



## INVESTOR PRESENTATION

A strong position in the market niche solutions for indoor air cleaning  
May 2020 | First quarter 2020

# TODAY'S AGENDA AND SPEAKERS

1. Introduction

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2. Business Update

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3. Financial Update

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**Andreas Göth, CEO**

- ▶ CEO since 2018. Andreas tenure at QleanAir spans over eighteen years being CFO 2001–2007 and head of operations and deputy CEO since 2007
- ▶ Prior to QleanAir, Andreas held finance management positions at SkandiaBanken
- ▶ BSc in Business Administration and Economics from Stockholm University



**Henrik Resmark, CFO**

- ▶ CFO since 2013 and head of the finance organisation
- ▶ Henrik held other CFO and corporate finance positions before joining QleanAir; most notably at Aros Securities / Nordea Securities, from 1998–2003 and NeuroNova (Newron), from 2003–2013
- ▶ MSc in Business Administration from Lund University

# QLEANAIR IN BRIEF | A STRONG POSITION IN INDOOR AIR CLEANING

## THE COMPANY

- ▶ Premium provider of clean air solutions for indoor environments
- ▶ Diversified customer base with high retention rate
- ▶ Strong cash flow generation from rental revenue model
- ▶ Efficient and asset light business model ready for further expansion
- ▶ Proprietary technology
- ▶ A strong market position in the niche solutions for indoor cleaning

## THE MARKET

- ▶ Market presence in Europe, APAC and Americas
- ▶ Strong underlying markets driven by regulatory shift and awareness of air pollution as a health concern
- ▶ Large opportunity within logistics, food, automotive and healthcare

## FAST FACTS

- ▶ **+2,500** customers
- ▶ **36 months** typical contract length
- ▶ **>75%** contracts extended or renewed<sup>1</sup>
- ▶ **3.7 billions m3** clean air/month
- ▶ **457 SEKm** Revenues in 2019
- ▶ **18.3 %** adj. EBIT-margin 2019

## FINANCIAL TARGETS

- ▶ **~10%** organic net sales CAGR
- ▶ **15-20%** EBIT-margin
- ▶ **30-50%** dividend of net profit



