



# First Mover Group

## Business update – First Mover Group

Eirik Arnø, CEO

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March 2021

 About FMG 2020 performance Going forward



# First Mover Group

## AT A GLANCE



Founded in 2006



Headquartered in Oslo, Norway



~400 own FTEs and ~200 hired in across the Nordics and Germany



Market leader in Norway with +60% market share



>1.200 active customers



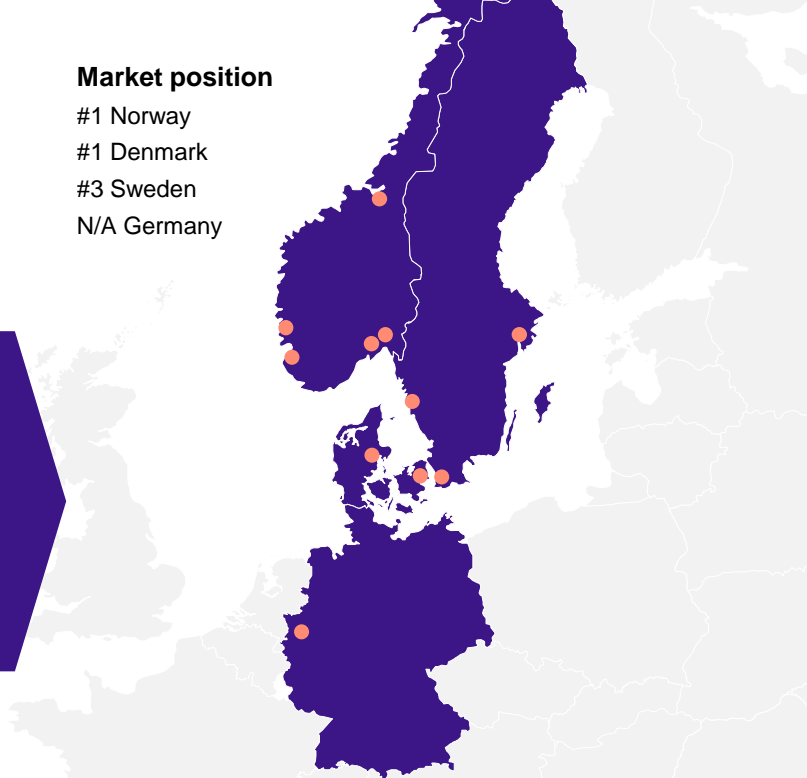
+5y average relationship with top 30 clients

### FMG service offerings – full value chain

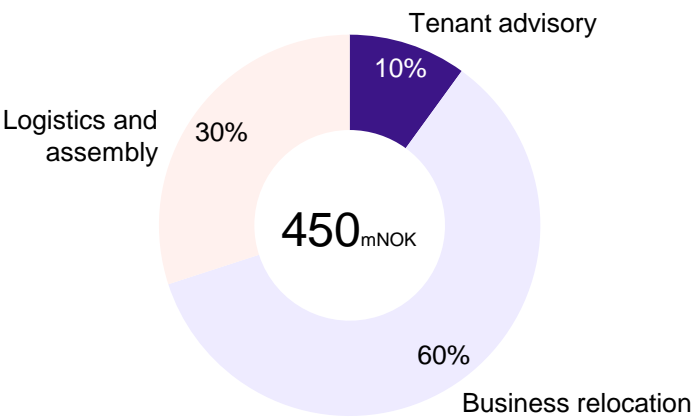


### Market position

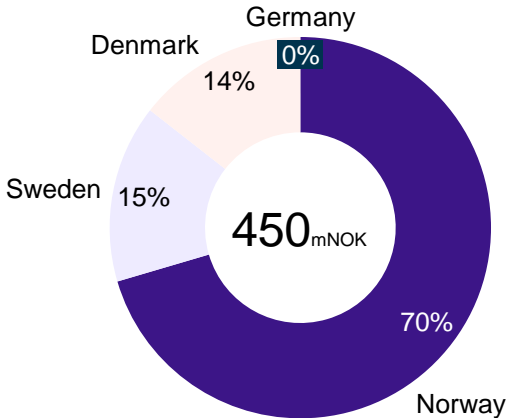
- #1 Norway
- #1 Denmark
- #3 Sweden
- N/A Germany



