



Continued sales growth and improved earnings

1 JANUARY – 30 SEPTEMBER 2018

1 November 2018

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.

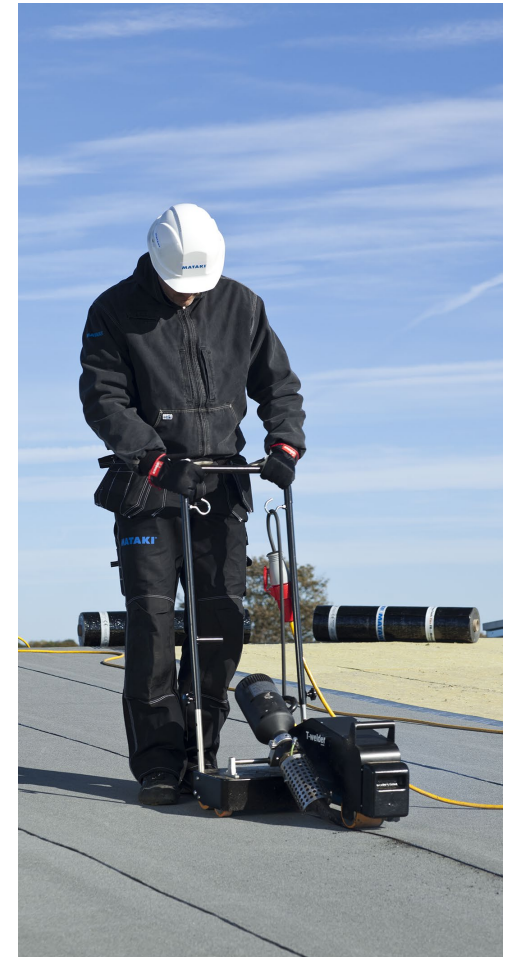
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We make waterproofing easy

Continued sales growth and improved earnings

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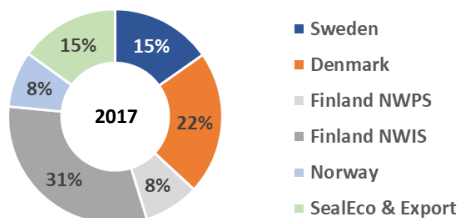
- Net sales SEK 778 m (646)
- Sales growth 20%, of which 12% from acquisitions, 3% organic growth in local currency and 5% from currency effects
- EBITDA before items affecting comparability SEK 103 m (96)
- Operating profit (EBIT) before items affecting comparability SEK 87 m (83)
- ROCE below our long term target at 14.4% (15.8%)
- Operating cash flow SEK 123 m (103)
- Earnings per share SEK 2.97 (2.70)



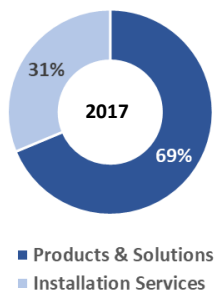
Recap of our footprint

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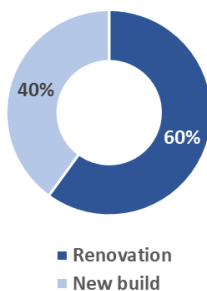
Sales by country



Sales by segment



Sales by category



- Bitumen manufacturing units and sales offices
- Distribution center and sales offices
- EPDM units
- NWIS districts offices
- NWIS franchise companies
- Head offices
- New 2017/2018 members of the Group