■ QleanAir sales personnel and/or market partners

■ Pilot-market



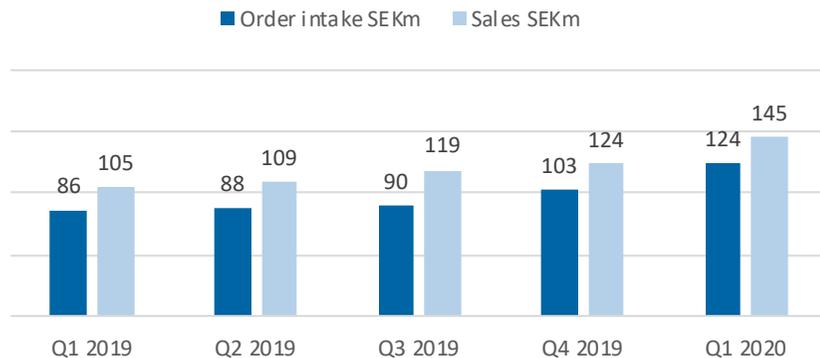
# **BUSINESS UPDATE**

*Andreas Göth, CEO*

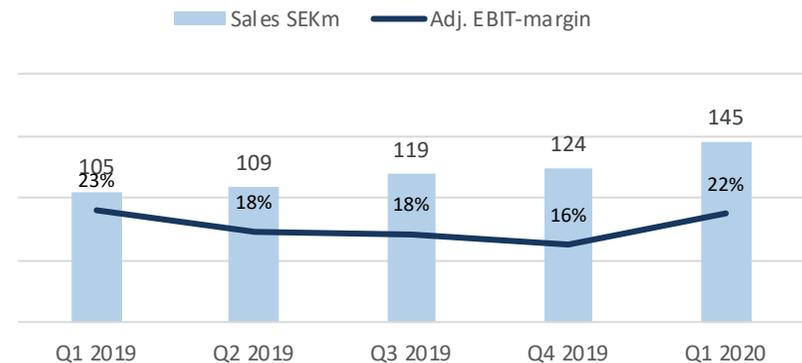
# KEY HIGHLIGHTS Q1 – BEST EVER QUARTER

- ▶ Sales increased with 38 percent to SEKm 145, the organic growth amounted to 29 percent, and the EBITDA-margin amounted to 26,5% (27,4)
- ▶ Strong performance in all product categories and markets
- ▶ Covid-19 is increasing the interest for indoor air cleaning in the long-term perspective, but we are impacted in the shorter perspective
- ▶ The order intake increased with 44 percent to SEKm 124 (86)

## STRONG ORDER INTAKE AND SALES GROWTH



## STABLE PROFITABILITY AND EBIT-MARGIN

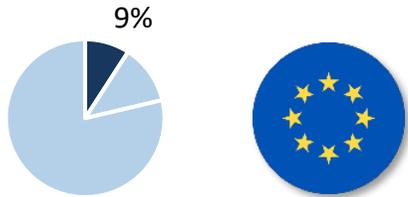


# FACILITY SOLUTIONS – SEVERAL PRODUCT LAUNCHES COMING UP

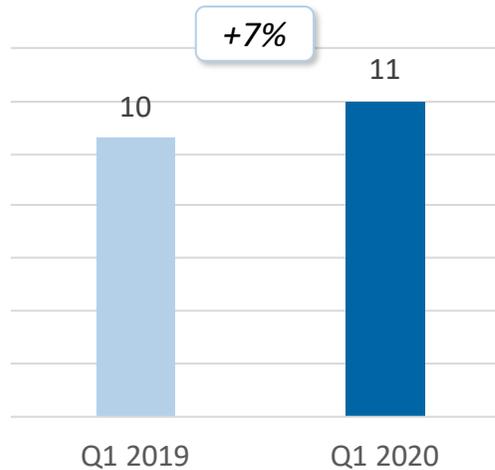
- ▶ Air cleaning solutions for different sized industrial spaces requiring enhanced air quality overall or in specific areas
- ▶ Sales driven in Q1 from demand mainly in Sweden and Germany

## KEY MARKETS & TRENDS

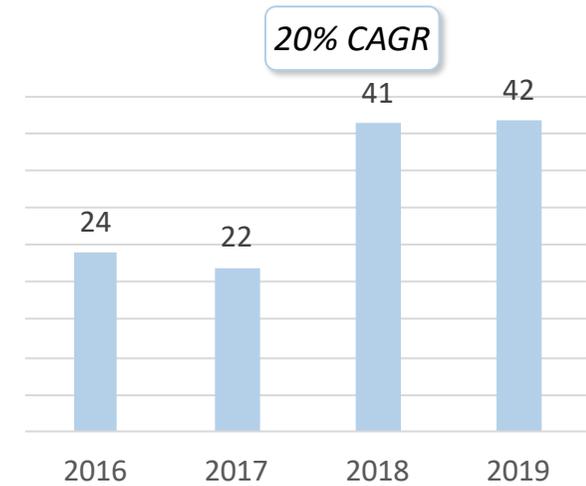
- ▶ Health impact of air pollution
- ▶ Corporations and institutions are moving from CAPEX to OPEX



## SALES PERFORMANCE Q1 - SEKm



## TRACK-RECORD SALES - SEKm



## Healthcare



## Food



## Automotive



## Logistics

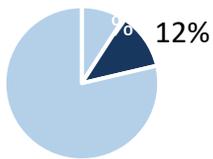


# ROOM SOLUTIONS – FOCUS ON THE US MARKET

- ▶ Cleanrooms / clean zones caters to spaces with regulatory classification either based on new construction or retrofitting of existing spaces / rooms
- ▶ Sales driven in Q1 by deliveries from order intake in Q4

