



ahlsell

Makes it easier to be professional

27 January, 2017

In brief 2016

Strong year end; all time high sales and improved market positions

Successful strategic initiatives, internal improvements and M&A lead to all time high EBITA

Robust market growth and positive outlook



Q4 summary

Highlights

- Increased market share in main geographies
- Total growth 14% of which organic growth was 8 pp
- 12% q-on-q increase in EBITA (SEK)

Events

- M&A of approximately 80 MSEK
- Listing on Nasdaq Stockholm

Cash flow and financial position

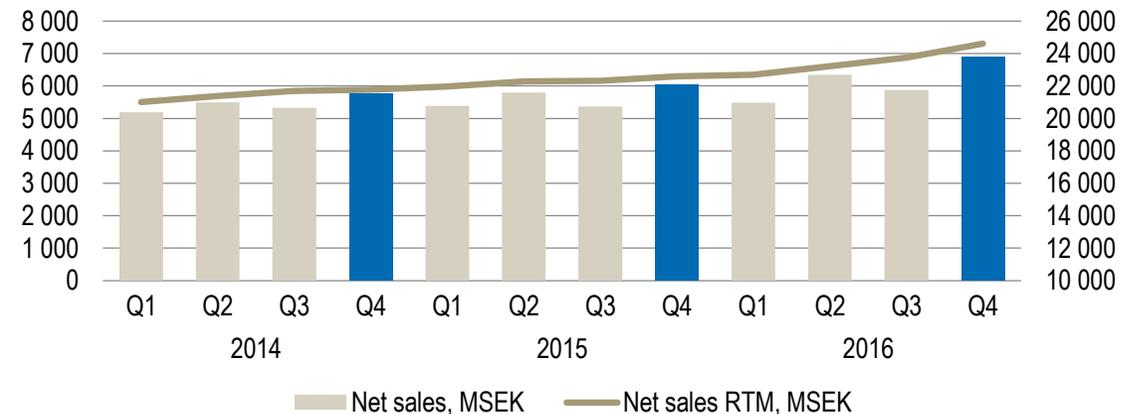
- Cash conversion 90%
- Net debt/adj. EBITDA 3.3x

Dividend

- The Board proposes a dividend of 0.35 SEK per share

	Q4 2016	Q4 2015	change	FY 2016	FY 2015	change
Net sales, SEK million	6 902	6 036	+14%	24 606	22 586	+9%
Organic Growth	+8%	+4%		+7%	+3%	
Adjusted EBITA	628	559	+12%	2 131	1 878	+13%
Adjusted EBITA margin	9,1%	9,3%		8,7%	8,3%	

Net sales per quarter and RTM



Q4: Group net sales driven by strong organic growth and M&A

Group
+14%

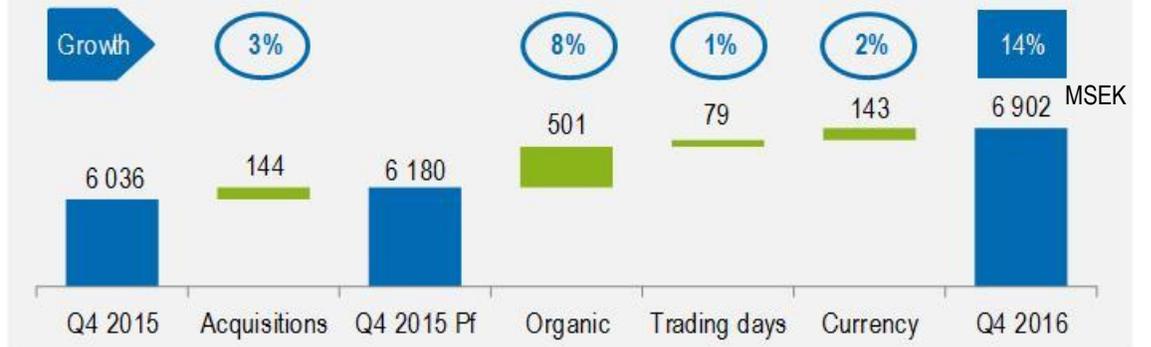
Sweden
+14%

Norway
+16%

Finland
+16%

- Improved market positions
- Strong market growth driven by macroeconomics, demographics and shortage of housing
- Organic growth +8%, supported by successful market initiatives
- Positive currency effects
- Increased number of trading days

Sales Bridge (MSEK)



Sales Bridge per market segment (MSEK)



FY: All time high net sales

Group
+9%

Sweden
+11%

Norway
+5%

Finland
+10%

- Strong market growth with improved conditions in Norway and Finland
- Organic growth +7% supported by initiatives improves market position
- Acquisitions totalling net sales of 600 MSEK*
- Increased number of trading days
- Negative currency effects

Sales Bridge (MSEK)



Sales Bridge per market (MSEK)



