



Growth supported by acquisitions

1 JANUARY – 30 SEPTEMBER 2017

7 November 2017

Earnings conference call

Presenters: Martin Ellis (CEO) and Jonas Olin (CFO)

The statements about the future in this document contain an element of risk and uncertainty, both in general and specific terms, and this means that actual developments may diverge considerably from the statements about the future.

NORDIC 
WATERPROOFING

We make waterproofing easy

Continued strong sales growth

Margin compression as raw material prices remain high

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Growth supported by acquisitions

- Net sales of SEK 646 m (527), an increase of 23% supported by acquisitions as well as organic growth
- EBITDA before items affecting comparability amounted to SEK 96 m (92)
- Operating profit (EBIT) before items affecting comparability amounted to SEK 83 m (85)
- Operating cash flow amounted to SEK 103 m (85)
- Earnings per share SEK 2.70 (3.04)
- Updated outlook 2017: increasing raw material prices have stabilized but remain on a higher level than previously expected, and increased sales prices do not fully offset the increased costs.
- Profit improvement measures will be put in place in Installation Services Finland.



Events during the period

Extending our offer of solutions for building and infrastructure protection: acquisition TE

- Acquisition of 80% of shares in Taasinge Elementer A/S, integrated in Products & Solutions from July 2017
- Denmark's leading manufacturer of wood-based prefabricated roof and façade elements
- Annual sales of approximately SEK 150 m and 115 employees
- Well positioned in its competitive field, not a commodity player
 - Strong engineering and design capabilities, allowing complex projects and act as a competitive barrier
 - Excellent logistics
- Good growth potential
 - Plant output potential far from realized in present setup, strong order book
 - Export sales potential to surrounding countries
- Excellent strategic fit with Nordic Waterproofing
 - Diversification: continue to strengthen our position in main markets by product and segment expansion
 - Differentiates our products and services portfolio against competitors'
 - Enhances our knowledge of the building envelope concept
 - Participate in trends toward system offer and prefabrication
 - Gives us direct access to main contractors and architects
 - Our geographic footprint will allow TE to expand outside Denmark



Events after the period

Mataki brand rolled out for Norwegian professional market

- Mataki brand rolled out to Norwegian professional market and at building merchants.
- Well-established products are being supplemented with newly developed ones, which will be marketed under the shared brand.
- Nortett brand focused towards DIY distribution channel.



Main focus on product and segment expansion through acquisitions

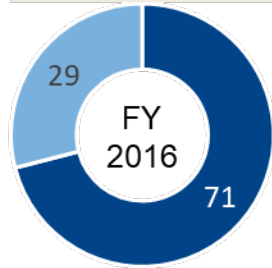
- Four acquisitions in 2017:
 - EPDM Systems BV
 - SPT Paintings Oy
 - LA Kattohuolto Oy
 - Taasinge Elementer A/S
- Active acquisition pipeline



Recap of our footprint

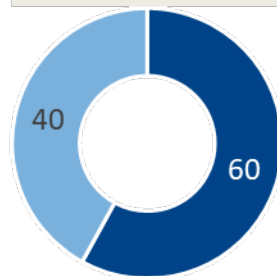
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Sales by segment, %



■ Products & Solutions
■ Installation Services

Sales by category, %



■ Renovation
■ New build

- Bitumen manufacturing units and sales offices
- Distribution center and sales offices
- EPDM units
- ▲ NWIS districts offices
- ▲ NWIS franchise companies
- Head offices
- New 2017 members of the Group

