



STRONG GROWTH & IMPROVED PROFITABILITY

Investor Presentation | Q2 | August 2020

QleanAir - A strong position in the market niche indoor air cleaning

TODAY'S AGENDA AND SPEAKERS

1. Introduction

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34



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

IN BRIEF - A NICHE PREMIUM PROVIDER OF CLEAN INDOOR ENVIRONMENT SOLUTIONS

COMPANY

- ▶ Global provider of premium indoor clean air solutions
- ▶ Diversified customer base with high retention rate
- ▶ Strong cash flow generation from rental revenue model
- ▶ Efficient and asset light business model ready for further global expansion
- ▶ Established platform with high visibility through long-term contracts
- ▶ Proprietary technology and solutions providing substantial barriers to entry

FAST FACTS

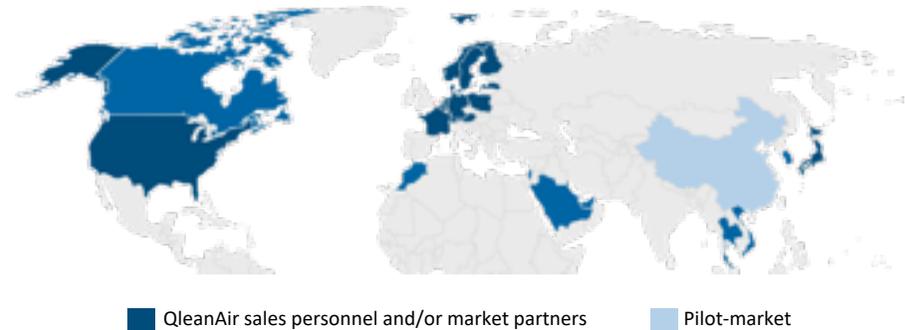
- ▶ **+2,500** customers
- ▶ **36 months** typical contract length
- ▶ **>75%** contracts extended or renewed¹
- ▶ **3.75 billions m3** clean air/month
- ▶ **Ticker QAIR**, Nasdaq First North Premier Growth Market,

FINANCIAL TARGETS

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

MARKET

- ▶ Strong fundamental market drivers from regulatory shift and awareness of air pollution as a health concern
- ▶ Large opportunity within logistics, food, automotive and cleanroom segments
- ▶ QleanAir established as premium provider of clean air managed services
- ▶ Customer base between product categories is conducive to cross-selling





BUSINESS UPDATE

Andreas Göth, CEO

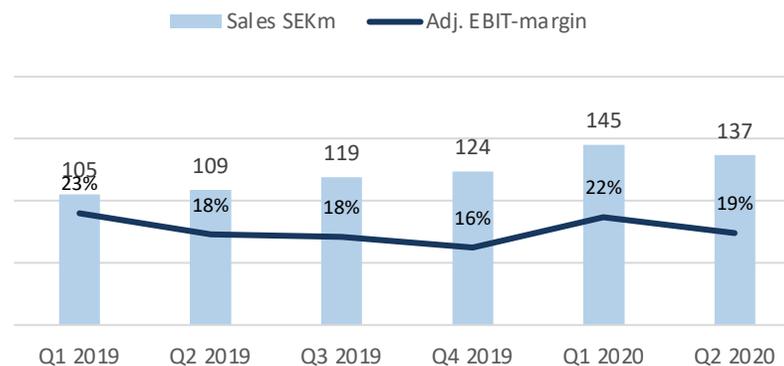
KEY HIGHLIGHTS Q2 – STRONG GROWTH & INCREASED PROFITABILITY

- ▶ Sales increased 26% to SEKm 137.0 (108.9), organic growth 24%
- ▶ EBITDA-margin increased to 23.6% (23.0), EBITDA amounted to SEKm 32.4 (25.1)
- ▶ Operating cash-flow increased to 34.9 (20.2)
- ▶ Order intake affected by COVID-19, decrease 29% to SEKm 62.4 (87.6). In the longer term perspective COVID-19 will probably increase the interest for indoor air cleaning.
- ▶ Strong performance in APAC and AMERICAS
- ▶ Resilient business model

