

Bellman Group

Company presentation, February 2021



**BELLMAN
GROUP**

Bellman Group

The leading Swedish subcontractor in the infrastructure construction sector

- Bellman Group AB (publ) ("Bellman Group", the "Group" or the "Company") has a strong presence in Sweden, being the only independent subcontractor to the construction sector
- The Company has a full-service offering of field related works
- Established via the acquisitions of Uppländska Bergborning AB ("Uppländska Berg") and Bellmans Åkeri & Entreprenad AB ("Bellmans") in 2017
- Strengthened service offering and geographic footprint expansion through the acquisitions of Samgräv Holding AB ("Samgräv"), VSM Entreprenad AB ("VSM"), SÅCAB Åkericentral AB ("SÅCAB"), Losshållningsbolaget i Sverige AB ("Losshållningsbolaget") ¹⁾ and Ivarssons Entreprenad i Göteborg AB2 ("Ivarssons Entreprenad") ²⁾
- Through delivering on a buy-and-build strategy, Bellman Group today offers a full suite of ground preparation services including rock blasting, excavation, transportation of masses and landfill. Each Bellman Group entity offers both unique and complementing capabilities
- Unique critical scale to fully service large scale construction projects

Notes: 1) Losshållningsbolaget, a company active in the blasting and rock work segment was acquired by Bellman Group through a minor acquisition in December 2020; 2) Ivarssons Entreprenad, a company active in the excavation and machinery segment was signed by Bellman Group in December 2020 and closed on the 18th of January 2021

Introduction to Bellman Group

Key facts

SEK 1,737m
Sales 2020¹⁾

SEK 237m
EBITDA 2020¹⁾

6
Subsidiaries²⁾

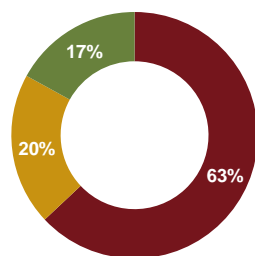
~1,340
Units³⁾

~1000
Subcontractors⁴⁾

~420
Employees²⁾

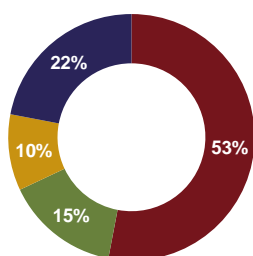


Sales split
by geography, 2020



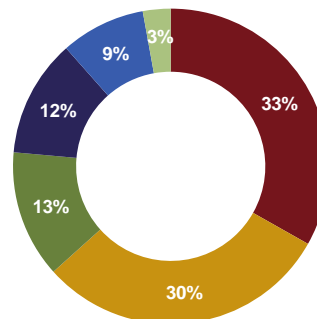
■ Stockholm
■ Gothenburg
■ Rest of Sweden⁵⁾

