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Welcome to Ahlsell's Capital Markets Day 2018

Stockholm, 4 September 2018



Karin Larsson

Head of IR and External Communication

- Joined Ahlsell as Head of IR in 2017
- Previous positions: IRO at Atlas Copco, Stockholm, and Equity sales at SEB Enskilda and Barclays Capital, both positions in Frankfurt

Agenda for the day

| | | | | | | | | |
|--|----------------------------|--------------|---|----------------------------|----------------------------------|---------------------|---------------|--------|
|  Johan Nilsson CEO | Q&A session 1 – 15 minutes | Coffee break |  Claes Seldeby Head of operations Sweden | Q&A session 2 – 15 minutes | Closing remarks / Walk to branch | Branch insight tour | Bus to dinner | Dinner |
|  Kennet Göransson CFO | | |  Rune Flengsrud Head of operations Norway | | | | | |
|  Mikael Falk Head of M&A | | |  Mika Salokangas Head of operations Finland | | | | | |



Johan Nilsson

President and Chief Executive Officer

- Appointed Group CEO in 2015
- Joined Ahlsell in 2008 as Head of Operations Sweden
- Previously CCO of Sanitec, CEO of IFÖ Sanitär and IDO
- M. Sc. Business and Economics, Lund University Sweden and M.Sc. Engineering, Lund Faculty of Engineering, Sweden



Ahlsell at a glance

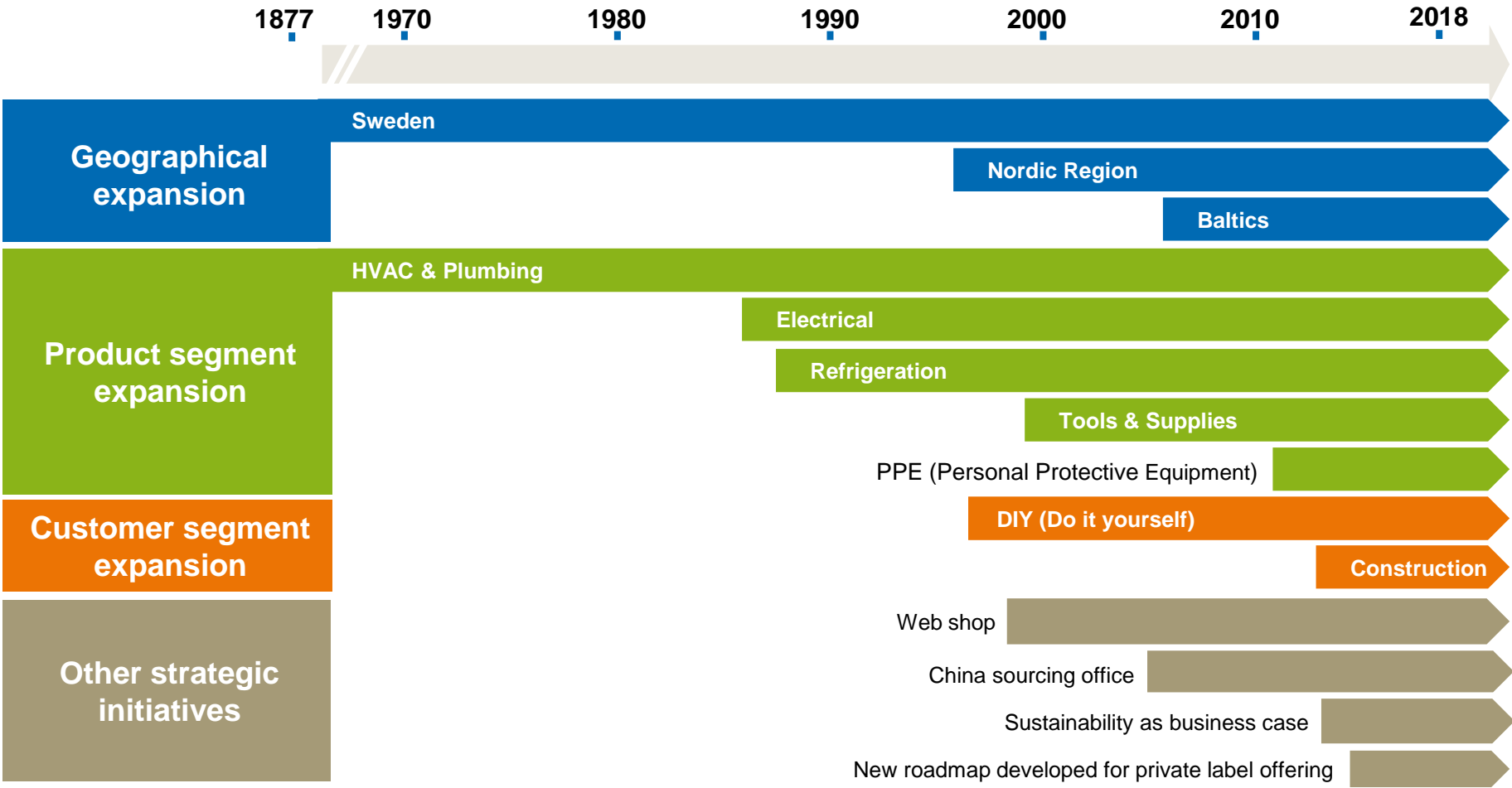
Long track record of profitable growth

The Nordics is a good place to be

Strategy for future profitable growth

ahlsell

A strong success story... and the journey continues



Leading Nordic distributor in three product segments

45% HVAC & Plumbing



29% Electrical



26% Tools & Supplies



Successful one-stop-shop for professionals

One-stop-shop



Strong sales force
~ 3 900 sales people (of 5 800)



For the customer: Unique distribution capacity

- The broadest product offering in the Nordics
- Strong local presence with specialist sales force
- Accurate next morning delivery
- Optimisation of transports
- Value-added delivery
- Lowering total cost



Fragmented and loyal customer base

More than 100 000 active customers

80%
of sales derive from
customer
relationships
longer than
5 years



SME customers
contribute to
45% of sales

Top 10
customers account for
6%
of sales

For the supplier: Unique presence

- Cost-efficient access to a loyal customer base in a geographically large and attractive market
- The largest sales force in B2B in the Nordics
- Strong omni-channel market access
- Constant work towards improvements



For the employee: An attractive employer

- Opportunity for development
- Healthy values and good leadership
- Work for increased diversity
- A safe and sustainable workplace
- Constant improvement





Ahlsell at a glance

Long track record of profitable growth

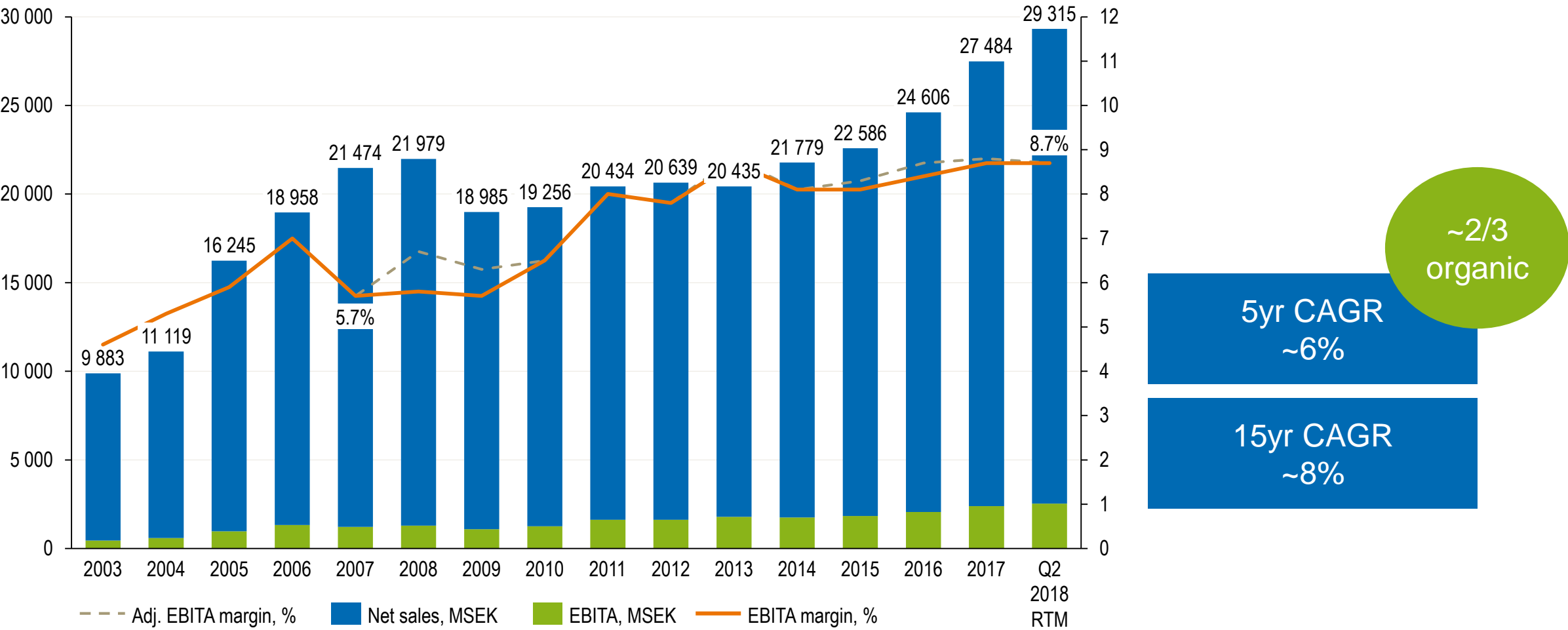
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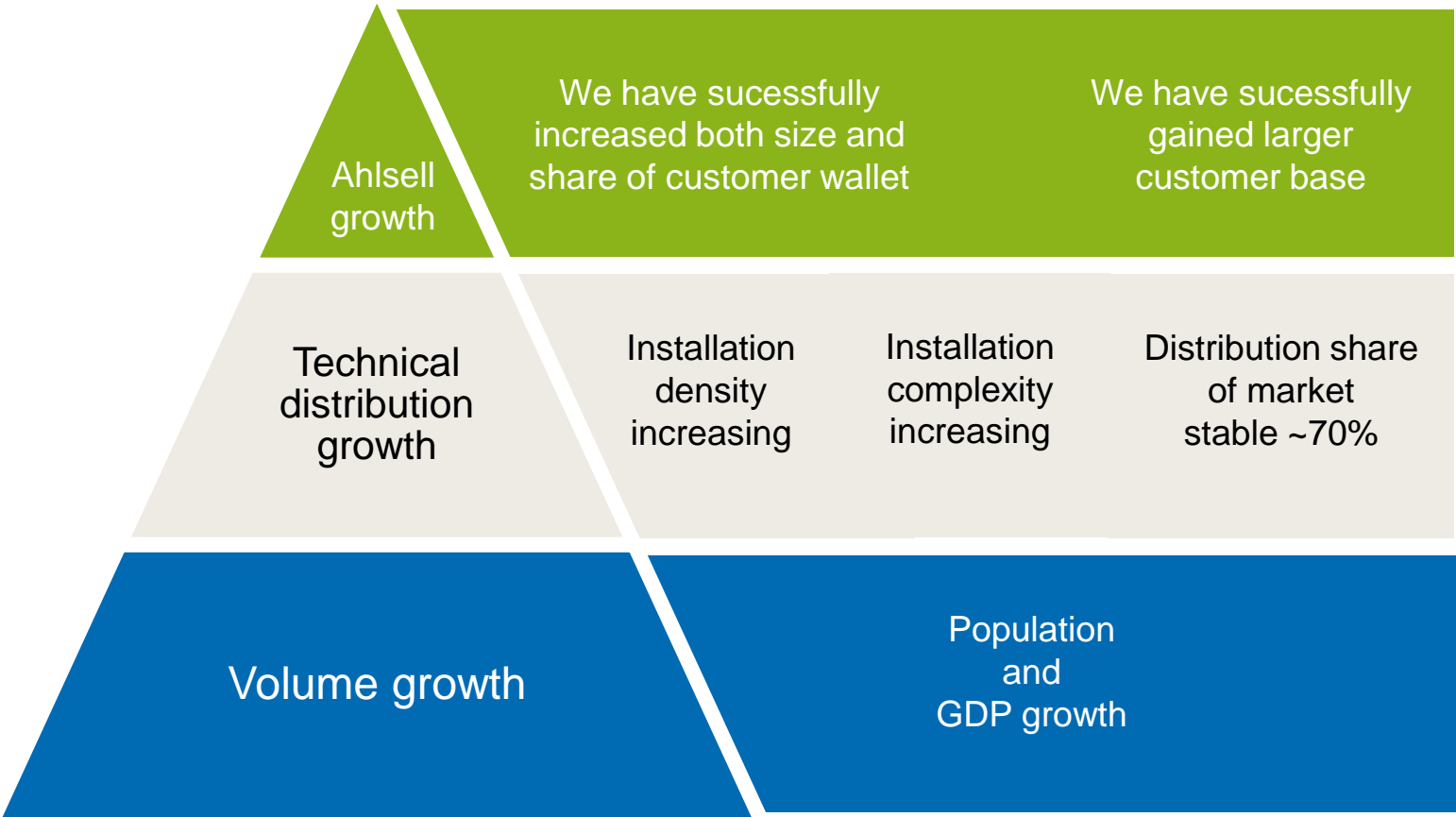
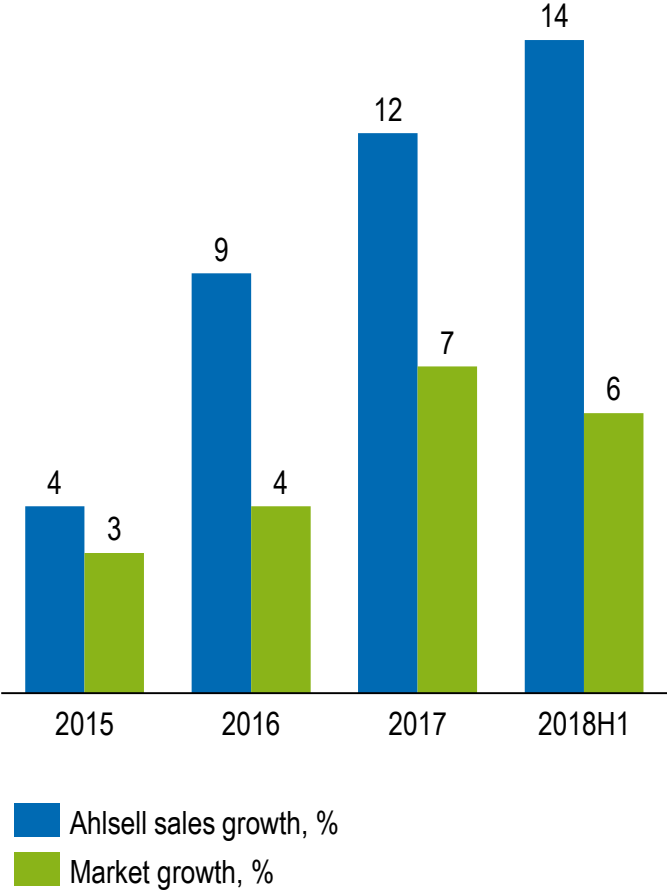
Long track record of profitable growth

Net sales, EBITA and EBITA margin



Historically, Ahlsell has outgrown the underlying market

Ahlsell growth vs. market growth



Market growth is management's best estimate



Ahlsell at a glance

Long track record of profitable growth

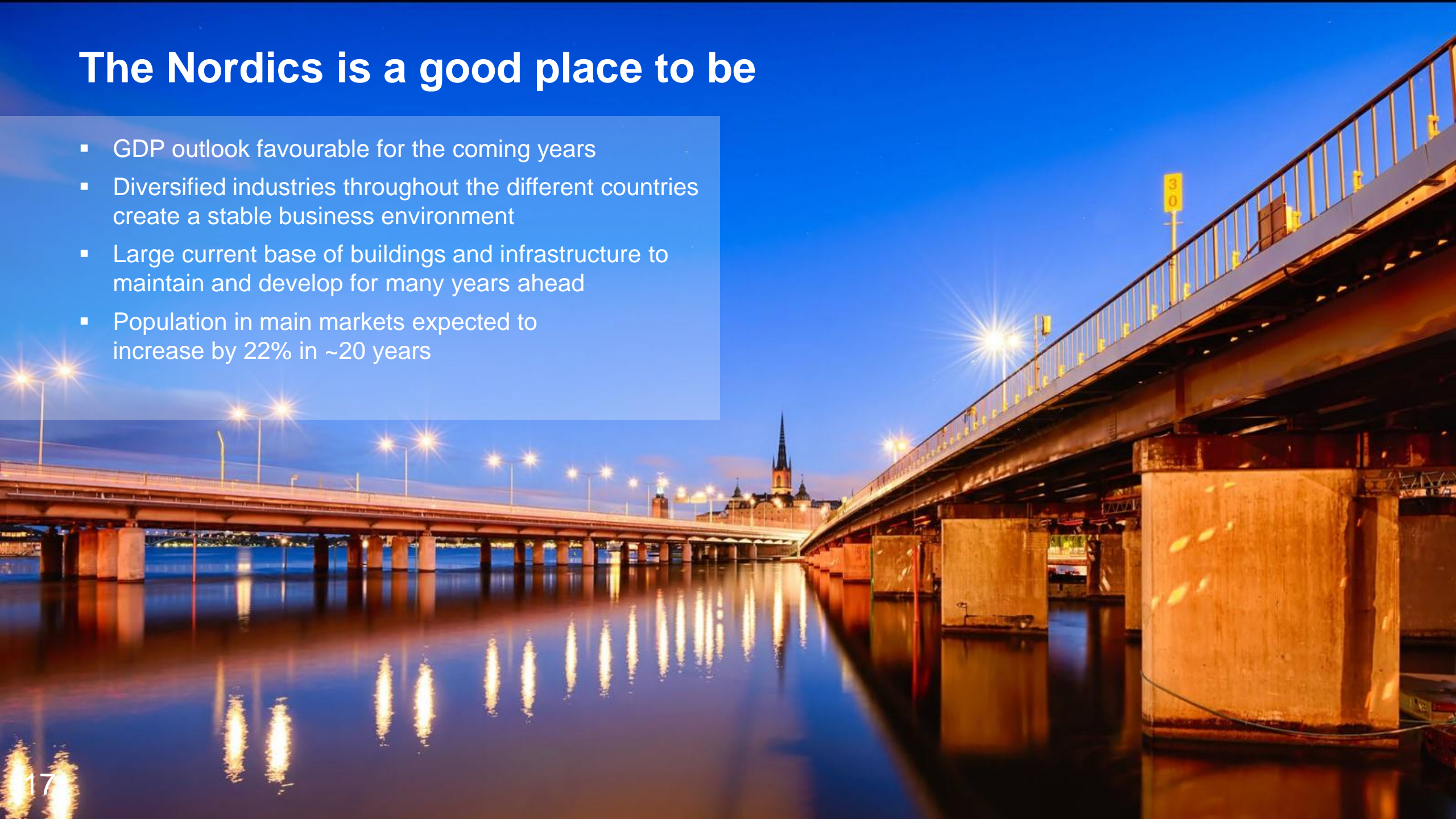
The Nordics is a good place to be

Strategy for future profitable growth

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The Nordics is a good place to be

- GDP outlook favourable for the coming years
- Diversified industries throughout the different countries create a stable business environment
- Large current base of buildings and infrastructure to maintain and develop for many years ahead
- Population in main markets expected to increase by 22% in ~20 years

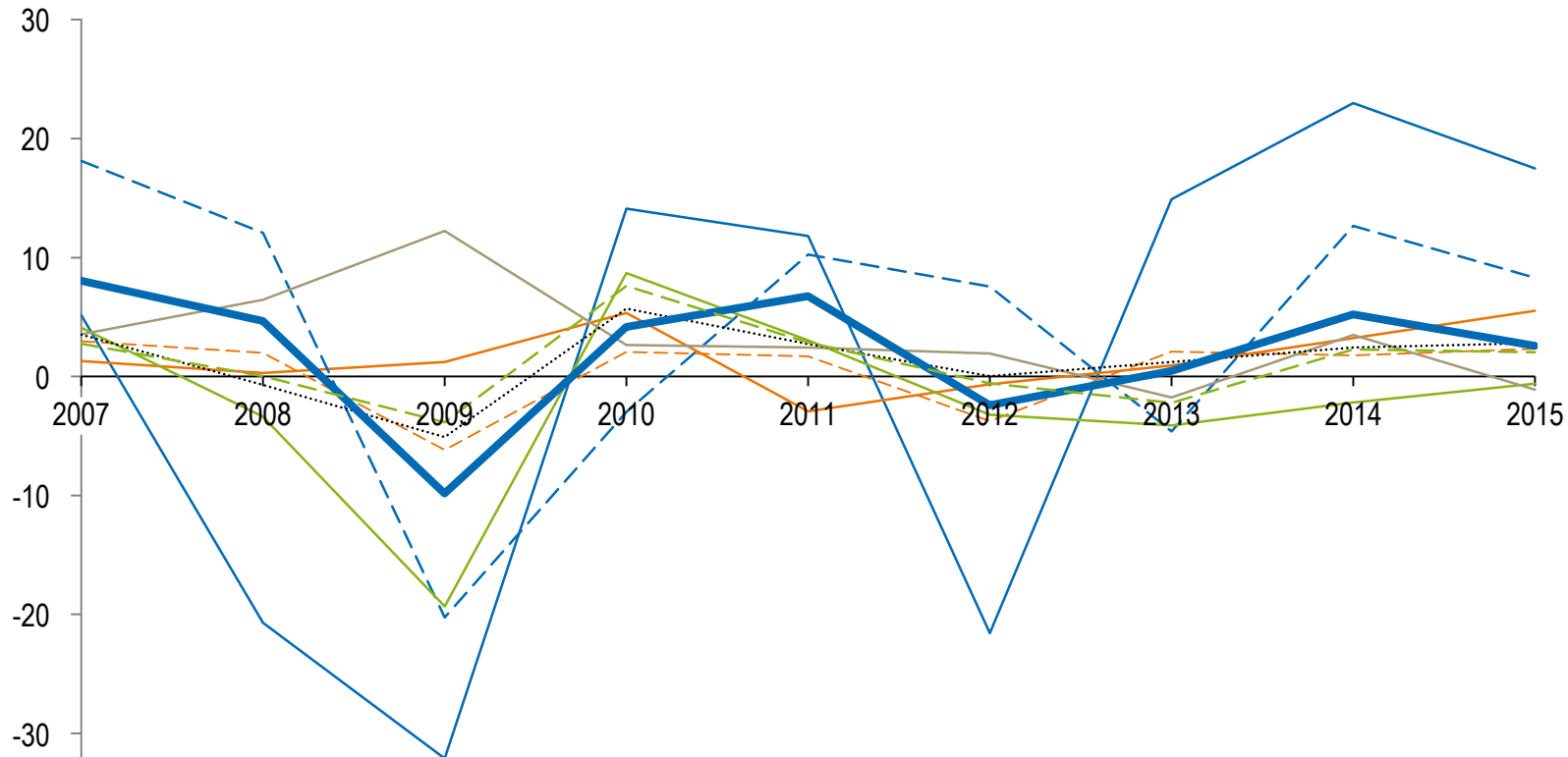


Mixed directions, but aggregated points in positive direction

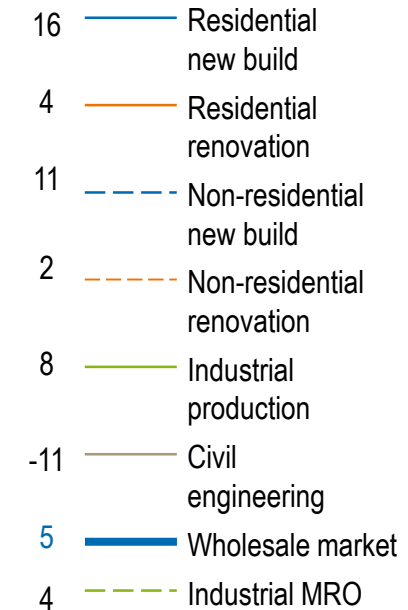
| New construction | | Renovation | | Industrial Production | Infrastructure |
|--|--|---|--|--|--|
| Residential | Non-residential | Residential | Non-residential | | |
| <ul style="list-style-type: none"> Population growth Number of dwellings Interest rates House prices | <ul style="list-style-type: none"> Vacancy levels Number of buildings/commercial space | <ul style="list-style-type: none"> Number of dwellings Regulations and subsidies Housing stock age Number of transactions | <ul style="list-style-type: none"> Building stock age Leasing renewals Number of transactions | <ul style="list-style-type: none"> Manufacturing output Industry capex | <ul style="list-style-type: none"> Population growth Urbanisation Age of existing infrastructure Political initiatives |
| 15% of Sales | 15% of Sales | 35% of Sales | | 20% of Sales | 15% of Sales |

Historical data shows that market is only moderately cyclical

Swedish market cyclicality (2007-2015)
y-o-y. Growth in real terms (%)



Standard deviation vs. GDP





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Strategy for future profitable growth

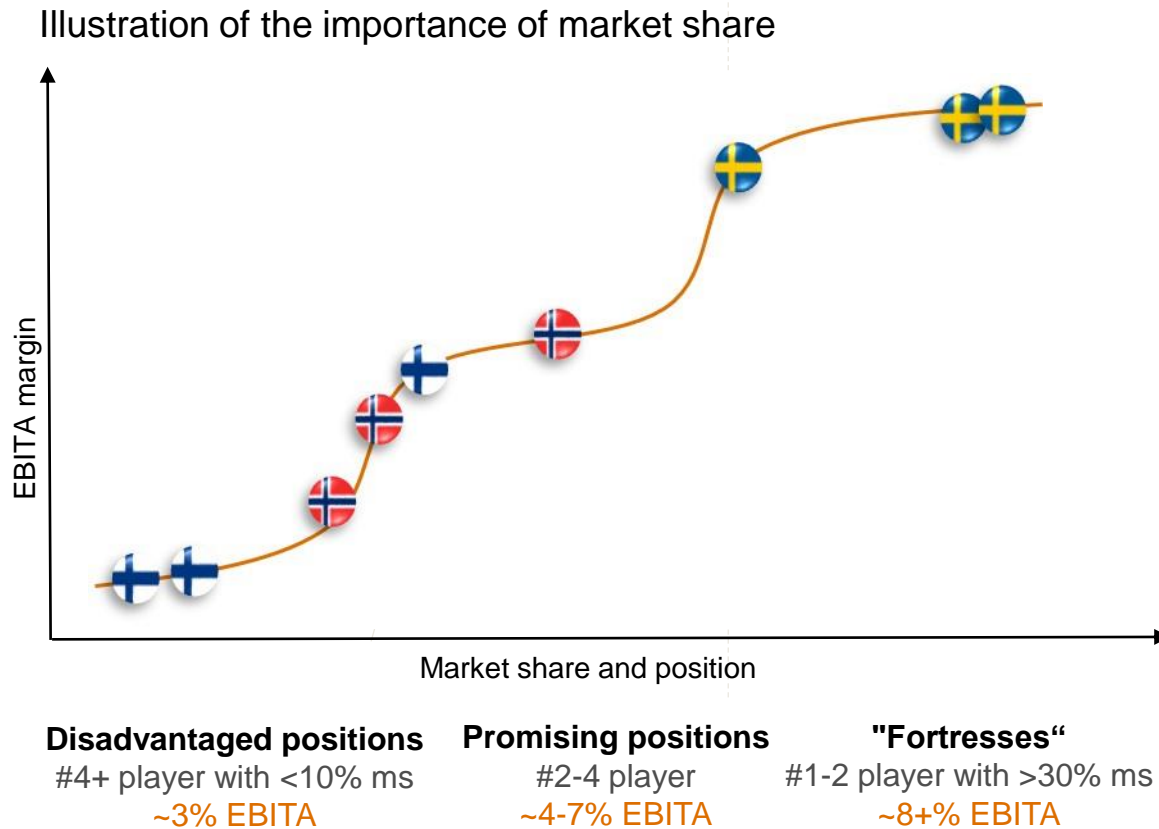
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Create value for the customer!



