



A solid quarter and best year ever

1 JANUARY – 31 DECEMBER 2018

12 February 2019

Year end report - 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

A solid fourth quarter...

- Net sales of SEK 692 m (558), up 24%
 - 6% organic growth
 - 14% growth from acquisitions
 - 4 % currency translation effects
- EBITDA before items affecting comparability increased 16% and amounted to SEK 66 m (57)
- Operating profit (EBIT) before items affecting comparability increased 18% and amounted to SEK 224 m (208)
- Operating cash flow was unchanged at SEK 89 m (89)
- Earnings per share SEK 1.03 (0.95)



...and best year ever!

- Net sales of SEK 2,680 m (2,187), up 23%
 - 3% organic growth
 - 15% growth from acquisitions
 - 5 % currency translation effects
- EBITDA before items affecting comparability increased 16% and amounted to SEK 286 m (248)
- Operating profit (EBIT) before items affecting comparability increased 8% and amounted to SEK 224 m (208)
- Operating cash flow increased to SEK 192 m (164)
- Earnings per share SEK 6.30 (5.71)
- Positive contribution from profit improvement measures in Installation Services Finland
- 3 acquisitions in 2018 - Ugilt, RVT and Veg Tech. All performed well and contributed to the growth of sales and results
- The increased and volatile raw material prices were almost offset by increased sales prices
- The Board of directors proposes an increased cash dividend of SEK 4.00 per share

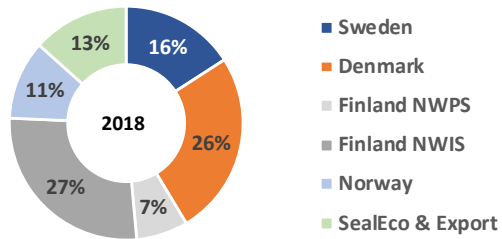


- Flat roofing market is still fairly strong with demand overall at healthy levels but with local variations. Growth is however flattening out in some markets, albeit from high levels
- The decreased private housing building starts and new permits being clear signs of a weaker market in Sweden are still not visible in our sales
- Tough competition in roofing, but Nordic Waterproofing has successfully increased its market shares in Norway and Sweden
- Continued strong market for prefabricated façade elements in Norway
- Currently stable raw material prices in general, although bitumen price volatility continues