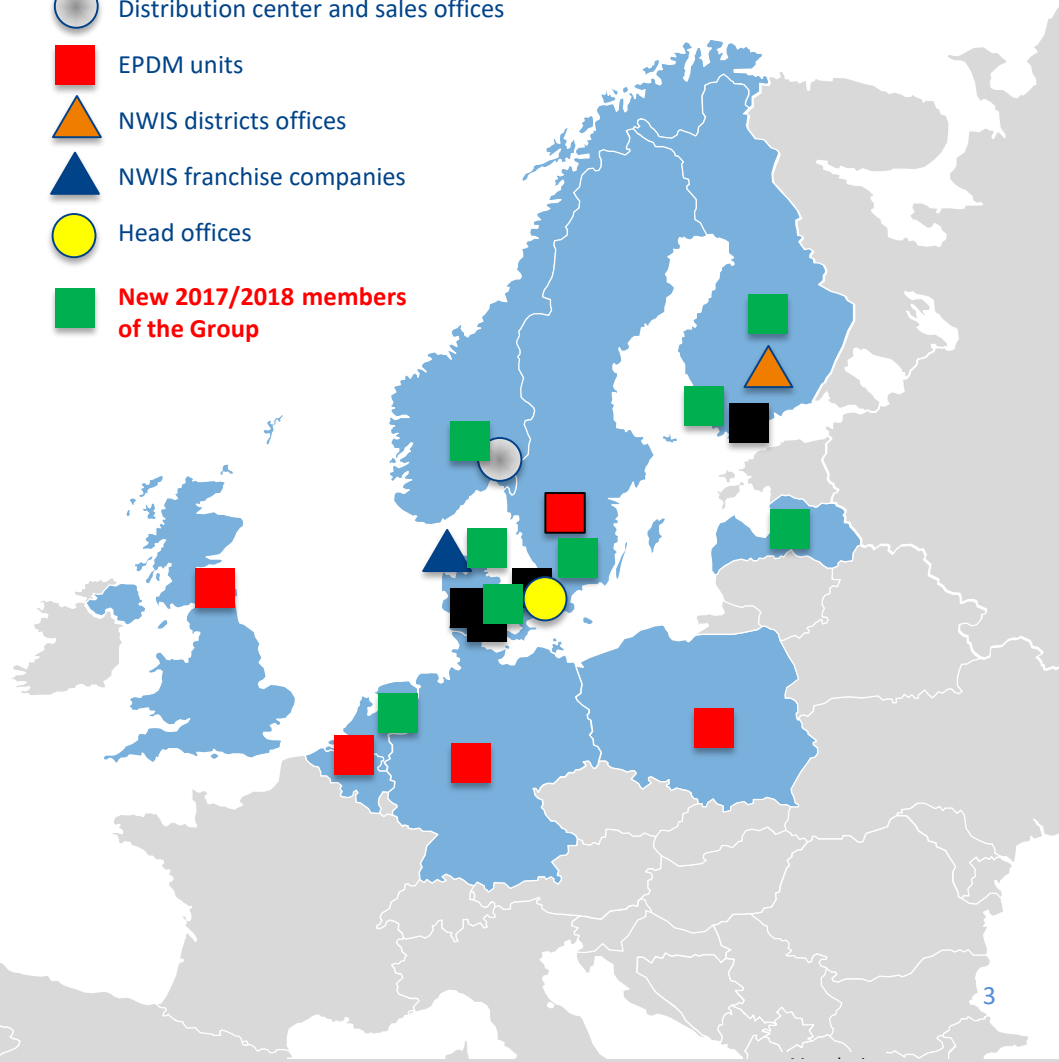
Barriers to entry, core business

Local production capacity

Efficient logistics set-up

Well established brands

Full support service creates customer loyalty



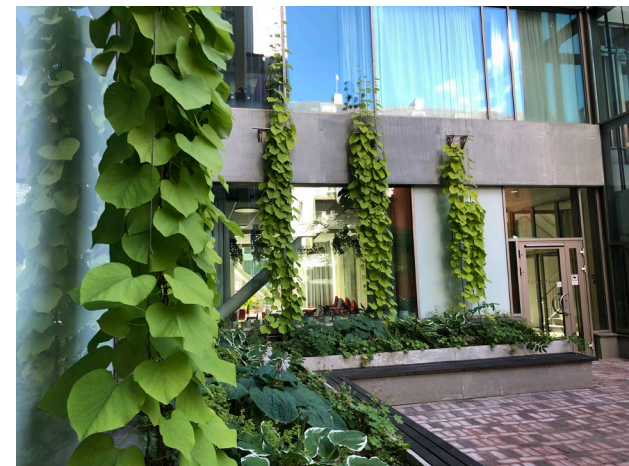
Events during the period

Veg Tech acquisition

- Annual sales of approximately SEK 125 m and 45 employees, consolidated in Products & Solutions from Q3-18
- Strong position within vegetation technology and green roofs – a perfect complement to our current offer of high-quality waterproofing solutions
- Strengthens our commitment for sustainable and environmentally efficient solutions for the building sector
- 83% acquired in July. Most of the remaining minority shares acquired thereafter - current ownership exceeds 99%

Competition case Denmark - update

- On 31 May 2017, DCCA issued a decision, which was appealed by all addresses
- On 12 September 2018, the Danish Competition Appeals Board has acknowledged that the DCCA's allegations were based on insufficient grounds and flawed legal reasoning