Revenues per business area<sup>1</sup>



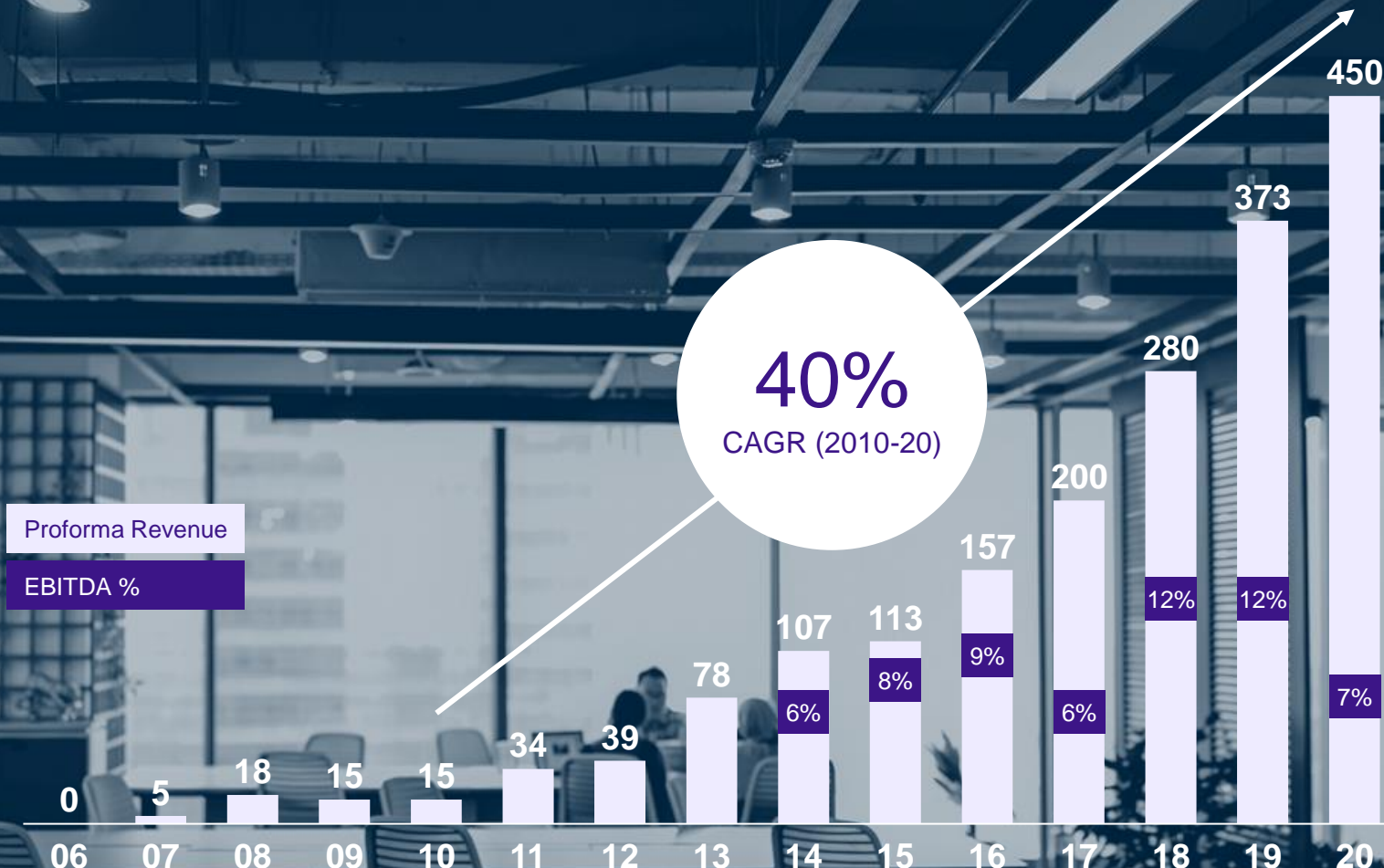
Revenues per country<sup>1</sup>



<sup>1</sup> 2020 proforma figures



# LONG TERM profitable GROWTH track record



Completed  
M&A transactions

 2015	 2016	 2017	 2018	 2019	 2020
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# FMG's overall ambition and strategic priorities

