



QUANT™

Q4 Report 2020

Tomas Rönn, CEO
André Strömgren, CFO

26 February 2021

SAFETY FIRST



Safety within Quant

Safety is our choice. We are passionate about keeping our people, suppliers and customers safe at all times.

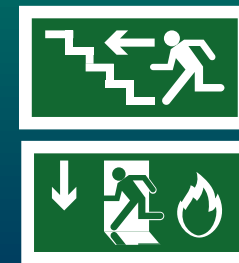
Everybody working for Quant, as an employee or contractor, is required to take care of themselves and their colleagues. We are committed to providing the instructions and training required to ensure they can do so safely.

Improving and developing our safety systems to world class standards is always our focus. Feedback is encouraged and seen as an opportunity to improve and evolve our safety procedures and culture.

Our ultimate safety goal is ZERO accidents. We have only done our job when everyone goes home each and every day safe and sound.

TODAY'S SAFETY ORIENTATION

- Everyone is in a safe meeting environment?
- Nobody is driving?



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Fourth quarter development

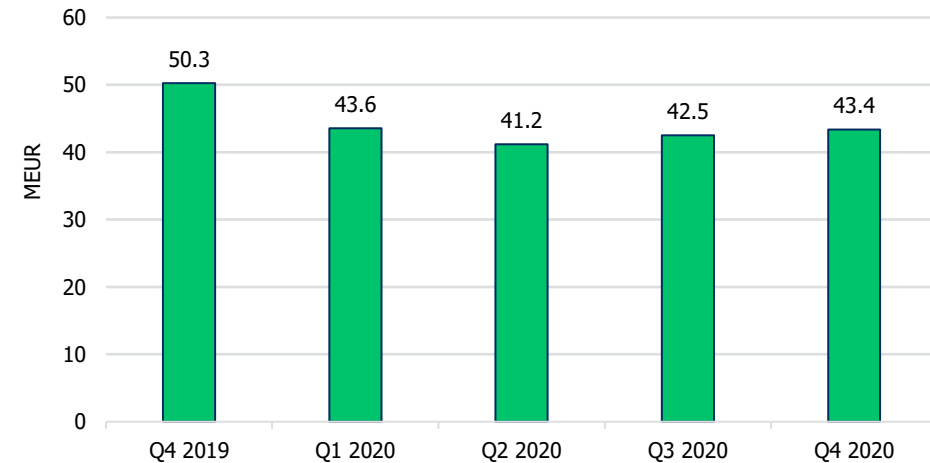
- **Rollout of strategy and improved pipeline**
 - Strategy launched in Q3 2020 and implementation progressing well
 - Business climate has improved with more sales opportunities added to the pipeline
 - Implementation of our digital tools is going through a fast ramp up
- **Net sales improves on previous quarter, profit hit by demobilization**
 - Lost contracts during continuing to impact top line
 - Cost provision of EUR -2 million for demobilizing a Chilean site affected the quarter
 - Region Europe doing well, meeting targets
 - Regions Americas and Finland & Baltics affected by the pandemic
- **Contract portfolio decreasing during the quarter**
 - Two contracts won, Spaljisten in Sweden and Emicool in UAE
 - Three contracts exited and six contracts lost
 - NKT decided to insource five sites, one site remaining
 - BHP decided to not renew one contract in a public tender process, two contracts remaining
 - Pipeline strengthening, encouraging sign for 2021



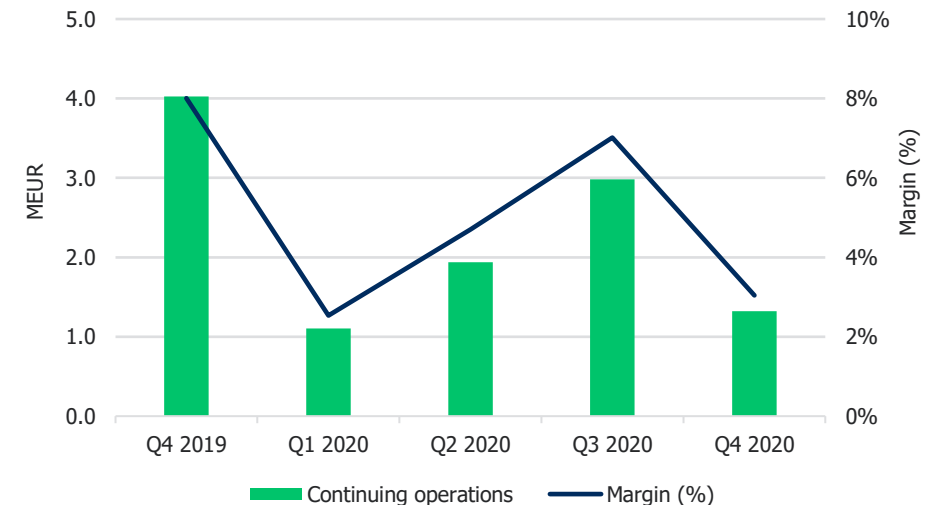
Net sales and EBITDA continuing operations