- The Appeals Board has therefore referred the matter back to DCCA in order for the DCCA to reassess the matter, and DCCA can choose either to reassess the matter or to close the case
- Nordic Waterproofing maintain that we have acted in compliance with applicable laws and business practices, hence no provision is made

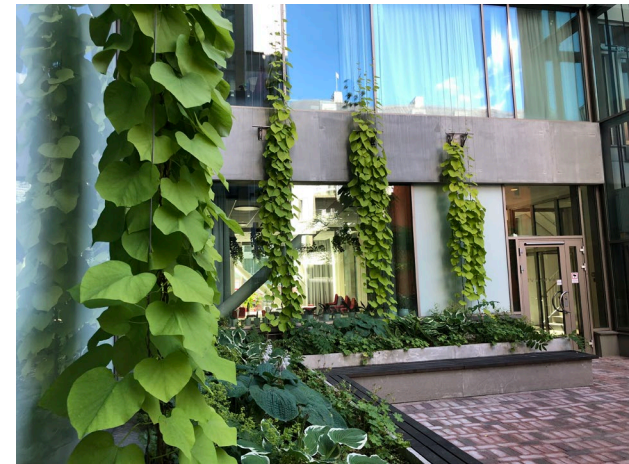


Acquisition agenda

Selective approach

Our acquisition strategy and selective approach continues, and we seek to generate value for our stakeholders through the following strategies:

- enhance our product and service offering for our existing customers, and apply geographic leverage to newly acquired product and service categories
- benefit from mega trends in the construction industry: sustainable building solutions, energy efficiency, renewable energy sources, and site efficiency through increased exposure to prefabrication
- forward integrate to increase exposure to end customer

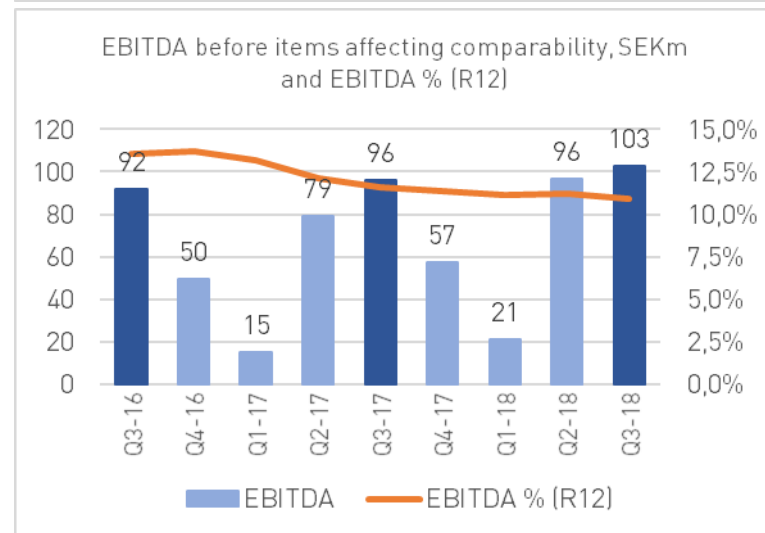
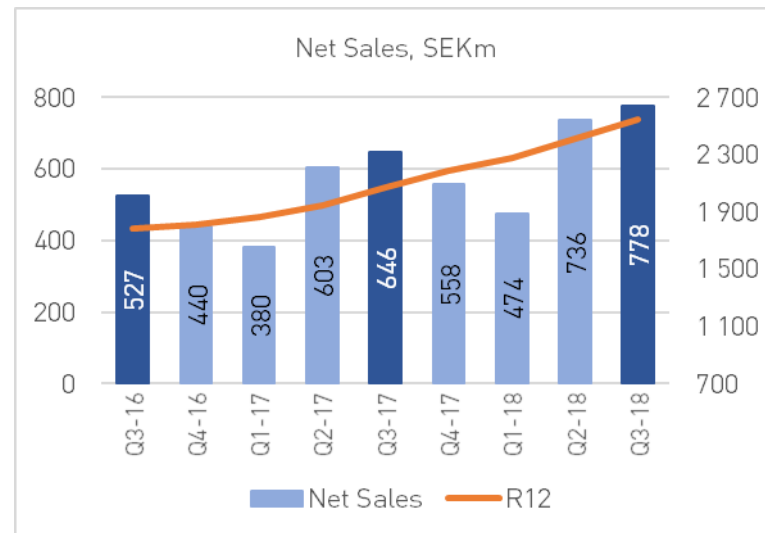


