

# Year-end Report January-December 2016



Mikael Stöhr, President and CEO  
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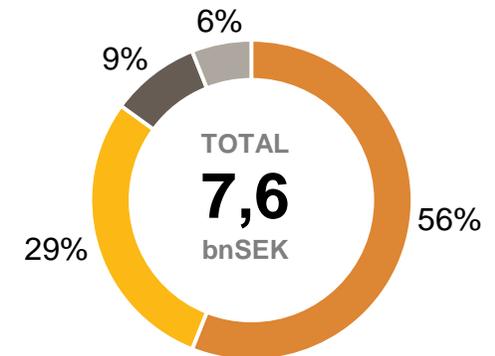
February, 2017



# Coor is the Nordic market leader in IFM

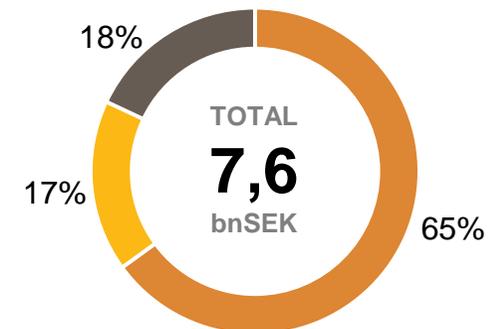
- No.1 in Nordic IFM (Integrated Facility Management)
- Tailored customer proposition - **SERVICE with IQ**
- Soft FM, hard FM and strategic advisory services
- Both self-delivery and subcontracting

NET SALES BY COUNTRY



■ Sweden ■ Norway ■ Denmark ■ Finland

NET SALES BY CONTRACT TYPE



■ IFM ■ Bundled FM ■ Single service

Net sales

**7,6**

bnSEK Net sales<sup>1</sup>

EBITA

**440**

MSEK EBITA<sup>1</sup>

Number of employees

**6,330**

FTEs<sup>1</sup>

Note:

1. FY 2016

# A strong year with scope for an extraordinary dividend

KEY TARGETS	Q4 2016	FY 2016	FY 2015	MID-LONG TERM
<b>Organic Growth</b>	<b>-3%</b>	<b>3%</b>	<b>10%</b>	<b>4-5%</b> <i>Organic net sales growth over a business cycle</i>
<b>EBITA-Margin</b>	<b>5.8%</b>	<b>5.8%</b>	<b>5.0%</b>	<b>~5.5%</b> <i>Adjusted EBITA margin</i>
<b>Cash Conversion</b>	<b>93%</b>	<b>93%</b>	<b>104%</b>	<b>&gt;90%</b> <i>(Adj EBITDA – CAPEX – ΔWC) / Adj EBITDA</i>
<b>Capital structure</b>	<b>1.7x</b>	<b>1.7x</b>	<b>2.2x</b>	<b>&lt;3.0x</b> <i>Net debt / Adjusted EBITDA LTM</i>
<b>Dividend policy</b>	<b>N/A</b>	<b>3.00 SEK</b> <i>per share</i>	<b>2.00 SEK</b> <i>per share</i>	<b>~50%</b> <i>of profit after tax and before amortisation and impairment of customer contracts over a business cycle</i>

# Business highlights Q4

## BUSINESS HIGHLIGHTS Q4

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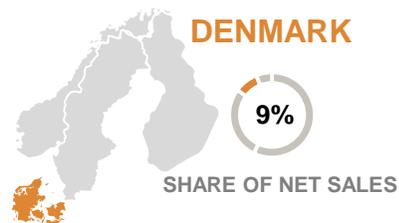
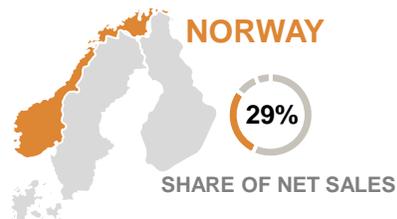
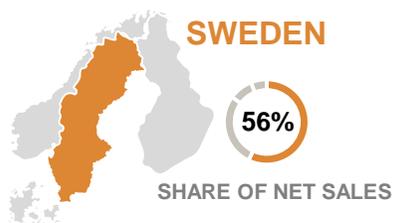