## 3-year strategic targets

**Dominating market position** in the Nordics, through a mix of organic and M&A growth

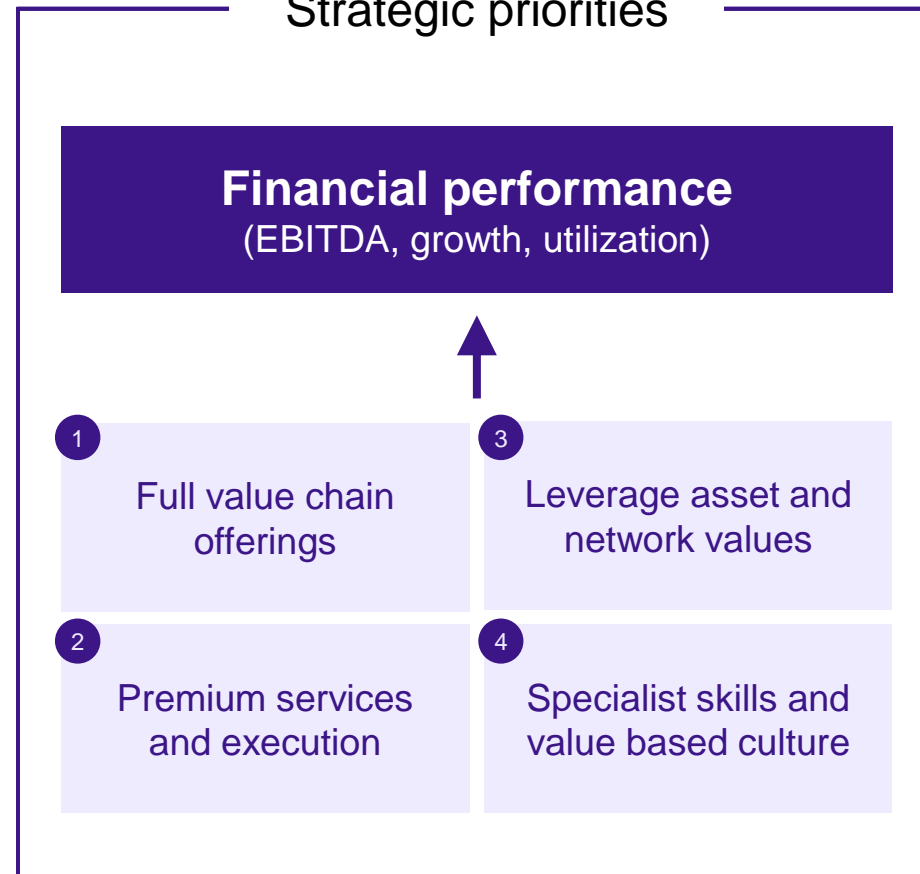
>**10%** organic growth p.a.

**12-15%** operational EBITDA margin

Growth in **1-2 new markets**

**Leading ESG player** in the industry with long-term **sustainable operations**

## Strategic priorities



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# STRONG STRATEGIC PROGRESS IN 2020




	FMG 2020 “Steady State” ambition	ACHIEVEMENTS IN 2020	FMG 2021 “Steady State” ambition
Revenue potential	450	<ul style="list-style-type: none"> <li>• 3 M&amp;A transactions completed – strengthening the value chain</li> <li>• 1 new start-up – gaining traction</li> <li>• Restructuring in Norway</li> <li>• Roll-out of new IT system</li> <li>• Outsourcing of accounting</li> <li>• Re-branding of the group</li> <li>• ISO 9001 and ISO 14001 certified</li> </ul>	550
Payroll (% of revenues)	55%		53%
Other costs (% of revenues)	35%		33%
EBITDA margin	10-12%		11-15%



# Attractive growth opportunities pursued with risk mitigating structures

## 3 M&A transactions completed in 2020

- M&A funding strategy targeting 50/50 cash and shares
  - Ensuring a healthy capital structure of the Group
  - Aligning interests of sellers (key personnel) and buyers
- Earn-out structures and/or convertible debt implemented in all deals
  - Future payments subject to growth in revenues and/or EBITDA
  - Each threshold of future payments are accretive on credit metrics
  - Important to bridge expectations and mitigate transaction risk
- 30mNOK in cash drawn from escrow in 2020
  - Expected to increase EBITDA by 9.0mNOK (in normal times)
  - Yielding a 3.4x Cash/EBITDA multiple