*Ahlsell makes it
easier to be
professional*

Nordic market leader with bottom line potential



| | | Market position | % of group sales | % of group adj. EBITA |
|---------|--|-----------------|------------------|-----------------------|
| Sweden |  | 1-2 | 66 | 85 |
| Norway |  | 2-4 | 19 | 7 |
| Finland |  | 3-5 | 12 | 5 |

Strategic direction in Denmark and segment Other

Denmark – strategic potential



1% of revenues
2% of EBITA
4 branches

Other – mixed strategy

Estonia



Poland



Russia



2% of revenues
1% of EBITA
12 branches

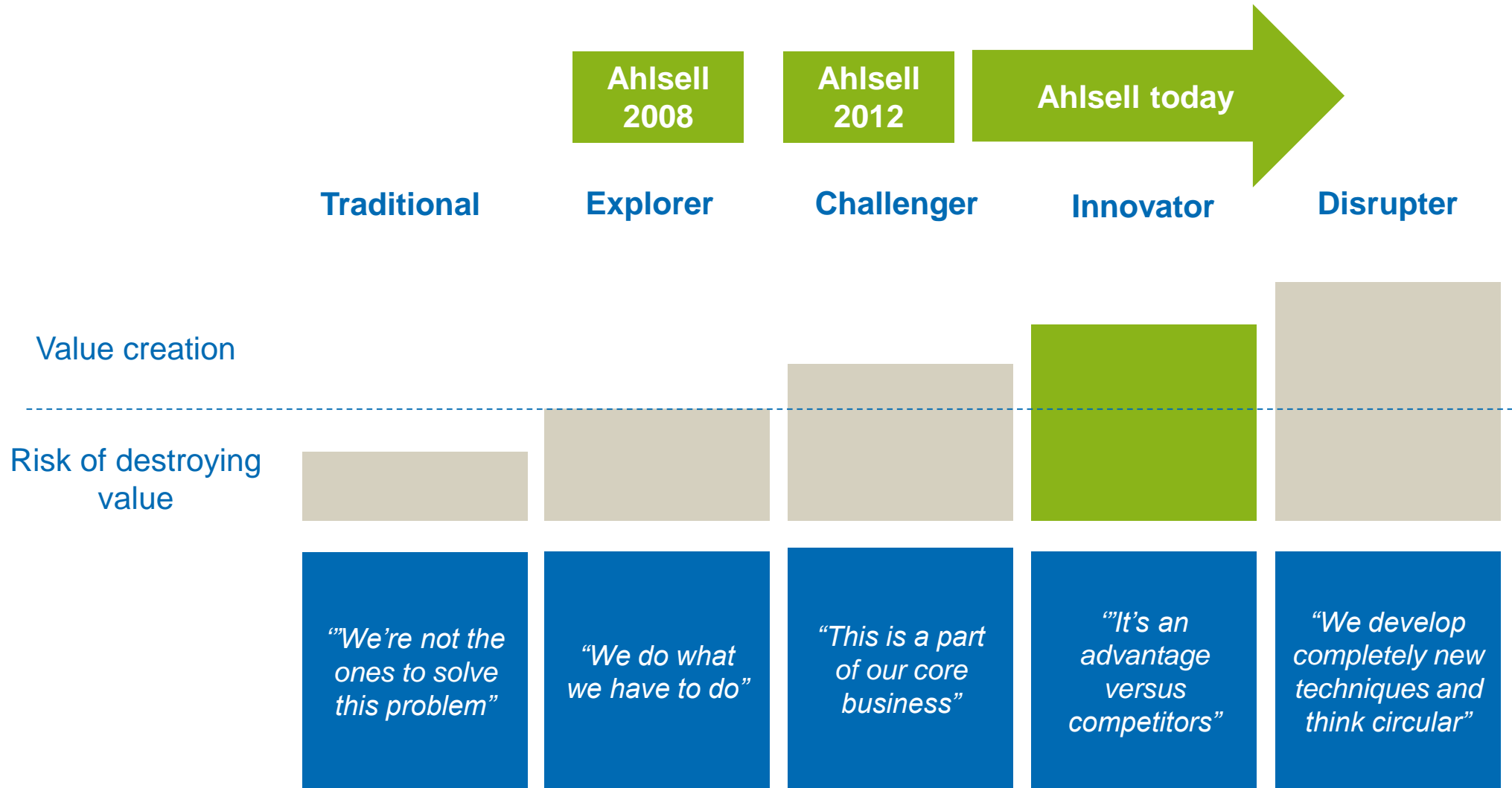
Strategy for profitable growth



Sustainability in everything we do

“ The guiding principle of our strategy is "One Ahlsell" ”

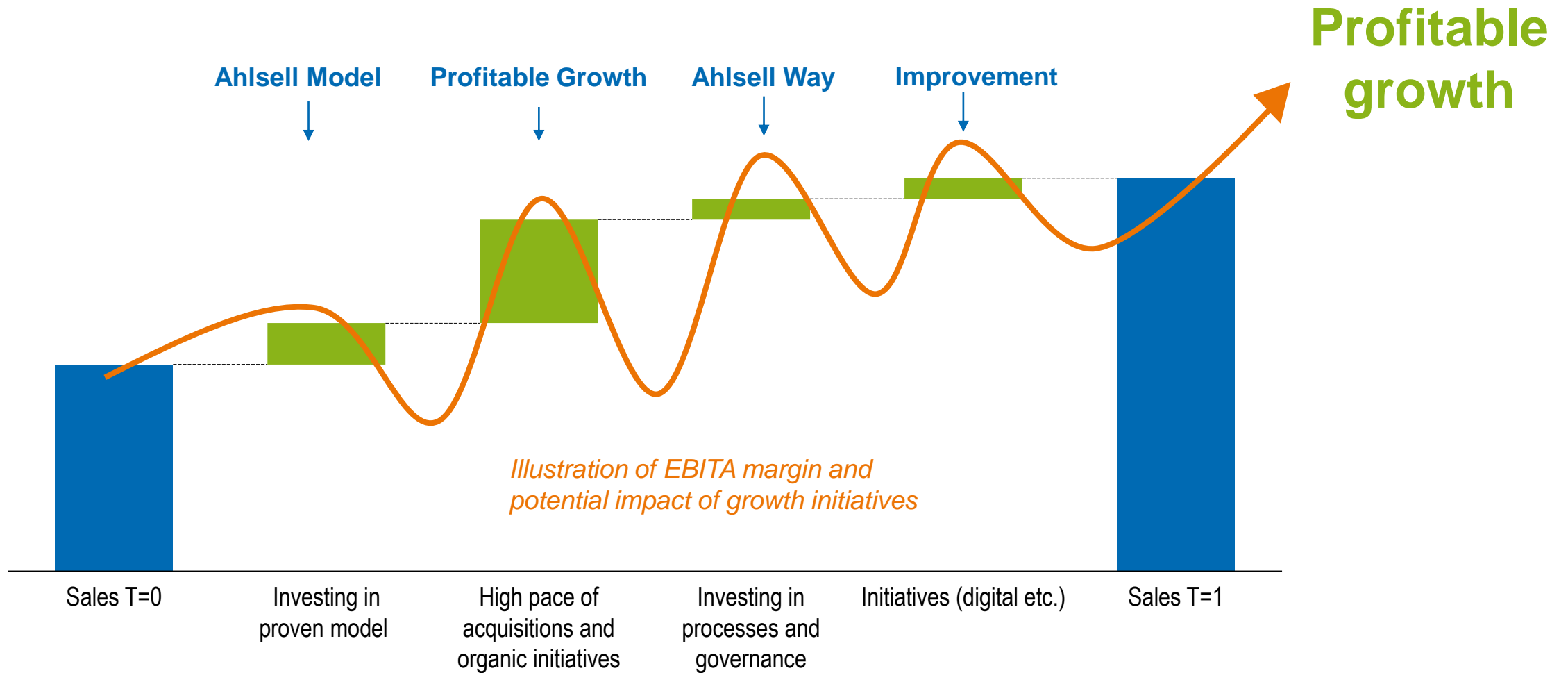
Sustainability is an important element for value creation



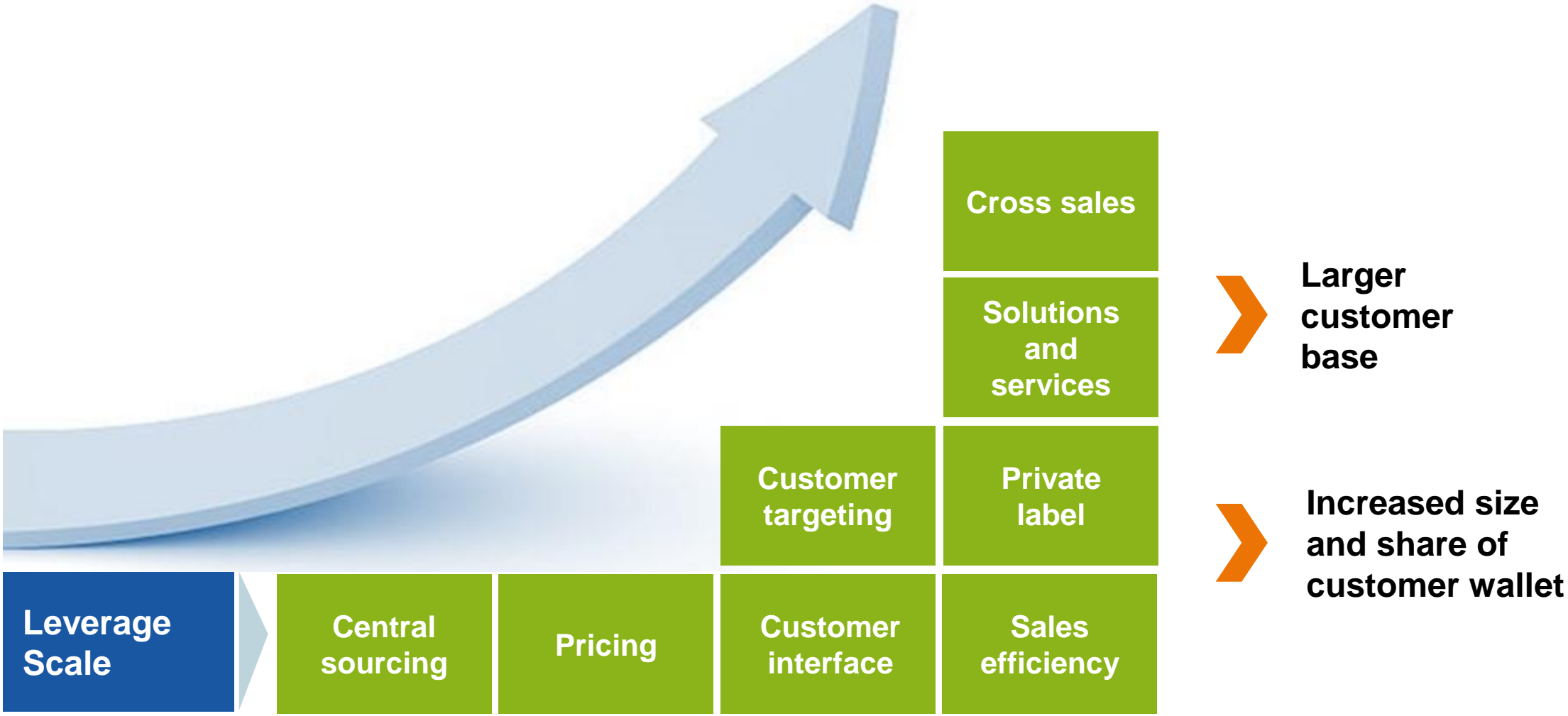
Achievements within sustainability recognised



Growth investments temporarily impacts operational leverage



Organic initiatives driving profitability improvement



Successful execution on M&A pipeline

Well-defined
acquisition
model

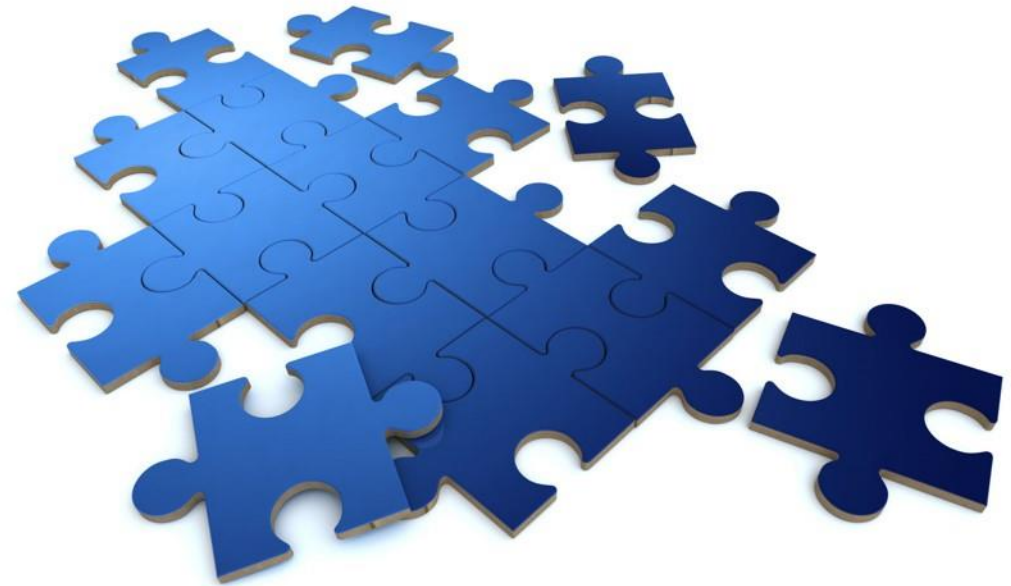
Experience of
tracking and
maximising
synergies

~19 M&A targets
realized since listing

corresponding to
~1,7 BSEK
of sales

~250 M&A
targets of varying
size in pipeline

corresponding to
~53 BSEK
of sales



Meet demand and create customer value by additional services



Broad product offering and availability



Precision in full and quick delivery



Digital services



Work-site logistics



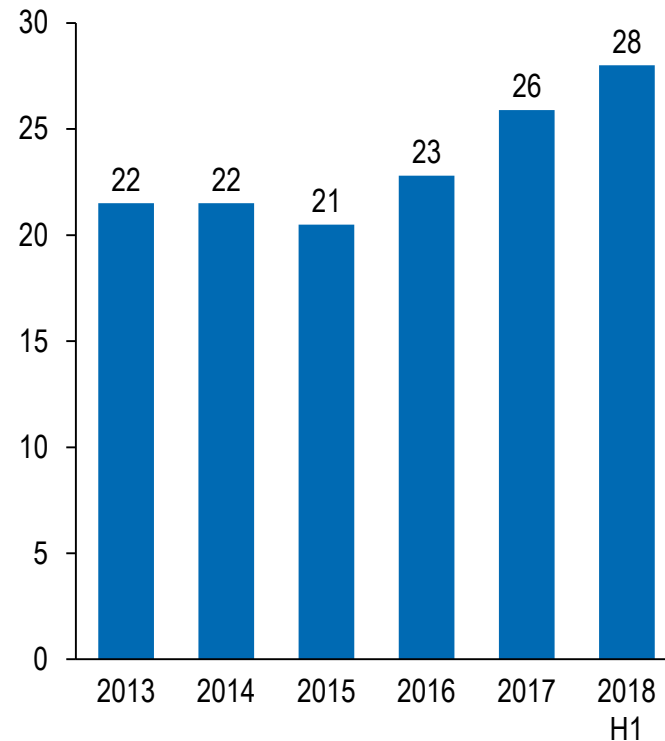
Additional value enhancing services

AhlSell today and into the future

Digital Market Leader in B2B e-commerce and digital services



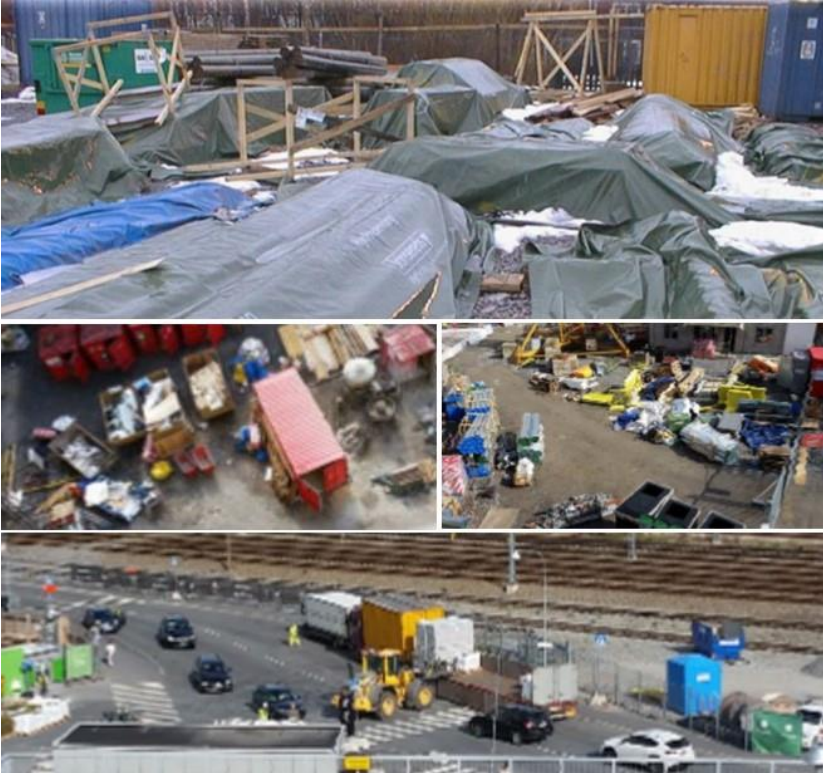
E-commerce of sales, %



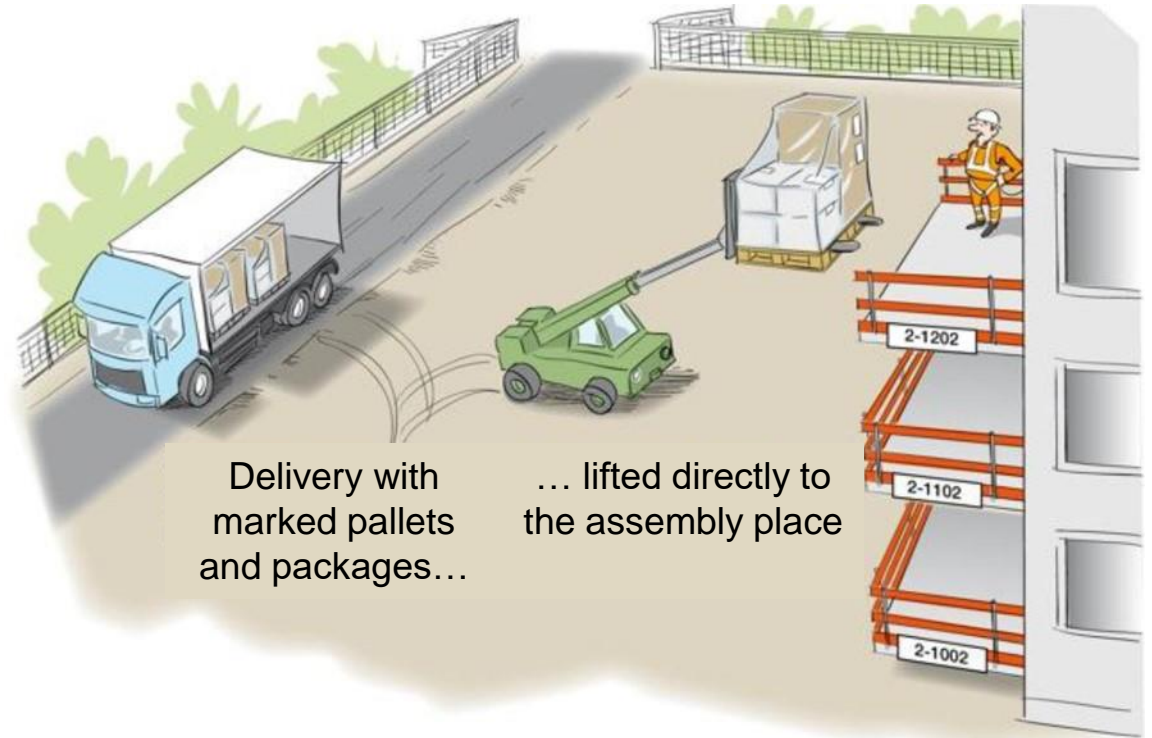
**Seamless
online offering
enables strengthened
customer
relationships**

Construction site logistics in transformation

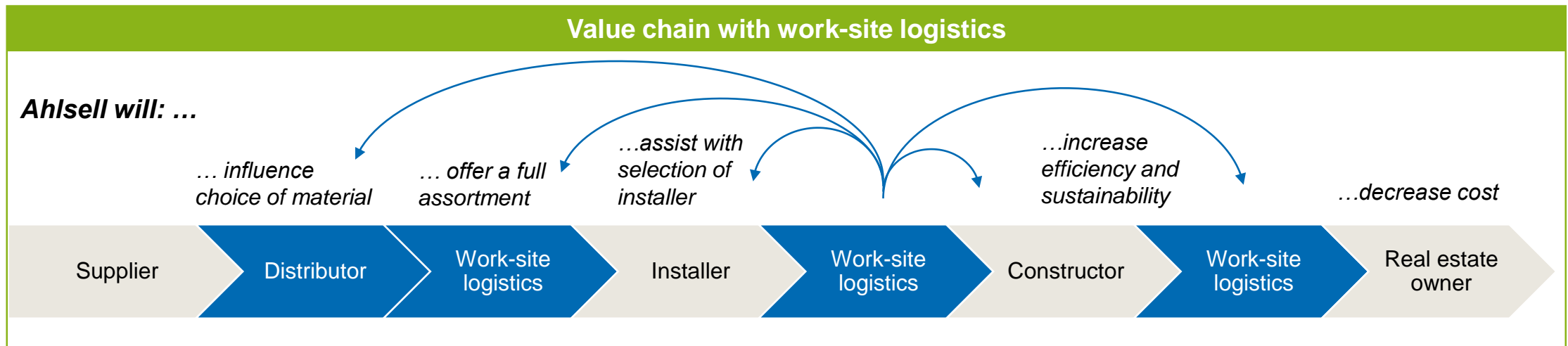
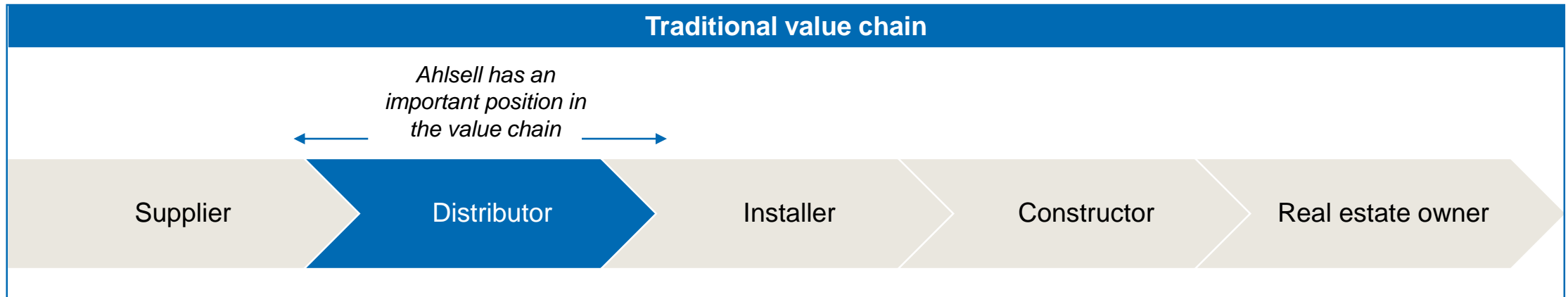
From this...



... to this!



