

# Niscayah Q1 report 2011

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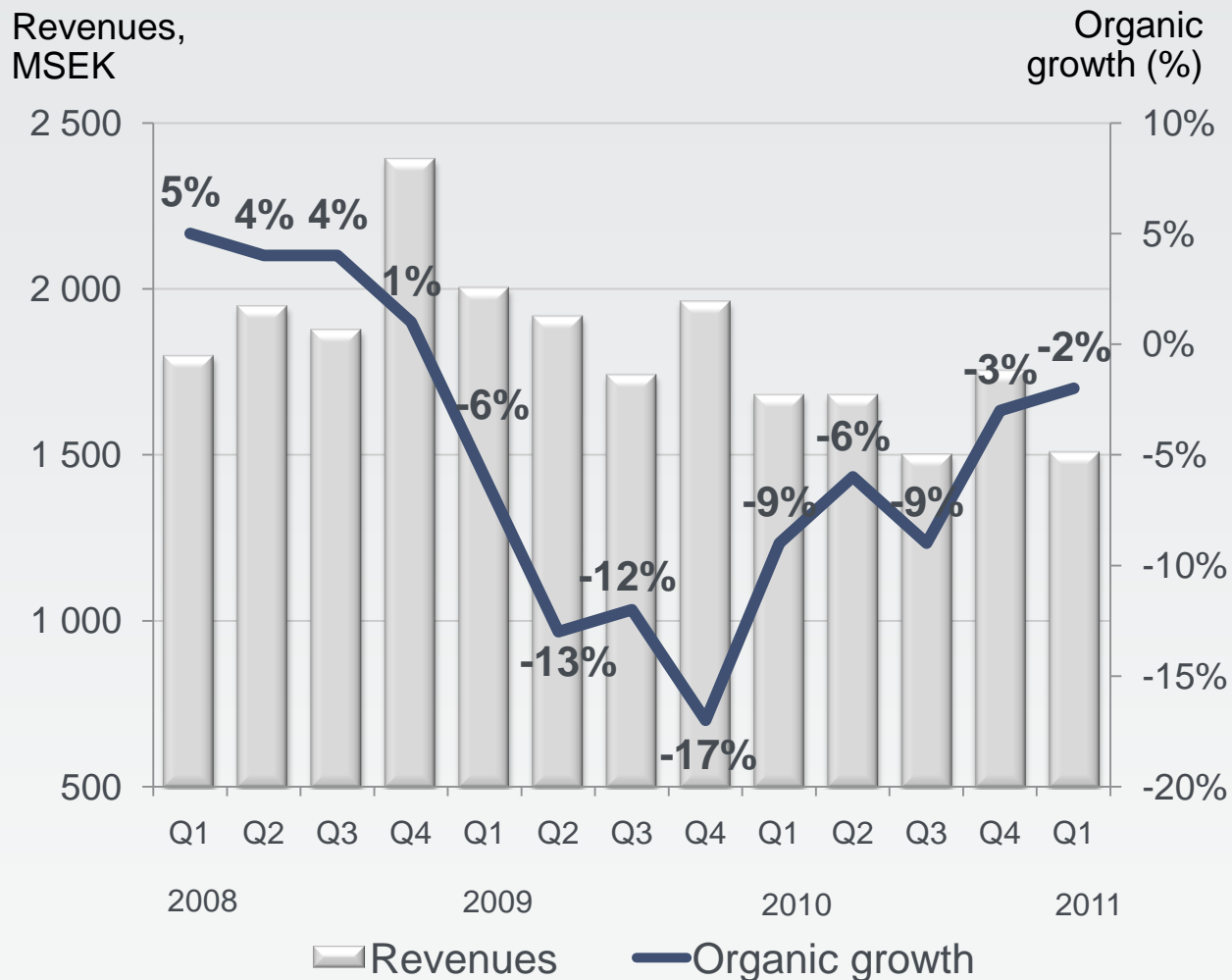
# Highlights, Q1 2011

- ▶ Improved organic growth compared with previous quarters
  - Total organic growth -2% (-9)
- ▶ Higher gross margin: 34.5% (34.2)
- ▶ Restructuring program completed
  - Savings of approximately MSEK 40 during Q1
- ▶ EBITA of MSEK 86 (101) representing a margin of 5.7% (6.0)
  - Increased margin in Mainland Europe: 8.9% (8.5)
  - Lower margin in US/UK/Ireland: 1.9% (2.6)



*Note: excluding restructuring costs for 2010*

# Improved organic growth during recent quarters –still not satisfactory



Stabilization in implementation  
- Organic growth: -3% (-18)