Country	Company	Segment	Revenue '19	Strategic motivation
	Move4U	Bus. Relocation and Assembly	37mNOK	Market position in Malmö
	Resultat Prosjektledning	Tenant advisory	13mNOK	Strengthen value chain in Sweden
	Adam Transport	Tenant advisory / Relocation	65mNOK	Market position in Denmark

## In addition, a low-cost start-up in Germany was initiated

- Ex. Relokator employee with local knowledge and experience available
- Low fixed costs – leveraging local partners for project execution
- Gaining momentum – first projects completed at attractive margins





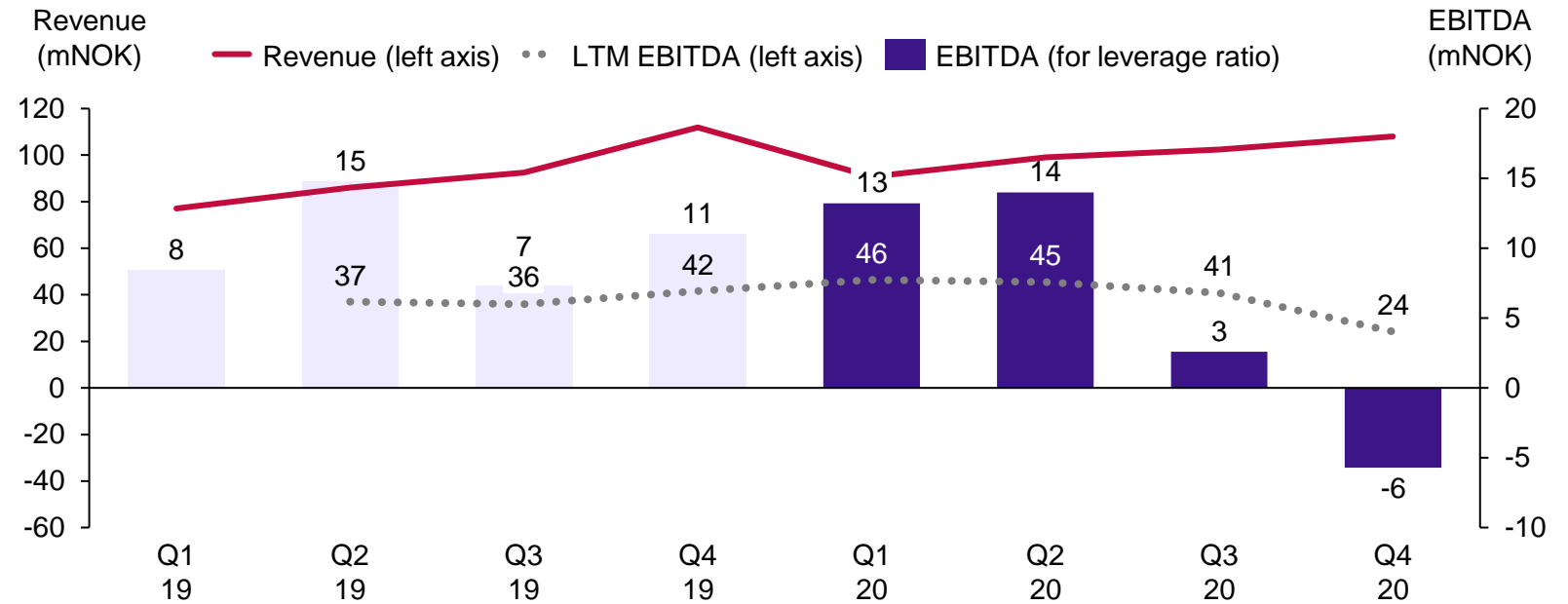
# COVID-19 impacting FMG results

## Multiple factors temporarily impacting our business – limited governmental support...

- ✓ Day-to-day service activity down ~70% as customers work from home
  - Representing 20-25% of revenues
- ✓ Delayed construction projects postponing major relocations
  - Munch museet, NMBU, Nasjonalmuseet, Pressens Hus, etc.
- ✓ New infection control routines reduce operational flexibility
  - Reducing operating margin by 1-2%
- ✓ Increased costs for precautionary measures (approx. 0.5mNOK)
- ✓ Sick-leave among operational resources up 10%



# 2020: a year of adaptability and change management



## H1 2020

- Strong January and February
- Full shut-down in March with temp. layoffs and cost cuts
- Rebound in June yielding a record strong EBITDA
- Restructuring program initiated