Work-site logistics safeguards and improves market position



Case example: Dalarö

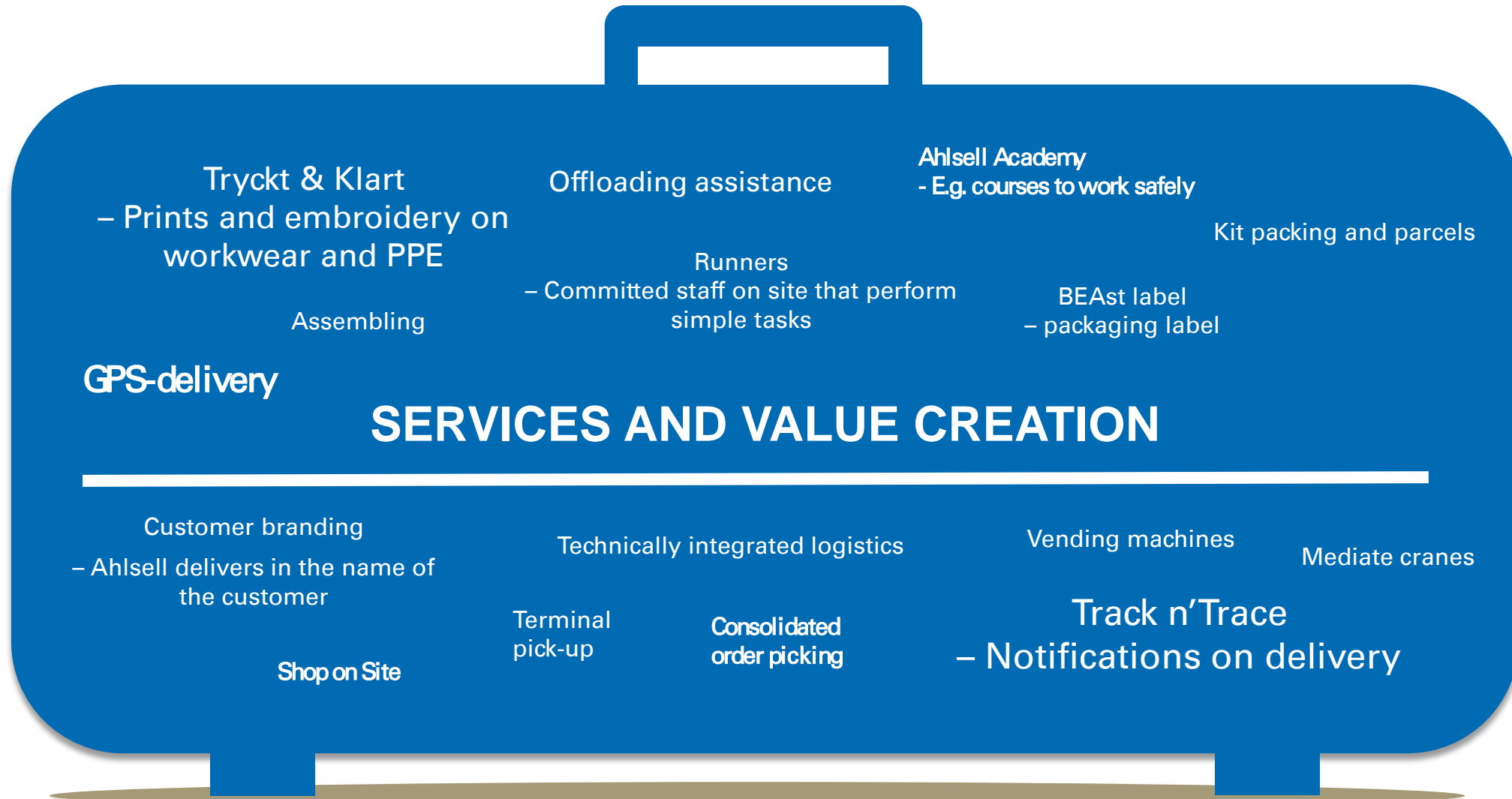
Collaboration with BTH Bygg in the construction of 13 multi-family houses in Dalarö, east of Stockholm

- Small area with limited storage capacity
- Environmental sensitive area (and roads) that cannot handle too much traffic
- Tight time schedule

Full logistic solution provided by Ahlsell



Value-enhancing services to strengthen customer loyalty





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Kennet Göransson

Chief Financial Officer

- Joined Ahlsell as CFO in 2014
- Previously CFO for Indutrade, Addtech and Bergman & Beving
- B.Sc. Business and Economics, Linköping University, Sweden



Resilient and prepared

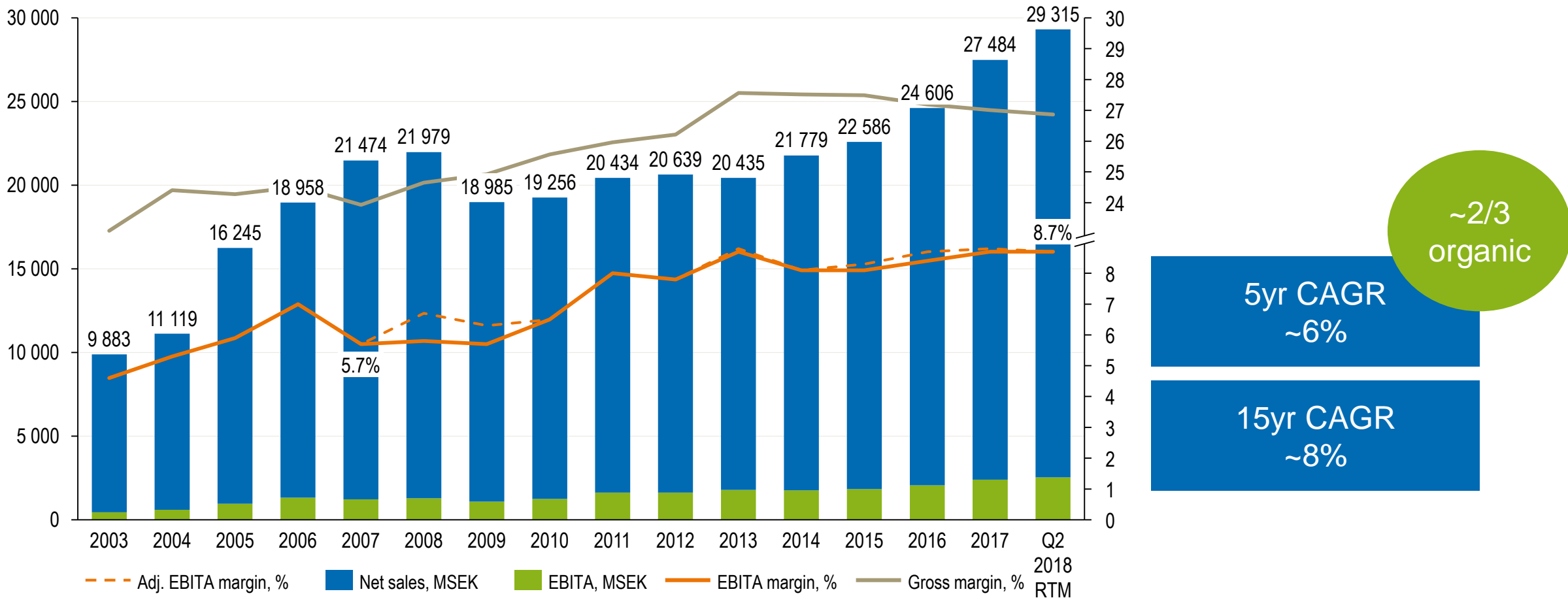
Room to improve from current levels

Committed to financial targets

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Few financial adjustments and “business cycle resilient”

Net sales, EBITA and EBITA margin



Gross margin realisation impacted by a number of factors

Market share and scale

- + National market share in segment
- + Leverage on logistics
- + Local market share in segment
- + Proximity to customer (geographically)

Product mix

- + Tools & Supplies
- + Private label
- + Cross-selling
- + Non-core products
(e.g. infrequent, supplies)

Gross margin
26.9%

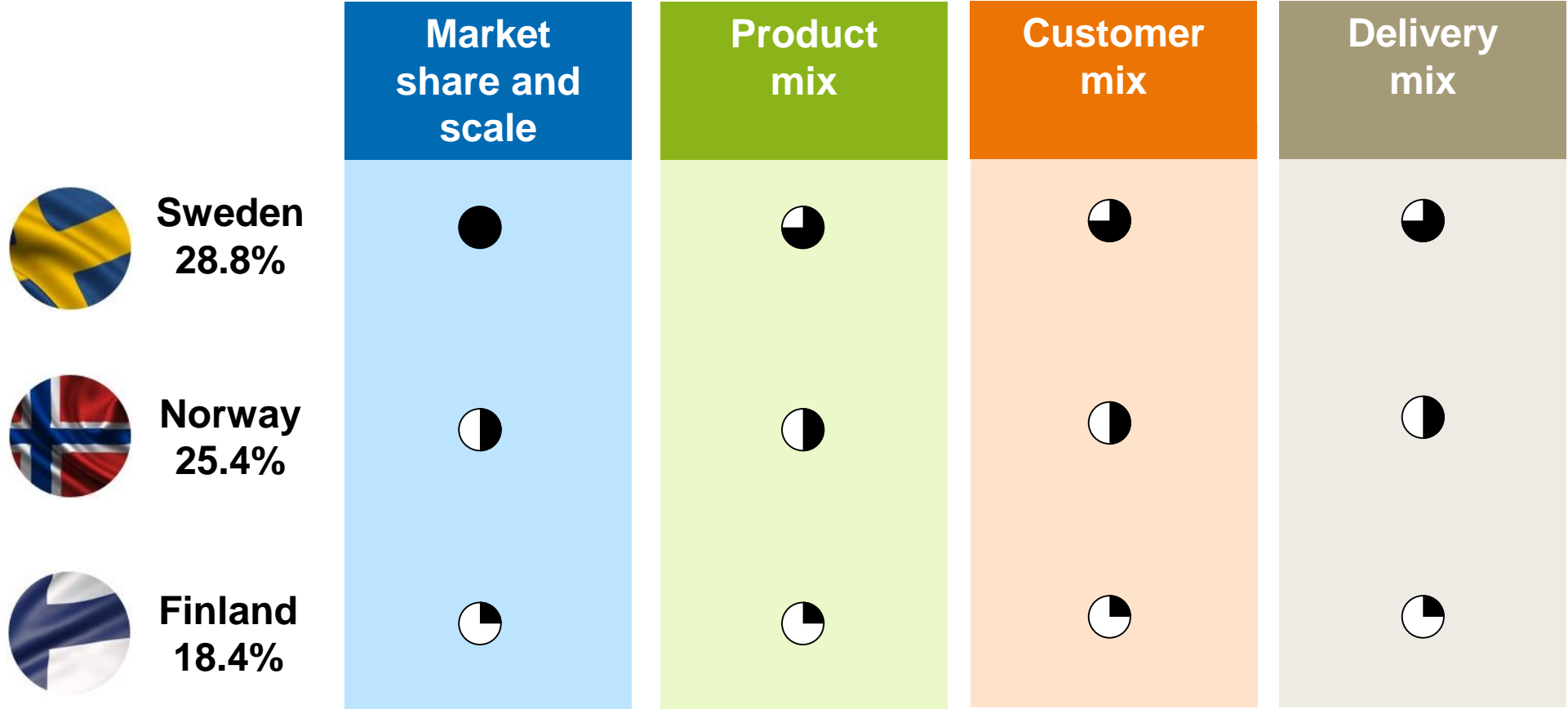
Customer mix

- + Market dynamics
(small vs. large projects)
- + Customer segment
(multi-assortment customers)
- + SME purchasing behaviour
(also in large companies!)

Delivery mix

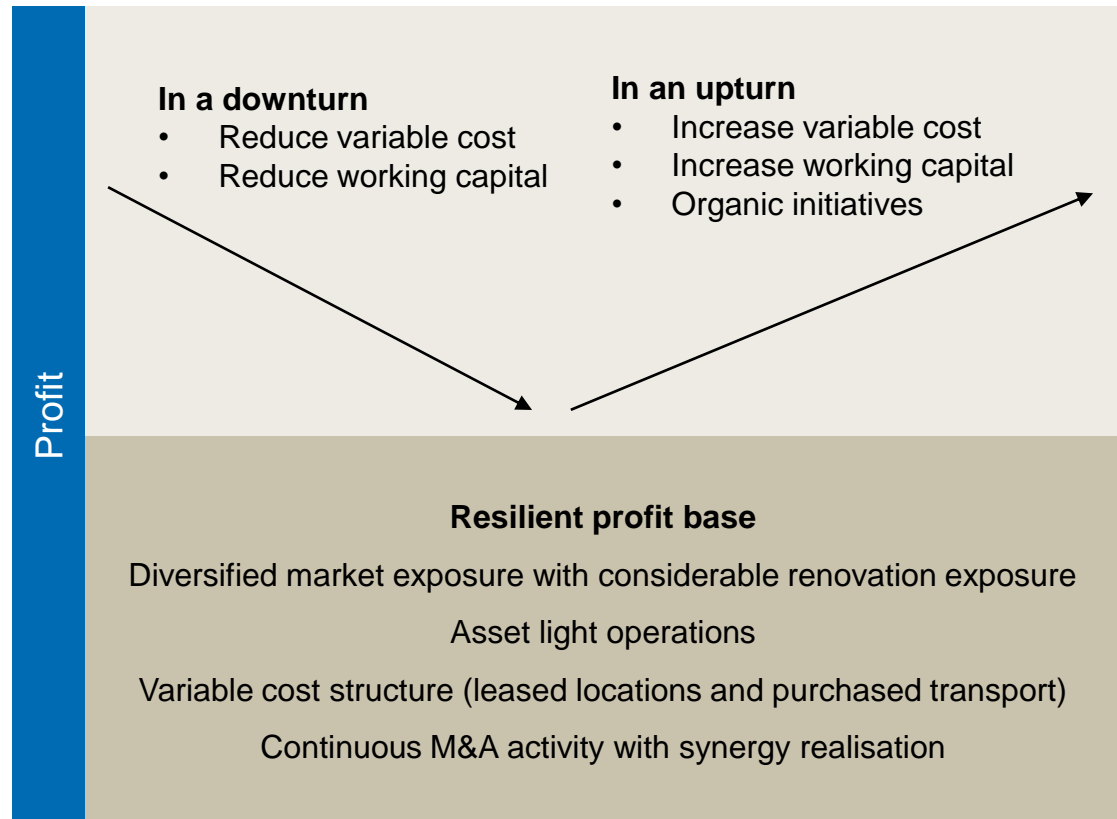
- + Branches higher
(due to cross-selling and private label)
- = Warehouse sales at average gross margin
- Direct lower
(but also lower cost to handle)

Gross margin status per segment

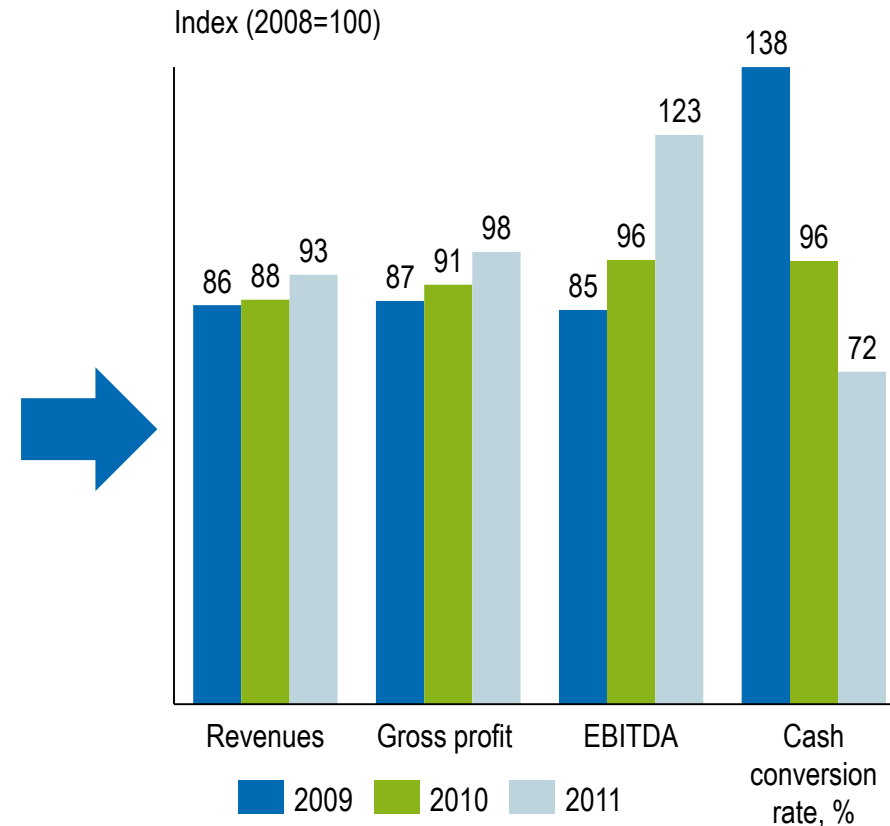


Resilient business model with flexible cost structure

Late cycle, flexible costs



Case example: 2009 financial crisis (group)





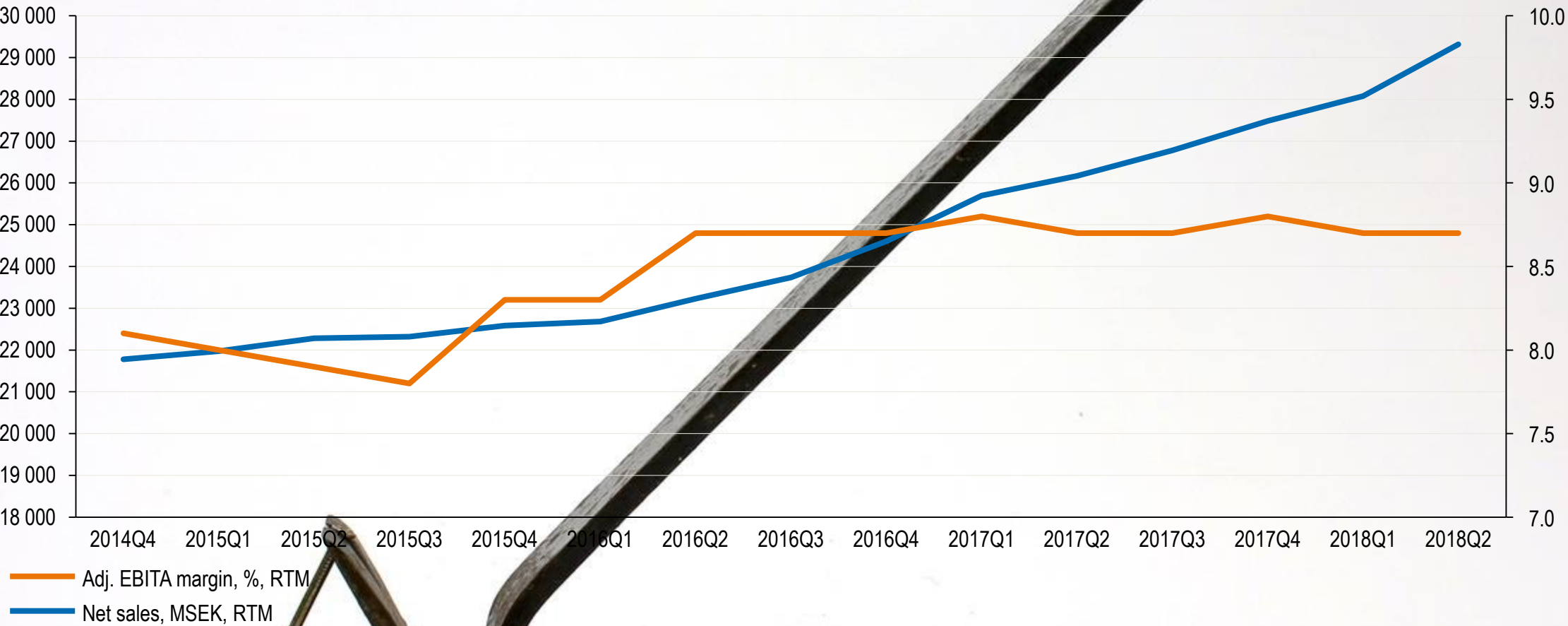
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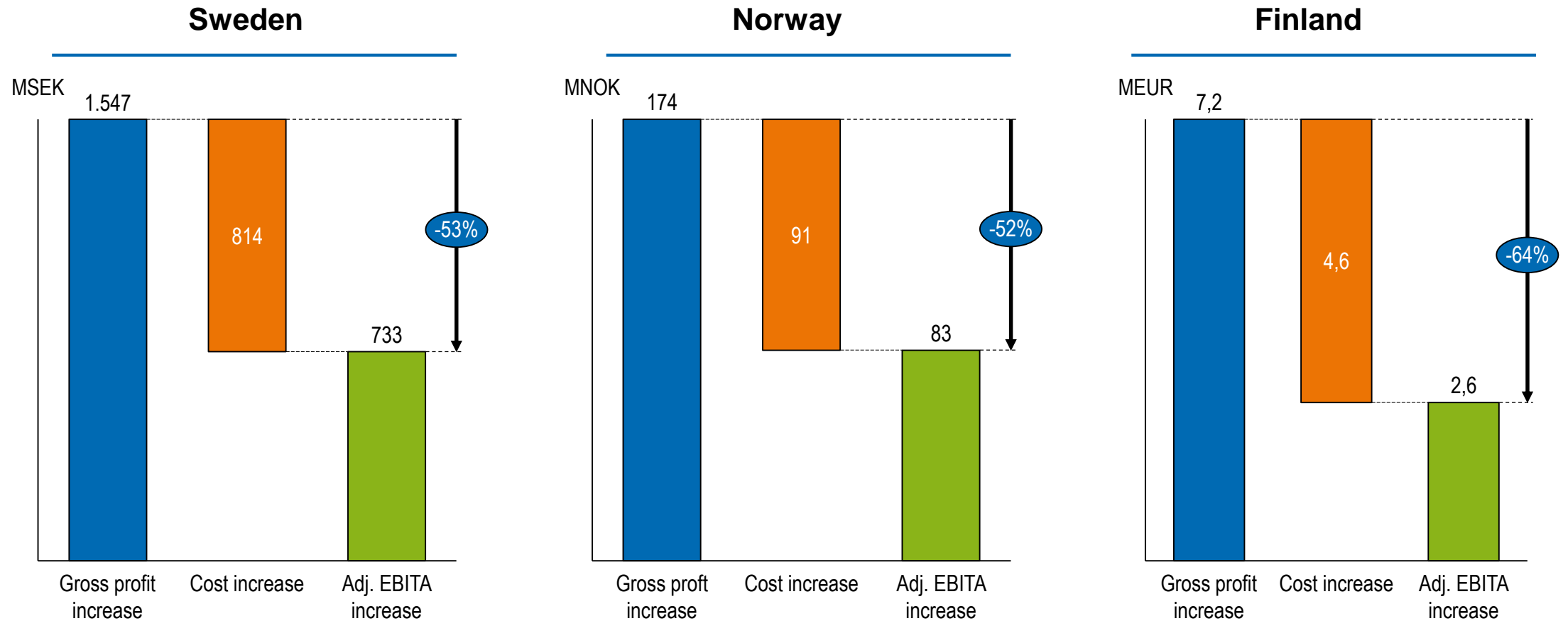
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Operational leverage not clearly visible

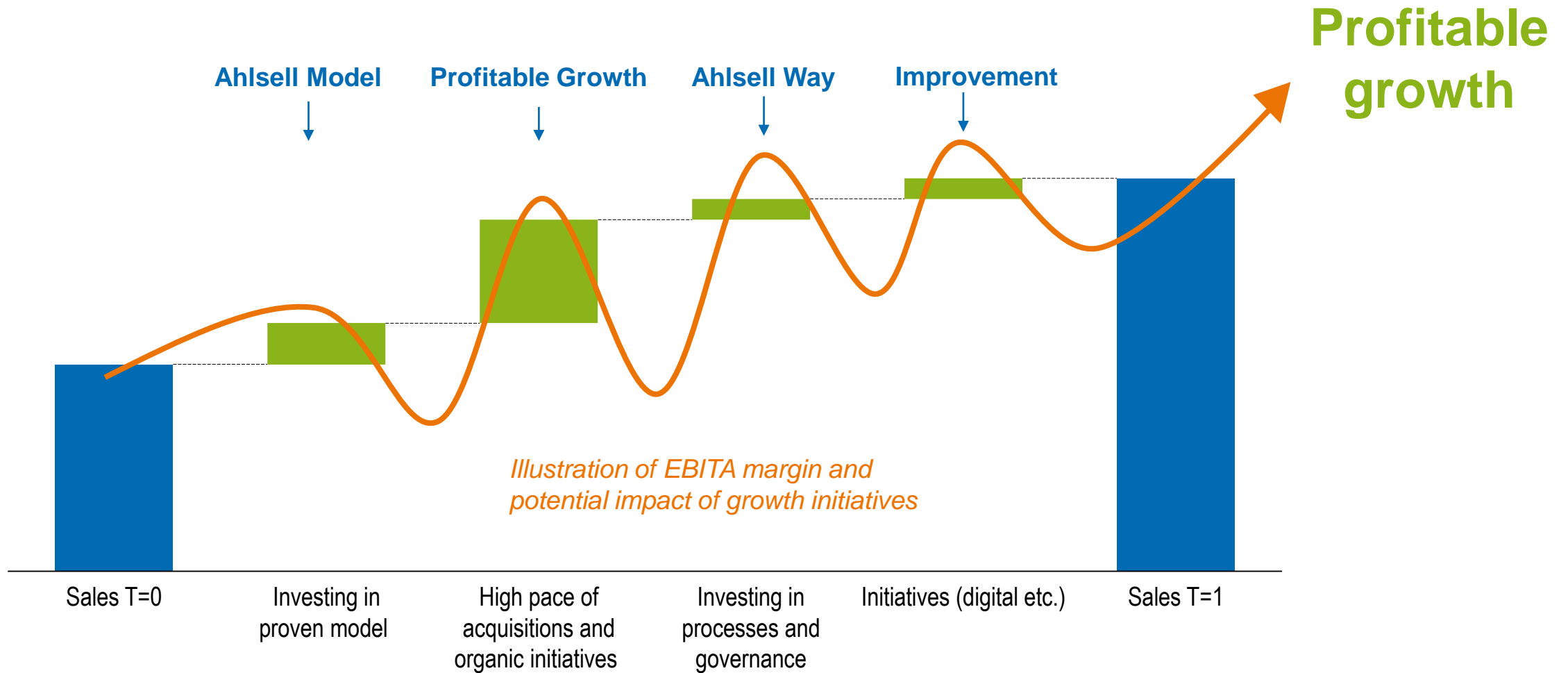


Four rolling quarters

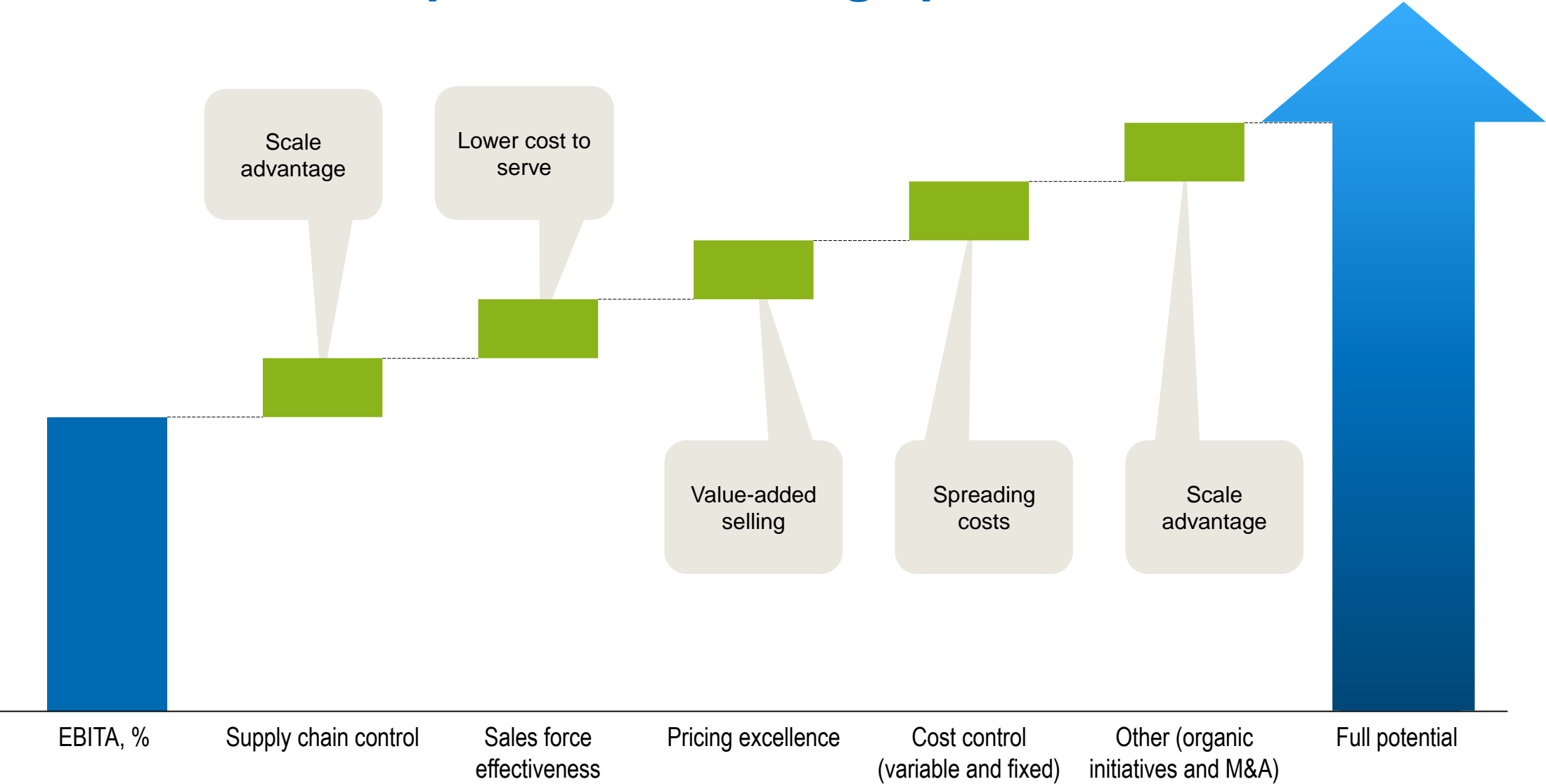
Drop through development is similar in main markets



Growth investments temporarily impacts operational leverage



What drives our operational leverage potential?