STRONG GROWTH IN SALES AND ORDER INTAKE AFFECTED BY COVID19



STABLE PROFITABILITY AND EBIT-MARGIN

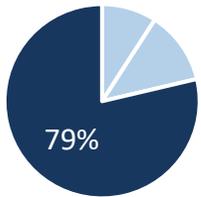


CABIN SOLUTIONS – EXCEPTIONALLY STRONG QUARTER

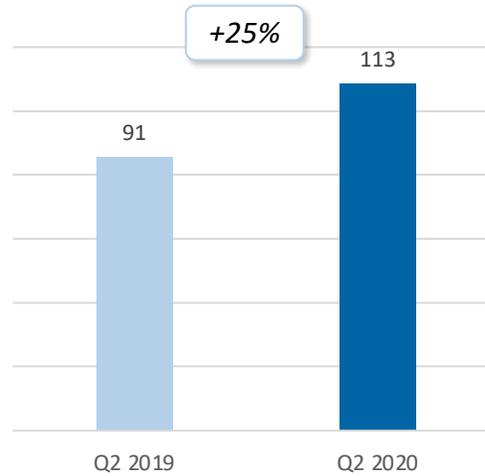
- ▶ The health promotion act in force from April 1 in Japan continued to benefit sales
- ▶ Strong and broad customer base in the office segment in Europe and Japan

KEY MARKETS & TRENDS

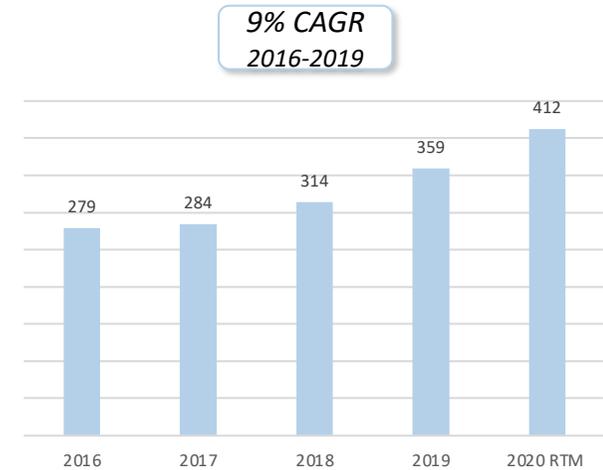
- ▶ Increased regulation
- ▶ Required Compliance
- ▶ Health impact of air pollution



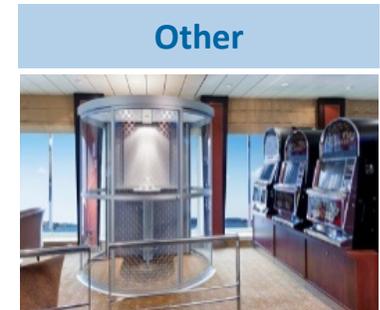
SALES PERFORMANCE Q2 - SEKm



TRACK-RECORD SALES - SEKm



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.

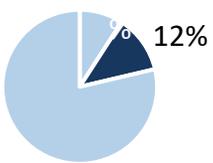


ROOM SOLUTIONS – CONTINUED TO DEVELOP POSITIVELY

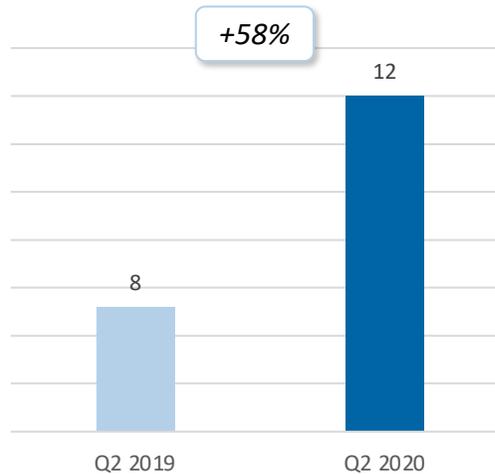
- ▶ Lockdowns in several US states affected order intake, volatile markets with rapid changes
- ▶ Dependent on open and functioning markets to enable us to drive active sales work