## KEY MARKETS & TRENDS

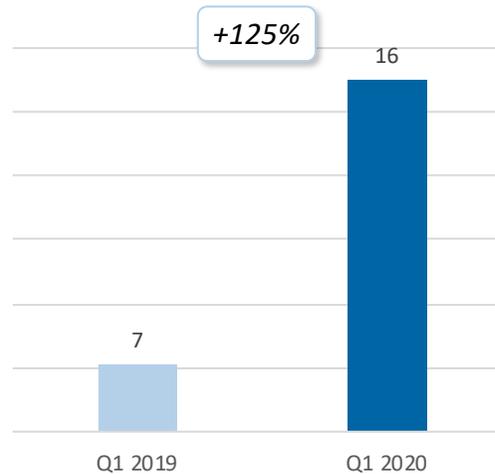
- ▶ Mandatory regulations and required compliance
- ▶ Corporations and institutions are moving from CAPEX to OPEX
- ▶ Flexible and scalable solutions



## Compounders



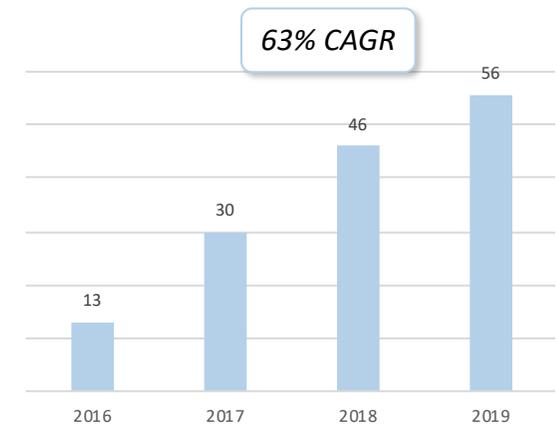
## SALES PERFORMANCE Q1 - SEKm



## Bio-medical labs & MedTech



## TRACK-RECORD SALES - SEKm



## Hospital pharmacies

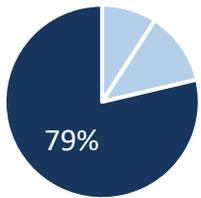


# CABIN SOLUTIONS – STRONG GROWTH IN JAPAN

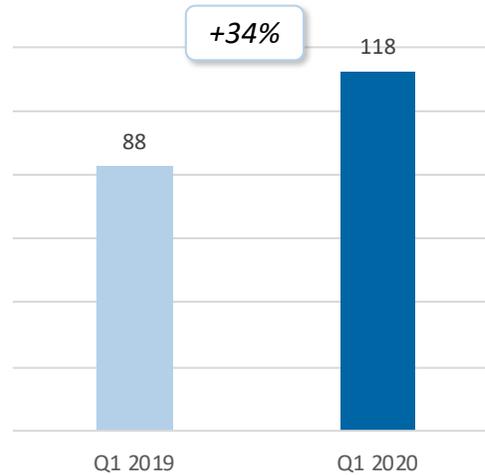
- ▶ Three product lines of stand-alone indoor smoking cabins for different sizes and application demands, providing filtration of particles and gases as well as an ash handling system
- ▶ Sales driven in Q1 by Implemented new regulation in Japan on April 1

## KEY MARKETS & TRENDS

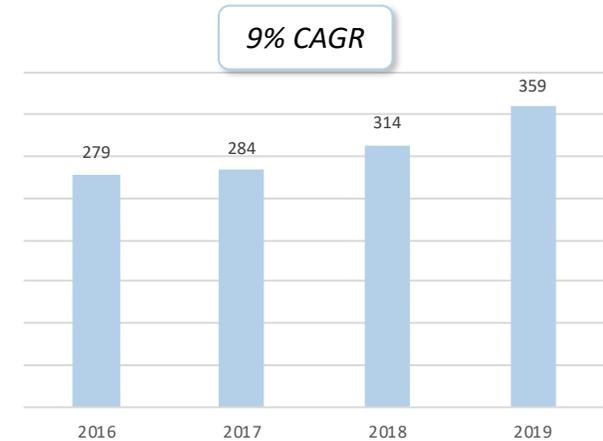
- ▶ Increased regulation
- ▶ Required Compliance
- ▶ Health impact of air pollution