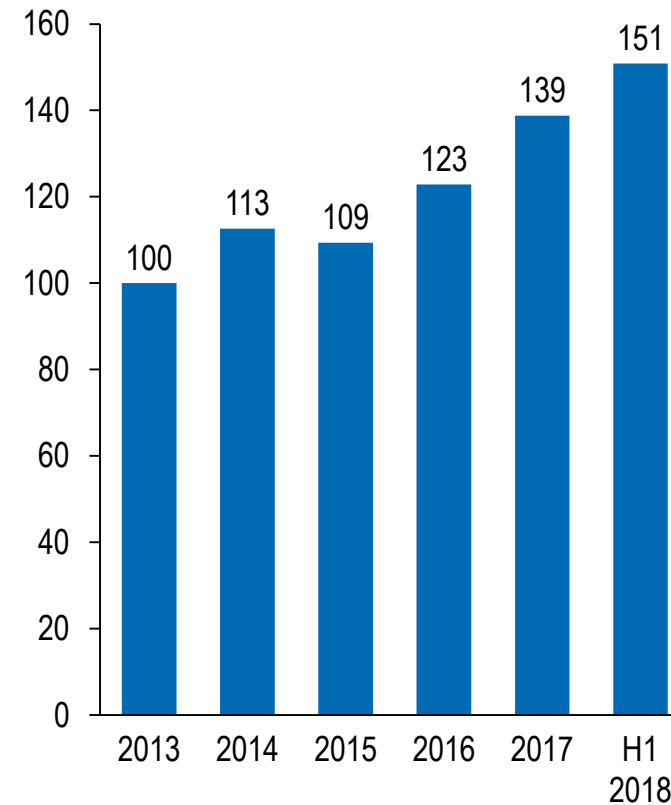


Supply chain control

Examples of KPI's and current trend:

- Increase of private-label sales (absolute) ↑
- Increase of portfolio effectiveness (Gross margin / inventory) →
- Reduction of number of articles with low annual turnover →
- Terms improvement (yearly negotiations) ↑
- Continued assessment of suppliers (sustainability goal) ↑

Private-label sales, index 100 =2013



a-collection

ACTIVEWEAR®

BS
BEKKENSTRØM

FIXK
FASTENING BY AHLSELL

IRONSIDE®
The professionals' choice

KAHIPA
Talotekniikan kannakkeita vuodesta 1987

Sales force effectiveness and pricing excellence

Examples of KPI's and current trend:

- SME targeting
- Frequency pricing
- Sales force efficiency
(Customer visits / external sales rep.)
(Turnover / external sales rep.)



Sales force effectiveness further improved by:

- Sales and Leadership training
- Role descriptions and KPI's
- Coaching and feedback for performance
- Common sales processes
- New CRM and telephone system



Lean with cost control

Increased focus on efficiency measures

Operational expenses

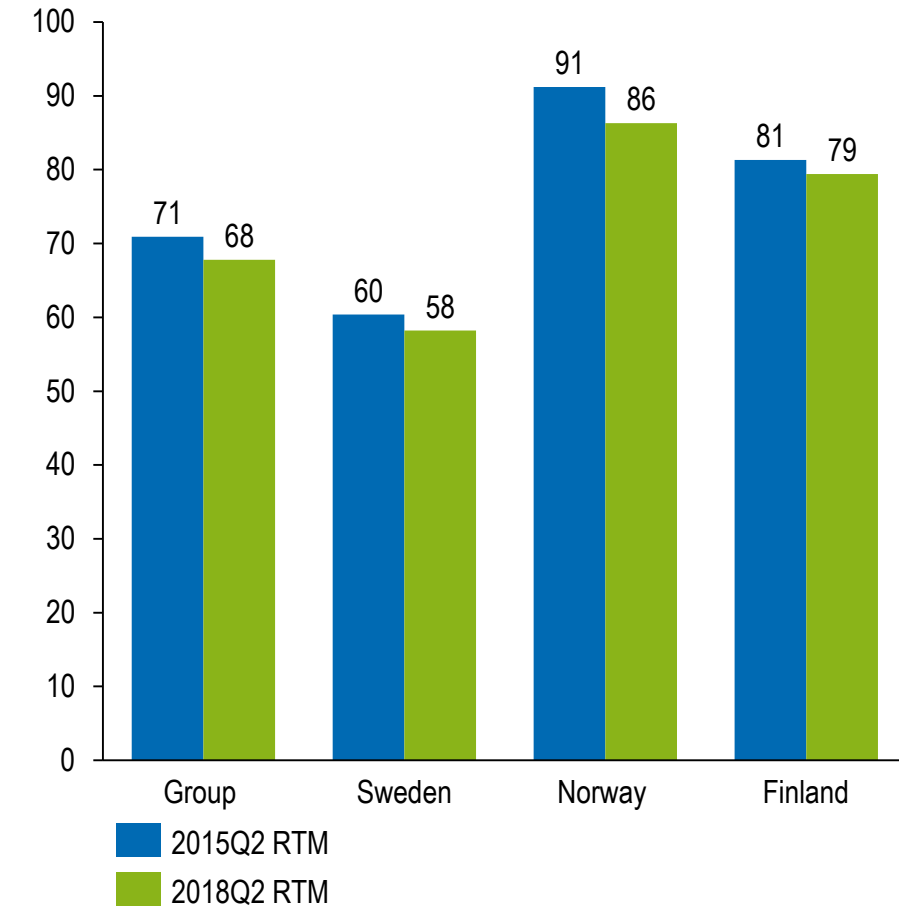
- Sales force efficiency
- Warehousing capacity utilisation
- Benchmarking and follow up
- Harvest synergies from acquisitions
- Cost-saving and efficiency-improving measures

Capital requirements low as we grow further

Capital expenditure

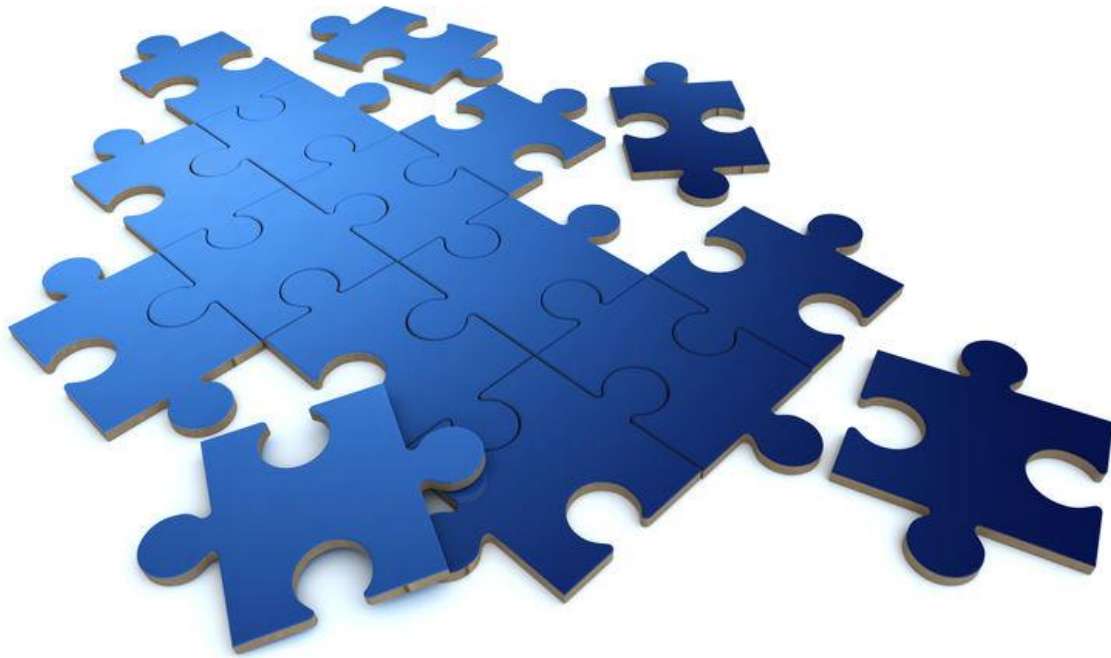
- Continued investments in efficient warehousing
- Already upgraded IT infrastructure
- Asset-light operations

% of gross profit consumed by costs

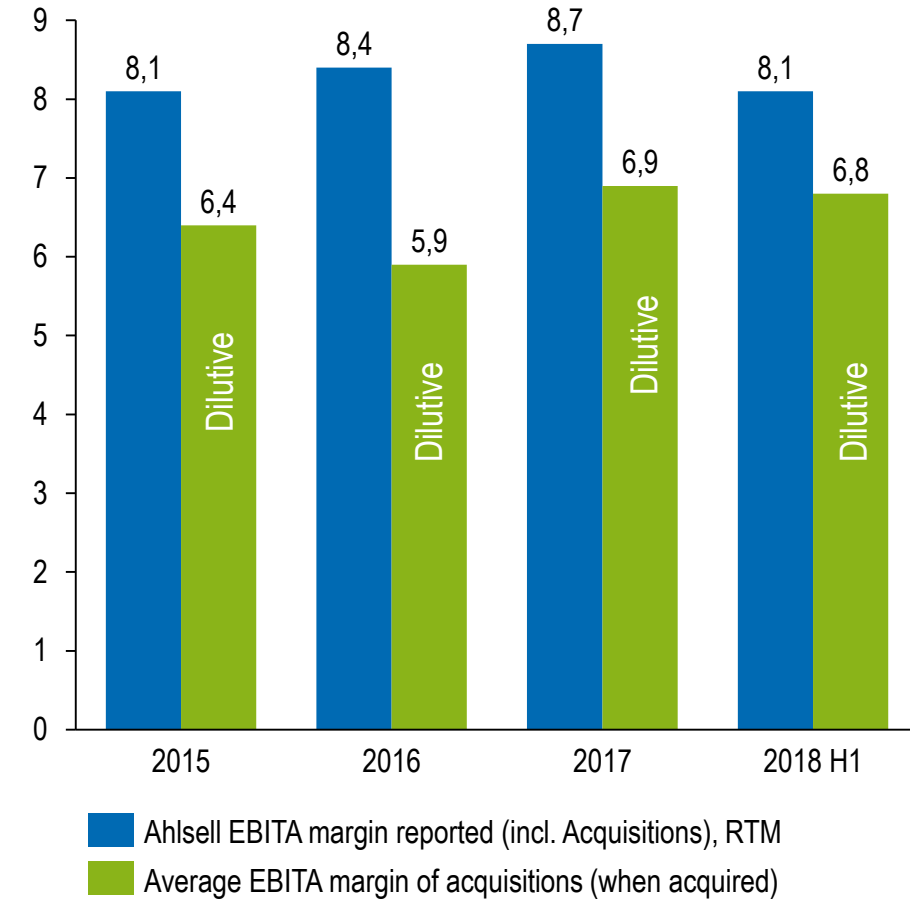


Other – Organic initiatives and M&A

High pace of M&A impacting EBITA margin negatively in the short term



Average EBITA margin on acquisitions





Resilient and prepared

Room to improve from current levels

Committed to financial targets

ahlsell

IFRS 16 and its impact on Ahlsell's financial reporting

What is IFRS 16?

IFRS 16 will primarily affect lessees, and the main effect is that all leases currently accounted for as operating leases are to be accounted for as finance leases.

When does it come into effect?

As of 1 January 2019. Ahlsell figures for 2018 will not be recalculated.

How will Ahlsell implement IFRS 16?

Adjustments relating to IFRS 16 will only be made on group level. Segment reporting will be based on the same principles as today.

Estimated impact of IFRS 16

| | |
|------------------------|------------------------|
| Gross margin | +0,3 percentage points |
| EBITDA margin | +2,0 percentage points |
| EBITA margin | +0,3 percentage points |
| EBIT margin | +0,3 percentage points |
| EPS | Marginal impact |
| Leverage | +0,3x |
| Balance sheet | + BSEK 2,4 |
| Equity/Assets ratio, % | -3 percentage points |

Cash conversion target unchanged

Negative inventory effect due to strong sales growth and growth initiatives (mainly in 2017)

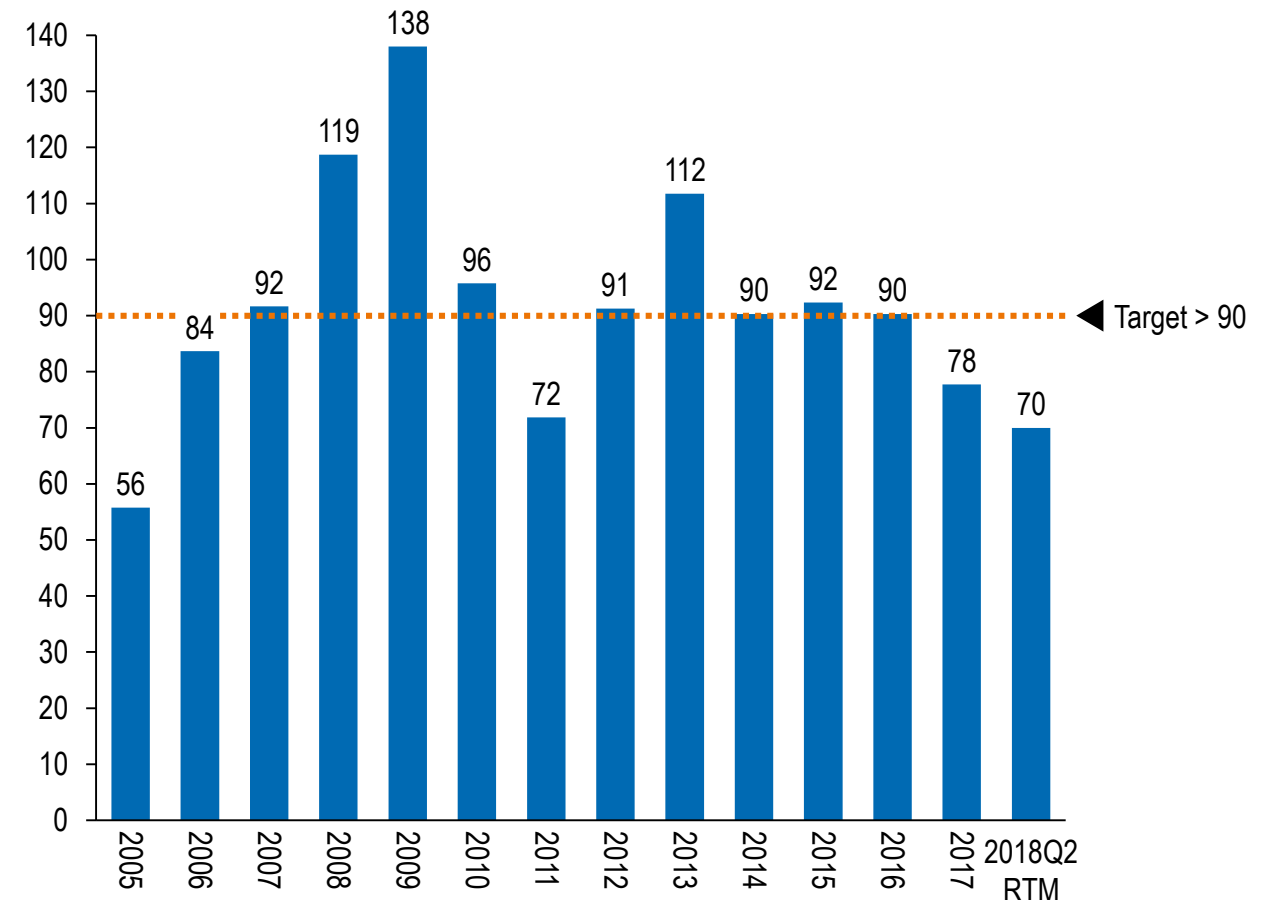
- Securing deliveries in a strong growth environment
- Branch expansion
- Private label expansion
- Strategic purchases
- Underperformance in some areas (e.g. forecasting errors due to cold winter)

Negative receivables effect (mainly in Q2 2018)

- Strong (accelerating) growth environment
- Calendar effect in connection with closing of period

Payables at good level

Cash conversion (Operating cash flow / EBITDA)

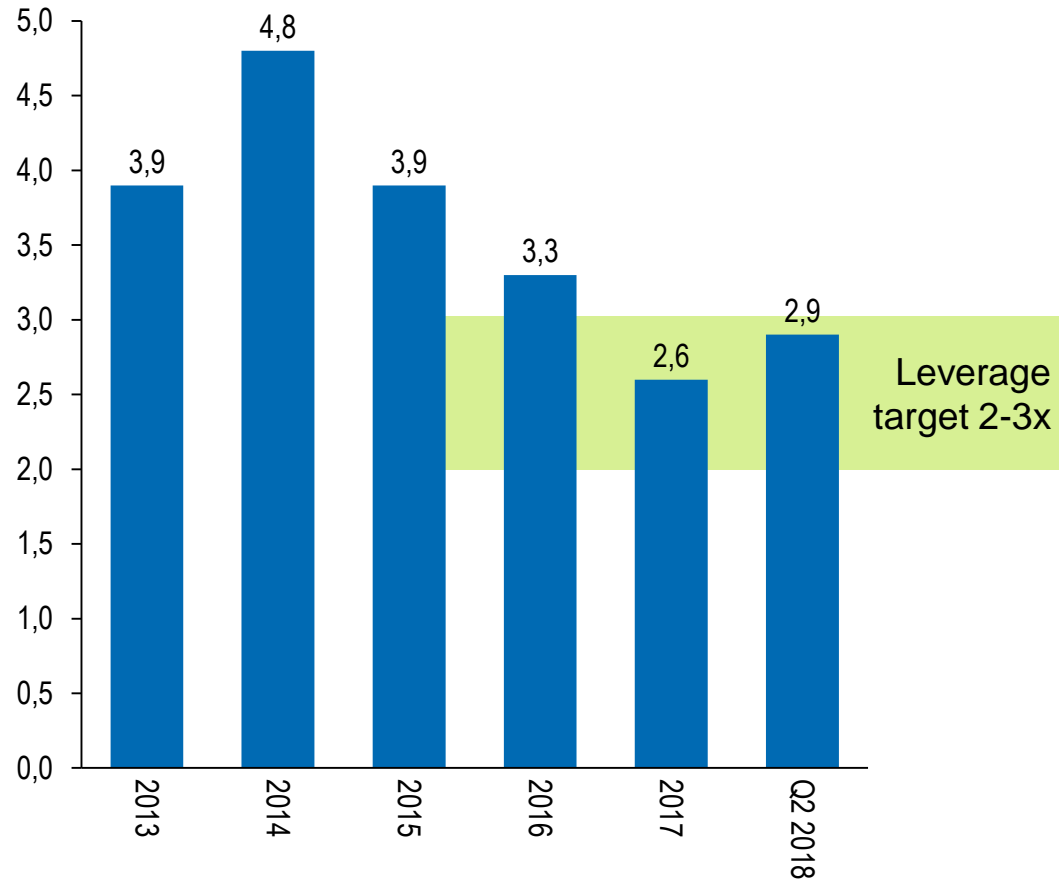


Calculation: From 2019 onwards, the cash conversion calculation will use an EBITDA which is adjusted for IFRS16 impact. I.e. calculated in the same way as of today.

Leverage target unchanged

Proven deleveraging capacity

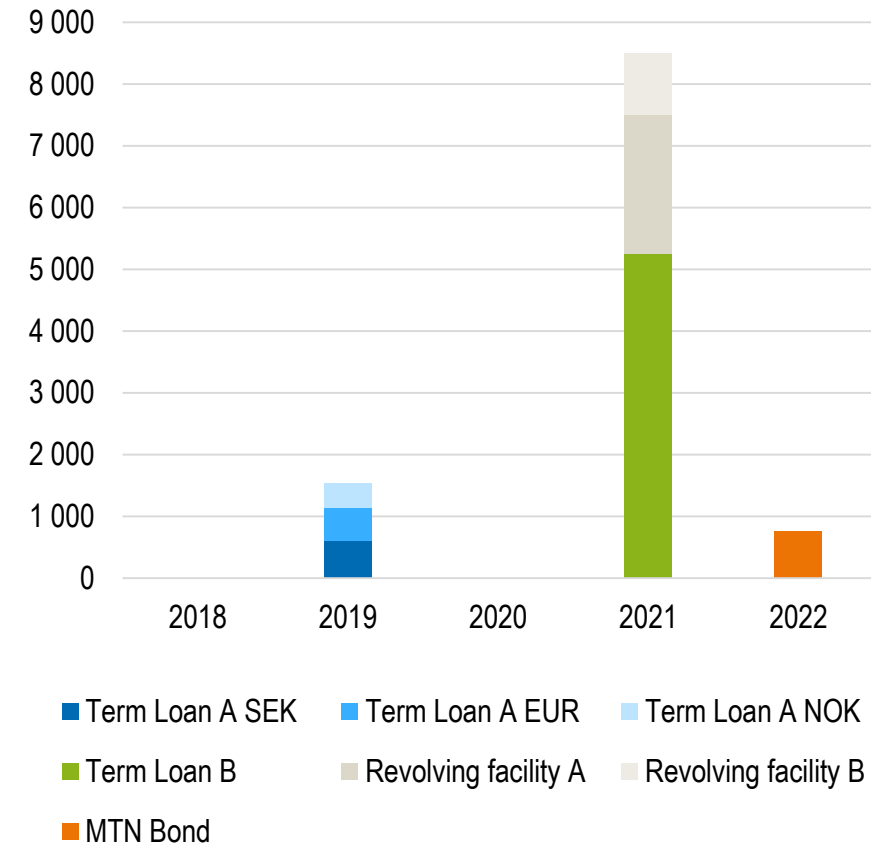
Leverage (Net debt/EBITDA)



Long term financing in place

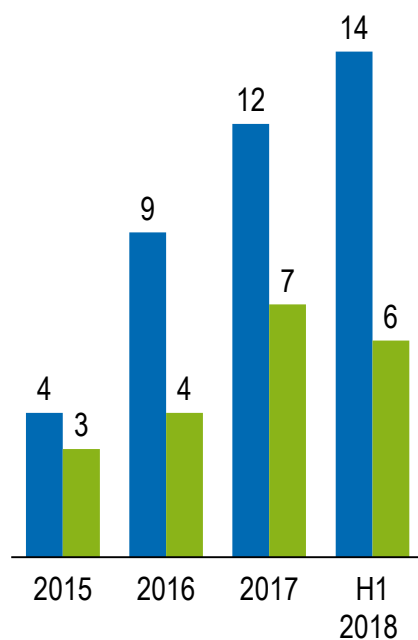
Maturity profile

Of total 10 783 MSEK, 3 229 MSEK are unutilised



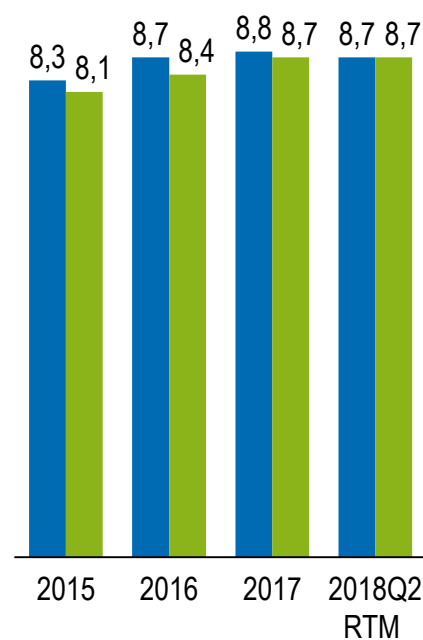
Financial targets and outcome

Total sales growth
+2-3% above market



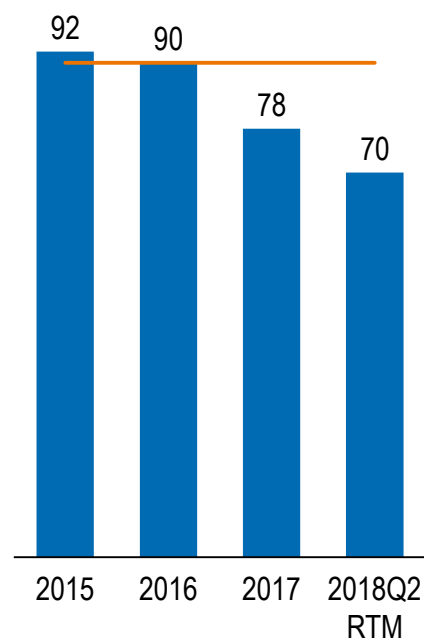
Ahlsell sales growth, %
Market growth, %