KEY MARKETS & TRENDS

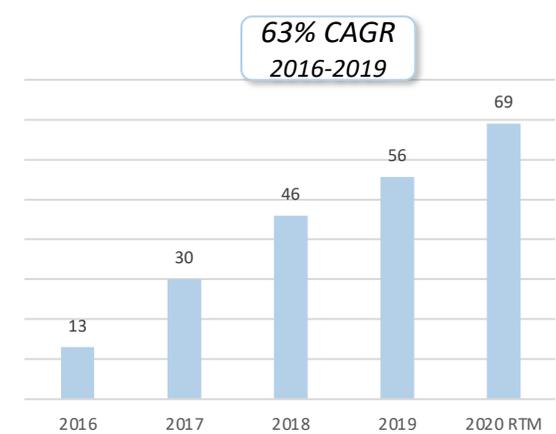
- ▶ Mandatory regulations and required compliance
- ▶ Corporations and institutions are moving from CAPEX to OPEX
- ▶ Flexible and scalable solutions



SALES PERFORMANCE Q2 - SEKm



TRACK-RECORD SALES - SEKm



Cleanrooms / clean zones caters to spaces with regulatory classification either based on new construction or retrofitting of existing spaces / rooms

Compounders



Bio-medical labs & MedTech



Hospital pharmacies

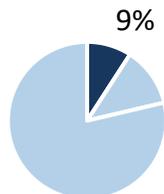


FACILITY SOLUTIONS – CONTINUED INVESTMENT IN NEW PRODUCTS

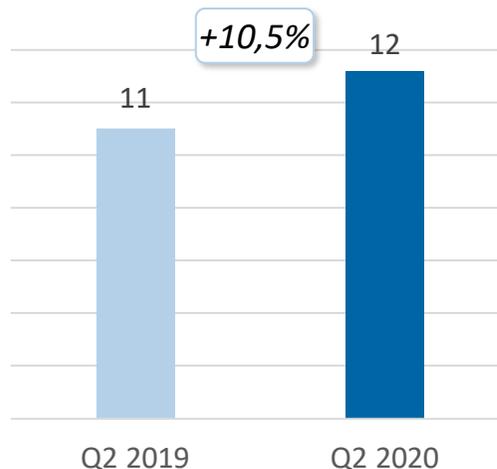
- ▶ Launch of FS 70 food graded version for the food and beverage industry
- ▶ Launch of upgraded FS70 with HEPA filter, products in development and one scheduled launch during the autumn
- ▶ Air cleaning solutions for different sized industrial spaces requiring enhanced air quality overall or in specific areas

KEY MARKETS & TRENDS

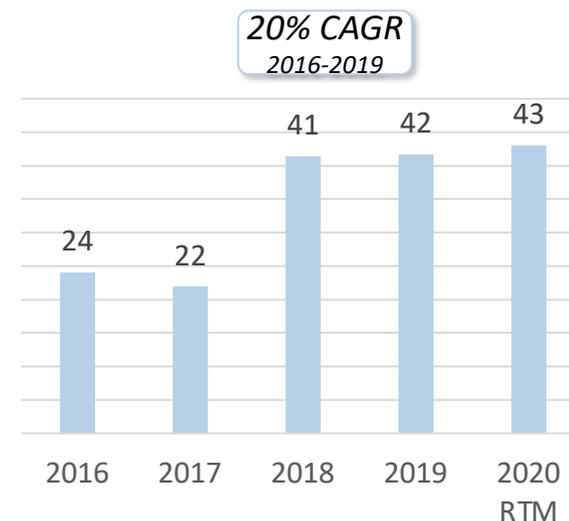
- ▶ Health impact of air pollution
- ▶ Corporations and institutions are moving from CAPEX to OPEX



SALES PERFORMANCE Q2 - SEKm



TRACK-RECORD SALES - SEKm



Healthcare



Food



Automotive



Logistics



THE COVID-19 IMPACT – RESILIENT BUSINESS MODEL

Negative impact in the short-term perspective

- ▶ Substantially lower activity in most markets since late March 2020 and throughout Q2 with clear negative impact on order intake
- ▶ Monitor the situation very carefully and take actions as situation develops
- ▶ Tightening our cost and cash discipline and have addressed certain cost saving projects
- ▶ Our rental business model with a high degree of recurring revenue and a flexible cost structure with outsourced production and service makes us more resilient to the current crisis.