## SALES PERFORMANCE Q1 - SEKm



## TRACK-RECORD SALES - SEKm



### Offices



### Public spaces



### Industry & manuf.



### Other



# CLEAN AIR AS A MANAGED SERVICE PROVIDE A HOLISTIC APPROACH

CLEAN AIR AS A SERVICE – RENTAL CONTRACTS WITH PERFORMANCE GUARANTEE



# STABLE AND DIVERSIFIED REVENUE BASE WITH BLUE CHIP CUSTOMERS

## PORTFOLIO SUMMARY

**+2,500**  
Global customers

**+8,600**  
Installed units<sup>1</sup>

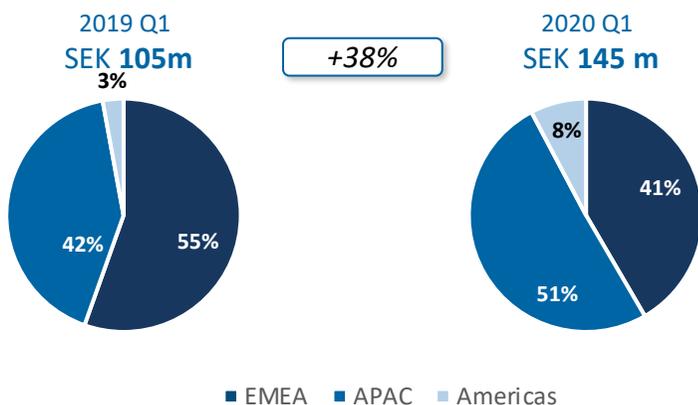
**+20**  
Countries customer base

**44%**  
Recurring revenue  
in Q1 2020

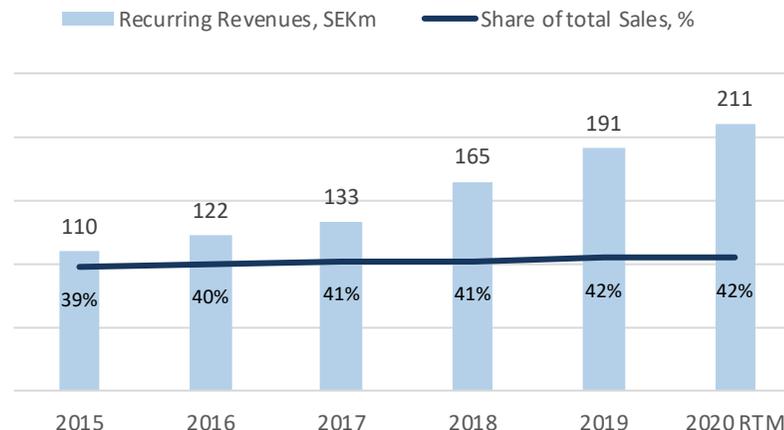
**36 months**  
Typical contract length

**>75%**  
Contracts extended or  
renewed<sup>2</sup>

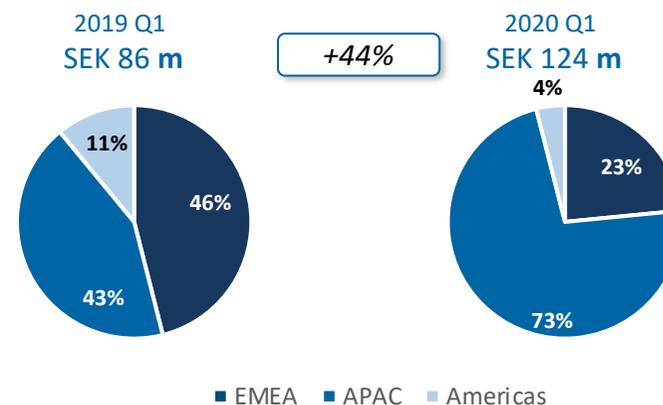
## SALES GEOGRAPHICAL DISTRIBUTION Q1



## RECURRING REVENUES



## ORDER INTAKE GEOGRAPHICAL DISTRIBUTION Q1



# THE COVID-19 IMPACT

## Negative impact in the short-term perspective

- ▶ Lower activity in most markets since late March 2020
- ▶ Monitor the situation very carefully and take actions as situation develops
- ▶ Tightening our cost and cash discipline and have addressed certain cost saving projects