## Q3 2020

- Seasonally weak quarter
- Lower than normal frame agreement activity
- Increased sick leave across the org. (particularly in Sweden)
- No government support packages received

## Q4 2020

- High-season hampered by new lockdowns (particularly in Oslo)
- 25-30% reduction in revenues company-by-company
- EBITDA hit by one-off elements
  - Severance packages
  - Stay-on bonuses
  - Year-end provisions
  - KPI salary adjustments

## Q1 2021

- Covid-19 continues to impact FMG performance
- Breach of leverage ratio likely – the company will approach bondholders in due course



 About FMG

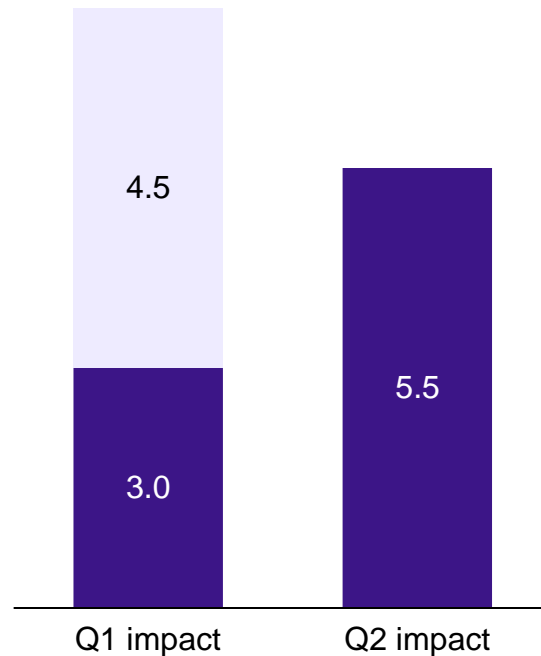
 2020 performance

 Going forward



Several initiatives implemented to preserve cash

## Identified cost savings in H1 2021 of approx. 8.5mNOK



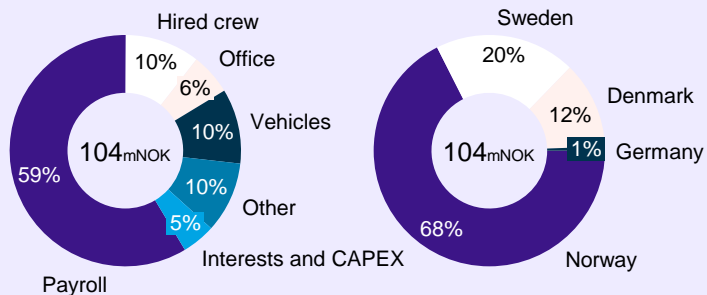
One off liquidity improvements  
EBITDA effect

- ✓ 20-25% pay cut in mgmt. team and BoD remuneration
- ✓ Temporary layoff of admin staff and delay hiring of replacements (~20FTEs)
- ✓ Reduction in use of external advisors
- ✓ Reduction in other operating expenses and investments (e.g., office, travel, IT)



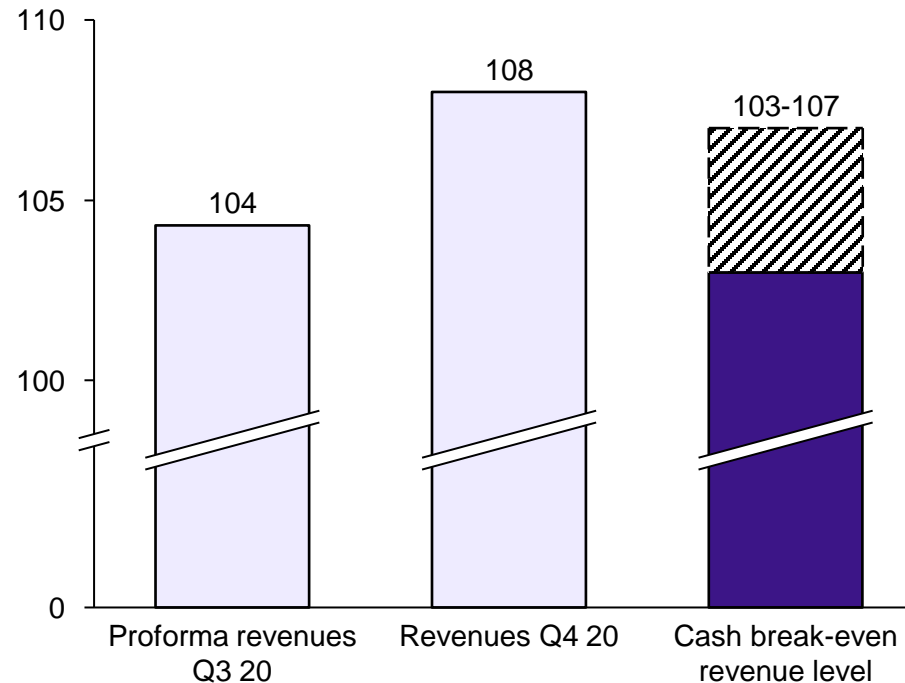
# Limited cash burn expected going forward