Probably a market driver in the mid to longer-term perspective

- ▶ The virus risk puts a general focus on the need to have a good and safe indoor environment and air quality
- ▶ QleanAir expects increased interest and demand for improved indoor air quality from the food and health care sectors but also from public places and the broad office market

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

UPGRADED FACILITY SOLUTIONS INCLUDING HEPA FILTER



”Back to the work”

Offering good air quality and a good indoor environment in offices gives companies the opportunity to get their employees back working together in offices again.

Product launch during the autumn within Facility Solutions.

- ▶ QleanAir works with mechanical filters throughout all product areas and has Hepa 14 filter as standard in many applications such as clean rooms and cabins. All products in the QleanAir product range can be configured with hepa 14 filters if requested.
- ▶ Numerous studies are ongoing trying to understand the spreading of the Corona virus and how it can be reduced in indoor environments

STABLE AND DIVERSIFIED REVENUE BASE > 2,500 CUSTOMERS

PORTFOLIO SUMMARY

+2,500
Global customers

+9,200
Installed units¹

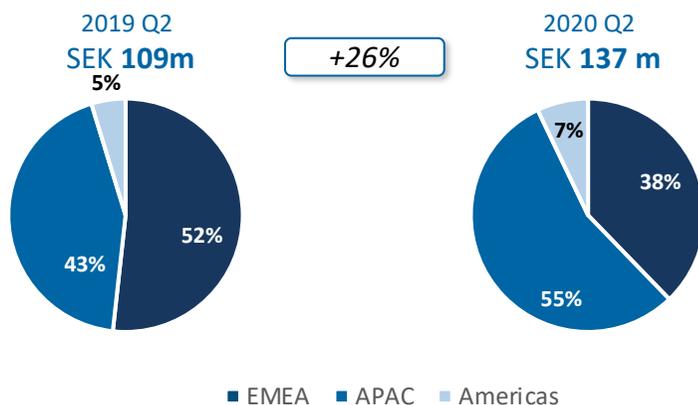
+20
Countries customer base

47%
Recurring revenue
in Q2 2020

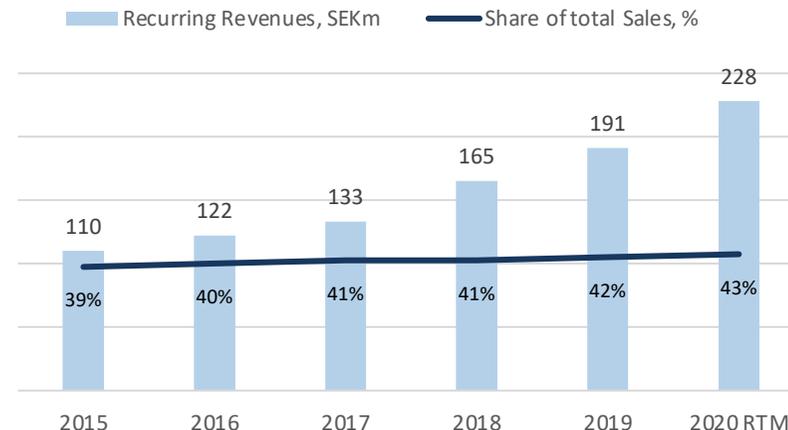
36 months
Typical contract length

>75%
Contracts extended or
renewed²

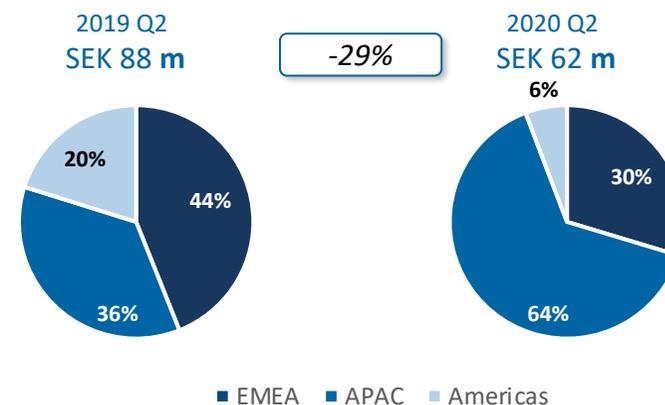
SALES GEOGRAPHICAL DISTRIBUTION Q2



RECURRING REVENUES



ORDER INTAKE GEOGRAPHICAL DISTRIBUTION Q2



Financials

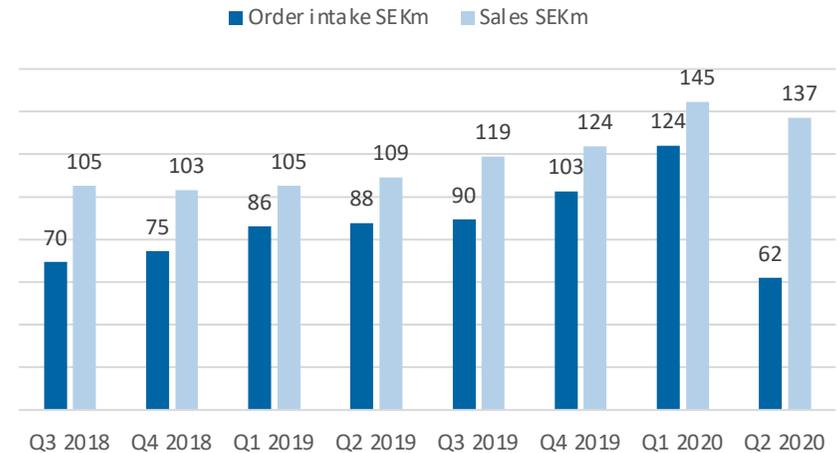
Henrik Resmark, CFO



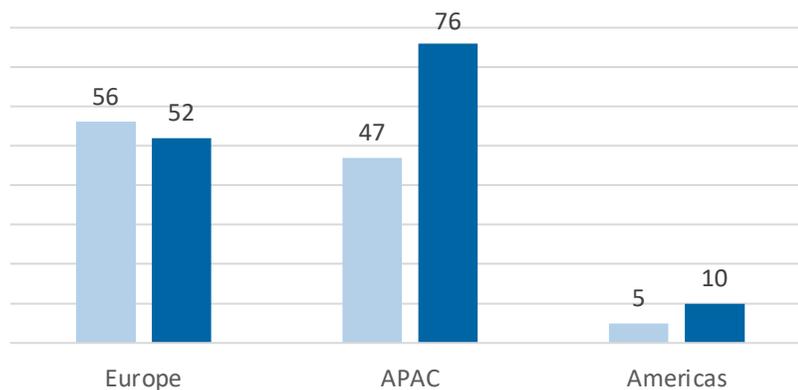
STRONG SALES GROWTH & ORDER INTAKE AFFECTED COVID-19

SECOND QUARTER 2020

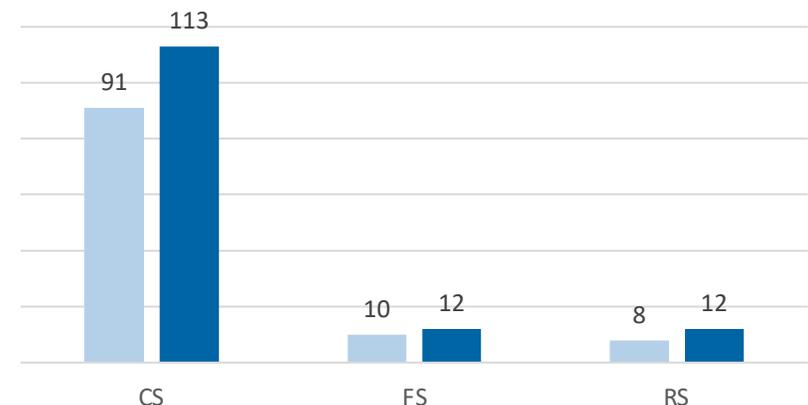
- ▶ Order intake -29% clearly hit by Covid-19
- ▶ Strong performance with +26% sales growth
- ▶ Good growth in all product categories
- ▶ Sales growth Facility Solutions +10%
- ▶ Sales growth Room Solutions +58%
- ▶ Continued strong performance in Japan by Cabin Solutions and slow Europe, +25%