- ▶ Currently large parts of the world has come to a stand still and this will effect us in the second quarter especially EMEA and Americas.

## Probably a market driver in the longer-term perspective

- ▶ Our rental business model with a high degree of recurring revenue makes us more resilient to the current crisis.
- ▶ We believe that in the long term the awareness and demand for high quality air cleaning solutions for indoor environments will increase as an effect of the Covid-19 pandemic.
- ▶ QleanAir has seen increased demand from the health care sector and have reallocated R&D and Sales resources to this segment

Our enterprise is based on creating healthy indoor environments that help improve the productivity of employees, products and processes.



# FINANCIALS

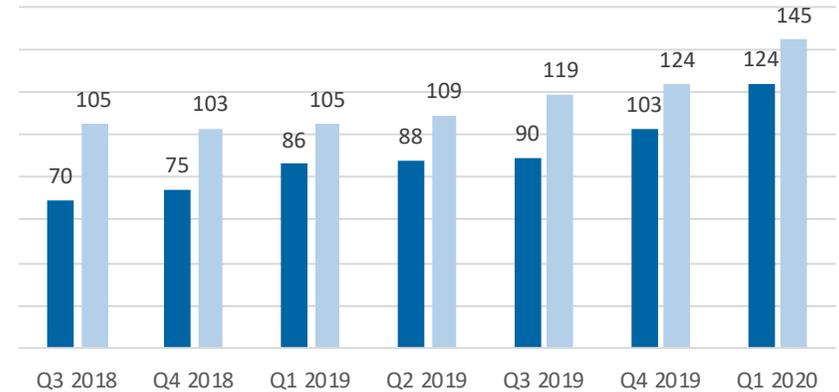
*Henrik Resmark, CFO*

# STRONG ORDER INTAKE AND SALES DEVELOPMENT

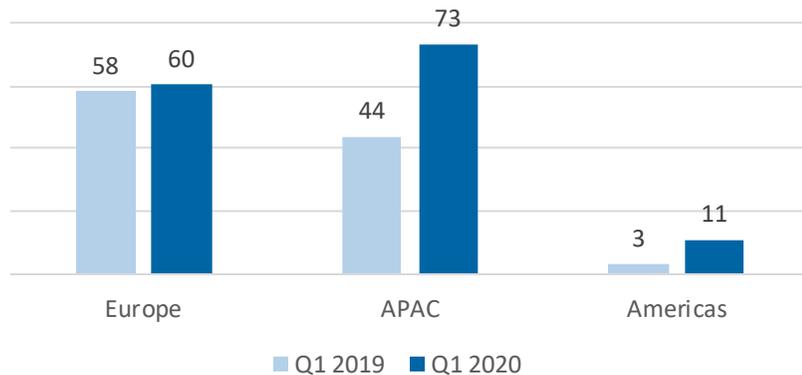
## FIRST QUARTER 2020

- ▶ Strong performance with +44% growth in order intake and +38% sales growth in the first quarter
- ▶ Good performance in all geographies and product categories
- ▶ Sales growth Facility Solutions +7%
- ▶ Sales growth Room Solutions +125%
- ▶ Strong performance in Japan by Cabin Solutions and stable development in Europe, +34%