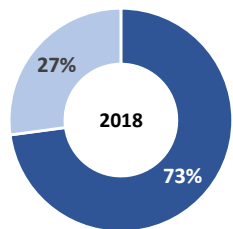


Recap of our footprint

Sales by country

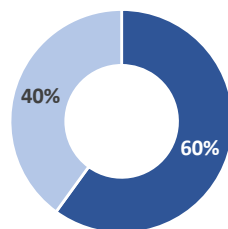


Sales by segment



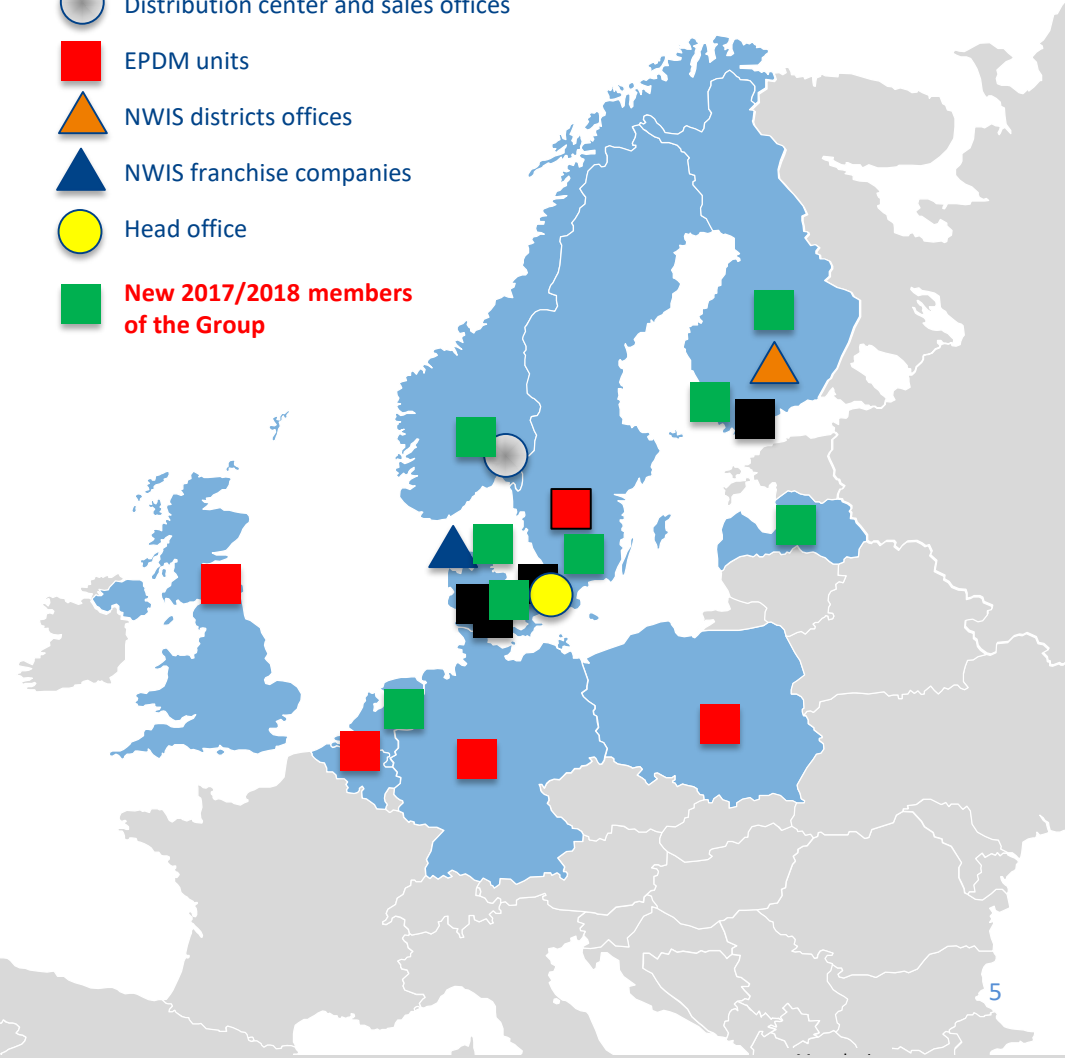
■ Products & Solutions
■ Installation Services

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 office
- **New 2017/2018 members of the Group**



Strategic update

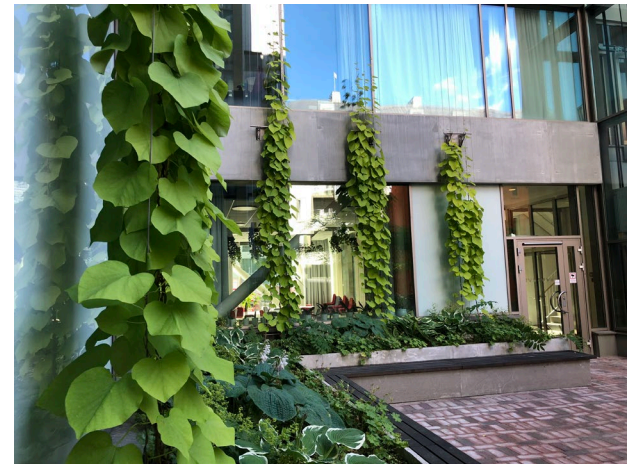
Organic growth and selective acquisitions

Continued focus on organic growth, profitability and selective acquisitions

Organic growth from the development of our recent acquisitions, building on our new platforms in prefabricated elements and green roofs and surfaces

Regarding acquisitions, we maintain our focus and selective approach on small to medium sized companies presenting good synergistic potential with our existing businesses, in order to