Third quarter report

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Good contribution from acquisitions

- Net sales of SEK 778 m (646) up 20%, positively affected by acquisitions
- Growth driven by:
 - Norway +67% (of which acquisitions +53%)
 - Sweden +39% (of which acquisitions +30%)
 - Denmark +19% (of which acquisitions +12%)
 - Other Europe +11%
 - Finland +8%
- EBITDA before items affecting comparability increased to SEK 103 m (96)
- Operating profit (EBIT) before items affecting comparability increased to SEK 87 m (83)
 - Affected by IFRS amortizations SEK 6 m. Order books in Taasinge, Ugilt and RVT are now fully amortized.



Good demand in most markets

Organic growth in Q3-18 amounted to 3% in local currency

Changes in net sales	Q3-18 %	Q3-17 %	FY 2017 %
Organic growth	3%	5%	5%
Structural effects	12%	18%	15%
Currency effects	5%	0%	1%
Total	20%	23%	21%

- Organic growth in Products & Solutions was +5%
 - Pick-up effects from the strong roofing and infrastructure markets in Sweden and Norway
- Organic growth in Installation Services was 0%
 - Deliberate and selective approach towards profitable projects and the execution there-of
- Acquisitions contribute positively
 - Strong development of the prefabricated elements business in Norway with an order book until summer 2019
- Currency effect
 - Although fairly stable during the third quarter, the Swedish Krona is still weak at the end of Q3-18