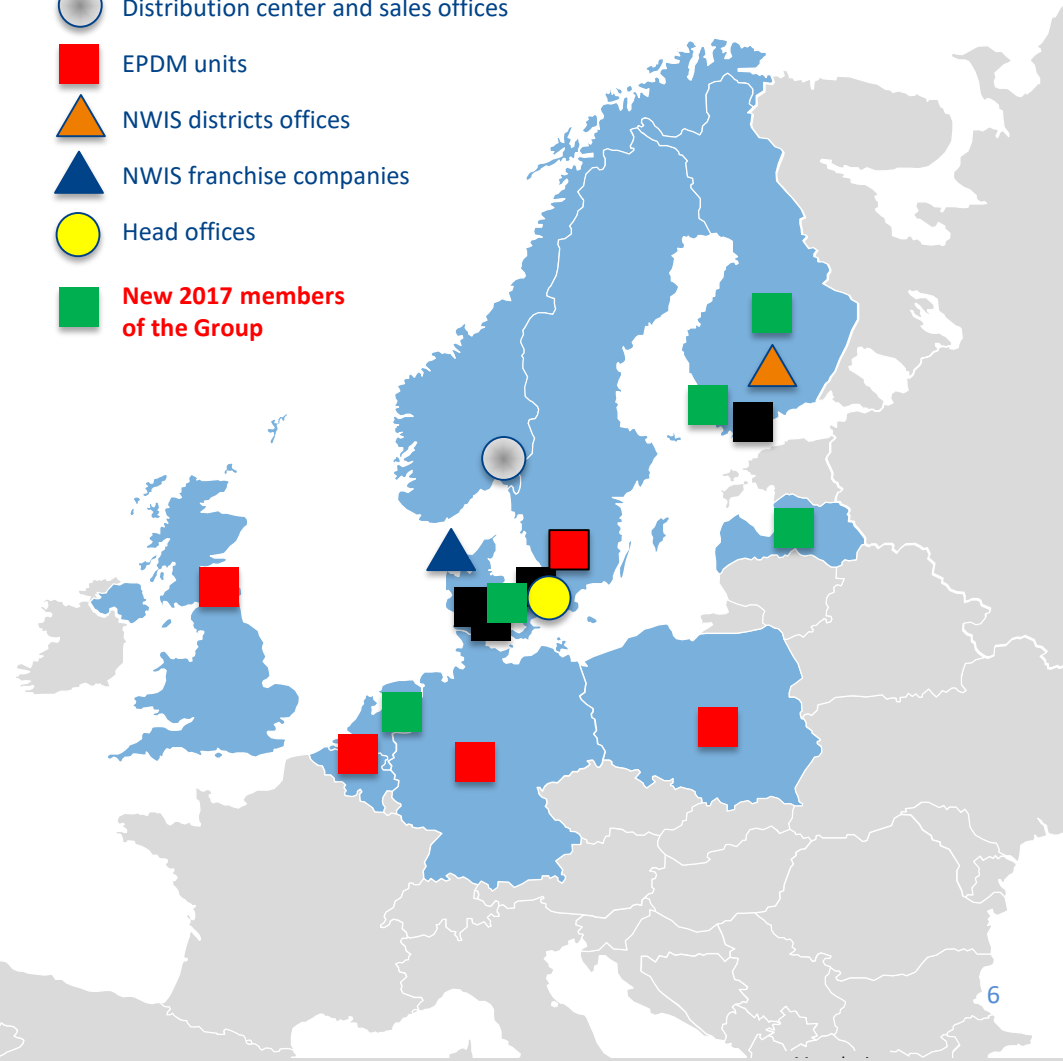
Barriers to entry

Local production capacity

Efficient logistics set-up

Well established brands

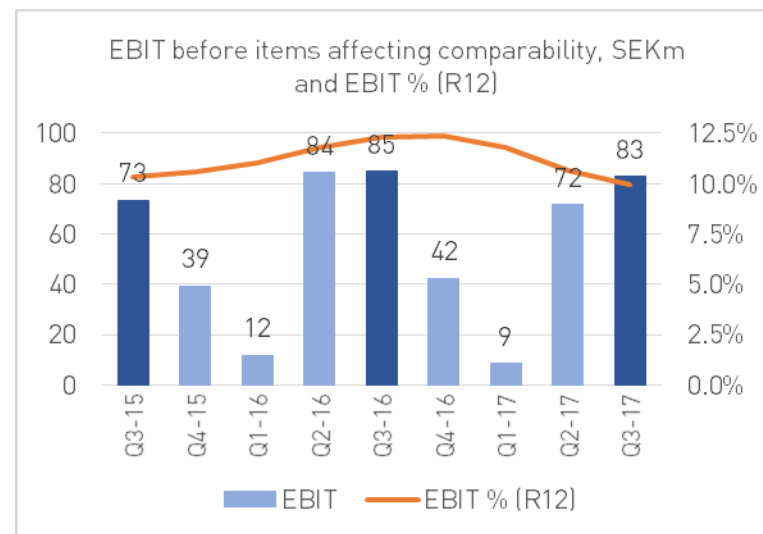
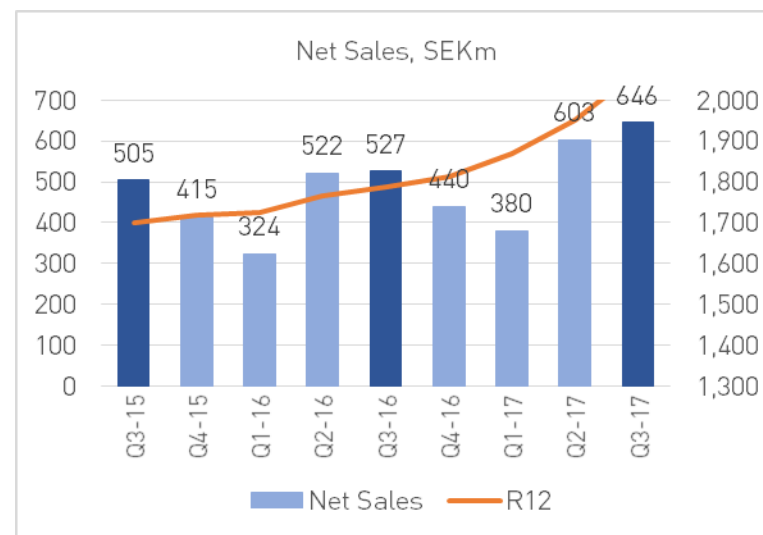
Full support service creates customer loyalty



Third quarter report

Contribution from acquisitions

- Net sales of SEK 646m (527) up 23%, positively affected by favorable weather conditions in July & August, but negatively affected by early autumn and rainy weather in September
- Growth driven by:
 - Other Europe +32% (of which acquisitions +30%)
 - Denmark +46% (of which acquisitions +41%)
 - Finland +25% (of which acquisitions +15%)
 - Sweden +3%
 - Norway -5%
- Operating profit (EBIT) before items affecting comparability decreased due to continued effects from increased raw materials prices not offset by increased sales prices
- EBIT affected by amortizations of intangible assets relating to acquired companies



Good demand in most markets

Organic growth in Q3-17 amounted to 5% in local currency

Changes in net sales	Q3-17 %	Q3-16 %	FY 2016 %
Organic growth	5%	4%	5%
Structural effects	18%	0%	0%
Currency effects	0%	0%	0%
Total	23%	4%	5%

- Organic growth in some areas of business
 - maintaining strong market position in Denmark