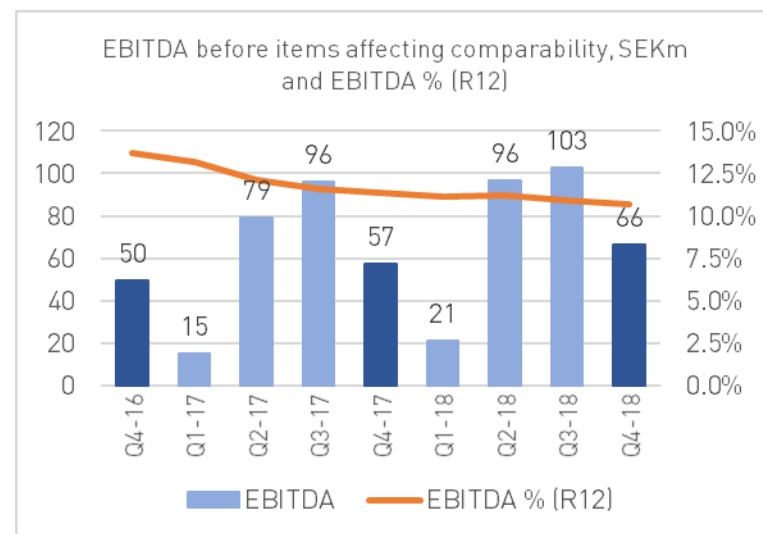
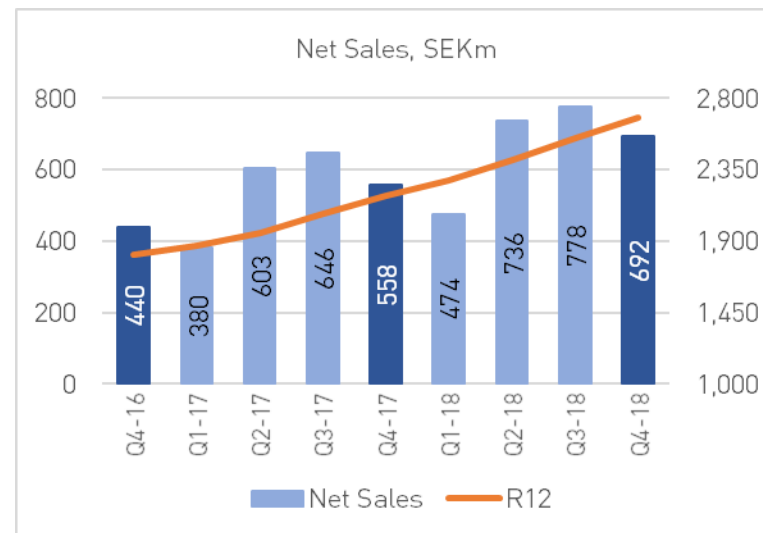
- enhance our product and service offering
- benefit from mega trends in the construction industry
- forward integrate to increase exposure to end customers



Fourth quarter report

Good contribution from acquisitions

- Net sales of SEK 692 m (558) up 24%, positively affected by acquisitions (14%) and organic growth (6%)
- Growth driven by:
 - Excellent weather conditions
 - Norway +116% (of which acquisitions +95%)
 - Sweden +52% (of which acquisitions +38%)
 - Denmark +21% (of which acquisitions +7%)
 - Other Europe +9%
 - Finland +3%
- EBITDA before items affecting comparability increased to SEK 66 m (57)
- Operating profit (EBIT) before items affecting comparability increased to SEK 52 m (45)



Good demand in most markets

Organic growth in Q4-18 amounted to 6% in local currency

Changes in net sales	Q4-18 %	Q4-17 %	FY 2018 %
Organic growth	6%	6%	3%
Structural effects	14%	21%	15%
Currency effects	4%	0%	5%
Total	24%	27%	23%