- Net sales for the period decreased by 13.73% to EUR 43.4 (50.3) million. Organically, net sales decreased by 7.3%
- Quarterly adjusted EBITDA decreased to EUR 1.3 million from EUR 4.0 million prior year due to lower gross profit, partly offset by lower SG&A costs.
 - Adjusted EBITDA for the quarter was negatively affected by one-off costs amounting to EUR -2.0 million relating to demobilizing a site in region Americas
 - Gross profit was lower due to above mentioned cost in the Americas and lower profitability in region Finland & Baltics during the quarter
 - SG&A decreased mainly due to effects of the transformation program
- Adjusted EBITDA with IFRS 16 decreased to EUR 2.1 (5.0) million

Net sales

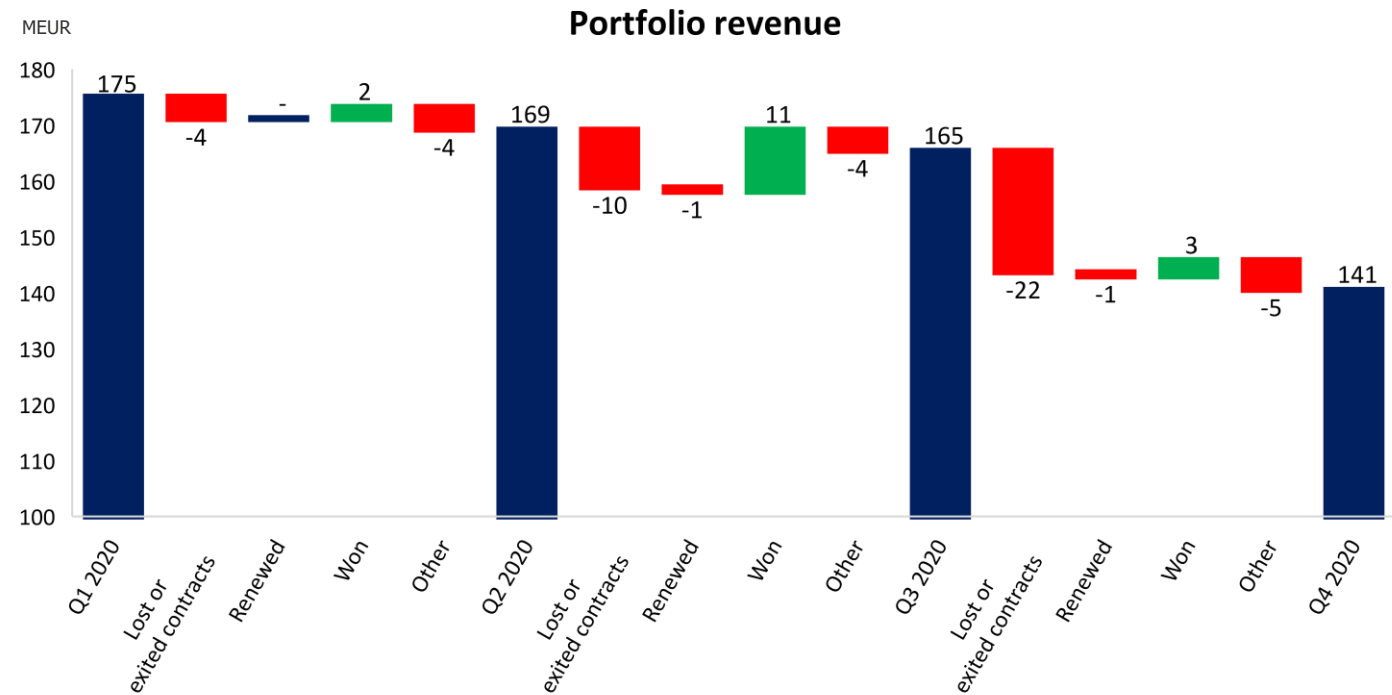


Adjusted EBITDA and margin



Contract portfolio overview

- Currently 94 operational sites
- Contracts with annualized net sales of EUR 45.2 million scheduled for renewal during the next twelve months
- Fourth quarter development:
 - Two new customer contracts won, with annualized net sales of EUR 2.9 million
 - Nine contracts lost or exited, with annualized net sales of EUR 21.7 million
 - One contracts were renewed with a total scope reduction of EUR -0.8 million
 - Scope changes and exchange rate effects of EUR -5.3 million
- The combined effect of these changes amount to a decrease in the contract portfolio annualized net sales of EUR 24.9 million



