

Bellman Group

Company presentation



**BELLMAN
GROUP**

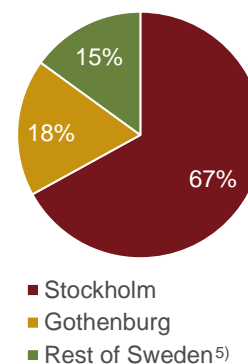
Introduction to Bellman Group

Key facts

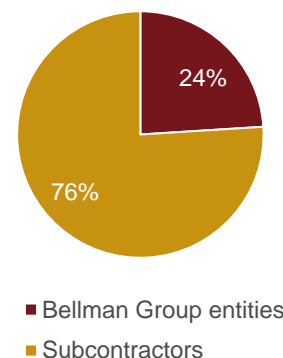


- Bellman Group was founded in 2017 through the acquisitions of Bellmans and Uppländska and has since then made three additional acquisitions
- Bellman Group is a full-service provider of field related works required for construction of crucial infrastructure and buildings
- Attractive business model with a full suite of ground preparation services including blasting, excavation, transportation of masses and landfill – with each Bellman Group entity offering unique and complementing capabilities
- Recession resilient business model through exposure to contracyclical infrastructure market coupled with a flexible cost base due to extant leveraging of subcontractors
- Bellman Group acquired SÅCAB in March 2020, which strengthens the group's presence in the Stockholm region, provides a strategically important landfill and recycling facility and increases capacity by approximately 100 units. SÅCAB's sales 2019 amounted to approximately SEK 185m