- Organic growth in Products & Solutions was strong 11%
 - Strong development in most geographies but especially in Norway, Sweden and Denmark
- Organic growth in Installation Services was negative by -2%
 - Continued deliberate and selective approach towards profitable projects and execution there-of
- Acquisitions contribute positively
 - Strong development of the prefabricated elements business in Norway with an order book almost the entire year of 2019
 - The mild weather and late winter arrival allowed Veg Tech to deliver green vegetation solutions almost the entire fourth quarter, following challenges after the warm and unusually dry summer
- Currency effect
 - Swedish Krona is still weak at the end of Q4-18

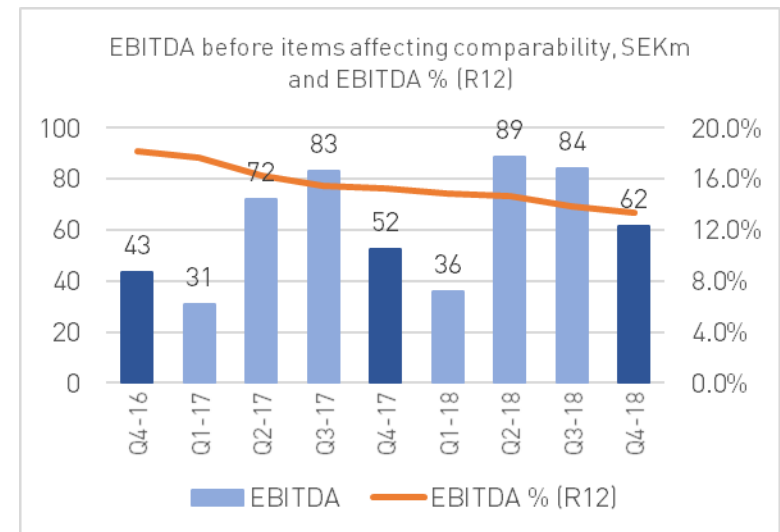
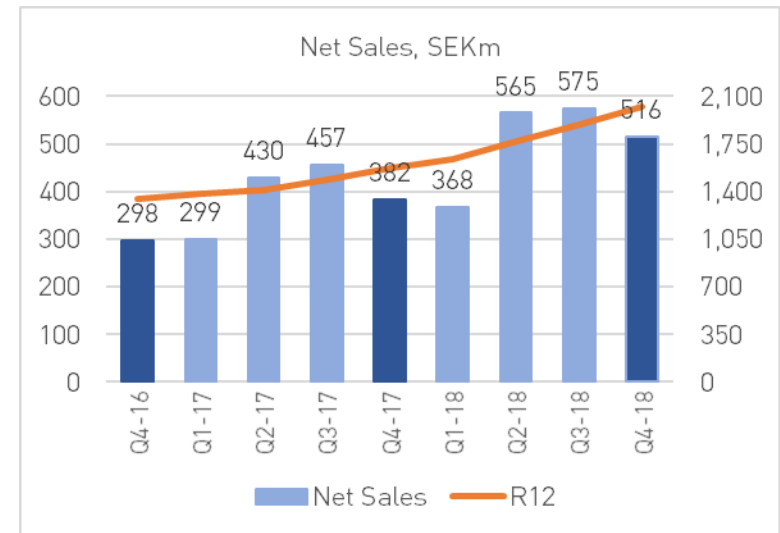
Acquisitions contributed to growth and results

SEKm	Q4-18	Q4-17	Change, %	Full-year 2018	Full-year 2017
Net sales	692	558	+24%	2,680	2,187
Gross profit	174	137	+28%	680	584
EBITDA before items affecting comparability	66	57	+16%	286	248
Operating profit (EBIT) before items affecting comparability	52	45	+18%	224	208
Operating profit (EBIT)	47	43	+9%	212	194
Net finance items	-8	-9	n/a	-22	-19
Profit before tax	39	34	+16%	190	174
Tax	-14	-11	n/a	-38	-37
Profit for the period	25	23	+11%	152	138

- IFRS amortizations of intangible assets relating to acquisitions affects quarterly EBIT by SEK -4 m (-6) and the full year by SEK -27 m (-13)
- Effective tax rate is 20% for the full year (21%). 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