Quarterly cost break-down per category and country



## Cash-break even level at quarterly revenues of 103-107mNOK

Quarterly figures (mNOK)



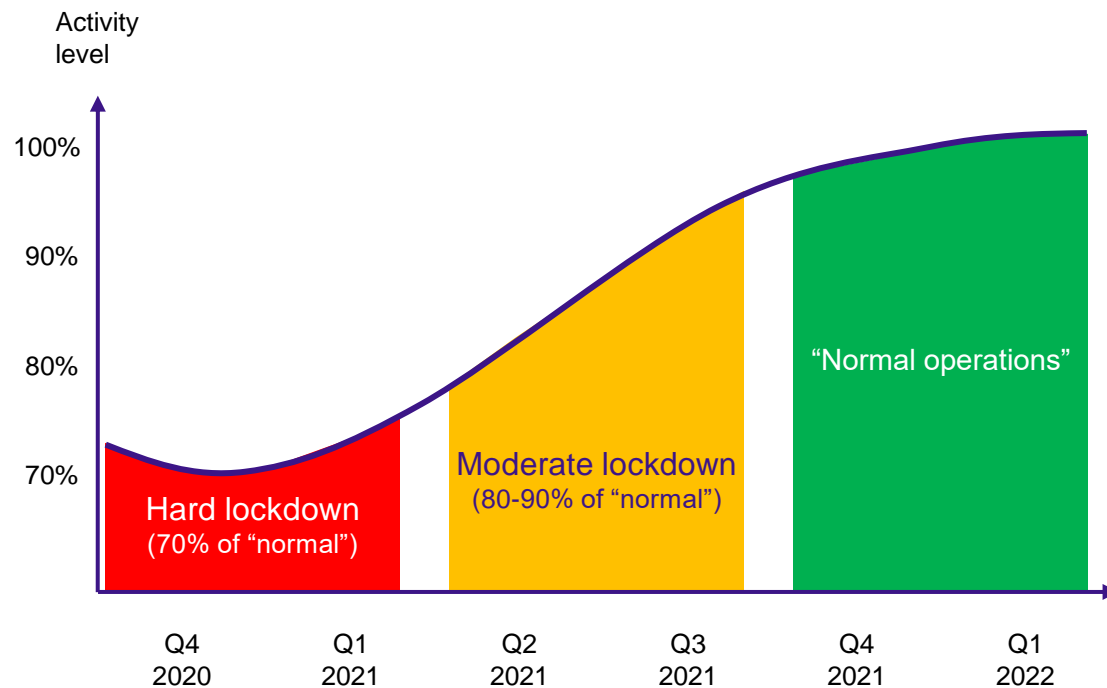
- After cost reductions, our new cash break-even level is obtained at a revenue level of 103-107mNOK per quarter
- In line with proforma revenues achieved in the last two quarters
- Cash position at year-end<sup>1</sup> of 60mNOK plus 10mNOK in RCF

<sup>1</sup> Adjusted for known extraordinary cash outlays in Q1 (e.g. postponed VAT in Denmark, severance packages, and earn-outs)



# 2021 performance depending on how fast we revert to normal

Our view: a steady return to normal by Q4 2021



Implications for Group target numbers

Scenarios	Revenue	EBITDA	EBITDA %
<b>“Back to normal” case (2022)</b> (4 quarters of “normal operations”)	<b>550</b>	<b>66</b>	<b>12%</b>
<b>“Back after summer” case</b> (as illustrated)	<b>470</b>	<b>33</b>	<b>7%</b>
<b>Covenant case (5,5x)<sup>1</sup></b> (2Q of “red” and 2Q of “yellow”)	<b>430</b>	<b>21</b>	<b>5%</b>