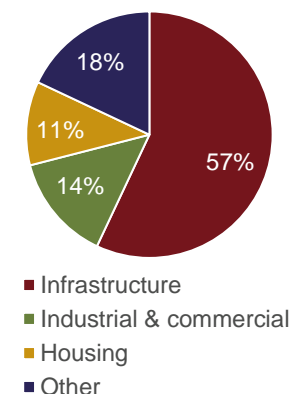
Sales split by geography, 2019



Sales split by entity, 2019

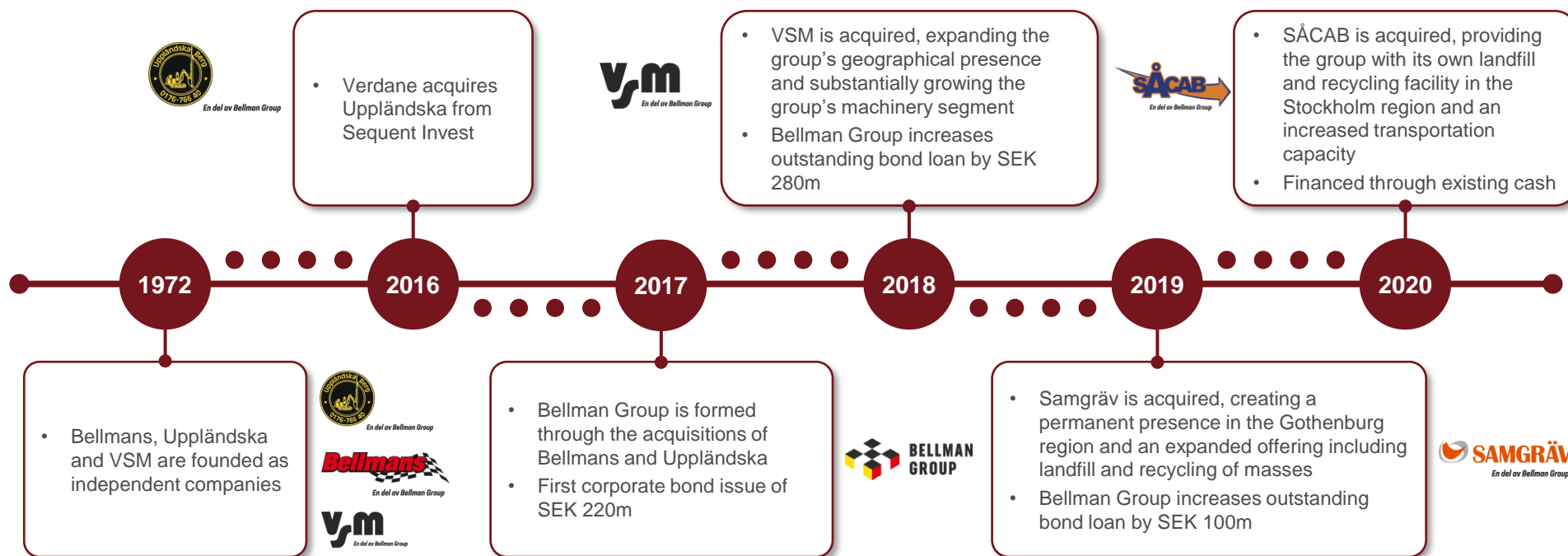


Sales split by market segment⁶⁾, 2019

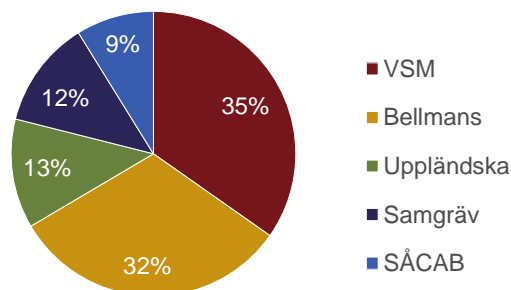


Note: All figures presented on this page, unless specified, exclude SÅCAB. 1) Includes figures for Samgräv on a full year basis. EBITDA before items affecting comparability. 2) Includes SÅCAB. 3) Total number of units available to Bellman Group including subcontractor units. Units include, among others, trucks, backhoe loaders, crushers, dumpers, drilling rigs, excavators and wheel loaders. 4) Trucks and machines available through subcontractors. Mainly operated by smaller contractors. 5) VSM is also present in Norway. 6) "Other" segment includes material handling and other ancillary services.

50 years track record – Buy and build strategy to continue



Sales split by subsidiary¹⁾, 2019

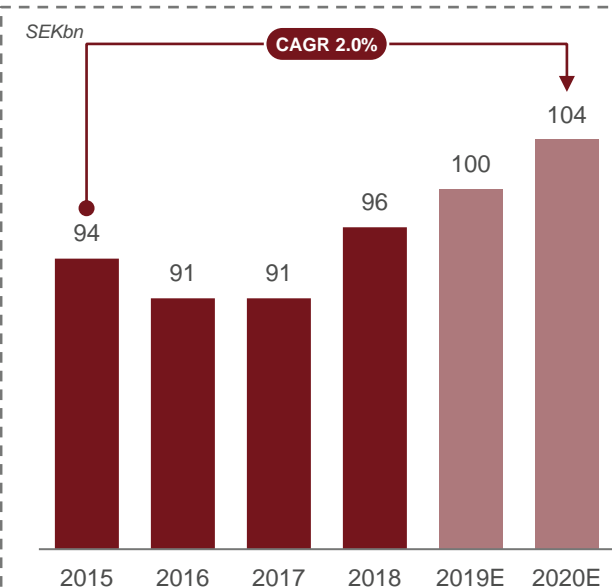


- Bellman Group has successfully acquired several companies historically to broaden offering and increase market footprint
- The companies have been integrated into Bellman Group, but operate independently and are led by each company's managing director
- Acquisitions have enabled coordination of group functions, realisation of cross-selling synergies as well as efficiency improvements
- Further add-ons identified, key factor to execute current M&A plan is to remain as an attractive employer and partner for subcontractors

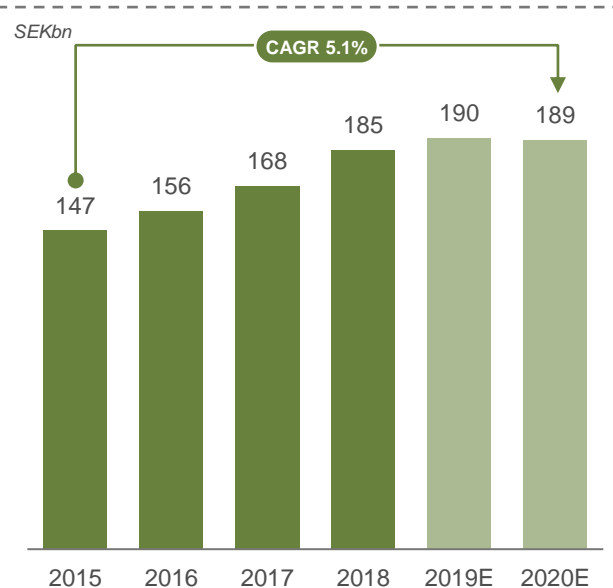
Note: 1) Pro forma figures for sales 2019 including acquisition of SÅCAB made in March 2020.