Services: good development in new sales, but negatively impacted by result of contract negotiations during end of 2010  
- Organic growth: -2% (3)

# Mainland Europe, Q1 2011

## Revenues

(MSEK)

Organic growth: -2%

1 282

1 171

Q1 2010

Q1 2011

▶ Good market development in central- and northern Europe

▶ Challenging market conditions in Southern Europe

▶ Organic growth  
– Implementation: -1% (-22)  
– Services: -2% (2)

## EBITA<sup>1</sup>

(MSEK)

109

104

Q1 2010

Q1 2011

EBITA-  
margin

8.5%

8.9%

▶ Improved EBITA-margin:  
– Restructuring program completed

– Productivity disruptions ended  
– Negatively affected by general cost inflation and negative growth

▶ Foreign exchange effects  
MSEK -5

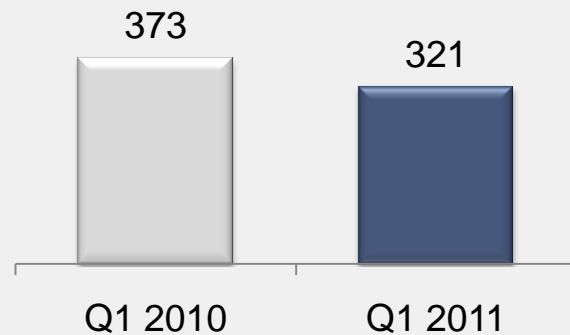
<sup>1</sup> Excluding restructuring costs for 2010

# US/UK/Ireland, Q1 2011

## Revenues

(MSEK)

Organic growth: -4%



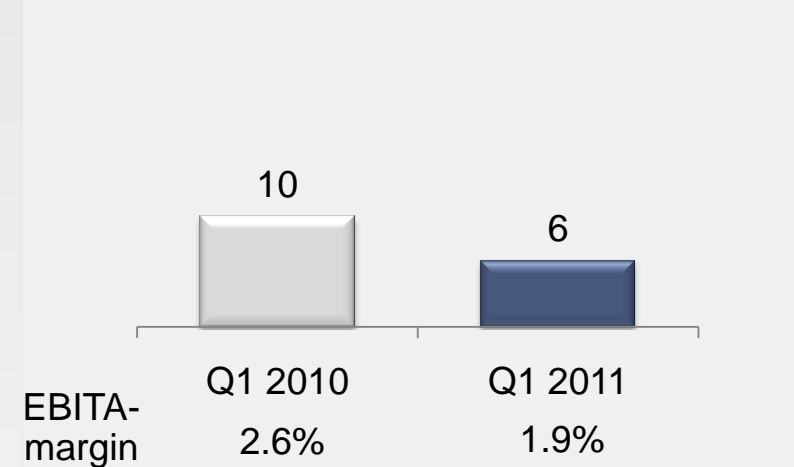
▶ Challenging market conditions with price pressure

▶ Signs of market recovery in USA

▶ Organic growth  
– Implementation: -7% (-6)  
– Services: -1% (8)

## EBITA<sup>1</sup>

(MSEK)



▶ – Restructuring program completed

▶ – Negatively affected by general cost inflation and negative growth

▶ Foreign exchange effects MSEK -1

<sup>1</sup> Excluding restructuring costs for 2010

# Develop Niscayah into a customer-focused service company

1. Customer Segments	<b>Specialize</b> , creating a proactive sales force, able to build strong relationships in targeted customer segments
2. Solution Packaging	<b>Standardize</b> , defining relevant and replicable solution packages addressing specific customer needs
3. Operational Model	<b>Industrialize</b> , establishing a common operational model to ensure competitiveness and fulfillment of customer expectations



# Execution of strategic transformation



## Execution 2011-

- ✓ New sales model
- ✓ First global customer offering
  - New performance-driven incentive structure
  - New operations model with focus on efficiency
  - Centralization of business support functions
  - Global supporting platforms (purchasing & logistics, ERP, IT infrastructure)
  - Implement global HR-agenda

# Good momentum in new sales



## THOMSON REUTERS

Contract with Thomson Reuters, for USA. Includes implementation and services

In addition, European markets are also covered, first market is UK



Five year service agreement with Spanish postal services covering 2,250 premises

Agreement includes service and maintenance within intrusion-, video surveillance-, access control-, fire detection systems



Agreement with Citrix systems in Germany

Includes access control and CCTV as hosted solution



Two year agreement with Posten Norge / Bring. Including implementation and services

Posten Norge / Bring will modernize and standardize their security solutions



Pilot project for Niscayah's new video surveillance service for the retail segment

Services include measurement of visitor statistics

# New Global Solution - Niscayah Video Solutions for Retail

## Solution design

- Standardized solution with monthly fee
- Modular system – easy to expand
- Wide range of add-on services
- Global scalable



### Niscayah Video Solutions for Retail

En ny generation videotjänster från Niscayah

För att undvika krångligt användande, höga utgifter, och låg effekt av installerade kamerasystem, så lanserar vi nu tre nya lättanvändbara tjänstepaket för smart videoövervakning i butik.