 - continuing growing demand in Finland within Installation Services
 - SealEco continues enjoying good demand in Europe
 - stronger competition in Norway and Sweden from European competitors
- Acquisitions contribute as expected
 - Integration going well in all four acquired companies
 - Taasinge Elementer shows organic growth of 44 percent during Q3-17 (proforma)
- Currency effect
 - In general stable currencies end Q3-17 vs end Q2-17

Increased net sales, margin compression NORDIC WATERPROOFING

Acquisitions contributed to growth and results

SEKm	Q3-17	Q3-16	Change, %	R12 2017	Full-year 2016
Net sales	646	527	+23%	2,069	1,813
Gross profit	171	161	+6%	571	540
EBITDA before items affecting comparability	96	92	+5%	240	248
Operating profit (EBIT) before items affecting comparability	83	85	-2%	206	224
Operating profit (EBIT)	81	84	-3%	189	206
Net finance items	-3	2	n/a	-14	-13
Profit before tax	78	87	-10%	175	193
Tax	-13	-14	-7%	-33	-37
Profit for the period	65	73	-11%	142	156

- EBIT margin softer, mainly due to the increased raw material costs not being fully offset by the increased sales prices
- Amortization of intangible assets relating to acquisitions affects EBIT by SEK 5 m
- Net finance items previous year was positive due exchange rate gain