SALES BY GEOGRAPHY Q2



SALES BY CATEGORY Q2



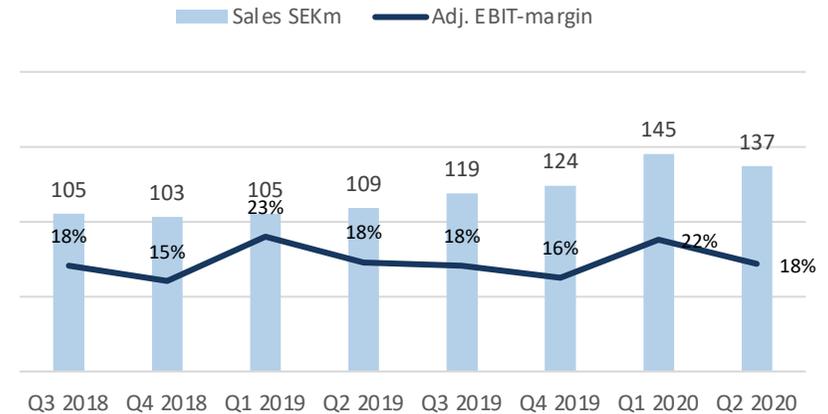
2019 2020

INCREASED SALES IS DRIVING THE PROFITABILITY

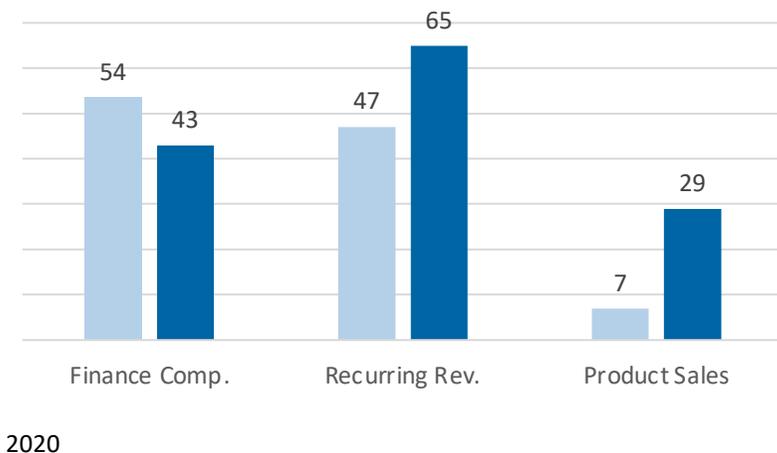
P&L COMMENTS

- ▶ Retention rate >75%¹ contracts extended or renewed
- ▶ Recurring rental revenues from units in own balance sheet 47 (43)%
- ▶ EBITDA amounted to SEKm 32.4 (25.1) +29% in the second quarter
- ▶ EBIT amounted to SEKm 25.3 (19.8) +28% in the second quarter