Adj. EBITA margin
Continuous increase



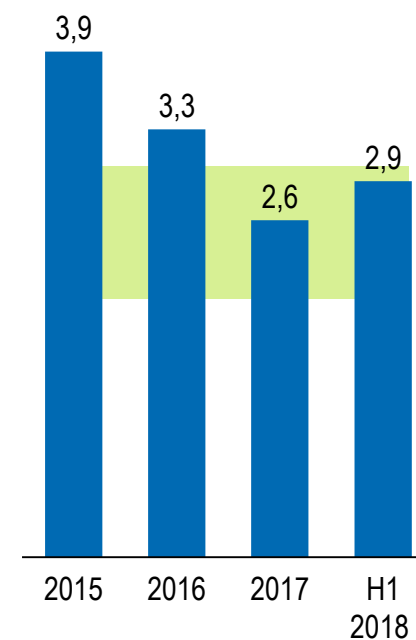
Adj. EBITA margin, %
EBITA margin, %

Cash conversion rate*
Above 90% over time



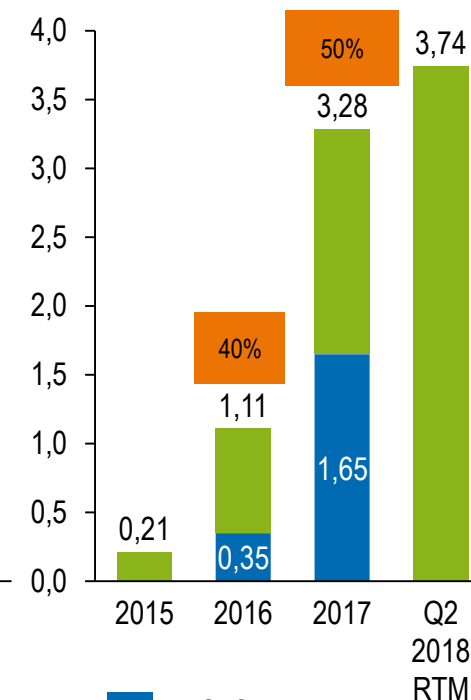
Cash conversion rate, RTM, %
Target, %

Leverage**
2-3x



Net debt ratio, RTM
Target

Pay out ratio
40-60% of net profit



DPS, SEK
EPS, SEK, RTM



Resilient and prepared

Room to improve from current levels

Committed to financial targets

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Mikael Falk

Head of M&A

- Joined Ahlsell in 2007. Appointed Sales Director Sweden in 2008 and appointed Head of M&A in 2016
- Previously Sales Director Ahlsell Sweden, CEO Comfort and CEO Onninen AB
- Officer's degree, Swedish Defence University



M&A is in our DNA

Some examples

M&A onwards

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>500 MSEK in average turnover acquired p.a. last 10 years

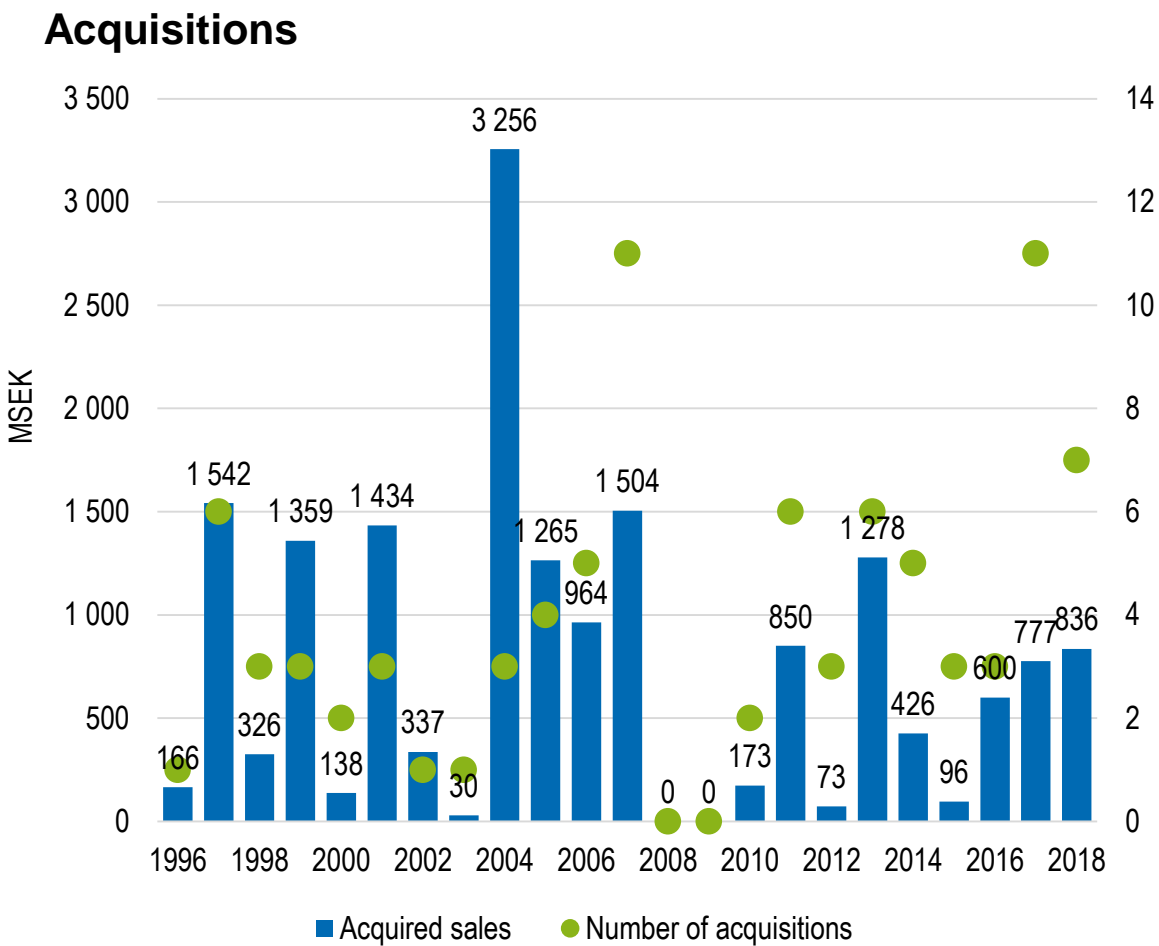
46

acquisitions in the last ten years



89

since 1996



2017: 11 acquisitions totalling 780 MSEK in turnover



2018: 7 acquisitions... and more to come!

~Annual revenues



proffs
magasinet

HMK
YRKESKLÄDER

BYGG & INDUSTRI
PARTNER

Swedish
acquisitions YTD:
MSEK 306



BS
BEKKENSTRØM

SMV
GRUPPEN

BYGG & INDUSTRIALG

Norwegian
acquisitions YTD:
MSEK 495



KAHIPA
Talotekniikan kannakkeita vuodesta 1987

Finnish
acquisitions YTD:
MSEK 35

Acquired revenues for Ahlsell Group YTD: **MSEK 836**



M&A is in our DNA

Some examples

M&A onwards

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Example: Add on Hjelmbergs

Hjelmbergs



Hjelmbergs (nowadays Ahlsell) is a distributor towards professional customers in Karlshamn, south of Sweden. It has a strong position within tools and supplies – both with well-known brands and private label.

Acquired

2014 with revenues ~55 MSEK and 22 employees.

Rationale

To strengthen position of the Ahlsell brand in the region whilst broadening the product range to attract more customers.

Pre-valuation
EV/EBITA 7,9

Post-valuation
EV/EBITA 2,2

Strategy

Increase level of cross-sales, private label and increase sales efficiency – in accordance with the Ahlsell strategy.

Example: Increasing presence



Prevex is a specialized wholesaler with a strong market position in Gothenburg and Malmö, south of Sweden.

Acquired

2016 with revenues ~350 MSEK and 102 employees.

Rationale

To strengthen position in tools & personal protective equipment (PPE) in a geographical area with strong growth.

Pre-valuation
EV/EBITA 9,0

Post-valuation
EV/EBITA 5,8

Strategy

Expand the number of units in strategic locations and offer high service and accessibility to customers.

Example: Broadening product offering



HauCon is a leading supplier of specialty products and technical know-how for construction fastening.

Acquired

2014 with revenues ~148 MSEK and 20 employees.

Rationale

Strengthening position and offering in Sweden while generating synergies in sales, customer base and logistics. Adding products for the early stages of construction projects.

Strategy

Gain lead position towards customers by providing a product assortment that is used already in the beginning of the construction projects.

Pre-valuation

EV/EBITA:

6,4

Post-valuation

EV/EBITA:

3,8

Example: Extending customer portfolio



Pre-valuation
EV/EBITA: 6,9

Post-valuation
To be evaluated

Viacon supplies several major infrastructure customers with products within water and sewage, such as pipes, pumps, dwells, manholes, valves and fittings.

Acquired

2017 with revenues ~320 MSEK and 81 employees.

Rationale

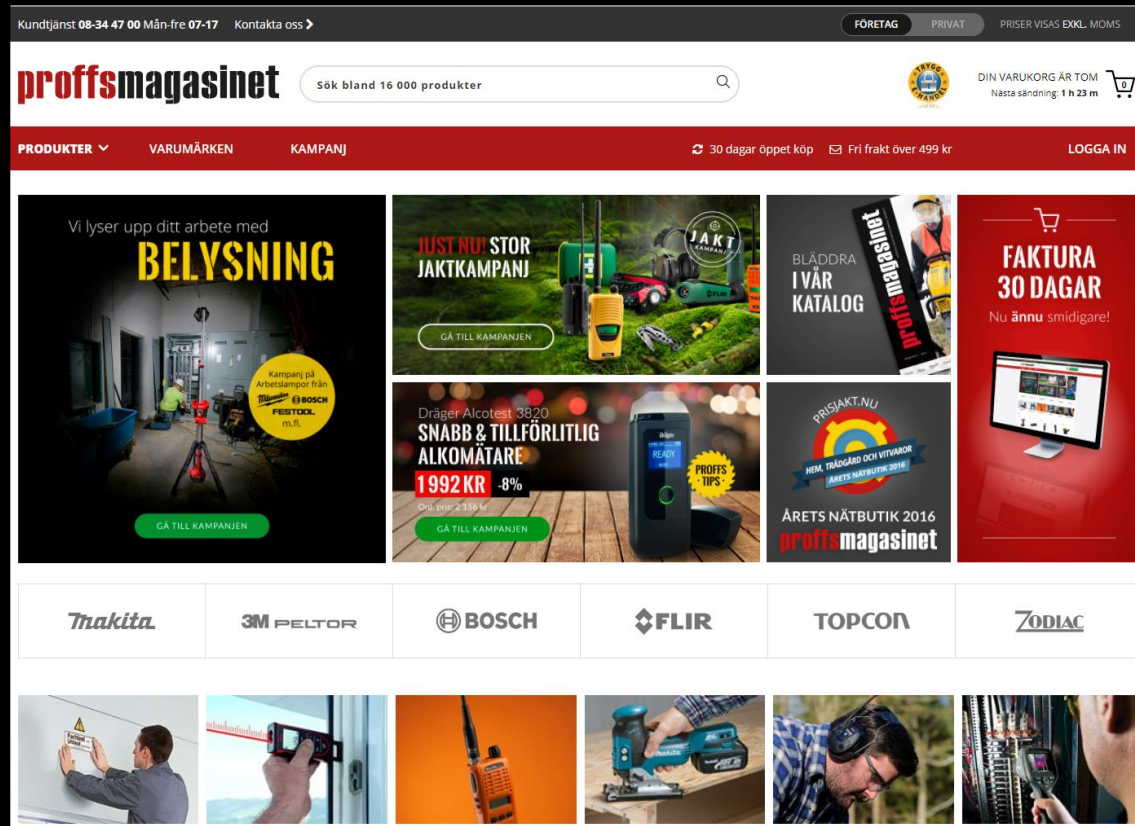
Valuable expertise in Water & Sewage operations. Strengthens initiatives to attractive customer segments.

Strategy

Strengthen position in HVAC further. Restructuring started in Q3 with full effect as of beginning of 2019.

Example: Key strategic move

proffs
magasinet



100% online business directed towards professionals

17 000 articles upon acquisition

- Strong correlation between amount of products and increased sales
- Ahlsell can provide better sourcing and more products

30-40% growth p.a

- Achieved by attractive sales channel, analytics and targeting
- Ahlsell will gain full insight and apply superior digital knowledge on current Ahlsell channel



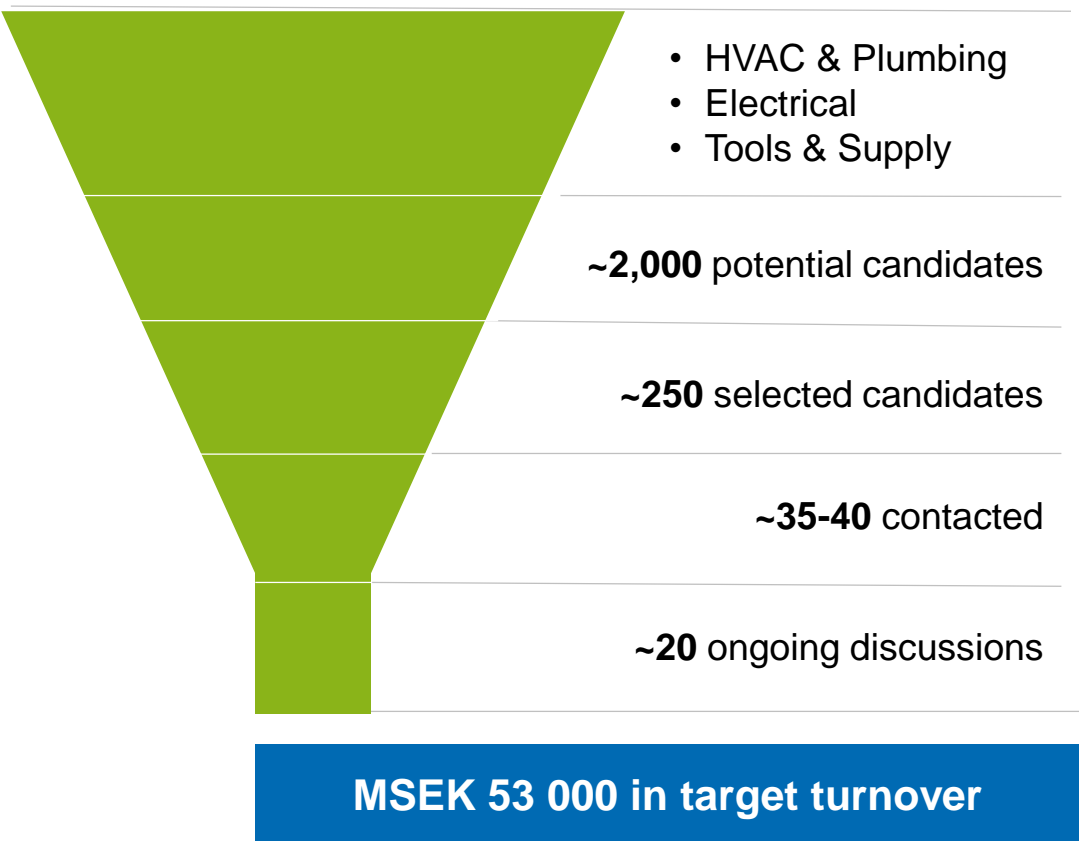
M&A is in our DNA

Some examples

M&A onwards

ahlsell

Current pipeline stronger than ever



” Strong reputation, experienced team and a structured process enables a steady flow of opportunities

M&A targets of varying size in pipeline corresponding to:



19 000



10 000



13 000



11 000

MSEK of sales

Ahlsell has a clear competitive advantage in M&A

| Ahlsell | | Target |
|--------------------------------|--|-------------------------|
| Strong reputation and presence | Smooth transactions and able to pay cash | Join a winning team |
| Best synergies and integration | Selective choices according to strategy | Chances to grow further |

Proven M&A strategy and strong track-record of integration

| Pre valuation | Due diligence | Integration | Timing | Synergy | Post valuation |
|--|--|--|---|--|---|
| <p>~4-5% EBITA margin</p> <p>~7-8 EV/EBITA valuation</p> | <p>Thorough process</p> <p>—</p> <p>including sustainability metrics</p> | <p>Purchasing</p> <p>Administration</p> <p>Logistics</p> <p>Working capital</p> <p>Sales</p> | <p>Almost immediate ~5-10% of sales</p> <p>~3 months</p> <p>3-6 months</p> <p>3-6 months</p> <p>~3 months</p> | <p>Cost reduction: ~20-40% of costs</p> <p>~30% of working capital</p> <p>Additional cross-selling</p> | <p>EBITA margin in line with Group</p> <p>~3-4 EV/EBITA valuation</p> |



M&A is in our DNA

Some examples

M&A onwards

ahlsell





Claes Seldeby

Head of Operations Sweden

- Joined Ahlsell in 2016 as Head of Operations Sweden
- Previously President and CEO at FM Mattsson Mora Group and CEO Schneider Electric Sweden
- M. Sc. Business and Economics in Lund University, Sweden



Ahlsell Sweden at a glance

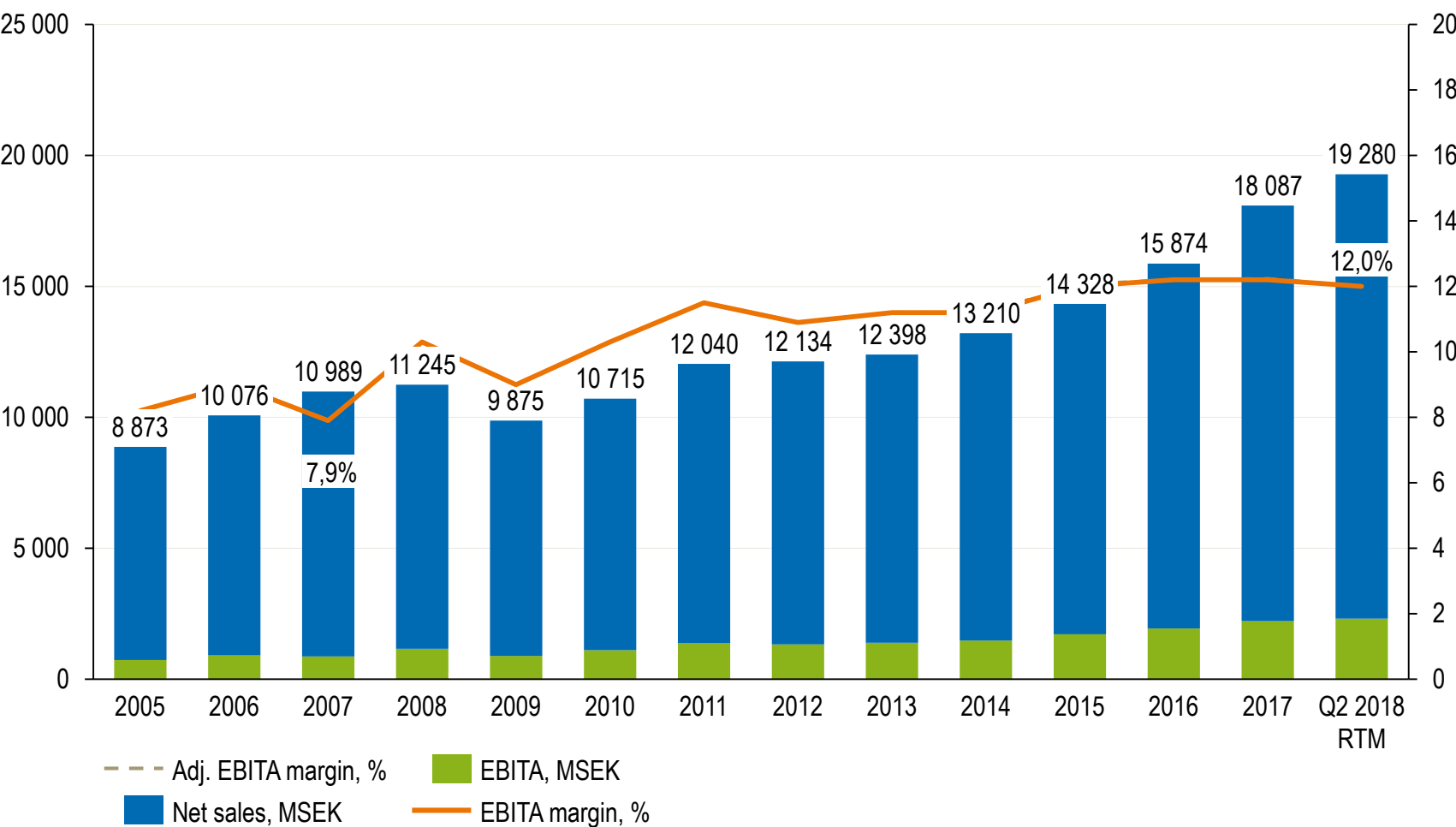
Sweden is a good place to be

Strong platform to deliver further profitable growth

ahlsell

Long track record of profitable growth

Net sales, EBITA and EBITA margin

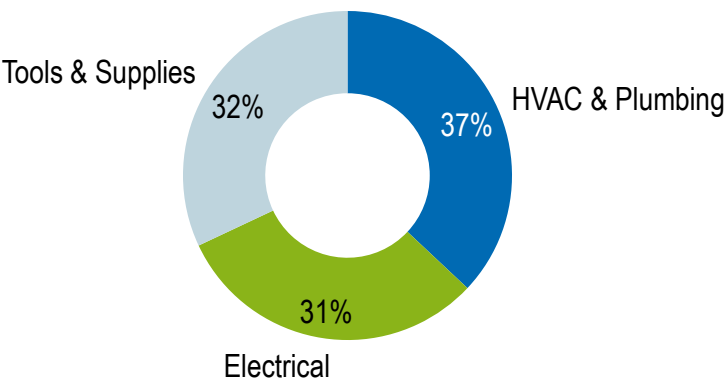


5yr CAGR
~8%

~2/3
organic

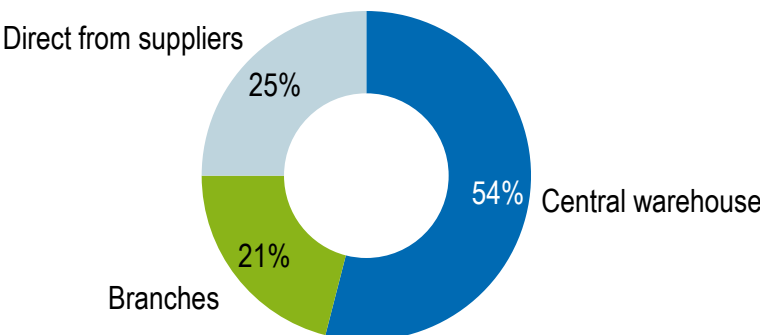
Sweden at a glance

Sales in % per product segment, RTM

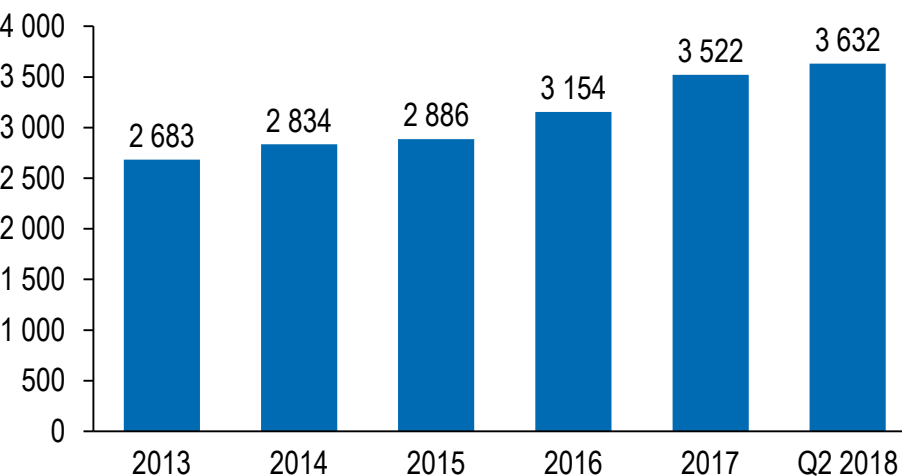


E-commerce
30%
of sales

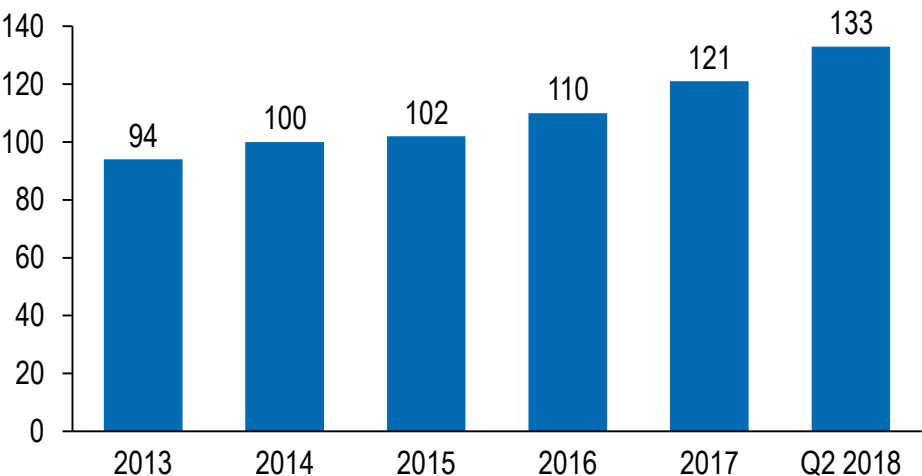
Distribution form in % of sales, RTM



Employees, FTE, end of period



Branches, end of period



RTM = Rolling twelve months

Success starts with our people



Motivation-index
74

Loyalty-index
82

Sound values

Accountability Openness Simplicity

We are continuously investing in leadership training and product competence

Strongest brand in the market

ahlsell

| Spontaneous brand awareness | | | | | |
|-----------------------------|--------------------|---------------|---------------|---------------|--------------|
| Electricity | Heating & Plumbing | Facility Mgmt | Sewage, infra | Industry | Construction |
| #1 | #1 | #1 | #1 | #1 | #5 |
| Trustful | Well-recognised | Safe | Structured | Authoritarian | |

Brand awareness study made in spring 2018 with more than 1000 respondents.