* Estimated net sales (LTM) at acquisition date

Q4: Group adj. EBITA up 12 % q-on-q, driven by increased sales

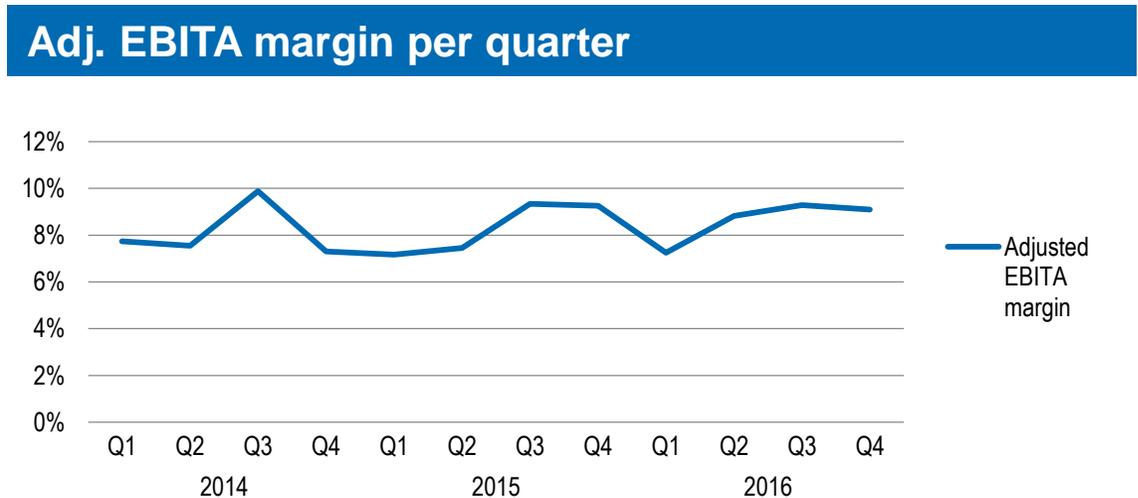
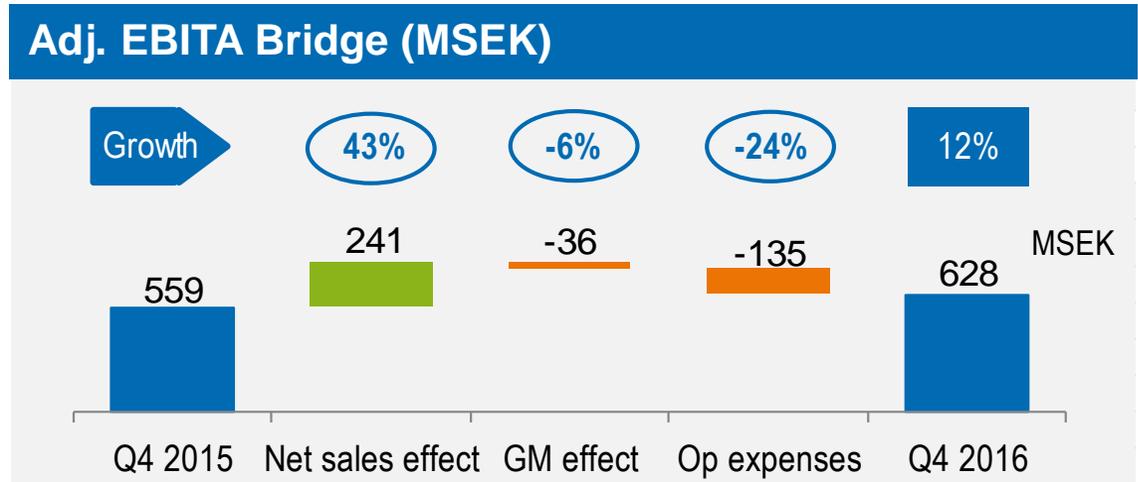
GROUP
9.1%
 adj. EBITA margin

Sweden
12.7%
 adj. EBITA margin

Norway
3.7%
 adj. EBITA margin

Finland
3.1%
 adj. EBITA margin

- Positive effect from increased net sales
- EBITA-improvement mainly attributable to Sweden and Norway
- Gross margin affected by
 - Hallsberg investment program
 - Increased share of large projects
- Increased cost efficiency



FY: Group adj. EBITA up 13 % driven by sales

GROUP
8.7%
 adj. EBITA margin

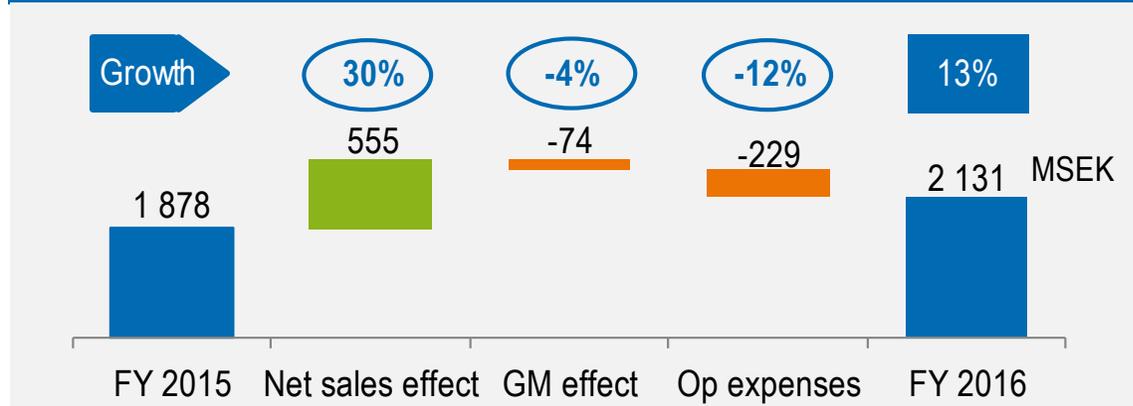
Sweden
12.2%
 adj. EBITA margin

Norway
3.0%
 adj. EBITA margin

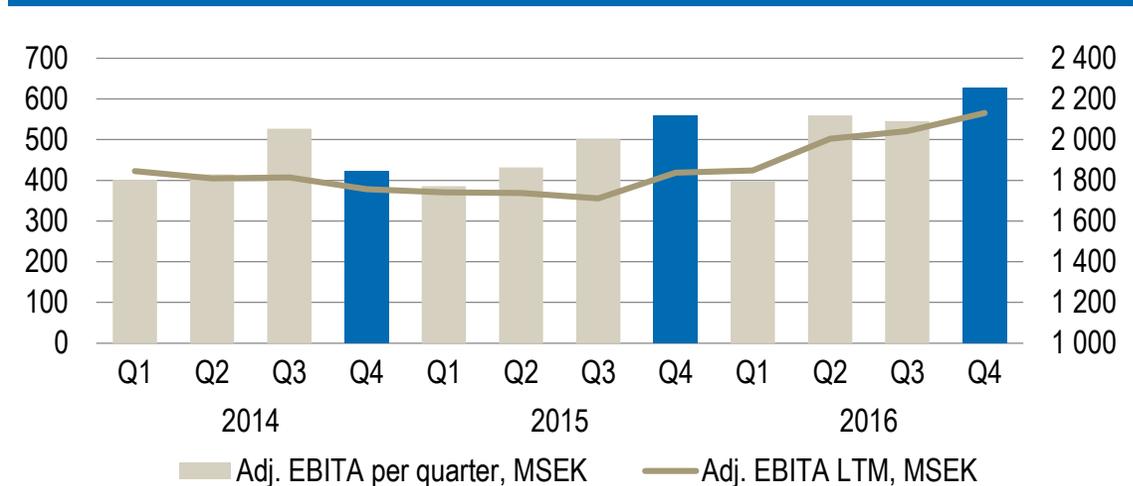
Finland
3.7%
 adj. EBITA margin

- Positive effect from increased net sales
- EBITA-margin improvement in all main market segments
- Norwegian re-structuring
- Gross margin
 - Increased share of large projects
- Increased cost efficiency