- Large Nordic IFM-agreements signed and prolonged
  - ABB (New agreement: Sweden, Norway, Finland)
  - SAS (Prolonged agreement: Sweden, Norway, Denmark)
  - Tieto (Prolonged agreement: Sweden, Norway, Denmark)
  
- Steady stream of small and mid-sized contracts in all countries, e.g.
  - Jernbaneverket (Norway)
  - OKG (Sweden)
  - Falck (Denmark)
  
- Coor “My Workplace” app released – bringing all Coor Smart Solutions to all service user devices

– SERVICE *with* IQ –



# Country by country



	Q4	FY 2016
Organic Growth	1%	6%
EBITA Margin	10,1%	9.9%

	Q4	FY 2016
Organic Growth	-4%	7%
EBITA Margin	6.5%	6.1%

	Q4	FY 2016
Organic Growth	-21%	-20%
EBITA Margin	4.7%	3.8%

	Q4	FY 2016
Organic Growth	6%	-5%
EBITA Margin	2.9%	1.9%

- Continued growth from new contract volumes (NKS and VCC) and project volumes
- Margin expansion from project volumes and maturing contract volumes
- Limited headwind from announced Ericsson cut backs so far

- Growth coming down from very high growth rate in comparison
- Contracted price adjustments to large customer and challenging development in damage services
- Several larger interesting new business opportunities in 2017

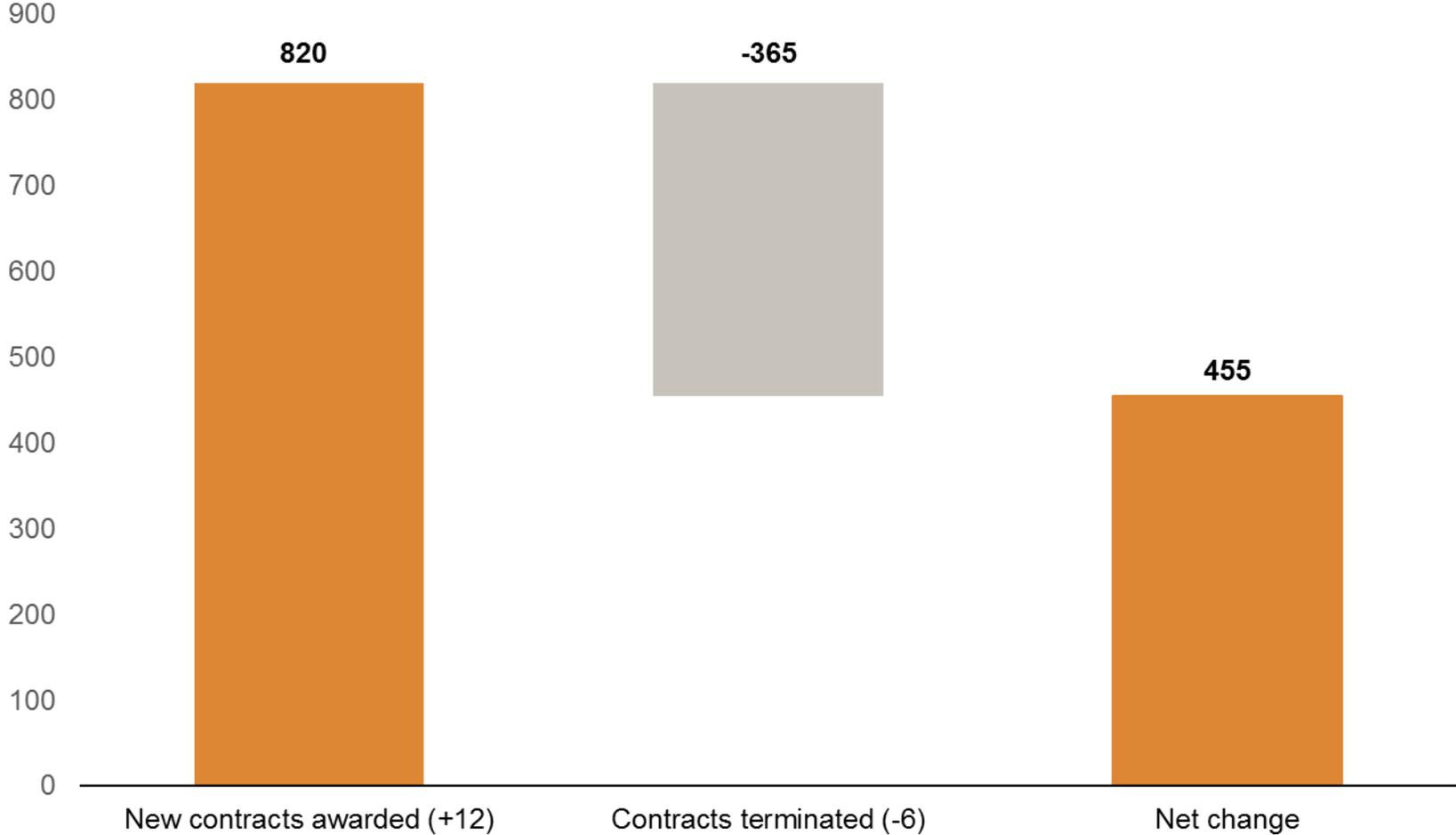
- Volume decrease driven by reduced Danish Radio-contract
- Internal efficiencies driving up margins despite volume decrease
- Increased sales resources ramping up

