
customer relationships**

### 3 Recurring revenues from primarily public customers











#### High share of recurring revenue

##### Net sales breakdown 2018 pro forma<sup>1)</sup>



- **Average contract length of ~5 years**
  - Average initial contract length of 3 years where 70–80% of contracts are extended by 2 years or more
- **80 percent** or 2.5 years worth of rental sales is secured in any given year

#### Large and diverse base of public sector customers

Customer		% of rental income <sup>2)</sup> in 2018
#1 Municipality		4%
#2 Municipality		3%
#3 Municipality		2%
#4 Municipality		2%
#5 Private sector		2%
#6 Municipality		2%
#7 Municipality		1%
#8 Municipality		1%
#9 Municipality		1%
#10 Private sector		1%
<b>10 Largest customers</b>		<b>20%</b>

- In total **~1,800 contracts**
- Average of **~15 modules per contract<sup>3)</sup>**

1) Sum of parts do not add up to 100% due to rounding; 2) Sum of parts do not add up to 20% due to rounding. The customer rental income information has been derived from Adapteo's internal customer invoicing and contract data. Such information has not been prepared in accordance with IFRS and includes certain assumptions made by the management. Accordingly, such data should be considered indicative of Adapteo's customer segmentation and may not be directly comparable to Adapteo's revenue reported in accordance with IFRS; 3) Contracts and rented modules at 31 December 2018

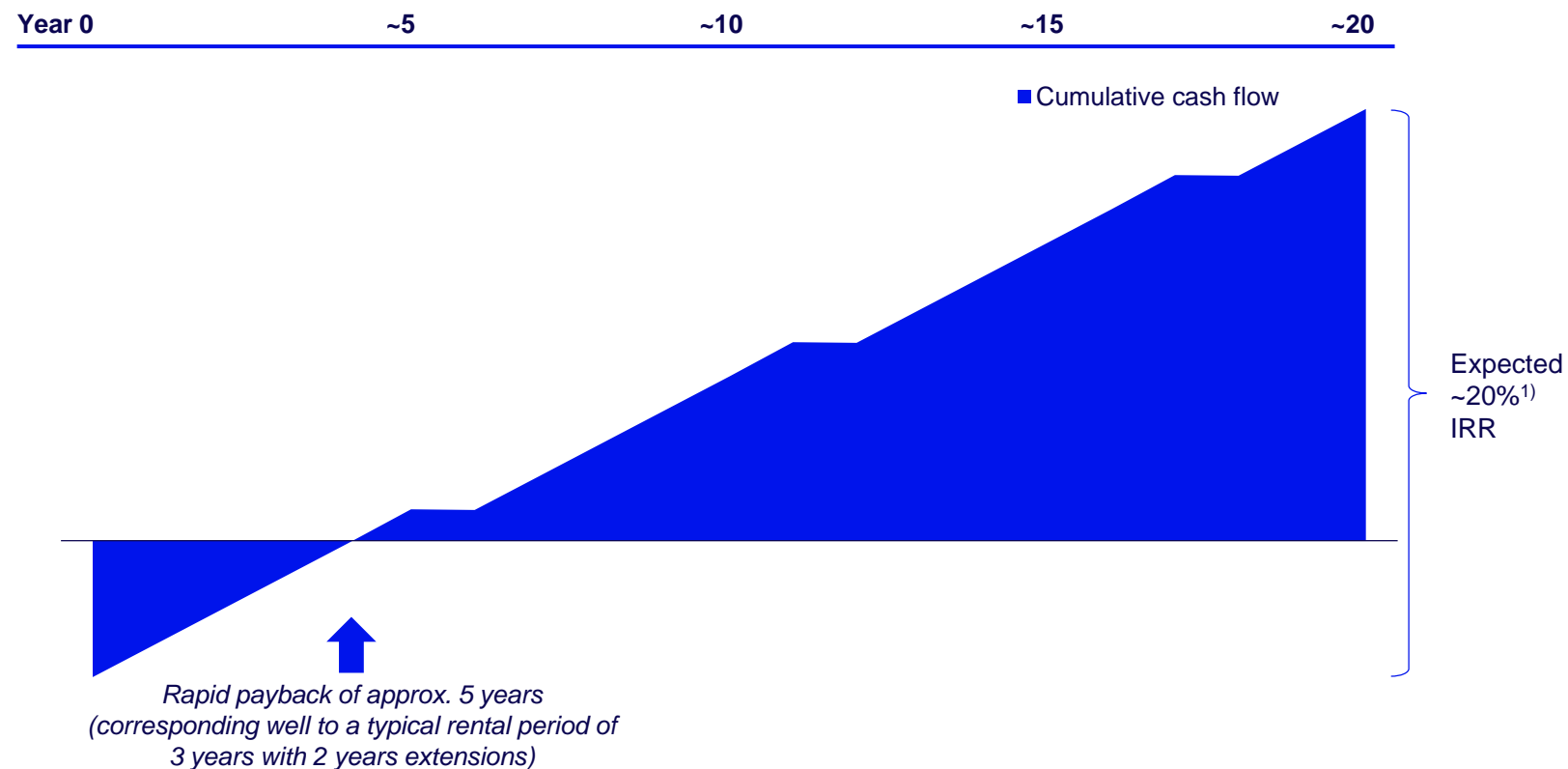


## 4 Attractive returns on long-lived assets

### Highlights

- Investment payback often during first rental period (including extensions)
- 20-year expected IRR of ~20%<sup>1)</sup>
- Module lifetime of up to 30 years
- Initial investment of €25,000 per module<sup>2)</sup>
- Annual rent per module approximately €6,000<sup>2)</sup>
- Predictable rental cash flow with average total rental period of ~5 years including extensions and 85%<sup>3)</sup> utilisation rate

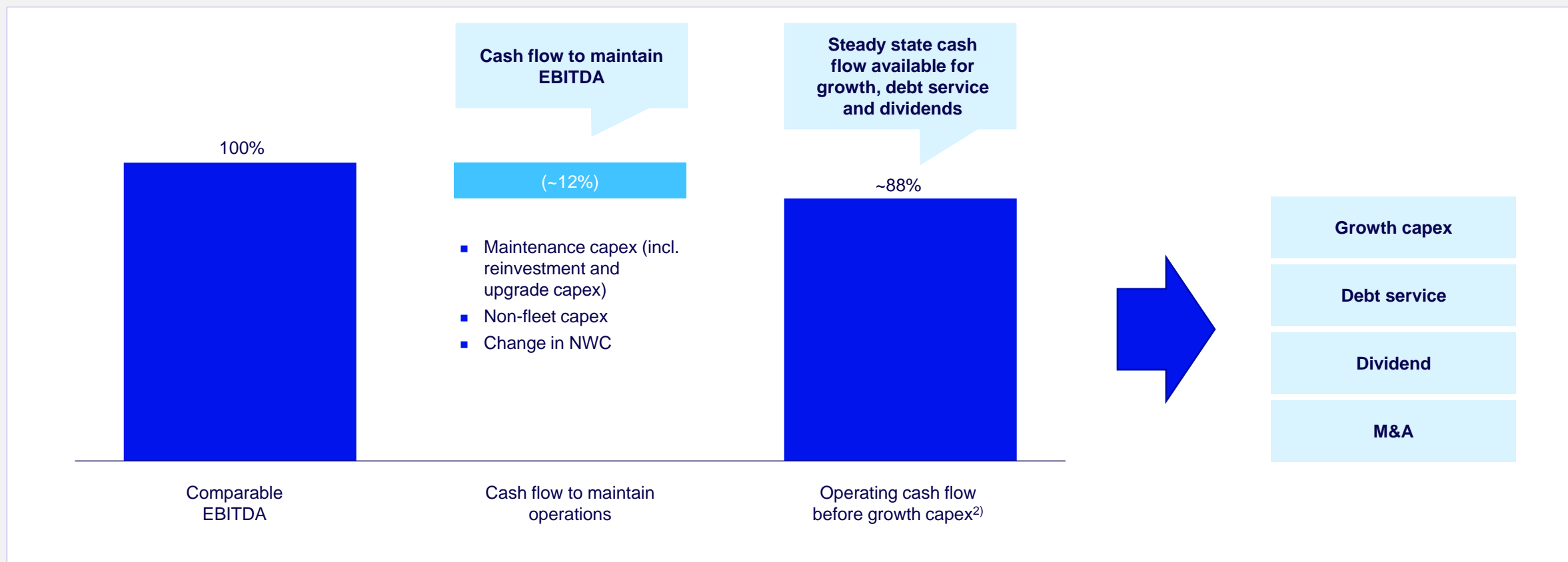
### Illustrative example of a module lifetime cash flows



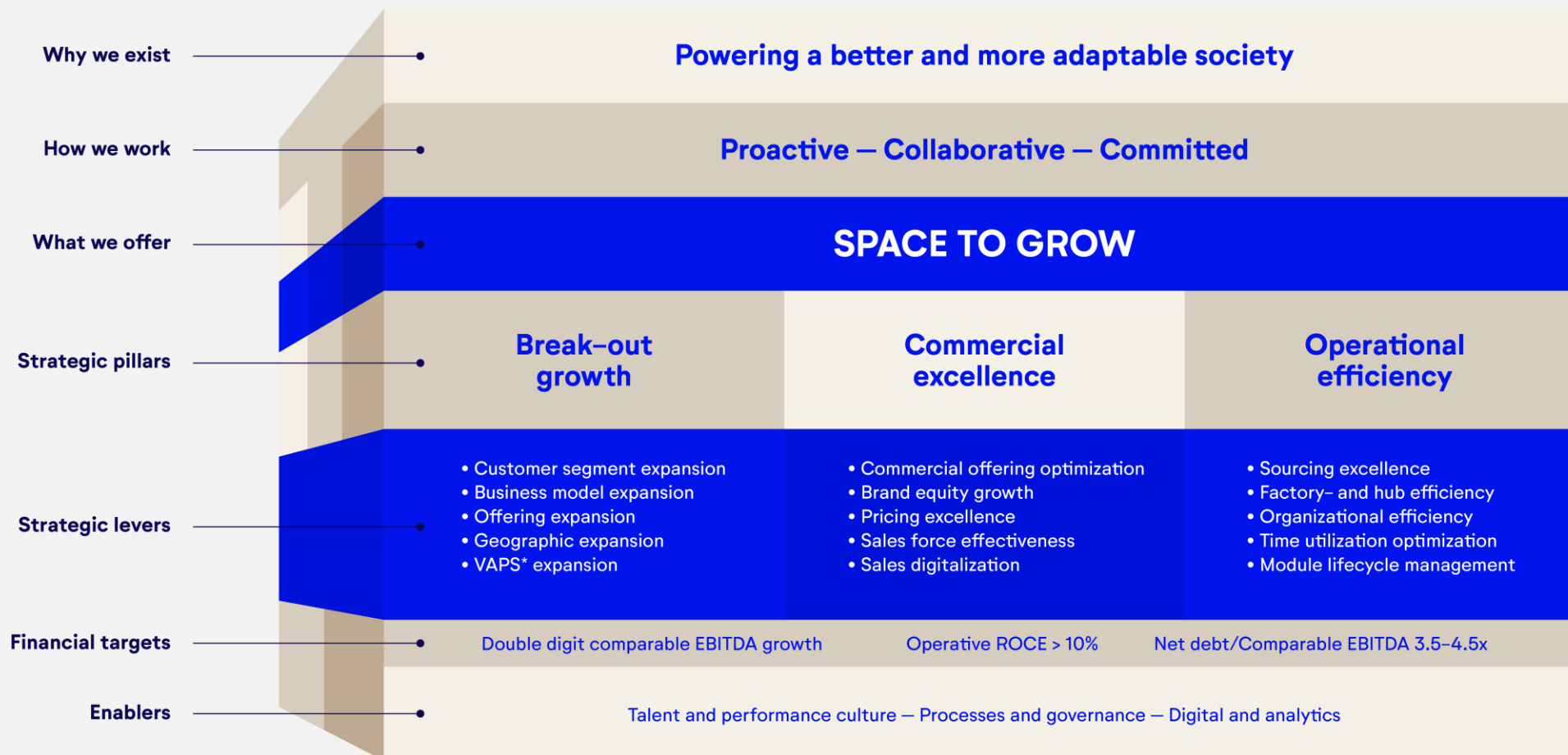
1) Illustrative calculation assuming management estimation of the investment amount, direct rental costs and costs from assembly and other services, approximately EUR 6,000 of annual rental sales, standard pricing parameters, 85 percent utilisation rate during the 20-year period, and not taking inflation into consideration; 2) For C90 module series; 3) Adapteo 2018 carve-out basis figure; Source: Company materials (Average investment payback period of first contract, average total rental period)