Well-positioned to leverage growing underlying market

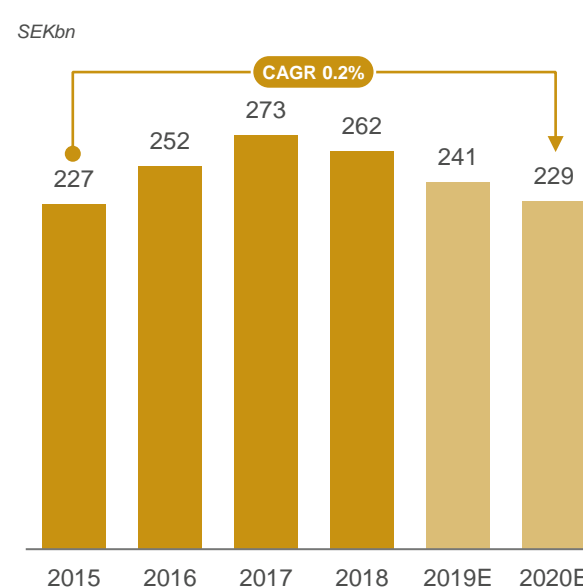
Infrastructure



Industrial & commercial



Housing



~71% of Bellman Group sales 2019

- Infrastructure investments expected to increase rapidly based on Trafikverket's current implementation plan
- Public investments forecasted to shift somewhat from road construction to railway investments
- Shortage of commercial and industrial properties expected to drive future investments
- Further need for investments driven by forecasted population growth in metropolitan areas
- Historical housing construction in Sweden declined in recent years due to introduction of comprehensive credit restrictions
- Housing deficit in the Stockholm, Gothenburg and Malmö regions combined with forecasted population growth drives long-term housing need

During economic downturns, governments tend to maintain infrastructure expenditures to drive the economy, creating recession resilient market fundamentals for Bellman Group

Diversified service offering – Full suite of ground preparation services

Construction projects



Blasting

Majority volume-based compensation



En del av Bellman Group

- Core offering comprises blasting for construction – in any environment
- Experts on cautious blasting in urban and sensitive areas
- Offering also includes substitute services such as wire sawing and rock reinforcement



Excavation and machine work¹⁾

Hour and volume-based compensation



En del av Bellman Group



En del av Bellman Group



En del av Bellman Group



En del av Bellman Group

- Excavation and filling of soil and earth during construction projects
- Full-scale offering in terms of machinery size with group entities serving different needs
- Provides both operators and machinery



Transportation of masses²⁾

Hour and volume-based compensation



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En del av Bellman Group



En del av Bellman Group

- Transportation of rock, gravel, soil and masses generated in earthwork services
- Provides both drivers and vehicles
- Handling of both contaminated and non-contaminated masses



Landfill, recycling and mass handling

Volume-based compensation



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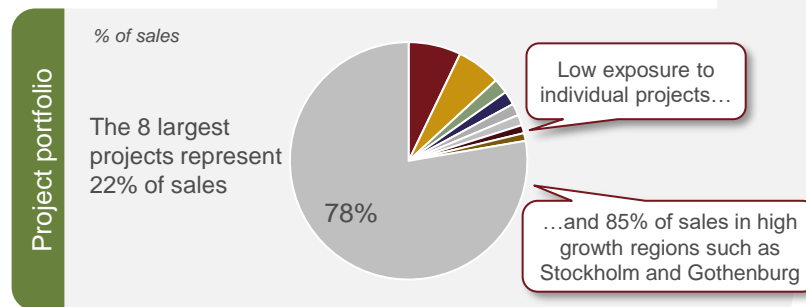
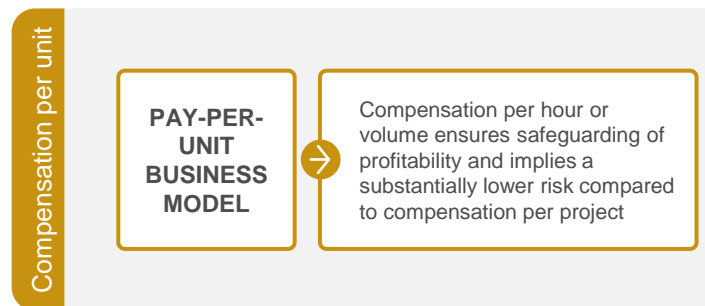
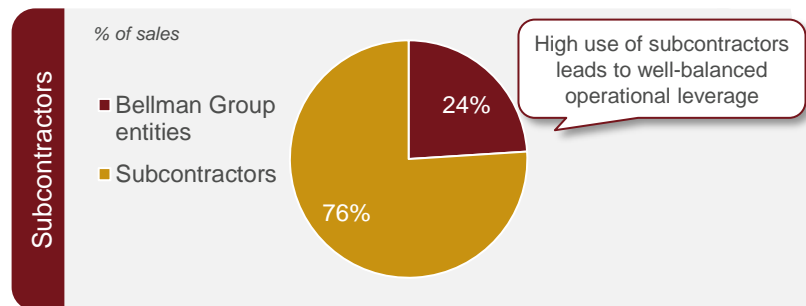
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- Landfill or recycling of masses, waste and rubble from construction sites and other field works
- Recycled rubble or other waste sold to third parties