Adj. EBITA Bridge (MSEK)



Adj. EBITA per quarter and RTM (MSEK)



M&A consolidate positions in South-West part of Sweden

Total net sales of 600 MSEK acquired

Elgross'n

- Net sales* of 120 MSEK
- Electrical
- 2 branches

Prevex

- Net sales* of 400 MSEK
- Tools and supplies, construction
- 3 branches

Värmematerial

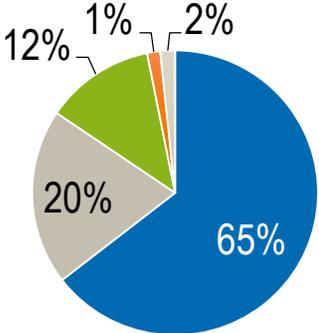
- Net sales* of 80 MSEK
- HVAC & Plumbing
- 3 branches



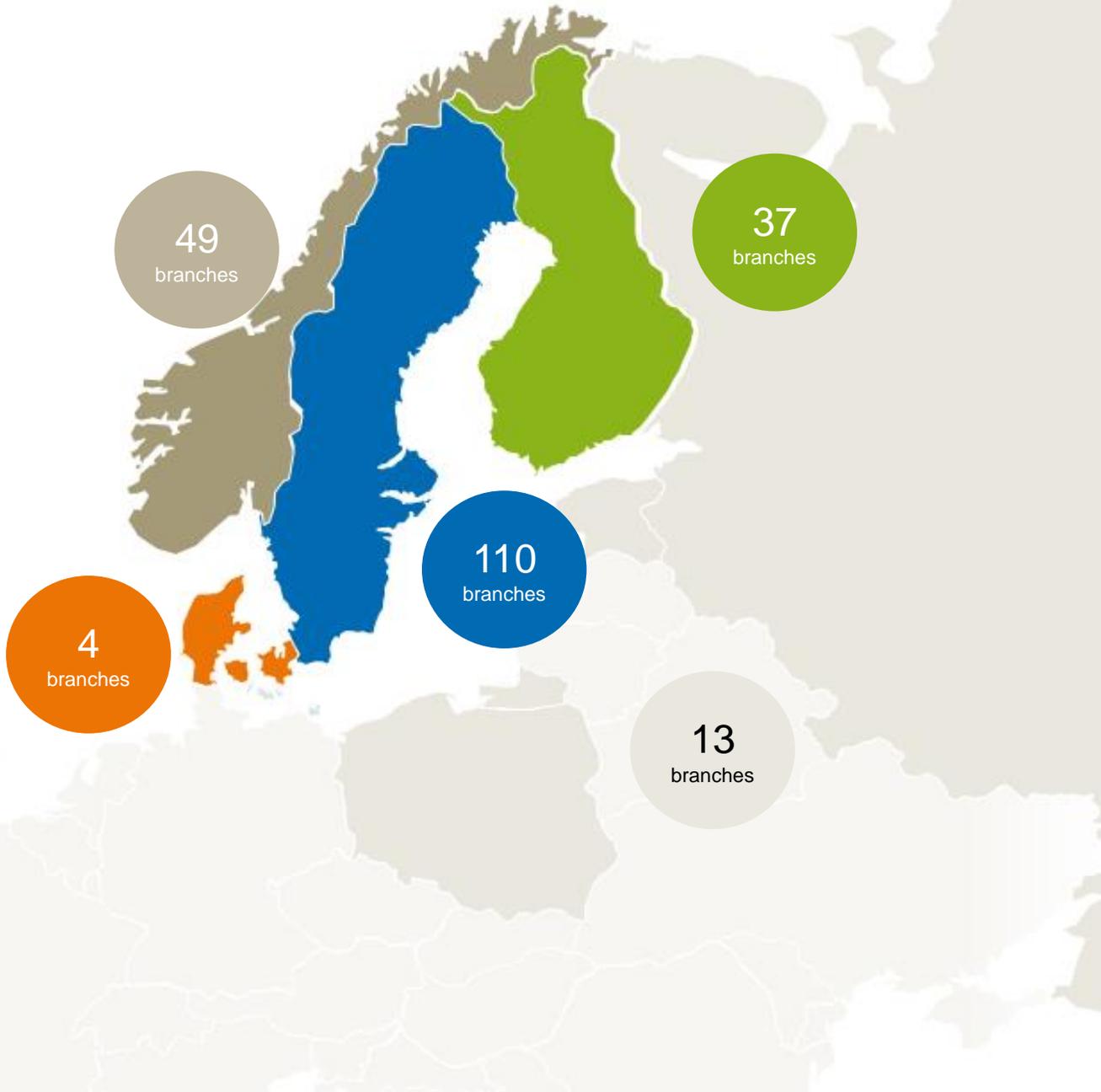
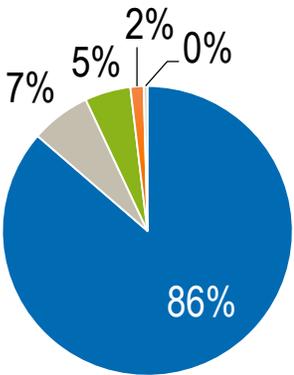
* Estimated net sales (LTM) at acquisition date