## ⑤ Strong cash generation from installed base

### Illustrative cash flow bridge (% of Comparable EBITDA)<sup>1)</sup>



## ⑥ Clear strategy for value creation



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# Business area Rental Space

**Philip Isell Lind af Hageby**  
CEO and EVP Rental Space



# Overview of business area Rental Space

## Overview of Rental Space



- Rental of prefabricated modules for temporary short-term and long-term needs
- Primarily public customers within social infrastructure
- Contracts spanning up to 5 years, on average, including extensions
- Strong cash generation from installed base with discretionary growth capex

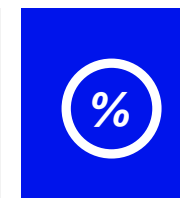
Rental brand:

**Adapteo.**

## Key facts and figures<sup>1)</sup>



Net sales  
€185m



Fleet utilisation<sup>2)</sup>  
~85%

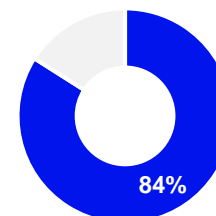


Comparable EBITDA €89m<sup>3)</sup>  
Margin 48%<sup>3)</sup>

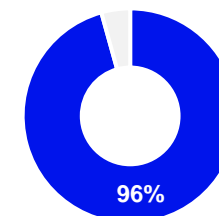


Employees<sup>4)</sup>  
205

% of Group external net sales



% of Group Comparable EBITDA<sup>3)</sup>



# Rental model in brief

## 1 PLANNING

Analysing customer needs and designing the optimal solution together



## DELIVERY 2

Modification, transport and assembly generate assembly and other services sales with a mark-up

Transport and assembly are mainly outsourced

Delivery directly from factory or hub



## 4 RETURN

Disassembly, site restoration and transport generate assembly and other services sales with a mark-up

The work is mainly outsourced

The disassembled module is refurbished on site or in hubs for the next customer



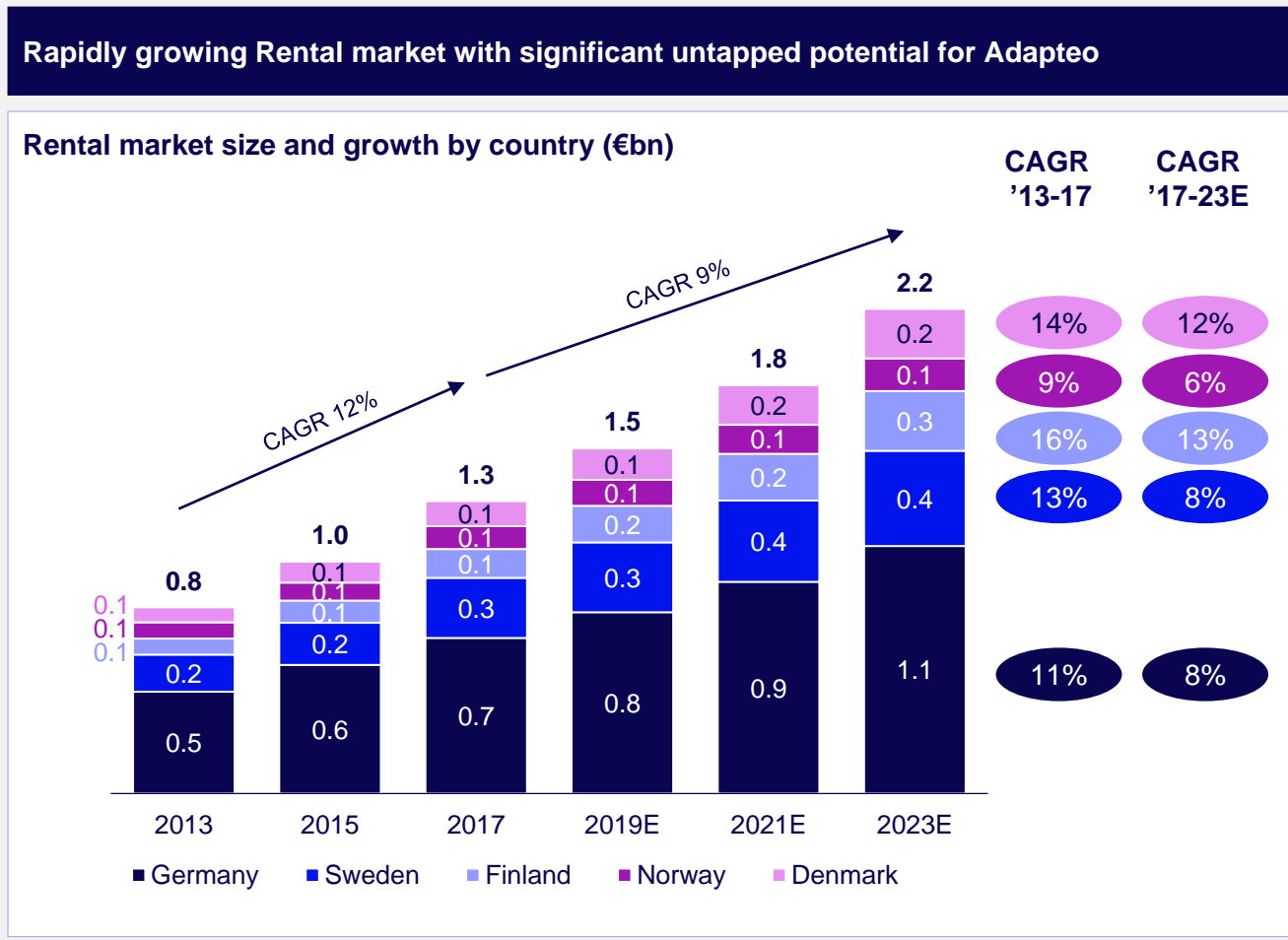
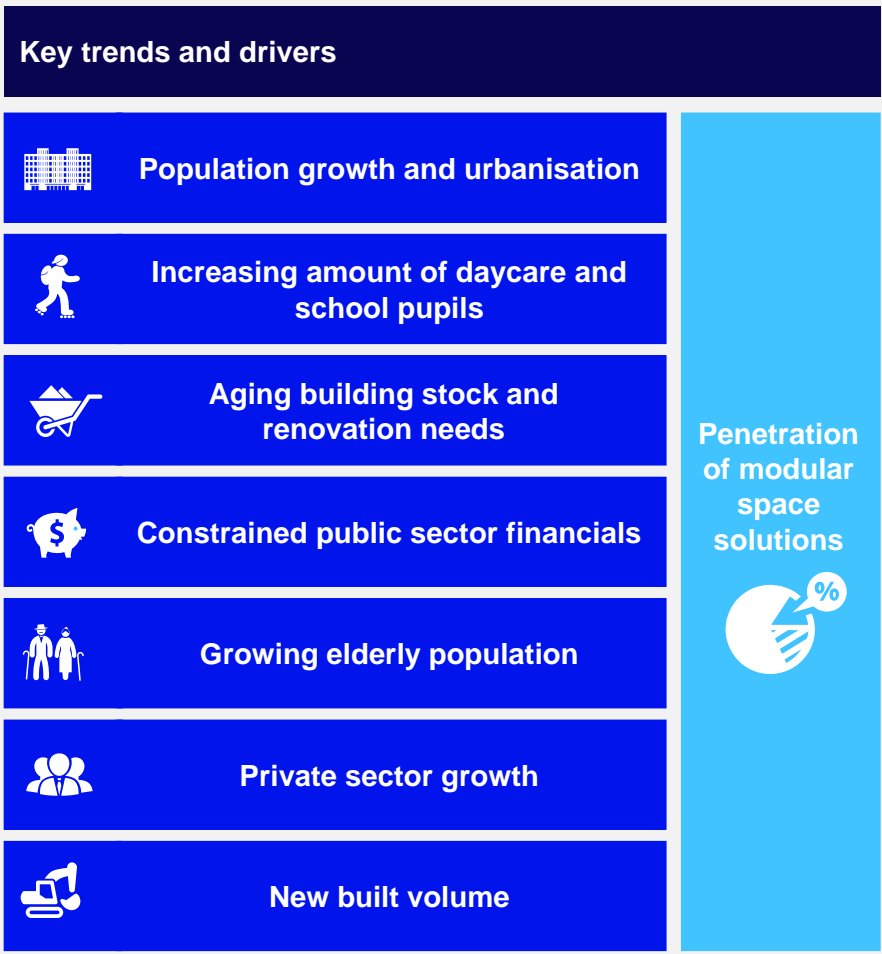
## RENTAL PERIOD 3

Initial contract length of ~3 years and 70-80% of contracts are extended for an effective duration of 5 years on average

The rented module is "in utilisation" and generates monthly rental sales with limited costs during the period



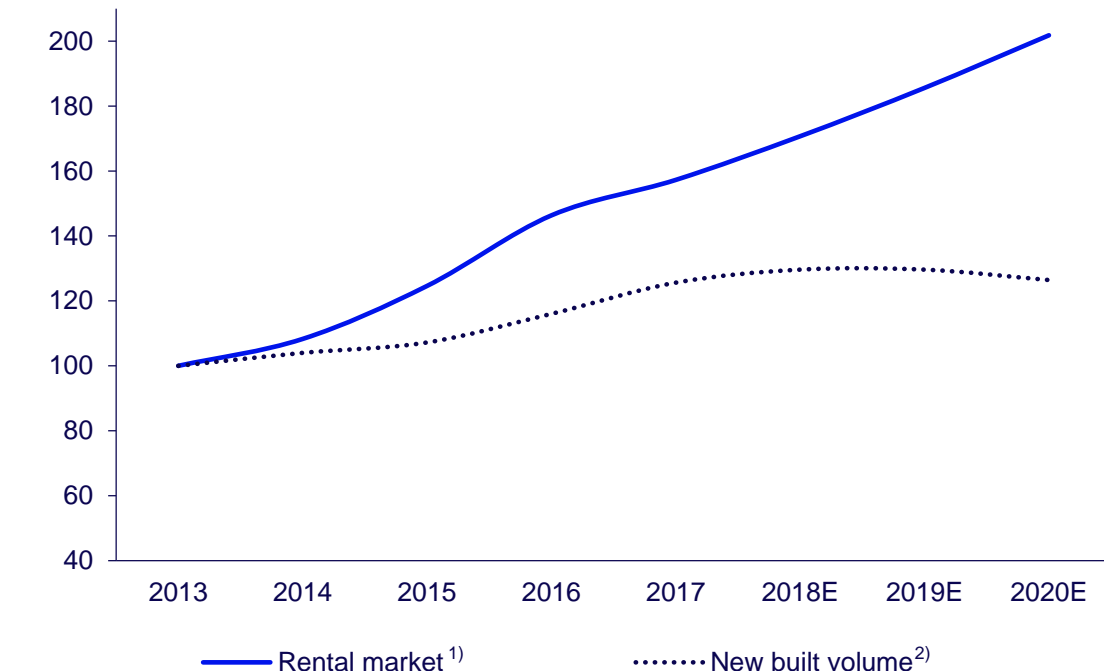
# Secular demand growth and modular space is set to benefit



# Rental modular space advantages drive penetration

## Indexed Rental market and new built volume in Northern Europe

Indexed market value (2013 = 100)