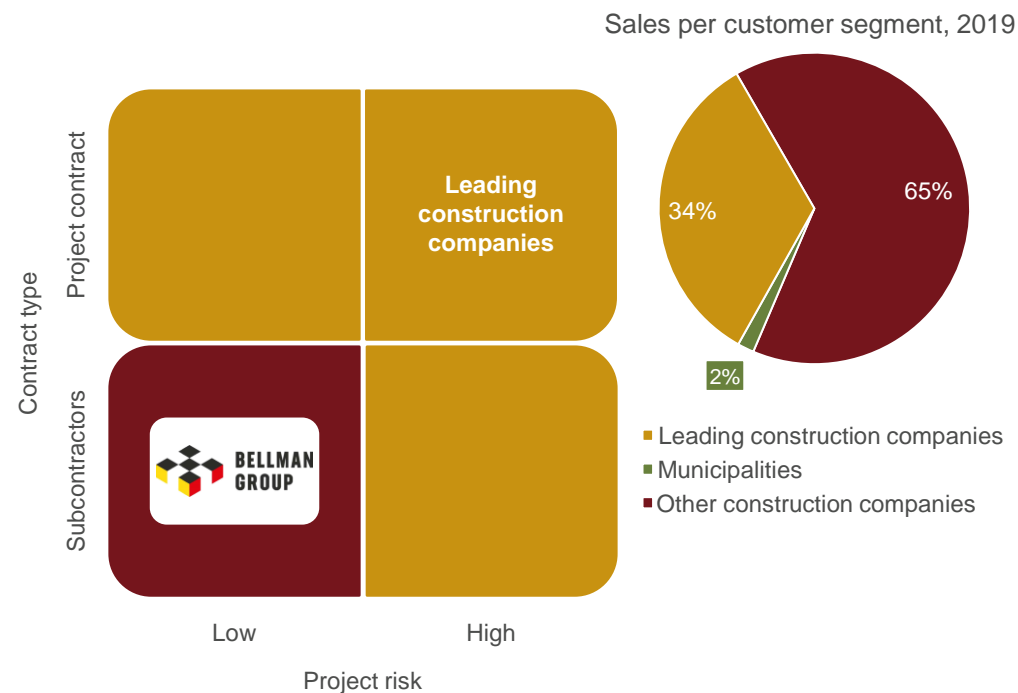
Note: 1) Includes all machinery on construction sites, choringing plants and transportations of machinery. 2) Includes external material and landfill (reimbursement for external material transported).

Risk-mitigating profile with focus on volume and low risk projects

Bellman has a risk-mitigating business model...