**Vad är Video Solutions for Retail?**  
Många videotjänster idag kostar för mycket och är alltför krångliga att använda. Det blir oklart vad man egentligen betalar för. Det vill vi ändra på. Butikspersonalen ska ha tid att ta hand om sina kunder, om butiken, och inte minst kunna sja tryggast. Hotbilden för ran och stöld ökar konstant, och butiker lägger idag stora summor på kamerainstallationer. Många butikskedjor upplever även det som kostsamt att ha kontroll på sina butikskoncept, samtidigt som informationsbehovet av butikens besöksmönster ökar när man vill att kampanjer ska få full genomslagskraft.

**Hur fungerar det?**  
Bildmaterialet är uppkopplat till Niscayahs säkerhetscentral dygnet runt och du kan även få tillgång via din laptop eller mobil. Vi ser till att det är enkelt för dig att använda systemet, och installerar störens kameror som oseriet smälter in i butiksmiljön. Vi utför givetvis regelbunden service på plats, och ger dessutom 3 års garanti på alla installerade produkter.

**Vad får jag ut av det?**  
Videotjänsterna är utformade för dig som antingen är enskild butiksförare, butik eller äger en kedja. Personal och kunder känner sig tryggare, och dina utgifter jämför med traditionella övervakningssystem minskar. En kedja får även lättare att följa upp sitt butikskoncept, och information om besökarna kan användas för att optimera försäljningen.

**Advanced**  
Med en mycket hög bildupplösning och lagring av bildmaterial garanterar vi även att alla kameror alltid är korrekt installerade och övervakar rätt område.  
**Tillägg:** Virtuellt vaktarand, Kundräkning, Verifiera larm, m.m.

**Medium**  
Låg investeringskostnad och ändå en komplett videoövervakning med garanterad bildlagring. Trådlösa kameror som standard.  
**Tillägg:** Bildhämtning, Virtuellt vaktarand, m.m.

**Start**  
En lösning för dig som har ett grundläggande behov av videoövervakning, och vill slippa skjuta systemet själv.  
**Tillägg:** Verifiera larm, Bildhämtning

[www.niscayah.se/videosolutions](http://www.niscayah.se/videosolutions) | [info.retail@niscayah.se](mailto:info.retail@niscayah.se)

## Customer benefits

- Increased security in store
- Supervise and improve operational quality
- Analyze customer behavior and visitor statistics

# Revenues, gross profit and EBITA

## Revenues

- Q1: MSEK 1,509 (1,681)
- Growth: -10% (-16)
- Organic growth: -2 (-9)

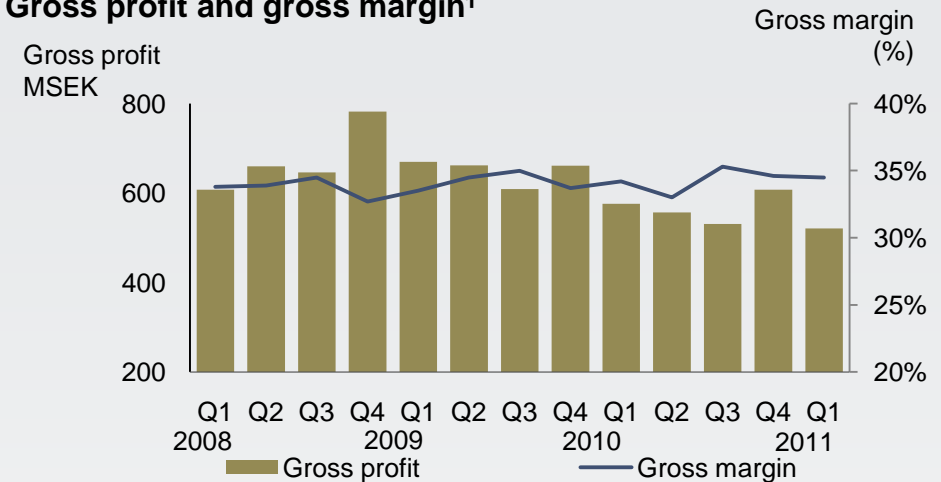
## Gross profit

- Q1: MSEK 521 (576<sup>1</sup>)
- Margin: 34.5 (34.2<sup>1</sup>)