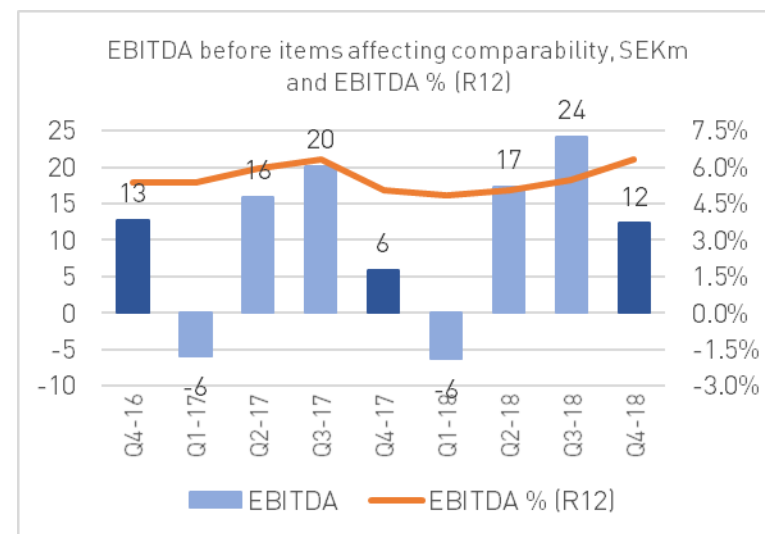
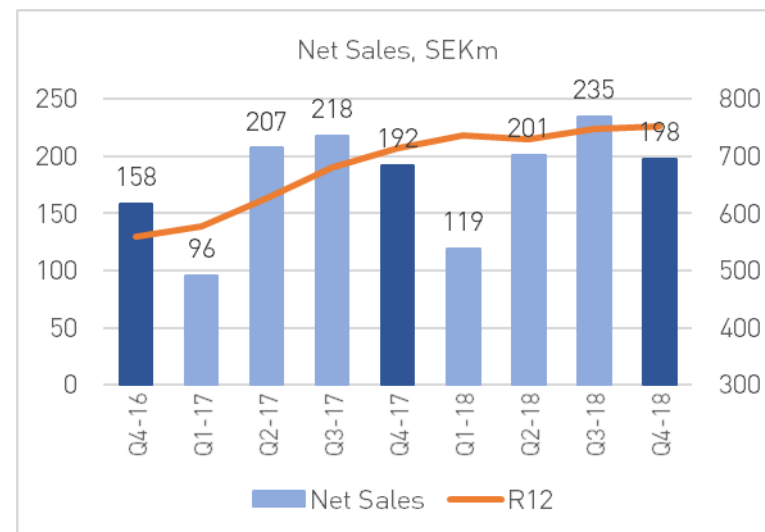
Strong growth

- Net sales increased by 35%
 - Organic growth 11% due to a very strong end of the year in roofing in all of the Nordic countries
 - Acquisitions contributed with 21%, as sales was strong in the prefab elements business in Norway but also the green roof in Veg Tech
 - A second sales price increase was been implemented, but did not fully offset the bitumen price increases during Q4
- EBITDA before items affecting comparability increased to SEK 62 m (52)
- Operating profit (EBIT) before items affecting comparability decreased to SEK 50 m (42)
 - The second price increase during the year contributed positively from the end of the third quarter



Improved profitability and sales

- Sales in Finland increased 3% in SEK
 - Organic growth -2% in local currency
 - Exchange rate effect +5%
- Strong order intake and order book
 - Order intake down 29%
 - Order book end December was 10% above end of previous year
- EBITDA before items affecting comparability increased to SEK 12 m (6)
- Operating profit (EBIT) before items affecting comparability increased to SEK 11 m (4)
 - 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