Seasonal variations

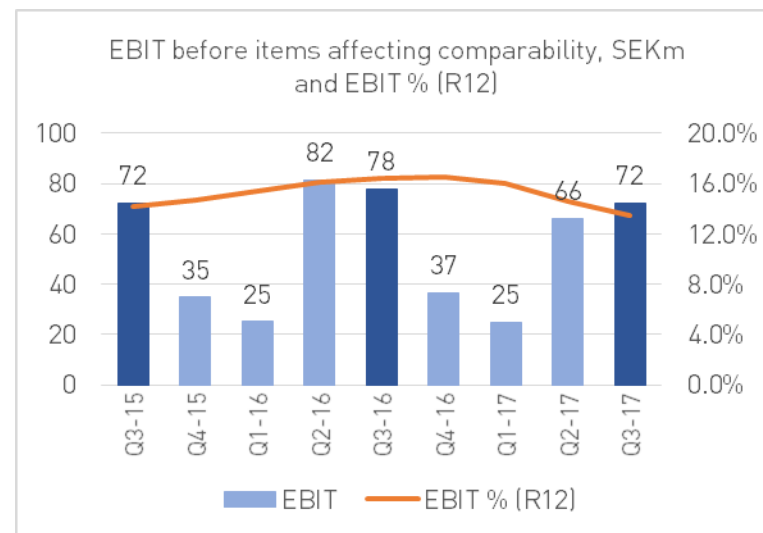
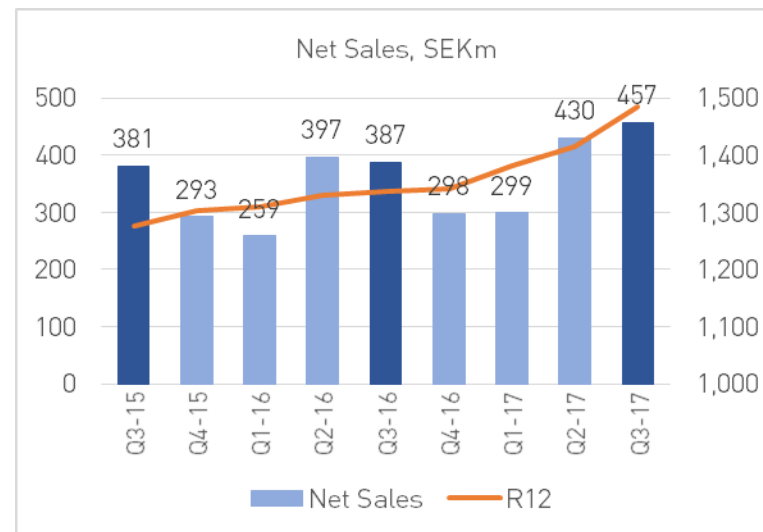
Quarterly swings in net sales and EBIT

SEKm	Q3-17	Q2-17	Q1-17	Q4-16	Q3-16
Net sales	646	603	380	440	527
Gross profit	171	171	105	124	161
Gross margin, %	26.5%	28.4%	27.6%	28.1%	30.6%
EBITDA before items affecting comparability	96	79	15	50	92
Operating profit (EBIT) before items affecting comparability	83	72	9	42	85
Operating profit (EBIT)	81	65	5	39	84
Net finance items	-3	-2	-5	-4	2
Profit before tax	78	63	0	35	87
Profit for the period	65	51	-1	27	73

- Third quarter net sales were up 23 percent, mainly due to acquisitions
- Items affecting comparability: expenses related to acquisitions and legal advice in connection with the Danish competition case