SALES & ADJ. EBIT-MARGIN QUARTER BY QUARTER



SALES PER REVENUE STREAM Q2 2020 vs 2019 SEKm



CASH-FLOW & BALANCE SHEET

CASH-FLOW

TSEK	April-June 2020	April-June 2019	Jan-June 2020	Jan-June 2019	FY 2019
Operating activities					
Operating income	25 308	19 786	56 659	43 407	32 073
Adjustment for non-cash items	4 502	5 039	8 621	11 441	46 706
Net finance and currency translation effect	-3 411	-1 108	-5 857	-2 293	-12 215
Tax paid	-82	-2 258	-18 709	-9 683	-21 675
Total	26 317	21 459	40 713	42 873	44 889
Decrease (+)/Increase (-) inventories	-4 648	-815	427	-2 584	-8 390
Decrease (+)/Increase (-) account receivables	18 675	-559	-10 838	1 533	5 032
Decrease (+)/Increase (-) current assets	-10 146	-12 059	-6 857	-15 862	2 778
Decrease (-)/Increase (+) account payables	-2 529	9 234	-10 632	10 968	12 430
Decrease (-)/Increase (+) current liabilities	7 212	2 987	17 258	1 341	5 758
Cash-flow from operations	34 880	20 247	30 071	38 268	62 498
Investing activities					
Investments in intangible assets	-1 295	-339	-2 390	-863	-1 774
Investments in tangible assets	-8 486	-4 242	-15 709	-8 282	-17 447
Acquisition	0	0	0	0	-6 603
Cash flow from investing activities	-9 782	-4 581	-18 099	-9 145	-25 824
Financing activities					
New loans	-9 839	0	7 877	0	277 254
Amortization of loan	-9 324	-11 993	-11 823	-30 365	-334 615
Cash flow from financing activities	-19 162	-11 993	-3 946	-30 365	-57 361
Cash flow for the period	5 936	3 672	8 026	-1 241	-20 688
Opening cash balance	62 858	71 600	56 994	74 935	74 935
Exchange rate differences on financial items	-3 251	1 430	523	3 008	2 747
Closing cash balance	65 543	76 702	65 543	76 702	56 994

- ▶ Strong operative cash flow in the second quarter
- ▶ Equity ratio improved to 21% (13%)
- ▶ Net debt reduced to 223 MSEK (259)
- ▶ Cash generative business model and strategy to pay dividend to shareholders

BALANCE SHEET

TSEK	2020-06-30	2019-06-30	2019-12-31
ASSETS			
Capitalized development cost	7 005	6 381	5 934
Customer contracts	0	3	0
Goodwill	343 704	343 704	343 704
Intangible fixed assets	350 708	350 087	349 637
Leasing (IFRS 16)	18 541	27 509	22 632
Tangible fixed assets	52 861	28 793	39 813
Tangible fixed assets	71 402	56 302	62 445
Deferred tax	7 532	13 741	11 255
Long term receivables	0	164	172
Fixed assets	429 642	420 294	423 509
Inventories	25 886	26 657	32 147
Account receivables	46 560	50 362	35 936
Tax receivables	4 525	0	0
Other receivables	9 446	9 449	11 296
Prepaid costs and accrued income	52 619	59 183	43 068
Cash and bank	65 543	76 702	56 994
Current assets	204 579	222 353	179 441
TOTAL ASSETS	634 221	642 646	602 950
SHAREHOLDERS' EQUITY AND LIABILITIES			
Share capital	7 430	6 642	7 430
Additional paid in capital	121 140	58 929	121 140
Translation differences	4 973	6 404	5 269
Balanced result	-36 093	-4 457	-28 572
Result for the period	35 229	18 553	-7 521
Equity	132 679	86 071	97 746
Accrued tax liabilities	0	3 193	0
Subordinated shareholder loan	0	246 642	0
Long term interest bearing liabilities	243 474	65 000	249 684
Other liabilities (IFRS 16)	10 085	18 729	14 053
Long term liabilities	253 558	333 563	263 737
Short term interest bearing liabilities	45 225	20 897	37 348
Accounts payable	31 108	46 667	41 496
Tax liabilities	0	7 919	1 626
Other short term liabilities	13 167	9 142	9 803
Other liabilities (IFRS 16)	9 216	9 512	9 351
Accrued expenses and deferred income	149 268	128 875	141 843
Current liabilities	247 984	223 011	241 467
Liabilities	501 542	556 575	505 204
TOTAL EQUITY AND LIABILITIES	634 221	642 646	602 950

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 Q2 2020

26%

Growth
Organic 24%

18%

EBIT margin

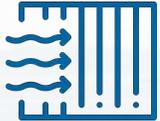
0 SEK

Dividend per share
(withdrawn due to
Covid-19)

QleanAir as investment



Unique service offering based on holistic approach to clean air as a service with full-service rental contracts
Strong second quarter 2020 – Resilient business model



Proprietary air cleaning technology and back-office solutions providing substantial barriers to entry
Continued investment in new products



Long contracts with high degree of extensions across a diversified blue-chip customer base generating strong and predictable revenues
Strong and broad customer base