## Rental modular space advantages that drive penetration



**Flexible customer financing** favoured by both public and private sector



**Flexible use** of space that adapts to changing needs



**Permanent building requirements compliance** but **faster and more predictable delivery**



**Cost efficiency** through standardisation and controlled indoor production



Contribution to **sustainability and circular economy**



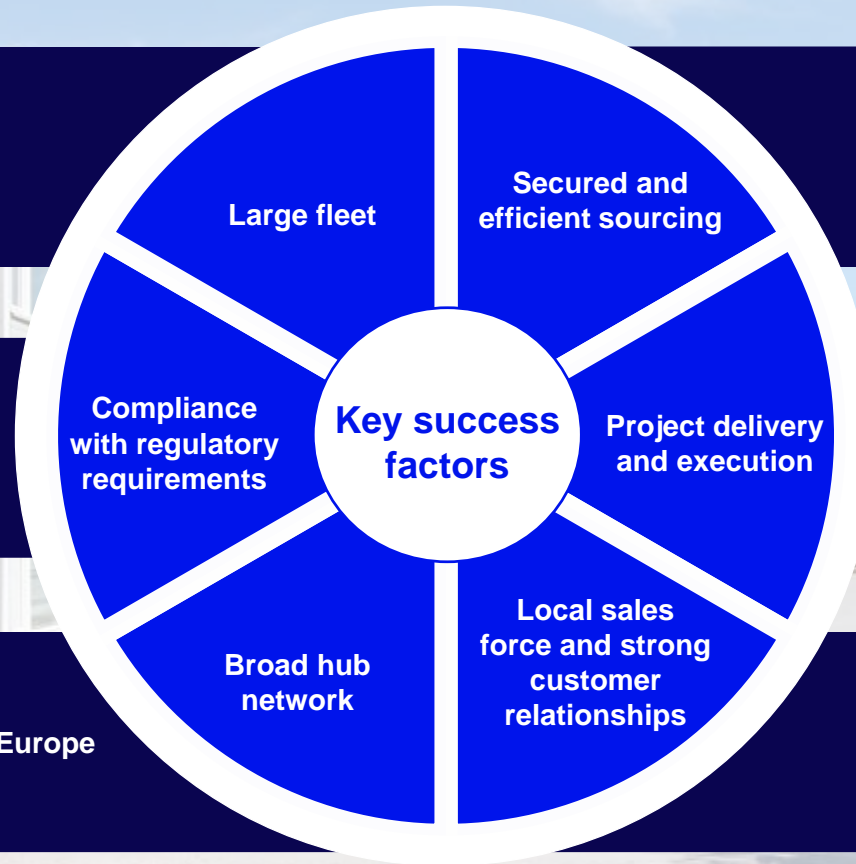
# Competitive environment favours scale and local presence

## Adapteo. position

✓ Largest fleet in the Nordics

✓ Well positioned to comply with future building requirements/regulations

✓ Widespread hub network across Northern Europe



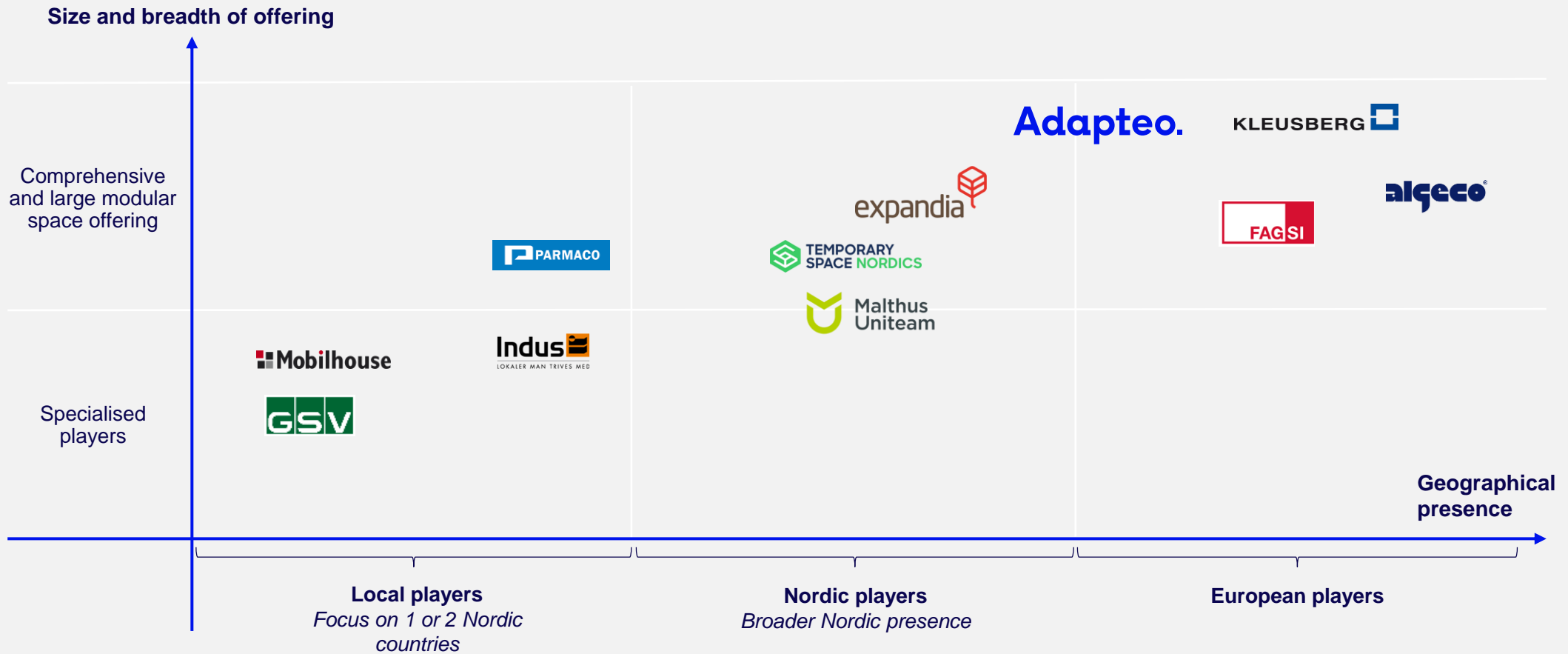
## Adapteo. position

✓ In-house manufacturing with R&D capabilities and secured external manufacturing capacity

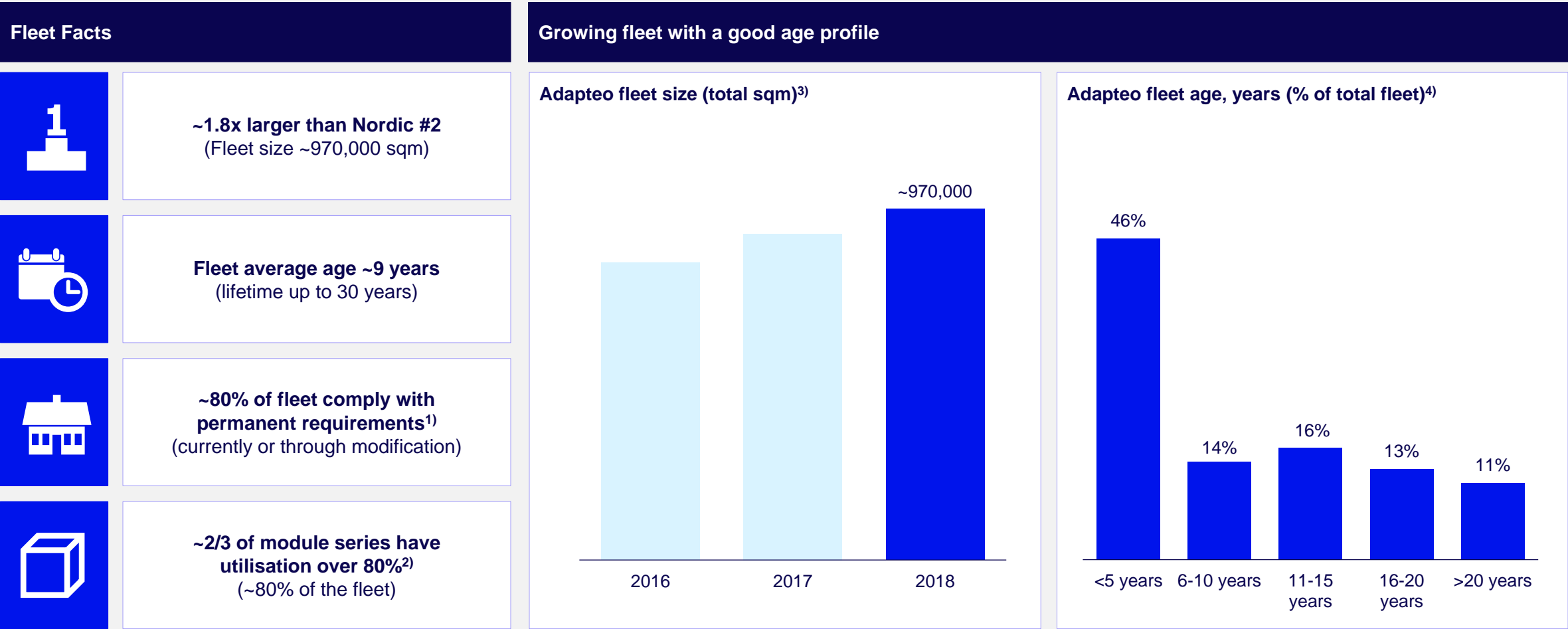
✓ Strong in-house project management and logistics structure as well as subcontractor network for assembly, disassembly, services and maintenance

✓ Sales presence across Northern Europe, strong tender capabilities, long-standing customer relationships

# Adapteo has broad offering and wide geographical presence

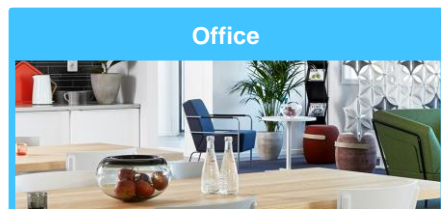


# Versatile fleet well positioned for future regulations

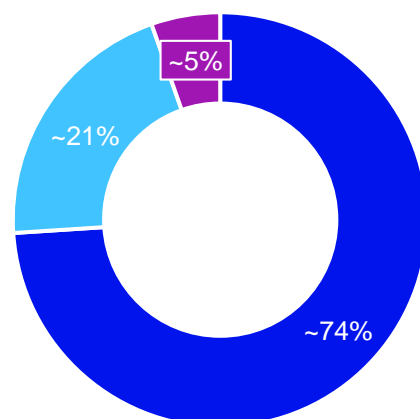


# Strong and long relationships with high quality customer base

## High share of rental income from social infrastructure customer segment



Rental income by customer segment<sup>1)</sup>



- Social infrastructure
- Office
- Other



## Adapteo is successful in serving its customers

Public sector  
(~70% of rental income)

- Good access to public sector entities before tendering to influence the need picture and maintain strong relationships
- Strong tender calculation know-how – price is an important KPC<sup>2)</sup> in the public sector
- Ability to comply to permanent building requirements is an advantage

Private sector  
(~30% of rental income)

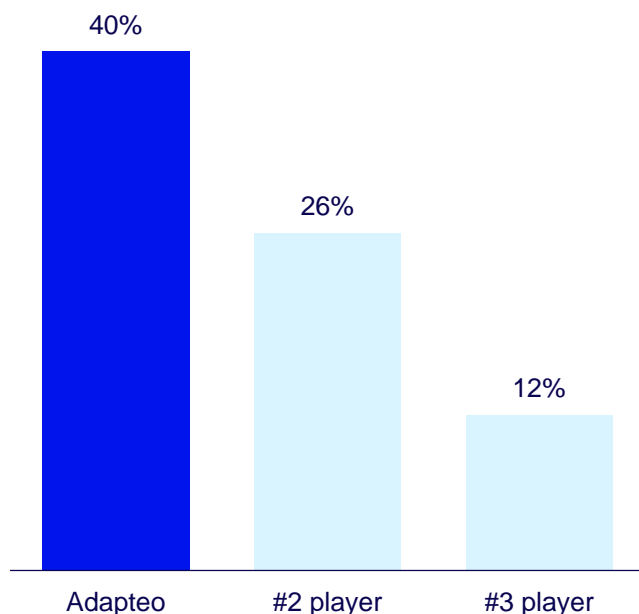
- Having the ability to influence need creation pre-tender as a consultative company
- Adapteo's good customer relationships and references is key in tenders
- Ability to deliver full offering from planning to delivery and maintenance is an advantage

1) The customer rental income information has been derived from Adapteo's internal customer invoicing and contract data. Such information has not been prepared in accordance with IFRS and includes certain assumptions made by the management. Accordingly, such data should be considered indicative of Adapteo's customer segmentation and may not be directly comparable to Adapteo's revenue reported in accordance with IFRS; 2) Key purchase criteria