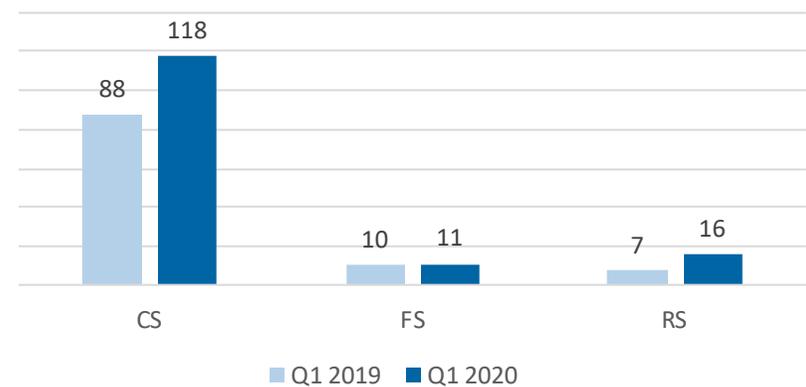
■ Order intake SEKm ■ Sales SEKm



## SALES BY GEOGRAPHY Q1 SEKm



## SALES BY CATEGORY Q1 SEKm

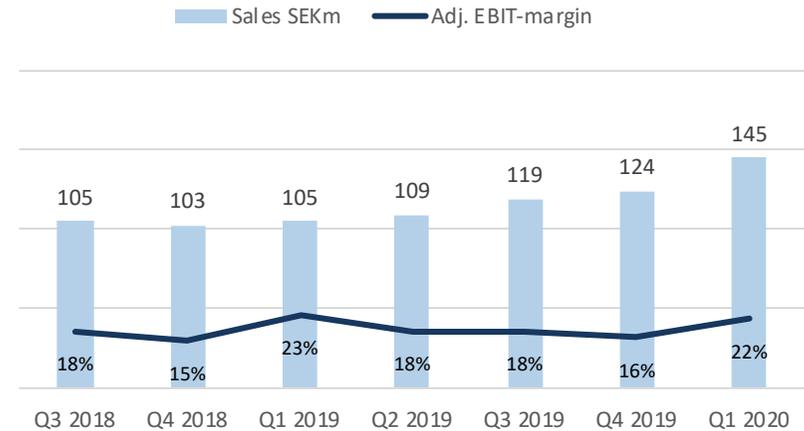


# INCREASED SALES IS DRIVING THE PROFITABILITY

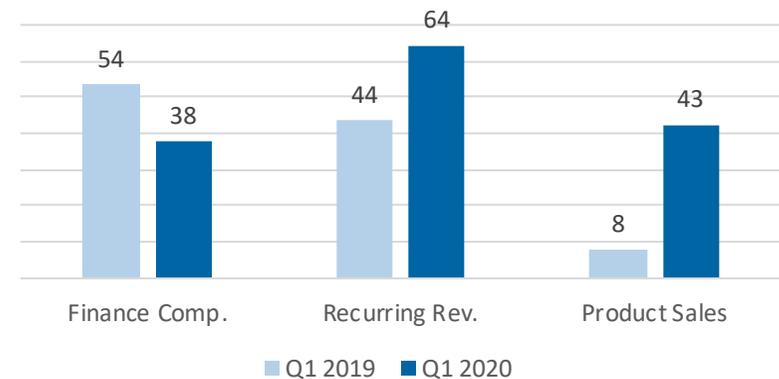
## P&L COMMENTS

- ▶ Retention rate >75%<sup>1</sup> contracts extended or renewed
- ▶ Recurring rental revenues from units in own balance sheet 44 (41)%
- ▶ Recurring revenues +47% more rental contracts in own book
- ▶ EBITDA amounted to SEKm 38.3 (28.8) +33% in the first quarter
- ▶ EBIT amounted to SEK 31.4 (23.6) million +33% in the first quarter

