

Adapteo Plc Regulatory press release 14 February 2020 at 07:30 a.m. CET

Adapteo's Financial Statement Release January-December 2019: Comparable quarter earnings on par with last year

October-December 2019

- Rental sales amounted to EUR 35.1 (34.9 Oct-Dec 2018) million. In constant currencies, rental sales increased by 2%.
- Net sales amounted to EUR 49.6 (55.5) million. In constant currencies, net sales decreased by 9%.
- Comparable EBITDA was unchanged at EUR 20.6 (20.6) million. Comparable EBITDA margin increased to 41.6% (37.0%).
- Operating profit (EBIT) decreased to EUR -3.9 (5.6) million, representing -7.8% (10.1%) of net sales. Operating profit (EBIT) included items affecting comparability of EUR 1.0 (4.3) million.
- Operating cash flow before growth capex was EUR 19.0 (22.8) million.¹
- Growth capex was EUR 4.3 (17.7) million.¹
- Earnings per share was EUR -0.17 (0.10).

January-December 2019

- Rental sales amounted to EUR 132.7 (128.8 Jan-Dec 2018) million. In constant currencies, rental sales increased by 5%.
- Net sales amounted to EUR 216.2 (220.6) million. In constant currencies, net sales were unchanged from 2018.
- Comparable EBITDA was EUR 88.5 (83.6) million, an increase of 6% Comparable EBITDA margin increased to 40.9% (37.9%).
- Operating profit (EBIT) decreased to EUR 22.1 (42.6) million, representing 10.2% (19.3%) of net sales. Operating profit (EBIT) included items affecting comparability of EUR 12.4 (5.2) million.
- Operative return on capital employed (ROCE) amounted to 8.5% (12.1%)
- Net debt to comparable EBITDA was 4.5x.
- Operating cash flow before growth capex was EUR 65.7 (57.6) million.¹
- Growth capex was EUR 29.1 (46.7) million.¹
- Earnings per share was EUR 0.19 (0.63).
- The Board of Directors proposes a dividend of EUR 0.12 per share.

¹ On a carve-out basis

Comments from the CEO

In today's Financial Statement 2019, Adapteo Group reported a Rental sales of EUR 35.1 (34.9) million for the fourth quarter. In constant currencies, Rental sales increased by 2%. Net sales amounted to EUR 49.6 (55.5) million. In constant currencies, Net sales decreased by 9%. Comparable EBITDA was unchanged at EUR 20.6 (20.6) million. Average rent per square metre amounted to EUR 159 (156). Free cash flow increased to EUR 36.5 (11.0) millions, which underlines the discretionary nature of the growth capex. The Board of Directors proposes a dividend of EUR 0.12 per share for the fiscal year 2019.

"The fourth quarter of 2019 continued with a lower market activity in our main market. Given the weak market during the second half of the year, Adapteo delivers a satisfying performance driven by

focused and targeted cost control and performance management. We present a stable profit and further strengthen our market position through our intensified focus on our commercial- and operational excellence programmes. Throughout the year, we have seen a materially lower tender activity in the Swedish public sector, which impacted our revenues during the second half of the year, with effects also on coming quarters”, Philip Isell Lind af Hageby, President and CEO, Adapteo Plc.

The industry’s long-term needs in the public sector was reflected in a report by Sveriges Kommuner och Regioner (SKR) in November 2019, stating that until year 2022, the Swedish municipalities need to build 730 daycare centres, 390 schools, 35 upper secondary schools and 370 group and retirement homes, together with 150 elderly care homes, in order to fulfil the increasing need for space. Simultaneously, there is a sign of a stronger penetration of prefabricated buildings and adaptable space solutions. This brings comfort in our mid-term market growth projections.

“Although we saw a materially lower market activity in 2019, the needs in the public sector remain and our mid-term view of the favourable market development stays unchanged. An old building stock with substantial renovation needs, urbanization, demographic changes, growing number of pupils in school and children in daycare centres, and a constantly growing elderly population are all examples of the primary market drivers that are expected to generate persistent demand for our solutions, today and tomorrow”, Philip Isell Lind af Hageby, President and CEO, Adapteo Plc.

Conference call

A conference call with a presentation for investors, analysts and media will be held today at 09.00 CET. The presentation will be held via teleconference and webcast by President and CEO Philip Isell Lind af Hageby and CFO Erik Skånsberg. The session will start with a presentation, followed by a Q&A session and will be held in English. A recorded version will be available after the conference at adapteogroup.com under Investors.

Dial in numbers and links to conference call:

Finland: +358981710522, Sweden: +46850558365, UK: +443333009034

Link to webcast: <https://tv.streamfabriken.com/adapteo-q4-2019>

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The information above is such that Adapteo Plc is obliged to make public pursuant to the EU Market Abuse Regulation. The information was submitted for publication, through the agency of the contact person set out above, at 07:30 CET on February 14th 2020.

Adapteo in brief

Adapteo is a leading Northern European provider of modular space solutions. We operate in Sweden, Finland, Norway, Denmark and Germany. Adapteo is a new brand with over 30 years of experience, born from the acquisition of Nordic Modular Group and the demerger from Cramo. We offer premium modular space solutions to schools, daycare centers, offices, accommodation and events for temporary and permanent needs. In 2019, Adapteo’s net sales were EUR 216 million.

A changing society needs adaptable space. At Adapteo, we make sure everyone has the right kind of space, so that people can grow, and societies can move ahead. We create flexible modular spaces that are good for the planet and great for the future. Adapteo is listed on Nasdaq Stockholm.

www.adapteogroup.com

Space to grow