Q3 Report 2019

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Highlights third quarter

1. Sales amounted to EUR 173.0 million (158.1) +9.4%
   - Organic growth +1% (+12%)
   - Acquired growth +9%
2. Adjusted EBITA amounted to EUR 12.2 million (10.3) +19%
   - Best quarter in 2019 helped by acquisitions and some Major & Complex claims
3. Operating cash flow amounted to EUR +16.9 million (+9.9)
   - Seasonally strong

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Sales development – Business segments

EUR million	Q3 2019	Q3 2018	%	LTM 2019	LTM 2018	%
Nordics & UK	60	47	+26	220	191	+15
Continental Europe	107	102	+5	401	372	+8
North America	9	9	-4	36	33	+9
Group	173	158	+9	657	596	+10

Last 12 months – Building a stronger platform

- Sales amounted to EUR 657 million
  - Organic growth 3%
  - Acquired growth 8%
- Adjusted EBITA amounted to EUR 41.1 million
  - Adjusted EBITA-margin of 6.3%
- Operating cash flow amounted to EUR 35.7 million
  - Cash conversion 87%
- Net debt EUR 286.9 million as per end of September
  - Lease liabilities amounting to EUR 79.6 million are included but reflect future cost of use for leased cars and facilities (IFRS 16)

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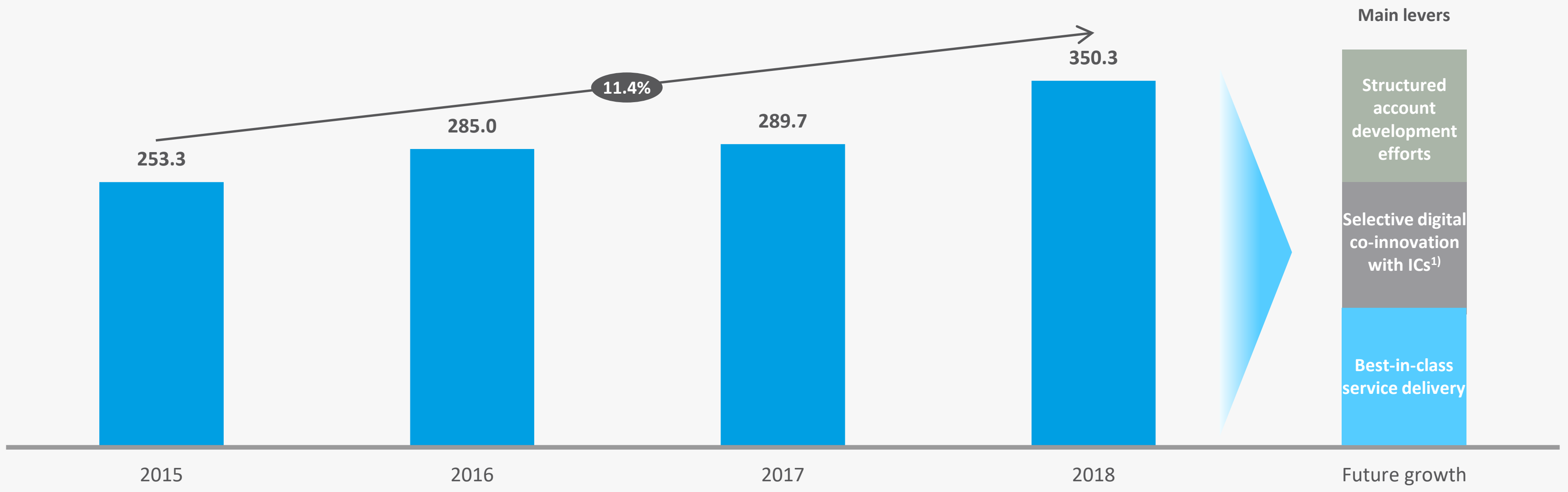
4 step strategy to take Polygon to the next level

Step	Focus	Operational changes	Proof points	Development phase
Step 4 Buy & Build	**4. Buy & Build** - Grow by acquisitions	▪ CEO & Head of M&A focus on new opportunities ▪ Build further strength in Europe ▪ Opportunistic in North America	**Only companies with great strategic fit acquired**	
Step 3 Segmentation & Solutions	**3B. Cross Border Solutions** - Sell and deliver Major & Complex Claims **3A. New Segments & Solutions** - Grow Managed Property and Commercial Insurance	▪ Centres of Excellence (M&CC, Documents & Eurostock) ▪ Digital solutions open up new customer segments	**Increased market share in Europe**	
Step 2 Quality & Consistency	**2B. Portfolio Development** - Increase share of wallet with our key accounts **2A. Productivity and Service Delivery** - Improve operations	▪ Clear focus on key customers ▪ Customers surveys ▪ Benchmarking on Unit level ▪ Measure profitability per project	**Driver of above industry organic growth**	
Step 1 Structure & Culture	**1. Structure & Culture** -Build a better business -Focus on people & culture	▪ Polygon Model ▪ Polygon Employer Survey ▪ Polygon Academy ▪ Polygon Learning Zone	**Strong corporate culture in place**	