High customer satisfaction

Customer
Satisfaction
Index

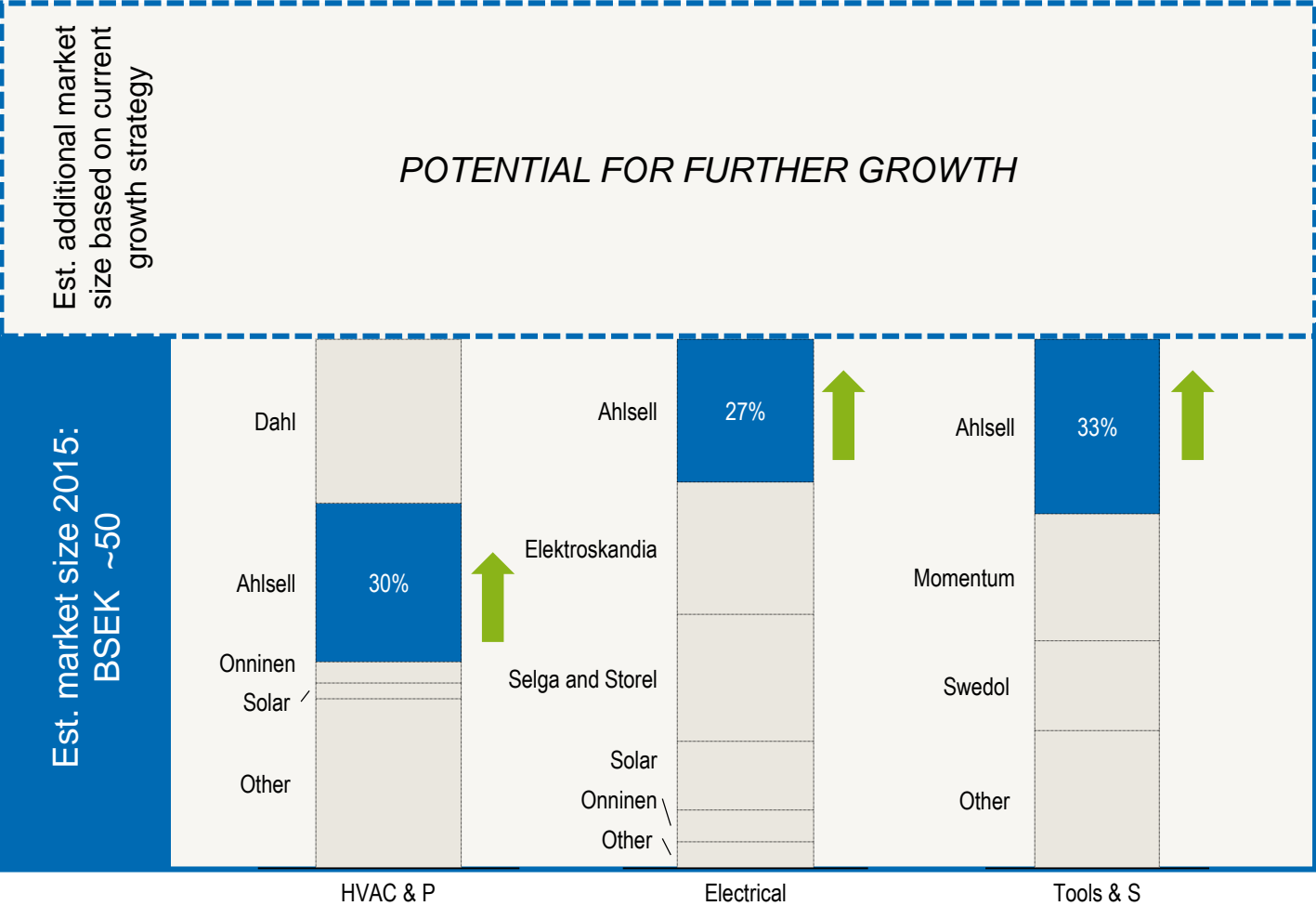
82



Net
Promoter
Score

40

Ahlsell is the overall market leader in Sweden



Ahlsell is the only B2B-distributor with a strong offering within three product segments

| Company | HVAC & P | Electrical | T&S |
|------------------|----------|------------|-----|
| Ahlsell | ✓ | ✓ | ✓ |
| Dahl | ✓ | | |
| Onninen | ✓ | ✓ | |
| Solar | ✓ | ✓ | |
| Elektroskandia | | ✓ | |
| Selga and Storel | | ✓ | |
| Momentum | | | ✓ |
| Swedol | | | ✓ |

Ahlsell Sweden at a glance

Sweden is a good place to be

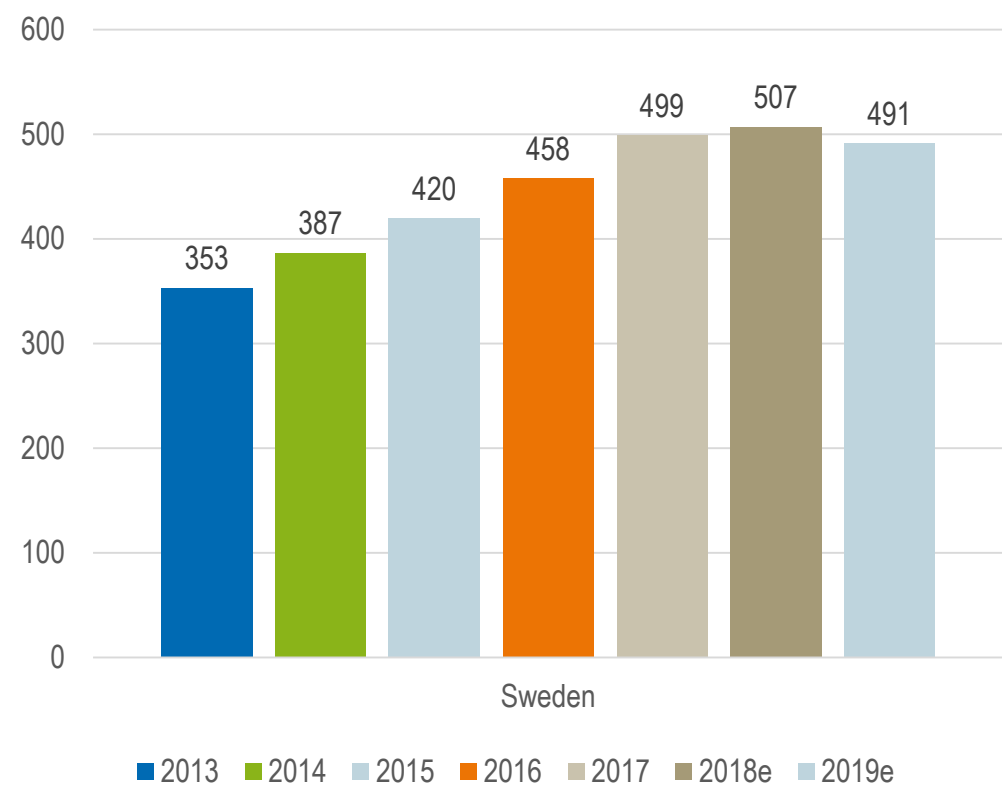
Strong platform to deliver further profitable growth

ahlsell

Forecast slowdown in the construction investments from 2019

Total construction investments

Infrastructure, residential and commercial, BSEK



Is there a reason to worry about anticipated slowdown?





The Swedish business is well diversified

| New construction | | Renovation | | Industrial Production | Infrastructure |
|------------------|-----------------|------------------|-----------------|--------------------------|------------------|
| Residential | Non-residential | Residential | Non-residential | | |
| ~20% of Sales | | ~35% of Sales | | ~30% of Sales | ~15% of Sales |

Demand looks promising in most markets looking forward...

Renovation is less cyclical and outlook remains strong

Some ~300,000 apartments are in acute need of renovation
(of a total 2,6 million apartments in multi-family houses).

The government's long-term goal of zero GHG emissions in 2050 requires energy efficiency renovations

Outlook for industrial activity and investments remains strong

Continued expansionary development in the manufacturing industry with a **PMI of 57.4**
(60.3 in previous year)

Infrastructure spend expected to continue driven by underlying need

Population growth adds to an already existing investment overhang in roads, power, transmission, and water and sewage systems

Examples:

- *Water and sewage systems: Technical life ~80-100 years. Current replacement cycle is 260 years**
- *Huge infrastructure projects expected to start in coming years*

...And we remain optimistic on new construction in the long term

Fundamental drivers remain in place for long term growth in new construction

Increasing need for new homes

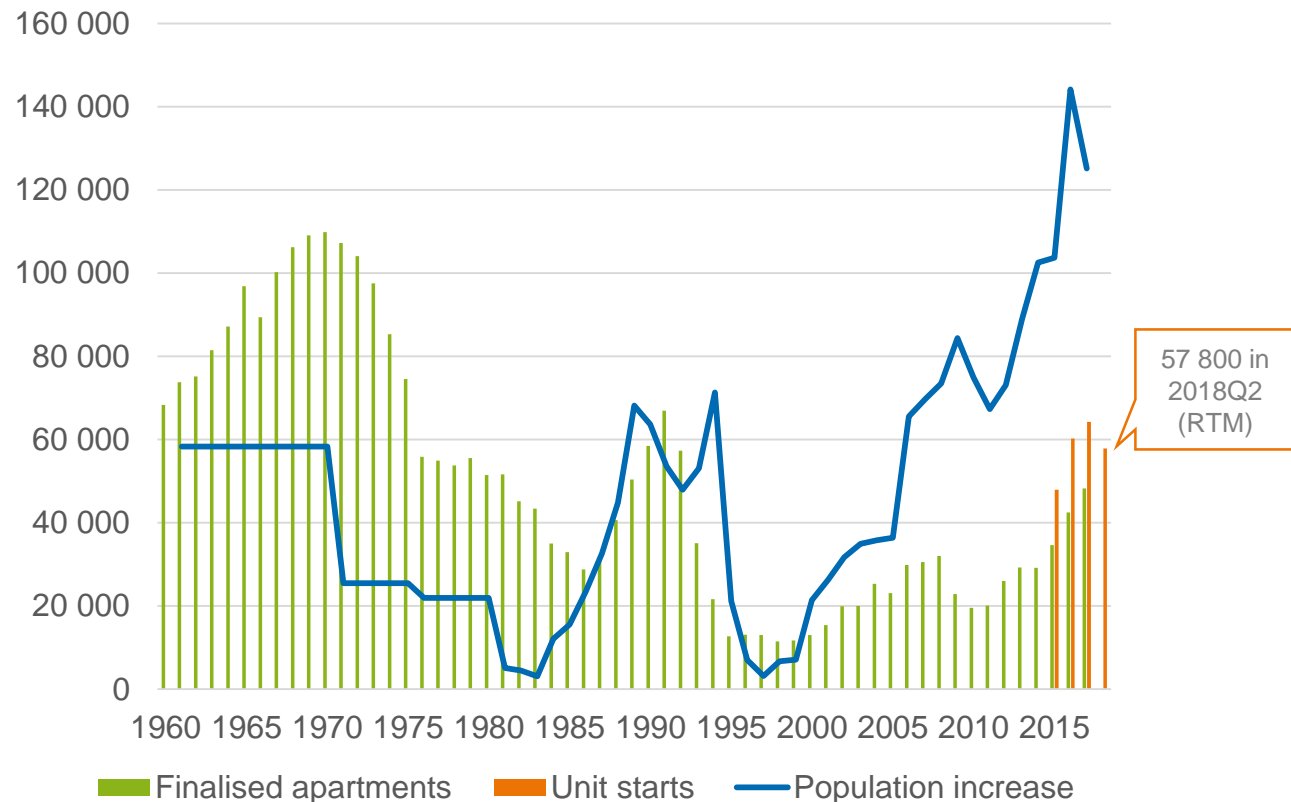
- Around 93 000 new homes needed until 2020 to cover underlying need (67 000 p.a. until 2025)
- Urbanisation continuing with significant urban migration to cities and suburbs expected to 2025
- Social housing and rental apartments will be key drivers in the coming years

Large public investment need to accommodate migration and urbanisation

- Schools, hospitals, nurseries, elderly homes, etc.

Commercial investment level expected to remain high

Population increase, finalised housing units and unit starts





Ahlsell Sweden at a glance

Sweden is a good place to be

Strong platform to deliver further profitable growth

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Swedish management priorities

| | | |
|---------------------------------------|--|---------------------------------|
| Invest in initiatives... | <ul style="list-style-type: none"> ▪ Added-value services (e.g work-site logistics) ▪ Private labels and sustainability | ... to be the innovation leader |
| Acquire... | <ul style="list-style-type: none"> ▪ Integrate acquisitions and realise synergies ▪ Further acquisitions | ... to maximise synergies |
| Invest in processes and governance... | <ul style="list-style-type: none"> ▪ Improve cost efficiency ▪ Competence development in leadership and sales ▪ Expansion and modernisation of central warehouse in Hallsberg | ... to increase efficiency |
| Further invest in proven model... | <ul style="list-style-type: none"> ▪ Invest in multi-channel customer interface with goal to boost sales in all sales channels ▪ Increase cross-sales | ... to meet future demand |

Strengthen our unique multichannel by being innovation leader

Pioneering new concepts with our customers

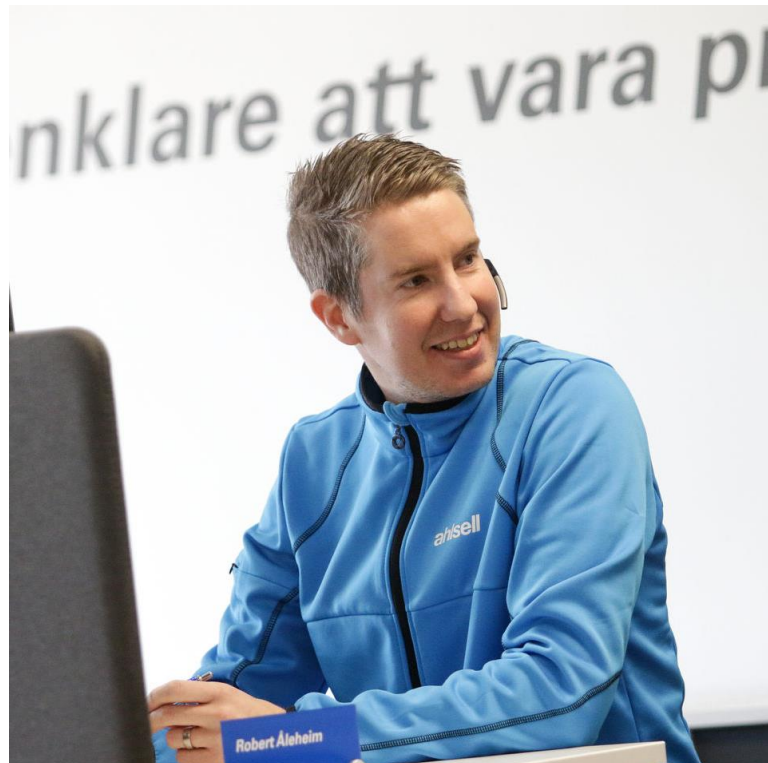
Construction logistics / Logistical services (service platform) / Industry Vendor Managed Inventory (VMI)

Branch sales up by

~50%

since 2014

- Higher activity level to attract traffic
- Refurbished branches
- New branches
- Even broader and more complete assortment
- ... all while our competitors are closing branches



E-commerce growing by

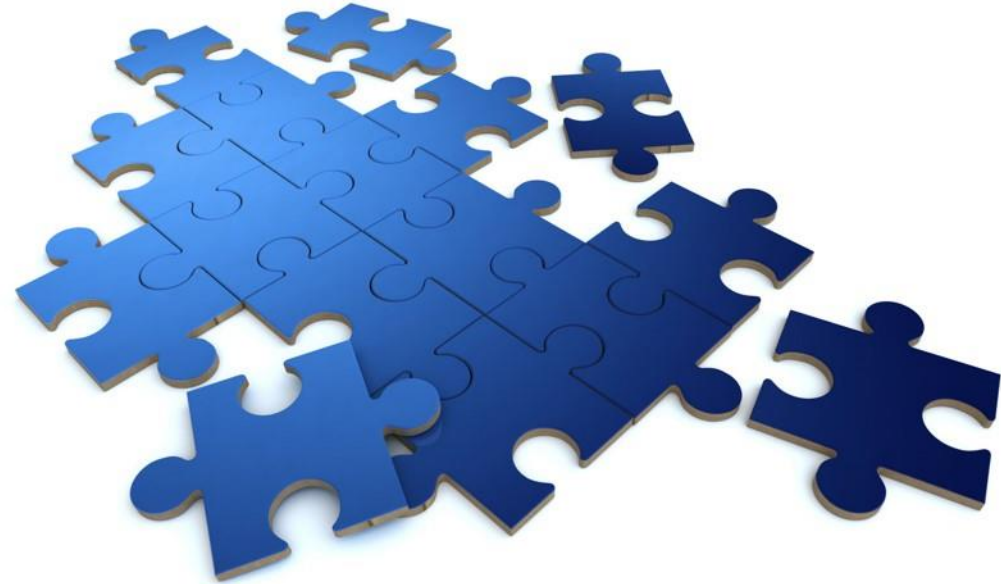
25%*

- Investing in smooth buying process, better product data and new digital services
- Experimenting with agile development methods to increase throughput of new development
- Launched innovation lab to drive exploration
- Acquisition of Proffsmagasinet

* In 2017

Maximise acquisition synergies

| | |
|---|---|
| Well-defined acquisition model | Experience of tracking and maximising synergies |
| ~13 M&A targets realized since listing | corresponding to ~1,1 BSEK of sales |
| M&A targets of varying size in pipeline | corresponding to ~19 BSEK of sales |



We are capitalising on our strong position to drive efficiency

Operational efficiency realised but partially masked by investment and integration of acquisitions

Realising operational leverage

Revenues per sales FTE
up **30%**
since 2016

Sales efficiency up by
35%
same period

Costs will consume a lower share of gross profit onwards

Increasing cross sales

Increasing penetration of our customers to:

- Lower cost to service
- Increase loyalty

Increased number of multi-category customers to:

- Increase profitability

Cross sales stable at
68%
At constant level despite acquired volumes

Expansion of central warehouse is key to meet future demand

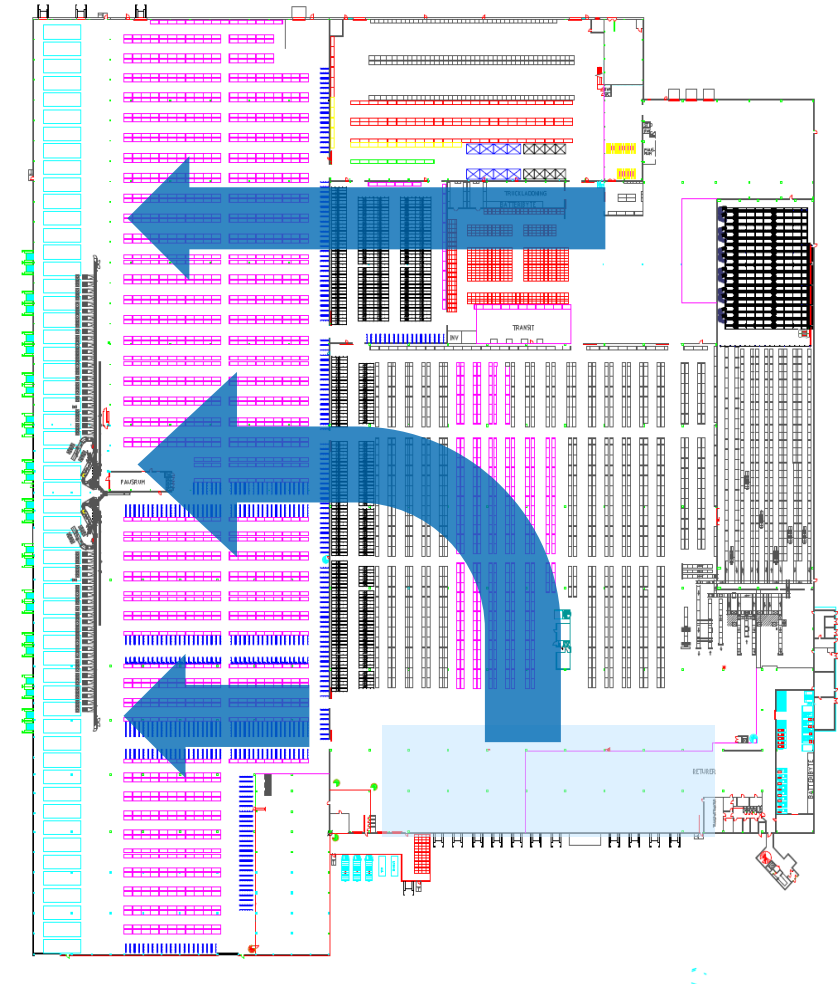
Progress according to plan

- Pipe storage hall finalised
- Increased capacity for both inventory and production flow
- Maximum utilization of storage space achieved
- The current automation system is robust and future-proof
- The “turn” will be done 2019

New!

Plan to further develop the automation system to expand production capacity and efficiency

- Additional 150 MSEK investments finalisation beginning of 2020
- Payback period for full project four years
- Annual net savings of MSEK 60 when finalized, at current volumes



Safeguard profitable growth while increasing efficiency

Tightening the organisation further

- Prioritise and being smarter:
Do more with less – staff, replacements etc.
- Harvest on acquisitions to realise synergies
– e.g. ViaCon
- Investment in Hallsberg
– to increase productivity considerably
- New telephone system
– less resources while offering better customer availability
- Increase level of smart meetings and conferencing
- ... and much more



AhlSell Sweden at a glance

Sweden is a good place to be

Strong platform to deliver further profitable growth

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Rune Flengsrud

Head of Operations Norway

- Joined Ahlsell as Head of Operations Norway in 2015
- Previously CEO and SVP Nordics and Baltics at Schneider Electric
- Engineering degree, NTNU in Gjøvik, Norway