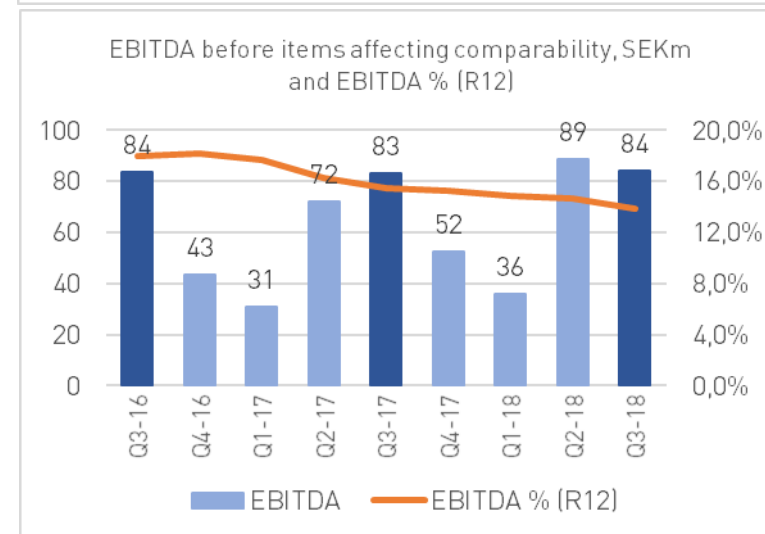
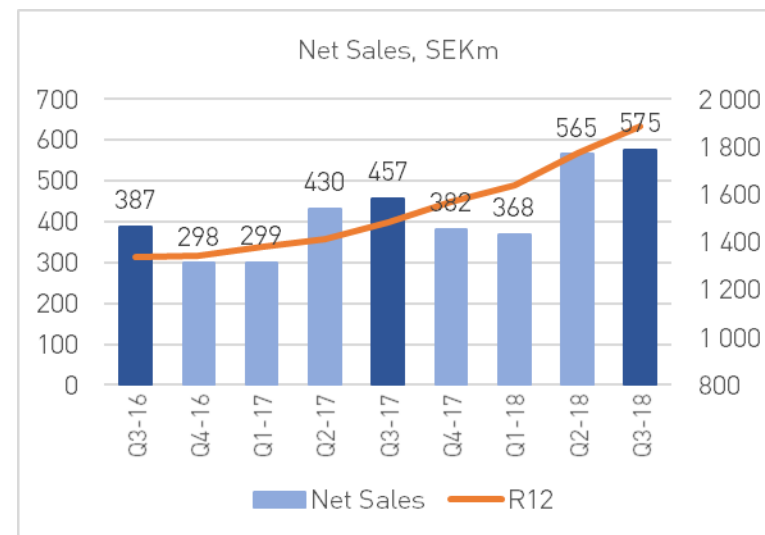
Acquisitions contributed to growth and results

SEKm	Q3-18	Q3-17	Change, %	R12 2018	Full-year 2017
Net sales	778	646	+20%	2,545	2,187
Gross profit	201	171	+17%	642	584
EBITDA before items affecting comparability	103	96	+7%	277	248
Operating profit (EBIT) before items affecting comparability	87	83	+5%	216	208
Operating profit (EBIT)	86	81	+6%	208	194
Net finance items	-5	-3	n/a	-23	-19
Profit before tax	81	78	+4%	185	174
Tax	-10	-13	n/a	-35	-37
Profit for the period	72	65	+11%	150	138

- IFRS amortizations of intangible assets relating to acquisitions affects EBIT by SEK -6 m
- Effective tax rate is 16% (18%). The lower rate is explained by a higher utilization of non-activated tax losses carried forward in Finland as well as decreased corporate tax rate in Sweden

