

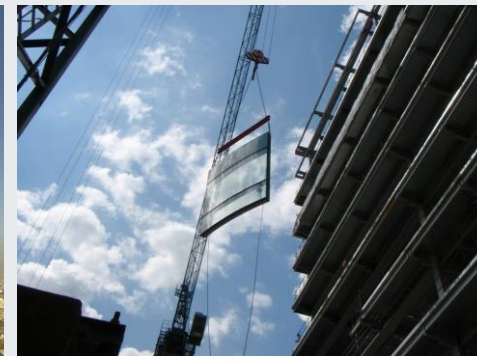
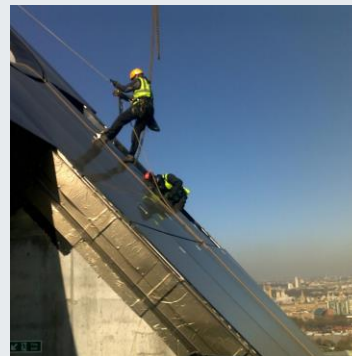
# ACQUISITION OF CLEAR LINE

CONFERENCE CALL 29 OCTOBER 2024

# CLEAR LINE

## SPECIALISED FULL-SERVICE CONTRACTOR IN FAÇADES AND FAÇADE FIRE REMEDIATION

- Founded in 1997, ~60 employees (white-collar)
- HQ in Sheffield, with projects carried out all over UK
- Experienced management team and highly skilled workforce
- Strong reputation in complex high rise and façade fire remediation projects
- Total solution with design, PCSA, contract delivery and execution
- Established customer base with a referrer network that delivers continuous flow of new projects



# CLEAR LINE

ATTRACTIVE FINANCIAL PROFILE

**R12 as of 30 June 2024**

Net sales

**GBP 48.9m**

Adjusted EBITA

**GBP 21.7m**

**3-year average**

Net sales

**GBP 47.7m**

Adjusted EBITA

**GBP 18.4m**

# UK MARKET OVERVIEW

## SEVERAL UNDERLYING DRIVERS

- Overall size of UK building envelope and facades market for renovation and cladding remediation estimated at **GBP 10.5bn, with an expected annual growth of 4.5% in the next few years**
- Following the Grenfell disaster of 2017, the UK government initiated an industry wide review that has led to further scrutiny and pressure to speed up the remediation process; **total market spend of GBP 24bn expected over the next 14 years**
- Market drivers for façade renovation similar to Nordic trends with focus on aesthetic, safety and energy efficiency factors; replacement cycle is roughly 35 years but may **accelerate due to drive to net zero**
- UK government has introduced **minimum energy standards for commercial property**; the stock comprises 1.5m buildings with >60% pre-date 1970

# STRATEGIC FIT

## COMPELLING CHARACTERISTICS AND A NEW MARKET

### Company specific

- Deep niche
- Great skillset
- Recurring customers
- Long-term management
- Attractive financial profile
- Growth opportunities

### Market specific

- Fragmented market
- High degree of professionalisation
- Underlying growth drivers

### Potential value-adds

- Fasadgruppen provides scale for Clear Line to access more projects

# FINANCING

## A STRUCTURE WITH CLEAR INCENTIVES

### **Upfront consideration of GBP 66.4m**

- Cash consideration 51.1m
- Vendor note 15.3m

**Cash consideration** under SEK 2,700m credit facility agreement with Nordea, SEB and SEK

**Loan note** to be set off against Fasadgruppen shares with a subscription price based on the volume-weighted average price between 30 October – 5 November

Upfront multiple of 3.1x of Clear Lines' adjusted EBITA R12 30 June 2024

### **Performance-based consideration**

- Preference shares (nominal value 53.4m) in a local holding company where the final value will be determined based on long-term performance
- Preference shares provide dividends connected to earnings in Clear Line

# EFFECT ON KEY FINANCIALS

## HIGHER MARGIN AND LOWER LEVERAGE

| R12, 1 July 2023-30 June 2024 | Fasadgruppen | Clear Line | Total        |
|-------------------------------|--------------|------------|--------------|
| Net sales (SEK million)       | 5,006        | 673        | <b>5,679</b> |
| Adjusted EBITA (SEK million)  | 348          | 299        | <b>647</b>   |
| Adjusted EBITA margin         | 6.9%         | 44.4%      | <b>11.4%</b> |

- Fasadgruppen's net debt / EBITDA pro forma is around 3.0x following the acquisition; target is to be below 2.5x but may temporary be higher in connection with large acquisitions

# FASADGRUPPEN Q3 RESULTS

## IMPROVED EARNINGS DEVELOPMENT COMPARED TO H1

- Net sales SEK 1,202.3 million, organic growth -10%
- Adjusted EBITA SEK 92.8 million, margin 7.7%
- Order backlog SEK 2,770.9
- Net debt/EBITDA pro forma just below 3.5x (before Clear Line acquisition)

**Full interim report will be released on 31 October at 7.30 CET with conference call at 8.15 CET**



# CONCLUDING REMARKS

## A STRONGER FASADGRUPPEN

- With its proven business model and deep niche, Clear Line is a **perfect fit with Fasadgruppen's M&A strategy**
- The UK market provides an exciting growth opportunity
- The combination of Fasadgruppen and Clear Line as well as the Nordic and UK markets provides great opportunities to create returns through more value-adding acquisitions and operational progress

**Capital Markets Day will be held on 7 November at 13:00 CET, register on [corporate.fasadgruppen.se](https://corporate.fasadgruppen.se)**



Q&A