# Strong tendering process and track record for public tenders

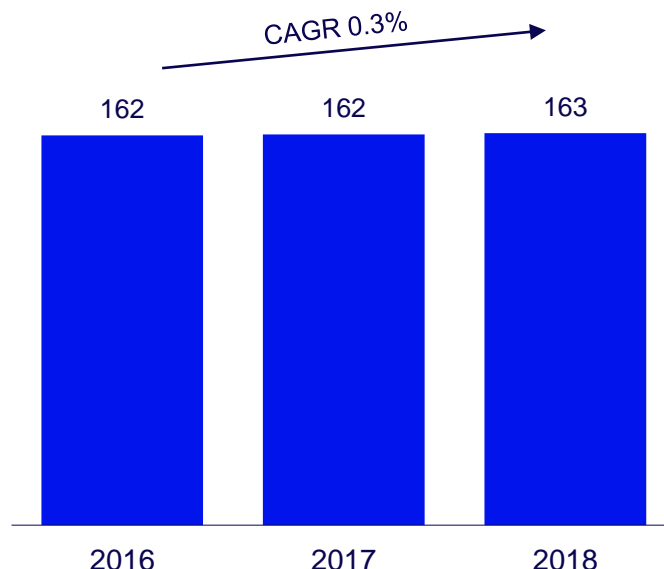
## High win rate in public tenders

Won contract value as % of total contract value in Sweden (H2'15-H1'18)<sup>1)</sup>

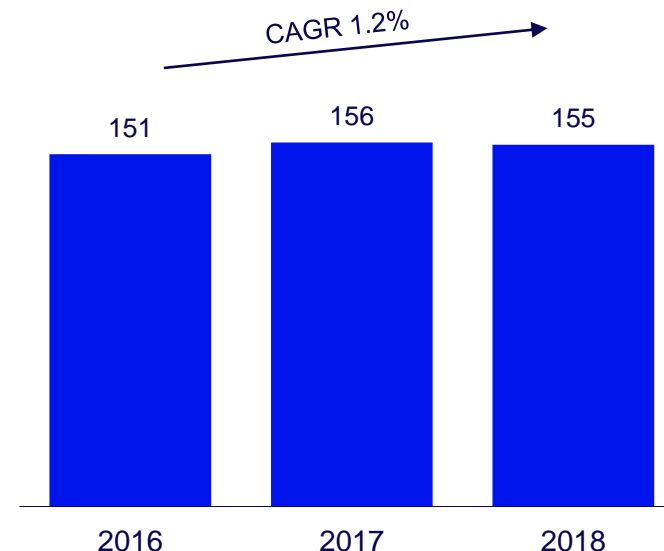


## Steady average rent development

Average rent per sqm, Adapteo carve-out (€/year)<sup>2)</sup>



Average rent per sqm, NMG (€/year)<sup>3)</sup>



1) Combined share of won contract value for Adapteo and NMG of all tenders in analysed sample. Analysed sample consists of 160 Swedish public tenders regarding short-term rental modular space solutions during H2 2015 – H1 2018. Analysed sample estimated to cover 30 percent of all tenders occurred during the period; 2) Adapteo carve-out basis figures; 3) NMG figures translated with an EUR SEK exchange rate of 10.2583; Source: Management Consultant Analyses (Tender data)



# A well-invested Northern European operating platform

## Sales

Broad and efficient sales network locally present

Strong tendering capabilities

Strong customer relations with high hit-rate

### Adapteo sales office network

Sales office<sup>1)</sup>  
(Total = 17)



## Sourcing

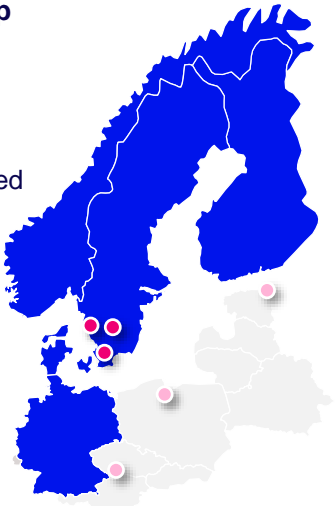
In-house production and R&D capabilities

Established supplier network of modules

Secured sourcing capacity and efficient delivery

### Adapteo sourcing setup

Production, In-house  
(Total = 3)  
Production, Outsourced  
(Total = 3)



## Project and fleet management

Wide-spread hub and warehouse network

In-house project management and external assembly and service subcontractors

High efficiency and utilisation rate







### Adapteo hub and warehouse network

Hub  
(Total = 8)  
Warehouse<sup>2)</sup>  
(Total = 20)









1) Map includes two in-house production facilities (Anneberg and Eslöv) and a hub/warehouse (Aichach), which have sales activities. The map and sales office count does not include Karlstad, as the office does not have sales operations; 2) Warehouses include module storage and accessories warehouses

# Case study: School facility for the City of Lahti

Customer	 <p>City of Lahti (Finland) For the school of Tiirismaa</p>
Solution and project	 <p>Initial rental contract established in 2016 Contract for additional modules established in 2018</p>
	 <p>44 extra modules (~1,600 sqm) C90 modules for school use</p>
	 <p>Need for temporary space until 2023</p>
Key highlights	 <p>Urgent need from customer and the old school was disassembled and new one delivered in only 8 weeks</p>
	 <p>Repeat customer with very high customer satisfaction</p>









# Case study: Office facility for Stockholm County Council

Customer	 <p>Stockholm County Council (Sweden) For the Karolinska university hospital</p>
Solution and project	 <p>Initial contract established in 2009 with several extensions Currently running until 2021</p>
	 <p>Kubik modules for office use</p>
	 <p>Workrooms, open work space area and cafeteria</p>
	 <p>44 modules (~1,200 sqm)</p>
Key highlights	 <p>High technical expertise requiring groundwork/steel frame for height differences</p>





# Case study: Office facilities for the ESS project in Lund

Customer	 <b>European Spallation Source (ESS) project (Sweden)</b>
	 <b>For approximately 550 people working for the ESS project outside of Lund</b>
Solution and project	 <b>Initial contract established in 2014 Rental contracts up to 2021</b>
	 <b>C90 and C40 modules for office use until the completion of the campus buildings</b>
	 <b>467 modules</b>
Key highlights	 <b>Ability to deliver modules for constantly changing and growing large needs</b>





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# Business area Permanent Space

**Björn Kölerud**  
Interim EVP, Permanent Space



# Overview of business area Permanent Space

Overview of Permanent Space


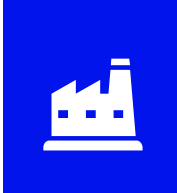




- Tailor-made pre-fabricated solutions for sale or long-term rental
- Focus on social infrastructure sector customer segment
- Turn-key solutions with controlled high quality indoor manufacturing
- Comply with permanent building requirements

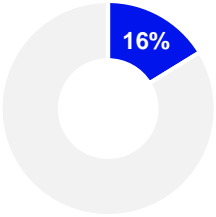
Permanent Space brand:

**Flexator**

Key facts and figures<sup>1)</sup>

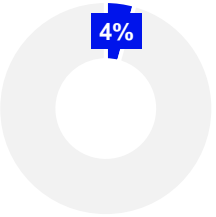
	Net sales <sup>2)</sup> €36m		Production capacity ~50,000 sqm
	Comparable EBITDA €4m <sup>3)</sup> Margin 7% <sup>3)</sup>		Employees <sup>4)</sup> 180

% of Group external net sales<sup>1)</sup>



16%

% of Group Comparable EBITDA<sup>3)</sup>

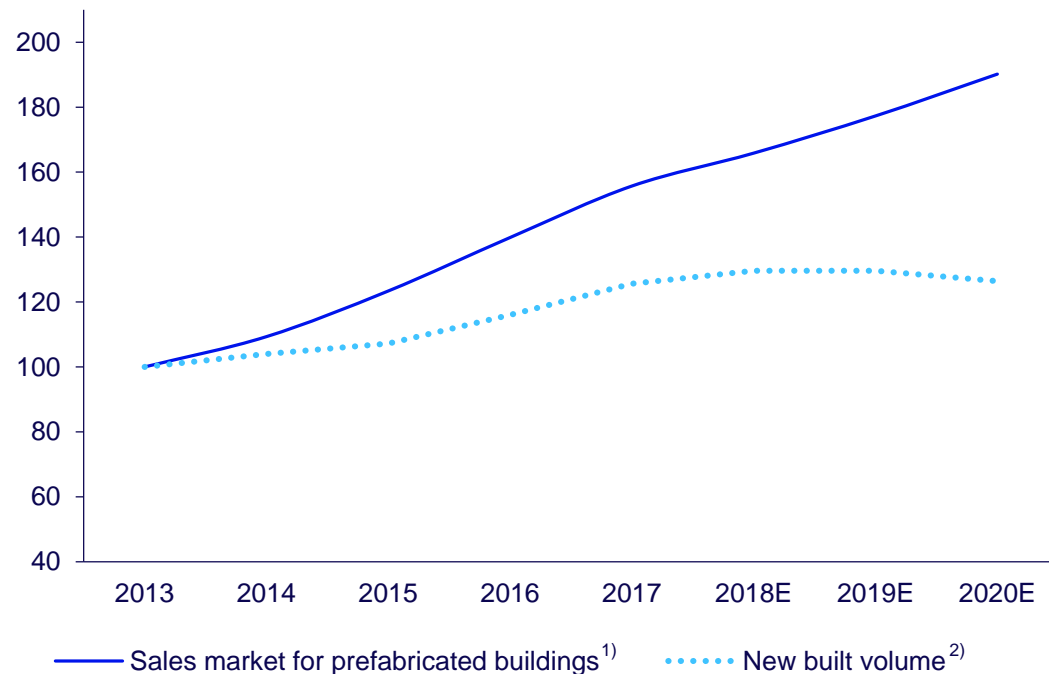


4%

# Prefabricated solutions are gaining share

## Sales market for prefabricated buildings and new built volume in Northern Europe

Indexed market value (2013 = 100)



## Advantages of prefabricated solutions that drive penetration



**Efficient industrialised production** as well as **faster and more predictable delivery** with less disturbances



**Matching quality** compared to on-site built buildings with continuous improvements



Fulfil **energy and environmental requirements**



Contribution to a **sustainable and circular economy** through e.g. wood construction and relocatable solutions