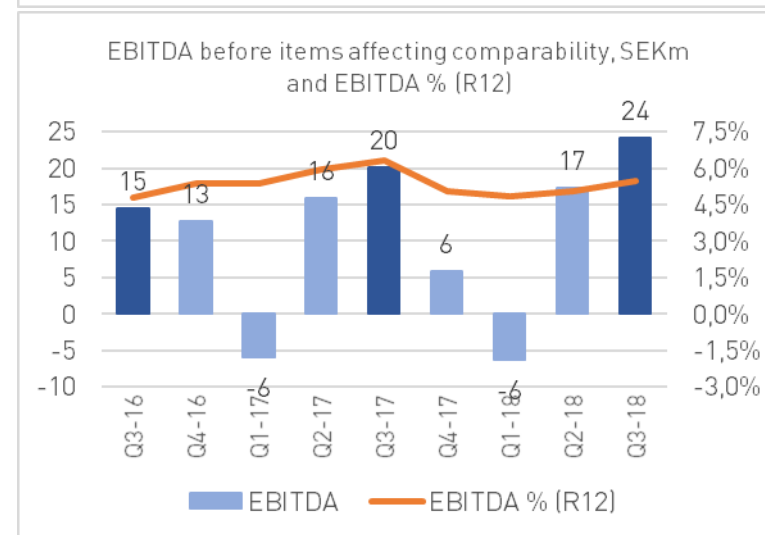
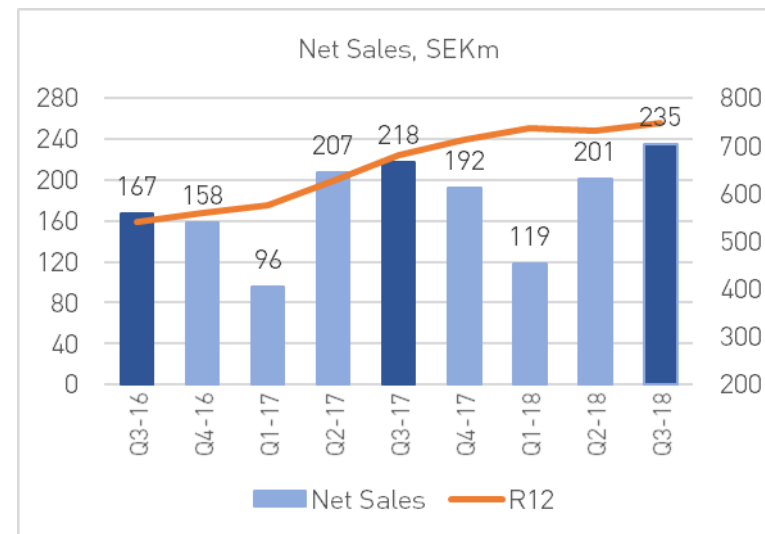
Growth supported by acquisitions

- Net sales increased by 26%
 - Organic growth 5% due to catch up effects and strong markets in Sweden and Norway
 - Acquisitions contributed with 17%. Especially strong prefab elements business in Norway
 - A second sales price increase has been implemented, but this will unfortunately not fully offset the most recent bitumen price increases
- EBITDA before items affecting comparability increased to SEK 84 m (83)
- Operating profit (EBIT) before items affecting comparability decreased to SEK 70 m (72)
 - A second price increase with effect from the end of the third quarter has been implemented
 - Amortization of intangible assets in acquired companies affects EBIT.



Improved profitability and sales

- Sales in Finland increased 7% in SEK
 - Organic growth 0% in local currency
 - Exchange rate effect +7%
- Strong order intake and order book
 - Order intake up 31%
 - Order book end September was up 30%
- EBITDA before items affecting comparability increased to SEK 24 m (20)
- Operating profit (EBIT) before items affecting comparability increased to SEK 23 m (18)
 - Profit improvement program in Finland have shown positive financial effects as of mid-2018



Note: both EBITDA and EBITDA % include the share of profit in associated companies in Denmark

Balance sheet allowing expansion

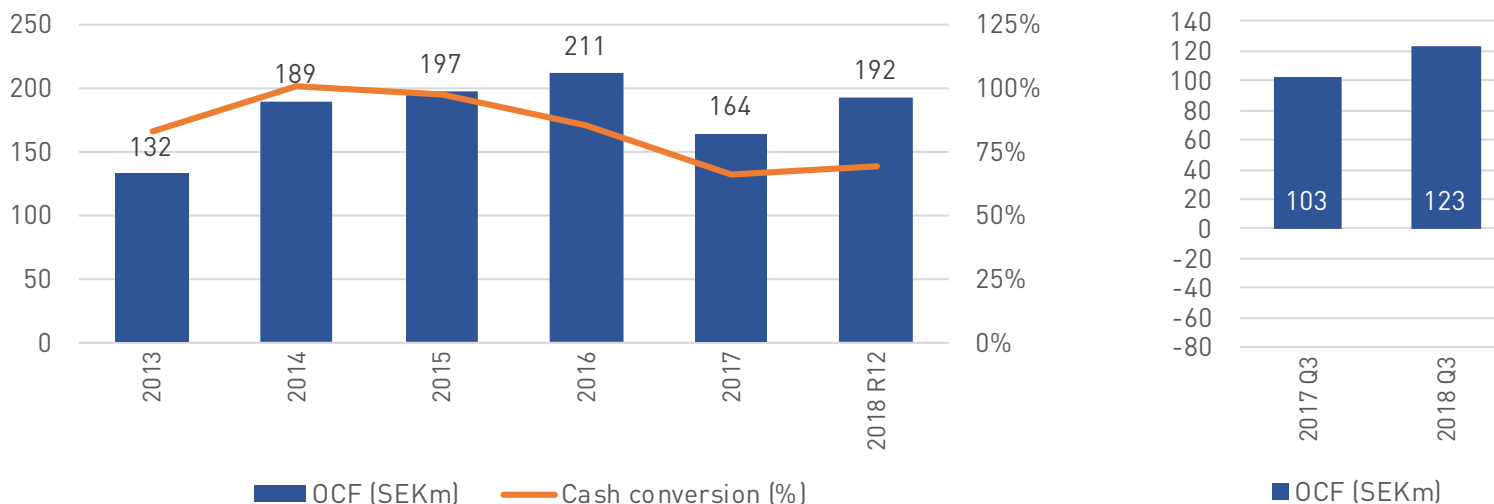
Cash generating operations and available loan facilities