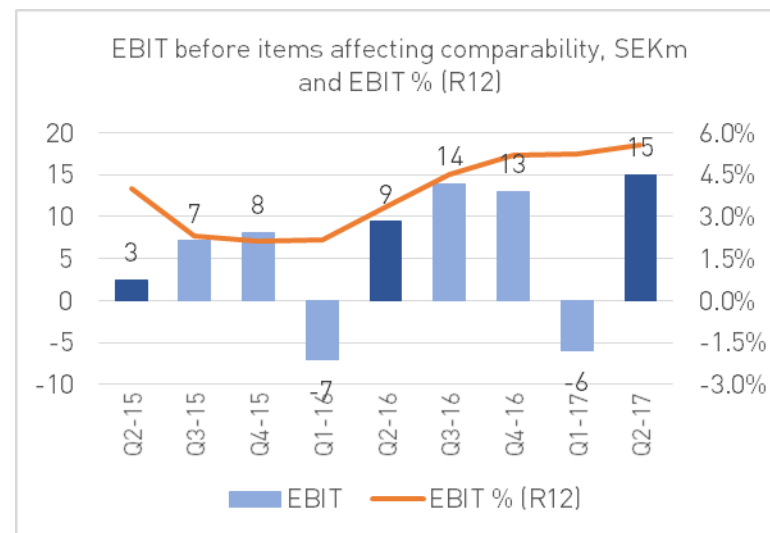
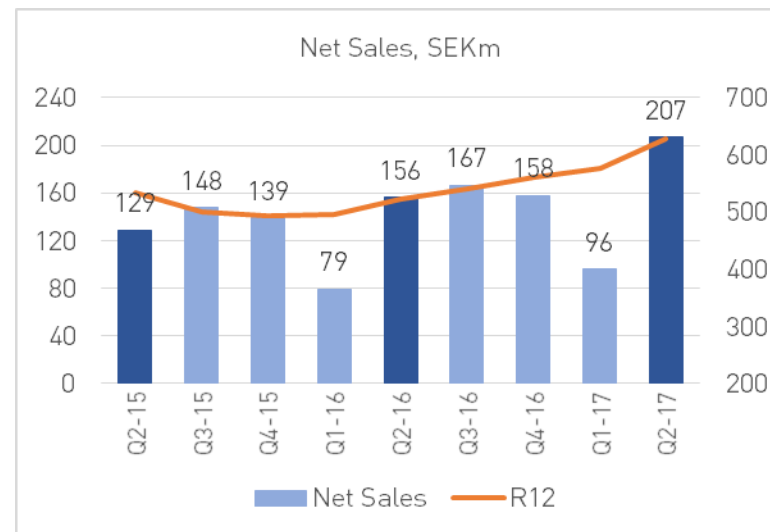
Growth supported by acquisitions

- Net sales increased by 18% compared with Q3-16
 - Strong development in Denmark and SealEco, but weaker sales in Norway
 - Acquired operations in 2017 contributed with 16% in the third quarter
- Operating profit (EBIT) before items affecting comparability down compared with Q3-16
 - Full implementation of price increases by the middle of Q3
 - Increased raw material costs not fully offset by increased sales prices
 - Amortization of intangible assets in acquired companies



Supporting sales and results

- Sales in Finland increased 31% compared with Q3-16
 - Acquired operations in 2017 contributed with 18% in the third quarter
- Strong order inflow and order book
 - Finnish order inflow increased 22%
 - Order book end September was up 49% compared with the same period preceding year (+17% for comparable operations)
 - Denmark franchise companies perform well in a strong market
- Operating profit (EBIT) before items affecting comparability up compared with Q3-16
 - Profitability in the legacy operations not at a satisfactory level