## SALES & ADJ. EBIT-MARGIN QUARTER BY QUARTER



## SALES PER REVENUE STREAM Q1 2020 vs Q1 2019 SEKm



# CASH-FLOW & BALANCE SHEET

## CASH-FLOW IN SUMMARY

SEKm	Jan-Mar 2020	Jan-Mar 2019	FY 2019	FY 2018
<b>Cash-flow from operations</b>	<b>-4.8</b>	<b>18.0</b>	<b>62.5</b>	<b>69.3</b>
Investing activities	-8.3	-4.5	-25.8	-16.0
Financing activities	15.2	-18.4	-57.4	-33.4
<b>Cash-flow for the period</b>	<b>2.1</b>	<b>-4.9</b>	<b>-20.7</b>	<b>19.9</b>
<b>Opening cash balance</b>	<b>57.0</b>	<b>74.9</b>	<b>74.9</b>	<b>51.0</b>
Fx effects	3.8	1.6	2.7	4.1
<b>Closing cash balance</b>	<b>62.9</b>	<b>71.6</b>	<b>56.9</b>	<b>75.0</b>

- ▶ The reason for negative cash flow in the period are partly increase of accounts receivables in Japan due to high sales, and partly due to settlement of trade payables in the beginning of first quarter correlated to the listing on Nasdaq First North Premier in December 2019.

## BALANCE SHEET IN SUMMARY

SEKm	2020-03-31	2019-03-31	FY 2019
<b>ASSETS</b>			
Intangible fixed assets	356.0	350.6	349.6
Tangible fixed assets	66.9	56.4	62.4
Deferred tax	9.3	0.0	11.3
Other	0.0	14.2	0.2
<b>Fixed assets</b>	<b>432.2</b>	<b>421.2</b>	<b>423.5</b>
Inventories	23.2	25.3	32.1
Account receivables	68.2	48.3	35.9
Other current receivables	65.1	55.3	54.4
Cash and bank	62.9	71.6	57.0
<b>Current assets</b>	<b>219.4</b>	<b>200.5</b>	<b>179.4</b>
<b>Total assets</b>	<b>651.6</b>	<b>621.7</b>	<b>602.9</b>
<b>EQUITY &amp; LIABILITIES</b>			
<b>Equity</b>	<b>120.8</b>	<b>76.1</b>	<b>97.7</b>
Long-term interest bearing liabilities	250.0	65.0	249.6
Subordinated shareholder loan	0.0	242.0	0.0
Accrued tax liabilities	0.0	3.2	0.0
Other Liabilities (IFRS16)	12.7	20.8	14.1
<b>Long-term liabilities</b>	<b>262.7</b>	<b>331.0</b>	<b>263.7</b>
Short-term interest bearing liabilities	55.1	30.5	37.3
Other short-term liabilities	213.0	184.1	204.2
<b>Current liabilities</b>	<b>268.1</b>	<b>214.6</b>	<b>241.5</b>
<b>Total Equity &amp; Liabilities</b>	<b>651.6</b>	<b>621.7</b>	<b>602.9</b>

# Financial targets and dividend policy

## MEDIUM-TERM FINANCIAL TARGETS AND DIVIDEND POLICY

1

### Organic sales growth

**~10%**

Net sales CAGR

- ▶ Average annual organic sales growth of circa 10 percent

2

### Profitability

**15-20%**

EBIT margin

- ▶ EBIT margin of 15-20 percent

3

### Dividend policy

**30-50%**

Payout ratio

- ▶ 30-50 percent of net profit paid out as dividend

## PERFORMANCE Q1 2020

**38%**

Net sales CAGR

**22%**

Adj. EBIT-margin

**0 SEK**

Dividend per share  
(withdrawn due to  
Covid-19)

# QleanAir as an investment



Unique service offering based on holistic approach to clean air as a service with full-service rental contracts  
**Strong performance in all categories and markets in Q1 2020**