SEKm	2018-09-30	2017-09-30	2017-12-31
Non-current assets	1,313	1,015	1,057
Current assets	965	759	699
Total assets	2,278	1,774	1,756
Equity	1,116	972	1,010
Non-current liabilities	545	432	456
Current liabilities	617	371	290
Total equity and liabilities	2,278	1,774	1,756
Capital employed	1,682	1,325	1,370
ROCE (before items affecting comparability)	14.4%	15.8%	15.5%
Net debt	493	276	204
Equity/assets ratio	49%	55%	58%
Net debt /equity ratio	0.4x	0.3x	0.2x
Net debt/EBITDA (R12)	1.8x	1.1x	0.8x

- Veg Tech consolidated as from Q3-18
- Veg Tech purchase price allocation has increased goodwill by 78 MSEK and customer relations by 32 MSEK (amortized over 7 years)
- ROCE at 14.4% was below the long term financial target of 15% due to the increased capital employed following the relatively large acquisition of Veg Tech

Operating cash flow

Temporary variations in operating cash flow



- Positive operating cash flow in Q3-18 of SEK 123 m (103)
 - Higher operating cashflow explained by a higher contribution from decreasing net working capital
- Operating cash conversion (R12) was 69% (83%)

Operating cash flow : Adj. EBITDA + dividends received from shares in associated companies – capex +/- Δ Adj.NWC – result from shares in associated companies

Operating cash conversion : OCF/Adj. EBITDA

Financial targets and dividend policy

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.