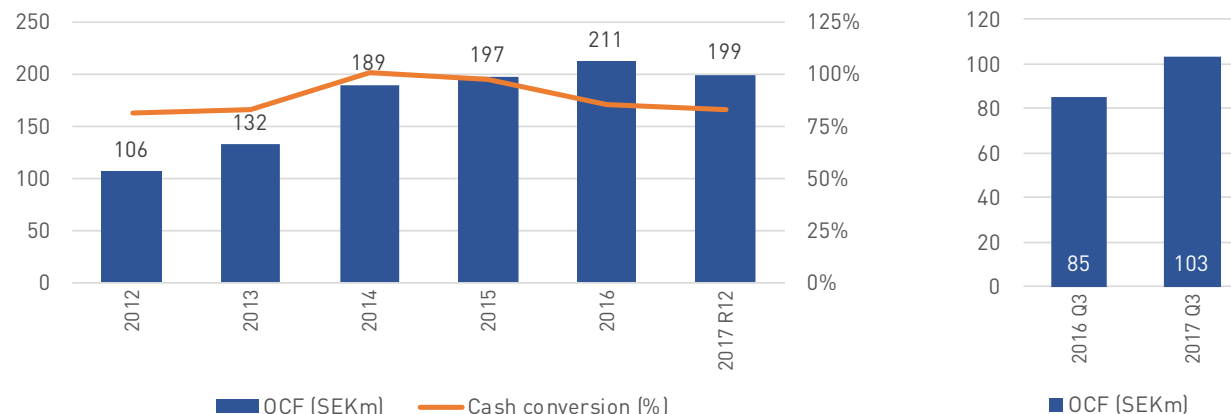
Balance sheet allowing expansion

Cash generating operations and available loan facilities

SEKm	2017-09-30	2016-09-30	2016-12-31
Non-current assets	1,015	853	844
Current assets	759	750	724
Total assets	1,774	1,603	1,568
Equity	972	924	964
Non-current liabilities	432	390	398
Current liabilities	370	289	206
Total equity and liabilities	1,774	1,603	1,568
Capital employed	1,325	1,279	1,317
Return on capital employed (before items affecting comparability), % (R12)	15,8%	18,4%	18,7%
Net debt	276	127	25
Equity/assets ratio, %	55%	58%	62%
Net debt /equity ratio, multiple	0.3x	0.1x	0.0x
Net debt/EBITDA, multiple (R12)	1.1x	0.5x	0.1x

- Increased intangible assets as well as net debt following the acquisition of Taasinge in the third quarter
- Continued strong balance sheet allowing further expansion

Temporary variations in operating cash flow



- Cash conversion rates maintained at high levels, between 77 and 101%
- Operating cash flow increased in Q3-17 due to decreasing net working capital
- 2017 R12 cash conversion amounted to 83%, affected by lower EBITDA and higher negative change in net working capital due to increased receivables from stronger activity in the Finnish Installation Services business, and temporarily higher inventory levels.

Sales growth

NWG's goal is to exceed the growth in the Group's current markets through organic growth.

In addition, the Group expects to grow through selective acquisitions.



Profitability

NWG's goal is to generate a return on capital employed (ROCE) before items affecting comparability exceeding 15 percent.



Capital structure

Net debt in relations to EBITDA before items affecting comparability (R12M basis), excluding temporary deviations, shall not exceed 2.5 times.



Dividend policy

NWG' aims to have an annual dividend of more that 50 percent of its net profit.
The pay out decision will be based on the Group's financial position, investment needs, liquidity position as well as general economic and business conditions.



Outlook 2017 - updated

For the financial year 2017, Nordic Waterproofing Group (STO: NWG.ST) expects the general demand to be similar to that in 2016 in most of its markets. The Group expects to meet its financial targets of exceeding the growth in its current markets through organic growth as well as through acquisitions designed to enhance the Group's product portfolio. The increasing raw material prices have stabilized but are expected to remain at a higher level over the remainder of the year compared with the corresponding period in the preceding year. **Increased sales prices have been implemented with the full effect being realized by the middle of the third quarter. As the raw material price level remains at a higher level than previously expected, the increased sales prices do not fully offset the increased costs. Consequently, the Group expects the profit level to decrease compared with the historically high profit level achieved in 2016, despite the contribution from recent acquisitions. Operating profit (EBIT) before items affecting comparability is therefore expected to be approximately 200 MSEK. (Previously: Increased sales prices have been implemented with the full effect expected to be realized by the middle of the third quarter. With the contribution from recent acquisitions, the Group expects to maintain the historically high profit level achieved in 2016 despite the current increase in raw material prices. Operating profit (EBIT) before items affecting comparability is, therefore, expected to be in line with the full year 2016.)**