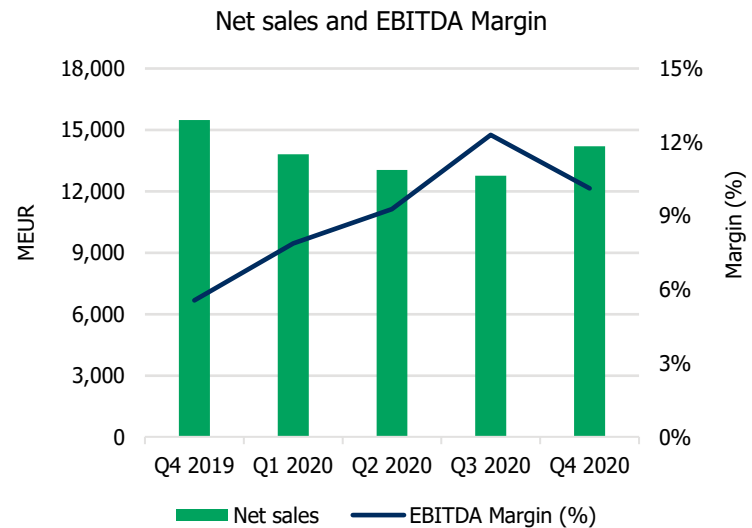
Cash flow

- Cash flow from operating activities for the quarter amounted to EUR 0.5 (-2.0) million
- Change in net working capital was EUR 0.3 (-5.2) million for the quarter
- Net debt / Adjusted EBITDA of 16.8
- For the total Group, including both continuing and discontinued operations, cash flow for the quarter was EUR –5.7 (-0.2) million
- At 31 December 2020, the amount drawn on the revolving working capital facility amounted to EUR 11.0 (7.0) million

KEUR	Q4		Jan-Dec	
	2020	2019	2020	2019
Continuing operations				
Cash flow from operating activities	532	-2,025	9,357	8,404
Net debt	-	-	123,505	121,121
Net debt / Adjusted EBITDA, times	-	-	16.8	8.6
Net debt / Adjusted EBITDA IFRS 16, times	-	-	11.8	7.0
Discontinued operations				
Cash flow from operating activities	-453	-1,011	-1,623	-10,299
Group				
Cash flow from operating activities	79	-3,036	7,735	-1,895
Cash flow from investing activities	-376	-126	-838	3,828
Cash flow from financing activities	-5,411	2,983	1,746	-8,375
CASH FLOW FOR THE PERIOD	-5,707	-179	8,643	-6,443

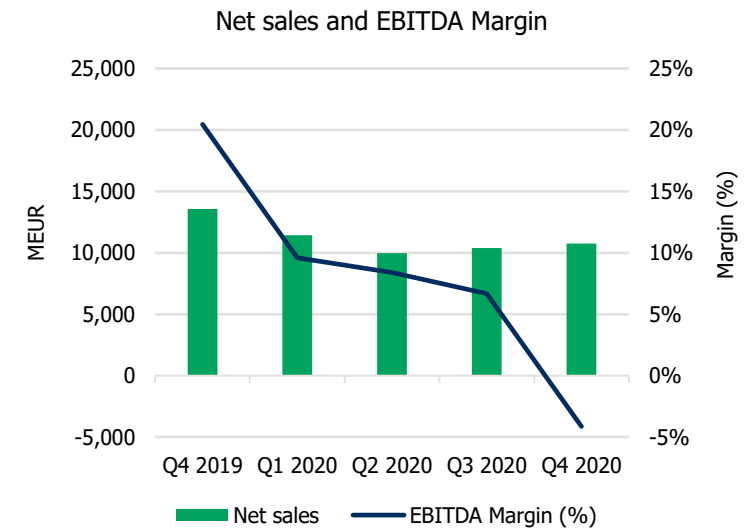
Segment financials

Europe



- Net sales in the quarter decreased to EUR 14.2 million, from EUR 15.5 million prior year, mainly due to one contract with lower scope during 2020 compared to 2019
- Adjusted EBITDA for the quarter was EUR 1.4 million, up from EUR 0.9 million prior year due to an improved gross profit as an effect of improved performance in some of the existing contracts, loss of an unprofitable contract, and lower overhead costs following the transformation program