Temporarily below target

Capital structure

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



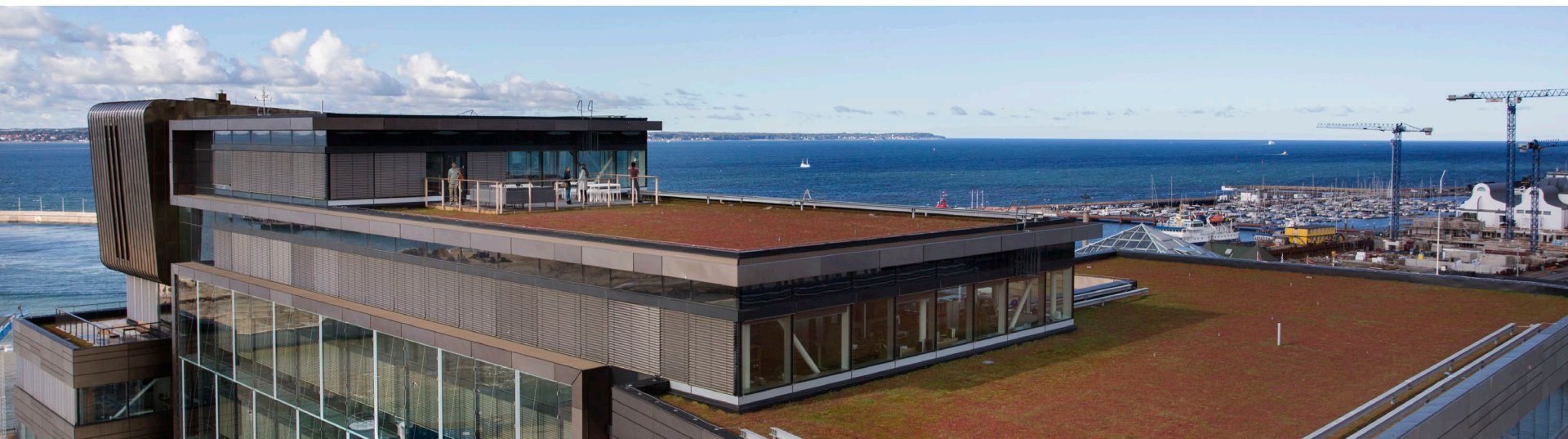
Dividend policy

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 2018 - revised

For the financial year 2018, general demand is expected to be similar as in 2017 in most markets. Nordic Waterproofing expects to meet its financial targets, and the Group's organic net sales growth is expected to exceed the general growth rate where the Group operates. In addition to organic growth, the Group also expects to continue growing through selective acquisitions. Assuming normal winter conditions during the fourth quarter, EBIT before items affecting comparability is expected to increase compared with 2017 (*previously: EBIT before items affecting comparability is expected to increase compared with 2017*).



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Questions

Further information

- Martin Ellis
- Jonas Olin

www.nordicwaterproofing.com

Year-end report, January–December 2018:
Tuesday 12 February 2018

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Top ten shareholders

Shareholders as per 30 September 2018

Owner	No. of shares	Capital and votes, %
Mawer Investment Management	2,729,537	11.3
Swedbank Robur Funds	2,187,095	9.1
Carnegie Funds	2,186,505	9.1
Svolder Aktiebolag	1,623,242	6.7
Catella Funds	1,356,592	5.6
Länsförsäkringar Funds	1,148,338	4.8
Handelsbanken Funds	950,044	3.9
Third AP-fund	638,916	2.7
Traction	600,000	2.5
AMF Insurance & Funds	573,199	2.4
Ten largest shareholders	13,993,468	58.1
Other shareholders*	10,090,467	41.9
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 1,789 million (31 October 2018)
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. Previously chairman of Lindab (26,500 shares*)



Allan Jørgensen,
Board member

Relevant experience:
President and CEO of Dovista. Board member of OH Industri, Huscompagniet and Pankas. (0 shares*)



Jørgen Jensen,
Board member

Relevant experience:
President and CEO of Widex. Board member of DFDS, TCM Group and former Board member of Cheminova. Previously CEO of Nilfisk Advance. (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. Previous CFO of Uponor (3,000 shares)



Mats O. Paulsson,
Board member

Relevant experience:
Member of the boards of WinGroup, Eleda Holding, Nordisk Bergteknik, Modulbetong i Lund, and Bösarps Grus & Torrbruk. Previously CEO of PEAB Industri and Bravida. (15,000 shares)



Kristina Willgård,
Board member

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

* Including related parties

Seasoned management team

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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 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 (61,414 shares)



Esa Mäki, Head of NW Finland

Joined NWG in 2017

Previous experience: CEO of Nesco Group and various managerial positions of Icopal Finland and other companies in the building material industry. (4,000 shares)



Paul Erik Rask, Head of NW Denmark

Joined NWG in 1992

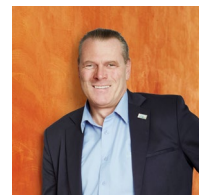
Previous experience: 30 years of experience of leading positions and sales and marketing including Trelleborg Phønix A/S (103,683 shares)



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 (19,000 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)



Bengt-Erik Karlberg, Head of Veg Tech

Joined NWG in 2018

Previous experience: 20 years of experience of managing positions and sales including Veg Tech and Mekra Lang (6,000 shares)

* Including related parties