2 Quality & Consistency

Portfolio customer sales has grown by over 11% annually since 2015

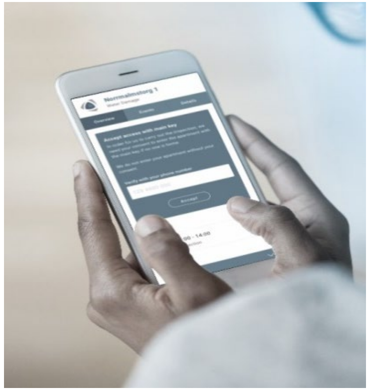
GROWTH FROM TOP 10 KEY CUSTOMERS PER YEAR



Segments and solutions

Use leadership position to gain further market share

NEW SEGMENTS AND SOLUTIONS

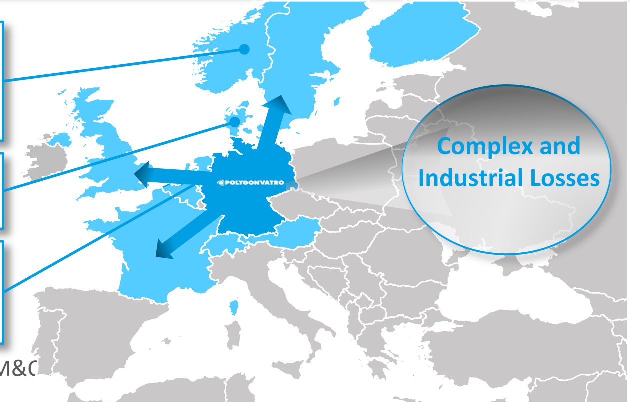


CROSS-BORDER SOLUTIONS

Major Loss Polygon Nord / PolygonVatro
- Fish Industry
- Industrial site
- Oslo Airport

Major Loss in Denmark / PolygonVatro
- A-vask

Major Loss in Holland / PolygonVatro
- Vessel Tech. Rec.
- Tatasteel Fire



Centre of Excellence M&C
Polygon Europe

GROWING MANAGED PROPERTY

Structured key account management and sales efforts
(E.g. Customer events, contract negotiation support, sales strategies etc.)

Digital enablers
(e.g. Digitalisation of service delivery, preventive services through sensor technology)

SPARK PORTAL AND IOT

- **Digitalisation of service delivery** with the Spark Customer Portal used for property managers to simplify their work with property damages and Polygon
- **New business model** through using sensors and IoT to provide a property damage prevention solution – enabling Polygon to create and capture even more value than through the traditional mitigation work

BUILDING ON POSITION OF STRENGTH IN GERMANY

- Expand Major & Complex Claims services to other European core markets by the new international key account manager
- Several M&CC in 2018-2019 thanks to great cooperation between countries due to the efforts of Polygon's highly dedicated teams and enabled by state-of-the-art technical equipment
- Projects in Denmark, Finland, UK, Italy, France, Norway and the Netherlands with engagement of our specialists in Polygonvatro (Germany), ensuring continuous knowledge transfer from the German Centre of Excellence
- Largest project in 2019 of 7 MEUR – Fish factory in Norway involving three countries

④ Well-positioned to pursue value accretive acquisitions

Structured screening process converting to an attractive shortlist of targets

PROVEN ACQUISITION TRACK-RECORD

26
# of acquisitions completed since 2011

- **Well-established processes** in place to integrate acquired companies
- **Dedicated team** to drive execution of M&A agenda

~4-6x
Avg. EV/EBITA multiple for acquired companies

- **Attractive acquisition multiples** realised due to targets being sub-scale or niche-focused

7
Current live targets

- Pipeline of **7 highly actionable acquisition targets** identified

STRUCTURED SCREENING OF POTENTIAL TARGETS

Bolt-on acquisitions in existing markets | **New regions** | **New markets** | **Service line extension**

Gross list of ~100

~50 screened

~25 contacts made

~7 live

Pricing discipline

Target	Annual sales (~EURm)
#1	22
#2	17
#3	15
#4	14
#5	4
#6	3
#7	2

Service line extension | Regional density

Strong business model complemented by carefully selected acquisitions

Clearly defined growth strategy leading to increased value and robustness of the Polygon platform

ATTRACTIVE MARKET

- Attractive underlying markets with healthy growth
- ~EUR 5bn market expected to grow at 1-3% p.a.

LEADING SERVICE OFFERING

- Great set of services, well recognised by all stakeholders, giving Polygon a very competitive position

MARGIN IMPROVEMENT POTENTIAL

- There are still opportunities to drive operational excellence and increase margin

STRONG MANAGEMENT TEAM AND CULTURE

- Polygon has great managers who are able to execute on the opportunity to drive revenue growth and operational margin improvement

M&A OPPORTUNITIES

- M&A opportunities with multiple targets available and a strong team able to deliver execution and integration

2019 YTD – Building a stronger platform

Sales	**+8%**
Adjusted EBITA	**+5%**
Acquisitions	**8 Deals**

Sales +8%

- Organic growth 2%
- Acquired growth 6%

Adjusted EBITA +5%

- Acquisitions contribute well
- Continued investments in sales force and other structures to ensure future growth

Acquisitions 8 Deals

- Combined sales amounts to EUR 45 million
- Attractive pipeline

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Q&A

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