- Back to growth in Q4
- Continued efforts to gain volume and increase efficiency paying off
- Integrating the ABB contract during 2017 will provide Finland with further opportunities for growth

# Contract portfolio development

## FY 2016 CONTRACT PORTFOLIO CHANGES

MSEK



# Profit & Loss Statement

P&L (SEK m)	Q4			FY		
	2016	2015	Chg.	2016	2015	Chg.
<b>Net sales</b>	<b>2 045</b>	<b>2 042</b>	<b>3</b>	<b>7 631</b>	<b>7 482</b>	<b>149</b>
<b>Adjusted Gross Profit</b>	<b>273</b>	<b>250</b>	<b>23</b>	<b>997</b>	<b>893</b>	<b>104</b>
<i>Adjusted gross margin</i>	13,3%	12,2%	1,1%	13,1%	11,9%	1,1%
<b>Adjusted EBITA</b>	<b>119</b>	<b>110</b>	<b>9</b>	<b>440</b>	<b>374</b>	<b>66</b>
<i>Adjusted EBITA margin</i>	5,8%	5,4%	0,4%	5,8%	5,0%	0,8%
IACs and transaction costs	-10	-10	1	-22	-115	93
Amortization	-44	-44	0	-176	-177	1
<b>EBIT</b>	<b>66</b>	<b>56</b>	<b>10</b>	<b>242</b>	<b>82</b>	<b>160</b>
Financial net	-6	3	-9	-75	-115	39
Income tax expense	-17	-14	-2	-43	234	-276
<b>Net income</b>	<b>43</b>	<b>45</b>	<b>-2</b>	<b>124</b>	<b>201</b>	<b>-77</b>
Add-back amortization	44	44	0	176	177	-1
<b>Adjusted Net income</b>	<b>87</b>	<b>89</b>	<b>-2</b>	<b>301</b>	<b>378</b>	<b>-77</b>

# Financial Net

<b>Financial net</b> <b>(SEK m)</b>	<b>FY</b>		
	<b>2016</b>	<b>2015</b>	<b>Chg.</b>
Net Interest	-32	-104	71
Borrowing Costs	-3	-54	52
Other	-4	-13	9
<b>Financial Net excl. FX</b>	<b>-39</b>	<b>-171</b>	<b>132</b>
FX Effects	-36	56	-92
<b>Financial Net</b>	<b>-75</b>	<b>-115</b>	<b>39</b>