Ahlsell's geographical split

Net sales FY 2016



EBITA FY 2016



Sweden: All time high sales and profit in strong market

Highlights Q4

- Net sales up 14% driven by strong organic growth of 8 pp and M&A of 4 pp
- Increased logistic costs due to investment project
- Larger portion of projects affected gross margin
- Adj. EBITA rose 11%, adj. EBITA-margin at 12.7%

Strategic activities FY

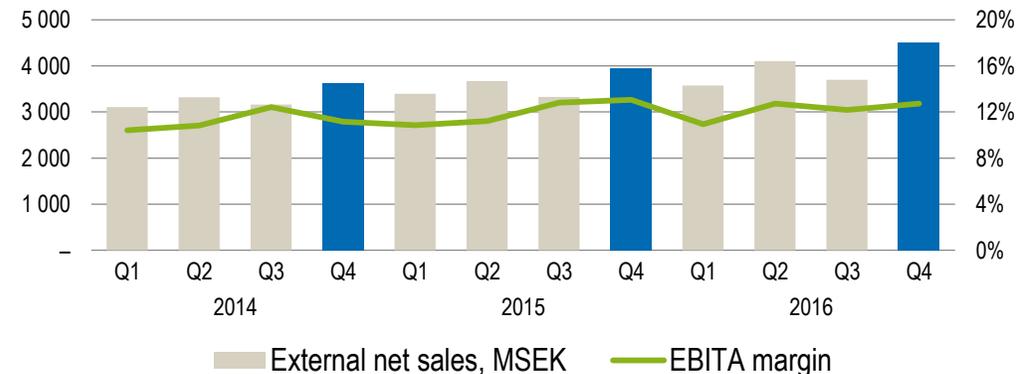
- Three acquisitions totalling net sales of 600 MSEK*
- Continued focus on growth initiatives
- Investment project in Hallsberg

Market

- High activity in the construction and infrastructure market driven by housing shortage, low interest rates, demographic factors and urbanization

Sweden	2016	2015	change	2016	2015	change
	Oct-Dec	Oct-Dec		Jan-Dec	Jan-Dec	
External net sales, SEK million	4 501	3 944	+14%	15 874	14 328	+11%
Organic growth	8%	7%		8%	6%	
Adjusted EBITA, SEK million	573	515	+11%	1 936	1 729	+12%
Adjusted EBITA margin, %	12,7%	13,1%		12,2%	12,1%	

Net sales and EBITA margin per quarter



* Estimated net sales (LTM) at acquisition date

Sweden

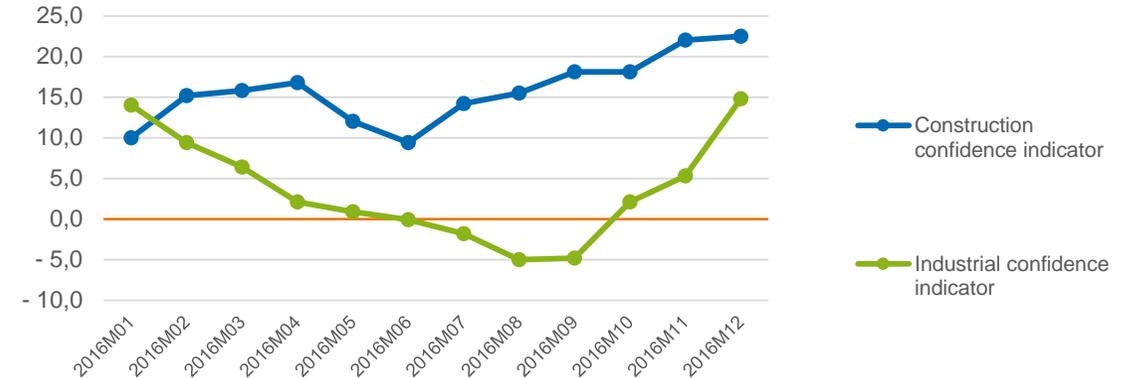
Market outlook 2017

- Market outlook remains positive with expected real GDP growth at 2.5% in 2017
- Structural drivers remain strong
 - Urbanization
 - Population growth
 - Shortage of housing
 - Low interest rates
- Confidence indicators at high levels
 - Industry confidence had a sharp lift in Q4
 - Construction stable and confident

Management priorities 2017

- Expanding business organically and through M&A
- Improve customer interface and multi channel offer
- Increase cross selling and cost efficiency

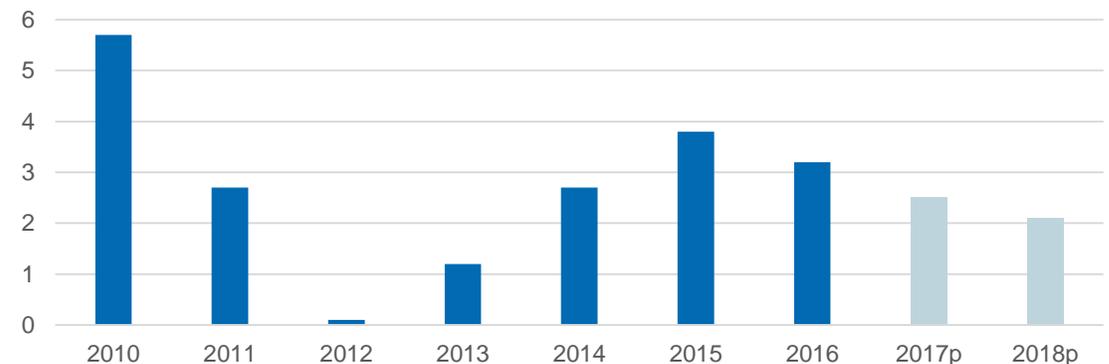
Strong confidence in Construction and Industry



Source: Eurostat, Dec 2016

Positive GDP growth outlook

Sweden Constant prices, calendar-adjusted, percentage change



Source: Konjunkturinstitutet, Dec 2016

Norway: Improved market conditions

Highlights Q4

- Net sales up 16% driven by organic growth of 6 pp, and positive currency effects of 8 pp
- Growth initiatives within facility management, aqua culture and energy utilities
- Improved cost efficiency
- Adj. EBITA margin increased to 3.7%