Sales split by
market segment⁶⁾, 2020



■ Infrastructure
■ Industrial & commercial
■ Housing
■ Other

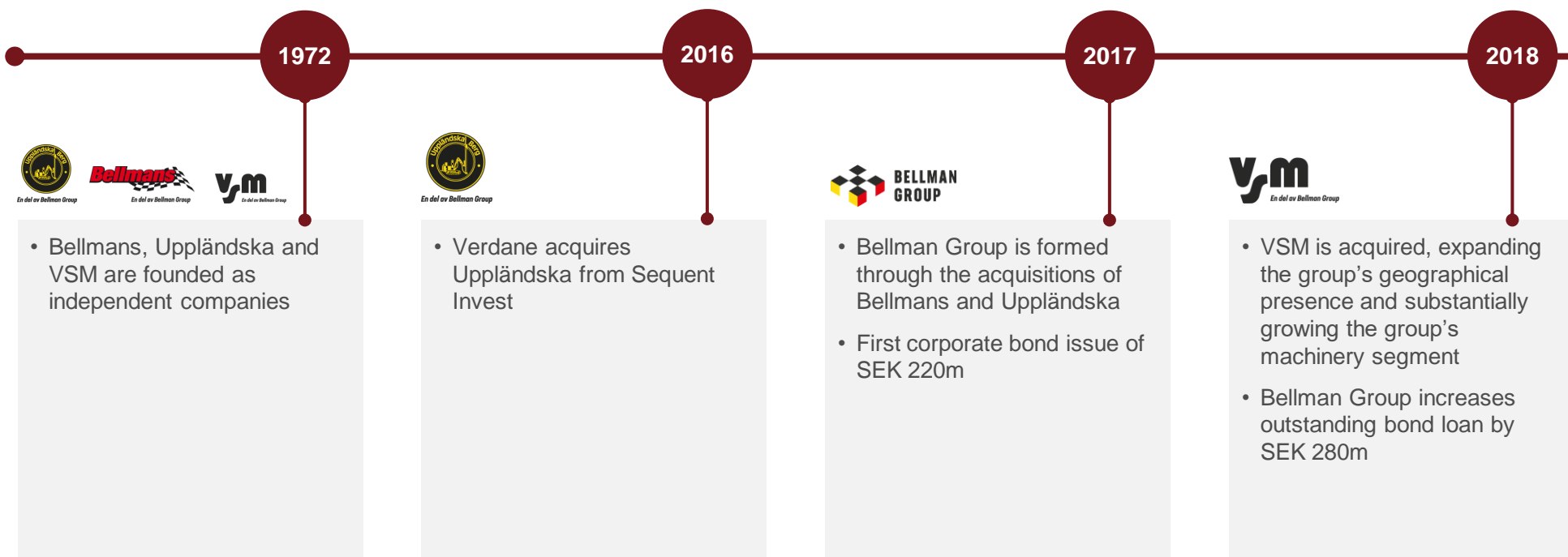
Pro forma sales split by
subsidiary, 2019A⁴



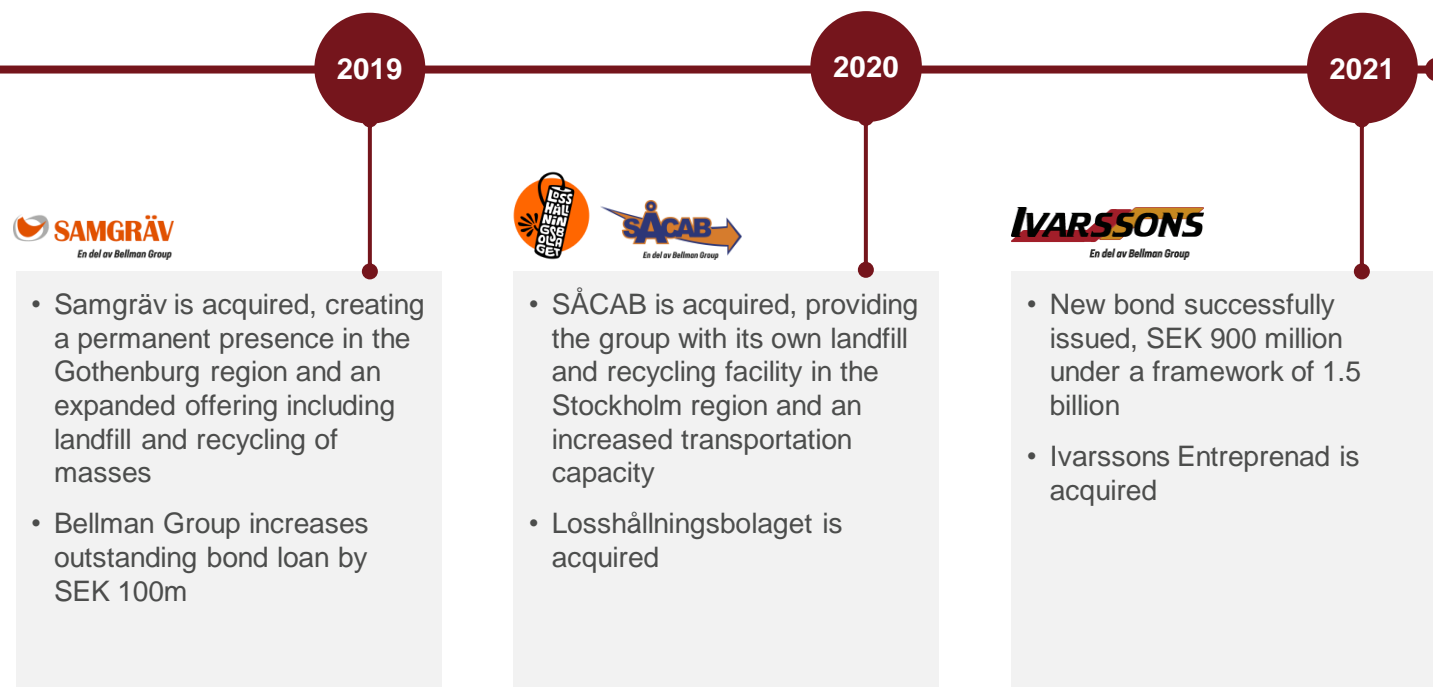
■ VSM
■ Bellmans
■ Uppländska
■ Samgräv
■ SÅCAB
■ Ivarssons Entreprenad