# Cash Flow

CASH FLOW FY 2016

**MSEK**

1000

900

800

700

600

500

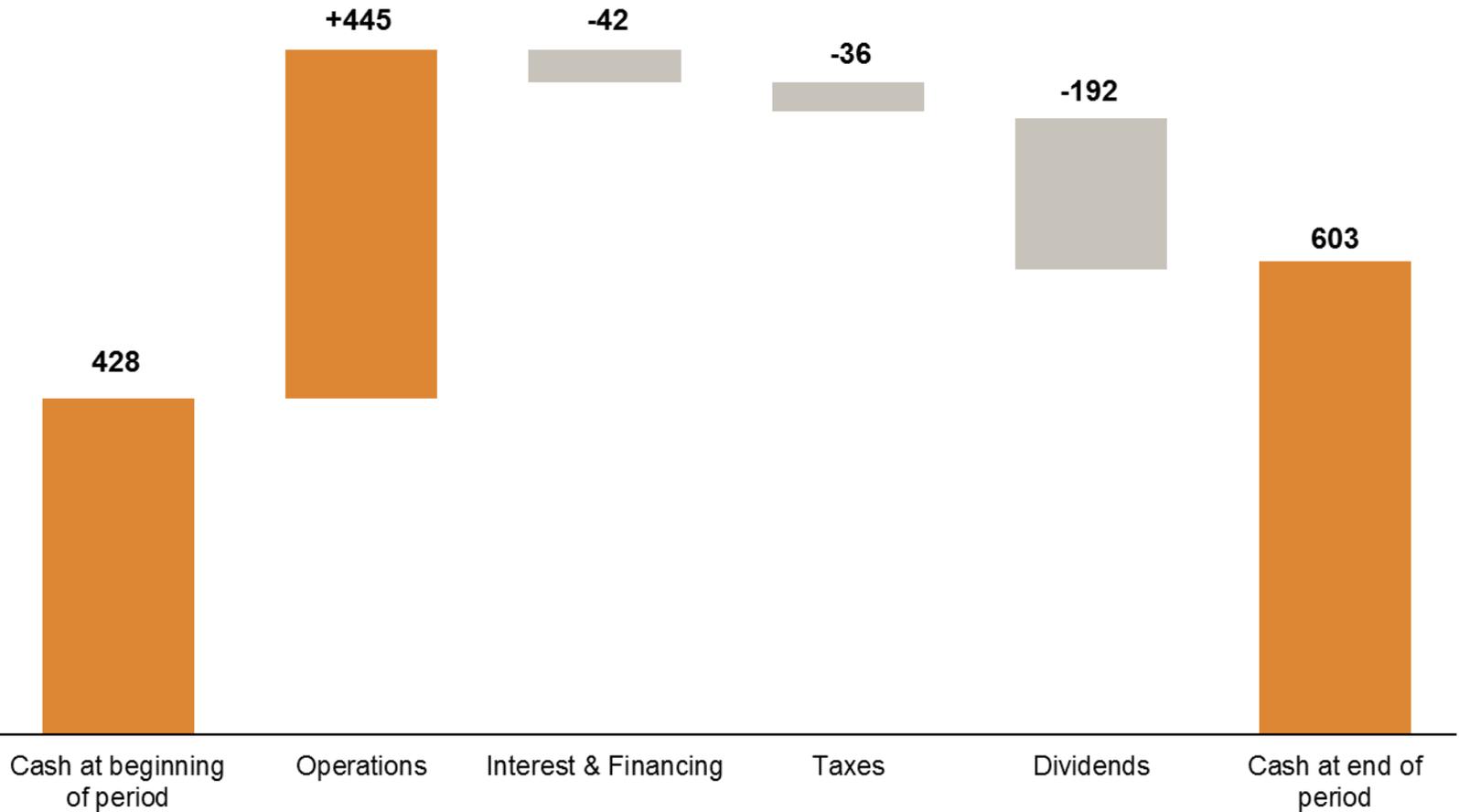
400

300

200

100

0



# Cash Flow

(SEKm)	Q4			FY
	2016	2015	Chg.	2016
<b>Adjusted EBITDA</b>	<b>133</b>	<b>123</b>	<b>10</b>	<b>487</b>
Capex	-25	-13	-11	-74
Changes in working capital	125	163	-37	38
<b>Adjusted cash flow from operating activities</b>	<b>234</b>	<b>272</b>	<b>-38</b>	<b>451</b>
<b>Cash conversion (%)</b>	<b>176%</b>	<b>221%</b>	<b>-46%</b>	<b>93%</b>
IACs and transaction costs incl non-P&L	-10	-11	1	-22
Adjustment for items not affecting cash flow	0	7	-6	-3
Interest and other financial items	-9	-10	1	-37
Income tax paid	-35	-2	-33	-36
<b>Cash flow from operating activities</b>	<b>181</b>	<b>256</b>	<b>-76</b>	<b>353</b>
<b>Cash flow from investing activities</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Cash flow from financing activities</b>	<b>-1</b>	<b>-1</b>	<b>0</b>	<b>-197</b>
<b>Total cash flow</b>	<b>180</b>	<b>255</b>	<b>-75</b>	<b>156</b>
<b><i>Total cash flow excl. dividend</i></b>	<b>180</b>	<b>255</b>	<b>-75</b>	<b>347</b>

# Balance Sheet

<b>ASSETS</b> <b>(SEK m)</b>	<b>Dec</b>	
	<b>2016</b>	<b>2015</b>
Tangible assets	77	71