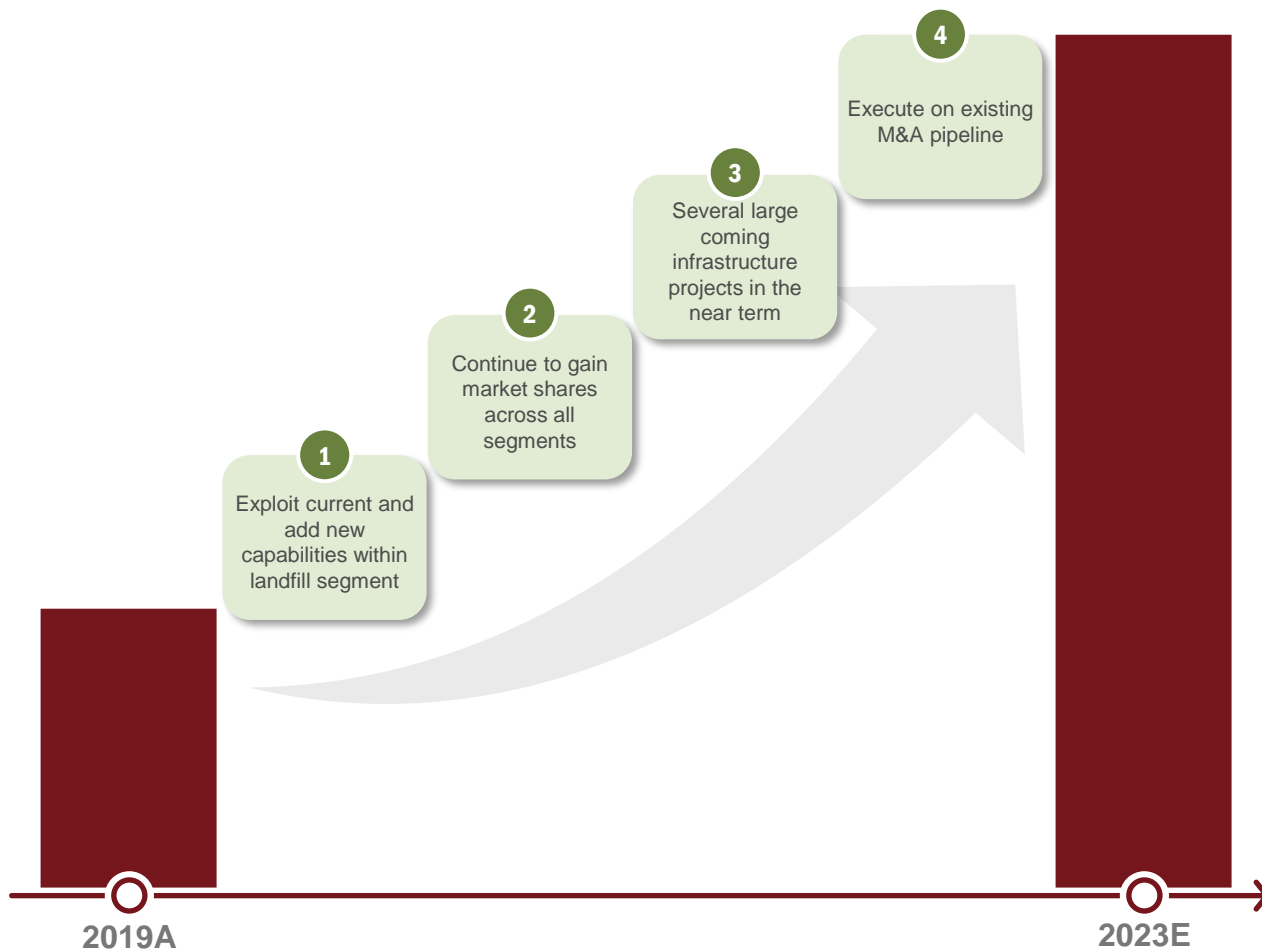
...serving as a partner rather than competitor to leading construction companies



- Leading construction company customer segment comprises individual divisions within each company, thus exposure toward the leading construction companies is even lower than indicated
- Bellman Group aims for low project risk and avoids low profitability “prestige” projects
- Exposure to infrastructure projects coupled with risk-mitigating business model characteristics and low project risk focus further enhances recession resilience

Note: All figures presented on this page, unless specified, exclude SÅCAB.

Key initiatives going forward



- 1** Landfill expansion with opening of new facilities key focus going forward, further enabled through acquisition of SÅCAB. Significantly higher EBITDA margin potential than transportation segment

- 2** Transportation and excavation segments expected to gain further market shares through attracting new drivers as well as improved negotiation position towards customers with the landfill expansion

- 3** Stockholm area has a project pipeline with a total value of c. SEK 12.5bn, including e.g. Förbifart Stockholm (road) and Citybanan (railway). Gothenburg area has a project pipeline with a total value of c. SEK 3.5bn including e.g. Västlänken (tunnel, railway) and Eriksberg (railway)

- 4** Strong brand recognition and successful historical track record paves the way for further M&A transactions. Several potential add-ons already identified



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