Strategic activities FY

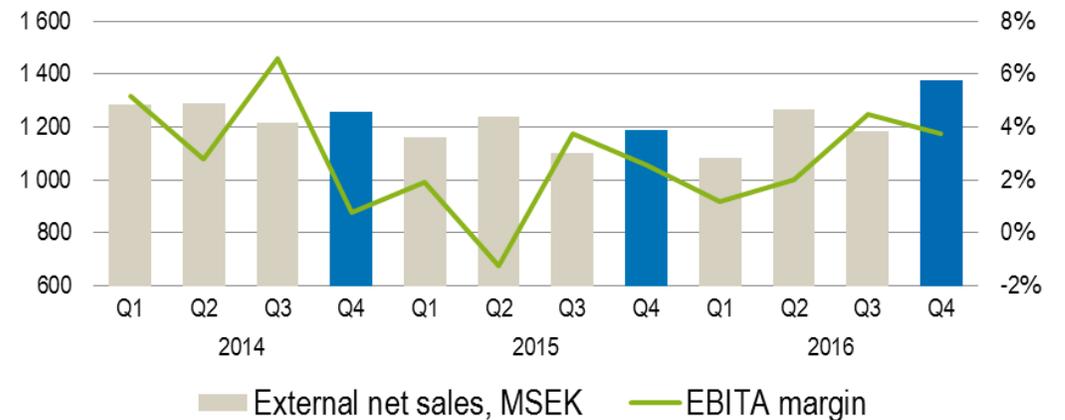
- Management and organizational changes
- Restructuring and headcount reduction
- Improvement of branch network and focus on cross selling

Market

- Market improved over the year. Growth in non oil and gas related industries, such as construction, aqua culture, and infrastructure on a high level

Norway	2016	2015	change	2016	2015	change
	Oct-Dec	Oct-Dec		Jan-Dec	Jan-Dec	
External net sales, SEK million	1 375	1 189	+16%	4 909	4 690	+5%
Organic growth	6%	1%		7%	-3%	
Adjusted EBITA, SEK million	51	33	+56%	149	101	+48%
Adjusted EBITA margin, %	3,7%	2,8%		3,0%	2,2%	

Net sales and EBITA margin per quarter



Norway

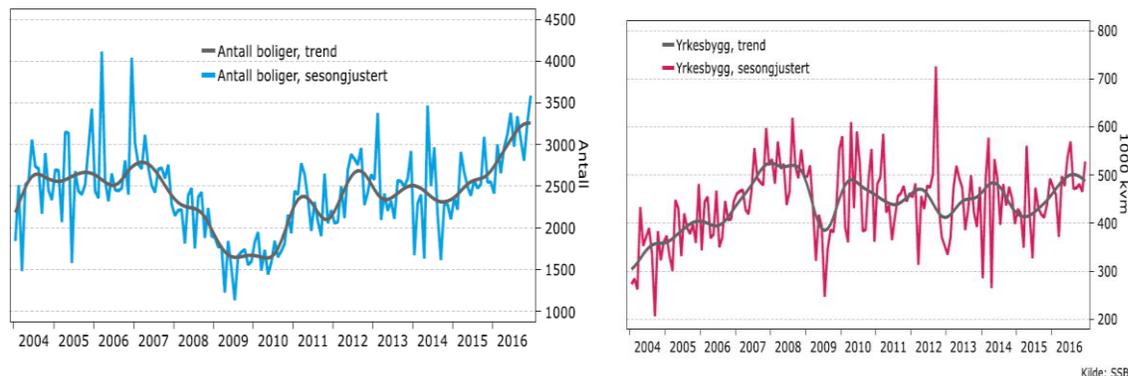
Market outlook 2017

- Market outlook remains positive with expected real GDP growth at 0.9% in 2017
- Construction growth driven primarily by new housing and infrastructure projects
- Structural drivers
 - Population growth with increased urbanization, primarily in the Oslo region
 - Low interest and unemployment rates

Management priorities 2017

- Broader offer
- Improved branch network
- Initiatives in facility management, aqua culture and PPE
- M&A

Building permit growth shows positive trend



Source: Prognoscentret, Dec 2016

Kilde: SSB

GDP growth in Norway



Source: Konjunkturinstituttet, Dec 2016

Finland

Highlights Q4

- Net sales up 16% driven by organic growth of 13 pp and positive currency effects of 5 pp
- Increased operating expenses due to initiatives
- Adj. EBITA margin stable at 3.1%

Strategic activities FY

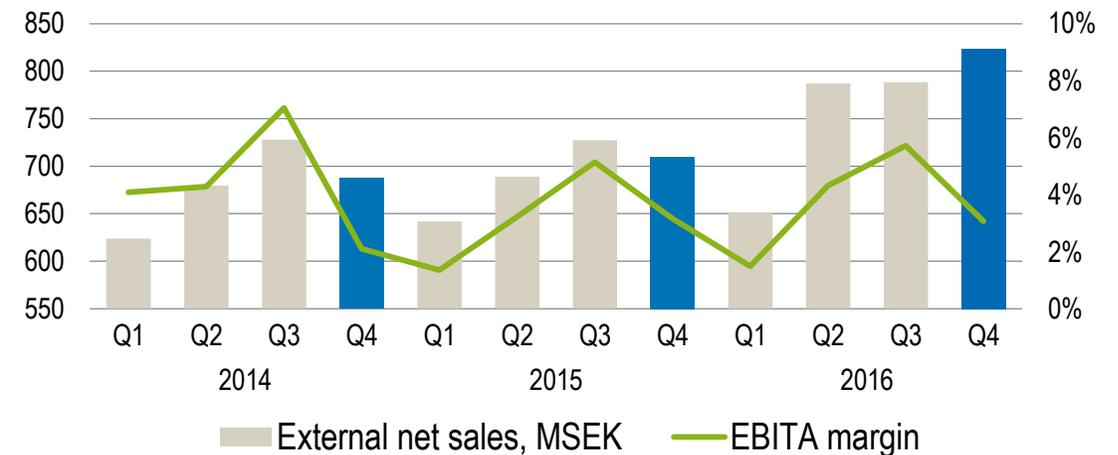
- Focus on volume and cross selling
- Development of branch network and opening of a new branch in Helsinki region