Intangible assets	3 783	3 866
Financial assets	264	282
<b>Total non-current assets</b>	<b>4 124</b>	<b>4 219</b>
Current assets	1 499	1 470
<b>Cash and cash equivalents</b>	<b>603</b>	<b>428</b>
<b>Total current assets</b>	<b>2 102</b>	<b>1 898</b>
<b>Total assets</b>	<b>6 225</b>	<b>6 117</b>
<b>NWC</b>	<b>-500</b>	<b>-449</b>
<b>NWC, % of NS (LTM)</b>	<b>-6,5%</b>	<b>-6,0%</b>

<b>EQUITY &amp; LIABILITIES</b> <b>(SEK m)</b>	<b>Dec</b>	
	<b>2016</b>	<b>2015</b>
<b>Total equity</b>	<b>2 734</b>	<b>2 733</b>
Borrowings	1 401	1 367
Other non-current liabilities	59	52
<b>Total non-current liabilities</b>	<b>1 460</b>	<b>1 419</b>
Interest bearing liabilities	7	14
Other current liabilities	2 024	1 951
<b>Total current liabilities</b>	<b>2 032</b>	<b>1 965</b>
<b>Total equity and liabilities</b>	<b>6 225</b>	<b>6 117</b>
<b>Equity/Assets Ratio</b>	<b>44%</b>	<b>45%</b>
<b>Net debt (SEK m)</b>	<b>808</b>	<b>947</b>
<b>Leverage</b>	<b>1,7</b>	<b>2,2</b>

# Summary 2016

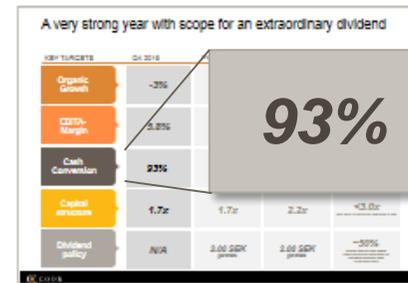
EBITA  
margin

**5,8%** in Q4  
**5,8%** FY 2016



Cash  
conversion

**93%** FY 2016



Opportunities

Interesting business  
opportunities across  
the Nordics



# Q & A



SERVICE *with* IQ