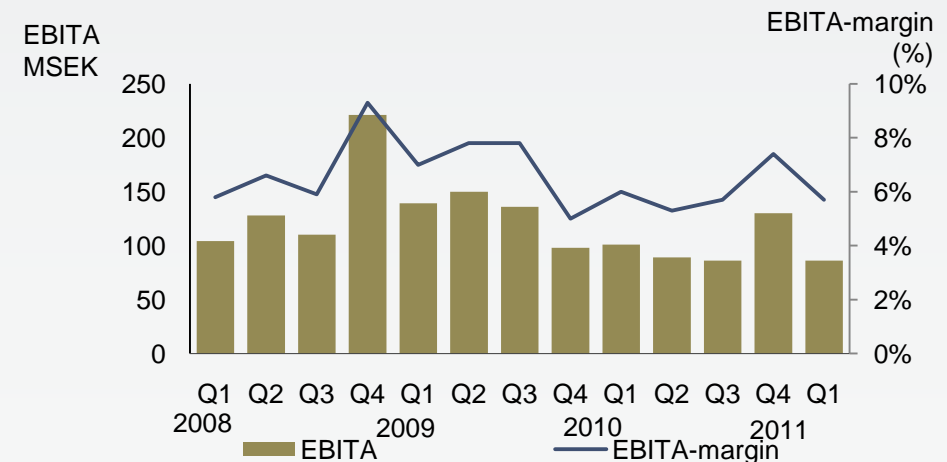
## EBITA

- Q1: MSEK 86 (101<sup>1</sup>)
- Margin: 5.7 (6.0<sup>1</sup>)

### Gross profit and gross margin<sup>1</sup>



### EBITA and EBITA-margin<sup>1</sup>



<sup>1</sup> Excluding restructuring costs for 2010

# Financial items, tax and net profit

## Net financial items

- Q1: MSEK 5 (-1), including currency effects of MSEK 5

## Tax

- Q1: MSEK -26 (33), tax rate 30.4%

## Net profit

- Q1: MSEK 59 (-76), earnings per share: SEK 0.16 (-0.21)



# Operating cash flow and net debt

## Adjusted operating cash flow

– Q1: MSEK 14 (123)

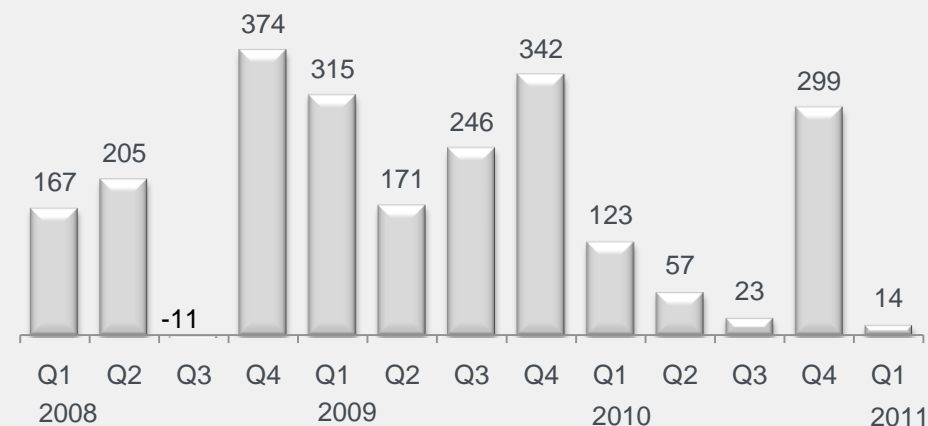
## Cash conversion

– Q1: 17% (123) of EBITA (excluding restructuring)

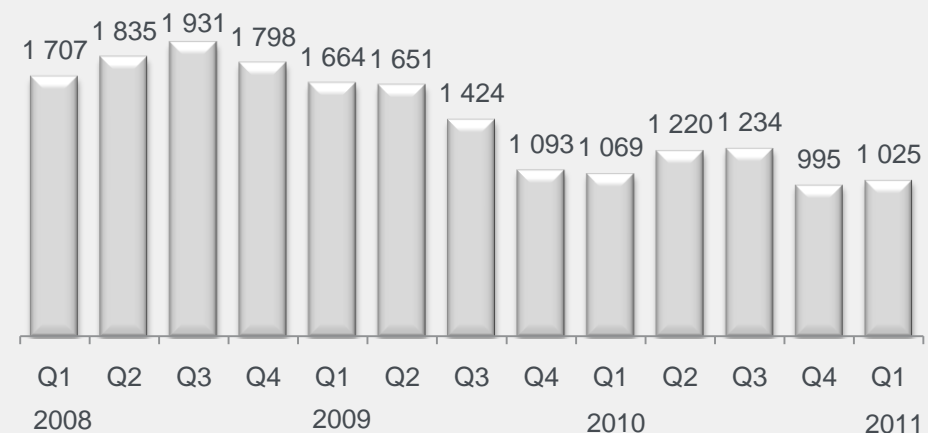
## Lowered net debt

– Q1: MSEK 1,025 (1,069)