<sup>1</sup> Covenant case assumes debt of NOK 200m and NOK 45m in cash



# Robust and growing customer base

More than 100 frame agreements (examples only) – 20 new won in 2020 + 5-10 signed in 2021

Public companies	Property intensive players	Assembly	Real estate & FM companies
Oslo universitetssykehus Skatteetaten BÆRUM KOMMUNE HELSE VEST UNIVERSITETET I BERGEN UiO: Universitetet i Oslo FHI Statens vegvesen UNDERVISNINGSBYGG	Handelsbanken DNB ATGA Multiconsult EY pwc RAMBOLL BDO NORGES BANK SIEMENS SWECO Adecco novo nordisk Manpower	input Kinnarps HOLMRIS B8 lekolar CONSTRUCTOR SL SLETTVOLL LINDBAK Inspiring spaces Martela	entra OBOS EV MALLING & CO sodexo MUSTAD EIENDOM Elite ISS COOR Toma

Several large projects won with delivery in 2021

MUNCH MUSEET Norges miljø- og biovitenskapelige universitet DEICHMAN HEALTH CARE RELOCATIONS	Nasjonalmuseet BRØDRENE DAHL Scandic Oslo nav PRESENS HUS HURTIGRUTEN	ALTEN vecos NLA Høgskolen NORWEGIAN PROPERTY OSLO BØRS	BAIN & COMPANY MOTOROLA SOLUTIONS BANE NOR Sahva TECHNOPOLIS VESTRE VIKEN Kredinor
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**Underlying  
market drivers  
and demand  
remain intact**

## **Expecting a continued attractive market, but timing of rebound is uncertain**

- ✓ Indications of a pent-up market demand
- ✓ Post-pandemic changes to office space requirements
- ✓ Increased interest in new workplace concepts
- ✓ Continued strong new build activity
- ✓ FMG's competitive position in the Nordics strengthened





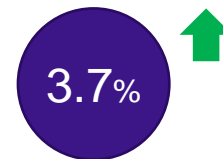
# Market rebound supported by key economic drivers

Mainland GDP growth  
(Norway)

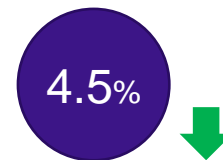
2020



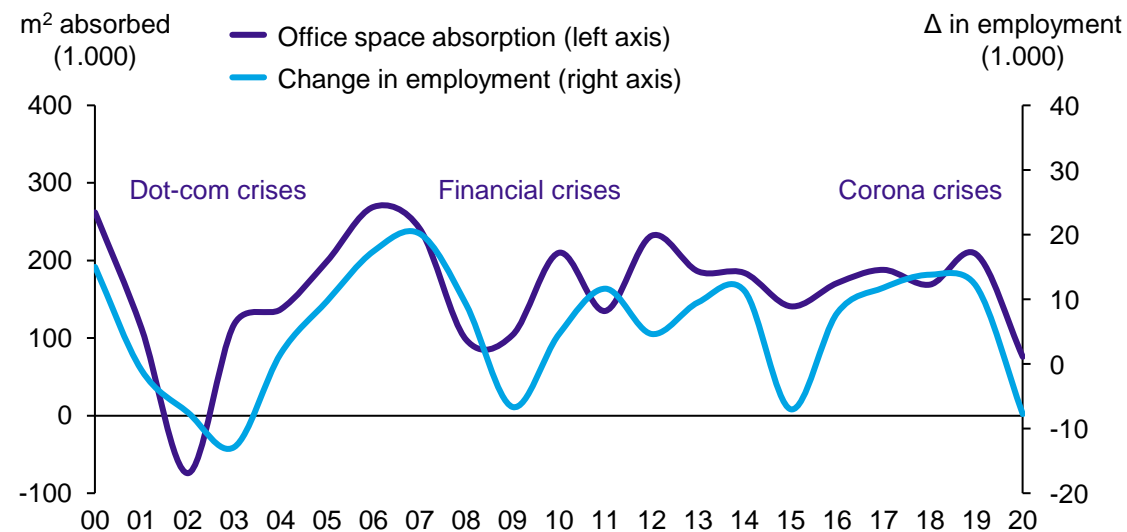
2021E



Unemployment rate  
(Norway)