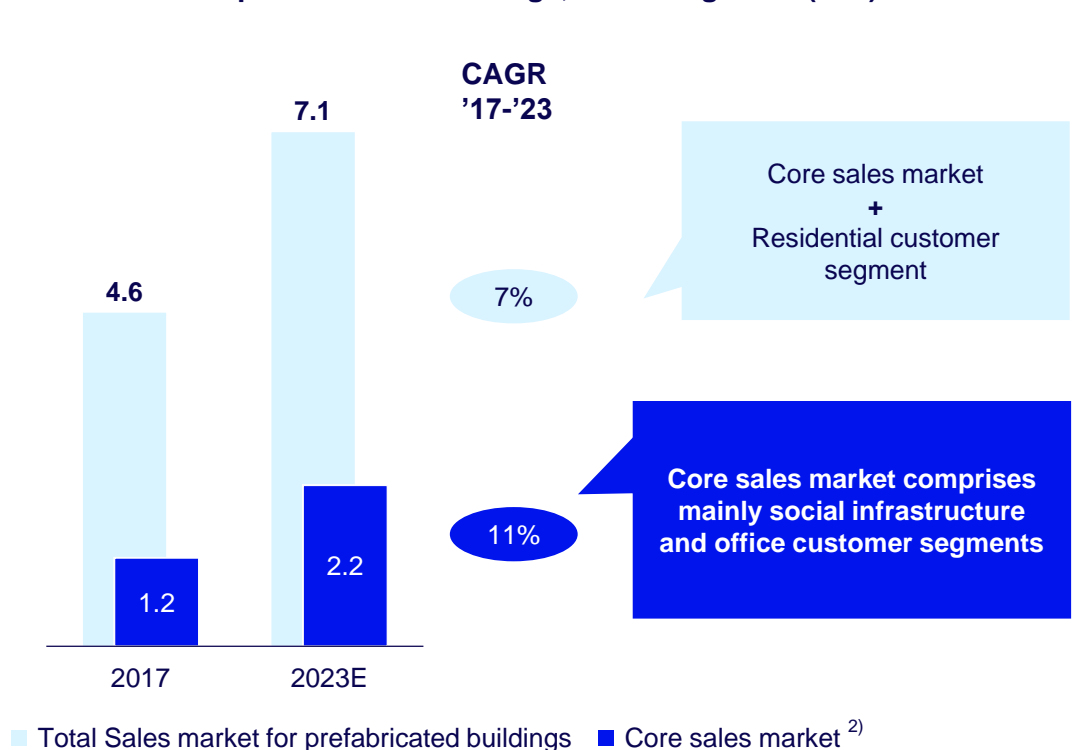


**Flexible financing** with the option to buy or lease

# Strong position in a rapidly growing market

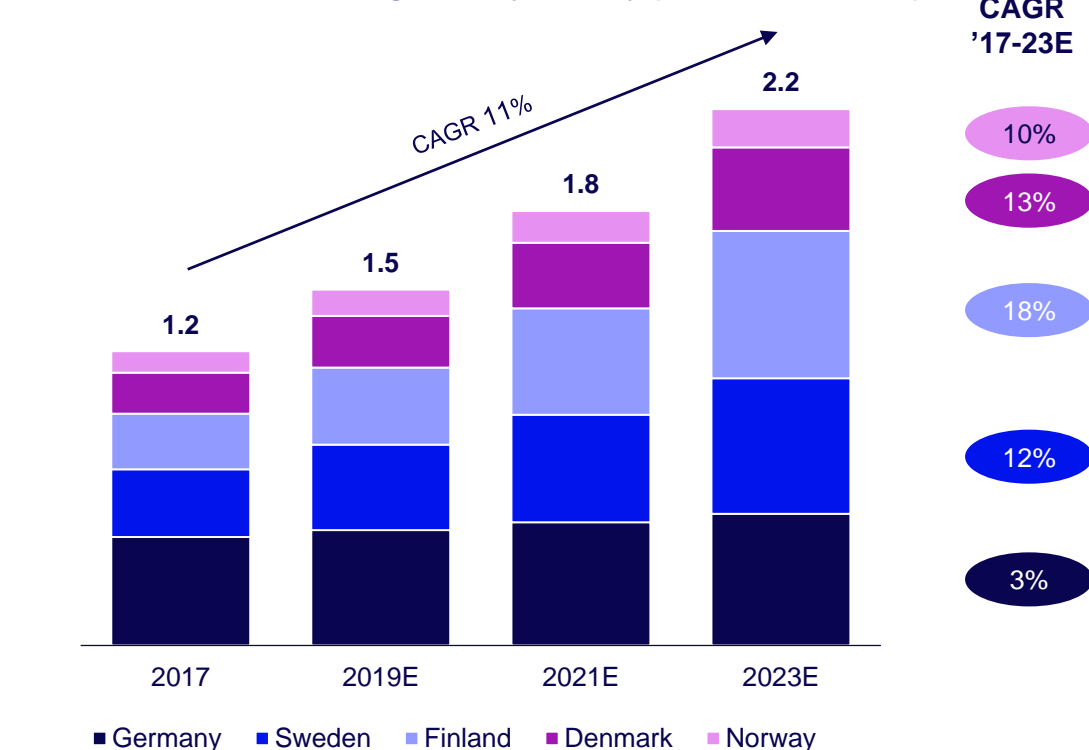
Adapteo is focused on the Core sales market (excl. residential)

Sales market for prefabricated buildings, size and growth (€bn)<sup>1)</sup>



...which is expected to show rapid growth

Core sales market size and growth by country (€bn and % of total)<sup>2)</sup>

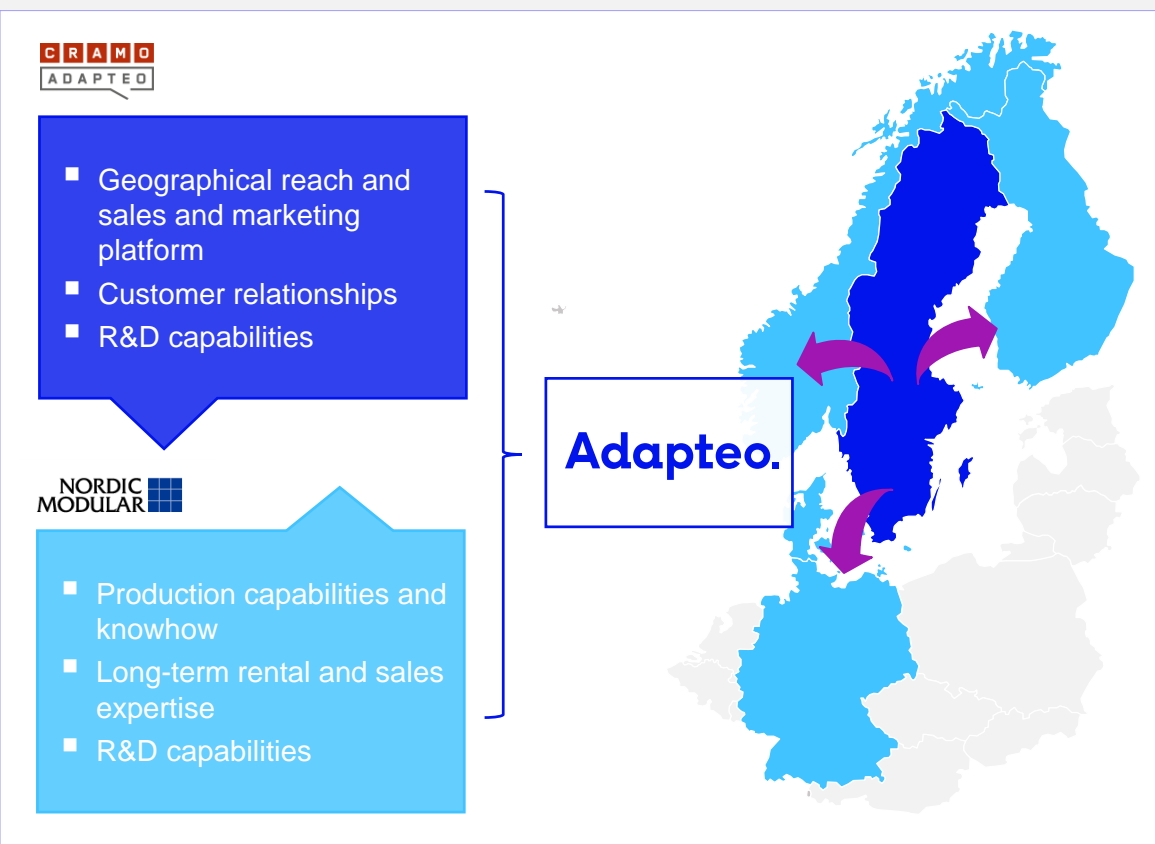


1) Includes the sale of modular space solutions and element buildings in SE, FI, DK, NO and DE. The German Sales market for prefabricated buildings excludes sale of element buildings; 2) Includes the sale of modular space solutions and element buildings in school, daycare, health and social care, special accommodation, office, and other premises customer segments in SE, FI, DK, NO and DE. Excludes the residential customer segment. The German Core sales market excludes the sale of element buildings; Source: Management Consultant Analyses (Market size and growth)



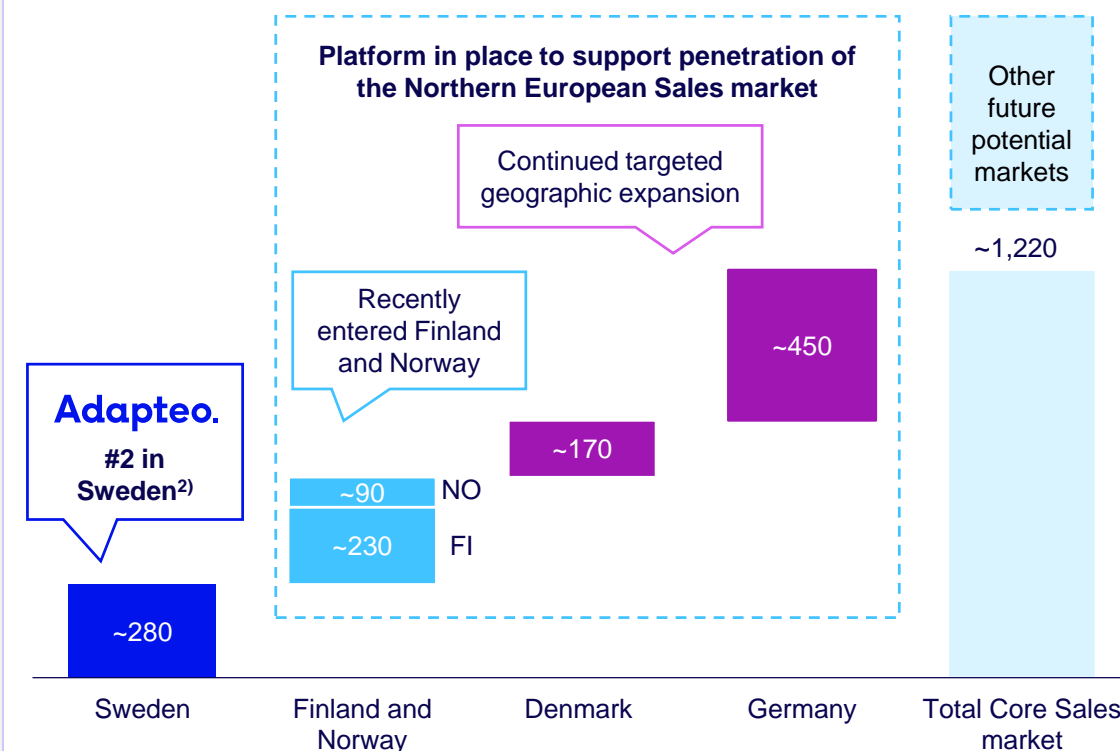
# Combined platform to open geographical expansion potential

## Synergistic capabilities



## Combined platform for penetrating Northern European Sales market

### Core sales market in Northern Europe 2017 (€m)<sup>1)</sup>



# Permanent Space business model and solutions

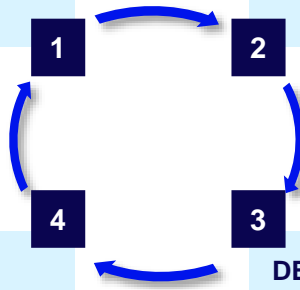
## Permanent Space business model

### PLANNING AND DESIGN

- Design and project plan is customised to meet the customer's needs
- Development of full service turnkey solution

### FLEXIBLE FINANCING

- Customer can either buy or enter into a long-term rental contract, which includes the option to buy the building after expiration of the rental term



### VALUE ADD SERVICES

- After delivery, Adapteo offers its customers additional value add services

### DELIVERY AND HANDOVER

- Exact project timing agreed – delivery often in 4-9 months
- Industrial manufacturing in dry in-house environment
- Optimised time at construction site

## Permanent Space offering

### Customised modular buildings



### Standardised modular buildings



# Adapteo serves a range of high quality customers

## Examples of customers in Business Area Permanent Space

### Public sector (~50% of Permanent Net sales)

Customer	Customer segment	Customer relationship
Municipality #1	Daycare and schools	~50 years
Municipality #2	Daycare	<5 years
Municipality #3	Daycare and schools	~30 years

Customer	Customer segment	Customer relationship
Municipality #4	Daycare and schools	~50 years
Municipality #5	Special accommodation <sup>1)</sup>	<5 years
Municipality #6	Special accommodation <sup>1)</sup>	<5 years

### Private sector (~50% of Permanent Net sales)

Private company #1	Daycare	~10 years
Private company #2	Daycare	<5 years
Private company #3	Daycare and schools	<5 years

Private company #4	Office	<10 years
Private company #5	Training camp	<5 years
Private company #6	Office	<10 years








# Case study: Club house facility for Hammarby Football

Customer	 <p>Hammarby Football (Sweden)</p>
Solution and project	 <p>Sale agreement in 2018</p>
	 <p>Spaces for sports and office use</p>
	 <p>32 modules (~1,600 sqm)</p>
Key highlights	 <p>Turnkey solution including land work and foundations</p>
	 <p>Technical requirements including special floors, high ceilings and various types of rooms</p>





# Case study: Daycare facility for the City of Espoo

Customer	 <p>City of Espoo (Finland)</p>
	 <p>For approximately 120 children and 25 employees</p>
Solution and project	 <p>Project established in May and delivery in July 2019 Rental contract period of 10 years</p>
	 <p>28 customised modules (~1,500 sqm) For day care use</p>
Key highlights	 <p>Floor heating in entire building, hearing loops in all floors, advanced controls for lights and surveillance</p>
	 <p>Adapteo's first Permanent Space project in Finland delivered in tight schedule requiring technical expertise</p>