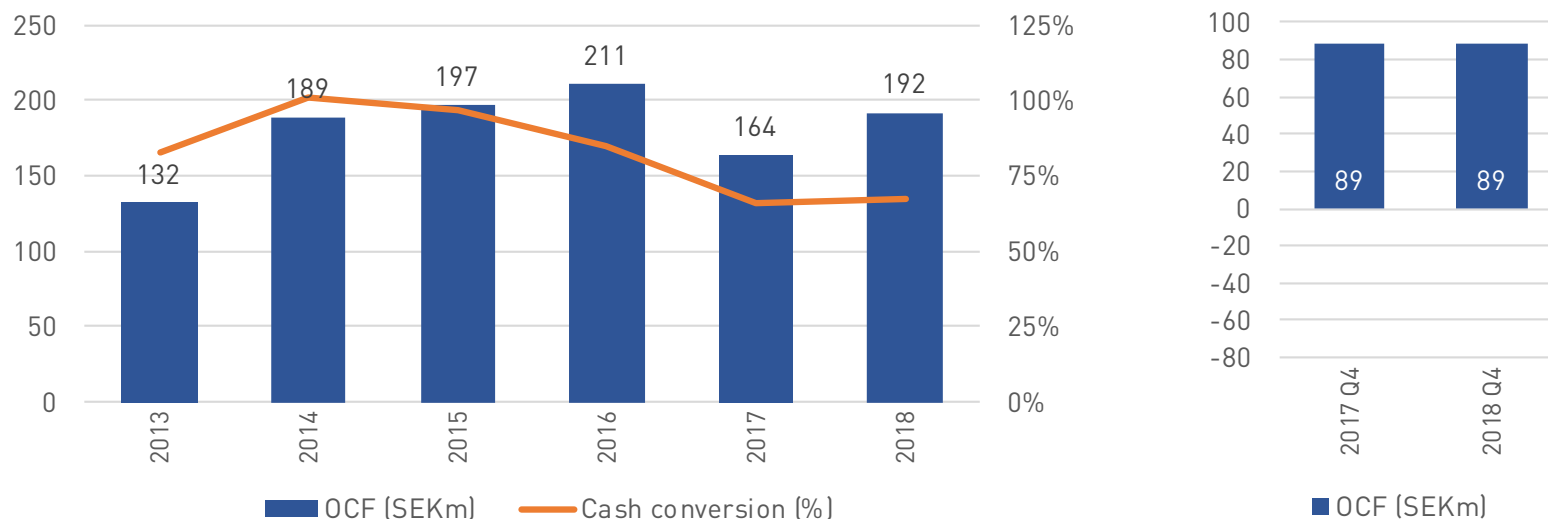
Cash generating operations

SEKm	2018-12-31	2017-12-31
Non-current assets	1,324	1,057
Current assets	803	699
Total assets	2,127	1,756
Equity	1,106	1,010
Non-current liabilities	535	456
Current liabilities	486	290
Total equity and liabilities	2,127	1,756
Capital employed	1,653	1,370
ROCE (before items affecting comparability)	14.8%	15.5%
Net debt	442	204
Equity/assets ratio	52%	58%
Net debt /equity ratio	0.4x	0.2x
Net debt/EBITDA	1.5x	0.8x

- Veg Tech is consolidated as from Q3-18
- ROCE at 14.8% was just below the long term financial target of 15,0% due to the increased capital employed following the relatively large acquisition of Veg Tech
- In December, a share buy-back program of maximum 200,000 shares (0,8% of the total number of issued shares) to secure the long term incentive programs was initiated. As per year-end, Nordic Waterproofing owns 11,610 treasury shares.
- The Board proposes an increased cash dividend of SEK 4.00 per share, in total SEK 96 m (64% of net profit)

Operating cash flow

Lower operating cash flow due to high net working capital



- Unchanged operating cash flow in Q4-18 of SEK 89 m (89)
 - Higher inventory at year-end, partially explained by higher purchase of raw materials to secure a competitive price level during Q1-19
 - Higher investments in fixed assets, primarily explained by higher capex need in acquired companies and upgraded ERP systems in Taasinge, Denmark and Sweden
- Operating cash conversion for the full year was 67% (66%)

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.