Correlation between  
employment rate and  
office space absorption<sup>1</sup>

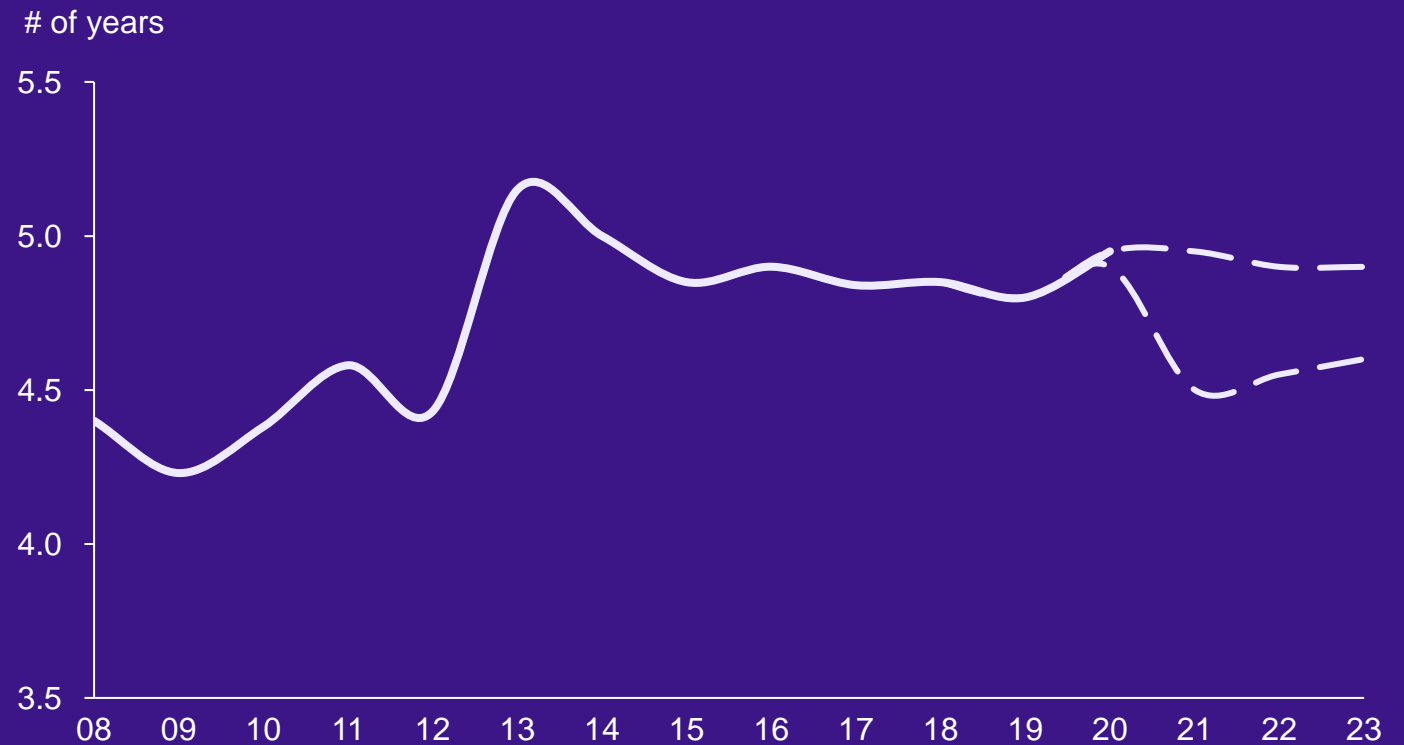


<sup>1</sup> Example from greater Oslo area  
Source: SSB; Eiendomsspar OsloStudiet 2021



**Average lease contract duration tend to drop in times of uncertainty**

**Combination of shorter contract duration and future workplace solutions will drive demand for our services**



# In summary: What we believe in

- 1 2020 reductions in revenue and increase in costs are directly linked to COVID-19 and not a permanent market change
- 2 The market will return to previous levels when lockdown restrictions are eased
- 3 The vaccination program will progress, and our markets will reopen / return towards normality after summer 2021
- 4 FMG will be able to pay interests through 2021 and be compliant with leverage covenant by end-2021
- 5 FMG back to normal operations in 2022 (year of refinancing) targeting revenue ~550mNOK with >10% EBITDA margin





professional  
together  
ahead