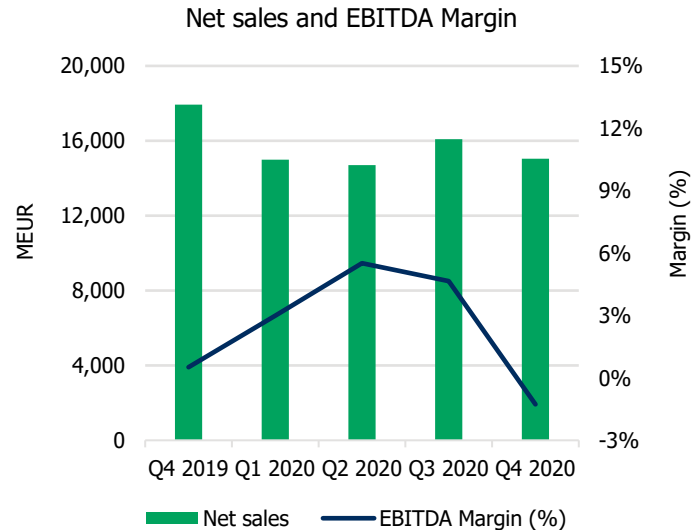
Americas



- Net sales in the quarter decreased to EUR 10.8 million, from EUR 13.6 million due to two lost contracts in Chile and Mexico, and lower revenue from a Chilean contract
- Adjusted EBITDA in the quarter was EUR -0.4 million, down from EUR 2.8 million prior year due to one-off costs of EUR 2.0 million relating to a demobilization of a Chilean contract, decreased profitability at sites in Chile, mainly from the lost contract, and Covid-19 effects. This was partly compensated with better profitability in Brazil

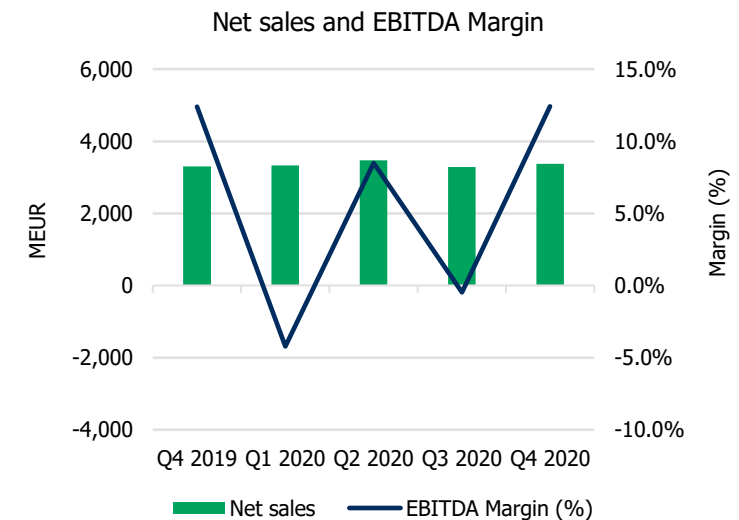
Segment financials

Finland & Baltics



- Net sales in the quarter decreased to EUR 15.0 million, from EUR 17.9 million prior year, year due to lost or exited contracts, decreased scope in certain contracts and low revenue in the field service business in Finland, partly compensated with revenues from a new contract
- Adjusted EBITDA for the quarter was EUR -0.2 million, down from EUR 0.1 million prior year. This was due to reduced scope in certain contracts, lost contracts, and lower profitability in existing ones as the cost level was high at certain sites. The lower profitability was somewhat offset by lower SG&A costs

Rest of World



- Net sales in the quarter increased to EUR 3.4 million, from EUR 3.3 million due to higher revenues at a site in UAE which was offset by a lost site in China
- Adjusted EBITDA in the quarter was EUR 0.4 million, flat from EUR 0.4 million prior year with a lower gross profit compensated by lower overhead costs

A pair of hands is shown from the bottom, cupping a glowing blue globe. The globe is covered in a network of white lines and dots, suggesting a global or digital theme. The background is dark, making the glowing elements stand out.

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THANK YOU!

The Annual Report for 2020 will be released on 20 April 2020

FOR MORE INFORMATION GO TO [QUANTSERVICE.COM](https://www.quantservice.com)