Market

- Improved macroeconomics and demand in residential building

Finland	2016	2015	change	2016	2015	change
	Oct-Dec	Oct-Dec		Jan-Dec	Jan-Dec	
External net sales, SEK million	824	710	+16%	3 050	2 768	+10%
Organic growth	13%	0%		7%	-2%	
Adjusted EBITA, SEK million	25	22	+13%	114	91	+26%
Adjusted EBITA margin, %	3,1%	3,2%		3,7%	3,3%	

Net sales and EBITA margin per quarter



Finland

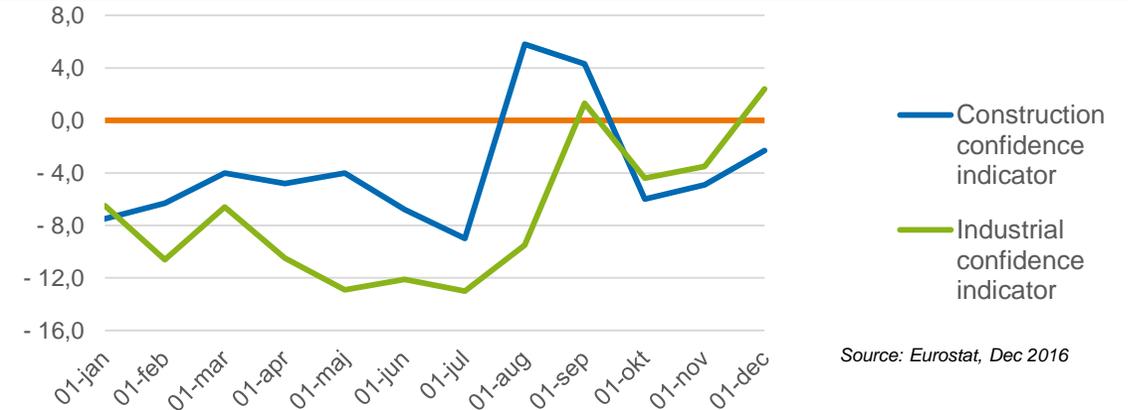
Market outlook 2017

- Market outlook remains positive with expected real GDP growth just below 1% in 2017
- Structural drivers still strong
 - Infrastructure projects
 - Under-invested building market
- Growing confidence in Finnish economy
 - Industry confidence is above 0
 - Construction confidence fell back in October but rebounded at the end of the quarter

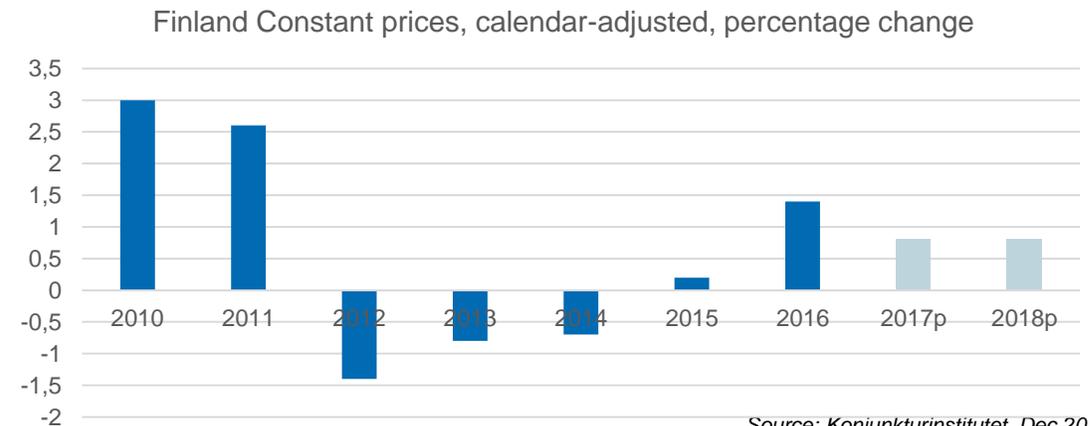
Management priorities 2017

- Focus on regaining market share in HVAC & Plumbing, and building position in 2nd product segment
- Program aiming for increased efficiency
- M&A

Finnish market is recovering



GDP growth in Finland



Denmark and Other markets

Denmark

- Net sales grew with 7% due to currency effects
- Organic growth was -1% due to weakened consumer markets
- Strong development within the refrigeration business

Other markets

- Net sales grew with 4% due to currency effects
- Growth in Russia driven by increased demand from larger installation projects
- Weak market development in Poland and Estonia

Denmark	2016			2015		
	Oct-Dec	Oct-Dec	change	Jan-Dec	Jan-Dec	change
External net sales, SEK million	88	83	+7%	364	359	+1%
Organic growth	-1%	-4%		-1%	3%	
Adjusted EBITA, SEK million	6	7	-6%	33	33	+1%
Adjusted EBITA margin, %	7,3%	8,3%		9,1%	9,1%	

Other markets	2016			2015		
	Oct-Dec	Oct-Dec	change	Jan-Dec	Jan-Dec	change
Estonia, Russia, Poland						
External net sales, SEK million	115	110	+4%	410	440	-7%
Organic growth	-1%	-8%		-7%	-1%	
Adjusted EBITA, SEK million	2	1	+52%	9	12	-21%
Adjusted EBITA margin, %	1,8%	1,2%		2,2%	2,6%	