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Questions

Further information

- Martin Ellis
- Jonas Olin

www.nordicwaterproofing.com

Year-end report, January–December 2017:
8 February 2018

We make waterproofing easy



Top ten shareholders

Shareholders as per 30 September 2017

Owner	No. of shares	Capital and votes, %
Carnegie funds	2,363,309	9.8
Swedbank Robur funds	2,187,095	9.1
Catella funds	1,644,827	6.8
Mawer	1,515,430	6.3
Svolder Aktiebolag	1,207,514	5.0
Handelsbanken funds	1,077,475	4.5
SEB funds	655,718	2.7
Third AP-fund	636,171	2.6
Länsförsäkringar funds	601,907	2.5
TR European Growth	600,000	2.5
Ten largest shareholders	12,489,446	51.9
Other shareholders*	11,594,489	48.1
Total	24,083,935	100.0

* Holdings with depositories are reported within "Other shareholders"

Trading on Nasdaq Stockholm

Ticker symbol	NWG
ISIN code	DK0060738409
Sector	Construction & Materials
Number of shares of DKK 1.00	24,083,935
Own shares	0
Voting & ownership restrictions	None
Current market cap	SEK 2,047 million (6 November 2017)
Contact:	CFO & investor relations, Jonas Olin, +46 708 29 14 54 jonas.olin@nordicwaterproofing.com

Experienced Board of Directors

Nordic Waterproofing Holding A/S – Board of Directors



**Ulf Gundemark,
Chairman**

Relevant experience:
Chairman of Ripasso Energy and Bridge to China. Board member of Papyrus, Lantmännen, Scandi Standard, Constructor Group and AQ Group.
(20,000 shares*)



**Christian Frigast,
Board member**

Relevant experience:
Managing Partner at Axcel. Deputy Chairman of the Board in Pandora and DVCA.
(23,000 shares*)



**Jørgen Jensen,
Board member**

Relevant experience:
President and CEO of Widex. Board member of DFDS, TCM Group and former Board member of Cheminova.
(20,976 shares*)



**Riitta Palomäki,
Board member**

Relevant experience:
Member of the board of directors, chair of the audit committee and member of the remuneration committee at HKScan Oyj, member of the supervisory committee and deputy chair of the audit committee at OP Cooperative.
(0 shares)



**Mats O. Paulsson,
Board member**

Relevant experience:
Member of the boards of Acando AB, BTH Bygg AB, AB Bösarps Grus & Torrbruk AB and WinGroup AG.
(0 shares)



**Kristina Willgård,
Board member**

Relevant experience:
CEO of AddLife AB, Chairman of the board of AddLife Development AB, member of the board of Medioplast AB, Serneke Group AB and assignments as board member and partner in Willgård AB.
(0 shares)

* Including related parties

Seasoned management team

Nordic Waterproofing Group – Management team



Martin Ellis, CEO Joined NWG in 2011
Previous experience: CEO of NWG 2011-2012 and Chairman 2011-2015. 30 years of experience as CEO and other leading positions including Icopal and Saint Gobain (366,270 shares*)



Jonas Olin, CFO & Investor Relations
Joined NWG in 2007
Previous experience: 20 years of experience as CFO and controller including Trelleborg Waterproofing, Abdon Finax and IKEA Industry (50,010 shares*)



Petter Holth, Head of NW Norway
Joined NWG in 2012
Previous experience: 30 years of experience of sales and marketing in the building industry, incl. CEO of Nortett Bygg AS (154,395 shares*)



Mats Lindborg, Head of NW Sweden
Joined NWG in 1986
Previous experience: 30 years of experience of sales and marketing including Trelleborg Waterproofing (58,414 shares*)



Esa Mäki, Head of NW Finland
Joined NWG in 2017
Previous experience: 35 years of experience of sales and marketing including Lemminkäinen (0 shares)



Paul Erik Rask, Head of NW Denmark
Joined NWG in 1992
Previous experience: 30 years of experience of leading positions and sales and marketing including Trelleborg Phønix A/S (94,104 shares*)



Martin Tholstrup, Head of Taasinge Elementer
Joined NWG in 2017
Previous experience: 20 years of experience from development, sales and prefabrication within the construction industry (0 shares*)



Thomas Zipfel, Head of SealEco
Joined NWG in 2009
Previous experience: 20 years of experience of managing positions including Trelleborg Waterproofing Polymeric Membranes (90,504 shares*)

* Including related parties