Note: All figures presented on this page, unless specified, exclude Ivarsson acquired in the beginning of 2021. 1) Includes figures for Samgräv, SACAB and Uppländska (including LHB) on a full year basis. EBITDA before items affecting comparability. 2) Includes Ivarssons. 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



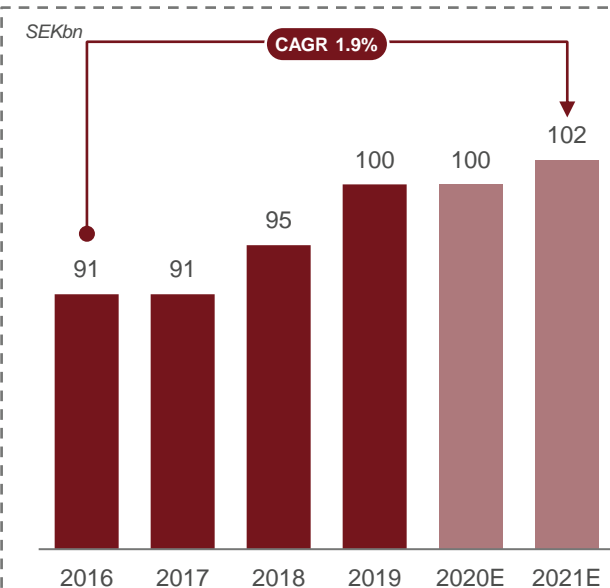
50 years track record – Buy and build strategy to continue



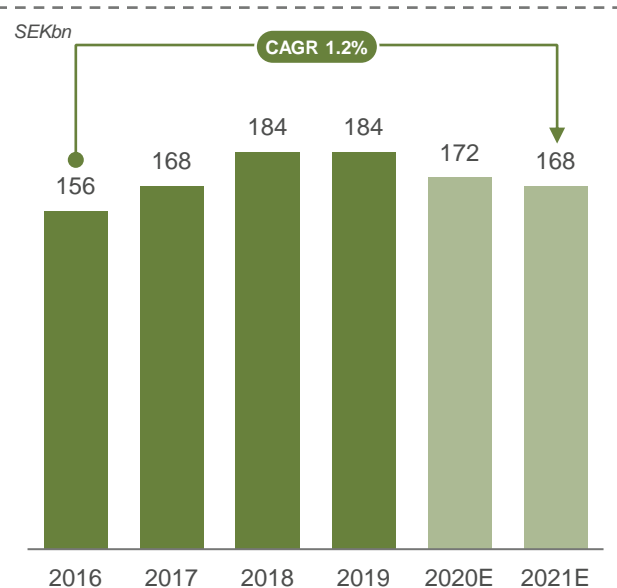
- Bellman Group has successfully acquired several companies historically to broaden offering and increase market footprint
- The companies have been integrated into Bellman Group, but operate independently and are led by each company's managing director
- Acquisitions have enabled coordination of group 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