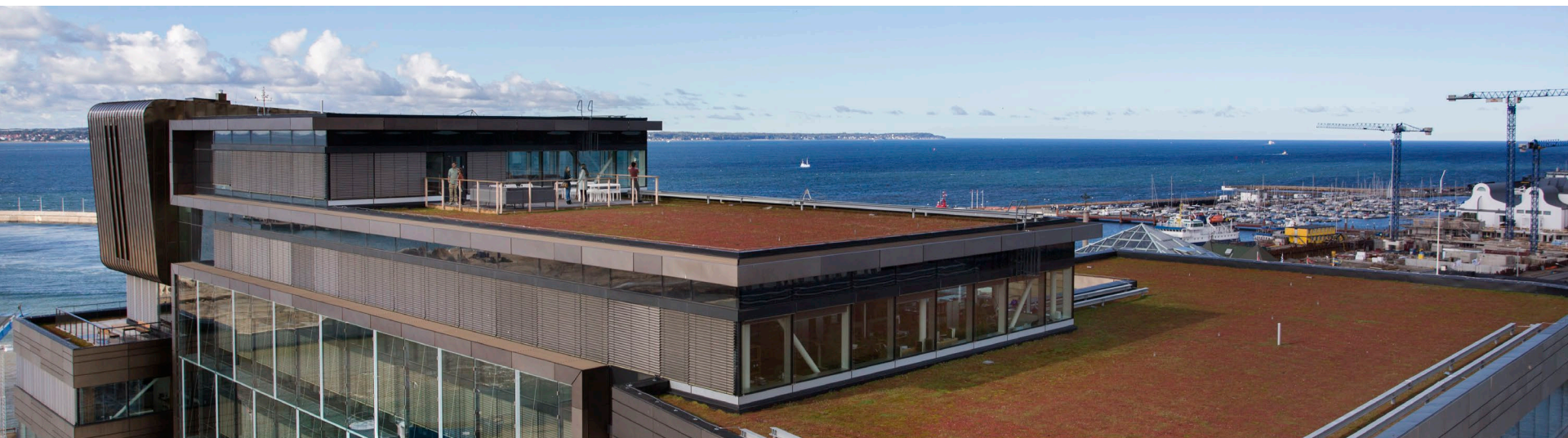


Dividend policy

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.



For the financial year 2019, general demand is expected to be similar to that in 2018 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 in the markets in which the Group operates. In addition to organic growth, the Group also expects to continue growing through selective acquisitions. EBIT before items affecting comparability is expected to increase compared with 2018, assuming normal winter conditions during the fourth quarter.



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Questions

Further information

- Martin Ellis
- Jonas Olin

www.nordicwaterproofing.com

Q1-report, January–March 2019:
2 May 2019

We make waterproofing easy



Top ten shareholders

Shareholders as per 31 December 2018

Owner	No. of shares	Capital and votes, %
Mawer Investment Management	2,729,537	11.3
Svolder Aktiebolag	2,504,672	10.4
Swedbank Robur Funds	2,187,095	9.1
Carnegie Funds	1,986,505	8.2
Catella Funds	1,310,558	5.4
Länsförsäkringar Funds	1,221,857	5.1
Handelsbanken Funds	850,044	3.5
Third AP-fund	638,916	2.7
Traction	600,000	2.5
AMF Insurance & Funds	573,199	2.4
Ten largest shareholders	14,602,383	60.6
Other shareholders*	9,481,552	39.4
Total	24,083,935	100.0

* Holdings with depositories are reported within "Other shareholders"

Share details

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 1,745 million (11 February 2019)
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 (34,000 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 Medioplast, Serneke Group 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 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. (12,055 shares)



Paul Erik Rask, Head of NW Denmark

Joined NWG in 1992

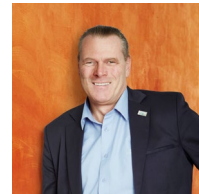
Previous experience: 30 years of experience of leading positions and sales and marketing including Trelleborg Phønix A/S (103,683 shares)



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 (15,000 shares)

* Including related parties