**Adapteo.**

# Financials

**Timo Pirskanen**  
CFO








# Financials agenda

1. Adapteo key P&L and cash flow drivers
2. Financial review 2016-2018 and Q1 2019
3. Financial targets

# Adapteo revenue drivers



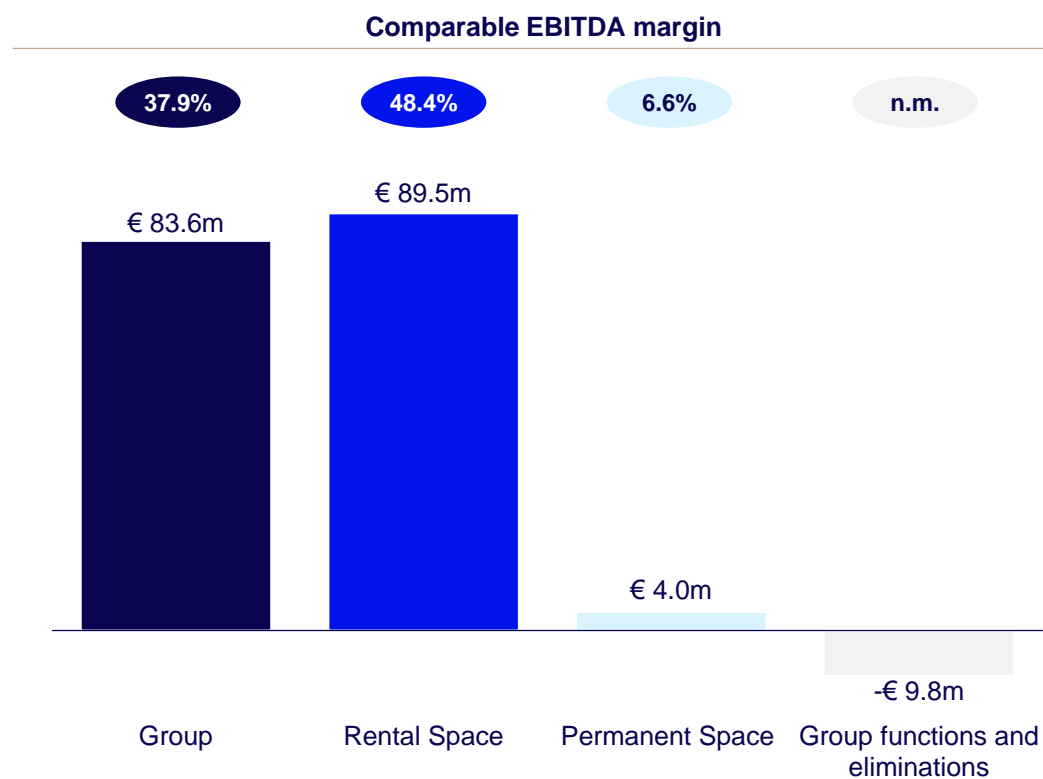
# Opex drivers and operating leverage

P&L item	2018PF	% of net sales	Comments
Materials and services	€84m	38% 	<ul style="list-style-type: none"> <li>Assembly and disassembly costs, maintenance and refurbishment of modules, and direct costs of sale of permanent modules</li> <li><b>Mostly variable</b> expenses with relatively stable % of net sales</li> <li>Strategic lever in assembly/disassembly cost through sourcing excellence</li> </ul>
Employee benefit expenses, other operating expenses and income (excluding IAC <sup>1</sup> )	€53m	24% 	<ul style="list-style-type: none"> <li><b>Variable and fixed</b> expenses (excluding IAC and net of other operating income)</li> <li>Scalable and well-invested platform built and is now in place for further <b>operating leverage</b></li> </ul>
Comparable EBITDA	€84m	38% 	<ul style="list-style-type: none"> <li>Strong EBITDA margin track with 2018PF impacted by NMG's lower profitability vs Adapteo carve-out</li> <li><b>IFRS16 margin impact</b> (illustrative) would have been c. 100bps positive (very limited impact on EBITA)<sup>2)</sup></li> <li>Aim to drive <b>operational leverage</b> on incremental modules and execute on <b>operational efficiencies and synergies</b></li> </ul>



# Rental Space is the main EBITDA contributor

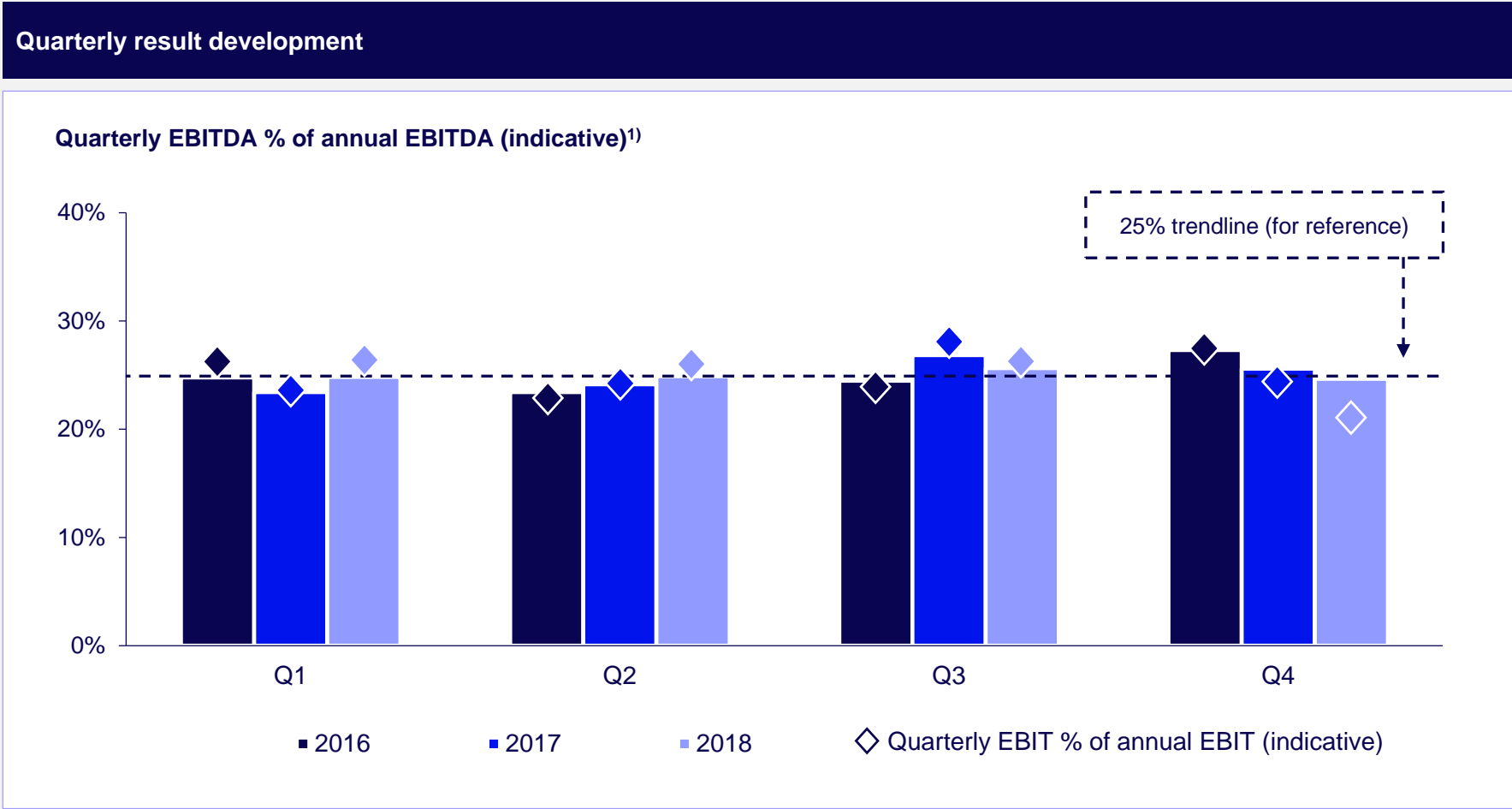
Comparable EBITDA – 2018 pro forma



Comparable EBITDA – Q1 2019 pro forma (IFRS 16)



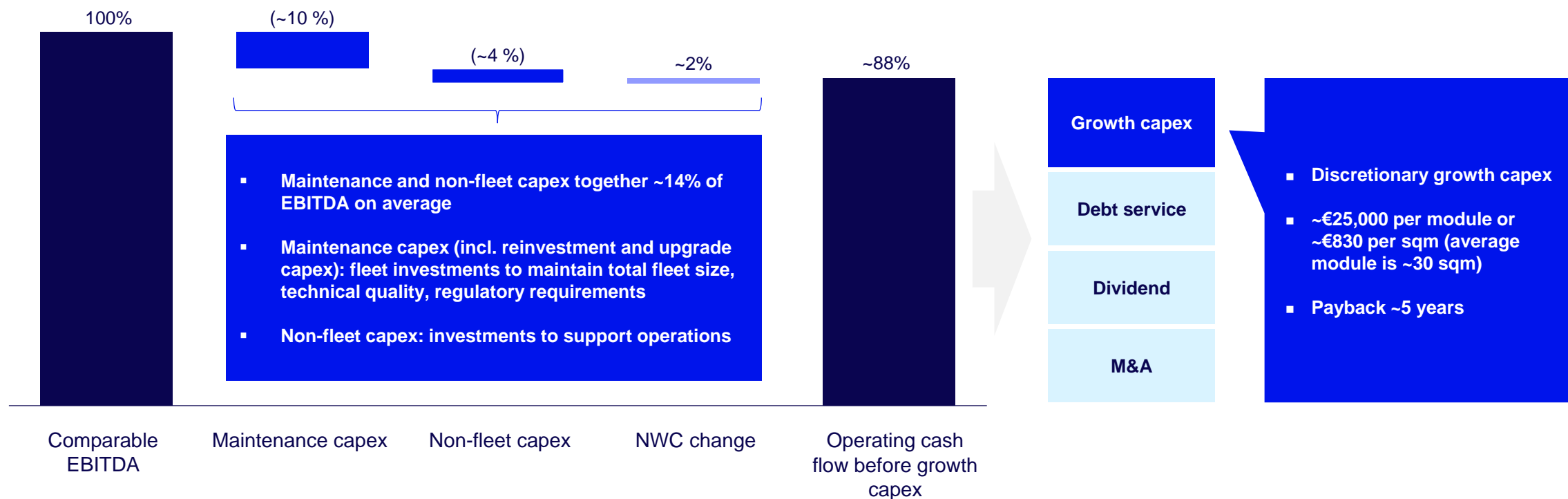
# Stable EBITDA contribution through the year



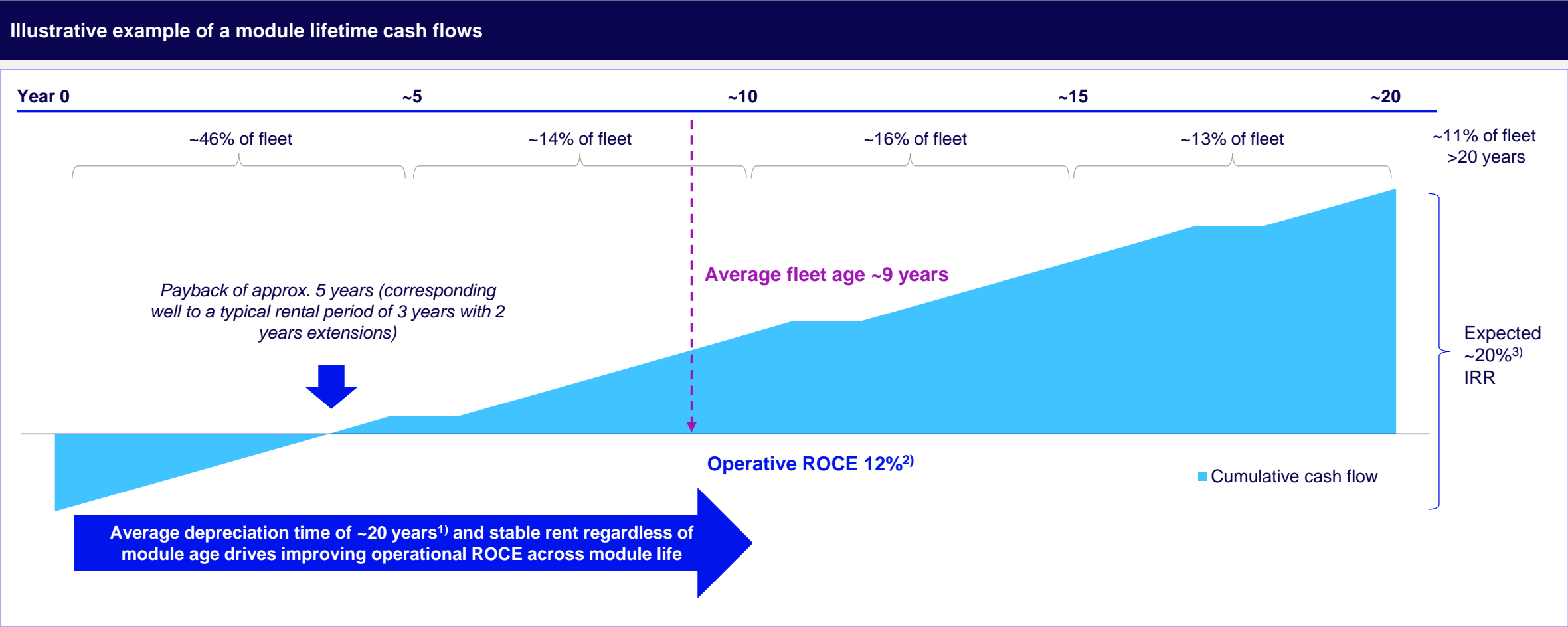
- Comments
- Stable EBITDA contribution throughout the year driven by high share of Rental Space
  - Assembly and other services revenue highest in Q3