Well-positioned to leverage growing underlying market

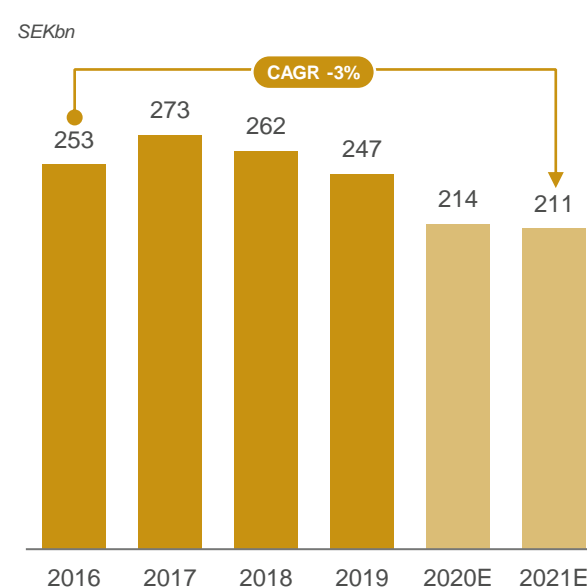
Infrastructure



Industrial & commercial



Housing



~68% of Bellman Group sales 2020

- 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

- 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



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



En del av Bellman Group

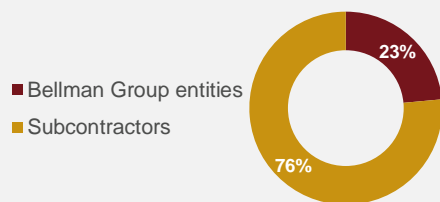
- Landfill or recycling of masses, waste and rubble from construction sites and other field works
- Recycled rubble or other waste sold to third parties

2 | Proven low risk business model

Bellman has a risk-mitigating business model...

Subcontractors

% of units



- Use of subcontractors leads to well-balanced operational leverage

Compensation per unit

Pay-per-unit business model

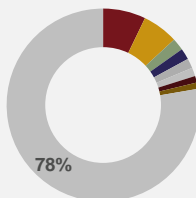


Compensation per hour or volume ensures safeguarding of profitability and implies a substantially lower risk compared to compensation per project

Project portfolio

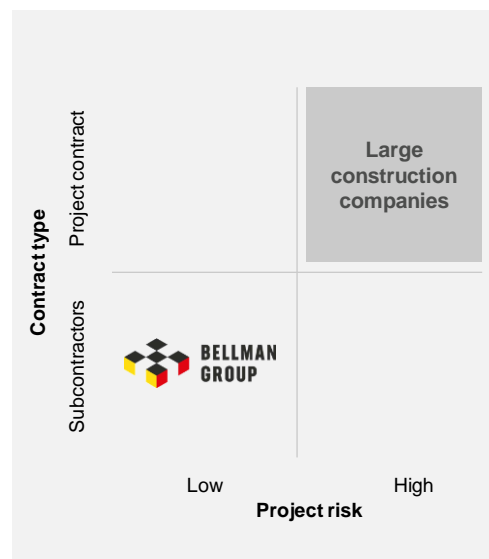
% of sales

The 8 largest projects represent 22% of sales

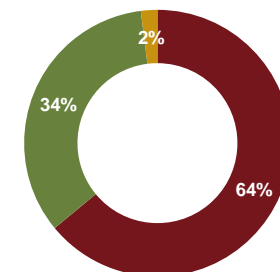


- Low exposure to individual projects
- 85% of sales in high growth regions such as Stockholm and Gothenburg