Ahlsell Norway at a glance

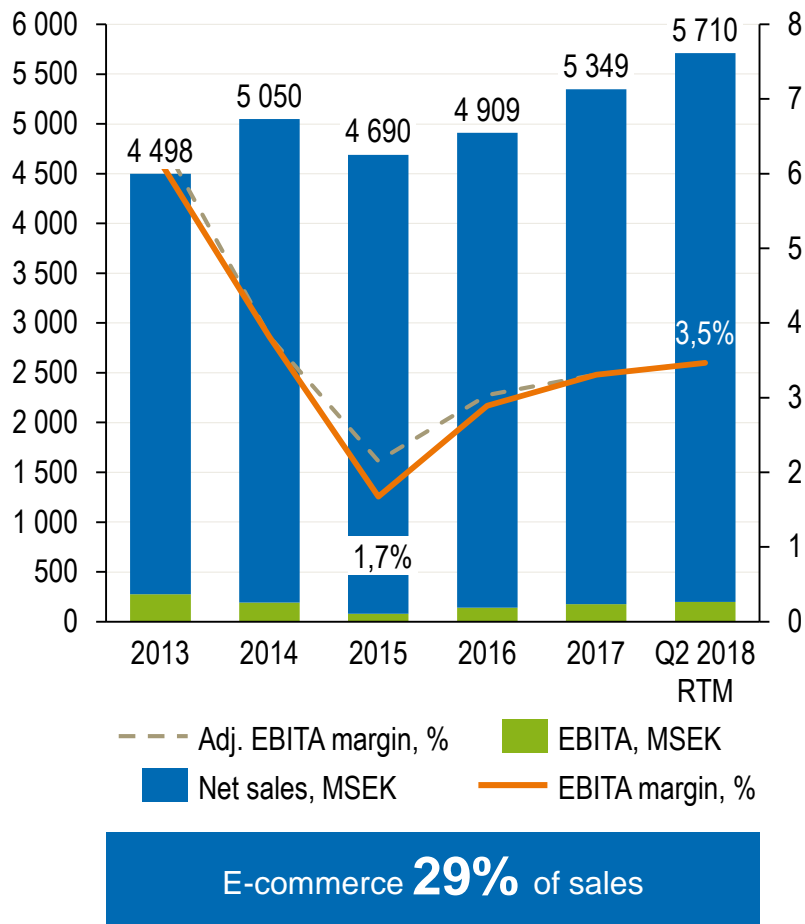
Norway is a good place to be

Action plan for profitable growth

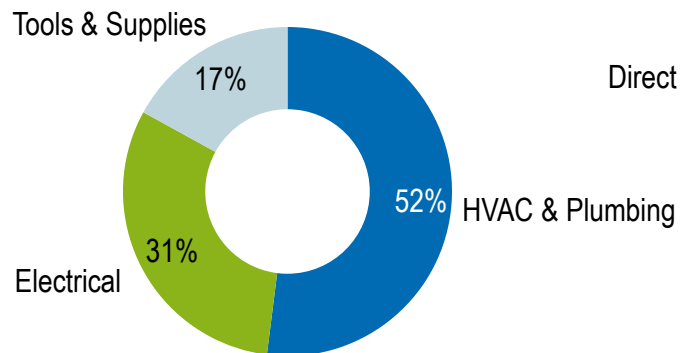
ahlsell

Norway at a glance

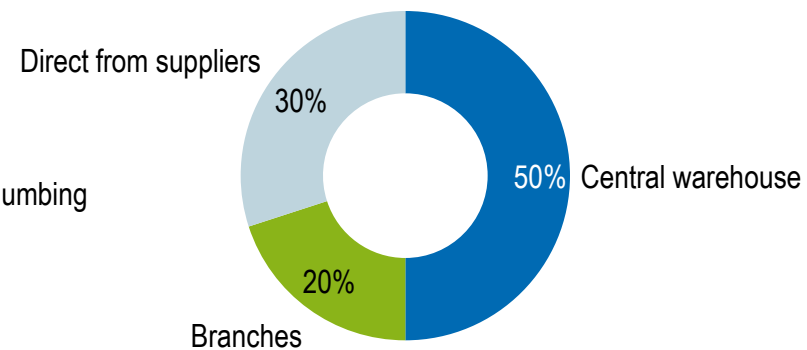
Net sales, EBITA and EBITA margin



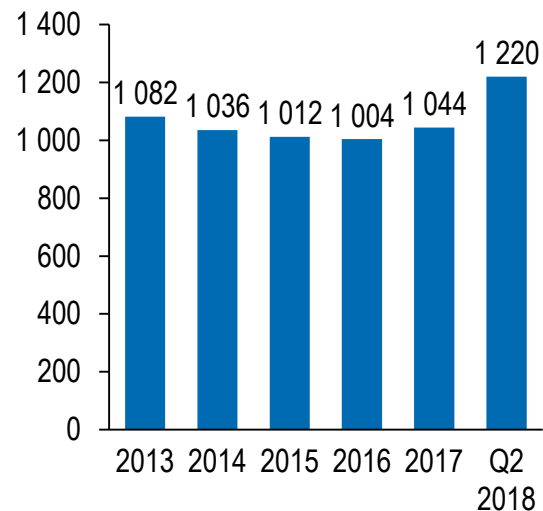
Sales in % per product segment



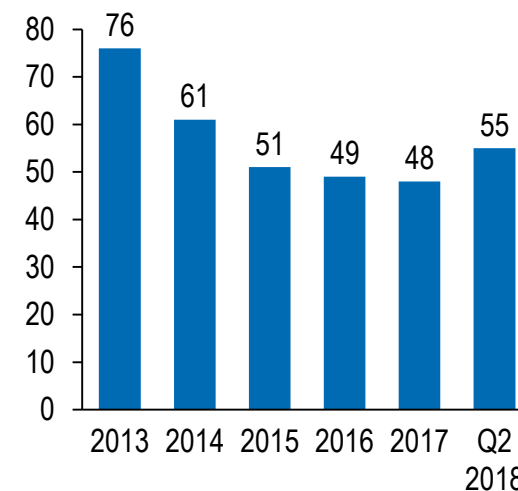
Distribution form in % of sales



Employees, FTE, end of period



Branches, end of period



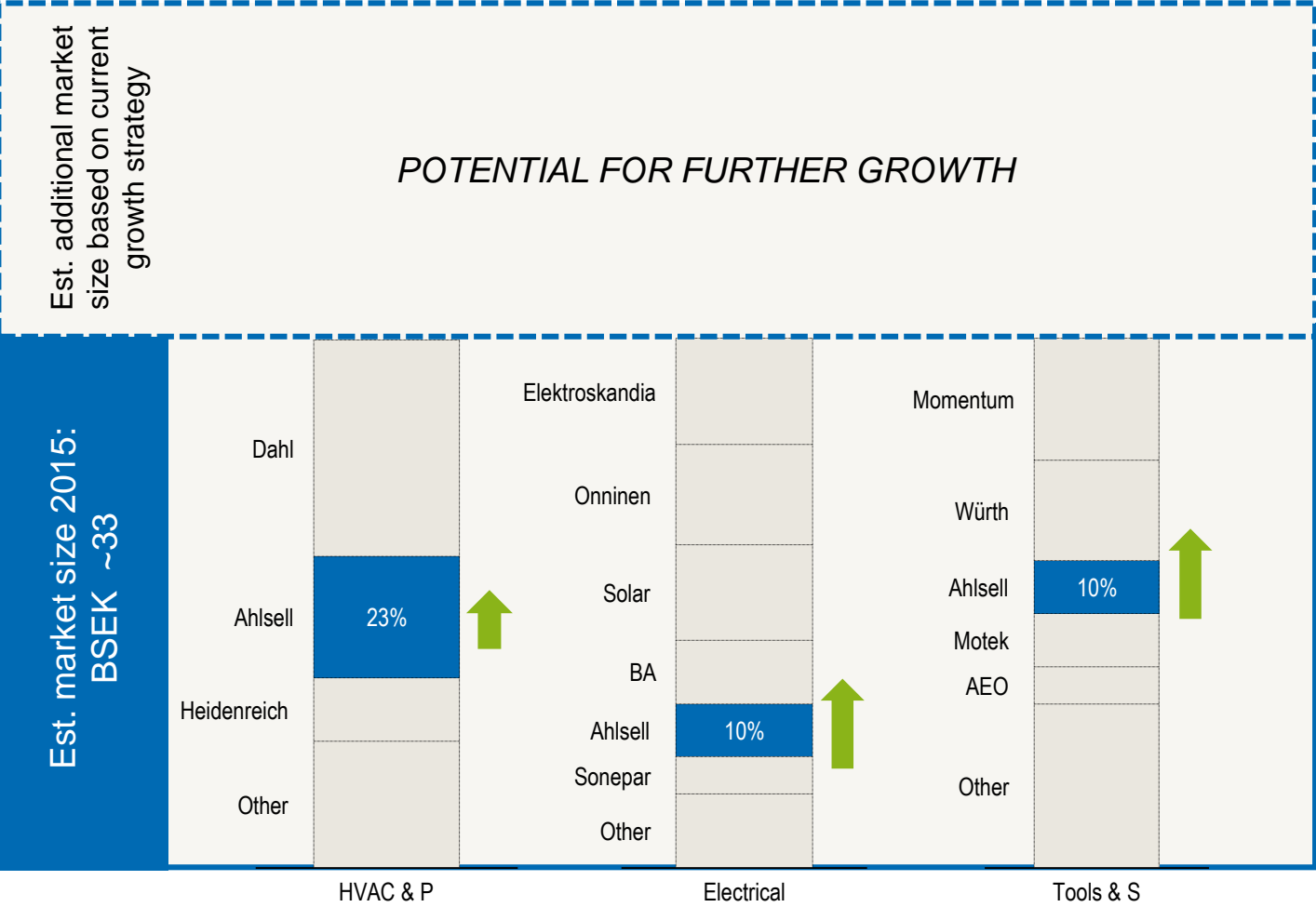
Proud and engaged employees

Motivation
index
76



Loyalty
index
87

Position to capitalise on the Ahlsell model



Ahlsell is the only B2B-distributor with an offering covering three product segments

| Company | HVAC & P | Electrical | T&S |
|----------------|----------|------------|-----|
| Ahlsell | ✓ | ✓ | ✓ |
| Dahl | ✓ | | |
| Heidenreich | ✓ | | |
| Elektroskandia | | ✓ | |
| Onninen | | ✓ | |
| Solar | | ✓ | |
| BA | | ✓ | |
| Sonepar | | ✓ | |
| Momentum | | | ✓ |
| Würth | | | ✓ |
| Motek | | | ✓ |
| AEO | | | ✓ |



Ahlsell Norway at a glance

Norway is a good place to be

Action plan for profitable growth

ahlsell

Less diversified than Sweden...

| Construction and renovation | | | | Industrial | Infrastructure |
|-----------------------------|-----------------|------------------|-----------------|-----------------------|------------------|
| New construction | | Renovation | | Industrial production | Infrastructure |
| Residential | Non-residential | Residential | Non-residential | | |
| ~1/3 of Sales | | ~1/3 of Sales | | ~1/10 of Sales | ~1/4 of Sales |

... but with an increasingly diversified exposure

Achievements drives diversification of market exposure



Less dependent on HVAC & Plumbing as Electrical grows



Acquisition of Bekken & Strøm made Ahlsell a market leader within PPE



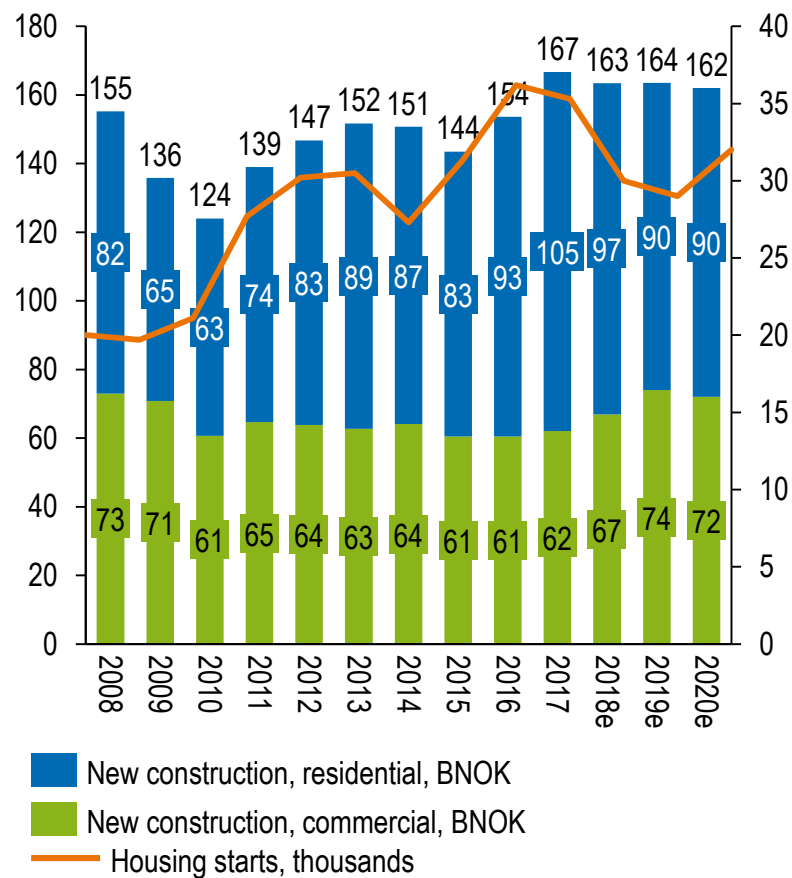
Increasing industry exposure by successful targeting of a broad range of customers



Increasing exposure to infrastructure by winning sustainable deals

Still a good market outlook for the coming years

New construction and building starts promising*



Need for renovation

80 BSEK expected to be invested in renovation within residential housing in 2018

50 000 houses in acute need of renovation

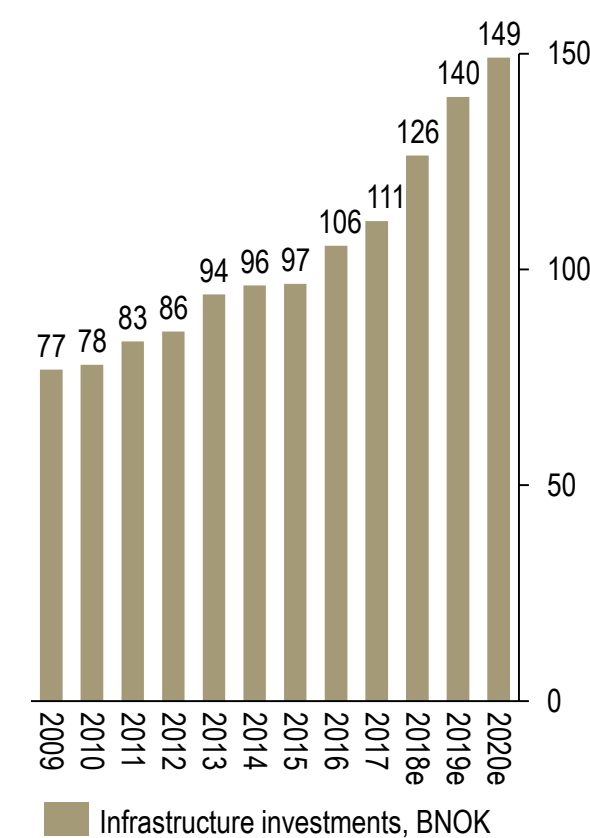
Expanding industry

GDP growth expected to remain **>2%** until at least 2021*

Oil and Salmon prices at high levels

PMI at **55.9**

Strong infrastructure investments onwards*





Ahlsell Norway at a glance

Norway is a good place to be

Action plan for profitable growth

ahlsell



Norwegian management priorities

| | | |
|---------------------------------------|---|----------------------------------|
| Invest in initiatives... | <ul style="list-style-type: none"> Multi-assortment customers (aquaculture, FM and builders) Private labels, integrated logistics and sustainability advantages | ... and be the innovation leader |
| Acquire... | <ul style="list-style-type: none"> Integrate acquisitions and realise synergies Conduct further strategic acquisitions to build position in secondary segments | ... to maximise synergies |
| Invest in processes and governance... | <ul style="list-style-type: none"> Leverage new decentralised and result-oriented organisation Competence development in leadership and sales Better performing logistics (freight, working capital, availability, etc.) | ... to increase efficiency |
| Further invest in proven model... | <ul style="list-style-type: none"> Continue building strong second leg(s) outside HVAC Increase cross-sales Improve branch network and safeguard competitive e-commerce | ... to meet future demand |

A new competitive advantage successfully built in sustainability



A number of new projects won by being the most sustainable provider

Rationale to why Ahlsell got the deals:

- Fossil-free working sites
- Fewer truck deliveries due to "filled loads"
- Efficient usage of small spaces in urban areas
- Long experience in time critical deliveries
- Responsible sourcing
- EPD documentation



M&A activity has increased significantly



M&A team and pipeline stronger than ever

~4 M&A targets
realized since listing

corresponding to
~520 MNOK
of sales

M&A targets of
varying size in
pipeline

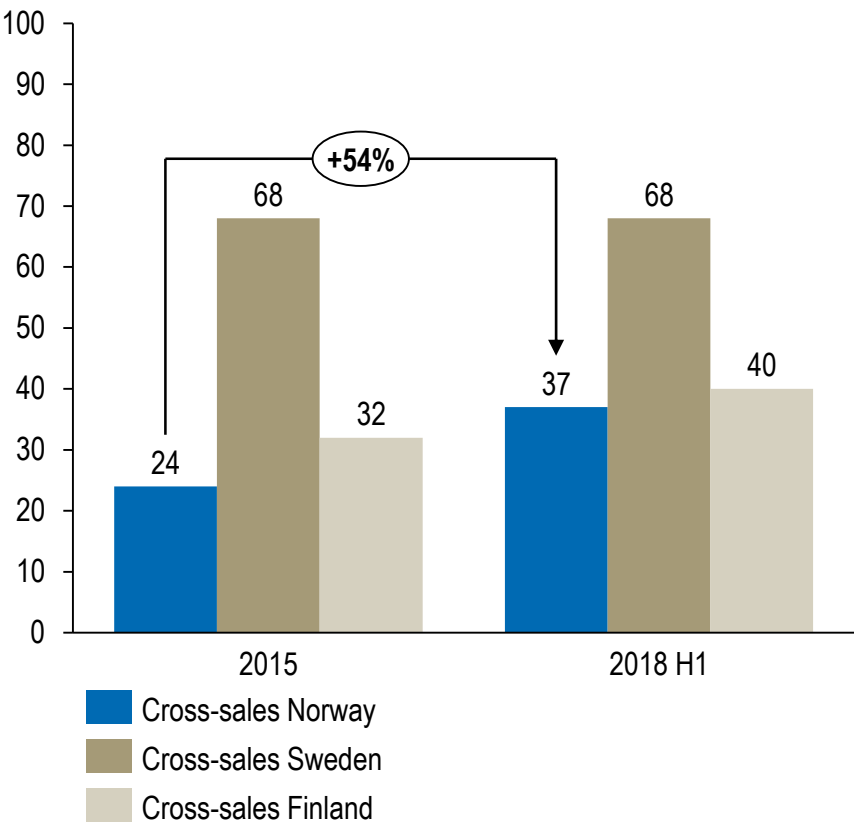
corresponding to
~10 BNOK
of sales

Investments in proven model on yielding result on cross-sales

Example: Increase of profitable cross sales

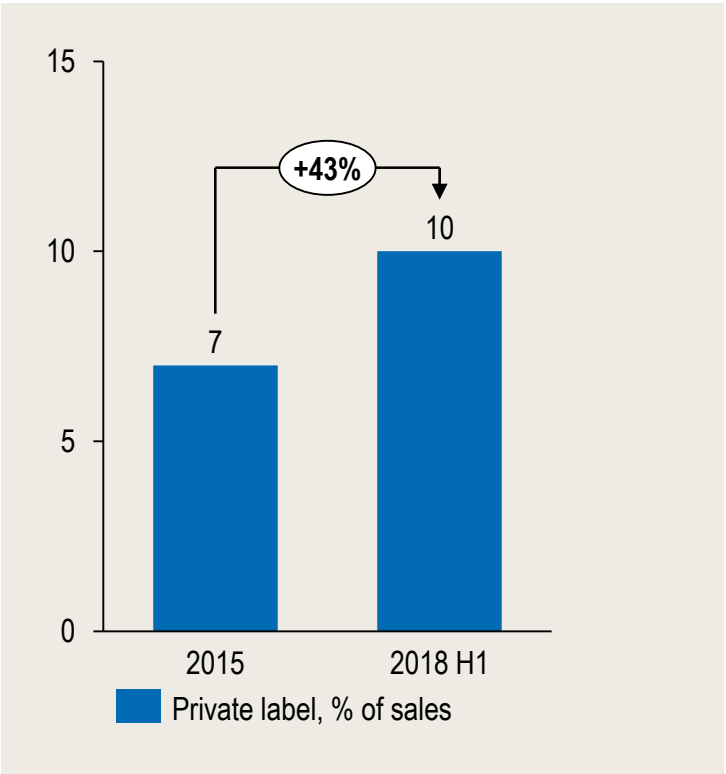


Cross sales as % of customers



Private label initiatives are successful

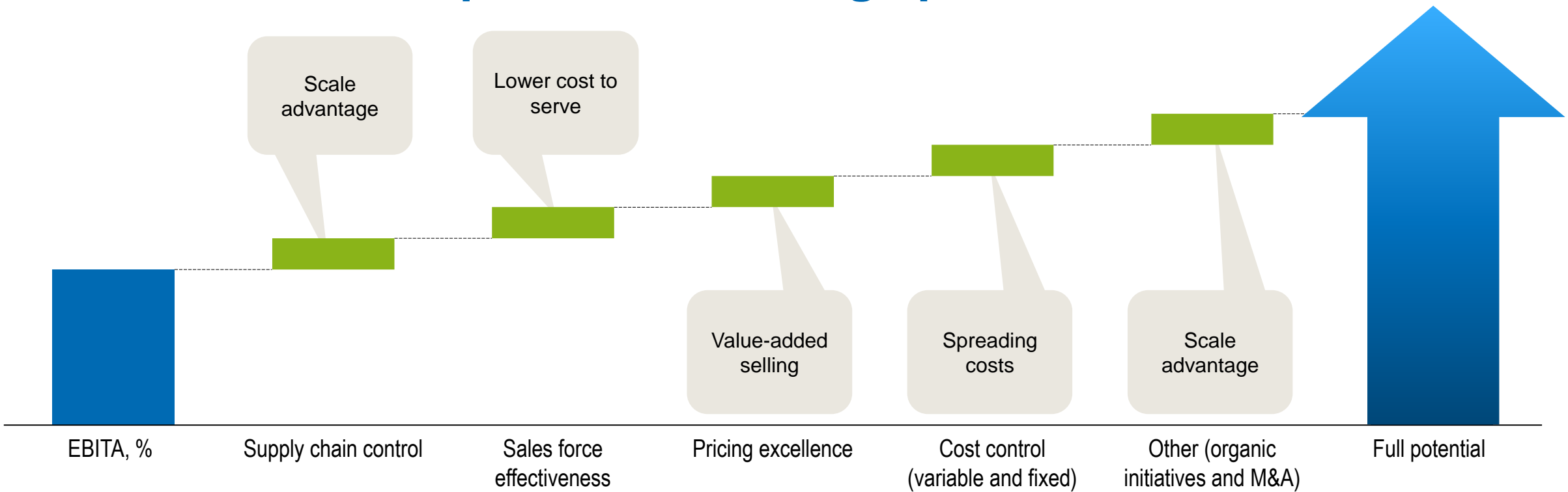
Private label sales continuously increase...



...and acquisitions sometimes contributes to improvement

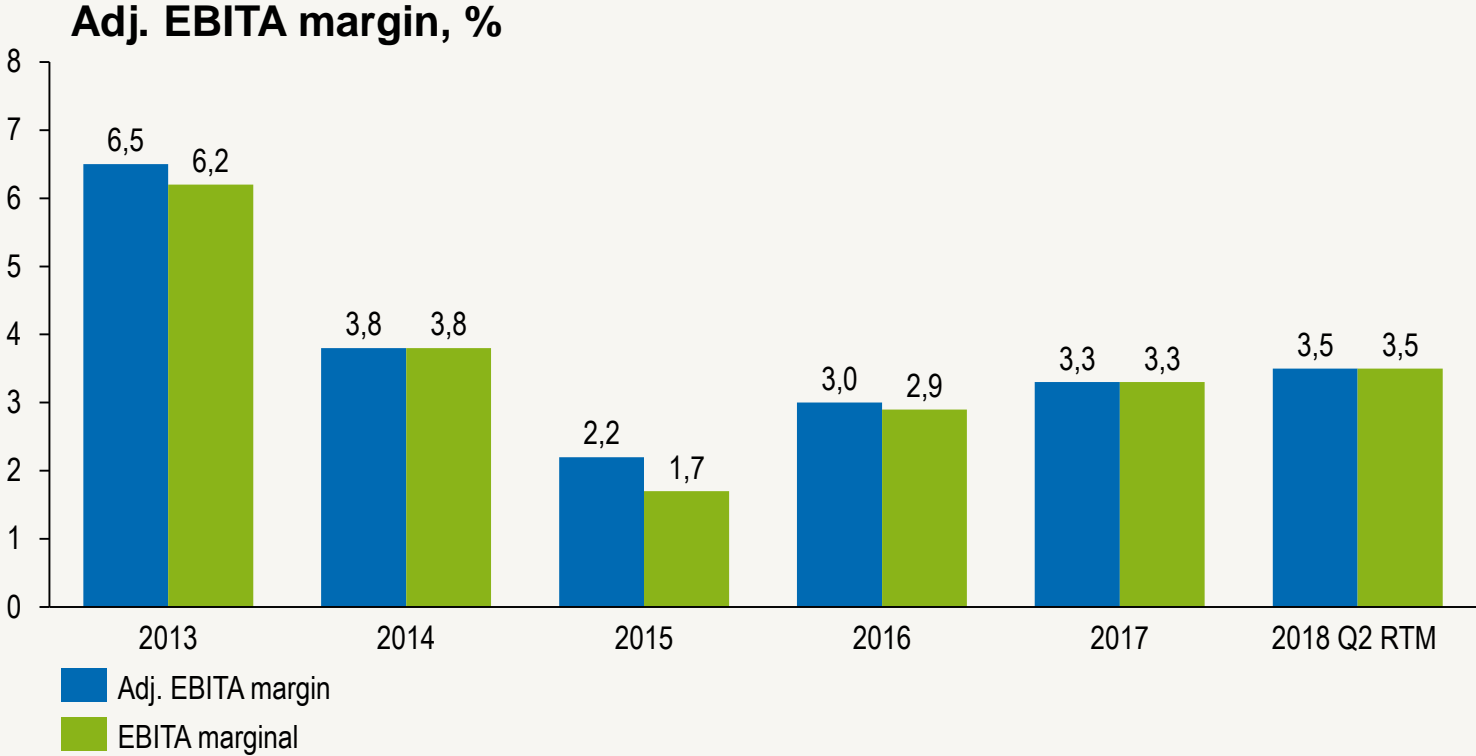


What drives our operational leverage potential?



| Some examples | | | | | |
|---------------|--|--|---|--|---|
| | Scale advantage in sourcing (Electrical) | Reduce admin requirements on sales people by centralising customer support functions | Drive sales towards customer segments where Ahlsell offers value-add Optimize customer profitability | New sourcing solution (indirect) implemented | Coordinate staffing needs better between branches |

Ambition: Back to previous margin levels in the mid-term



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- Ahlsell Norway at a glance
- Norway is a good place to be
- Action plan for profitable growth

ahlsell



Mika Salokangas

Head of Operations Finland

- Joined Ahlsell as Head of Operations Finland in 2006
- Previously held managerial positions at Saab-Auto, Cederroth and Wihhuri
- M. Sc. (Econ.) Hanken School of Economics, Helsinki, Finland