# Adapteo's key cash flow drivers

## Cash Flow Drivers (% of Comparable EBITDA)<sup>1)</sup>



# Growth capex has a strong expected IRR



Note: Age distribution of fleet based on age of modules. Fleet with undocumented age (<5% of total fleet) excluded from analysis; 1) For new modules; 2) 2018PF; 3) Illustrative calculation assuming management estimation of the investment amount, direct rental costs and costs from assembly and other services, approximately EUR 6,000 of annual rental sales, standard pricing parameters, 85 percent utilisation rate during the 20-year period, and not taking inflation into consideration; Company materials (Average investment payback period of first contract, average fleet age, average total rental period)

# Summary drivers

	Key components	Unit	2018	Key drivers
Net sales	Fleet size	sqm ('000s)	970 <sup>1)</sup>	Growth capex
	Utilisation	%	85% <sup>1)</sup>	Fleet usage efficiency
	Average rent	€/sqm/year	163 <sup>1)</sup>	Market conditions and pricing excellence
	Assembly and other services	€m	55 <sup>2)</sup>	Assembly/disassembly volume
	Sales, new modules	€m	36 <sup>2)</sup>	Volume
Costs	Materials and services	€m	84 <sup>2)</sup>	Mostly variable
	Employee benefit expenses, other opex and income <sup>3)</sup>	€m	53 <sup>2)</sup>	Fixed and variable
	Depreciation and amortisation	€m	36 <sup>2)</sup>	Average depreciation time on new modules ~20 years
Capex	Maintenance capex	€m	6.9+1.0 <sup>4)</sup>	Historically ~10% of Comparable EBITDA <sup>5)</sup>
	Non-fleet capex	€m	4.7+2.5 <sup>4)</sup>	Historically ~4% of Comparable EBITDA <sup>5)</sup>
	Growth capex	€m	46.7+17.7 <sup>4)</sup>	Discretionary (~€830 per sqm with 5 year payback on average)

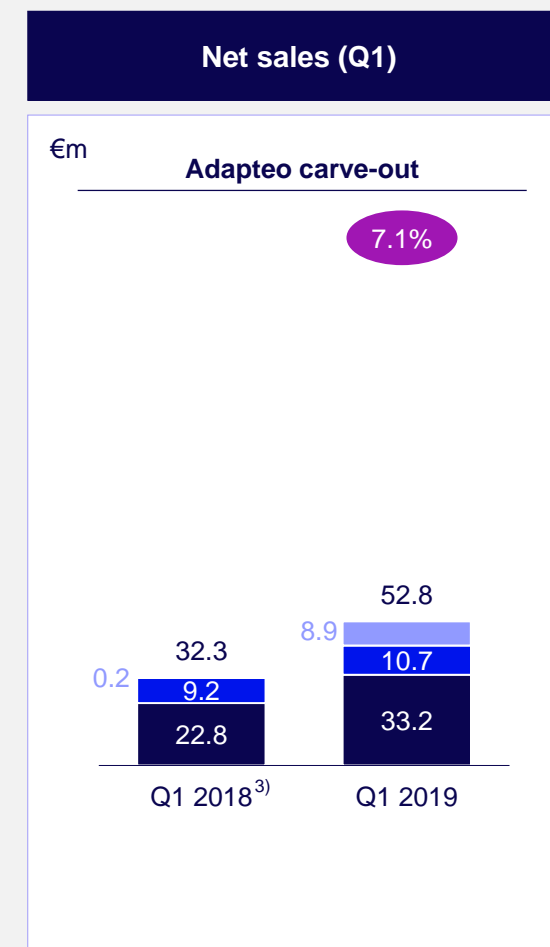
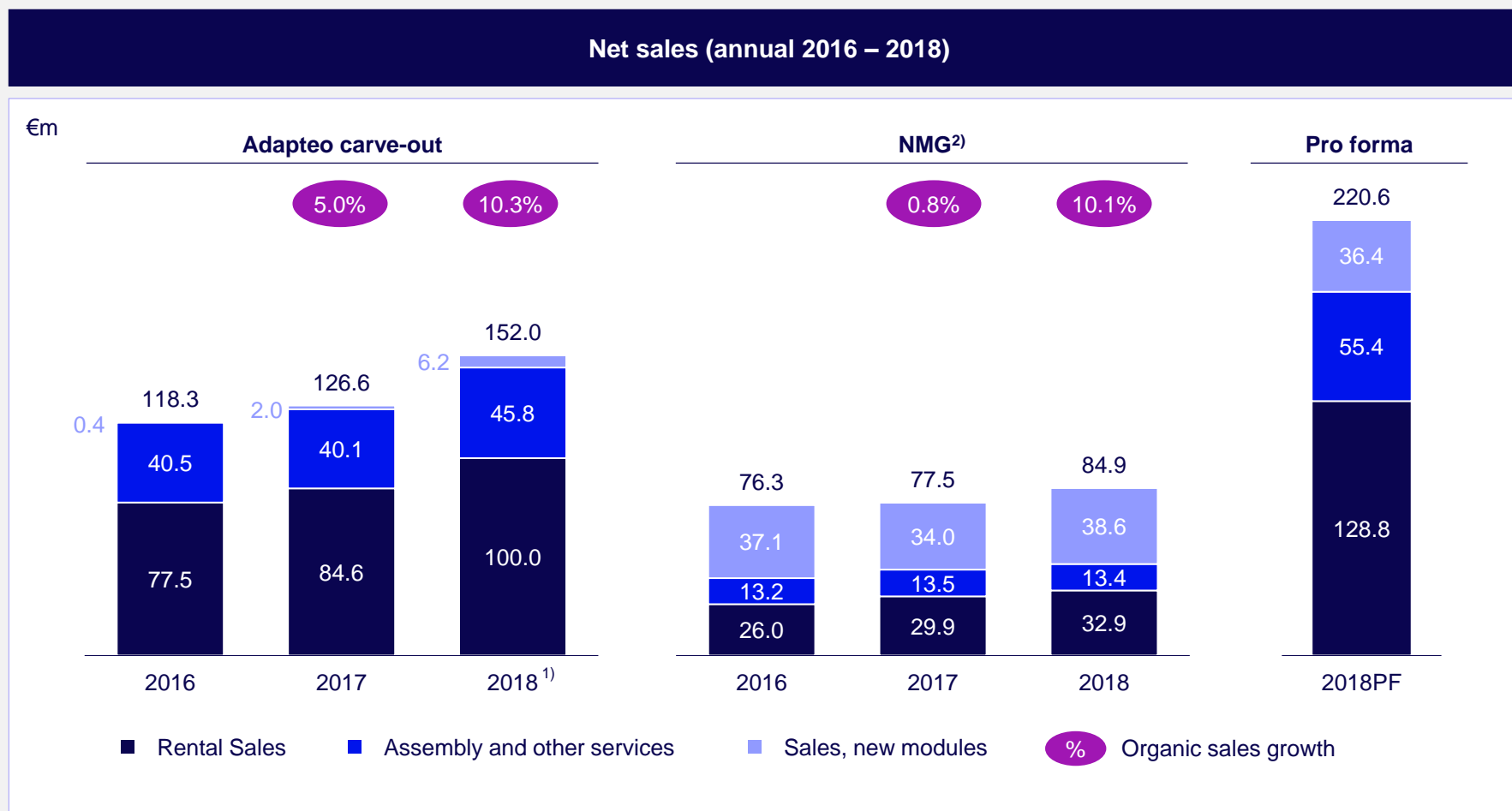
1) Adapteo carve-out basis 2018 figures. Includes impact of NMG for 2 months (1 Nov 2018 – 31 Dec 2018), Fleet size includes NMG fleet; 2) Pro forma 2018; 3) Excluding items affecting comparability; 4) Adapteo carve-out + NMG 2018. NMG figures translated with an EUR SEK exchange rate of 10.2583. Adapteo carve-out figures include the impact NMG for 2 months (1 Nov 2018 – 31 Dec 2018); 5) Average 2016-2018 Adapteo carve-out basis figures



# Financials agenda

1. Adapteo key P&L and cash flow drivers
- 2. Financial review 2016-2018 and Q1 2019**
3. Financial targets

# Strong net sales growth...



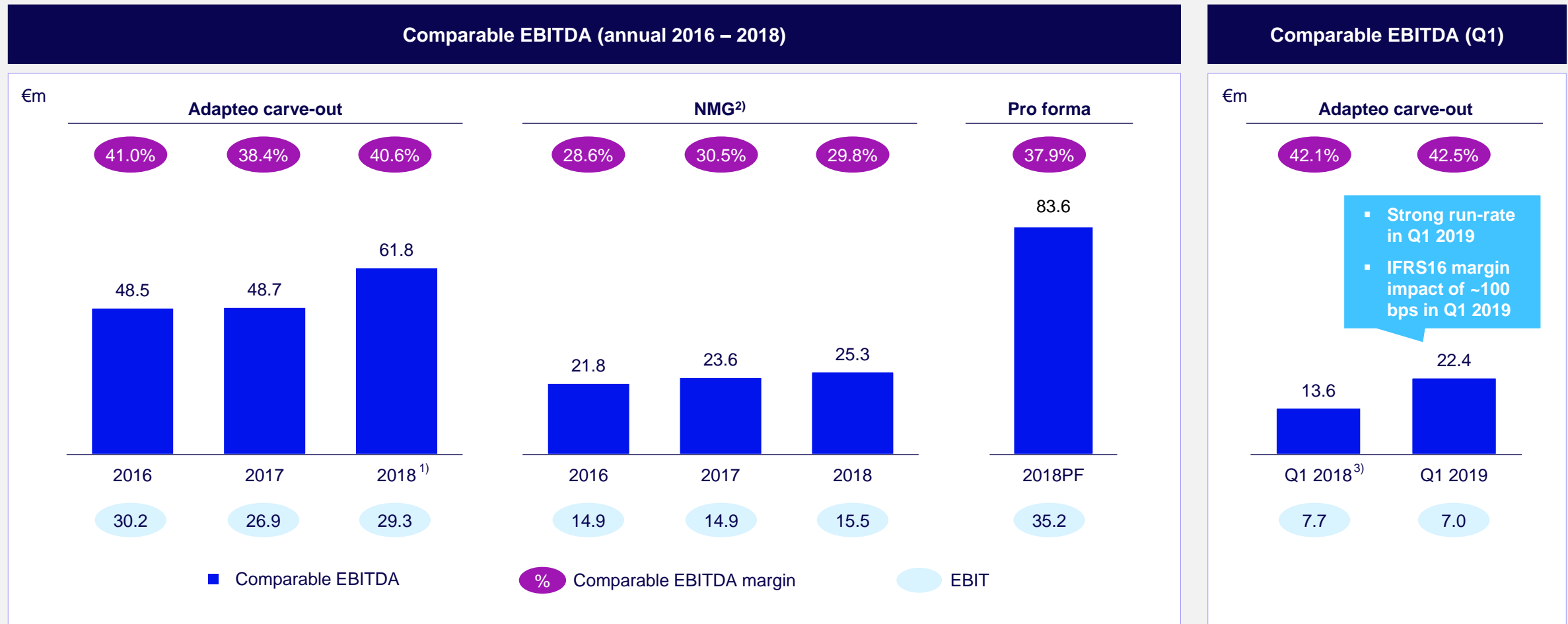
# ...driven by growing fleet, stable rent and strong utilisation