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



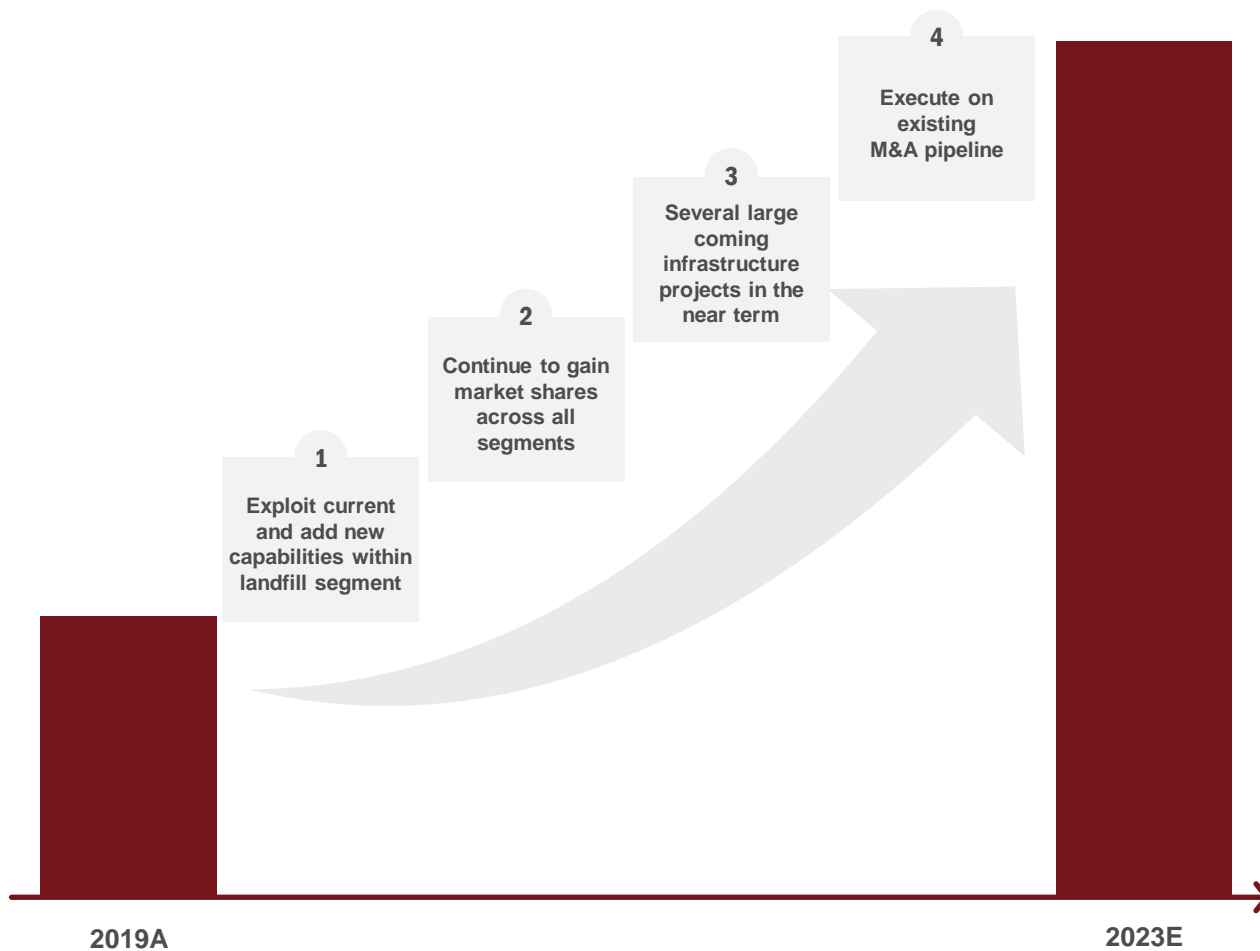
Sales per customer segment, 2019A



- Other construction companies
- Leading construction companies
- Municipalities

- In reality, the concentration to large construction companies is less profound than indicated as the relationships are with individual divisions of each company rather than on group level
- Bellman Group aims for low project risk and avoids low profitability “prestige” projects
- Exposure to infrastructure projects coupled with a risk-mitigating business model and low project risk, enhances downside protection

Key initiatives going forward



- 1** Landfill expansion with opening of new facilities key focus going forward, further enabled through acquisition of SÄCAB. 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