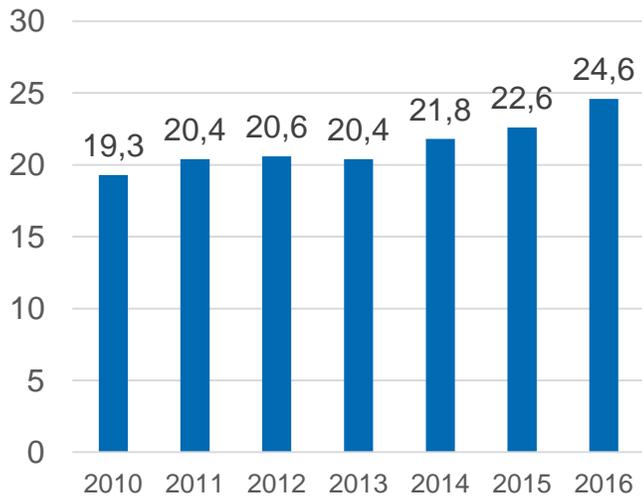
Financials

ahlsell

Robust and resilient cash flow generator

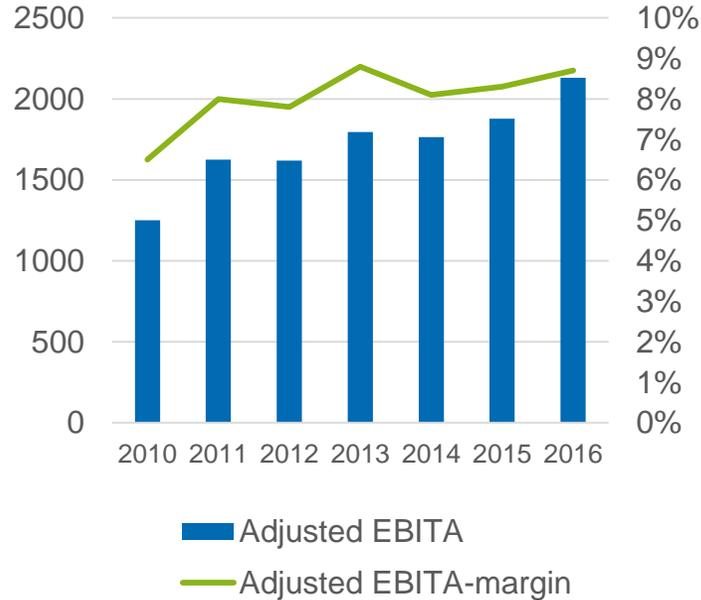
Net sales growth

2010 – 2016 (SEKbn)



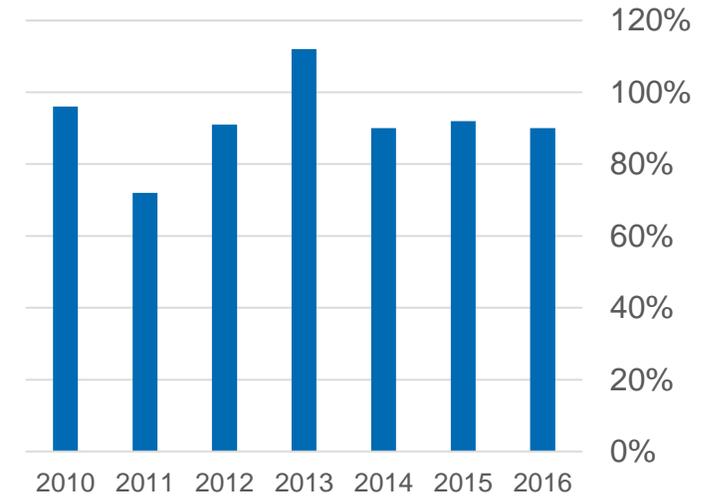
Profitability

2010 – 2016 (SEKm)



Cash conversion

2010 – 2016
(Operating cash flow / EBITDA)