Proprietary air cleaning technology and back-office solutions providing substantial barriers to entry  
**Our investments in new product categories start to impact growth**



Long contracts with high degree of extensions across a diversified blue-chip customer base generating strong and predictable revenues  
**Clean air as a Service creates customer value**



Asset light business model with limited capex needs providing strong free cash conversion and equity returns  
**Profitable growth in focus**

# Q&A



# APPENDIX



# Appendix | Key ratios Q1

	Jan-March 2020	Jan-March 2019	FY 2019	FY 2018
Order intake, TSEK	124 134	86 356	365 979	313 379
Sales, TSEK	144 681	105 151	456 993	401 072
Recurring revenue from units in own balance sheet, %	44%	41%	42%	41%
EBITDA, TSEK	38 272	28 835	79 756	72 899
EBITDA-margin, %	26,5%	27,4%	17,5%	18,2%
Adjusted EBITDA, TSEK	38 272	28 835	105 206	84 198
Adjusted EBITDA-margin, %	26,5%	27,4%	23,0%	21,0%
EBIT, TSEK	31 351	23 621	32 073	61 793
EBIT-margin, %	21,7%	22,5%	7,0%	15,4%
Adjusted EBIT, TSEK	31 351	23 621	83 719	73 092
Adjusted EBIT-margin, %	21,7%	22,5%	18,3%	18,2%
Result for the period, TSEK	17 874	10 521	-7 521	21 003
Earnings per share, SEK	1,20	0,79	-0,56	1,58
Cash flow from operations, TSEK	-4 810	18 022	62 498	69 273
Net working capital, TSEK	-56 804	-45 796	-72 321	-47 625
Equity/Asset ratio, %	19%	12%	16%	11%

## Quarterly development Q1 2020 – Q4 2018

	Jan-March 2020	Oct-Dec 2019	July-Sept 2019	April-June 2019	Jan-March 2019	Oct-Dec 2018
Order intake, TSEK	124 134	102 466	89 540	87 753	86 223	74 712
Sales, TSEK	144 681	123 847	119 018	108 997	105 151	103 209
Gross profit, TSEK	98 283	73 882	73 979	73 775	74 398	64 820
Gross-margin, %	67,9%	59,7%	62,2%	67,7%	70,8%	62,8%
Adjusted EBITDA, TSEK	38 272	24 931	26 384	27 677	28 835	29 252
Adjusted EBITDA-margin, %	26,5%	20,1%	22,2%	25,4%	27,4%	28,3%
Adjusted EBIT, TSEK	31 351	19 278	21 034	19 786	23 621	15 626
Adjusted EBIT-margin, %	21,7%	15,6%	17,7%	18,2%	22,5%	15,1%
Operating cash-flow, TSEK	-4 810	10 233	13 997	20 247	18 002	32 306
Working capital, TSEK	-56 804	-72 321	-46 828	-46 952	-45 796	-47 626
Average Capital Employed, TSEK	395 989	394 811	421 063	416 087	413 132	410 749
Interest bearing liabilities excl. IFRS16, TSEK	242 223	236 684	253 679	259 029	265 833	260 560
Equity/Asset ratio, %	18,5%	16,2%	14,0%	13,4%	12,2%	11,6%
Net debt/Equity ratio, %	2,0	2,4	2,8	3,0	3,5	4,1
Adjusted return on Capital employed (ROCE), %	23,1%	21,2%	19,0%	19,5%	20,5%	17,8%

## Appendix | Largest shareholders

Qevirp 41 Ltd	39.1%
IKC Fonder	5.0%
Handelsbanken Fonder	4.4%
Skandia Fonder	3.8%
DEKA	3.7%
Livförsäkringsbolaget Skandia	3.1%
Enter Fonder	2.0%
Sensor Fonder	2.0%
Taaleritehtaan Rahastoyhtiö Oy	1.6%
Avanza Pension	1.5%
LMK-bolagen & Stiftelse	1.3%

Euroclear data & Company information per December 31, 2019.