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



Q&A

Andreas Göth, CEO

Henrik Resmark, CFO

APPENDIX



Appendix | Key ratios and Quarterly Development

	April-June 2020	April-June 2019	Jan-June 2020	Jan-June 2019	FY 2019
Order intake, TSEK	62 424	87 618	185 930	173 977	365 979
Sales, TSEK	137 002	108 863	281 683	214 013	456 993
Recurring revenue from units in own balance sheet, %	47%	43%	45%	42%	42%
EBITDA, TSEK	32 400	25 056	70 673	53 891	105 206
EBITDA-margin, %	23,6%	23,0%	25,1%	25,2%	17,5%
Adjusted EBITDA, TSEK	32 400	25 056	70 673	53 891	105 206
Adjusted EBITDA-margin, %	23,6%	23,0%	25,1%	25,2%	23,0%
EBIT, TSEK	25 308	19 786	56 659	43 407	32 073
EBIT-margin, %	18,5%	18,2%	20,1%	20,3%	7,0%
Adjusted EBIT, TSEK	25 308	19 786	56 659	43 407	83 719
Adjusted EBIT-margin, %	18,5%	18,2%	20,1%	20,3%	18,3%
Result for the period, TSEK	17 355	8 032	35 229	18 553	-7 521
Earnings per share, SEK	1,17	0,60	2,37	1,40	-0,56
Cash flow from operations, TSEK	34 880	20 247	30 071	38 268	62 498
Net working capital, TSEK	-59 032	-46 952	-59 032	-46 952	-72 321
Equity/Asset ratio, %	21%	13%	21%	13%	16%

	April-June 2020	Jan-March 2020	Oct-Dec 2019	Jul-Sept 2019	April-June 2019	Jan-March 2019	Oct-Dec 2018
Order intake, TSEK	62 424	124 134	102 466	89 540	87 753	86 223	74 712
Sales, TSEK	137 002	144 681	123 847	119 018	108 997	105 151	103 209
Gross profit, TSEK	93 582	98 283	73 882	73 979	73 775	74 398	64 820
Gross-margin, %	68,3%	67,9%	59,7%	62,2%	67,7%	70,8%	62,8%
Adjusted EBITDA, TSEK	32 400	38 272	24 931	26 384	27 677	28 835	29 252
Adjusted EBITDA-margin, %	23,6%	26,5%	20,1%	22,2%	25,4%	27,4%	28,3%
Adjusted EBIT, TSEK	25 308	31 351	19 278	21 034	19 786	23 621	15 626
Adjusted EBIT-margin, %	18,5%	21,7%	15,6%	17,7%	18,2%	22,5%	15,1%
Operating cash-flow, TSEK	34 880	-4 810	10 233	13 997	20 247	18 002	32 306
Working capital, TSEK	-59 032	-56 804	-72 321	-46 828	-46 952	-45 796	-47 626
Average Capital Employed, TSEK	423 625	395 989	394 811	421 063	416 087	413 132	410 749
Interest bearing liabilities excl. IFRS16, TSEK	223 156	242 223	236 684	253 679	259 029	265 833	260 560
Equity/Asset ratio, %	20,9%	18,5%	16,2%	14,0%	13,4%	12,2%	11,6%
Net debt/Equity ratio, %	1,7	2,0	2,4	2,8	3,0	3,5	4,1
Adjusted return on Capital employed (ROCE), %	22,9%	23,1%	21,2%	19,0%	19,5%	20,5%	17,8%

Appendix | Largest shareholders

Shareholder	% , capital and votes
Qevirp 41 Ltd	40,7%
IKC Fonder	3,4%
Livförsäkringsbolaget Skandia	3,2%
LGT Bank Ltd	2,7%
Taaleri Nordic Value Equity Fund	2,7%
Handelsbanken Microcap	2,3%
Skandia Fonder	2,1%
Sensor Fonder	2,0%
Avanza Pension	1,9%
Enter Småbolagsfond	1,8%
Ten largest shareholders	62,8%
Other shareholders	37,2%
Total	100,0%

Euroclear data & Company information per June 30, 2020.