Ahlsell Finland at a glance

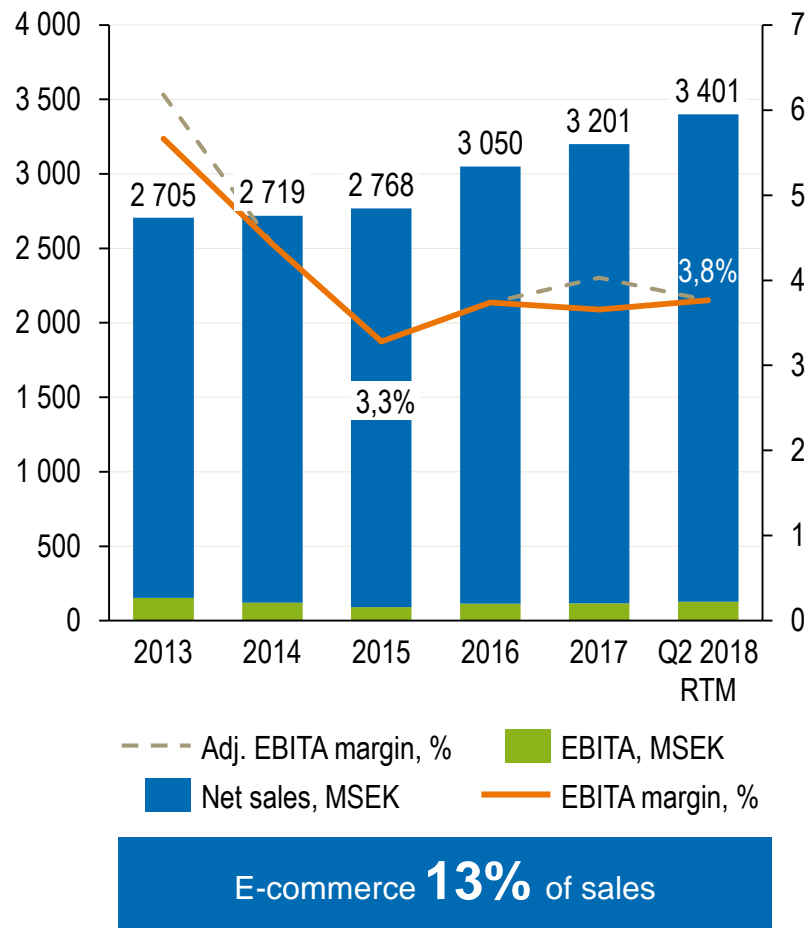
Finland is a promising place to be

Action plan for profitable growth

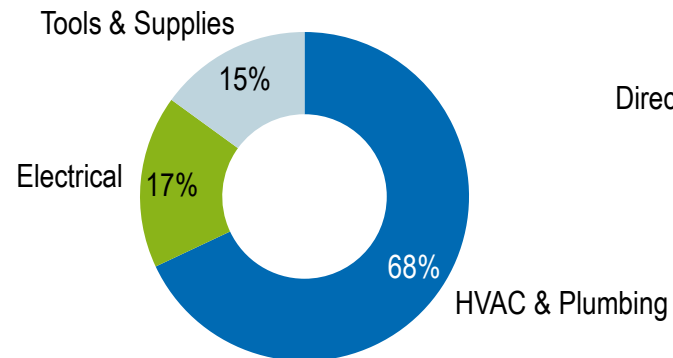
ahlsell

Finland at a glance

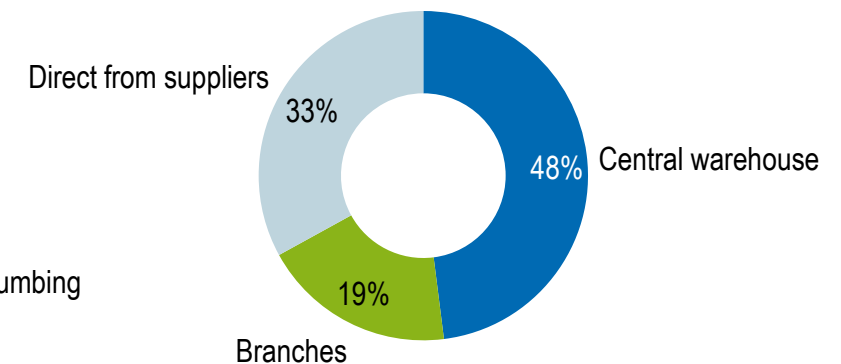
Net sales, EBITA and EBITA margin



Sales in % per product segment



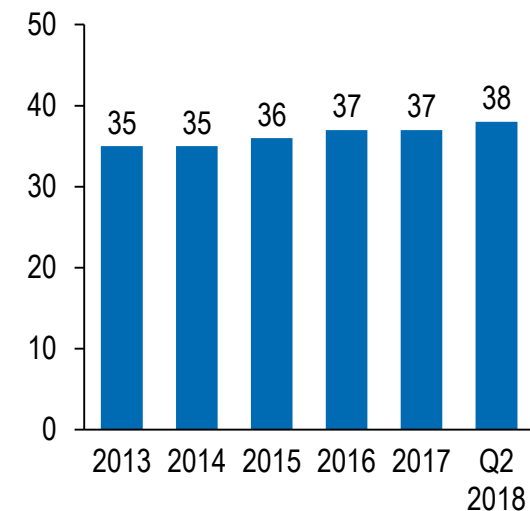
Distribution form in % of sales



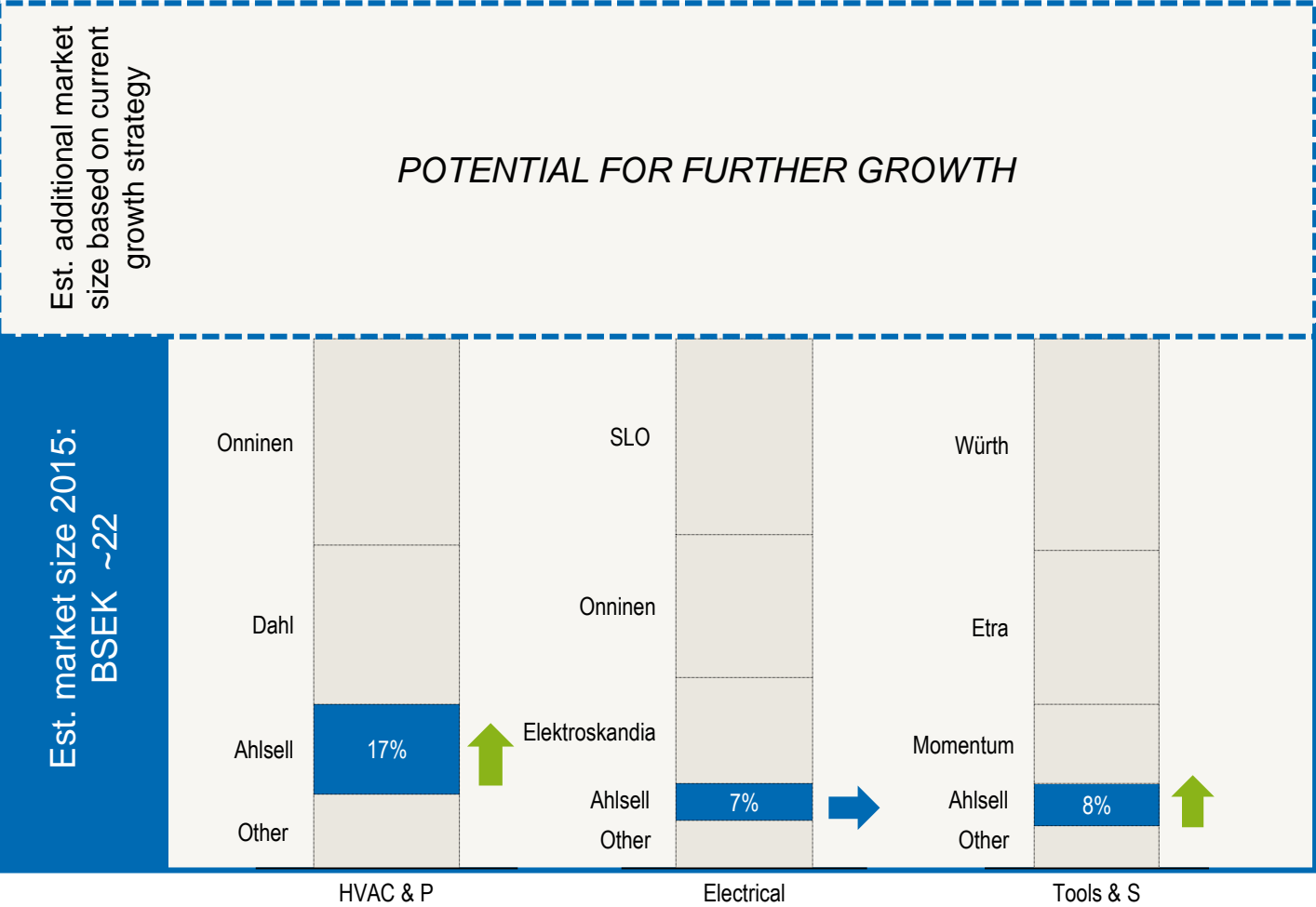
Employees, FTE, end of period



Branches, end of period



Position to capitalise on the Ahlsell model



Ahlsell is the only B2B-distributor with an offering covering three product segments

| Company | HVAC & P | Electrical | T&S |
|---------------|----------|------------|-----|
| Ahlsell | ✓ | ✓ | ✓ |
| Onninen | ✓ | ✓ | |
| Dahl | ✓ | | |
| SLO | | ✓ | |
| Eektroskandia | | ✓ | |
| Würth | | | ✓ |
| Etra | | | ✓ |
| Momentum | | | ✓ |



Ahlsell Finland at a glance

Finland is a promising place to be

Action plan for profitable growth

ahlsell

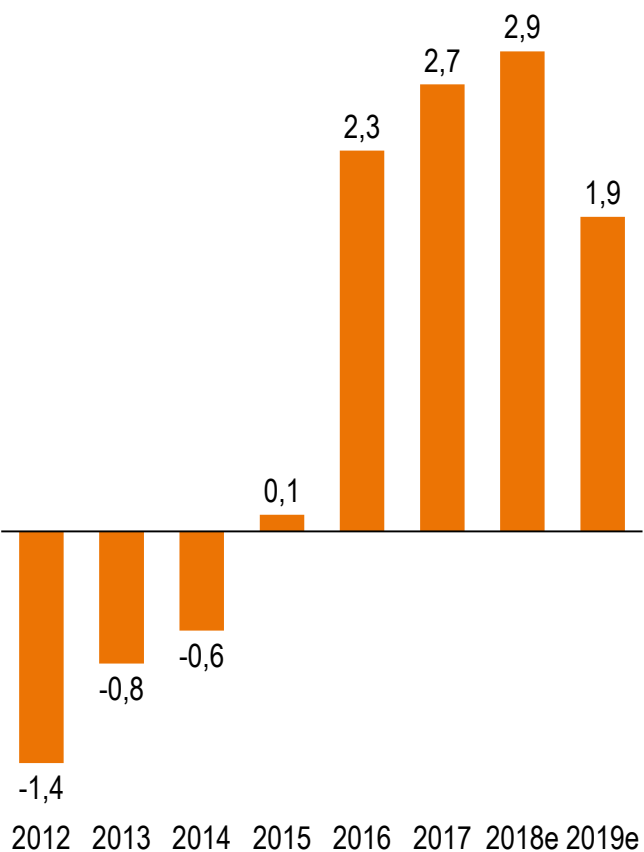
Larger exposure to the construction market...

... indicates an opportunity to diversify further into industry and infrastructure

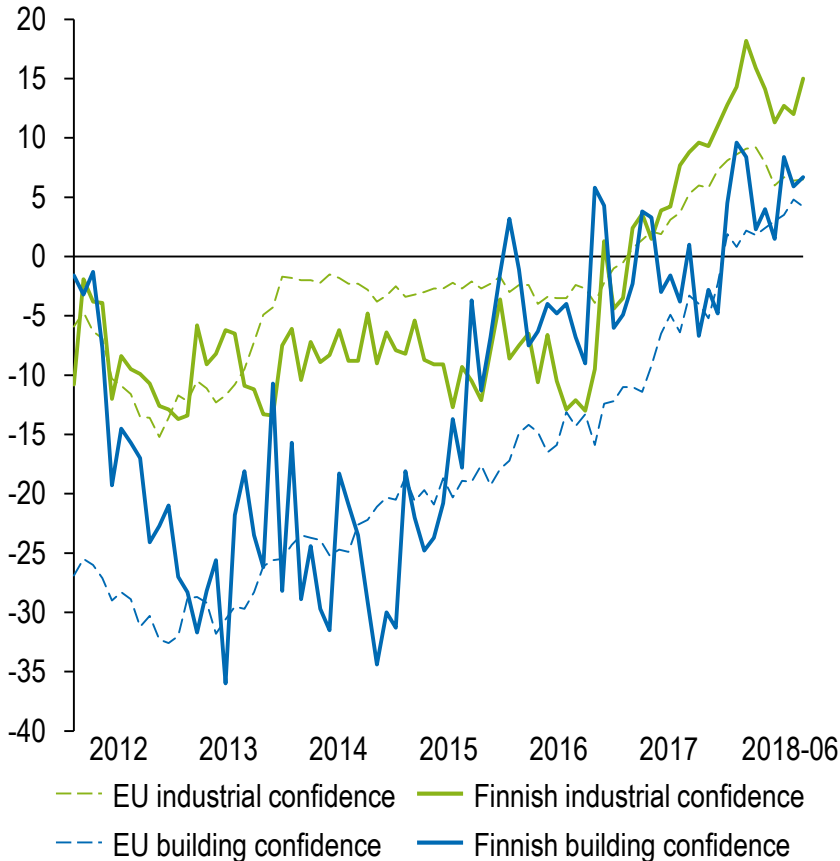
| Construction and renovation | | | | Industrial | Infrastructure |
|-----------------------------|-----------------|------------------|-----------------|-----------------------|-----------------|
| New construction | | Renovation | | Industrial production | Infrastructure |
| Residential | Non-residential | Residential | Non-residential | | |
| ~40% of Sales | | ~40% of Sales | | ~15% of Sales | ~5% of Sales |

Market development promising for the next years

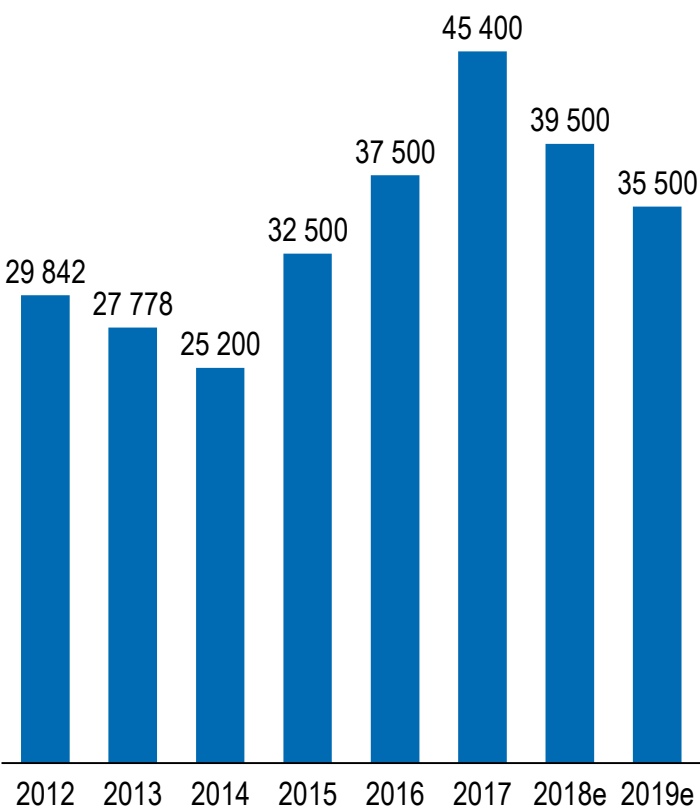
GDP growth back again
Per country, fixed prices, calendar-adjusted, %



Confidence on the rise, and above EU levels



Residential start-ups remains on high level (units)





Ahlsell Finland at a glance

Finland is a promising place to be

Action plan for profitable growth

ahlsell

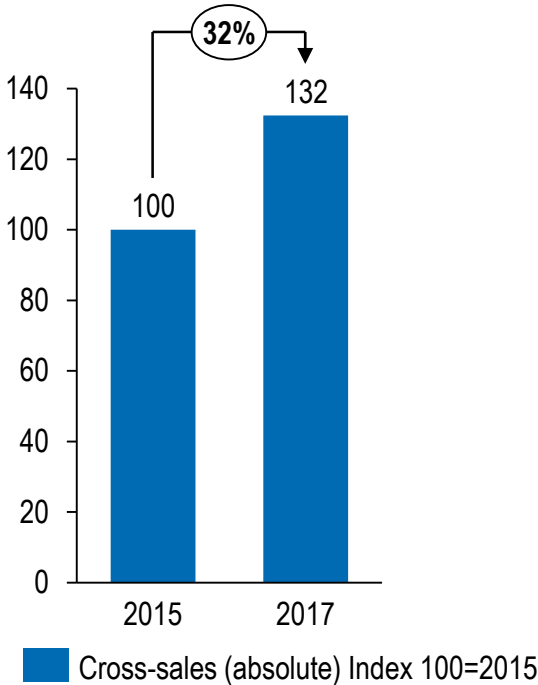
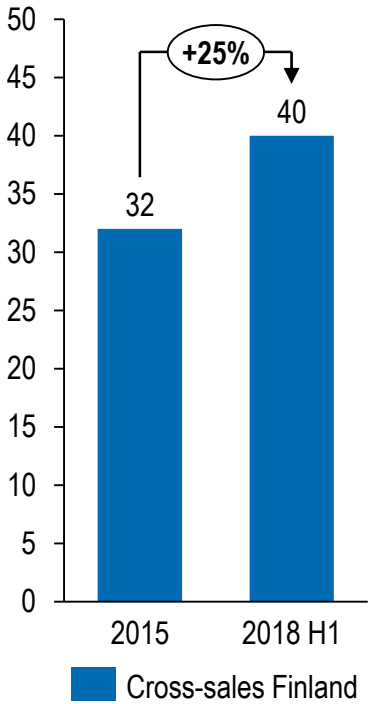
Finnish management priorities

| | | |
|---------------------------------------|---|----------------------------------|
| Invest in initiatives... | <ul style="list-style-type: none"> ▪ Segment-specific initiatives (construction, facility management) ▪ Increase sales of private labels | ... and be the innovation leader |
| Acquire... | <ul style="list-style-type: none"> ▪ Integrate acquisitions and realise synergies ▪ Conduct further strategic acquisitions to build position in secondary segments | ... to maximise synergies |
| Invest in processes and governance... | <ul style="list-style-type: none"> ▪ Leverage new decentralised and result-oriented organisation ▪ Competence development in leadership and sales | ... to increase efficiency |
| Further invest in proven model... | <ul style="list-style-type: none"> ▪ Recapture market share in HVAC & Plumbing and continue building strong second leg(s) in Electrical and Tools & Supplies ▪ Increase cross-sales towards installers, especially within T&S ▪ Improved branch network and competitive e-commerce solutions | ... to meet future demand |

Multi-segment customers increasing in importance

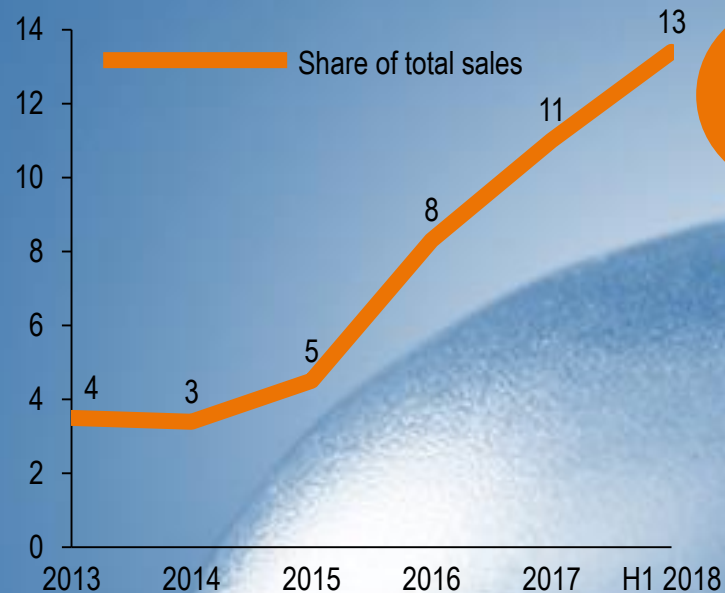
Cross sales as % of customers

Cross sales development since 2015



Cross sales = customers with at least 5% of their purchases in more than one product segment

Competitive e-commerce solution resulting in strong growth



The customer experience of Ahlsell is strengthened by offering well-functioning e-commerce

Profitable growth by successfully target customer groups

Example: Vantaa Energy

Benefits for Vantaa Energy to work solely with Ahlsell

- Lower product cost by optimising volumes
- Streamlining the supply chain (logistics) to make it more efficient and sustainable
- Simplify the ordering process (e.g. through e-commerce) and reduce invoice handling

Benefits for Ahlsell to be the sole supplier to Vantaa Energy

- Increased sales volumes to the customer (~10x)
- Improved profitability through increased cross-sales



Photo: Vantaa Energy. About Vantaa Energy LTD: One of Finland's largest energy companies, co-owned by Vantaa City and Helsinki City. The company has a strong focus on sustainable energy, and their waste power plants handle nearly 400,000 tonnes of waste annually. The plants reduce the use of fossil fuels by 30% and the company's carbon dioxide emissions in Vantaa by 20%. Ahlsell has been cooperating with Vantaa Energy for more than 10 years in HVAC & Plumbing. Since the start of 2018, Ahlsell delivers "most" for maintenance, repair and operations as a direct result of successful targeting.

Increased M&A focus and a pipeline bigger than ever before



M&A team and pipeline stronger than ever

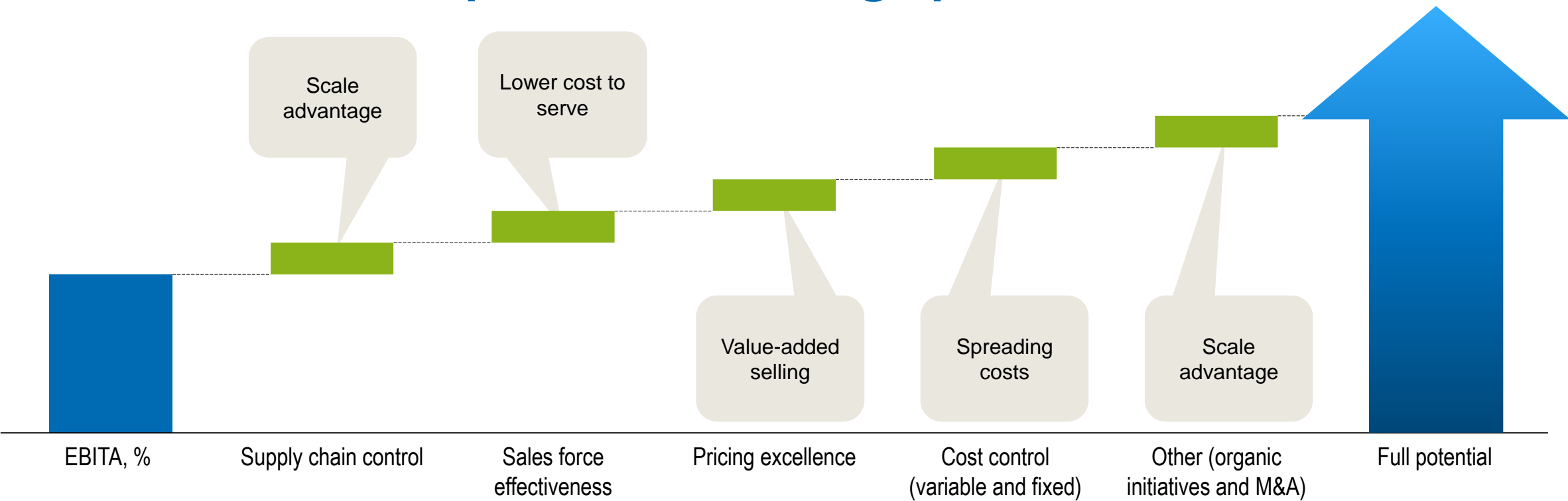
~2 M&A targets
realized since listing

corresponding to
~75 MSEK
of sales

M&A targets of
varying size in
pipeline

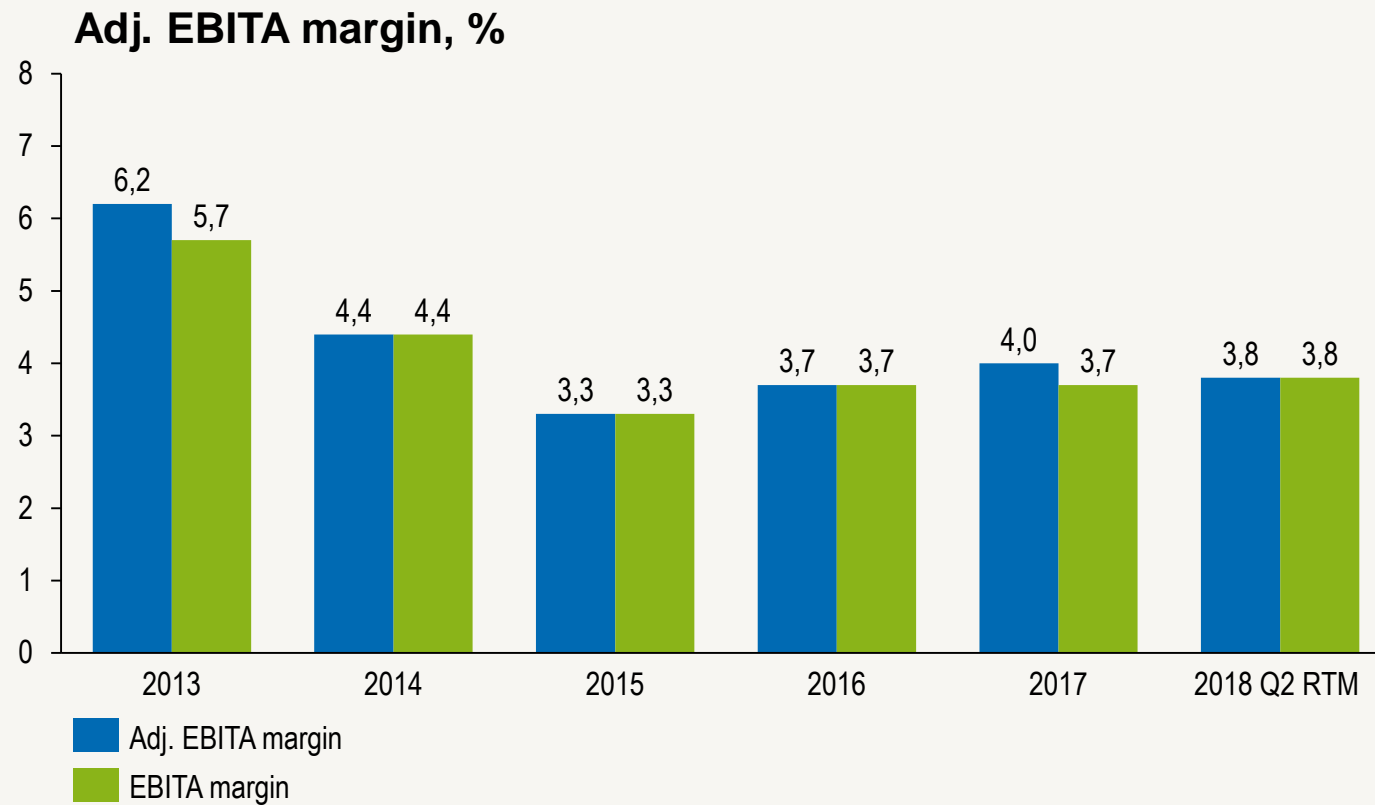
corresponding to
~13 BSEK
of sales

What drives our operational leverage potential?



| Some examples | | | | | |
|---------------|-----------------------|---|---|--|--|
| | Purchasing conditions | Centralise admin to ensure a more pro-active sales force Strengthen KAM function to meet high tendering activity in industrial | Focus on pricing governance and on customers where we have a stronger value proposition than competitors (profitable customers) | Close down low performing units Cost-saving program | Re-allocate resources to profitable regions/units Improve cross-sales utilisation |

Ambition: Back to previous margin levels in the mid-term





Ahlsell Finland at a glance

Finland is a promising place to be

Action plan for profitable growth

ahlsell



Attractive total shareholder return proposition

| | |
|-------------------------|--|
| Leadership | Leader in Nordic markets with attractive structural growth dynamics |
| Ahlsell model | Superior scale and unique value proposition driving operational and financial excellence |
| Strong cash flow | Robust and resilient business model delivering strong cash generation |
| Growth | Tangible growth potential from market strength and initiatives |
| M&A machine | Integral M&A growth with proven track record and extensive active acquisition pipeline |
| Sustainability | Sustainability leader within Nordic distribution |
| Management | Experienced and committed management team |

Branch insight tour



- Joint walk to the branch ~100 meters
- Meet up outside the hotel in groups no. 1-10
- Bring all your belongings
- Maybe a coffee to go?

- 11 stations in one hour (Swedish perspective)
 1. Personal Protective Equipment
 2. Private Label
 3. HVAC & Plumbing
 4. Coffee corner
 5. Average branch
 6. Electrical
 7. Sustainability
 8. Tools & Supplies
 9. Campaign corner
 10. Cashier and check-out
 11. Credit handling

THANK YOU!