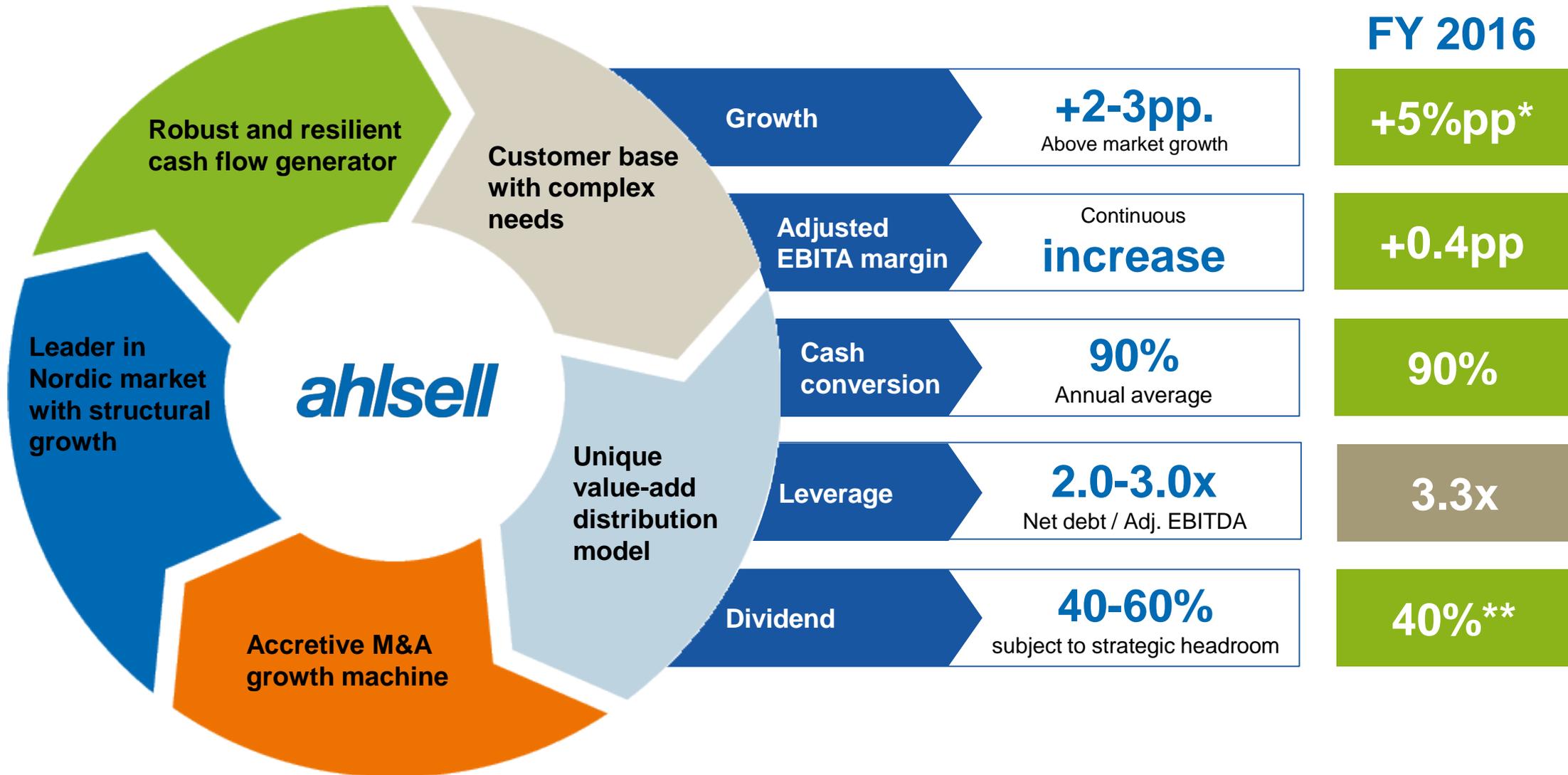
Other performance measures

Highlights

- Cash conversion in line with financial target
- Strong deleveraging capacity
- Organic growth with limited CAPEX
- Excellent capital efficiency and profitability

	2016	2015	2016	2015
	Oct-Dec	Oct-Dec	Jan-Dec	Jan-Dec
Operating cash flow/EBITDA	195%	229%	90%	92%
External net debt/Adjusted EBITDA			3,3	3,9
Investments, % of sales			0,6%	0,8%
Working capital, % of sales			8,3%	8,0%
Average working capital, % of sales			8,9%	9,5%
Net working capital, % of sales			7,1%	7,5%
Return on operating capital, excluding intangible assets (average), %			67%	57%
Return on working capital, %			94%	85%

Financial targets and outcome



*The market growth target refers to market growth as estimated in Ahlsell IPO-prospectus 2016, page 42. 4% CAGR 2015-2018

** Proposed dividend to the AGM

Q&A



In brief 2016

Strong year end; all time high sales and improved market positions

Successful strategic initiatives, internal improvements and M&A lead to all time high EBITA

Robust market growth and positive outlook





Appendix

ahlsell

Condensed Income Statement

MSEK	2016	2015	2016	2015
	okt-dec	okt-dec	jan-dec	jan-dec
Net sales	6 902	6 036	24 606	22 586
Cost of goods sold	-5 021	-4 359	-17 916	-16 377
Gross profit	1 882	1 677	6 690	6 209
Selling expenses	-1 266	-1 147	-4 559	-4 331
Administration expenses	-150	-82	-443	-390
Other operating income and expenses	11	13	31	18
Operating profit, EBIT	477	462	1 719	1 505
Net finance income/expense	-417	-341	-1 140	-1 274
Profit before tax	60	121	579	232
Income tax	1	-77	-237	-162
Profit/loss for the period	62	44	342	70
Attributable to				
Owners of the parent company	62	44	342	70
Non-controlling interests	-	-	-	-
Basic earnings per share, before dilution, SEK*	0,16	0,15	1,11	0,21
Basic earnings per share, after dilution, SEK*	0,16	0,15	1,11	0,21

Condensed Balance Sheet

ASSETS MSEK	2016 31 dec	2015 31 dec
ASSETS		
Customer relationships & trademark	7 087	7 112
Goodwill	7 028	6 634
Other intangible assets	123	127
Property, plant and equipment	781	727
Financial assets	8	7
Deferred tax assets	7	9
Total non-current assets	15 033	14 616
Inventories	3 287	2 917
Trade receivables	3 054	2 549
Other receivables	1 091	866
Cash and cash equivalents	1 209	2 360
Assets held for sale	–	69
Total current assets	8 641	8 762
TOTAL ASSETS	23 674	23 378

EQUITY AND LIABILITIES MSEK	2016 31 dec	2015 31 dec
EQUITY AND LIABILITIES		
Equity	8 089	711
Non-current interest-bearing liabilities	7 930	16 298
Provisions	55	56
Deferred tax liabilities	1 426	1 364
Other non-current liabilities	25	–
Total non-current liabilities	9 436	17 717
Current interest-bearing liabilities	724	213
Trade payables	4 599	3 785
Provisions	19	13
Other current liabilities	807	929
Liabilities attributable to assets held for sale	–	10
Total current liabilities	6 148	4 950
TOTAL EQUITY AND LIABILITIES	23 674	23 378

Condensed Cash Flow Statement

MSEK	2016	2015	2016	2015
	okt-dec	okt-dec	jan-dec	jan-dec
Profit/loss after financial items	60	121	579	232
Adjustments for non-cash items of which	363	224	1 001	1 062
Tax paid	-81	-11	-245	-26
Cash flow from operating activities before changes in working capital	342	333	1 335	1 268
Changes in inventories	57	41	-165	-263
Changes in operating receivables	466	666	-554	-191
Changes in operating liabilities	107	118	630	513
Cash flow from changes in working capital	630	824	-89	60
Cash flow from operating activities	972	1 157	1 246	1 327
Cash flow from acquisition of assets, liabilities and operations	-34	-36	-451	-49
Other cash flow from investing activities	-46	-37	-79	-161
Cash flow from investing activities	-81	-73	-530	-210
Cash flow before financing activities	891	1 085	716	1 117
Cash flow from financing activities	-1 316	-99	-1 871	-513
CASH FLOW FOR THE PERIOD	-425	985	-1 155	604