Adjusted operating cash flow, MSEK



Net debt, MSEK



# Return on capital employed (ROCE)

## Financing

- Equity: 63% (63)
- Net debt: 37% (37)

## Debt/equity ratio

- Q1: 0.58 (0.58)

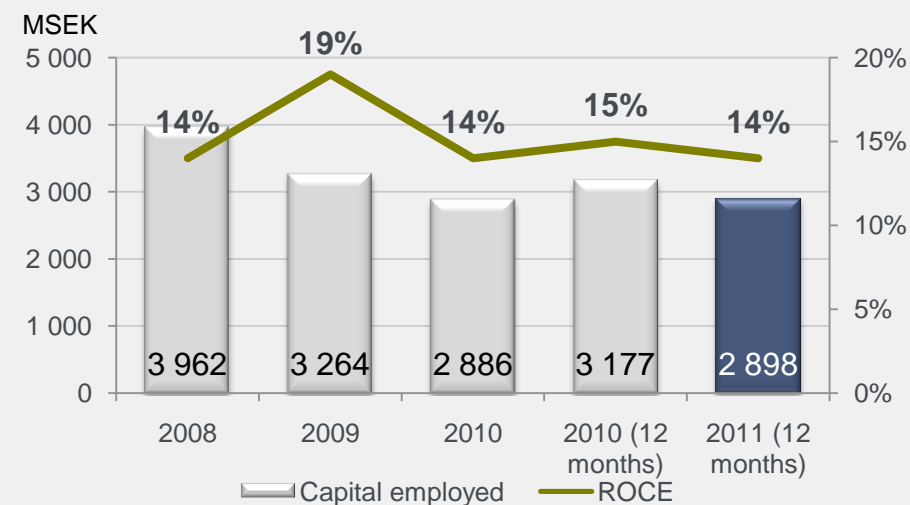
## ROCE (excluding restructuring)

- 14% (15)
- Capital employed Q1: MSEK 2,898 (3,177)

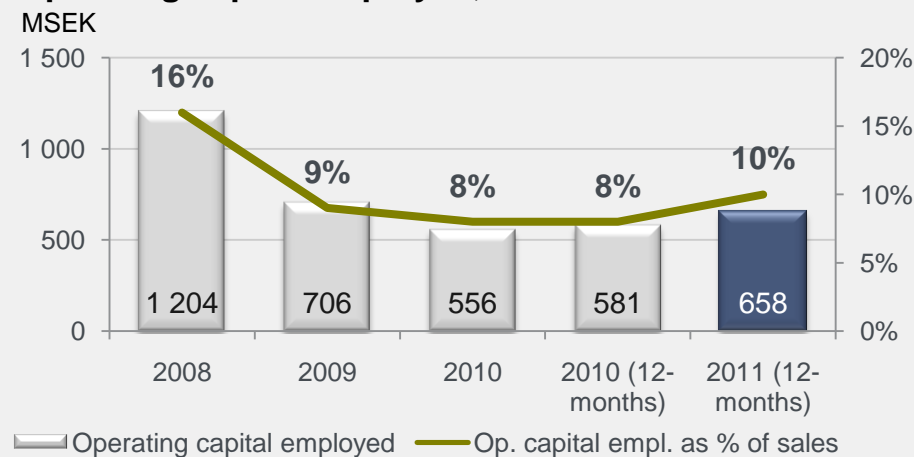
## Operating capital employed

- Q1: MSEK 658 (581)

Capital employed and ROCE (excl. restructuring)



Operating capital employed, % of sales



# Summary

- ▶ On track with strategic transformation agenda
- ▶ Improved organic growth compared with previous quarters – still not satisfactory
- ▶ Restructuring program completed
  - Savings of approximately MSEK 40 in Q1
- ▶ Increased margin in Mainland Europe: 8.9% (8.5)
- ▶ Weaker financial performance in US/UK/Ireland
- ▶ Zero organic growth expected in implementation and services





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