Rental sales drivers						Comments
Adapteo carve-out		2016	2017	2018 <sup>1)</sup>	CAGR 2016-18	Q1 2019
	Fleet size, end of year ('000 sqm)	605	669	970 <sup>2)</sup>	8.8% <sup>3)</sup>	984
	Utilisation rate (%)	83.5%	81.8%	84.7%	-	85.5%
	Average rent per sqm (€/sqm/year)	162	162	163	0.3%	159 <sup>4)</sup>
	<b>Rental sales (€m)</b>	<b>77.5</b>	<b>84.6</b>	<b>100.0</b>	<b>13.6%</b>	<b>33.2</b>
NMG		2016	2017	2018	CAGR 2016-18	Q1 2019
	Fleet size, end of year ('000 sqm)	215	231	254	8.7%	-
	Utilisation rate (%)	83.1%	85.7%	87.7%	-	-
	Average rent per sqm <sup>5)</sup> (€/sqm/year)	151	156	155	1.2%	-
	<b>Rental sales<sup>5)</sup> (€m)</b>	<b>26.0</b>	<b>29.9</b>	<b>32.9</b>	<b>12.6%</b>	<b>-</b>

- Average rent = Rental sales/Average sqms on rent (i.e. Average sqms x utilisation)
- Adapteo carve-out 2018 fleet size includes NMG impact (254k sqm)
- Q1 2019 Average rent is blended Adapteo + NMG (not fully comparable to Adapteo carve-out 2018)
- Combined sqms have grown c. 9% p.a.
- Utilisation and average rent relatively stable

1) Includes impact of NMG for 2 months (1 Nov 2018 – 31 Dec 2018); 2) Includes NMG fleet 3) CAGR of Adapteo's fleet excluding the impact of NMG; 4) Annualised rent, not fully comparable to 2018 as Q1 2019 is a blended rent for Adapteo + NMG (254k sqm); 5) NMG figures translated with an EUR SEK exchange rate of 10.2583

# Operational leverage and cost efficiencies drives earnings growth





# Strong cash generation with discretionary growth capex

	Adapteo carve-out (€m) <sup>1)</sup>			NMG (€m) <sup>2)</sup>		
	2016	2017	2018 <sup>1)</sup>	2016	2017	2018
<b>Comparable EBITDA</b>	<b>48.5</b>	<b>48.7</b>	<b>61.8</b>	<b>21.8</b>	<b>23.6</b>	<b>25.3</b>
Maintenance capex	-2.5	-6.4	-6.9	-4.1	-1.8	-1.0
Non-fleet capex	-0.5	-1.5	-4.7	-0.5	-1.9	-2.5
Change in NWC	-2.5	-1.3	7.5	4.1	-11.3	4.8
<b>Op. cash flow before growth capex</b>	<b>43.0</b>	<b>39.5</b>	<b>57.6</b>	<b>21.3</b>	<b>8.6</b>	<b>26.6</b>
Cash conversion %	89%	81%	93%	98%	37%	105%
- Growth capex	-50.8	-47.2	-46.7	-13.2	-17.0	-17.7
<b>Free cash flow</b>	<b>-7.8</b>	<b>-7.8</b>	<b>11.0</b>	<b>8.1</b>	<b>-8.4</b>	<b>8.9</b>
<b>Capex breakdown:</b>						
Growth capex	50.8	47.2	46.7	13.2	17.0	17.7
Maintenance capex	2.5	6.4	6.9	4.1	1.8	1.0
Non-fleet capex	0.5	1.5	4.7	0.5	1.9	2.5
<b>Net capex</b>	<b>53.8</b>	<b>55.1</b>	<b>58.2</b>	<b>17.9</b>	<b>20.7</b>	<b>21.1</b>
Net fleet capex (net of disposals)	53.3	53.6	53.5	17.3	18.8	18.7

## Key observations

- **Strong cash conversion before growth capex**
  - Adapteo average: 88%
  - NMG average: 80% (101% excluding 2017)
- Annual growth capex has been in the range of **~€60-70 million** on a combined basis
  - Combined fleet size (sqm) has grown at 9% p.a.



# Strong debt capacity

## Pro forma net debt (31 Mar 2019)

€m	31 Mar 2019
Non-current borrowings	412.4
Current borrowings	5.8
Financial receivables	-10.7
Cash and cash equivalents	-5.6
<b>Net debt</b>	<b>402.0</b>
<b>Net debt/Comparable EBITDA</b>	<b>4.5x</b>

## Debt structure and interest rate

Loan/facility	Amount	Maturity
Adapteo term loan	€400m	3 years from demerger
Adapteo credit facility	€100m	3 years from demerger
NMG multi-option credit facility	SEK 98m	31 December 2019, (unless extended)
Adapteo credit facility <sup>1)</sup>	€10m	Valid until further notice <sup>2)</sup>

- Q1 2019 Pro forma financial expenses amounted to EUR 1.9m or 1.8% of total borrowings<sup>3)</sup>

## Adapteo has strong debt capacity

Operating cash flow before growth capex is 88% of Comparable EBITDA historically<sup>4)</sup>

Growth capex is discretionary and yields predictable returns with ~5 year payback

Historical average effective rental period is ~5 years

Resilient customer base dominated by public sector and social infrastructure

Largest rental customer is <4% of rental income

# Financials agenda

1. Adapteo key P&L and cash flow drivers
2. Financial review 2016-2018 and Q1 2019
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# Financial targets and dividend policy

	Targets	Actual
Growth	<ul style="list-style-type: none"><li>Double digit Comparable EBITDA growth</li></ul>	2018 ~16% <sup>1)</sup>
Capital efficiency	<ul style="list-style-type: none"><li>Operative ROCE above 10%</li></ul>	2018 12.1% <sup>2)</sup>
Leverage	<ul style="list-style-type: none"><li>Net debt to Comparable EBITDA between 3.5x and 4.5x</li></ul>	Q1 2019 4.5x <sup>2)</sup>
Dividend	<ul style="list-style-type: none"><li>Aim to distribute dividend of above 20% of net result<sup>3)</sup></li></ul>	NA

1) Indicative based on 2018PF and combined 2017 comparable EBITDA of Adapteo and NMG. Items affecting comparability to calculate 2017 combined comparable EBITDA of Adapteo and NMG differ from the ones used to calculate 2018PF EBITDA; 2) Pro forma; 3) Group's profit for the year excluding items affecting comparability

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# Conclusions

**Philip Isell Lind af Hageby**  
**CEO and EVP Rental Space**





# Demerger key dates

## IMPORTANT DATES RELATED TO THE DEMERGER

Approval of the Demerger Plan by the Board of Directors of Cramo	18 February 2019
Notice to the EGM	2 May 2019
Prospectus available	4 June 2019
EGM	17 June 2019
Effective Date	on or about 30 June 2019
Trading in shares in Adapteo commences on Nasdaq Stockholm <sup>1)</sup>	on or about 1 July 2019



# Resilient profitable growth and returns in an attractive market

**Adapteo.**

1

Fast growing and resilient market supported by long-term structural trends

2

A Northern European leader with a scalable platform poised for growth

3

Recurring revenues from a diverse base of primarily public customers

4

Attractive returns on long-lived assets

5

Strong cash generation from installed base with discretionary growth capex

6

Several value creation avenues beyond the underlying market growth

**Adapteo.**

# Appendix



# Adapteo management team and country managers

## Management team



**Philip Isell Lind af Hageby**

*CEO, EVP Rental Space*

- Joined Adapteo in 2017
- M.Sc. in Economics
- Previously SVP, Business Area Norway and MD of Inwido Norway, and several positions at SCAN COIN



**Timo Pirskanen**

*CFO*

- Joined Adapteo in 2019
- M.Sc. in Economics
- Previously CFO at Kotipizza and SVP, Head of Investor Relations at Rautaruukki



**Björn Kölerud**

*Interim EVP, Permanent Space*

- Joined Adapteo in 2019
- B.Sc. in Business Administration
- Previously CEO at Hästens Group and Hästens Beds, and Director and Partner at Capacent



**Simon Persson**

*SVP, HR Development*

- Joined Adapteo in 2018
- B.Sc. in Philosophy (Human Resource Management)
- Previously Management Consultant at Knowit and HR-Generalist at PwC



**Teemu Saarela**

*SVP, Corporate Development*

- Joined Adapteo in 2013
- M.Sc. in Economics
- Has held several positions in Cramo's subsidiaries
- Previously at Rautaruukki and Thermo Fisher Scientific



**Hanna Wennberg**

*SVP, Marketing and Communications*

- Joined Adapteo in 2019
- Previously at Graviz Telescope and Atlas Copco

## Business unit managing directors



**Camilla Hensäter**, *Managing Director, Sweden*

- Joined Adapteo (Cramo) in 1991
- M.Sc. from IHM Business School
- Has held several positions in Cramo's subsidiaries



**Juha Kalliokulju**, *Managing Director, Finland*

- Joined Adapteo in 2017
- M.Sc. in Electronics
- Previously at Kairos Insights, Microsoft and Nokia



**Mads Blom**, *Managing Director, Denmark*

- Joined Adapteo in 2009
- M.Sc. in Building Management
- Previously at Skanska Bolig



**Alexander Nordlund**, *Managing Director, Norway*

- Joined Adapteo (NMG) in 2011
- MBA in Trade and Logistics
- Has held several positions at Temporent, and was a Board Member at NMG



**Jukka Hult**, *Managing Director, Germany*

- Joined Adapteo (Cramo) in 2013
- Has held several positions in Cramo's subsidiaries
- Previously at Stopteltat



# Adapteo board of directors

## Board of Directors



**Peter Nilsson**  
*Chairman of the Board of Directors*

- Member of the Board of Directors of Cramo since 2015
- Currently Chairman of the Board of Lindab International AB, House of Flowers Sweden AB and Unilode Aviation Solutions International AG
- Independent of the company and its major shareholder



**Carina Edblad**  
*Member of the Board of Directors*

- Currently the CEO and a member of the Board of Directors of Thomas Betong AB, Stebo AB, Strömstadsbetong AB
- The Chairman of the Board of Directors of Svensk Betong Service AB
- Member of the Board of Directors of Instalco Intressenter AB
- Member of the Extended Management Team of Thomas Concrete Group AB
- Independent of the company and its major shareholder



**Outi Henriksson**  
*Member of the Board of Directors*

- CFO and member of the Executive Committee of Aktia Bank plc
- Member of the Board of Directors of Veikkaus Ltd, Sponda Plc and Aktia Life Insurance Ltd
- Independent of the company and its major shareholder



**Andreas Philipson**  
*Member of the Board of Directors*

- The CEO and Founder of T.A.M Group AB
- Chairman of the Board of Directors of several subsidiaries of T.A.M Group AB
- Member of the Board of Directors of Stendörren Fastigheter AB, Besqab AB, Urbe et Orbe Real estate AB, Temaplan Asset Management Holding AB and Norrboda Exploatering AB
- CEO and board member of the Board of Directors of Fastighets AB Glaskronan 1
- Deputy member of the Board of Directors of Philipson Capital AB, Nacka 13:79 AB, Nacka 13:79 Holding AB and Nacka 13:79 JV AB
- Independent of the company and its major shareholder



**Joakim Rubin**  
*Member of the Board of Directors*

- Member of the Board of Directors of Cramo and the Chairman of the Audit Committee since 2015
- Partner and Chief Investment Advisor of Public Value advisory team of EQT AB
- Chairman of the Board of Directors Zeres Capital Partners AB, Zeres Capital AB, ZC Advisory AB
- Member of the Board of Directors of Hoist Finance AB, HOIST Kredit AB ad ÄF Pöyry AB
- Independent of the company, dependent on a company's major shareholder

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A Finnish language demerger prospectus approved by the Finnish Financial Supervisory Authority and an English language demerger prospectus, which includes a Swedish language summary, is available on Cramo's website at [www.cramogroup.com](http://www.cramogroup.com), the website of the financial adviser Danske Bank at [www.danskebank.fi/adapteo-en](http://www.danskebank.fi/adapteo-en) and on Adapteo's website at [www.adapteogroup.com](http://www.adapteogroup.com).

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